



Georgia-focused investment company

Speaker: Irakli Gilauri, CEO and Chairman

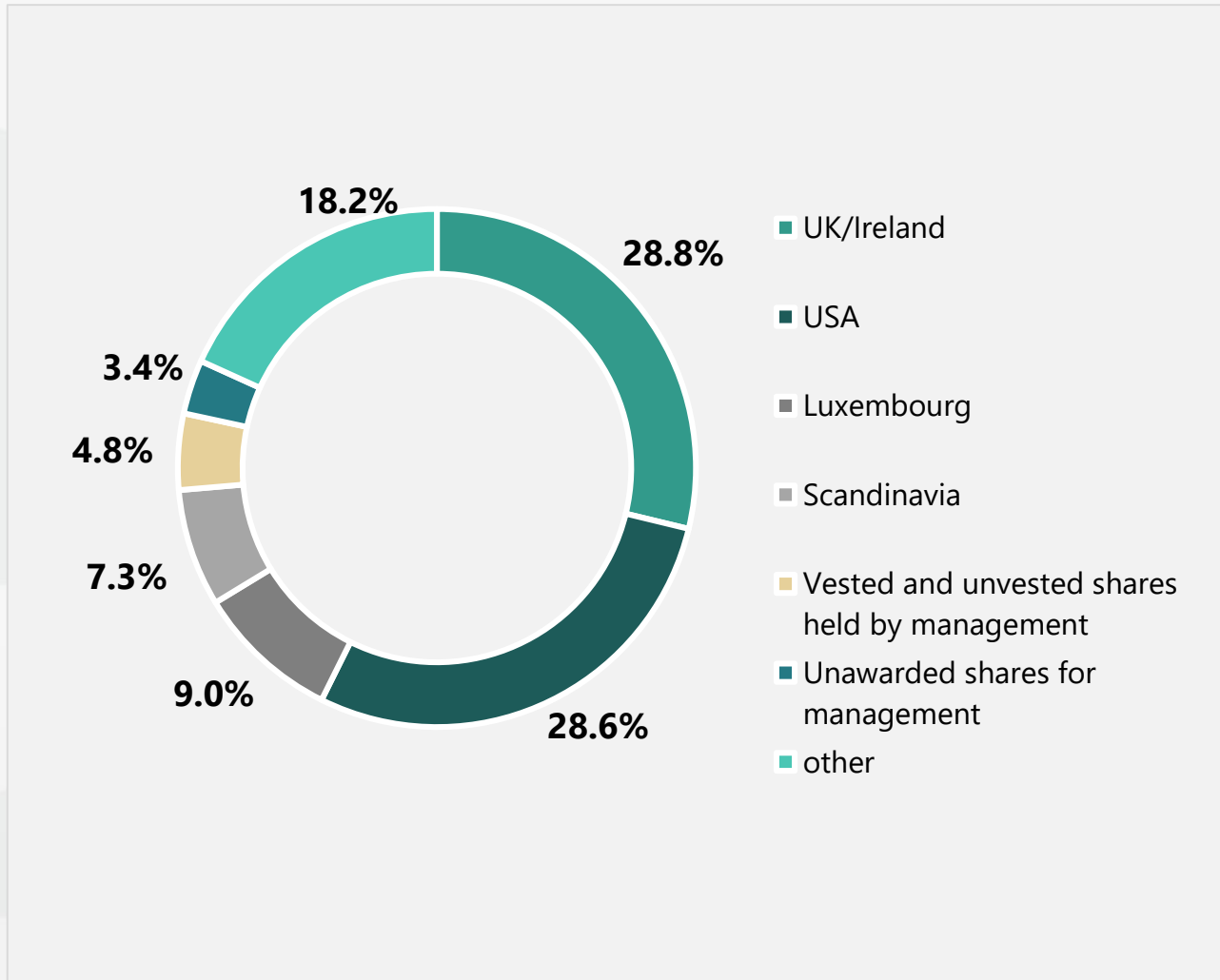
10 x = 10 y

**Georgia Investor Day
12 October 2018 | London**

1.	Georgia Capital at a glance
2.	Georgia Capital - Investment opportunity
3.	Current capital allocation
4.	Capital allocation going forward
5.	Appendices

LSE premium listed, with more than 90% institutional shareholder base

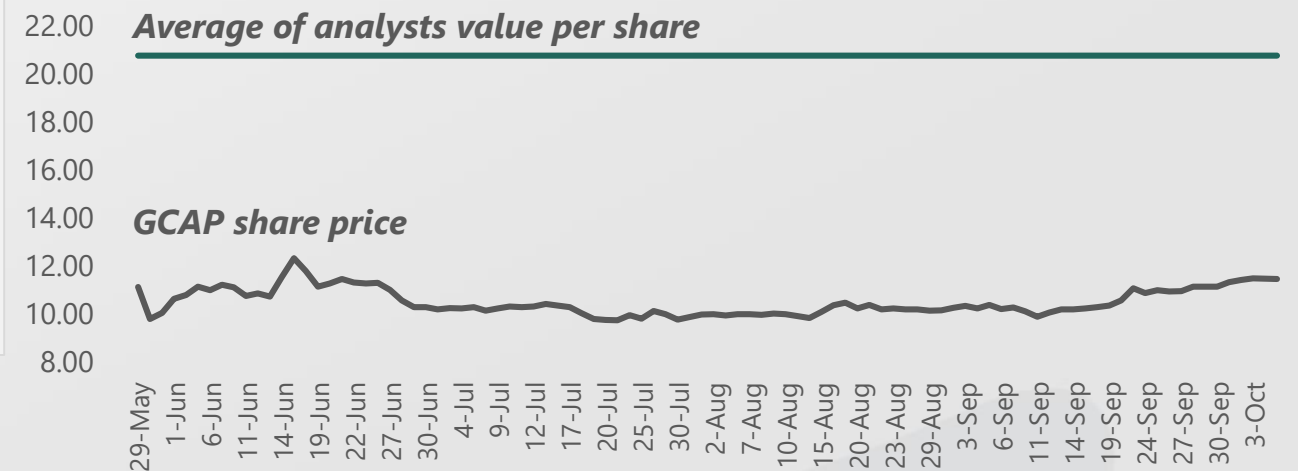
GCAP shareholders allocation by geography



GCAP top shareholders | 28-Sep-2018

Rank	Shareholder name	Ownership
1.	M&G Investment Management Ltd	6.10%
2.	Schroder Investment Management	5.33%
3.	LGM Investments Ltd	3.81%
4.	Norges Bank Investment Management	3.36%
5.	Dimensional Fund Advisors (DFA)	3.12%

Historical GCAP share price vs. Average of analysts value per share



Georgia Capital portfolio



Investment company focused on investing in and developing businesses in Georgia

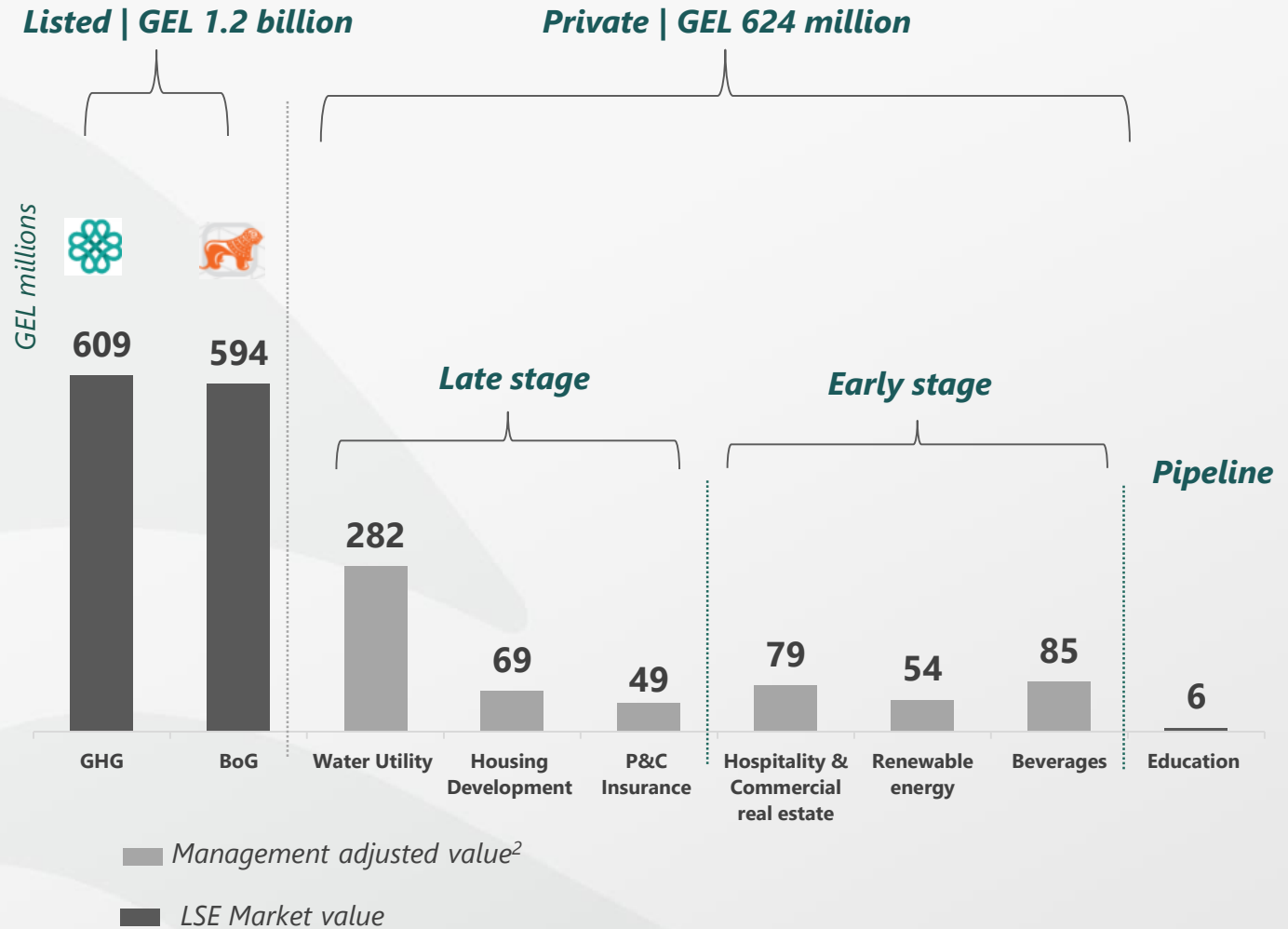
Listed	Private			Pipeline
Bank of Georgia (Banking) 19.9% ¹	Late stage			Education
	Water utility (managed by GGU) 100%	Housing development (managed by m²) 100%	P&C insurance (managed by Aldagi) 100%	
GHG (Healthcare) 57%	Early stage			
	Renewable energy (managed by GGU) 65%	Hospitality & Commercial real estate (managed by m²) 100%	Beverages (managed by Georgia Beverages) 80%	

