



Investor presentation

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Forward looking statements

Disclaimer

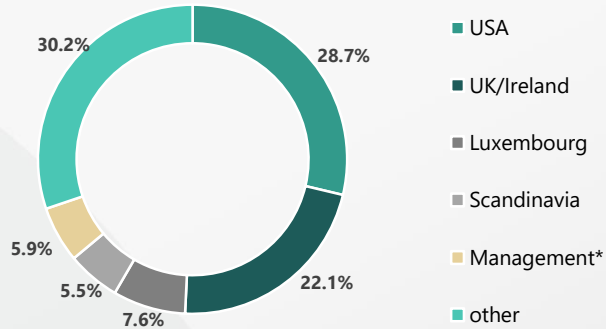
This presentation contains forward-looking statements, including, but not limited to, statements concerning expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, 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, which could include, among other things: regional instability, regulatory risk across a wide range of industries, investment risk, portfolio company strategic and execution risks, currency fluctuations, including depreciation of the Georgian Lari, and macroeconomic risk and other key factors that indicated could adversely affect our business and financial performance, which are contained in our past and future filings and reports and also the 'Principal Risks and Uncertainties' included in Georgia Capital PLC's Annual Report and Accounts 2018 and in Georgia Capital PLC's 1H19 results announcement. 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.

- 1. Georgia Capital at a glance**
2. Georgia Capital strategy & capital allocations
3. Results discussion | Georgia Capital
4. Portfolio overview
5. Georgian macro overview
6. Appendices

CGEO:LN performance

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

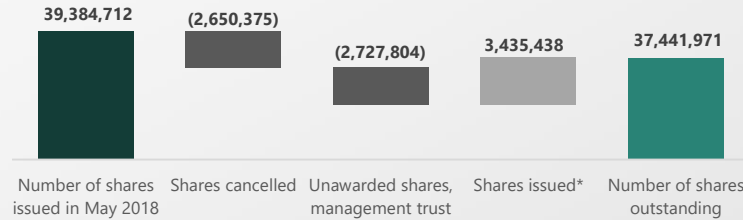
GCAP shareholders allocation by geography



* Includes both vested and unvested awarded shares

Number of outstanding shares as at 31-Dec-19

As of 26 February 2020



Average daily trading volume – GBP 1.0 (million)

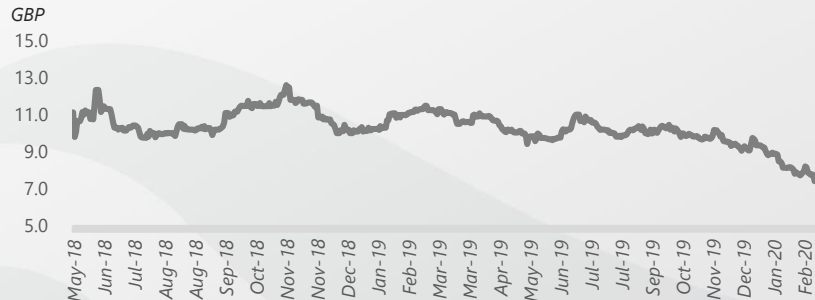
Market Capitalization – GBP 298 (million)

* In December 2019 GCAP issued 3.4 million new shares for acquisition of 13.6% equity stake in GHG

GCAP top shareholders | 31-Dec-2019

| Rank | Shareholder name | Ownership |
|--------------|-------------------------------------|---------------|
| 1 | M&G Investment Management Ltd | 7.53% |
| 2 | Schroder Investment Management Ltd | 4.73% |
| 3 | LGM Investments Ltd | 3.40% |
| 4 | Consilium Investment Management LLC | 3.38% |
| 5 | Vanguard Group Inc | 3.12% |
| 6 | Norges Bank Investment Management | 3.12% |
| 7 | Dunross & Co AB | 2.85% |
| 8 | Van Eck Global | 2.68% |
| 9 | Firebird Management LLC | 2.39% |
| 10 | T Rowe Price | 2.18% |
| Total | | 35.38% |

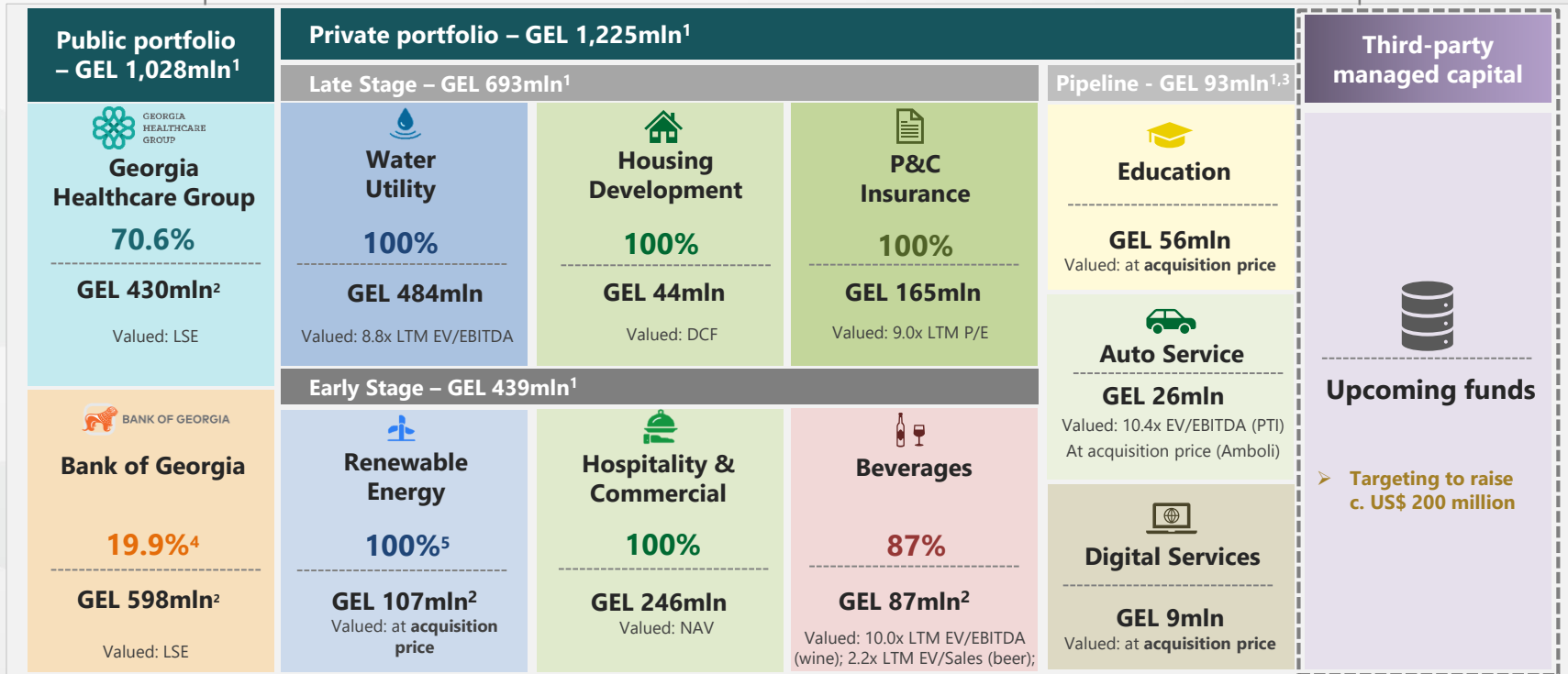
Historical GCAP share price



Our portfolio at a glance



GEORGIA CAPITAL
Management platform



1. As of 31 December 2019. 3. Total pipeline portfolio includes other pipeline projects with GEL 2 million value.
 2. GCAP share 4. As long as Georgia Capital's stake is greater than 9.9%, it will exercise its voting rights in accordance with the votes cast by all other shareholders on all shareholder votes at any general meeting.
 5. Following the buyout of the 34.4% minority shareholder in GRPC on 25 February 2020, Renewable Energy consists of wholly-owned hydro and wind power plants with 91MW installed capacity in aggregate.

Key portfolio highlights | 31 December 2019



Gross cash invested of GEL 1.2bln



Net cash invested of GEL 395mln



Portfolio fair value of GEL 2.3bln

Listed

Private late stage

Private early stage

Pipeline

Original investment

252

129

214

92

10

99

194

62

96

56

10

9

MOIC¹

2.2

7.9

2.6

2.1

19.7

1.1

1.3

1.2

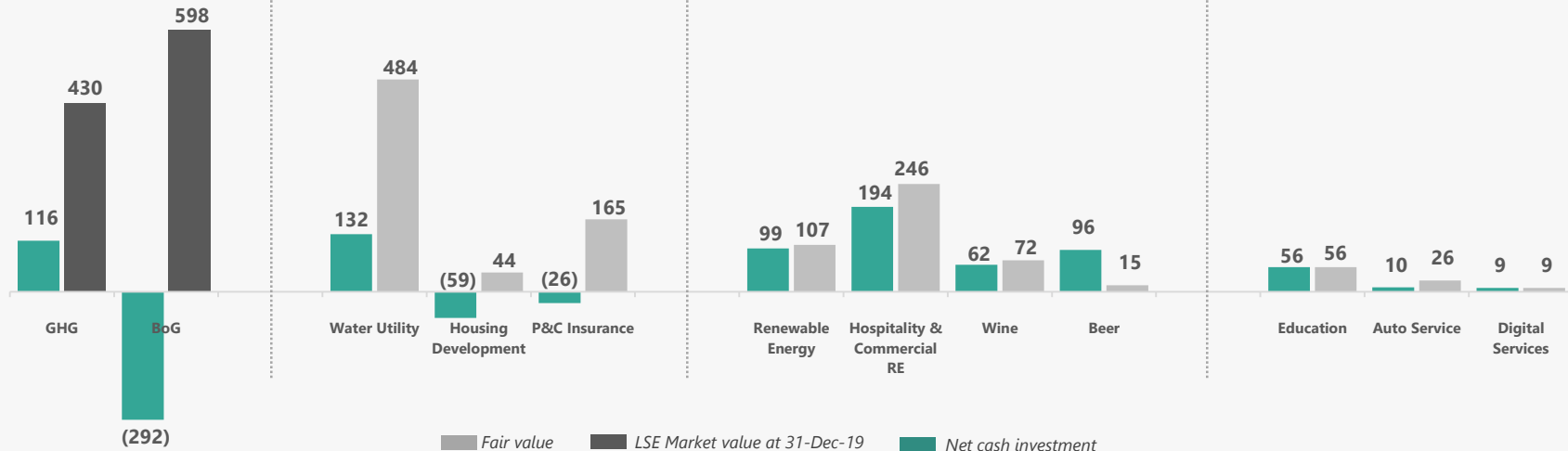
0.2

NMF

2.6

NMF

GEL millions



(1) Multiple of Capital Invested is calculated as follows: i) the numerator is the cash and non-cash inflows from dividends and sell-downs plus fair value of investment at reporting date ii) the denominator is the gross investment amount.

Solid track record

Created three listed companies from Georgia, on the premium segment of the London Stock Exchange



Acquisitions

The Georgia Capital management team has a track record of executing **more than 50 acquisitions** in banking, insurance, healthcare, utilities, education, renewable energy, retail, FMCG and other sectors (c. 40 acquisitions were made under the BGEO Group)

Total number of acquisitions executed

50+



Capital raise

Uniquely positioned given the access to capital in a small frontier economy, where access to capital is limited:

- **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.)

Total amount of debt raised (US\$)

4.5bn+



Exit IRR

121% IRR from GHG IPO

60%+ IRR from completed m² Real Estate projects

IRR from GHG IPO

121%

Acquisitions in 2019 | private portfolio

February 2019
Kempinski Hotel


- Buyout of the remaining **40% equity stake** for US\$ 5.2 million
- Expected to add c. 100 rooms to hospitality business portfolio from 4Q20.

March 2019
Kazbegi brand acquisition


- Georgia's oldest beer brand – **Kazbegi**.
- Total cash consideration of **US\$ 3.65mln**

May 2019
Redberry


- The leading Georgian digital marketing agency
- **US\$ 0.4 million** cash consideration to acquire **60% equity stake**
- **US\$ 2.8 million** new capital injected for digital start-up development

July 2019
Buckswood International


- The leading school in the **mid-level segment**
- Purchase of **80% equity stake**
- Valued at **6.4x EV / EBITDA 2020**
- Targeted capacity of c. **2,980 learners by 2021** (Current 760 learners)
- Capital allocation from GCAP of **GEL 24 million²**

August 2019
Alaverdi winery


- Purchase of **100% equity stake**
- 244 hectares of vineyards and 135 hectares of free land in the Kakheti region
- The acquisition tripled the Wine Business's production capacity
- Capital allocation from GCAP of **GEL 16 million**

November 2019
Qartli wind farm


- Purchase of **100% equity stake**
- Valued at **7.2x EV / EBITDA 2020**
- 21MW installed capacity
- US\$ 14.4 million cash consideration
- Capital allocation from GCAP of **GEL 13 million**

February
March
April
May
June
July
August
October
November
December
April 2019
Amboli


- Second largest player in Georgian auto service industry
- **GEL 3.4 million** cash consideration to acquire **80% equity stake**
- Valued at **0.7x EV/Sales 2018**
- Additional Equity capital injection of **GEL 1.6 million**

June 2019
British-Georgian Academy


- The leading school in the **premium segment**
- Purchase of **70% equity stake**
- Valued at **6.4x EV / EBITDA 2020**
- Targeted capacity of c. **3,200 learners by 2021** (Current 800 learners)
- Capital allocation from GCAP of **GEL 75million²**

July 2019
Green School


- The leading player in **affordable segment**
- Purchase of **80-90¹% equity stake**
- Valued at **5.6x EV / EBITDA³**
- Targeted capacity of c. **5,000 learners by 2024** (Current 1,250 learners)
- Capital allocation from GCAP of **GEL 21million²**

October 2019
Hydrolea


- Purchase of **100% equity stake**
- Three operating HPPs with 21MW installed capacity
- Greenfield HPP project with 19MW targeted capacity
- Capital allocation from GCAP of **GEL 30 million**

December 2019
Four famous Georgian restaurants


- Our hospitality business partnered (**50% ownership**) with the **famous Georgian chef**, Tekuna Gachechiladze, owner of four leading Georgian restaurants.
- Total consideration of **GEL 1.3 million**.

(1) 80% equity stake in the current campus and 90% equity stake in three new schools that will be developed under green school brand.

(2) Includes actual and projected future capital allocations.

(3) An additional earn-out may apply subject to EBITDA target within the next three academic years. The cumulative EV paid will not exceed 5.6x EV/EBITDA of the respective year (including performance-related deferred consideration).

Content

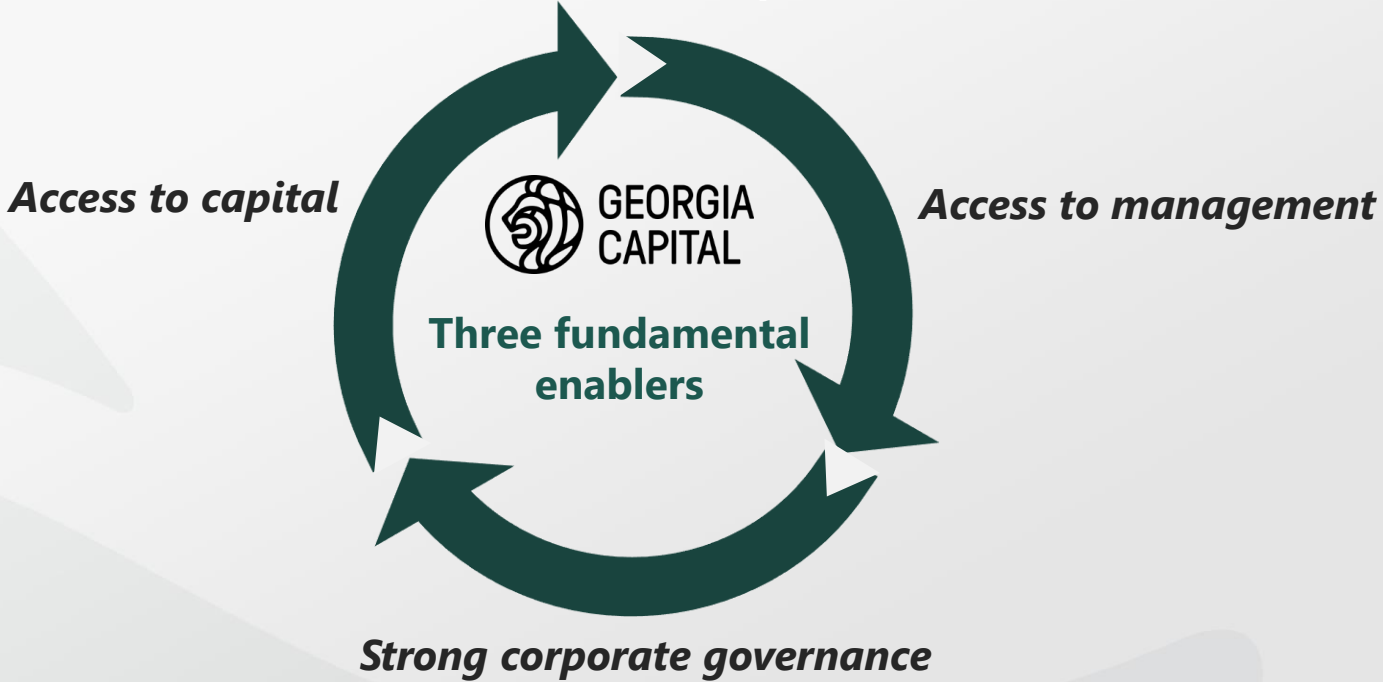


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Georgia Capital – Your ground floor investment opportunity



Capitalizing on fast-growing economy with strong governance, management and access to capital



Strong corporate governance

How we run Georgia Capital

Strong board, composed solely of **independent directors with extensive international experience**

Approximately **35 employees** at the management company level

Highly experienced management team in each portfolio company with a **strong measure of independence**

Solid corporate governance and oversight

Strong corporate governance

Aligned shareholder and management interests by share compensation

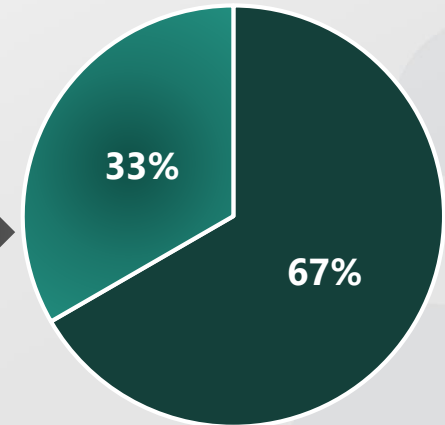
Platform costs - targeted at maximum c.2% of MCAP

Key things to know

1 Cash preservation is a key target for GCAP: **two thirds of total operating expenses are related to share-based compensation.**

2 c. 1% of executives compensation is in fixed shares; with another 1% being fully discretionary, subject to achieving KPIs.












3 GCAP's management's compensation is paid in long-vested (6-year) shares only, with no cash component.



■ cash ■ non-cash

Managing investments

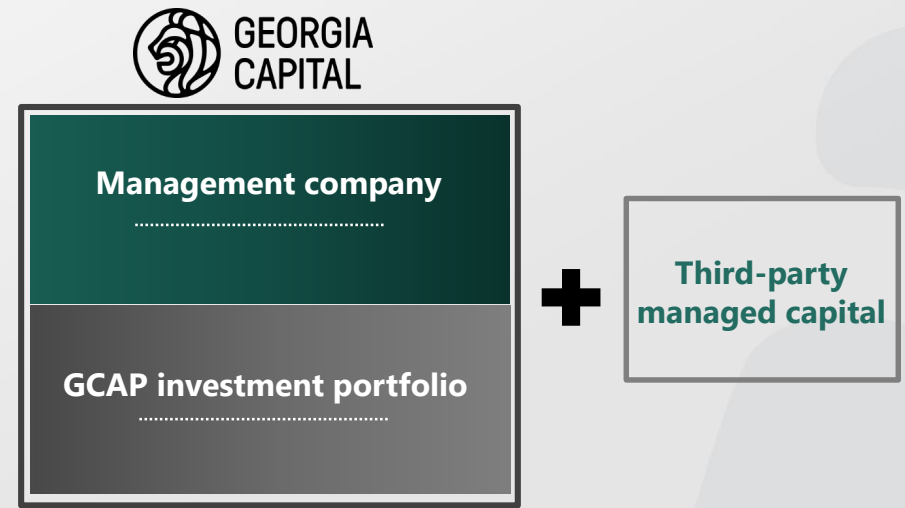
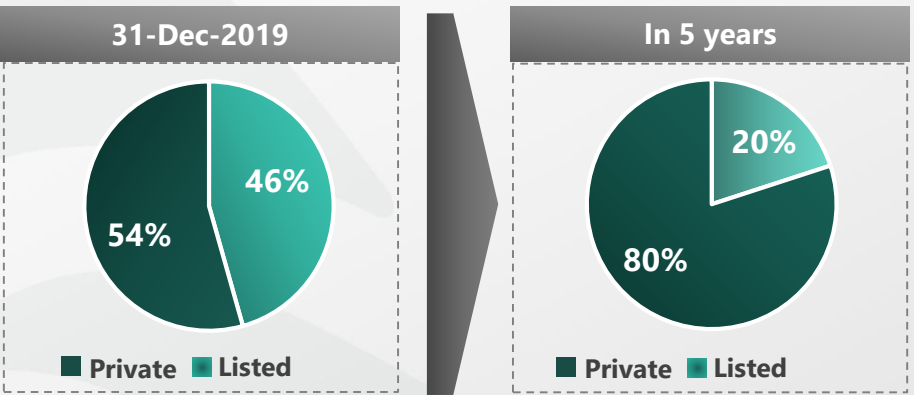
Share ownership plan of management in portfolio companies

| Investment stage | Pipeline | | | Early | | | Late | | | Listed | |
|-------------------------------------|--|---|--|---|---|--|---|---|---|--|---|
| | Discovery | Acquisition/ Entrance | | Young Portfolio Companies | | | Large Portfolio Companies | | | Target to exit | Possible completion of Exit |
| Sector |  Digital services |  Education |  Auto Service |  Renewable Energy |  Hospitality & Commercial RE |  Beverages |  Housing Development |  P&C Insurance |  Water Utility |  Georgia Healthcare Group |  Bank of Georgia Group |
| Portfolio Company Development Focus | <ul style="list-style-type: none"> ➤ Discovery stage | | | <ul style="list-style-type: none"> ➤ Hands-on management approach ➤ Rapid growth organically and through M&A ➤ Active investment stage | | | <ul style="list-style-type: none"> ➤ Strategic guidance / advisory approach ➤ Focus on efficiency improvements ➤ Diversification of revenue streams ➤ Introduction of dividend discipline | | | <ul style="list-style-type: none"> ➤ Sustainable shareholder value creation and dividend distributions | |
| Institutionalisation/ Independence | Low | | | | | | | | | High | |

Two new strategic priorities

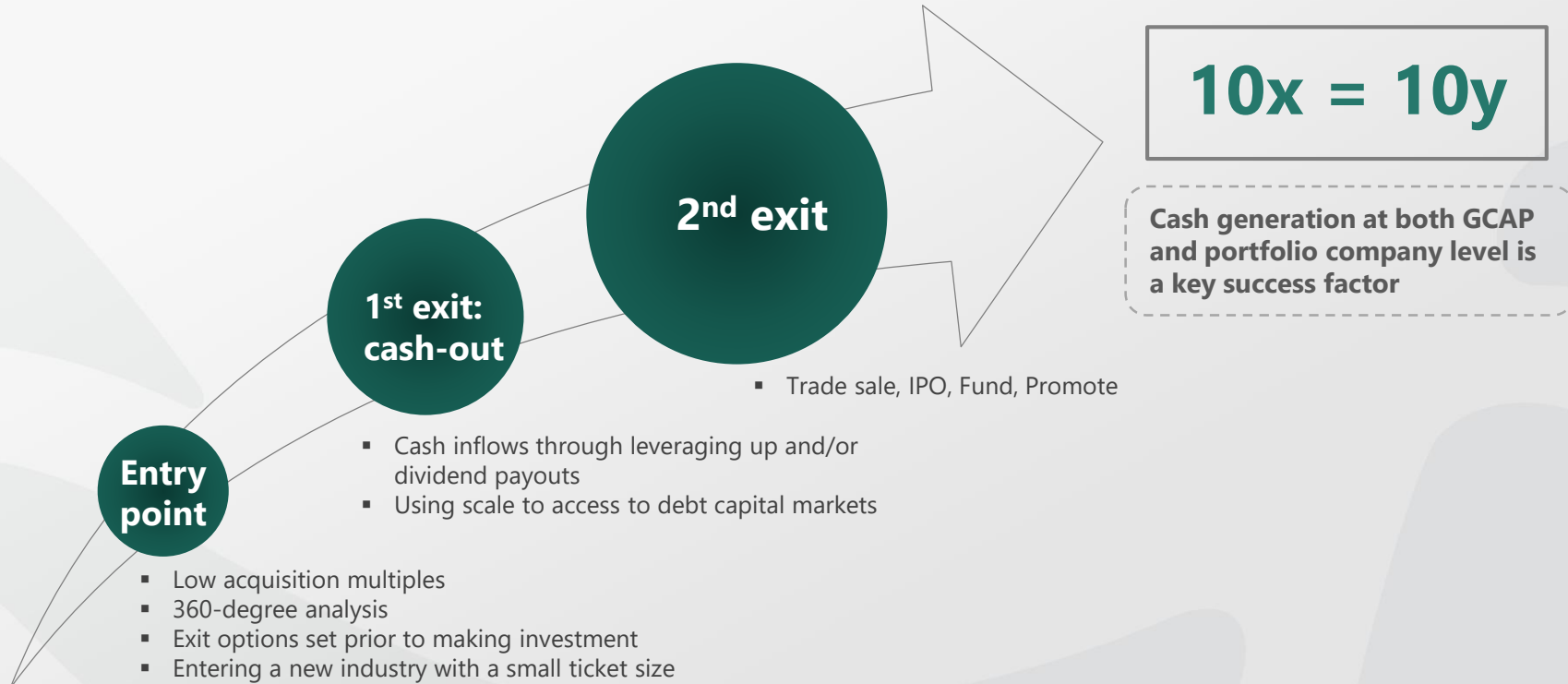
Over time Georgia Capital will: 1. Decrease share of listed assets to 20% and 2. manage third-party money

Over the next 5 years we will reshape our balance sheet



Our investment philosophy

We will pick well, we will manage very well and sell extremely well



Capital allocations

360-degree analysis – a strong foundation for value creation

Buying assets at attractive prices is a key part of our investment philosophy

Targeting to buy assets at a higher discount to their listed peers than GCAP's fair value discount



Discounts at 26 February 2020



Capital allocations

Buybacks



US\$45 million share buyback programme, commenced in Jun-18, was completed in Aug-19

US\$ 45 million

Programme amount

3,336,843

Shares bought back

GBP 10.45

Average price of shares bought back

On 1 August 2019 we announced market purchase of CGEO shares of up to US\$ 20 million for the management trust

➤ Shares of **US\$ 19.1 million** were purchased as of 26 February 2020.

Capital allocations

Clear exit paths

| | Trade sale | IPO | Fund | Promote |
|---|------------|----------|----------|----------|
|  Water Utility | X | X | | X |
|  P&C Insurance | X | | | |
|  Housing Development | | | X | |
|  Renewable Energy | X | X | X | |
|  Hospitality & Commercial | | | X | |
|  Beverages | X | | | X |
|  Education | X | X | | |
|  Auto Service | X | | | |
|  Digital services | X | | | |

Exit options are set prior to making an investment decision

Capital allocations

How we evaluate investment performance



ROIC, MOIC and IRR combination is the key decision making matrix

MOIC and IRR at GCAP level

Money multiples. *We want to know achievable money multiples with all acquisitions and analyze them in combination with the expected IRR.*

MOIC and IRR combination. *Targeting to have a combination of high MOIC and high IRR.*

Realised and unrealised MOICs are equally important for us.

ROIC for financing projects and reinvestment at portfolio companies' level

ROIC. *We measure our expected return on the total invested capital at each portfolio company level.*

Different yields will be appropriate for different industries, US\$ dollar and Lari businesses

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NAV Statement | 31 December 2019



| <i>GEL thousands unless otherwise noted</i> | Dec-18 | 1. Value creation | 2a. Investments | 2b. Buybacks | 2c. Dividends | 3. Operating expenses | 4. Liquidity management/ FX /Other | Dec-19 | Change % |
|---|------------------|-------------------|------------------|------------------|------------------|-----------------------|------------------------------------|------------------|--------------|
| Listed Portfolio Companies | | | | | | | | | |
| GHG ¹ | 520,332 | (199,127) | 112,856 | - | (3,982) | - | - | 430,079 | -17.3% |
| BoG ¹ | 457,495 | 165,190 | - | - | (24,950) | - | - | 597,735 | 30.7% |
| Total Listed Portfolio Value | 977,827 | (33,937) | 112,856 | - | (28,932) | - | - | 1,027,814 | 5.1% |
| <i>Listed Portfolio value change %</i> | | <i>-3.5%</i> | <i>11.5%</i> | - | <i>-3.0%</i> | - | - | <i>5.1%</i> | |
| Private Portfolio Companies | | | | | | | | | |
| Late Stage | 628,326 | 157,009 | 698 | - | (93,287) | - | - | 692,746 | 10.3% |
| Water Utility | 431,017 | 74,953 | - | - | (22,000) | - | - | 483,970 | 12.3% |
| Housing Development | 66,785 | 35,624 | 698 | - | (59,254) | - | - | 43,853 | -34.3% |
| P&C Insurance | 130,524 | 46,432 | - | - | (12,033) | - | - | 164,923 | 26.4% |
| Early Stage | 271,288 | (5,098) | 173,287 | - | - | - | - | 439,477 | 62.0% |
| Renewable Energy | 61,182 | - | 45,618 | - | - | - | - | 106,800 | 74.6% |
| Hospitality and Commercial RE | 149,079 | 9,918 | 86,561 | - | - | - | - | 245,558 | 64.7% |
| Beverages | 61,027 | (15,016) | 41,108 | - | - | - | - | 87,119 | 42.8% |
| Of which, wine | 56,771 | (1,098) | 16,369 | - | - | - | - | 72,042 | 26.9% |
| Of which, beer | 4,256 | (13,918) | 24,739 | - | - | - | - | 15,077 | NMF |
| Pipeline | 5,933 | 16,397 | 70,716 | - | - | - | - | 93,046 | NMF |
| Education | 7,071 | - | 49,279 | - | - | - | - | 56,350 | NMF |
| Auto Service | (1,326) | 17,056 | 10,027 | - | - | - | - | 25,757 | NMF |
| Digital Services | - | - | 8,790 | - | - | - | - | 8,790 | NMF |
| Other | 188 | (659) | 2,620 | - | - | - | - | 2,149 | NMF |
| Total Private Portfolio Value | 905,547 | 168,308 | 244,701 | - | (93,287) | - | - | 1,225,269 | 35.3% |
| <i>Private Portfolio value change %</i> | | <i>18.6%</i> | <i>27.0%</i> | - | <i>-10.3%</i> | - | - | <i>35.3%</i> | |
| Total Portfolio Value (1) | 1,883,374 | 134,371 | 357,557 | - | (122,219) | - | - | 2,253,083 | 19.6% |
| <i>Total Portfolio value change %</i> | | <i>7.1%</i> | <i>19.0%</i> | - | <i>-6.5%</i> | - | - | <i>19.6%</i> | |
| Net Debt (2) | (196,915) | - | (193,482) | (124,781) | 72,875 | (19,869) | (31,393) | (493,565) | NMF |
| of which, Cash and liquid funds | 299,650 | - | (188,842) | (124,781) | 72,875 | (19,869) | (172,856) | 211,889 | -29.3% |
| of which, Loans issued | 305,480 | - | (4,640) | - | - | - | (148,956) | 151,884 | -50.3% |
| of which, Gross Debt | (802,045) | - | - | - | - | - | (55,293) | (857,338) | 6.9% |
| Net other assets/ (liabilities) (3) | 1,762 | - | (51,219) | - | 49,344 | (14,522) | 8,985 | (5,650) | NMF |
| of which, share-based compensation | - | - | - | - | - | (14,522) | 14,522 | - | - |
| Net Asset Value (1)+(2)+(3) | 1,688,221 | 134,371 | 112,856 | (124,781) | - | (34,391) | (22,408) | 1,753,868 | 3.9% |
| <i>NAV growth %</i> | | <i>8.0%</i> | <i>6.7%</i> | <i>-7.4%</i> | <i>0.0%</i> | <i>-2.0%</i> | <i>-1.3%</i> | <i>3.9%</i> | |
| Shares outstanding | 38,089,558 | - | 3,435,438 | (4,083,025) | - | - | - | 37,441,971 | -1.7% |
| Net Asset Value per share | 44.32 | 3.53 | (0.95) | 1.43 | - | (0.90) | (0.59) | 46.84 | 5.7% |
| <i>NAV per share growth %</i> | | <i>8.0%</i> | <i>-2.1%</i> | <i>3.2%</i> | <i>0.0%</i> | <i>-2.0%</i> | <i>-1.3%</i> | <i>5.7%</i> | |
| NAV per share, Listed portfolio | 23.01 | - | - | - | - | - | - | 21.07 | -8.4% |
| NAV per share, Private portfolio | 21.31 | - | - | - | - | - | - | 25.77 | 20.9% |

(1) Number of shares owned in GHG and BoG were 93,011,414 (Dec-18: 75,118,503) and 9,784,716 (Dec-18: 9,784,716) as of 31-Dec-19, respectively.

