



2H19 and FY19 results call presentation

10 x = 10 y

Forward looking statements



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Content

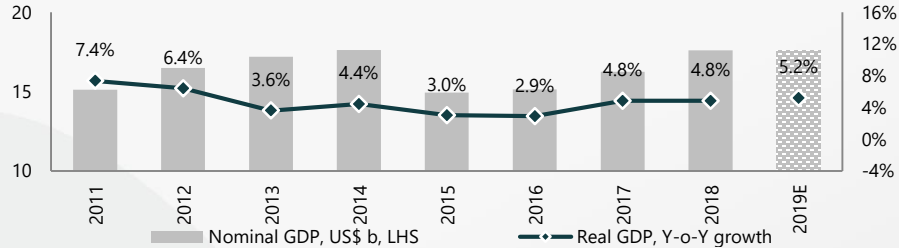


- 1. Macro developments in 2019**
2. Georgia Capital NAV developments
3. Portfolio overview

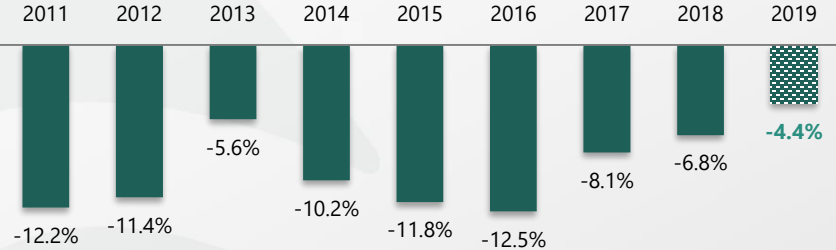
Macro developments in 2019 | Diversified resilient economy

Gross domestic product

Source: Geostat, internal estimates
US\$ billion

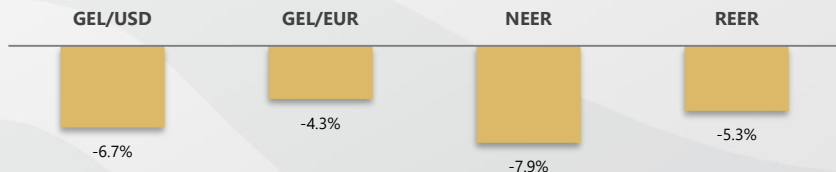


Source: NBG



GEL depreciation, 31-Dec-19, y/y

Source: NBG



Real GDP growth exceeded expectations in 2019 supported by strong domestic and external demand.



Current Account deficit hit record low 4.4% of GDP (NBG's preliminary estimate), driven by double digit shrinking in the trade deficit and strong FX inflows.



GEL depreciated moderately in 1H19 due to reduced interest rate differential between local and foreign currency interest rates, followed by travel ban driven depreciation expectations, which headed currency to weaken significantly.



Inflation deviated from the target to 7% by the end of 2019 due to NEER depreciation, increased excise tax and strong domestic demand; inflation is expected to converge to 3% target by the end of 2020.



NBG hiked the rate by 250 bps to 9% to curb the inflation and depreciation expectations; Policy will remain tightened until the pressure on the prices persists.



Tourism revenues increased despite the travel ban to US\$ 3.3 billion (1.4% y/y). EU travelers contributed most with 20% y/y growth;



Official reserve assets amounted to US\$ 3.5 billion at the end of 2019, up 6.6% y/y.



Public investments reached a historic high of GEL 3.6 billion (32% y/y), while overall fiscal balance is expected to be around -2.5% of GDP in 2019, in line with the fiscal rule.



Fitch and S&P upgraded the sovereign credit rating of Georgia from "BB-" to "BB" in 2019. Resilience to negative shocks, robust growth and improved external balance sheet were the major drivers of the reduced country risk premium.