Georgia Capital aims to deliver total shareholder returns of 10-times over 10-years
10x = 10y

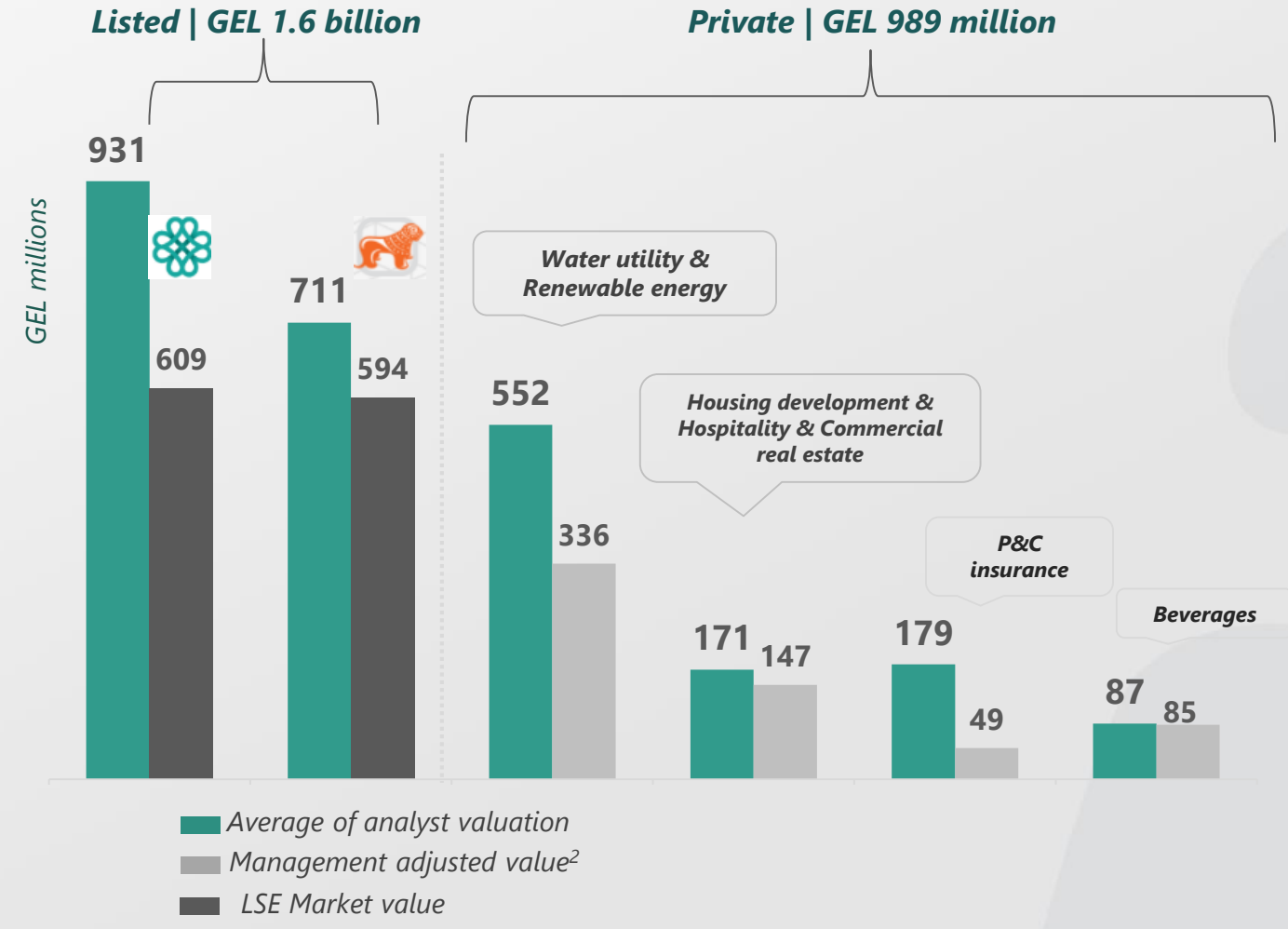
(1) As long as Georgia Capital's stake in BoG is greater than 9.9%, it will exercise its voting rights in Bank of Georgia in accordance with the votes cast by all other shareholders on all shareholder votes

Key portfolio highlights | 30 June 2018

Portfolio value | GEL 1.8 billion



Average of analyst valuation¹ | GEL 2.6 billion



(1) Analysts covering Georgia capital : Wood & Co (Report date: 31-May-2018); Investec (Report date: 29-May-2018); Renaissance Capital (Report date: 31-May-2018); Does not include VTB Capital;
 (2) For the definition please refer to slide 35

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Georgia Capital – a ground floor opportunity



*Investment company focused on investing in and developing businesses in Georgia capitalizing with its **robust corporate governance** on **fast-growing economy** across the last decade, having the **access to capital and management***



Georgia - Diversified Resilient Economy



Leading economy in the region

- Diversified non-commodity reliant economy with strong growth prospects



Top-ranked in economy environment indices

- #9 in ease of doing business (2018)
- Top-9 in Europe region by Economic Freedom Index (Heritage Foundation, 2018) and #16 internationally
- Low corruption and bribery risk (TI, 2017 and Trace international, 2017)



Average 4.5% GDP growth rate over the past 10 years

- Double-digit growth of tourism revenues supporting SME development and accelerating GDP growth
- Large public infrastructure programs backed by multilateral international funding driving potential output

Low inflation with 3% target set by National Bank of Georgia

Georgia Capital value proposition – 3-fundamental enablers



1

Superior access to capital

- Only investment company in Georgia
- Uniquely positioned given the access to capital in a small frontier economy, where access to capital is limited
- **Flexibility to use own shares as acquisition currency**

2

Access to management




- Attracted talents have demonstrated track record of successful delivery
- Proven DNA in turning around companies and growing them efficiently
- **Strong skillset in company exits**

3

Strong corporate governance

- Outstanding track record
- Strong board and robust corporate governance
- **Aligned shareholders' and management's interests**
 - Management compensation linked to performance
 - Equity/performance dominating compensation structure

Solid track record

 Acquisitions	 Capital raise	 Exit IRR
<p>The Georgia Capital management team, under the BGEO Group, has a track record of executing more than 40 acquisitions in banking, insurance, healthcare, utilities, retail, FMCG and other sectors</p>	<p>Uniquely positioned given the access to capital in a small frontier economy, where access to capital is limited:</p> <ul style="list-style-type: none">• c.US\$ 500 mln raised in equity at LSE• Issued five Eurobonds totaling US\$ 1.5 billion• US\$ 3 billion+ raised from IFIs (EBRD, IFC etc.)	<p>121% IRR from GHG IPO</p> <p>75% IRR from m² Real Estate projects</p>
More than 40 acquisitions	\$ 4.5 bln + debt c. US\$ 500 mln equity	121% IRR from GHG IPO

Successful track record of delivering strong results



Value creation across our late stage private portfolio and listed assets

Listed

Bank of Georgia

Dividend CAGR 39.3%

Dividend per share CAGR (2010-2017)

20%+ ROAE in 2014-2017

Outstanding ROAE performance

Net Loan book CAGR 21.4%

2013-2017

GHG

EBITDA almost tripled in 2014-2017

EBITDA almost tripled from GEL 37 million in 2014 to GEL 108 million in 2017

Created market leading healthcare services provider, with an integrated, synergistic business model

- Number of beds up 55% (2014-1H18)
- coverage of over 3/4 of Georgia's 3.7 million population with 37 high quality hospitals, 17 district polyclinics, 24 express outpatient clinics, and 259 pharmacies

Private late stage

Water utility

EBITDA up 55%

since acquisition in 2014 (2014-2018E)

Efficiency gains

22% decrease in electricity own consumption (2014 – 2018E)

Growing dividend capacity

GEL 28 million paid in 2017 with expected CAGR of 5% through 2022

Housing development

GEL 82 million capital

was generated, fully reallocated to hospitality & commercial real estate business

75% IRR

from real estate projects

1,691 apartments completed

99% sold with 145mln US\$ sales value

P&C insurance

Net profit more than doubled

in 2014-2017

35%+ ROAE

in 2015-2018E

Growing dividend capacity

GEL 7 million paid in 2016-2017 and GEL 10 million paid in 2018 with expected CAGR of 26% through 2022

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Capital allocation & harvesting investments



Georgia focused diversified investment company aiming to deliver total shareholder returns of 10-times over 10-years

1

Capital allocation

- **Highly disciplined approach** to unlock value through investments, targeting
 - High-multiple businesses, defensive industries – service, consumer
 - Consider greenfields
- **360° analysis to be performed** when evaluating capital returns, new investment opportunities or divestments:
 - We manage capital allocations in such a way that we do not depend on sale of listed investments
 - **Clear exit paths** through IPO or trade sale in 5–10 years

2

Harvesting investments

- Advisory approach for management of more mature phase companies
- Hands-on management approach to the early stage portfolio companies
- Board participation (if needed) in publicly listed companies

Value creation

 Georgia Capital generated ROI¹ 26.7% at 30 June 2018

Listed investments

GHG

5.6 years

27.6%
ROI¹

49.7%
IRR

609

129

Net
Investment

Market
Value

BOG

9.6 years

358.6%
ROI¹

26.8%
IRR

594

44

Net
Investment

Market
Value

Late stage portfolio businesses

Water utility

2.3 years

38.7%
ROI¹

18.7%
ROAC¹

186

Net
Investment

Allocated
Capital

Housing Development³

7.2 years

66.6%
ROI¹

13.5%
ROAC¹

21

Net
Investment

Allocated
Capital

P&C Insurance²

8.6 years

425.4%
ROI¹

40.4%
ROAC¹

(14)