NAV per share (GEL) growth in 2019

NAV per share up 5.7% to GEL 46.84 during 2019

GEL unless otherwise noted

NAV per share
change %

-2.0%

10.0%

3.2%

-2.1%

-2.0%

-1.3%

5.7%

GEL 44.32

(0.89)

4.42

1.43

(0.95)

(0.9)

(0.59)

GEL 46.84

NAV per share
31-Dec-18

Value creation on
listed assets

Value creation on
private portfolio

Buybacks &
Cancellation

GHG share
exchange facility

Operating
expenses

Liquidity
management &
FX & Other

NAV per share
31-Dec-19

- **NAV per share up 5.7% to GEL 46.84 on the back of 3.9% growth in NAV and 1.7% decrease in number of shares outstanding**
- The private businesses led to 10.1% growth in NAV per share, which was offset by 4.4% negative impact from listed businesses
- **Value creation from listed assets:** GEL 165 million value creation from BOG, offset by GEL 199 million decrease in the value of our holding in GHG **(-2.0% impact on NAV per share during 2019)**
- **Value creation in private portfolio:** GEL 168 million value creation in private portfolio **(10% growth in NAV per share during 2019)**, of which, value creation excluding multiple change at GEL 145 million
- **Share exchange facility:** Acquisition of a 13.6% equity stake in GHG in exchange for 3.4 million CGEO share issuance valued at GEL 113 million **(-2.1% impact on NAV per share)**
 - Our holding in GHG increased from 57% to 70.6% on 18 December 2019 following the completion of a Share Exchange Facility whereby GCAP exchanged one share in GHG for 0.192 shares in GCAP.¹
- **Buybacks & Cancellation:** 3.5 million CGEO shares worth GEL 125 million bought back in 2019, while 2.7 million shares were cancelled **(3.2% growth in NAV per share)**
- **Platform costs:** FY19 management platform related costs **(-2.0% impact on NAV per share)**.
 - Management expense fee ratio at 1.8%, below our targeted 2% of MCAP.
- **FY19 net interest, FX and other costs (-1.3% impact on NAV per share).**

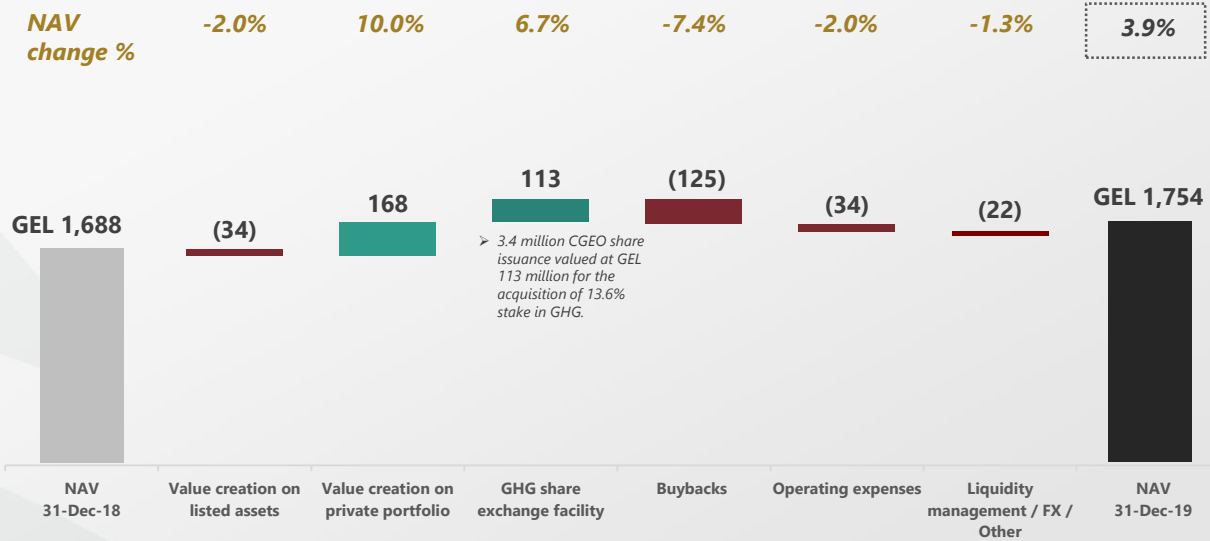
(1) Further details of the transaction are available at the following link:
<https://georgiacapital.ge/ir/ghg-shares>

NAV growth in 2019



Value creation of GEL 134 million contributed 8.0% to NAV growth

GEL millions unless otherwise noted



Value creation in 2019

| Portfolio Businesses | Operating Performance | Greenfields | Multiple Change and FX | Value Creation |
|--------------------------------------|-----------------------|---------------|------------------------|-----------------|
| <i>GEL thousands</i> | (1) | (2) | (3) | (1)+(2)+(3) |
| Listed | | | | (33,937) |
| GHG | | | | (199,127) |
| BoG | | | | 165,190 |
| Private | 109,745 | 34,961 | 23,602 | 168,308 |
| Late Stage | 136,926 | - | 20,083 | 157,009 |
| Water Utility | 78,954 | - | (4,001) | 74,953 |
| Housing Development | 35,624 | - | - | 35,624 |
| P&C Insurance | 22,348 | - | 24,084 | 46,432 |
| Early Stage | (27,181) | 18,564 | 3,519 | (5,098) |
| Renewable Energy | - | - | - | - |
| Hospitality & Commercial Real Estate | (8,646) | 18,564 | - | 9,918 |
| Beverages | (18,535) | - | 3,519 | (15,016) |
| <i>of which, wine</i> | <i>(4,617)</i> | - | <i>3,519</i> | <i>(1,098)</i> |
| <i>of which, beer</i> | <i>(13,918)</i> | - | - | <i>(13,918)</i> |
| Pipeline | - | 16,397 | - | 16,397 |
| Education | - | - | - | - |
| Auto Service | - | 17,056 | - | 17,056 |
| Digital Services | - | - | - | - |
| Other | - | (659) | - | (659) |
| Total Portfolio | 109,745 | 34,961 | 23,602 | 134,371 |

Capital allocations | FY19

| <i>GEL millions</i> | | Investments | Buybacks | Dividends | Total ¹ |
|--------------------------------------|-----------------------------|-------------|------------|--------------|--------------------|
| Listed portfolio | BOG | - | - | (25) | (25) |
| | GHG | 113 | - | (4) | 109 |
| Private late stage portfolio | Water Utility | - | - | (22) | (22) |
| | Housing Development | - | - | (59) | (59) |
| | P&C Insurance | - | - | (12) | (12) |
| Private early stage portfolio | Renewable Energy | 46 | - | - | 46 |
| | Hospitality & Commercial RE | 87 | - | - | 87 |
| | Beverages | 41 | - | - | 41 |
| | <i>Of which, wine</i> | 16 | - | - | 16 |
| | <i>Of which, beer</i> | 25 | - | - | 25 |
| Pipeline portfolio | Education | 49 | - | - | 49 |
| | Auto Service | 10 | - | - | 10 |
| | Digital Services | 9 | - | - | 9 |
| | Other | 2 | - | - | 2 |
| Buybacks | GCAP | - | 125 | - | 125 |
| Total | | 358 | 125 | (122) | 360 |

Investment highlights

- **GHG:** Acquisition of 13.6% holding in GHG as part of Share Exchange Facility
- **Renewable Energy:** Acquisition of Hydrolea HPPs and Qartli WPPs
- **Hospitality & Commercial RE:** GEL 37.3 million cash capital for development of pipeline hotels and GEL 49.3 million finished commercial properties
- **Wine business:** Acquisition of Alaverdi winery
- **Beer business:** Acquisition of prominent beverages brand Kazbegi and working capital financing.
- **Education:** Investment in high quality partnerships with three top schools with excellent management teams: BGA, Buckswood and Green school
- **Auto Service:** Acquisition of Amboli and launch of PTI business
- **Digital Services:** Acquisition of Redberry

Buyback highlights

- **3.5 million shares were bought back** for total cash consideration of GEL 125 million (US\$ 43.8 million), of which:
 - 2.1 million shares were bought under the US\$ 45 million share buyback programme
 - 1.4 million shares for the management trust.
 - **2.7 million shares were cancelled** and 0.7 shares were transferred to management trust

GCAP Performance highlights | 2019

Income statement highlights

| <i>GEL millions</i> | FY19 |
|----------------------------------|-------------|
| Dividend income | 122 |
| Net interest expense | (7) |
| GCAP operating expenses | (34) |
| GCAP net operating income | 81 |
| Total investment return | 12 |
| Net income | 72 |

**Total value creation
GEL 134 million**

➤ **Strong dividend inflows of GEL 122 million from our portfolio businesses.**

Cash flow highlights

| <i>GEL millions</i> | FY19 | FY18 | Change |
|--|-------------|-------------|---------------|
| Group consolidated operating cash flow* | 229 | 164 | +40% |

** Including GHG, adjusted for IFRS16 impact.*

GCAP Standalone interest coverage | FY19

2.8x

GCAP standalone cash expense Coverage | FY19

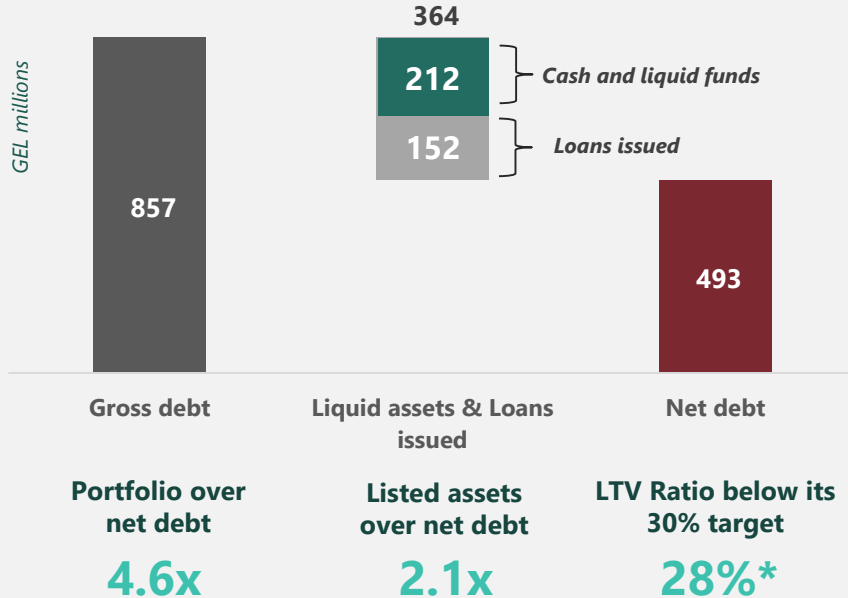
8.4x

Liquidity management at Georgia Capital

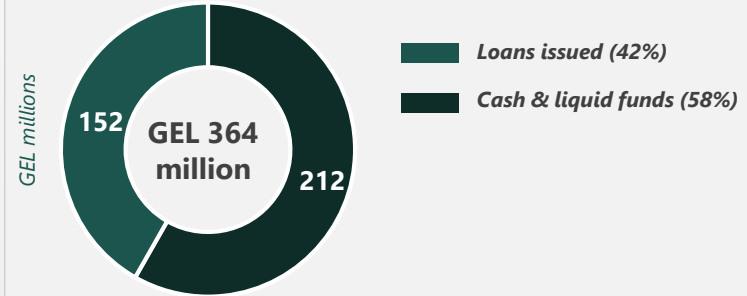
GEL 493 million
Net debt | 31-Dec-2019

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

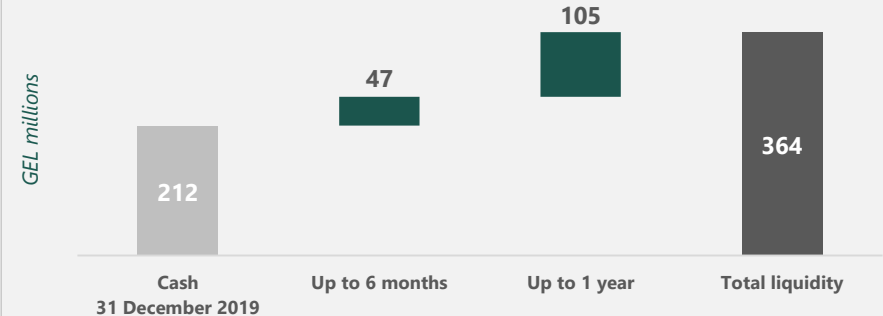
Net debt overview | 31-Dec-2019



Liquid assets & Loans issued | 31-Dec-2019



Cumulative maturity gap

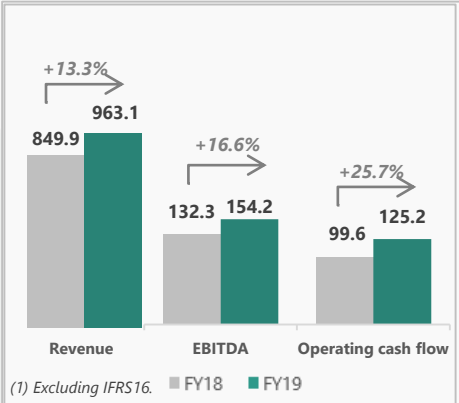


* Net debt divided by portfolio value. Loans to portfolio companies are included in portfolio value instead of net debt.

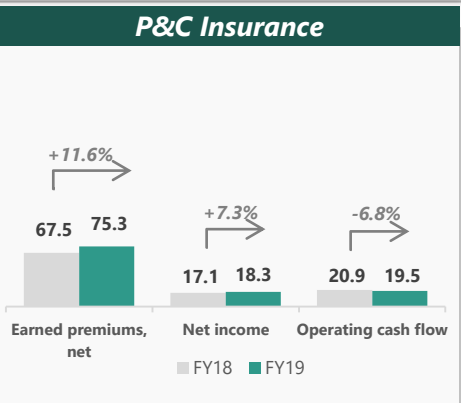
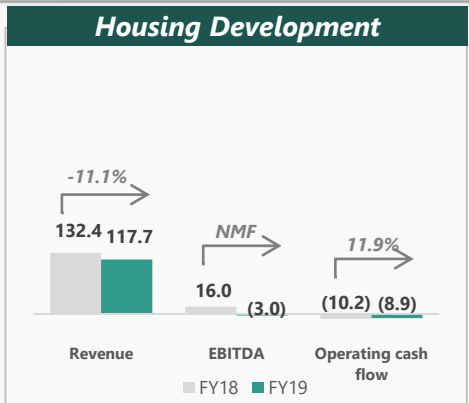
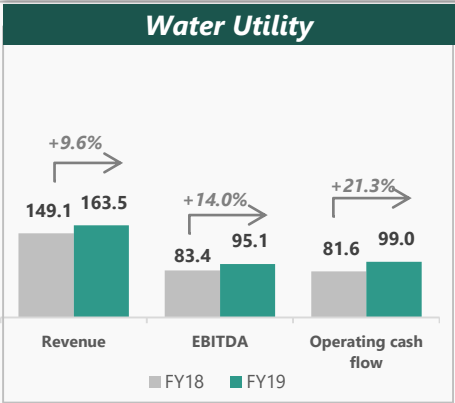
Portfolio performance highlights | FY19



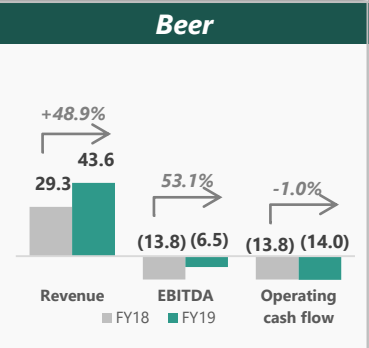
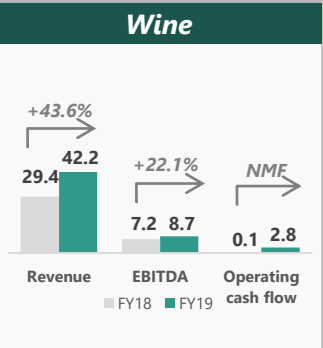
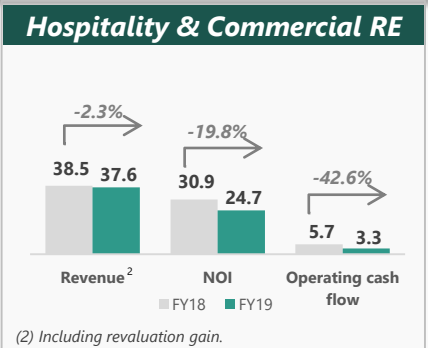
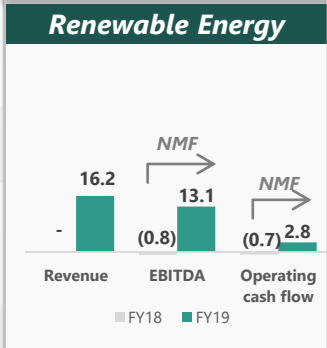
GHG¹



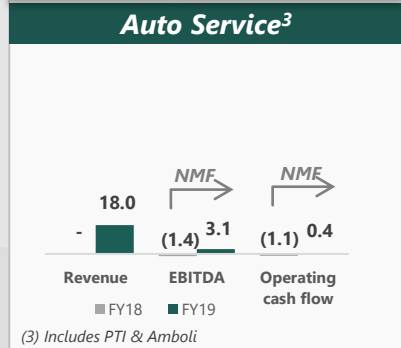
Private late stage



Private early stage



Pipeline



Content



1. Georgia Capital at a glance
2. Georgia Capital strategy & capital allocations
3. Results discussion | Georgia Capital
- 4. Portfolio overview**
5. Georgian macro overview
6. Appendices



Georgia Healthcare Group (GHG) overview

<http://ghg.com.ge/>

Investment rationale

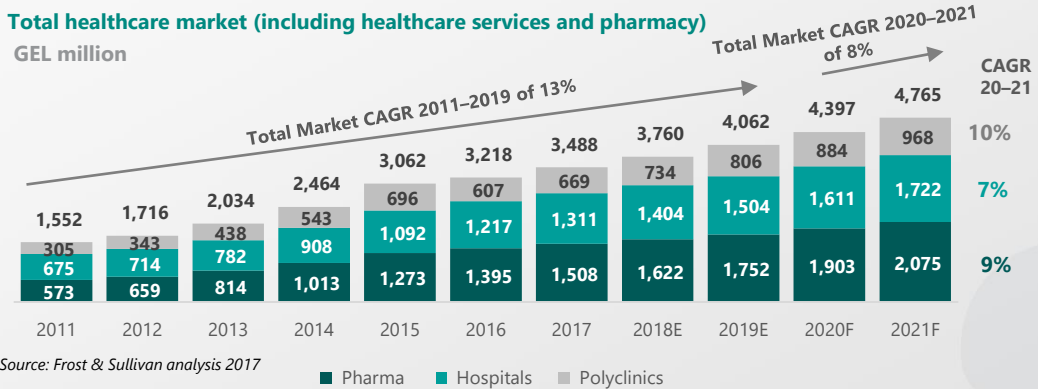
- Very low base: healthcare services spending per capita only US\$ 308 (EU average is US\$ 3,211)
- Growing market: healthcare spending growth estimated at 8% CAGR 2020-2021

Value creation potential

- High-growth potential driven by opportunity to develop medical tourism and Polyclinics (outpatient clinics)
- Only integrated player in the region with significant cost advantage in scale and synergies
- Well positioned to take advantage of the expected long term macroeconomic and structural growth drivers
- ROIC enhancement and substantially increased free cash flow generation following the completion of significant three-year investment programme in 2018.

Total healthcare market (including healthcare services and pharmacy)

GEL million



| | Hospitals | Clinics | Pharmacy and Distribution | Medical Insurance |
|---|--|--|--|---|
| Medium to long term strategic targets by segment | <ul style="list-style-type: none"> Double digit revenue CAGR Gradually improving to 28-30% EBITDA margin | <ul style="list-style-type: none"> Double digit revenue CAGR – 20%+ Gradually improving to 25% EBITDA margin | <ul style="list-style-type: none"> Double digit revenue CAGR 9%+ EBITDA margin | <ul style="list-style-type: none"> Increase contribution to the Group segments Combined ratio <97% |

GHG medium to long term targets

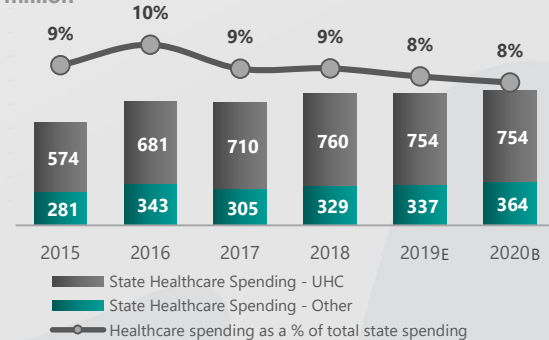
Double digit revenue CAGR next 5 years

Mid-teen EBITDA CAGR next 5 years

Gradually approaching ROIC c.15-17%

State healthcare spending dynamics

GEL million



(1) Source: World Bank, 2016 data.

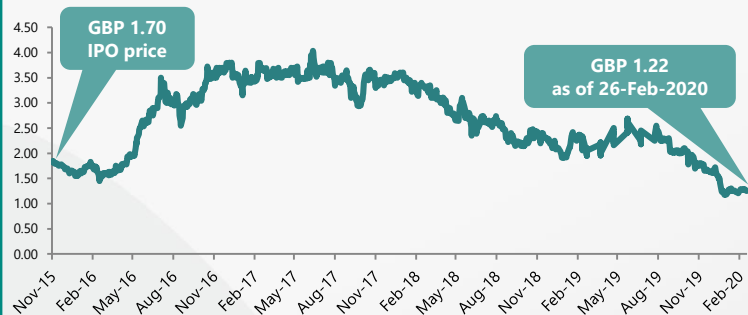
Georgia Healthcare Group (GHG) overview (cont'd)

<http://ghg.com.ge/>

 GEORGIA
HEALTHCARE
GROUP

 GEORGIA
CAPITAL

Stock price performance



Selected operating metrics

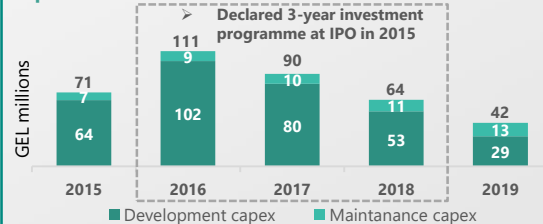
| | 2018 | 2019 | Change |
|---|------------|------------|-----------|
| Number of hospitals & clinics | 53 | 52 | -1 |
| Number of hospital beds | 2,967 | 2,967 | NMF |
| Hospital bed occupancy rate ² | 54.7% | 57.1% | +2.4ppts |
| Number of community clinic beds | 353 | 353 | NMF |
| Number of pharmacies | 270 | 296 | +26 |
| Number of bills issued (millions) | 27.1 | 28.8 | +1.7 |
| Number of individuals insured | c. 157,000 | c. 236,000 | 50.3% |
| Insurance claims retention rates within Group | 39.4% | 42.5% | +3.1 ppts |

Financial metrics (GEL millions)

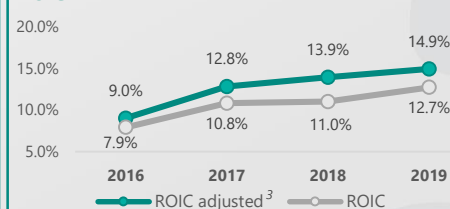
| | 2015 | 2016 ¹ | 2017 ² | 2018 | 2019 | Change |
|--|-------|-------------------|-------------------|-------|--------------------|----------|
| Healthcare services EBITDA, excl. IFRS 16 | 54 | 74 | 70 ³ | 76 | 84 ⁴ | 9.9% |
| Pharmacy and distribution EBITDA, excl. IFRS 16 | N/A | 6 | 39 ³ | 52 | 65 | 25.1% |
| Healthcare services EBITDA margin, excl. IFRS 16 | 27.4% | 30.2% | 26.4% | 24.9% | 24.6% ⁴ | -0.3ppts |
| Pharmacy and distribution EBITDA margin, excl. IFRS 16 | N/A | 4.3% | 8.6% | 10.1% | 10.6% | 0.5ppts |
| Net profit, excl. IFRS 16 | 24 | 37 ⁵ | 46 ³ | 53 | 69 | 29.8% |
| EPS (GEL) | 0.15 | 0.24 | 0.23 ³ | 0.27 | 0.36 | 33.4% |
| Dividend payout ratio | N/A | N/A | N/A ³ | 20% | 25% | 5.0ppts |

Performance track record

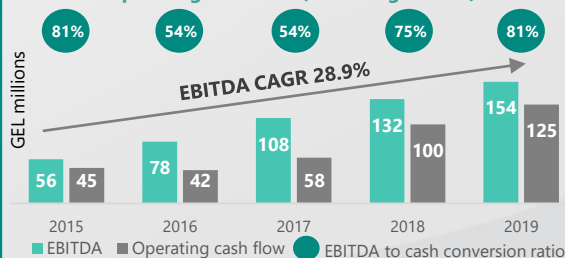
Capex evolution



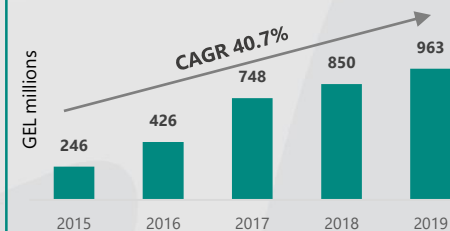
ROIC



EBITDA & Operating cash flow (excluding IFRS16)



Revenue



(1) FY16 includes only May-Dec pharmacy and distribution results.

(2) Excluding emergency beds.

(3) Adjusted to exclude newly launched hospitals and polyclinics that are in roll-out phase.

(4) Calculated based on aggregation of Hospitals, Clinics and Diagnostic segment results.

(5) Excluding deferred tax adjustment of GEL 24 million.

Bank of Georgia (BoG) Overview

<http://bankofgeorgiagroup.com/>



BANK OF GEORGIA



GEORGIA
CAPITAL

Investment rationale

- The first entity from Georgia to be listed on the premium segment of the Main Market of the London Stock Exchange (LSE:BGEO) since February 2012
- **High standards of transparency and governance**
- **Leading market position¹** in Georgia by assets (36.3%), loans (34.9%), client deposits (36.3%) and equity (29.8%) as of 31 December 2019
- Market with **stable growth perspectives**
- **Strong brand name recognition** and retail banking franchise
- Sustainable growth combined with **strong capital, liquidity and robust profitability**
- Outstanding ROAE performance
- Dividend per share growing at 30.7% CAGR in 2010-2019 years

Value creation potential

- Loan book growth c.15%
- Maintenance of dividend pay-out ratio within 25-40%

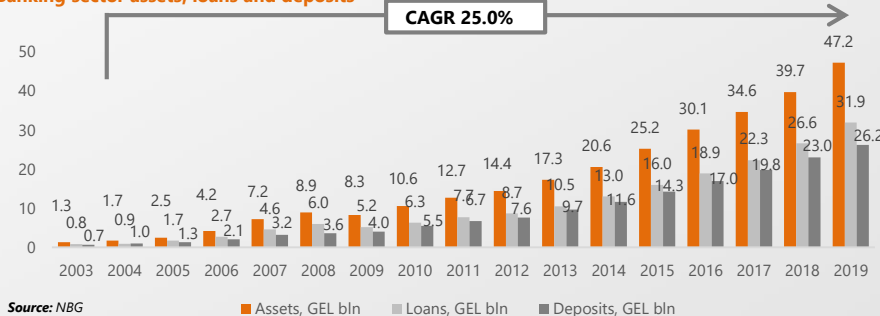
Banking business key targets

ROAE
20%+

Loan book
growth c.15%

Market opportunity

Banking sector assets, loans and deposits



Robust capital management track record

- **Capital position:** aiming to maintain **+200bps** buffer for CET1 and Tier 1 capital ratios over minimum regulatory requirement during the medium term
- **Regular dividends:** Aiming **25-40%** dividend payout ratio
- **Cash dividend paid GEL 648mln+** during 2013-2019, within the targeted payout range over past 7 years

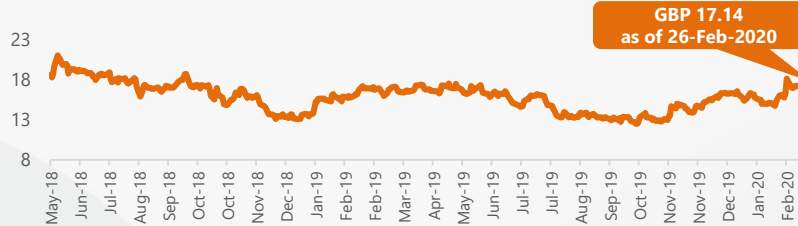
(1) Market data based on standalone accounts as published by the National Bank of Georgia (NBG) www.nbg.gov.ge



Bank of Georgia (BoG) Overview (cont'd)

<http://bankofgeorgiagroup.com/>

Stock price performance



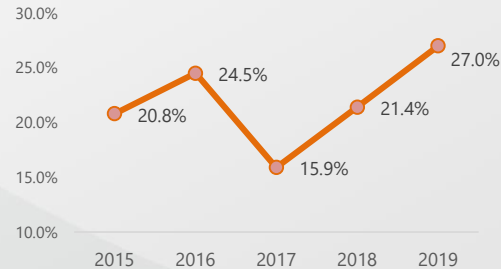
Selected operating metrics

| | 2018 | 2019 |
|---------------------------------|-------|-------|
| Retail clients ('000) | 2,441 | 2,540 |
| Digital transactions (millions) | 156.4 | 181.2 |

Net profit



Loan book growth



Financial metrics (GEL millions)

| | 2015 | 2016 | 2017 | 2018 | 2019 | Change |
|----------------|-------|-------|-------|--------------------|--------------------|----------|
| ROAE | 21.9% | 22.2% | 25.2% | 26.4% ² | 26.1% ³ | -0.3ppts |
| NIM | 7.7% | 7.4% | 7.3% | 6.5% | 5.6% | -0.9ppts |
| NPL coverage | 83.4% | 86.7% | 92.7% | 90.5% | 80.9% | -9.6ppts |
| Loan portfolio | 5,367 | 6,682 | 7,741 | 9,398 | 11,931 | +27.0% |
| Cost/income | 35.5% | 37.7% | 37.7% | 36.7% | 37.8% | +1.1ppts |

GEL 11.4 billion loan portfolio breakdown* | 31 December 2019

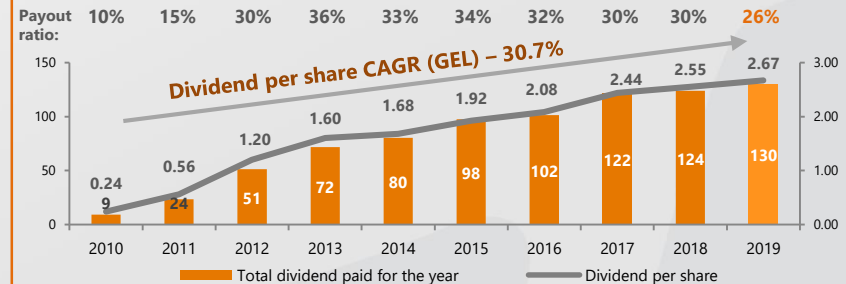
Corporate loans,
GEL 3,878.1 million,
34.0%



Retail loans,
GEL 7,536.9 million,
66.0%

* Bank of Georgia Standalone.

Dividend record¹ (GEL m)



(1) Actual dividend per share information for 2010–2016 years are adjusted for 19.9% Bog share issuance.

(2) Adjusted for demerger related expenses, one-off impact of re-measurement of deferred tax balance and termination costs of the former CEO.
(3) ROAE adjusted for termination costs of the former CEO and executive management.

