

# INVESTOR PRESENTATION

2Q22 & 1H22 results





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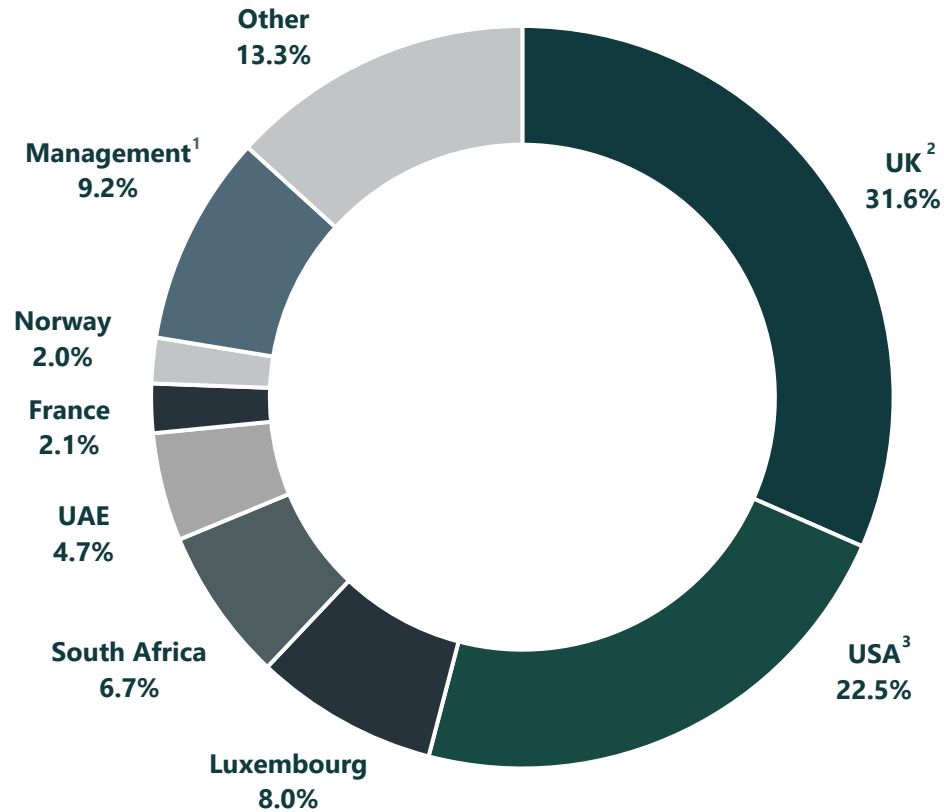


# GEORGIA CAPITAL (GCAP) SHAREHOLDERS AT 30-JUN-22



## GCAP SHAREHOLDERS ALLOCATION BY GEOGRAPHY

## GCAP TOP 10 SHAREHOLDERS



Rank	Shareholder name	Ownership
1.	Gemsstock Ltd	10.18%
2.	Allan Gray Ltd	6.54%
3.	Coeli Frontier Markets AB	4.38%
4.	Lazard Asset Management LLC	4.14%
5.	M&G Investment Management Ltd	3.79%
6.	BlackRock Investment Management (UK)	3.40%
7.	RWC	3.11%
8.	Firebird Management LLC	2.68%
9.	GLG Partners LP	2.64%
10.	Van Eck Associates Corporation	2.21%
<b>Total</b>		<b>43.07%</b>

**NUMBER OF OUTSTANDING SHARES – 44,249,747**

Georgia Capital PLC | 1. Management shares include both vested and unvested awarded shares. 2. UK also includes Channel Islands. 3. USA also includes Cayman Islands.

# OUR PORTFOLIO OVERVIEW AS AT 30-JUN-22


## LISTED AND OBSERVABLE PORTFOLIO

Value: GEL 609m  
23% of the total portfolio value



**BANK OF GEORGIA**

Value: GEL 456m  
Ownership: 19.9%<sup>1</sup>



**WATER UTILITY**

Value: GEL 153m  
Ownership: 20%

## PRIVATE PORTFOLIO

Value: GEL 2,097m  
77% of the total portfolio value

### LARGE PORTFOLIO COMPANIES

NON-CYCLICAL BUSINESSES, CLOSE TO GEL 300 MLN+ VALUE



**RETAIL (PHARMACY)**

Value: GEL 671m  
Ownership: 77%<sup>2</sup>



**HOSPITALS**

Value: GEL 478m  
Ownership: 100%



**INSURANCE (P&C AND MEDICAL)**

Value: GEL 240m  
Ownership: 100%


### INVESTMENT STAGE PORTFOLIO COMPANIES

NON-CYCLICAL BUSINESSES, WITH POTENTIAL TO BECOME GEL 300 MLN+ IN VALUE



**RENEWABLE ENERGY**

Value: GEL 172m  
Ownership: 100%



**EDUCATION**

Value: GEL 152m  
Ownership: 70-90%



**CLINICS AND DIAGNOSTICS**

Value: GEL 120m  
Ownership: 100%

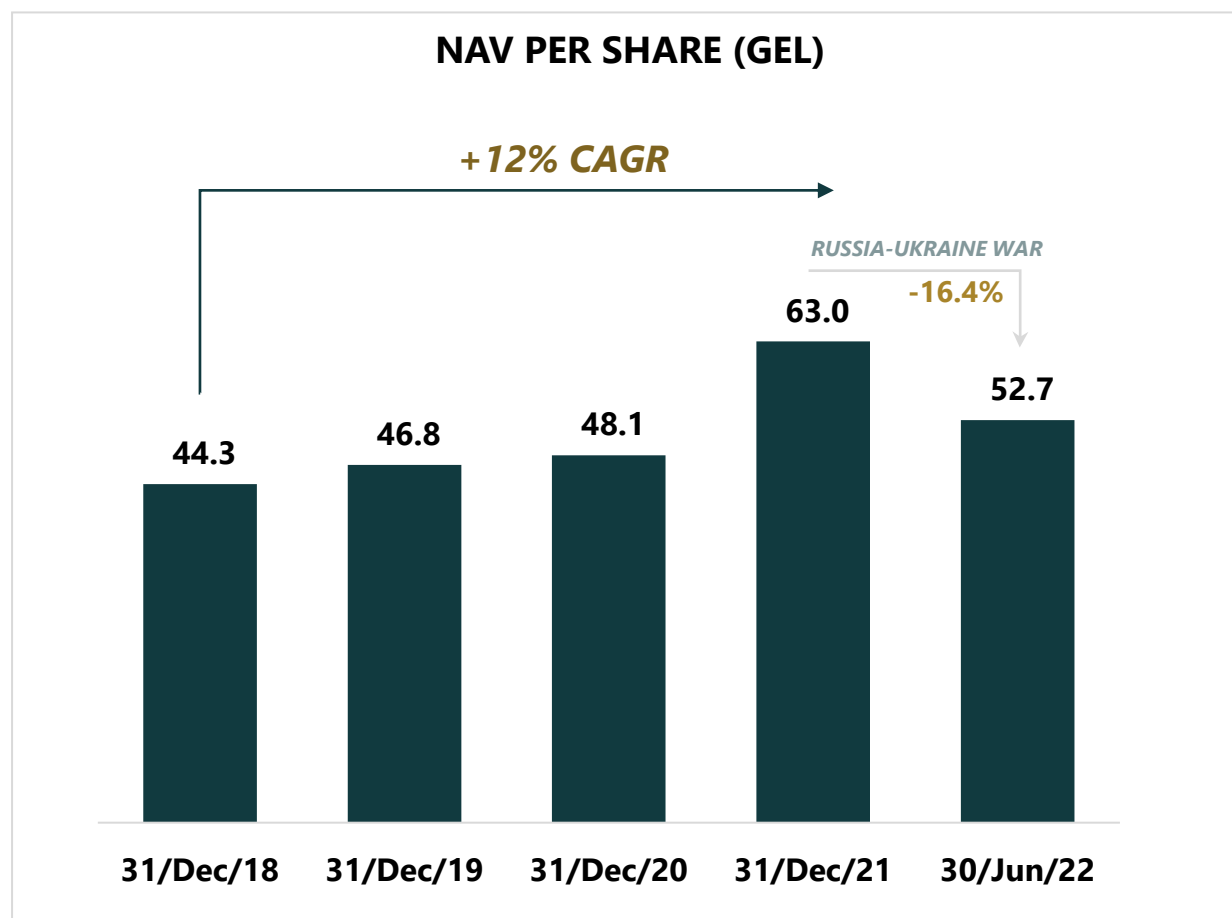


**OTHER BUSINESSES**

Value: GEL 264m  
LIMITED POTENTIAL TO BECOME GEL 300 MLN+ IN VALUE

**Georgia Capital PLC** | 1. Following BoG's share buybacks, GCAP's holding in the Bank increased to 20.0% as of 11-Aug-22 from 19.9% as of 30-Jun-22. 2. In October 2021, GHG signed a share purchase agreement to acquire the remaining minority interest in its retail (pharmacy) business by 2027. The buyout will be executed in six annual tranches at a 5.25x EV/EBITDA multiple. For details, please see page 12 of our Annual Report 2021. 3. GCAP's has a put option on the remaining 20% equity interest in the water utility business, which becomes exercisable in 2025-2026.

# STRONG NAV PER SHARE GROWTH



**STRONG NAV PER SHARE  
GROWTH WITH 12% CAGR OVER  
THE LAST 3 YEARS**

**THE OUTLOOK IS EVEN  
STRONGER ON THE BACK OF THE  
MEGA GROWTH OPPORTUNITIES  
ACROSS OUR PORTFOLIO**



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## OUR STRATEGY

**01**

**INVESTING IN CAPITAL-LIGHT OPPORTUNITIES ONLY**



**02**

**OUR ROBUST CAPITAL MANAGEMENT FRAMEWORK**



**03**

**ESG AT THE CORE OF OUR STRATEGY**





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# THE CAPITAL-LIGHT INVESTMENT STRATEGY



**STRONG VALUE CREATION POTENTIAL  
WITHOUT SIGNIFICANT CAPITAL  
COMMITMENTS**

## OUR BREAD AND BUTTER


**STRONG TRACK RECORD IN TAPPING BIG OPPORTUNITIES WITH  
SMALL INVESTMENTS BY CONSOLIDATING FRAGMENTED  
INDUSTRIES, ESPECIALLY IN SERVICE-ORIENTED SECTORS**

 Pharmacies

 Hospitals

 Insurance

 Clinics  
in progress







 Diagnostics  
in progress

 Private Schools  
in progress

**GCAP INVESTS IN GEORGIA IN  
SECTORS NOT REQUIRING  
INTENSIVE CAPITAL COMMITMENTS**

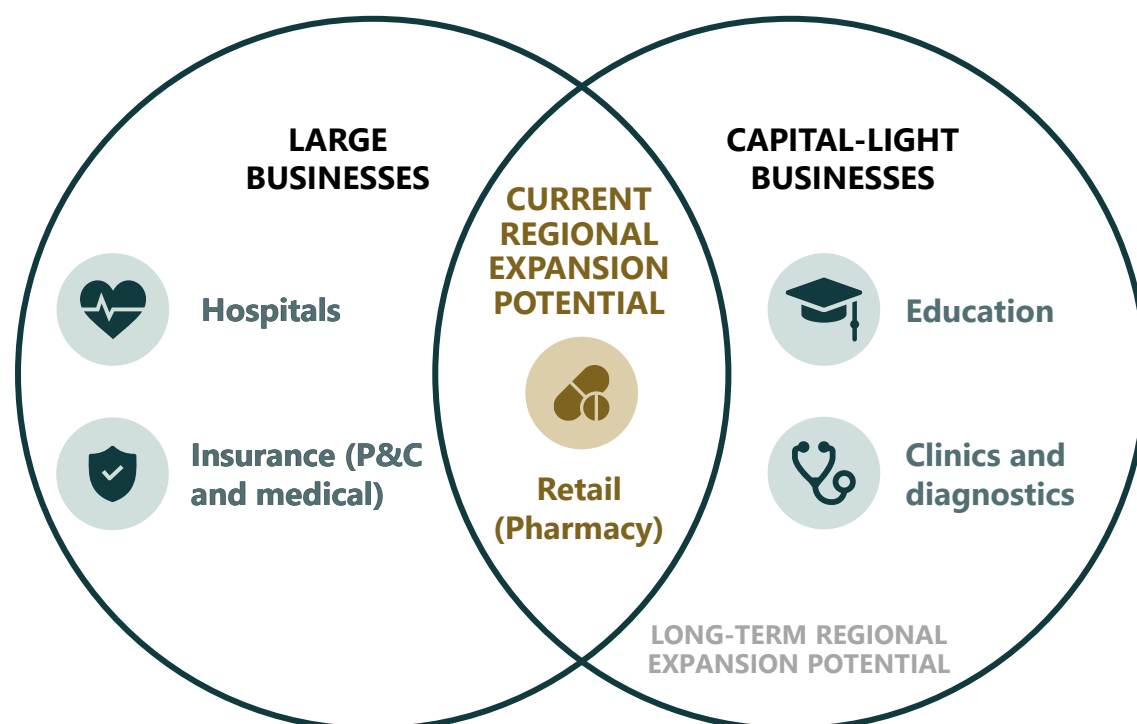
Manage third-party money and/or establish  
partnerships in capital heavy industries

# MAPPING EXISTING PORTFOLIO TO THE REGIONAL GROWTH OPPORTUNITIES

		LARGE	CAPITAL-LIGHT	CURRENT REGIONAL EXPANSION POTENTIAL	LONG-TERM REGIONAL EXPANSION POTENTIAL
LARGE PORTFOLIO COMPANIES	 Hospitals	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No	No
	 Retail (Pharmacy)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Yes	Yes
	 Insurance (P&C and medical)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No	No
INVESTMENT STAGE PORTFOLIO COMPANIES	 Renewable Energy	<input type="checkbox"/>	<input type="checkbox"/>	No	No
	 Education	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No	Yes
	 Clinics and diagnostics	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No	Yes



# LARGE AND CAPITAL-LIGHT PORTFOLIO COMPANIES ARE ELIGIBLE FOR THE REGIONAL EXPANSION



**TO FOLLOW THEIR NATURAL GROWTH  
PATH, GCAP ENABLES ITS LARGE,  
CAPITAL-LIGHT PORTFOLIO COMPANIES  
TO EXPLORE REGIONAL GROWTH  
OPPORTUNITIES**

# OUR INVESTMENT STRATEGY

**GCAP INVESTS IN CAPITAL-LIGHT, LARGE OPPORTUNITIES, WHICH HAVE A POTENTIAL TO BECOME GEL 300 MLN+ IN EQUITY VALUE OVER 3-5 YEARS**

## THE CYCLE OF GCAP'S STRATEGY

**Invest** Our key strategic principle is to develop or buy capital-light businesses at affordable prices.

**Grow** GCAP helps the portfolio companies institutionalise their management, enhance their governance and grow them into mature businesses that can further develop largely on their own, either with continued oversight or independently.

**Monetise** As investments mature, GCAP intends to realise proceeds through exits at attractive prices.

**INVEST IN CAPITAL-LIGHT  
LARGE OPPORTUNITIES  
IN GEORGIA**



**GROW BUSINESSES TO EQUITY  
VALUE OF GEL 300 MLN+**

**MONETISE**





# OUR INVESTMENT STRATEGY (CONT'D)

IRR & MOIC<sup>1</sup> IS THE KEY DRIVER FOR GCAP TO INVEST IN NEW OPPORTUNITIES

## KEY INVESTMENT METRICS AT GCAP LEVEL



**IRR**



**MOIC**

ROIC IS AT THE CORE OF OUR DECISION MAKING WHEN OUR PORTFOLIO COMPANIES ARE INVESTING OR DIVESTING ASSETS / BUSINESSES

## KEY METRIC FOR REINVESTMENT DECISION MAKING AT PORTFOLIO COMPANIES' LEVEL



**ROIC**

- ROIC should exceed WACC for all new investments
- Portfolio companies to continue divestment of low ROIC and/or non-core assets & businesses to enhance ROIC
  - e.g. hospital (HTMC) sale transaction, improving healthcare services business ROIC by 90bps on a proforma basis



**GCAP ROLE VIS-À-VIS PORTFOLIO COMPANIES**

- Approval of all capital allocation decisions: equity, debt, profit reinvestment, divestment etc.
- Strategy setting, business plan approval and monitoring
- Human capital (CEO & CFO) allocation & KPI setting

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# NET CAPITAL COMMITMENT (NCC) OVERVIEW



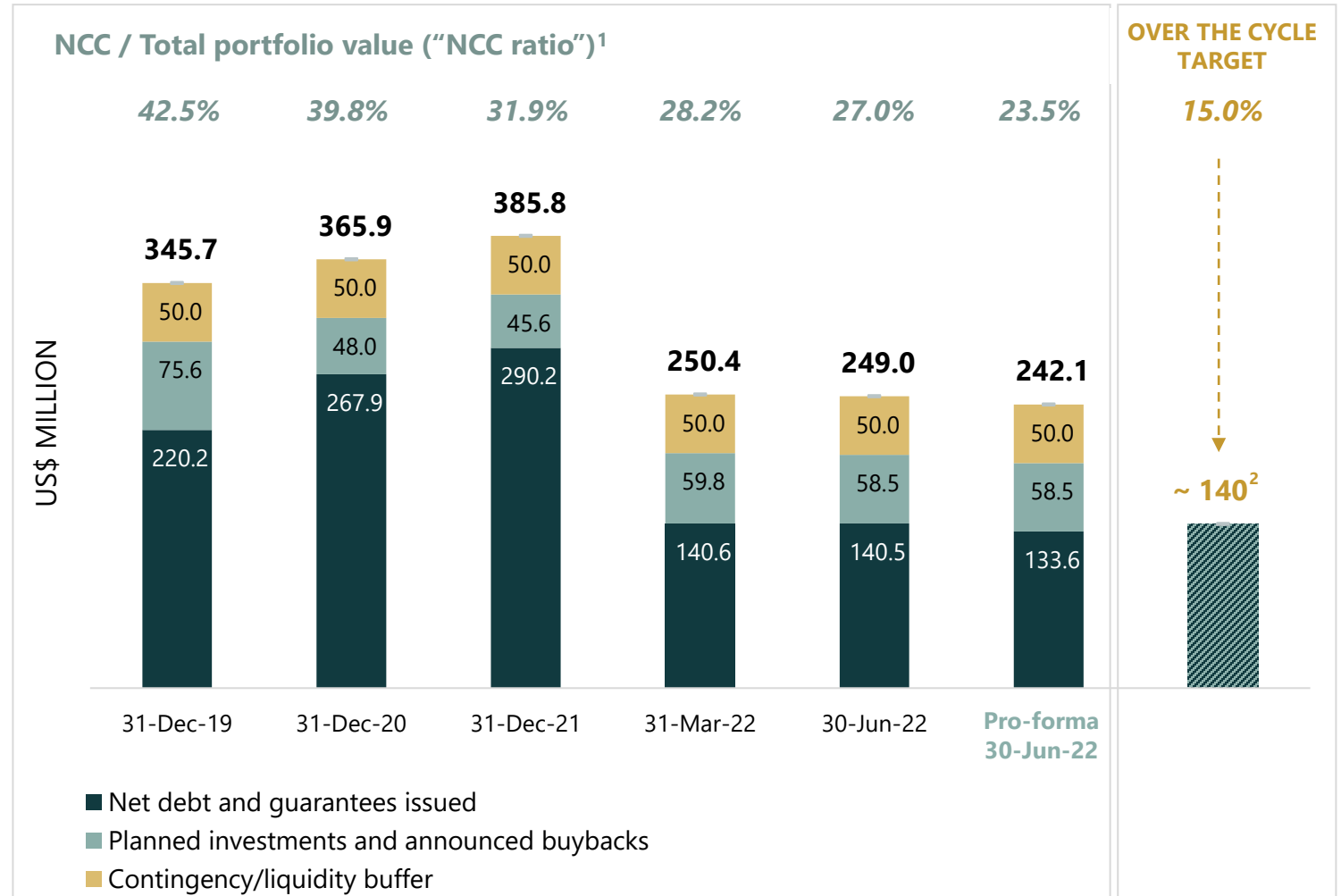
## NCC REPRESENTS AN AGGREGATED VIEW OF ALL CONFIRMED, AGREED AND EXPECTED CAPITAL OUTFLOWS AT THE GCAP HOLDCO LEVEL

- Guarantees issued down by US\$ c.7 million since 30-Jun-22, reflecting the expected decrease in GCAP's guarantee on the borrowing of the beer business, as the local lenders have agreed in principle to reduce the guarantee amount.
- Portfolio value up 11.5% since 30-Jun-22, reflecting subsequent movements in BoG's share price and FX.

US\$ million	31-Mar-22	Change	30-Jun-22	Change	Pro-forma 30-Jun-22
Cash and liquid funds	231.7	-2.2%	226.5	NMF	226.6
Loans issued <sup>1</sup>	6.8	26.7%	8.7	0.7%	8.7
Accrued dividend income	-	NMF	7.8	NMF	7.8
Gross debt	(361.8)	1.7%	(367.9)	NMF	(367.9)
<b>Net debt (1)</b>	<b>(123.2)</b>	<b>1.4%</b>	<b>(124.9)</b>	<b>-0.1%</b>	<b>(124.8)</b>
<b>Guarantees issued (2)</b>	<b>(17.4)</b>	<b>-10.3%</b>	<b>(15.6)</b>	<b>-43.6%</b>	<b>(8.8)</b>
<b>Net debt and guarantees issued (3)=(1)+(2)</b>	<b>(140.6)</b>	<b>-0.1%</b>	<b>(140.5)</b>	<b>-4.9%</b>	<b>(133.6)</b>
<b>Planned investments (4)</b>	<b>(54.2)</b>	<b>NMF</b>	<b>(54.2)</b>	<b>NMF</b>	<b>(54.2)</b>
<i>of which, planned investments in Renewable Energy</i>	(30.1)	NMF	(30.1)	NMF	(30.1)
<i>of which, planned investments in Education</i>	(24.1)	NMF	(24.1)	NMF	(24.1)
<b>Announced Buybacks (5)</b>	<b>(5.6)</b>	<b>-23.6%</b>	<b>(4.3)</b>	<b>NMF</b>	<b>(4.3)</b>
<b>Contingency/liquidity buffer (6)</b>	<b>(50.0)</b>	<b>NMF</b>	<b>(50.0)</b>	<b>NMF</b>	<b>(50.0)</b>
<b>Total planned investments, announced buybacks and contingency/liquidity buffer (7)=(4)+(5)+(6)</b>	<b>(109.8)</b>	<b>-1.2%</b>	<b>(108.5)</b>	<b>NMF</b>	<b>(108.5)</b>
<b>Net capital commitment (3)+(7)</b>	<b>(250.4)</b>	<b>-0.6%</b>	<b>(249.0)</b>	<b>-2.8%</b>	<b>(242.1)</b>
<b>Portfolio value</b>	<b>887.2</b>	<b>4.1%</b>	<b>923.7</b>	<b>11.5%</b>	<b>1,030.1</b>
<b>NCC ratio</b>	<b>28.2%</b>	<b>-1.2 ppts</b>	<b>27.0%</b>	<b>-3.5 ppts</b>	<b>23.5%</b>

# NCC DEVELOPMENT OVERVIEW

**OUR TARGET IS TO BRING  
DOWN THE NCC RATIO  
BELOW 15% BY DEC-2025**



# 360-DEGREE FRAMEWORK

**GCAP SHARE PRICE IS AT THE CORE OF OUR INVESTMENT DECISION MAKING**

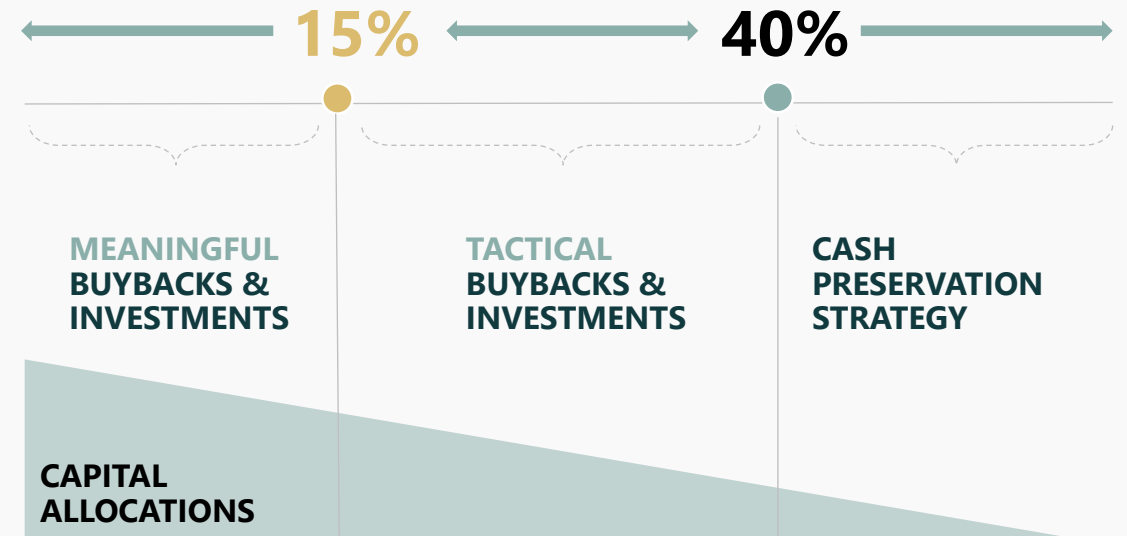


**WE PERFORM 360-DEGREE ANALYSIS EACH TIME WE MAKE A CAPITAL ALLOCATION DECISION AND COMPARE:**

- Investment opportunity vs. buyback opportunity
- Sale opportunity vs. buyback opportunity









## NCC RATIO NAVIGATION TOOL



# DELEVERAGING ACROSS OUR PRIVATE PORTFOLIO

**AGGREGATED LEVERAGE  
ACROSS OUR PRIVATE LARGE  
AND INVESTMENT STAGE  
PORTFOLIO COMPANIES AT  
2.8x AS OF 30-JUN-22**

ADJUSTED NET DEBT/EBITDA	31-MAR-22	CHANGE	30-JUN-22	TARGET (OVER THE CYCLE)
<b>LARGE PORTFOLIO COMPANIES</b>				
 Retail (pharmacy) <sup>1</sup>	1.7x	-0.1x	1.6x	Up to 1.5x
 Hospitals	2.3x	+0.2x	2.5x	Up to 2.0x
 Insurance (P&C and Medical)	No leverage	<i>NMF</i>	No leverage	No leverage
<b>INVESTMENT STAGE PORTFOLIO COMPANIES</b>				
 Renewable Energy	8.3x	-0.3x	8.0x	Up to 6.0x
 Education	1.4x	-0.4x	1.0x	Up to 2.5x
 Clinics and Diagnostics	2.0x	+0.8x	2.8x	Up to 2.0x

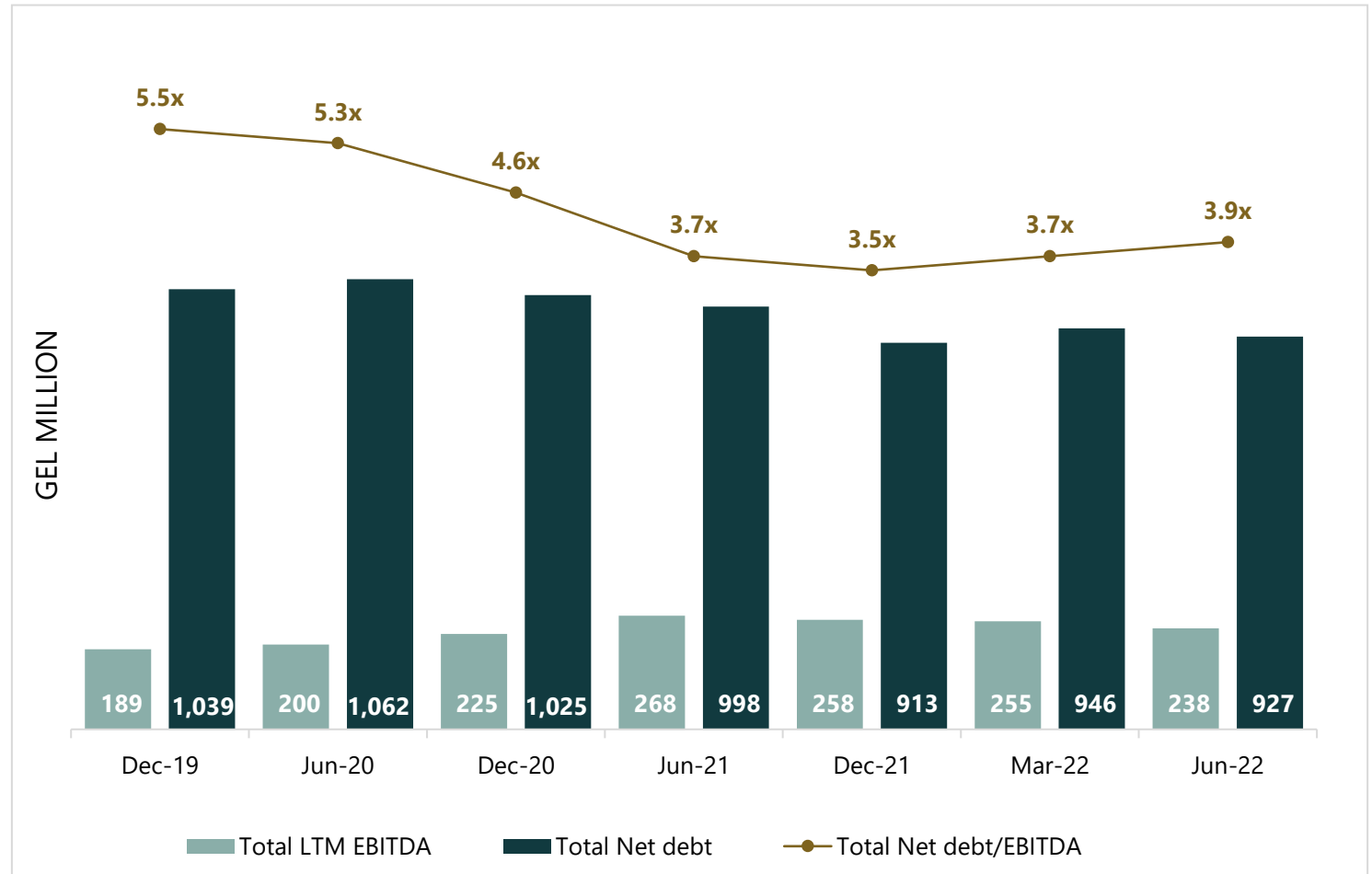


# LEVERAGE OVERVIEW OF OUR PRIVATE BUSINESSES



## TOTAL NET DEBT/EBITDA DEVELOPMENT OVERVIEW

➤ *Despite headwinds from COVID-19, leverage profile across our private portfolio companies improved over the last 2 years.*

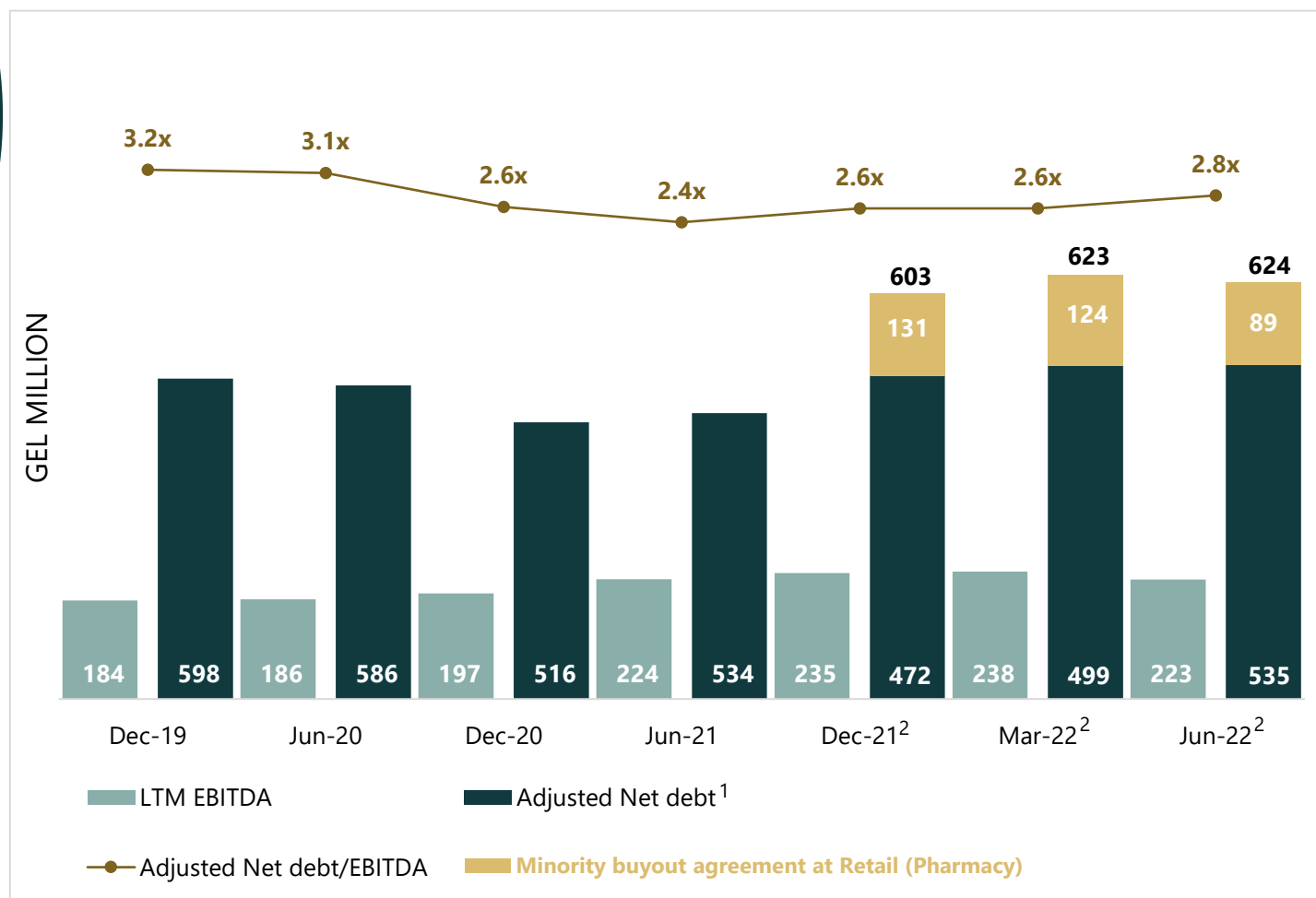


# AGGREGATED LEVERAGE OVERVIEW ACROSS OUR LARGE AND INVESTMENT STAGE PORTFOLIO COMPANIES



## ADJUSTED<sup>1</sup> NET DEBT/EBITDA DEVELOPMENT OVERVIEW

- LTM EBITDA up 21% as at Jun-22 from Dec-19;
- Excluding the minority buyout agreement at Retail (pharmacy), adjusted net debt of large and investment stage portfolio companies was down 10% as at Jun-22 from Dec-19.



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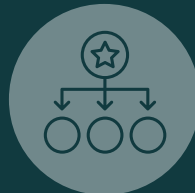
# CORE STRATEGY ENABLERS

## THREE FUNDAMENTAL ENABLERS:

- 01 Superior corporate governance
- 02 Access to management
- 03 Access to capital



## THREE FUNDAMENTAL ENABLERS



**STRONG  
CORPORATE  
GOVERNANCE**



**ACCESS TO  
MANAGEMENT**



**ACCESS TO CAPITAL**

# UPCOMING SPLIT OF THE CHAIRMAN AND CEO ROLES



## RATIONALE FOR THE SEPARATION OF THE ROLES

- The combined Chairman and CEO role served the Company well in the start-up phase of Georgia Capital
- As the Company has continued to mature, it has now become clear that the best structure to further institutionalise the Group is to separate the role of Chairman and CEO
- Separation of the role will improve our governance by adding local knowledge and perspective to the non-executive team and create a better balance between the non-executives and executive management

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## FOLLOWING THE SEPARATION OF THE ROLES:

- Irakli Gilauri will remain Chairman of the Board and will stay active in key strategic areas
- Irakli holds significant stake in GCAP
- The Board of Georgia Capital will announce a further update in due course with regard to the appointment of a new CEO

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRINCIPLES LIE AT THE HEART OF OUR BUSINESS

**OUR PORTFOLIO IS CONCENTRATED ACROSS STRUCTURALLY IMPORTANT INDUSTRIES IN GEORGIA, CONNECTING US TO THE COUNTRY'S SUSTAINABLE DEVELOPMENT**

## LARGEST EMPLOYER IN THE GEORGIAN PRIVATE SECTOR



*Reputation among talented managers as the "best Group to work for", as 95% of the annual satisfaction survey participants enjoy working at GCAP*

## WE INVEST IN INDUSTRIES WHICH HAVE POSITIVE IMPACT ON PEOPLE AND PLANET



Our businesses owned through GHG, the largest and fully-integrated healthcare provider in the region, contribute to the development of the Georgian healthcare system and society as a whole.



Our Education business makes a significant contribution to the country's education system and society by developing the younger generation.



Through its green projects, our renewable energy business supports climate change mitigation, natural resources conservation and pollution prevention.



Our Auto Service business is directly engaged in the reduction of greenhouse gas emissions and road traffic accidents in Georgia.