Net
Investment

Allocated
Capital

Holding
period¹

GEL millions

Holding
period¹

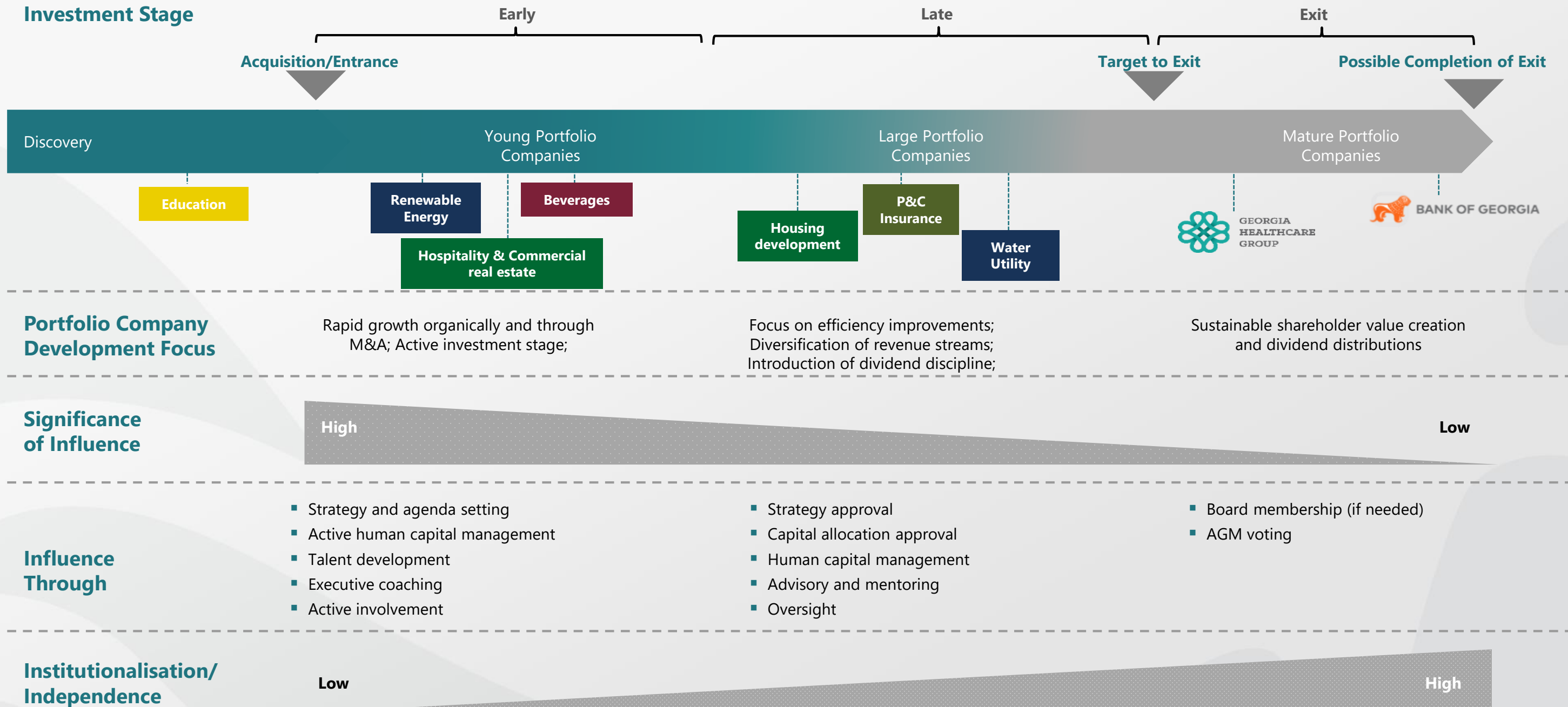
GEL millions

(1) For detailed definition please refer to the 35 slide

(2) Net investment amount is negative GEL 14 million, as the investment amount was fully recovered through dividends received from P&C insurance business over the investment holding period

(3) Hospitality and commercial real estate business was fully funded by housing development business

Portfolio management principles



1H18 performance highlights (management accounts)



 **Strong portfolio performance driven by GEL 71 million net income & ROI of 26.7%**

Georgia Capital NAV overview

<i>GEL billions, except for per share information</i>	30-Jun-18	Change (YTD)
Investment portfolio value	1.8	+20.0%
Net Asset Value	1.7	+11.7%
NAV per Share GBP	14.06	+28.3%
NAV per share GEL	45.71	19.1%

Georgia Capital performance

<i>Period ended 30 June 2018, GEL millions unless otherwise noted</i>	1H18	change (y-o-y)
GCAP net operating income	21.7	NMF
Total attributable income of portfolio companies	82.5	+55.3%
of which, income from listed investments	54.7	NMF
of which, income from private investments	27.8	-32.8%
Net income	70.8	+67.4%
ROI	26.7%	

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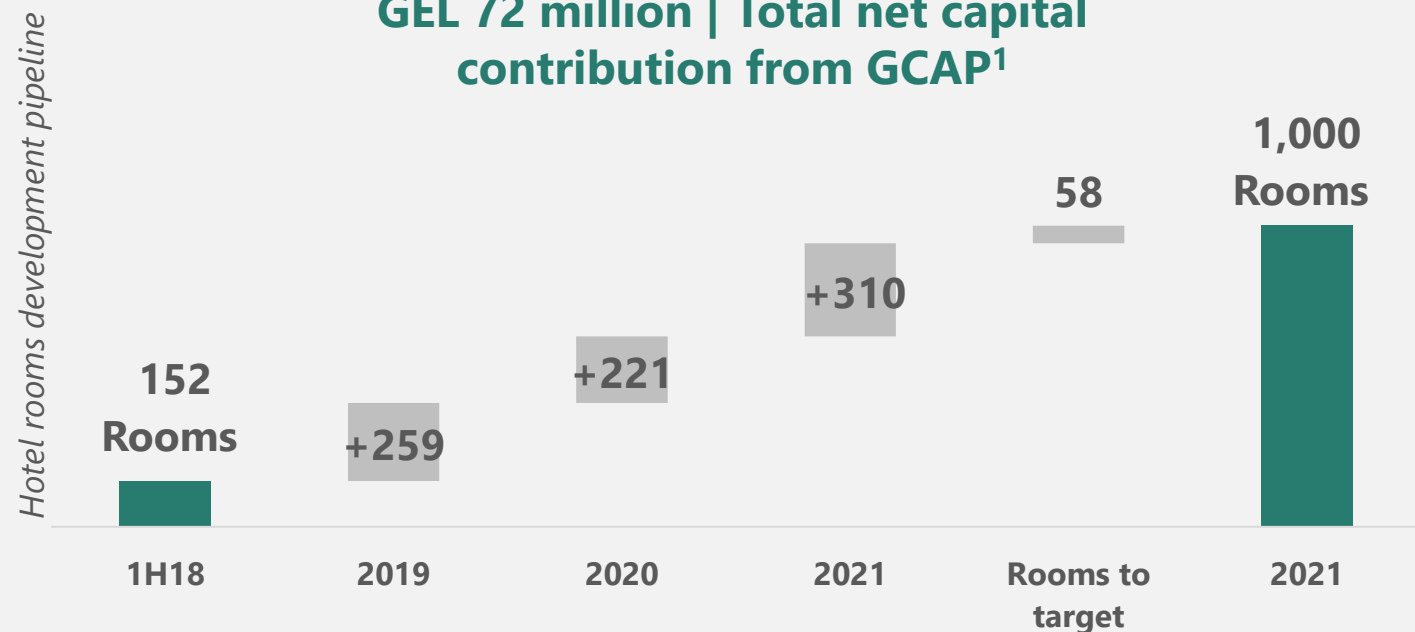


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Listed access to fast growing private portfolio

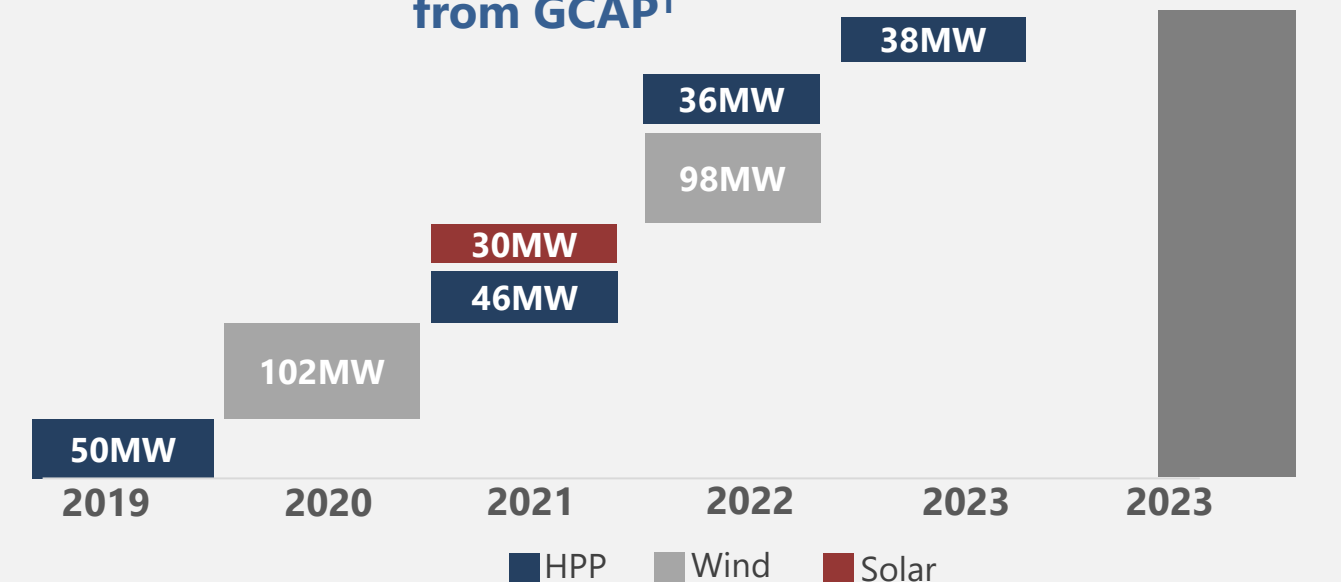
Hospitality business hotel rooms development pipeline, aiming 15% blended ROIC

GEL 72 million | Total net capital contribution from GCAP¹



Renewable energy business continues to build ground for its 500MW operating capacity, aiming 12% blended ROIC

GEL 184 million | Total net capital contribution from GCAP¹



Beverages aiming to increase vineyard base to 1,000 hectares

Our wine business targets to increase its vineyard base to 1,000 hectares by **2021 from current 436 hectares, where GCAP intends to allocate total additional capital of GEL 38 mln¹.**

Education business aiming to reach 30,000 pupils by 2025

We expect to deploy **GEL 140 million equity capital¹** over the next four to five years and by 2025 we expect the business to reach 30,000 pupils and become the largest chain of affordable schools in Georgia.