Water utility business overview

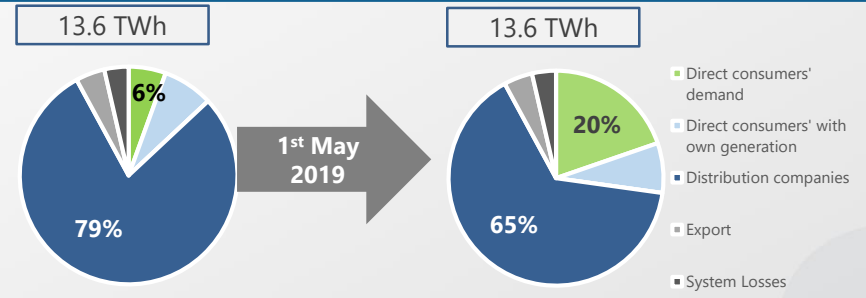
Investment rationale

- Regulated monopoly in Tbilisi and surrounding districts with high entry barriers
- Sectoral output increasing at a robust growth rate (on average 9.5% in the last 10 years)
- Stable regulatory environment with fair return on investment
- 149MW hydro power plants linked to Water Utility

Value creation potential

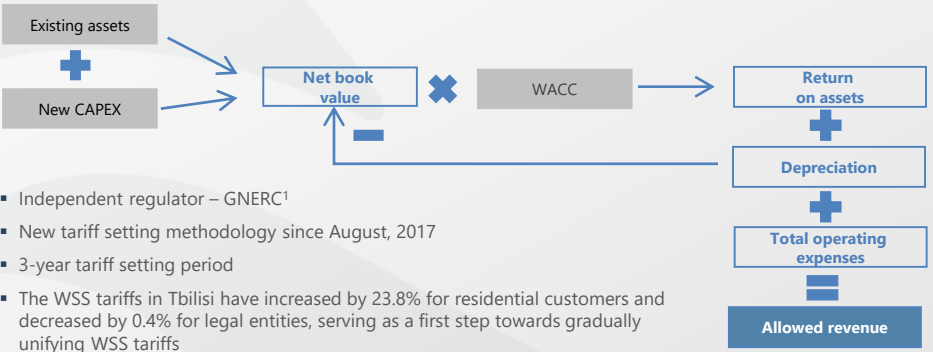
- EU harmonization reforms in progress in utilities sector, expected to drive water tariffs up
- High GDP growth combined with rapid tourism growth drive high demand from corporates
- Energy market deregulation positively affecting electricity sales price
- Upside opportunity from efficiency gains
- Stable dividend distribution capacity

Effect of new consumers on the market



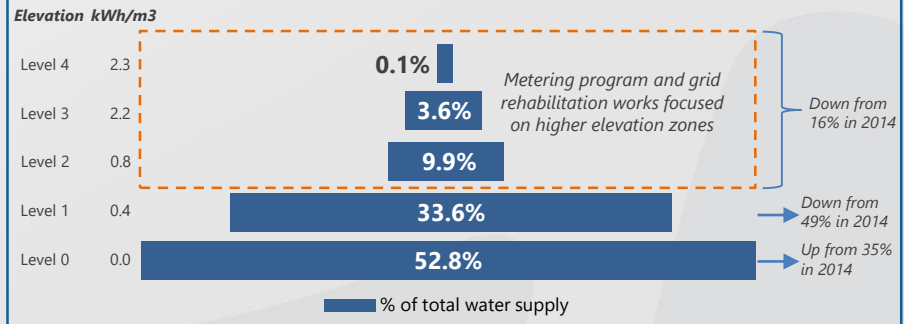
Electricity market deregulation, effective from May 2019 enabled the company to immediately increase the selling price per KWh by at least 1.5x

WACC of 15.99% for the first regulation period (2018-2020)



- Independent regulator – GNERC¹
- New tariff setting methodology since August, 2017
- 3-year tariff setting period
- The WSS tariffs in Tbilisi have increased by 23.8% for residential customers and decreased by 0.4% for legal entities, serving as a first step towards gradually unifying WSS tariffs

Efficiency gains (2019)



(1) Georgian National Energy and Water Supply Regulatory Commission (GNERC) is an independent body that regulates the utilities market.

Water utility business overview (cont'd)

Key highlights | 31 December 2019

| GEL millions, unless otherwise noted | 31-Dec-19 | 31-Dec-18 | Change |
|--------------------------------------|-----------|-----------|---------|
| LTM EBITDA | 95 | 83 | 14.0% |
| Multiple applied | 8.8 | 8.8 | NMF |
| Enterprise value | 837 | 738 | 13.5% |
| Net debt | (353) | (307) | 15.1% |
| Equity fair value | 484 | 431 | 12.3% |
| LTM ROIC¹ | 12.5% | 13.7% | -1.2ppt |

Valuation peer group³

| Company | Country | Ticker | Stock Exchange |
|--------------------|----------|---------|----------------|
| Aguas Andinas | Chile | AGUAS-A | Sant Comerç |
| EASTW ² | Thailand | EASTW | Thailand |
| Tallinna Vesi | Estonia | TVEAT | Tallinn |

Financial metrics (GEL millions)

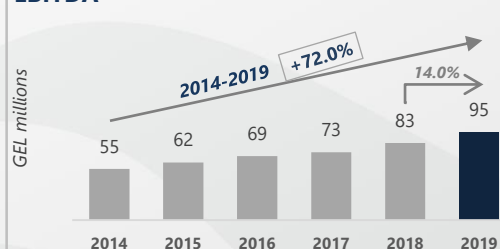
| | 2015 | 2016 | 2017 | 2018 | 2019 | Change |
|----------------------------------|------|------|------|------|------|--------|
| Total revenue | 119 | 127 | 135 | 149 | 163 | 9.6% |
| Of which, utility revenue | 105 | 109 | 119 | 132 | 133 | 1.1% |
| Of which, energy revenue | 9 | 10 | 10 | 9 | 20 | NMF |
| Of which, other revenue | 5 | 8 | 6 | 8 | 10 | 20.5% |
| Cash flow from operations | 52 | 54 | 70 | 82 | 99 | 21.3% |
| FCF | 17 | (2) | (58) | (66) | 17 | NMF |

Selected operating metrics

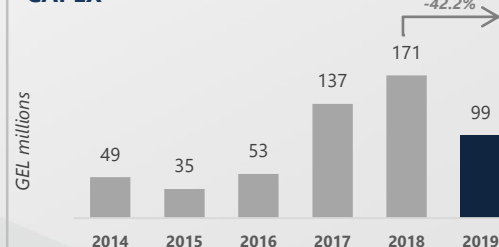
| millions except for connections | 2018 | 2019 | Change |
|--|-------|-------|--------|
| Water Utility | | | |
| Water sales (m³) | 179.8 | 178.4 | -0.8% |
| Self-produced electricity consumption (kwh) | 193.2 | 174.0 | -9.9% |
| New connections | 5,015 | 5,439 | 8.5% |
| Energy | | | |
| Electricity generation (kwh) | 323.8 | 351.6 | 8.6% |
| Energy sales (kwh) | 130.6 | 177.6 | 35.9% |
| Electricity purchases (kwh) | 43.9 | 37.7 | -14.1% |

Performance track record

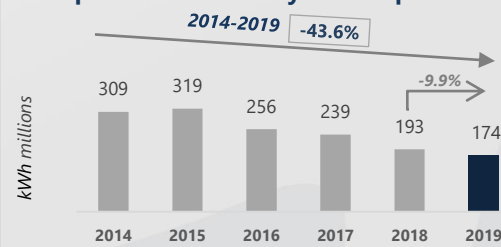
EBITDA



CAPEX



Self-produced electricity consumption



(1) ROIC is calculated as EBITDA less depreciation, divided by aggregate amount of total equity and borrowed funds.
 (2) Eastern Water Resources Dev. & Man.
 (3) Manila Water was removed from peer group due to ongoing issues with Government regarding concession agreement.



Housing development business overview

Investment rationale

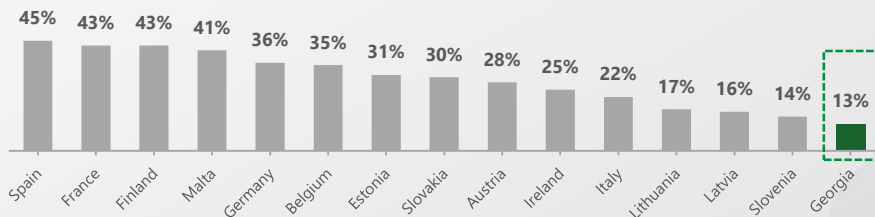
- Shortage of housing from Soviet era combined with Georgian tradition of multi generations living under one roof - average household size is significantly higher at 3.3 compared to Eastern or Western Europe
- Most of the housing stock dates back to Soviet era and is amortised
- In line with the economic growth, urbanization level is expected to increase from current low level

Value creation potential

- 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

Significant room for further growth in mortgages

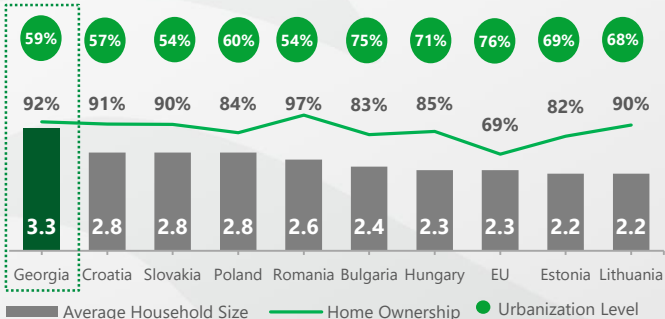
Mortgage loans to GDP %, 2018



Source: IMF, Central banks

Household size further reduction driving demand for housing market

Average household size and home ownership, latest available data

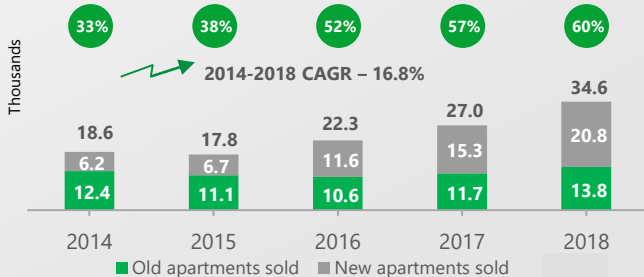


Source: Eurostat, TBC Capital, World Bank, National statistics office of Georgia.

28% increase in the number of transactions in Tbilisi in 2018

In 2018 the number of residential unit transactions peaked at 34,600 units with record growth and the share of new apartment sales has been increasing each year.

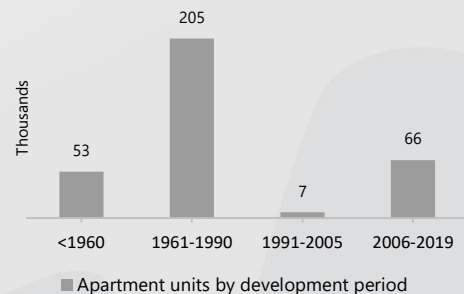
Total share of new apartments sold



Source: TBC Capital

Most of the housing stock needs replacement

Around 205,000 units (62%) of the apartments were built between 1961 and 1990 and are out of their usable lifecycle.



Source: Galt and Taggart



Housing development business overview (cont'd)

Key highlights | 31 December 2019

GEL millions, unless otherwise noted

| | 31-Dec-19 | 31-Dec-18 | Change |
|----------------------|-----------|-----------|--------|
| Enterprise value | 205 | 174 | 17.7% |
| Net debt | (161) | (107) | 50.0% |
| Equity fair value | 44 | 67 | -34.3% |
| Dividends (lifetime) | 152 | 93 | 63.6% |

Financial metrics (GEL millions)¹

| | 2015 | 2016 | 2017 | 2018 | 2019 | Change |
|--------------------------|------|------|------|------|------|--------|
| Apartments sales revenue | 45 | 96 | 92 | 95 | 55 | -41.7% |
| Construction revenue | - | - | - | 36 | 60 | 65.2% |
| EBITDA | 18 | 11 | 28 | 16 | (3) | NMF |

Digomi residential project stage I update

| | 31 December 2019 |
|--|------------------|
| Sq.m. of apartments sold | 16,980 |
| Sq.m. sold as % of total available space | 77% |
| IFRS revenue recognition ² | 32% |
| Total sales value | US\$ 18 million |
| Cash received | US\$ 8 million |
| Price per square meter US\$ | 1,053 |

Performance track record

10 completed projects

(2,855 apartments developed with 100% sales progress and US\$ 251mln sales value)

358k sq.m

Gross Buildable Area on completed projects

US\$ 41.9mln

land value unlocked

3,225 apartments sold

(82.2% as a % of total with sales value of **US\$ 276mln**)

2 on-going projects

(with 1,067 apartments under development)

US\$ 55.1mln dividends distributed over 7 years

(1) Housing development business' functional currency is US dollars.

(2) Revenue from apartments sales is recognized over the time based on the IFRS construction progress (proportion of costs incurred up to date to total expected project cost). Percentage of completion calculated based on total costs of the building is applied to apartment selling price to recognize revenue from apartment sale.



ALDAGI



GEORGIA CAPITAL

P&C insurance business overview

Investment rationale

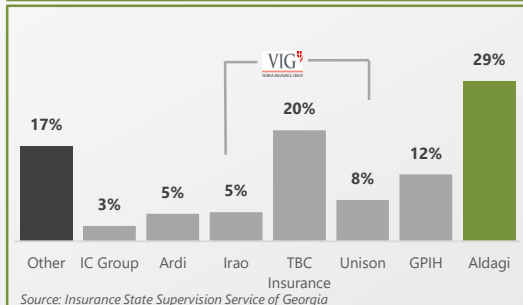
- Significantly underpenetrated P&C insurance market in Georgia (0.6% penetration)
- Market leader with a powerful distribution network of point of sale and sales agents

Value creation potential

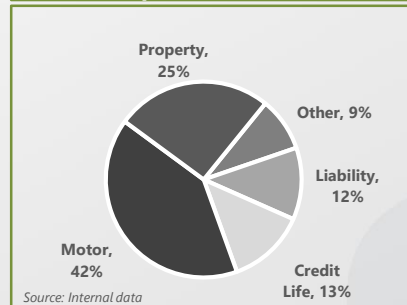
- Compulsory border TPL effective from 1 March 2018
- Local TPL expected to kick in and provide access to untapped retail CASCO insurance market with only 4% existing penetration
- Increasing footprint in untapped MSME sector, where Aldagi's revenues have grown by 93% in 2019 (from GEL 0.7m to GEL 1.3m)
- Developing and introducing new digital channels to simplify purchase of insurance products
- Undisputed leader in providing insurance solutions to corporate clients

Market share | YTD Sep-19

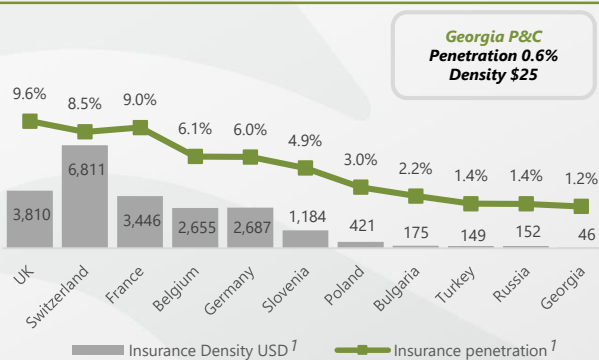
(earned premium, gross)



Market composition by product lines



Insurance penetration & density



(1) Including healthcare insurance.

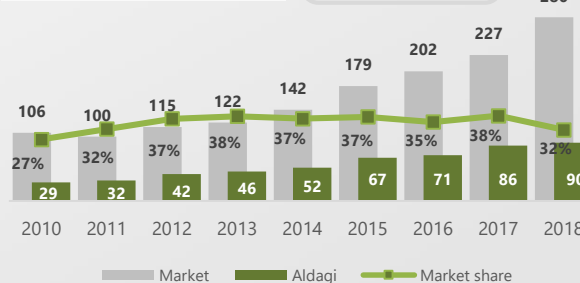
Market & Aldagi Revenue (GEL millions)

YTD Sep-19:

Market revenue **GEL 254mln**
Aldagi share **29%**,

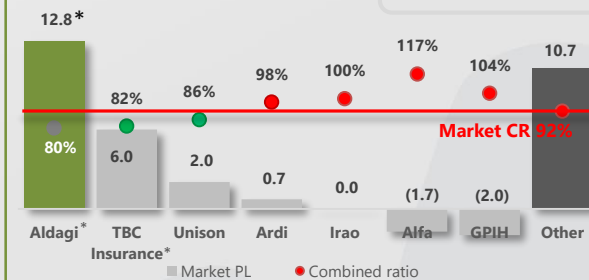
CAGR 2010-2018

Market – **13%**
Aldagi – **15%**



Market PL & Combined Ratio | YTD Sep-19

Total Market Profit GEL 28.7 mln



P&C insurance business overview (cont'd)

Key highlights | 31 December 2019

| <i>GEL millions, unless otherwise noted</i> | 31-Dec-19 | 31-Dec-18 | Change |
|---|-----------|--------------------|----------|
| LTM net income | 18 | 18 ² | 3.3% |
| Multiple applied ⁴ | 9.0 | 7.4 | 22.3% |
| Equity FV | 165 | 131 | 26.4% |
| LTM ROAE | 30.4% | 34.4% ² | -4.0ppts |

Valuation peer group

| Company | Country | Ticker | Stock Exchange |
|-----------------------|----------|--------|----------------|
| Dhipaya Insurance | Thailand | TIP | Thailand |
| Zavarovalnica Triglav | Slovenia | ZVTG | Ljubljana |
| Pozavarovalnica Sava | Slovenia | POSR | Ljubljana |
| Aksigorta | Turkey | AKGRT | Istanbul |
| Anadolu Sigorta | Turkey | ANSGR | Istanbul |

Financial metrics (GEL millions)

| | 2015 | 2016 | 2017 | 2018 | 2019 | Change |
|----------------------|-----------------|------|------|-----------------|------|---------|
| Earned premiums, net | 47 | 50 | 63 | 67 | 75 | 11.6% |
| Net income | 12 ¹ | 14 | 16 | 18 ² | 18 | 3.3% |
| Combined ratio | 79% | 73% | 75% | 75% | 82% | 6.6ppts |
| Loss ratio | 43% | 35% | 40% | 38% | 42% | 3.4ppts |
| Expense ratio | 36% | 38% | 35% | 37% | 41% | 3.3ppts |
| Solvency ratio | N/A | 160% | 180% | 136% | 119% | -17ppts |

Selected operating metrics

| | 2018 | 2019 | change (y-o-y) |
|---|---------|---------|----------------|
| Corporate insurance policies written³ | 60,227 | 91,361 | 51.7% |
| Retail insurance policies written | 150,246 | 171,509 | 14.2% |

Performance track record

Earned premium, gross

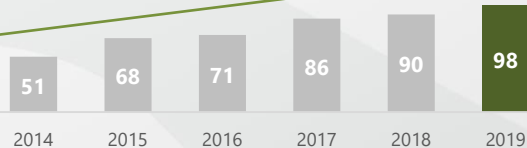
(GEL millions)

FY19 Earned premium, gross composition:

Segment: Corporate 47%, Retail 42%, Compulsory lines 7%, Government 4%

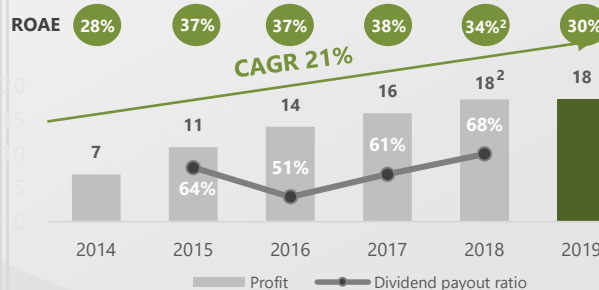
Product: Motor 36%, Property 25%, Credit life 13% Liability 11%, Other 15%

CAGR 14%



Profit & Dividend payout ratio

(GEL millions)



2019 highlights

| | | |
|---|-----------------------|-----|
| Retail segment growth (premiums earned) | 16% | |
| Retail Segment Concentration in portfolio | 48% (+3 ppt y-o-y) | |
| Retail profit growth | 12% | |
| Market Share | 29% (-3 ppt y-o-y) | |
| Renewal Ratio | Corporate | 84% |
| | Retail | 64% |

(1) Excluding impact of one-off FX contract with GEL 8 million loss.

(2) Adjusted for non-recurring items.

(3) Excluding credit life insurance.

(4) Multiples improved significantly across all peer group companies

Renewable energy business overview

Investment rationale

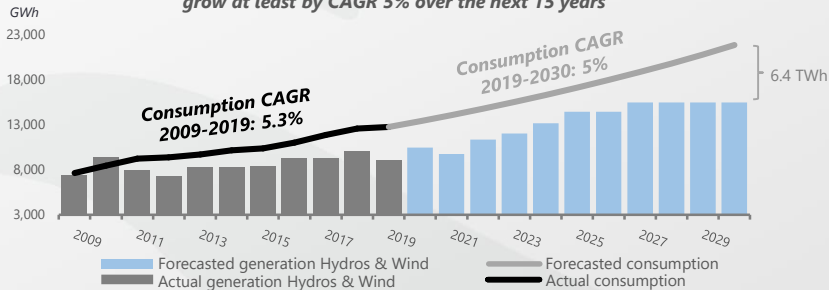
- Growing electricity market as supply lags behind the increasing demand, creating opportunities.
- Underutilized energy resources - availability of economically feasible hydro and wind projects.
- Cheap to develop – up to US\$1.5mln for 1MW hydro and up to US\$1.4mln for wind development on average with 1.5x higher capacity factors compared to Europe over the last decade.

Value creation potential

- Opportunity to establish a renewable energy platform with up to 440 MW operating capacity over the medium-term, targeting to capture approximately one third of deregulated electricity market.
- Energy consumption is expected to grow at least by CAGR 5% over the next 10-15 years on the back of following key drivers:
 - Rapid tourism growth combined with high GDP growth with pronounced growth in electricity-heavy sectors.
 - Increasing penetration of domestic appliances, with accelerating imports of electricity-intensive conventional domestic devices.
 - Increasing number of installed residential and industrial air conditioning systems on the back of decreasing unit prices, expected to result in at least 5x growth in penetration level over the next decade.

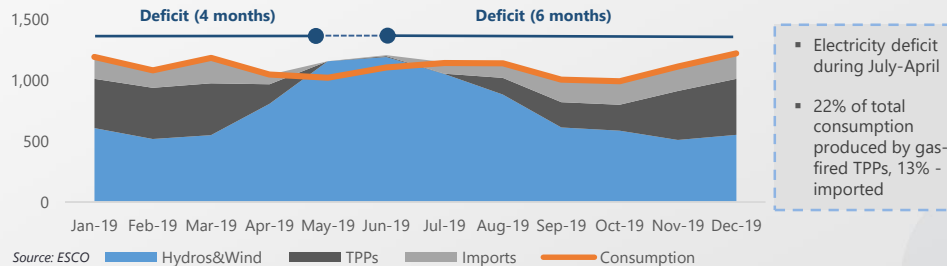
Actual and forecasted consumption

Energy consumption has grown at 5.3% CAGR in last 10 years and is expected to further grow at least by CAGR 5% over the next 15 years



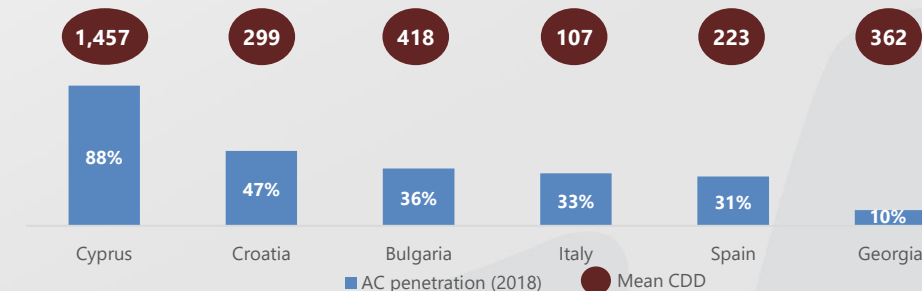
- Growth of internal consumption: 7.7% in 2017, 6.1% in 2018 and 1.5% in 2019
- Anticipated deficit of at least 6.4 TWh by 2030

Electricity supply and consumption, 2019



Low base and high CDD¹ point towards 5x increase in AC penetration by 2030

Air conditioners are the most electricity-intensive conventional domestic devices and increasing penetration of ACs quickly eats away the surplus electricity on the market in the summer months



Source: World Bank's World Development indicators; Geostat, Galt&Taggart, Eurostat

(1) cooling degree day

Renewable energy business overview (cont'd)

Key highlights | 31 December 2019

| GEL millions, unless otherwise noted | 31-Dec-19 | 31-Dec-18 | Change |
|--------------------------------------|-----------|-----------|--------|
| At acquisition price (GCAP share) | 107 | 61 | 74.6% |
| GCAP ownership ⁶ | 65%-100% | 65% | NMF |

Following the buyout of the 34.4% minority shareholder in GRPC on 25 February 2020, Renewable Energy consists of wholly-owned hydro and wind power plants with 91MW installed capacity in aggregate.

Renewable energy platform


Hydro: 210 MW
Of which operational 71MW

Wind: 228 MW
Of which operational 21MW

Renewable energy projects overview | 31 December 2019

| Greenfield projects | MW | Cost per MW | Target commissioning ² | Gross generation (GWh) ¹ | PPA | Current stage |
|--|------------|-------------|-----------------------------------|-------------------------------------|-----|--------------------------|
| Mestiachala HPPs | 50 | 1.2 | 1H19 | 174 | Yes | Operational ⁴ |
| Zoti HPPs | 46 | 1.3 | 2H21 | 173 | Yes | Under Construction |
| Bakhvi 2 HPP | 36 | 1.3 | 1H22 | 130 | Yes | Feasibility |
| Racha HPPs | 38 | 1.5 | 1H23 | 168 | No | Feasibility |
| Wind Tbilisi | 54 | 1.2 | 2H22 | 172 | Yes | Development |
| Wind Kaspi | 54 | 1.4 | 2H22 | 211 | Yes | Development |
| Wind (other) | 99 | 1.4 | TBD | 340 | Yes | Feasibility |
| Darchi HPP | 19 | 1.4 | 2H22 | 89 | Yes | Feasibility |
| Recent acquisitions⁵ | | | | | | |
| Hydrolea HPPs | 21 | 1.8 | 2H19 | 105 | Yes | Operational |
| Qartli Wind Farm | 21 | 1.4 | 2H19 | 85 | Yes | Operational |
| Total | 438 | | | 1,647 | | |

➤ **Targeting to earn on average c.12% US\$ dollar ROICs³ from renewable energy projects.**

Financial metrics (GEL millions)

| | 2015 | 2016 | 2017 | 2018 | 2019 | Change |
|-------------------|------|------|-------|-------|------|--------|
| Development Capex | NMF | NMF | 77 | 68 | 33 | -51.8% |
| EBITDA | NMF | NMF | (1.7) | (0.8) | 13 | NMF |

A year of significant growth – increasing installed capacity to 91MW and progressing on the 350MW pipeline

- The first HPP, Mestiachala HPPs launched in 1H19 on time and within budget before suffering flood damage
- Acquisition of Hydrolea HPPs with an aggregate 21MW installed capacity, adding GEL 1.0 million EBITDA in 2019 since acquisition
- Acquisition of 21MW Qartli wind farm, the only operational wind farm in Georgia
- Construction works commenced on 46MW Zoti HPPs in 4Q19, expected to be operational in 2H21
- The Government approved the concept of 108MW wind power plant (“WPP”) projects, expected to be commissioned in 2H22

Mestiachala FY19 performance⁴

GEL thousands, unless otherwise noted

| | |
|--|---------------|
| Revenue | 14,777 |
| <i>Of which, business interruption insurance reimbursement</i> | 10,047 |
| EBITDA | 12,588 |
| Generation (Gwh) ⁴ | 54.1 |

- **Operations successfully resumed at the first phase (30MW) within the expected timeline and at the originally planned generation level in December 2019.**
- **Restoration works continue on the second phase (20MW HPP), expected to return online in 1H21.**
- **The insurance company has confirmed the amount of BI reimbursement for the year 2019 for both HPPs and is in process of remitting the funds to the business.**

(1) Generation capacity refers to target gross annual generation.

(2) Target commissioning dates are indicative and subject to regulatory procedures.

(3) Target return on invested capital is calculated based on average stabilized EBITDA divided by total invested capital.

(4) The first phase (30MW) was launched on 8 April 2019, followed by the second phase (20MW) on 4 June 2019. Mestiachala HPPs were flooded and taken offline in late July 2019.

(5) Recently acquired projects are wholly owned by Georgia Capital PLC.

Hospitality and commercial real estate business overview

Investment rationale

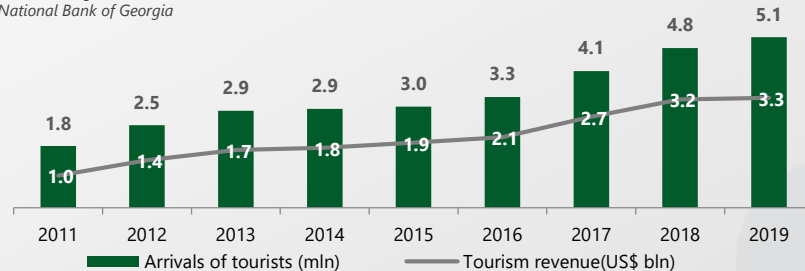
- Record number of tourists visiting Georgia every year: 5.1 million visitors in 2019 (up 6.8% y-o-y) with 16% CAGR over the last 3 years;

Value creation potential

- Grow Portfolio of rent-earning assets through residential developments/opportunistic acquisitions
- Reach more than 1,000 hotel rooms. Currently approximately 1,222 rooms are confirmed, of which 273 are operational, 460 are under construction and 489 are under design stage.
- Targeting mostly 3-star and 4-star hotels, mostly taping unpenetrated markets in Georgian regions

Arrivals of tourists and tourism revenue | Georgia

Source: Georgian National Tourism Administration
National Bank of Georgia

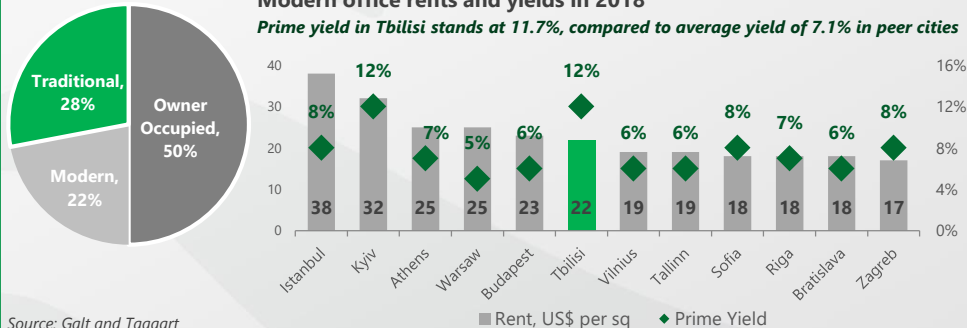


Leasable modern office stock remains scarce

Georgian office stock's significant portion is non-refurbished, soviet-era stock (traditional). Although Tbilisi's has one of the highest modern office rents among the CEE¹ cities.

Modern office rents and yields in 2018

Prime yield in Tbilisi stands at 11.7%, compared to average yield of 7.1% in peer cities



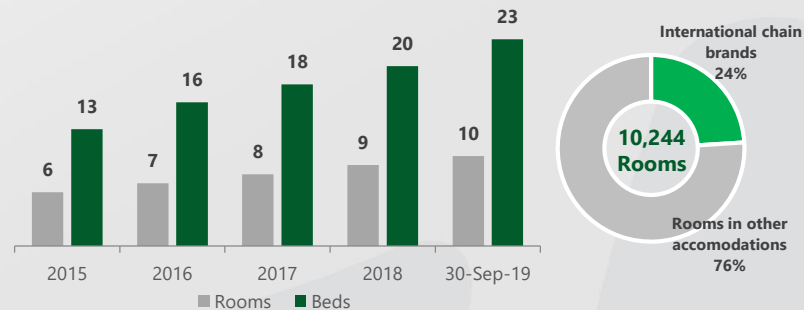
Source: Galt and Taggart

(1) Central and Eastern Europe.