Content



1. Macro developments in 2019
- 2. Georgia Capital NAV developments**
3. Portfolio overview

FY19 performance highlights¹

Georgia Capital performance

<i>GEL thousands</i>	FY19
Total portfolio value creation	134,371
<i>of which, listed businesses</i>	<i>(33,937)</i>
<i>of which, private businesses</i>	<i>168,308</i>
Investments	357,557
Share buybacks	124,781
Dividend income	122,219
Management fee expense ratio	1.8%
Net income	71,551

Georgia Capital NAV overview

<i>GEL thousands, except per share information</i>	31-Dec-19	31-Dec-18	Change <i>(y-o-y)</i>
NAV per share, GEL	46.84	44.32	5.7%
Net Asset Value (NAV)	1,753,868	1,688,221	3.9%
Total portfolio value	2,253,083	1,883,374	19.6%
Liquid assets & loans issued	363,773	605,130	-39.9%
Net debt	(493,565)	(196,915)	NMF

NAV per share (GEL) decomposition²

	Share in portfolio value at 31-Dec-18	31-Dec-18	Movement in 2019	31-Dec-19	Change%	Weighted change%
NAV per share GEL, Listed	52%	23.01	(1.94)	21.07	-8.4%	-4.4%
NAV per share GEL, Private	48%	21.31	4.46	25.77	20.9%	10.1%
NAV per share GEL, Total	100%	44.32	2.52	46.84		5.7%

(1) Performance highlights are derived from Georgia Capital's management accounts. Please refer to 2H19 & FY19 results announcement, where we describe background and methodology for our management accounts.
 (2) NAV per share allocation between listed and private assets is calculated based on respective share in total portfolio value. 3.4 million shares issued for GHG acquisition are fully allocated to listed assets.

Value creation in 2019

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

Capital allocations in 2019

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

- **FY19 dividend income of GEL 122 million from portfolio businesses, up from GEL 73 million in 2018**
- **Consolidated IFRS operating cash flow* of GEL 229 million in 2019 (up by 39.8% y-o-y)**

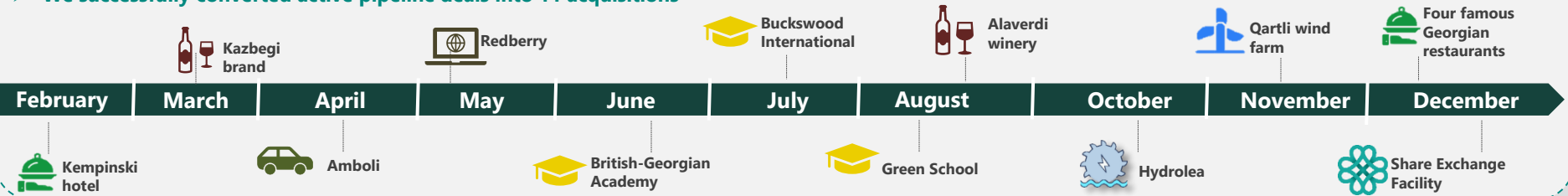
Investment highlights

- **GHG:** Acquisition of 13.6% holding in GHG as part of Share Exchange Facility
- **Renewable Energy:** Acquisition of Hydrolea HPPs and Qartli WPPs
- **Hospitality & Commercial RE:** GEL 37.2 million cash capital for development of pipeline hotels and finished commercial properties valued at GEL 49.3 million
- **Wine business:** Acquisition of Alaverdi winery
- **Beer business:** Acquisition of prominent beverages brand Kazbegi and working capital financing.
- **Education:** Investment in high quality partnerships with three top schools with excellent management teams: BGA, Buckwood and Green school
- **Auto Service:** Acquisition of Amboli and launch of PTI business
- **Digital Services:** Acquisition of Redberry

Buyback highlights

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

➤ We successfully converted active pipeline deals into 11 acquisitions



Remaining strong liquidity position, with available GEL 364 million liquid funds & short term loans, after significant year of capital allocations

Total portfolio growth in 2019

- **Total portfolio value increased by 19.6% to GEL 2.3 billion**
- **Our private portfolio businesses generated GEL 168 million value (18.6% growth in value during 2019)**