Capital allocation outlook through 2022

Highly disciplined approach to unlock value through investments



GEL millions		2018 ¹	2019	2020	2021	2022	
Listed investments	BoG	(24)	(26)	(27)	(29)	(31)	+137 million dividend inflows
	GHG	-	-	-	-	-	
Private investments Late stage	Water utility	(28)	(30)	(32)	(34)	(35)	+306 million dividend inflows
	Housing development	-	(10)	(15)	(20)	(25)	
	P&C insurance	(10)	(12)	(15)	(18)	(22)	
Private investments Early stage	Renewable energy	8	101	20	78	(19)	(327) million Capital deployment
	Hospitality & Commercial	33	30	9	-	-	
	Beverages	49	18	-	-	-	
Pipeline	Education	34	42	42	28	-	(146) million Capital deployment
Total²		62	113	(18)	5	(132)	30 million Net capital outflows



Together with the available GEL 604 million liquid funds and short-term loans, we are well-positioned to support the value creation across our private portfolio businesses and take advantage of new opportunities as and when they arise

(1) Includes actual net capital allocations of GEL 29 million in 1H18, comprising of GEL 10 million dividend inflows from P&C insurance business and capital deployment of GEL 39 million in education, renewable energy and beverages businesses
 (2) Buybacks are not included within the capital allocations

Liquidity and cash management at Georgia Capital



GEL 604 million

Liquid funds & short-term loans | 30-Jun-2018

- ▶ Cash at bank of **GEL 164 million**
- ▶ Internationally listed debt securities of **GEL 148 million**
- ▶ Locally listed debt securities of **GEL 40 million**
- ▶ Loans issued of **GEL 252 million**

GEL 129 million

Net debt | 30-Jun-2018

- ▶ Georgia Capital issued inaugural US\$ 300mln international corporate bonds in March 2018

GEL 22 million

Standalone GCAP net operating income | 30-Jun-2018

- ▶ Gross operating income more than tripled y-o-y to GEL 27.0 million from GEL 8.5 million

Net debt overview | 30-Jun-2018



GEL millions	30-Jun-2018	Change y-o-y	Change% y-o-y
Dividend Income	31	+14	+79%
Interest Income	15	+14	NMF
Interest expense	(19)	+10	+107%
Gross operating income	27	+18	NMF
Operating expenses	(5)	+3	NMF
Net operating income	22	+15	NMF

Portfolio over net debt

14.2x

Listed assets over net debt

9.3x

Interest coverage

2.42x

➤ **Georgia Capital is your ground floor opportunity to tap the growth**

We look forward to building long-term relationships with high quality shareholders

Questions?

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- **Portfolio overview**

Water utility business overview

Investment rationale

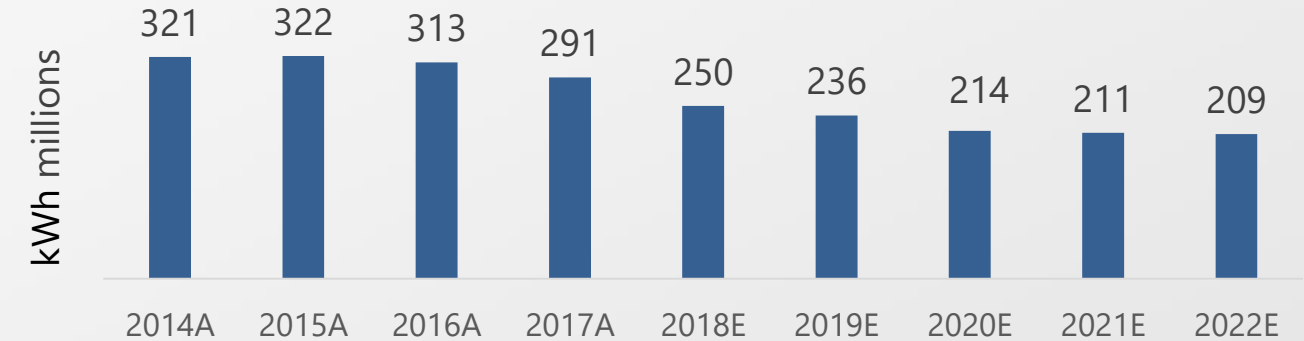
- Natural monopoly
- Utilities sector represents ~3% of total Georgian economic output and is consistently growing at a sustainable rate (CAGR 8.2% in 2006 – 2017)
- Stable cash collection rates

Value creation potential

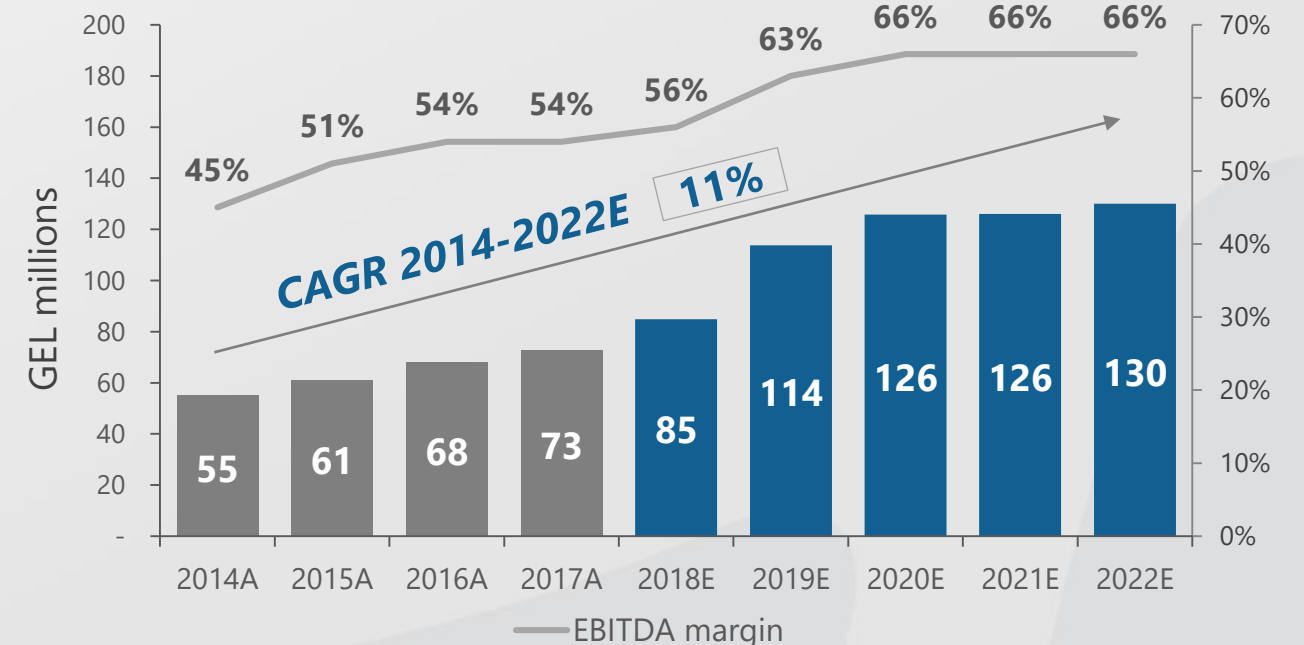
- EU harmonization reforms in progress
- Increasing demand on the back of high GDP growth combined with rapid tourism growth
- Upside opportunity from pursuing cost efficiencies
- Growing dividend payment capacity

Value realisation outlook - IPO together with the renewable energy business

Consumption of self-produced electricity (KWh m)



EBITDA 2014 -2022E (GEL m)



Housing development business overview



Investment rationale

- Average household size is significantly higher compared to Europe
- Most of the housing stock dates back to Soviet era and is amortised
- In line with the economic growth, urbanisation levels are increasing from current low level

Value creation potential

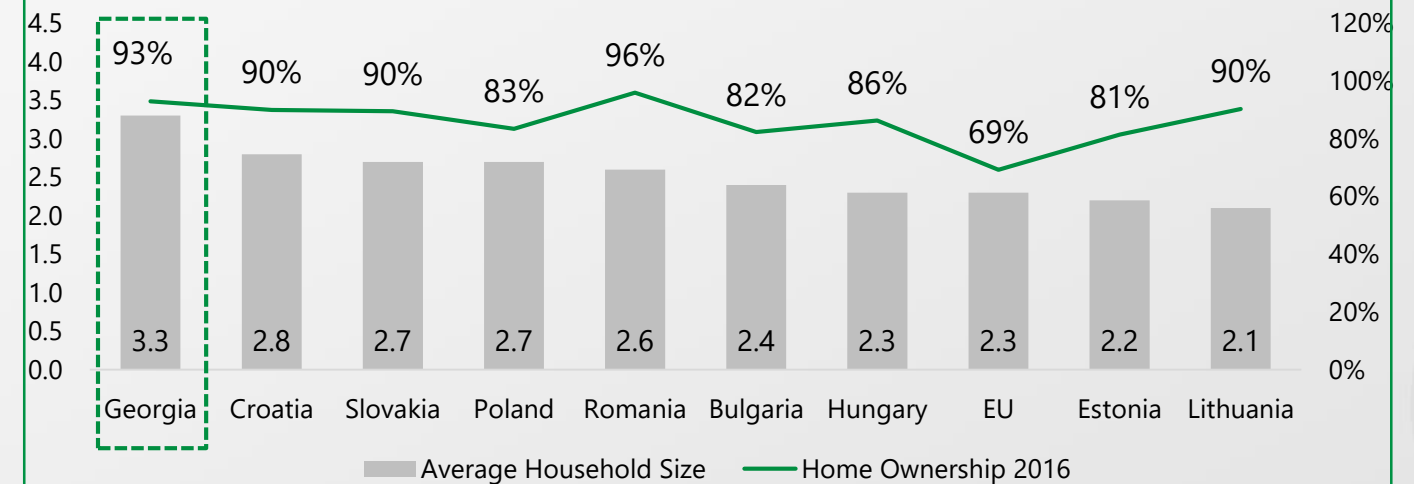
Asset light strategy

- Unlock land value by developing housing projects
- Development of third-party land – franchise m² brand name
- Earn Construction management fees from third-party projects and bring construction works in-house

