



Georgia-focused investment company

Investor Presentation: 2H18 & FY18 results

10 x = 10 y

Forward looking statements



Disclaimer

This presentation contains forward-looking statements, including, but not limited to, statements concerning expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position and future operations and development. Although Georgia Capital PLC believes that the expectations and opinions reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations and opinions will prove to have been correct. By their nature, these forward-looking statements are subject to a number of known and unknown risks, uncertainties and contingencies, and actual results and events could differ materially from those currently being anticipated as reflected in such statements. Important factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements, certain of which are beyond our control, include, among other things: currency fluctuations, including depreciation of the Georgian Lari, and macroeconomic risk; regional tensions and instability; regulatory risk across a wide range of industries; investment strategy risk; investment risk and liquidity risk and other key factors that indicated could adversely affect our business and financial performance, which are contained elsewhere in this document and in our past and future filings and reports and also the 'Principal Risks and Uncertainties' included in Georgia Capital PLC's 1H18 results announcement and in BGEO Group PLC's Annual Report and Accounts 2017. No part of this presentation constitutes, or shall be taken to constitute, an invitation or inducement to invest in Georgia Capital PLC or any other entity, and must not be relied upon in any way in connection with any investment decision. Georgia Capital PLC and other entities undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required. Nothing in this presentation should be construed as a profit forecast.

Content



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2. Capital allocation

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4. Georgian Macro Overview

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Georgia Capital portfolio



Holding company of a diversified group focused on investing in and developing businesses in Georgia

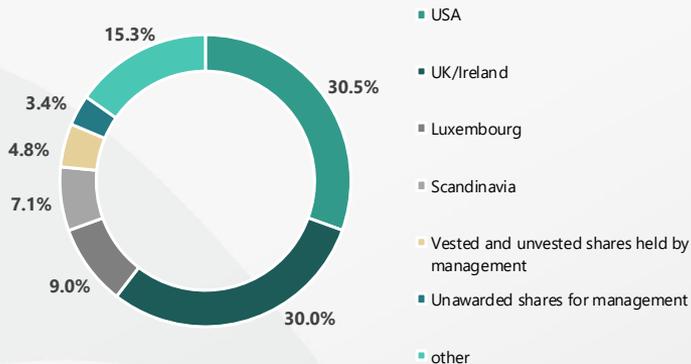
Listed	Private			Pipeline
Bank of Georgia (Banking) 19.9%	Late stage			Education
	Water utility (managed by GGU) 100%	Housing development (managed by m²) 100%	P&C insurance (managed by Aldagi) 100%	
GHG (Healthcare) 57%	Early stage			
	Renewable energy (managed by GGU) 65%	Hospitality & Commercial real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

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

10x = 10y

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

GCAP shareholders allocation by geography



Historical GCAP share price vs. Average analyst value per share



GCAP top shareholders | 31-Dec-2018

Rank	Shareholder name	Ownership
1.	M&G Investment Management Ltd	7.63%
2.	Schroder Investment Management	5.29%
3.	LGM Investments Ltd	3.85%
4.	Norges Bank Investment Management	3.34%
5.	Dimensional Fund Advisors (DFA)	3.05%

Outstanding shares 31-Dec-18

As of 20 February 2019



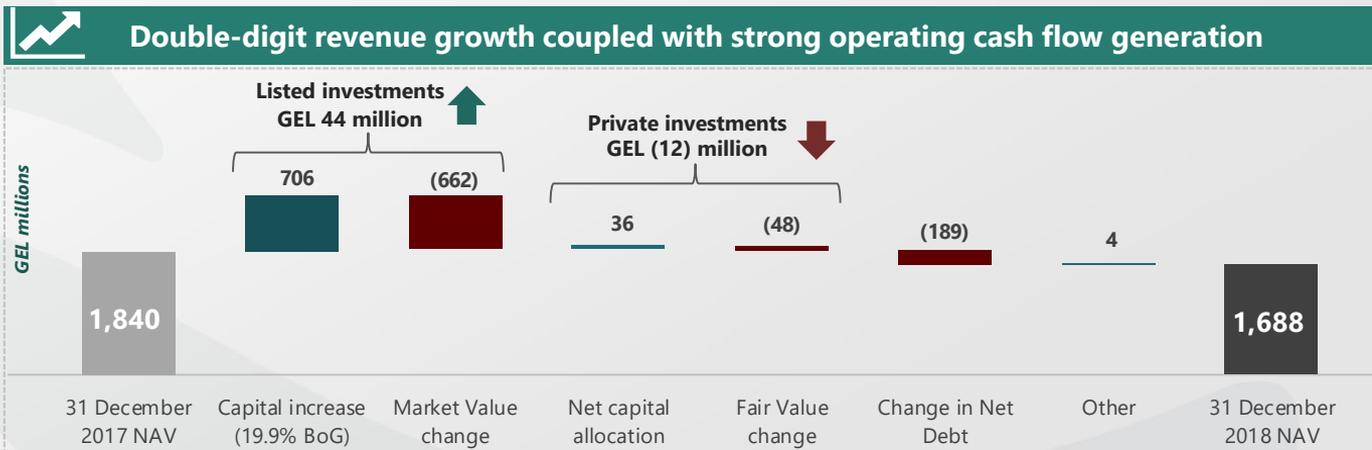
Average daily trading volume – 1.1 GBP (million)

Market Capitalization – 437.7 GBP (million)

2H18 & FY18 performance highlights (management accounts)



Georgia Capital NAV overview			Georgia Capital performance				
<i>GEL millions, except for per share information</i>	31-Dec-18	<i>Change (y-o-y)</i>	<i>GEL millions unless otherwise noted</i>	2H18	<i>change (y-o-y)</i>	FY18	<i>change (y-o-y)</i>
Investment Portfolio Value	1,883.4	+1.8%	GCAP net operating income	27.0	NMF	48.7	NMF
Liquid assets & Loans issued	605.1	NMF	Total attributable income of portfolio companies	111.1	NMF	187.9	+100.1%
Net Asset Value ¹	1,688.2	-8.3%	of which, income from listed portfolio companies	56.8	NMF	112.6	NMF
NAV per share GEL	47.13	+0.9%	of which, income from private portfolio companies	54.3	+76.4%	75.3	+3.1%
NAV per Share GBP ¹	13.88	+4.0%	Net income	99.3	NMF	164.4	NMF
NAV per share increased to GEL 51.46 (GBP 15.03) at 20-Feb-19 ¹			ROI ²				37.9%



(1) The value of our listed portfolio investments increased thereby increasing NAV to GEL 1,843 million as of the close of business on 20 February 2019.
 (2) For detailed definition please refer to the 60 slide.

NAV Statement



Net Asset Value Overview

	Ownership %	Valuation method	Management Fair Value		Change amount	Change %	Total return	Total return %	Book Value	Difference with Management FV
			31-Dec-18	31-Dec-17						
<i>GEL thousands unless otherwise noted</i>										
Listed Portfolio Companies			977,827	933,481	44,346	4.8%	(637,781)	-38.9%	977,827	NMF
<i>GHG (75,118,503 shares at market)</i>	57.0%	LSE	520,332	933,481	(413,149)	-44.3%	(413,148)	-44.3%	520,332	NMF
<i>BoG (9,784,716 shares at market)</i>	19.9%	LSE	457,495	-	457,495	NMF	(224,632)	-31.8%	457,495	NMF
Private Portfolio Companies			905,547	917,380	(11,833)	-1.3%	(47,474)	-5.2%	697,305	29.9%
Late Stage			628,326	715,270	(86,944)	-12.2%	(40,792)	-5.7%	395,846	58.7%
<i>Water Utility</i>	100.0%	EV/EBITDA	431,017	498,181	(67,164)	-13.5%	(38,324)	-7.7%	270,486	59.3%
<i>Housing Development</i>	100.0%	NAV	66,785	75,609	(8,824)	-11.7%	(1,512)	-2.0%	66,785	NMF
<i>P&C Insurance</i>	100.0%	P/E	130,524	141,480	(10,956)	-7.7%	(956)	-0.7%	58,575	NMF
Early Stage			271,288	202,110	69,178	34.2%	(6,682)	-3.3%	295,526	-8.2%
<i>Renewable Energy</i>	65.0%	NAV	61,182	51,511	9,671	18.8%	4,700	9.1%	61,182	NMF
<i>Hospitality and Commercial</i>	100.0%	NAV	149,079	78,142	70,937	90.8%	40,515	51.8%	150,973	-1.3%
<i>Beverages</i>	80.0%	EV/EBITDA ²	61,027	72,457	(11,430)	-15.8%	(51,897)	-71.6%	83,371	-26.8%
Pipeline (at cost)			5,933	-	5,933	NMF	(432)	NMF	5,933	NMF
<i>Education</i>	100.0%		7,071	-	7,071	NMF			7,071	NMF
<i>Other</i>	100.0%		(1,138)	-	(1,138)	NMF			(1,138)	NMF
Total Portfolio Value			1,883,374	1,850,861	32,513	1.8%	(685,688)	-26.8%	1,675,132	12.4%
Net Debt			(196,915)	(7,733)	(189,182)	NMF			(196,915)	NMF
<i>of which, Cash and liquid funds</i>			299,650	264,546	35,104	13.3%			299,650	NMF
<i>of which, Loans issued</i>			305,480	-	305,480	NMF			305,480	NMF
<i>of which, Gross Debt</i>			(802,045)	(272,279)	(529,766)	NMF			(802,045)	NMF
<i>Net other assets/(liabilities)</i>			1,762	(2,681)	4,443	NMF			1,762	NMF
Net Asset Value			1,688,221	1,840,447	(152,226)	-8.3%			1,479,979	14.1%
Shares outstanding¹			35,816,947	39,384,712	(3,567,765)	-9.1%			35,816,947	NMF
Net Asset Value per share (GEL)			47.13	46.73	0.40	0.9%			41.32	14.1%
Net Asset Value per share (GBP)			13.88	13.35	0.53	4.0%			12.17	14.1%

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

(2) Wine business is valued using EV/EBITDA multiple, beer business is valued by EV/Sales multiple due to negative EBITDA.

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Valuation summary | private businesses

	Business	Valuation method	Multiple applied		Fair value change during 2018	Value change drivers
			Dec-18	Dec-17		
Late stage	Water Utility	EV/EBITDA (Based on LTM EBITDA)	8.8	9.4	↓ GEL (67.2)mln	<ul style="list-style-type: none"> 15% EBITDA increase +GEL 102mln Multiple contraction GEL (48)mln Net debt widening GEL (121)mln
	Housing Development	NAV at reporting date	N/A	N/A	↓ GEL (8.8)mln	<ul style="list-style-type: none"> Net capital distribution GEL (7.3)mln⁴
	P&C Insurance	P/E (Based on LTM Net income ²)	7.4	8.7	↓ GEL (11.0)mln	<ul style="list-style-type: none"> 8.8% growth in net income² +GEL 12mln Multiple contraction GEL (23)mln
Early Stage	Renewable Energy	At book value until power plant is operational ¹	N/A	N/A	↑ GEL 9.7mln	<ul style="list-style-type: none"> Capital allocation from GCAP +GEL 5.0mln Positive impact from exchange rate movements³
	Hospitality & Commercial	NAV at reporting date	N/A	N/A	↑ GEL 70.9mln	<ul style="list-style-type: none"> Revaluation gain +GEL 27.6mln Capital allocation from GCAP +GEL 32.9mln⁴
	Wine	EV/EBITDA (Based on LTM EBITDA)	9.1	9.0	↑ GEL 22.3mln	<ul style="list-style-type: none"> Acquisition of Kindzmarauli
	Beer	EV/Sales (Based on LTM sales) due to negative EBITDA	2.2	N/A ⁵	↓ GEL (33.7)mln	<ul style="list-style-type: none"> GEL 14mln EBITDA loss

(1) EV/EBITDA (LTM) following the launch.

(2) Net income is adjusted for non-recurring items.

(3) Renewable energy business assets are denominated in US Dollars and the business's functional currency is US dollars.

(4) Net dividend inflows from Housing Development includes GEL 2.5 million capital reallocation from the hospitality & commercial real estate business.

(5) At book in the first incomplete year of operations.

GCAP – Total investment return during 2018

Business	31-Dec-17 Fair Value	Fair value change	31-Dec-18 Fair value	Capital allocations	Inter-business capital allocation ²	Dividend inflows	Total Return	Total return %
Listed businesses	1,639,483	(661,656)	977,827	-	-	23,875	(637,781)	-38.9%
<i>GHG</i>	933,481	(413,149)	520,332	-	-	-	(413,149)	-44.3%
<i>BoG¹</i>	706,002	(248,507)	457,495	-	-	23,875	(224,632)	-31.8%
Private businesses	917,380	(17,766)	899,614	(78,338)	(2,477)	48,629	(47,475)	-5.2%
Late stage	715,270	(86,944)	628,326	-	(2,477)	48,629	(40,792)	-5.7%
<i>Water Utility</i>	498,181	(67,164)	431,017	-	-	28,840	(38,324)	-7.7%
<i>Housing Development²</i>	75,609	(8,824)	66,785	-	(2,477)	9,789	(1,512)	-2.0%
<i>P&C Insurance</i>	141,480	(10,956)	130,524	-	-	10,000	(956)	-0.7%
Early stage	202,110	69,178	271,288	(78,338)	2,477	-	(6,683)	-3.3%
<i>Renewable Energy</i>	51,511	9,671	61,182	(4,971)	-	-	4,700	9.1%
<i>Hospitality & Commercial RE²</i>	78,142	70,937	149,079	(32,899)	2,477	-	40,515	51.8%
<i>Beverages</i>	72,457	(11,430)	61,027	(40,468)	-	-	(51,898)	-71.6%
<i>of which, Wine</i>	34,520	22,251	56,771	(25,754)	-	-	(3,503)	-10.1%
<i>of which, Beer</i>	37,937	(33,681)	4,256	(14,714)	-	-	(48,395)	-127.6%
Pipeline	-	5,933	5,933	(6,365)	-	-	(432)	NMF
Total	2,556,863¹	(673,489)	1,883,374	(84,703)	-	72,504	(685,688)	-26.8%

(1) Pro-forma beginning balance of BoG represents the contribution of BoG's 19.9% equity stake, valued at GEL 706 million at the date of the contribution, into Georgia Capital's equity by its former parent company as part of the demerger.

(2) Net dividend inflows from Housing Development includes GEL 2.5 million capital reallocation from the hospitality & commercial real estate business to the Housing Development.

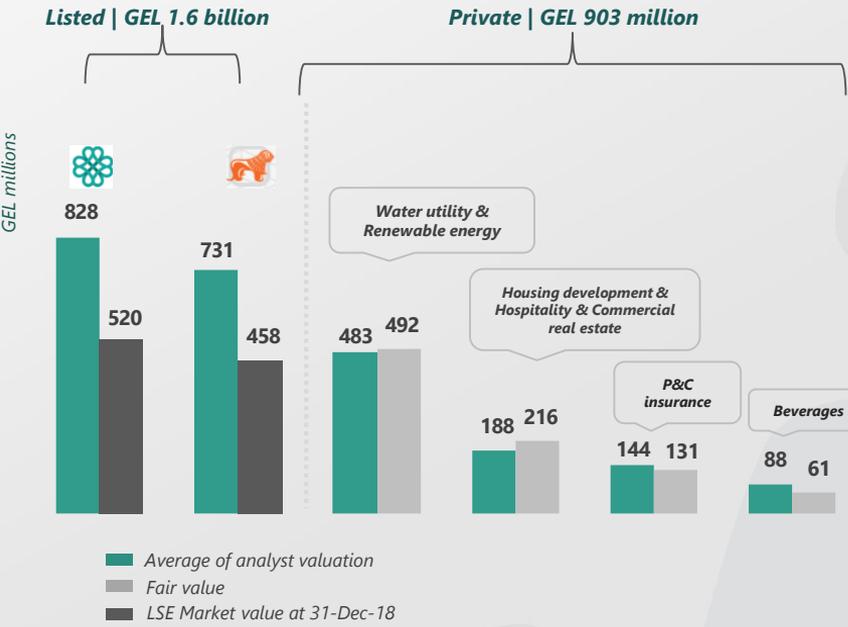
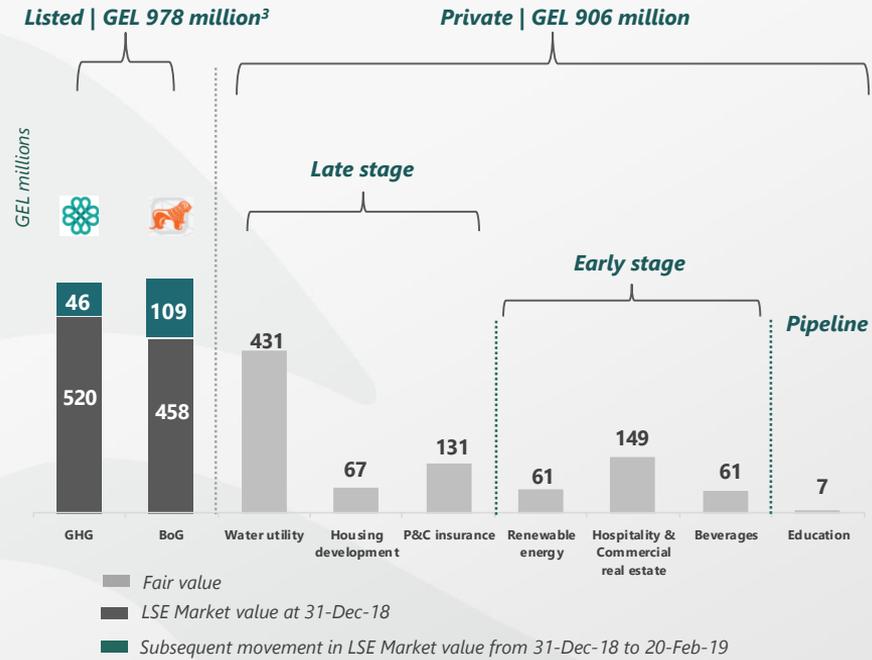
Key portfolio highlights | 31 December 2018

Portfolio value | GEL 1.9 billion

Average of analyst valuation¹ | GEL 2.5 billion

Portfolio value up to GEL 2.0 billion at 20-Feb-2019

Average of analyst valuation¹ | GEL 2.5 billion



(1) Analysts covering Georgia capital: Wood & Co (Report date: 31-May-2018); Investec (Report date: 29-May-2018); Renaissance Capital (Report date: 11-Feb-2019); VTB Capital (Report date: 6-Nov-2018); Citi (Report date: 23-Jan-2019).
 (2) For the definition please refer to slide 60.
 (3) GEL 1,133 million at 20-Feb-2019.

