



**GEORGIA  
HEALTHCARE  
GROUP**

## **3<sup>rd</sup> quarter and 9-month 2020 Results**

*An extract from the parent company's, Georgia Capital PLC, results file. For the full version of the results release, please refer to the following link: [Georgia Capital PLC | 3Q20 & 9M20 results](#)*

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### **FORWARD LOOKING STATEMENTS**

This announcement contains forward-looking statements, including, but not limited to, statements concerning expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position and future operations and development. Although JSC Georgia Healthcare Group believes that the expectations and opinions reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations and opinions will prove to have been correct. By their nature, these forward-looking statements are subject to a number of known and unknown risks, uncertainties and contingencies, and actual results and events could differ materially from those currently being anticipated as reflected in such statements. Important factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements, certain of which are beyond our control, include, among other things: impact of COVID-19; compliance risk; recruitment and retention of skilled medical practitioners risk: clinical risk; concentration of revenue and the Universal Healthcare Programme; currency and macroeconomic; information technology and operational risk; regional tensions and political risk; and other key factors that could adversely affect our business and financial performance, which are contained elsewhere in this document and in our past and future filings and reports. Nothing in this document should be construed as a profit forecast.

## GHG overview

JSC Georgia Healthcare Group (“GHG” or “the Group”) is the largest and the only fully integrated healthcare provider in the fast-growing, predominantly privately-owned Georgian healthcare ecosystem, comprising three business lines: a healthcare services business, a pharmacy and distribution business and a medical insurance business.

Georgia Healthcare Group PLC was listed on the premium segment of the London Stock Exchange (“LSE”) in November 2015. Following the largest shareholder’s, Georgia Capital’s (GCAP), final share exchange offer becoming unconditional in all respects, Georgia Healthcare Group PLC’s listing on the premium segment of the London Stock Exchange’s main market was cancelled in August 2020 (further details of the transaction are available at: <https://georgiacapital.ge/ir/offer-ghg>).

GCAP, the 100% ultimate owner of GHG as of August 2020, continues to be listed on the premium segment of LSE (LN:CGEO).

*Below is presented the Group’s and its businesses third quarter and nine-month 2020 consolidated financial results. Unless otherwise mentioned, comparatives are for the third quarter of 2019. The results are based on International Financial Reporting Standards (“IFRS”) as adopted in the European Union (“EU”), are unaudited and extracted from management accounts.*

## Discussion of Healthcare Services Business Results

Healthcare Services business, owned through GHG, is the largest healthcare market participant in Georgia, accounting for 20% of the country's total hospital bed capacity as of 30-Sep-20. Healthcare services business comprises three segments: 1) Hospitals (17 referral hospitals with a total of 2,596 beds) providing secondary and tertiary level healthcare services; 2) Clinics: 19 community clinics with 353 beds (providing outpatient and basic inpatient healthcare services) and 15 polyclinics (providing outpatient diagnostic and treatment services); 3) Diagnostics, operating the largest laboratory in the entire Caucasus region - "Mega Lab". As of 30-Sep-20, the healthcare services business is 100% owned by GHG.

### 3Q20 & 9M20 performance, Healthcare Services<sup>1,2</sup>

INCOME STATEMENT HIGHLIGHTS	3Q20	3Q19	Change	9M20	9M19	Change
Revenue, net <sup>3</sup>	70,876	68,585	3.3%	198,950	216,162	-8.0%
Gross Profit	31,583	29,550	6.9%	80,674	93,493	-13.7%
Gross profit margin	44.3%	42.5%	+1.8ppts	40.2%	42.9%	-2.7ppts
Operating expenses (ex. IFRS 16)	(12,794)	(13,062)	-2.0%	(39,528)	(39,808)	-0.7%
EBITDA (ex. IFRS 16)	18,789	16,488	14.0%	41,146	53,685	-23.4%
EBITDA margin (ex. IFRS 16)	26.3%	23.7%	+2.6ppts	20.5%	24.6%	-4.1ppts
Adjusted <sup>4</sup> net profit/(loss) ex. IFRS 16	5,200	2,156	141.2%	(2,993)	11,500	NMF
Net (loss)/profit ex. IFRS 16	(28,628)	2,291	NMF	(40,469)	11,731	NMF
CASH FLOW HIGHLIGHTS						
Cash flow from operating activities (ex. IFRS 16)	21,287	8,410	153.1%	73,022	28,753	154.0%
EBITDA to cash conversion (ex. IFRS 16)	113.3%	51.0%	+62.3ppts	177.5%	53.6%	+123.9ppts
Cash flow from/used in investing activities	36,917	(3,896)	NMF	17,727	(13,443)	NMF
Free cash flow (ex. IFRS 16) <sup>5</sup>	49,848	1,123	NMF	83,557	(696)	NMF
Cash flow from financing activities (ex. IFRS 16)	(2,376)	(4,487)	-47.0%	(3,026)	(28,464)	-89.4%
BALANCE SHEET HIGHLIGHTS	30-Sep-20	30-Jun-20	change	31-Dec-19	change	
Total assets	885,943	960,076	-7.7%	953,874	-7.1%	
Of which, cash balance and bank deposits	98,905	41,958	NMF	7,648	NMF	
Of which, securities and loans issued	4,573	3,618	26.4%	-	NMF	
Total liabilities	491,708	495,606	-0.8%	472,675	4.0%	
Of which, borrowings	313,853	304,060	3.2%	291,239	7.8%	
Total equity	394,235	464,470	-15.1%	481,199	-18.1%	

### KEY POINTS

- Revenue and EBITDA demonstrating growth trajectory once again in 3Q20 y-o-y; Revenue up 3.3% and EBITDA up 14.0%
- Cash flow from operating activities (ex. IFRS 16) up 153.1% in 3Q20 and up 154.0% in 9M20, y-o-y
- Free cash flow (ex. IFRS 16) at GEL 83.6 million in 9M20, up from negative GEL 0.7 million y-o-y
- Net debt<sup>6</sup> down 26.9% y-o-y to GEL 210.4 million as of 30-Sep-20 (down 18.6% q-o-q)

### INCOME STATEMENT HIGHLIGHTS

Following the lifting of COVID-19 related lockdown restrictions in June, which affected hospitals and clinics segments, the healthcare business revenue started to rebound. The trend continued into the 3<sup>rd</sup> quarter, which saw the number of admissions increase by 17% at clinics, translating into 3Q20 net revenue of GEL 11.6 million, up 11.0% y-o-y. Hospitals also demonstrated a similar trend as the number of admissions was up 3% in 3Q20 y-o-y, while revenue for the period was GEL 57.9 million, largely flat to 2019 level (GEL 58.1 million). The diagnostics segment, which apart from regular diagnostics services is also engaged in COVID-19 testing, almost tripled its quarterly revenue in 3Q20 y-o-y, reaching GEL 3.3 million. All this translated into 3.3% y-o-y growth in 3Q20 net revenue from healthcare services. 9M20 healthcare services net revenue was down 8.0% y-o-y, reflecting a reduction in patient footfall at healthcare facilities mainly during COVID-19 lockdown in 2Q20.

The cost of our services in the business are captured in the materials and direct salary rates. The materials rate increased slightly y-o-y in 2020 (up 0.9 ppts and 2.4 ppts at hospitals and up 0.7 ppts and 0.3 ppts at clinics, respectively, in 3Q20 and 9M20), reflecting increased consumption of medical disposables and personal protective equipment at healthcare facilities. The 3Q20 direct salary rate remained well-controlled at hospitals (down 2.2 ppts y-o-y) and clinics (down 5.3 ppts y-o-y), leading to a 1.8 ppts y-o-y increase in the healthcare services gross margin. In 9M20, gross margin was down 2.7 ppts y-o-y to 40.2%. Due to the cost optimization measures, the business posted positive operating leverage in 3Q20, translating into a 14.0% y-o-y growth in respective EBITDA earnings excluding IFRS 16. In 3Q20, EBITDA margin (ex. IFRS 16) was 26.4% at hospitals (up 1.4 ppts y-o-y) and 23.3% at clinics (up 6.4% y-o-y). Overall, in 9M20, the business posted GEL 41.1 million EBITDA (ex. IFRS 16), down 23.4% y-o-y.

Strong liquidity management measures resulted in a 26.9% y-o-y decline in net debt position to GEL 210.4 million as of 30-Sep-20, respectively decreasing 3Q20 interest expense, excluding IFRS 16 impact, by 17.2% to GEL 6.2 million. The depreciation of GEL during 2020 led to a foreign currency loss in 9M20 (GEL 3.1 million (excluding IFRS 16)) on the relatively small portion of the business's

<sup>1</sup> The detailed IFRS financial statements are included in supplementary excel file, available at <https://georgiacapital.ge/ir/financial-results>.

<sup>2</sup> All numbers in income statement and cash flow statement are adjusted to exclude HTMC hospital, sold in August 2020, discussed below in more detail.

<sup>3</sup> Net revenue – Gross revenue excluding corrections and rebates. Margins are calculated from Gross revenue.

<sup>4</sup> Adjusted for non-recurring items, FX loss and loss from discontinued operations due to HTMC hospital disposal.

<sup>5</sup> Operating cash flows less capex and payment of holdback on acquisition of subsidiaries, but inclusive of GEL 32.8m net inflow from disposal of 40% equity stake in HTMC and also proceeds from sale of property and equipment.

<sup>6</sup> Net debt is calculated from cash balance and bank deposits, securities and loans issued minus gross debt.

borrowings denominated in foreign currency. The business had non-recurring expenses of GEL 8.8 million in 9M20, mainly related to one-off costs associated with de-listing of GHG from London Stock Exchange, of which, GEL 4.6 million relates to acceleration of share-based expenses for employees. In 3Q20, a loss from discontinued operations of GEL 25.4 million was recorded, resulting from the disposal of a 40% equity stake in HTMC. The business posted net losses from continuing operations excluding IFRS 16 in both 3Q20 and 9M20, which adjusted for FX loss and non-recurring expenses resulted in GEL 5.2 million net profit for 3Q20, (up 141.2% y-o-y) and net loss for 9M20 of GEL 3.0 million (down from GEL 11.5 million in 9M19).