Hotel market is expected to expand significantly

Accommodation rooms and beds in Tbilisi ('000)

Tbilisi accommodation rooms breakdown | 30-Sep-19



Source: Galt and Taggart

Hospitality and commercial real estate business overview (cont'd)

Key highlights | 31 December 2019

| <i>GEL millions, unless otherwise noted</i> | 31-Dec-19 | 31-Dec-18 | Change |
|---|-------------|--------------|----------------|
| NAV | 246 | 149 | 64.7% |
| LTM ROIC¹ | 6.5% | 16.0% | -9.5ppt |

Selected operating metrics

| | 2018 | 2019 | Change |
|---------------------------------------|--------|--------|----------------|
| Gross yield (leased portfolio) | 9.9% | 9.5% | -0.4ppt |
| Occupancy rate | 90.1% | 87.1% | -3.0ppt |
| Leased area (sq.m.) | 22,331 | 34,212 | 53.2% |

Ramada Encore FY19 performance

| RevPAR, US\$ | ADR, US\$ | Occupancy% |
|--------------|-----------|--------------|
| 33 | 62 | 53.7% |

Financial metrics (GEL millions)²

| | 2016 | 2017 | 2018 | 2019 | Change |
|--|------|------|------|------|---------------|
| NOI ³ from operating leases | 3 | 3 | 5 | 6 | 40.8% |
| NOI ³ from hospitality services | - | - | 2 | 2 | -6.1% |
| Revaluation gain | - | 1 | 28 | 22 | -21.5% |
| Total net Operating Income | 2 | 3 | 31 | 25 | -19.8% |
| Commercial real estate portfolio | 42 | 42 | 68 | 129 | +90.3% |

Hotel rooms pipeline as of 31 December 2019⁴

| Hotel | Location | Rooms | Target opening date ⁴ | Current Stage | Total Cost US\$ mln |
|--------------------------------|--------------|--------------|----------------------------------|---------------|---------------------|
| Ramada Encore Kazbegi, Tbilisi | Capital city | 152 | Q1-2018 | Operational | 12.1 |
| GU DAURI LODGE | Region | 121 | Q4-2019 | Operational | 16.0 |
| Ramada Melikishvili, Tbilisi | Capital city | 125 | Q2-2020 | Construction | 13.5 |
| Kempinski, Tbilisi | Capital city | 99 | Q4-2020 | Construction | 26.4 |
| Seti Square in Mestia, Svaneti | Region | 52 | Q1-2021 | Construction | 4.9 |
| Ramada Kutaisi | Region | 124 | Q1-2021 | Construction | 9.4 |
| Kakheti Wine & Spa | Region | 60 | Q2-2022 | Construction | 12.8 |
| Shovi, Racha | Region | 109 | Q2-2022 | Design | 5.6 |
| Mestia, Svaneti | Region | 140 | Q1-2023 | Design | 11.7 |
| Telavi | Region | 110 | Q4-2022 | Design | 15.6 |
| Zugdidi | Region | 130 | Q3-2023 | Design | 13.7 |
| Total | | 1,222 | | | 140.3 |

➤ **Targeting to earn on average c.14% US\$ dollar ROICs⁵ from hotels.**

(1) ROIC is calculated as NOI divided by aggregate amount of total equity and borrowed funds.

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

(3) Net operating income.

(4) Target opening dates remain subject to adjustment following passing of the design stage.

(5) Target return on invested capital is calculated based on average stabilized EBITDA divided by total invested capital.

Wine business overview

Investment rationale

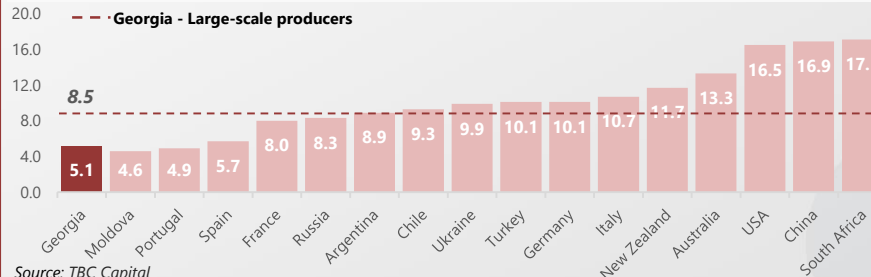
- Georgia is considered the "cradle of wine" with a rich, 8,000-year history of wine-making and home to over 500 unique grape varieties
- Georgia's favorable trade regimes (free trade agreements with EU and China) provide potential for export growth for beverages
- Growing urbanization and tourism inflows are raising demand for bottled wine locally
- Approximately 27% of the tourism inflows is spent on food & beverages
- Strong demand in the Georgia's export markets resulted in a 9% y-o-y increase in volume in 2019, with export bottles sold reaching a 14 year high of 93 million.

Value creation potential

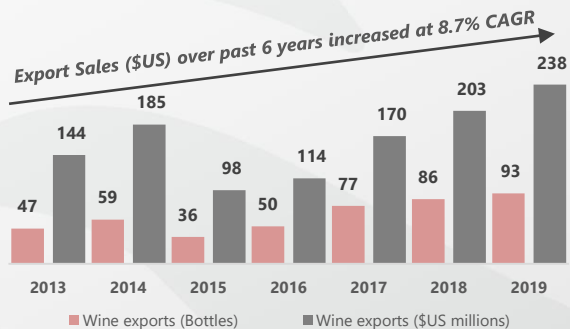
- Best-in-class distribution network platform
- Grow vineyard base to 1,000 hectares, from current 704 hectares

Vineyard productivity – 2019 (TON/HA)

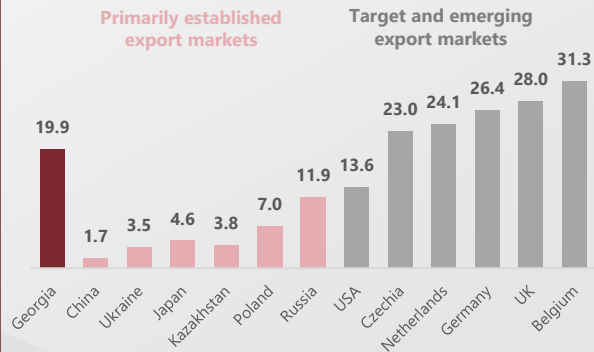
➤ At 5.1 tons per hectare, grapes yield is three times lower in the country compared to other top exporters. However, the yield equals 8.5 tons/ha on average for the large-scale producers



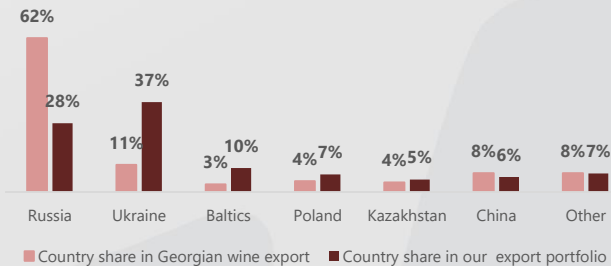
Georgian wine exports (Bottles, US\$ millions)



Wine consumption per capita, liters (2019)



Georgian wine bottle sales, by export countries



Wine business overview (cont'd)

Key highlights | 31 December 2019

| <i>GEL millions, unless otherwise noted</i> | 31-Dec-19 | 31-Dec-18 | Change |
|---|-------------|--------------|----------------|
| GCAP ownership | 87% | 80% | +7ppts |
| LTM EBITDA² | 9.5 | 5.0 | 89.1% |
| Multiple applied | 10.0 | 9.1 | 9.9% |
| Enterprise value | 95 | 46 | NMF |
| Net debt | (31) | (7) | NMF |
| Kindzmarauli at acquisition price | - | 26 | NMF |
| Alaverdi at acquisition price | 16 | - | NMF |
| Equity fair value | 72 | 57 | 26.9% |
| LTM ROIC¹ | 6.2% | 12.1% | -5.9ppt |

Valuation peer group

| Company | Country | Ticker | Stock Exchange |
|--------------------|---------|--------|----------------|
| Purcari Wineries | Moldova | Wine | Bucharest |
| Vina Concha Y Toro | Romania | CONCHA | Sant Comerç |
| Vina San Pedro | Chile | VSPT | Sant Comerç |
| Bodegas Esmeralda | Chile | ESME | Buenos Aires |

Financial metrics (GEL millions)

| | 2015 | 2016 | 2017 | 2018 | 2019 | Change |
|---------------------|------|------|------|------|------|----------|
| Wine Revenue | 18 | 18 | 20 | 29 | 42 | 43.6% |
| Gross profit margin | 52% | 53% | 49% | 45% | 48% | -3.2ppts |
| Wine EBITDA | 2 | 3 | 5 | 7 | 9 | +22.1% |
| Operating cashflow | 2.6 | 1.8 | 1.5 | 0.1 | 2.8 | NMF |

- **FY19 operating cash flow at GEL 2.8 million (GEL 0.1 million in FY18), benefiting from decreased reliance on grape purchases**

Selected operating metrics (in '000)

| | 2018 | 2019 | Change |
|-------------------------------|--------------|--------------|----------------|
| Wine sales bottles | 4,346 | 5,865 | 35.0% |
| <i>Of which, export sales</i> | <i>3,101</i> | <i>4,544</i> | <i>46.5%</i> |
| Export share (%) | 71.4% | 77.5% | +6.1ppt |

In August 2019 the wine business acquired 100% stake in Alaverdi, adding 244 hectares of vineyards and tripling its production capacity

(1) ROIC is calculated as EBITDA less depreciation, plus divided by average amount of total equity and borrowed fund.

(2) LTM EBITDA includes distribution business. LTM EBITDA is stated excluding Kindzmarauli and Alaverdi, valued at acquisition price in 2018 and 2019, respectively.

Beer business overview

Investment rationale

- Georgia falls behind beer consumption per capita against EU
- Georgia's favorable trade regimes (free trade agreements with EU and China) provide potential for export growth for beverages

Value creation potential

- Best-in-class distribution network platform
- 10-year exclusivity from Heineken to produce and sell beer in Georgia
- One of the strongest brand equity across Georgian beer market

Strong export market for carbonated soft drinks (CSD)

Growing market

- Export value of US\$ 26.5mln (41.8mln litres) in 2018.
- 50%+ CAGR in 2015-2018 years; greater organic demand from CIS countries.

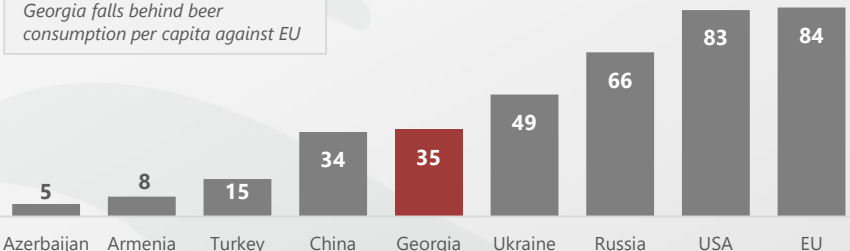
Export to more than 25 countries

- Recently more countries have been importing Georgian CSD, showing its growing popularity.

Annual beer consumption (liter per capita) in 2019²

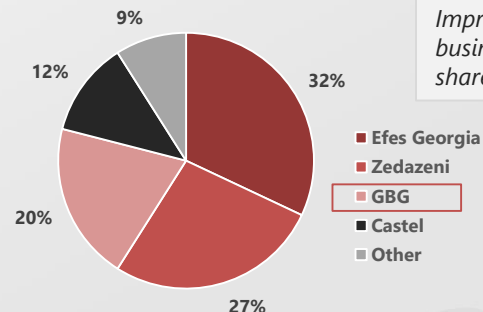
Per capita beer consumption implies room for growth

Georgia falls behind beer consumption per capita against EU



Source: TBC Capital

Domestic market share¹ | 31-Dec-19



Improved product mix allowed the business to increase beer market share from 14% to 20% in 2019

(1) Management estimate at the end of 2019.
 (2) Georgia 2019, other countries 2016.

Beer business overview (cont'd)

Key highlights | 31 December 2019

| <i>GEL millions, unless otherwise noted</i> | 31-Dec-19 | 31-Dec-18 | Change |
|---|-----------|-----------|---------|
| GCAP ownership | 87% | 80% | +7ppts |
| LTM Revenue ² | 47 | 28 | 67.9% |
| Multiple applied | 2.2 | 2.2 | NMF |
| Enterprise Value | 104 | 61 | 70.7% |
| Net debt | (86) | (64) | 34.8% |
| Black Lion at acquisition price | - | 7 | NMF |
| Equity fair value | 15 | 4 | NMF |
| LTM ROIC ¹ | -15.5% | -22.0% | +6.5ppt |

Valuation peer group

| Company | Country | Ticker | Stock exchange |
|---------------------|---------|----------|----------------|
| Anadolu Efes | Turkey | AEFES | Istanbul |
| Grupa Zywiec | Poland | ZWC | Warsaw |
| Turk Tuborg | Turkey | TBORG | Istanbul |
| Cerveceria San Juan | Peru | SNJUANC1 | Lima |

(1) ROIC is calculated as EBITDA less depreciation, plus divided by average amount of total equity and borrowed fund.

(2) Normalised for annualization of revenues from newly launched brands. LTM revenue is stated excluding Black Lion in 2018, as Black Lion was valued at cost as of 31 December 2018.

Financial metrics (GEL millions)

| | Annually | | | Semi-annually | | |
|--------------|----------|------|------|---------------|------|------|
| | 2017 | 2018 | 2019 | 2H18 | 1H19 | 2H19 |
| Beer Revenue | 18 | 29 | 44 | 16 | 18 | 25 |
| Beer EBITDA | (6) | (14) | (6) | (6) | (6) | 0 |

Selected operating metrics (in '000)

| | 2018 | 2019 | Change |
|------------------------------|--------|--------|--------|
| Beer sales liters ('000) | 13,808 | 21,831 | 58.1% |
| Lemonade sales liters ('000) | 2,174 | 3,282 | 51.0% |

Key highlights

- Strong beer sales volumes in 3Q19, driving market share growth from 14% in 2018 to 20% in 2019
- Beer business EBITDA at break-even level in 2H19

Focused on launching new brands within the first five months of 2019



Apr-19: Acquisition of Georgia's oldest beer brand – Kazbegi; also launched Kazbegi lemonade



May-19: Krusovice full scale launch



May-19: Local light beer launch



Jun-19: Heineken brand Amstel launch



Jul-19: Heineken launch, exclusive Heineken producer in Georgia

Attractive service business – Auto Service

We aim to build a diversified business model combining different auto-related services to capitalise on the large and growing automotive services market

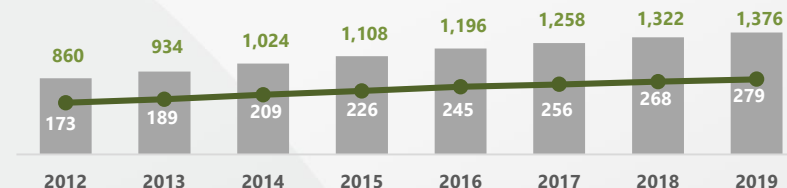
Auto park in Georgia ('000)

CAGR 2012-2019:

Auto park – 7%
Cars per 1,000 people – 7%

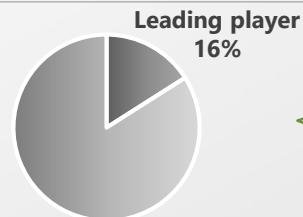
Auto park by age in 2019:

0-1 years - **0.5%** 7-9 years - **5.8%**
1-3 years - **1.7%** 10-12 years - **7.2%**
4-6 years - **3.8%** 12+ years - **81.0%**



Source: MOIA ■ Autopark ● No of private passenger cars per 1,000 people

Room for growth in the highly fragmented auto service market in Georgia



The rest of the market is dominated by small, owner operated lower-end service shops.

Total auto service market - c. GEL 2.8 billion

| | |
|-------------------------------|----------------------------------|
| Car services and parts | c. GEL 1 billion market |
| Car insurance | c. GEL 0.1 billion market |
| Secondary car trading | c. GEL 1.7 billion market |
| PTI | c. GEL 50 million market |

We have allocated GEL 10 million¹ capital to auto service business in 2019

Successfully launched the periodic technical inspection business (PTI)

Periodic technical inspection business highlights

| | |
|------------------------|------------------|
| Total investment | GEL 48mIn |
| GCAP allocated capital | GEL 5mIn |

Acquired second largest player, Amboli, in Georgian auto service industry

Amboli transaction Highlights

| | |
|-------------------------------------|-------------------------------|
| Equity stake purchased | 80% |
| Total cash consideration | GEL 3.4mIn¹ |
| Enterprise Value | 0.7x EV/Sales 2018 |
| Additional equity capital injection | GEL 1.6mIn |

➤ *Amboli deal was closed on 28 June 2019*

(1) Holdback of GEL 0.6 million.

Periodic technical inspection business overview

Investment rationale

- Georgia's Auto park continues to grow steadily, with 7.4% CAGR during the years 2012-2019
- Georgia lags behind developed countries by number of private passenger cars per capita, showing room for further growth*
- Vehicles older than 10 years represent 90% of total auto park

Value creation potential

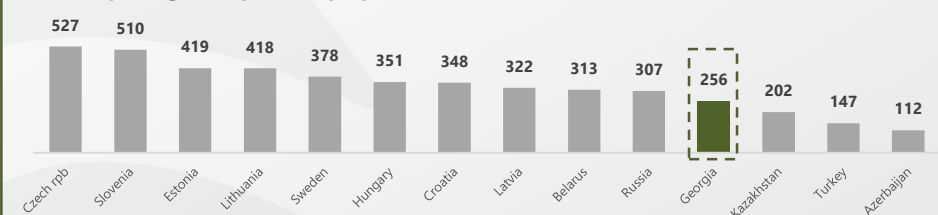
- In July 2018, the business (Greenway Georgia or "GWG") won state tender to launch and operate 51 periodic technical inspection lines across Georgia with a 10-year license.
- Currently, inspection covers the basic technical control of vehicles. The government plans to gradually tighten procedures in 2020 to try and reduce the level of harmful emissions*
- GWG is the only player on the market with support from an international partner, Applus+, a Spain-headquartered worldwide leader in testing, inspection and certification services, with a market presence in more than 70 countries

* Source: GALT & TAGGART

Market opportunity

Number of passenger cars per 1,000 people, (2017)

Source: GALT & TAGGART



Valuation peer group

| Company | Country | Ticker | Stock Exchange |
|-----------------|-----------|--------|-----------------|
| Opus Group | Sweden | OPUS | Stockholm |
| VICOM | Singapore | VCM | Singapore |
| Applus Services | Spain | APPS | Bolsa de Madrid |

(1) Based on available inspection lines.

(2) Combination of the last six months and the next six months earnings.

(3) Technical inspection prices are fixed set at GEL 60 and GEL 100 for light vehicles and heavy vehicles, respectively.

Key highlights | 31 December 2019

| <i>GEL millions, unless otherwise noted</i> | 31-Dec-19 | 30-Jun-19 | Change |
|---|-----------|-----------|--------|
| EBITDA ² | 6.7 | 6.7 | NMF |
| Multiple applied | 10.4 | 10.1 | 2.8% |
| Enterprise Value | 70.0 | 68 | 2.8% |
| Net debt | (49) | (49) | 1.0% |
| PTI Equity fair value | 21 | 19 | 7.2% |
| Amboli acquisition price | 5 | 5 | NMF |
| Auto service business Equity fair value | 26 | 24 | 5.7% |

Selected metrics

| Number of inspection lines | | Current market share ¹ | |
|----------------------------|--------|-----------------------------------|---------|
| 51 | | 36% | |
| Financial highlights | | Operating highlights | |
| <i>GEL thousands</i> | 2019 | | 2019 |
| Revenue ³ | 12,917 | Cars serviced | 342,275 |
| Gross margin | 66% | of which, primary | 246,932 |
| EBITDA | 3,262 | of which, secondary | 95,343 |
| EBITDA margin | 25% | | |

- All inspection centers were constructed and put into operations within 6 months (end of Feb-19)
- Average time per checks decreased significantly from 25 minutes upon launch to 11 minutes at 31-Dec-19

Education business overview

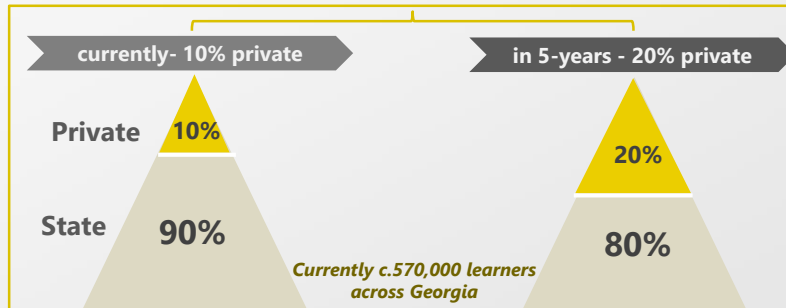
Fragmented education market offers attractive opportunity for a scaled player

Industry investment rationale

- Highly fragmented private school market
- Large and growing market
- Efficiency upside
- High trading multiples
- Low base – 3.8% of GDP, compared to EU average of 4.6% *

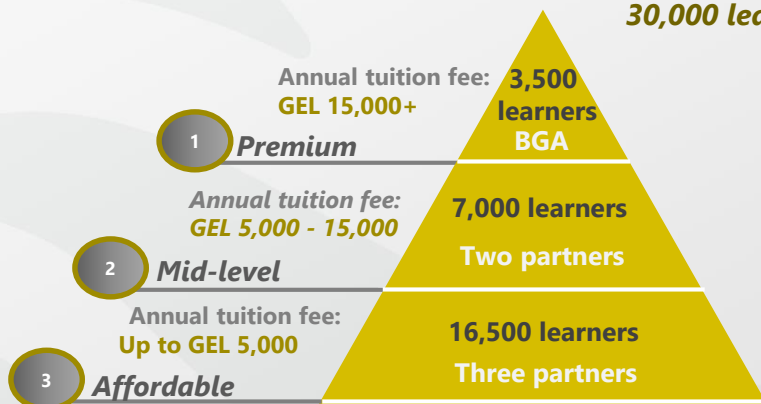
* 2017 data: World bank, Eurostat

Medium term demand outlook for private high schools



Diversified business model with strategy 1-2-3

Strong platform to facilitate growth and scale to become the leading integrated education player with up to 30,000 learners by 2025



- Partnership model, with 70-90% majority stakes
- Education business holding company won't exist
- GCAP involvement will be limited to: strategy setting, hiring financial director, oversight of CAPEX spending

GEL 70 million+ EBITDA by 2025
GEL 185 million gross capital allocation from GCAP through 2025

Acquisitions of majority stakes in three leading schools

| | Premium | Mid-level | Affordable |
|-------------------------------|---|---|--|
| | 1 British-Georgian Academy | 2 Buckwood | 3 Green School |
| Transaction highlights | <ul style="list-style-type: none"> ➢ Purchase of 70% equity stake. ➢ Valued at 6.4x EV / EBITDA 2020. | <ul style="list-style-type: none"> ➢ Purchase of 80% equity stake. ➢ Valued at 6.4x EV / EBITDA 2020. | <ul style="list-style-type: none"> ➢ Purchase of 80% - 90%¹ equity stake. ➢ Valued at 5.6x EV / EBITDA. |

Three high quality school partnerships across premium, mid-level and affordable education segments, providing a clear pathway to approximately 11,180 learners and to more than 50% of our targeted GEL 70 million EBITDA by 2025

| School | Segment | Deal close date | Total capital allocation from GCAP ² | Debt/Equity | GCAP ownership | Current capacity of learners | Targeted capacity of learners | Targeted cost per learner (GEL) |
|---------------------|------------|-----------------|---|-------------|------------------------|------------------------------|-------------------------------|---------------------------------|
| BGA | Premium | 23 July 2019 | GEL 75 million | 50% | 70% | 800 | 3,200 | 35,000 - 40,000 |
| Buckwood | Mid-level | 29 July 2019 | GEL 24 million | 50% | 80% | 760 | 2,980 | 13,000 - 16,000 |
| Green School | Affordable | 22 August 2019 | GEL 21 million | 50% | 80% - 90% ¹ | 1,250 | 5,000 | 6,500 - 8,500 |
| Total | | | GEL 120 million | | | 2,810 | 11,180 | |

(1) 80% equity stake in the current campus and 90% equity stake in three new schools that will be developed under green school brand.

(2) Includes actual and projected future capital allocations.

Acquisition of the leading Georgian digital marketing agency



Acquisition of Redberry enables us to have a platform for investments in the digital business

About Redberry

- One of the most successful Georgian digital marketing agency
- Providing tech-based marketing solutions to large Georgian corporates and government agencies
- US\$ 0.4 million cash consideration to acquire 60% equity stake

US\$ 2.8 million new capital injected for digital start-up development

1

Joint ventures with corporates - partnership model with minority stake of c. 20%.

2

Creating digital start-ups focused and applicable to Georgia (c. US\$ 0.1mln per start-up)

- Redberry has developed **app "Lunchoba"**, engaged in delivering ready-food made to the offices.

Content



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Sovereign ratings with stable outlook and favourable macro fundamentals



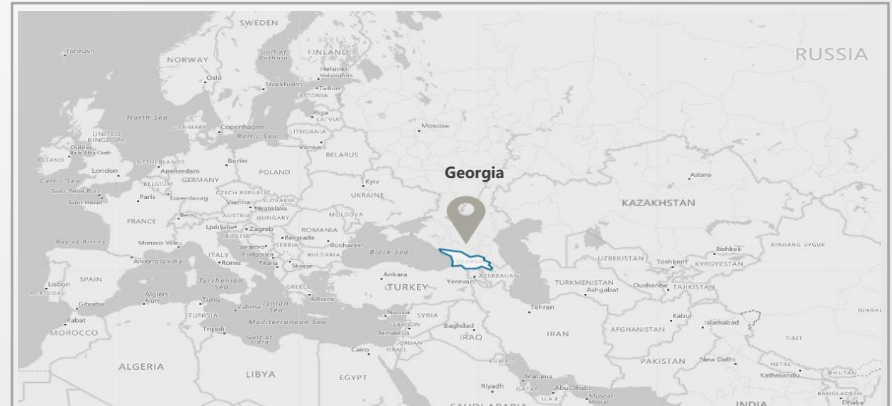
Key Ratings Highlights

| Rating Agency | Rating | Outlook | Affirmed |
|-----------------------|--------|---------|----------------|
| MOODY'S | Ba2 | Stable | September 2019 |
| S&P Global | BB | Stable | October 2019 |
| FitchRatings | BB | Stable | February 2019 |

Georgia is favorably placed among peers

| Country | Country Rating | Fitch Rating Outlook |
|----------------|----------------|----------------------|
| Armenia | BB- | Stable |
| Azerbaijan | BB+ | Stable |
| Belarus | B | Stable |
| Czech Republic | AA- | Stable |
| Georgia | BB | Stable |
| Kazakhstan | BBB | Stable |
| Turkey | BB- | Stable |
| Ukraine | B | Positive |

General Facts



- Area: 69,700 sq km
- Population (2018): 3.7 million
- Capital: Tbilisi;
- Life expectancy: 73.5 years
- Official language: Georgian
- Literacy: 100%
- Currency (code): Lari (GEL)

Economy

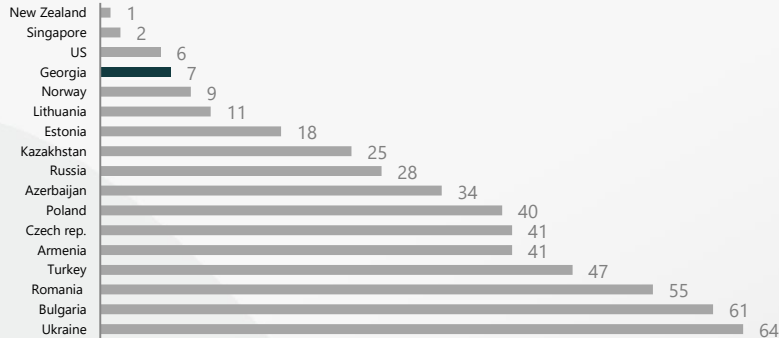
- Nominal GDP (Geostat) 2018: GEL 41.1 billion (US\$16.2 billion)
- Real GDP growth rate 2014-2018: 4.6%, 2.9%, 2.8%, 4.8%, 4.7%
- Real GDP 2007-2018 annual average growth rate: 4.5%
- GDP per capita 2018 (PPP, international dollar) IMF: 11,485
- Annual inflation 2019: 4.9%
- External public debt to GDP 2018: 34.3%

Georgia's key economic drivers

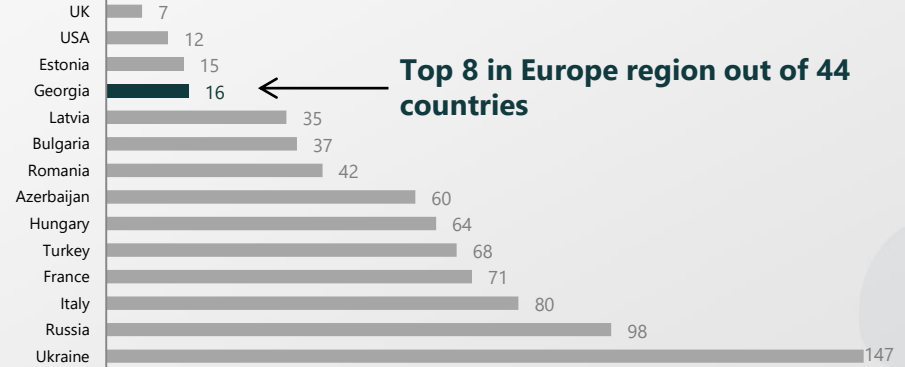
| | |
|---|---|
| Liberal economic policy | <p>Top performer globally in WB Doing Business over the past 12 years</p> <ul style="list-style-type: none"> ▪ Liberty Act (effective January 2014) ensures a credible fiscal and monetary framework; ▪ Fiscal deficit/GDP capped at 3%; Public debt/GDP capped at 60%; ▪ Business friendly environment and low tax regime (attested by favourable international rankings); |
| Regional logistics and tourism hub | <p>A natural transport and logistics hub, connecting land-locked energy rich countries in the east and European markets in the west</p> <ul style="list-style-type: none"> ▪ Access to a market of 2.8 billion customers without customs duties: Free trade agreements with EU, China, Hong Kong, CIS and Turkey and GSP with USA, Canada, Japan, Norway and Switzerland; FTA with Israel and India under consideration. ▪ Tourism revenues on the rise: tourism inflows stood at US\$ 3.3 billion in 2019 and international travelers reached 9.4 million in 2019 (up 7.8% y-o-y), out of which tourist arrivals were up 6.8% y-o-y to 5.1 million. ▪ Regional energy transit corridor accounting for 1.6% of the world's oil and gas transit volumes. |
| Strong FDI | <p>An influx of foreign investors on the back of the economic reforms have boosted productivity and accelerated growth</p> <ul style="list-style-type: none"> ▪ FDI stood at US\$ 1.3 billion (7.8% of GDP) in 2018. ▪ FDI averaged 9.8% of GDP in 2007-2018. |
| Support from international community | <p>Georgia and the EU signed an Association Agreement and DCFTA in June 2014</p> <ul style="list-style-type: none"> ▪ Visa-free travel to the EU is another major success in Georgian foreign policy. Georgian passport holders were granted free visa entrance to the EU countries from 28 March 2017. ▪ Discussions commenced with the USA to drive inward investments and exports. ▪ Strong political support from NATO, EU, US, UN and member of WTO since 2000; Substantial support from DFIs, the US and EU. |
| Electricity transit hub potential | <p>Developed, stable and competitively priced energy sector</p> <ul style="list-style-type: none"> ▪ Only 20% of hydropower capacity utilized; 155 renewable (HPPs/WPPs/SPPs) energy power plants are in various stages of construction or development. ▪ Georgia imports natural gas mainly from Azerbaijan. ▪ Significantly boosted transmission capacity in recent years, a new 400 kV line to Turkey and 500 kV line to Azerbaijan built, other transmission lines to Armenia and Russia upgraded. ▪ Additional 2,000 MW transmission capacity development in the pipeline, facilitating cross-border electricity trade and energy swaps to Eastern Europe. |
| Political environment stabilised | <ul style="list-style-type: none"> ▪ Georgia underscored its commitment to European values by securing a democratic transfer of political power in successive parliamentary, presidential, and local elections and by signing an Association Agreement and free trade agreement with the EU. ▪ New constitution amendments passed in 2013 to enhance governing responsibility of Parliament and reduce the powers of the Presidency. ▪ Continued economic relationship with Russia, although economic dependence is relatively low. ▪ Russia began issuing visas to Georgians in March 2009; Georgia abolished visa requirements for Russians – Russia announced the easing of visa procedures for Georgians citizens effective December 23, 2015. ▪ Direct flights between the two countries resumed in January 2010. However, they have been banned again since July 2019 following the decision from Russia. ▪ Member of WTO since 2000, allowed Russia's access to WTO; In 2013 trade restored with Russia. ▪ In 2019, Russia accounted for 13.2% of Georgia's exports and 10.8% of imports. |

Institutional oriented reforms

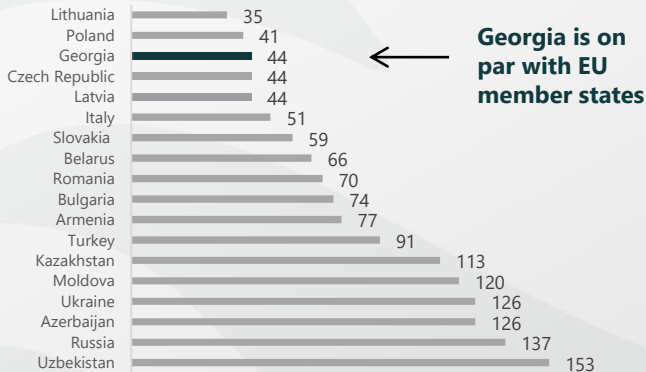
Ease of Doing Business | 2020 (WB Doing Business Report)