<i>GEL thousands unless otherwise noted</i>	Dec-18	1. Value creation	2a. Investments	2b. Buybacks	2c. Dividends	3. Operating expenses	4. Liquidity management/ FX /Other	Dec-19	Change %
Listed Portfolio Companies									
GHG ¹	520,332	(199,127)	112,856	-	(3,982)	-	-	430,079	-17.3%
BoG ¹	457,495	165,190	-	-	(24,950)	-	-	597,735	30.7%
Total Listed Portfolio Value	977,827	(33,937)	112,856	-	(28,932)	-	-	1,027,814	5.1%
Listed Portfolio Value change		-3.5%	11.5%	-	-3.0%	-	-	5.1%	
Private Portfolio Companies									
Late Stage	628,326	157,009	698	-	(93,287)	-	-	692,746	10.3%
Water Utility	431,017	74,953	-	-	(22,000)	-	-	483,970	12.3%
Housing Development	66,785	35,624	698	-	(59,254)	-	-	43,853	-34.3%
P&C Insurance	130,524	46,432	-	-	(12,033)	-	-	164,923	26.4%
Early Stage	271,288	(5,098)	173,287	-	-	-	-	439,477	62.0%
Renewable Energy	61,182	-	45,618	-	-	-	-	106,800	74.6%
Hospitality and Commercial RE	149,079	9,918	86,561	-	-	-	-	245,558	64.7%
Beverages	61,027	(15,016)	41,108	-	-	-	-	87,119	42.8%
Of which, wine	56,771	(1,098)	16,369	-	-	-	-	72,042	26.9%
Of which, beer	4,256	(13,918)	24,739	-	-	-	-	15,077	NMF
Pipeline	5,933	16,397	70,716	-	-	-	-	93,046	NMF
Education	7,071	-	49,279	-	-	-	-	56,350	NMF
Auto Service	(1,326)	17,056	10,027	-	-	-	-	25,757	NMF
Digital Services	-	-	8,790	-	-	-	-	8,790	NMF
Other	188	(659)	2,620	-	-	-	-	2,149	NMF
Total Private Portfolio Value	905,547	168,308	244,701	-	(93,287)	-	-	1,225,269	35.3%
Private Portfolio Value change		18.6%	27.0%	-	-10.3%	-	-	35.3%	
Total Portfolio Value	1,883,374	134,371	357,557	-	(122,219)	-	-	2,253,083	19.6%
Total Portfolio Value change		7.1%	19.0%	-	-6.5%	-	-	19.6%	

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

NAV per share (GEL) growth in 2019

NAV per share up 5.7% to GEL 46.84 during 2019

GEL unless otherwise noted

NAV per share
change %

-2.0%

10.0%

3.2%

-2.1%

-2.0%

-1.3%

5.7%

GEL 44.32

(0.89)

4.42

1.43

(0.95)

(0.9)

(0.59)