### CASH FLOW HIGHLIGHTS

Cash collection from the Government and strong liquidity management practices led to an increase in cash flow generation, with 113.3% and 177.5% EBITDA to cash conversion ratios excluding IFRS 16, respectively, for 3Q20 and 9M20. Strong operating cash flow ex. IFRS 16, (up 153.1% y-o-y in 3Q20 and up 154.0% in 9M20), reduced capex investments (down 29.9% y-o-y from GEL 23.3 million in 9M19 to GEL 16.4 million in 9M20) and proceeds received from selling of HTMC hospital, resulted in GEL 98.9 million ending cash and cash equivalent balance as of 30 September 2020. Free cash flow excluding IFRS 16 increased significantly to GEL 49.8 million in 3Q20 (up from GEL 1.1 million y-o-y), reflecting GEL 32.8 million net proceeds from HTMC disposal. Free cash flow excluding IFRS 16 was GEL 83.6 million in 9M20 (up from negative GEL 0.7 million y-o-y).

### RECENT DEVELOPMENTS

- In September 2020, due to the increased spread of the COVID-19 virus, the business has mobilised c. 800 beds across the country; At the moment, six hospitals are engaged in receiving COVID-19 patients, of which, three are located in regions and three are located in Tbilisi.

On 19 August 2020, GHG signed a Sales and Purchase Agreement to sell a 40% equity interest in High Technology Medical Centre University Clinic ("HTMC") to Tbilisi State Medical University, which intends to use it as a teaching platform (the "Sale"). Total cash consideration for the Sale was US\$ 12 million (GEL 36.8 million). The sale is in line with GHG's strategy to divest low-return generating assets. HTMC was one of the lowest return generating assets across GHG's hospital portfolio with a FY19 ROIC of 3.4%. The divestment, therefore, materially improves the Healthcare business ROIC - on a pro-forma basis, increasing FY19 healthcare business ROIC by approximately 90bps.

## Discussion of Retail (pharmacy) Business Results

Retail (pharmacy) business, owned through GHG, is the largest pharmaceuticals retailer and wholesaler in Georgia, with a c.33% market share by revenue. The business consists of a retail pharmacy chain and a wholesale business that sells pharmaceuticals and medical supplies to hospitals and other pharmacies. The pharmacy chain has a total of 309 pharmacies, of which, 305 are in Georgia and 4 are in Armenia. GHG owns 67% in the retail (pharmacy) business as of 30-Sep-20.

### 3Q20 & 9M20 performance, Retail (pharmacy)<sup>7</sup>

INCOME STATEMENT HIGHLIGHTS	3Q20	3Q19	Change	9M20	9M19	Change
<b>Revenue, net</b>	<b>159,593</b>	<b>146,800</b>	<b>8.7%</b>	<b>478,433</b>	<b>441,993</b>	<b>8.2%</b>
<b>Gross Profit</b>	<b>39,853</b>	<b>37,685</b>	<b>5.8%</b>	<b>123,571</b>	<b>111,934</b>	<b>10.4%</b>
Gross profit margin	25.0%	25.7%	-0.7ppts	25.8%	25.3%	+0.5ppts
Operating expenses (ex. IFRS 16)	(23,421)	(22,475)	4.2%	(73,511)	(65,816)	11.7%
<b>EBITDA (ex. IFRS 16)</b>	<b>16,432</b>	<b>15,210</b>	<b>8.0%</b>	<b>50,060</b>	<b>46,118</b>	<b>8.5%</b>
EBITDA margin, (ex. IFRS 16)	10.3%	10.4%	-0.1ppts	10.5%	10.4%	+0.1ppts
<b>Net (loss)/profit (ex. IFRS 16)</b>	<b>(70)</b>	<b>10,034</b>	<b>NMF</b>	<b>20,449</b>	<b>30,405</b>	<b>-32.7%</b>
<b>Adjusted<sup>8</sup> net profit, (ex. IFRS 16)</b>	<b>12,128</b>	<b>10,909</b>	<b>11.2%</b>	<b>37,285</b>	<b>34,430</b>	<b>8.3%</b>
<b>CASH FLOW HIGHLIGHTS</b>						
<b>Cash flow from operating activities (ex. IFRS 16)</b>	<b>15,063</b>	<b>(11,175)</b>	<b>NMF</b>	<b>48,439</b>	<b>19,717</b>	<b>145.7%</b>
EBITDA to cash conversion	91.7%	-73.5%	+165.1ppts	96.8%	42.8%	+54.0ppts
<b>Cash flow used in investing activities</b>	<b>(608)</b>	<b>(672)</b>	<b>-9.6%</b>	<b>(1,026)</b>	<b>(912)</b>	<b>12.4%</b>
<b>Free cash flow, (ex. IFRS 16)<sup>9</sup></b>	<b>13,618</b>	<b>(13,568)</b>	<b>NMF</b>	<b>44,610</b>	<b>17,883</b>	<b>149.5%</b>
<b>Cash flow from financing activities (ex. IFRS 16)</b>	<b>(36,295)</b>	<b>8,077</b>	<b>NMF</b>	<b>(21,522)</b>	<b>(30,327)</b>	<b>-29.0%</b>
<b>BALANCE SHEET HIGHLIGHTS</b>	<b>30-Sep-20</b>	<b>30-Jun-20</b>	<b>change</b>	<b>31-Dec-19</b>	<b>Change</b>	
<b>Total assets</b>	<b>435,178</b>	<b>454,006</b>	<b>-4.1%</b>	<b>396,078</b>	<b>9.9%</b>	
Of which, cash and bank deposits	35,918	56,797	-36.8%	7,774	NMF	
Of which, securities and loans issued	12,398	12,327	0.6%	12,167	1.9%	
<b>Total liabilities</b>	<b>346,204</b>	<b>355,204</b>	<b>-2.5%</b>	<b>303,240</b>	<b>14.2%</b>	
Of which, borrowings	94,612	120,751	-21.6%	84,712	11.7%	
Of which, finance lease liabilities	89,065	77,418	15.0%	77,700	14.6%	
IFRS 16 impact	89,065	77,418	15.0%	77,700	14.6%	
<b>Total equity</b>	<b>88,974</b>	<b>98,802</b>	<b>-9.9%</b>	<b>92,838</b>	<b>-4.2%</b>	

### KEY POINTS

- Continued y-o-y growth in 3Q20 and 9M20 revenues and EBITDA despite COVID-19 outbreak
- 10.3% EBITDA margin in 3Q20 and 10.5% in 9M20, substantially exceeding the targeted 9% margin
- Cash collection remained strong and EBITDA to cash conversion ratio at 91.7% in 3Q20 and at 96.8% in 9M20
- Outstanding free cash flow generation at GEL 44.6 million in 9M20, up 2.5 times y-o-y
- Net debt<sup>10</sup> down 28.5% from 31-Dec-19 to GEL 46.3 million as of 30-Sep-20 (down 10.3% q-o-q from 30-Jun-20)
- Addition of 9 pharmacies over the last 9 months, expanding from 296 to 305 stores countrywide

### INCOME STATEMENT HIGHLIGHTS

The pharmacy business continued to deliver growing revenues in 2020, reflecting both expansion and organic sales growth, with 3.6% and 5.1% same-store revenue growth rates in 3Q20 and 9M20, respectively. From April sales started to slow down after strong 1Q20 results, reflecting pandemic related behavioural change, as customers started to stock up on pharmaceuticals in March ahead of the lockdown. However, revenue rebounded in June and the trend continued in the third quarter. As a result, the business posted an 8.7% increase in net revenues in 3Q20 and overall, an 8.2% increase in 9M20, y-o-y. The business issued 7.0 million bills in 3Q20 and 20.4 million in 9M20, with average customer interactions of 2.3 million per month and the average bill size of GEL 15.6 in 3Q20 (up 9.9% y-o-y) and GEL 16.2 in 9M20 (up 15.6% y-o-y).

In 3Q20, the retail revenue share in total revenue was 73.0% (71.6% in 3Q19) and revenue from para-pharmacy as a percentage of retail revenue from pharma was up 4.0 ppts y-o-y (from 32.1% in 3Q19 to 36.1% in 3Q20). Revenues from sales in high-margin non-medication categories (personal care, beauty and other parapharmacy products) were up 20.8% y-o-y to GEL 43.9 million in 3Q20. The increase mainly related to increased sale of personal protective items such as disinfectants, masks etc. and summer promotions on parapharmacy products that slightly subdued the margins, down 1.8 ppts y-o-y to 31.2%, translating into a 0.7 ppts decrease in business gross margin to 25.0% in 3Q20. Overall, in 9M20, the retail revenue share in total revenue was 73.7% (71.2% in 9M19) and revenue from para-pharmacy as a percentage of retail revenue from pharma was 34.7% (30.9% in 9M19). Revenues from sales in non-medication categories, parapharmacy products, were up 21.0% y-o-y to GEL 125.6 million in 9M20, with a 29.8% gross profit margin. In 9M20 the business gross margin improved by 0.5 ppts y-o-y, reaching 25.8%.

In 3Q20, the operating leverage was positive 1.6% excluding IFRS 16 impact, reflecting a well-managed cost base and translating into 8.0% y-o-y EBITDA growth with a 10.3% EBITDA margin. In 9M20, negative operating leverage 1.3% reflects: a) the 97.1% y-o-y decrease in other operating income due to gain from the sale of land in the prior year and b) increased rent expense of pharmacies due to GEL devaluation throughout the year (about 85% of rental contracts are denominated in US\$ dollars), translating into 12.4%

<sup>7</sup> The detailed IFRS financial statements are included in supplementary excel file, available at <https://georgiacapital.ge/ir/financial-results>.

<sup>8</sup> Adjusted for non-recurring items and FX loss.

<sup>9</sup> Calculated by deducting capex from operating cash flows and by adding proceeds from sale of PPE.