# OUR RECENT ESG DEVELOPMENTS

## KEY ESG ACTIVITIES AT GCAP

01

### ALIGNING OUR ESG DISCLOSURES WITH TCFD

- GCAP's ESG disclosure in the Annual and Sustainable Reports have been prepared in line with the TCFD recommendations.

02

### BECOMING A SIGNATORY OF THE UNITED NATIONS ("UN") GLOBAL COMPACT

- In February 2022, GCAP became a signatory of the UN Global Compact and officially expressed its commitment to the principals of the United Nations.

03

### IMPLEMENTING THE RESPONSIBLE INVESTMENT POLICY

- In February 2022, the Board adopted a Responsible Investment Policy.
- The Policy is integrated into the investment and portfolio management processes and procedures.

04

### ENHANCING OUR ESG DUE DILIGENCE AND REPORTING PROCEDURES

- Within the scope of the Responsible Investment Policy, tools for monitoring and reporting ESG matters have been developed.

05

### GCAP'S FIRST SUSTAINABILITY REPORT

- In 2022, we published our first Sustainability Report.
- The Sustainability Report aims to provide material and relevant information on the developments in GCAP's environmental, social and governance practices.

[CLICK HERE TO READ](#)

# INCREASED FOCUS ON IMPACT INVESTING



## COMMITTING TO UN'S PRINCIPLES AND MAPPING OUR BUSINESSES TO THEIR SUSTAINABLE DEVELOPMENT GOALS ("SDGS")



Business	Direct SDG Impact	Supportive / Indirect SDG Impact
Retail (Pharmacy)	3, 8, 12	5, 11
Hospitals	3, 8, 12	5, 11
Insurance	3, 8, 9	1, 10
Renewable Energy	7, 9, 13	8, 11
Education	4	3, 11, 16
Clinics & Diagnostics	3, 8, 9	5, 11
Auto Services	9, 11, 13	15
Water Utility	6, 7, 11	12, 13, 14
Banking	1, 8, 11	5

# IMPACT INVESTING: OUR SUCCESS STORY IN THE WATER UTILITY BUSINESS



## ENVIRONMENTAL



## SOCIAL



## GOVERNANCE

### KEY ESG DEVELOPMENTS

- Implementation of the Environmental and Social Management System ("ESMS")
- Increased avoidance of greenhouse gas emissions
- Efficient usage of water and electricity resources
- Sustainable water and waste management
- Rehabilitation of Gardabani WWTP

- Ensuring access to clean water and sanitation
- Increasing environmental awareness and education
- Health & Safety and technical training programs
- Corporate Social Responsibility ("CSR") Projects

- Three-tier management structure
- Compliance with IFC standards
- Annual E&S report disclosures
- Incorporating environmental and social ("E&S") matters into the decision-making process

### ENVIRONMENTAL & SOCIAL IMPACT

**PROVIDING 24-HOUR WATER AND WASTEWATER SUPPLY SERVICES TO C.1.4 MILLION RESIDENTS AND C.38,000 LEGAL ENTITIES**

**CONNECTION OF NEW CUSTOMERS**

**135,000+**  
over 2014-2021

**REDUCTION OF THE SELF-PRODUCED ELECTRICITY CONSUMPTION**

**c.45%**  
Over 2015-2021

**AVOIDED GHG EMISSIONS**

**c.120,000<sup>1</sup>**  
Tonnes CO<sub>2</sub>e Annually

**TOTAL GHG EMISSIONS REDUCTION**

**70%** in 2021  
compared to 2016



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## OUR STRATEGIC PRIORITIES



**DELEVERAGING GCAP HOLDCO BY BRINGING DOWN  
THE NCC RATIO BELOW 15%**

**REDUCE AND MAINTAIN PORTFOLIO COMPANIES'  
LEVERAGE TO RESPECTIVE TARGETED LEVELS**

**ESG**

**EXECUTE THE SEPARATION OF THE CHAIRMAN AND  
CEO ROLE AND ENSURE A SMOOTH TRANSITION**

**SET MEASURABLE ESG TARGETS AT BOTH GCAP  
HOLDCO AND PORTFOLIO COMPANY LEVELS**



**CONTINUED PROGRESS ON THE DIVESTMENT  
OF "OTHER" PORTFOLIO COMPANIES**

# OUR LONG-TERM ASPIRATION



**ACHIEVEMENT OF OUR STRATEGIC PRIORITIES WILL ENABLE GCAP TO GRADUALLY TRANSFORM INTO A SUSTAINABLE PERMANENT CAPITAL VEHICLE (PCV)**



Significantly reduced leverage at the GCAP HoldCo level

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Capacity to redeploy our existing capital without the need for new equity share issuance/raise

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Consistent NAV per share growth on the back of resilient, capital-light investments

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Opportunity to return a significant portion of GCAP's cash inflows to our shareholders

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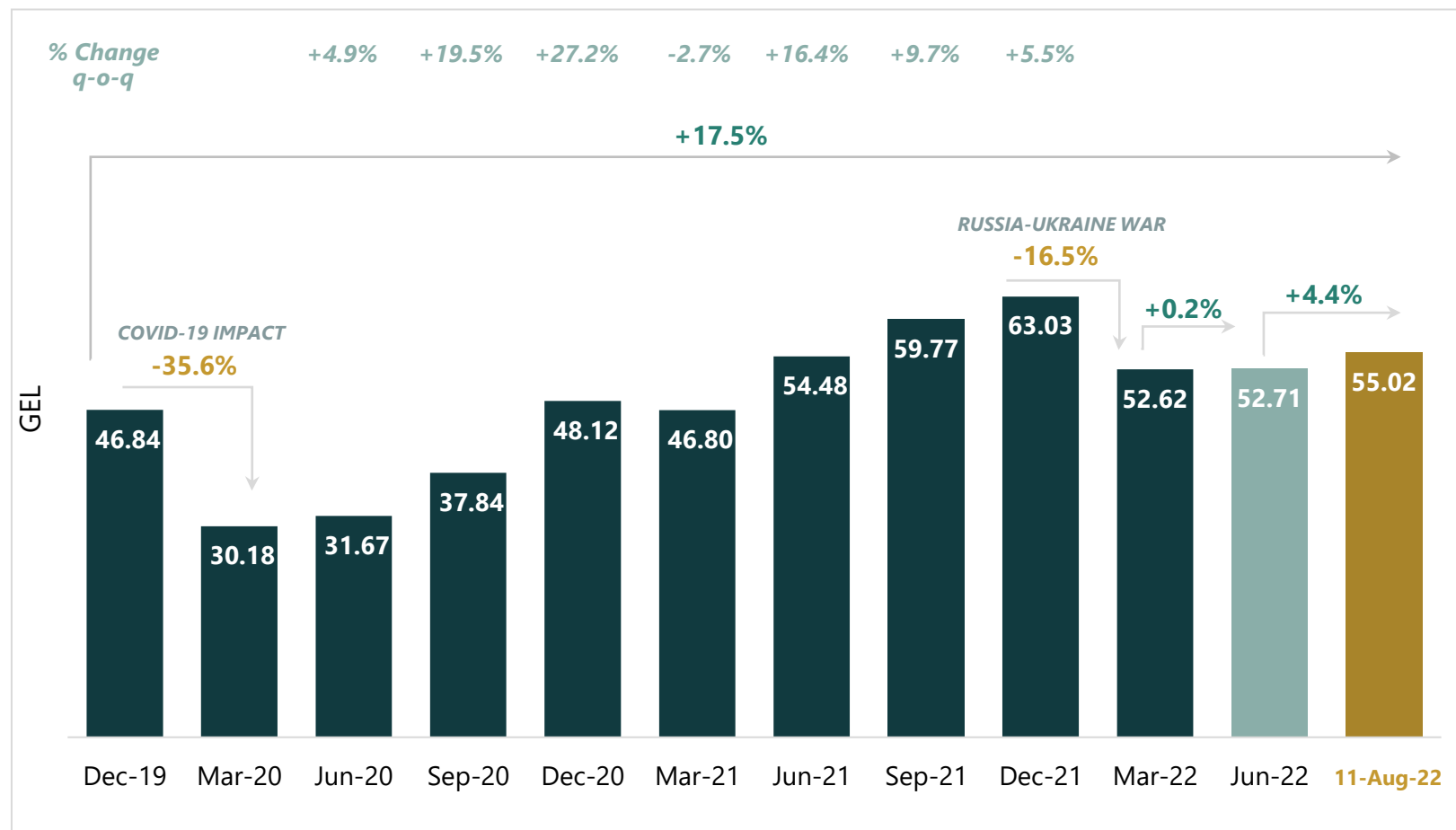
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# NAV PER SHARE (GEL) DEVELOPMENT OVERVIEW



**DESPITE THE NEGATIVE IMPACT OF THE ONGOING RUSSIA-UKRAINE WAR, NAV PER SHARE STILL REMAINS SIGNIFICANTLY ABOVE PRE-COVID-19 LEVELS**



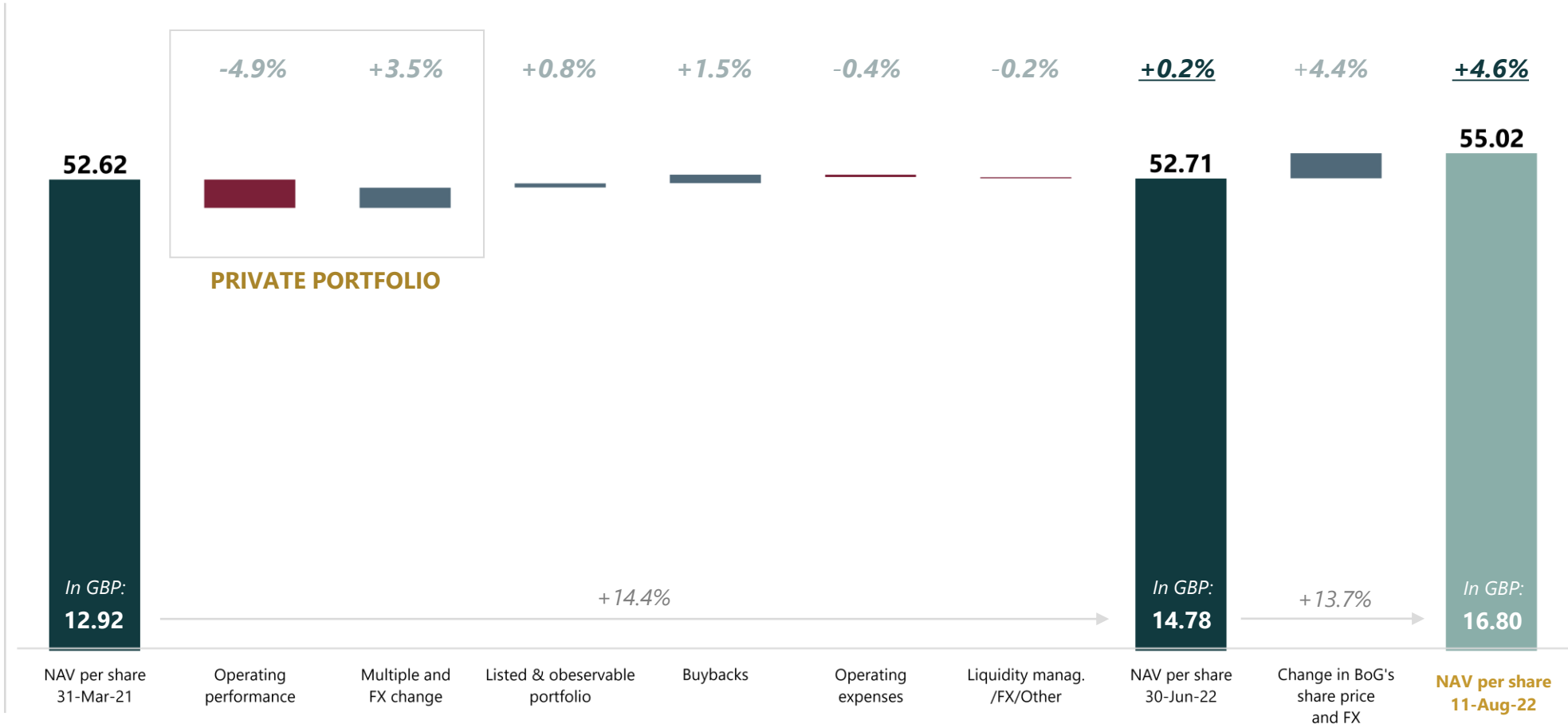


# NAV PER SHARE (GEL) MOVEMENT IN 2Q22



## NAV PER SHARE (GEL) UP 0.2% IN 2Q22

- NAV per share (GBP) up 14.4% in 2Q22, reflecting a 14.2% appreciation of GEL against GBP
- As of 11-Aug-22, NAV per share (GEL) up 4.6% and up 30.0% in GBP terms from 31-Mar-22, reflecting BoG's share price and FX movements

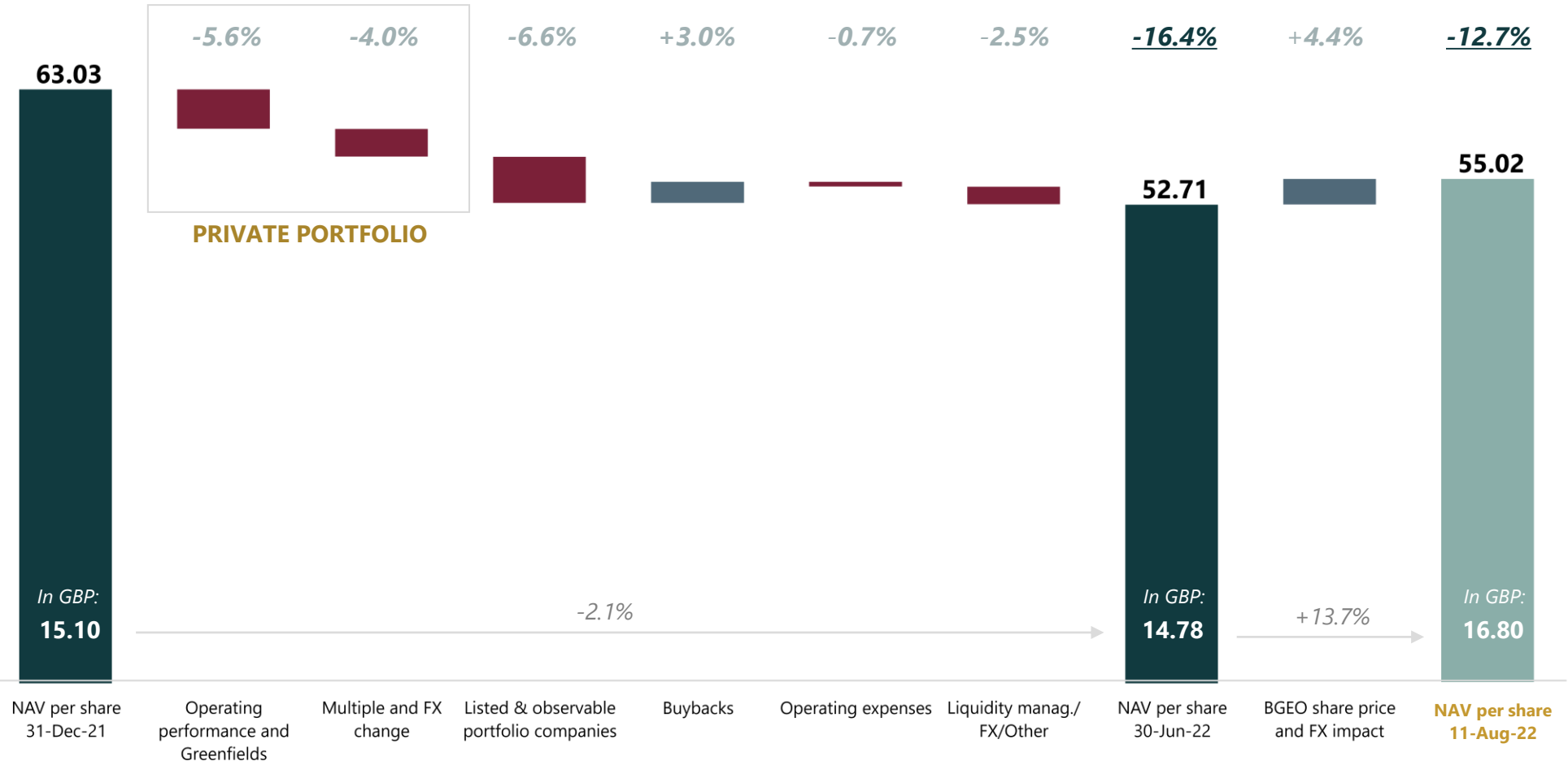


# NAV PER SHARE (GEL) MOVEMENT IN 1H22



## NAV PER SHARE (GEL) DOWN 16.4% IN 1H22

- The decrease in NAV per share (GEL) reflects the impact of adverse market movements on portfolio valuations:
  - GEL 276.2 million value reduction in private portfolio assets (-9.6 ppts impact);
  - GEL 202.7 million value reduction in BoG stake value, as share price decreased by 21.7% (-7.0 ppts impact).
- NAV per share (GBP) down 2.1% in 1H22, reflecting a 17.0% appreciation of GEL against GBP

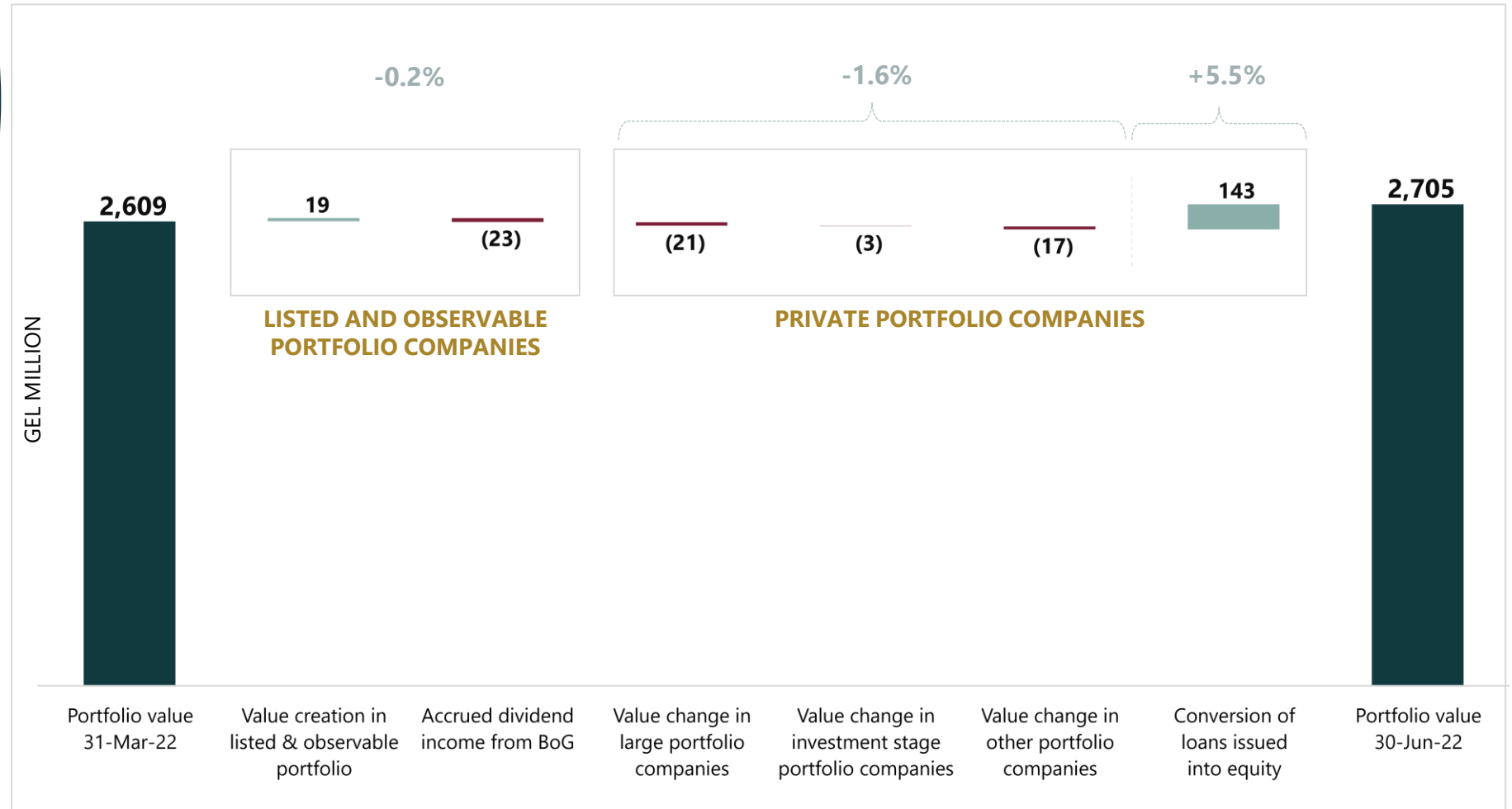


# PORTFOLIO VALUE DEVELOPMENT IN 2Q22



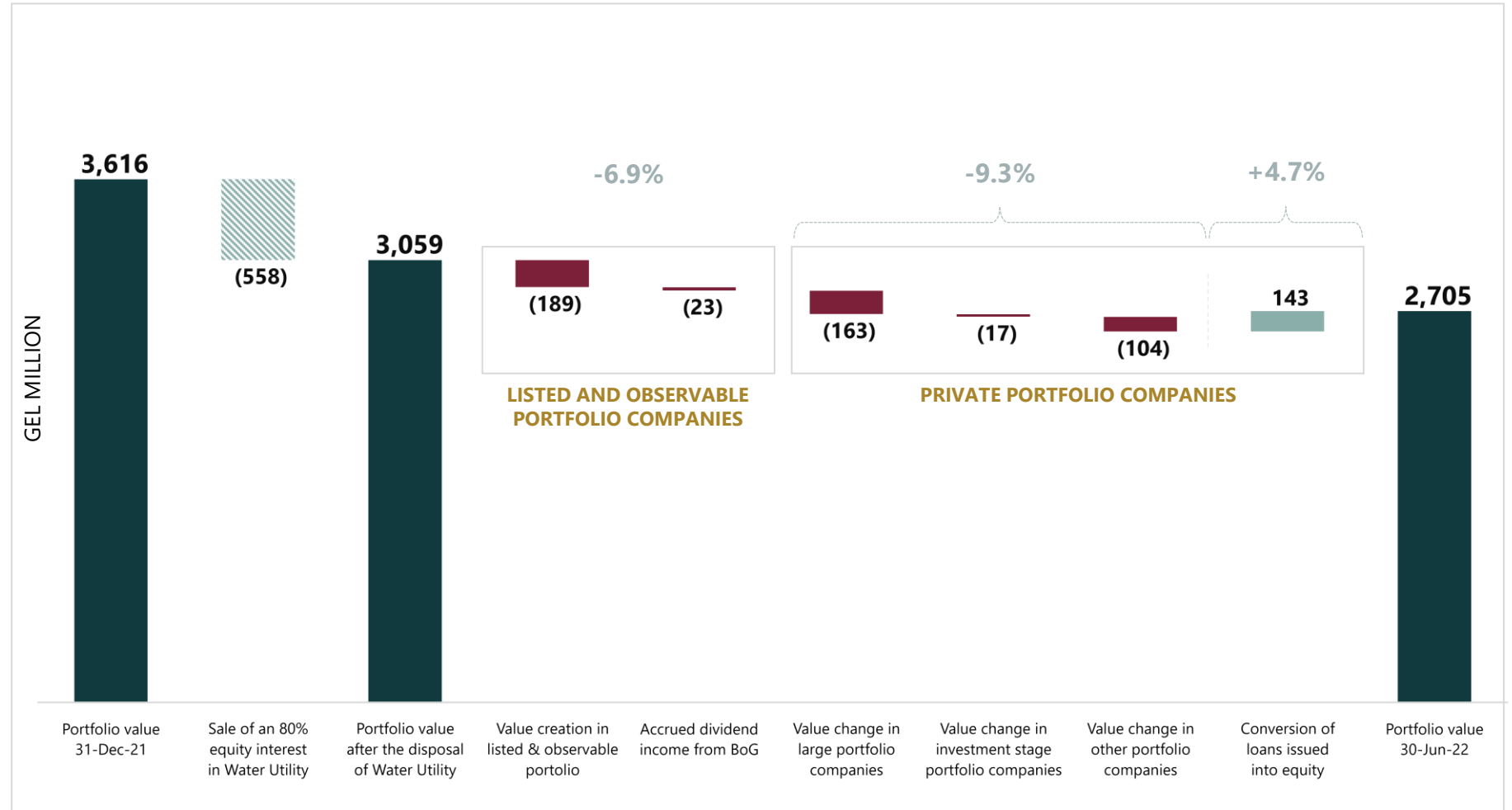
## PORTFOLIO VALUE UP 3.7% TO GEL 2.7 BILLION IN 2Q22

- GEL 142.6 million loans issued predominantly to our beverages and real estate businesses were converted into equity in 2Q22, due to the adverse financial impact of the Russia-Ukraine war on these businesses.



# PORTFOLIO VALUE DEVELOPMENT IN 1H22

**PORTFOLIO VALUE DOWN 25.2% IN 1H22, REFLECTING THE SALE OF THE WATER UTILITY BUSINESS FOR CASH AND UNREALISED LOSSES FROM PORTFOLIO VALUATIONS**



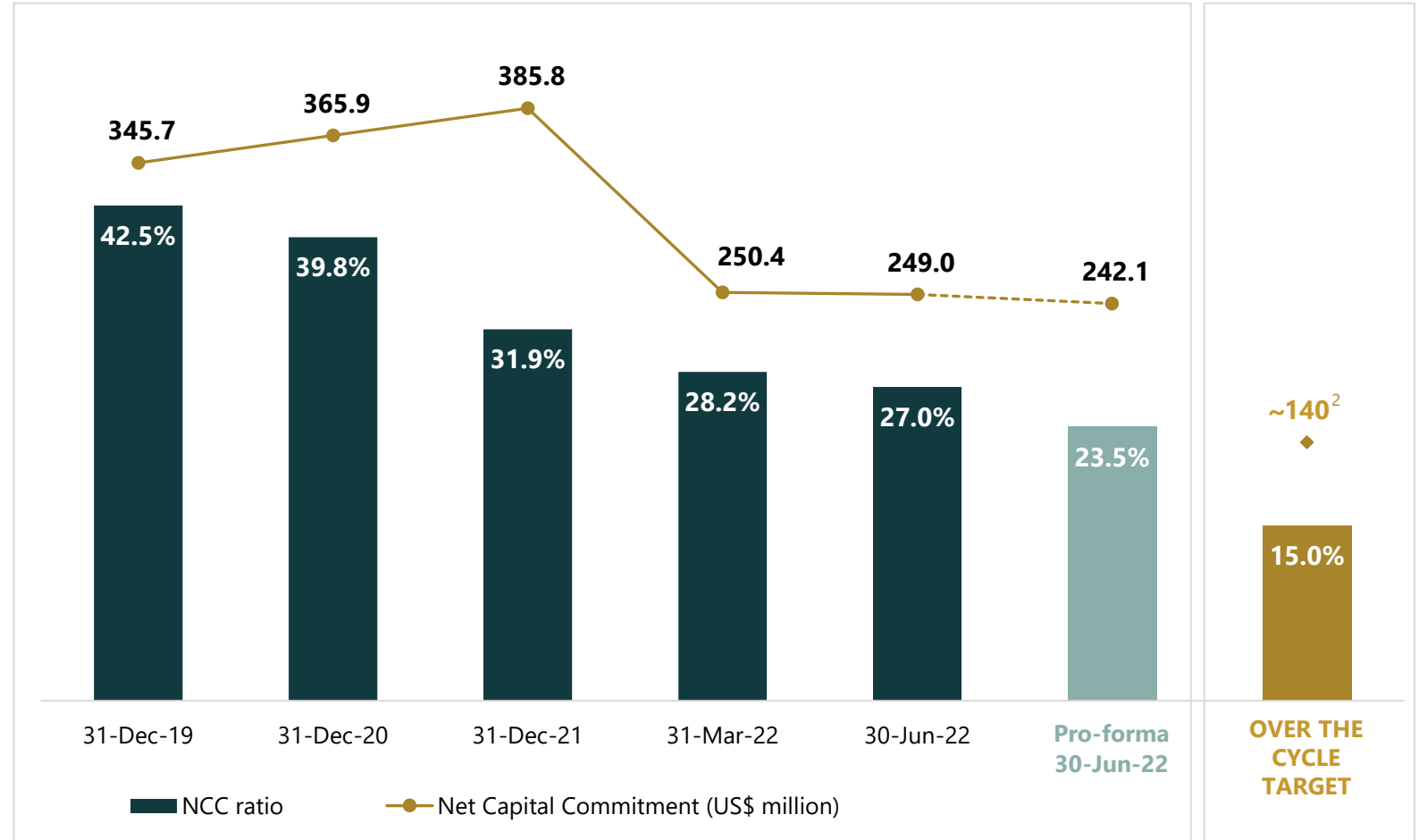


# NCC RATIO DEVELOPMENT OVERVIEW

## NCC RATIO DOWN BY 1.2 PPTS TO 27.0% IN 2Q22

- Pro-forma NCC ratio down to 23.5%, reflecting the anticipated decrease in the guarantees issued as well as the movements in BoG share price and FX.

NCC AND NCC RATIO DEVELOPMENT OVERVIEW<sup>1</sup>



# PROGRESS ON THE CURRENT SHARE BUYBACK AND CANCELLATION PROGRAMME

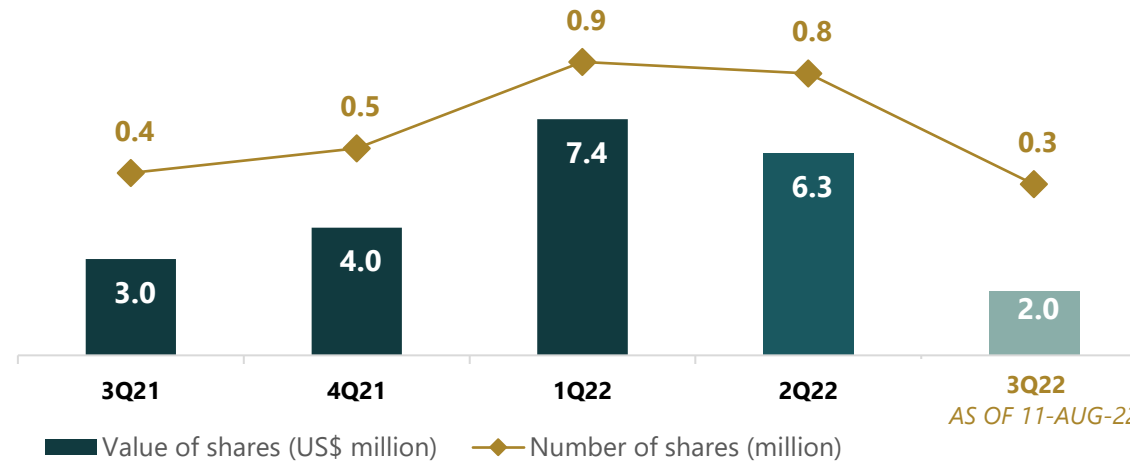
**2.8 MILLION SHARES (c.6% OF ISSUED CAPITAL) HAVE BEEN REPURCHASED UNDER THE CURRENT US\$ 25 MILLION SHARE BUYBACK AND CANCELLATION PROGRAMME AS OF 11-AUG-22**

➤ In 1H22, 477,098 shares with the value of US\$ 4.0 million were repurchased for the management trust.

**WE ARE EXTENDING THE SHARE BUYBACK AND CANCELLATION PROGRAMME UNTIL 31 DECEMBER 2022**

NEW

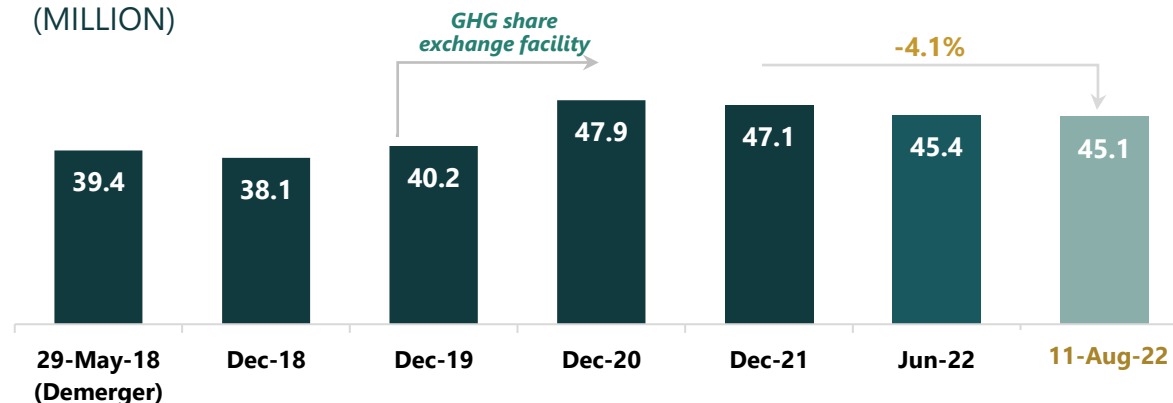
DEVELOPMENT OF SHARE BUYBACK AND CANCELLATION PROGRAMME



TOTAL  
**2.8**  
MILLION  
SHARES

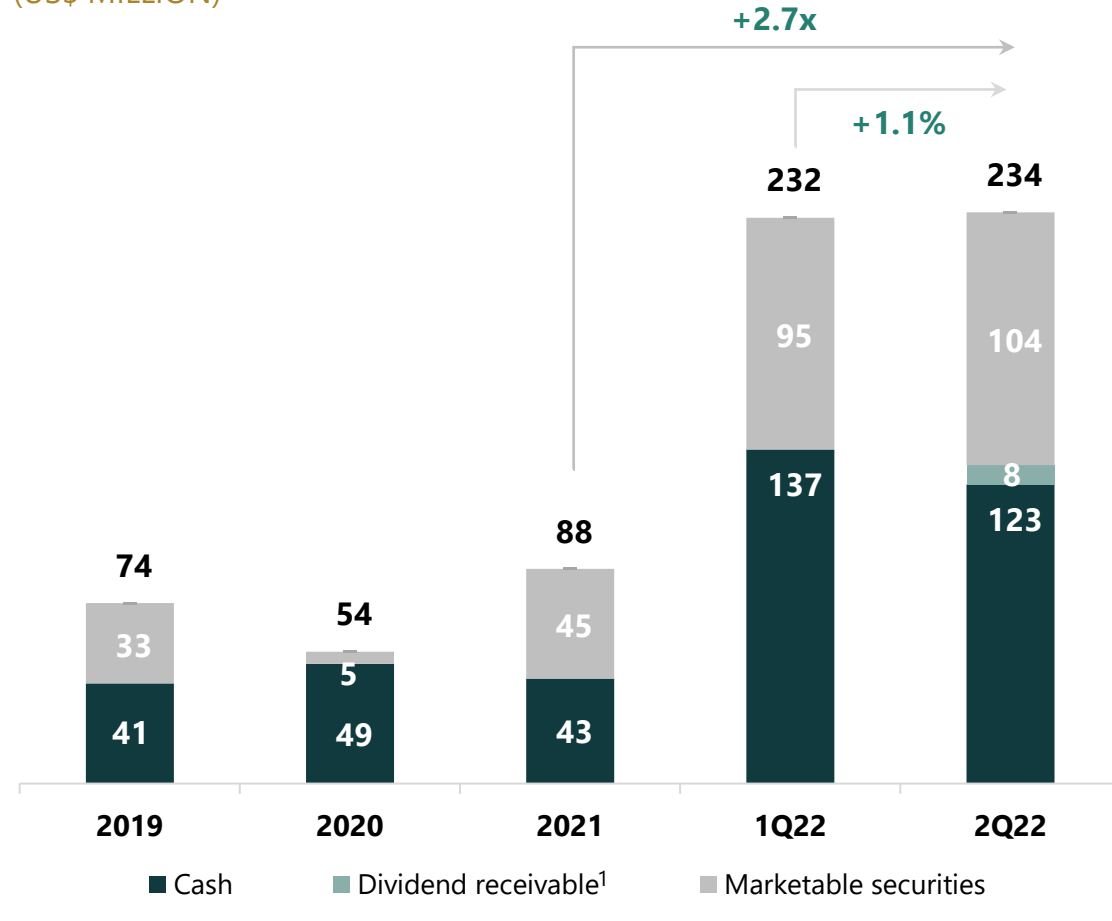
TOTAL  
**22.7**  
US\$ MILLION

NUMBER OF ISSUED SHARES DEVELOPMENT OVERVIEW (MILLION)



# LIQUIDITY OUTLOOK

## LIQUIDITY DEVELOPMENT OVERVIEW (US\$ MILLION)



GCAPS LIQUIDITY UP BY 2.7X IN 1H22, REFLECTING THE CASH RECEIPT FROM THE WATER UTILITY BUSINESS SALE

ONGOING STRONG LIQUIDITY AT THE GCAP LEVEL AND ROBUST CAPITAL MANAGEMENT FRAMEWORK LED TO AN UPGRADE IN OUR CORPORATE CREDIT RATINGS IN 1H22

MOODY'S

**B1** up from B2

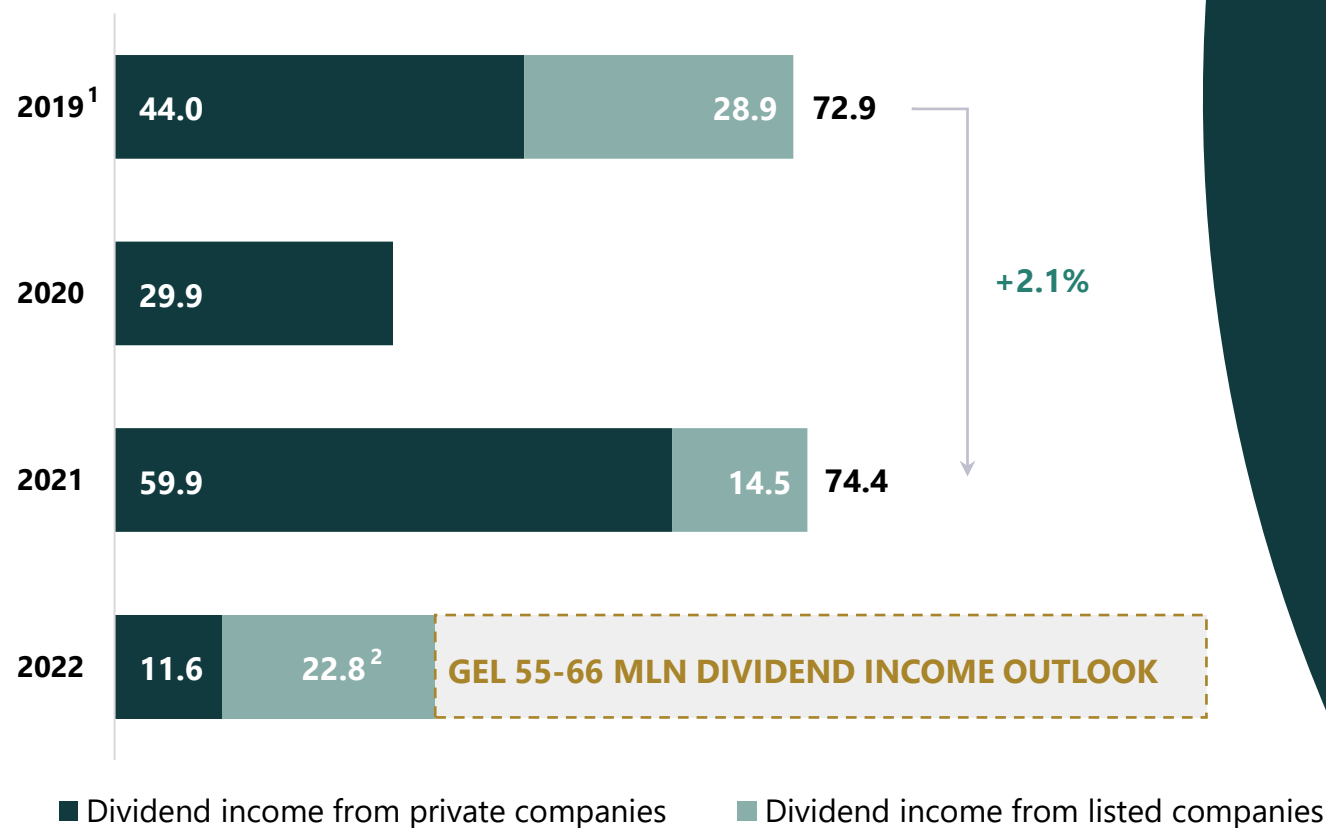
S&P

**B+** up from B

# DIVIDEND INCOME OUTLOOK

## DIVIDEND INCOME FROM PORTFOLIO COMPANIES

(GEL MILLION)



**ROBUST DIVIDEND  
INCOME OUTLOOK  
IN 2022**

INCLUDES PRIVATE PORTFOLIO  
COMPANIES AND BOG

**90-100**

**GEL MILLION  
IN 2022**

**GEL 55.6-65.6 MILLION DIVIDEND  
INCOME REMAINING IN 2H22**



# ALIGNING OUR OPEX RATIO WITH NAV



## PLATFORM COSTS

**TARGETED AT MAXIMUM  
c.2% OF MCAP**



### CURRENT TARGET

Management fee expense ratio:  
2019 – 1.8%; 2020 – 1.8%; 2021 – 1.7%.



