



# Investor presentation

**10 x = 10 y**

# Forward looking statements

## Disclaimer

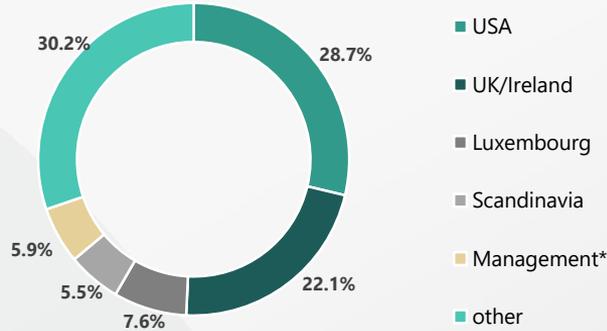
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- 1. Georgia Capital at a glance**
2. Georgia Capital strategy & capital allocations
3. Results discussion | Georgia Capital
4. Portfolio overview
5. Georgian macro overview
6. Appendices

# CGEO:LN performance

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

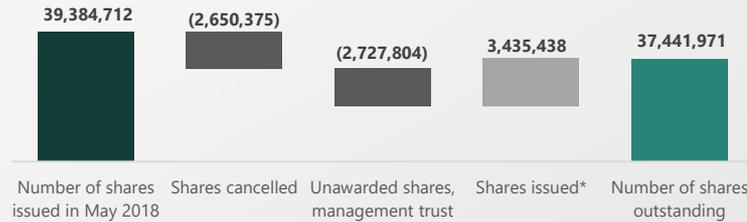
## GCAP shareholders allocation by geography



\* Includes both vested and unvested awarded shares

## Number of outstanding shares as at 31-Dec-19

As of 26 February 2020



Average daily trading volume – GBP 1.0 (million)

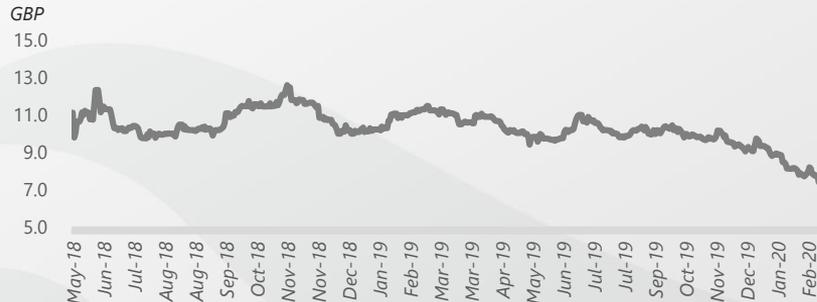
Market Capitalization – GBP 298 (million)

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

## GCAP top shareholders | 31-Dec-2019

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

## Historical GCAP share price



# Our portfolio at a glance



**GEORGIA CAPITAL**  
**Management platform**

Public portfolio – GEL 1,028mln <sup>1</sup>	Private portfolio – GEL 1,225mln <sup>1</sup>				Third-party managed capital
	Late Stage – GEL 693mln <sup>1</sup>			Pipeline - GEL 93mln <sup>1,3</sup>	
<p style="text-align: center;"><b>Georgia Healthcare Group</b></p> <p style="text-align: center;"><b>70.6%</b></p> <hr style="border: 0.5px dashed #000;"/> <p style="text-align: center;"><b>GEL 430mln<sup>2</sup></b></p> <p style="text-align: center;">Valued: LSE</p>	<p style="text-align: center;"><b>Water Utility</b></p> <p style="text-align: center;"><b>100%</b></p> <hr style="border: 0.5px dashed #000;"/> <p style="text-align: center;"><b>GEL 484mln</b></p> <p style="text-align: center;">Valued: 8.8x LTM EV/EBITDA</p>	<p style="text-align: center;"><b>Housing Development</b></p> <p style="text-align: center;"><b>100%</b></p> <hr style="border: 0.5px dashed #000;"/> <p style="text-align: center;"><b>GEL 44mln</b></p> <p style="text-align: center;">Valued: DCF</p>	<p style="text-align: center;"><b>P&amp;C Insurance</b></p> <p style="text-align: center;"><b>100%</b></p> <hr style="border: 0.5px dashed #000;"/> <p style="text-align: center;"><b>GEL 165mln</b></p> <p style="text-align: center;">Valued: 9.0x LTM P/E</p>	<p style="text-align: center;"><b>Education</b></p> <hr style="border: 0.5px dashed #000;"/> <p style="text-align: center;"><b>GEL 56mln</b></p> <p style="text-align: center;">Valued: at acquisition price</p>	<hr style="border: 0.5px dashed #000;"/> <p style="font-weight: bold; font-size: 1.2em;">Upcoming funds</p> <p style="color: #004a4a; font-weight: bold;">➤ Targeting to raise c. US\$ 200 million</p>
<p style="text-align: center;"><b>Bank of Georgia</b></p> <p style="text-align: center;"><b>19.9%<sup>4</sup></b></p> <hr style="border: 0.5px dashed #000;"/> <p style="text-align: center;"><b>GEL 598mln<sup>2</sup></b></p> <p style="text-align: center;">Valued: LSE</p>	Early Stage – GEL 439mln <sup>1</sup>			<p style="text-align: center;"><b>Auto Service</b></p> <hr style="border: 0.5px dashed #000;"/> <p style="text-align: center;"><b>GEL 26mln</b></p> <p style="text-align: center;">Valued: 10.4x EV/EBITDA (PTI) At acquisition price (Amboli)</p>	
	<p style="text-align: center;"><b>Renewable Energy</b></p> <p style="text-align: center;"><b>100%<sup>5</sup></b></p> <hr style="border: 0.5px dashed #000;"/> <p style="text-align: center;"><b>GEL 107mln<sup>2</sup></b></p> <p style="text-align: center;">Valued: at acquisition price</p>	<p style="text-align: center;"><b>Hospitality &amp; Commercial</b></p> <p style="text-align: center;"><b>100%</b></p> <hr style="border: 0.5px dashed #000;"/> <p style="text-align: center;"><b>GEL 246mln</b></p> <p style="text-align: center;">Valued: NAV</p>	<p style="text-align: center;"><b>Beverages</b></p> <p style="text-align: center;"><b>87%</b></p> <hr style="border: 0.5px dashed #000;"/> <p style="text-align: center;"><b>GEL 87mln<sup>2</sup></b></p> <p style="text-align: center;">Valued: 10.0x LTM EV/EBITDA (wine); 2.2x LTM EV/Sales (beer);</p>	<p style="text-align: center;"><b>Digital Services</b></p> <hr style="border: 0.5px dashed #000;"/> <p style="text-align: center;"><b>GEL 9mln</b></p> <p style="text-align: center;">Valued: at acquisition price</p>	

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

# Key portfolio highlights | 31 December 2019



Gross cash invested of GEL 1.2bln



Net cash invested of GEL 395mln



Portfolio fair value of GEL 2.3bln

## Listed

## Private late stage

## Private early stage

## Pipeline

Original investment

252

129

214

92

10

99

194

62

96

56

10

9

MOIC<sup>1</sup>

2.2

7.9

2.6

2.1

19.7

1.1

1.3

1.2

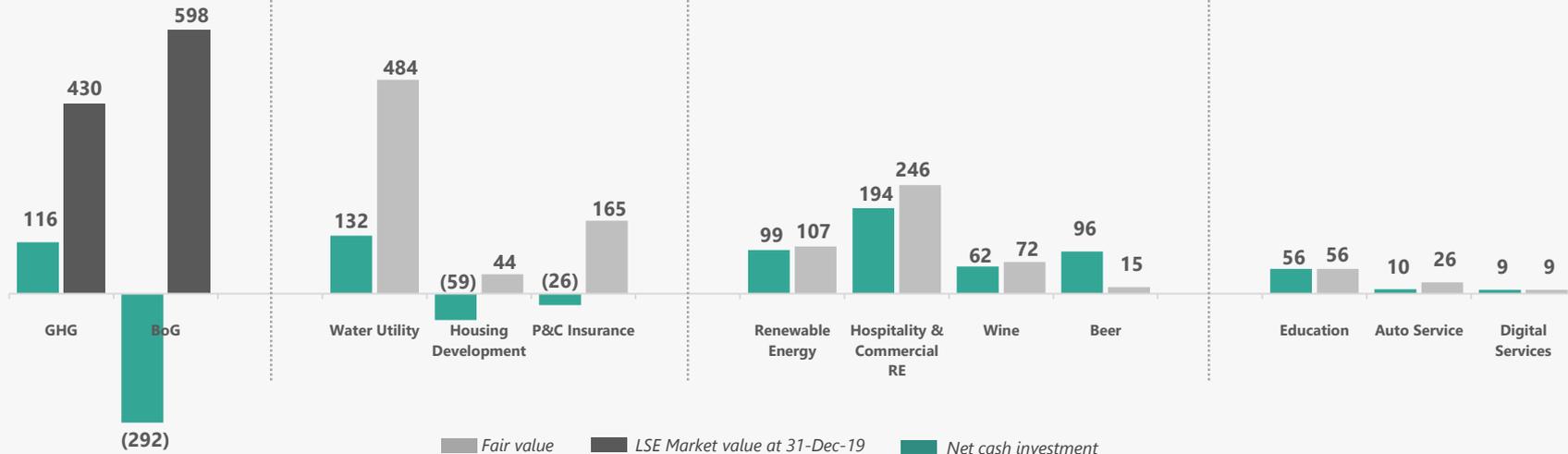
0.2

NMF

2.6

NMF

GEL millions



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

# Solid track record

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



## Acquisitions

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

Total number of acquisitions executed

**50+**



## Capital raise

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

- **c.US\$ 500 mln** raised in equity at LSE
- Issued five Eurobonds totaling **US\$ 1.5 billion**
- **US\$ 3 billion+** raised from IFIs (EBRD, IFC etc.)

Total amount of debt raised (US\$)

**4.5bn+**



## Exit IRR

**121% IRR** from GHG IPO

**60%+ IRR** from completed m<sup>2</sup> Real Estate projects

IRR from GHG IPO

**121%**

# Acquisitions in 2019 | private portfolio

**February 2019**
**Kempinski Hotel**


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

**March 2019**
**Kazbegi brand acquisition**


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

**May 2019**  
**Redberry**


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

**July 2019**
**Buckswood International**


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

**August 2019**
**Alaverdi winery**


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

**November 2019**
**Qartli wind farm**


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

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


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

**June 2019**
**British-Georgian Academy**


- The leading school in the **premium segment**
- Purchase of **70% equity stake**
- Valued at **6.4x EV / EBITDA 2020**
- Targeted capacity of c. **3,200 learners by 2021** (Current 800 learners)
- Capital allocation from GCAP of **GEL 75million<sup>2</sup>**

**July 2019**
**Green School**


- The leading player in **affordable segment**
- Purchase of **80-90<sup>1</sup>% equity stake**
- Valued at **5.6x EV / EBITDA<sup>3</sup>**
- Targeted capacity of c. **5,000 learners by 2024** (Current 1,250 learners)
- Capital allocation from GCAP of **GEL 21million<sup>2</sup>**

**October 2019**
**Hydrolea**


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

**December 2019**
**Four famous Georgian restaurants**


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

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

(2) Includes actual and projected future capital allocations.