<sup>10</sup> Net debt is calculated from Cash balance and bank deposits, securities and loans issued minus gross debt.

y-o-y increase in 9M20 general and administrative expense excluding IFRS 16 impact to GEL 34.1 million. The result was an 8.5% y-o-y growth in 9M20 EBITDA excluding IFRS 16, with a 10.5% EBITDA margin.

Interest expense, excluding IFRS 16, was down 15.2% in 3Q20 y-o-y to GEL 2.6 million, translating into an 8.0% y-o-y reduction in 9M20 to GEL 8.2 million. As the inventory purchases are denominated in foreign currency (c.40% in EUR and c.30% in USD), depreciation of the local currency in 3Q20 and 9M20 resulted in FX loss of GEL 5.1 and GEL 9.7 million, respectively, excluding IFRS 16. The business posted GEL 7.2 million net non-recurring expense in 9M20, primarily related to one-off cost associated with GHG de-listing, of which GEL 4.9 million relates to acceleration of share-based expenses for employees.

As a result, the business posted a GEL 0.1 million loss in 3Q20, excluding IFRS 16, which adjusted for FX loss and non-recurring expenses resulted in an 11.2% y-o-y increase in net profit to GEL 12.1 million for the quarter. In 9M20, the business posted GEL 20.4 million net profit excluding IFRS 16, which, if adjusted for FX loss and non-recurring expenses, resulted in an 8.3% y-o-y increase in net profit to GEL 37.3 million.

#### **CASH FLOW AND BALANCE SHEET HIGHLIGHTS**

The business' strong operating cash flow with EBITDA to cash conversion ratio of 91.7% in 3Q20 and 96.8% in 9M20, coupled with decreased capex investments, resulted in an ending balance of cash and cash equivalents of GEL 35.9 million as of 30-Sep-20 (up from GEL 7.8 million at 31-Dec-19). Free cash flow profile significantly improved in 3Q20 to GEL 13.6 million from negative GEL 13.6 million in 3Q19, while 9M20 free cash flow was up almost three times y-o-y to GEL 44.6 million. Strong liquidity management was reflected in an improved leverage profile, with net debt being down 46.0% y-o-y as of 30-Sep-20.

## Discussion of Medical Insurance Business Results

GHG is the country's largest private medical insurer, with a 26.0% market share based on 2Q20 net insurance premiums. GHG offers a variety of medical insurance products primarily to Georgian corporate and state entities and also to retail clients. The medical insurance business plays a significant feeder role for GHG's polyclinics, pharmacies and hospitals. GHG owns 100% in the insurance business as of 30-Sep-20.

### 3Q20 & 9M20 performance, Medical Insurance<sup>11</sup>

INCOME STATEMENT HIGHLIGHTS	3Q20	3Q19	Change	9M20	9M19	Change
Earned premiums, net	16,906	19,435	-13.0%	51,465	55,801	-7.8%
Net underwriting profit	3,602	4,467	-19.4%	11,590	8,917	30.0%
Net profit	1,492	2,353	-36.6%	4,114	3,787	8.6%
CASH FLOW HIGHLIGHTS						
Net cash flows from operating activities	3,609	1,474	144.9%	8,111	5,612	44.5%
Free cash flow	6,586	1,467	348.9%	10,916	5,576	95.8%
BALANCE SHEET HIGHLIGHTS	30-Sep-20	30-Jun-20	Change	31-Dec-19	Change	
Total assets	87,602	91,993	-4.8%	79,575	10.1%	
Total equity	30,730	30,253	1.6%	26,880	14.3%	

### KEY POINTS

- Loss ratio down 6.3 ppts y-o-y to 73.9% in 9M20 (up 1.5 ppts y-o-y to 74.9% in 3Q20)
- Insurance renewal rate at 71.0% in 3Q20 and 72.6% in 9M19

### INCOME STATEMENT HIGHLIGHTS

A 13.0% and 7.8% y-o-y decline in 3Q20 and 9M20 revenues reflects the decrease in the number of insured clients to c.174,000 as of 30-Sep-20 from c. 236,000 as of 31-Dec-19, mainly due to the expiry of the Ministry of Defence contract from February 2020. The reduced revenue has an immaterial impact on earnings, as the client's loss ratio was far above the business' average.

Various incentives such as the direct settlement of claims with the provider mean that, on top of its own positive contribution to GHG's profitability, the medical insurance business plays a feeder role in originating and directing patients to GHG's healthcare facilities, mainly to polyclinics and to pharmacies. The direct settlement improves claims retention rates within GHG.

#### Claims retention rates

	3Q20	3Q19	Change	9M20	9M19	Change
Total claims retained within the GHG	34.8%	44.9%	-10.1ppts	40.5%	41.6%	-1.1ppts
Total claims retained in outpatient	42.9%	40.5%	2.4ppts	41.7%	40.5%	1.2ppts

The decrease in total claims retained within the Group is mainly due to the sale of HTMC hospital, while retention rates were improved at polyclinics, as shown in the table above.

In 9M20, the medical insurance claims net expenses were GEL 38.0 million (down 15.0% y-o-y), of which GEL 16.7 million (43.9% of the total) was inpatient, GEL 13.4 million (35.3% of total) was outpatient and GEL 7.9 million (20.9% of total) was related to drugs. The increase in quarterly loss ratio y-o-y to 74.9% is due to the increased demand for healthcare services and related claims reimbursements after lockdown and other restrictions were lifted. Overall, in 9M20 the loss ratio remains well controlled, down 6.3 ppts y-o-y to 73.9%, partially due to the expiry of Ministry of Defence contract which had a loss ratio far above the average level for the business.

Salary and other employee benefits decreased by 8.5% y-o-y to GEL 1.5 million in 3Q20, while they increased by 14.4% y-o-y to GEL 4.3 million in 9M20 due to the accrual of performance based annual bonuses. The increase in impairment expense to GEL 0.5 million in 3Q20 (GEL 0.1 million in 3Q19) and GEL 1.5 million in 9M20 (GEL 0.3 million in 9M19) reflects a decline in receivables collection rate, mostly from travel agencies, as small businesses began to face some difficulties due to the current circumstances caused by the pandemic.

As a result of the above developments, the combined ratio was up by 0.2 ppts to 89.3% for the quarter and improved by 3.5 ppts for the year to 91.4%. As a result, net profit was down 36.6% y-o-y to GEL 1.5 million in 3Q20 and up 8.6% to GEL 4.1 million in 9Q20. Adjusted for FX loss and non-recurring expenses, the business posted net profit of GEL 2.0 million in 3Q20 (down 16.8% y-o-y) and GEL 4.8 million (up 26.4% y-o-y) in 9M20. Non-recurring expense of GEL 0.6 million were recorded in 3Q20, related to GHG de-listing, out of which GEL 0.4 million relates to acceleration of share-based expenses for employees.

### BALANCE SHEET AND CASH FLOW HIGHLIGHTS

Cash and cash equivalents balance was up 48.3% since 31-Dec-19 to GEL 24.6 million. Operating cash flow was up to GEL 3.6 million in 3Q20 and to GEL 8.1 million in 9M20 translating into 144.9% and 44.5% y-o-y growth, respective

<sup>11</sup> The detailed IFRS financial statements are included in supplementary excel file, available at <https://georgiacapital.ge/ir/financial-results>.