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Management income statement

	2H18	2H17	Change	1H18	Change	FY18	FY17	Change
<i>GEL thousands unless otherwise noted</i>								
Dividend income	41,164	17,500	NMF	31,340	31.3%	72,504	35,000	NMF
Interest income	24,845	1,109	NMF	14,741	68.5%	39,586	1,380	NMF
Interest expense	(25,632)	(7,056)	NMF	(19,079)	34.3%	(44,711)	(16,266)	NMF
GCAP gross operating income	40,377	11,553	NMF	27,002	49.5%	67,379	20,114	NMF
Operating expenses	(13,409)	(4,592)	NMF	(5,280)	NMF	(18,689)	(6,511)	NMF
GCAP net operating income	26,968	6,961	NMF	21,722	24.2%	48,690	13,603	NMF
Attributable income of listed portfolio companies	56,795	9,067	NMF	55,774	1.8%	112,569	20,889	NMF
<i>of which, GHG PLC</i>	9,782	9,067	7.9%	11,591	-15.6%	21,373	20,889	2.3%
<i>of which, BoG PLC</i>	47,013	-	NMF	44,183	6.4%	91,196	-	NMF
Attributable income of private portfolio companies	54,279	30,763	76.4%	21,017	NMF	75,296	73,020	3.1%
Late stage	36,719	32,389	13.4%	31,442	16.8%	68,161	77,387	-11.9%
<i>of which, Water Utility</i>	25,742	23,391	10.1%	17,893	43.9%	43,635	39,156	11.4%
<i>of which, Housing Development</i>	2,031	1,067	90.3%	4,898	-58.5%	6,929	22,140	-68.7%
<i>of which, P&C Insurance</i>	8,946	7,931	12.8%	8,651	3.4%	17,597	16,091	9.4%
Early stage	18,998	(1,626)	NMF	(10,425)	NMF	8,573	(4,367)	NMF
<i>of which, Renewable Energy</i>	(314)	847	NMF	(331)	-5.1%	(645)	(838)	-23.0%
<i>of which, Hospitality and Commercial</i>	28,021	1,765	NMF	787	NMF	28,808	3,090	NMF
<i>of which, Beverages</i>	(8,709)	(4,238)	NMF	(10,881)	-20.0%	(19,590)	(6,619)	NMF
Pipeline	(1,438)	-	NMF	-	NMF	(1,438)	-	NMF
Total portfolio company attributable income	111,074	39,830	NMF	76,791	44.6%	187,865	93,909	NMF
Income before income taxes, provisions and adjustments	138,042	46,791	NMF	98,513	40.1%	236,555	107,512	NMF
Adjustment for dividend income accrual	(41,164)	(17,500)	NMF	(31,340)	31.3%	(72,504)	(35,000)	NMF
Provision	2,471	(2,039)	NMF	(2,115)	NMF	356	(2,039)	NMF
Income tax	-	-	NMF	-	NMF	-	-	NMF
Net Income	99,349	27,252	NMF	65,058	52.7%	164,407	70,473	NMF
Net foreign currency (loss) gain	(32,588)	1,879	NMF	1,652	NMF	(30,936)	1,362	NMF
Non-recurring expense	(5,950)	(1,525)	NMF	(49,970)	-88.1%	(55,920)	(3,745)	NMF
Realized gain from sale portfolio company shares	-	-	NMF	-	NMF	-	90,275	NMF
Total comprehensive income	60,811	27,606	NMF	16,740	NMF	77,551	158,365	-51.0%

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Georgia Capital stand-alone cash flow highlights

	2H18	2H17	Change	1H18	Change	FY18	FY17	Change
<i>GEL thousands unless otherwise noted</i>			y-o-y		h-o-h			y-o-y
Dividends received	62,446	28,000	NMF	10,000	NMF	72,446	28,000	NMF
Interest received	17,484	1,267	NMF	10,425	67.7%	27,909	1,457	NMF
Interest paid	(24,053)	-	NMF	(21,785)	10.4%	(45,838)	-	NMF
Cash outflow from Operations before operating expenses	55,877	29,267	90.9%	(1,360)	NMF	54,517	29,457	85.1%
GCAP operating expenses	(7,726)	(884)	NMF	(2,787)	NMF	(10,513)	(1,129)	NMF
Cash outflow from operations	48,151	28,383	69.6%	(4,147)	NMF	44,004	28,328	55.3%
Investments in portfolio companies	(8,217)	(16,738)	-50.9%	(19,700)	-58.3%	(27,917)	(28,196)	-1.0%
Loans Issued	(25,467)	-	NMF	(249,635)	-89.8%	(275,102)	(7,000)	NMF
Investments in preferred stock of portfolio companies	(38,102)	-	NMF	(19,029)	NMF	(57,131)	-	NMF
Proceeds from sale of shares in portfolio companies	-	-	NMF	-	NMF	-	108,780	NMF
Purchase of PPE	(924)	-	NMF	-	NMF	(924)	-	NMF
Cash outflow on investing activities	(72,710)	(16,738)	NMF	(288,364)	-74.8%	(361,074)	73,584	NMF
Share buybacks	(37,834)	-	NMF	(49,580)	-23.7%	(87,414)	-	NMF
Cash outflow on buybacks	(37,834)	-	NMF	(49,580)	-23.7%	(87,414)	-	NMF
Increase in capital	-	44,826	NMF	-	NMF	-	47,075	NMF
Proceeds from debt securities issued	-	-	NMF	715,729	NMF	715,729	-	NMF
Repayment of borrowings from former parent company	-	(11,636)	NMF	(248,295)	NMF	(248,295)	(19,617)	NMF
Proceeds from borrowings	-	119,030	NMF	-	NMF	-	125,330	NMF
Cash inflow from financing activities	-	152,220	NMF	467,434	-100.0%	467,434	152,788	NMF
Demerger related outflows	(8,352)	-	NMF	(24,245)	-65.6%	(32,597)	-	NMF
FX translation & Fair valuation	18,393	7,185	NMF	(13,642)	NMF	4,751	6,606	-28.1%
Net cash flow¹	(52,352)	171,050	NMF	87,456	NMF	35,104	261,306	-86.6%
Beginning cash and liquid funds	352,002	93,496	NMF	264,546	33.1%	264,546	3,240	NMF
Ending cash and liquid funds	299,650	264,546	13.3%	352,002	-14.9%	299,650	264,546	13.3%

(1) Net cash flow includes liquid funds.

Liquidity and cash management at Georgia Capital (stand-alone)

GEL 605 million

Liquid assets & Loans issued | 31-Dec-2018

- ▶ Cash at bank of **GEL 142 million**
- ▶ Internationally listed debt securities of **GEL 129 million**
- ▶ Locally listed debt securities of **GEL 28 million**
- ▶ Loans issued of **GEL 305 million**

GEL 197 million¹

Net debt | 31-Dec-2018

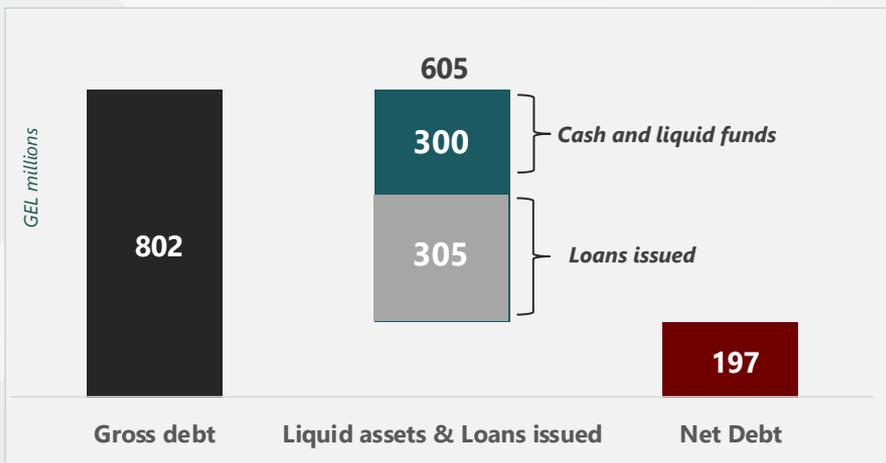
- ▶ Georgia Capital issued inaugural US\$ 300mln international corporate bonds in March 2018

GEL 49 million

GCAP stand-alone FY18 net operating income

- ▶ Gross operating income more than tripled y-o-y to GEL 48.7 million from GEL 13.6 million

Net debt overview | 31-Dec-2018



Portfolio over net debt

9.6x

Listed assets over net debt

5.0x

<i>GEL millions</i>	2H18	Change <i>y-o-y</i>	FY18	Change <i>y-o-y</i>
Dividend Income	41	+24	73	+38
Interest Income	25	+24	40	+38
Interest expense	(26)	-19	(45)	-28
Gross operating income	40	+29	67	+47
Operating expenses	(13)	-9	(19)	-12
Net operating income	27	+20	49	+35

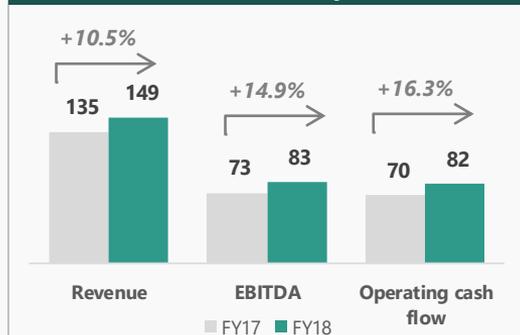
(1) Net debt adjusted for market value of shares bought back under share buyback programme was GEL 49 million lower at 20-Feb-2019: GEL 148 million.

FY18 private portfolio performance highlights

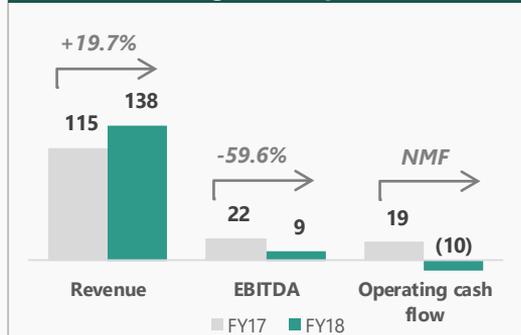


Late stage

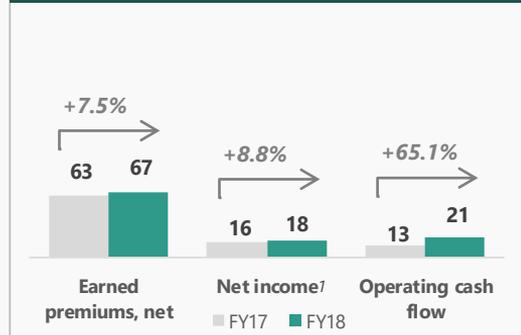
Water Utility



Housing Development

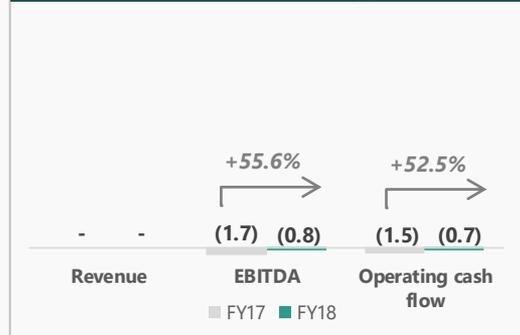


P&C Insurance

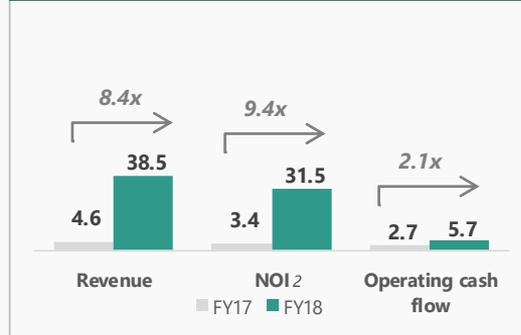


Early stage

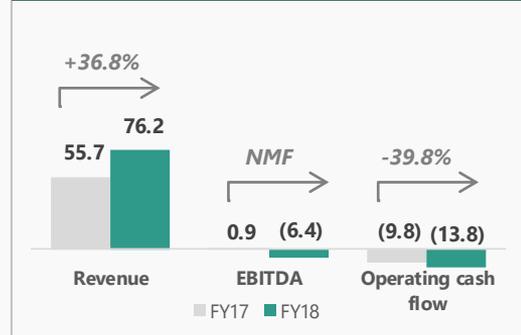
Renewable Energy



Hospitality & Commercial



Beverages



(1) Adjusted for non-recurring items.
 (2) Net operating income.

Content



1. 2H18 & FY18 results discussion | Georgia Capital

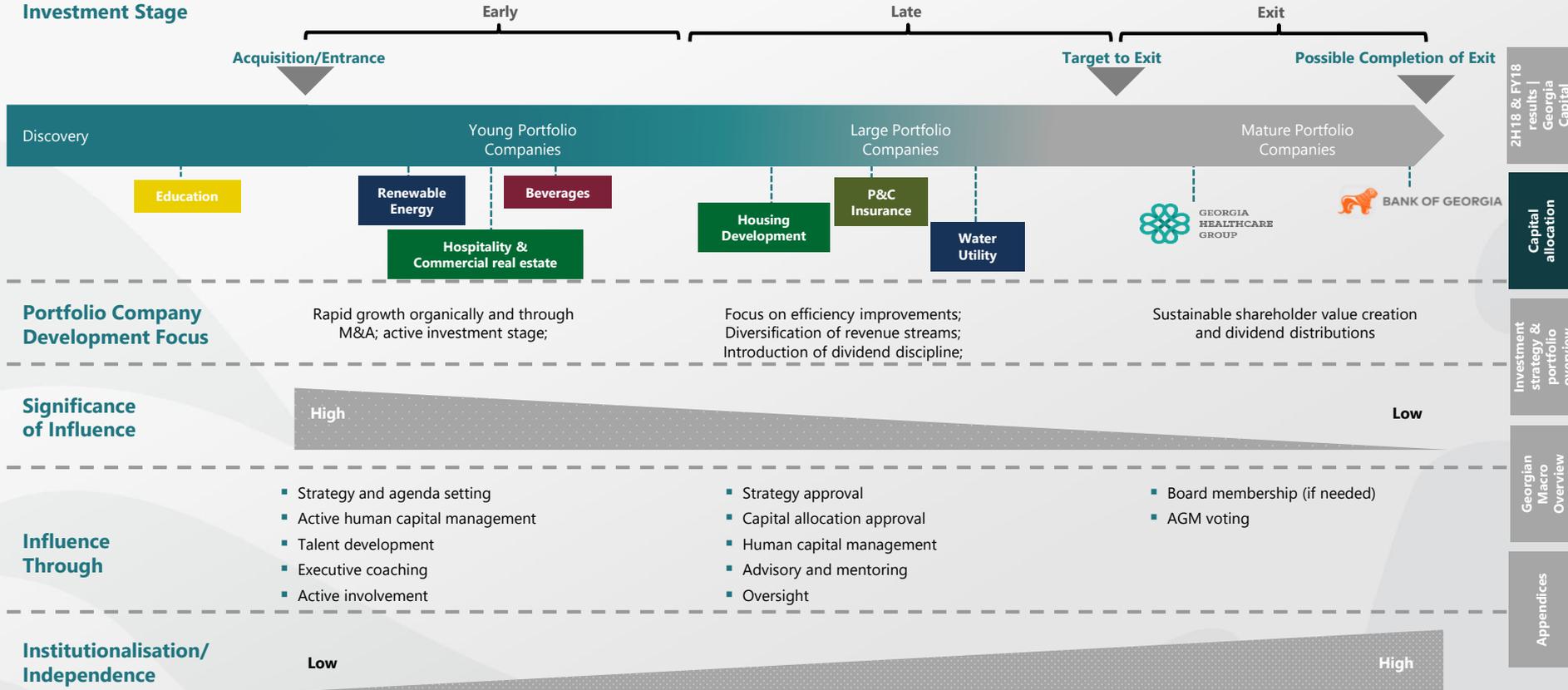
2. **Capital allocation**

3. Investment strategy & portfolio overview

4. Georgian Macro Overview

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Portfolio management principles