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

# Content

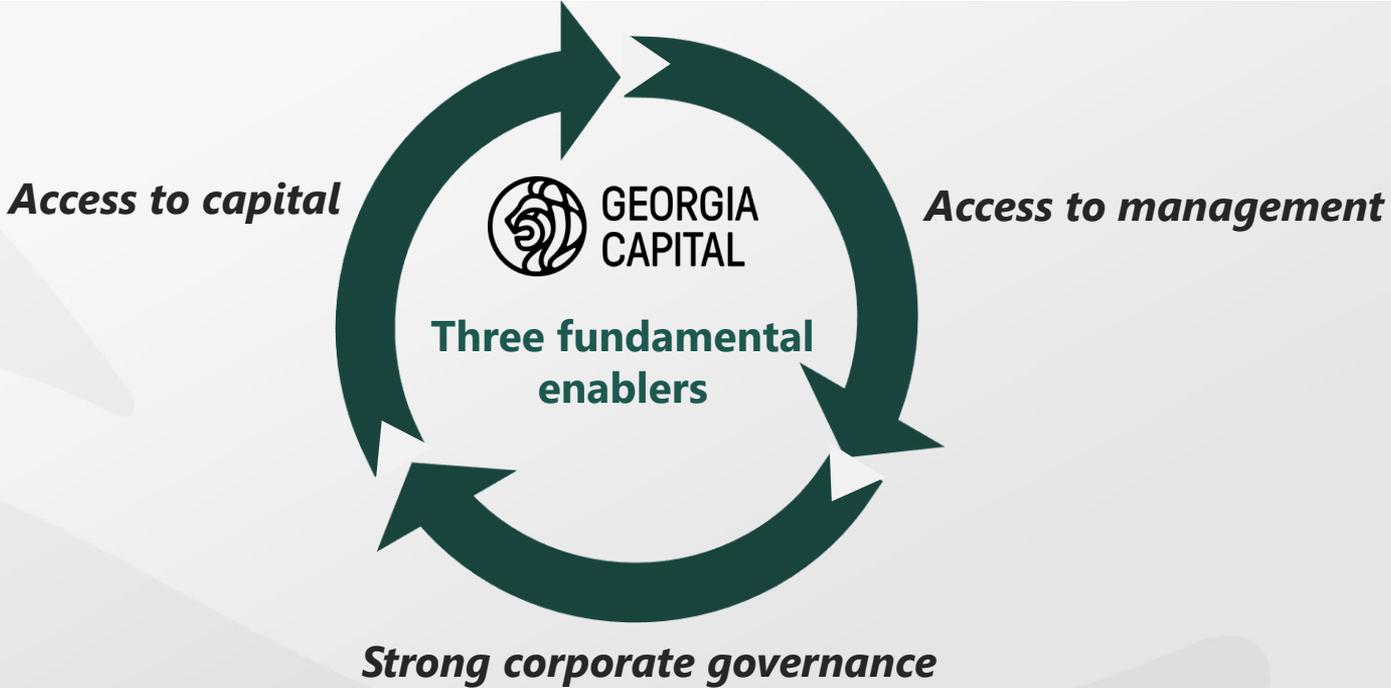


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# Georgia Capital – Your ground floor investment opportunity



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



# Strong corporate governance

## *How we run Georgia Capital*

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

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

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

**Solid corporate governance and oversight**

# Strong corporate governance

*Aligned shareholder and management interests by share compensation*

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

### Key things to know

1

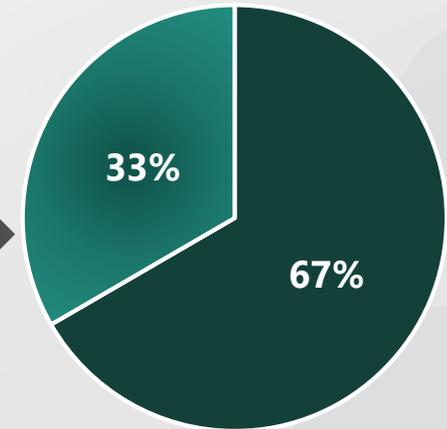
Cash preservation is a key target for GCAP: **two thirds of total operating expenses are related to share-based compensation.**

2

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

3

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



cash non-cash

# Managing investments

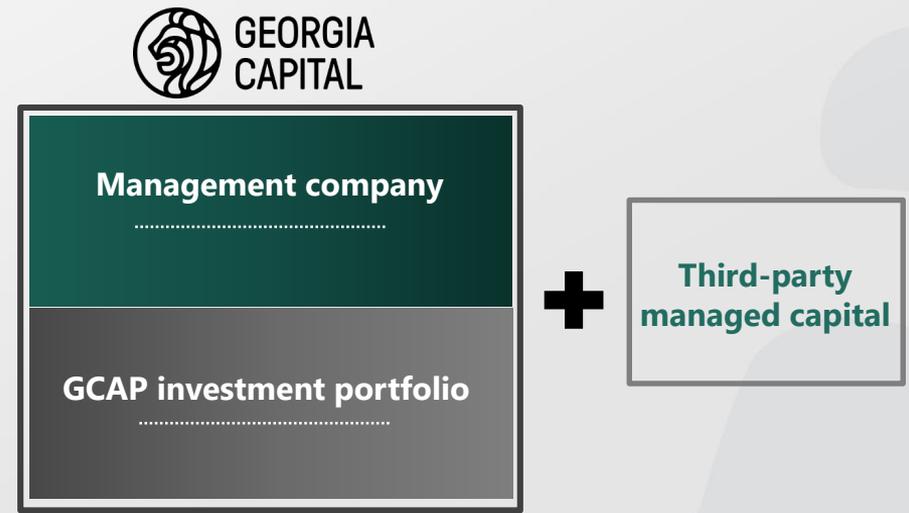
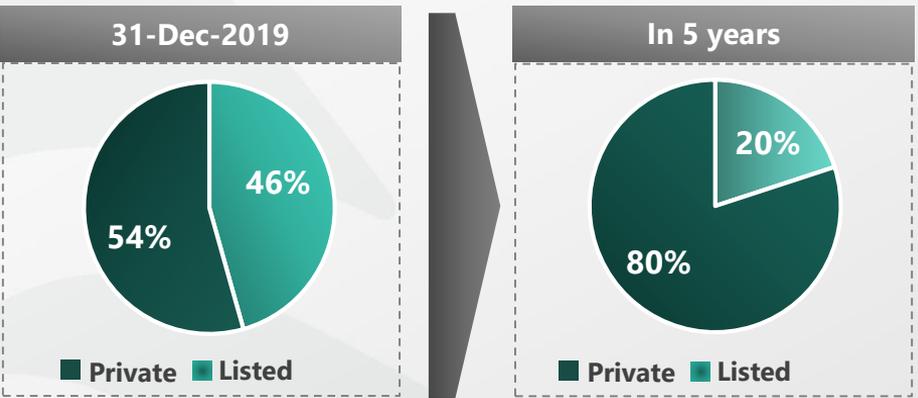
## Share ownership plan of management in portfolio companies

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

# Two new strategic priorities

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

Over the next 5 years we will reshape our balance sheet



# Our investment philosophy

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



# Capital allocations

*360-degree analysis – a strong foundation for value creation*

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

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



**Discounts at 26 February 2020**



# Capital allocations

## Buybacks

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

**US\$ 45 million**

*Programme amount*

**3,336,843**

*Shares bought back*

**GBP 10.45**

*Average price of shares bought back*

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

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

# Capital allocations

## *Clear exit paths*

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

**Exit options are set prior to making an investment decision**

# Capital allocations

## *How we evaluate investment performance*



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

### MOIC and IRR at GCAP level

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

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

**Realised and unrealised MOICs are equally important for us.**

### ROIC for financing projects and reinvestment at portfolio companies' level

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

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

# Content



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# NAV Statement | 31 December 2019



<i>GEL thousands unless otherwise noted</i>	Dec-18	1. Value creation	2a. Investments	2b. Buybacks	2c. Dividends	3. Operating expenses	4. Liquidity management/ FX /Other	Dec-19	Change %
<b>Listed Portfolio Companies</b>									
GHG <sup>1</sup>	520,332	(199,127)	112,856	-	(3,982)	-	-	430,079	-17.3%
BoG <sup>1</sup>	457,495	165,190	-	-	(24,950)	-	-	597,735	30.7%
<b>Total Listed Portfolio Value</b>	<b>977,827</b>	<b>(33,937)</b>	<b>112,856</b>	-	<b>(28,932)</b>	-	-	<b>1,027,814</b>	<b>5.1%</b>
<i>Listed Portfolio value change %</i>		<i>-3.5%</i>	<i>11.5%</i>	-	<i>-3.0%</i>	-	-	<i>5.1%</i>	
<b>Private Portfolio Companies</b>									
<b>Late Stage</b>	<b>628,326</b>	<b>157,009</b>	<b>698</b>	-	<b>(93,287)</b>	-	-	<b>692,746</b>	<b>10.3%</b>
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%
<b>Early Stage</b>	<b>271,288</b>	<b>(5,098)</b>	<b>173,287</b>	-	-	-	-	<b>439,477</b>	<b>62.0%</b>
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
<b>Pipeline</b>	<b>5,933</b>	<b>16,397</b>	<b>70,716</b>	-	-	-	-	<b>93,046</b>	<b>NMF</b>
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
<b>Total Private Portfolio Value</b>	<b>905,547</b>	<b>168,308</b>	<b>244,701</b>	-	<b>(93,287)</b>	-	-	<b>1,225,269</b>	<b>35.3%</b>
<i>Private Portfolio value change %</i>		<i>18.6%</i>	<i>27.0%</i>	-	<i>-10.3%</i>	-	-	<i>35.3%</i>	
<b>Total Portfolio Value (1)</b>	<b>1,883,374</b>	<b>134,371</b>	<b>357,557</b>	-	<b>(122,219)</b>	-	-	<b>2,253,083</b>	<b>19.6%</b>
<i>Total Portfolio value change %</i>		<i>7.1%</i>	<i>19.0%</i>	-	<i>-6.5%</i>	-	-	<i>19.6%</i>	
<b>Net Debt (2)</b>	<b>(196,915)</b>	-	<b>(193,482)</b>	<b>(124,781)</b>	<b>72,875</b>	<b>(19,869)</b>	<b>(31,393)</b>	<b>(493,565)</b>	<b>NMF</b>
of which, Cash and liquid funds	299,650	-	(188,842)	(124,781)	72,875	(19,869)	(172,856)	211,889	-29.3%
of which, Loans issued	305,480	-	(4,640)	-	-	-	(148,956)	151,884	-50.3%
of which, Gross Debt	(802,045)	-	-	-	-	-	(55,293)	(857,338)	6.9%
<b>Net other assets/ (liabilities) (3)</b>	<b>1,762</b>	-	<b>(51,219)</b>	-	<b>49,344</b>	<b>(14,522)</b>	<b>8,985</b>	<b>(5,650)</b>	<b>NMF</b>
of which, share-based compensation	-	-	-	-	-	(14,522)	14,522	-	-
<b>Net Asset Value (1)+(2)+(3)</b>	<b>1,688,221</b>	<b>134,371</b>	<b>112,856</b>	<b>(124,781)</b>	-	<b>(34,391)</b>	<b>(22,408)</b>	<b>1,753,868</b>	<b>3.9%</b>
<i>NAV growth %</i>		<i>8.0%</i>	<i>6.7%</i>	<i>-7.4%</i>	<i>0.0%</i>	<i>-2.0%</i>	<i>-1.3%</i>	<i>3.9%</i>	
Shares outstanding	38,089,558	-	3,435,438	(4,083,025)	-	-	-	37,441,971	-1.7%
<b>Net Asset Value per share</b>	<b>44.32</b>	<b>3.53</b>	<b>(0.95)</b>	<b>1.43</b>	-	<b>(0.90)</b>	<b>(0.59)</b>	<b>46.84</b>	<b>5.7%</b>
<i>NAV per share growth %</i>		<i>8.0%</i>	<i>-2.1%</i>	<i>3.2%</i>	<i>0.0%</i>	<i>-2.0%</i>	<i>-1.3%</i>	<i>5.7%</i>	
<b>NAV per share, Listed portfolio</b>	<b>23.01</b>	-	-	-	-	-	-	<b>21.07</b>	<b>-8.4%</b>
<b>NAV per share, Private portfolio</b>	<b>21.31</b>	-	-	-	-	-	-	<b>25.77</b>	<b>20.9%</b>