## SELECTED FINANCIAL INFORMATION – Healthcare Services

INCOME STATEMENT														
	Hospitals			Clinics			Diagnostics			Eliminations			Total	
<i>GEL thousands, unless otherwise noted</i>	9M20	9M19	Change	9M20	9M19	Change	9M20	9M19	Change	9M20	9M19	9M20	9M19	Change
<b>Revenue, gross</b>	<b>166,108</b>	<b>185,339</b>	<b>-10.4%</b>	<b>33,112</b>	<b>32,536</b>	<b>1.8%</b>	<b>6,740</b>	<b>3,412</b>	<b>97.5%</b>	<b>(5,089)</b>	<b>(3,187)</b>	<b>200,871</b>	<b>218,100</b>	<b>-7.9%</b>
Corrections & rebates	(1,638)	(1,658)	-1.2%	(284)	(280)	1.4%	-	-	-	-	-	(1,922)	(1,938)	-0.9%
<b>Revenue, net</b>	<b>164,471</b>	<b>183,681</b>	<b>-10.5%</b>	<b>32,828</b>	<b>32,256</b>	<b>1.8%</b>	<b>6,740</b>	<b>3,412</b>	<b>97.5%</b>	<b>(5,089)</b>	<b>(3,187)</b>	<b>198,950</b>	<b>216,162</b>	<b>-8.0%</b>
<b>Costs of services</b>	<b>(100,256)</b>	<b>(105,496)</b>	<b>-5.0%</b>	<b>(17,644)</b>	<b>(18,173)</b>	<b>-2.9%</b>	<b>(5,467)</b>	<b>(2,387)</b>	<b>129.0%</b>	<b>5,091</b>	<b>3,386</b>	<b>(118,276)</b>	<b>(122,670)</b>	<b>-3.6%</b>
Cost of salaries and other employee benefits	(59,366)	(65,843)	-9.8%	(10,894)	(11,443)	-4.8%	(1,214)	(800)	51.8%	-	-	(71,474)	(78,086)	-8.5%
Cost of materials and supplies	(29,201)	(28,198)	3.6%	(2,137)	(1,997)	7.0%	(3,891)	(1,281)	203.7%	-	172	(35,229)	(31,304)	12.5%
Cost of medical service providers	(2,977)	(2,328)	27.9%	(2,806)	(3,185)	-11.9%	(74)	(82)	-9.8%	4,811	3,118	(1,046)	(2,477)	-57.8%
Cost of utilities and other	(8,712)	(9,127)	-4.5%	(1,807)	(1,548)	16.7%	(288)	(224)	28.6%	280	96	(10,527)	(10,803)	-2.6%
<b>Gross profit</b>	<b>64,215</b>	<b>78,186</b>	<b>-17.9%</b>	<b>15,184</b>	<b>14,083</b>	<b>7.8%</b>	<b>1,273</b>	<b>1,025</b>	<b>24.2%</b>	<b>2</b>	<b>199</b>	<b>80,674</b>	<b>93,493</b>	<b>-13.7%</b>
Salaries and other employee benefits	(22,014)	(21,564)	2.1%	(6,011)	(5,452)	10.3%	(556)	(755)	-26.4%	-	-	(28,581)	(27,771)	2.9%
General and administrative expenses	(8,164)	(9,372)	-12.9%	(2,164)	(2,387)	-9.3%	(221)	(254)	-13.0%	33	114	(10,516)	(11,899)	-11.6%
<i>General and administrative expenses excluding IFRS 16</i>	<i>(8,393)</i>	<i>(9,793)</i>	<i>-14.3%</i>	<i>(3,251)</i>	<i>(3,450)</i>	<i>-5.8%</i>	<i>(221)</i>	<i>(268)</i>	<i>-17.5%</i>	33	114	<i>(11,832)</i>	<i>(13,397)</i>	<i>-11.7%</i>
Impairment of receivables	(3,020)	(3,063)	-1.4%	(137)	(109)	25.7%	-	(4)	NMF	-	-	(3,157)	(3,176)	-0.6%
Other operating income	3,481	4,041	-13.9%	539	693	-22.2%	96	117	-17.9%	(75)	(316)	4,041	4,535	-10.9%
<b>EBITDA</b>	<b>34,499</b>	<b>48,229</b>	<b>-28.5%</b>	<b>7,411</b>	<b>6,828</b>	<b>8.5%</b>	<b>592</b>	<b>129</b>	<b>NMF</b>	<b>(40)</b>	<b>(3)</b>	<b>42,462</b>	<b>55,183</b>	<b>-23.1%</b>
<b>EBITDA excluding IFRS 16</b>	<b>34,270</b>	<b>47,808</b>	<b>-28.3%</b>	<b>6,324</b>	<b>5,765</b>	<b>9.7%</b>	<b>592</b>	<b>115</b>	<b>NMF</b>	<b>(40)</b>	<b>(3)</b>	<b>41,146</b>	<b>53,685</b>	<b>-23.4%</b>
<b>EBITDA margin excluding IFRS 16</b>	<b>20.6%</b>	<b>25.8%</b>	<b>-5.2ppts</b>	<b>19.1%</b>	<b>17.7%</b>	<b>-1.4ppts</b>	<b>8.8%</b>	<b>3.4%</b>	<b>+5.4ppts</b>	<b>NMF</b>	<b>NMF</b>	<b>NMF</b>	<b>NMF</b>	<b>NMF</b>
Depreciation and amortization	(17,876)	(16,594)	7.7%	(5,449)	(5,068)	7.5%	(230)	(180)	27.8%	-	-	(23,555)	(21,842)	7.8%
<i>Depreciation and amortization excluding IFRS 16</i>	<i>(17,289)</i>	<i>(16,017)</i>	<i>7.9%</i>	<i>(4,363)</i>	<i>(3,879)</i>	<i>12.5%</i>	<i>(230)</i>	<i>(167)</i>	<i>37.7%</i>	-	-	<i>(21,882)</i>	<i>(20,063)</i>	<i>9.1%</i>
Net interest income (expense)	(18,635)	(19,164)	-2.8%	(3,776)	(3,370)	12.0%	(371)	(97)	282.5%	-	(5)	(22,782)	(22,636)	0.6%
<i>Net interest income (expense) excluding IFRS 16</i>	<i>(18,500)</i>	<i>(19,040)</i>	<i>-2.8%</i>	<i>(3,385)</i>	<i>(2,981)</i>	<i>13.6%</i>	<i>(371)</i>	<i>(96)</i>	<i>286.5%</i>	-	(5)	<i>(22,256)</i>	<i>(22,122)</i>	<i>0.6%</i>
Net gains/(losses) from foreign currencies	(3,091)	(1,387)	122.9%	(887)	(1,101)	-19.4%	(3)	(24)	-87.5%	-	-	(3,981)	(2,512)	58.5%
<i>Net gains/(losses) from foreign currencies excluding IFRS 16</i>	<i>(2,789)</i>	<i>(925)</i>	<i>201.5%</i>	<i>(263)</i>	<i>(72)</i>	<i>265.3%</i>	<i>(3)</i>	<i>(24)</i>	<i>-87.5%</i>	-	-	<i>(3,055)</i>	<i>(1,021)</i>	<i>NMF</i>
Net non-recurring income/(expense)	(7,570)	(536)	NMF	(1,257)	(69)	NMF	-	(5)	NMF	-	-	(8,827)	(611)	NMF
<b>Profit before income tax expense</b>	<b>(12,675)</b>	<b>10,547</b>	<b>NMF</b>	<b>(3,958)</b>	<b>(2,780)</b>	<b>42.4%</b>	<b>(12)</b>	<b>(177)</b>	<b>-93.2%</b>	<b>(40)</b>	<b>(8)</b>	<b>(16,685)</b>	<b>7,582</b>	<b>NMF</b>
Income tax benefit/(expense)	-	-	-	-	-	-	-	-	-	-	-	-	-	NMF
<b>Profit for the period from continuous operations</b>	<b>(12,675)</b>	<b>10,547</b>	<b>NMF</b>	<b>(3,958)</b>	<b>(2,780)</b>	<b>42.4%</b>	<b>(12)</b>	<b>(177)</b>	<b>-93.2%</b>	<b>(40)</b>	<b>(8)</b>	<b>(16,685)</b>	<b>7,582</b>	<b>NMF</b>
Loss from discontinued operations	(25,593)	1,863	NMF	-	-	-	-	-	-	-	-	(25,593)	1,863	NMF
<b>Profit for the period</b>	<b>(38,268)</b>	<b>12,410</b>	<b>NMF</b>	<b>(3,958)</b>	<b>(2,780)</b>	<b>42.4%</b>	<b>(12)</b>	<b>(177)</b>	<b>-93.2%</b>	<b>(40)</b>	<b>(8)</b>	<b>(42,278)</b>	<b>9,445</b>	<b>NMF</b>
<b>Attributable to:</b>														
- shareholders of the Company	(39,455)	8,674	NMF	(4,019)	(2,840)	41.5%	(12)	(177)	-93.2%	(40)	(8)	(43,526)	5,649	NMF
- non-controlling interests	1,187	3,736	-54.2%	61	60	1.7%	-	-	-	-	-	1,248	3,796	-67.1%
<b>Profit for the period excluding IFRS 16 from continuous operations</b>	<b>(11,880)</b>	<b>11,290</b>	<b>NMF</b>	<b>(2,944)</b>	<b>(1,236)</b>	<b>138.1%</b>	<b>(12)</b>	<b>(177)</b>	<b>-93.2%</b>	<b>(40)</b>	<b>(8)</b>	<b>(14,876)</b>	<b>9,868</b>	<b>NMF</b>
Loss from discontinued operations excluding IFRS 16	(25,593)	1,863	NMF	-	-	-	-	-	-	-	-	(25,593)	1,863	NMF
<b>Profit for the period excluding IFRS 16</b>	<b>(37,473)</b>	<b>13,152</b>	<b>NMF</b>	<b>(2,944)</b>	<b>(1,236)</b>	<b>138.1%</b>	<b>(12)</b>	<b>(177)</b>	<b>-93.2%</b>	<b>(40)</b>	<b>(8)</b>	<b>(40,469)</b>	<b>11,731</b>	<b>NMF</b>
<b>Attributable to:</b>														
- shareholders of the Company	(38,660)	9,416	NMF	(3,005)	(1,296)	131.8%	(12)	(177)	-93.2%	(40)	(8)	(41,717)	7,935	NMF
- non-controlling interests	1,187	3,736	-54.2%	61	60	1.7%	-	-	-	-	-	1,248	3,796	-67.1%