**TARGETED AT MAXIMUM  
0.75% OF NAV**



### TARGET FROM 2024

# CONTENTS

## 01 GEORGIA CAPITAL AT A GLANCE

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## 02 OUR STRATEGY

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## 03 2Q22 & 1H22 PERFORMANCE OVERVIEW

- *Georgia Capital results overview*
  - ***Aggregated portfolio results and valuations overview***
- 

## 04 PORTFOLIO OVERVIEW

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## 05 MACROECONOMIC OVERVIEW | GEORGIA

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## 06 APPENDICES

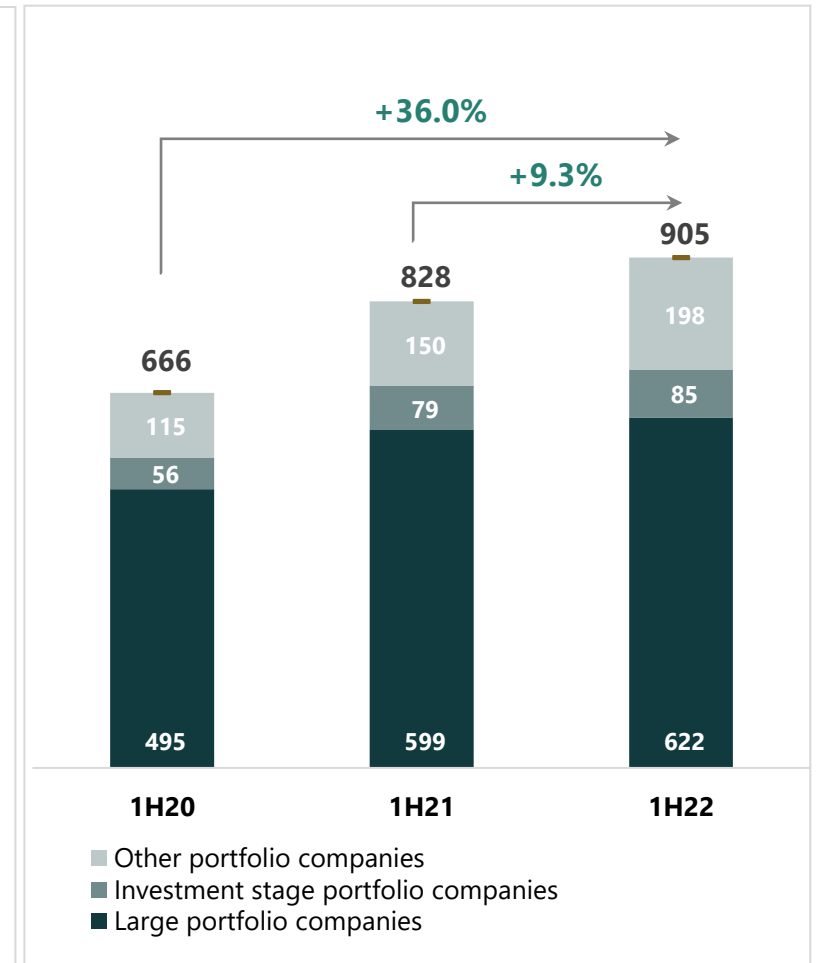
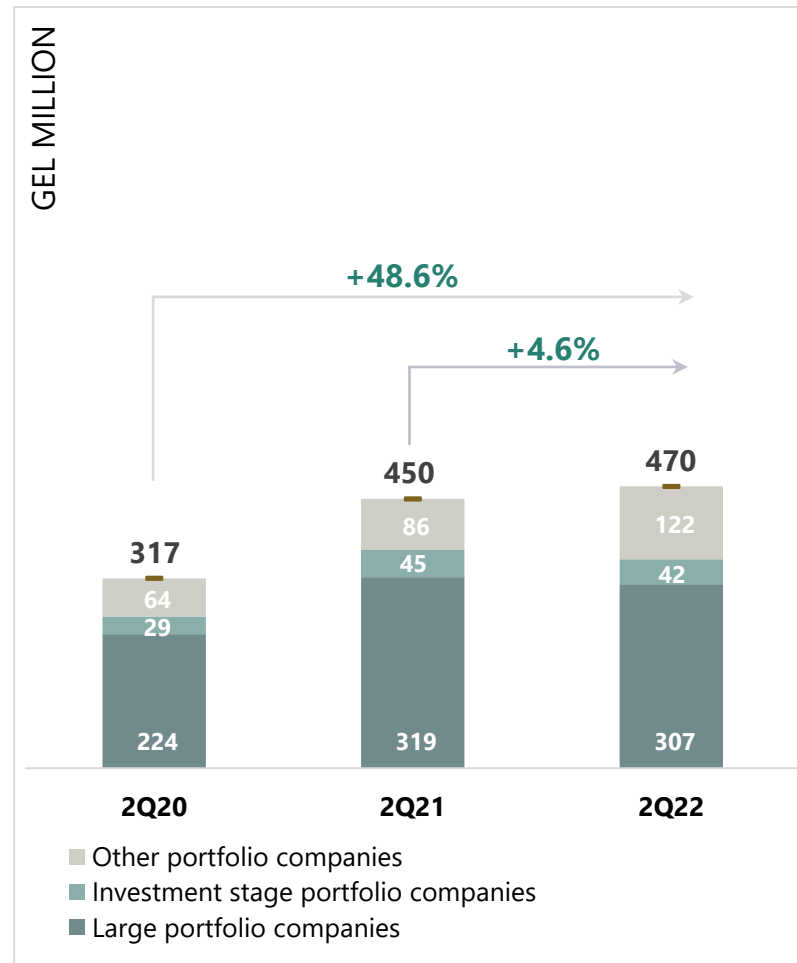
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# AGGREGATED REVENUE DEVELOPMENT ACROSS PRIVATE PORTFOLIO

**AGGREGATED QUARTERLY  
REVENUE UP 4.6% Y-O-Y  
IN 2Q22 AND UP 48.6%  
FROM 2Q20**

- 1H22 aggregated revenue up 9.3% y-o-y and up 36.0% from 1H20

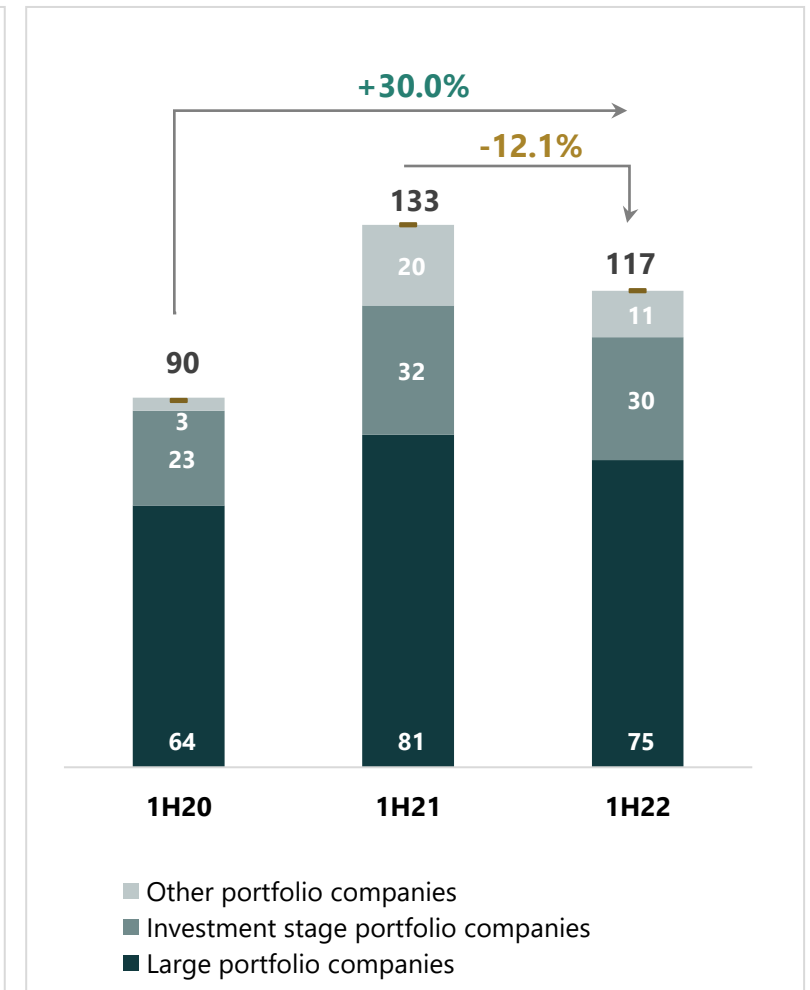
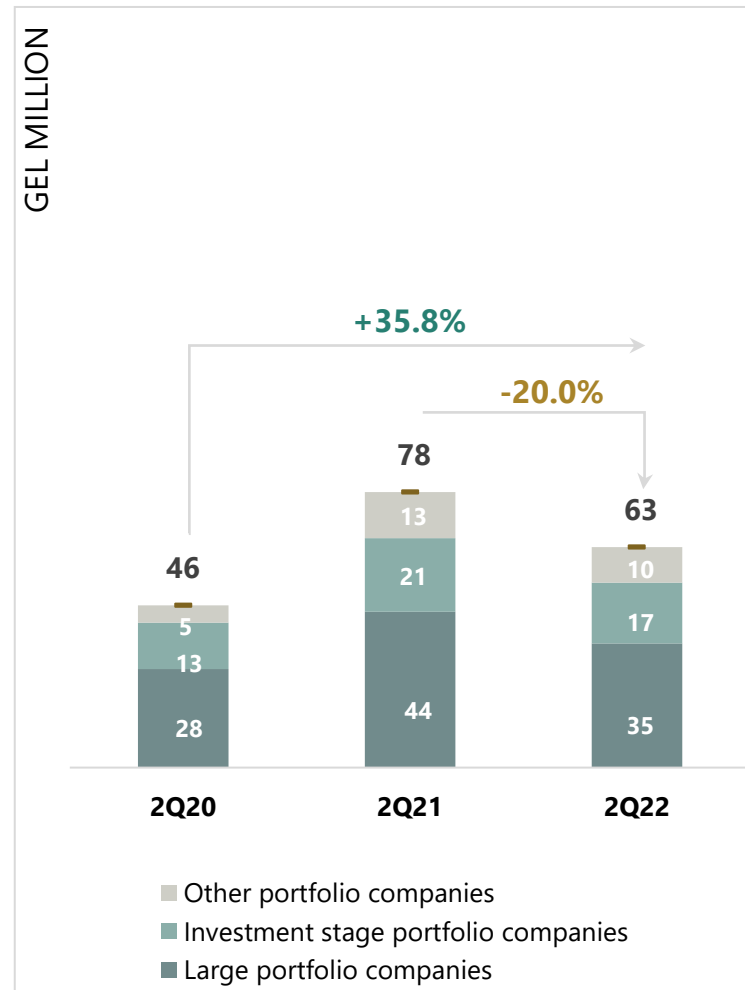


# AGGREGATED EBITDA DEVELOPMENT ACROSS PRIVATE PORTFOLIO

## AGGREGATED EBITDA DOWN 20.0% Y-O-Y IN 2Q22 AND DOWN 12.1% Y-O-Y IN 1H22

### KEY DRIVERS

- 2Q22 EBITDA of Retail (Pharmacy) down 11.4% y-o-y (up 15.7% y-o-y in 1H22), mainly reflecting the recalibration of product prices due to FX movements and the termination of low-profit generating contracts in the wholesale business line.
- Aggregated EBITDA of hospitals and clinics & diagnostics businesses down 39.9% y-o-y in 2Q22 (down 27.9% y-o-y in 1H22), resulting from the expected transition to the post-pandemic environment.
- Aggregated EBITDA of other businesses down 23.1% y-o-y in 2Q22 (down 42.1% in 1H22), reflecting the impact of the Russia-Ukraine war on the real estate and beverages businesses.

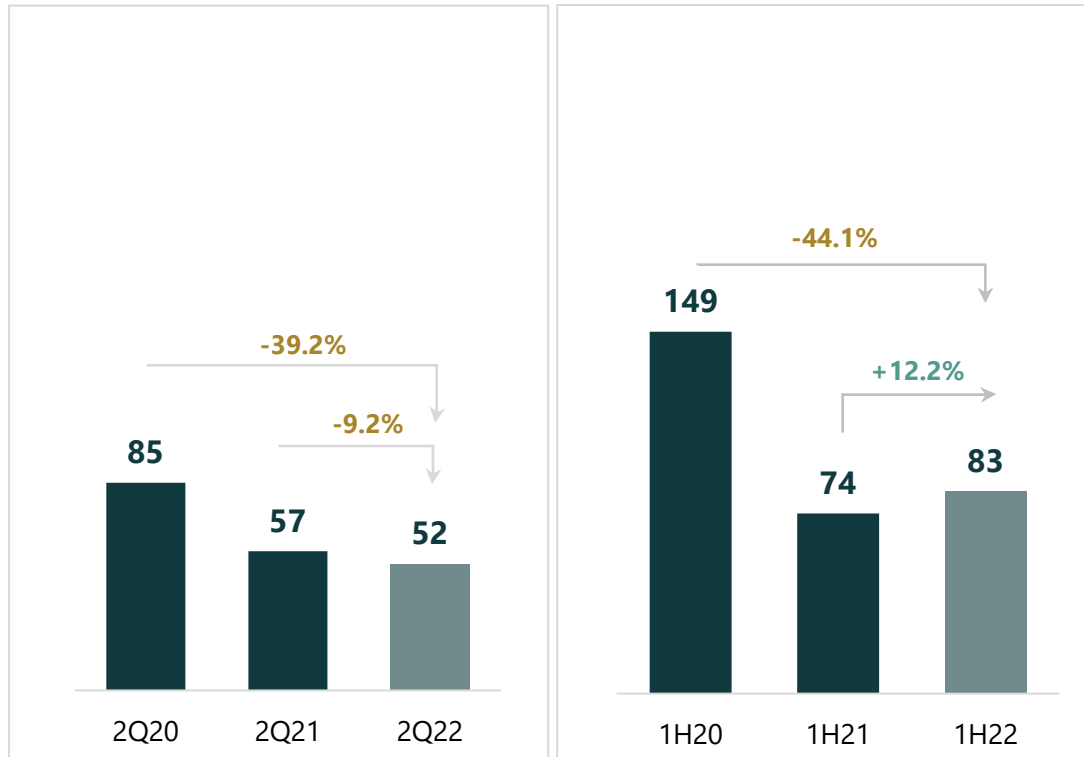


# AGGREGATED CASH BALANCE & NET OPERATING CASH FLOW DEVELOPMENT ACROSS PRIVATE PORTFOLIO

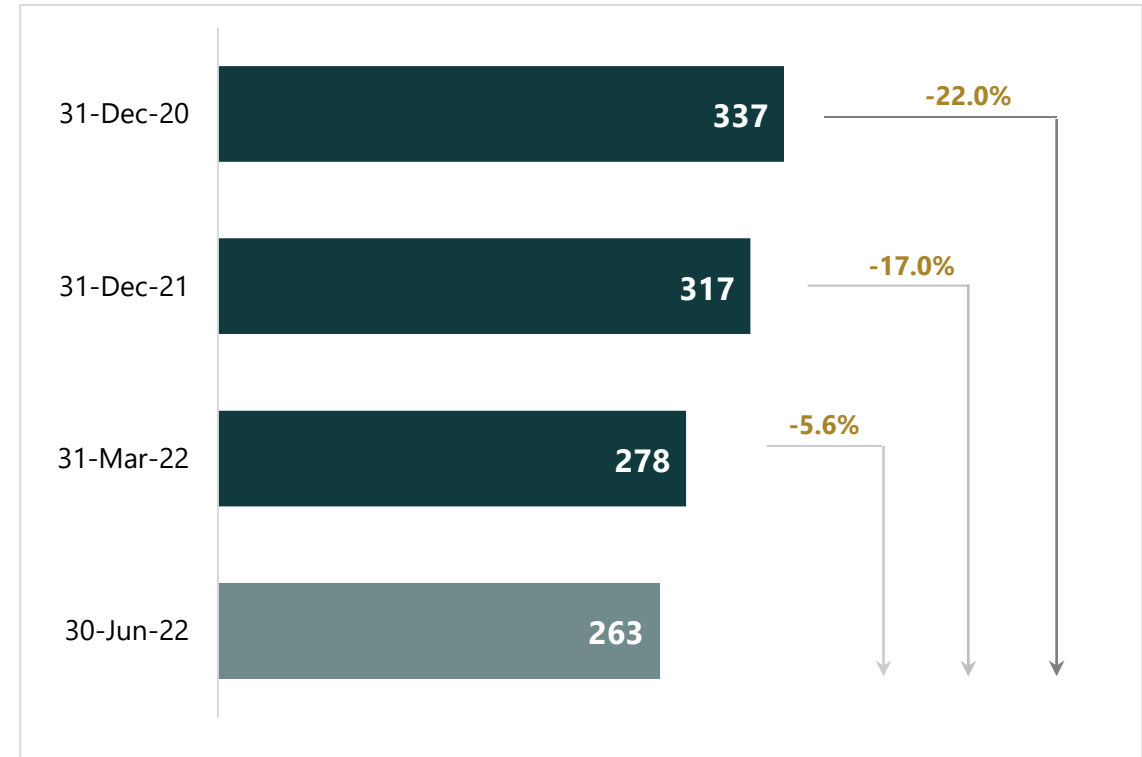


ORGANIC TRANSITION TO REVENUE GROWTH STRATEGY FROM PREVIOUSLY ADOPTED CASH PRESERVATION STRATEGY

**TOTAL AGGREGATED NET OPERATING CASH FLOW**  
(GEL MILLION)



**TOTAL AGGREGATED CASH BALANCE OF PRIVATE BUSINESSES**  
(GEL MILLION)





# PORTFOLIO VALUATION OVERVIEW

NEW










STARTING FROM 1H22, c.90% OF THE TOTAL PORTFOLIO IS VALUED EXTERNALLY



The valuation of our large and investment stage portfolio companies is performed by an independent valuation firm on a semi-annual basis.

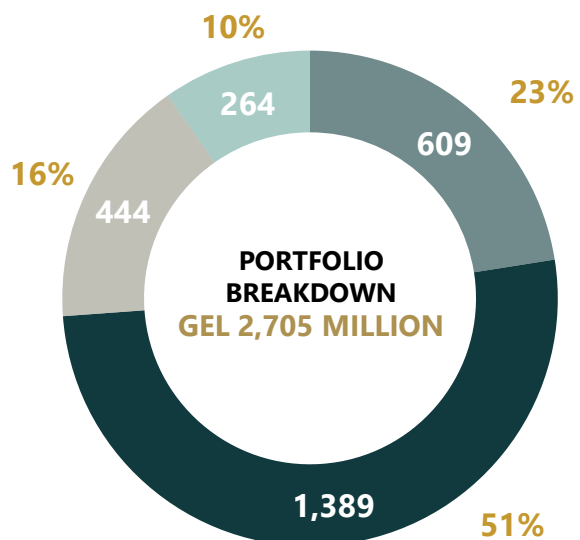


Valuation of each portfolio company is audited by independent auditors on an annual basis.

PORTFOLIO COMPANY	FY21	1H22	% SHARE IN TOTAL PORTFOLIO AT 30-JUN-22
<b>Listed and Observable portfolio companies</b>			
 BoG	Public Markets	Public Markets	17%
 Water Utility	Transaction Price	Option Valuation	6%
<b>Private Large portfolio companies</b>			51%
 Retail (pharmacy)	External	External	} c.90%
 Hospitals	External	External	
 P&C Insurance	External	External	
 Medical Insurance	External	External	
<b>Private Investment stage portfolio companies</b>			16%
 Renewable Energy	Internal	External	}
 Education	Internal	External	
 Clinics and Diagnostics	External	External	
<b>Private other portfolio companies</b>	Internal	Internal	10%
<b>Total portfolio</b>			100%

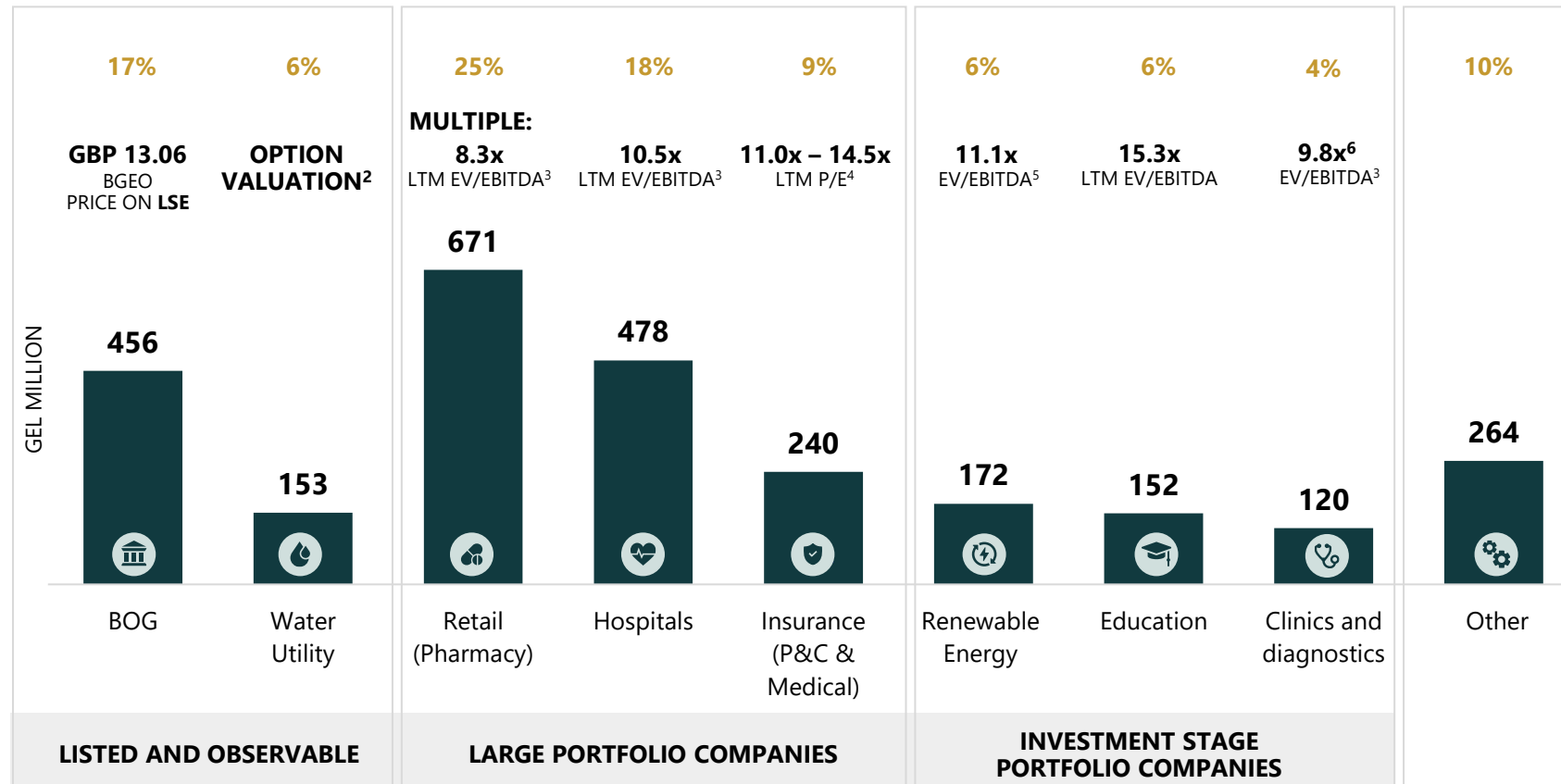
# PORTFOLIO VALUE AS OF 30-JUN-22

90% OF OUR PORTFOLIO IS VALUED EXTERNALLY<sup>1</sup>



■ Listed and observable    ■ Large  
■ Investment stage        ■ Other

## % SHARE IN TOTAL PORTFOLIO VALUE:

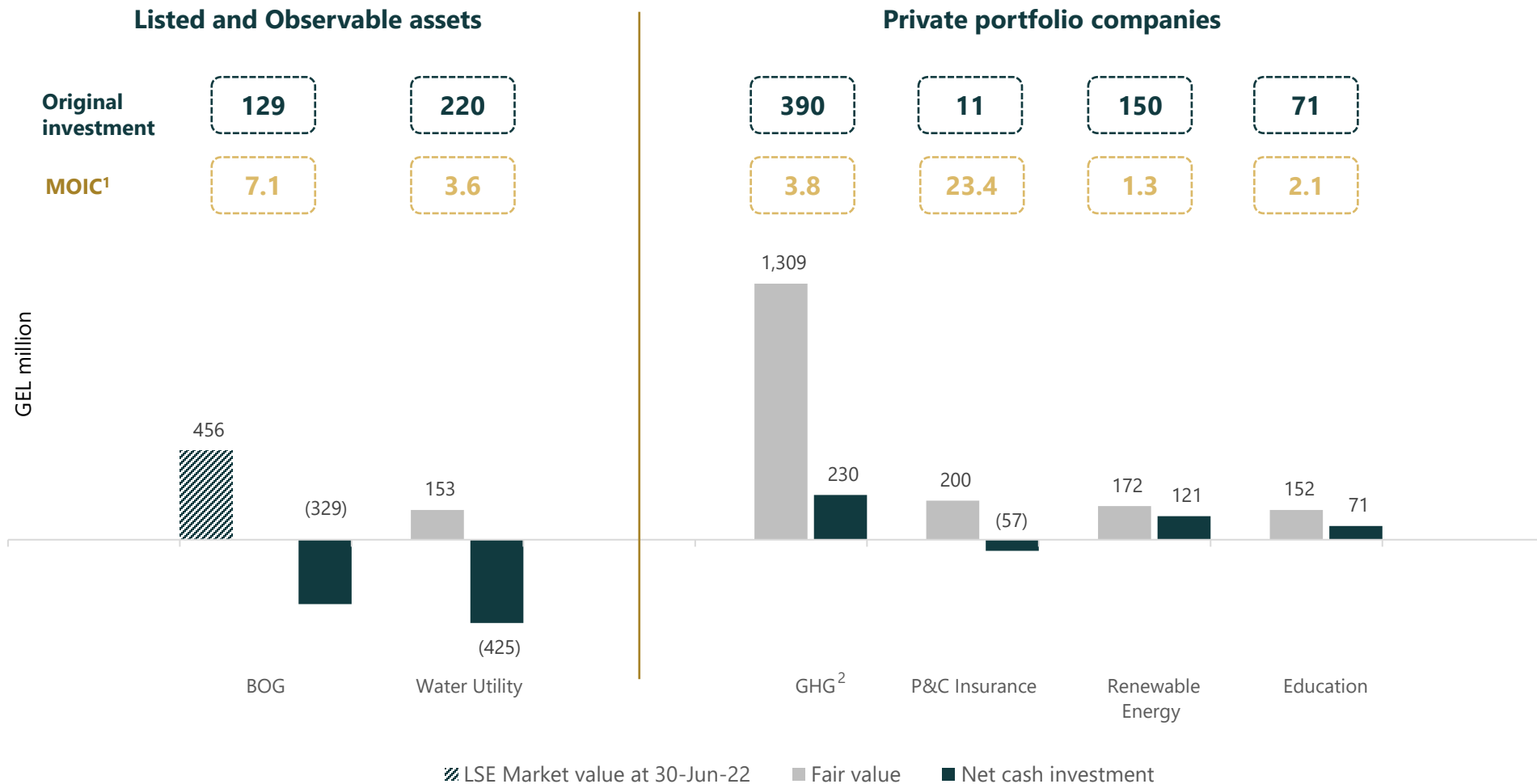


Georgia Capital PLC | 1. The independent valuations of the large and investment portfolio companies are performed on a semi-annual basis. In 2Q22, our private large and investment portfolio companies were valued externally by a third-party independent valuation firm. 2. The valuation of Water Utility in 2Q22 reflects the application of the put option valuation to GCAP's 20% holding in the business. 3. LTM EV/EBITDA multiples for Retail (Pharmacy), Hospitals and Clinics & Diagnostics are presented including IFRS 16 as of 30-Jun-22. 4. LTM P/E multiple of 11.0x for P&C Insurance and 14.5x for Medical Insurance as at 30-Jun-22. 5. Blended multiple for the operational assets of Renewable Energy is 11.1x, while other pipeline projects are stated at cost. 6. Blended multiple for Clinics & Diagnostics is 9.8x.

# PORTFOLIO HIGHLIGHTS | 30 JUNE 2022



Gross investment of GEL 1.7b → Net investment of GEL 85m → Portfolio fair value of GEL 2.7b



Georgia Capital PLC | 1. Multiple of Invested Capital 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. 2. GHG includes: Retail (pharmacy), Hospitals, Clinics & Diagnostics and Medical Insurance businesses.

# CONTENTS

**01** GEORGIA CAPITAL AT A GLANCE

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**02** OUR STRATEGY

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**03** 2Q22 & 1H22 PERFORMANCE OVERVIEW

**04** PORTFOLIO OVERVIEW

**05** MACROECONOMIC OVERVIEW | GEORGIA

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**06** APPENDICES

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# BANK OF GEORGIA OVERVIEW

<http://bankofgeorgiagroup.com/>



## 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 position<sup>1</sup> in Georgia by assets (37.6%), loans (36.2%), client deposits (37.5%) and equity (32.7%) as at 30 June 2022.
- Growing market: The banking sector's assets growth rate at 23.3% (CAGR over 2003-1H22).
- Strongest retail banking franchise: 42.4% market share in deposits of individuals, 39.0% market share in loans to individuals, as at 30-Jun-22.
- Leader in payments and financial mobile app: 52.3% of total POS payments transactions are executed in BoG POS terminals, number of monthly active digital users increased from 729k to 959k y-o-y in 2Q22.
- Sustainable growth combined with strong capital, liquidity and robust profitability, with ROAE above 20%.

## VALUE CREATION POTENTIAL

- Loan book y-o-y growth c.10%.
- Regular progressive semi-annual capital distribution with 30-50% dividend/share buyback payout ratio.
- 20%+ ROAE.

## OWNERSHIP

- Georgia Capital owns 19.9%<sup>2</sup> of Bank of Georgia Group PLC. As long as Georgia Capital's stake in BoG is greater than 9.9%, it will exercise its voting rights in Bank of Georgia Group in accordance with the votes cast by all other shareholders on all shareholder votes at any general meeting.

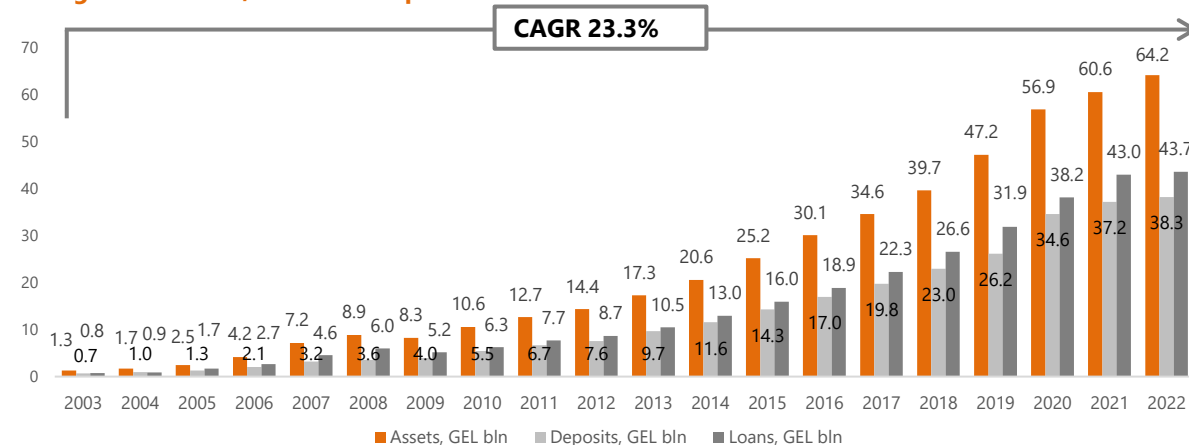
## Banking business key medium-term targets

**ROAE**  
20%+

**LOAN BOOK  
GROWTH**  
C.10%

## Market opportunity

### Banking sector assets, loans and deposits



## Robust capital management track record

- **Maintain regular progressive semi-annual dividend payouts:** aiming 30-50% dividend/share buyback payout ratio.
- Total dividend of **GEL 3.81** per ordinary share paid in respect of the Group's 2021 earnings (dividend payout ratio of 25%).
- On 30 June 2022, the Bank also announced the commencement of the **GEL 72.7** million share buyback and cancellation programme.
- Considering the Group's strong performance during the first half of 2022, the Board has decided to declare an interim dividend of **GEL 1.85** per ordinary share in respect of the period ended 30 June 2022, payable to ordinary shareholders on 20 October 2022.
- In addition, after the completion of the current GEL 72.7 million share buyback and cancellation programme, the Board will extend the programme by a further **GEL 40** million.