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Georgia Capital's early stage portfolio – 3x1,000 target



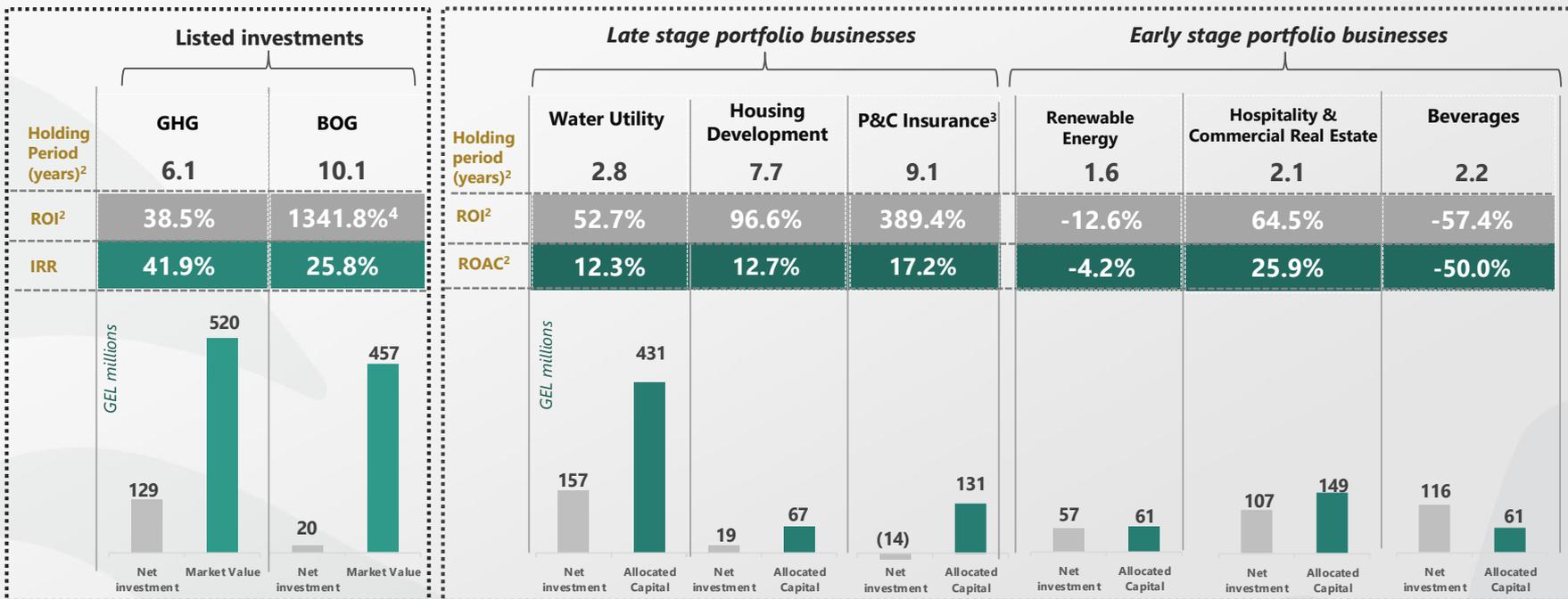
Target	Current 31 December 2018
<p>1,000 Hotel rooms</p> <p>Georgia Capital targets to have 1,000 operating hotel rooms in its hospitality business portfolio over the next 3 years</p>	<p>Currently 152 are operational and 969 are in the pipeline, in total 1,121 rooms in the portfolio</p>
<p>1,000 hectares of vineyard</p> <p>Our wine business targets to increase its vineyard base to 1,000 hectares over the next 3 years</p>	<p>Currently 436 hectares of vineyard base (443 hectares at 21 February 2019)²</p>
<p>1,000 MW capacity</p> <p>Our renewable energy business plans to have 500MW¹ installed capacity over the next 5 years and 1,000MW¹ installed capacity over the long-term</p>	<p>50MW of hydro projects are currently under construction 46MW of hydro projects are under development c.74MW of HPPs are at the feasibility stage 210MW wind projects are at the feasibility or development stage 30 MW of solar projects at the feasibility stage</p>
<p>3x1,000 target to capitalize on the fast-growing Georgian economy and increase long-term shareholder value</p>	

(1) Target includes existing energy assets of water utility business with total installed capacity of 152 MW.

(2) Wine business purchased 7 hectares of vineyards in January 2019.



Georgia Capital invested GEL 670¹ million translating into GEL 1,426¹ million portfolio value and generated ROI² 37.9% at 31 December 2018



(1) Invested capital and portfolio value is stated excluding BoG.

(2) For detailed definition please refer to the 60 slide.

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

(4) Net investment amount is GEL 20 million since BoG is a stable dividend payer over the last seven years driving consistent decrease in net investment amount, while related attributable earnings are increasing.

Capital allocation outlook through 2022

Highly disciplined approach to unlock value through investments



GEL millions		2018A	2019E	2020E	2021E	2022E	Total capital allocation 2019-2022
Listed investments	BoG	(23.9)	(25)	(27)	(29)	(31)	+112 million dividend inflows
	GHG	-	-	-	-	-	
Private investments Late stage	Water Utility	(28.8)	(30)	(32)	(34)	(35)	+268 million dividend inflows
	Housing Development	(9.8)	(10)	(15)	(20)	(25)	
	P&C Insurance	(10.0)	(12)	(15)	(18)	(22)	
Private investments Early stage	Renewable Energy	5.0	74	53	70	(20)	(253) million Capital deployment
	Hospitality & Commercial	32.9	30	9	-	-	
	Beverages	40.6	27	10	-	-	
Pipeline	Education	6.1	70	42	28	-	(140) million Capital deployment
Total¹		12.1	124	25	(3)	(133)	13 million Net capital outflows



Together with the available GEL 605 million liquid funds and short-term loans, we are well-positioned to support the value creation across our private portfolio businesses and take advantage of new opportunities as and when they arise

(1) Buybacks are not included within the capital allocations.

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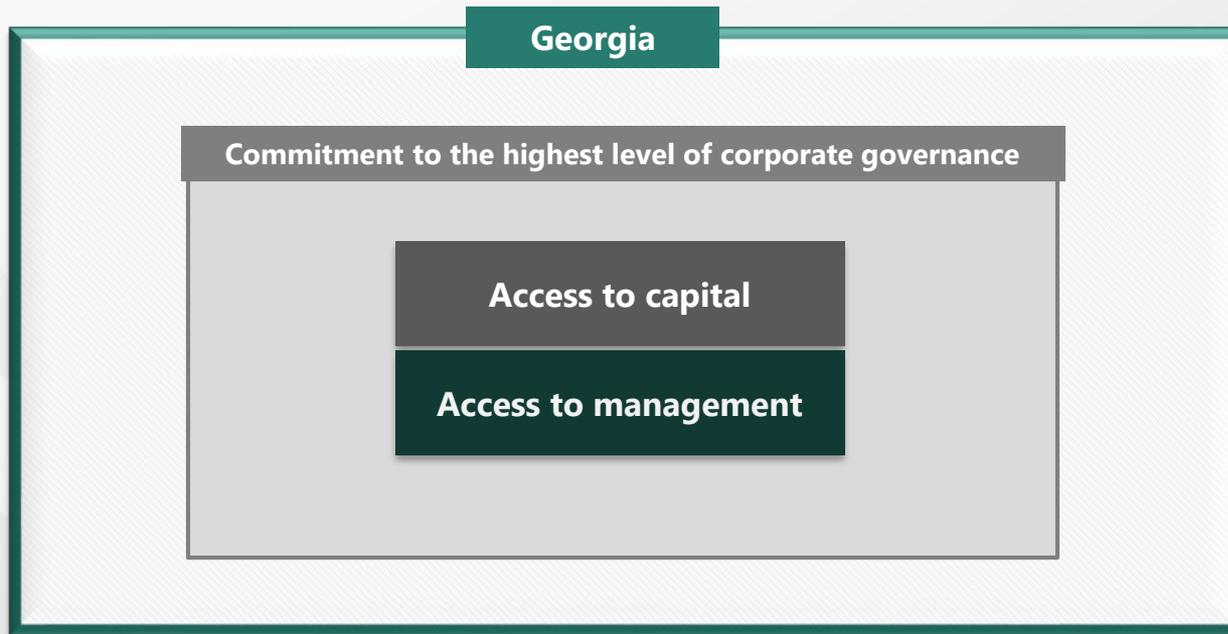
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Georgia Capital – a ground floor opportunity



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



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Leading economy in the region

- Diversified non-commodity reliant economy with strong growth prospects



Top-ranked in economy environment indices

- #6 in ease of doing business (2019)
- Top-8 in Europe region by Economic Freedom Index (Heritage Foundation, 2019) and #16 internationally
- Low corruption and bribery risk (TI, 2017 and Trace international, 2018)



Average 4.5% GDP growth rate over the past 10 years

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

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

Georgia Capital value proposition – 3-fundamental enablers



1 Superior access to capital

- Only investment company in Georgia
- Uniquely positioned given the access to capital in a small frontier economy, where access to capital is limited:
 - **c.US\$ 500 mln** raised in equity at LSE
 - Issued five Eurobonds totaling **US\$ 1.5 billion**
 - **US\$ 3 billion+** raised from IFIs (EBRD, IFC etc.)
- **Flexibility to use own shares as acquisition currency**

2 Access to management

- Reputation among talented managers as the - **"best group to work for"**
- Attracted talents have demonstrated track record of successful delivery
- **Proven DNA in turning around companies and growing them efficiently**
- **Strong skillset in company exits**
 - LSE IPO track record
 - Divestiture skills

3 Strong corporate governance

- **Outstanding track record in:**
 - Institutionalizing businesses, creating independently run/managed institutions
 - Investor reporting transparency and granularity
- **Strong board and robust corporate governance**
- **Aligned shareholders' and management's interests**
 - Management compensation linked to performance
 - Equity/performance dominating compensation structure

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

1

Capital allocation

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

2

Harvesting investments

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

Georgia Capital has 3C approach to achieve 10 year plan

- Improve access to **Capital** at portfolio companies level
- Focus on **Cash** generation across the Group
- Further develop **C Level** Executives

Solid track record

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

Successful track record of delivering strong results



Value creation across our late stage private portfolio and listed assets

Listed

Bank of Georgia

Dividend CAGR 34.3%

Dividend per share CAGR (2010-2018)

20%+ ROAE in 2014-2018

Outstanding ROAE performance

Net Loan book CAGR 20.6%

2013-2018

GHG

EBITDA more than tripled in 2014-2018

EBITDA more than tripled from GEL 37 million in 2014 to GEL 132 million in 2018

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

- Number of beds up 55% (2014-2018)
- coverage of over 3/4 of Georgia's 3.7 million population with 37 high quality hospitals, 16 district polyclinics and 270 pharmacies as of 31-Dec-18

Private late stage

Water Utility

EBITDA up 51%

since acquisition in 2014 (2014-2018)

Efficiency gains

26% decrease in electricity own consumption (2014 – 2018)

Growing dividend capacity

GEL 28.8 million paid in 2018 with expected CAGR of 5% through 2022

Housing Development

GEL 74 million capital

was generated, fully reallocated to hospitality & commercial real estate business as of 31-Dec-18

75% IRR

from real estate projects

2,558 apartments completed

99% sold with 215mIn US\$ sales value on completed projects

P&C Insurance

Net profit more than doubled

in 2014-2018

33%+ ROAE

in 2015-2018

Growing dividend capacity

GEL 7 million paid in 2016-2017 and GEL 10 million paid in 2018 with expected CAGR of 22% through 2022

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Board of directors - Georgia Capital PLC



Irakli Gilauri, Chairman & CEO

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



David Morrison, Senior Independent Director

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



William Huyett, Independent Non-Executive Director

Experience: formerly a Director of McKinsey & Company, based in its Boston office, for over 28 years



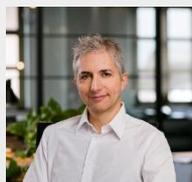
Kim Bradley, Independent Non-executive Director

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



Caroline Brown, Independent Non-Executive Director

Experience: Chief Financial Officer at Listen Media Campaign Company, Chief Innovation Officer and Founding Partner at Cambridge Advisory Partners



Massimo Gesua'sive Salvadori, Independent Non-Executive Director

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



Jyrki Talvitie, Independent Non-Executive Director

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

6 out of 7 members are independent

Georgia Capital's highly experienced management team



Georgia Capital Management

Georgia Capital



Irakli Gilauri, Chairman & CEO
Formerly CEO of BGEO Group since 2011, joined as CFO of Bank of Georgia in 2004. Mr Gilauri was appointed Chairman of the Bank in September 2015, having previously served as CEO of the Bank since May 2006. Up to 20 years of experience in the banking, investment and finance. Prior, he was EBRD (European Bank for Reconstruction and Development) banker. Over the last decade, Irakli's leadership has been instrumental in creating major players in a number of Georgian industries, including banking, healthcare, utilities and energy, real estate, insurance and wine. Holds an MS in banking from CASS Business School.



Avto Namicheishvili, Deputy CEO
Formerly he was BGEO Group General Counsel. Joined as a General Counsel at the Bank of Georgia in 2007, and has since played a key role in all of the Group's equity and debt raises on the capital markets, and over 25 mergers and acquisitions. Prior, was a Partner at a leading Georgian law firm. Holds LL.M. in international business law from Central European University, Hungary.



Ekaterina Shavgulidze, Chief Investment Officer
Formerly served as Head of Funding and Investor Relations in BGEO Group. Joined BGEO as a CEO of healthcare services business in 2011. Most recently Eka played a key role in the GHG IPO as a Group Head of IR. Prior, she was an Associate Finance Director at AstraZeneca, UK. Holds an MBA from Wharton Business School.



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. BBA from the European School of Management in Georgia. U.S. Certified Public Accountant.

Listed

GHG



Nikoloz Gamkrelidze, CEO, Georgia Healthcare Group
Previously deputy CEO (Finance) of BGEO Group. Our healthcare business story starts with Nick, who started it in 2006, and has successfully led it through outstanding growth and most recently the IPO on the London Stock Exchange. Holds an MA in international healthcare management from the Tanaka Business School of Imperial College London.

BoG



Archil Gachechiladze, CEO, Bank of Georgia
Previously CEO at GGU, the Group's water utility and renewable businesses. Prior to that Archil was a Deputy CEO in charge of corporate banking in 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 MBA with distinction from Cornell University and is CFA charterholder.

GGU



Avto Namicheishvili, Interim CEO, Georgia Global Utilities
Starting from 28-Jan-19, Avto assumes the role of interim CEO of the Group's Water Utility and Renewable Energy businesses, in addition to his deputy CEO role at Georgia Capital. Formerly he was BGEO Group General Counsel. Joined as a General Counsel at the Bank of Georgia in 2007, and has since played a key role in all of the Group's equity and debt raises on the capital markets, and over 25 mergers and acquisitions. Prior, was a Partner at a leading Georgian law firm. Holds LL.M. in international business law from Central European University, Hungary.

m²



Irakli Burdiladze, CEO, m² Real Estate
Joined as a CFO at the Bank of Georgia in 2006. Before taking leadership of real estate business in 2010, he served as the COO of the Bank. Prior he was a CFO at a leading real estate developer and operator in Georgia. Holds a graduate degree in International Economics and International Relations from the Johns Hopkins University School of Advanced International Studies.

Private

Aldagi



Giorgi Baratashvili, CEO, Aldagi
Joined as the Head of Corporate Clients Division of Aldagi in 2004. Before taking the leadership of our P&C insurance business in 2014, he served as Deputy CEO of Aldagi in charge of strategic management for corporate sales and corporate account management. Holds the Master Diploma in International Law.

Wine



Giorgi Tskhadadze, CEO, Wine Business
CEO of wine business since November 2018. He was previously Head of Water Utility within GGU, having joined the group in December 2014. Prior to that, he held executive positions at several leading local companies, including as CFO at IDS Borjomi and Poti Sea Port. Prior to joining GGU, Giorgi was acting as a partner at Proxima Prime Partners. Holds BSc degree in Economics and Engineering from Tbilisi State University.

Beer



Tornike Nikolaishvili, CEO, Beer Business
CEO of beer business since September 2018, having previously been Chief Marketing Officer at Bank of Georgia from March 2018. Previously he was a Commercial Director at EFES Georgia – Natakhtari Brewery. Before joining EFES, he was an Advertising Manager of Cartu-Universal. Overall, he has 15 years' experience in FMCG sector. Holds BBA degree of European School of Management (ESM).