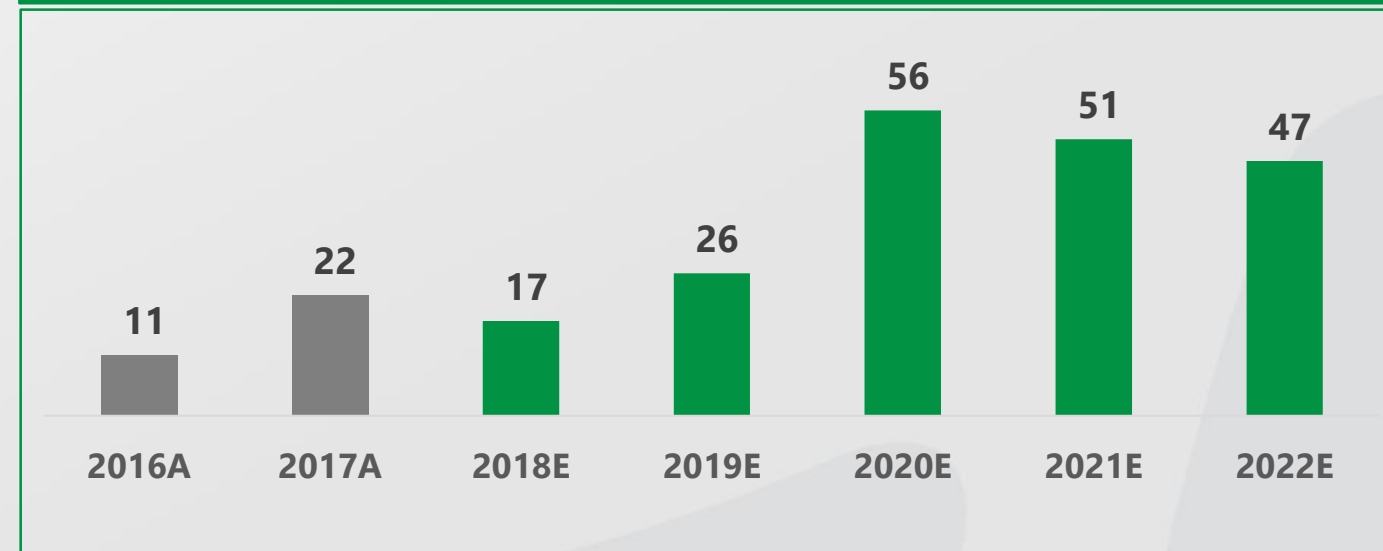
Value realisation outlook - Cash out by transformation into real estate asset manager

Market opportunity

Average household size and home ownership



EBITDA 2016 -2022E¹ (GEL m)



¹ Housing development business' functional currency is US dollars

P&C insurance business overview



Investment rationale

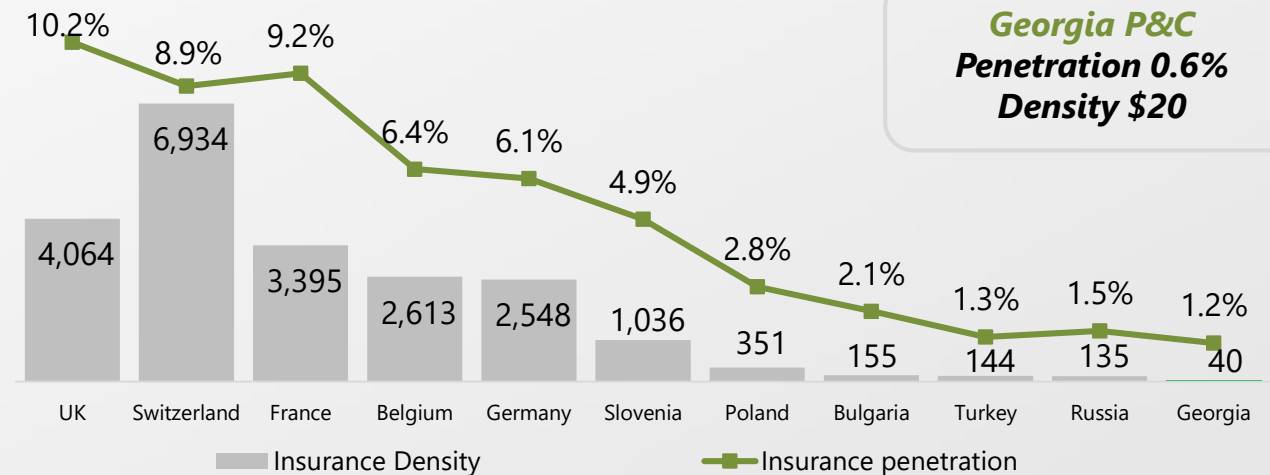
- Significantly underpenetrated insurance market in Georgia
- Market leader with a powerful distribution network of point of sale and sales agents
- Expansion into car service business – opportunity to develop unique platform with significant synergy potential with expected annual market revenue of GEL 50 mln and 30-35% expected market share

Value creation potential

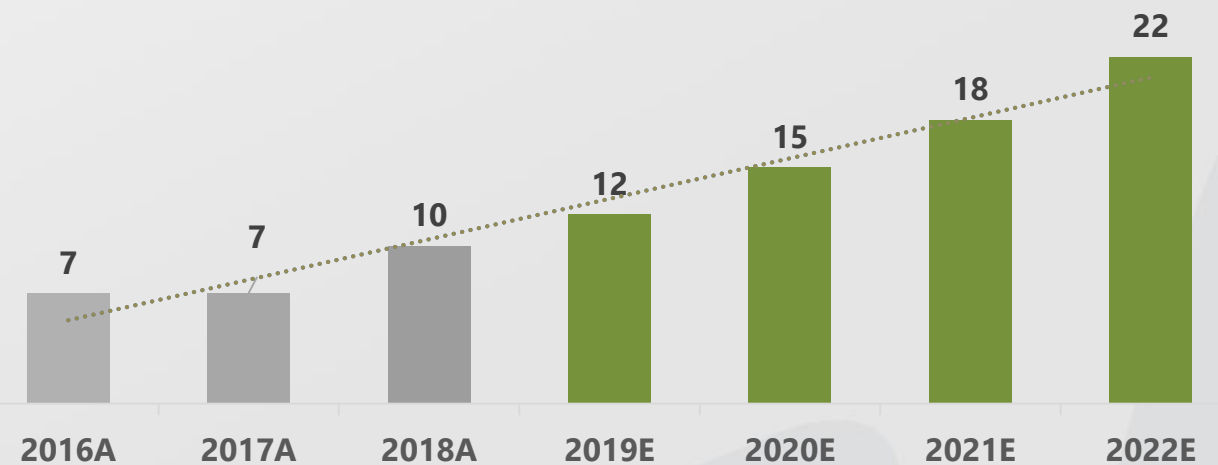
- Compulsory border TPL effective from 1 March 2018
- Local TPL expected to kick in from 2020 and provide potential to access untapped retail casco insurance market with only 4% existing penetration
- First mover advantage on underpenetrated SME segment
- Growing dividend payout capacity

Value realisation outlook – Trade sale or IPO

Market opportunity



Dividends distribution 2016-2022E (GEL m)



Renewable energy business overview

Investment rationale

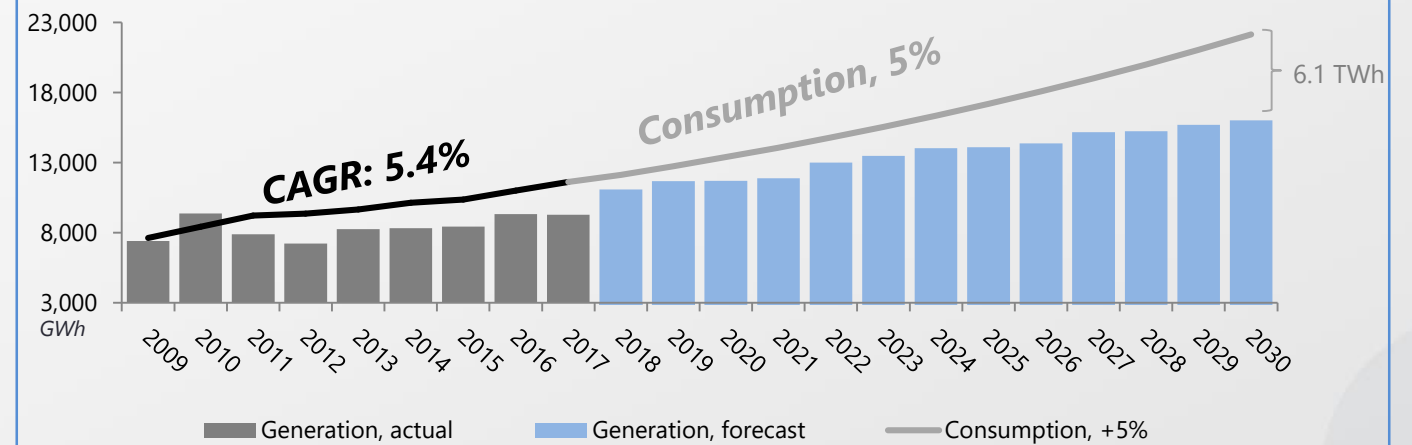
- Underdeveloped energy market with potential for significant growth - Low per capita power usage
- Cheap to develop – up to US\$1.5mln for 1MW hydro and up to US\$1.3mln for wind development
- Target ROICs ranging from 12.5% to 15% from wind power plants and HPPs