(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

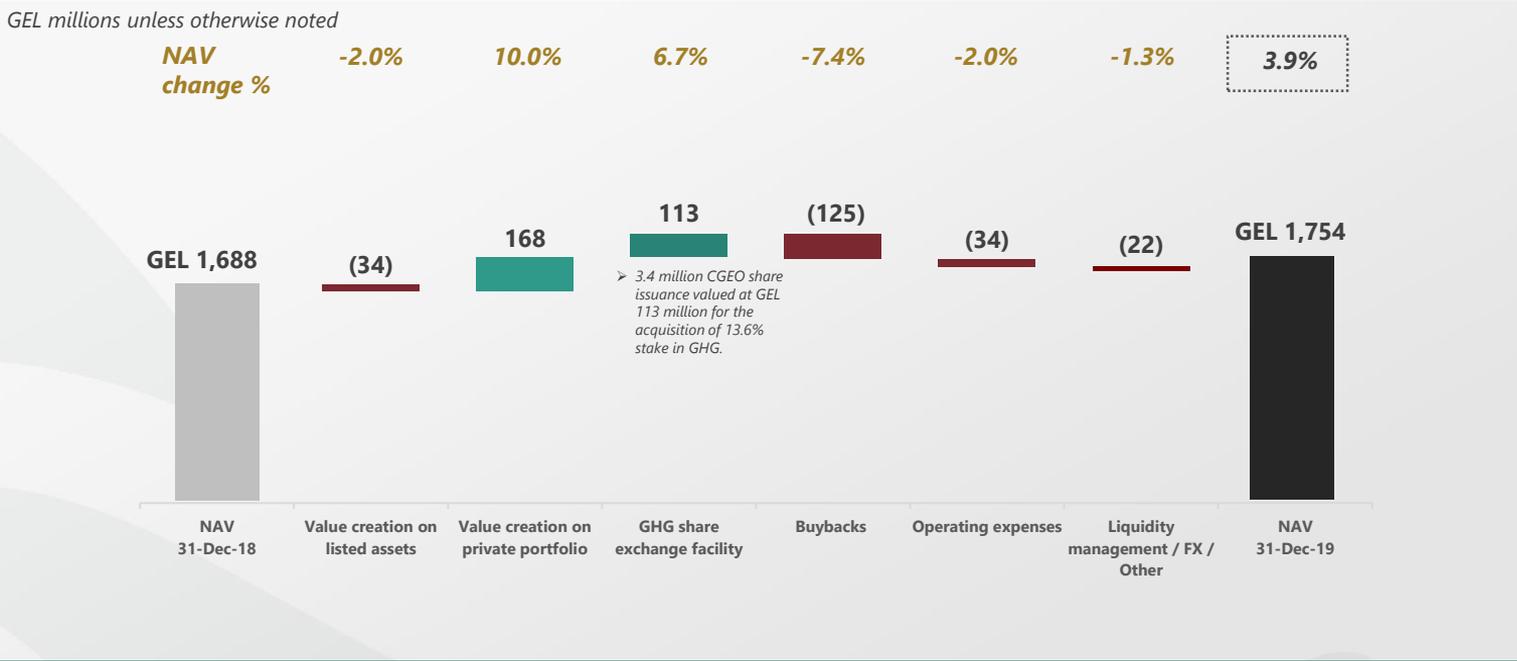
- **NAV per share up 5.7% to GEL 46.84 on the back of 3.9% growth in NAV and 1.7% decrease in number of shares outstanding**
- The private businesses led to 10.1% growth in NAV per share, which was offset by 4.4% negative impact from listed businesses
- **Value creation from listed assets:** GEL 165 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.<sup>1</sup>
- **Buybacks & Cancellation:** 3.5 million CGEO shares worth GEL 125 million bought back in 2019, while 2.7 million shares were cancelled **(3.2% growth in NAV per share)**
- **Platform costs:** FY19 management platform related costs **(-2.0% impact on NAV per share)**.
  - Management expense fee ratio at 1.8%, below our targeted 2% of MCAP.
- **FY19 net interest, FX and other costs (-1.3% impact on NAV per share).**

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

# NAV growth in 2019



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



# Value creation across private portfolio | 2019

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

# Capital allocations | FY19

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

## Investment highlights

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

## Buyback highlights

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

# GCAP Performance highlights | 2019

## Income statement highlights

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

**Total value creation  
GEL 134 million**

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

## Cash flow highlights

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

*\* Including GHG, adjusted for IFRS16 impact.*

**GCAP Standalone interest coverage | FY19**

**2.8x**

**GCAP standalone cash expense Coverage | FY19**

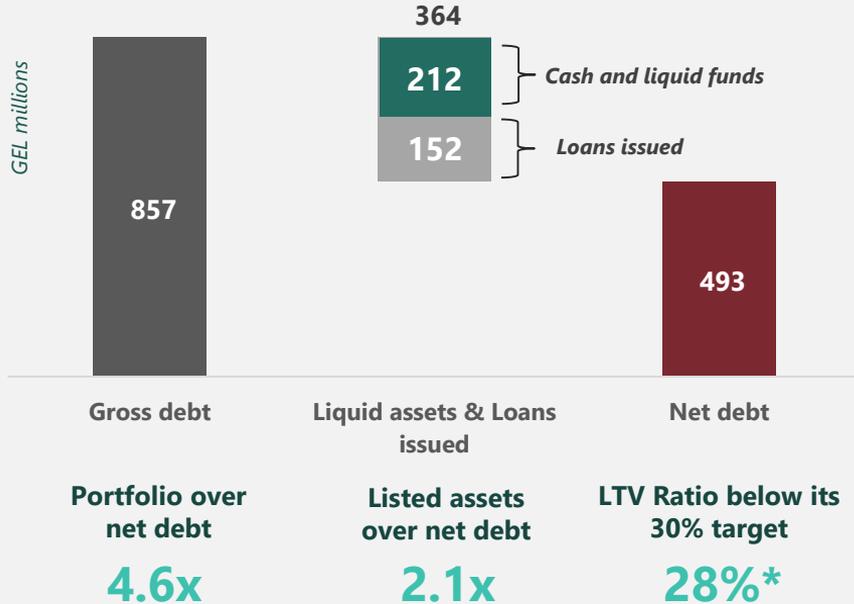
**8.4x**

# Liquidity management at Georgia Capital

**GEL 493 million**  
Net debt | 31-Dec-2019

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

## Net debt overview | 31-Dec-2019



## Liquid assets & Loans issued | 31-Dec-2019



## Cumulative maturity gap

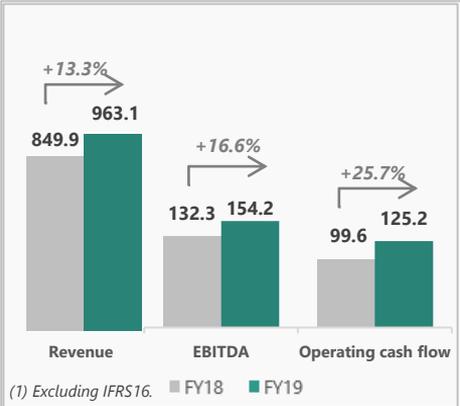


\* Net debt divided by portfolio value. Loans to portfolio companies are included in portfolio value instead of net debt.

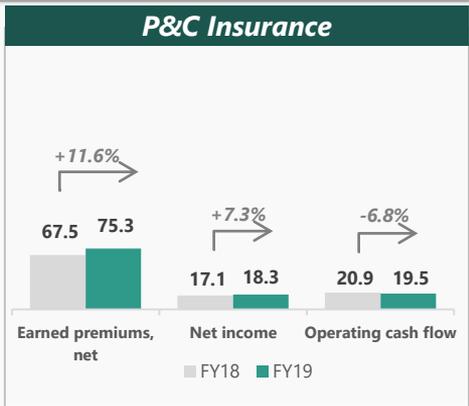
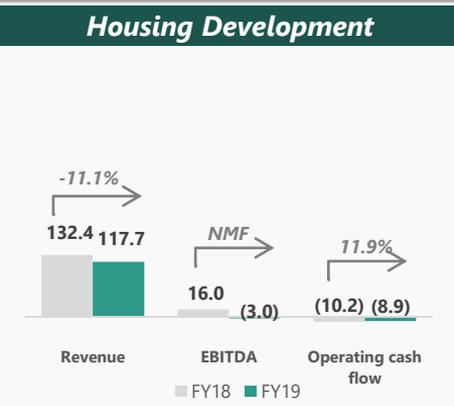
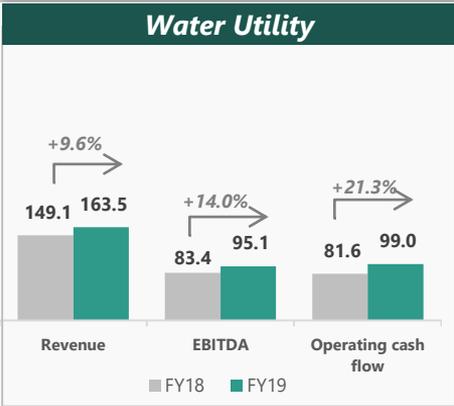
# Portfolio performance highlights | FY19



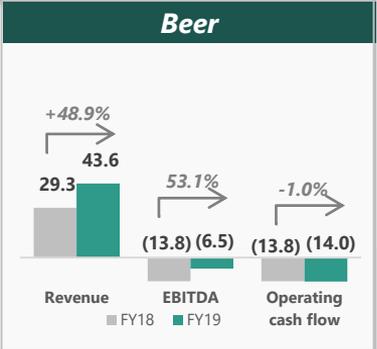
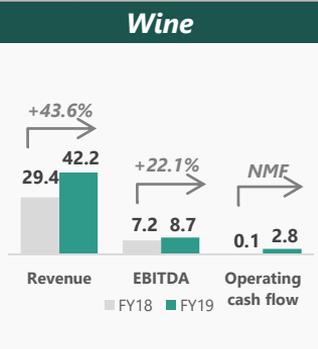
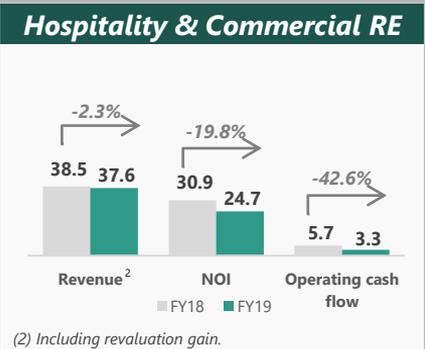
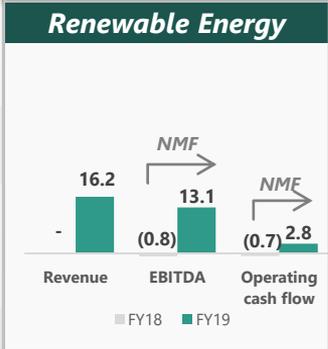
## GHG<sup>1</sup>



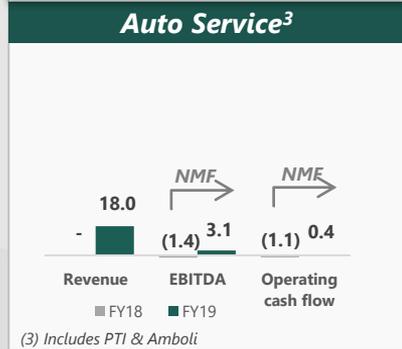
## Private late stage



## Private early stage



## Pipeline



# Content



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



# Georgia Healthcare Group (GHG) overview

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

## Investment rationale

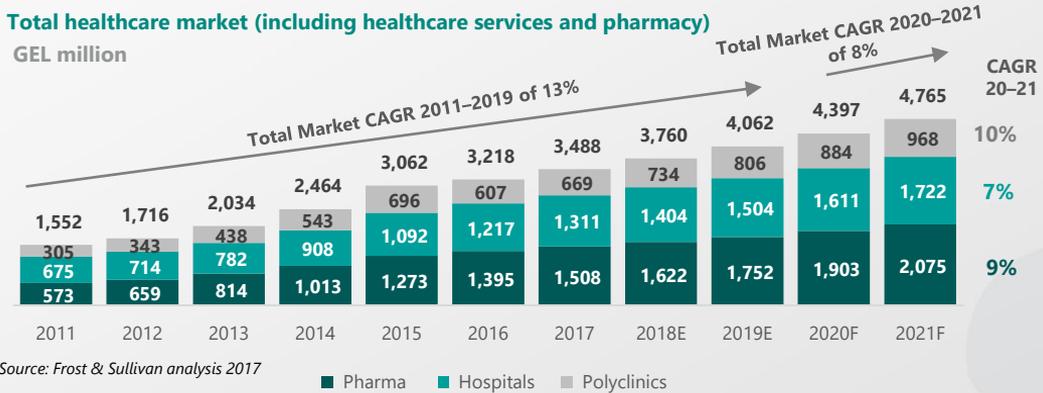
- Very low base: healthcare services spending per capita only US\$ 308 (EU average is US\$ 3,211)
- Growing market: healthcare spending growth estimated at 8% CAGR 2020-2021

## Value creation potential

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

## Total healthcare market (including healthcare services and pharmacy)

GEL million



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

## GHG medium to long term targets

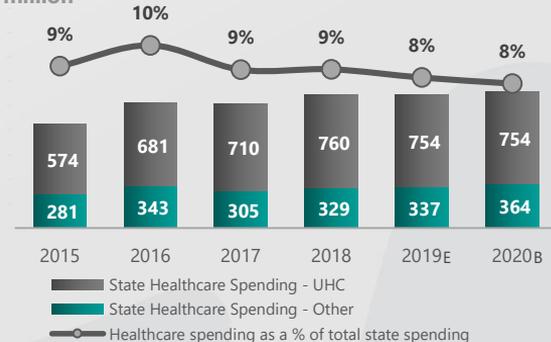
Double digit revenue CAGR next 5 years

Mid-teen EBITDA CAGR next 5 years

Gradually approaching ROIC c.15-17%

## State healthcare spending dynamics

GEL million



(1) Source: World Bank, 2016 data.