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Bank of Georgia (BoG) Overview

<http://bankofgeorgiagroup.com/>



BANK OF GEORGIA



GEORGIA
CAPITAL

Investment rationale

- The first entity from Georgia to be listed on the premium segment of the London Stock Exchange (LSE:BGEO) since February 2012.
- High standards of transparency and governance**
- Leading market position¹** in Georgia by assets (34.7%), loans (33.5%), client deposits (39.3%) and equity (29.2%)
- Market with **stable growth perspectives**
- Strong brand name recognition** and retail banking franchise
- Sustainable growth combined with **strong capital, liquidity and robust profitability**
- Outstanding ROAE performance
- Dividend per share growing at 34.6% CAGR

Value creation potential

- Loan book growth 15-20%
- Maintenance of dividend pay-out ratio within 25-40%

Value realisation outlook

- Monetization of the existing stake through sales, while avoiding premature sale

Financial metrics (GEL m)

	2015	2016	2017	2018
ROAE	21.9%	22.2%	25.2%	26.1% ⁴
NIM	7.7%	7.4%	7.3%	6.5%
NPL coverage	83.4%	86.7%	92.7%	90.5%
Loan portfolio	5,367	6,682	7,741	9,398
Retail banking growth	35.3%	39.5%	29.3%	24.2%
Cost/income	35.5%	37.7%	37.7%	36.7%

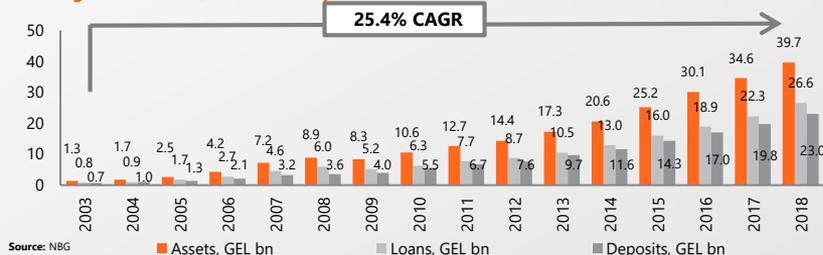
Selected operating metrics

	2017	2018
Retail clients (millions)	2.3	2.4
Digital transactions (millions)	36.6	48.4
Volume of internet bank/mobile bank transactions (GEL millions)	2,088	3,990

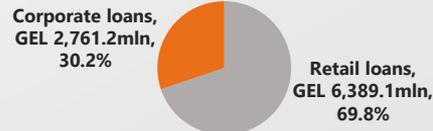
(1) Market data based on standalone accounts as published by the National Bank of Georgia (NBG) www.nbg.gov.ge
 (2) Excluding BNB.
 (3) Adjusted for 19.9% BoG share issuance, actual dividend per share was 2.44 in 2017 and expected to be 2.55 in 2018.
 (4) Adjusted for demerger related expenses and one-off impact of re-measurement of deferred tax balances.

Market opportunity

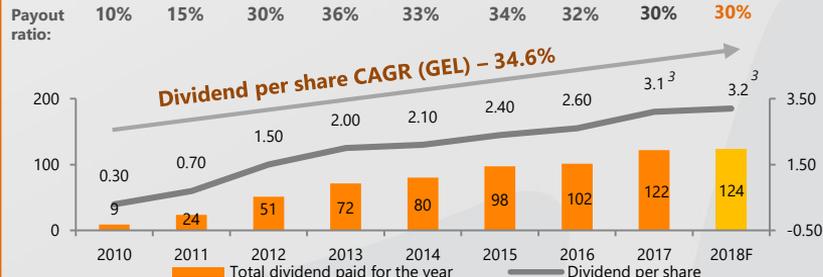
Banking sector assets, loans and deposits



GEL 9.2 bln loan portfolio breakdown (GEL m)⁽²⁾ | 31 December 2018



Dividend record (GEL m)



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Healthcare and pharmacy business (GHG) overview

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



Investment rationale

- Very low base: healthcare services spending per capita only US\$ 325
- Growing market: healthcare spending growth estimated at 8% CAGR 2018-2021

Value creation potential

- High-growth potential driven by opportunity to develop medical tourism and Polyclinics (outpatient clinics)
- Only integrated player in the region with significant cost advantage in scale and synergies
- Well positioned to take advantage of the expected long term macroeconomic and structural growth drivers

Value realisation outlook

- Monetization of the existing stake through sales

Financial metrics (GEL m)

	Annual				Semiannual		
	2015	2016	2017	2018	2H17	1H18	2H18
Revenue Gross	246	426	748	850	376.7	419.5	430.4
EBITDA	56	78	108	132	57.0	62.6	69.6
Profit before tax	24	40	46	54	22.0	28.5	25.3
Healthcare EBITDA margin	27.4%	30.2%	26.4%	24.9%	26.4%	24.7%	25.0%
Pharma EBITDA margin	N/A	4.3% ¹	8.6%	10.1%	9.3%	9.7%	10.5%

Selected operating metrics

	2017	2018
Number of hospitals	37	37
Number of beds	3,014	3,320
Number of polyclinics	16	16
Number of pharmacies	255	270
Bed occupancy rate, referral hospitals ²	64.5%	63.3%

¹ FY16 includes only May-Dec GPC's results.

² Excl. Sunstone, DKC and emergency beds.

³ Return on invested capital is adjusted to exclude newly launched Regional Hospital and Tbilisi Referral Hospitals.

⁴ ROIC is calculated as EBITDA less depreciation, plus interest income divided by aggregate amount of total equity and borrowed funds.

Market opportunity

Total healthcare market (including healthcare services and pharmacy) GEL million



Source: Frost & Sullivan analysis 2017

Stock price performance



Return on invested capital⁴

	2017	2018
ROIC	10.8%	11.0%
ROIC adjusted ³	12.8%	13.9%

Water utility business overview

Investment rationale

- Natural monopoly in Tbilisi and surrounding district
- utilities sector represents 3% of total Georgian economic output with c. 8.2% CAGR (2006-2017)
- Stable regulatory environment with fair return on investment
- Stable cash collection rates

Value creation potential

- EU harmonization reforms in progress in utilities sector in accordance with Georgia's undertaking under the Association Agreement with the EU, expected to drive water tariffs up
- High GDP growth combined with rapid tourism growth drive high demand from legal entities
- Energy market deregulation expected to positively affect electricity sales price
- Upside opportunity from pursuing cost efficiencies by targeting decrease in self-consumption of electricity in order to free up energy for third party electricity sales
- Growing dividend payment capacity

Value realisation outlook

- IPO together with the renewable energy business

Financial metrics (GEL m)

	Annual				Semiannual		
	2015	2016	2017	2018	2H17	1H18	2H18
Total revenue	119	127	135	149	74.4	69.8	79.3
Of which, utility revenue	105	109	119	132	63.9	61.8	70.1
Of which, energy revenue	9	10	10	9	6.7	4.7	4.3
Of which, other revenue	5	8	6	8	3.8	3.3	4.9
Total EBITDA	62	69	73	83	41.5	37.2	46.1

Selected operating metrics

Thousands except for connections	2H18	2H17	Change	1H18	change	FY18	FY17	Change
Water sales (m³)	93,272	90,219	3.4%	86,547	7.8%	179,819	173,820	3.5%
Electricity generation (kwh)	139,820	193,565	-27.8%	184,028	-24.0%	323,847	341,528	-5.2%
Electricity consumption (kwh)	116,703	147,661	-21.0%	120,442	-3.1%	237,145	290,714	-18.4%
New connections	2,832	1,452	95.0%	2,183	29.7%	5,015	2,347	NMF

Return on invested capital¹

	2017	2018
ROIC	12.2%	10.3%

¹ ROIC is calculated as EBITDA less depreciation, divided by aggregate amount of total equity and borrowed funds.

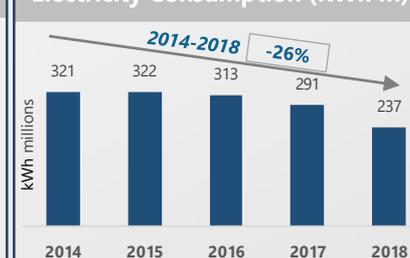
² Including VAT.

Performance track record

EBITDA evolution (GEL m)



Electricity Consumption (KWh m)



Projected dividends through 2022 (GEL m)



Capex² forecast through 2022 (GEL m)

	2017A	2018A	2019F	2020F	2021F	2022F
<i>Maintenance capex</i>	23	23	23	23	23	22
<i>Development capex</i>	114	148	65-75	45-58	35-50	30-48
Total capex	137	171	88-98	68-81	58-73	52-70

Housing development business overview



Investment rationale

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

Value creation potential

Asset light strategy

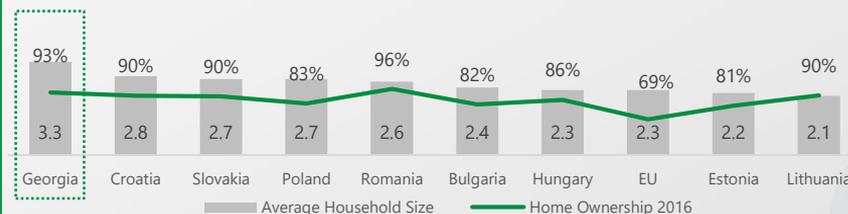
- Unlock land value by developing housing projects
- Development of third-party land – franchise m² brand name. Undisputed market leading platform of 2,500 apartments¹ to be delivered in 4-5 years
- Earn Construction management fees from third-party projects and bring construction works in-house

Value realisation outlook

- Cash out by transformation into real estate asset manager

Market opportunity

Average household size and home ownership



Financial metrics (GEL millions)²

	Annual				Semiannual		
	2015	2016	2017	2018	2H17	1H18	2H18
Apartments sales revenue	45	96	93	95	58.3	52.1	42.8
Construction revenue	-	-	-	36	-	7.5	28.8
EBITDA	18	11	22	9	1.2	5.2	3.7

Selected operating metrics

	2H18	2H17	change	1H18	change	FY18	FY17	change
# of apartments sold	65	396	-83.6%	81	-19.8%	146	629	-76.8%
Sq.m. of apartments sold	7,859	28,749	-72.7%	8,013	-1.9%	15,872	45,621	-65.2%
On-going projects	2	4	NMF	4	NMF	2	4	NMF
NSA (Square meters) ⁴	220,876	223,272	-1.1%	221,467	-0.3%	220,876	223,272	-1.1%

Projected dividends through 2022 (GEL m)



Return on invested capital³

	2017	2018
ROIC	10.5%	4.1% ⁵

(1) 2,500 apartments relate to the signed Tbilisi Airport Highway deal.

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

(3) ROIC is calculated as EBITDA less depreciation, divided by aggregate amount of total equity and borrowed funds.

(4) Net sellable area, representing total square meters including both sold and available for sale areas.

(5) y-o-y decrease in housing development ROIC is mainly attributable to the absence of revaluation gain of 21.6mln in 2018.

P&C insurance business overview



Investment rationale

- Significantly underpenetrated insurance market in Georgia
- Market leader with a powerful distribution network of point of sale and sales agents

Value creation potential

- Compulsory border TPL effective from 1 March 2018
- Local TPL expected to kick in from 1 July 2019 and provide access untapped retail casco insurance market
- First mover advantage on underpenetrated SME segment
- Growing dividend payout capacity

Value realisation outlook

- Trade sale or IPO

Financial metrics (GEL m)

	Annual				Semiannual		
	2015	2016	2017	2018	2H17	1H18	2H18
Earned premiums, gross	68	71	86	90	46.5	42.6	47.9
Net income ²	12 ¹	14	16	18	8.7	8.3	9.4
Combined ratio	79%	73%	75%	75%	77.0%	74.7%	76.1%
Loss ratio	43%	35%	40%	38%	40.7%	39.8%	36.8%

Selected operating metrics

	Dec-17	Dec-18	change (y-o-y)
Active corporate clients	2,125	3,101	+45.9%
Active retail clients	45,598	96,247	NMF
Corporate insurance policies written ³	55,448	60,227	-8.6%
Retail insurance policies written	99,884	150,246	+50.4%

Return on average equity

	2017	2018
ROAE ²	38.2%	34.4%

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

(2) Adjusted for non-recurring items.

(3) Excluding credit life insurance.

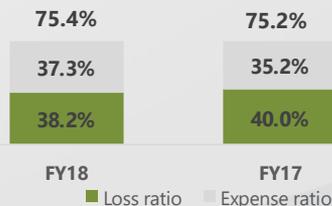
Market opportunity



Projected dividends distribution through 2022 (GEL m)



Best combined ratio on the market



Outstanding ROAE performance



Renewable energy business overview

Investment rationale

- Underdeveloped energy market with potential for significant growth - Low per capita power usage
- Cheap to develop – up to US\$1.5mln for 1MW hydro and up to US\$1.4mln for wind development

Value creation potential

- Opportunity to establish a renewable energy platform with 500MW operating capacity over the medium-term (500MW target includes existing energy assets of water utility business)
- Energy consumption has grown at 5.7% CAGR in last 10 years. We expect energy consumption to further grow at least by CAGR 5%, translating into doubling of the consumption over the next 10-15 years, while supply growth has been slower and electricity deficit is anticipated to continuously increase
- Stable dividend provider capacity in the medium-term

Value realisation outlook

- IPO together with the water utility business

Pipeline project details as of 31 December 2018

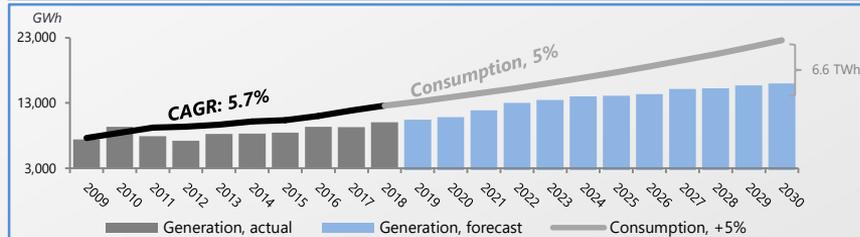
Project	MW	Construction commencement	Target commissioning ³	Target ROIC	Generation capacity (GWh) ²
Mestiachala HPPs	50	1H17	1H19	13.2%	171
Zoti HPPs	46	2H19	1H21	12.9%	164
Bakhvi 2 HPP	36	1H20	1H22	13.5%	127
Racha HPPs	38	1H21	1H23	14.7%	165
Wind Tbilisi	57	2H19	2H20	13.3%	179
Wind Kaspi	54	2H19	2H20	14.1%	215
Wind (other)	99	1H21	1H22	12.5%	306
Solar	30	1H20	1H21	10.1%	64
Total	410				1,391

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

(2) Generation capacity refers to target net annual generation.

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

Market opportunity



Financial metrics (GEL m)

	Annual				Semiannual		
	2015	2016	2017	2018	2H17	1H18	2H18
Development Capex	NMF	NMF	77	68	66.0	20.6	47.7

Projected dividends distribution through 2022 (GEL m)



Return on invested capital¹

	2017	2018
ROIC	-4.3%	-0.9%

Hospitality and commercial real estate business overview

Investment rationale

- Record number of tourists visiting Georgia every year: 4.8 million visitors in 2018, up 16.9% y-o-y, 10.5% CAGR over the last 5 years; Tourism inflows up 18.4% y-o-y from US\$ 2.7bln in 2017 to US\$ 3.2bln in 2018, 13.2% CAGR over the last 5 years;

Value creation potential

- Grow Portfolio of rent-earning assets through residential developments/opportunistic acquisitions
- Reach more than 1,000 hotel rooms over the next 3 years. Currently approximately 1,121 rooms are confirmed, of which 152 are operational and c. 969 are in the pipeline

Value realisation outlook

- We aim to spin-off yielding properties as a listed REIT managed by m²

Market opportunity

Arrivals of tourists and tourism revenue | Georgia

Source: Georgian National Tourism Administration



Financial metrics (GEL m)²

	Annual			Semiannual		
	2016	2017	2018	2H17	1H18	2H18
NOI ³ from operating leases	3	3	5	1.5	1.9	2.7
NOI ³ from hospitality services	-	-	2	-	0.5	1.5
Revaluation gain	-	1	28	1.0	-	27.6
Total net Operating Income	2	3	32	2.0	1.9	29.7
Commercial real estate portfolio ⁵	42	77	112	77.2	95.2	112.0

Selected operating metrics

	2H18	2H17	Change	1H18	Change	FY18	FY17	Change
Yield	9.6%	9.2%	+0.4 ppt	10.2%	-0.6 ppt	9.9%	9.1%	+0.8 ppt
Occupancy rate	90.6%	89.1%	+1.5 ppt	89.5%	+1.1 ppt	90.1%	88.3%	+1.8 ppt
Leased area (sq. m.)	22,331	20,477	+1,854 sq. m.	22,286	+45 sq. m.	22,331	20,477	+1,854 sq. m.

Hotel rooms pipeline as of 31 December 2018⁴

Hotel	Location	Rooms	Target opening date ⁴	Current Stage	Total Cost US\$ '000	Target ROIC
Ramada Encore Kazbegi	Capital	152	Q1-2018	Operational	12,066	18.0%
Gudauri	Regions	121	Q2-2019	Construction	10,809	12.8%
Seti Square Mestia, Svaneti	Regions	72	Q4-2019	Design	5,915	16.2%
Ramada Melikishvili	Capital	125	Q1-2020	Construction	12,352	15.7%
Gergeti	Capital	100	Q3-2020	Construction	23,473	13.7%
Ramada Kutaisi	Regions	121	Q4-2020	Design	9,535	17.5%
Mestia, Svaneti	Regions	120	Q1-2021	Design	10,096	15.8%
Telavi	Regions	130	Q2-2021	Design	12,735	13.4%
Javakishvili	Capital	120	Q2-2021	Design	14,144	13.8%
Kakheti Wine & Spa	Regions	60	Q3-2021	Design	7,500	17.3%
Total		1,121				

Return on invested capital¹

	2017	2018
ROIC⁶	3.9%	16.4%

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

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

(3) Net operating income.