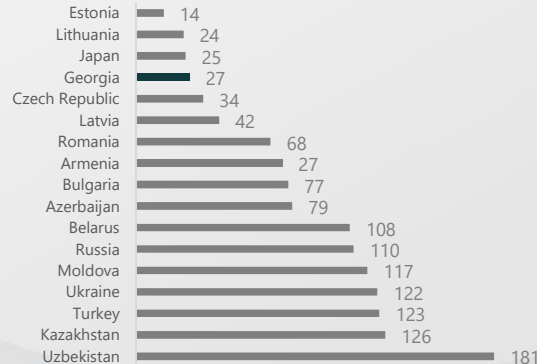
Economic Freedom Index | 2019 (Heritage Foundation)



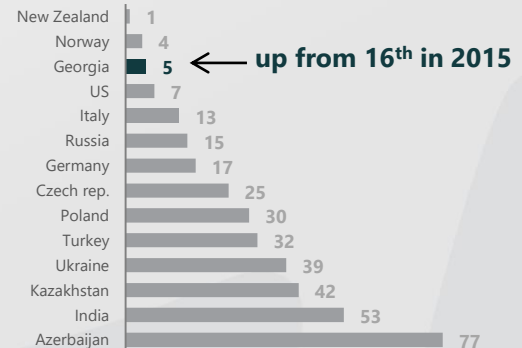
Corruption Perception Index | TI 2019



Business Bribery Risk, 2019 | Trace International

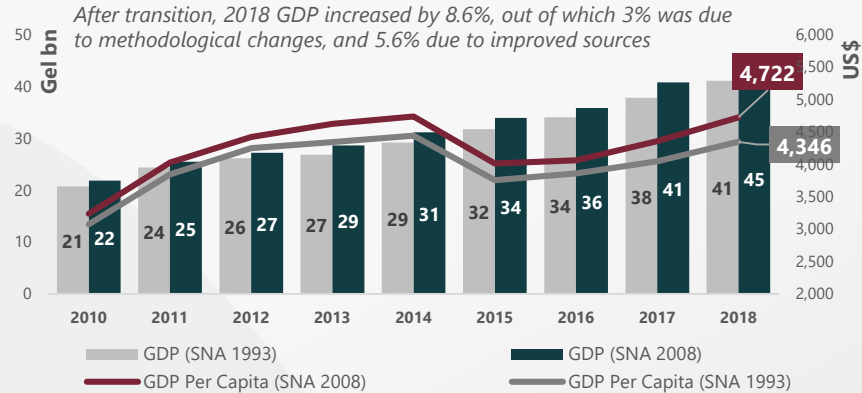


Open Budget Index, 2017 | International Budget Partnership

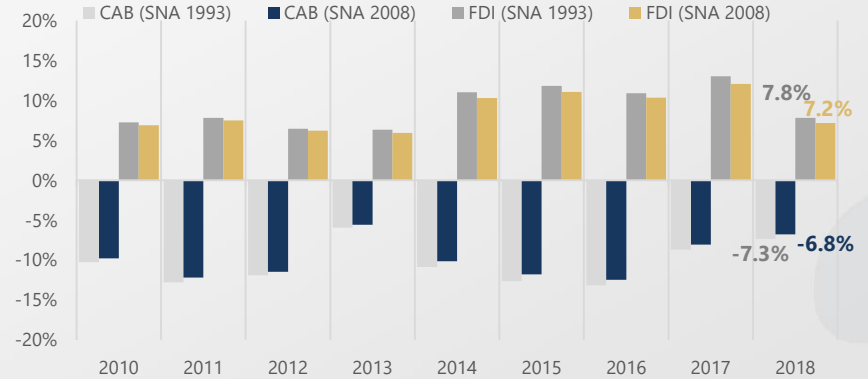


Methodological changes led GDP and external measures to improve

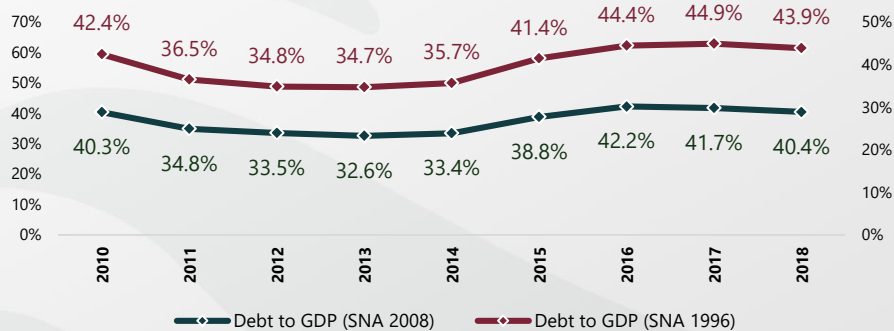
Nominal GDP and GDP Per Capita



CA and FDI



Public Debt



Methodological changes and improved sources

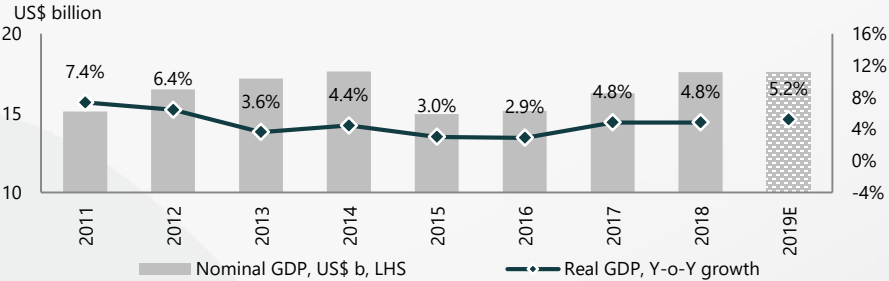
- Methodological changes mainly concern FISIM*, R&D expenditures, and imputed rent of occupied dwellings.
- Improved sources include the shadow economy, illegal activities, and intermediate consumption.

* Financial intermediation services indirectly measured.

Diversified resilient economy

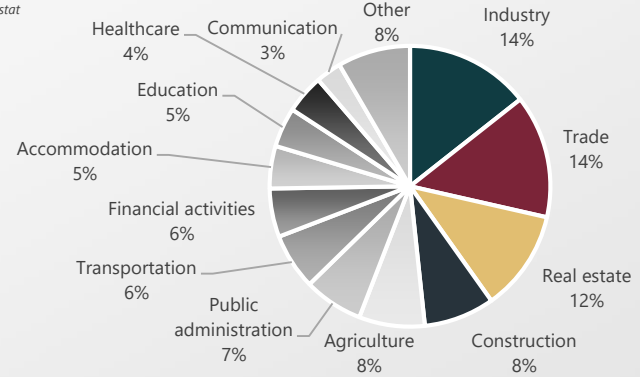
Gross domestic product

Source: Geostat, internal estimates



Diversified nominal GDP structure, 9M19

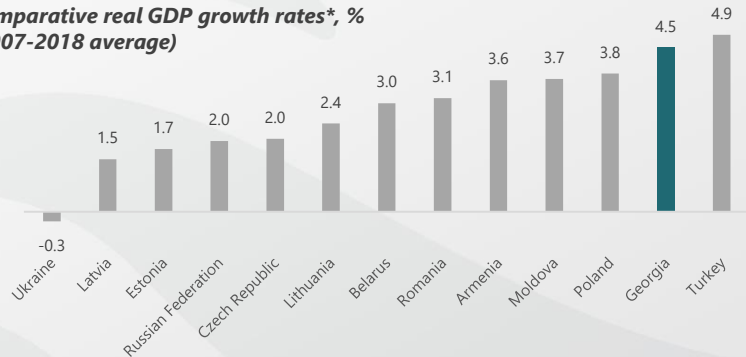
Source: Geostat



One of the Fastest Developing Economies in the Region

Source: IMF

Comparative real GDP growth rates*, % (2007-2018 average)

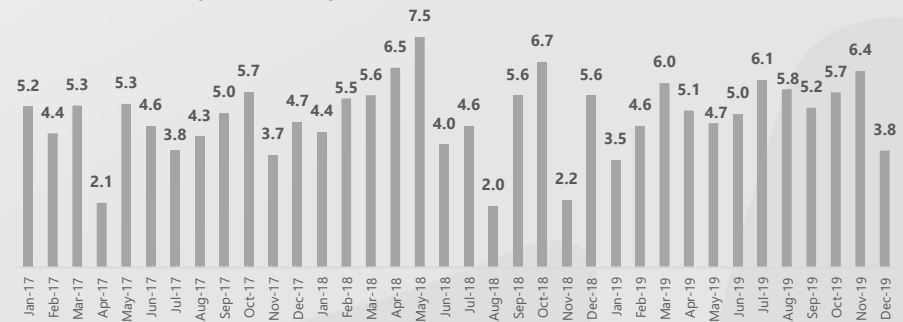


* Data for Georgia corresponds to the previously used SNA 1993 methodology.

Monthly Economic Activity Estimate, y-o-y growth

Source: Geostat

Economic activity increased by 5.2% in 2019¹

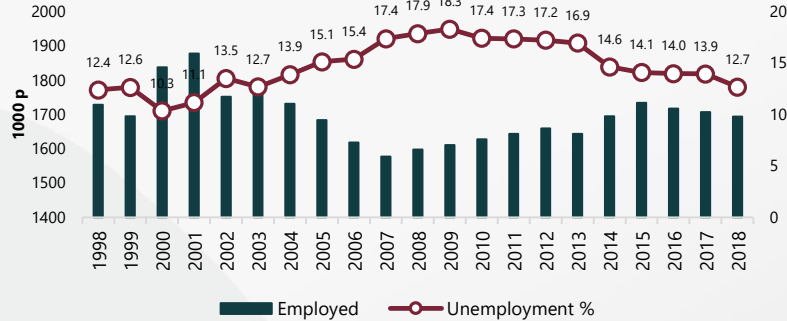


¹ preliminary data

Room for further job creation

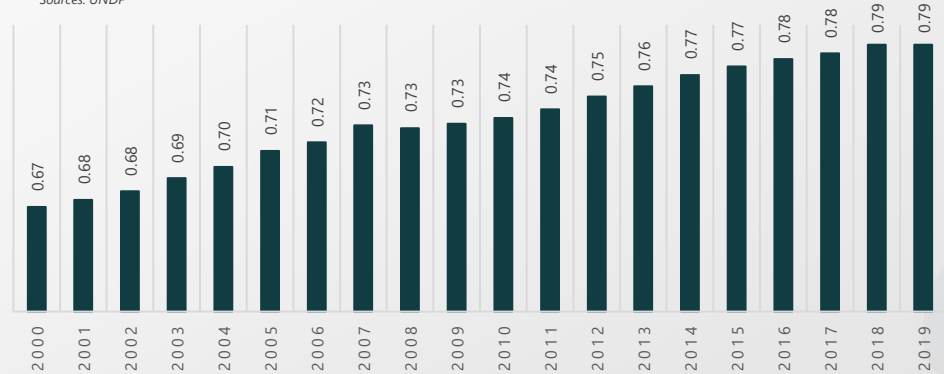
Unemployment rate down 1.3 ppts y-o-y to 12.7% in 2018

Sources: GeoStat



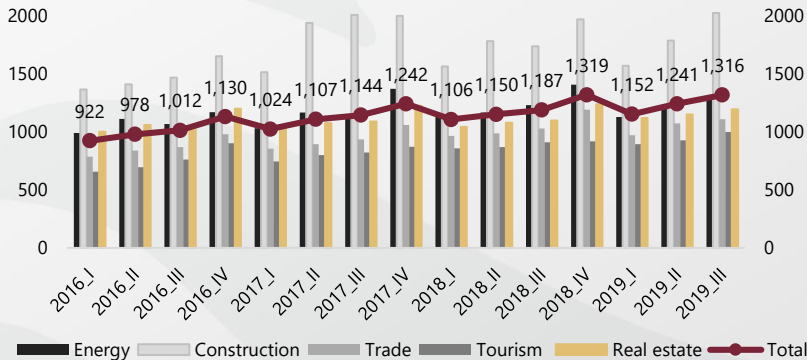
UNDP Human Development Index

Sources: UNDP



Average monthly nominal earnings in business sector

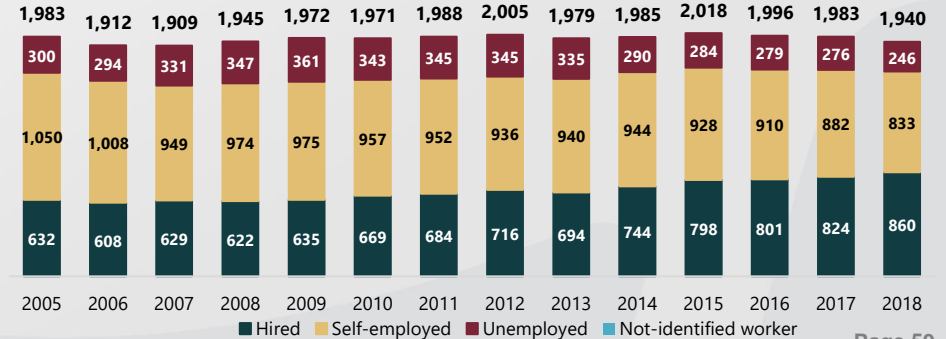
Sources: GeoStat



Labor force decomposition 2018

Sources: GeoStat

Hired workers accounted 51% in total employment in 2018

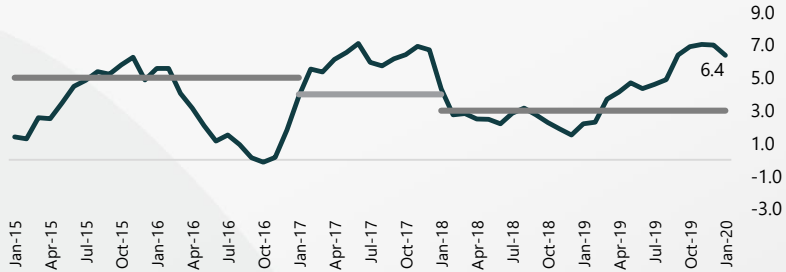


Inflation targeting since 2009

Inflation y-o-y vs. inflation target

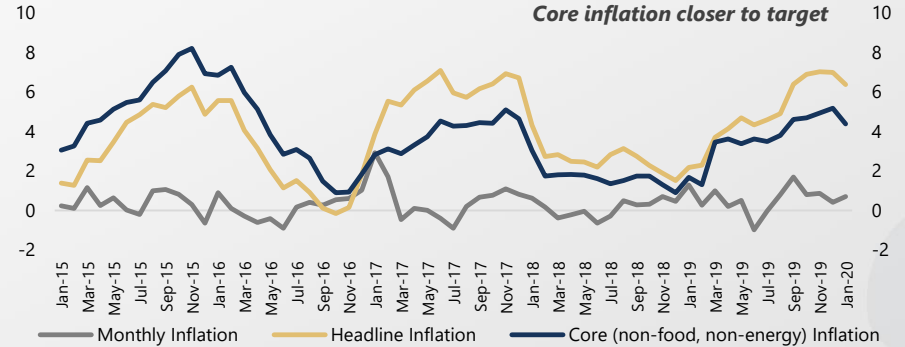
Sources: NBG, GeoStat

Following a temporary supply side shock and inflationary expectations stemming from depreciated NEER, we expect inflation to converge to the 3% target by the end of 2020, with annual expected inflation slightly above 4%



Inflation y-o-y

Source: GeoStat



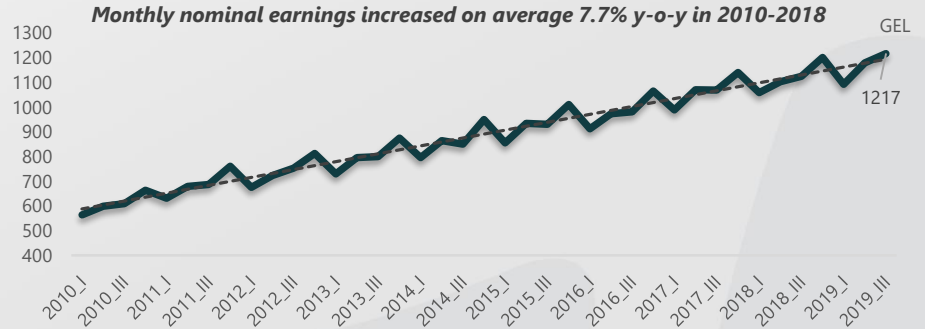
M2 vs. inflation, y-o-y, %

Sources: Geostat, NBG



Average monthly nominal earnings

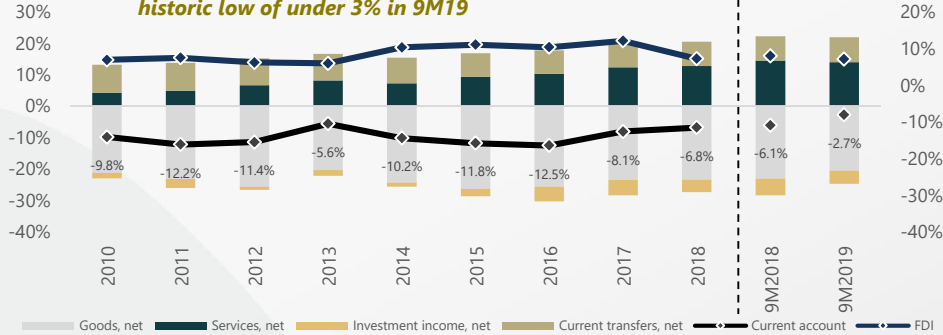
Source: Geostat



Current account deficit down to historic lows

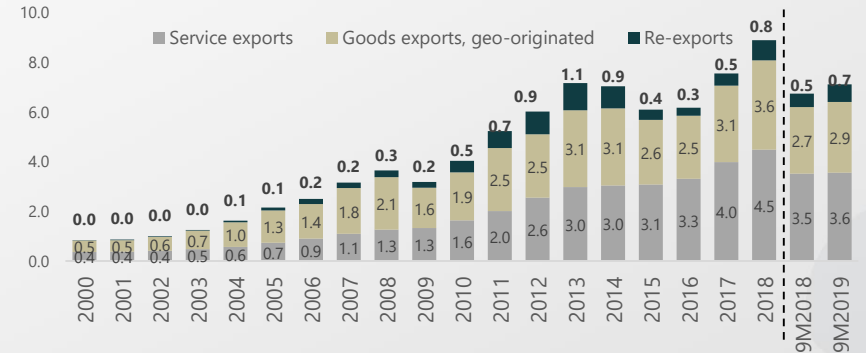
Current account balance (% of nominal GDP)

Sources: NBG > **Double digit shrinking in the trade deficit helped CAB to improve to a historic low of under 3% in 9M19**



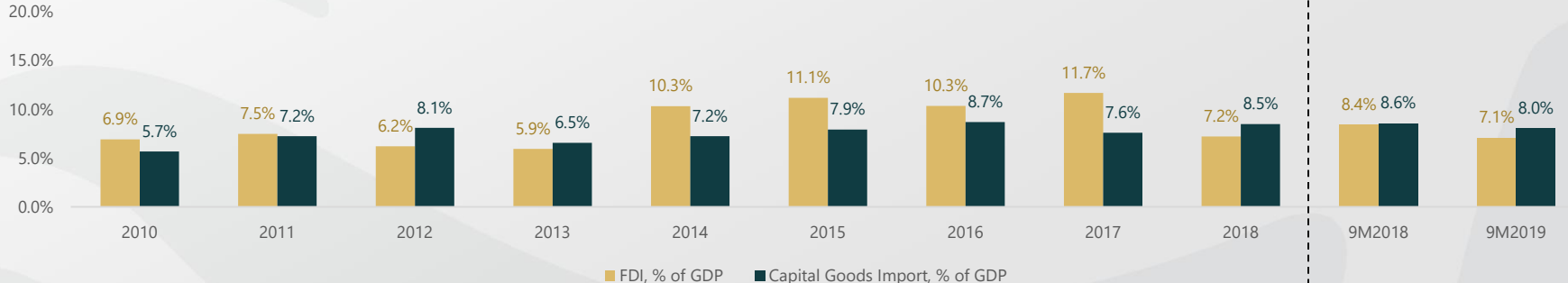
Exports and Re-exports, US\$ billion

Source: NBG



FDI and capital goods import

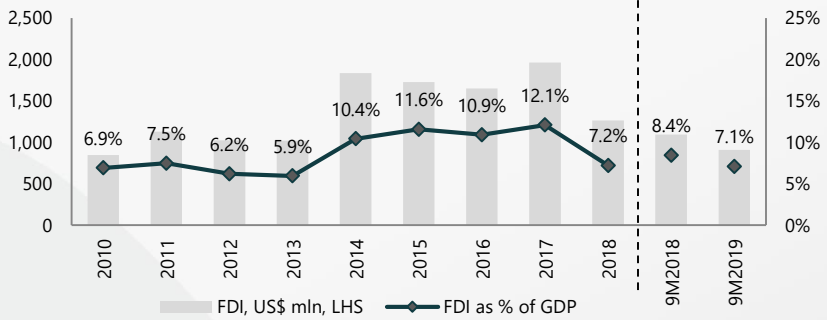
Source: GeoStat



Diversified sources of capital

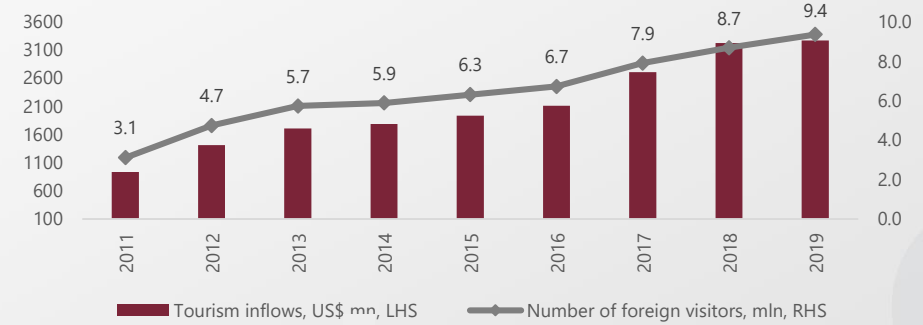
Strong foreign investor interest

Sources: GeoStat



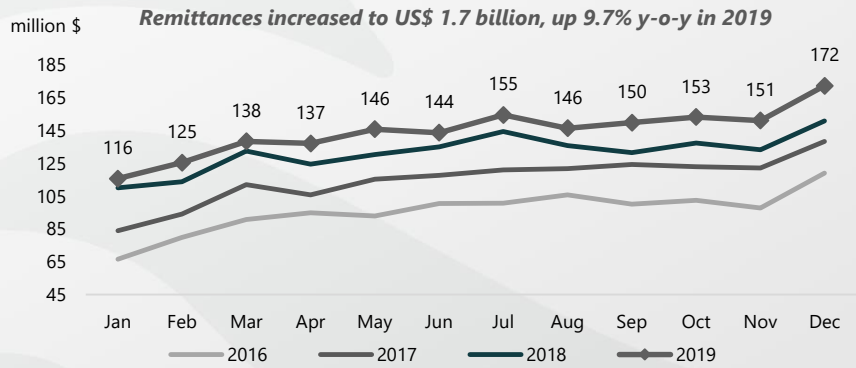
Visitors and tourism revenues

Sources: GNTA, NBG



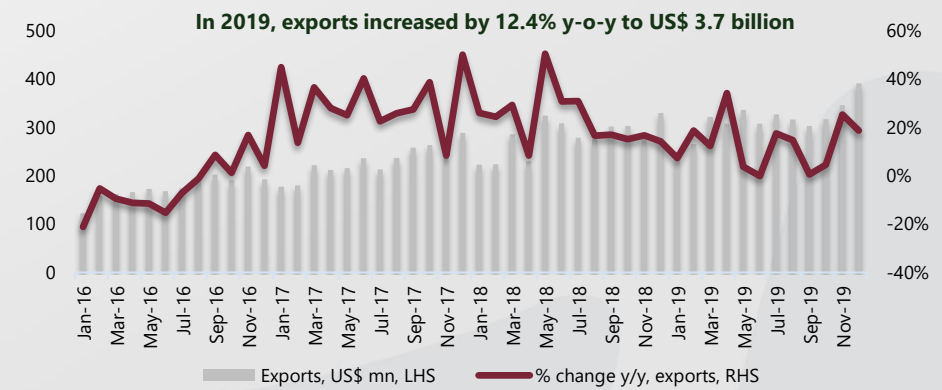
Remittances - steady source of external funding

Source: NBG



Export continues to support economic growth

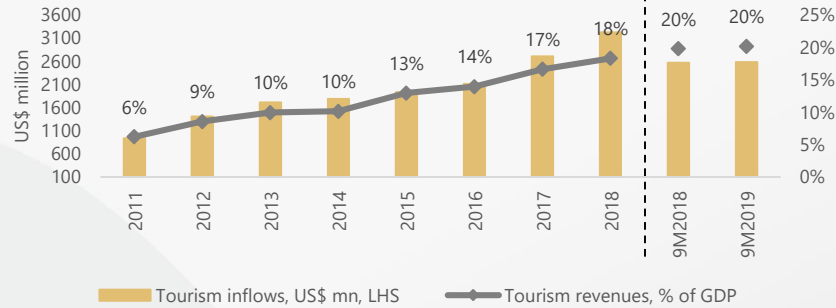
Source: Geostat



Tourism sector on the rise

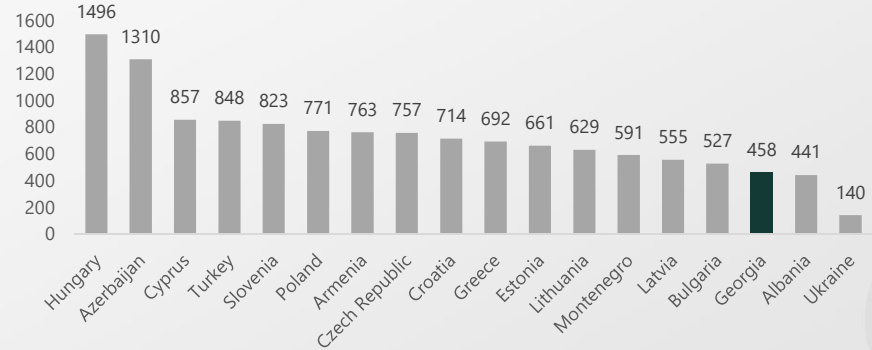
Tourism revenues to GDP

Sources: NBG, Geostat



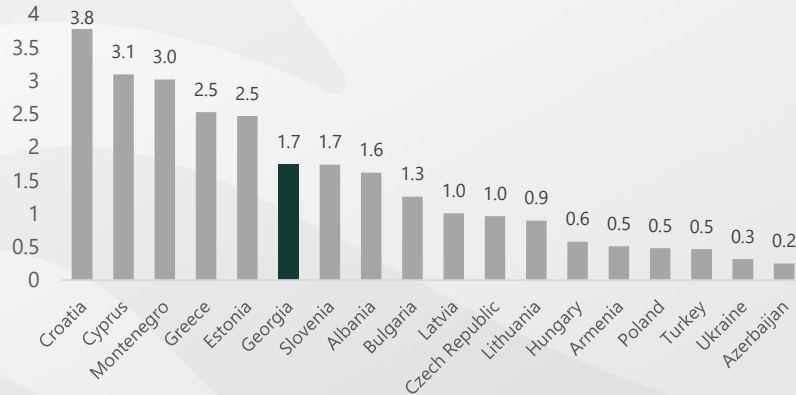
Spending per arrival, 2017

Source: WDI



Arrivals to country's population, 2017

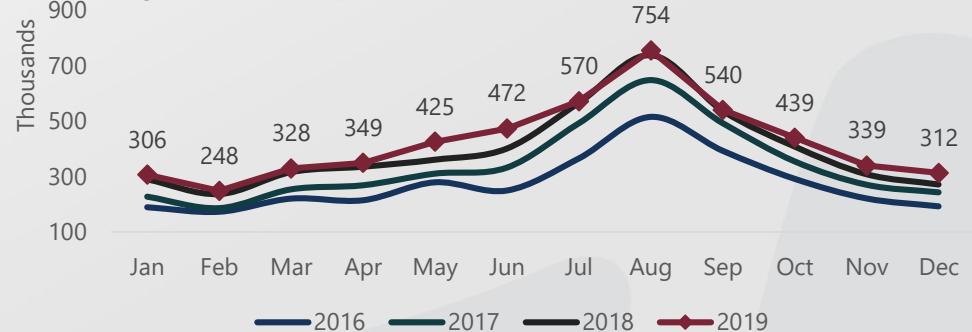
Source: WDI



Number of Tourists (overnight visitors)

Source: GNTA

In 2019, the number of overnight visitors increased by 6.8% y-o-y, including 4.6% growth in 2H19 despite the Russian air travel ban



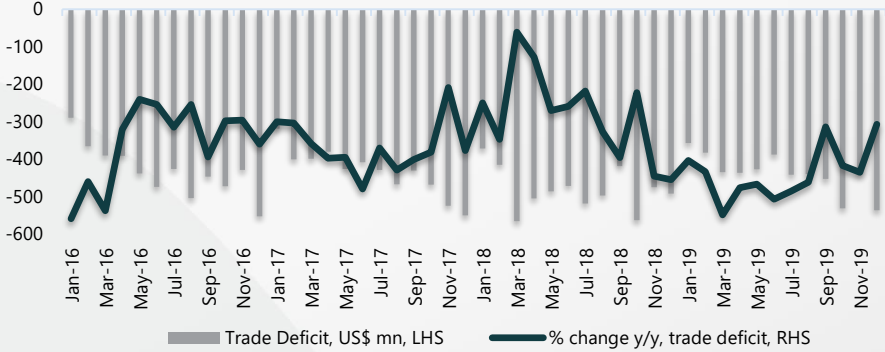
Diversified foreign trade



Goods' Trade Deficit

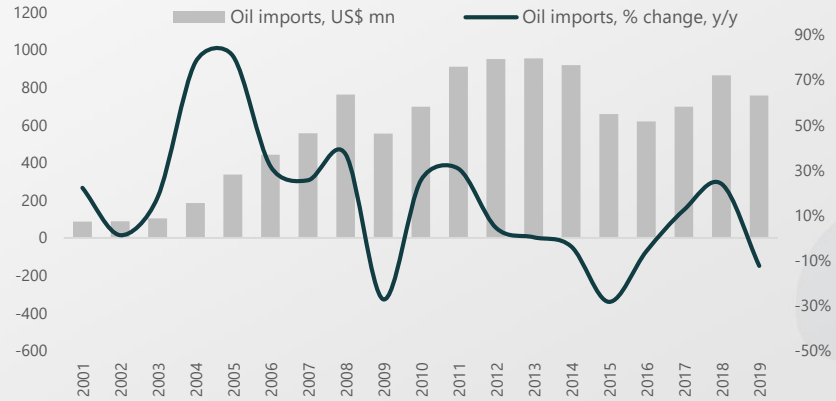
Source: GeoStat

In 2019, the trade deficit narrowed by 8.5% y-o-y to US\$ 5.3 billion from US\$ 5.8 billion, further decreasing FX pressure



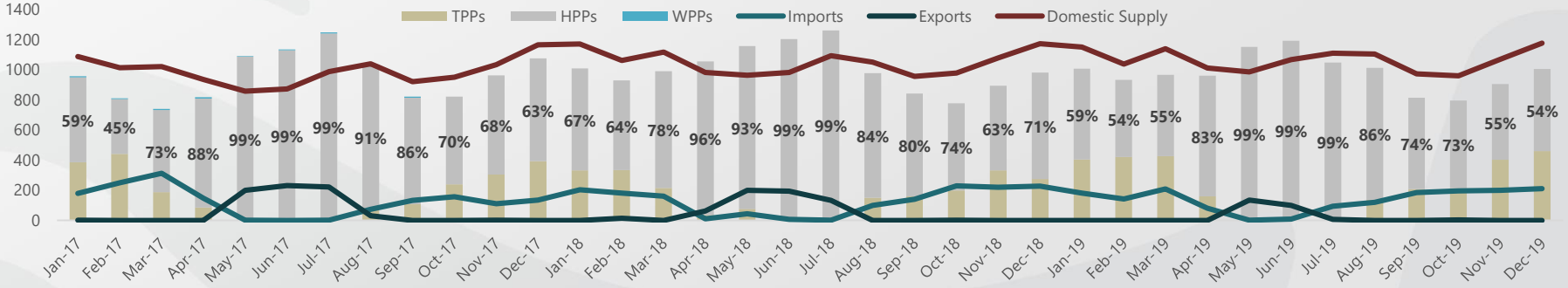
Oil imports

Source: GeoStat



Electricity generation and trade, GWH

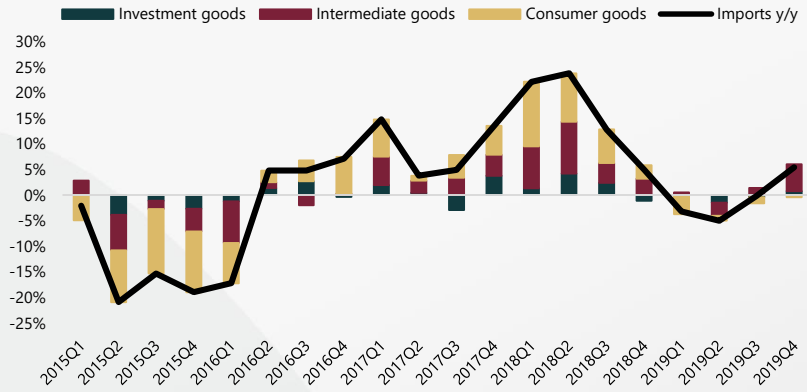
Source: ESCO



Diversified foreign trade

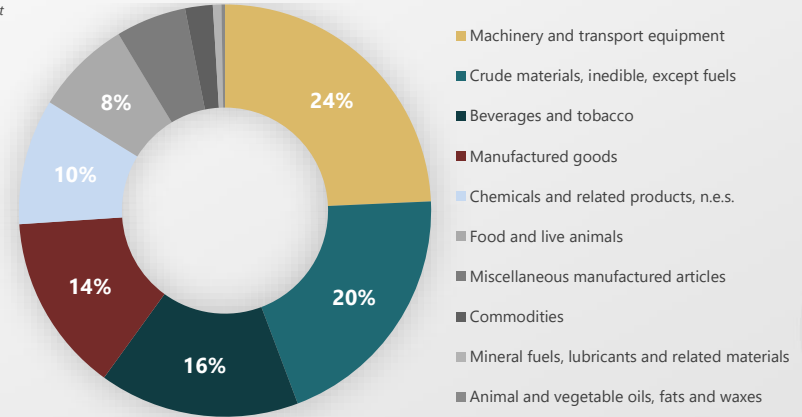
Imports of Goods, contribution to growth