# BANK OF GEORGIA OVERVIEW

<http://bankofgeorgiagroup.com/>


## Stock price performance



## Financial metrics (GEL million)

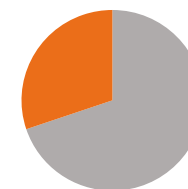
	2015	2016	2017	2018	2019	2020	2021	2Q21	2Q22	Change y-o-y
NIM	7.7%	7.4%	7.3%	6.5%	5.6%	4.6%	4.9%	4.7%	5.3%	+0.6 ppts
NPL coverage	83.4%	86.7%	92.7%	90.5%	80.9%	76.3%	95.5%	73.1%	89.6%	+16.5 ppts
Loan portfolio	5,367	6,682	7,741	9,398	11,931	14,192	16,169	14,789	16,300	+10.2%
Cost/income <sup>2</sup>	35.5%	37.7%	37.7%	36.7%	37.8%	39.7%	37.2%	36.4%	32.5%	-3.9 ppts

## Selected operating metrics

	30-Jun-21	30-Jun-22	Change
Active customers ('000)	1,362	1,563	+14.7%
	2Q21	2Q22	Change
Number of transactions in mBank and iBank ('000)	26,327	41,329	57.0%

## GEL 16.1 billion gross loan portfolio breakdown\* | 30 June 2022

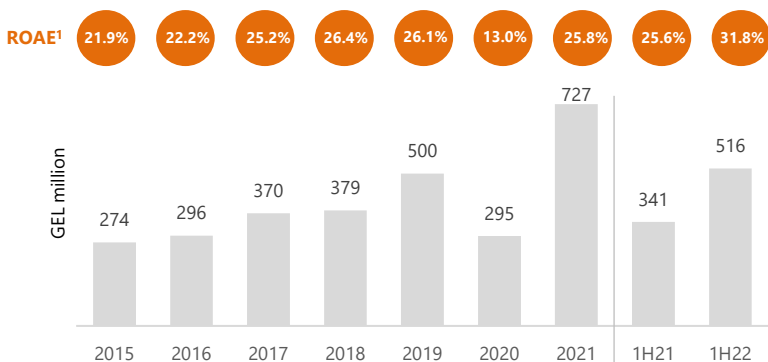
Corporate loans,  
GEL 4,920 million,  
30.6%



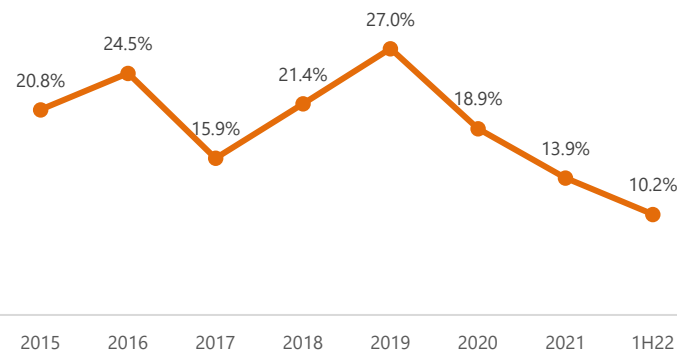
Retail loans,  
GEL 11,171 million,  
69.4%

\* Bank of Georgia Standalone.

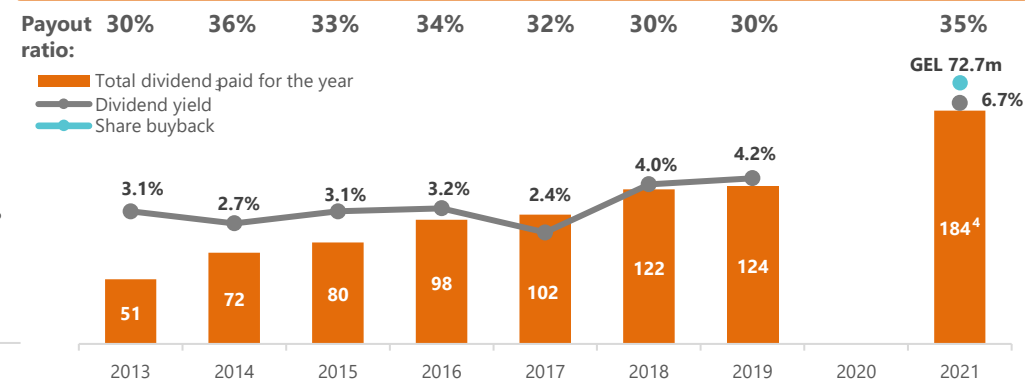
## Profits & ROAE



## Loan book growth



## Dividend record (GEL million)



**Georgia Capital PLC** | 1. 2019 ROAE is adjusted for termination costs of former CEO and executive management, while 2018 ROAE is adjusted for demerger related expenses, one-off impact of re-measurement of deferred tax balance and termination costs of the former CEO.  
2. 2019 cost/income ratio adjusted for GEL 12.4 million one-off employee costs (gross of income tax) related to termination benefits of the former executive management. 3. Dividend yield for 2013-2021 is calculated based on the closing price of shares immediately prior to ex-dividend date. 4. The interim dividend of GEL 1.48 million for 2021 was paid on 5 November 2021 and final dividend of GEL 2.33 million was paid on 14 July 2022 to shareholders. This made a total dividend paid in respect of the Bank's 2021 earnings of GEL 3.81 per share.



# RETAIL (PHARMACY) BUSINESS OVERVIEW



366

Pharmacies in total

358 in Georgia | 8 in Armenia

7

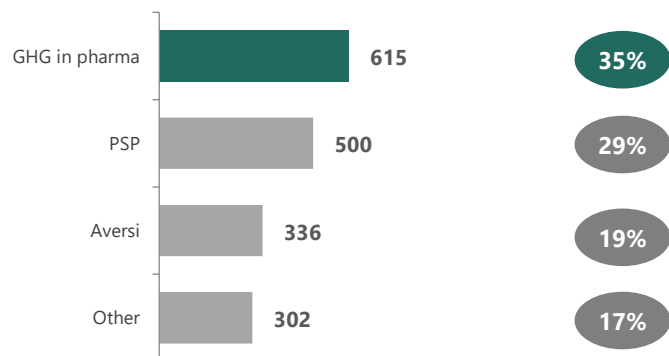
The Body Shop stores

1

Optics – Alain Afflelou

**Country's largest retailer** in terms of both, revenue and number of bills issued

Market share by revenue, 2020<sup>1</sup>



Our retail pharmacy operates under two pharmacy brands, each with a distinct positioning:

- > GPC for the high-end customer segment
- > Pharmadepot for the mass retail segment

## Key focus areas in medium and long-term

- > **Expanding retail footprint in Georgia**
  - > c.400 pharmacies in 5 years
- > **International expansion (Armenia & Azerbaijan)**
  - > Adding new GPC stores in Armenia (currently 8)
  - > Entering Azerbaijan market
- > **Increase sales from E-commerce**
  - > Increase local sales from e-commerce (currently GEL 9.3 million)
  - > Launch e-commerce in Armenia & Azerbaijan
- > **Supporting the core**
  - > Expanding the mix of synergetic products and services
  - > Add international franchises on different beauty and other retail products



## Next 5-year targets

- Double digit revenue & EBITDA CAGR
- 9%+ EBITDA margin



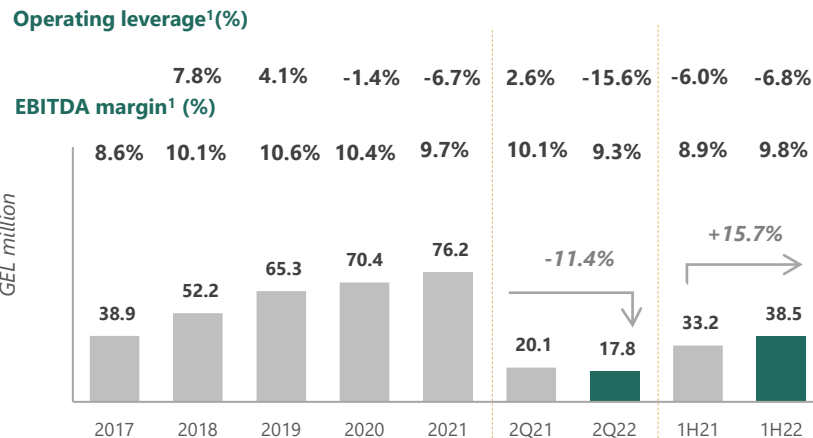
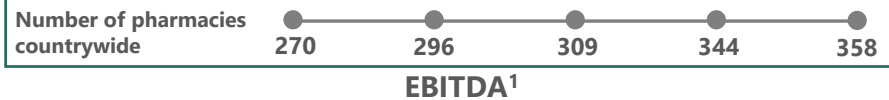
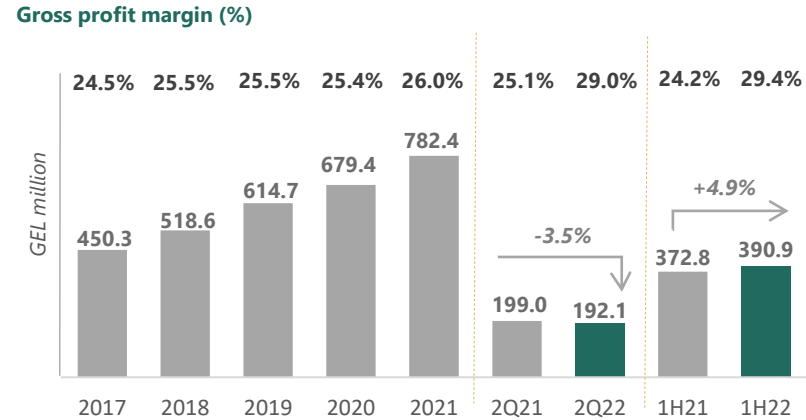
# RETAIL (PHARMACY) BUSINESS OVERVIEW (CONT'D)

## Margin enhancement and strong growth in para-pharmacy sales:

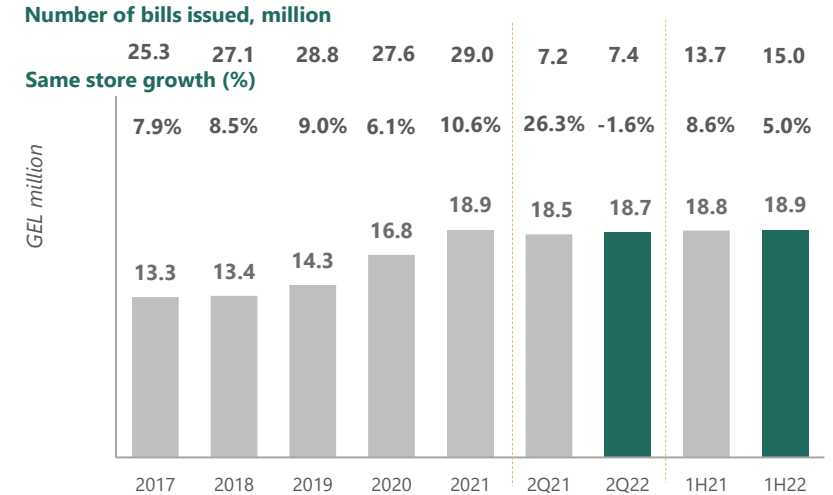
Para-pharmacy sales have the strongest margins and the share of para-pharmacy sales in retail revenue reached 34.9% as of 1H22 (34.3% as of 1H21).

CASH FLOW HIGHLIGHTS	2Q22	1H22
Operating cash flow <sup>1</sup>	GEL 18.4m	GEL 35.2m
Change y-o-y	14.5%	NMF
EBITDA to cash conversion <sup>1</sup>	103.1%	91.5%
Change y-o-y	23.3ppts	50.7ppts
Free cash flow <sup>1</sup>	GEL (17.8)m	GEL (19.7)m
Change y-o-y	NMF	NMF

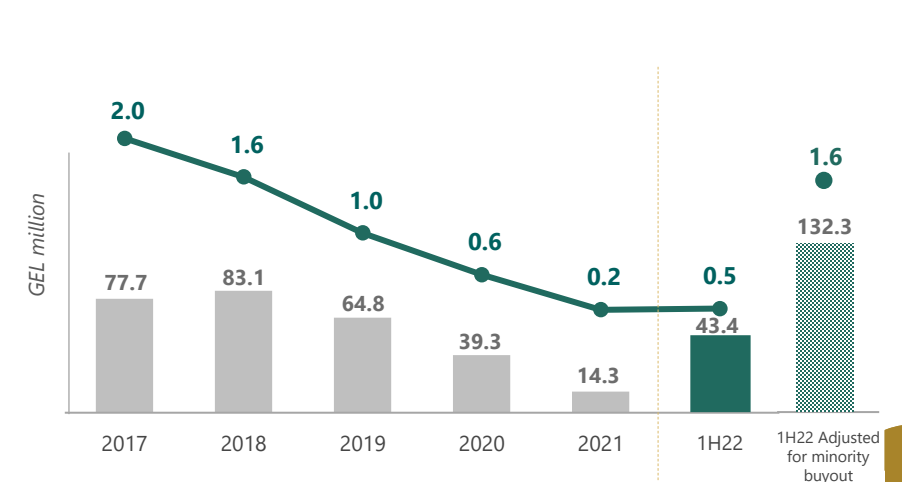
## REVENUE



## AVERAGE BILL SIZE & NUMBER OF BILLS ISSUED



## NET DEBT & NET DEBT TO LTM EBITDA<sup>1</sup>



# RETAIL (PHARMACY) BUSINESS OPERATING PERFORMANCE OVERVIEW

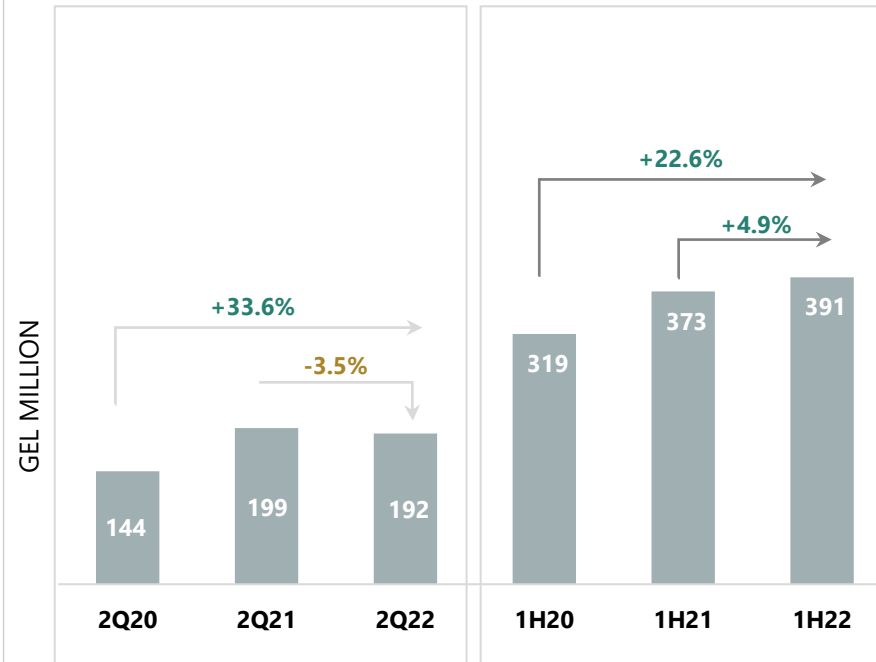


## RETAIL (PHARMACY)

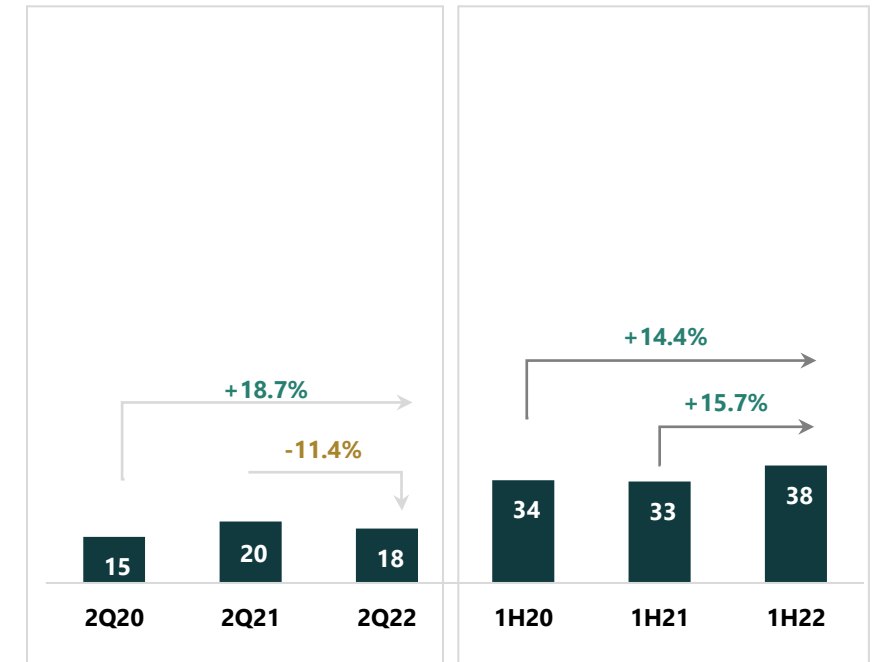
### KEY DRIVERS

- 2Q22 and 1H22 revenues of Retail (Pharmacy) reflect the recalibration of product prices due to GEL's appreciation against foreign currencies and the termination of low-profit generating contracts in the wholesale business line.
- EBITDA was further impacted by inflation and increased operating expenses in line with the continuing expansion of the retail (pharmacy) business (added 33 pharmacies over the last 12 months).
- In 2Q22, the business paid GEL 31.2 million to complete the buyout of the 10% minority stake (valued at GEL 41.2 million, of which GEL 10.0 million was paid in 1Q22).

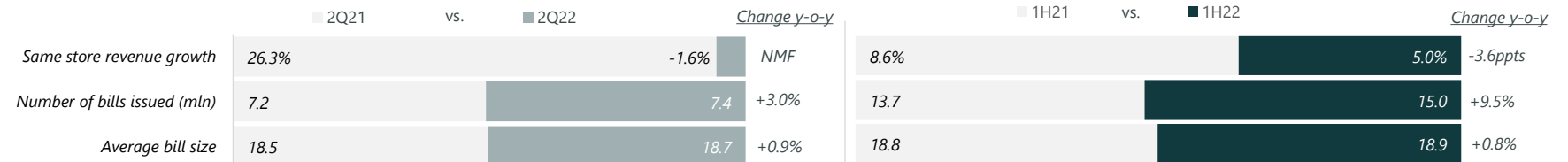
### REVENUE DEVELOPMENT



### EBITDA<sup>1</sup> DEVELOPMENT



### KEY OPERATING HIGHLIGHTS

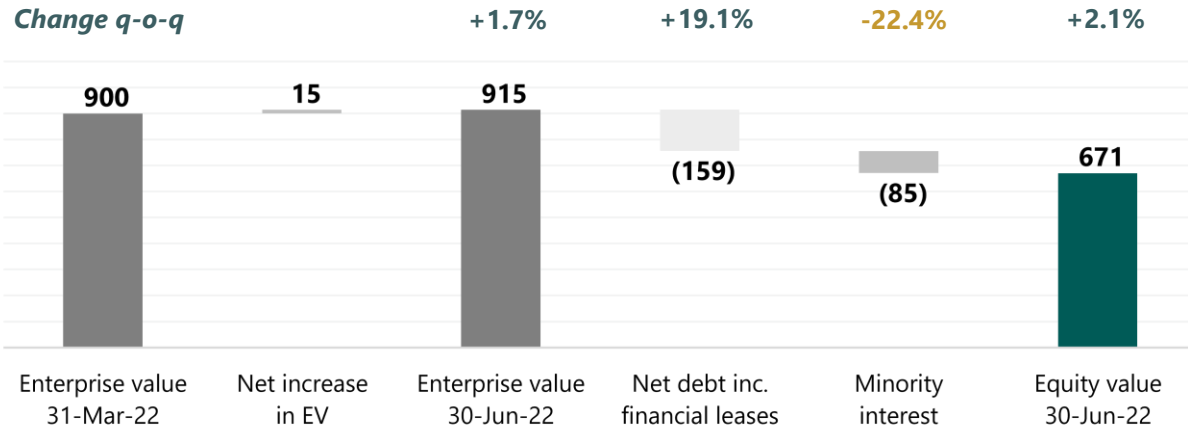




# RETAIL (PHARMACY) BUSINESS VALUATION OVERVIEW

## VALUE DEVELOPMENT OVERVIEW | 2Q22

(GEL MILLION)



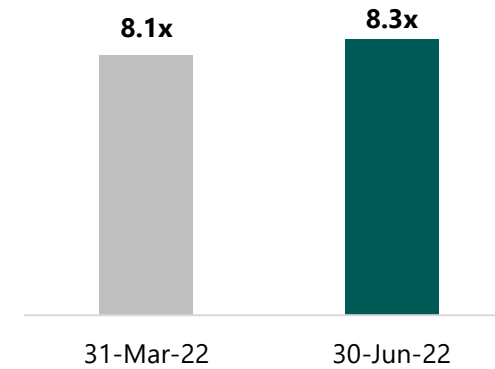
## VALUATION HIGHLIGHTS<sup>1</sup>

GEL million, unless noted otherwise

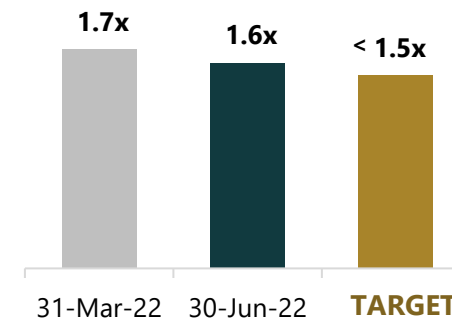
	30-Jun-22	31-Mar-22	Change	31-Dec-21	Change
Enterprise value	915.3	900.2	15.1	952.3	(37.0)
LTM EBITDA	109.7	111.4	(1.7)	102.9	6.8
Implied EV/EBITDA multiple	8.3x	8.1x	0.2x	9.3x	(1.0x)
Net debt inc. lease liabilities	(159.5)	(133.9)	(25.6)	(118.4)	(41.1)
Equity value of GCAP's share	671.0	657.1	13.9	710.4	(39.4)

## IMPLIED LTM EV/EBITDA DEVELOPMENT

(incl. IFRS 16)



## ADJUSTED NET DEBT TO EBITDA<sup>2</sup>

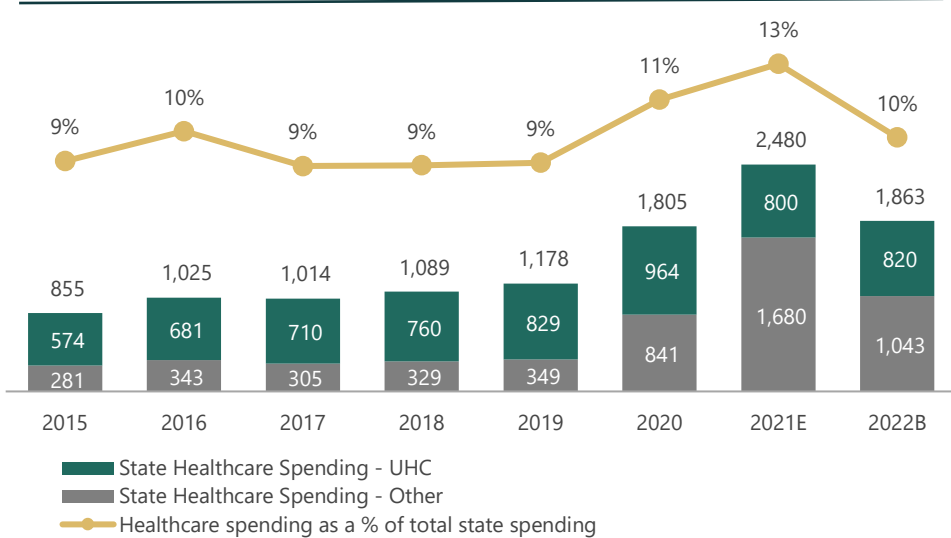






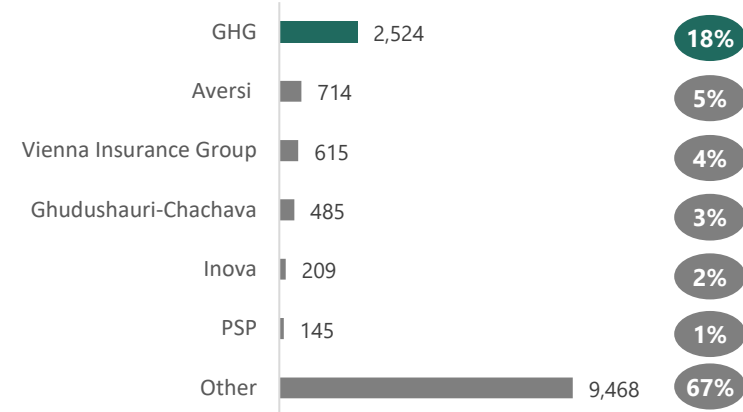
# HOSPITALS BUSINESS OVERVIEW

State healthcare spending, GEL millions



- Since 2020 Government spending increased to manage the COVID - 19 in the country
- Country's expenditure on healthcare – 3.7% of GDP in 2020 (from 2.4% in 2019)
- Government spending on healthcare accounts c.13% of total budget in 2021

Market share by number of beds<sup>1</sup>



- **The largest healthcare service provider in Georgia:** c.18% market share by number of hospital beds.
- **Covering 3/4 of Georgia's population.**

## Key focus areas in medium and long-term

- 1 Adding new services and strategic projects**
  - Ambulance, oncology centre, transplantology center, radiology hub, medical tourism clinical trials, post COVID programmes
- 2 Quality projects**
  - Nursing reform/CRM development/Quality education programmes
- 3 Improved key operational data**
  - Automatisation of clinical processes in hospitals/Digitalisation of clinical KPIs/Use of statistical methods
- 4 Digitalisation of clinical processes**
  - Inpatient/Outpatient/Clinical/Employee and customer satisfaction

## Next 5-year targets

- EBITDA CAGR 10%+**
- EBITDA TO OPERATING CASH C.85%+ (51.2% in 1H22)**
- ROIC: C.13%+ (9.2% in 2021)**



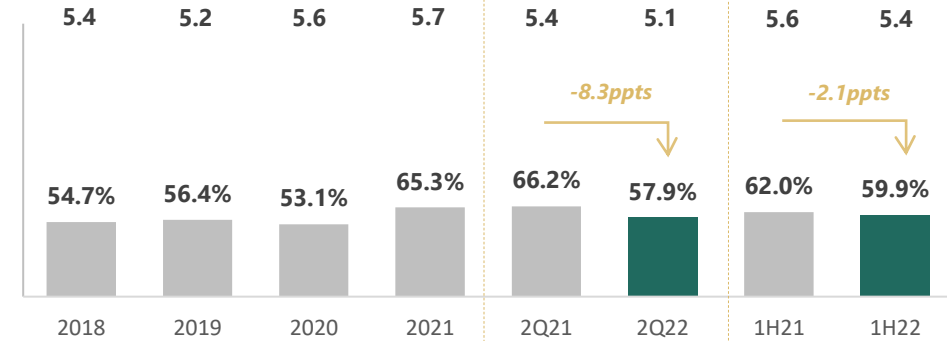
# HOSPITALS BUSINESS OVERVIEW (CONT'D)

## CASH FLOW HIGHLIGHTS<sup>1</sup>

	2Q22	1H22
Operating cash flow	GEL 4.0m	GEL 14.6m
Change y-o-y	-72.9%	-22.3%
EBITDA to cash conversion	29.9%	51.2%
Change y-o-y	-43.7ppts	+3.0ppts
Free cash flow	GEL 5.6m	GEL 14.2m
Change y-o-y	-31.3%	NMF

Average length of stay

## Bed occupancy rate



16

Number of referral hospitals

2,524

Number of referral hospital beds

KGEL 118.8

Revenue per referral bed

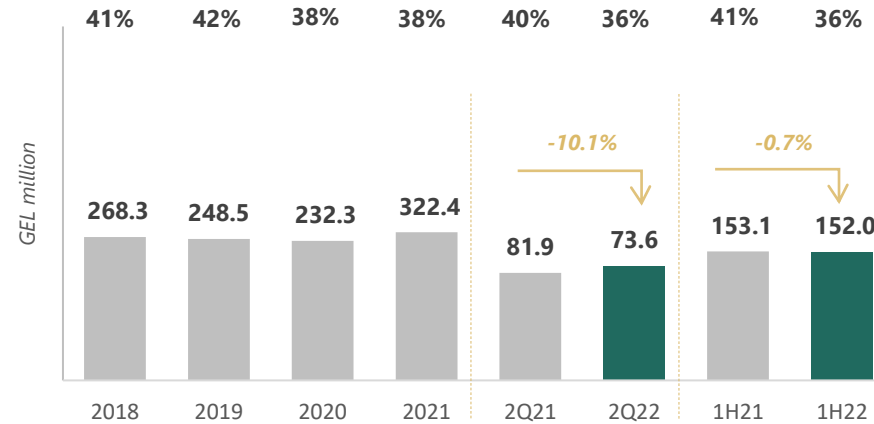
72

Emergency cars

In Tbilisi and regions

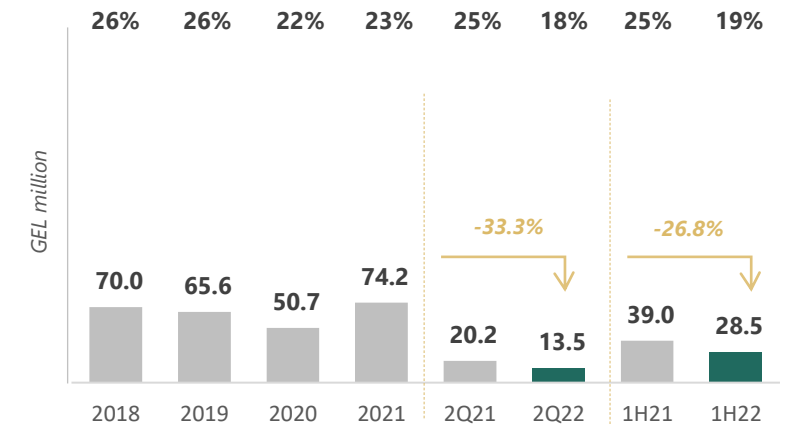
## GROSS REVENUE

### Gross profit margin (%)



## EBITDA<sup>1</sup>

### EBITDA margin (%)<sup>1</sup>



# HOSPITALS BUSINESS OPERATING PERFORMANCE OVERVIEW

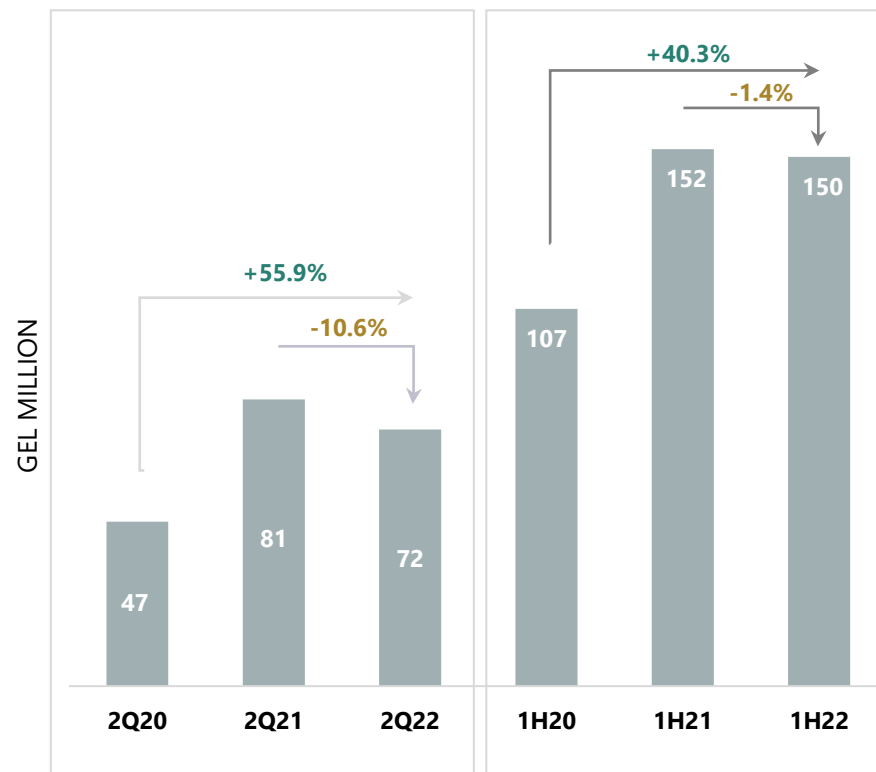


## HOSPITALS

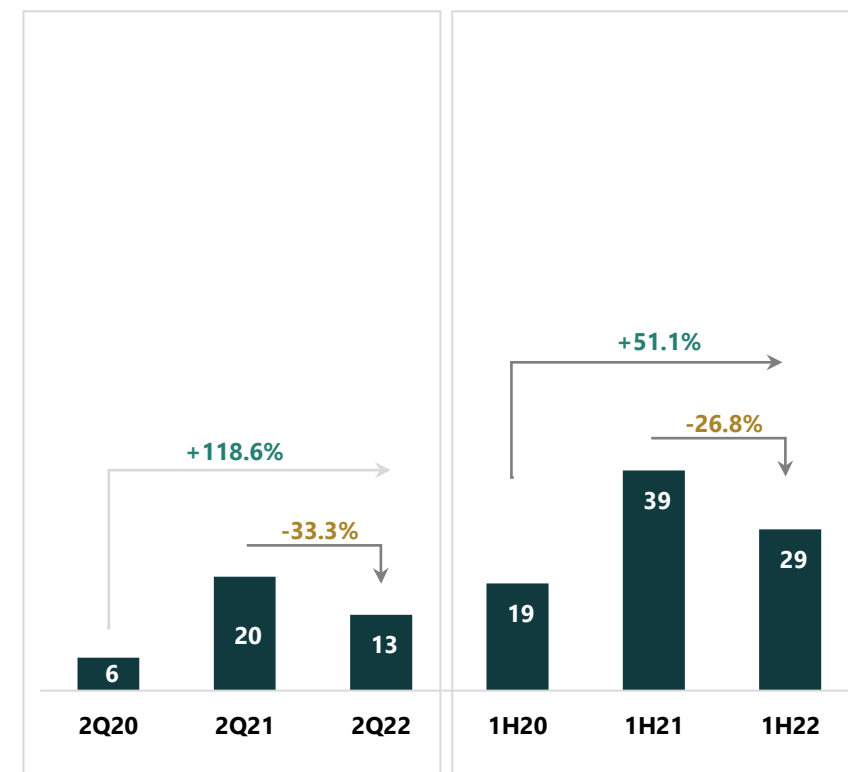
### KEY DRIVERS

- 2Q22 and 1H22 performance of the business reflects the suspension of COVID contracts by the Government in 1Q22 and the subsequent restructuring of the cost base of COVID facilities. The growth is expected to rebound over the next few quarters as the business completes the transition.
- In April 2022, the hospitals business sold 100% equity interest in Traumatology Hospital, for US\$ 2.9 million. The divestment improves the hospitals business' ROIC by 20 bps.

### REVENUE DEVELOPMENT



### EBITDA<sup>1</sup> DEVELOPMENT



### KEY OPERATING HIGHLIGHTS

	2Q21	vs.	2Q22	Change y-o-y	1H21	vs.	1H22	Change y-o-y
Number of admissions ('000)	314.9		301.7	-4.2%	550.0		616.4	+12.1%
Revenue per bed <sup>2</sup>	126.2		116.6	-7.6%	117.9		118.8	+0.7%
Bed occupancy rate (%)	66.2%		57.9%	-8.3ppts	62.0%		59.9%	-2.1ppts

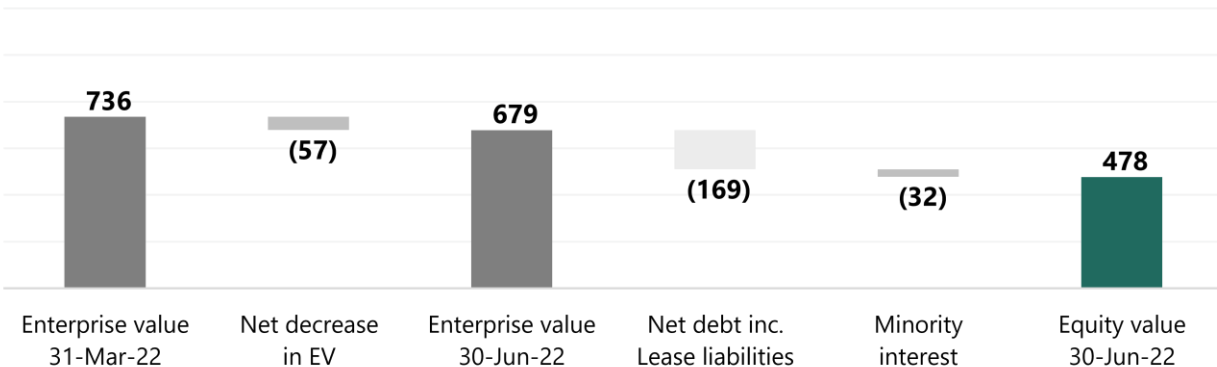


# HOSPITALS BUSINESS VALUATION OVERVIEW

## VALUE DEVELOPMENT OVERVIEW | 2Q22

(GEL MILLION)

Change q-o-q -7.7% -3.5% -12.7% -8.8%

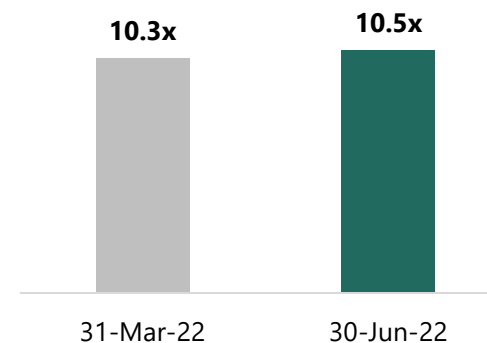


## VALUATION HIGHLIGHTS<sup>1</sup>

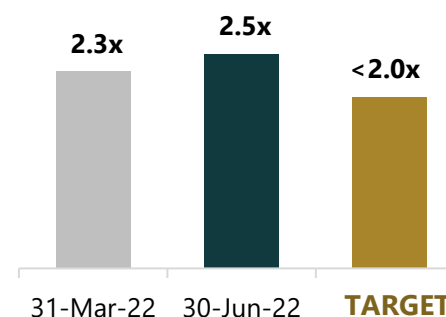
GEL million, unless noted otherwise	30-Jun-22	31-Mar-22	Change	31-Dec-21	Change
Enterprise value	678.7	735.6	(56.9)	791.5	(112.8)
LTM EBITDA	64.9	71.5	(6.6)	75.1	(10.2)
Implied EV/EBITDA multiple	10.5x	10.3x	0.2x	10.5x	-
Net debt incl. lease liabilities	(168.6)	(174.7)	6.1	(178.4)	9.8
Equity value of GCAP's share	478.0	524.3	(46.3)	573.8	(95.8)

## IMPLIED LTM EV/EBITDA DEVELOPMENT

(incl. IFRS 16)



## NET DEBT TO EBITDA



Georgia Capital PLC | 1. The independent valuations of the large and investment portfolio companies are performed on a semi-annual basis. In 2Q22, Hospitals Business was valued externally by a third-party independent valuation firm.