GEL 46.84

NAV per share
31-Dec-18

Value creation on
listed assets

Value creation on
private portfolio

Buybacks &
Cancellation

GHG share
exchange facility

Operating
expenses

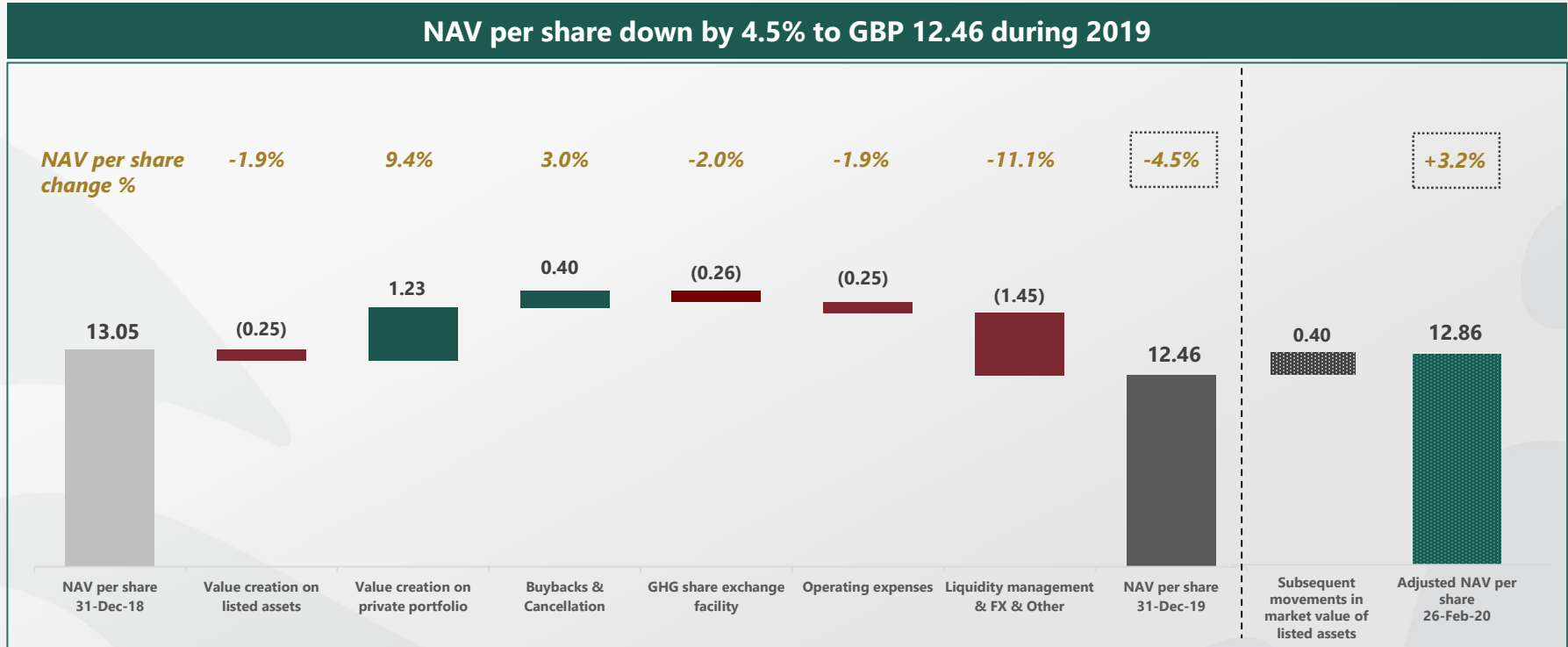
Liquidity
management &
FX & Other

NAV per share
31-Dec-19

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

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

NAV per share (GBP) movement in 2019



Content



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Portfolio overview | 31 December 2019