Source: NBG



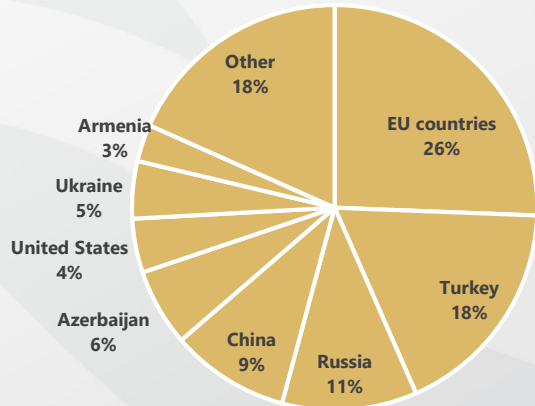
Foreign Demand, 2019

Source: Geostat



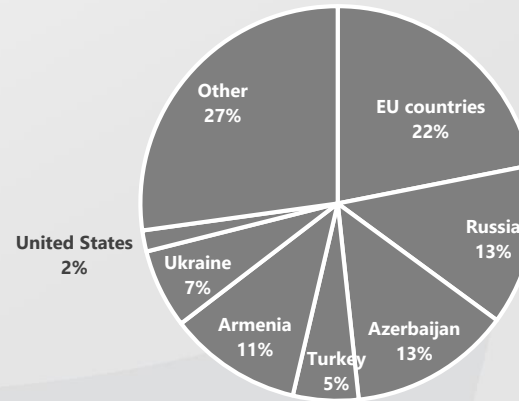
Import countries, 2019

Sources: GeoStat



Export countries, 2019

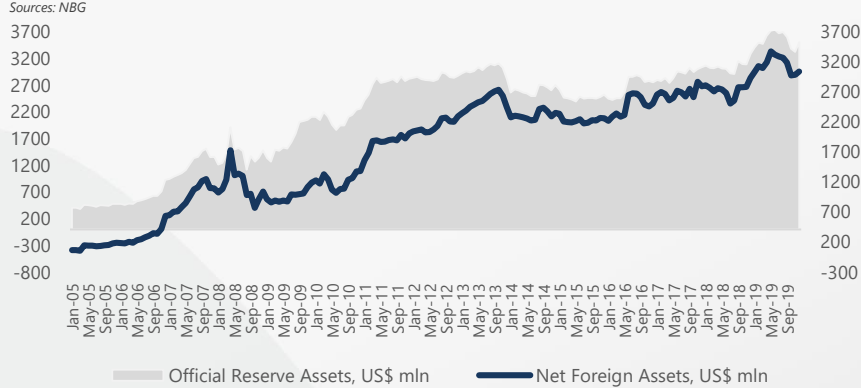
Sources: GeoStat



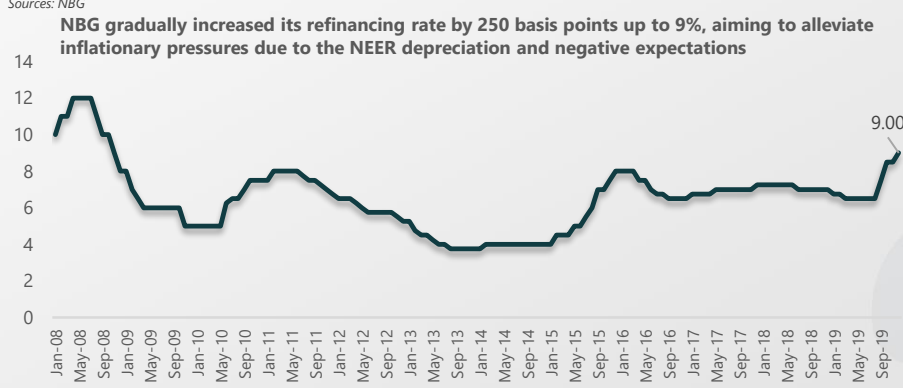
Prudent monetary policy ensures macro-financial stability



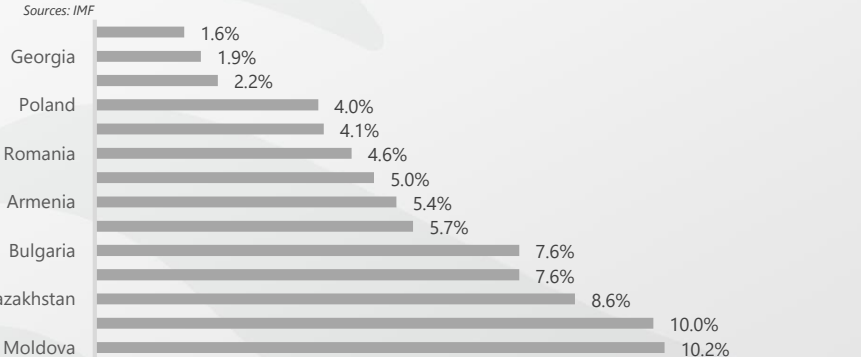
International reserves



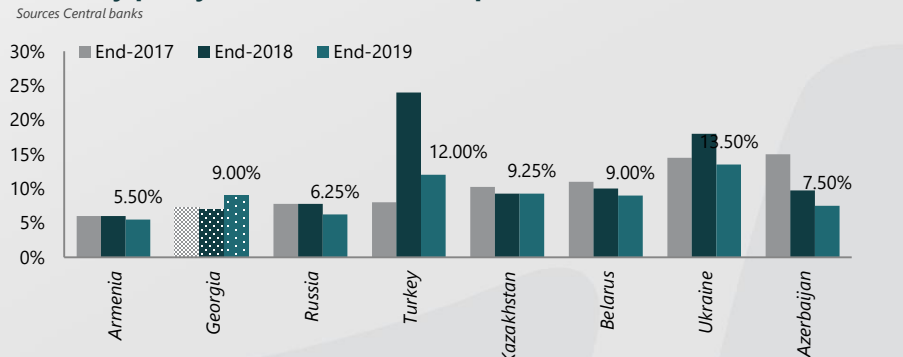
Monetary policy rate



Nonperforming loans to total gross loans, latest 2019



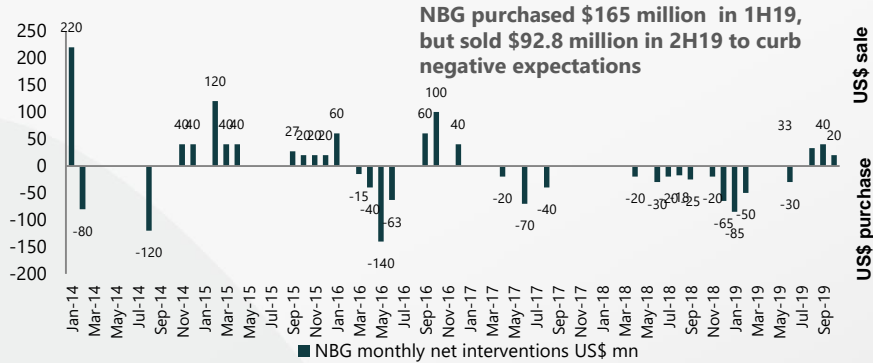
Monetary policy rate remains low vs. peers



Floating exchange rate - policy priority

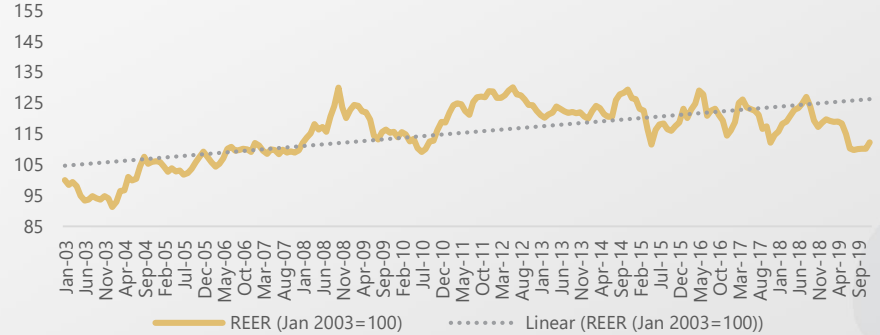
Central Bank's interventions

Sources: NBG



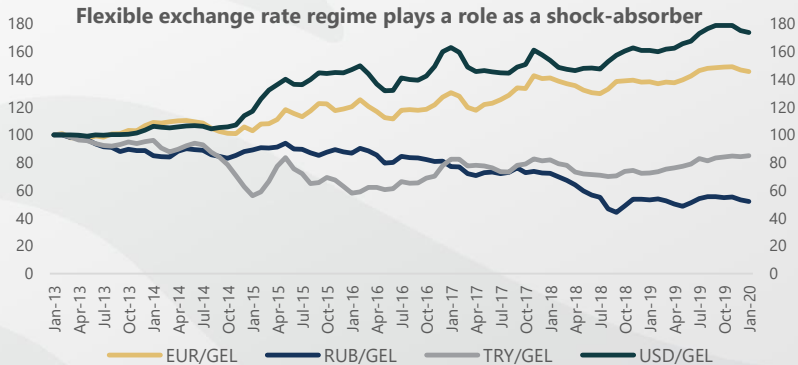
Real effective exchange rate (REER)

Sources: NBG



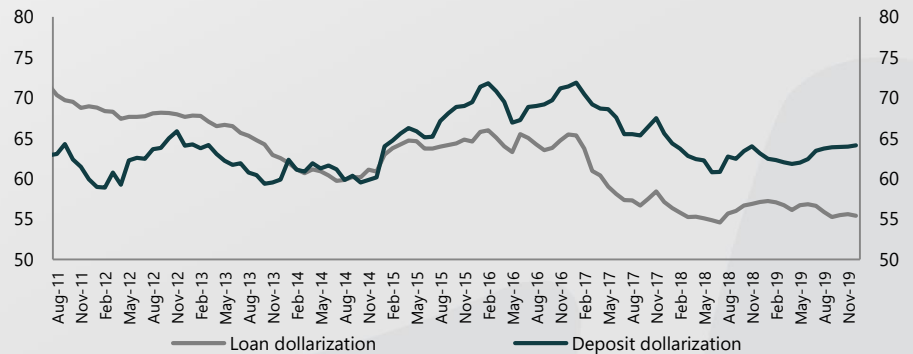
Bilateral exchange rate indices (Dec2012=100)

Sources: NBG



Dollarization ratios

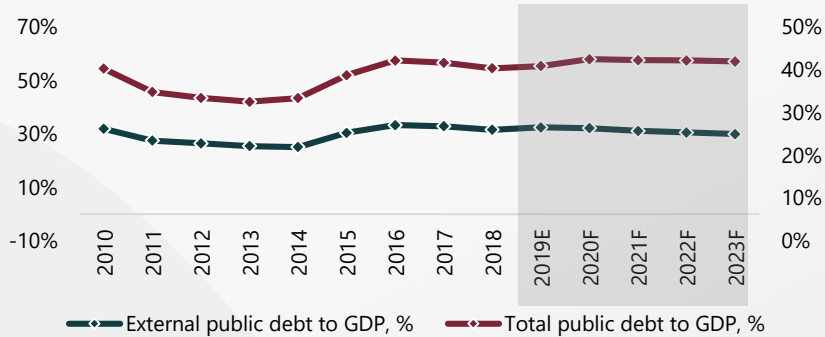
Source: NBG



Low public debt

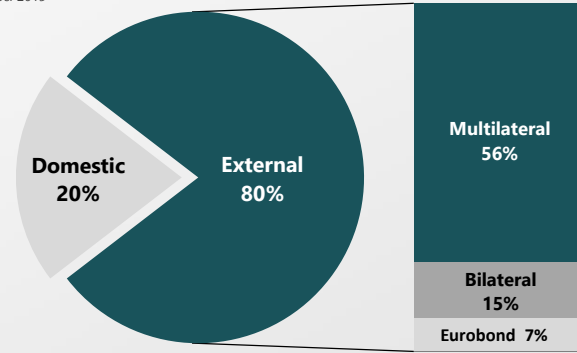
Public debt as % of GDP is capped at 60%

Sources: MOF



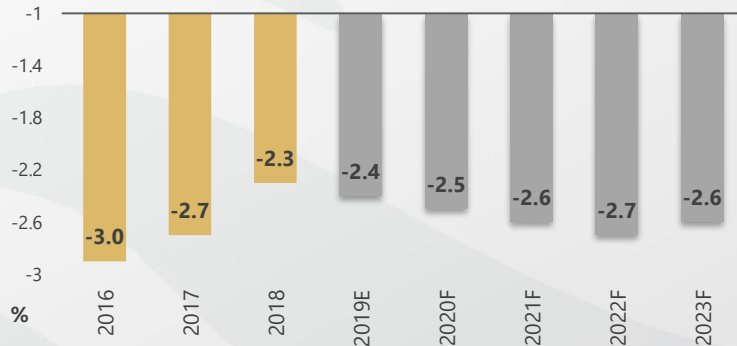
Breakdown of public debt

Source: MOF, as of December 2019



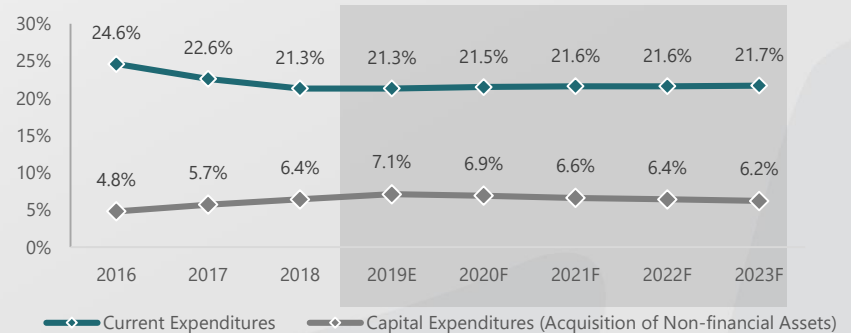
Modified Fiscal Deficit, % of GDP (IMF programme)

Source: MOF



Current vs Capital Expenditure, % of GDP

Source: MOF



Growth-oriented government reforms (2019-2020)

1 Structural Reforms

- **Tax Reform**
 - Favorable tax rates for SME development
 - Special tax regimes for regional offices of multinational companies
 - Enhancing easiness of tax compliance
- **Capital Market Reform**
 - Boosting stock exchange activities
 - Development of local bond market
- **Pension Reform**
 - Introduction of private pension system
- **PPP Reform**
 - Introduction of transparent and efficient PPP framework
- **Public Investment Management Framework**
 - Improved efficiency of state projects
- **Law of Georgia on Entrepreneurs**
 - New law will be drafted reflecting requirements of Association Agreement between EU and Georgia
- **Responsible Lending**
 - Regulatory actions to support responsible lending
 - Decrease household over indebtedness
- **Maximizing Government Effectiveness**
 - Modification of government support programs based on performance
- **Association Agreement Agenda**

2 Promoting Transit & Tourism Hub

- **Roads**
 - Plan to finish all spinal projects by 2020 – East-West Highway, other supporting infrastructure
- **Rail**
 - Baku – Tbilisi Kars new railroad line
 - Railway modernization and integration in international transport systems

3 Education

- **General Education Reform**
 - Maximising quality of teaching in secondary schools
- **Fundamental Reform of Higher Education**
 - Based on the comprehensive research of the labour market needs
- **Improvement of Vocational Education**
 - Increase involvement of the private sector in the professional education

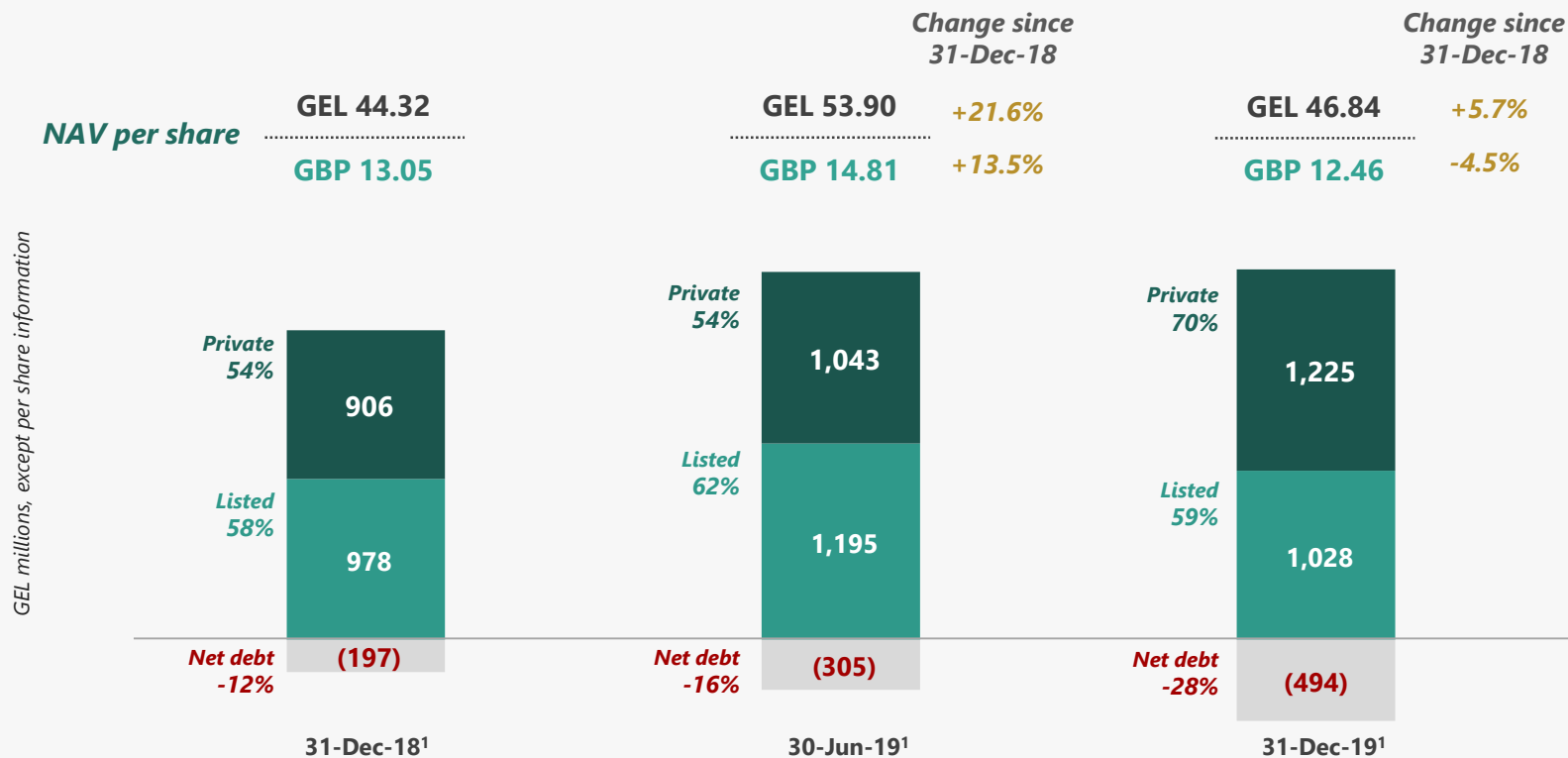
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- **Georgia Capital results discussion & overview**
- *Georgia Capital financial statements*
- *Portfolio companies overview*
- *Portfolio companies financial statements*

Net Asset Value evolution



(1) Components do not sum up, as NAV also includes net other assets/liabilities.

Portfolio overview | 31 December 2019

| <i>GEL thousands unless otherwise noted</i> | Ownership % | Valuation Method | Multiples | | | Fair Values | | | | |
|---|-------------|-----------------------|-----------|--------|--------|------------------|------------------|---------------|------------------|--------------|
| | | | Dec-19 | Jun-19 | Dec-18 | Dec-19 | Jun-19 | change | Dec-18 | Change |
| Listed Portfolio Companies | | | | | | 1,027,814 | 1,194,712 | -14.0% | 977,827 | 5.1% |
| <i>GHG</i> | 70.6% | Public markets | | | | 430,079 | 661,413 | -35.0% | 520,332 | -17.3% |
| <i>BoG</i> | 19.9% | Public markets | | | | 597,735 | 533,299 | 12.1% | 457,495 | 30.7% |
| Private Portfolio Companies | | | | | | 1,225,269 | 1,042,811 | 17.5% | 905,547 | 35.3% |
| Late Stage | | | | | | 692,746 | 681,973 | 1.6% | 628,326 | 10.3% |
| <i>Water Utility</i> | 100% | EV/EBITDA LTM | 8.8 | 9.0 | 8.8 | 483,970 | 459,706 | 5.3% | 431,017 | 12.3% |
| <i>Housing Development</i> | 100% | Discounted Cash Flows | | | | 43,853 | 60,858 | -27.9% | 66,785 | -34.3% |
| <i>P&C Insurance</i> | 100% | P/E (LTM) | 9.0 | 9.1 | 7.4 | 164,923 | 161,409 | 2.2% | 130,524 | 26.4% |
| Early Stage | | | | | | 439,477 | 314,901 | 39.6% | 271,288 | 62.0% |
| <i>Renewable Energy</i> | 65%-100% | At acquisition price | | | | 106,800 | 62,737 | 70.2% | 61,182 | 74.6% |
| <i>Hospitality & Commercial RE</i> | 100% | NAV ¹ | | | | 245,558 | 182,431 | 34.6% | 149,079 | 64.7% |
| <i>Beverages</i> | 87% | | | | | 87,119 | 69,733 | 24.9% | 61,027 | 42.8% |
| <i>Of which, wine</i> | | EV/EBITDA (LTM) | 10.0 | 9.9 | 9.1 | 72,042 | 59,633 | 20.8% | 56,771 | 26.9% |
| <i>Of which, beer</i> | | EV/Sales (LTM) | 2.2 | 2.1 | 2.2 | 15,077 | 10,100 | 49.3% | 4,256 | NMF |
| Pipeline | | | | | | 93,046 | 45,937 | NMF | 5,933 | NMF |
| <i>Education</i> | 70%-90% | At acquisition price | | | | 56,350 | 11,209 | NMF | 7,071 | NMF |
| <i>Auto Service</i> | 100% | EV/EBITDA | 10.4 | 10.1 | | 25,757 | 24,363 | 5.7% | (1,326) | NMF |
| <i>Digital Services</i> | 60% | At acquisition price | | | | 8,790 | 8,790 | NMF | - | NMF |
| <i>Other</i> | | At cost | | | | 2,149 | 1,575 | 36.4% | 188 | NMF |
| Total Portfolio Value | | | | | | 2,253,083 | 2,237,523 | 0.7% | 1,883,374 | 19.6% |

(1) NAV for the hospitality & commercial real estate business refers to IFRS 13 FV measurement methodology.

Number of outstanding shares overview & Value creation reconciliation | 2019

Number of outstanding shares overview

| | # of shares issued (1) | Unawarded shares in trust (2) | # of outstanding shares (1) + (2) |
|--|------------------------|-------------------------------|-----------------------------------|
| Opening balance at 31 December 2018 | 39,384,712 | (1,295,154) | 38,089,558 |
| Buybacks* | (2,085,014) | (1,409,350) | (3,494,364) |
| Cancellation of prior year buybacks (held in treasury) | (565,361) | - | (565,361) |
| Transfer of treasury shares to management trust | - | (686,468) | (686,468) |
| Share compensation awards | - | 663,168 | 663,168 |
| Issue of shares for the acquisition of a 13.6% equity stake in GHG | 3,435,438 | - | 3,435,438 |
| Closing balance at 31 December 2019 | 40,169,775 | (2,727,804) | 37,441,971 |

➤ **The buyback and cancellation together with issuance of 3.4 million shares drove a 1.7% decrease in the number of outstanding shares during 2019.**

*2.1 million shares bought back under the programme, were cancelled in 2019. 1.4 million shares were repurchased on the market for management trust.

Value creation – reconciliation of Management Income Statement with NAV Statement

GEL '000, unless otherwise noted

| | Per Management Income Statement | | | Per NAV Statement |
|---|---------------------------------|-----------------------|-----------------|-------------------|
| | Dividend income (1) | Investment return (2) | Total (1) + (2) | |
| Listed portfolio companies | 28,932 | (62,869) | (33,937) | (33,937) |
| Of which, Georgia Healthcare Group PLC | 3,982 | (203,109) | (199,127) | (199,127) |
| Of which, Bank of Georgia Group PLC | 24,950 | 140,240 | 165,190 | 165,190 |
| Private portfolio companies | 93,287 | 75,021 | 168,308 | 168,308 |
| Late Stage | 93,287 | 63,722 | 157,009 | 157,009 |
| Of which, Water Utility | 22,000 | 52,953 | 74,953 | 74,953 |
| Of which, Housing Development | 59,254 | (23,630) | 35,624 | 35,624 |
| Of which, P&C Insurance | 12,033 | 34,399 | 46,432 | 46,432 |
| Early Stage | - | (5,098) | (5,098) | (5,098) |
| Of which, Renewable energy | - | - | - | - |
| Of which, Hospitality & Commercial Real Estate | - | 9,918 | 9,918 | 9,918 |
| Of which, Beverages | - | (15,016) | (15,016) | (15,016) |
| Pipeline businesses | - | 16,396 | 16,396 | 16,396 |
| Of which, Auto Service | - | 17,056 | 17,056 | 17,056 |
| Of which, other | - | (659) | (659) | (659) |
| Total investment return / total value creation | 122,219 | 12,152 | 134,371 | 134,371 |

Multiple of Invested Capital (MOIC) | 31 December 2019

| <i>GEL millions</i> | Gross Investment | Sell down | Dividends | Fair Value | MOIC | Realized MOIC |
|---|------------------|------------|------------|--------------|---------------|---------------|
| | (1) | (2) | (3) | (4) | (2+3+4) / (1) | (2+3) / (1) |
| Listed Investments | 381 | 418 | 138 | 1,028 | 4.2x | 1.5x |
| Georgia Healthcare Group PLC | 252 | 131 | 4 | 430 | 2.2x | 0.5x |
| Bank of Georgia Group PLC | 129 | 287 | 134 | 598 | 7.9x | 3.3x |
| Private investments, late stage | 316 | - | 270 | 693 | 3.0x | 0.9x |
| Water Utility | 214 | - | 82 | 484 | 2.6x | 0.4x |
| Housing Development | 92 | - | 152 | 44 | 2.1x | 1.6x |
| P&C Insurance | 10 | - | 36 | 165 | 19.7x | 3.5x |
| Private investments, early stage | 450 | - | - | 439 | 1.0x | - |
| Renewable Energy | 99 | - | - | 107 | 1.1x | - |
| Hospitality and Commercial Real Estate | 194 | - | - | 246 | 1.3x | - |
| Beverage | 157 | - | - | 87 | 0.6x | - |
| <i>Of which, wine</i> | 62 | - | - | 72 | 1.2x | - |
| <i>Of which, beer</i> | 96 | - | - | 15 | 0.2x | - |
| Pipeline | 77 | - | - | 93 | 1.2x | - |
| Education | 56 | - | - | 56 | 1.0x | - |
| Auto Service | 10 | - | - | 26 | 2.6x | - |
| Digital Services | 9 | - | - | 9 | 1.0x | - |
| Other | 2 | - | - | 2 | 1.0x | - |
| Total | 1,224 | 418 | 408 | 2,253 | 2.5x | 0.7x |

2H19 NAV overview



| <i>GEL thousands unless otherwise noted</i> | Jun-19 | 1. Value creation | 2a. Investments | 2b. Buybacks | 2c. Dividends | 3. Operating expenses | 4. Liquidity management/ FX /Other | Dec-19 | Change % |
|---|------------------|-------------------|------------------|-----------------|-----------------|-----------------------|------------------------------------|------------------|---------------|
| Listed Portfolio Companies | 1,194,712 | (279,754) | 112,856 | - | - | - | - | 1,027,814 | -14.0% |
| <i>GHG¹</i> | 661,413 | (344,190) | 112,856 | - | - | - | - | 430,079 | -35.0% |
| <i>BoG¹</i> | 533,299 | 64,436 | - | - | - | - | - | 597,735 | 12.1% |
| Private Portfolio Companies | 1,042,811 | 67,540 | 181,460 | - | (66,542) | - | - | 1,225,269 | 17.5% |
| Late Stage | 681,973 | 77,315 | - | - | (66,542) | - | - | 692,746 | 1.6% |
| Water Utility | 459,706 | 46,264 | - | - | (22,000) | - | - | 483,970 | 5.3% |
| Housing Development | 60,858 | 23,504 | - | - | (40,509) | - | - | 43,853 | -27.9% |
| P&C Insurance | 161,409 | 7,547 | - | - | (4,033) | - | - | 164,923 | 2.2% |
| Early Stage | 314,901 | (10,510) | 135,086 | - | - | - | - | 439,477 | 39.6% |
| Renewable Energy | 62,737 | - | 44,063 | - | - | - | - | 106,800 | 70.2% |
| Hospitality and Commercial RE | 182,431 | 2,841 | 60,286 | - | - | - | - | 245,558 | 34.6% |
| Beverages | 69,733 | (13,351) | 30,737 | - | - | - | - | 87,119 | 24.9% |
| <i>Of which, wine</i> | 59,633 | (3,689) | 16,098 | - | - | - | - | 72,042 | 20.8% |
| <i>Of which, beer</i> | 10,100 | (9,662) | 14,639 | - | - | - | - | 15,077 | 49.3% |
| Pipeline | 45,937 | 735 | 46,374 | - | - | - | - | 93,046 | 102.6% |
| Education | 11,209 | - | 45,141 | - | - | - | - | 56,350 | NMF |
| Auto Service | 24,363 | 1,394 | - | - | - | - | - | 25,757 | 5.7% |
| Digital Services | 8,790 | - | - | - | - | - | - | 8,790 | 0.0% |
| Other | 1,575 | (659) | 1,233 | - | - | - | - | 2,149 | 36.4% |
| Total Portfolio Value (1) | 2,237,523 | (212,214) | 294,316 | - | (66,542) | - | - | 2,253,083 | 0.7% |
| Net Debt (2) | (304,519) | - | (150,318) | (66,046) | 39,916 | (10,301) | (2,297) | (493,565) | 62.1% |
| <i>of which, Cash and liquid funds</i> | 323,959 | - | (145,679) | (66,046) | 39,916 | (10,301) | 70,040 | 211,889 | -34.6% |
| <i>of which, Loans issued</i> | 232,289 | - | (4,639) | - | - | - | (75,766) | 151,884 | -34.6% |
| <i>of which, Gross Debt</i> | (860,767) | - | - | - | - | - | 3,429 | (857,338) | -0.4% |
| Net other assets/ (liabilities) (3) | 5,361 | - | (31,142) | 1,200 | 26,626 | (7,481) | (214) | (5,650) | NMF |
| <i>of which, share based compensation</i> | - | - | - | - | - | (7,481) | 7,481 | - | - |
| Net Asset Value (1)+(2)+(3) | 1,938,365 | (212,214) | 112,856 | (64,846) | - | (17,782) | (2,511) | 1,753,868 | -9.5% |
| NAV change % | | -10.9% | 5.8% | -3.3% | - | -0.9% | -0.1% | -9.5% | |
| Shares outstanding | 35,961,403 | - | 3,435,438 | (1,954,870) | - | - | - | 37,441,971 | 4.1% |
| Net Asset Value per share | 53.90 | (5.90) | (1.83) | 1.23 | - | (0.49) | (0.07) | 46.84 | -13.1% |
| NAV per share change % | | -10.9% | -3.4% | 2.3% | - | -0.9% | -0.1% | -13.1% | |

(1) Number of shares owned in BoG and GHG were 9,784,716 and 93,011,414 shares, respectively.