# P&C INSURANCE BUSINESS OVERVIEW



## INVESTMENT RATIONALE

- Significantly underpenetrated insurance market in Georgia (0.8% penetration in property and casualty insurance market).
- Market leader with a powerful distribution network of point of sale and sales agents.

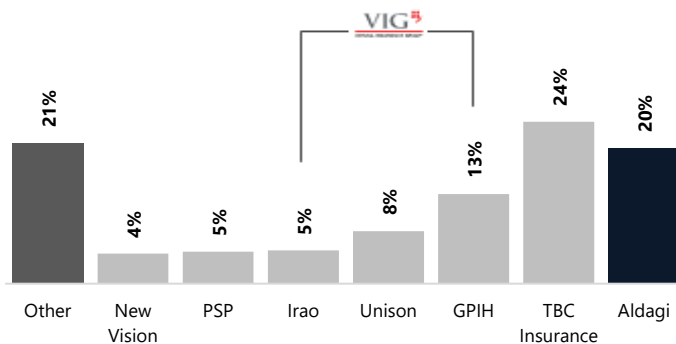
## VALUE CREATION POTENTIAL

- Compulsory border MTPL effective from 1 March 2018.
- Local MTPL expected to kick in and provide access to untapped retail CASCO insurance market with only 5% existing penetration.
- Increasing footprint in untapped MSME sector, where Aldagi's gross revenues have grown by 37% y-o-y in 2Q22 (from GEL 0.61 million to GEL 0.83 million) and by 45% y-o-y in 1H22 (from GEL 1.1 million to GEL 1.5 million).
- Digitalisation.
- Undisputed leader in providing insurance solutions to corporate clients.

## OWNERSHIP

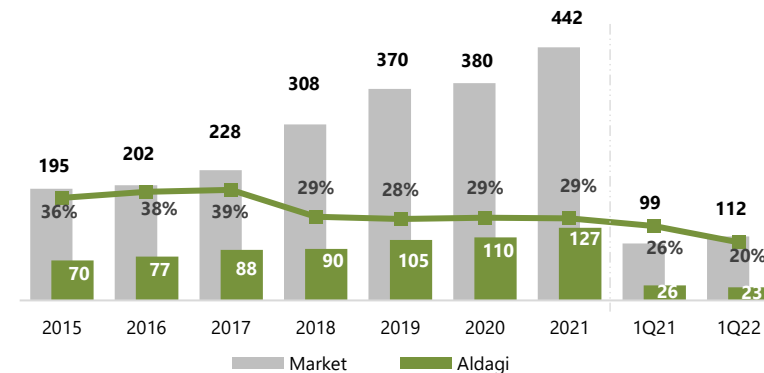
- P&C Insurance is 100% owned through Aldagi.

## MARKET SHARE 1Q22 (GROSS PREMIUMS WRITTEN)



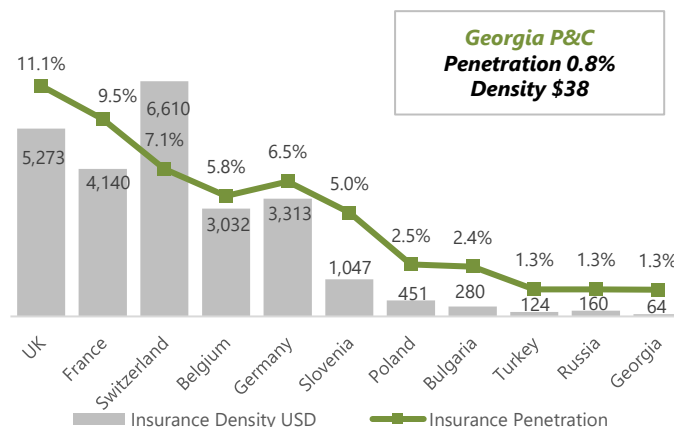
Source: Insurance State Supervision Service of Georgia

## MARKET & ALDAGI GROSS PREMIUMS WRITTEN<sup>1</sup> (GEL MILLION)



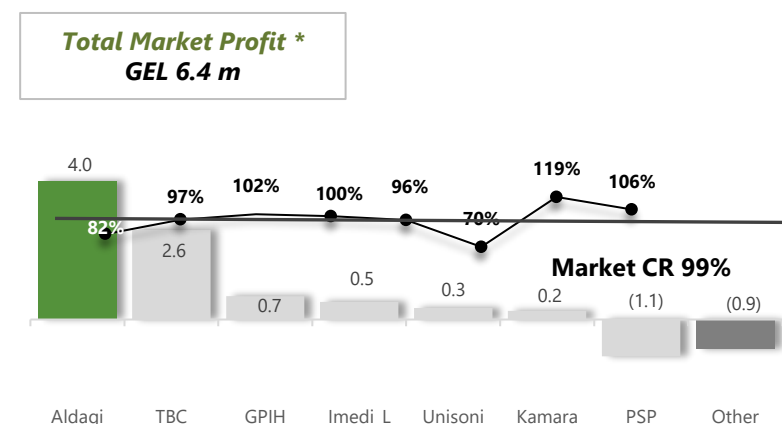
Source: Insurance State Supervision Service of Georgia

## INSURANCE PENETRATION & DENSITY



Note: Penetration and density are stated including healthcare insurance (as of latest available data). Source: Swiss Re Institute

## MARKET PL & COMBINED RATIO | 1Q22



\* Market data is based on net profits reported to regulatory body and does not represent IFRS amounts, except for Aldagi and TBC

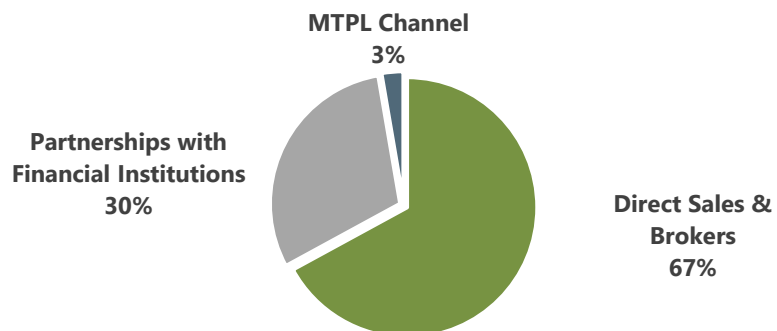




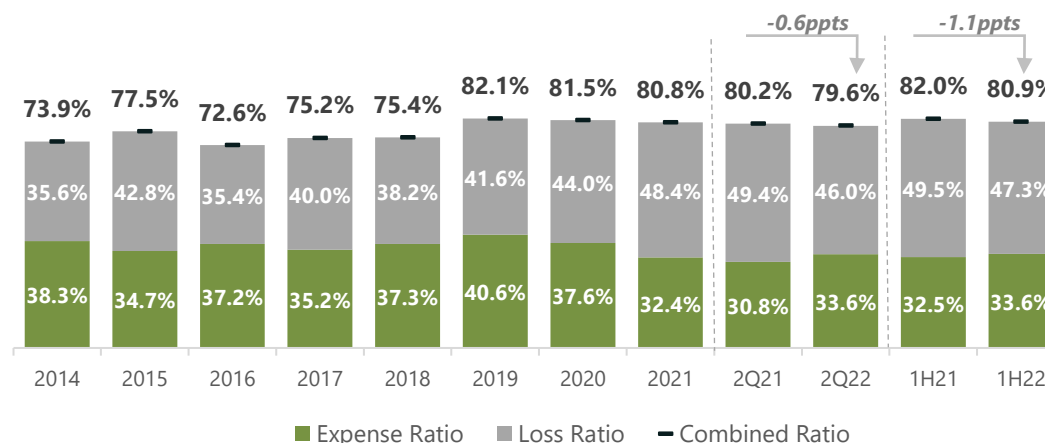
# P&C INSURANCE BUSINESS OVERVIEW



## Distribution Mix (GPW %) | 1H22



## COMBINED RATIO

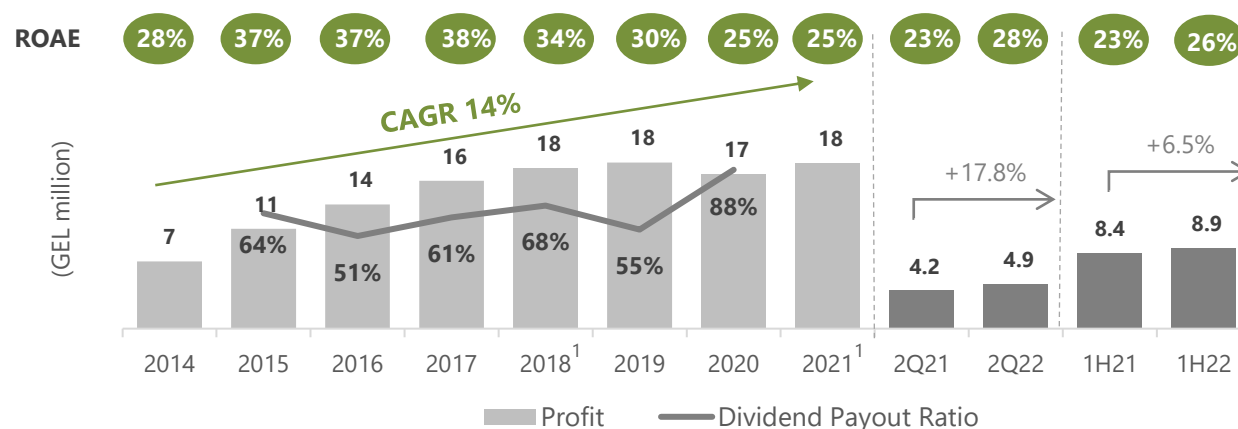


## Operating Metrics

2Q22 1H22

Number of policies written (corporate)	16,209	39,128
Change (y-o-y)	12.9%	-10.2%
Number of policies written (retail)	48,420	83,609
Change (y-o-y)	30.1%	9.8%
Number of claims reported	5,227	8,828
Change (y-o-y)	4.0%	-1.8%
Renewal rate (corporate)	60.6%	64.9%
Change (y-o-y)	-25.1ppts	-20.3ppts
Renewal rate (retail)	71.9%	71.2%
Change (y-o-y)	+0.3ppts	-1.9ppts

## PROFIT & DIVIDEND PAYOUT RATIO



# INSURANCE BUSINESS OPERATING PERFORMANCE OVERVIEW



## INSURANCE

### KEY DRIVERS

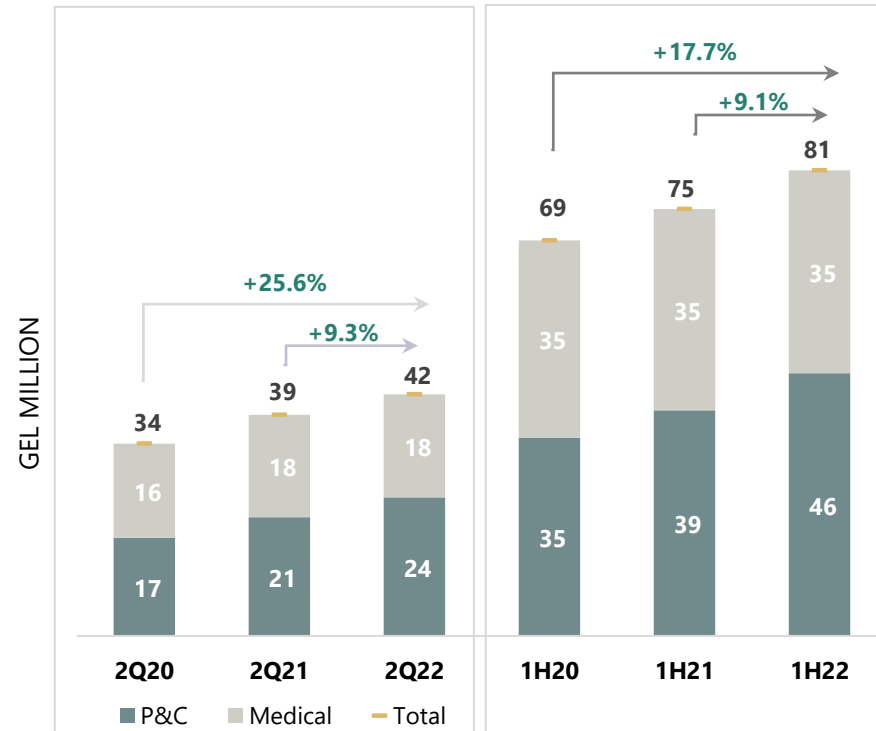
#### P&C Insurance

- Increase in earned premiums net in 2Q22 and 1H22 is driven by the growth in the credit life and agricultural insurance lines.
- The combined ratio decreased by 0.6 and 1.1 ppts y-o-y in 2Q22 and 1H22, respectively, reflecting robust revenue growth and reduction in COVID-19-related credit life insurance claims.
- The business paid GEL 7.5 million dividends in 1H22.

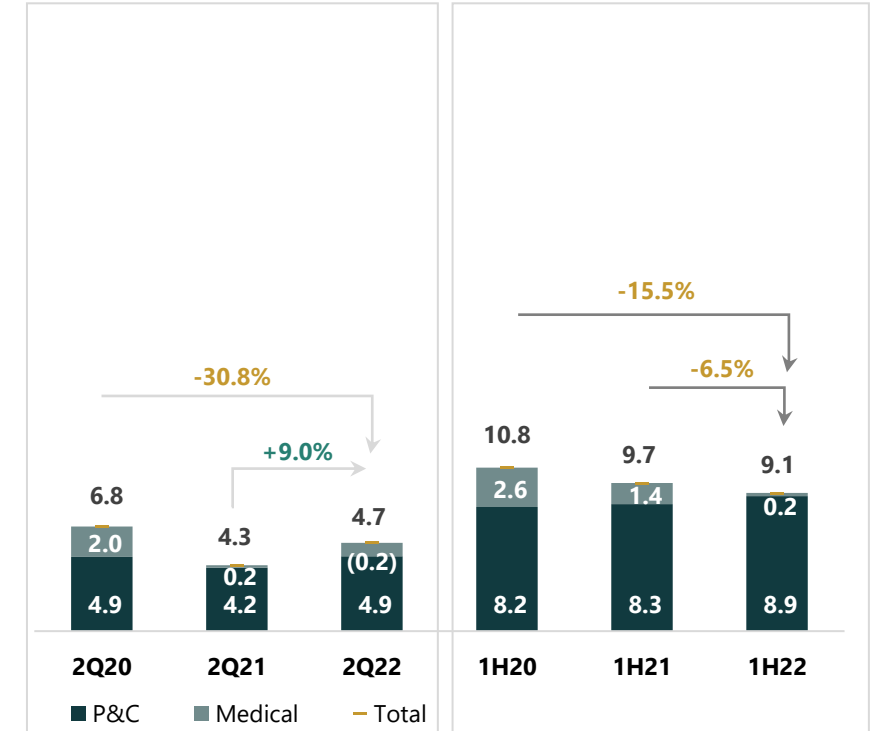
#### Medical Insurance

- The performance in 2Q22 and 1H22 reflects c.5% increase in the price of insurance policies and related decrease in the number of insured clients.

### EARNED PREMIUMS NET



### NET INCOME DEVELOPMENT



### KEY OPERATING HIGHLIGHTS

#### Medical Insurance

	2Q21	vs.	2Q22	Change y-o-y	1H21	vs.	1H22	Change y-o-y
Combined ratio	101.9%		106.7%	+4.8ppts	99.0%		103.8%	+4.8ppts
Number of individuals insured	167,967		159,766	-4.9%	167,967		159,766	-4.9%

#### P&C Insurance

	2Q21	vs.	2Q22	Change y-o-y	1H21	vs.	1H22	Change y-o-y
Combined ratio	80.2%		79.6%	-0.6ppts	82.0%		80.9%	-1.1ppts
Number of policies written	51,570		64,629	+25.3%	119,735		122,737	+2.5%

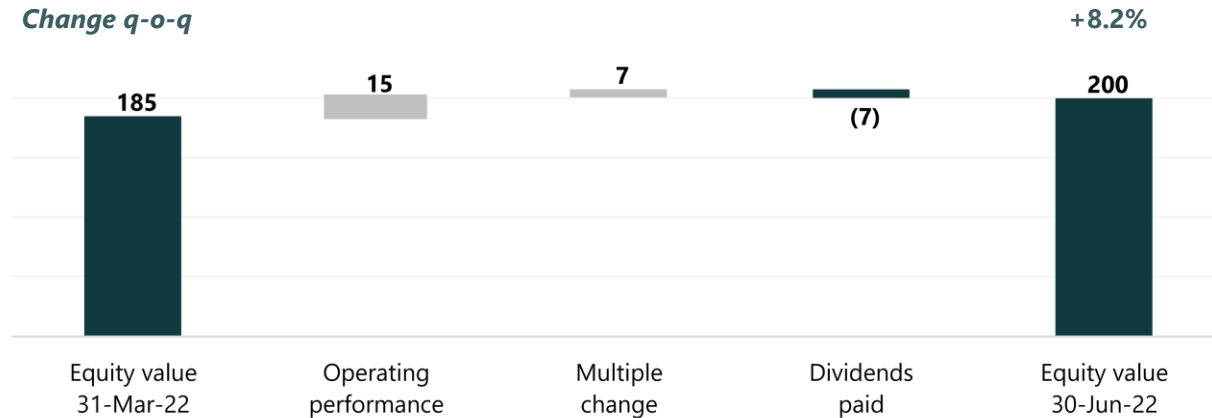


# P&C INSURANCE BUSINESS VALUATION OVERVIEW

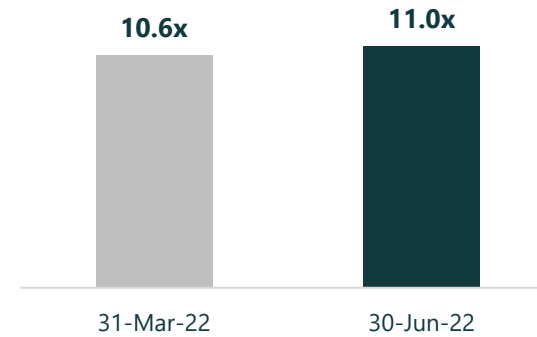
## VALUE DEVELOPMENT OVERVIEW | 2Q22

(GEL MILLION)

Change q-o-q



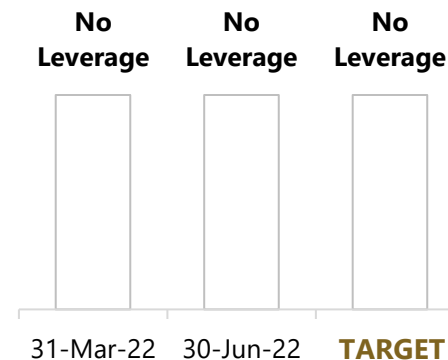
## IMPLIED LTM P/E MULTIPLE DEVELOPMENT



## VALUATION HIGHLIGHTS<sup>1</sup>

GEL million, unless noted otherwise	30-Jun-22	31-Mar-22	Change	31-Dec-21	Change
LTM Net income <sup>2</sup>	18.2	17.4	0.8	17.6	0.6
Implied P/E multiple	11.0x	10.6x	0.4x	12.0x	(1.0x)
Equity value	199.8	184.6	15.2	211.5	(11.7)
LTM ROAE <sup>3</sup>	25.8%	24.5%	+1.3 ppts	24.7%	+1.1 ppts

## NET DEBT TO EBITDA





# RENEWABLE ENERGY BUSINESS OVERVIEW

## INVESTMENT RATIONALE

- Growth in electricity consumption has been ~6.5x more in TWhs than growth in electricity supply during last 10 years.
- Favorable supply-demand dynamics pushing the power prices up
- Georgia is on track to the harmonization of current energy market structure with EU directives leading to liquid, competitive and transparent market
- Cheap to develop – up to US\$ 1.5 million for 1MW hydro and up to US\$ 1.4 million for wind development on average, with 1.5x higher capacity factors compared to Europe.
- Fully dollarized business, as both PPAs and market sales are set in US dollars.

## VALUE CREATION POTENTIAL

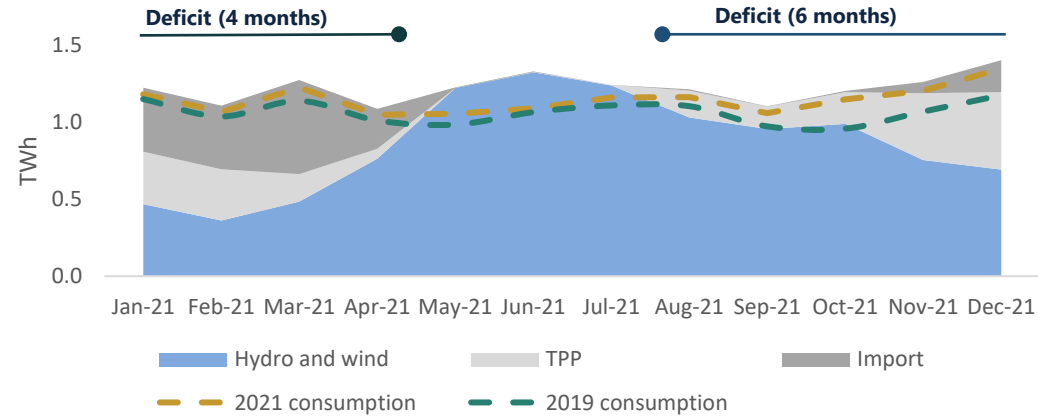
- Opportunity to establish a renewable energy platform with up to ~240MW operating capacity over the medium term and capitalize on favorable electricity market conditions.
- Diversified portfolio of hydro and wind power plants with c. 40%+ capacity factors, benefiting from long-term fixed price PPAs formed with the Government-backed entity.
- Availability of competitive funding from international capital markets for pipeline projects.
- High margins and dollar-linked cash flows.
- Stable dividend provider capacity in the medium term.

## OWNERSHIP

- Renewable Energy is 100% owned by Georgia Capital.

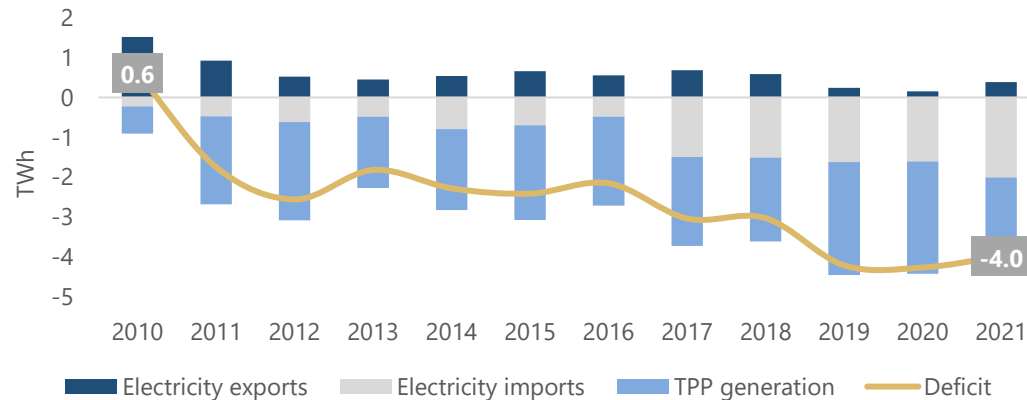
## MARKET OPPORTUNITY

### ELECTRICITY SUPPLY AND CONSUMPTION (TWH)



- Electricity deficit during July-April.
- 16.2% of total consumption produced by gas-fired TPPs, 13.7% – imported.
- 2021 electricity consumption up by 7.6% and 13.1% from 2019 and 2020 respectively
- More than 1/3 of consumed electricity was either import or generated by gas-fired TPPs
- In 1H22 weighted average ESCO balancing price reached 57.2 US\$/MWh, up by ~23% y-o-y
- In 1H22 electricity consumption reached 7.3 TWh, up by 10% y-o-y

### ELECTRICITY IMPORT AND EXPORT DYNAMICS (TWh)

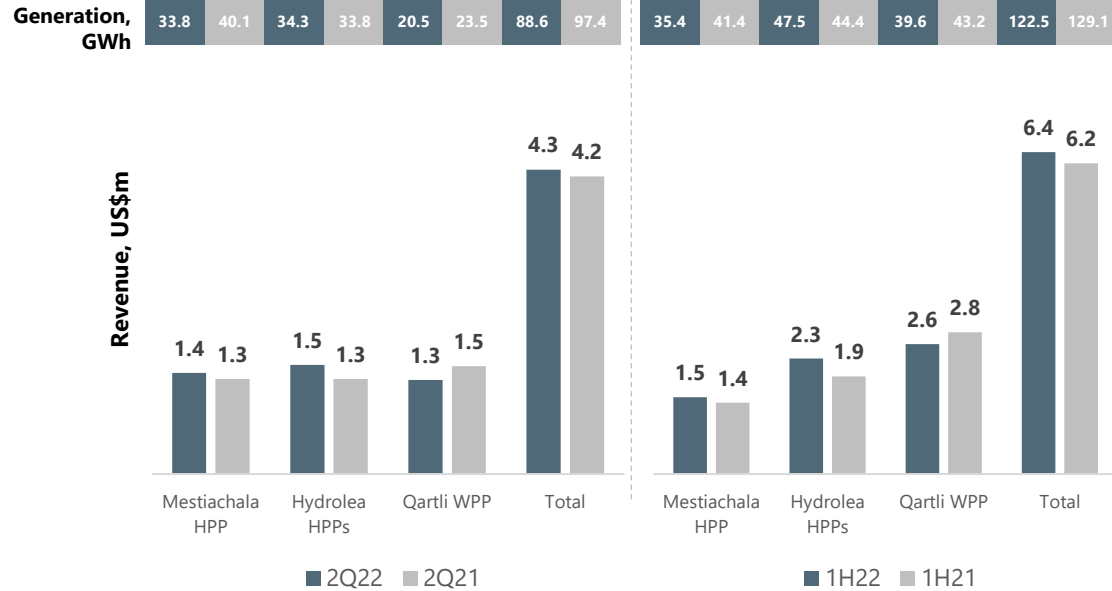


- 2021 net electricity deficit stood at 4.0 TWh, whereas in 2010, electricity surplus was at 0.6 TWh
- Consumption growth forecasted at minimum 4.5% CAGR in coming 10 years



# RENEWABLE ENERGY BUSINESS OVERVIEW (CONT'D)

## PERFORMANCE HIGHLIGHTS



## RENEWABLE ENERGY PROJECTS OVERVIEW | 30 JUNE 2022

Commissioned projects	Installed capacity (MWs)	Gross capacity factor (P50)	PPA expiration	PPA tariff, Us\$/KWh	Generation in deficit months
Mestiachala HPP	30.0	40%	1H34	5.5	72%
Hydrolea HPPs	20.4	70%	1H22-2H28	5.5-5.6	79%
Qartli Wind Farm	20.7	47%	2H29	6.5	85%
<b>Total operating</b>	<b>71.1</b>				
<b>Pipeline projects</b>					
Zoti HPP	46.0	43%	TBD	5.1	68%
Darchi HPP	18.0	55%-60%	1H34	5.66	76%
Tbilisi Wind Farm	54.0	37%-40%	TBD	TBD	82%
Kaspi Wind Farm	54.0	37%-40%	TBD	TBD	84%
<b>Total pipeline</b>	<b>172.0</b>				
<b>Total</b>	<b>243.1</b>				

Note 1: Mestiachala HPP was commissioned in 1H19; Qartli Wind Farm and Hydrolea HPPs were acquired in 2H19 by Georgia Capital; Target commissioning date of Darchi HPP is 1H24

Note 2: PPA terms for Tbilisi and Kaspi WPPs are under the discussion with the Government of Georgia.

## FINANCIAL HIGHLIGHTS

	2Q22	1H22	2Q22	1H22
EBITDA (US\$ million)	3.5	4.7		
Change (y-o-y)	+4.4%	+5.6%		
EBITDA (GEL million)	10.5	14.2		
Change (y-o-y)	-5.9%	-4.3%		
EBITDA margin	82.0%	73.9%		
Change (y-o-y)	+1.6ppts	+1.2 ppts		
Cash flow from operations (GEL million)	7.8	11.3		
Change (y-o-y)	-6.2%	+12.6%		
Average sales price in (US\$/MWh)	48.7	52.1		
Change (y-o-y)	+12.6%	+9.2%		
Dividend payment (GEL million)	2.1	4.2		
Change (y-o-y)	-56.6%	-55.4%		



# RENEWABLE ENERGY BUSINESS OPERATING PERFORMANCE OVERVIEW

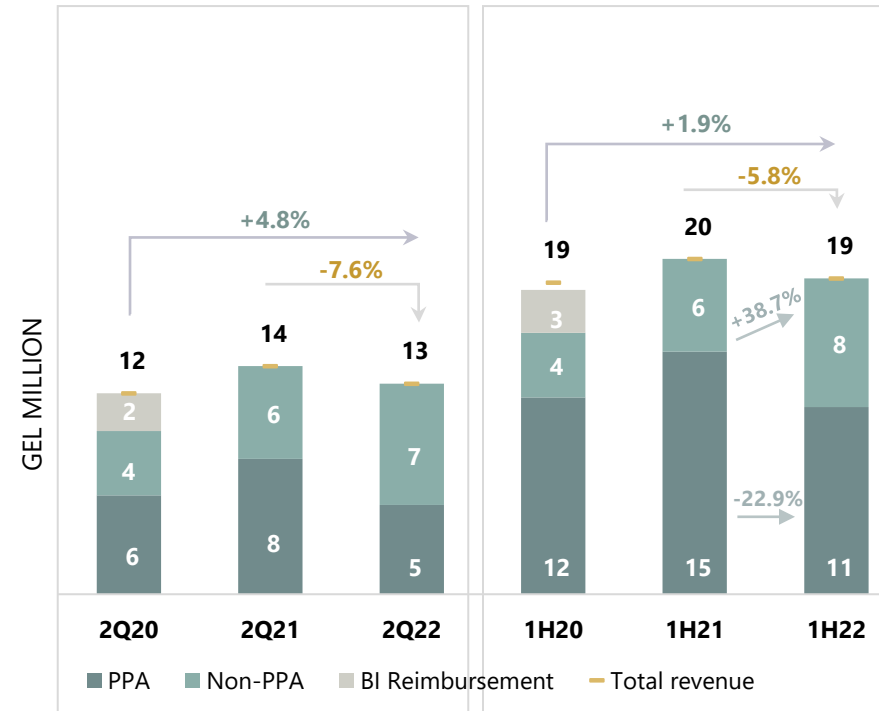


## RENEWABLE ENERGY

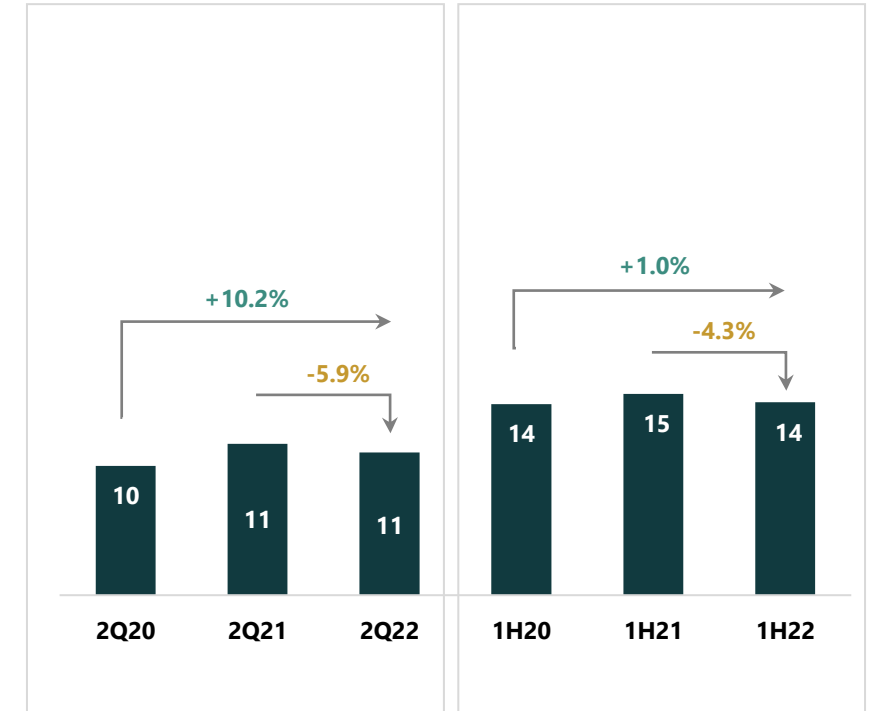
### KEY DRIVERS

- 2Q22 and 1H22 performance mainly reflects GEL's appreciation against US\$ and decrease in electricity generation, the latter resulting from the better environmental conditions in the comparable 2021 periods.
- In US\$ terms, revenue and EBITDA were up 2.3% and 4.4% y-o-y in 2Q22, reflecting a 12.6% y-o-y increase in average electricity selling prices.
- The business paid GEL 4.2 million dividends in 1H22.

### REVENUE DEVELOPMENT



### EBITDA DEVELOPMENT



### KEY OPERATING HIGHLIGHTS

	2Q21	vs.	2Q22	Change y-o-y	1H21	vs.	1H22	Change y-o-y
Electricity generation (GWh)	97.4		88.6	-9.1%	129.1		122.5	-5.1%
Average sales price (US\$/MWh)	43.3		48.7	+12.6%	47.7		52.1	9.2%



# RENEWABLE ENERGY BUSINESS VALUATION OVERVIEW

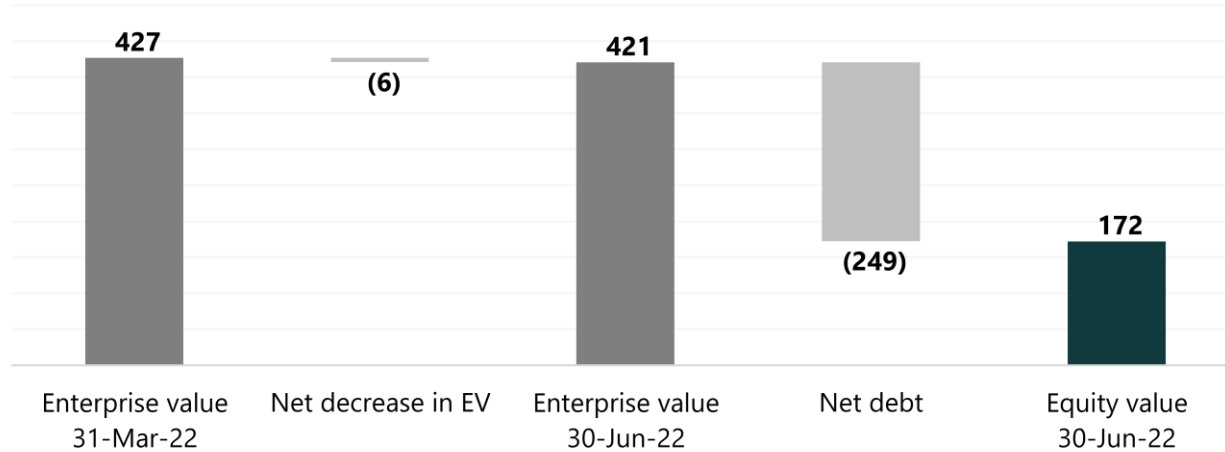
## VALUE DEVELOPMENT OVERVIEW | 2Q22 (GEL MILLION)

Change q-o-q

-1.5%

-5.6%

+5.1%

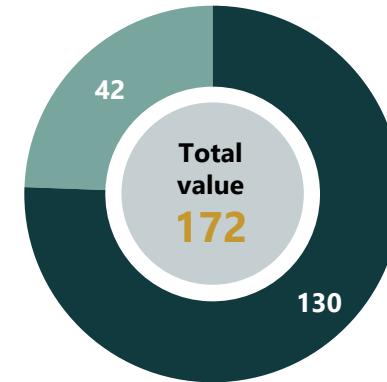


## VALUATION HIGHLIGHTS<sup>1</sup>

GEL million, unless noted otherwise

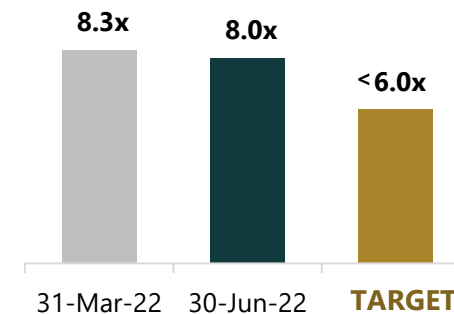
	30-Jun-22	31-Mar-22	Change	31-Dec-21	Change
Enterprise value	421.0	427.3	(6.3)	428.2	(7.2)
EBITDA <sup>3</sup>	34.0	35.3	(1.3)	34.9	(0.9)
Implied EV/EBITDA multiple	11.1x	10.9x	0.2x	11.1x	-
Investments at cost (EV) <sup>2</sup>	42.4	42.2	0.2	42.0	0.4
Net debt	(248.8)	(263.5)	14.7	(255.0)	6.2
Equity value	172.2	163.9	8.3	173.3	(1.1)

## EQUITY FAIR VALUE COMPOSITION AT 30-JUN-22 (GEL MILLION)



■ Operational assets ■ Pipeline projects

## NET DEBT TO EBITDA





# EDUCATION BUSINESS OVERVIEW



## INDUSTRY INVESTMENT RATIONALE

- Highly fragmented general education market with consolidation opportunity.
- Market with strong growth potential.
- Low dependency on the Government.
- High resilience to crisis.
- High quality and predictable revenue.
- Strong profitability.
- CAPEX efficient business.
- Positive ESG impact.