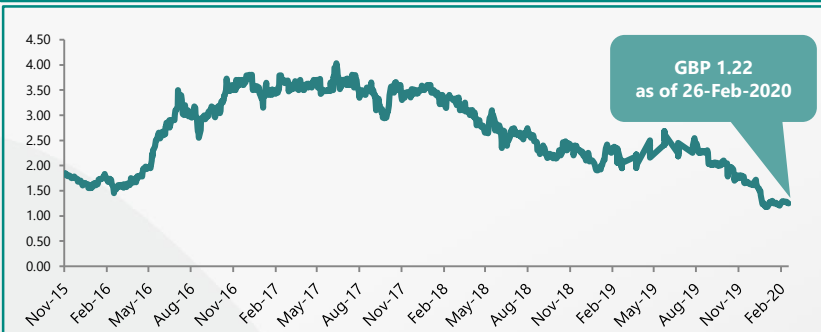
<i>GEL thousands unless otherwise noted</i>	Ownership %	Valuation Method	Multiples		Fair Values		
			Dec-19	Dec-18	Dec-19	Dec-18	Change
Listed Portfolio Companies					1,027,814	977,827	5.1%
<i>GHG</i>	70.6%	Public markets			430,079	520,332	-17.3%
<i>BoG</i>	19.9%	Public markets			597,735	457,495	30.7%
Private Portfolio Companies					1,225,269	905,547	35.3%
Late Stage					692,746	628,326	10.3%
<i>Water Utility</i>	100%	EV/EBITDA LTM	8.8	8.8	483,970	431,017	12.3%
<i>Housing Development</i>	100%	Discounted Cash Flows			43,853	66,785	-34.3%
<i>P&C Insurance</i>	100%	P/E (LTM)	9.0	7.4	164,923	130,524	26.4%
Early Stage					439,477	271,288	62.0%
<i>Renewable Energy</i>	65%-100% ²	At acquisition price			106,800	61,182	74.6%
<i>Hospitality & Commercial RE</i>	100%	NAV ¹			245,558	149,079	64.7%
<i>Beverages</i>	87%				87,119	61,027	42.8%
<i>Of which, wine</i>		EV/EBITDA (LTM)	10.0	9.1	72,042	56,771	26.9%
<i>Of which, beer</i>		EV/Sales (LTM)	2.2	2.2	15,077	4,256	NMF
Pipeline					93,046	5,933	NMF
<i>Education</i>	70%-90%	At acquisition price			56,350	7,071	NMF
<i>Auto Service</i>	100%	EV/EBITDA	10.4		25,757	(1,326)	NMF
<i>Digital Services</i>	60%	At acquisition price			8,790	-	NMF
<i>Other</i>		At cost			2,149	188	NMF
Total Portfolio Value					2,253,083	1,883,374	19.6%

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

(2) Following the buyout of the 34.4% minority shareholder in GRPC on 25 February 2020, Georgia Capital's renewable energy business consists of its wholly-owned subsidiary GRPC (with 50MW Mestiachala HPPs) and wholly-owned Hydrolea HPPs and Qartli wind farm (with 41MW installed capacity in aggregate).

Listed businesses overview

Stock price performance



Selected metrics

GEL millions	2019	2018	Change
Revenue, gross	963	850	13.3%
EBITDA excluding IFRS 16	154	132	16.6%
Net Profit excluding IFRS 16	69	53	29.8%
ROIC adjusted (%)	14.9%	13.9%	+1.0ppts
Cash flow from operating activities	125	100	25.9%
Development capex	29	53	-44.8%
Free cash flow	77	14	NMF

➤ Following the completion of its 3-year investment programme in 2018, the continued double-digit growth in EBITDA and operating cash flow enabled GHG to generate significant amounts of free cash flow totaling GEL 77 million in 2019, up from GEL 14 million in 2018.

Stock price performance



Selected metrics

GEL millions	2019	2018	Change
Loan portfolio	11,931	9,398	27.0%
ROAE	26.1% ¹	26.4% ²	-0.3ppts
NIM	5.6%	6.5%	-0.9ppts
NPL coverage	80.9%	90.5%	-9.6ppts
Cost/income	37.8%	36.7%	+1.1ppts
Net profit	500	379	32.0%

➤ BoG delivered excellent customer lending growth, strong profitability and a 32.0% increase in net profit to GEL 500 million

(1) Adjusted for demerger related expenses, one-off impact of re-measurement of deferred tax balance and termination costs of the former CEO.

(2) ROAE adjusted for termination costs of the former CEO and executive management.

Water utility business overview

Valuation highlights | 31 December 2019

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

Key points

- 9.6% growth in FY19 revenues primarily driven by increased electricity sales
- FY19 energy revenue more than doubled y-o-y, reflecting 64.4% increase in the average electricity sales price
- Positive operating leverage of 9.0 ppts in 2019 drove 14.0% growth in EBITDA
- Outstanding collection rates and positive operating leverage drive FY19 operating cash flow up 21.3%
- Development capex down significantly by 49.2% and FCF was positive at GEL 16.8 million in 2019

Selected metrics

Financial metrics			
<i>GEL millions, unless otherwise noted</i>	2019	2018	Change
Revenue	163.5	149.1	9.6%
Of which, utility revenue	133.3	131.8	1.1%
Of which, energy revenue	20.2	9.1	NMF
Of which, other revenue	10.0	8.3	20.5%
EBITDA	95.1	83.4	14.0%
Cash flow from operations	99.0	81.6	21.3%
Development capex (net of VAT)	67.9	133.7	-49.2%
FCF	16.8	(66.0)	NMF