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

(5) Including under construction retail properties presented in housing business, which will be transferred to hospitality & commercial real estate business at the date of construction completion.

(6) y-o-y increase in ROIC is mainly attributable to the revaluation gain of 27.6mln in 2018.

Beverages business overview



Investment rationale

- High growth sector, which has doubled during the last 5 years to GEL 1.9 billion market
- Beer consumption per capita at one of the lowest levels in the wider region at 27.5 liters per capita
- 50% CAGR growth in soft drinks export over the last 3 years
- Georgia's favorable trade regimes (free trade agreements with EU and China) provide potential for export growth for beverages

Value creation potential

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

Value realization outlook

- Trade sale either of the whole business or parts

Financial metrics (GEL m)

	Annual				Semiannual		
	2015	2016	2017	2018	2H17	1H18	2H18
Wine Revenue	18	18	20	29	12.5	9.9	19.5
Beer Revenue	N/A	N/A	18	29	15.4	13.3	16.1
Wine EBITDA	2	3	5	7	3.9	1.6	5.5
Beer EBITDA	N/A	N/A	(6)	(14)	(2.7)	(7.6)	(6.2)

Selected operating metrics (in '000)

	2H18	2H17	Change	1H18	Change	FY18	FY17	Change
Wine sales bottles	2,640	2,138	23.5%	1,706	54.8%	4,346	3,557	22.2%
Beer sales liters	8,374	9,036	-7.3%	7,608	10.1%	15,983	9,951	60.6%

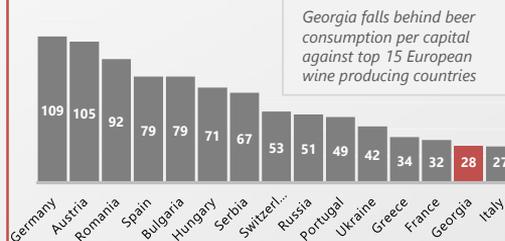
Return on invested capital¹

	2017	2018
ROIC	-3.6%	-11.4%

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

Market opportunity

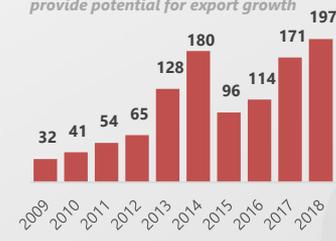
Per cap beer consumption shows room for growth Beer consumption per capita, L; 2017



Source: Euromonitor

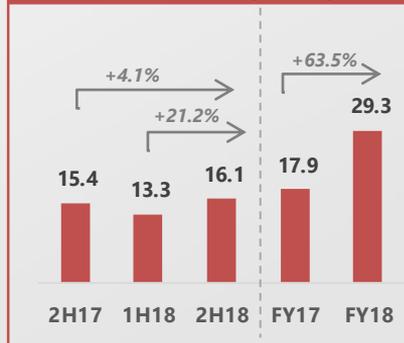
Wine exports in US\$ millions

Georgia's favorable trade regimes provide potential for export growth

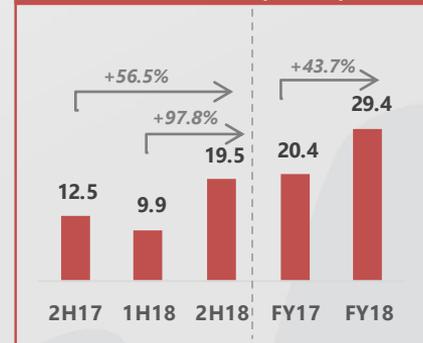


Source: Geostat

Beer revenue (GEL m)



Wine revenue (GEL m)



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Further value creation opportunity – education business

Industry investment rationale

HIGHLY FRAGMENTED PRIVATE SCHOOL MARKET

- Fragmented – 2,321 schools in total, only 10% is private and also private market itself is fragmented
- Undersupplied private school market

LARGE AND GROWING MARKET

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

EFFICIENCY UPSIDE

- Inefficient government spending
- 83% of teachers teach only 1 subject – 56% for peers
- Access is high but quality is poor
- Current prices for private education are significantly high

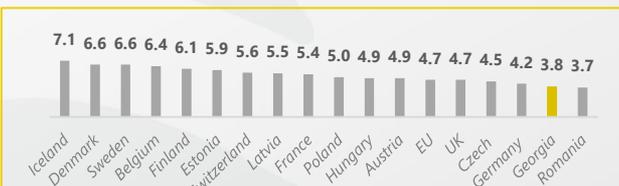
HIGH TRADING MULTIPLES

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

We aim to build a portfolio of affordable high schools to capitalise on scale advantage in Georgia

Market opportunity

Government spending on education as GDP % (latest available data)



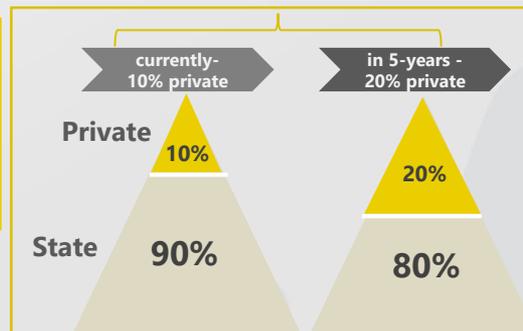
Source: Eurostat, World bank

Secondary private school enrollment % (latest available data)



Source: World bank

Medium term demand outlook for private high schools



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

Content



1. 2H18 & FY18 results discussion | Georgia Capital

2. Capital allocation

3. Investment strategy & portfolio overview

4. **Georgian Macro Overview**

5. Appendices

Sovereign ratings with stable outlook and favourable macro fundamentals



Key Ratings Highlights

Rating Agency	Rating	Outlook	Affirmed
MOODY'S	Ba2	Stable	September 2018
S&P Global	BB-	Stable	May 2018
FitchRatings	BB-	Positive	August 2018

Georgia is favorably placed among peers

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

General Facts



- Area: 69,700 sq km
- Population (2017): 3.7 million
- Capital: Tbilisi;
- Life expectancy: 77 years
- Official language: Georgian
- Literacy: 100%
- Currency (code): Lari (GEL)

Economy

- Nominal GDP (Geostat, preliminary) 2017: GEL 38.0 bln (US\$15.2 bln)
- Real GDP growth rate 2013-2017: 3.4%, 4.6%, 2.9%, 2.8%, 4.8%
- Real GDP 2007-17 annual average growth rate: 4.5%
- GDP per capita 2017 (PPP, international dollar) IMF: 10,742
- Annual inflation (e-o-p) 2018: 1.5%
- External public debt to GDP 2018E: 33.5%

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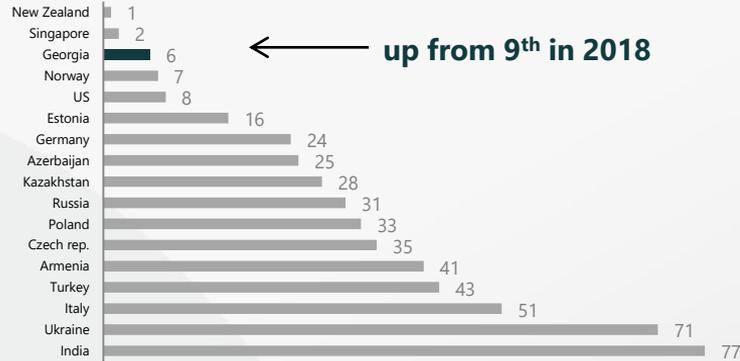
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Georgia's key economic drivers

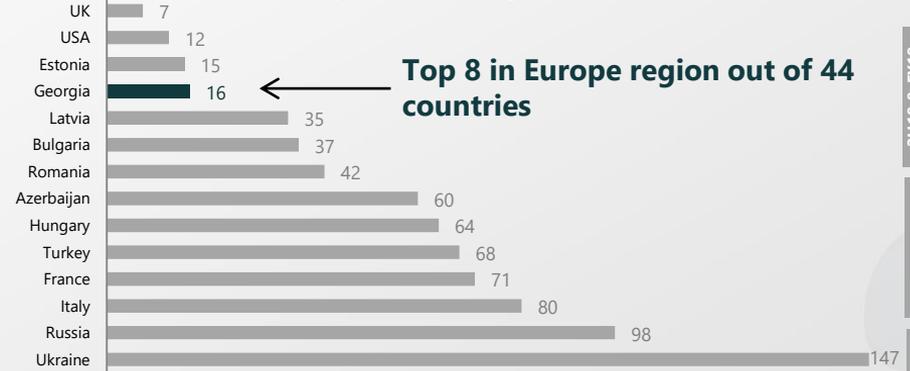
Liberal economic policy	<p>Top performer globally in WB Doing Business over the past 12 years</p> <ul style="list-style-type: none"> Liberty Act (effective January 2014) ensures a credible fiscal and monetary framework: Public expenditure/GDP capped at 30%; Fiscal deficit/GDP capped at 3%; Public debt/GDP capped at 60% Business friendly environment and low tax regime (attested by favourable international rankings)
Regional logistics and tourism hub	<p>A natural transport and logistics hub, connecting land-locked energy rich countries in the east and European markets in the west</p> <ul style="list-style-type: none"> Access to a market of 2.8bn customers without customs duties: Free trade agreements with EU, China, CIS and Turkey and GSP with USA, Canada, Japan, Norway and Switzerland; FTA with Hong Kong was signed in June 2018. FTA with India under consideration. Tourism revenues on the rise: tourism inflows stood at US\$ 3.2 b in 2018 and international travelers reached 8.7 million in 2018 (up 9.8% y-o-y), out of which tourist arrivals were up 17% y-o-y to 4.8 million visitors. Regional energy transit corridor accounting for 1.6% of the world's oil and gas transit volumes
Strong FDI	<p>An influx of foreign investors on the back of the economic reforms have boosted productivity and accelerated growth</p> <ul style="list-style-type: none"> FDI stood at US\$ 1.9bln (12.5% of GDP) in 2017, up 21% y-o-y FDI averaged 10.0% of GDP in 2007-2017
Support from international community	<p>Georgia and the EU signed an Association Agreement and DCFTA in June 2014</p> <ul style="list-style-type: none"> Visa-free travel to the EU is another major success in Georgian foreign policy. Georgian passport holders were granted free visa entrance to the EU countries from 28 March 2017 Discussions commenced with the USA to drive inward investments and exports Strong political support from NATO, EU, US, UN and member of WTO since 2000; Substantial support from DFIs, the US and EU
Electricity transit hub potential	<p>Developed, stable and competitively priced energy sector</p> <ul style="list-style-type: none"> Only 20% of hydropower capacity utilized; 155 renewable (HPPs/WPPs/SPPs) energy power plants are in various stages of construction or development Georgia imports natural gas mainly from Azerbaijan Significantly boosted transmission capacity in recent years, a new 400 kV line to Turkey and 500 kV line to Azerbaijan built, other transmission lines to Armenia and Russia upgraded Additional 2,000 MW transmission capacity development in the pipeline, facilitating cross-border electricity trade and energy swaps to Eastern Europe
Political environment stabilised	<ul style="list-style-type: none"> Georgia underscored its commitment to European values by securing a democratic transfer of political power in successive parliamentary, presidential, and local elections and by signing an Association Agreement and free trade agreement with the EU New constitution amendments passed in 2013 to enhance governing responsibility of Parliament and reduce the powers of the Presidency Continued economic relationship with Russia, although economic dependence is relatively low Russia began issuing visas to Georgians in March 2009; Georgia abolished visa requirements for Russians – Russia announced the easing of visa procedures for Georgians citizens effective December 23, 2015 Direct flights between the two countries resumed in January 2010 Member of WTO since 2000, allowed Russia's access to WTO; In 2013 trade restored with Russia In 2018, Russia accounted for 13% of Georgia's exports and 10.3% of imports

Institutional oriented reforms

Ease of Doing Business | 2019 (WB Doing Business Report)

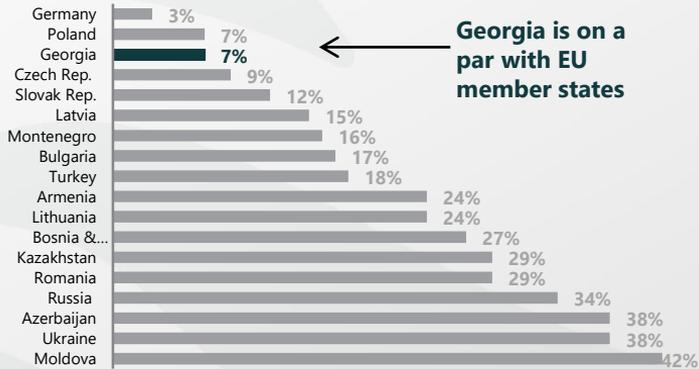


Economic Freedom Index | 2019 (Heritage Foundation)



Global Corruption Barometer | TI 2017

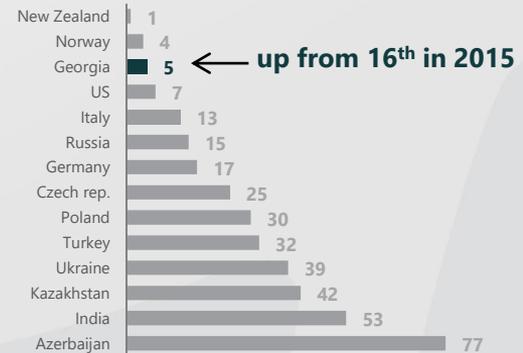
% admitting having paid a bribe last year



Business Bribery Risk, 2018 | Trace International

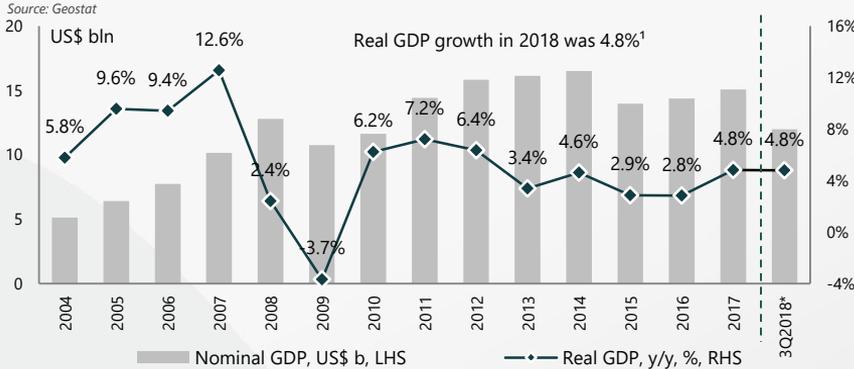


Open Budget Index, 2017 | International Budget Partnership

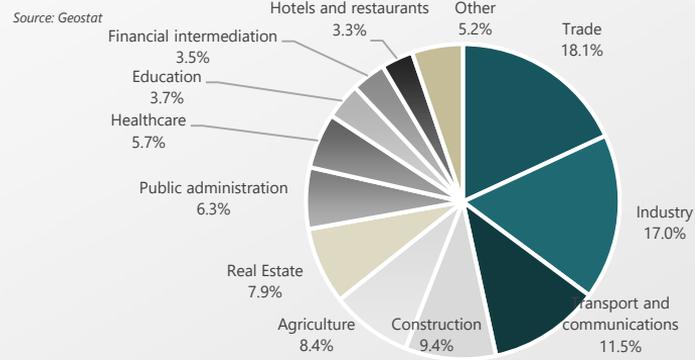


Diversified resilient economy

Gross domestic product



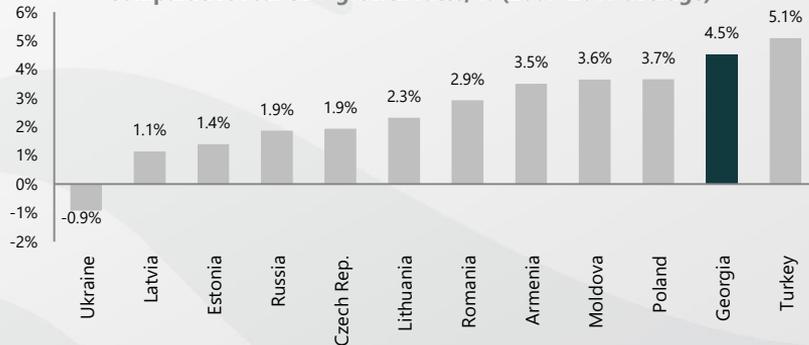
Diversified nominal GDP structure, 2018 Q3



One of the Fastest Developing Economies in the Region (2007-2017 average)

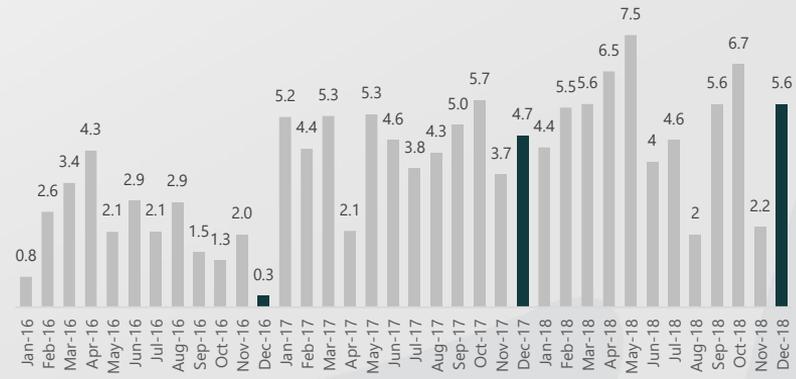
Sources: IMF

Comparative real GDP growth rates, % (2007-2017 average)