Value creation potential

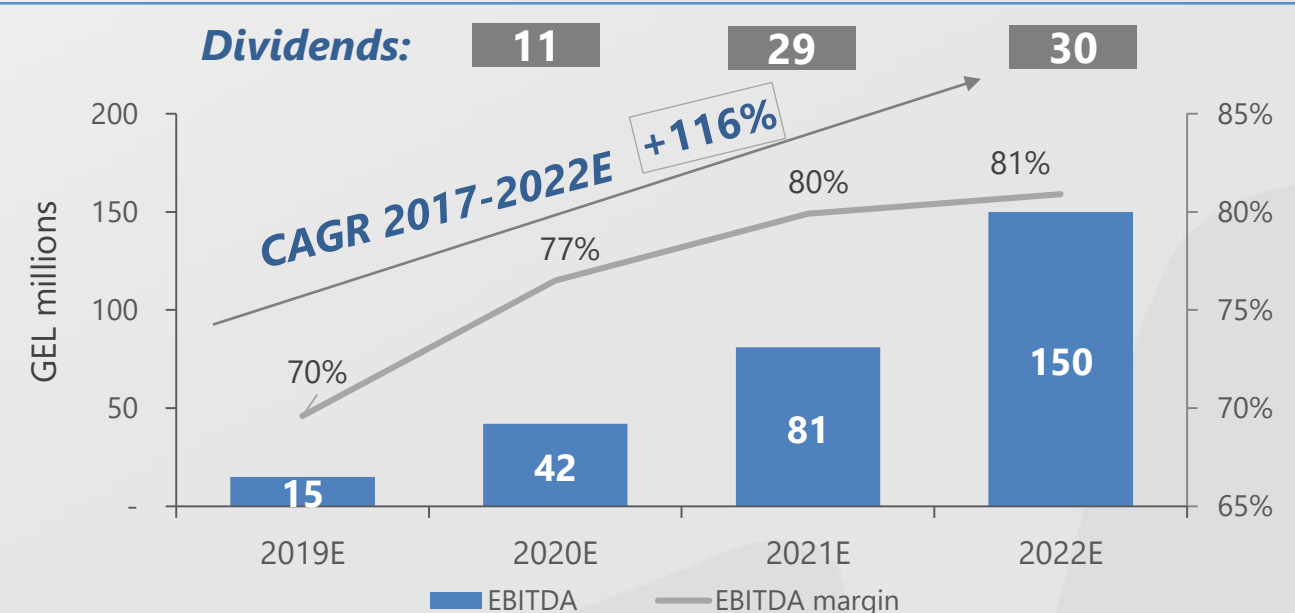
- Opportunity to establish a renewable energy platform with 500MW operating capacity over the medium-term¹
- Energy consumption is expected to grow at CAGR 5%, translating into doubling of the consumption over the next 10 years
- Stable dividend provider capacity

Value realisation outlook - IPO together with the water utility business

Market opportunity



Projected EBITDA through 2022 (GEL m)



(1) 500MW target includes existing energy assets of water utility business

Hospitality and commercial real estate business overview

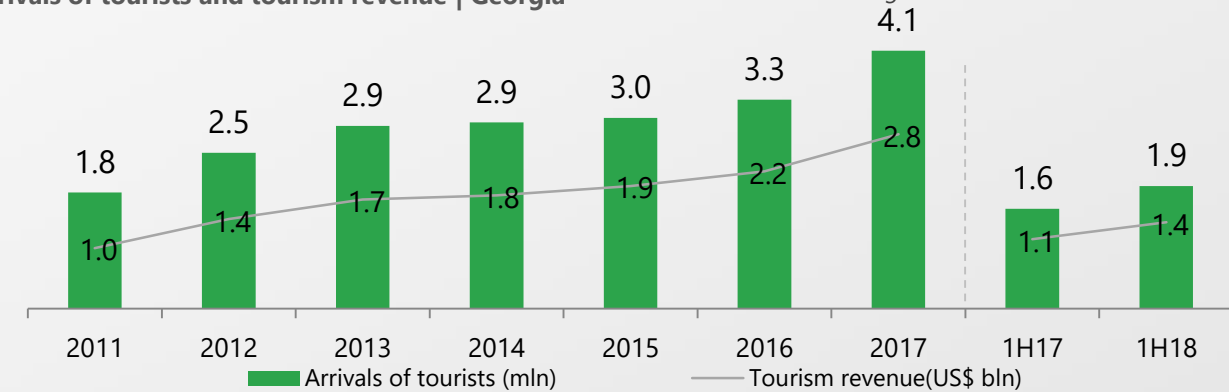
Investment rationale

- Record number of tourists visiting Georgia every year:
 - 1.9 million visitors in 1H18, up 23% y-o-y;
 - Tourism inflows up 24% y-o-y
- Target ROICs ranging from 12.8% to 18% from hotels

Market opportunity

Arrivals of tourists and tourism revenue | Georgia

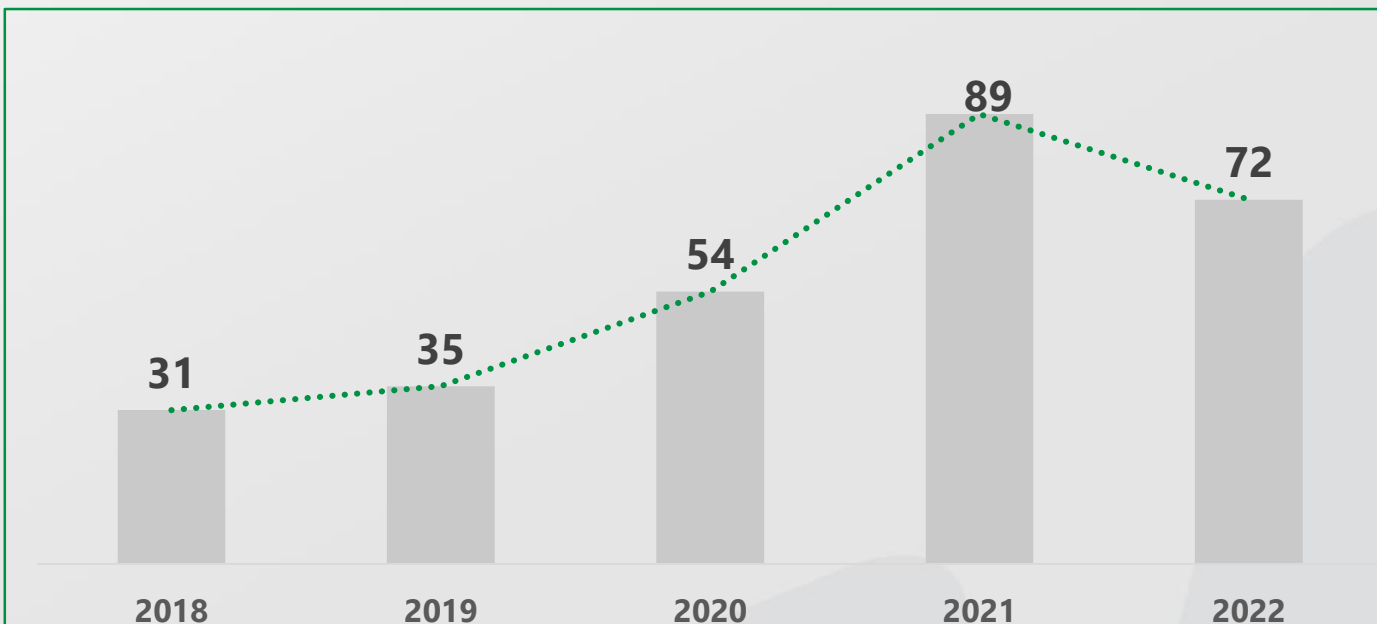
Source: Georgian National Tourism Administration



Value creation potential

- Grow Portfolio of rent-earning assets through residential developments/opportunistic acquisitions
- Reach 1,000 hotel rooms over the next 3 years. Currently approximately 942 rooms of which 152 are operational and c. 790 are in the pipeline

Projected EBITDA through 2022¹ (GEL m)



Value realisation outlook - spin-off yielding properties as listed REITs managed by m²

(1) Hospitality & Commercial real estate business' functional currency is US dollars

Beverages business overview

Investment rationale

- High growth sector, which has doubled during the last 5 years to GEL 1.9 billion market
- Beer consumption per capita at one of the lowest levels in the wider region at 27 liters per capita
- Georgia's favorable trade regimes (free trade agreements with EU and China) provide potential for export growth

Value creation potential

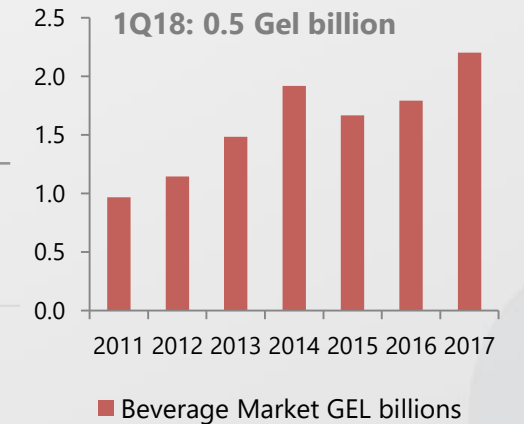
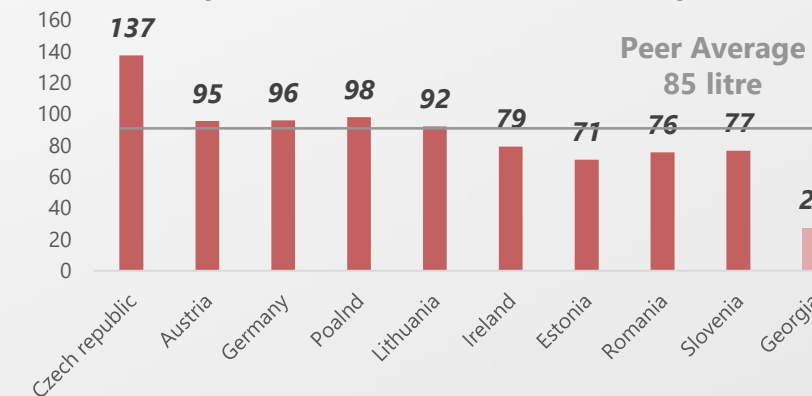
- Best-in-class distribution network platform
- 10-year exclusivity from Heineken to produce and sell beer in Georgia, Armenia and Azerbaijan
- Grow vineyard base to 1,000 hectares, from current 436 hectares, over the next three years