Operating metrics

<i>millions except for connections</i>	2019	2018	Change
Water Utility			
Water sales (m ³)	178.4	179.8	-0.8%
Self-produced electricity consumption (kwh)	174.0	193.2	-9.9%
New connections	5,439	5,015	8.5%
Energy			
Electricity generation (kwh)	351.6	323.8	8.6%
Energy sales (kwh)	177.6	130.6	35.9%
Electricity purchases (kwh)	37.7	43.9	-14.1%

- **Over the last four years the business reduced self-produced electricity consumption by 45.5% from 319 million kwh in 2015 to 174 million kwh in 2019 (down by 9.9% y-o-y in 2019).**

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

Housing development business overview

Valuation highlights | 31 December 2019

<i>GEL millions, unless otherwise noted</i>	31-Dec-19	31-Dec-18	Change
Enterprise value	205	174	17.7%
Net debt	(161)	(107)	50.0%
Equity fair value	44	67	-34.3%
Dividends (lifetime)	152	93	63.6%

Selected metrics

<i>GEL millions, unless otherwise noted</i>	Financial metrics							
	Annually			Semi-annually				
	2019	2018	Change	2H19	1H19	Change	2H18	Change
Apartments sales revenue	55.4	95.0	-41.7%	38.8	16.6	NMF	42.7	-9.0%
Construction revenue	60.1	36.4	65.2%	38.4	21.6	77.6%	28.8	33.2%
EBITDA	(3.5)	16.0	NMF	(1.4)	(2.1)	35.0%	6.8	NMF

Digomi project stage I update | 31 December 2019

Sq.m. of apartments sold	16,980
Sq.m. sold as % of total available space	77%
IFRS revenue recognition %	32%
Total sales value	US\$ 18 million
<i>Cash received</i>	US\$ 8 million

Key points

- **The largest in-house residential project Digomi is gaining momentum**
 - Construction permit received at the end of June 2019, driving significant growth in 2H19 gross profit
 - Sales progress on the first stage reached 77% of total saleable area
 - Apartment pre-sales for the second stage started in December 2019
- **GEL 59.3 million dividend was distributed in 2019**
- A masterplan brief was approved for the largest franchise deal - c. 2,500 apartments to be delivered in 5 years

P&C Insurance business overview

Valuation highlights | 31 December 2019

<i>GEL millions, unless otherwise noted</i>	31-Dec-19	31-Dec-18	Change
LTM net income	18	18 ³	3.3%
Multiple applied ²	9.0	7.4	22.3%
Equity FV	165	131	26.4%
LTM ROAE	30.4%	34.4% ³	-4.0ppts

Key Points

- Border third-party liability insurance and organic business growth drive revenue up 11.6% y-o-y
- GEL 12 million dividend was paid out on the back of strong operating cash flow generation

Selected metrics

Financial metrics

<i>GEL millions, unless otherwise noted</i>	2019	2018	change (y-o-y)
Earned premiums, net	75.3	67.5	11.6%
Net income	18.3	17.7 ³	3.3%
Combined ratio	82.1%	75.5%	6.6ppts
Expense ratio	40.6%	37.3%	3.3ppts
Loss ratio	41.6%	38.2%	3.4ppts
ROAE	30.4%	34.4% ³	-4.0ppts

Operating metrics

	2019	2018	change (y-o-y)
Corporate insurance policies written ¹	91,361	60,227	51.7%
Retail insurance policies written	171,509	150,246	14.2%

(1) Excluding credit life insurance.

(2) Multiples improved significantly across all peer group multiples.

(3) Adjusted for non-recurring items..