## VALUE CREATION POTENTIAL

- Scaling up to capacity of 22,000 learners through expansion plans in existing schools, greenfield projects and M&As by 2025.
- Strong organic growth at existing schools is expected to drive solid growth in run-rate EBITDA, on top of expansion plans, greenfield projects and M&As by 2025.
- Eventual growth of potential EBITDA with GEL 40m will be fulfilled through building out eventual learner capacity, reaching run-rate utilization and sustaining revenue per learner growth.
- Stable dividend provider capacity in the medium terms.

## OWNERSHIP

- Majority stakes (70%-90%) across different schools.

## TARGETING FOR 2025...

**1 EBITDA margin**  
40%+

Currently: GEL 135mln

**2 Equity Value**  
GEL 0.5bln

Currently: 35%+

**3 ROIC**  
20%+

Currently: 20%+

**4 Ramp-up of new capacity**  
3-5 years



## ...THROUGH

<b>REMAINING GCAP NEW EQUITY INVESTMENT</b>	<b>24</b> USD million	<b>BUILT LEARNER CAPACITY</b>	<b>22</b> thousand	<b>EBITDA</b>	<b>50</b> GEL million
<b>TOTAL REMAINING INVESTMENT, in USDm</b>	60	<b>TOTAL BUILT LEARNER CAPACITY, in thousands</b>	21.9	<b>TOTAL EBITDA, in GELm</b>	50
<b>Debt</b>	18	<b>Currently operational campuses</b>	5.1	<b>Currently operational campuses</b>	21
<b>Equity</b>	42	<b>Secured pipeline projects</b>	3.0	<i>As of 2021-22 academic year</i>	12
<i>Reinvestment</i>	15	<b>M&amp;A</b>	13.8	<i>Organic growth</i>	9
<i>GCAP new equity investment</i>	24	<b>Out of 22k capacity:</b>	14.9k Affordable; 4.6k Midscale; 1.9k Premium; 0.6k International	<b>Secured pipeline projects</b>	9
<i>Minority equity investment</i>	3			<b>M&amp;A</b>	20

- With new equity investment of USD 24m GCAP can expand to 22k learner capacity and generate GEL 50m EBITDA by 2025 through: (1) currently operational campuses (2) secured pipeline projects and (3) M&A
- Out of USD 24m new equity investment, USD 21m is attributable to M&A and USD 3m is attributable to investments in secured pipeline projects with operational schools
- In addition to USD 24m new equity investment by GCAP, growth will be financed through, reinvestments, debt, and equity contribution by minorities - total remaining investment for Education business is USD 60m



# EDUCATION BUSINESS OVERVIEW (CONT'D)



## Operating highlights

As of 30-Jun-22

Capacity utilization, Excluding expansion <sup>2</sup>	96.5%
Change (y-o-y)	+5.3 ppts
Capacity utilization for newly added capacity	23.0%
Change (q-o-q)	-0.1 ppts
Number of learners	3,230
Change (y-o-y)	+26.0%
Learner to teacher ratio	8.0
Change (y-o-y)	-16.1%

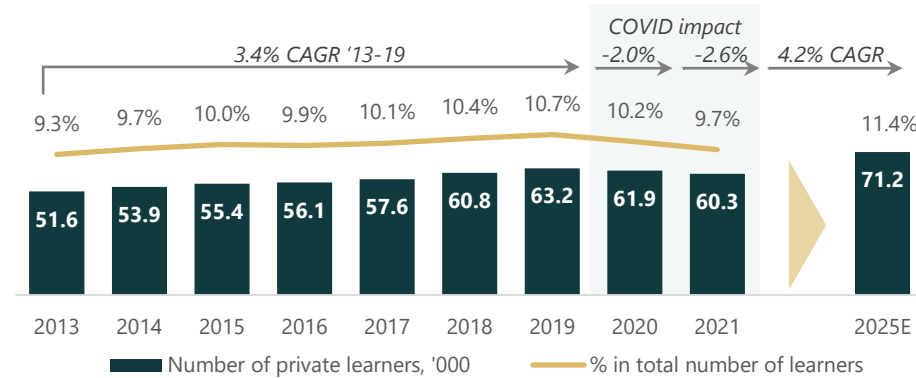
## Financial highlights

2Q22 1H22

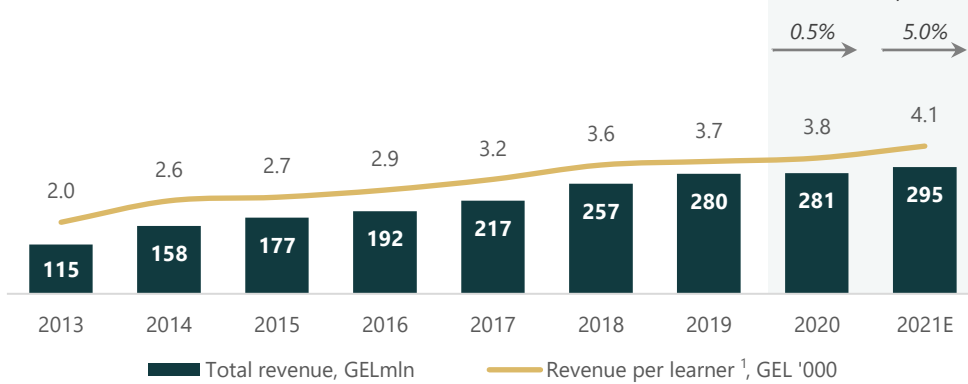
EBITDA	GEL 4.5m	GEL 8.8m
Change (y-o-y)	+19.7%	+35.5%
EBITDA margin	39.4%	39.7%
Change (y-o-y)	-3.0 ppts	-0.2 ppts
Cash flow from operations	GEL 8.8m	GEL 10.5m
Change (y-o-y)	+47.1%	+38.8%
Net debt	GEL 11.8m	GEL 11.8m
Change (y-o-y)	-19.8%	-19.8%

## PRIVATE K-12 MARKET IN GEORGIA

### Number of learners in private K-12 market

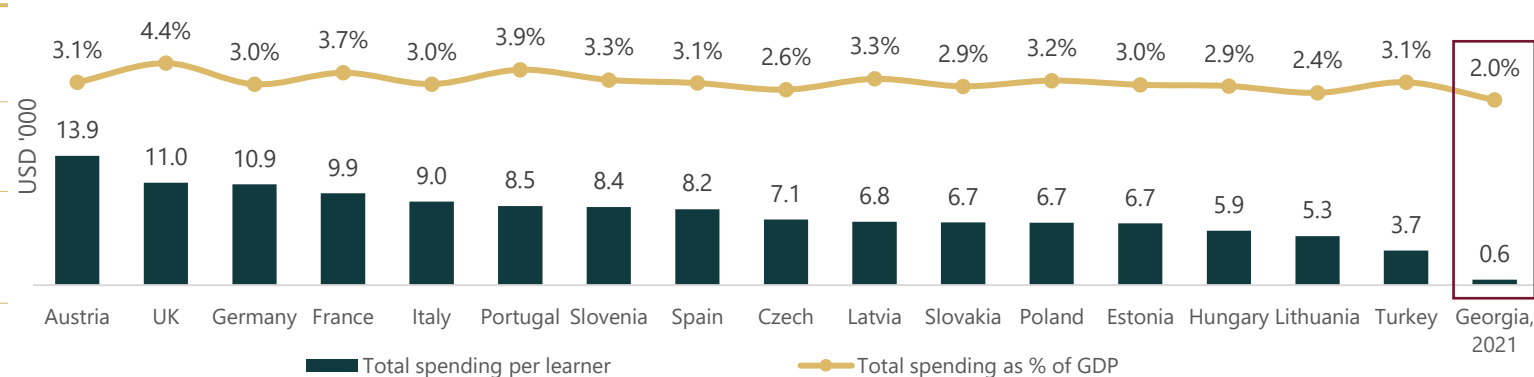


### Turnover of private K-12 market



Source: Ministry of Education of Georgia, G&T, GCAP estimates

### Total spending on K-12 education, 2018



**Demand on private education is trending globally, growth attributable to regions with lower spending on Education**

Source: OECD, Ministry of Finance of Georgia

# EDUCATION BUSINESS OPERATING PERFORMANCE OVERVIEW

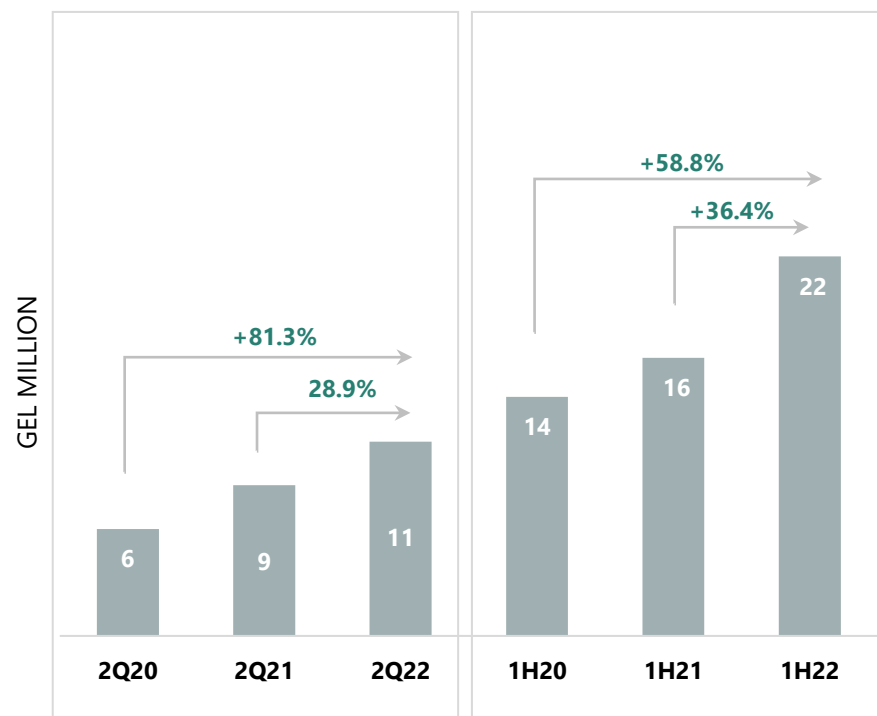


## EDUCATION

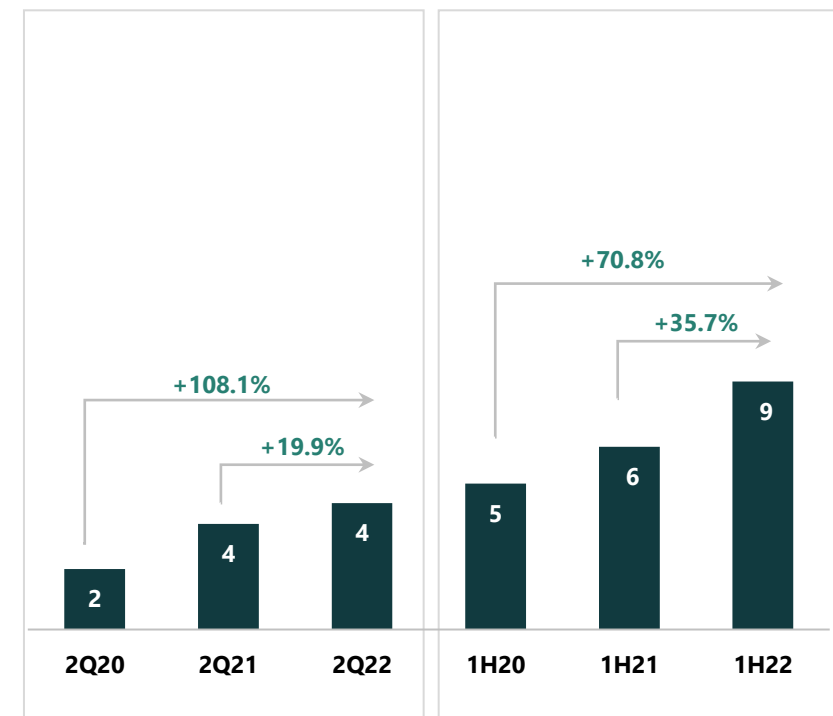
### KEY DRIVERS

- 2Q22 and 1H22 revenue and EBITDA growth reflects higher total enrolments, increase in average fee per learner and shift in academic days.
- Capacity utilisation, excluding the capacity expansion<sup>1</sup> in the affordable segment, was up by 5.3 pts y-o-y to 96.5% in 1H22.
- Utilisation of the newly added capacity of 2,250 learners in 3Q21, was 23.0% as of 30-Jun-22.

### REVENUE DEVELOPMENT



### EBITDA DEVELOPMENT



### KEY OPERATING HIGHLIGHTS

	2Q21	vs.	2Q22	Change y-o-y	1H21	vs.	1H22	Change y-o-y
Number of learners	2,564		3,230	+26.0%	2,564		3,230	+26.0%
Capacity utilisation <sup>1</sup> (excluding expansion)	91.2%		96.5%	+5.3pts	91.2%		96.5%	+5.3pts

Georgia Capital PLC | 1. The expansion includes the addition of 2,250 learners' capacity in 3Q21, through the following investments: (1) the acquisition of an 81% equity interest in Georgian-Austrian School Pesvebi (1,200 learner capacity), (2) the launch of a new (second) campus under the existing affordable brand – Green School (600 learner capacity) and (3) the expansion of Green School's existing campus (450 learner capacity).



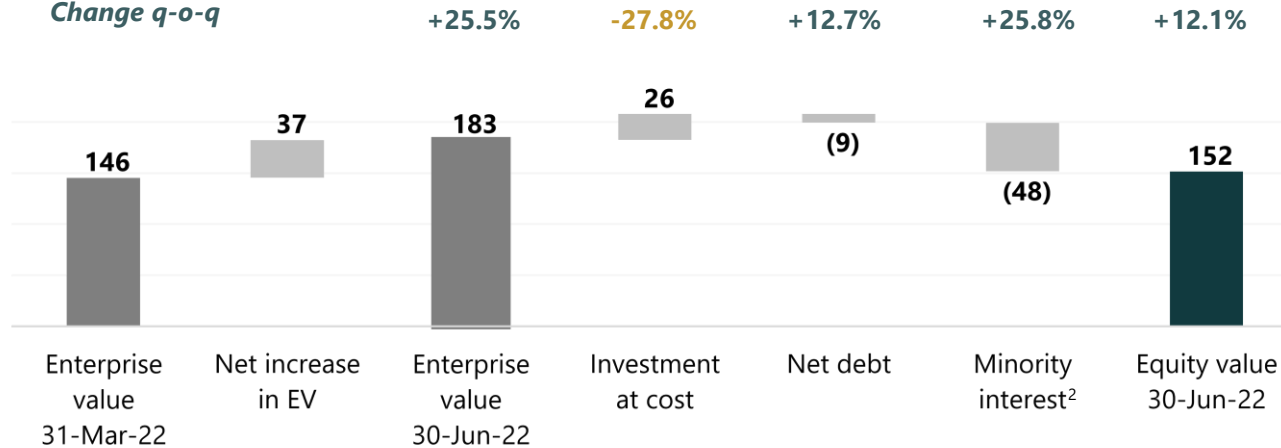


# EDUCATION BUSINESS VALUATION OVERVIEW

## VALUE DEVELOPMENT OVERVIEW | 2Q22

(GEL MILLION)

Change q-o-q

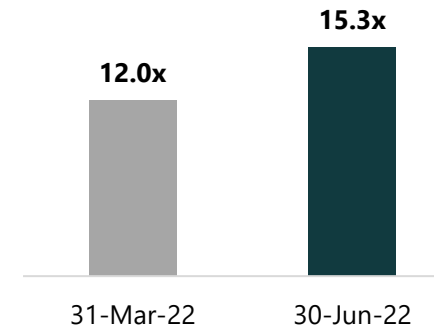


## VALUATION HIGHLIGHTS<sup>1</sup>

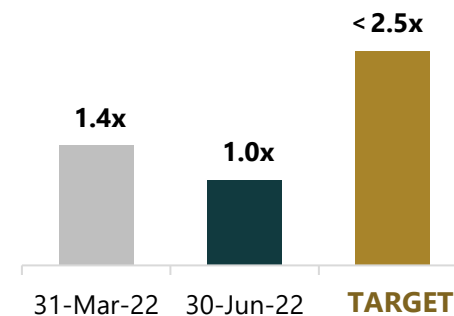
GEL million, unless noted otherwise

	30-Jun-22	31-Mar-22	Change	31-Dec-21	Change
Enterprise value	182.7	145.6	37.1	139.9	42.8
EBITDA <sup>3</sup>	11.9	12.1	(0.2)	11.2	0.7
Implied EV/EBITDA multiple	15.3x	12.0x	3.3x	12.5x	2.8x
Net debt	(8.9)	(7.9)	(1.0)	(8.4)	(0.5)
Investments at cost	25.7	35.7	(10.0)	34.9	(9.2)
Total equity value of GCAP's share	151.8	135.4	16.4	129.8	22.0

## LTM EV/EBITDA DEVELOPMENT



## NET DEBT TO EBITDA

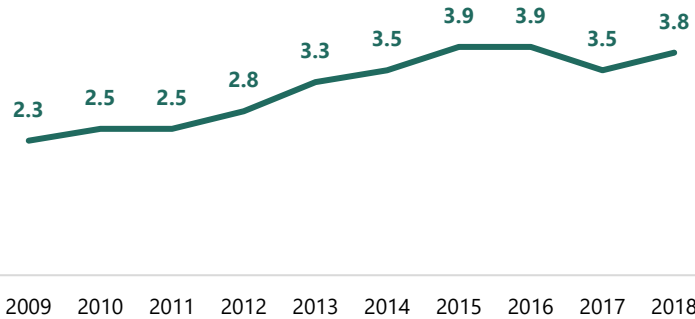




# CLINICS & DIAGNOSTICS BUSINESS OVERVIEW

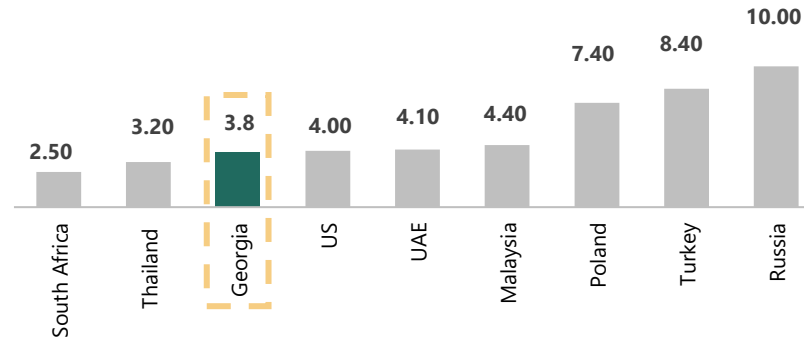
## HIGH GROWTH PROSPECTS IN THE CLINICS BUSINESS

Outpatient visits per capita, Georgia



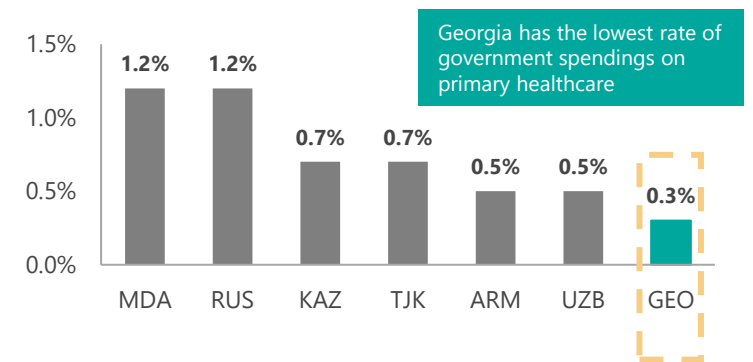
Source: NCDC statistical yearbook 2018

Outpatient encounters per capita



Source: Frost and Sullivan Analysis 2017

Government Expenses on Primary Care VS GDP



Source: WHO regional office for Europe

### MEDIUM TERM OBJECTIVES

#### Clinics & Polyclinics

- > Adding new services
- > Geographic expansion
- > Developing distance channels
- > Sustainable growth of clinical & service quality
- > Adding customer base

#### Diagnostics

- > Expansion of retail
- > Attracting B2B clients
- > Improved logistics
- > JCI and CAP accreditation
- > Digitalisation

**Combined financial targets for Clinics and Diagnostics for the next 5-years (2021-2026)**

**DOUBLE DIGIT REVENUE CAGR**

**EBITDA C.GEL 35-40 MILLION+**



# CLINICS & DIAGNOSTICS BUSINESS OVERVIEW (CONT'D)



## CLINICS

## DIAGNOSTICS (1H22)

19

### Community Clinics

Outpatient and basic inpatient services in regional towns and municipalities

21%

Market share by registered patients

353

Number of community clinics beds

17

### Polyclinics

Outpatient diagnostic and treatment services in Tbilisi and major regional cities

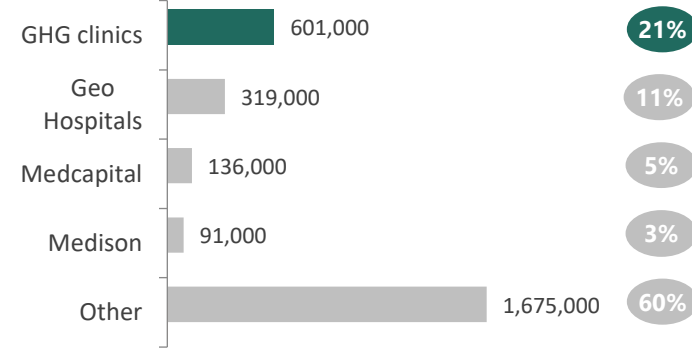
264,000

Registered patient in Tbilisi

601,000

Registered patient in Georgia

### Market share by number of registered patients



0.6 million

Number of patients served

1.3 million

Number of tests performed

29%

Retail portion in total revenue

2.3

Average number of tests per patient

GEL 9.1

Average revenue per test

20%

Average COVID tests portion in retail revenue

## GROSS REVENUE

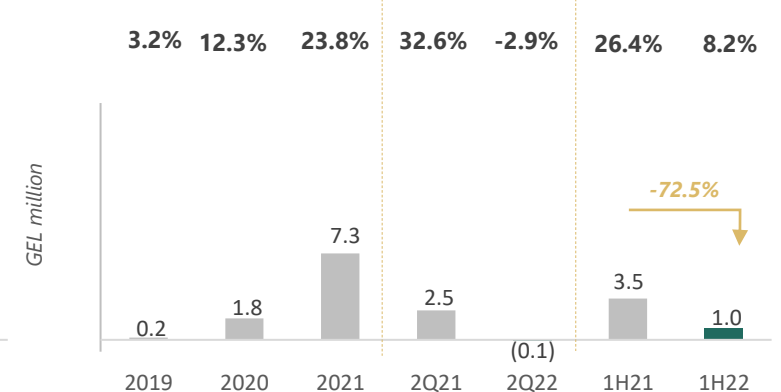
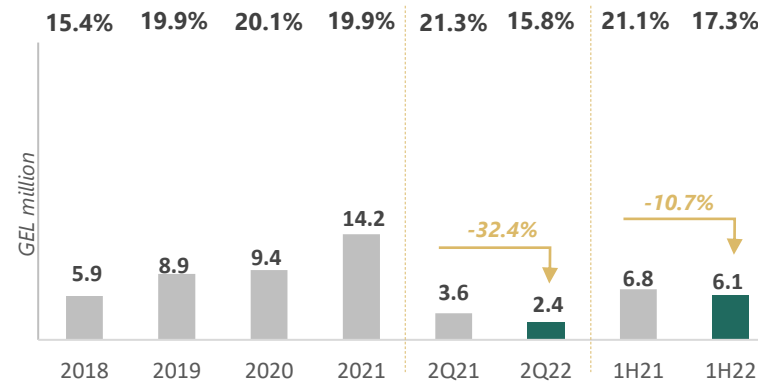
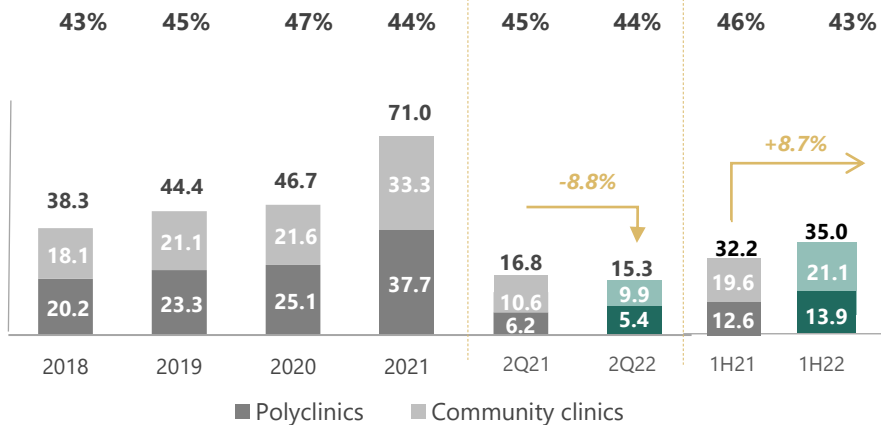
## EBITDA (excl. IFRS 16)

## EBITDA (excl. IFRS 16)

### Gross profit margin (%)

### EBITDA margin (% excl. IFRS 16)

### EBITDA margin (% excl. IFRS 16)



# CLINICS & DIAGNOSTICS BUSINESS OPERATING PERFORMANCE OVERVIEW

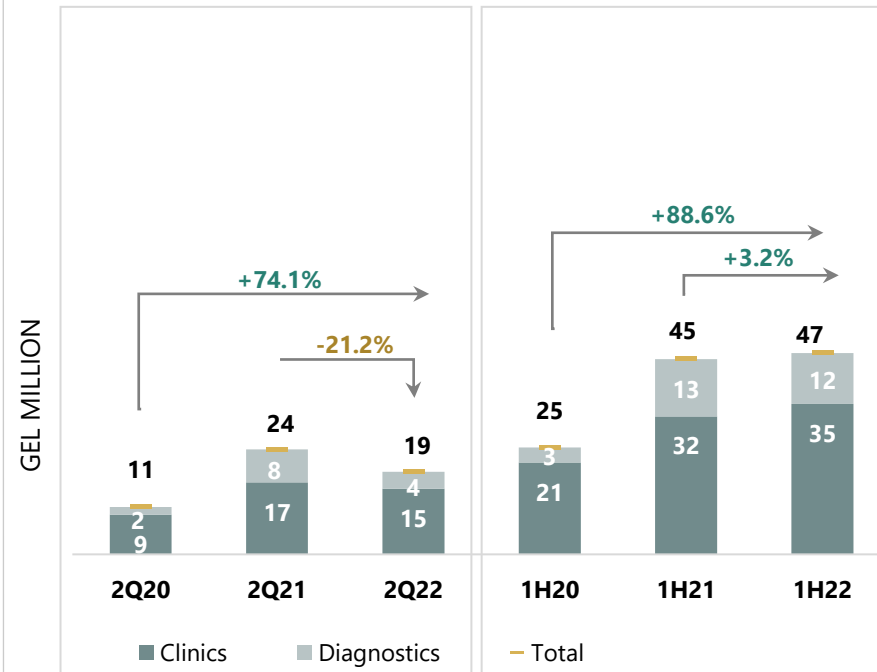


## CLINICS & DIAGNOSTICS

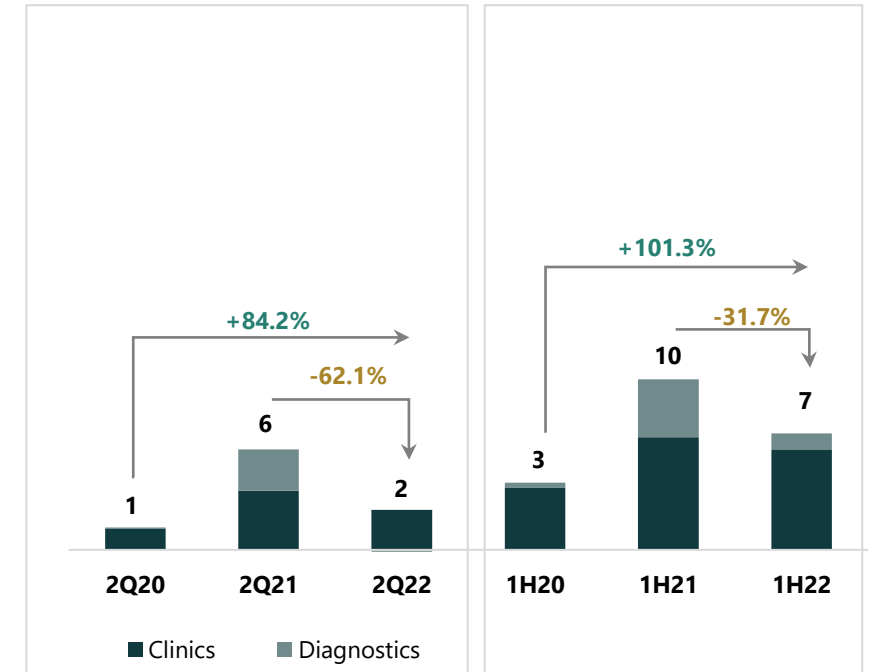
### KEY DRIVERS

- Similar to the hospitals business, our clinics business was also impacted by the suspension of COVID contracts by the Government.
- Substantially lower COVID cases during the quarter resulted in a significant decrease in diagnostics business revenues and EBITDA.
- The growth is expected to rebound over the next few quarters as the business completes the transition to the post-pandemic environment.

### REVENUE DEVELOPMENT<sup>2</sup>



### EBITDA<sup>1</sup> DEVELOPMENT



### KEY OPERATING HIGHLIGHTS

	2Q21	vs.	2Q22	Change y-o-y	1H21	vs.	1H22	Change y-o-y
<b>Clinics</b>								
Number of admissions ('000)	565.1		497.5	-12.0%	1,022.3		1,136.1	+11.1%
Number of registered patients ('000)	568.3		600.8	+5.7%	568.3		600.8	+5.7%
<b>Diagnostics</b>								
Number of patients served ('000)	281		211	-24.9%	506		555	+9.7%
Number of total tests performed ('000)	641		539	-15.9%	1,175		1,298	+10.5%
Number of non-COVID tests performed ('000)	542		509	-6.2%	1,025		1,111	+8.4%

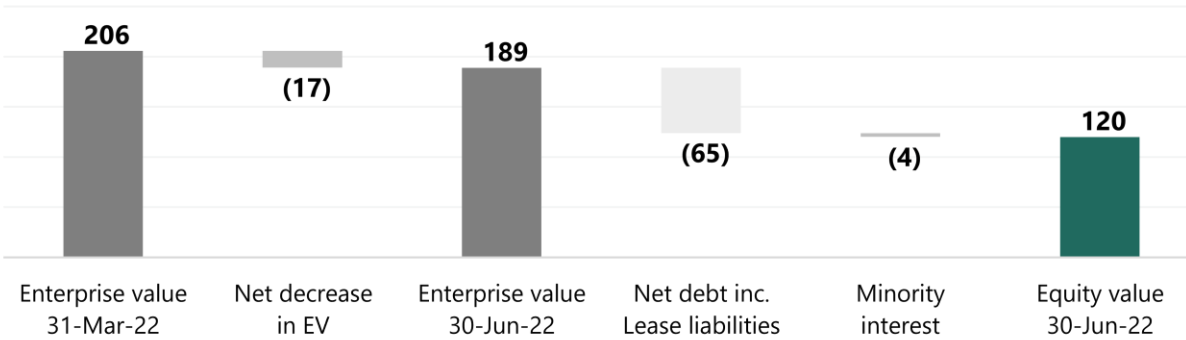


# CLINICS & DIAGNOSTICS BUSINESS VALUATION OVERVIEW

## VALUE DEVELOPMENT OVERVIEW | 2Q22

(GEL MILLION)

Change q-o-q -8.4% +23.4% -28.9% -18.9%



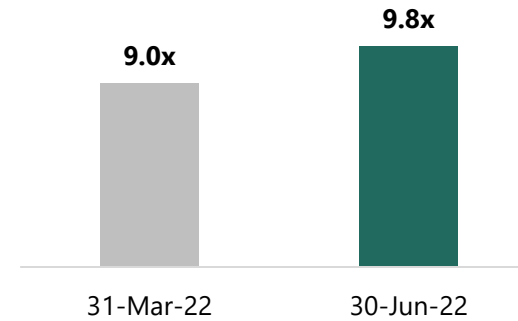
## VALUATION HIGHLIGHTS<sup>1</sup>

GEL million, unless noted otherwise

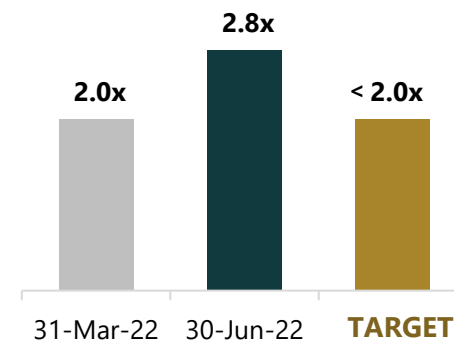
	30-Jun-22	31-Mar-22	Change	31-Dec-21	Change
Enterprise value	188.8	206.1	(17.3)	211.6	(22.8)
LTM EBITDA	19.2	22.8	(3.6)	22.3	(3.1)
Implied EV/EBITDA multiple	9.8x	9.0x	0.8x	9.5x	0.3x
Net debt incl. lease liabilities	(64.8)	(52.6)	(12.2)	(48.1)	(16.7)
Equity value of GCAP's share	120.0	148.0	(28.0)	158.0	(38.0)

## IMPLIED LTM EV/EBITDA DEVELOPMENT

(incl. IFRS 16)



## NET DEBT TO EBITDA





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**01** GEORGIA CAPITAL AT A GLANCE

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**03** 2Q22 & 1H22 PERFORMANCE OVERVIEW

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**04** PORTFOLIO OVERVIEW

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**05** MACROECONOMIC OVERVIEW | GEORGIA

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**06** APPENDICES

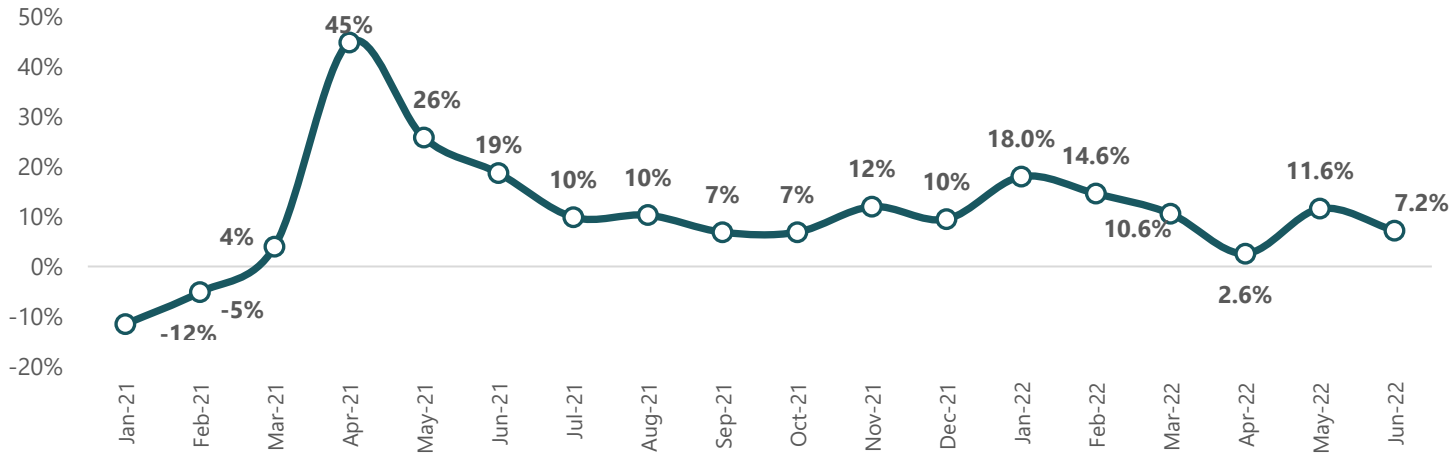
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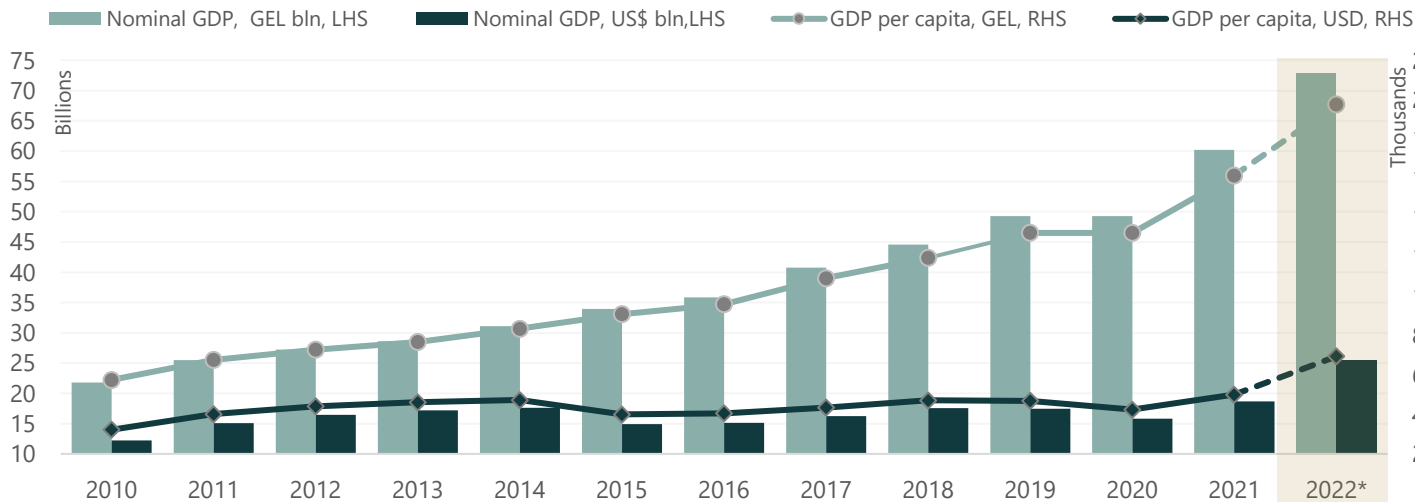
# REAL GDP CONTINUING DOUBLE-DIGIT GROWTH IN 2022



## REAL GDP UP 10.5% Y-O-Y IN 1H22



## NOMINAL GDP IS EXPECTED TO ACCELERATE BOTH IN GEL AND USD TERMS



## REAL GDP UP 10.5% Y-O-Y IN 1H22

### KEY DRIVERS

- Strong external demand supplemented by the migration effect, as remittance inflows grew by 65% y-o-y in 1H22 on the back of a surge in inflows from Russia, while merchandise exports increased by 35% y-o-y in 1H22, and tourism revenues reached 79% of 2019 levels in 1H22, including 92% in May-June;
- Continued credit expansion despite the tight monetary stance (up 18.7% y-o-y in June w/o the exchange rate effect) both in retail and business sectors, aiding economic activity;
- Current expenditures growing by 9% y-o-y and capital expenditures expanding by 4% y-o-y in 1H22, facilitated by a 34% growth in fiscal revenues;
- Strong consumer and business sentiment supporting spending and investment decisions.