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

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

 GEORGIA  
HEALTHCARE  
GROUP

 GEORGIA  
CAPITAL

## Stock price performance



## Selected operating metrics

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

## Financial metrics (GEL millions)

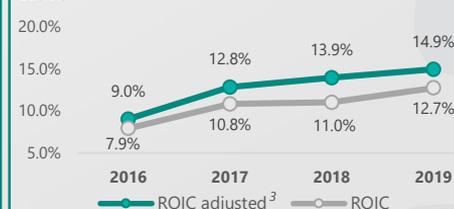
	2015	2016 <sup>1</sup>	2017 <sup>2</sup>	2018	2019	Change
Healthcare services EBITDA, excl. IFRS 16	54	74	70 <sup>3</sup>	76	84 <sup>4</sup>	9.9%
Pharmacy and distribution EBITDA, excl. IFRS 16	N/A	6	39 <sup>3</sup>	52	65	25.1%
Healthcare services EBITDA margin, excl. IFRS 16	27.4%	30.2%	26.4%	24.9%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

## Performance track record

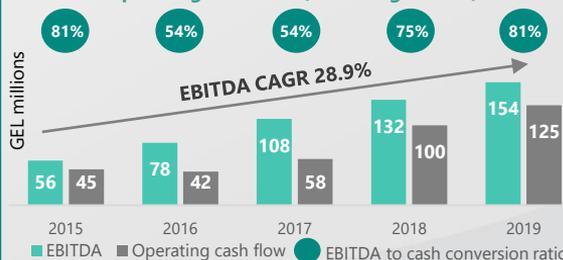
### Capex evolution



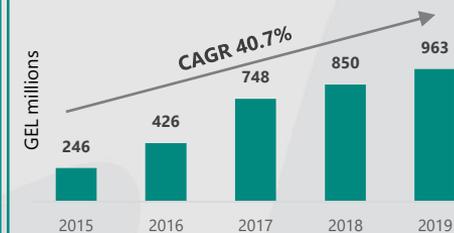
### ROIC



### EBITDA & Operating cash flow (excluding IFRS16)



### Revenue



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

(2) Excluding emergency beds.

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

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

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

# Bank of Georgia (BoG) Overview

<http://bankofgeorgiagroup.com/>



BANK OF GEORGIA



GEORGIA  
CAPITAL

## Investment rationale

- The first entity from Georgia to be listed on the premium segment of the Main Market of the London Stock Exchange (LSE:BGEO) since February 2012
- **High standards of transparency and governance**
- **Leading market position<sup>1</sup>** in Georgia by assets (36.3%), loans (34.9%), client deposits (36.3%) and equity (29.8%) as of 31 December 2019
- Market with **stable growth perspectives**
- **Strong brand name recognition** and retail banking franchise
- Sustainable growth combined with **strong capital, liquidity and robust profitability**
- Outstanding ROAE performance
- Dividend per share growing at 30.7% CAGR in 2010-2019 years

## Value creation potential

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

## Banking business key targets

ROAE  
20%+

Loan book  
growth c.15%

## Market opportunity

### Banking sector assets, loans and deposits



## Robust capital management track record

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

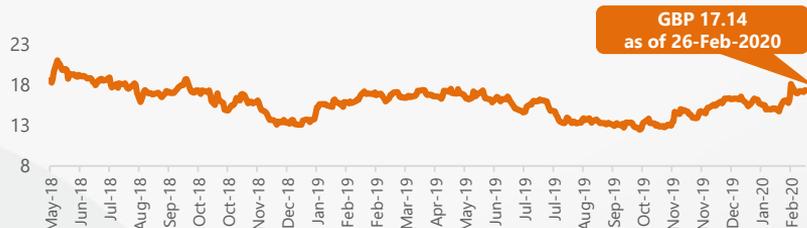
(1) Market data based on standalone accounts as published by the National Bank of Georgia (NBG) [www.nbg.gov.ge](http://www.nbg.gov.ge)



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

<http://bankofgeorgiagroup.com/>

## Stock price performance



## Selected operating metrics

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

## Financial metrics (GEL millions)

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

## GEL 11.4 billion loan portfolio breakdown\* | 31 December 2019

Corporate loans,  
GEL 3,878.1 million,  
34.0%



Retail loans,  
GEL 7,536.9 million,  
66.0%

\* Bank of Georgia Standalone.

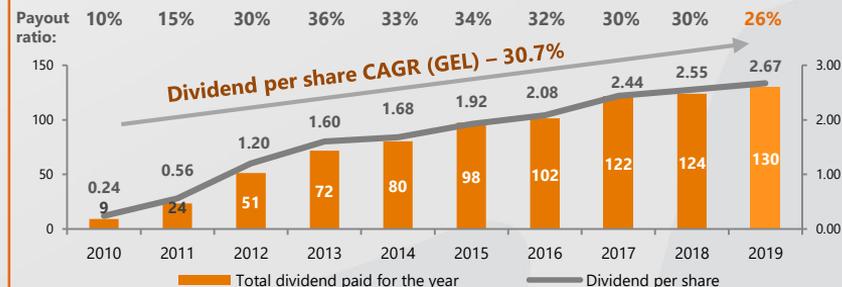
## Net profit



## Loan book growth



## Dividend record<sup>1</sup> (GEL m)



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

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

# Water utility business overview

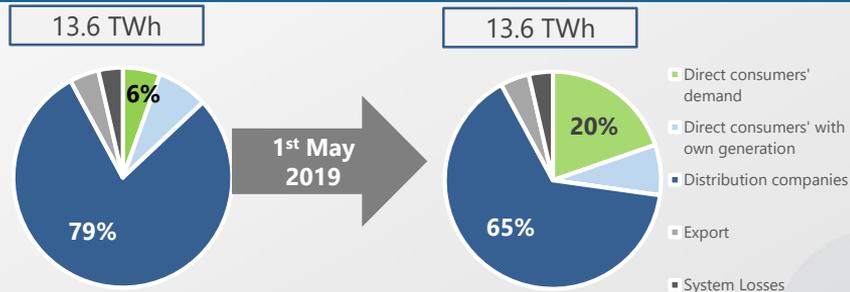
## Investment rationale

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

## Value creation potential

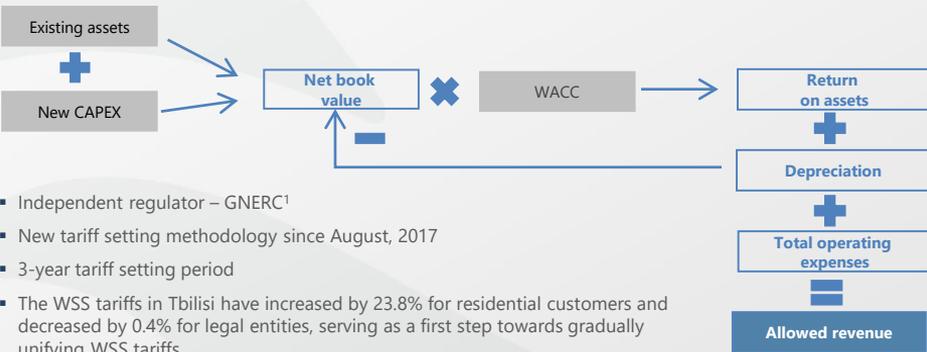
- EU harmonization reforms in progress in utilities sector, expected to drive water tariffs up
- High GDP growth combined with rapid tourism growth drive high demand from corporates
- Energy market deregulation positively affecting electricity sales price
- Upside opportunity from efficiency gains
-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

## Effect of new consumers on the market

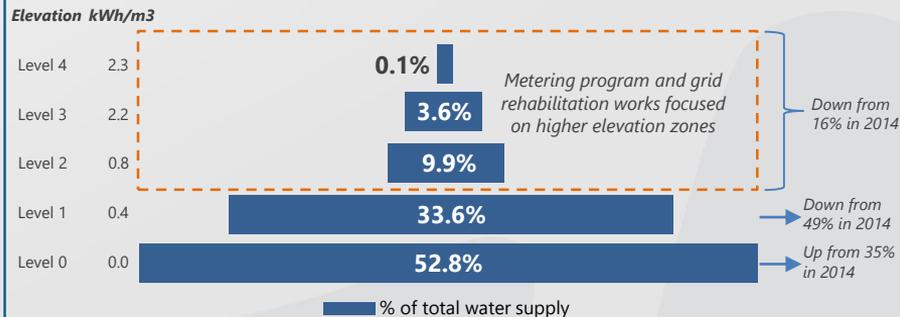


Electricity market deregulation, effective from May 2019 enabled the company to immediately increase the selling price per KWh by at least 1.5x

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



## Efficiency gains (2019)



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

# Water utility business overview (cont'd)

## Key highlights | 31 December 2019

GEL millions, unless otherwise noted	31-Dec-19	31-Dec-18	Change
<b>LTM EBITDA</b>	95	83	14.0%
<b>Multiple applied</b>	8.8	8.8	NMF
<b>Enterprise value</b>	837	738	13.5%
<b>Net debt</b>	(353)	(307)	15.1%
<b>Equity fair value</b>	484	431	12.3%
<b>LTM ROIC<sup>1</sup></b>	12.5%	13.7%	-1.2ppt

## Valuation peer group<sup>3</sup>

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

## Financial metrics (GEL millions)

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

## Selected operating metrics

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

## Performance track record

### EBITDA



### CAPEX



### Self-produced electricity consumption



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



# Housing development business overview

## Investment rationale

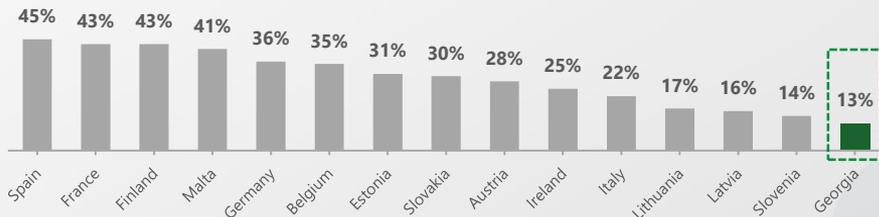
- Shortage of housing from Soviet era combined with Georgian tradition of multi generations living under one roof - average household size is significantly higher at 3.3 compared to Eastern or Western Europe
- Most of the housing stock dates back to Soviet era and is amortised
- In line with the economic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

## Value creation potential

- Unlock land value by developing housing projects
- Development of third-party land – franchise m<sup>2</sup> brand name.
- Earn Construction management fees from third-party projects and bring construction works in-house

## Significant room for further growth in mortgages

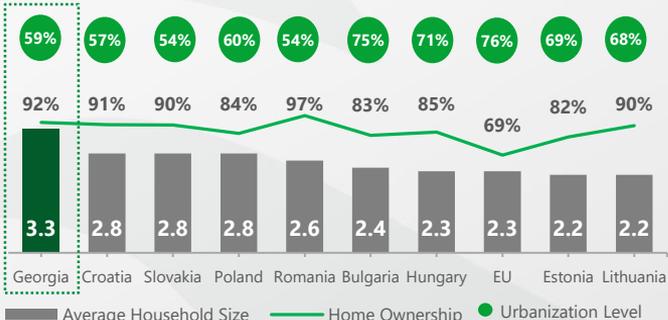
### Mortgage loans to GDP %, 2018



Source: IMF, Central banks

## Household size further reduction driving demand for housing market

### Average household size and home ownership, latest available data

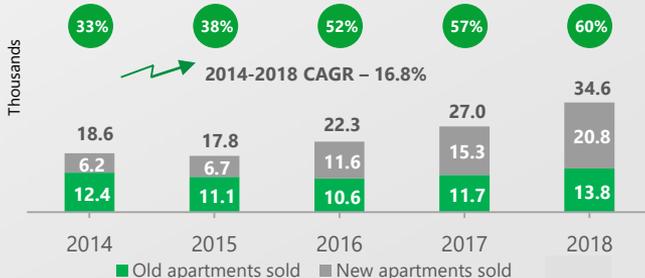


Source: Eurostat, TBC Capital, World Bank, National statistics office of Georgia.