SELECTED FINANCIAL INFORMATION – Healthcare Services, *continued*

INCOME STATEMENT	Hospitals			Clinics			Diagnostics			Eliminations			Total		
	3Q20	3Q19	Change	3Q20	3Q19	Change	3Q20	3Q19	Change	3Q20	3Q19	3Q20	3Q19	Change	
<i>GEL thousands, unless otherwise noted</i>															
<b>Revenue, gross</b>	<b>58,258</b>	<b>58,821</b>	<b>-1.0%</b>	<b>11,651</b>	<b>10,552</b>	<b>10.4%</b>	<b>3,293</b>	<b>1,127</b>	<b>192.2%</b>	(1,878)	(1,044)	<b>71,324</b>	<b>69,456</b>	<b>2.7%</b>	
Corrections & rebates	(387)	(761)	-49.2%	(61)	(110)	-44.5%	-	-	-	-	-	(448)	(871)	-48.6%	
<b>Revenue, net</b>	<b>57,871</b>	<b>58,060</b>	<b>-0.3%</b>	<b>11,590</b>	<b>10,442</b>	<b>11.0%</b>	<b>3,293</b>	<b>1,127</b>	<b>192.2%</b>	(1,878)	(1,044)	<b>70,876</b>	<b>68,585</b>	<b>3.3%</b>	
<b>Costs of services</b>	<b>(33,015)</b>	<b>(34,123)</b>	<b>-3.2%</b>	<b>(5,779)</b>	<b>(5,706)</b>	<b>1.3%</b>	<b>(2,377)</b>	<b>(782)</b>	<b>204.0%</b>	1,878	1,576	<b>(39,293)</b>	<b>(39,035)</b>	<b>0.7%</b>	
Cost of salaries and other employee benefits	(20,096)	(21,605)	-7.0%	(3,588)	(3,811)	-5.9%	(444)	(251)	76.9%	-	-	(24,128)	(25,667)	-6.0%	
Cost of materials and supplies	(9,094)	(8,673)	4.8%	(740)	(599)	23.5%	(1,840)	(460)	300.0%	-	501	(11,674)	(9,231)	26.5%	
Cost of medical service providers	(1,005)	(778)	29.3%	(1,018)	(938)	8.5%	(24)	(36)	-33.3%	1,830	985	(217)	(767)	-71.7%	
Cost of utilities and other	(2,820)	(3,067)	-8.1%	(433)	(358)	20.9%	(69)	(35)	97.1%	48	90	(3,274)	(3,370)	-2.8%	
<b>Gross profit</b>	<b>24,856</b>	<b>23,937</b>	<b>3.8%</b>	<b>5,811</b>	<b>4,736</b>	<b>22.7%</b>	<b>916</b>	<b>345</b>	<b>165.5%</b>	-	532	<b>31,583</b>	<b>29,550</b>	<b>6.9%</b>	
Salaries and other employee benefits	(6,737)	(6,811)	-1.1%	(2,086)	(1,913)	9.0%	(102)	(240)	-57.5%	-	-	(8,925)	(8,964)	-0.4%	
General and administrative expenses	(2,560)	(3,130)	-18.2%	(510)	(968)	-47.3%	(99)	(105)	-5.7%	8	165	(3,161)	(4,038)	-21.7%	
<i>General and administrative expenses excluding IFRS 16</i>	<i>(2,610)</i>	<i>(3,252)</i>	<i>-19.7%</i>	<i>(1,019)</i>	<i>(1,276)</i>	<i>-20.1%</i>	<i>(99)</i>	<i>(108)</i>	<i>-8.3%</i>	8	165	<i>(3,720)</i>	<i>(4,471)</i>	<i>-16.8%</i>	
Impairment of receivables	(933)	(865)	7.9%	(82)	(19)	NMF	-	-	-	-	-	(1,015)	(884)	14.9%	
Other operating income	799	1,703	-53.1%	94	254	-63.0%	(4)	21	NMF	(23)	(720)	866	1,258	-31.2%	
<b>EBITDA</b>	<b>15,425</b>	<b>14,833</b>	<b>4.0%</b>	<b>3,227</b>	<b>2,090</b>	<b>54.4%</b>	<b>711</b>	<b>21</b>	<b>NMF</b>	<b>(15)</b>	<b>(23)</b>	<b>19,348</b>	<b>16,921</b>	<b>14.3%</b>	
<b>EBITDA excluding IFRS 16</b>	<b>15,375</b>	<b>14,711</b>	<b>4.5%</b>	<b>2,718</b>	<b>1,782</b>	<b>52.5%</b>	<b>711</b>	<b>18</b>	<b>NMF</b>	<b>(15)</b>	<b>(23)</b>	<b>18,789</b>	<b>16,488</b>	<b>14.0%</b>	
<b>EBITDA margin excluding IFRS 16</b>	<b>26.4%</b>	<b>25.0%</b>	<b>+1.4ppts</b>	<b>23.3%</b>	<b>16.9%</b>	<b>+6.4ppts</b>	<b>21.6%</b>	<b>1.6%</b>	<b>+20.0ppts</b>	<b>NMF</b>	<b>NMF</b>	<b>NMF</b>	<b>NMF</b>	<b>NMF</b>	
Depreciation and amortization	(5,897)	(5,618)	5.0%	(1,891)	(1,778)	6.4%	(167)	(48)	247.9%	-	-	(7,955)	(7,444)	6.9%	
<i>Depreciation and amortization excluding IFRS 16</i>	<i>(5,689)</i>	<i>(5,396)</i>	<i>5.4%</i>	<i>(1,529)</i>	<i>(1,394)</i>	<i>9.7%</i>	<i>(167)</i>	<i>(48)</i>	<i>247.9%</i>	-	-	<i>(7,385)</i>	<i>(6,838)</i>	<i>8.0%</i>	
Net interest income (expense)	(5,062)	(6,425)	-21.2%	(1,182)	(1,158)	2.1%	(138)	(96)	43.8%	-	(5)	(6,382)	(7,685)	-17.0%	
<i>Net interest income (expense) excluding IFRS 16</i>	<i>(5,012)</i>	<i>(6,366)</i>	<i>-21.3%</i>	<i>(1,054)</i>	<i>(1,026)</i>	<i>2.7%</i>	<i>(138)</i>	<i>(96)</i>	<i>43.8%</i>	-	(5)	<i>(6,204)</i>	<i>(7,493)</i>	<i>-17.2%</i>	
Net gains/(losses) from foreign currencies	(1,744)	(308)	NMF	(711)	(206)	245.1%	-	(4)	NMF	-	-	(2,455)	(518)	NMF	
<i>Net gains/(losses) from foreign currencies excluding IFRS 16</i>	<i>(1,518)</i>	<i>(253)</i>	<i>NMF</i>	<i>(279)</i>	<i>(10)</i>	<i>NMF</i>	-	(4)	<i>NMF</i>	-	-	<i>(1,797)</i>	<i>(267)</i>	<i>NMF</i>	
Net non-recurring income/(expense)	(5,563)	(144)	NMF	(1,160)	(2)	NMF	-	-	-	-	-	(6,723)	(147)	NMF	
<b>Profit before income tax expense</b>	<b>(2,841)</b>	<b>2,337</b>	<b>NMF</b>	<b>(1,717)</b>	<b>(1,054)</b>	<b>62.9%</b>	<b>406</b>	<b>(127)</b>	<b>NMF</b>	<b>(15)</b>	<b>(28)</b>	<b>(4,167)</b>	<b>1,127</b>	<b>NMF</b>	
Income tax benefit/(expense)	-	-	-	-	-	-	-	-	-	-	-	-	-	NMF	
<b>Profit for the period from continuous operations</b>	<b>(2,841)</b>	<b>2,337</b>	<b>NMF</b>	<b>(1,717)</b>	<b>(1,054)</b>	<b>62.9%</b>	<b>406</b>	<b>(127)</b>	<b>NMF</b>	<b>(15)</b>	<b>(28)</b>	<b>(4,167)</b>	<b>1,127</b>	<b>NMF</b>	
Profit/(loss) from discontinued operations	(25,308)	548	NMF	-	-	-	-	-	-	-	-	(25,308)	548	NMF	
<b>Profit for the period</b>	<b>(28,149)</b>	<b>2,885</b>	<b>NMF</b>	<b>(1,717)</b>	<b>(1,054)</b>	<b>62.9%</b>	<b>406</b>	<b>(127)</b>	<b>NMF</b>	<b>(15)</b>	<b>(28)</b>	<b>(29,475)</b>	<b>1,676</b>	<b>NMF</b>	
<b>Attributable to:</b>															
- shareholders of the Company	(28,934)	1,920	NMF	(1,731)	(1,080)	60.2%	406	(127)	NMF	(15)	(28)	(30,274)	685	NMF	
- non-controlling interests	785	965	NMF	14	26	-46.2%	-	-	-	-	-	799	991	-19.4%	
<b>Profit for the period excluding IFRS 16 from continuous operations</b>	<b>(2,407)</b>	<b>2,551</b>	<b>NMF</b>	<b>(1,304)</b>	<b>(650)</b>	<b>100.5%</b>	<b>406</b>	<b>(130)</b>	<b>NMF</b>	<b>(15)</b>	<b>(28)</b>	<b>(3,320)</b>	<b>1,743</b>	<b>NMF</b>	
Loss from discontinued operations excluding IFRS 16	(25,308)	548	NMF	-	-	-	-	-	-	-	-	(25,308)	548	NMF	
<b>Profit for the period excluding IFRS 16</b>	<b>(27,715)</b>	<b>3,099</b>	<b>NMF</b>	<b>(1,304)</b>	<b>(650)</b>	<b>100.5%</b>	<b>406</b>	<b>(130)</b>	<b>NMF</b>	<b>(15)</b>	<b>(28)</b>	<b>(28,628)</b>	<b>2,291</b>	<b>NMF</b>	
<b>Attributable to:</b>															
- shareholders of the Company	(28,500)	2,134	NMF	(1,318)	(676)	94.9%	406	(130)	NMF	(15)	(28)	(29,427)	1,300	NMF	
- non-controlling interests	785	965	NMF	14	26	-46.2%	-	-	-	-	-	799	991	NMF	