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)



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



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



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



Massimo Gesua'sive Salvadori, Independent Non-Executive Director

Experience: currently an analyst at Odey asset management, formerly with McKinsey & Company for over 9 years



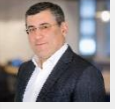




5 out of 6 members are independent

Georgia Capital's highly experienced management team



Georgia Capital Management

| | | |
|-----------------|---|---|
| Georgia Capital |  | <p>Irakli Gilauri, Chairman & CEO Formerly CEO of BGEO Group since 2011, joined as CFO of Bank of Georgia in 2004. Mr Gilauri was appointed Chairman of the Bank in September 2015, having previously served as CEO of the Bank since May 2006. Up to 20 years of experience in the banking, investment and finance. Prior, he was EBRD (European Bank for Reconstruction and Development) banker. Over the last decade, Irakli's leadership has been instrumental in creating major players in a number of Georgian industries, including banking, healthcare, utilities and energy, real estate, insurance and wine. Holds an MS in banking from CASS Business School.</p> |
| |  | <p>Avto Namicheishvili, Deputy CEO Formerly he was BGEO Group General Counsel. Joined as a General Counsel at the Bank of Georgia in 2007, and has since played a key role in all of the Group's equity and debt raises on the capital markets, and over 25 mergers and acquisitions. Prior, was a Partner at a leading Georgian law firm. Holds LL.M. in international business law from Central European University, Hungary.</p> |
| |  | <p>Ekaterina Shavgulidze, Chief Investment Officer Formerly served as Head of Funding and Investor Relations in BGEO Group. Joined BGEO as a CEO of healthcare services business in 2011. Most recently Eka played a key role in the GHG IPO as a Group Head of IR. Prior, she was an Associate Finance Director at AstraZeneca, UK. Holds an MBA from Wharton Business School.</p> |
| |  | <p>Giorgi Alpaizde, Chief Financial Officer Formerly BGEO Group CFO. Joined BGEO as Head of Group's Finance, Funding and Investor Relations in 2016. He has extensive international experience in banking, accounting and finance. Previously he was a senior manager in Ernst & Young LLP's Greater New York City's assurance practice. BBA from the European School of Management in Georgia. U.S. Certified Public Accountant.</p> |
| |  | <p>Ia Gabunia, Chief Exit Strategy Officer Formerly Investment Director at Georgia Capital. Joined BGEO as an Investment Director in 2017. Ia has over 10 years of experience in banking and investment management. Prior to joining BGEO Ia served as Head of Corporate Banking at Bank Republic, Societe Generale Group. Previously she held numerous executive positions in the leading Georgian companies, Ia holds a BSc degree from London School of Economics and Political Science, UK.</p> |
| |  | <p>Nikoloz Gankrelidze, CEO, Georgia Healthcare Group Previously deputy CEO (Finance) of BGEO Group. Our healthcare business story starts with Nick, who started it in 2006, and has successfully led it through outstanding growth and most recently the IPO on the London Stock Exchange. Holds an MA in international healthcare management from the Tanaka Business School of Imperial College London.</p> |

| | | | |
|---------|----------------------|---|--|
| Listed | BoG |  | <p>Archil Gachechiladze, CEO, Bank of Georgia Previously CEO at GGU, the Group's water utility and renewable businesses. Prior to that Archil was a Deputy CEO in charge of corporate banking in BoG. He launched the Bank's industry and macro research, brokerage, and advisory businesses. Previously, he was an Associate at Lehman Brothers Private Equity in London, and worked at Salford Equity Partners, EBRD, KPMG, Barents, and the World Bank. Holds MBA with distinction from Cornell University and is CFA charterholder.</p> |
| | GGU |  | <p>Avto Namicheishvili, Interim CEO, Georgia Global Utilities Starting from 28-Jan-19, Avto assumes the role of interim CEO of the Group's Water Utility and Renewable Energy businesses, in addition to his deputy CEO role at Georgia Capital. Formerly he was BGEO Group General Counsel. Joined as a General Counsel at the Bank of Georgia in 2007, and has since played a key role in all of the Group's equity and debt raises on the capital markets, and over 25 mergers and acquisitions. Prior, was a Partner at a leading Georgian law firm. Holds LL.M. in international business law from Central European University, Hungary.</p> |
| Private | Georgia Real Estate* |  | <p>Irakli Burdiladze, Co-CEO, Georgia Real Estate* Joined as a CFO at the Bank of Georgia in 2006. Before taking leadership of real estate business in 2010, he served as the COO of the Bank. Prior he was a CFO at a leading real estate developer and operator in Georgia. Holds a graduate degree in International Economics and International Relations from the Johns Hopkins University School of Advanced International Studies.</p> |
| | Aldagi |  | <p>Shota Berekashvili, Co-CEO, Georgia Real Estate* Joined JSC m² Real Estate in 2017. Before joining m² from 2009 to 2017 Shota was the founder and the CEO of "BK Capital" construction company. From 2003 to 2009 worked in Moscow as CFO of "BK Capital". From 1999 to 2003 worked in investment banking sector in NY and London. In 1999 Shota graduated from Columbia University NY with Bachelor's degree in Science and in 2002 Shota graduated from Cass Business School London with Master's Degree in Corporate Finance and Risk Management.</p> |
| | Wine |  | <p>Giorgi Baratashvili, CEO, Aldagi Joined as the Head of Corporate Clients Division of Aldagi in 2004. Before taking the leadership of our P&C insurance business in 2014, he served as Deputy CEO of Aldagi in charge of strategic management for corporate sales and corporate account management. Holds the Master Diploma in International Law.</p> |
| | Beer |  | <p>Temo Jankarashvili, CEO, Wine Business CEO of Wine business since November 2019, in addition to his CFO role at beer business. Formerly CFO at Rustavis Azot JSC. He has an extensive experience in finance. Previously, worked for BGEO Group for 11 years, served as a VIP Director at Bank of Georgia, successfully leading the commercial lending team, covering structured financing, M&As, LBOs and project financing. Holds BBA degree in Banking and Finance from Tbilisi State University.</p> |
| Listed | GHG |  | <p>Nikoloz Gankrelidze, CEO, Beer Business CEO of beer business since September 2018, having previously been Chief Marketing Officer at Bank of Georgia from March 2018. Previously he was a Commercial Director at EFES Georgia - Natakhtari Brewery. Before joining EFES, he was an Advertising Manager of Cartu-Universal. Overall, he has 15 years' experience in FMCG sector. Holds BBA degree of European School of Management.</p> |

* m² was renamed as Georgia Real Estate in 2019

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5. Georgian macro overview
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- *Portfolio companies overview*
- *Portfolio companies financial statements*

Reconciliation of management accounts to IFRS

Income statements reconciliation, FY19

| <i>GEL '000, unless otherwise noted</i> | GHG | BOG | Water Utility | Housing Development | P&C Insurance | Renewable Energy | Hospitality and Commercial RE | Beverages | Auto Service | Digital Services | Other | Corporate Center | Inter-Business Eliminations/ Consolidations | Group Total |
|--|------------------|----------------|---------------|---------------------|---------------|------------------|-------------------------------|-----------------|----------------|------------------|--------------|------------------|---|----------------|
| Total investment return | (203,109) | 140,240 | 52,953 | (23,630) | 34,399 | - | 9,918 | (15,017) | 17,056 | - | (659) | 81,349 | - | 93,500 |
| Net foreign currency loss/ non-recurring expenses | - | - | - | - | - | - | - | - | - | - | - | (21,949) | - | (21,948) |
| Net Income (Investment Basis) | (203,109) | 140,240 | 52,953 | (23,630) | 34,399 | - | 9,918 | (15,017) | 17,056 | - | (659) | 59,400 | - | 71,551 |
| Difference between Shareholder return and IFRS profit of portfolio companies | 226,430 | (140,240) | (17,483) | 6,834 | (16,119) | 2,796 | 5,932 | (10,884) | (23,625) | 264 | 2,558 | - | - | 36,463 |
| Profit attributable to non-controlling shareholders | 38,229 | - | - | - | - | 833 | (28) | (4,782) | (160) | 125 | 787 | - | - | 35,004 |
| Gain on change in Investment entity status | - | - | - | - | - | - | - | - | - | - | - | 588,830 | - | 588,830 |
| Reversal of intragroup dividend income | - | - | - | - | - | - | - | - | - | - | - | - | (97,268) | (97,268) |
| Reversal of Hotel revaluation gains for Group consolidation purposes | - | - | - | - | - | - | - | - | - | - | - | - | (16,517) | (16,517) |
| Reversal of Fair valuation of Debt securities measured at FVOCI | - | - | - | - | - | - | - | - | - | - | - | - | (6,231) | (6,231) |
| Reversal of gains on intragroup sale of assets | - | - | - | - | - | - | - | - | - | - | - | - | (3,425) | (3,425) |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | (4,141) | (4,141) |
| Profit for the period (IFRS Consolidated) | 61,550 | - | 35,470 | (16,796) | 18,280 | 3,629 | 15,822 | (30,683) | (6,729) | 389 | 2,686 | 648,230 | (127,582) | 604,266 |

Balance sheet reconciliation, 31 December 2019

| <i>GEL '000, unless otherwise noted</i> | GHG | BOG | Water Utility | Housing Development | P&C Insurance | Renewable Energy | Hospitality and Commercial RE | Beverages | Auto Service | Digital Services | Other | Corporate Center | Inter-Business Eliminations/ Consolidations | Group Total |
|--|----------------|----------------|----------------|---------------------|----------------|------------------|-------------------------------|---------------|---------------|------------------|---------------|------------------|---|------------------|
| Fair Value FS | 430,079 | 597,735 | 483,970 | 43,853 | 164,923 | 106,800 | 245,558 | 87,119 | 25,757 | 8,790 | 58,499 | (499,215) | - | 1,753,868 |
| Transfer of Market value of 19.9% in BoG to Corporate Center | - | (597,735) | - | - | - | - | - | - | - | - | - | 597,735 | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | (1,847) | (1,847) |
| Total equity attributable to shareholders of Georgia Capital (IFRS) | 430,079 | - | 483,970 | 43,853 | 164,923 | 106,800 | 245,558 | 87,119 | 25,757 | 8,790 | 58,499 | 98,520 | (1,847) | 1,752,021 |

Georgia Capital Consolidated IFRS Accounts



Consolidated IFRS Income Statement

Consolidated IFRS Statement of Cash Flow

Consolidated IFRS Balance Sheet

| GEL '000, unless otherwise noted | 2019 | 2018 | change |
|---|----------------|----------------|---------------|
| Revenue | 1,473,437 | 1,282,995 | 14.8% |
| Cost of sales | (883,024) | (789,884) | 11.8% |
| Gross profit | 590,413 | 493,111 | 19.7% |
| Operating expenses | (317,927) | (268,608) | 18.4% |
| EBITDA | 272,486 | 224,503 | 21.4% |
| Share in profit of associates | 357 | 247 | 44.5% |
| Dividend income | 24,953 | 23,875 | 4.5% |
| Depreciation and amortisation | (110,075) | (66,449) | 65.7% |
| Net foreign currency (loss)/ gain | (41,663) | (37,546) | 11.0% |
| Net realized gains from investment securities measured at FVPL | 1,654 | - | NMF |
| Net realized gains from investment securities measured at FVOCI | 1,187 | - | NMF |
| Interest income | 30,672 | 23,275 | 31.8% |
| Interest expense | (150,370) | (96,895) | 55.2% |
| Net operating income before non-recurring items | 29,201 | 71,010 | -58.9% |
| Net non-recurring items | (9,130) | (41,251) | -77.9% |
| Gain from change in investment entity status | 588,828 | - | NMF |
| Profit before income tax expense | 608,899 | 29,759 | NMF |
| Income tax expense | (4,633) | (3,606) | 28.5% |
| Profit for the period | 604,266 | 26,153 | NMF |
| Total profit / (loss) attributable to: | | | |
| - shareholders of Georgia Capital PLC | 569,262 | (254) | NMF |
| - non-controlling interests | 35,004 | 26,407 | 32.6% |
| - basic earnings per share | 16.45 | (0.01) | NMF |
| - Diluted earnings per share | 16.09 | (0.01) | NMF |

| GEL '000, unless otherwise noted | 2019 | 2018 | Change |
|---|------------------|------------------|---------------|
| Net cash flow from operating activities | 256,291 | 163,502 | 56.8% |
| Net cash flow from investing activities | (572,400) | (590,182) | -3.0% |
| <i>Of which, change in investment entity status</i> | <i>(248,735)</i> | <i>-</i> | <i>NMF</i> |
| Net cash flow from financing activities | 63,716 | 296,946 | -78.5% |
| Effect of exchange rates changes on cash and cash equivalents | (3,295) | (8,416) | NMF |
| Net (decrease) increase in cash and cash equivalents | (255,687) | (138,149) | 85.1% |
| Cash and cash equivalents, beginning of the year | 256,930 | 346,239 | -25.8% |
| Cash and cash equivalents of disposal group held for sale beginning of the period | - | 48,840 | NMF |
| Cash and cash equivalents, end of the period | 1,243 | 256,930 | -99.5% |

| GEL '000, unless otherwise noted | 31-Dec-19 | 31-Dec-18 |
|---|------------------|------------------|
| Cash and cash equivalents | 1,243 | 256,930 |
| Amounts due from credit institutions | - | 40,299 |
| Marketable securities | - | 71,824 |
| Accounts receivable | - | 170,228 |
| Insurance premiums receivable | - | 57,801 |
| Inventories | - | 276,230 |
| Investment properties | - | 151,232 |
| Prepayments | 234 | 117,909 |
| Income tax assets | - | 2,405 |
| Property and equipment | - | 1,573,624 |
| Goodwill | - | 142,095 |
| Intangible assets | - | 51,471 |
| Other assets | - | 251,462 |
| Equity investments at fair value | 1,758,197 | 457,495 |
| Assets of disposal group held for sale | - | - |
| Total assets | 1,759,674 | 3,621,005 |
| Accounts payable | - | 143,114 |
| Insurance contracts liabilities | - | 68,207 |
| Income tax liabilities | - | 1,119 |
| Deferred income | - | 62,345 |
| Borrowings | - | 764,355 |
| Debt securities issued | - | 916,401 |
| Other liabilities | 7,653 | 235,771 |
| Total liabilities | 7,653 | 2,191,312 |
| Total equity attributable to shareholders of Georgia Capital PLC | 1,752,021 | 1,100,688 |
| Non-controlling interests | - | 329,005 |
| Total equity | 1,752,021 | 1,429,693 |
| Total liabilities and equity | 1,759,674 | 3,621,005 |

Georgia Capital FY19 Performance (management accounts)



Income Statement

| <i>GEL '000, unless otherwise noted</i> | FY19 | FY18 | Change |
|--|-----------------|------------------|---------------|
| Dividend income | 122,219 | 72,504 | 68.6% |
| Interest income | 39,044 | 35,282 | 10.7% |
| Realised / unrealised (loss)/ gain on liquid funds | 9,547 | (5,984) | NMF |
| Interest expense | (55,071) | (44,711) | 23.2% |
| Gross operating income | 115,739 | 57,091 | NMF |
| Operating expenses | (34,391) | (18,689) | 84.0% |
| GCAP net operating income | 81,348 | 38,402 | NMF |
| Fair value changes of portfolio companies | | | |
| Listed portfolio companies | (62,869) | (661,655) | -90.5% |
| Of which, Georgia Healthcare Group PLC | (203,109) | (413,148) | -50.8% |
| Of which, Bank of Georgia Group PLC | 140,240 | (248,507) | NMF |
| Private portfolio companies | 75,021 | (94,058) | NMF |
| Late Stage | 63,722 | (86,944) | NMF |
| Of which, Water Utility | 52,953 | (67,164) | NMF |
| Of which, Housing Development | (23,630) | (8,824) | NMF |
| Of which, P&C Insurance | 34,399 | (10,956) | NMF |
| Early Stage | (5,098) | (6,682) | -23.7% |
| Of which, Renewable energy | - | 4,700 | NMF |
| Of which, Hospitality & Commercial Real Estate | 9,918 | 40,515 | -75.5% |
| Of which, Beverages | (15,016) | (51,897) | -71.1% |
| Pipeline businesses | 16,397 | (432) | NMF |
| Of which, Auto Service | 17,056 | (1,326) | NMF |
| Of which, other | (659) | 894 | NMF |
| Total investment return | 12,152 | (755,713) | NMF |
| Income before foreign exchange movements and non-recurring expenses | 93,500 | (717,311) | NMF |
| Net foreign currency loss | (20,967) | (25,371) | -17.4% |
| Non-recurring expenses | (982) | (23,449) | NMF |
| Net Income | 71,551 | (766,131) | NMF |

Cash flow, Georgia Capital stand-alone

| <i>GEL thousands unless otherwise noted</i> | FY19 | FY18 | Change |
|--|------------------|------------------|--------------|
| Dividends received | 72,876 | 72,446 | 0.6% |
| Interest received | 39,853 | 27,909 | 42.8% |
| Interest paid | (51,923) | (45,838) | 13.3% |
| Cash inflow from Operations before operating expenses | 60,806 | 54,517 | 11.5% |
| GCAP operating expenses | (19,280) | (10,513) | 83.4% |
| Cash inflow from operations | 41,526 | 44,004 | -5.6% |
| Capital allocations | (188,842) | (85,048) | NMF |
| Loans (Issued)/Repaid | 164,407 | (275,102) | NMF |
| of which, Loans to portfolio companies | 52,370 | (153,187) | NMF |
| of which, Loans to third parties | 112,037 | (121,915) | NMF |
| Cash outflow on buybacks | (124,737) | (87,414) | 42.7% |
| of which, management trust | (46,685) | (42,628) | 9.5% |
| of which, Staff ESOP | (2,588) | - | NMF |
| of which, Buyback programme | (75,464) | (44,786) | 68.5% |
| (Purchase)/Sale of PPE | 32 | (924) | NMF |
| Fees paid | (5,750) | - | NMF |
| Cash outflow/inflow from financing activities | - | 467,434 | NMF |
| Proceeds from debt securities issued | - | 715,729 | NMF |
| Repayment of borrowings from former Parent company | - | (248,295) | NMF |
| Demerger related outflows | (587) | (32,597) | -98.2% |
| FX Effect & Fair valuation | 26,190 | 4,751 | NMF |
| Net cash flow | (87,761) | 35,104 | NMF |
| Beginning cash and liquid funds | 299,650 | 264,546 | 13.3% |
| Ending cash and liquid funds | 211,889 | 299,650 | -29.3% |

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P&C insurance business | segment results in 2019

Well-diversified business model

| Key Segments | | Motor ⁽²⁾ | Property ⁽³⁾ | Credit life ⁽⁴⁾ | Liability ⁽⁵⁾ | Other ⁽⁶⁾ |
|------------------------------------|--------------------------|--------------------------------------|------------------------------------|----------------------------|---------------------------------|------------------------------------|
| Market size (3Q19) ⁽¹⁾ | | GEL 105mln | GEL 63mln | GEL 33mln | GEL 30mln | GEL 23mln |
| Aldagi market share ⁽¹⁾ | | 25% | 37% | 30% | 36% | 18% |
| # of Clients | | Corporate – 1,322 Retail – 27,183 | Corporate – 993 Retail – 11,049 | Retail - 3 channels | Corporate – 984 Retail – 794 | Corporate – 973 Retail – 16,143 |
| Financials FY19 | Earned premiums, gross | GEL 98.3 mln | | | | |
| | Earned premiums, net | GEL 75.3 mln | | | | |
| | Underwriting profit, net | GEL 31.8 mln | | | | |
| | Net profit | GEL 18.3 mln | | | | |
| Loss ratio: 42% | | Corporate – 60% Retail – 48% | Corporate – 35% Retail – 16% | Retail – 62% | Corporate – 20% Retail – 15% | Corporate – 13% Retail – 0% |
| Combined ratio: 82% | | Corporate – 96% Retail – 89% | Corporate – 81% Retail – 78% | Retail – 84% | Corporate – 75% Retail – 51% | Corporate – 60% Retail – 52% |

(1) Sources: Insurance State Supervision Service of Georgia. Market shares by earned premium gross.

(2) Motor own damage, motor third party liability insurance.

(3) Contractor's all risks insurance (CAR), Commercial property, Household Property, Machinery breakdowns insurance.

(4) Loan-linked life insurance.

(5) Financial risk, employer's liability, professional indemnity, General third party liability insurance (GTP), Freight Forwarders' liability (FFL), Household GTP, Product liability insurance.

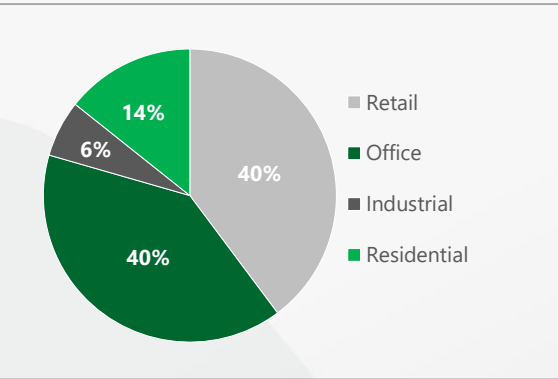
(6) Cargo, Contractor's Plant And Machinery insurance (CPM), Livestock, Bankers blanket bond insurance (BBB), Directors and officers liability Insurance (D&O), Agro insurance.

■ Corporate
■ Retail

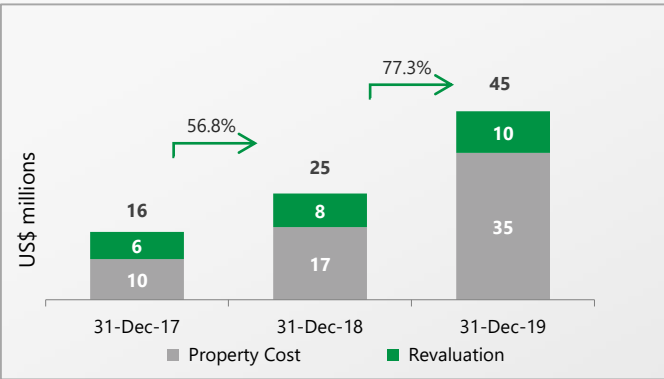
Hospitality and commercial RE business | commercial portfolio & hotel portfolio highlights



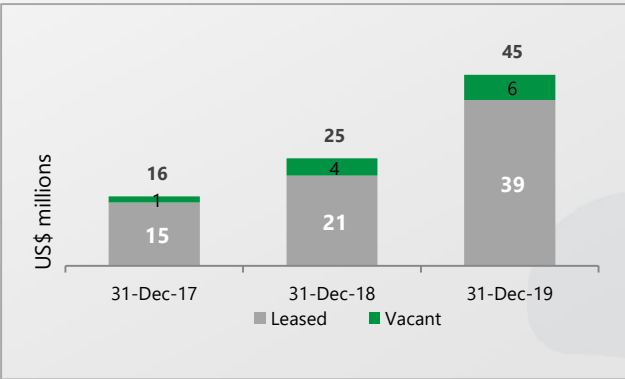
Commercial portfolio breakdown | 31-Dec-19



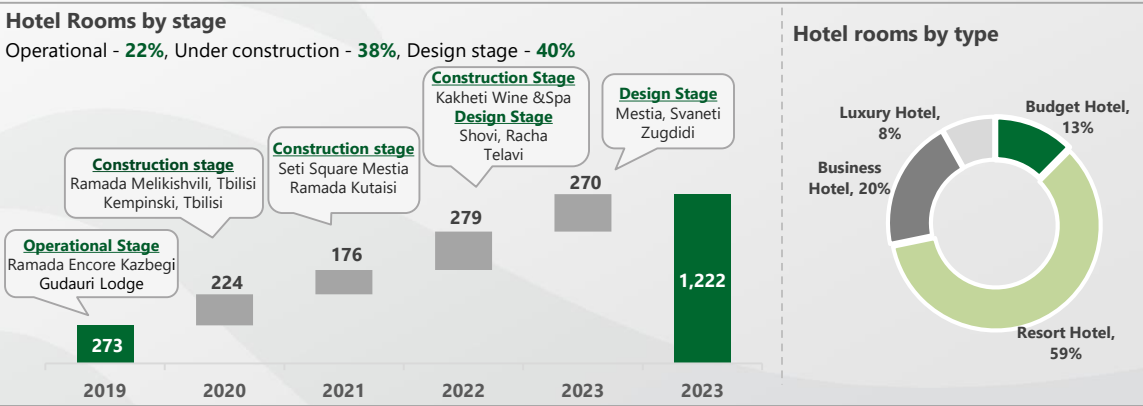
Commercial portfolio growth



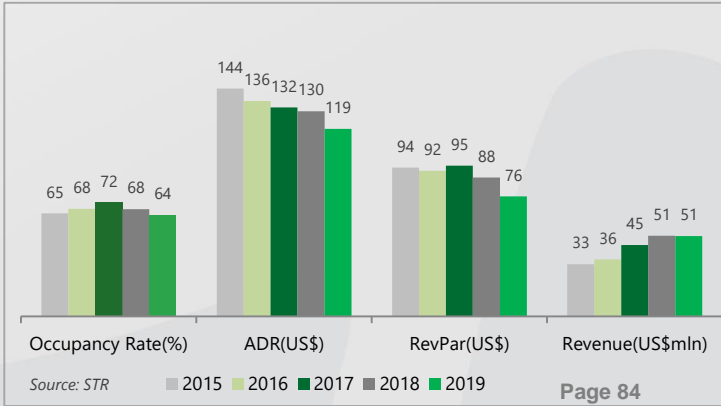
Commercial portfolio growth



Progressing against the 1,222 hotel room portfolio



Key performance metrics of hotels | Tbilisi



Housing development business | Overview of completed and on-going projects as of 31 December 2019



| # | Project name | Total Sq.m. (Net Sellable Area) | Number of apartments | Sq.m. of apartments sold | Number of apartments sold | Number of apartments sold as % of total | Number of apartments available for sale | Sq.m. apartments available for sale | Number of apartments transferred to IP | Sq.m. of apartments transferred to IP | Start date (construction) | Actual / Planned Completion date (construction) | Construction progress | Total Sales (US\$ mln) | Recognised as revenue (US\$ mln) | Deferred revenue (US\$ mln) | Deferred revenue expected to be recognised as revenue in 2020 | Land value unlocked (US\$ mln) | Realised & Expected IRR |
|---------------------------|------------------------|---------------------------------|----------------------|--------------------------|---------------------------|---|---|-------------------------------------|--|---------------------------------------|---------------------------|---|-----------------------|------------------------|----------------------------------|-----------------------------|---|--------------------------------|-------------------------|
| Completed projects | | 218,349 | 2,855 | 218,196 | 2,854 | 100.0% | 1 | 153 | 20 | 3,183 | | | | 250.5 | 250.4 | 0.1 | 0.1 | 32.9 | |
| 1 | Chubinashvili Street | 9,366 | 123 | 9,366 | 123 | 100.0% | - | - | - | - | Sep-10 | Aug-12 | 100% | 9.9 | 9.9 | - | - | 0.9 | 47% |
| 2 | Tamarashvili Street | 40,717 | 525 | 40,717 | 525 | 100.0% | - | - | - | - | May-12 | Jun-14 | 100% | 48.9 | 48.9 | - | - | 5.4 | 46% |
| 3 | Kazbegi Street | 21,937 | 295 | 21,937 | 295 | 100.0% | - | - | - | - | Dec-13 | Feb-16 | 100% | 27.2 | 27.2 | - | - | 3.6 | 165% |
| 4 | Nutsubidze Street | 15,757 | 221 | 15,757 | 221 | 100.0% | - | - | - | - | Dec-13 | Sep-15 | 100% | 17.4 | 17.4 | - | - | 2.2 | 58% |
| 5 | Tamarashvili Street II | 21,023 | 266 | 21,023 | 266 | 100.0% | - | - | 4 | 476 | Jul-14 | Jun-16 | 100% | 24.3 | 24.3 | - | - | 2.7 | 71% |
| 6 | Moscow avenue | 15,053 | 238 | 15,053 | 238 | 100.0% | - | - | - | - | Sep-14 | Jun-16 | 100% | 12.3 | 12.3 | - | - | 1.6 | 31% |
| 7 | Skyline | 2,614 | 12 | 2,614 | 12 | 100.0% | - | - | 7 | 1,375 | Dec-15 | Dec-17 | 100% | 5.4 | 5.4 | - | - | 3.1 | 329% |
| 8 | Kartozia Street | 58,443 | 801 | 58,443 | 801 | 100.0% | - | - | - | - | Nov-15 | Nov-18 | 100% | 61.1 | 61.0 | 0.1 | 0.1 | 5.8 | 37% |
| 9 | 50 Chavchavadze ave. | 6,550 | 77 | 6,550 | 77 | 100.0% | - | - | 5 | 741 | Oct-16 | Nov-18 | 100% | 10.9 | 10.9 | - | - | 3.3 | 27% |
| 10 | Kazbegi Street II | 26,889 | 297 | 26,736 | 296 | 99.7% | 1 | 153 | 4 | 591 | Jun-16 | Jun-19 | 100% | 33.0 | 33.0 | - | - | 4.3 | 43% |
| On-going projects | | 71,783 | 1,067 | 22,901 | 371 | 34.8% | 696 | 48,882 | - | - | | | | 25.8 | 9.1 | 16.7 | 9.1 | 9.0 | |
| 11 | 10 Melikishvili ave. | 2,527 | 16 | 2,527 | 16 | 100.0% | - | - | - | - | Sep-17 | Apr-20 | 92% | 4.4 | 3.2 | 1.2 | 1.2 | 0.8 | 101% |
| 12 | m3 Saburtalo, Stage I | 22,089 | 391 | 16,980 | 301 | 77.0% | 90 | 5,109 | - | - | Jul-19 | Sep-21 | 12% | 18.0 | 5.9 | 12.1 | 6.7 | 2.5 | 112% |
| 13 | m3 Saburtalo, Stage II | 47,167 | 660 | 3,394 | 54 | 8.2% | 606 | 43,773 | - | - | Jan-20 | May-22 | 0% | 3.4 | - | 3.4 | 1.2 | 5.7 | 132% |
| Total | | 290,132 | 3,922 | 241,097 | 3,225 | 82.2% | 697 | 49,035 | 20 | 3,183 | | | | 276.3 | 259.5 | 16.8 | 9.2 | 41.9 | |

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Water utility business financial highlights



Income statement

| <i>GEL thousands, unless otherwise noted</i> | FY19 | FY18 | Change |
|--|-----------------|-----------------|-----------------|
| Revenue from water supply to legal entities | 93,556 | 92,229 | 1.4% |
| Revenue from water supply to individuals | 39,728 | 39,585 | 0.4% |
| Revenue from electric power sales | 20,216 | 9,052 | NMF |
| Revenue from technical support | 3,562 | 2,741 | 30.0% |
| Other income | 6,392 | 5,520 | 15.8% |
| Revenue | 163,454 | 149,127 | 9.6% |
| Salaries and benefits | (20,249) | (18,616) | 8.8% |
| Electricity and transmission costs | (16,810) | (18,695) | -10.1% |
| Other operating expenses | (23,995) | (23,407) | 2.5% |
| Operating expenses | (61,054) | (60,718) | 0.6% |
| Provisions for doubtful trade receivables | (7,325) | (5,033) | 45.5% |
| EBITDA | 95,075 | 83,376 | 14.0% |
| <i>EBITDA Margin</i> | <i>58.2%</i> | <i>55.9%</i> | <i>2.3ppts</i> |
| Depreciation and amortization | (31,188) | (23,681) | 31.7% |
| EBIT | 63,887 | 59,695 | 7.0% |
| <i>EBIT Margin</i> | <i>39.1%</i> | <i>40.0%</i> | <i>-0.9ppts</i> |
| Net interest expense | (24,184) | (14,086) | 71.7% |
| Net non-recurring income / (expenses) | 1,104 | (6,121) | NMF |
| Foreign exchange (loss) gain | (7,586) | (4,970) | 52.6% |
| EBT | 33,221 | 34,518 | -3.8% |
| Profit | 33,221 | 34,518 | -3.8% |

Statement of cash flow

| <i>GEL thousands, unless otherwise noted</i> | FY19 | FY18 | Change |
|---|-----------------|------------------|---------------|
| Cash received from customers | 159,598 | 144,468 | 10.5% |
| Cash paid to suppliers | (37,452) | (38,906) | -3.7% |
| Cash paid to employees | (18,694) | (17,627) | 6.1% |
| Interest received | 2,035 | 480 | NMF |
| Taxes paid | (6,514) | (6,829) | -4.6% |
| Cash flow from operating activities before maintenance capex | 98,973 | 81,586 | 21.3% |
| Maintenance capex | (22,580) | (22,541) | 0.2% |
| Operating cash flow | 76,393 | 59,045 | 29.4% |
| Purchase of PPE and intangible assets | (76,234) | (148,453) | -48.6% |
| Proceeds from PPE and investment property sale | 7,454 | 2,028 | NMF |
| CAPEX VAT | 8,324 | 14,801 | -43.8% |
| Restricted cash in Bank | 897 | 6,533 | -86.3% |
| Total cash used in investing activities | (59,559) | (125,091) | -52.4% |
| Proceeds from borrowings | 137,252 | 71,628 | 91.6% |
| Repayment of borrowings | (88,593) | (738) | NMF |
| Interest paid | (25,472) | (20,440) | 24.6% |
| Dividend paid | (22,000) | (28,840) | -23.7% |
| Contributions under share-based payment plan | (4,501) | (2,307) | 95.1% |
| Total cash flow from financing activities | (3,314) | 19,303 | NMF |
| Effect of exchange rates changes on cash | (652) | (1,507) | -56.7% |
| Total cash (outflow)/inflow | 12,868 | (48,250) | NMF |
| Cash, beginning balance | 13,713 | 61,963 | -77.9% |
| Cash, ending balance | 26,581 | 13,713 | 93.8% |