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

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

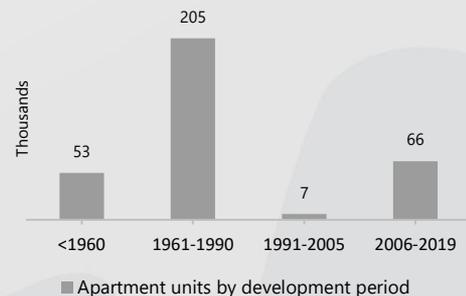
### Total share of new apartments sold



Source: TBC Capital

## Most of the housing stock needs replacement

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



Source: Galt and Taggart



# Housing development business overview (cont'd)

## Key highlights | 31 December 2019

GEL millions, unless otherwise noted

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

## Financial metrics (GEL millions)<sup>1</sup>

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

## Digomi residential project stage I update

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

## Performance track record

**10** completed projects

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

**358k sq.m**

Gross Buildable Area on completed projects

**US\$ 41.9m**

land value unlocked

**3,225** apartments sold

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

**2** on-going projects

(with 1,067 apartments under development)

**US\$ 55.1m** dividends distributed over 7 years

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

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



ALDAGI



GEORGIA CAPITAL

# P&C insurance business overview

## Investment rationale

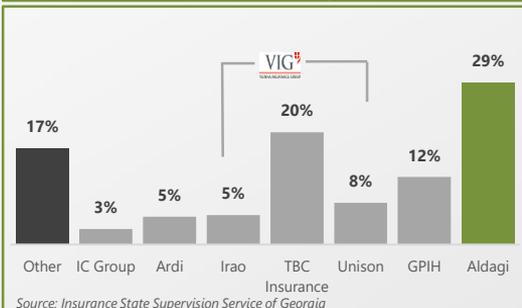
- Significantly underpenetrated P&C insurance market in Georgia (0.6% penetration)
- Market leader with a powerful distribution network of point of sale and sales agents

## Value creation potential

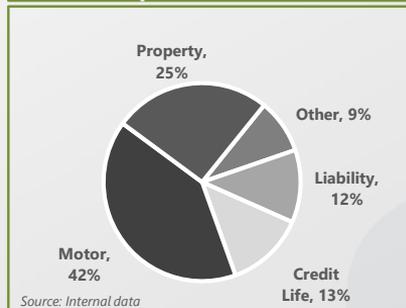
- Compulsory border TPL effective from 1 March 2018
- Local TPL expected to kick in and provide access to untapped retail CASCO insurance market with only 4% existing penetration
- Increasing footprint in untapped MSME sector, where Aldagi's revenues have grown by 93% in 2019 (from GEL 0.7m to GEL 1.3m)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

## Market share | YTD Sep-19

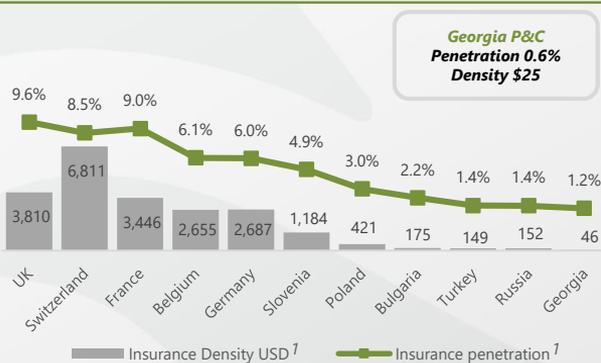
(earned premium, gross)



## Market composition by product lines



## Insurance penetration & density



(1) Including healthcare insurance.

## Market & Aldagi Revenue (GEL millions)

YTD Sep-19:

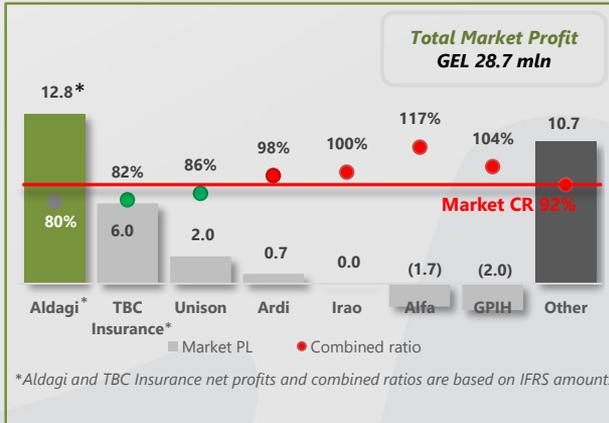
Market revenue **GEL 254mln**  
Aldagi share **29%**,

CAGR 2010-2018

Market – **13%**  
Aldagi – **15%**



## Market PL & Combined Ratio | YTD Sep-19





# P&C insurance business overview (cont'd)

## Key highlights | 31 December 2019

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

## Valuation peer group

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

## Financial metrics (GEL millions)

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

## Selected operating metrics

	2018	2019	change (y-o-y)
Corporate insurance policies written <sup>3</sup>	60,227	91,361	51.7%
Retail insurance policies written	150,246	171,509	14.2%

## Performance track record

### Earned premium, gross

(GEL millions)

#### FY19 Earned premium, gross composition:

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

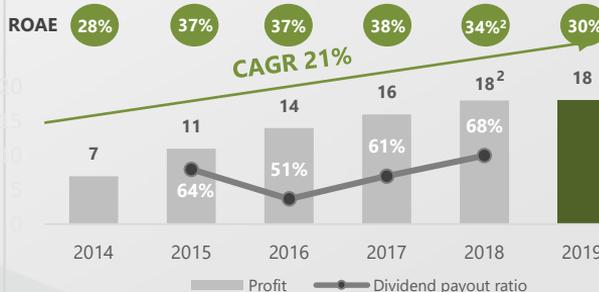
Product: Motor 36%, Property 25%, Credit life 13% Liability 11%, Other 15%

CAGR 14%



### Profit & Dividend payout ratio

(GEL millions)



## 2019 highlights

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

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

(2) Adjusted for non-recurring items.

(3) Excluding credit life insurance.

(4) Multiples improved significantly across all peer group companies

# Renewable energy business overview

## Investment rationale

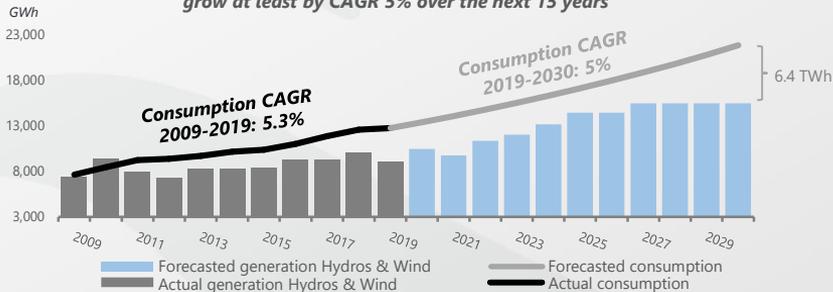
- Growing electricity market as supply lags behind the increasing demand, creating opportunities.
- Underutilized energy resources - availability of economically feasible hydro and wind projects.
- Cheap to develop – up to US\$1.5mln for 1MW hydro and up to US\$1.4mln for wind development on average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

## Value creation potential

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

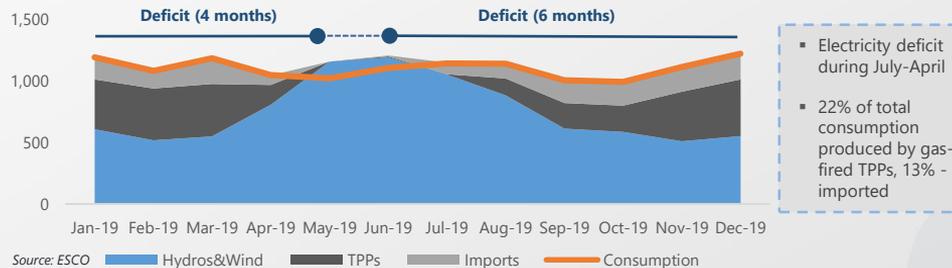
## Actual and forecasted consumption

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



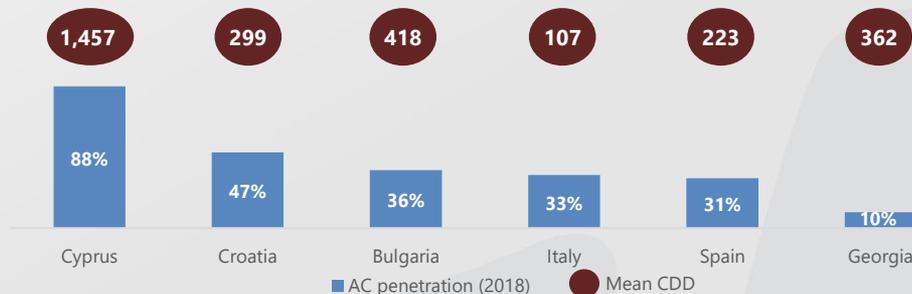
- Growth of internal consumption: 7.7% in 2017, 6.1% in 2018 and 1.5% in 2019
- Anticipated deficit of at least 6.4 TWh by 2030

## Electricity supply and consumption, 2019



## Low base and high CDD<sup>1</sup> point towards 5x increase in AC penetration by 2030

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



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

(1) cooling degree day

# Renewable energy business overview (cont'd)

## Key highlights | 31 December 2019

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

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

## Renewable energy platform


**Hydro: 210 MW**
*Of which operational 71MW*

**Wind: 228 MW**
*Of which operational 21MW*

## Renewable energy projects overview | 31 December 2019

Greenfield projects	MW	Cost per MW	Target commissioning <sup>2</sup>	Gross generation (GWh) <sup>1</sup>	PPA	Current stage
Mestiachala HPPs	50	1.2	1H19	174	Yes	Operational <sup>4</sup>
Zoti HPPs	46	1.3	2H21	173	Yes	Under Construction
Bakhvi 2 HPP	36	1.3	1H22	130	Yes	Feasibility
Racha HPPs	38	1.5	1H23	168	No	Feasibility
Wind Tbilisi	54	1.2	2H22	172	Yes	Development
Wind Kaspi	54	1.4	2H22	211	Yes	Development
Wind (other)	99	1.4	TBD	340	Yes	Feasibility
Darchi HPP	19	1.4	2H22	89	Yes	Feasibility
<b>Recent acquisitions<sup>5</sup></b>						
Hydrolea HPPs	21	1.8	2H19	105	Yes	Operational
Qartli Wind Farm	21	1.4	2H19	85	Yes	Operational
<b>Total</b>	<b>438</b>			<b>1,647</b>		

➤ Targeting to earn on average c.12% US\$ dollar ROICs<sup>3</sup> from renewable energy projects.

## Financial metrics (GEL millions)

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

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

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

## Mestiachala FY19 performance<sup>4</sup>

GEL thousands, unless otherwise noted

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

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

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

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

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

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

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

# Hospitality and commercial real estate business overview

## Investment rationale

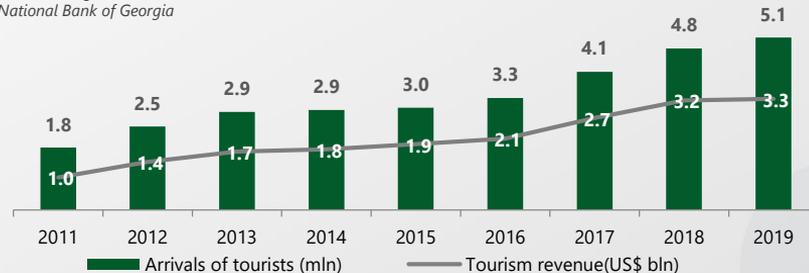
- Record number of tourists visiting Georgia every year: 5.1 million visitors in 2019 (up 6.8% y-o-y) with 16% CAGR over the last 3 years;

## Value creation potential

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

## Arrivals of tourists and tourism revenue | Georgia

Source: Georgian National Tourism Administration  
National Bank of Georgia

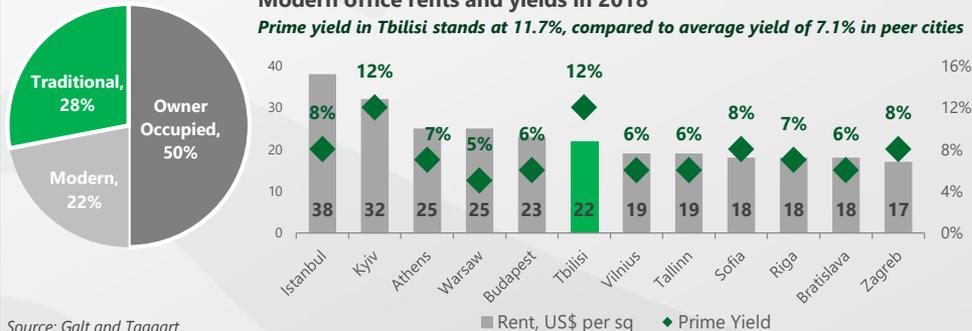


## Leasable modern office stock remains scarce

Georgian office stock's significant portion is non-refurbished, soviet-era stock (traditional). Although Tbilisi's has one of the highest modern office rents among the CEE<sup>1</sup> cities.