SELECTED FINANCIAL INFORMATION – Healthcare Services, *continued*

<b>STATEMENT OF CASH FLOW</b>						
<i>GEL thousands, unless otherwise noted</i>	<b>3Q20</b>	<b>3Q19</b>	<b>Change</b>	<b>9M20</b>	<b>9M19</b>	<b>Change</b>
Revenue received	74,124	54,253	36.6%	230,443	197,412	16.7%
Cost of services paid	(42,201)	(31,920)	32.2%	(123,913)	(125,814)	-1.5%
<b>Gross profit received</b>	<b>31,923</b>	<b>22,333</b>	<b>42.9%</b>	<b>106,530</b>	<b>71,598</b>	<b>48.8%</b>
Salaries paid	(5,828)	(7,890)	-26.1%	(19,980)	(23,990)	-16.7%
General and administrative expenses paid	(3,518)	(6,036)	-41.7%	(10,909)	(17,695)	-38.4%
General and administrative expenses paid, excluding IFRS 16	(4,077)	(6,551)	NMF	(12,225)	(19,278)	NMF
Other operating income/(expense) and tax paid	(715)	453	NMF	(1,244)	487	NMF
<b>Net cash flows from operating activities before income tax</b>	<b>21,862</b>	<b>8,860</b>	<b>NMF</b>	<b>74,397</b>	<b>30,400</b>	<b>NMF</b>
Income tax paid	(16)	65	NMF	(59)	(64)	-7.9%
<b>Net cash flows from operating activities from continuing operations</b>	<b>21,846</b>	<b>8,925</b>	<b>NMF</b>	<b>74,338</b>	<b>30,336</b>	<b>NMF</b>
Net cash flows from operating activities from discontinued operations	866	1,332	-35.0%	4,988	2,146	NMF
<b>Net cash flows from operating activities</b>	<b>22,712</b>	<b>10,257</b>	<b>NMF</b>	<b>79,326</b>	<b>32,482</b>	<b>NMF</b>
<b>Net cash flows from operating activities from continuing operations (excluding IFRS 16)</b>	<b>21,287</b>	<b>8,410</b>	<b>NMF</b>	<b>73,022</b>	<b>28,753</b>	<b>NMF</b>
Net cash flows from operating activities from discontinued operations (Excluding IFRS 16)	866	1,332	-35.0%	4,988	2,146	NMF
<b>Net cash flows from operating activities (Excluding IFRS 16)</b>	<b>22,153</b>	<b>9,742</b>	<b>NMF</b>	<b>78,010</b>	<b>30,899</b>	<b>NMF</b>
Cash outflow on Capex	(3,777)	(7,286)	-48.2%	(16,358)	(23,348)	-29.9%
Acquisition of subsidiaries/payments of holdback	(480)	-	NMF	(5,925)	(6,101)	-2.9%
Interest income received	487	61	NMF	609	574	6.1%
Proceeds from HTMC sale	32,818	-	NMF	32,818	-	NMF
Dividends and intersegment loans issued/received	7,869	3,329	NMF	6,583	15,432	NMF
<b>Net cash flows used in investing activities from continuing operations</b>	<b>36,917</b>	<b>(3,896)</b>	<b>NMF</b>	<b>17,727</b>	<b>(13,443)</b>	<b>NMF</b>
Net cash flows used in investing activities from discontinued operations	(327)	(269)	21.6%	(1,415)	(1,571)	-10.0%
<b>Net cash flows used in investing activities</b>	<b>36,590</b>	<b>(4,165)</b>	<b>NMF</b>	<b>16,312</b>	<b>(15,014)</b>	<b>NMF</b>
Delisting fees paid	(4,294)	-	NMF	(6,539)	-	NMF
Purchase of treasury shares	(2,251)	-	NMF	(3,275)	(1,194)	NMF
Payment of finance lease liabilities	(381)	(324)	17.6%	(790)	(1,069)	-26.1%
Interest expense paid on finance lease	(178)	(191)	-6.8%	(526)	(514)	2.3%
Increase/(decrease) in borrowings	12,384	9,938	24.6%	23,651	3,378	NMF
Interest expense paid	(8,215)	(14,425)	-43.1%	(16,863)	(30,648)	-45.0%
<b>Net cash flows (used in)/from financing activities from continuing operations</b>	<b>(2,935)</b>	<b>(5,002)</b>	<b>-41.3%</b>	<b>(4,342)</b>	<b>(30,047)</b>	<b>-85.6%</b>
Net cash flows from financing activities from discontinued operations	(385)	(283)	35.9%	(1,413)	(1,485)	-4.8%
<b>Net cash flows from financing activities</b>	<b>(3,320)</b>	<b>(5,285)</b>	<b>-37.2%</b>	<b>(5,755)</b>	<b>(31,532)</b>	<b>-81.7%</b>
<b>Net cash flows (used in)/from financing activities from continuing operations (excluding IFRS16)</b>	<b>(2,376)</b>	<b>(4,487)</b>	<b>-47.0%</b>	<b>(3,026)</b>	<b>(28,464)</b>	<b>-89.4%</b>
Net cash flows from financing activities from discontinued operations (Excluding IFRS16)	(385)	(283)	35.9%	(1,413)	(1,485)	-4.8%
<b>Net cash flows from financing activities (Excluding IFRS16)</b>	<b>(2,761)</b>	<b>(4,770)</b>	<b>-42.1%</b>	<b>(4,439)</b>	<b>(29,949)</b>	<b>-85.2%</b>
Effect of exchange rates changes on cash and cash equivalents	965	145	NMF	1,374	-	NMF
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>56,947</b>	<b>952</b>	<b>NMF</b>	<b>91,257</b>	<b>(14,064)</b>	<b>NMF</b>
<b>Cash and cash equivalents, beginning from continuing operations</b>	<b>38,093</b>	<b>2,671</b>	<b>NMF</b>	<b>5,789</b>	<b>15,996</b>	<b>-63.8%</b>
<b>Cash and cash equivalents, beginning from discontinued operations</b>	<b>3,865</b>	<b>606</b>	<b>NMF</b>	<b>1,859</b>	<b>2,295</b>	<b>-19.0%</b>
<b>Cash and cash equivalents, ending from continuing operations</b>	<b>98,905</b>	<b>2,844</b>	<b>NMF</b>	<b>98,905</b>	<b>2,844</b>	<b>NMF</b>
<b>Cash and cash equivalents, ending from discontinued operations</b>	<b>-</b>	<b>1,385</b>	<b>NMF</b>	<b>-</b>	<b>1,385</b>	<b>NMF</b>

<b>BALANCE SHEET</b>					
<i>GEL thousands, unless otherwise noted</i>	<b>Sep-20</b>	<b>Jun-20</b>	<b>Change</b>	<b>Dec-19</b>	<b>Change</b>
<b>Total assets, of which:</b>	<b>885,943</b>	<b>960,076</b>	<b>-7.7%</b>	<b>953,874</b>	<b>-7.1%</b>
Cash and bank deposits	98,905	41,958	NMF	7,648	NMF
Receivables from healthcare services	90,016	108,671	-17.2%	140,861	-36.1%
Property and equipment	520,385	613,727	-15.2%	621,443	-16.3%
Right of use assets	9,291	10,064	-7.7%	11,369	-18.3%
Goodwill and other intangible assets	95,936	107,772	-11.0%	104,222	-8.0%
Inventory	16,331	18,771	-13.0%	19,387	-15.8%
Prepayments	7,729	9,724	-20.5%	7,937	-2.6%
Other assets	47,350	49,389	-4.1%	41,007	15.5%
<i>Of which, securities and intercompany loans</i>	<i>4,573</i>	<i>3,618</i>	<i>26.4%</i>	<i>-</i>	<i>NMF</i>
<b>Total liabilities, of which:</b>	<b>491,708</b>	<b>495,606</b>	<b>-0.8%</b>	<b>472,675</b>	<b>4.0%</b>
Borrowed Funds	313,853	304,060	3.2%	291,239	7.8%
Accounts payable	37,801	46,004	-17.8%	45,754	-17.4%
Other liabilities	140,054	145,542	-3.8%	135,682	3.2%
<b>Total shareholders' equity attributable to:</b>	<b>394,235</b>	<b>464,470</b>	<b>-15.1%</b>	<b>481,199</b>	<b>-18.1%</b>
Shareholders of the Company	367,561	392,247	-6.3%	409,424	-10.2%
Non-controlling interest	26,674	72,223	-63.1%	71,775	-62.8%