Renewable energy business overview

Valuation highlights | 31 December 2019

GEL millions, unless otherwise noted	31-Dec-19	31-Dec-18	Change
At acquisition price (GCAP share)	107	61	74.6%
GCAP ownership²	65%-100%	65%	NMF

Renewable energy platform



Hydro: 210 MW
Of which operational 71MW



Wind: 228 MW
Of which operational 21MW

Selected metrics

Financial metrics				Operating metrics	
GEL millions, unless otherwise noted	2019	2018	Change		2019
Revenue	16.2	-	NMF	Generation (Gwh)¹	62.7
<i>Of which, Mestiachala</i>	14.8	-	NMF	<i>Of which, Mestiachala (Gwh)</i>	54.1
<i>Of which, Hydrolea</i>	1.4	-	NMF	<i>Of which, Hydrolea (Gwh)</i>	8.6
EBITDA	13.1	(0.8)	NMF		
CAPEX	117.5	62.3	88.7%		
<i>of which, acquisition of subsidiaries</i>	88.0	-	NMF		

Key points

- **A year of significant growth** – increasing installed capacity to 91MW and progressing on the 350MW pipeline
 - The first hydro power plants (“HPP”), Mestiachala HPPs launched in 1H19 on time and within budget before suffering flood damage
 - The insurance company has confirmed the amount of BI reimbursement for the year 2019 for both Mestiachala HPPs and is in process of remitting the funds to the business
 - Acquisition of Hydrolea HPPs with an aggregate 20.6 MW installed capacity
 - Acquisition of 20.7 MW Qartli wind farm, the only operational wind farm in Georgia
 - Construction works commenced on 46MW Zoti HPPs in 4Q19, expected to be operational in 2H21
 - The Government approved the concept of 108MW wind power plant (“WPP”) projects, expected to be commissioned in 2H22
- **FY19 EBITDA at GEL 13.1 million with 80.9% EBITDA margin**

(1) The annual net generation capacity of Mestiachala HPPs is projected at approximately 171GWh on stabilized basis, following the recovery from flood damage. Hydrolea HPPs generation of 8.6 Gwh is since acquisition on 29 October 2019.

(2) Following the buyout of the 34.4% minority shareholder in GRPC on 25 February 2020, Georgia Capital's renewable energy business consists of its wholly-owned subsidiary GRPC (with 50MW Mestiachala HPPs) and wholly-owned Hydrolea HPPs and Qartli wind farm (with 41MW installed capacity in aggregate).

Hospitality & Commercial RE business overview

Valuation highlights | 31 December 2019

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

Key points

- **GEL 22 million revaluation gain recorded on hotels and commercial assets**
- Progressing in line with the strategy to develop more than 1,000 hotel rooms across Georgia:
 - Gudauri Lodge Hotel was opened in December 2019 - the first in-house branded hotel, adding 121 rooms
 - Kutaisi hotel construction commenced in 1Q19
 - Acquired land in Zugdidi to develop a midscale internationally branded hotel with c.130 rooms by 2022
 - Acquired land in Shovi to develop a 109-room hotel under Amber group brand by 2022
- Expansion of the commercial real estate portfolio drives gross profit from operating leases up 40.8%
- The business is on track to commission two under construction hotels in 2020: Melikishvili Ramada Hotel in 2Q20 and Kempinski Hotel in 4Q20

Selected metrics

Financial metrics ²			
<i>GEL millions, unless otherwise noted</i>	2019	2018	Change
NOI ³ from operating leases	6.5	4.6	40.8%
NOI ³ from hospitality services	1.8	1.9	-6.1%
Revaluation gain	21.7	27.6	-21.5%
Total net operating income	24.7	30.9	-19.8%
Commercial Real Estate portfolio	128.8	67.7	90.3%

Operating metrics

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

Ramada Encore FY19 performance

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

(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.