Monthly Economic Activity Estimate, y/y growth

Sources: GeoStat

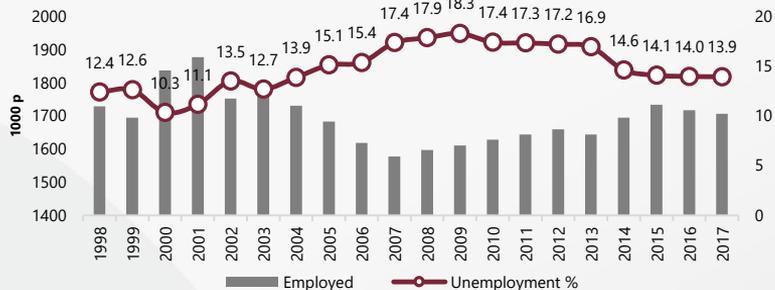


¹ preliminary data

Room for further job creation

Unemployment rate down 0.1ppts y/y to 13.9% in 2017

Sources: GeoStat



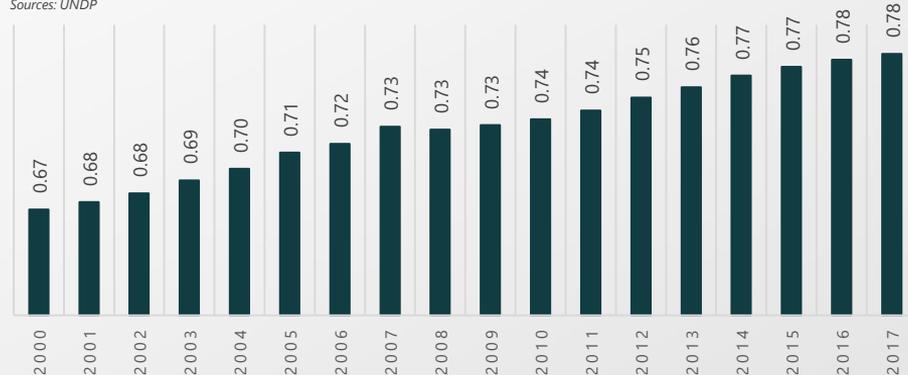
Average monthly nominal earnings in business sector

Sources: GeoStat



UNDP Human Development Index

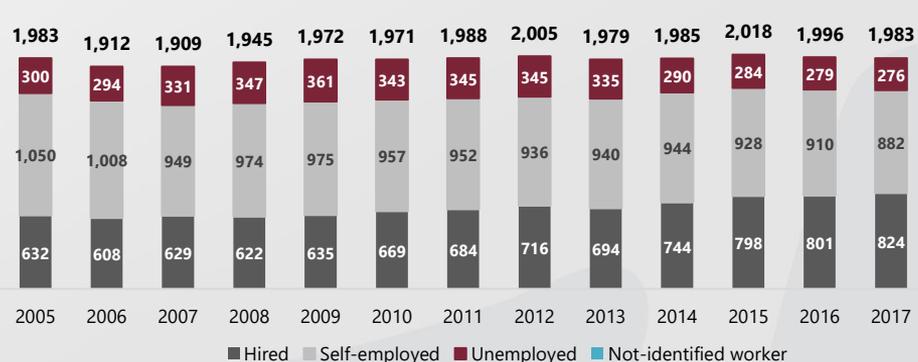
Sources: UNDP



Labor force decomposition 2017

Sources: GeoStat

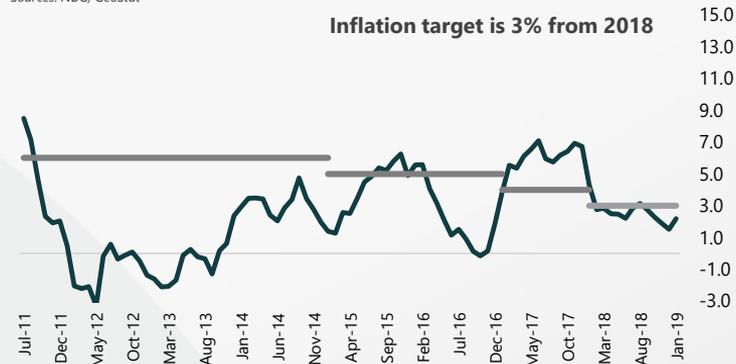
Hired workers accounted 48% in total employment in 2017



Inflation targeting since 2009

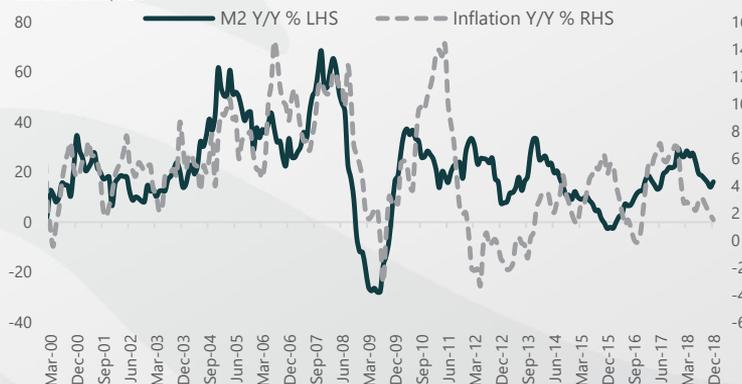
Inflation y/y vs. inflation target

Sources: NBG, GeoStat



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

Sources: Geostat, NBG



Inflation y/y

Source: GeoStat



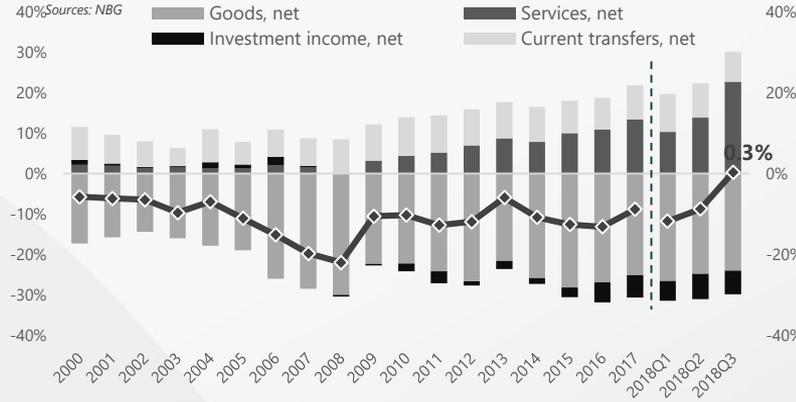
Average monthly nominal earnings

Source: Geostat

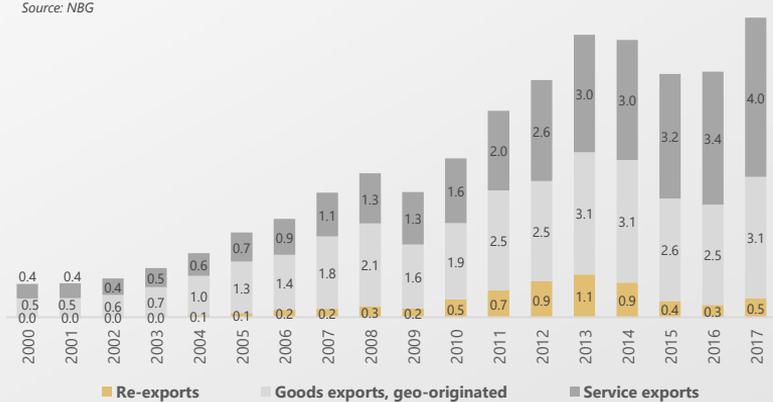


Current account deficit supported by FDI

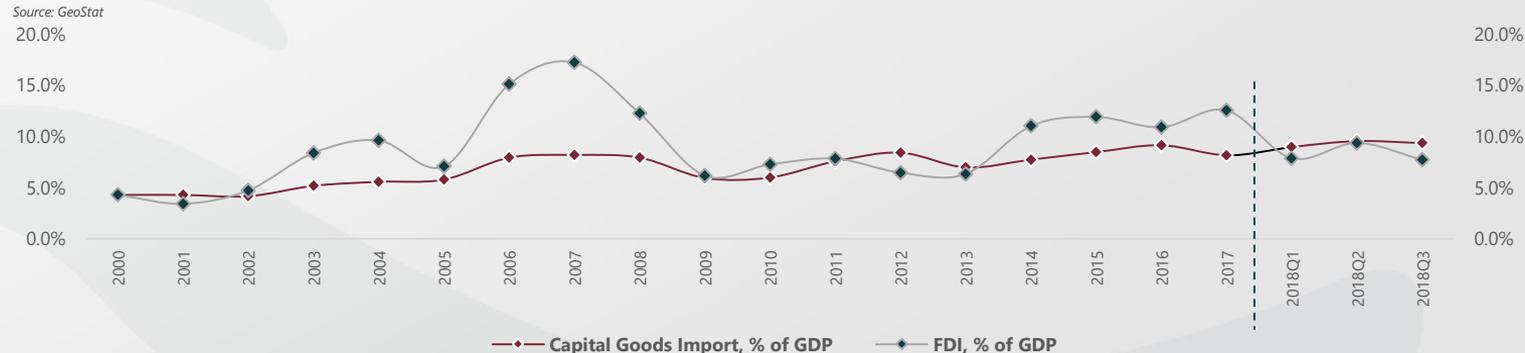
Current account balance (% of nominal GDP)



Exports and Re-exports, US\$ bln



FDI and capital goods import

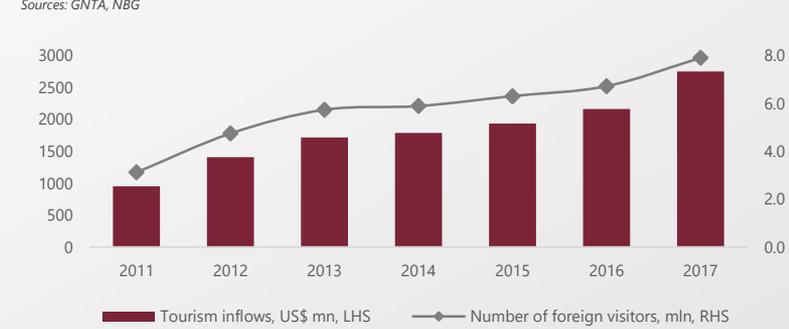


Diversified sources of capital

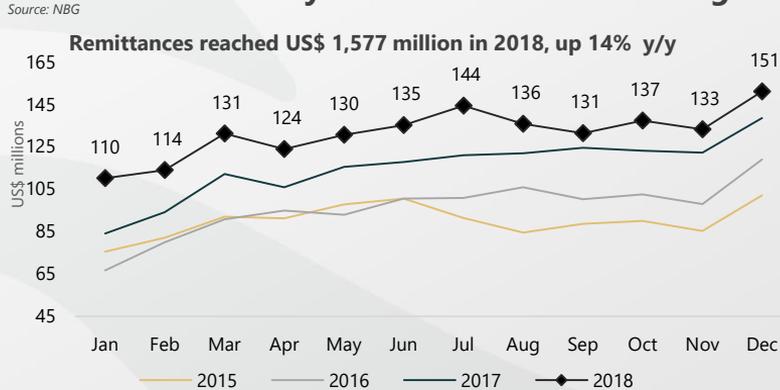
Strong foreign investor interest



Visitors and tourism revenues on the rise



Remittances - steady source of external funding



Export continues to support economic growth



- 2H18 & FY18 results | Georgia Capital
- Capital allocation
- Investment strategy & portfolio overview
- Georgian Macro Overview
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Tourism sector on the rise

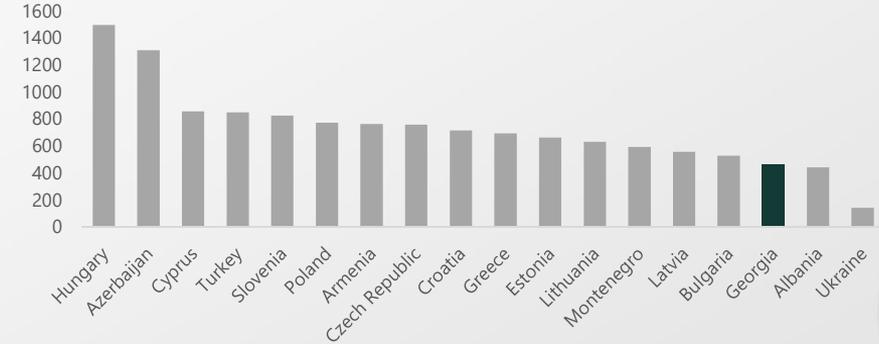
Tourism revenues to GDP

Sources: NBG



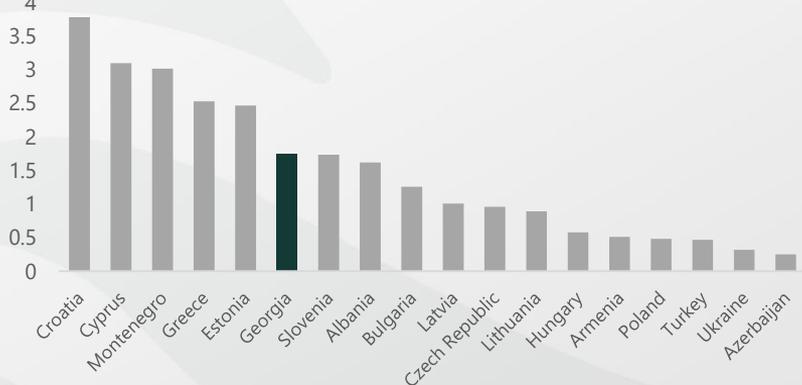
Spending per arrival, 2017

Source: WDI



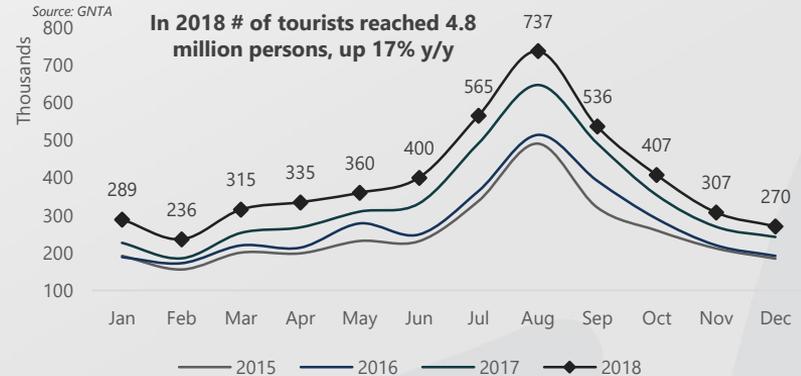
Arrivals to country's population, 2017

Source: WDI



Number of Tourists (overnight visitors)