## SELECTED FINANCIAL INFORMATION – Retail (Pharmacy)

<b>INCOME STATEMENT</b>						
<i>GEL thousands, unless otherwise noted</i>						
	<b>3Q20</b>	<b>3Q19</b>	<b>Change</b>	<b>9M20</b>	<b>9M19</b>	<b>Change</b>
<b>Revenue</b>	<b>159,593</b>	<b>146,800</b>	<b>8.7%</b>	<b>478,433</b>	<b>441,993</b>	<b>8.2%</b>
<b>Costs of services</b>	<b>(119,740)</b>	<b>(109,115)</b>	<b>9.7%</b>	<b>(354,862)</b>	<b>(330,059)</b>	<b>7.5%</b>
Cost of pharma – wholesale	(37,428)	(35,174)	6.4%	(105,544)	(106,388)	-0.8%
Cost of pharma – retail	(82,312)	(73,941)	11.3%	(249,318)	(223,671)	11.5%
<b>Gross profit</b>	<b>39,853</b>	<b>37,685</b>	<b>5.8%</b>	<b>123,571</b>	<b>111,934</b>	<b>10.4%</b>
Salaries and other employee benefits	(11,836)	(12,751)	-7.2%	(39,160)	(37,995)	3.1%
General and administrative expenses	(5,895)	(5,918)	-0.4%	(18,159)	(16,571)	9.6%
<i>General and administrative expenses excluding IFRS 16</i>	<i>(11,512)</i>	<i>(10,537)</i>	<i>9.3%</i>	<i>(34,086)</i>	<i>(30,331)</i>	<i>12.4%</i>
Impairment of receivables	-	(1)	NMF	(343)	(180)	90.6%
Other operating income	(73)	814	NMF	78	2,690	-97.1%
<b>EBITDA</b>	<b>22,049</b>	<b>19,829</b>	<b>11.2%</b>	<b>65,987</b>	<b>59,878</b>	<b>10.2%</b>
<b>EBITDA excluding IFRS 16</b>	<b>16,432</b>	<b>15,210</b>	<b>8.0%</b>	<b>50,060</b>	<b>46,118</b>	<b>8.5%</b>
<b>EBITDA margin excluding IFRS 16</b>	<b>10.3%</b>	<b>10.4%</b>	<b>-0.1 ppts</b>	<b>10.5%</b>	<b>10.4%</b>	<b>0.1 ppts</b>
Depreciation and amortization	(5,316)	(4,780)	11.2%	(15,542)	(14,020)	10.9%
<i>Depreciation and amortization excluding IFRS 16</i>	<i>(1,001)</i>	<i>(788)</i>	<i>27.0%</i>	<i>(2,888)</i>	<i>(2,214)</i>	<i>30.4%</i>
Net interest income (expense)	(3,933)	(4,318)	-8.9%	(12,300)	(12,511)	-1.7%
<i>Net interest income (expense) excluding IFRS 16</i>	<i>(2,560)</i>	<i>(3,018)</i>	<i>-15.2%</i>	<i>(8,199)</i>	<i>(8,910)</i>	<i>-8.0%</i>
Net gains/(losses) from foreign currencies	(9,506)	(2,252)	NMF	(17,795)	(8,798)	NMF
<i>Net gains/(losses) from foreign currencies excluding IFRS 16</i>	<i>(5,109)</i>	<i>(839)</i>	<i>NMF</i>	<i>(9,675)</i>	<i>(3,927)</i>	<i>NMF</i>
Net non-recurring income/(expense)	(7,089)	(36)	NMF	(7,161)	(98)	NMF
<b>Profit before income tax expense</b>	<b>(3,795)</b>	<b>8,443</b>	<b>NMF</b>	<b>13,189</b>	<b>24,451</b>	<b>-46.1%</b>
Income tax benefit/(expense)	(743)	(495)	50.1%	(1,688)	(564)	NMF
<b>Profit for the period</b>	<b>(4,538)</b>	<b>7,948</b>	<b>NMF</b>	<b>11,501</b>	<b>23,887</b>	<b>-51.9%</b>
<b>Attributable to:</b>						
- shareholders of the Company	(5,501)	4,761	NMF	3,197	13,954	-77.1%
- non-controlling interests	963	3,187	-69.8%	8,304	9,933	-16.4%
<b>Profit for the period excluding IFRS 16</b>	<b>(70)</b>	<b>10,034</b>	<b>NMF</b>	<b>20,449</b>	<b>30,405</b>	<b>-32.7%</b>
<b>Attributable to:</b>						
- shareholders of the Company	(2,507)	6,159	NMF	9,192	18,321	-49.8%
- non-controlling interests	2,437	3,875	-37.1%	11,257	12,084	-6.8%
<b>STATEMENT OF CASH FLOW</b>						
<i>GEL thousands, unless otherwise noted</i>						
	<b>3Q20</b>	<b>3Q19</b>	<b>Change</b>	<b>9M20</b>	<b>9M19</b>	<b>Change</b>
<b>Cash flows from / (used in) operating activities</b>						
Revenue received	154,883	136,894	13.1%	467,002	416,856	12.0%
Cost of services paid	(120,327)	(127,504)	-5.6%	(351,935)	(331,102)	6.3%
<b>Gross profit received</b>	<b>34,556</b>	<b>9,390</b>	<b>NMF</b>	<b>115,067</b>	<b>85,754</b>	<b>34.2%</b>
Salaries paid	(10,054)	(12,032)	-16.4%	(35,536)	(36,548)	-2.8%
General and administrative expenses paid	(5,437)	(7,771)	-30.0%	(15,823)	(19,359)	-18.3%
General and administrative expenses paid, excluding IFRS 16	(11,054)	(12,228)	-9.6%	(31,750)	(33,119)	-4.1%
Other operating income/(expense) and tax paid	1,624	3,888	-58.2%	1,130	3,888	-70.9%
<b>Net cash flows from operating activities before income tax</b>	<b>20,689</b>	<b>(6,525)</b>	<b>NMF</b>	<b>64,838</b>	<b>33,735</b>	<b>92.2%</b>
Income tax paid	(9)	(193)	-95.3%	(472)	(258)	82.9%
<b>Net cash flows from operating activities</b>	<b>20,680</b>	<b>(6,718)</b>	<b>NMF</b>	<b>64,366</b>	<b>33,477</b>	<b>92.3%</b>
<b>Net cash flows from operating activities, excluding IFRS 16</b>	<b>15,063</b>	<b>(11,175)</b>	<b>NMF</b>	<b>48,439</b>	<b>19,717</b>	<b>NMF</b>
<b>Cash flows from / (used in) investing activities</b>						
Cash outflow on Capex	(1,445)	(2,393)	-39.6%	(3,829)	(5,646)	-32.2%
Interest income received	722	143	NMF	1,842	156	NMF
Intersegment loans issued proceeds from other investing activities	115	1,578	-92.7%	961	4,578	-79.0%
<b>Net cash flow used in investing activities</b>	<b>(608)</b>	<b>(672)</b>	<b>-9.5%</b>	<b>(1,026)</b>	<b>(912)</b>	<b>12.5%</b>
<b>Cash flows from / (used in) financing activities</b>						
Payment of dividends	(7,093)	(5,733)	23.7%	(25,926)	(20,733)	25.0%
Purchase of treasury shares	(906)	-	NMF	(1,179)	(245)	NMF
Payment of finance lease liabilities	(4,244)	(3,109)	36.5%	(11,826)	(10,159)	16.4%
Interest expense paid on finance lease	(1,373)	(1,348)	1.9%	(4,101)	(3,601)	13.9%
Increase/(decrease) in borrowings	(27,425)	14,735	NMF	8,485	(6,779)	NMF
Interest expense paid	(870)	(926)	-6.0%	(2,901)	(2,571)	12.8%
<b>Net cash flows (used in)/from financing activities</b>	<b>(41,911)</b>	<b>3,619</b>	<b>NMF</b>	<b>(37,448)</b>	<b>(44,088)</b>	<b>-15.1%</b>
<b>Net cash flows (used in)/from financing activities, excluding IFRS 16</b>	<b>(36,294)</b>	<b>8,076</b>	<b>NMF</b>	<b>(21,521)</b>	<b>(30,328)</b>	<b>-29.0%</b>
Effect of exchange rates changes on cash and cash equivalents	960	(63)	NMF	2,252	86	NMF
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(20,879)</b>	<b>(3,834)</b>	<b>NMF</b>	<b>28,144</b>	<b>(11,437)</b>	<b>NMF</b>
<b>Cash and bank deposits, beginning</b>	<b>56,797</b>	<b>9,702</b>	<b>NMF</b>	<b>7,774</b>	<b>17,305</b>	<b>-55.1%</b>
<b>Cash and bank deposits, ending</b>	<b>35,918</b>	<b>5,868</b>	<b>NMF</b>	<b>35,918</b>	<b>5,868</b>	<b>NMF</b>

**SELECTED FINANCIAL INFORMATION – Pharmacy and Distribution, *continued***

<b>BALANCE SHEET</b>					
<i>GEL thousands, unless otherwise noted</i>	<b>Sep-20</b>	<b>Jun-20</b>	<b>Change</b>	<b>Dec-19</b>	<b>Change</b>
Cash and bank deposits	35,918	56,797	-36.8%	7,774	NMF
Securities and loans issued	12,398	12,327	0.6%	12,167	1.9%
Receivables from sale of pharmaceuticals	47,116	43,099	9.3%	40,157	17.3%
Property and equipment	35,275	34,788	1.4%	35,161	0.3%
Right of use assets	74,240	67,097	10.6%	72,149	2.9%
Goodwill and other intangible assets	52,869	52,620	0.5%	52,506	0.7%
Inventory	158,926	169,637	-6.3%	155,075	2.5%
Prepayments	5,404	5,296	2.0%	3,832	41.0%
Other assets	13,032	12,345	5.6%	17,257	-24.5%
<b>Total assets</b>	<b>435,178</b>	<b>454,006</b>	<b>-4.1%</b>	<b>396,078</b>	<b>9.9%</b>
Borrowed Funds	94,612	120,751	-21.6%	84,712	11.7%
Finance lease liabilities	89,065	77,418	15.0%	77,700	14.6%
Accounts payable	123,522	129,343	-4.5%	110,690	11.6%
Other liabilities	39,005	27,692	40.9%	30,138	29.4%
<b>Total liabilities</b>	<b>346,204</b>	<b>355,204</b>	<b>-2.5%</b>	<b>303,240</b>	<b>14.2%</b>
<b>Total shareholders' equity</b>	<b>88,974</b>	<b>98,802</b>	<b>-9.9%</b>	<b>92,838</b>	<b>-4.2%</b>

## SELECTED FINANCIAL INFORMATION – Medical Insurance

### INCOME STATEMENT

<i>GEL thousands, unless otherwise noted</i>	3Q20	3Q19	Change	9M20	9M19	Change
Gross premiums written	11,439	11,467	-0.2%	54,780	67,503	-18.8%
Earned premiums, gross	16,936	20,283	-16.5%	51,631	57,800	-10.7%
<b>Earned premiums, net</b>	<b>16,906</b>	<b>19,435</b>	<b>-13.0%</b>	<b>51,465</b>	<b>55,801</b>	<b>-7.8%</b>
Insurance claims expenses, gross	(12,667)	(14,439)	-12.3%	(38,043)	(45,328)	-16.1%
<b>Insurance claims expenses, net</b>	<b>(12,667)</b>	<b>(14,267)</b>	<b>-11.2%</b>	<b>(38,041)</b>	<b>(44,768)</b>	<b>-15.0%</b>
<b>Acquisition costs, net</b>	<b>(637)</b>	<b>(701)</b>	<b>-9.1%</b>	<b>(1,834)</b>	<b>(2,116)</b>	<b>-13.4%</b>
<b>Net underwriting profit</b>	<b>3,602</b>	<b>4,467</b>	<b>-19.4%</b>	<b>11,590</b>	<b>8,917</b>	<b>30.0%</b>
Investment income	698	344	NMF	1,955	958	NMF
Net fee and commission income	-	491	NMF	13	1,151	-98.9%
<b>Net investment profit</b>	<b>698</b>	<b>835</b>	<b>-16.5%</b>	<b>1,968</b>	<b>2,108</b>	<b>-6.7%</b>
Salaries and employee benefits	(1,474)	(1,611)	-8.5%	(4,252)	(3,717)	14.4%
Selling, general and administrative expenses	(350)	(308)	13.6%	(1,167)	(1,036)	12.6%
Depreciation & Amortisation	(309)	(280)	10.4%	(885)	(828)	6.9%
Impairment charges	(461)	(125)	NMF	(1,504)	(342)	NMF
Net other operating income	804	(31)	NMF	668	(124)	NMF
<b>Operating profit</b>	<b>2,509</b>	<b>2,947</b>	<b>-14.9%</b>	<b>6,417</b>	<b>4,978</b>	<b>28.9%</b>
Foreign exchange (loss)/gain	141	(16)	NMF	109	2	NMF
Interest expense	(222)	(158)	39.9%	(715)	(486)	47.2%
Non-recurring expenses	(620)	-	NMF	(778)	-	NMF
<b>Pre-tax profit</b>	<b>1,808</b>	<b>2,772</b>	<b>-34.8%</b>	<b>5,033</b>	<b>4,494</b>	<b>12.0%</b>
Income tax expense	(316)	(420)	-24.7%	(919)	(708)	29.9%
<b>Net profit</b>	<b>1,492</b>	<b>2,353</b>	<b>-36.6%</b>	<b>4,114</b>	<b>3,787</b>	<b>8.6%</b>