Value realization outlook - Trade sale either of the whole business or in parts

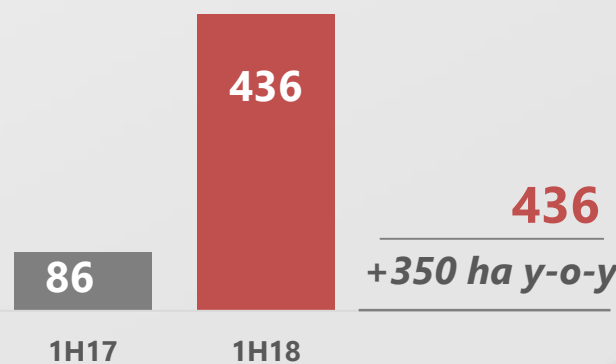
Market opportunity

Low consumption per capita compared to peers

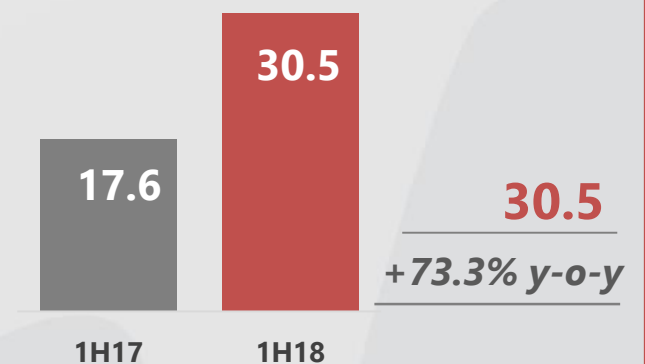
Beer consumption in Peer Countries 2017 (l/capita)



Vineyard hectares



Beverages revenue



Further value creation opportunity – education business



Industry investment rationale

LARGE AND GROWING MARKET

- Growing private school market
- Government expected to double spending over the next 5 years
- Low base – 3.8% of GDP, compared to 5.4% of peers (2016 data)
- Government incentivized to support private schools development

EFFICIENCY UPSIDE

- Inefficient government spending
- Fragmented – 2,321 schools in total, only 10% is private and also private market itself is fragmented
- Undersupplied private school market
- 83% of teachers teach only 1 subject – 56% for peers

ACCESS IS HIGH, BUT QUALITY IS POOR

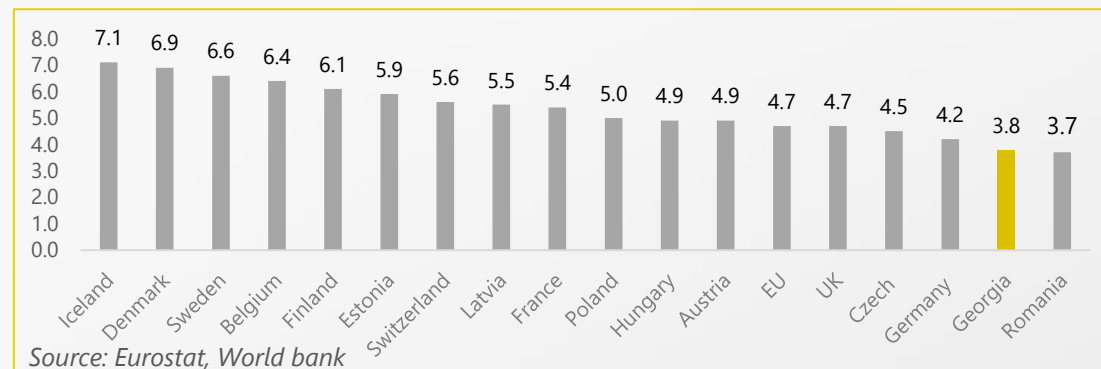
- Compulsory education lasts 9 years from age 6 to 14 years, literacy level - 99.8%
- Low supply of quality educators
- Poor international pupils assessment results – 60th among 72 countries

HIGH TRADING MULTIPLES

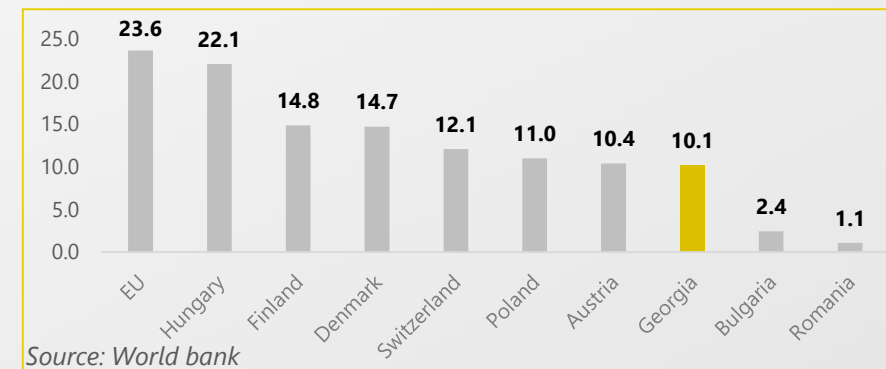
- Due to its high quality revenue and high demand for good quality affordable education schools are trading at a very high multiples even amongst the service industry

Market opportunity

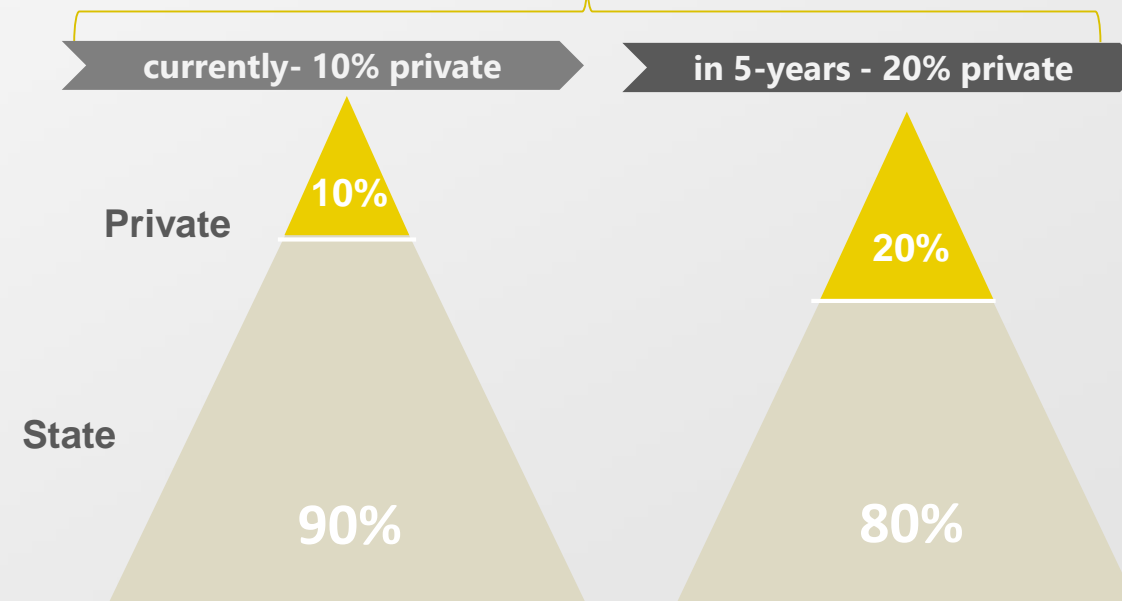
Government spending on education as GDP % (2016)



Secondary private school enrollment % (2016)



Medium term demand outlook for private high schools



We aim to introduce a chain of affordable high schools to capitalise on scale advantage in Georgia

We expect to deploy GEL 140 million equity capital and by 2025 we are aiming to reach 30,000 pupils

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- Financials & other

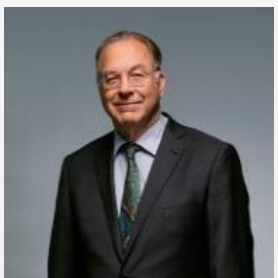
Georgia Capital's board of directors



Board of directors - Georgia Capital PLC



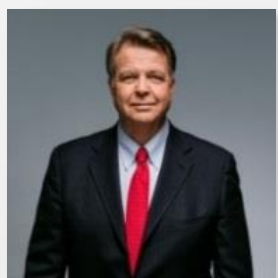
Irakli Gilauri, Chairman & CEO
Experience: formerly BGEO Group CEO; Up to 20 years of experience in the banking, investment and finance. BMS in banking from CASS Business School, London; BBS from University of Limerick, Ireland



David Morrison, Senior Independent Director
Experience: formerly Director at Sullivan & Cromwell with a track record of over 28 years, Founding CEO of the Caucasus Nature Fund (CNF)



William Huyett, Independent Non-Executive Director
Experience: formerly a Director of McKinsey & Company, based in its Boston office, for over 28 years



Kim Bradley, Independent Non-executive Director
Experience: Goldman Sachs AM, Senior Executive at GE Capital, President of Societa Gestione Crediti, Board Chairman at Archon Capital Deutschland



Caroline Brown, Independent Non-Executive Director
Experience: Chief Financial Officer at Listen Media Campaign Company, Chief Innovation Officer and Founding Partner at Cambridge Advisory Partners



Massimo Gesua'sive Salvadori, Independent Non-Executive Director
Experience: currently an analyst at Odey asset management, formerly with McKinsey & Company for over 9 years



Jyrki Talvitie, Independent Non-Executive Director
Experience: 28 years of experience in the banking, including Sberbank, VTB, East Capital and Bank of New York in both buy and sell-side transactions

6 out of 7 members are independent

Investment company basis management accounts



Net Asset Value Overview

	Number of Shares	Ownership %	Management Adjusted Value 30-Jun-18	Management Adjusted Value 31-Dec-17	Change	Change %
GEL thousand unless otherwise noted						
Listed Equity Investments						
GHG (75,118,503 shares at market)	75,118,503	57.0%	608,502	933,481	(324,979)	-34.8%
BoG (9,784,716 shares at market)	9,784,716	19.9%	594,069	-	594,069	NMF
Private Investments						
Water Utility (at book)		100.0%	282,319	267,923	14,396	5.4%
Renewable energy (at book) ²		65.0%	53,572	51,511	2,061	4.0%
Housing Development (at book)		100.0%	68,530	75,609	(7,079)	-9.4%
Commercial and Hospitality (at book)		100.0%	78,700	78,142	558	0.7%
Beverages (at book) ²		80.0% ¹	84,960	63,637	21,323	33.5%
P&C Insurance (at book)		100.0%	48,869	51,193	(2,324)	-4.5%
Education (at cost)		100.0%	6,177	-	6,177	NMF
Other (at cost)		100.0%	82	-	82	NMF
Total Portfolio Value			1,825,780	1,521,496	304,285	20.0%
Net Debt			(128,771)	(7,733)	(121,038)	NMF
Of which, cash and liquid funds			352,002	264,546	87,456	33.1%
Of which, loans issued			252,488	-	252,488	NMF
Of which, gross Debt			(733,261)	(272,279)	(460,982)	NMF
Net other assets/ (liabilities)			(9,839)	(2,687)	(7,153)	NMF
Net Asset Value			1,687,170	1,511,076	176,094	11.7%
Shares outstanding ³			36,912,664	39,384,712	(2,472,048)	-6.3%
Net Asset Value per share (GEL)			45.71	38.37	7.34	19.1%
Net Asset Value per share (GBP)			14.06	10.96	3.10	28.3%