# GEORGIAN LARI – APPRECIATING SINCE MID-2021



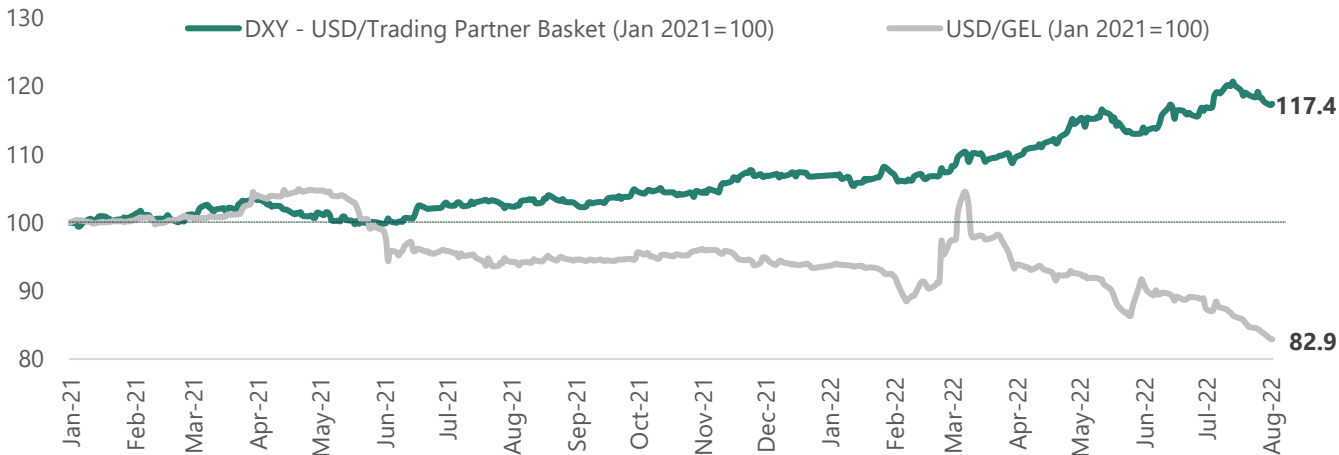
APPRECIATING SINCE MID-2021, BRIEFLY INTERRUPTED AFTER THE RUSSIAN INVASION OF UKRAINE, GEL HAS NOW STRENGTHENED CLOSE TO PRE-PANDEMIC LEVELS AGAINST USD

Sources: NBG



## GEL HAS APPRECIATED AGAINST USD, DESPITE USD STRENGTHENING GLOBALLY

Sources: NBG, Bloomberg



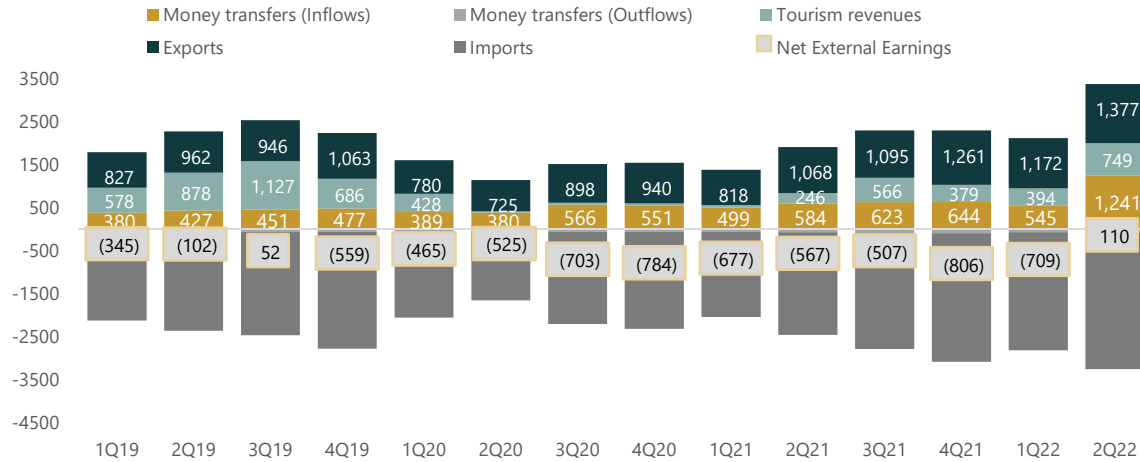
## GEL APPRECIATION DRIVERS

- Record high remittance inflows, increasing by 65% y-o-y in 1H22;
- Continued robust performance in merchandise exports, growing by 35% y-o-y in 1H22;
- Tourism revenues rebounding to 79% of 2019 level in 1H22 (including 96% in May and 89% in June), reflecting the global resumption of travel as well as the migration effect;
- Tight monetary policy (cumulative hike of 300 basis points since March 2021 to 11% as of June 2022), supporting stronger GEL and curbing negative expectations;
- Rebounding economic activity and significant interest rate differential aiding accelerated lending in foreign currency, as FX loans have been steadily increasing since April 2021, both in retail and business sectors.

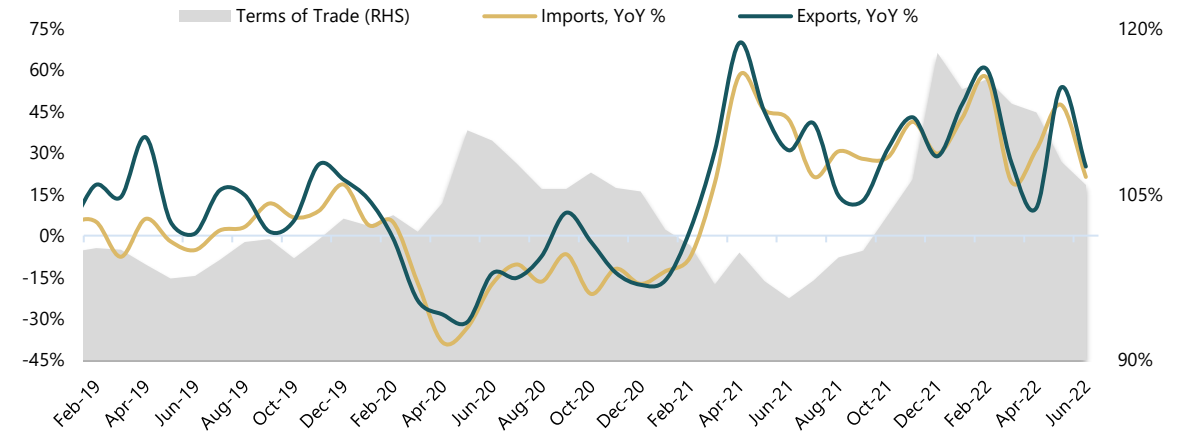
# NET EXTERNAL EARNINGS\* TURNED POSITIVE IN 2Q22 LARGELY ON THE BACK OF REMITTANCE INFLOWS



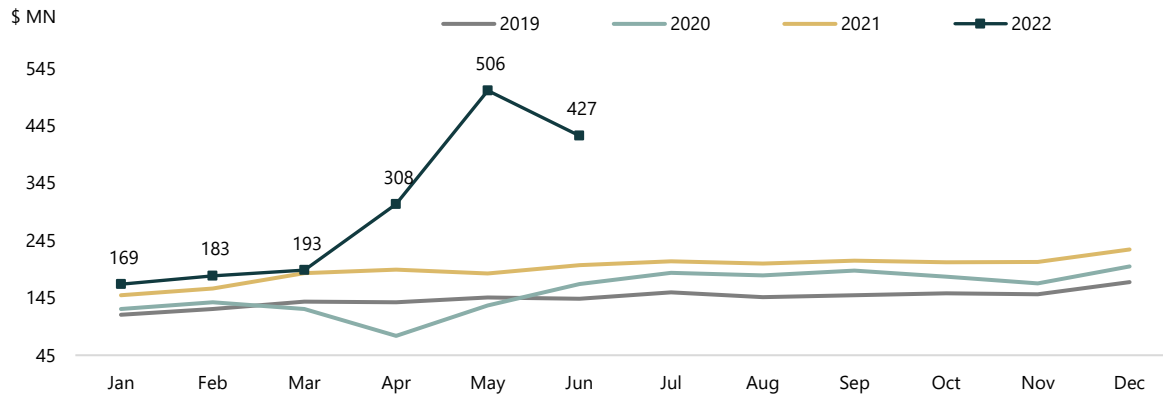
## EXTERNAL EARNINGS (US\$ MILLION)



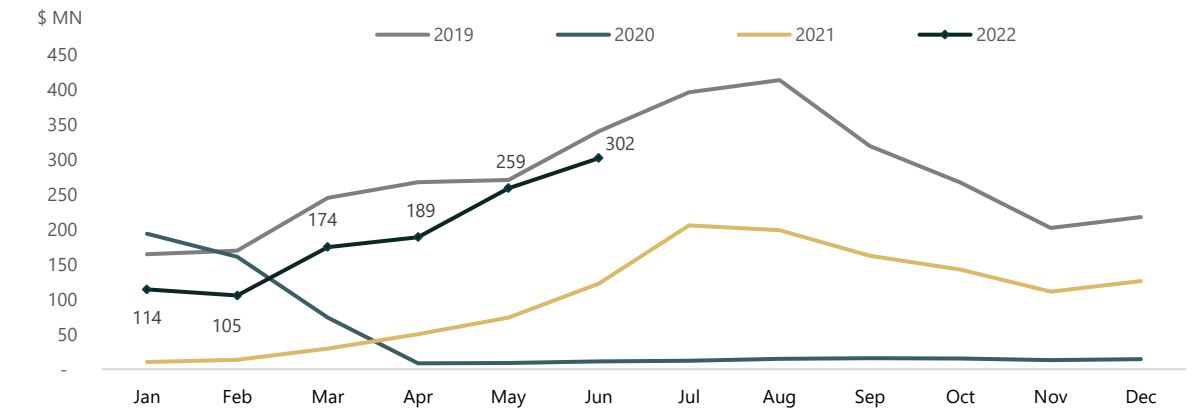
## TERMS OF TRADE HAVE REACHED 112% ON AVERAGE IN 1H22, COMPARED TO 101% IN 2021 (JAN 2017=100)



## REMITTANCE INFLOWS HAVE SURGED AT RECORD HIGH LEVELS SINCE APRIL 2022



## TOURISM REVENUES HAVE BOUNCED BACK TO ALMOST 2019 LEVELS SINCE MAY



\*Net external earnings include merchandise exports and imports, remittance inflows and outflows, and tourism inflows.

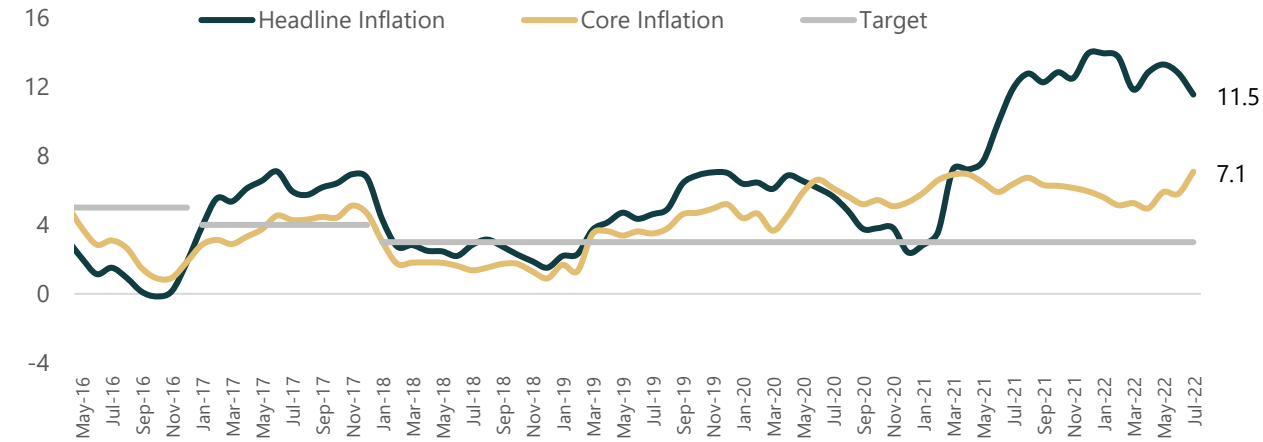


# INFLATION TO DECELERATE GRADUALLY IN THE 2<sup>ND</sup> HALF OF 2022



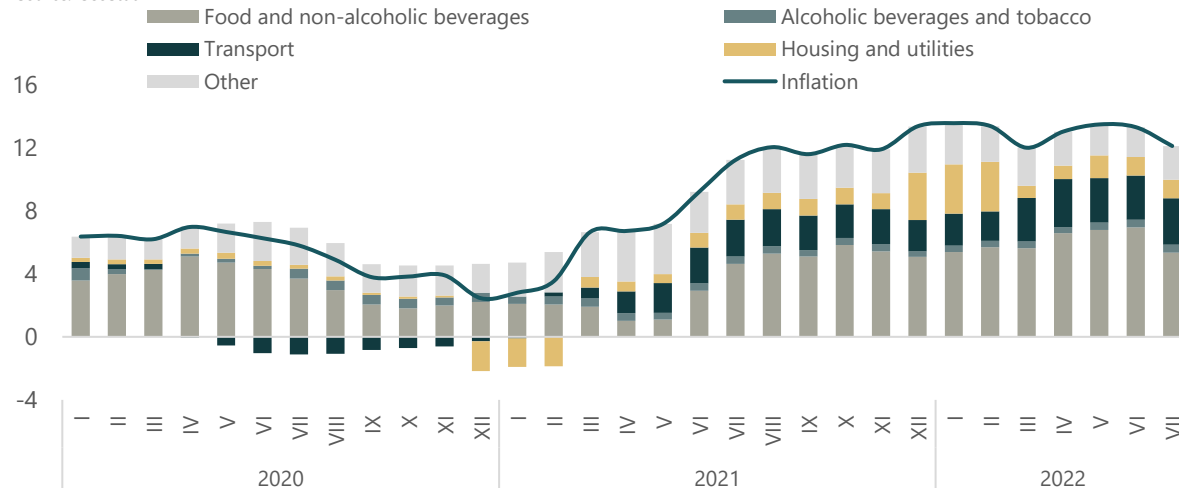
## INFLATION Y-O-Y VS. INFLATION TARGET

Sources: NBG, GeoStat



## INFLATION COMPONENTS

Source: GeoStat



## INFLATION TO DECELERATE BUT REMAIN CLOSE TO DOUBLE DIGITS IN 2022

- Annual inflation reached 11.5% in July 2022 (12.9% on average in 7M22) and is expected to decelerate in the 2<sup>nd</sup> half of the year, partially due to the base effect coming into play from July;
- Food, oil and utility prices have been the main drivers of rising prices throughout the year;
- Despite GEL strengthening, imported inflation has so far been the most significant driver of rising prices, with global food and energy prices contributing the most to elevated price pressures;
- Supply side price pressures are no longer abated by weak domestic demand, as the economic recovery has been rapid;
- Rising prices have been a widespread occurrence, with prices increasing annually on 85% of products in the consumer basket in July, including by more than 5% y-o-y for 69% of products and by more than 10% y-o-y for 49% of products.

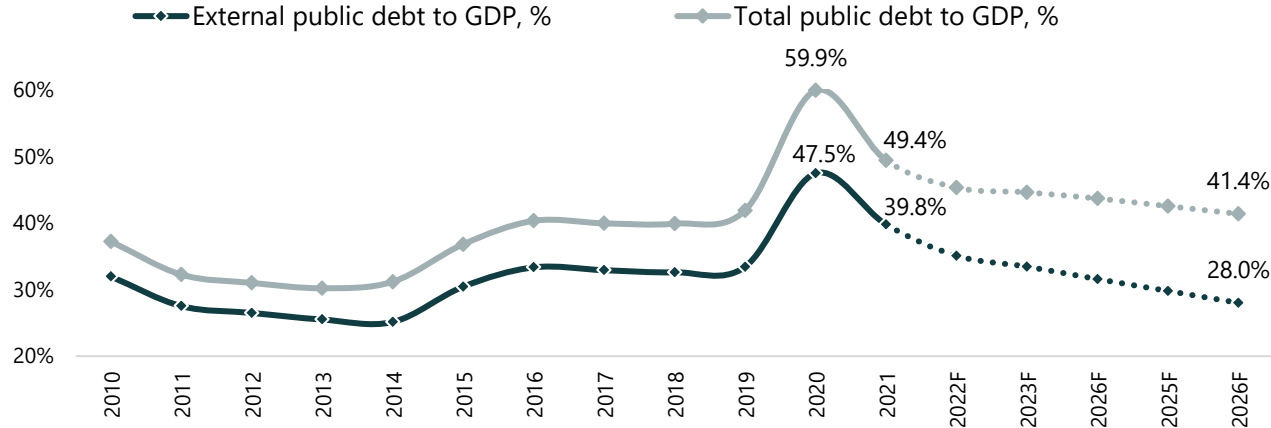


# FISCAL DEFICIT TO FALL TO 3.5% IN 2022 ON THE BACK OF EXCEPTIONAL REVENUE PERFORMANCE AND MODERATING EXPENSES



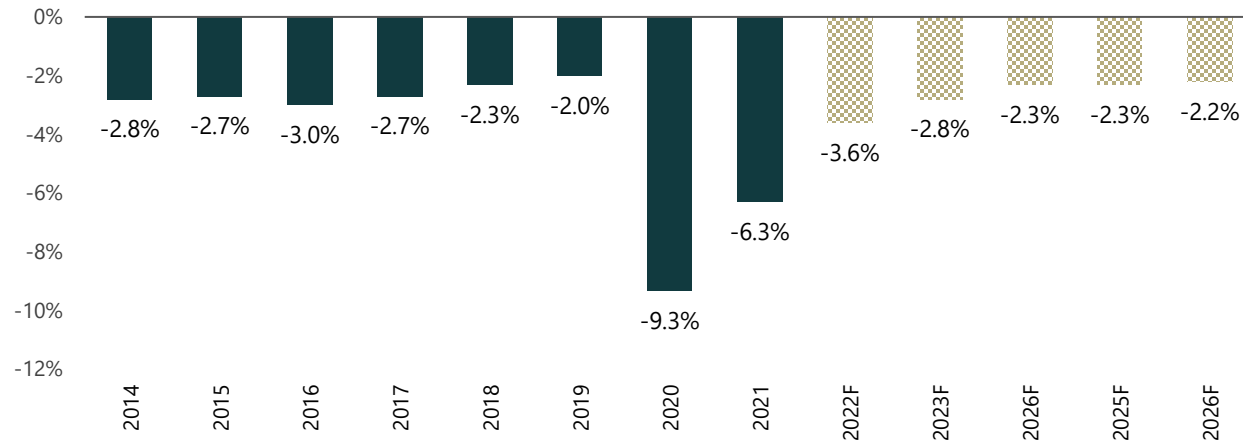
## PUBLIC DEBT

Sources: MoF



## OVERALL BALANCE (IMF MODIFIED), % OF GDP

Source: MoF



## FISCAL SUPPORT HAS BEGUN MODERATING

- Fiscal support moderated in 2022, with current expenditures growing by 9% y-o-y and capital expenditures expanding by 4% y-o-y in 1H22, as opposed to 19% and 28% y-o-y respectively in 1H21;
- As a result of double-digit economic growth, tax revenues grew by 34% y-o-y in 1H22, facilitating a 34% growth in overall fiscal revenues (consolidated budget);
- The overall fiscal deficit fell by 94% y-o-y in 1H22, on the back of a slowdown in expenditures and exceptional revenue performance, while the operating balance improved from GEL -290 mln in 1H21 to GEL 1.4 bln in 1H22;
- The government committed to reducing the fiscal deficit to 3.6% of GDP in 2022, with the deficit set to fall under 3% from next year.

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# OUR ROBUST CORPORATE GOVERNANCE FRAMEWORK



## BOARD OF DIRECTORS COMPOSITION



### **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 NON-EXECUTIVE DIRECTOR**

**Experience:** Formerly Director at Sullivan & Cromwell with a track record of over 28 years, Founding CEO of the Caucasus Nature Fund (CNF)



### **JYRKI TALVITIE, INDEPENDENT NON-EXECUTIVE DIRECTOR**

**Experience:** 30 years of experience in the banking, including Sberbank, VTB, East Capital and Bank of New York in both buy and sell-side transactions



### **KIM BRADLEY, INDEPENDENT NON-EXECUTIVE DIRECTOR**

**Experience:** Formerly AM at Goldman Sachs, Senior Executive at GE Capital, President of Societa Gestione Crediti, Board Chairman at Archon Capital Deutschland



### **MARIA CHATTI-GAUTIER, INDEPENDENT NON-EXECUTIVE DIRECTOR**

**Experience:** Over 25 years of experience in private equity in prominent financial institutions. Currently Senior Advisor of Trail Management



### **MASSIMO GESUA'SIVE SALVADORI, INDEPENDENT NON-EXECUTIVE DIRECTOR**

**Experience:** Currently an analyst at Brook 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



**Irakli Gilauri**, Chairman & CEO

Irakli Gilauri formerly served as the CEO of BGEO Group from 2011 to May 2018. He joined as CFO of Bank of Georgia in 2004 and was appointed as Chairman of the Bank in September 2015, having previously served as CEO of the Bank since May 2006. Prior, he was an EBRD (European Bank for Reconstruction and Development) banker. Mr Gilauri has up to 20 years of experience in banking, investment and finance. 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 MSc in banking from Cass Business School.



**Avto Namicheishvili**, Deputy CEO

In addition to his deputy CEO role at JSC Georgia Capital, Avto also serves as a chairman of the Group's water utility, renewable energy, beverages, housing development and hospitality & commercial real estate businesses. Formerly he was BGEO Group General Counsel. He was General Counsel of the Bank of Georgia from 2007 to 2018 and has 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, he was a Partner at a leading Georgian law firm. Holds LLM in an international business law from Central European University, Hungary.



**Giorgi Alpaidze**, 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. Holds a BBA from the European School of Management in Georgia. US Certified Public Accountant.



**Ia Gabunia**, Chief Strategy Officer

Formerly Investment Director at Georgia Capital. Joined BGEO as an Investment Director in 2017. Ia has over ten years of experience in banking and investment management. Prior to joining BGEO Ia served as Head of Corporate Banking at Bank Republic, Société Générale Group. Previously, she held numerous executive positions in leading Georgian companies. Ia holds a BSc degree from London School of Economics and Political Science, UK.

Georgia Capital



**Giorgi Ketiladze**, Managing Director, Investments

Formerly Investment Officer at BGEO Group. Joined BGEO in 2017. Previously, worked at Deutsche Bank in Corporate Finance department and at KPMG consulting in Germany. Giorgi holds a master's degree from London Business School.



**Nino Vakhvakhishvili**, Chief Economist

Joined Georgia Capital in 2018. Nino is an IMF's Short-term Expert and visiting lecturer at the University of Georgia. Before joining the company, she spent over five years at the National Bank of Georgia. Holds a master's degree in economics from ISET.



**Levan Dadiani**, General Counsel

Formerly Senior Group Lawyer at BGEO Group. Joined BGEO in 2012. Levan has an extensive experience in commercial law, equity investments, corporate and project financing and energy projects. Previously, he was a Partner at a leading Georgian law firm. Holds an LLM degree in International Business Law from University of Texas at Austin, USA.

Listed



**Archil Gachechiladze**, CEO, Bank of Georgia

Previously CEO at GGU, the Group's water utility and renewable energy businesses. Prior to that Archil was a Deputy CEO in charge of corporate banking at Bank of Georgia. He launched the Bank's industry and macro research, brokerage, and advisory businesses, as well as leading investments in GGU and launched Hydro Investments. 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 an MBA with distinction from Cornell University and is a CFA charterholder.

Private



**Irakli Gogia**, CEO at Retail (pharmacy), Hospitals, Medical Insurance and Clinics & Diagnostics Businesses

Formerly Deputy CEO, Finance of GHG. Prior to that Irakli was a deputy chairman of the supervisory board of EVEX Medical Corporation and Insurance Company Imedi L. He has ten years of experience in the financial industry. Previously, served as CFO of Insurance Company Aldagi and Liberty Consumer, prior to which he was a senior auditor at Ernst & Young and Deloitte. Holds a Bachelor of Business Administration degree from the European School of Management in Tbilisi.



**Giorgi Baratashvili**, CEO at P&C Insurance Business

Joined as the Head of Corporate Clients Division of Aldagi, the holding company of the Group's P&C insurance business, 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 a Masters Diploma in International Law.



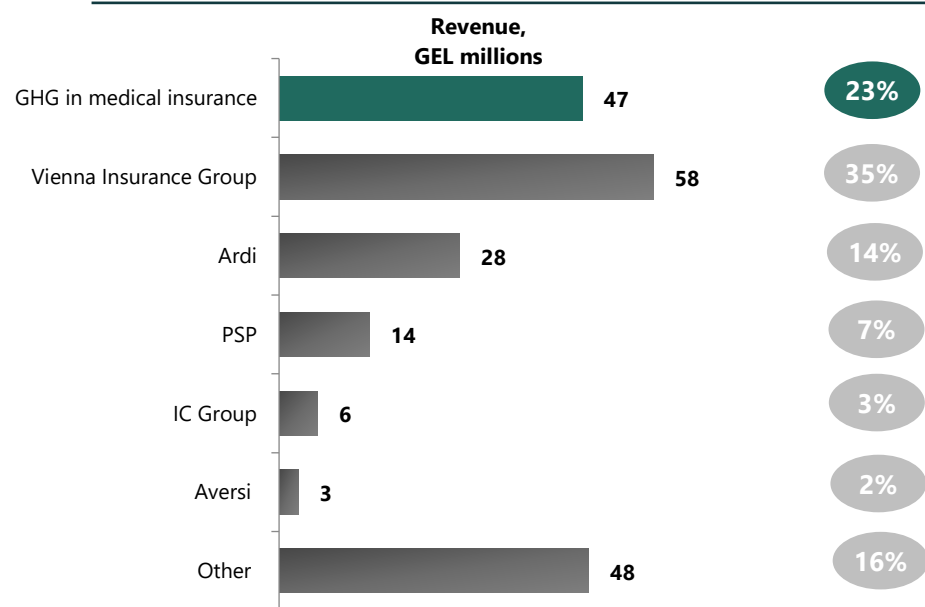
# MEDICAL INSURANCE BUSINESS OVERVIEW



**Largest medical insurer in the country** with 23%<sup>1</sup> market share Offering a variety of medical insurance products, with a wide distribution network to the Georgian population

## BUSINESSES MAJOR GROWTH DRIVERS

### Market share by gross premium revenue<sup>1</sup>



 **c.160,000**

Number of insured clients

- Growing the number of insured clients
- Enhancing gross profit through the introduction of “fee business” (such as motor Casco distribution, motor Third Party Liability distribution)
- Increasing retention rates within the Group

### **Medium to long-term targets**

- Increase contribution to the Group segments
- Combined ratio <97%



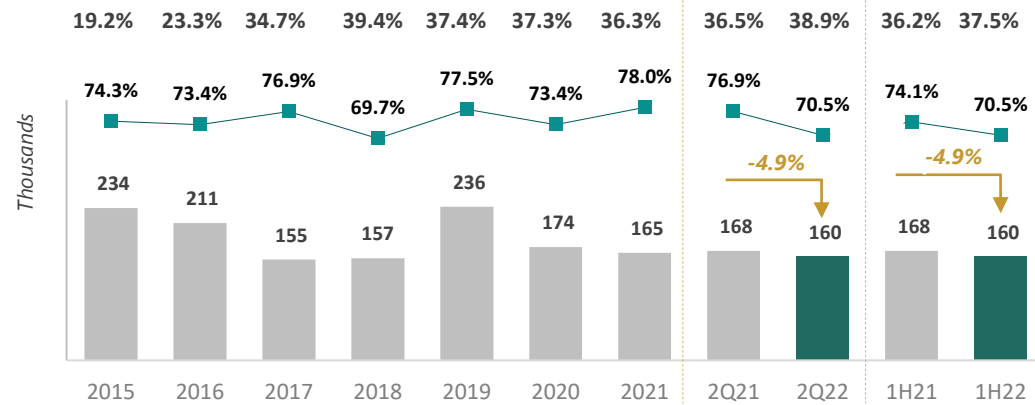


# MEDICAL INSURANCE BUSINESS OVERVIEW (CONT'D)

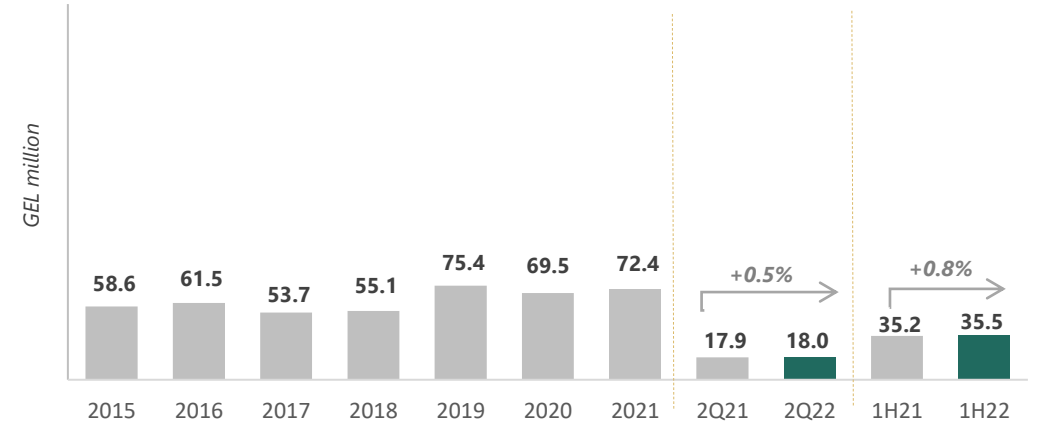


## NUMBER OF INSURED & RENEWAL RATE

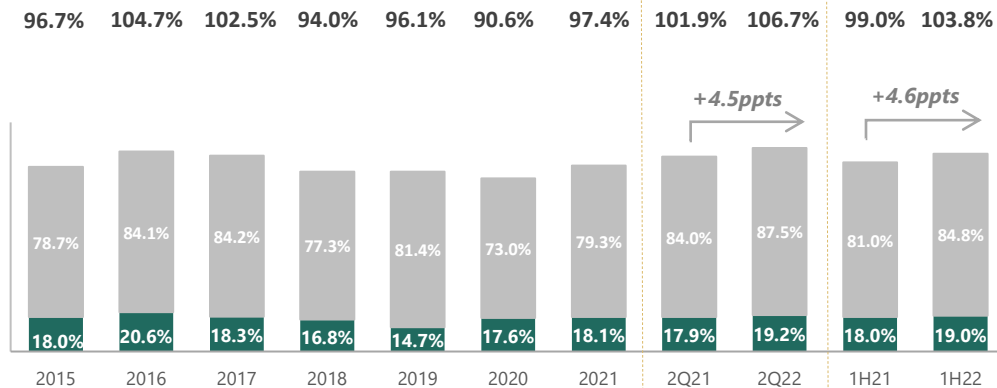
Retention rate within the Group<sup>1</sup> (%)



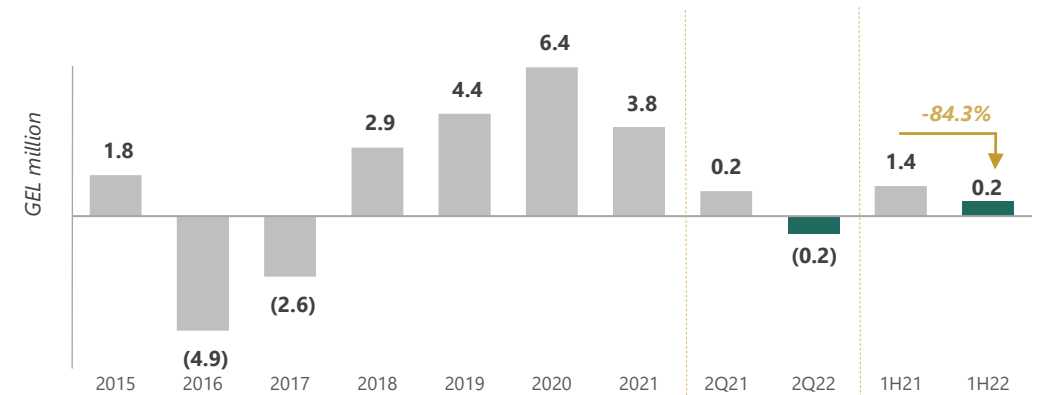
## REVENUE (NET INSURANCE PREMIUMS EARNED)



## COMBINED RATIO



## NET PROFIT



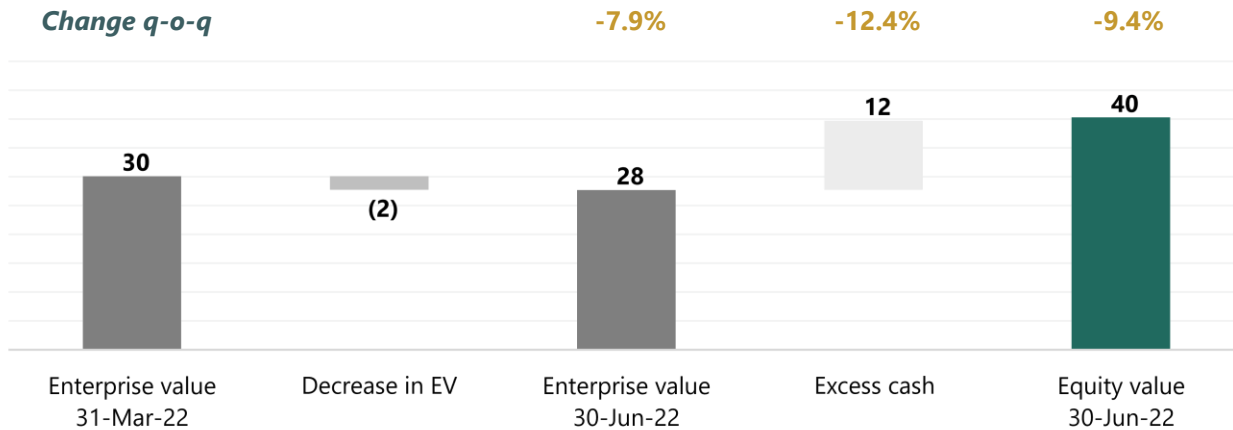
Georgia Capital PLC | 1. 2019 and 2020 numbers are adjusted to exclude HTMC hospital.