Wine business overview

Valuation highlights | 31 December 2019

<i>GEL millions, unless otherwise noted</i>	31-Dec-19	31-Dec-18	Change
GCAP ownership	87%	80%	+7.0ppts
LTM EBITDA²	9.5	5.0	89.1%
Multiple applied	10.0	9.1	9.9%
Enterprise value	95	46	NMF
Net debt	(31)	(7)	NMF
Kindzmarauli at cost	-	26	NMF
Alaverdi at cost	16	-	NMF
Equity fair value	72	57	26.9%
LTM ROIC¹	6.2%	12.1%	-5.9ppts

Selected metrics

Financial metrics			
<i>GEL millions, unless otherwise noted</i>	2019	2018	Change
Revenue	42.2	29.4	43.6%
Gross profit margin	44.6%	47.8%	-3.2ppts
EBITDA	8.7	7.2	22.1%
Operating cash flow	2.8	0.1	NMF
Operating metrics			
<i>('000)</i>	2019	2018	Change
Wine sales bottles	5,865	4,346	35.0%
<i>Of which, export sales</i>	4,544	3,101	46.5%
Export share (%)	77.5%	71.4%	+6.1ppts

Key Points

- Strong demand in the Georgia's export markets resulted in a 9% y-o-y increase in volume in 2019, with export bottles sold reaching a 14 year high of 93 million
- Export sales outperforming the strong export market growth in 2019 and driving FY19 revenues up 43.6% y-o-y
- Outstanding topline growth led to 22.1% y-o-y growth in FY19 EBITDA
- Acquisition of Alaverdi winery added 244 hectares of vineyards and tripled annual production capacity to 28.4 million wine bottles per annum
- FY19 operating cash flow at GEL 2.8 million (GEL 0.1 million in FY18), benefiting from decreased reliance on grape purchases

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

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

Beer business overview

Valuation highlights | 31 December 2019

<i>GEL millions, unless otherwise noted</i>	31-Dec-19	31-Dec-18	Change
GCAP ownership	87%	80%	+7.0ppts
LTM Revenue ¹	47	28	67.9%
Multiple applied	2.2	2.2	NMF
Enterprise Value	104	61	70.7%
Net debt	(86)	(64)	34.8%
Black Lion at cost	-	7	NMF
Equity fair value	15	4	NMF
LTM ROIC ²	-15.5%	-22.0%	+6.5ppts

Selected metrics

	Financial metrics							
	Annually			Semi-annually				
	2019	2018	Change ¹	2H19	1H19	Change	2H18	Change
Revenue	43.6	29.3	48.9%	25.4	18.2	39.2%	16.1	58.1%
EBITDA	(6.5)	(13.8)	53.1%	0	(6.5)	NMF	(6.2)	NMF

	Operating metrics							
	Annually			Semi-annually				
	2019	2018	Change ¹	2H19	1H19	Change	2H18	Change
(‘000)								
Beer sales liters	21,831	13,808	58.1%	13,371	8,459	58.1%	7,295	83.3%
Lemonade sales liters	3,282	2,174	51.0%	2,135	1,147	86.1%	1,080	97.7%

Key Points

- Beer business launched four new brands in 1H19, followed by the launch of Heineken in July 2019
- In March 2019 the beer business acquired Georgian beverages brand, Kazbegi, which is in top five Georgian beer brands, with more than 7% market share
- Strong beer sales volumes in 3Q19, driving market share growth from 14% in 2018 to 20% in 2019
- Beer business EBITDA at break-even level in 2H19

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

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

PTI overview

Valuation highlights | 31 December 2019

<i>GEL millions, unless otherwise noted</i>	31-Dec-19
EBITDA²	6.7
Multiple applied	10.4
Enterprise Value	70.0
Net debt	(49)
PTI Equity fair value	21
Amboli acquisition cost	5
Auto service business Equity fair value	26

Selected metrics

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

Key points

- The business successfully launched 26 PTI centers in March 2019 and generated GEL 3.3 million EBITDA in 2019.
- Gross profit margin was 66% and EBITDA margin stood at 25% in 2019, both expected to substantially increase on a stabilized basis in 2020.
- Average time per check decreased from 25 minutes in March to 11 minutes as of 31-Dec-19

(1) Based on available inspection lines.

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