(1) Aggregate ownership stake, as Georgia Capital holds the beverages business through multiple companies with different ownership stakes

(2) Management adjusted value of renewable energy business and the beverages business at 30 June 2018 includes mezzanine loans issued of GEL 33.9 million (31 December 2017: GEL 34.2 million) and GEL 13 million (31 December 2017: zero) respectively

(3) Number of outstanding shares at the end of the period under IFRS, i.e. issued shares less treasury shares

Investment company basis management accounts



Investment company basis income statement

<i>GEL thousands unless otherwise noted</i>	1H18	1H17	% change
Dividend income	31,340	17,500	79.1%
Interest income	14,742	271	NMF
Interest expense	(19,079)	(9,210)	NMF
GCAP gross operating income	27,003	8,561	NMF
Operating expenses	(5,282)	(1,919)	NMF
GCAP net operating income (1)	21,721	6,642	NMF
Attributable income of listed portfolio companies	54,762	11,822	NMF
<i>of which, GHG</i>	11,589	11,822	-2.0%
<i>of which, BoG</i>	43,172	-	NMF
Attributable income of private portfolio companies	27,775	41,324	-32.8%
<i>of which, Water Utility</i>	22,284	15,702	41.9%
<i>of which, Renewable Energy</i>	(490)	(2,057)	76.2%
<i>of which, Housing Development</i>	4,375	20,802	-79.0%
<i>of which, Hospitality and Commercial Real Estate</i>	763	1,304	-41.5%
<i>of which, Beverages</i>	(7,462)	(2,017)	NMF
<i>of which, P&C Insurance</i>	8,305	7,590	9.4%
Total portfolio company attributable income (2)	82,537	53,146	55.3%
Income before income taxes, provisions and adjustments (1)+(2)	104,258	59,788	74.4%
Adjustment for dividend income accrual	(31,340)	(17,500)	79.1%
Provision	(2,115)	-	NMF
Income tax	-	-	NMF
Net income	70,803	42,288	67.4%
Net foreign currency (loss) gain	(5,104)	423	NMF
Non-recurring income (expense)	(49,970)	(2,225)	NMF
Realized gain from sale portfolio company shares	-	90,275	NMF
Total comprehensive income	15,729	130,761	-88.0%

Georgia Capital stand-alone cash flow highlights

<i>GEL thousands unless otherwise noted</i>	1H18	1H17	Change %
Dividends received	10,000	-	NMF
Interest received	10,426	189	NMF
Interest paid	(21,785)	-	NMF
Cash outflow from Operations before operating expenses	(1,359)	189	NMF
GCAP operating expenses	(2,787)	(244)	NMF
Cash outflow from operations	(4,147)	(55)	NMF
Investments in portfolio companies	(19,700)	(11,458)	71.9%
Loans Issued	(249,635)	(7,000)	NMF
Preferred stock	(19,029)	-	NMF
Proceeds from sale of shares in portfolio companies	-	108,780	NMF
Cash outflow on investing activities	(288,364)	90,322	NMF
Share buybacks	(49,580)	-	NMF
Cash outflow on buybacks	(49,580)	-	NMF
Increase in capital	-	2,249	NMF
Proceeds from debt securities issued	715,729	-	NMF
Repayment of borrowings from former parent company	(248,295)	(7,981)	NMF
Proceeds from borrowings	-	6,301	NMF
Cash inflow from financing activities	467,434	569	NMF
Demerger related outflows	(24,245)	-	NMF
Net cash flow	101,097	90,835	11.3%
Beginning cash and liquid funds	264,546	3,240	NMF
Ending cash and liquid funds	352,002	93,496	NMF
Fx Effect	(13,168)	(579)	NMF
Fair valuation	(474)	-	NMF

Investment company basis management accounts



Balance Sheet Highlights

Corporate	June	December	
<i>GEL thousands unless otherwise noted</i>	30-Jun-18	31-Dec-17	Change %
Cash and liquid funds	352,002	264,546	33.1%
Loans issued	252,488	-	NMF
Preferred stock	43,064	32,182	33.8%
Investment portfolio value	1,765,044	1,478,806	19.4%
of which: Listed Investments	1,202,571	933,481	28.8%
<i>Georgia Healthcare Group PLC (LSE closing price)</i>	608,502	933,481	-34.8%
<i>Bank of Georgia Group PLC (LSE closing price)</i>	594,069	-	NMF
of which: Private Investments	562,473	545,325	3.1%
<i>Water Utility (at book)</i>	282,319	267,923	5.4%
<i>Renewable energy (at book)</i>	19,623	17,290	13.5%
<i>Housing Development (at book)</i>	68,530	75,609	-9.4%
<i>Commercial and Hospitality</i>	78,700	78,142	0.7%
<i>Beverages (at book)</i>	60,514	57,509	5.2%
<i>P&C Insurance (at book)</i>	46,528	48,852	-4.8%
<i>Other</i>	6,259	-	NMF
Goodwill	13,831	8,469	63.3%
Other Assets	6,208	579	NMF
Total assets	2,432,637	1,784,582	36.3%
Debt securities issued	733,261	-	NMF
Borrowings	-	272,279	NMF
Other Liabilities	12,206	1,227	NMF
Total liabilities	745,466	273,506	NMF
NAV	1,687,170	1,511,076	11.7%

Portfolio valuation	Management Adjusted Value	Average of Analyst Valuations
	30-Jun-18	30-Jun-18
Listed Equity Investments		
<i>Georgia Healthcare Group PLC</i>	608,502	930,760
<i>Bank of Georgia Group PLC</i>	594,069	711,197
Private Investments		
<i>Water Utility (at book)</i>	282,319	552,414
<i>Renewable energy (at book)</i>	53,572	
<i>Housing Development (at NAV)</i>	68,530	170,760
<i>Commercial and Hospitality</i>	78,700	
<i>Beverage (at book)</i>	84,960	87,114
<i>P&C Insurance (at book)</i>	48,869	178,690
<i>Other</i>	6,259	
Total Portfolio value	1,825,780	2,630,935
Net debt*	(128,771)	(128,771)
Net other assets/(liabilities)*	(9,839)	(9,839)
Net asset value*	1,687,170	2,492,325
Shares outstanding*	36,912,664	36,912,664
Net asset value per share (GEL)*	45.71	67.52
Net asset value per share (GBP)*	14.06	20.77

Glossary



- **GCAP** refers to the aggregation of stand-alone Georgia Capital PLC and stand-alone JSC Georgia Capital accounts
- **Georgia Capital** and “the Group” refer to Georgia Capital PLC and its portfolio companies as a whole
- **NMF** – Not meaningful
- **NAV** – net asset value
- **EBITDA** - Earnings before interest, taxes, non-recurring items, FX gain/losses and depreciation and amortization; The Group has presented these figures in this document because management uses EBITDA as a tool to measure the Group’s operational performance and the profitability of its operations. The Company considers EBITDA to be an important indicator of its representative recurring operations
- **ROIC** – return on invested capital is calculated as EBITDA less depreciation, divided by aggregate amount of total equity and borrowed funds
- **Loss ratio** equals net insurance claims expense divided by net earned premiums
- **Expense ratio** equals sum of acquisition costs and operating expenses divided by net earned premiums
- **Combined ratio** equals sum of the loss ratio and the expense ratio
- **ROAE** – Return on average total equity (ROAE) equals profit for the period attributable to shareholders of P&C insurance business divided by monthly average equity attributable to shareholders of P&C business for the same period
- **IRR** for listed investments is calculated based on a) historical contributions to the listed investment less b) dividends received and c) market value of the investment at 30 June 2018
- **ROI** for private investments is an annualised return on net investment (gross investments less capital returns) calculated at each investment level. Inputs into the ROI calculation are as follows: (i) the numerator is the annualised attributable income of the private portfolio company less allocated GCAP interest expense, and (ii) the denominator, is the net investment less allocated gross debt of GCAP
- **ROAC** is an annualised return on allocated capital as of 30 June 2018 and calculated at each private investment level. Inputs into the ROAC calculation are as follows: (i) the numerator is the annualised attributable income of the private portfolio company, less allocated GCAP interest expense, and (ii) the denominator is the management adjusted value, as included in the NAV statement, less allocated gross debt of GCAP
- **Net investment** - gross investments less capital returns
- **Management adjusted value** - Private portfolio companies are carried at their book values, which represents the sum of a) their respective IFRS stand-alone total shareholders’ equities attributable to Georgia Capital, unless the Group has an arm’s length sale transaction with portfolio company’s equity securities to an unrelated third-party; b) attributable IFRS goodwill and c) the carrying value of shareholder advances that represent preferred stock or mezzanine loan type investments in portfolio companies
- **Holding period** – weighted average holding period (years)

Forward looking statements



Disclaimer

This presentation 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 Georgia Capital PLC 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: currency fluctuations, including depreciation of the Georgian Lari, and macroeconomic risk; regional tensions and instability; regulatory risk across a wide range of industries; investment strategy risk; investment risk and liquidity risk and other key factors that indicated could adversely affect our business and financial performance, which are contained elsewhere in this document and in our past and future filings and reports and also the 'Principal Risks and Uncertainties' included in Georgia Capital PLC's 1H18 results announcement and in BGEO Group PLC's Annual Report and Accounts 2017. No part of this presentation constitutes, or shall be taken to constitute, an invitation or inducement to invest in Georgia Capital PLC or any other entity, and must not be relied upon in any way in connection with any investment decision. Georgia Capital PLC and other entities undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required. Nothing in this presentation should be construed as a profit forecast.