# MEDICAL INSURANCE BUSINESS VALUATION OVERVIEW

## VALUE DEVELOPMENT OVERVIEW | 2Q22 (GEL MILLION)

Change q-o-q

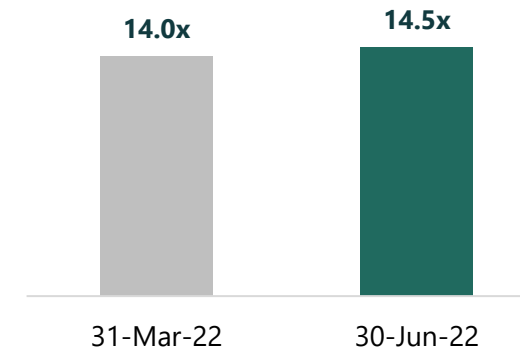


## VALUATION HIGHLIGHTS<sup>1</sup>

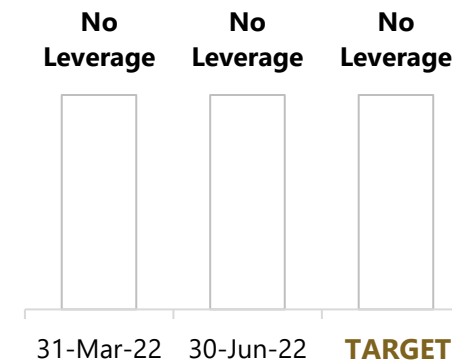
GEL million, unless noted otherwise

	30-Jun-22	31-Mar-22	Change	31-Dec-21	Change
LTM Net income <sup>2</sup>	2.8	3.2	(0.4)	3.8	(1.0)
Implied P/E multiple	14.5x	14.0x	0.5x	15.0x	(0.5x)
Equity value	40.3	44.5	(4.2)	56.6	(16.3)
LTM ROAE <sup>2</sup>	8.5%	9.9%	-1.4ppts	12.3%	-3.8ppts

## IMPLIED LTM P/E MULTIPLE DEVELOPMENT



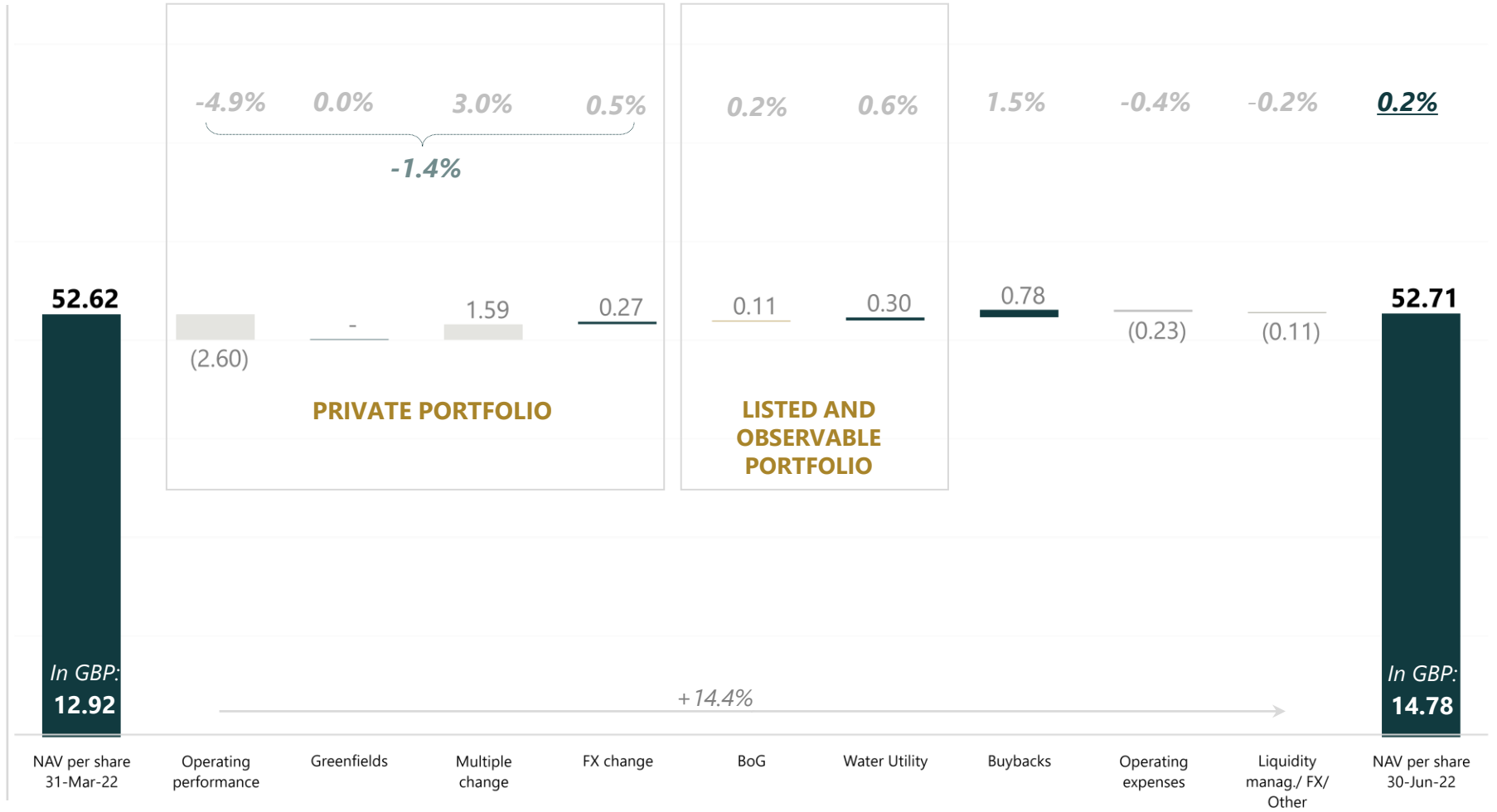
## NET DEBT TO EBITDA



# DETAILED NAV PER SHARE (GEL) MOVEMENT IN 2Q22



**NAV PER SHARE (GEL)  
UP 0.2% IN 2Q22**



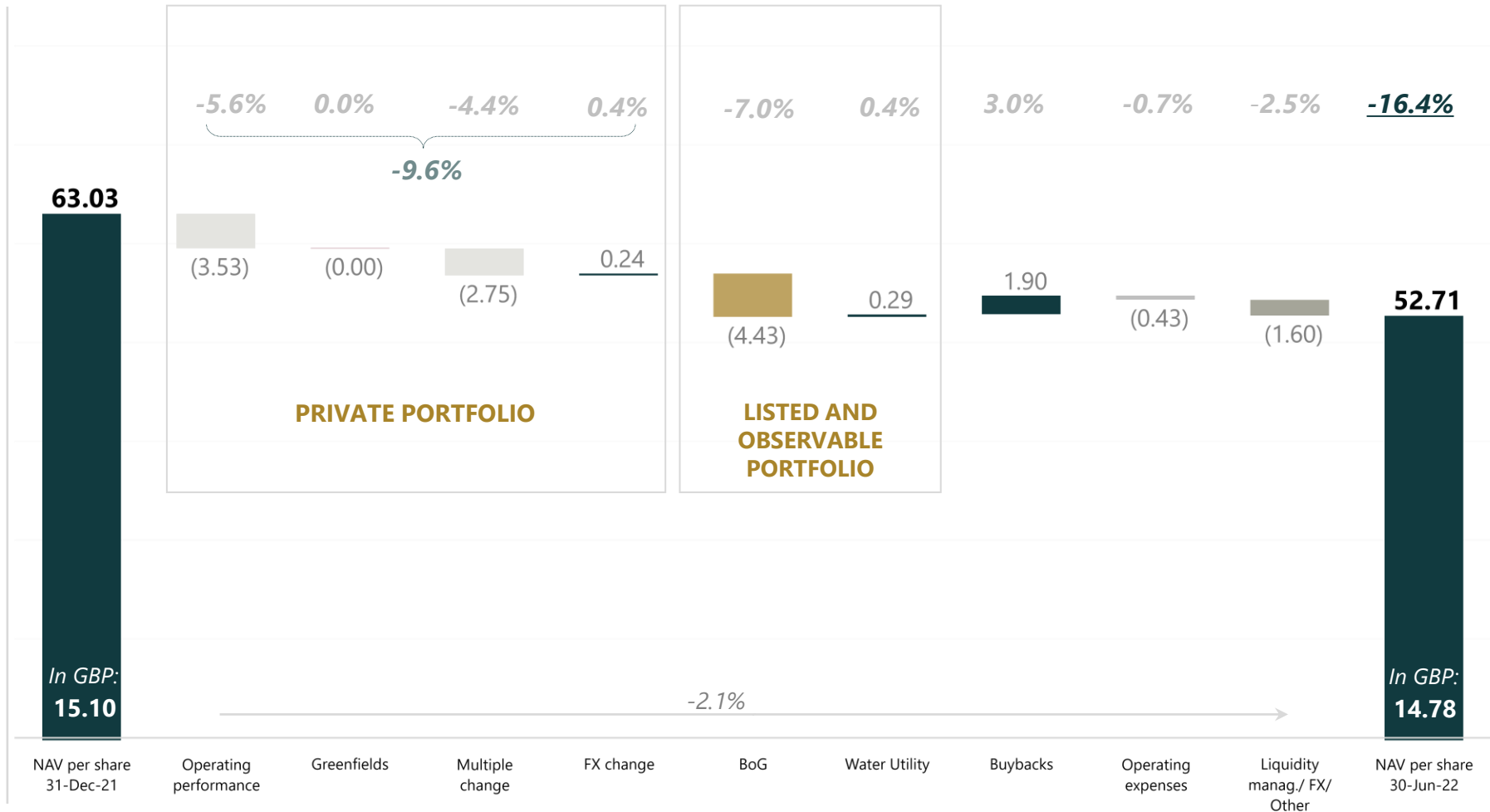
*In GBP:*  
**12.92**

*In GBP:*  
**14.78**

# DETAILED NAV PER SHARE (GEL) MOVEMENT IN 1H22



**NAV PER SHARE (GEL)  
DOWN 16.4% IN 1H22**



# PRIVATE PORTFOLIO COMPANIES' DEBT MATURITY PROFILE



## GROSS DEBT MATURITY AS OF 30 JUNE 2022 (GEL MILLION)

	2022	2023	2024	2025+	Total
<b>Large portfolio companies</b>	<b>107.2</b>	<b>68.6</b>	<b>80.5</b>	<b>37.0</b>	<b>293.3</b>
Retail (pharmacy)	-	12.0	10.3	25.7	48.0
Hospitals	107.2	56.6	70.2	11.3	245.3
Medical Insurance	-	-	-	-	-
<b>Investment stage portfolio companies</b>	<b>4.6</b>	<b>20.8</b>	<b>15.2</b>	<b>306.6</b>	<b>347.1</b>
Renewable Energy	-	-	0.1	273.0	273.1
Education	2.0	4.6	4.6	14.8	25.9
Clinics and Diagnostics	2.6	16.2	10.5	18.8	48.1
<b>Other businesses</b>	<b>163.9</b>	<b>66.2</b>	<b>58.7</b>	<b>103.1</b>	<b>391.9</b>
<b>Total</b>	<b>275.7</b>	<b>155.6</b>	<b>154.4</b>	<b>446.7</b>	<b>1,032.3</b>

- Gross debt of other businesses includes a 3-year US\$ 35 million bonds issued on the local market in Oct-19 with a 7.5% annual coupon rate, maturing in Oct-22.



# NAV STATEMENT SNAPSHOT IN 2Q22



## GEORGIA CAPITAL 2Q22 RESULTS

**5.1%**

Private portfolio value increase

**3.7%**

Total portfolio value increase

**-1.6%**

NAV decrease

**0.2%**

NAV per share (GEL) increase

GEL '000, UNLESS OTHERWISE NOTED	31-Mar-22	30-Jun-22	Change %
<b>Total Listed and Observable Portfolio Companies Value</b>	<b>612,871</b>	<b>608,719</b>	<b>-0.7%</b>
Large Portfolio Companies	1,410,482	1,389,193	-1.5%
Investment Stage Portfolio Companies	447,247	443,967	-0.7%
Other Portfolio Companies	138,026	263,534	90.9%
<b>Total Private Portfolio Value</b>	<b>1,995,755</b>	<b>2,096,694</b>	<b>5.1%</b>
<b>Total Portfolio Value</b>	<b>2,608,626</b>	<b>2,705,413</b>	<b>3.7%</b>
<b>Net Debt</b>	<b>(239,385)</b>	<b>(365,914)</b>	<b>52.9%</b>
<b>Net Asset Value</b>	<b>2,371,047</b>	<b>2,332,561</b>	<b>-1.6%</b>
Shares outstanding	45,063,039	44,249,747	-1.8%
<b>Net Asset Value per share, GEL</b>	<b>52.62</b>	<b>52.71</b>	<b>0.2%</b>

# NAV STATEMENT SNAPSHOT IN 1H22



## GEORGIA CAPITAL 1H22 RESULTS

**-28.6%**

Private portfolio value decrease

**-25.2%**

Total portfolio value decrease

**-19.1%**

NAV decrease

**-16.4%**

NAV per share (GEL) decrease

GEL '000, UNLESS OTHERWISE NOTED	31-Dec-21	30-Jun-22	Change %
<b>Total Listed and Observable Portfolio Companies Value</b>	<b>681,186</b>	<b>608,719</b>	<b>-10.6%</b>
Large Portfolio Companies	2,249,260	1,389,193	-38.2%
Investment Stage Portfolio Companies	461,140	443,967	-3.7%
Other Portfolio Companies	224,645	263,534	17.3%
<b>Total Private Portfolio Value</b>	<b>2,935,045</b>	<b>2,096,694</b>	<b>-28.6%</b>
<b>Total Portfolio Value</b>	<b>3,616,231</b>	<b>2,705,413</b>	<b>-25.2%</b>
<b>Net Debt</b>	<b>(711,074)</b>	<b>(365,914)</b>	<b>-48.5%</b>
<b>Net Asset Value</b>	<b>2,883,622</b>	<b>2,332,561</b>	<b>-19.1%</b>
Shares outstanding	45,752,362	44,249,747	-3.3%
<b>Net Asset Value per share, GEL</b>	<b>63.03</b>	<b>52.71</b>	<b>-16.4%</b>

# VALUE CREATION IN PRIVATE PORTFOLIO | 2Q22



Portfolio Businesses	Operating Performance	Greenfields / buy-outs / exits	Multiple Change and FX	Value Creation in 2Q22
<i>GEL thousand</i>	<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(1)+(2)+(3)</i>
BoG				5,038
Water Utility				13,608
<b>Total Listed and Observable Portfolio Companies</b>				<b>18,646</b>
<b>Large Portfolio Companies</b>	<b>(71,281)</b>	-	<b>57,259</b>	<b>(14,022)</b>
Retail (pharmacy)	(18,667)	-	32,615	13,948
Hospitals	(62,339)	-	16,089	(46,250)
Insurance (P&C & Medical)	9,725	-	8,555	18,280
<b>Investment Stage Portfolio Companies</b>	<b>(15,032)</b>	-	<b>13,550</b>	<b>(1,482)</b>
Renewable energy	11,625	-	(1,521)	10,104
Education	12,058	-	4,327	16,385
Clinics and Diagnostics	(38,715)	-	10,744	(27,971)
<b>Other Portfolio Companies</b>	<b>(30,809)</b>	-	<b>13,221</b>	<b>(17,588)</b>
<b>Total Private Portfolio Companies</b>	<b>(117,122)</b>	-	<b>84,030</b>	<b>(33,092)</b>
<b>Total Portfolio</b>	<b>(117,122)</b>	-	<b>84,030</b>	<b>(14,446)</b>

**(14.4)**

GEL MILLION

**TOTAL NEGATIVE VALUE CREATION IN 2Q22**

**18.6**

GEL MILLION

VALUE CREATION IN 2Q22 FROM THE LISTED AND OBSERVABLE PORTFOLIO COMPANIES

**(33.1)**

GEL MILLION

VALUE REDUCTION IN 2Q22 FROM THE PRIVATE PORTFOLIO COMPANIES

# VALUE CREATION IN PRIVATE PORTFOLIO | 1H22



Portfolio Businesses	Operating Performance	Greenfields / buy-outs / exits	Multiple Change and FX	Value Creation in 1H22
<i>GEL thousand</i>	<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(1)+(2)+(3)</i>
BoG				(202,669)
Water Utility				13,608
<b>Total Listed and Observable Portfolio Companies</b>				<b>(189,061)</b>
<b>Large Portfolio Companies</b>	<b>(45,048)</b>	-	<b>(111,506)</b>	<b>(156,554)</b>
Retail (pharmacy)	50,859	-	(90,217)	(39,358)
Hospitals	(93,993)	-	(1,776)	(95,769)
Insurance (P&C & Medical)	(1,914)	-	(19,513)	(21,427)
<b>Investment Stage Portfolio Companies</b>	<b>(2,159)</b>	-	<b>(12,811)</b>	<b>(14,970)</b>
Renewable energy	8,739	-	(6,492)	2,247
Education	27,074	-	(6,333)	20,741
Clinics and Diagnostics	(37,972)	-	14	(37,958)
<b>Other Portfolio Companies</b>	<b>(114,144)</b>	<b>(13)</b>	<b>9,476</b>	<b>(104,681)</b>
<b>Total Private Portfolio Companies</b>	<b>(161,351)</b>	<b>(13)</b>	<b>(114,841)</b>	<b>(276,205)</b>
<b>Total Portfolio</b>	<b>(161,351)</b>	<b>(13)</b>	<b>(114,841)</b>	<b>(465,266)</b>

**(465.3)**

GEL MILLION

**TOTAL NEGATIVE VALUE CREATION IN 1H22**

**(189.1)**  
GEL MILLION

VALUE REDUCTION IN 1H22 FROM THE LISTED AND OBSERVABLE PORTFOLIO COMPANIES

**(276.2)**  
GEL MILLION

VALUE REDUCTION IN 1H22 FROM THE PRIVATE PORTFOLIO COMPANIES

# NAV STATEMENT | 2Q22



GEL thousand unless otherwise noted	31-Mar-22	1.Value Creation	2a. Investments	2b. Buybacks	2c. Dividends	3.Operating Expenses	4. Liquidity Management/ FX / Other	30-Jun-22	Change %
<b>Listed and Observable Portfolio Companies</b>									
Bank of Georgia (BoG)	473,479	5,038	-	-	(22,798)	-	-	455,719	-3.8%
Water Utility	139,392	13,608	-	-	-	-	-	153,000	9.8%
<b>Total Listed and Observable Portfolio Value</b>	<b>612,871</b>	<b>18,646</b>	-	-	<b>(22,798)</b>	-	-	<b>608,719</b>	<b>-0.7%</b>
<b>Listed and Observable Portfolio value change %</b>		<b>3.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>-3.7%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>-0.7%</b>	
<b>Private Portfolio Companies</b>									
<b>Large portfolio companies</b>	<b>1,410,482</b>	<b>(14,022)</b>	-	-	<b>(7,374)</b>	-	<b>107</b>	<b>1,389,193</b>	<b>-1.5%</b>
Retail (pharmacy)	657,079	13,948	-	-	-	-	-	671,027	2.1%
Hospitals	524,296	(46,250)	-	-	-	-	-	478,046	-8.8%
Insurance (P&C and Medical)	229,107	18,280	-	-	(7,374)	-	107	240,120	4.8%
<i>Of which, P&amp;C Insurance</i>	184,629	22,448	-	-	(7,374)	-	107	199,810	8.2%
<i>Of which, Medical Insurance</i>	44,478	(4,168)	-	-	-	-	-	40,310	-9.4%
<b>Investment stage companies</b>	<b>447,247</b>	<b>(1,482)</b>	-	-	<b>(2,054)</b>	-	<b>256</b>	<b>443,967</b>	<b>-0.7%</b>
Renewable Energy	163,862	10,104	-	-	(2,054)	-	256	172,168	5.1%
Education	135,368	16,385	-	-	-	-	-	151,753	12.1%
Clinics and diagnostics	148,017	(27,971)	-	-	-	-	-	120,046	-18.9%
<b>Others</b>	<b>138,026</b>	<b>(17,588)</b>	<b>142,584</b>	-	-	-	<b>512</b>	<b>263,534</b>	<b>90.9%</b>
<b>Private Portfolio Value</b>	<b>1,995,755</b>	<b>(33,092)</b>	<b>142,584</b>	-	<b>(9,428)</b>	-	<b>875</b>	<b>2,096,694</b>	<b>5.1%</b>
<b>Private Portfolio value change %</b>		<b>-1.7%</b>	<b>7.1%</b>	<b>0.0%</b>	<b>-0.5%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>5.1%</b>	
<b>Total Portfolio Value</b>	<b>2,608,626</b>	<b>(14,446)</b>	<b>142,584</b>	-	<b>(32,226)</b>	-	<b>875</b>	<b>2,705,413</b>	<b>3.7%</b>
<b>Total Portfolio value change %</b>		<b>-0.6%</b>	<b>5.5%</b>	<b>0.0%</b>	<b>-1.2%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>3.7%</b>	
<b>Net Debt</b>	<b>(239,385)</b>	-	<b>(136,577)</b>	<b>(27,488)</b>	<b>32,226</b>	<b>(5,734)</b>	<b>11,044</b>	<b>(365,914)</b>	<b>52.9%</b>
<i>of which, Cash and liquid funds</i>	718,525	-	-	(27,488)	9,428	(5,734)	(31,364)	663,367	-7.7%
<i>of which, Loans issued</i>	164,049	-	(136,577)	-	-	-	(2,098)	25,374	-84.5%
<i>of which, Accrued dividend income</i>	-	-	-	-	22,798	-	-	22,798	0.0%
<i>of which, Gross Debt</i>	(1,121,959)	-	-	-	-	-	44,506	(1,077,453)	-4.0%
Net other assets/ (liabilities)	1,806	-	(6,007)	-	-	(4,661)	1,924	(6,938)	NMF
<i>Share - based compensation</i>	-	-	-	-	-	(4,661)	4,661	-	0.0%
<b>Net Asset Value</b>	<b>2,371,047</b>	<b>(14,446)</b>	-	<b>(27,488)</b>	-	<b>(10,395)</b>	<b>13,843</b>	<b>2,332,561</b>	<b>-1.6%</b>
<b>NAV change %</b>		<b>-0.6%</b>	<b>0.0%</b>	<b>-1.2%</b>	<b>0.0%</b>	<b>-0.4%</b>	<b>0.6%</b>	<b>-1.6%</b>	
Shares outstanding	45,063,039	-	-	(1,174,323)	-	-	361,031	44,249,747	-1.8%
<b>Net Asset Value per share</b>	<b>52.62</b>	<b>(0.32)</b>	<b>(0.00)</b>	<b>0.78</b>	<b>(0.00)</b>	<b>(0.23)</b>	<b>(0.12)</b>	<b>52.71</b>	<b>0.2%</b>
<b>NAV per share change %</b>		<b>-0.6%</b>	<b>0.0%</b>	<b>1.5%</b>	<b>0.0%</b>	<b>-0.4%</b>	<b>-0.2%</b>	<b>0.2%</b>	



# NAV STATEMENT | 1H22



GEL thousand unless otherwise noted	31-Dec-21	1. Value Creation	2a. Investments	2b. Buybacks	2c. Dividends	3. Operating Expenses	4. Liquidity Management/ FX / Other	30-Jun-22	Change %
<b>Listed and Observable Portfolio Companies</b>									
Bank of Georgia (BoG)	681,186	(202,669)	-	-	(22,798)	-	-	455,719	-33.1%
Water Utility	-	13,608	139,392	-	-	-	-	153,000	0.0%
<b>Total Listed and Observable Portfolio Value</b>	<b>681,186</b>	<b>(189,061)</b>	<b>139,392</b>	-	<b>(22,798)</b>	-	-	<b>608,719</b>	<b>-10.6%</b>
<i>Listed and Observable Portfolio value change %</i>		<i>-27.8%</i>	<i>20.5%</i>	<i>0.0%</i>	<i>-3.3%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>-10.6%</i>	
<b>Private Portfolio Companies</b>									
<b>Large portfolio companies</b>									
Retail (pharmacy)	2,249,260	(156,554)	(696,960)	-	(7,374)	-	821	1,389,193	-38.2%
Hospitals	710,385	(39,358)	-	-	-	-	-	671,027	-5.5%
Water Utility	573,815	(95,769)	-	-	-	-	-	478,046	-16.7%
Insurance (P&C and Medical)	696,960	-	(696,960)	-	-	-	-	-	-100.0%
Of which, P&C Insurance	268,100	(21,427)	-	-	(7,374)	-	821	240,120	-10.4%
Of which, Medical Insurance	211,505	(5,142)	-	-	(7,374)	-	821	199,810	-5.5%
Of which, Medical Insurance	56,595	(16,285)	-	-	-	-	-	40,310	-28.8%
<b>Investment stage companies</b>	<b>461,140</b>	<b>(14,970)</b>	<b>1,559</b>	-	<b>(4,249)</b>	-	<b>487</b>	<b>443,967</b>	<b>-3.7%</b>
Renewable Energy	173,288	2,247	395	-	(4,249)	-	487	172,168	-0.6%
Education	129,848	20,741	1,164	-	-	-	-	151,753	16.9%
Clinics and diagnostics	158,004	(37,958)	-	-	-	-	-	120,046	-24.0%
<b>Others</b>	<b>224,645</b>	<b>(104,681)</b>	<b>142,597</b>	-	-	-	<b>973</b>	<b>263,534</b>	<b>17.3%</b>
<b>Private Portfolio Value</b>	<b>2,935,045</b>	<b>(276,205)</b>	<b>(552,804)</b>	-	<b>(11,623)</b>	-	<b>2,281</b>	<b>2,096,694</b>	<b>-28.6%</b>
<i>Private Portfolio value change %</i>		<i>-9.4%</i>	<i>-18.8%</i>	<i>0.0%</i>	<i>-0.4%</i>	<i>0.0%</i>	<i>0.1%</i>	<i>-28.6%</i>	
<b>Total Portfolio Value</b>	<b>3,616,231</b>	<b>(465,266)</b>	<b>(413,412)</b>	-	<b>(34,421)</b>	-	<b>2,281</b>	<b>2,705,413</b>	<b>-25.2%</b>
<i>Total Portfolio value change %</i>		<i>-12.9%</i>	<i>-11.4%</i>	<i>0.0%</i>	<i>-1.0%</i>	<i>0.0%</i>	<i>0.1%</i>	<i>-25.2%</i>	
<b>Net Debt</b>	<b>(711,074)</b>	-	<b>419,419</b>	<b>(53,540)</b>	<b>34,421</b>	<b>(10,951)</b>	<b>(44,189)</b>	<b>(365,914)</b>	<b>-48.5%</b>
of which, Cash and liquid funds	272,317	-	555,996	(53,540)	11,623	(10,951)	(112,078)	663,367	143.6%
of which, Loans issued	154,214	-	(136,577)	-	-	-	7,737	25,374	-83.5%
of which, Accrued dividend income	-	-	-	-	22,798	-	-	22,798	0.0%
of which, Gross Debt	(1,137,605)	-	-	-	-	-	60,152	(1,077,453)	-5.3%
Net other assets/ (liabilities)	(21,535)	-	(6,007)	-	-	(8,749)	29,353	(6,938)	-67.8%
Share - based compensation	-	-	-	-	-	(8,749)	8,749	-	0.0%
<b>Net Asset Value</b>	<b>2,883,622</b>	<b>(465,266)</b>	-	<b>(53,540)</b>	-	<b>(19,700)</b>	<b>(12,555)</b>	<b>2,332,561</b>	<b>-19.1%</b>
<i>NAV change %</i>		<i>-16.1%</i>	<i>0.0%</i>	<i>-1.9%</i>	<i>0.0%</i>	<i>-0.7%</i>	<i>-0.4%</i>	<i>-19.1%</i>	
Shares outstanding	45,752,362	-	-	(2,166,578)	-	-	663,963	44,249,747	-3.3%
<b>Net Asset Value per share</b>	<b>63.03</b>	<b>(10.17)</b>	<b>(0.00)</b>	<b>1.90</b>	<b>(0.00)</b>	<b>(0.43)</b>	<b>(1.61)</b>	<b>52.71</b>	<b>-16.4%</b>
<i>NAV per share change %</i>		<i>-16.1%</i>	<i>0.0%</i>	<i>3.0%</i>	<i>0.0%</i>	<i>-0.7%</i>	<i>-2.5%</i>	<i>-16.4%</i>	

# INCOME STATEMENT | 2Q22 & 1H22



## Income statement

<i>GEL '000, unless otherwise noted</i>	2Q22	2Q21	Change	1H22	1H21	Change
Dividend income	32,226	9,691	NMF	34,421	14,430	NMF
Interest income	9,364	6,120	53.0%	18,150	10,617	71.0%
Realised / unrealised (loss)/ gain on liquid funds	(1,197)	1,687	NMF	(11,435)	1,516	NMF
Interest expense	(17,826)	(20,302)	-12.2%	(37,679)	(37,520)	0.4%
<b>Gross operating income/(loss)</b>	<b>22,567</b>	<b>(2,804)</b>	<b>NMF</b>	<b>3,457</b>	<b>(10,957)</b>	<b>NMF</b>
Operating expenses	(10,395)	(9,225)	12.7%	(19,700)	(18,096)	8.9%
<b>GCAP net operating income/(loss)</b>	<b>12,172</b>	<b>(12,029)</b>	<b>NMF</b>	<b>(16,243)</b>	<b>(29,053)</b>	<b>-44.1%</b>
<b>Fair value changes of portfolio companies</b>						
<b>Listed and observable portfolio companies</b>	<b>(4,152)</b>	<b>70,288</b>	<b>NMF</b>	<b>(211,859)</b>	<b>43,836</b>	<b>NMF</b>
Bank of Georgia Group PLC	(17,760)	70,288	NMF	(225,467)	43,836	NMF
Water Utility	13,608	-	NMF	13,608	-	NMF
<b>Private portfolio companies</b>	<b>(42,520)</b>	<b>251,933</b>	<b>NMF</b>	<b>(287,828)</b>	<b>282,183</b>	<b>NMF</b>
<b>Large Portfolio Companies</b>	<b>(21,396)</b>	<b>197,356</b>	<b>NMF</b>	<b>(163,928)</b>	<b>201,855</b>	<b>NMF</b>
Of which, Retail (pharmacy)	13,948	44,816	-68.9%	(39,358)	27,657	NMF
Of which, Hospitals	(46,250)	64,276	NMF	(95,769)	90,889	NMF
Of which, Water Utility	-	91,100	NMF	-	76,097	NMF
Of which, Insurance (P&C and Medical)	10,906	(2,836)	NMF	(28,801)	7,212	NMF
<b>Investment Stage Portfolio Companies</b>	<b>(3,536)</b>	<b>48,976</b>	<b>NMF</b>	<b>(19,219)</b>	<b>54,115</b>	<b>NMF</b>
Of which, Renewable energy	8,050	13,072	-38.4%	(2,002)	7,632	NMF
Of which, Education	16,385	19,443	-15.7%	20,741	23,207	-10.6%
Of which, Clinics and Diagnostics	(27,971)	16,461	NMF	(37,958)	23,276	NMF
<b>Other businesses</b>	<b>(17,588)</b>	<b>5,601</b>	<b>NMF</b>	<b>(104,681)</b>	<b>26,213</b>	<b>NMF</b>
<b>Total investment return</b>	<b>(46,672)</b>	<b>322,221</b>	<b>NMF</b>	<b>(499,687)</b>	<b>326,019</b>	<b>NMF</b>
<b>(Loss)/income before foreign exchange movements and non-recurring expenses</b>	<b>(34,500)</b>	<b>310,192</b>	<b>NMF</b>	<b>(515,930)</b>	<b>296,966</b>	<b>NMF</b>
Net foreign currency loss	18,172	57,988	-68.7%	14,448	26,547	-45.6%
Non-recurring expenses	(104)	(41)	NMF	(196)	(218)	-10.1%
<b>Net (loss)/income (adjusted IFRS)</b>	<b>(16,432)</b>	<b>368,139</b>	<b>NMF</b>	<b>(501,678)</b>	<b>323,295</b>	<b>NMF</b>

# MULTIPLE OF INVESTED CAPITAL (MOIC) | 30-JUNE-2022



<i>GEL million</i>	Gross Investment	Sell down	Dividends	Fair Value	MOIC	Realized MOIC
	(1)	(2)	(3)	(4)	(2+3+4) / (1)	(2+3) / (1)
<b>Listed and Observable Investments</b>	<b>349</b>	<b>835</b>	<b>268</b>	<b>609</b>	<b>4.9x</b>	<b>3.2x</b>
Bank of Georgia Group PLC	129	287	171	456	7.1x	3.5x
Water Utility	220	548	97	153	3.6x	2.9x
<b>Private large and investment stage portfolio companies</b>	<b>622</b>	<b>131</b>	<b>126</b>	<b>1,833</b>	<b>3.4x</b>	<b>0.4x</b>
GHG <sup>1</sup>	390	131	29	1,309	3.8x	0.4x
P&C Insurance	11	-	68	200	23.4x	6.0x
Renewable Energy	150	-	29	172	1.3x	0.2x
Education	71	-	-	152	2.1x	0.0x
<b>Other</b>	<b>734</b>	<b>-</b>	<b>261</b>	<b>264</b>	<b>0.7x</b>	<b>0.3x</b>
<b>Total</b>	<b>1,707</b>	<b>966</b>	<b>655</b>	<b>2,705</b>	<b>2.5x</b>	<b>1.0x</b>

Georgia Capital PLC | 1. GHG comprises three businesses: Retail (pharmacy), Hospitals, Clinics & Diagnostics and Medical Insurance.

# VALUATION PEER GROUP



## RETAIL (PHARMACY)

- NEUCA S.A. | Poland
- Sopharma Trading AD | Bulgaria
- S.C. Ropharma S.A. | Romania
- SALUS, Ljubljana, d. d. | Slovenia
- Great Tree Pharmacy Co., Ltd. | Taiwan
- Dis-Chem Pharmacies Limited | South Africa
- Clicks Group Limited | South Africa

## HOSPITALS

- Medcover AB (publ) | Sweden
- EMC Instytut Medyczny SAEMC SA | Poland
- Med Life S.A. | Romania
- Netcare Limited | South Africa
- Mediclinic International plc | South Africa
- MLP Saglik Hizmetleri A.S. | Turkey
- Life Healthcare Group Holdings Limited | South Africa

## P&C INSURANCE

- Dhipaya Insurance | Thailand
- Zavarovalnica Triglav | Slovenia
- Pozavarovalnica Sava | Slovenia
- Aksigorta | Turkey
- Anadolu Sigorta | Turkey
- Bao Minh Insurance | Vietnam
- Turkiye Sigorta | Turkey

## MEDICAL INSURANCE

- Powszechny Zaklad Ubezpieczen SA | Poland
- European Reliance General Insurance Company S.A. | Greece
- UNIQA Insurance Group AG | Austria
- Ageas SA/NV | Belgium

## EDUCATION

- SISB Public Company Limited | Thailand
- Curro Holdings Limited | South Africa
- Overseas Education Limited | Singapore
- Cairo For Investment & Real Estate Development S.A.E | Egypt
- Cogna Educação S.A. | Brazil
- Colegios Peruanos S.A. | Peru
- Educational Holding Group K.S.C.P | Kuwait
- ADVTECH Limited | South Africa

## CLINICS AND DIAGNOSTICS

- EMC Instytut Medyczny SA | Poland
- Medcover AB (publ) | Sweden
- Med Life S.A. | Romania
- Mediclinic International plc | South Africa
- Medcover AB | Sweden
- Fleury S.A. | Brazil
- Instituto Hermes Pardini S.A. | Brazil

## RENEWABLE ENERGY\*

- BCPG Public Company Limited | Thailand
- ERG S.p.A | Italy
- Polenergia S.A. | Poland
- Terna Energy Societe Anonyme | Greece

\*This list of the renewable energy business peers is extracted from the larger peer group used in valuations by Kroll.

# FORWARD LOOKING STATEMENTS



This presentation contains forward-looking statements, including, but not limited to, statements concerning expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position and future operations and development. Although Georgia Capital PLC believes that the expectations and opinions reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations and opinions will prove to have been correct. By their nature, these forward-looking statements are subject to a number of known and unknown risks, uncertainties and contingencies, and actual results and events could differ materially from those currently being anticipated as reflected in such statements. Important factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements, certain of which are beyond our control, include, among other things: regional instability; impact of COVID-19; regulatory risk across a wide range of industries; investment risk; liquidity risk; portfolio company strategic and execution risks; currency fluctuations, including depreciation of the Georgian Lari, and macroeconomic risk; and other key factors that could adversely affect our business and financial performance, which are contained elsewhere in this presentation and in our past and future filings and reports and also the 'Principal Risks and Uncertainties' included in the 1H22 Results Announcement and Georgia Capital PLC's Annual Report and Accounts 2021. 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.

## COMPANY INFORMATION

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### Share price information

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

[www.georgiacapital.ge](http://www.georgiacapital.ge)