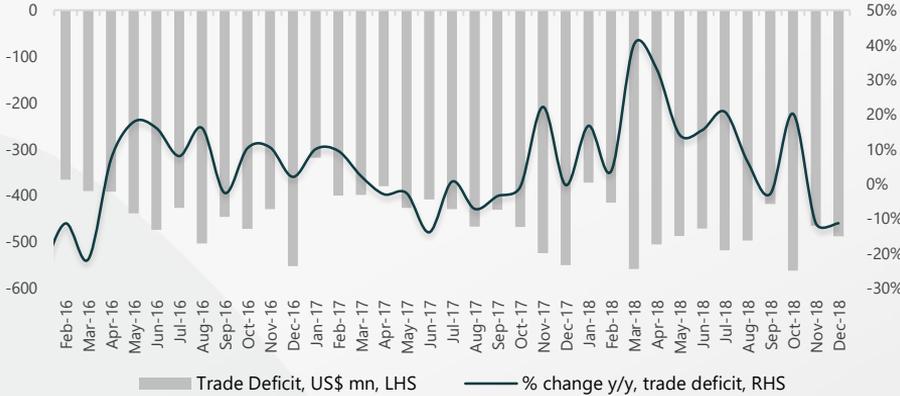
Source: GNTA



Diversified foreign trade

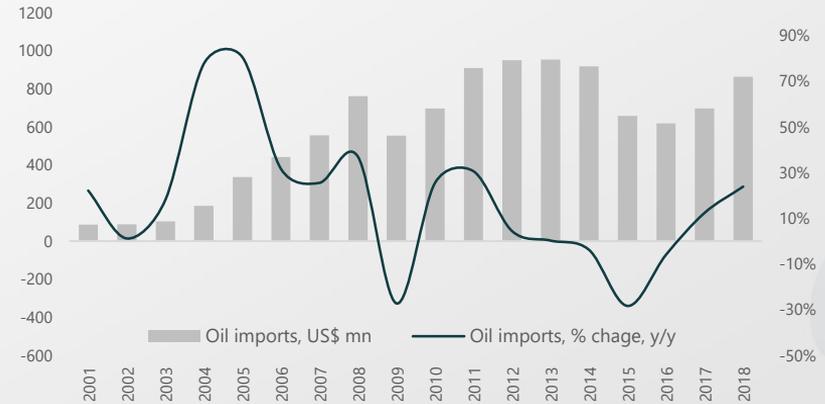
Goods' Trade Deficit

Source: GeoStat



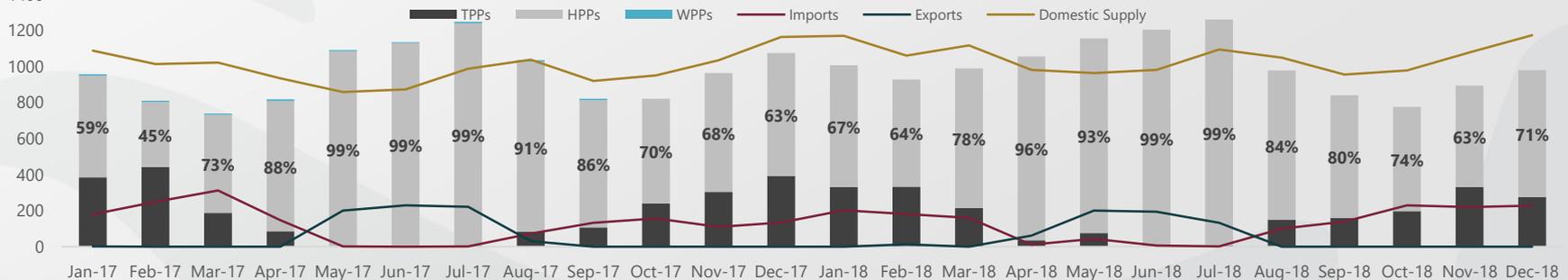
Oil imports

Source: GeoStat



Electricity generation and trade, GWH

Source: ESCO



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Capital allocation

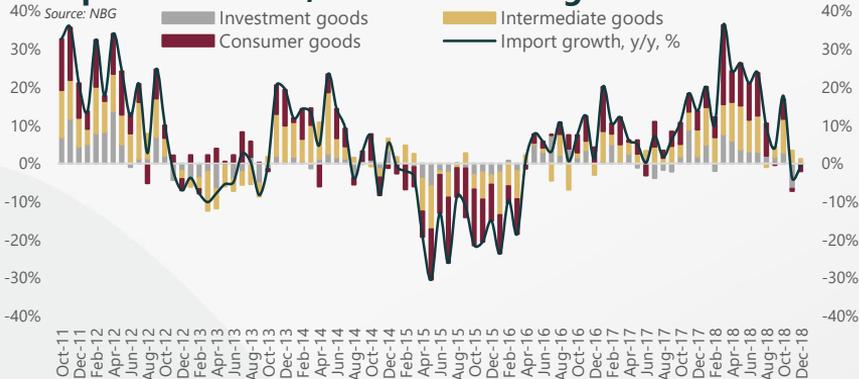
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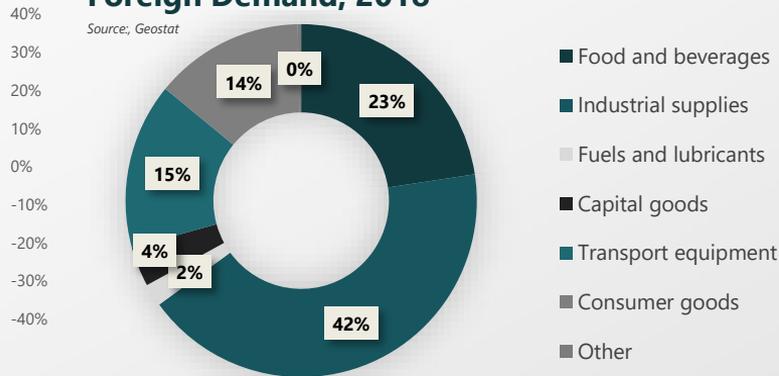
Diversified foreign trade

Imports of Goods, contribution to growth



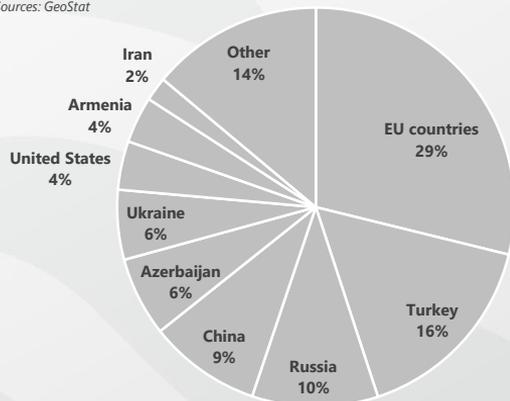
Foreign Demand, 2018

Source: Geostat



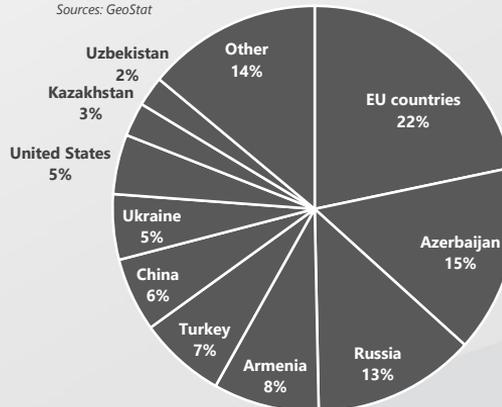
Importing countries, 2018

Sources: GeoStat



Exporting countries, 2018

Sources: GeoStat



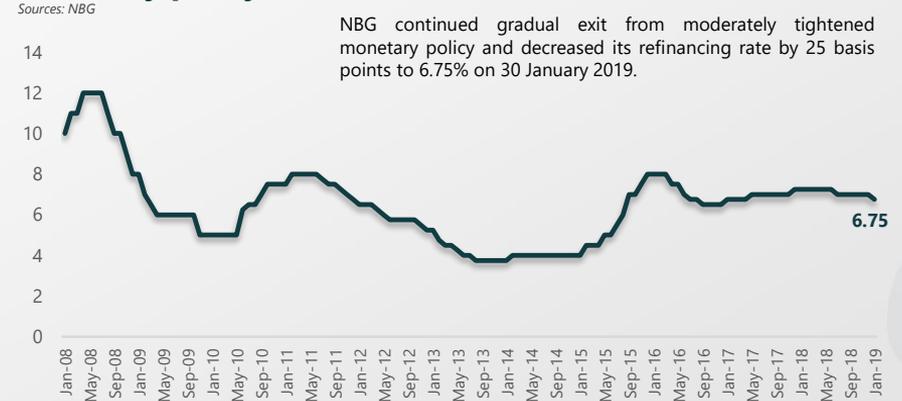
Prudent monetary policy ensures macro-financial stability



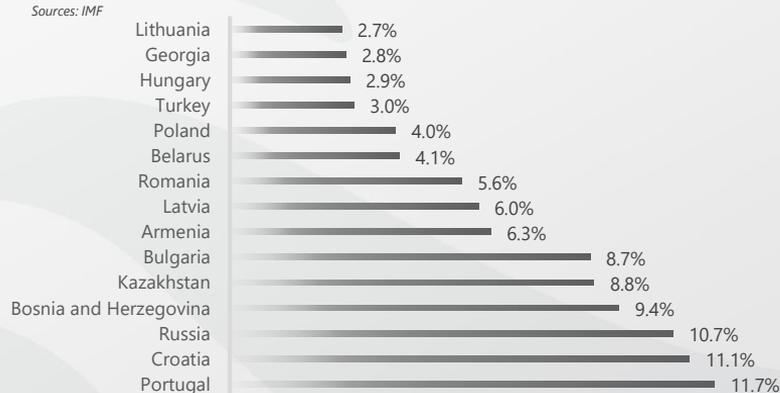
International reserves



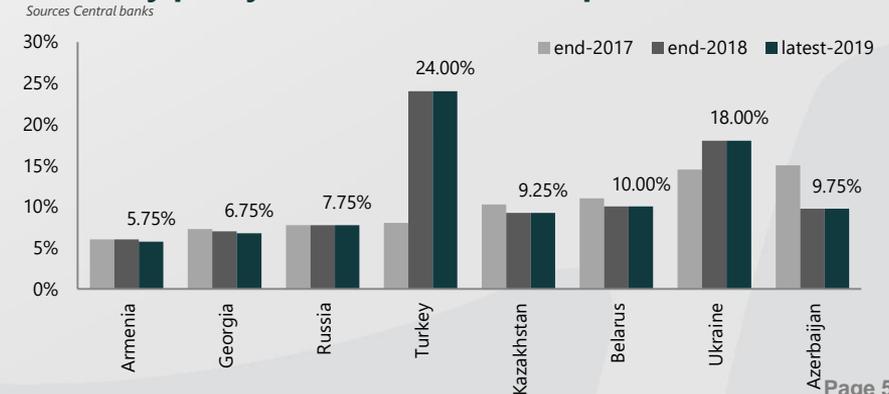
Monetary policy rate



Nonperforming loans to total gross loans, latest 2018



Monetary policy rate remains low vs. peers



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Capital allocation

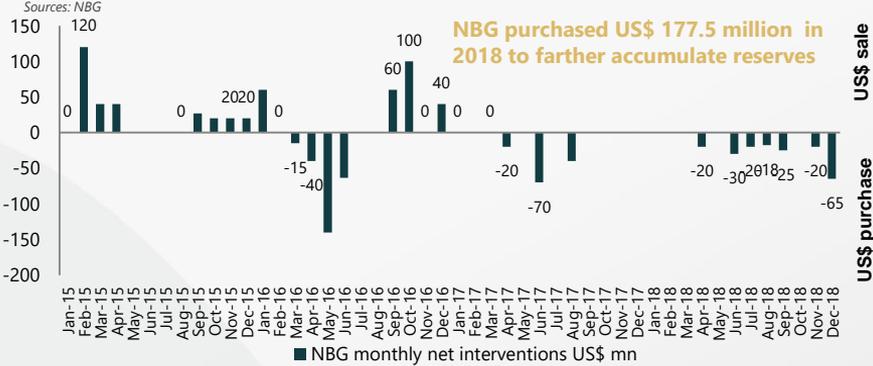
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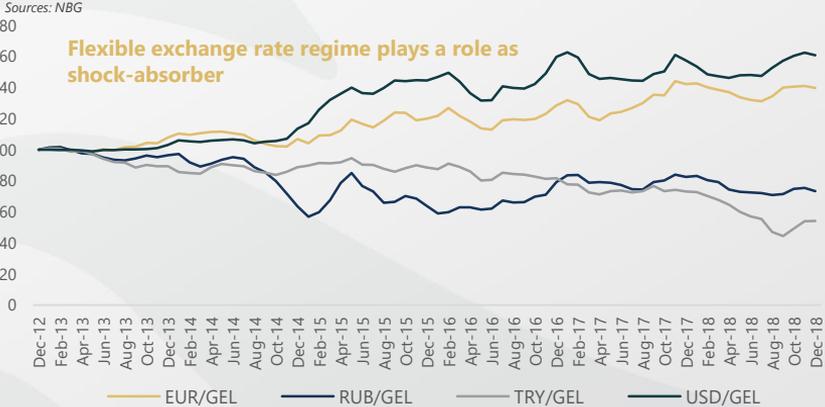
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Floating exchange rate - policy priority

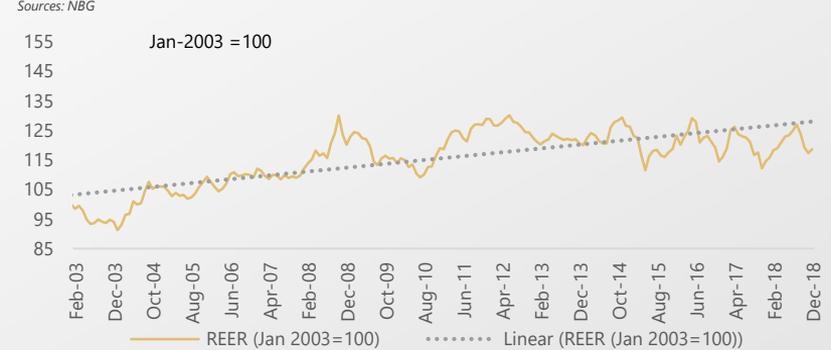
Central Bank's interventions



Bilateral exchange rate indices (Dec2012=100)



Real effective exchange rate (REER)



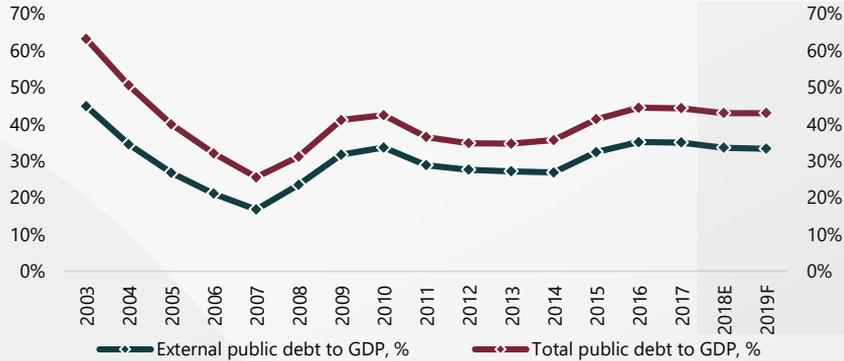
Dollarization ratios



Low public debt

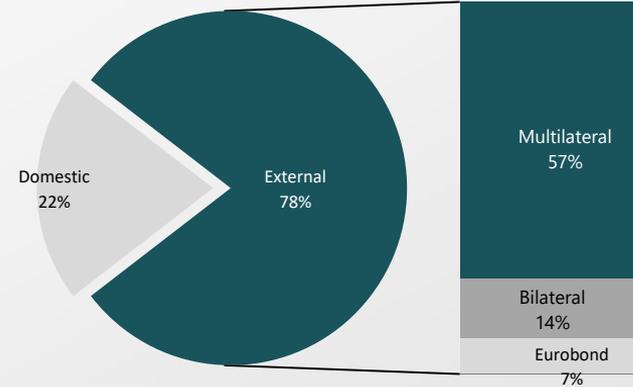
Public debt as % of GDP is capped at 60%

Source: MOF



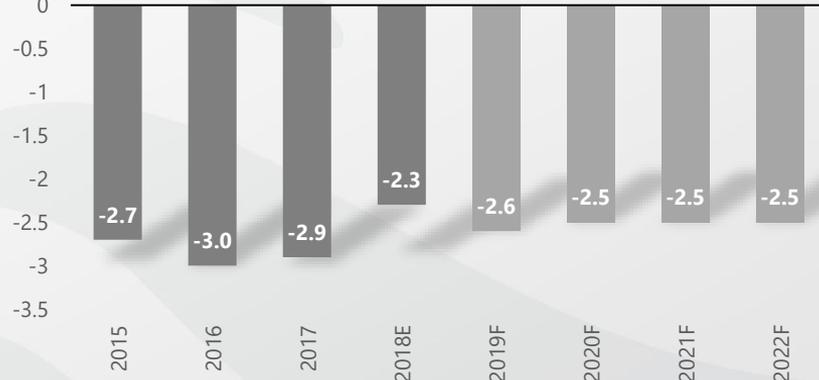
Breakdown of public debt

Source: MOF, as of December 2018



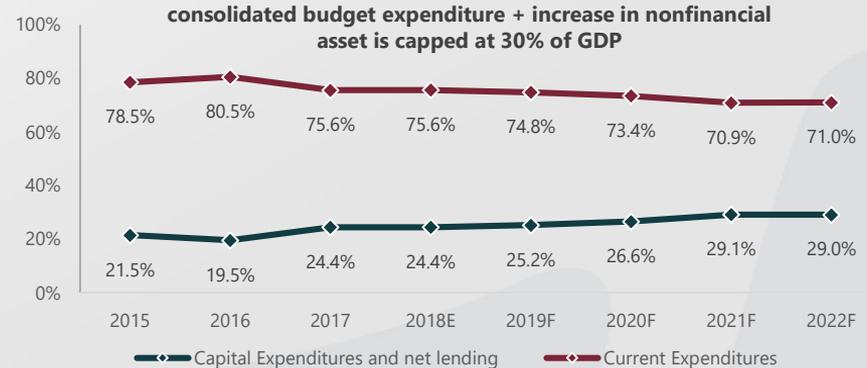
Modified Fiscal deficit (IMF programme)

Source: MOF



Current vs Capital Expenditure

Source: MOF



Growth-oriented government reforms (2018-2020)

1 Structural Reforms

- **Small government concept**
 - Optimization of government units and decrease bureaucracy expenses to get small, efficient and flexible government
 - Compensation of employees as a% of GDP will decrease and remain close to 3.9% of GDP
- **Tax Reform**
 - Favorable tax rates for SME development
 - Special tax regimes for regional offices of multinational companies
 - Enhancing easiness of tax compliance
- **Capital Market Reform**
 - Boosting stock exchange activities
 - Developing of local bond market
- **Pension Reform**
 - Introduction of private pension system
- **PPP Reform**
 - Introduction of transparent and efficient PPP framework
- **Public Investment Management Framework**
 - Improved efficiency of state projects
- **Law of Georgia on Entrepreneurs**
 - New law will be drafted reflecting requirements of Association Agreement between EU and Georgia
- **Responsible Lending**
 - Regulatory actions to support responsible lending
 - Decrease household over indebtedness
- **Association Agreement Agenda**