### STATEMENT OF CASH FLOW

<i>GEL thousands, unless otherwise noted</i>	3Q20	3Q19	Change	9M20	9M19	Change
Insurance premium received	17,309	18,163	-4.7%	51,696	52,833	-2.2%
Reinsurance premium paid	(100)	-	NMF	(627)	(103)	NMF
Insurance benefits and claims paid	(11,355)	(14,597)	-22.2%	(33,774)	(39,459)	-14.4%
Reinsurance claims received	-	395	NMF	-	780	NMF
Acquisition costs paid	(328)	(579)	-43.4%	(1,345)	(1,922)	-30.0%
Salaries and benefits paid	(1,757)	(1,709)	2.8%	(6,580)	(6,098)	7.9%
Interest received	687	345	99.3%	1,976	1,181	67.3%
Net other operating expenses paid	(546)	(544)	0.5%	(1,804)	(1,600)	12.8%
Income tax paid	(300)	-	NMF	(1,430)	-	NMF
<b>Net cash flows from operating activities</b>	<b>3,609</b>	<b>1,474</b>	<b>NMF</b>	<b>8,111</b>	<b>5,612</b>	<b>44.5%</b>
Cash outflows on capex	(38)	(6)	NMF	(210)	(35)	NMF
Other investing activities	2,985	142	NMF	2,682	(1,166)	NMF
<b>Net cash flows from used in investing activities</b>	<b>2,947</b>	<b>136</b>	<b>NMF</b>	<b>2,472</b>	<b>(1,201)</b>	<b>NMF</b>
Dividend Paid	(825)	(250)	NMF	(1,575)	(250)	NMF
Purchase of treasury shares	(161)	-	NMF	(316)	(143)	NMF
Increase/(decrease) in borrowings	(2,000)	(760)	NMF	(400)	(1,060)	-62.3%
Interest Paid	(148)	(120)	23.7%	(408)	(435)	-6.1%
Cash paid for lease liabilities	(132)	(106)	24.5%	(335)	(287)	16.7%
<b>Net cash flows from financing activities</b>	<b>(3,266)</b>	<b>(1,236)</b>	<b>NMF</b>	<b>(3,034)</b>	<b>(2,175)</b>	<b>39.5%</b>
Effect of exchange rates changes on cash and cash equivalents	23	2	NMF	465	5	NMF
<b>Total cash inflow/(outflow)</b>	<b>3,313</b>	<b>376</b>	<b>NMF</b>	<b>8,014</b>	<b>2,241</b>	<b>NMF</b>
<b>Cash and cash equivalents, beginning</b>	<b>21,284</b>	<b>14,228</b>	<b>49.6%</b>	<b>16,583</b>	<b>12,363</b>	<b>34.1%</b>
<b>Cash and cash equivalents, ending</b>	<b>24,597</b>	<b>14,604</b>	<b>68.4%</b>	<b>24,597</b>	<b>14,604</b>	<b>68.4%</b>

### BALANCE SHEET

<i>GEL thousands, unless otherwise noted</i>	Sep-20	Jun-20	Change	Dec-19	Change
<b>Total assets, of which:</b>	<b>87,602</b>	<b>91,993</b>	<b>-4.8%</b>	<b>79,575</b>	<b>10.1%</b>
Cash and bank deposits	24,597	21,284	15.6%	16,583	48.3%
Insurance premiums receivable	32,290	38,955	-17.1%	31,531	2.4%
Property and equipment	13,190	14,890	-11.4%	15,054	-12.4%
Right of use assets	1,000	603	65.8%	597	67.5%
Goodwill and other intangible assets	5,508	5,517	-0.2%	5,519	-0.2%
Inventory	223	198	12.6%	-	NMF
Prepayments	1,235	1,102	12.1%	520	NMF
Other assets of which:	9,559	9,444	1.2%	9,771	-2.2%
<i>securities and intercompany loans</i>	8,635	8,012	7.8%	7,649	12.9%
<b>Total liabilities, of which:</b>	<b>56,872</b>	<b>61,740</b>	<b>-7.9%</b>	<b>52,695</b>	<b>7.9%</b>
Borrowed Funds	7,353	9,255	-20.6%	7,450	-1.3%
Accounts payable	441	368	19.8%	-	NMF
Insurance contract liabilities	34,718	40,048	-13.3%	31,687	9.6%
Other liabilities	14,360	12,069	19.0%	13,558	5.9%
<b>Total shareholders' equity</b>	<b>30,730</b>	<b>30,253</b>	<b>1.6%</b>	<b>26,880</b>	<b>14.3%</b>

## Selected ratios and KPIs

Selected ratios and KPIs	3Q20	3Q19	Change	9M20	9M19	Change
<b>GHG, consolidated</b>						
ROIC (%)	15.4%	11.7%	3.7ppts	12.7%	12.1%	0.6ppts
Group rent expenditure	6,764	6,257	8.1%	19,184	18,173	5.6%
<i>of which, pharmacy and distribution business</i>	11,750	5,775	103.5%	17,898	16,655	7.5%
Group capex (maintenance)	2,505	2,605	-3.8%	6,871	9,567	-28.2%
Group capex (development)	5,859	6,510	-10.0%	13,526	19,462	-30.5%
Number of employees	14,798	16,110		14,798	16,110	
Number of physicians	3,265	3,643		3,265	3,643	
Number of nurses	3,046	3,396		3,046	3,396	
Nurse to doctor ratio, referral hospitals	0.93	0.93		0.93	0.93	
Number of pharmacists	2,887	2,945		2,887	2,945	
<b>Hospitals</b>						
EBITDA margin <i>excluding IFRS 16</i>	26.4%	25.0%	1.4ppts	20.6%	25.8%	-5.2ppts
Direct salary rate (direct salary as % of revenue)	34.5%	36.7%	-2.2ppts	35.7%	35.5%	0.2ppts
Materials rate (direct materials as % of revenue)	15.6%	14.7%	0.9ppts	17.6%	15.2%	2.4ppts
Administrative salary rate (administrative salaries as % of revenue)	11.6%	11.6%	-	13.3%	11.6%	1.7ppts
SG&A rate (SG&A expenses as % of revenue)	4.5%	5.5%	-1.0ppts	5.1%	5.3%	-0.2ppts
Number of hospitals	17	18		17	18	
Number of hospital beds	2,596	2,967		2,596	2,967	
Hospitals bed occupancy rate	50.1%	49.1%	1.0ppts	51.3%	56.9%	-5.6ppts
Hospitals bed occupancy rate, excluding TRH and CMC	51.5%	52.4%	-0.9ppts	53.0%	61.2%	-8.2ppts
CMC bed occupancy rate	39.7%	33.3%	6.4ppts	38.3%	35.8%	2.5ppts
TRH bed occupancy rate	50.8%	40.7%	10.1ppts	52.0%	46.5%	5.5ppts
Average length of stay (days)	5.1	5.2	-1.8%	5.4	5.4	1.3%
Average revenue per hospital bed	89.8		NMF	85.3		
<b>Clinics</b>						
EBITDA margin <i>excluding IFRS 16</i>	23.3%	16.9%	6.4ppts	19.1%	17.7%	1.4ppts
EBITDA margin of polyclinics <i>excluding IFRS 16</i>	12.3%	16.1%	-3.8ppts	13.2%	15.8%	-2.6ppts
Direct salary rate (direct salary as % of revenue)	30.8%	36.1%	-5.3ppts	32.9%	35.2%	-2.3ppts
Materials rate (direct materials as % of revenue)	6.4%	5.7%	0.7ppts	6.5%	6.1%	0.3ppts
Number of community clinics	19	19		19	19	
Number of community clinics beds	353	353		353	353	
Number of polyclinics	15	15		15	15	
<b>Diagnostics</b>						
EBITDA margin <i>excluding IFRS 16 impact</i>	21.6%	1.6%	20.0ppts	8.8%	3.4%	5.4ppts
Number of patients served ('000)	162	87	85.9%	407	214	90.1%
Number of tests performed ('000)	383	196	95.3%	974	552	76.3%
Average revenue per test GEL	8.6	5.8	48.3%	6.9	6.2	11.3%
Average number of tests per patient	2.4	2.3	4.3%	2.4	2.6	-7.7%
<b>Pharmacy and Distribution</b>						
EBITDA margin <i>excluding IFRS 16</i>	10.3%	10.4%	-0.1ppts	10.5%	10.4%	-
Number of bills issued (millions)	7.0	6.98	-1.0%	20.4	21.2	-84.0%
Average bill size	15.6	14.2	9.8%	16.2	14.0	15.9%
Revenue from wholesale as a percentage of total revenue from pharma	27.0%	28.4%	-1.4ppts	26.3%	28.8%	-2.5ppts
Revenue from retail as a percentage of total revenue from pharma	73.0%	71.6%	1.4ppts	73.7%	71.2%	2.5ppts
Revenue from para-pharmacy as a percentage of retail revenue from pharma	36.1%	32.1%	4.0ppts	34.7%	30.9%	3.8ppts
Number of pharmacies	305	285	7.0%	305	285	7.0%
<b>Medical Insurance</b>						
Loss ratio	74.9%	73.4%	1.5ppts	73.9%	80.2%	-6.3ppts
Expense ratio <i>excluding IFRS 16, of which</i>	14.5%	13.3%	1.2ppts	17.5%	12.6%	4.9ppts
<i>Commission ratio</i>	3.8%	3.6%	0.2ppts	3.6%	3.8%	-0.2ppts
Combined ratio <i>excluding IFRS 16</i>	89.4%	86.7%	2.7ppts	91.4%	92.8%	-1.4ppts
Renewal rate	71.0%	75.5%	-4.5ppts	72.6%	77.4%	-4.8ppts