### Modern office rents and yields in 2018

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



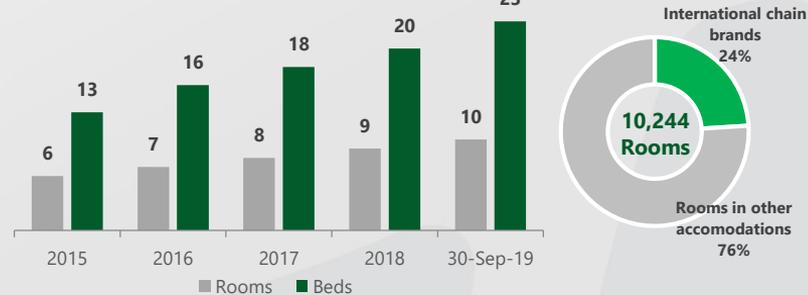
Source: Galt and Taggart

(1) Central and Eastern Europe.

## Hotel market is expected to expand significantly

### Accommodation rooms and beds in Tbilisi ('000)

### Tbilisi accommodation rooms breakdown | 30-Sep-19



Source: Galt and Taggart

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

## Key highlights | 31 December 2019

<i>GEL millions, unless otherwise noted</i>	31-Dec-19	31-Dec-18	Change
<b>NAV</b>	<b>246</b>	<b>149</b>	<b>64.7%</b>
<b>LTM ROIC<sup>1</sup></b>	<b>6.5%</b>	<b>16.0%</b>	<b>-9.5ppt</b>

## Selected operating metrics

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

## Ramada Encore FY19 performance

RevPAR, US\$	ADR, US\$	Occupancy%
<b>33</b>	<b>62</b>	<b>53.7%</b>

## Financial metrics (GEL millions)<sup>2</sup>

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

## Hotel rooms pipeline as of 31 December 2019<sup>4</sup>

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

➤ **Targeting to earn on average c.14% US\$ dollar ROICs<sup>5</sup> from hotels.**

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

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

(3) Net operating income.

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

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

# Wine business overview

## Investment rationale

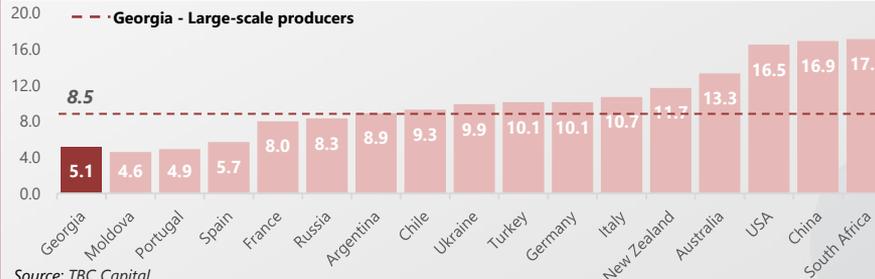
- Georgia is considered the "cradle of wine" with a rich, 8,000-year history of wine-making and home to over 500 unique grape varieties
- Georgia's favorable trade regimes (free trade agreements with EU and China) provide potential for export growth for beverages
- Growing urbanization and tourism inflows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

## Value creation potential

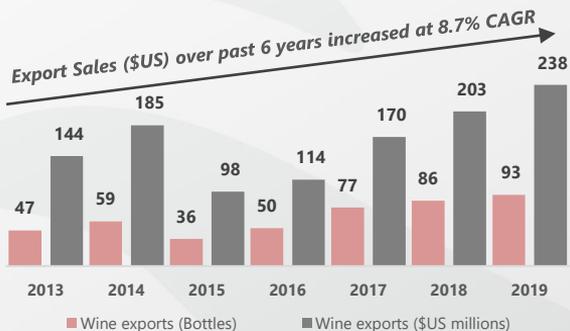
- Best-in-class distribution network platform
- Grow vineyard base to 1,000 hectares, from current 704 hectares

## Vineyard productivity – 2019 (TON/HA)

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



## Georgian wine exports (Bottles, US\$ millions)



## Wine consumption per capita, liters (2019)



## Georgian wine bottle sales, by export countries



# Wine business overview (cont'd)

## Key highlights | 31 December 2019

<i>GEL millions, unless otherwise noted</i>	31-Dec-19	31-Dec-18	Change
<b>GCAP ownership</b>	<b>87%</b>	<b>80%</b>	<b>+7ppts</b>
<b>LTM EBITDA<sup>2</sup></b>	<b>9.5</b>	<b>5.0</b>	<b>89.1%</b>
<b>Multiple applied</b>	<b>10.0</b>	<b>9.1</b>	<b>9.9%</b>
<b>Enterprise value</b>	<b>95</b>	<b>46</b>	<b>NMF</b>
<b>Net debt</b>	<b>(31)</b>	<b>(7)</b>	<b>NMF</b>
<b>Kindzmarauli at acquisition price</b>	<b>-</b>	<b>26</b>	<b>NMF</b>
<b>Alaverdi at acquisition price</b>	<b>16</b>	<b>-</b>	<b>NMF</b>
<b>Equity fair value</b>	<b>72</b>	<b>57</b>	<b>26.9%</b>
<b>LTM ROIC<sup>1</sup></b>	<b>6.2%</b>	<b>12.1%</b>	<b>-5.9ppt</b>

## Valuation peer group

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

## Financial metrics (GEL millions)

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

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

## Selected operating metrics (in '000)

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

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

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

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

# Beer business overview

## Investment rationale

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

## Value creation potential

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

## Strong export market for carbonated soft drinks (CSD)

### Growing market

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

### Export to more than 25 countries

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

## Annual beer consumption (liter per capita) in 2019<sup>2</sup>

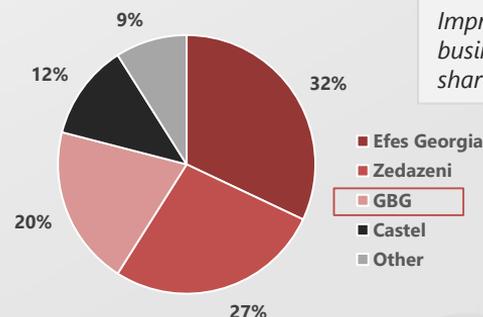
### Per capita beer consumption implies room for growth

Georgia falls behind beer consumption per capita against EU



Source: TBC Capital

## Domestic market share<sup>1</sup> | 31-Dec-19



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

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

# Beer business overview (cont'd)

## Key highlights | 31 December 2019

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

## Valuation peer group

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

- (1) ROIC is calculated as EBITDA less depreciation, plus divided by average amount of total equity and borrowed fund.  
 (2) Normalised for annualization of revenues from newly launched brands. LTM revenue is stated excluding Black Lion in 2018, as Black Lion was valued at cost as of 31 December 2018.

## Financial metrics (GEL millions)

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

## Selected operating metrics (in '000)

	2018	2019	Change
Beer sales liters ('000)	13,808	21,831	<b>58.1%</b>
Lemonade sales liters ('000)	2,174	3,282	<b>51.0%</b>

## Key highlights

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

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



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



**May-19:** Krusovice full scale launch



**May-19:** Local light beer launch



**Jun-19:** Heineken brand Amstel launch



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

# Attractive service business – Auto Service

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

## Auto park in Georgia ('000)

### CAGR 2012-2019:

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

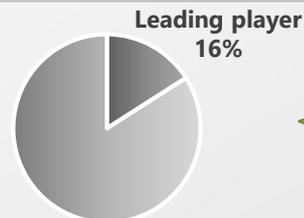
### Auto park by age in 2019:

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



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

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



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

**Total auto service market - c. GEL 2.8 billion**

<b>Car services and parts</b>	c. GEL 1 billion market
<b>Car insurance</b>	c. GEL 0.1 billion market
<b>Secondary car trading</b>	c. GEL 1.7 billion market
<b>PTI</b>	c. GEL 50 million market

We have allocated GEL 10 million<sup>1</sup> capital to auto service business in 2019

## Successfully launched the periodic technical inspection business (PTI)

### Periodic technical inspection business highlights

Total investment	<b>GEL 48mIn</b>
GCAP allocated capital	<b>GEL 5mIn</b>

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

### Amboli transaction Highlights

Equity stake purchased	<b>80%</b>
Total cash consideration	<b>GEL 3.4mIn<sup>1</sup></b>
Enterprise Value	<b>0.7x EV/Sales 2018</b>
Additional equity capital injection	<b>GEL 1.6mIn</b>

➤ Amboli deal was closed on **28 June 2019**

(1) Holdback of GEL 0.6 million.

# Periodic technical inspection business overview

## Investment rationale

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

## Value creation potential

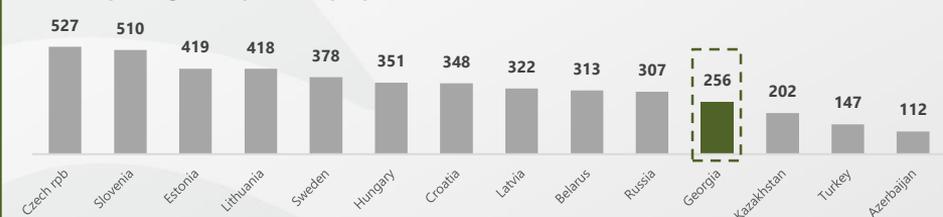
- In July 2018, the business (Greenway Georgia or "GWG") won state tender to launch and operate 51 periodic technical inspection lines across Georgia with a 10-year license.
- Currently, inspection covers the basic technical control of vehicles. The government plans to gradually tighten procedures in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

\* Source: GALT & TAGGART

## Market opportunity

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

Source: GALT & TAGGART



## Valuation peer group

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

(1) Based on available inspection lines.

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

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

## Key highlights | 31 December 2019

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

## Selected metrics

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

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

# Education business overview

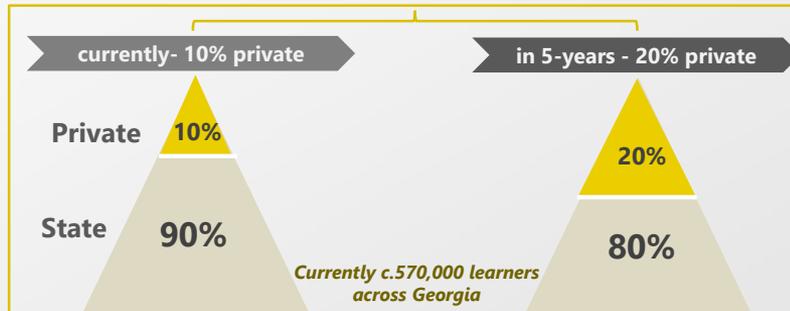
Fragmented education market offers attractive opportunity for a scaled player

## Industry investment rationale

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

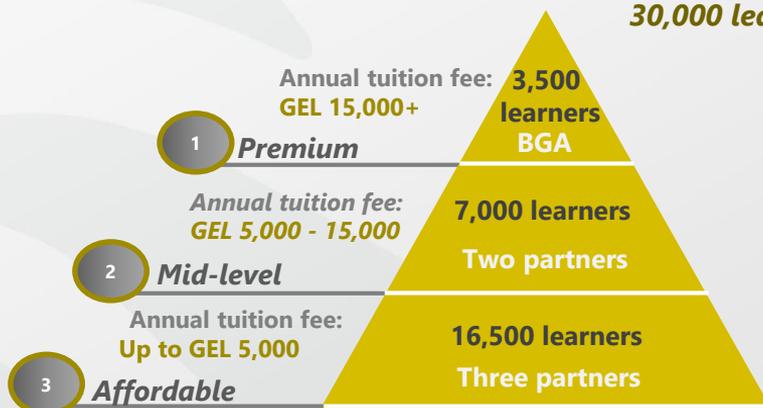
\* 2017 data: World bank, Eurostat

## Medium term demand outlook for private high schools



## Diversified business model with strategy 1-2-3

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



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

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

# Acquisitions of majority stakes in three leading schools

## Premium

## Mid-level

## Affordable

1

British-Georgian Academy

2

Buckwood

3

Green School

### Transaction highlights

- Purchase of **70% equity stake**.
- Valued at **6.4x EV / EBITDA 2020**.