Balance sheet

| <i>GEL thousands, unless otherwise noted</i> | FY19 | FY18 | Change |
|--|----------------|----------------|--------------|
| Inventories | 3,799 | 3,913 | -2.9% |
| Trade and other receivables | 22,357 | 19,657 | 13.7% |
| Prepayments | 3,703 | 1,647 | NMF |
| Other current assets | 57 | 1,901 | -97.0% |
| Cash and cash equivalents | 26,581 | 13,713 | 93.8% |
| Total current assets | 56,497 | 40,831 | 38.4% |
| Property, plant and equipment | 522,702 | 461,385 | 13.3% |
| Investment Property | 8,641 | 9,865 | -12.4% |
| Intangible assets | 1,954 | 1,271 | 53.7% |
| Other non-current assets | 1,242 | 1,066 | 16.5% |
| Total non-current assets | 534,539 | 473,587 | 12.9% |
| Total assets | 591,036 | 514,418 | 14.9% |
| Current borrowings | 25,954 | 20,170 | 28.7% |
| Trade and other payables | 20,868 | 24,287 | -14.1% |
| Other current liabilities | 3,463 | 1,356 | NMF |
| Total current liabilities | 50,285 | 45,813 | 9.8% |
| Long term borrowings | 353,021 | 300,076 | 17.6% |
| Deferred income | 29,333 | 22,869 | 28.3% |
| Other non-current liabilities | 102 | 22 | NMF |
| Total non-current liabilities | 382,456 | 322,968 | 18.4% |
| Total liabilities | 432,741 | 368,781 | 17.3% |
| Total equity | 158,295 | 145,637 | 8.7% |
| Total liabilities and equity | 591,036 | 514,418 | 14.9% |

Housing development business financial highlights

Income statement

| <i>GEL thousands, unless otherwise noted</i> | FY19 | FY18 | Change |
|--|-----------------|-----------------|---------------|
| Gross profit from apartments sale | 7,611 | 15,882 | -52.1% |
| Gross profit from construction management | 7,601 | 5,334 | 42.5% |
| Other income | 582 | 157 | NMF |
| Gross Real Estate Profit | 15,794 | 21,373 | -26.1% |
| Revaluation of commercial property ¹ | - | 5,524 | NMF |
| Operating expenses | (19,260) | (10,903) | 76.6% |
| EBITDA | (3,466) | 15,994 | NMF |
| Net operating income before non-recurring items | (13,401) | 8,391 | NMF |
| Net non-recurring items | (3,019) | (6,224) | -51.5% |
| Profit | (16,796) | 2,167 | NMF |

Statement of cash flow

| <i>GEL thousands, unless otherwise noted</i> | FY19 | FY18 | Change |
|--|-----------------|-----------------|---------------|
| Proceeds from sales of apartments | 51,566 | 80,692 | -36.1% |
| <i>Outflows for development</i> | <i>(33,645)</i> | <i>(76,566)</i> | <i>-56.1%</i> |
| Net proceeds from construction services | 6,751 | (207) | NMF |
| Cash paid for operating expenses | (20,162) | (14,073) | 43.3% |
| Income tax paid | (13,458) | - | NMF |
| Net cash flows from operating activities | (8,948) | (10,154) | 11.9% |
| Capital expenditure on investment property and PPE | (1,123) | (13,666) | -91.8% |
| Loans issued | (493) | (25) | NMF |
| Acquisition of subsidiaries | (10,823) | - | NMF |
| Net cash flows used in investing activities | (12,439) | (13,691) | -9.1% |
| Net Intersegment loans received/(issued) | (3,867) | 37,760 | NMF |
| Proceeds from debt securities issued | 105,660 | - | NMF |
| Repayment of debt securities issued | (74,143) | - | NMF |
| Contributions under share-based payment plan | (997) | (1,280) | -22.1% |
| Proceeds from borrowings | 32,065 | 41,615 | -22.9% |
| Repayment of borrowings | (5,935) | (42,465) | -86.0% |
| Interest paid | (13,850) | (9,035) | 53.3% |
| Cash paid for lease liabilities | (1,736) | - | NMF |
| Dividend paid | (10,000) | (10,000) | NMF |
| Net cash flows from financing activities | 27,197 | 16,595 | 63.9% |
| Exchange (losses)/gains on cash equivalents | (675) | (2,342) | -71.2% |
| Total cash inflow/(outflow)² | 5,135 | (9,592) | NMF |
| Cash, beginning balance | 10,467 | 20,059 | -47.8% |
| Cash, ending balance | 15,602 | 10,467 | 49.1% |

Balance sheet

| <i>GEL thousands, unless otherwise noted</i> | Dec-19 | Dec-18 | Change |
|--|----------------|----------------|---------------|
| Cash and cash equivalents | 13,695 | 8,833 | 55.0% |
| Amounts due from credit institutions | 1,907 | 1,634 | 16.7% |
| Investment securities | 909 | 512 | 77.5% |
| Accounts receivable and other loans | 15,773 | 6,063 | NMF |
| Prepayments | 45,539 | 33,976 | 34.0% |
| Inventories | 97,075 | 102,923 | -5.7% |
| Investment property | 1,640 | 52,603 | -96.9% |
| Land bank | 1,552 | 8,722 | -82.2% |
| Commercial real estate | 88 | 43,881 | -99.8% |
| Property and equipment | 20,669 | 8,232 | NMF |
| Other assets | 26,528 | 33,833 | -21.6% |
| Total assets | 223,735 | 248,609 | -10.0% |
| Amounts due to credit institutions | 75,368 | 46,069 | 63.6% |
| Debt securities issued | 101,065 | 67,697 | 49.3% |
| Deferred income | 27,792 | 23,295 | 19.3% |
| Other liabilities | 24,167 | 46,175 | -47.7% |
| Total liabilities | 228,392 | 183,236 | 24.6% |
| Total equity | (4,657) | 65,373 | NMF |
| Total liabilities and equity | 223,735 | 248,609 | -10.0% |

(1) Value created on commercial property.

(2) Net cash flow includes amounts due from credit institutions.

P&C insurance business financial highlights



| Income statement | | | | Statement of cash flow | | | | Balance sheet | | | |
|--|-----------------|-----------------|--------------|---|-----------------|-----------------|---------------|--|----------------|----------------|--------------|
| <i>GEL thousands, unless otherwise noted</i> | FY19 | FY18 | Change | <i>GEL thousands, unless otherwise noted</i> | FY19 | FY18 | Change | <i>GEL thousands, unless otherwise noted</i> | Dec-19 | Dec-18 | change |
| Gross premiums written | 101,875 | 90,598 | 12.4% | Insurance premium received | 86,969 | 81,142 | 7.2% | Cash and cash equivalents | 3,421 | 11,103 | -69.2% |
| Earned premiums, gross | 98,350 | 90,404 | 8.8% | Reinsurance premium paid | (12,801) | (15,075) | -15.1% | Amounts due from credit institutions | 32,574 | 23,456 | 38.9% |
| Earned premiums, net | 75,339 | 67,488 | 11.6% | Insurance benefits and claims paid | (35,597) | (32,181) | 10.6% | Investment securities | 7,109 | 4,408 | 61.3% |
| Insurance claims expenses, gross | (88,632) | (28,517) | NMF | Reinsurance claims received | 6,072 | 8,318 | -27.0% | Insurance premiums receivable, net | 36,730 | 31,442 | 16.8% |
| Insurance claims expenses, net | (31,310) | (25,748) | 21.6% | Acquisition costs paid | (8,865) | (7,224) | 22.7% | Ceded share of technical provisions | 64,706 | 16,928 | NMF |
| Acquisition costs, net | (12,212) | (9,520) | 28.3% | Salaries and benefits paid | (11,195) | (11,494) | -2.6% | PPE and intangible assets, net | 14,448 | 9,594 | 50.6% |
| Net underwriting profit | 31,817 | 32,220 | -1.3% | Interest received | 2,723 | 3,018 | -9.8% | Goodwill | 13,062 | 13,062 | NMF |
| Investment income | 7,640 | 3,539 | NMF | Net other operating exepnses paid | (4,233) | (2,830) | 49.6% | Deferred acquisition costs | 3,812 | 3,324 | 14.7% |
| Net fee and commission income | 129 | 449 | -71.3% | Income tax paid | (3,552) | (2,734) | 29.9% | Pension fund assets | 4,868 | 18,931 | -74.3% |
| Net investment profit | 7,769 | 3,988 | 94.8% | Net cash flows from operating activities | 19,521 | 20,940 | -6.8% | Other assets | 19,544 | 13,462 | 45.2% |
| Salaries and employee benefits | (11,385) | (9,867) | 15.4% | Purchase of property and equipment | (357) | (1,023) | -65.1% | Total assets | 200,274 | 145,710 | 37.4% |
| Selling, general and administrative expenses | (5,239) | (4,044) | 29.5% | Purchase of intangible assets | (1,615) | (1,444) | 11.8% | Gross technical provisions | 100,886 | 45,664 | NMF |
| Depreciation & Amortisation | (2,174) | (1,023) | NMF | Loan Issued | (25,946) | (22,143) | 17.2% | Other insurance liabilities | 15,714 | 16,101 | -2.4% |
| Impairment charges | (478) | (1,536) | -68.9% | Proceeds from repayment of loan issued | 21,206 | 18,150 | 16.8% | Current income tax liabilities | 376 | 588 | -36.1% |
| Net other operating income | 932 | 848 | 9.9% | Proceeds from / (Placement of) bank deposits | (7,106) | 2,664 | NMF | Pension benefit obligations | 4,868 | 18,932 | -74.3% |
| Operating profit | 21,242 | 20,586 | 3.2% | Purchase of available-for-sale assets/ Deposits | 1,099 | (111) | NMF | Other Liabilities | 15,819 | 8,287 | 90.9% |
| Foreign exchange (loss) / gain | (39) | 138 | NMF | Net cash flows from used in investing activities | (12,719) | (3,907) | NMF | Total liabilities | 137,663 | 89,572 | 53.7% |
| Interest expense | (208) | - | NMF | Dividend Paid | (12,034) | (10,000) | 20.3% | Total equity | 62,611 | 56,138 | 11.5% |
| Non-recurring expenses | - | (652) | NMF | Purchase of treasury shares | (927) | - | NMF | Total liabilities and equity | 200,274 | 145,710 | 37.4% |
| Pre-tax profit | 20,995 | 20,072 | 4.6% | Cash paid for lease liabilities | (1,469) | - | NMF | | | | |
| Income tax expense | (2,670) | (2,990) | -10.7% | Net cash flows from financing activities | (14,430) | (10,000) | 44.3% | | | | |
| Net profit | 18,325 | 17,082 | 7.3% | Effect of exchange rates changes on cash and cash equivalents | (54) | (115) | -53.0% | | | | |
| | | | | Total cash inflow/(outflow) | (7,682) | 6,918 | NMF | | | | |
| | | | | Cash and cash equivalents, beginning | 11,103 | 4,185 | NMF | | | | |
| | | | | Cash and cash equivalents, ending | 3,421 | 11,103 | -69.2% | | | | |

Renewable energy business financial highlights

Income statement

| <i>GEL thousands, unless otherwise noted</i> | FY19 | FY18 | Change |
|--|----------------|----------------|---------------|
| Revenue from electricity sales | 6,124 | - | NMF |
| Other revenue | 10,047 | - | NMF |
| Total Revenue | 16,171 | - | NMF |
| Salaries and benefits | (582) | (302) | 91.9% |
| Electricity and transmission costs | (108) | - | NMF |
| Other operating expenses | (2,391) | (467) | NMF |
| Total Operating Expenses | (3,081) | (769) | NMF |
| EBITDA | 13,090 | (769) | NMF |
| EBIT | 9,726 | (1,121) | NMF |
| Net interest expense | (7,594) | 129 | NMF |
| Non-recurring expenses | (807) | 577 | NMF |
| Foreign exchange (losses) gains | 2,305 | (401) | NMF |
| Profit before income tax | 3,630 | (816) | NMF |
| Net Profit | 3,630 | (816) | NMF |
| Attributable to: | | | |
| - shareholders of the Group | 2,815 | (530) | NMF |
| - non-controlling interests | 815 | (286) | NMF |

Statement of cash flow

| <i>GEL thousands, unless otherwise noted</i> | FY19 | FY18 | Change |
|---|------------------|-----------------|---------------|
| Cash receipt from customers | 6,478 | - | NMF |
| Cash paid to suppliers | (2,384) | (630) | NMF |
| Cash paid to employees | (645) | (209) | NMF |
| Interest received | 244 | 143 | 70.6% |
| Taxes paid | (909) | - | NMF |
| Cash flow from operating activities | 2,784 | (696) | NMF |
| Purchase of PPE and intangible assets | (32,908) | (68,258) | -51.8% |
| VAT return | 3,521 | 5,963 | -41.0% |
| Loans issued | (124) | - | NMF |
| Acquisition of subsidiaries | (88,015) | - | NMF |
| Total cash flow used in investing activities | (117,526) | (62,295) | 88.7% |
| Proceeds from borrowings | 171,767 | 55,495 | NMF |
| Repayment of borrowings | (74,382) | - | NMF |
| Interest paid | (3,646) | - | NMF |
| Capital increase | 46,466 | 7,733 | NMF |
| Total cash flow used in financing activities | 140,205 | 63,228 | NMF |
| Exchange (losses)/gains on cash equivalents | 1,403 | (147) | NMF |
| Total cash inflow/(outflow) | 26,866 | 90 | NMF |
| Cash, beginning balance | 8,388 | 8,298 | 1.1% |
| Cash, ending balance | 35,254 | 8,388 | NMF |

Balance sheet

| <i>GEL thousands, unless otherwise noted</i> | Dec-19 | Dec-18 | Change |
|---|----------------|----------------|---------------|
| Total current assets | 89,065 | 11,895 | NMF |
| Property, plant and equipment | 340,035 | 114,645 | NMF |
| Other non-current assets | 12,384 | 42,764 | -71.0% |
| Total non-current assets | 352,419 | 157,409 | NMF |
| Total assets | 441,484 | 169,304 | NMF |
| Total current liabilities | 31,562 | 6,658 | NMF |
| Long term borrowings | 258,250 | 66,458 | NMF |
| Other non-current liabilities | 2,175 | 2,029 | 7.2% |
| Total non-current liabilities | 260,425 | 68,487 | NMF |
| Total liabilities | 291,987 | 75,145 | NMF |
| Total equity attributable to shareholders of the Group | 113,000 | 61,203 | 84.6% |
| Non-controlling interest | 36,497 | 32,956 | 10.7% |
| Total equity | 149,497 | 94,159 | 58.8% |
| Total liabilities and equity | 441,484 | 169,304 | NMF |

Hospitality & Commercial RE business financial highlights



Income statement

| <i>GEL thousands, unless otherwise noted</i> | FY19 | FY18 | Change |
|--|----------------|----------------|---------------|
| Revenue from operating lease | 8,903 | 5,467 | 62.9% |
| Gross profit from operating leases | 6,458 | 4,588 | 40.8% |
| Revenue from hospitality services | 7,009 | 5,151 | 36.1% |
| Gross profit from hospitality services | 1,827 | 1,945 | -6.1% |
| Other income | - | 228 | NMF |
| Gross Real Estate Profit | 8,285 | 6,761 | 22.5% |
| Revaluation on commercial property ¹ | 21,676 | 27,621 | -21.5% |
| Operating expenses | (5,216) | (3,520) | 48.2% |
| EBITDA | 24,745 | 30,862 | -19.8% |
| Net operating income before non-recurring items | 15,823 | 27,056 | -41.5% |
| Net non-recurring items | - | (1,339) | NMF |
| Profit before income tax | 15,823 | 25,717 | -38.5% |
| Profit | 15,823 | 25,717 | -38.5% |

Statement of cash flow

| <i>GEL thousands, unless otherwise noted</i> | FY19 | FY18 | Change |
|--|------------------|-----------------|---------------|
| Net proceeds from rent generating assets | 6,087 | 5,414 | 12.4% |
| Net proceeds from hospitality services | 1,876 | 2,295 | -18.3% |
| Other operating expenses paid | (4,707) | (2,039) | NMF |
| Net cash flows from operating activities | 3,256 | 5,670 | -42.6% |
| Acquisition of investment property | (29,197) | (53,475) | -45.4% |
| Capital expenditure on investment property | (62,200) | (27,525) | NMF |
| VAT return | 5,862 | 8,574 | -31.6% |
| Loans issued | 443 | (7,018) | NMF |
| Acquisition of subsidiaries | (15,169) | - | NMF |
| Net cash flows used in investing activities | (100,261) | (79,444) | 26.2% |
| Proceeds from preferred stock issued | 36,434 | 32,914 | 10.7% |
| Proceeds from debt securities issued | 59,964 | 19,609 | NMF |
| Contributions under share-based payment plan | (162) | (82) | 97.6% |
| Proceeds from borrowings | 105,289 | 95,797 | 9.9% |
| Repayment of borrowings | (102,010) | (19,400) | NMF |
| Net intragroup loans (repaid) / received | 3,867 | (37,760) | NMF |
| Interest paid | (15,592) | (3,343) | NMF |
| Net cash flows from financing activities | 87,790 | 87,735 | 0.1% |
| Effect of exchange rate changes on cash and cash equivalents | (156) | (151) | 3.3% |
| Total cash inflow/(outflow)² | (9,371) | 13,810 | NMF |
| Cash, beginning balance | 28,616 | 14,806 | 93.3% |
| Cash, ending balance | 19,245 | 28,616 | -32.7% |

Balance sheet

| <i>GEL thousands, unless otherwise noted</i> | Dec-19 | Dec-18 | Change |
|---|----------------|----------------|---------------|
| Cash and cash equivalents | 19,245 | 28,615 | -32.7% |
| Prepayments | 24,031 | 15,713 | 52.9% |
| Investment property | 401,216 | 225,343 | 78.0% |
| <i>Land bank</i> | 69,693 | 37,459 | 86.1% |
| <i>Commercial real estate</i> | 331,523 | 187,884 | 76.5% |
| Property and equipment | 5,919 | 172 | NMF |
| Goodwill | 1,787 | - | NMF |
| Other assets | 10,086 | 24,990 | -59.6% |
| Total assets | 462,284 | 294,833 | 56.8% |
| Borrowings | 110,889 | 104,557 | 6.1% |
| Debt securities issued | 85,519 | 19,609 | NMF |
| Other liabilities | 17,379 | 10,828 | 60.5% |
| Total liabilities | 213,787 | 134,994 | 58.4% |
| Total equity attributable to shareholders of the Group | 247,817 | 149,078 | 66.2% |
| Non-controlling interest | 680 | 10,761 | -93.7% |
| Total equity | 248,497 | 159,839 | 55.5% |
| Total liabilities and equity | 462,284 | 294,833 | 56.8% |

(1) Value created on commercial property.

(2) Net cash flow includes amounts due from credit institutions.

Beverages business financial highlights

Income statement

| <i>GEL thousands, unless otherwise noted</i> | FY19 | FY18 | Change |
|--|-----------------|-----------------|-----------------|
| Wine Business | 45,115 | 31,104 | 45.0% |
| Beer Business | 55,901 | 29,288 | 90.9% |
| Distribution Business | 23,689 | 15,822 | 49.7% |
| Revenue | 124,705 | 76,214 | 63.6% |
| Wine Business | (23,553) | (15,199) | 55.0% |
| Beer Business | (38,271) | (19,190) | 99.4% |
| Distribution Business | (18,525) | (12,571) | 47.4% |
| COGS | (80,349) | (46,960) | 71.1% |
| Gross Profit | 44,356 | 29,254 | 51.6% |
| Gross Profit Margin | 35.6% | 38.4% | -2.8ppts |
| Salaries and other employee benefits | (21,598) | (14,195) | 52.2% |
| Sales and marketing expenses | (4,178) | (6,426) | -35.0% |
| General and administrative expenses | (8,268) | (7,913) | 4.5% |
| Distribution expenses | (6,749) | (4,883) | 38.2% |
| Other operating expenses | (1,141) | (2,278) | -49.9% |
| EBITDA | 2,422 | (6,441) | NMF |
| <i>wine EBITDA</i> | <i>8,731</i> | <i>7,151</i> | <i>22.1%</i> |
| <i>beer EBITDA</i> | <i>(6,450)</i> | <i>(13,754)</i> | <i>-53.1%</i> |
| <i>distribution EBITDA</i> | <i>335</i> | <i>625</i> | <i>-46.4%</i> |
| Net foreign currency gain (loss) | (3,418) | (1,879) | 81.9% |
| Depreciation and amortization | (16,327) | (11,882) | 37.4% |
| Net interest income/expense | (12,856) | (7,085) | 81.5% |
| Net non-recurring items | (25,717) | (1,886) | NMF |
| (Loss) profit before income tax | (55,896) | (29,173) | 91.6% |
| (Loss) Profit | (55,896) | (29,173) | 91.6% |

Balance sheet (Wine business)

| <i>GEL thousands, unless otherwise noted</i> | Dec-19 | Dec-18 | change |
|--|----------------|---------------|---------------|
| Cash and cash equivalents | 5,230 | 8,380 | -37.6% |
| Amounts due from financial institutions | 994 | 930 | 6.9% |
| Accounts Receivable | 14,269 | 12,409 | 15.0% |
| Prepayments & Other Assets | 2,748 | 985 | NMF |
| Inventory | 28,174 | 18,979 | 48.4% |
| Intangible Assets, Net | 270 | 333 | -18.9% |
| Goodwill | 10,803 | 3,136 | NMF |
| Property and Equipment, Net | 57,138 | 32,233 | 77.3% |
| Total Assets | 119,626 | 77,385 | 54.6% |
| Accounts Payable | 4,342 | 5,894 | -26.3% |
| Borrowings | 49,373 | 49,857 | -1.0% |
| Other Current Liabilities | 4,188 | 3,658 | 14.5% |
| Total Liabilities | 57,903 | 59,409 | -2.5% |
| Total equity | 61,723 | 17,976 | NMF |
| Total liabilities and equity | 119,626 | 77,385 | 54.6% |

Balance sheet (Beer business)

| <i>GEL thousands, unless otherwise noted</i> | Dec-19 | Dec-18 | change |
|--|----------------|----------------|---------------|
| Cash and cash equivalents | 2,543 | 1,244 | NMF |
| Amounts due from financial institutions | - | 8 | NMF |
| Accounts Receivable | 7,912 | 2,161 | NMF |
| Prepayments & Other Assets | 4,489 | 4,998 | -10.2% |
| Inventory | 12,113 | 6,618 | 83.0% |
| Intangible Assets, Net | 8,722 | 631 | NMF |
| Goodwill | 2,226 | 2,226 | NMF |
| Property and Equipment, Net | 70,249 | 98,267 | -28.5% |
| Total Assets | 108,254 | 116,153 | -6.8% |
| Accounts Payable | 10,491 | 9,530 | 10.1% |
| Borrowings | 88,973 | 68,096 | 30.7% |
| Other Current Liabilities | 2,933 | 2,310 | 27.0% |
| Total Liabilities | 102,397 | 79,936 | 28.1% |
| Total equity | 5,857 | 36,217 | -83.8% |
| Total liabilities and equity | 108,254 | 116,153 | -6.8% |

Beverages business financial highlights (cont'd)

Statement of cash flow (Wine business)

GEL thousands, unless otherwise noted

| | FY19 | FY18 | Change |
|---|-----------------|-----------------|---------------|
| Cash received from customers | 46,073 | 32,515 | 41.7% |
| Cash paid to suppliers | (21,051) | (18,161) | 15.9% |
| Cash paid to employees | (6,522) | (3,769) | 73.0% |
| Cash paid for operating expenses | (11,433) | (7,495) | 52.5% |
| Interest received | - | 127 | NMF |
| Taxes paid | (4,312) | (3,119) | 38.2% |
| Net cash flows from operating activities | 2,755 | 98 | NMF |
| Acquisition of Subsidiaries | (32,918) | (21,674) | 51.9% |
| Purchase of Property, Plant and Equipment | (6,278) | (641) | NMF |
| Loans Issued | - | (467) | NMF |
| Cash inflow from restricted cash account | - | 4,432 | NMF |
| Net cash flows from used in investing activities | (39,196) | (18,350) | NMF |
| Proceeds from borrowings | 52,845 | 40,089 | 31.8% |
| Repayments of borrowings | (36,320) | (15,803) | NMF |
| Interest paid | (2,735) | (1,470) | 86.1% |
| Capital increase | 19,643 | 432 | NMF |
| Cash paid for lease liabilities | (356) | - | NMF |
| Net cash flows from financing activities | 33,077 | 23,248 | 42.3% |
| Effect of exchange rates changes on cash and cash equivalents | 214 | (101) | NMF |
| Total cash inflow/(outflow) | (3,150) | 4,895 | NMF |
| Cash and cash equivalents, beginning | 8,380 | 3,485 | NMF |
| Cash and cash equivalents, ending | 5,230 | 8,380 | -37.6% |

Statement of cash flow (Beer business)

GEL thousands, unless otherwise noted

| | FY19 | FY18 | Change |
|--|-----------------|-----------------|---------------|
| Proceeds from sales | 60,003 | 44,710 | 34.2% |
| Cash outflows for inventory | (29,319) | (18,941) | 54.8% |
| Transportation Cost | (3,229) | (1,772) | 82.2% |
| Sales and Marketing Expenses | (7,086) | (7,371) | -3.9% |
| Operating Expenses | (34,358) | (30,472) | 12.8% |
| Net cash flows from operating activities | (13,989) | (13,846) | 1.0% |
| Cash outflows for purchase of Property, plant and equipment | (18,614) | (10,043) | 85.3% |
| Net cash flows used in investing activities | (18,614) | (10,043) | 85.3% |
| Proceeds from borrowings | 95,019 | 9,200 | NMF |
| Repayment of borrowings | (68,658) | (1,216) | NMF |
| Interest paid | (6,733) | (2,082) | NMF |
| Issue of share capital | 15,143 | 6,924 | NMF |
| Cash paid for lease liabilities | (486) | - | NMF |
| Net cash flows from financing activities | 34,285 | 12,826 | NMF |
| Effect of exchange rate changes on cash and cash equivalents | (383) | (695) | -44.9% |
| Total cash inflow/(outflow) | 1,299 | (11,758) | NMF |
| Cash and cash equivalents at beginning of period | 1,244 | 13,002 | -90.4% |
| Cash and cash equivalents at end of period | 2,543 | 1,244 | NMF |

Periodic technical inspection business financial highlights

Income statement

| <i>GEL thousands, unless otherwise noted</i> | 2H19 | 1H19 | Change | FY19 |
|--|----------------|----------------|---------------|----------------|
| Revenue | 7,613 | 5,304 | 43.5% | 12,917 |
| Costs of services | (2,111) | (2,281) | -7.5% | (4,392) |
| Gross profit | 5,502 | 3,023 | 82.0% | 8,525 |
| Salaries and other employee benefits | (1,513) | (955) | 58.4% | (2,468) |
| Selling, general administrative expenses | (1,289) | (1,427) | -9.7% | (2,716) |
| Net other operating income / (expenses) | (51) | (28) | 82.1% | (79) |
| Total operating expenses | (2,853) | (2,410) | 18.4% | (5,263) |
| EBITDA | 2,649 | 613 | NMF | 3,262 |
| Depreciation expense | (882) | (644) | 37.0% | (1,526) |
| Amortization expense | (466) | (356) | 30.9% | (822) |
| Interest expense | (2,649) | (2,409) | 10.0% | (5,058) |
| Foreign exchange gain / (loss) | (487) | (210) | NMF | (697) |
| Non-recurring income / (costs) | - | (315) | NMF | (315) |
| Net profit | (1,835) | (3,321) | -44.7% | (5,156) |

Statement of cash flow

| <i>GEL thousands, unless otherwise noted</i> | 2H19 | 1H19 | Change | FY19 |
|---|----------------|-----------------|---------------|-----------------|
| Operating revenue received | 7,785 | 5,237 | 48.7% | 13,022 |
| Salaries and benefits paid | (3,011) | (2,600) | 15.8% | (5,611) |
| Operating expenses paid | (1,867) | (2,620) | -28.7% | (4,487) |
| Net cash flows from operating activities | 2,907 | 17 | NMF | 2,924 |
| Purchase of property and equipment | (1,347) | (12,509) | -89.2% | (13,856) |
| Purchase of intangible assets | (23) | (1,219) | -98.1% | (1,242) |
| Loan Issued | - | 22 | NMF | 22 |
| Net cash flows from investing activities | (1,370) | (13,706) | -90.0% | (15,076) |
| Proceeds from borrowings | 6,045 | 39,238 | -84.6% | 45,283 |
| Repayment of borrowings | (4,855) | (28,366) | -82.9% | (33,221) |
| Interest paid | (2,339) | (2,131) | 9.8% | (4,470) |
| Issue of ordinary shares | - | 5,000 | NMF | 5,000 |
| Repayment of lease liabilities | (47) | (38) | 23.7% | (85) |
| Interest paid on lease liabilities | (59) | (54) | 9.3% | (113) |
| Net cash flows from financing activities | (1,255) | 13,649 | NMF | 12,394 |
| Effect of exchange rates changes on cash and cash equivalents | (361) | (15) | NMF | (376) |
| Net increase in cash and cash equivalents | (79) | (55) | 43.6% | (134) |
| Cash and cash equivalents, beginning | 174 | 229 | -24.0% | 229 |
| Cash and cash equivalents, ending | 95 | 174 | -45.4% | 95 |

Balance sheet

| <i>GEL thousands, unless otherwise noted</i> | Dec-19 |
|--|----------------|
| Cash and cash equivalents | 95 |
| Accounts receivable | 446 |
| Premises and equipment, net | 42,480 |
| Intangible assets, net | 8,202 |
| Prepayments | 1,101 |
| Other Assets | 1,525 |
| Total assets | 53,849 |
| Borrowings | 50,895 |
| Finance lease liability | 2,280 |
| Accounts payable | 34 |
| Other Liabilities | 2,006 |
| Total liabilities | 55,215 |
| Share capital - ordinary shares | 4,999 |
| Retained earnings | (1,326) |
| Net profit | (5,156) |
| Total equity | (1,483) |
| Non-controlling interest | 117 |
| Total liabilities and equity | 53,849 |

Glossary

- **Combined ratio** equals sum of the loss ratio and the expense ratio.
- **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 Group considers EBITDA to be an important indicator of its representative recurring operations.
- **EV** – enterprise value.
- **Expense ratio** in P&C Insurance equals sum of acquisition costs and operating expenses divided by net earned premiums.
- **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.
- **IRR** - for portfolio companies is calculated based on a) historical contributions to the portfolio company less b) dividends received and c) market / fair value of the portfolio company at 30 September 2019.
- **Liquid assets & loans issued** include cash, marketable debt securities and issued short-term loans.
- **Loss ratio** equals net insurance claims expense divided by net earned premiums.
- **LTM** – last twelve months.
- **MOIC** – Multiple of Capital Invested is calculated as follows: i) the numerator is the cash and non-cash inflows from dividends and sell-downs plus fair value of investment at reporting date ii) the denominator is the gross investment amount.
- **NAV** – Net Asset Value, represents the net value of an entity and is calculated as the total value of the entity's assets minus the total value of its liabilities.
- **Net investment** - gross investments less capital returns (dividends and sell-downs).
- **NMF** – not meaningful.
- **NOI** – net operating income.
- **NTM** – next twelve months.
- **Realised MOIC** – realised Multiple of Capital Invested is calculated as follows: i) the numerator is the cash and non-cash inflows from dividends and sell-downs ii) the denominator is the gross investment amount.
- **RevPAR** – revenue per available room.
- **ROAE** – return on average total equity (ROAE) equals profit for the period attributable to shareholders divided by monthly average equity attributable to shareholders of the business for the same period for BoG and P&C Insurance.
- **ROIC** – return on invested capital is calculated as EBITDA less depreciation, divided by aggregate amount of total equity and borrowed funds.
- **Investments** – equity capital contribution
- **WPP** – Wind power plant
- **HPP** – Hydro power plant
- **PPA** – Power purchase agreement

Company information



Georgia Capital PLC

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Stock Listing

London Stock Exchange PLC's Main Market for listed securities

Ticker: "CGEO.LN"

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Please note that Investor Centre is a free, secure online service run by our Registrar, Computershare, giving you convenient access to information on your shareholdings.

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Share price information

Shareholders can access both the latest and historical prices via the website

www.georgiacapital.ge