2 Promoting Transit & Tourism Hub

- **Roads**
 - Plan to finish all spinal projects by 2020 – East-West Highway, other supporting infrastructure
- **Rail**
 - Baku – Tbilisi Kars new railroad line
 - Railway modernization and integration in international transport systems
- **Maritime**
 - Anaklia deep water Black Sea port
 - Strategic location
 - Capable of accommodating Panamax type cargo vessels
 - High capacity – up to 100 million tons turnover annually
 - **Up to USD 2.5 bln** for the project completion;

3 Education

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

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2.	Capital allocation
3.	Investment strategy & portfolio overview
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Group Consolidated IFRS Accounts



Consolidated IFRS Income Statement

<i>GEL thousands, unless otherwise noted</i>	2H18	2H17	Change	1H18	Change	2018	2017	Change
Revenue	666,699	586,256	13.7%	616,167	8.2%	1,282,866	1,127,170	13.8%
Cost of sales	(406,156)	(365,027)	11.3%	(390,035)	4.1%	(796,191)	(695,709)	14.4%
Gross profit	260,543	221,229	17.8%	226,132	15.2%	486,675	431,461	12.8%
Salaries and other employee benefits	(73,804)	(56,446)	30.8%	(63,264)	16.7%	(137,068)	(107,212)	27.8%
Administrative expenses	(59,953)	(43,031)	39.3%	(47,573)	26.0%	(107,526)	(85,699)	25.5%
Other operating expenses	(7,316)	(7,563)	-3.3%	(4,285)	70.7%	(11,601)	(12,837)	-9.6%
Expected credit loss / impairment charge on financial assets	(3,816)	(3,054)	25.0%	(6,794)	-43.8%	(10,610)	(6,171)	71.9%
Impairment charge on insurance premium receivables, other assets and provisions	(1,281)	(685)	87.0%	(898)	42.7%	(2,179)	(1,421)	53.3%
	(146,170)	(110,779)	31.9%	(122,814)	19.0%	(268,984)	(213,340)	26.1%
EBITDA	114,373	110,450	3.6%	103,318	10.7%	217,691	218,121	-0.2%
Share in profit of associates	247	165	49.7%	-	NMF	247	376	-34.3%
Dividend income	23,875	-	NMF	-	NMF	23,875	-	NMF
Depreciation and amortisation	(39,237)	(29,774)	31.8%	(34,918)	12.4%	(74,155)	(54,031)	37.2%
Net foreign currency loss	(42,332)	(7,992)	NMF	4,786	NMF	(37,546)	(6,737)	NMF
Interest income	12,573	5,115	NMF	10,702	17.5%	23,275	8,909	NMF
Interest expense	(48,382)	(31,369)	54.2%	(43,237)	14.9%	(91,619)	(60,903)	50.4%
Net operating income before non-recurring items	21,117	46,595	-54.7%	40,651	-48.1%	61,768	105,735	-41.6%
Net non-recurring items	(4,421)	(1,960)	NMF	(36,830)	-88.0%	(41,251)	(5,330)	NMF
Profit before income tax expense	16,696	44,635	-62.6%	3,821	NMF	20,517	100,405	-79.6%
Income tax expense	(2,140)	(4,193)	-49.0%	(1,466)	46.0%	(3,606)	(6,136)	-41.2%
Profit for the year	14,556	40,442	-64.0%	2,355	NMF	16,911	94,269	-82.1%
Total (loss) / profit attributable to:								
– shareholders of Georgia Capital PLC	3,648	29,634	-87.7%	(13,144)	NMF	(9,496)	70,125	NMF
– non-controlling interests	10,908	10,808	0.9%	15,499	-29.6%	26,407	24,144	9.4%
(Loss) / earnings per share:								
– basic and diluted	0.09	0.94	-90.4%	(0.35)	NMF	(0.26)	2.34	NMF

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Group Consolidated IFRS Accounts



Consolidated IFRS Balance Sheet

<i>GEL thousands, unless otherwise noted</i>	Dec-18	Dec-17	Change
Cash and cash equivalents	256,930	346,241	-25.8%
Amounts due from credit institutions	40,299	38,141	5.7%
Debt securities owned	71,824	31,907	NMF
Equity investments at fair value	457,495	1,153	NMF
Accounts receivable	170,228	35,337	NMF
Insurance premiums receivable	57,801	30,855	87.3%
Inventories	278,615	80,110	NMF
Investment properties	151,232	159,989	-5.5%
Prepayments	117,909	87,760	34.4%
Income tax assets	2,405	1,374	75.0%
Property and equipment	1,671,917	657,635	NMF
Goodwill	142,095	21,935	NMF
Intangible assets	51,634	5,457	NMF
Other assets	251,462	69,870	NMF
Assets of disposal group held for sale	-	1,148,584	NMF
Total assets	3,721,846	2,716,348	37.0%
Accounts payable	143,114	42,987	NMF
Insurance contracts liabilities	68,207	46,403	47.0%
Income tax liabilities	1,119	860	30.1%
Deferred income	62,059	73,066	-15.1%
Borrowings	764,355	650,734	17.5%
Debt securities issued	916,401	77,835	NMF
Other liabilities	235,771	63,206	NMF
Liabilities of disposal group held for sale	-	619,029	NMF
Total liabilities	2,191,026	1,574,120	39.2%
Total equity attributable to shareholders of Georgia Capital PLC	1,201,815	844,663	42.3%
Non-controlling interests	329,005	297,565	10.6%
Total equity	1,530,820	1,142,228	34.0%
Total liabilities and equity	3,721,846	2,716,348	37.0%

Consolidated IFRS Statement of Cash Flow

<i>GEL thousands, unless otherwise noted</i>	2018	2017	Change
Net Cash flow from operating activities	163,502	155,024	5.5%
Net cash flows used in investing activities	(590,182)	(428,494)	37.7%
Net cash from financing activities	296,946	522,340	-43.2%
Effect of exchange rates changes on cash and cash equivalents	(8,417)	(12,657)	-42.6%
Net (decrease) increase in cash and cash equivalents	(138,151)	236,213	NMF
Cash and cash equivalents, beginning of the year	346,241	158,868	NMF
Cash and cash equivalents of disposal group held for sale beginning of the year	48,840	-	NMF
Cash and cash equivalents of disposal group held for sale, end of the year	-	48,840	NMF
Cash and cash equivalents, end of the year	256,930	346,241	-25.8%

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Reconciliation of management accounts to IFRS

GEL thousands, unless otherwise noted

	Income statement reconciliation for FY18											
	GHG	BOG	Water Utility	Housing development	P&C Insurance	Renewable Energy	Hospitality & Commercial	Beverages	Other	Corporate Center	Inter-Business Eliminations/ Consolidations	Group Total
Income before income taxes, provisions and adjustments	21,373	91,196	43,635	6,929	17,597	(645)	28,808	(19,590)	(1,438)	48,690	-	236,555
Adjustment for dividend income accrual	-	-	-	-	-	-	-	-	-	(72,504)	-	(72,504)
Provision	-	-	-	-	-	-	-	-	-	356	-	356
Net Income (Management accounts)	21,373	91,196	43,635	6,929	17,597	(645)	28,808	(19,590)	(1,438)	(23,458)	-	164,407
Non-recurring expense	(1,276)	(15,846)	(6,121)	(6,224)	(652)	375	(1,333)	(1,418)	24	(23,449)	-	(55,920)
Net foreign currency (loss) / gain	-	-	(4,969)	(486)	137	(261)	(1,083)	(1,462)	88	(22,900)	-	(30,936)
Reversal of BoGG attributable earning	-	(75,350)	-	-	-	-	-	-	-	-	-	(75,350)
Adjustment for BOGG dividend income	-	-	-	-	-	-	-	-	-	23,875	-	23,875
Profit attributable to non-controlling shareholders	33,138	-	-	-	-	(285)	3	(6,446)	-	-	-	26,410
Reversal of hotel revaluations for Group reporting purposes	-	-	-	-	-	-	-	-	-	-	(27,061)	(27,061)
Reversal of FX gain on preferred stock issued by m ²	-	-	-	-	-	-	-	-	-	-	(1,894)	(1,894)
Other	-	-	-	-	-	-	-	-	-	-	(6,619)	(6,619)
Profit for the period (IFRS Consolidated)	53,235	-	32,545	219	17,082	(816)	26,395	(28,916)	(1,326)	(45,932)	(35,575)	16,911

GEL thousands, unless otherwise noted

	Income statement reconciliation for FY17											
	GHG	BOG	Water Utility	Housing development	P&C Insurance	Renewable Energy	Hospitality & Commercial	Beverages	Corporate Center	Inter-Business Eliminations/ Consolidations	Group Total	
Income before income taxes, provisions and adjustments	20,890	-	39,156	22,140	16,091	(838)	3,090	(6,619)	13,602	-	107,512	
Adjustment for dividend income accrual	-	-	-	-	-	-	-	-	(35,000)	-	(35,000)	
Provision	-	-	-	-	-	-	-	-	(2,039)	-	(2,039)	
Net Income (Management accounts)	20,890	-	39,156	22,140	16,091	(838)	3,090	(6,619)	(23,437)	-	70,473	
Non-recurring expense	(2,995)	-	(1,136)	(127)	-	8	(2)	507	-	-	(3,745)	
Net foreign currency (loss) / gain	-	-	(482)	41	209	(742)	-	(5,172)	7,508	-	1,362	
Profit attributable to non-controlling shareholders	27,955	-	-	-	-	142	-	(3,957)	-	-	24,140	
Realized gain from sale portfolio company shares	-	-	-	-	-	-	-	-	90,275	(90,275)	-	
Other	-	-	-	-	-	-	-	-	-	2,039	2,039	
Profit for the period (IFRS Consolidated)	45,850	-	37,538	22,054	16,300	(1,430)	3,088	(15,241)	74,346	(88,236)	94,269	

Reconciliation of management accounts to IFRS

Balance sheet reconciliation, 31 December 2018

GEL thousands, unless otherwise noted

	GHG PLC	BOGG PLC	Water Utility	Housing development	P&C insurance	Renewable energy	Commercial and Hospitality	Beverage	Other	Corporate Center	Inter-Business Eliminations/Consolidations	Group Total
Adjusted Values	520,332	457,495	431,017	66,785	130,524	61,182	149,079	61,027	5,933	(195,154)	-	1,688,220
Fair Value Adjustment of private companies	-	-	(160,531)	-	(71,949)	-	1,894	22,344	-	-	-	(208,242)
Reallocation from/to corporate center	-	-	-	-	(2,341)	-	-	(39,289)	-	20,777	20,853	-
Substitution of GHG's market value by book value attributable to shareholders of GCAP	(224,643)	-	-	-	-	-	-	-	-	-	-	(224,643)
Reversal of Hotel revaluations for Group reporting purposes	-	-	-	-	-	-	-	-	-	-	(27,061)	(27,061)
Provision of interest accrued on preferred stock	-	-	-	-	-	-	-	-	-	-	1,103	1,103
GHG Hospitals and clinics accounted at cost for GCAP consolidation purposes	-	-	-	-	-	-	-	-	-	-	(9,246)	(9,246)
m ² long-term share-based compensation adjustment for consolidation purposes	-	-	-	-	-	-	-	-	-	-	(5,297)	(5,297)
Transfer of Market value of 19.9% in BOG to Corporate Center	-	(457,495)	-	-	-	-	-	-	-	457,495	-	-
Foreign currency revaluation adjustment for Preferred stock	-	-	-	-	-	-	(1,894)	-	-	-	-	(1,894)
Reversal of goodwill recognized on acquisition of non-controlling stake in Kindzmarauli	-	-	-	-	-	-	-	-	-	-	(7,022)	(7,022)
Other	-	-	-	-	-	-	-	-	-	-	(4,103)	(4,103)
Total equity attributable to shareholders of Georgia Capital (IFRS)	295,689	-	270,486	66,785	56,234	61,182	149,079	44,082	5,933	283,118	(30,773)	1,201,815

Balance sheet reconciliation, 31 December 2018

GEL thousands, unless otherwise noted

	GHG PLC	BOGG PLC	Water Utility	Housing development	P&C insurance	Renewable energy	Commercial and Hospitality	Beverage	Corporate Center	Inter-Business Eliminations/Consolidations	Group Total
Adjusted Values	933,481	-	498,181	75,609	141,480	51,511	78,142	72,457	(10,414)	-	1,840,447
Fair Value Adjustment of private companies	-	-	(230,258)	-	(90,287)	-	-	(8,820)	(6)	6	(329,365)
Reallocation from/to corporate center	-	-	-	-	(2,341)	(34,221)	-	(6,128)	34,221	8,469	-
Substitution of GHG's market value by Book value attributable to shareholders of GCAP	(650,976)	-	-	-	-	-	-	-	-	-	(650,976)
Provision of interest accrued on preferred stock	-	-	-	-	-	-	-	-	-	2,039	2,039
Deduction of shares GCAP's held by portfolio companies	-	-	-	-	-	-	-	-	-	(2,751)	(2,751)
GHG Hospitals and clinics accounted at cost for GCAP consolidation purposes	-	-	-	-	-	-	-	-	-	(9,283)	(9,283)
m ² long-term share-based compensation adjustment for consolidation purposes	-	-	-	-	-	-	-	-	-	(2,317)	(2,317)
Other	-	-	-	-	-	-	-	-	-	(3,131)	(3,131)
Total equity attributable to shareholders of Georgia Capital (IFRS)	282,505	-	267,923	75,609	48,852	17,290	78,142	57,509	23,801	(6,968)	844,663

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Reconciliation of stand-alone IFRS net income to Management Account Income Statement



	Stand-alone IFRS income statement portfolio investment				Management accounts
	Net income (1)	Net foreign currency loss (gain) (2)	Net non-recurring expense (3)	Net adjusted earnings of portfolio companies (4) = (1)+(2)+(3)	Attributable income to GCAP¹
GCAP	(69,803)	22,896	23,449	(23,458)	(23,458)
Attributable income of listed portfolio companies	431,881	-	81,815	513,696	112,569
<i>of which, BoG PLC</i>	378,642	-	79,628	458,270	91,196
<i>of which, GHG PLC</i>	53,239	-	2,187	55,426	21,373
Attributable income of private portfolio companies	45,107	7,426	16,599	69,132	75,296
Late stage	50,026	5,139	12,996	68,161	68,161
<i>of which, Water Utility</i>	32,545	4,970	6,120	43,635	43,635
<i>of which, Housing Development</i>	399	306	6,224	6,929	6,929
<i>of which, P&C Insurance</i>	17,082	(137)	652	17,597	17,597
Early stage	(3,593)	2,375	3,626	2,408	8,573
<i>of which, Renewable Energy</i>	(816)	(577)	401	(992)	(645)
<i>of which, Hospitality and Commercial</i>	26,396	1,073	1,339	28,808	28,808
<i>of which, Beverages</i>	(29,173)	1,879	1,886	(25,408)	(19,590)
Pipeline	(1,326)	(88)	(23)	(1,437)	(1,438)
Total net income	407,185	30,322	121,863	559,370	164,407

(1) Net adjusted earnings of portfolio companies multiplied by effective ownership stake of GCAP.

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Glossary

- **GCAP** refers to the aggregation of stand-alone Georgia Capital PLC and stand-alone JSC Georgia Capital accounts.
- **Georgia Capital** and “the Group” refer to Georgia Capital PLC and its portfolio companies as a whole.
- **NMF** – Not meaningful.
- **NAV** – Net Asset Value, represents the net value of an entity and is calculated as the total value of the entity’s assets minus the total value of its liabilities.
- **LTM** – last twelve month.
- **EBITDA** - Earnings before interest, taxes, non-recurring items, FX gain/losses and depreciation and amortization; The Group has presented these figures in this document because management uses EBITDA as a tool to measure the Group’s operational performance and the profitability of its operations. The Company considers EBITDA to be an important indicator of its representative recurring operations.
- **ROIC** – return on invested capital is calculated as EBITDA less depreciation, divided by aggregate amount of total equity and borrowed funds.
- **IRR** - for listed investments is calculated based on a) historical contributions to the listed investment less b) dividends received and c) market value of the investment at 31 December 2018.
- **ROI** - for private investments is an annual return on net investment (gross investments less capital returns) calculated at each investment level. Inputs into the ROI calculation are as follows: (i) the numerator is the annual attributable income of the private portfolio company less allocated GCAP interest expense, and (ii) the denominator, is the net investment less allocated gross debt of GCAP.
- **ROAC** – is an annual return on allocated capital as of 31 December 2018 and calculated at each private investment level. Inputs into the ROAC calculation are as follows: (i) the numerator is the annual attributable income of the private portfolio company, less allocated GCAP interest expense, and (ii) the denominator is the management estimated fair value, as included in the NAV statement, less allocated gross debt of GCAP.
- **Loss ratio** equals net insurance claims expense divided by net earned premiums.
- **Expense ratio** equals sum of acquisition costs and operating expenses divided by net earned premiums.
- **Combined ratio** equals sum of the loss ratio and the expense ratio.
- **ROAE** – Return on average total equity (ROAE) equals profit for the period attributable to shareholders of P&C insurance business divided by monthly average equity attributable to shareholders of P&C business for the same period for BoGG and P&C insurance.
- **Net investment** - gross investments less capital returns.
- **EV** – enterprise value.
- **NOI** – net operating income.
- **EBITDA cash conversion ratio** equals Net cash flows from / (used in) operating activities before income tax divided by EBITDA.
- **Liquid assets & loans issued** include cash, marketable debt securities and issued loans.

Georgia Capital PLC company information



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Stock Listing

London Stock Exchange PLC's Main Market for listed securities

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