- Purchase of **80% equity stake**.
- Valued at **6.4x EV / EBITDA 2020**.

- Purchase of **80% - 90%<sup>1</sup> equity stake**.
- Valued at **5.6x EV / EBITDA**.

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

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

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

(2) Includes actual and projected future capital allocations.

# Acquisition of the leading Georgian digital marketing agency

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

### About Redberry

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

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

1

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

2

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

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

# Content



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

# Sovereign ratings with stable outlook and favourable macro fundamentals



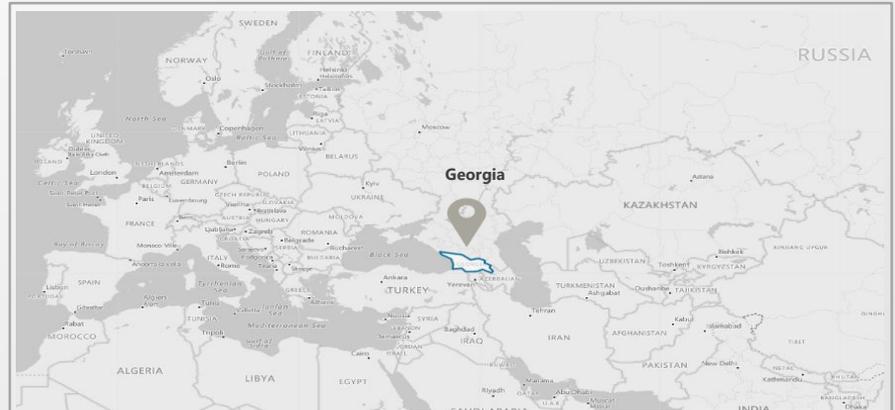
## Key Ratings Highlights

Rating Agency	Rating	Outlook	Affirmed
<b>MOODY'S</b>	Ba2	Stable	September 2019
<b>S&amp;P Global</b>	BB	Stable	October 2019
<b>FitchRatings</b>	BB	Stable	February 2019

## Georgia is favorably placed among peers

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

## General Facts



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

## Economy

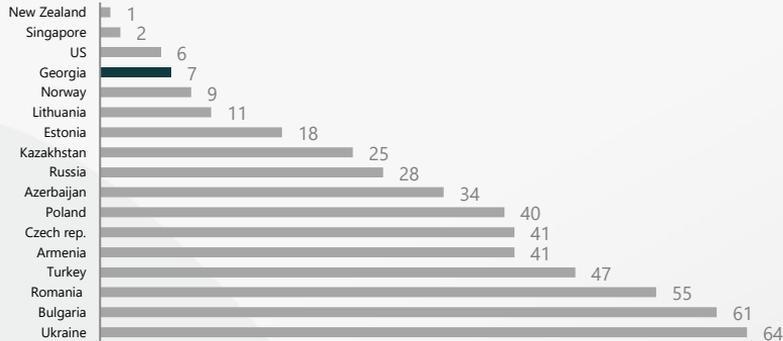
- Nominal GDP (Geostat) 2018: GEL 41.1 billion (US\$16.2 billion)
- Real GDP growth rate 2014-2018: 4.6%, 2.9%, 2.8%, 4.8%, 4.7%
- Real GDP 2007-2018 annual average growth rate: 4.5%
- GDP per capita 2018 (PPP, international dollar) IMF: 11,485
- Annual inflation 2019: 4.9%
- External public debt to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

# Georgia's key economic drivers

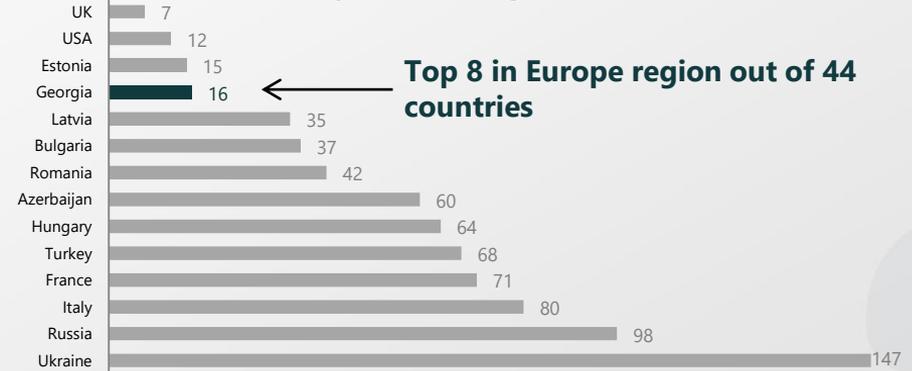
<b>Liberal economic policy</b>	<p><b>Top performer globally in WB Doing Business over the past 12 years</b></p> <ul style="list-style-type: none"> <li>▪ Liberty Act (effective January 2014) ensures a credible fiscal and monetary framework;</li> <li>▪ Fiscal deficit/GDP capped at 3%; Public debt/GDP capped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

# Institutional oriented reforms

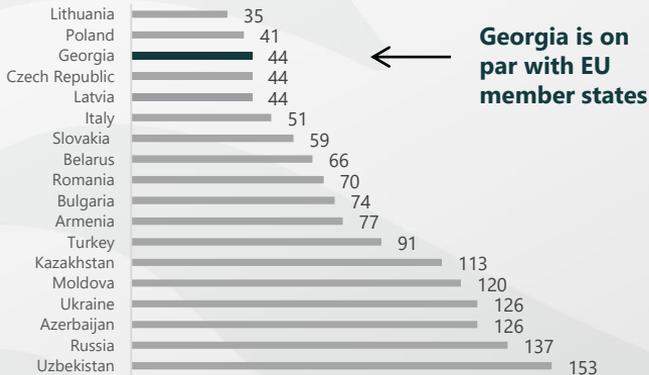
### Ease of Doing Business | 2020 (WB Doing Business Report)



### Economic Freedom Index | 2019 (Heritage Foundation)



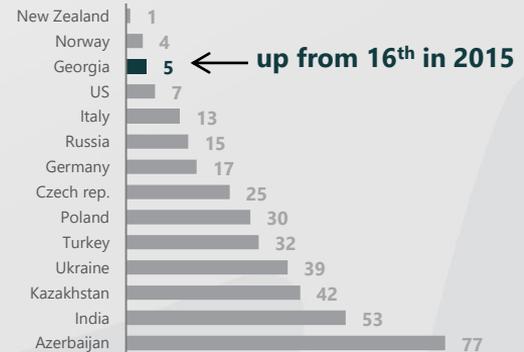
### Corruption Perception Index | TI 2019



### Business Bribery Risk, 2019 | Trace International

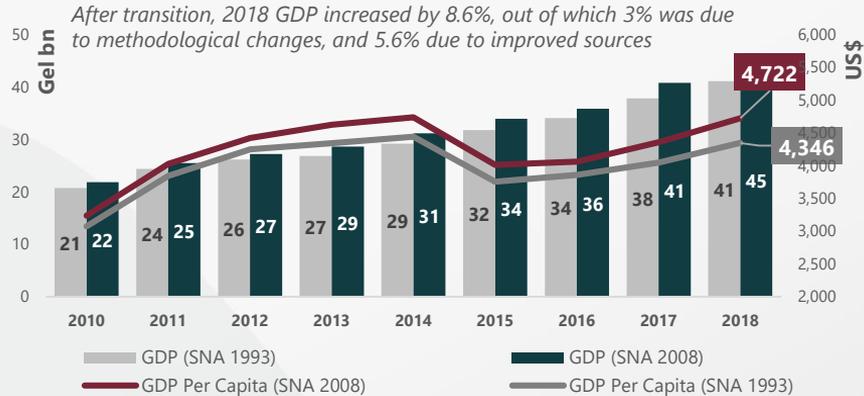


### Open Budget Index, 2017 | International Budget Partnership

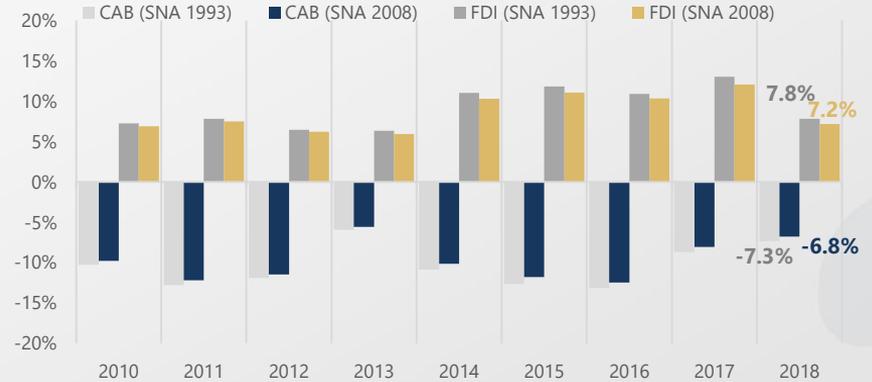


# Methodological changes led GDP and external measures to improve

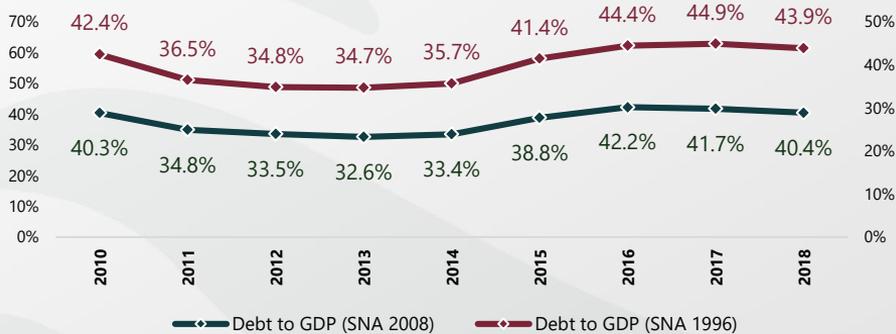
## Nominal GDP and GDP Per Capita



## CA and FDI



## Public Debt



## Methodological changes and improved sources

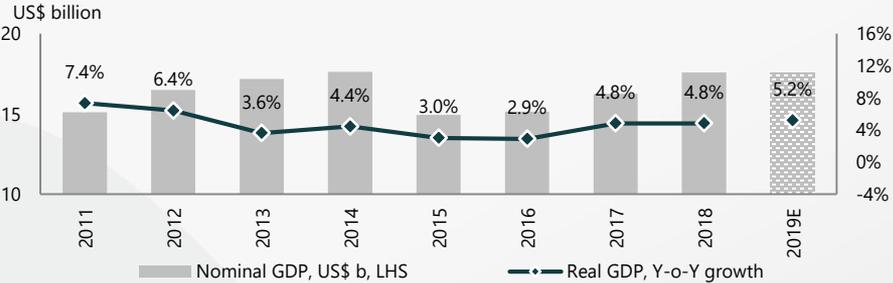
- Methodological changes mainly concern FISIM\*, R&D expenditures, and imputed rent of occupied dwellings.
- Improved sources include the shadow economy, illegal activities, and intermediate consumption.

\* Financial intermediation services indirectly measured.

# Diversified resilient economy

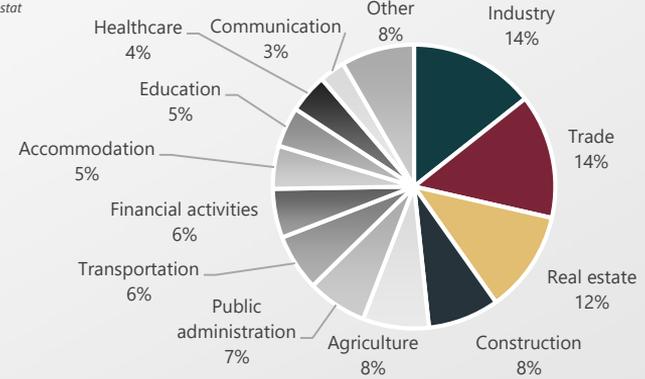
## Gross domestic product

Source: Geostat, internal estimates



## Diversified nominal GDP structure, 9M19

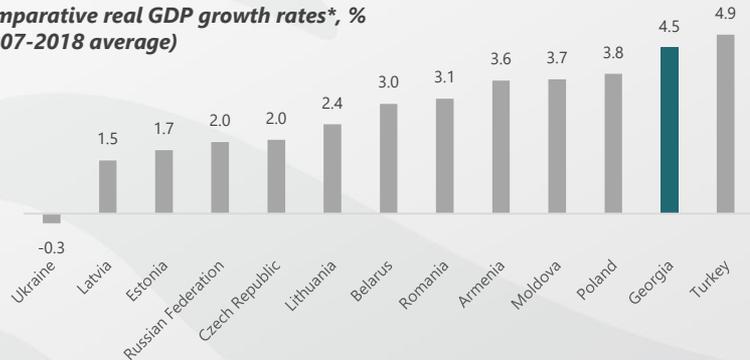
Source: Geostat



## One of the Fastest Developing Economies in the Region

Source: IMF

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

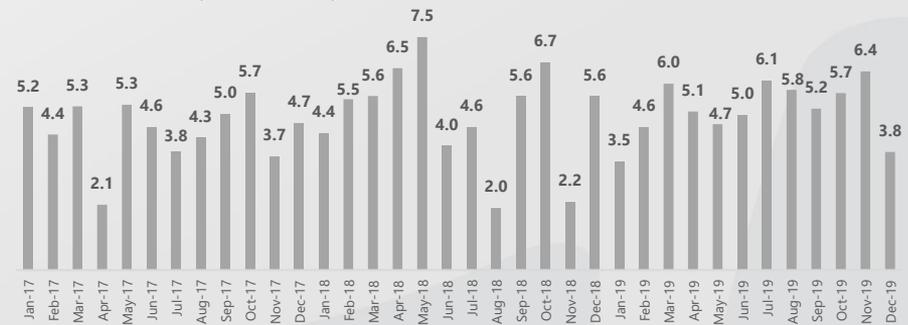


\* Data for Georgia corresponds to the previously used SNA 1993 methodology.

## Monthly Economic Activity Estimate, y-o-y growth

Source: Geostat

### Economic activity increased by 5.2% in 2019<sup>1</sup>

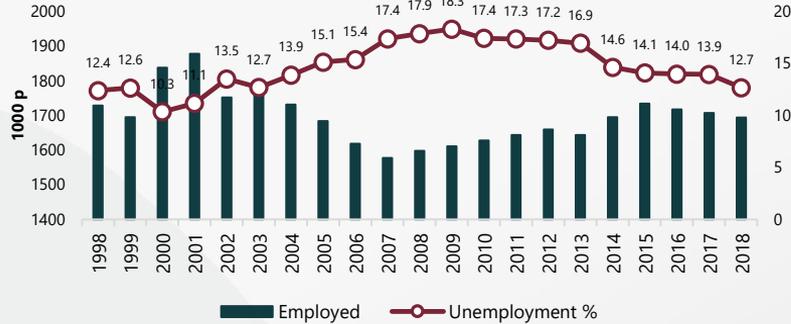


<sup>1</sup> preliminary data

# Room for further job creation

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

Sources: GeoStat



## UNDP Human Development Index

Sources: UNDP



## Average monthly nominal earnings in business sector

Sources: GeoStat



## Labor force decomposition 2018

Sources: GeoStat



# Inflation targeting since 2009

## Inflation y-o-y vs. inflation target

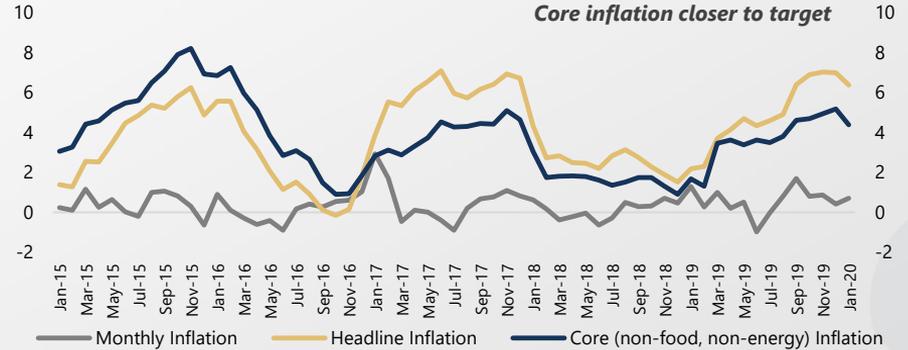
Sources: NBG, GeoStat

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



## Inflation y-o-y

Source: GeoStat



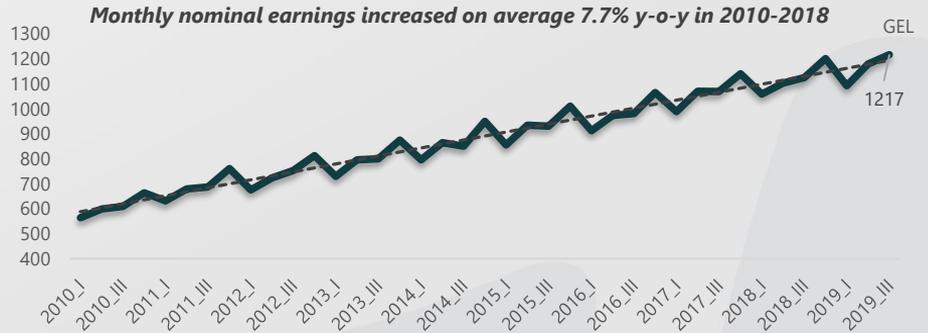
## M2 vs. inflation, y-o-y, %

Sources: Geostat, NBG



## Average monthly nominal earnings

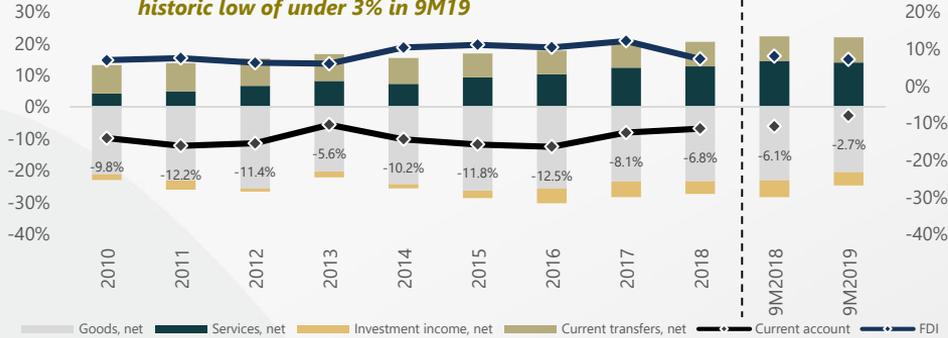
Source: Geostat



# Current account deficit down to historic lows

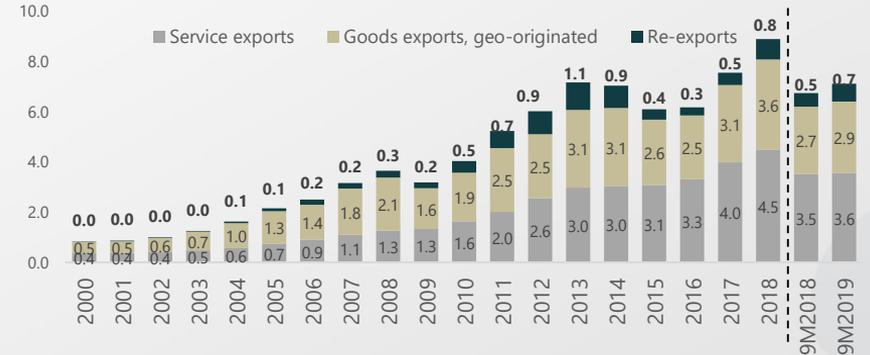
## Current account balance (% of nominal GDP)

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



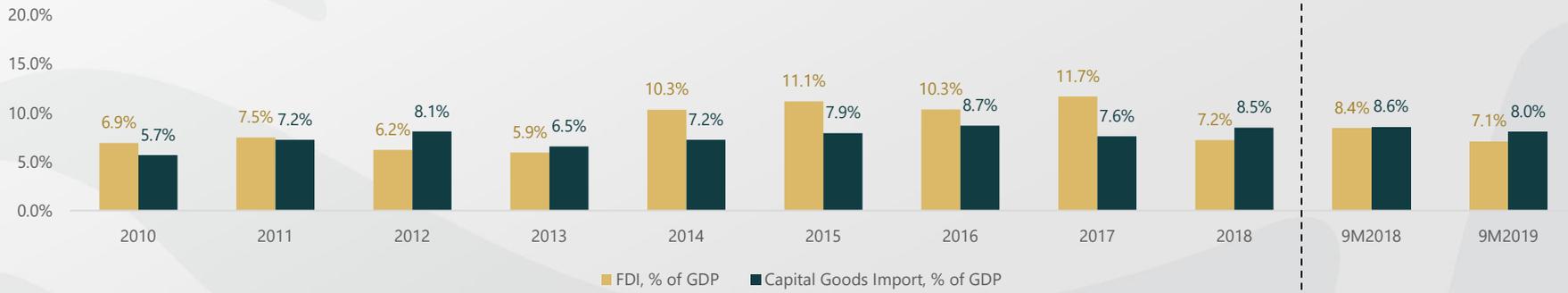
## Exports and Re-exports, US\$ billion

Source: NBG



## FDI and capital goods import

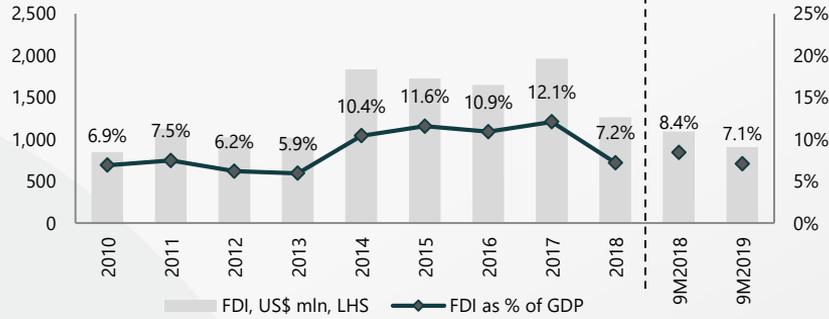
Source: GeoStat



# Diversified sources of capital

## Strong foreign investor interest

Sources: GeoStat



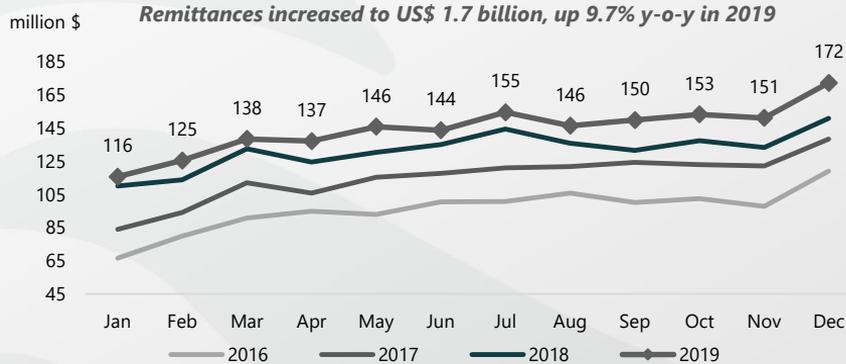
## Visitors and tourism revenues

Sources: GNTA, NBG



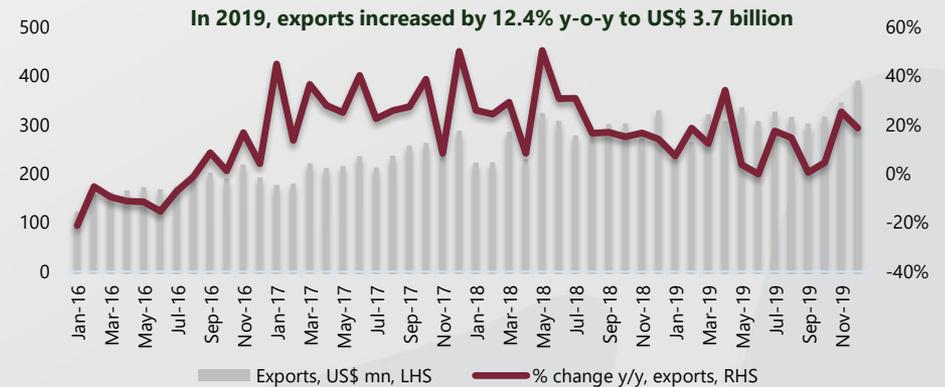
## Remittances - steady source of external funding

Source: NBG



## Export continues to support economic growth

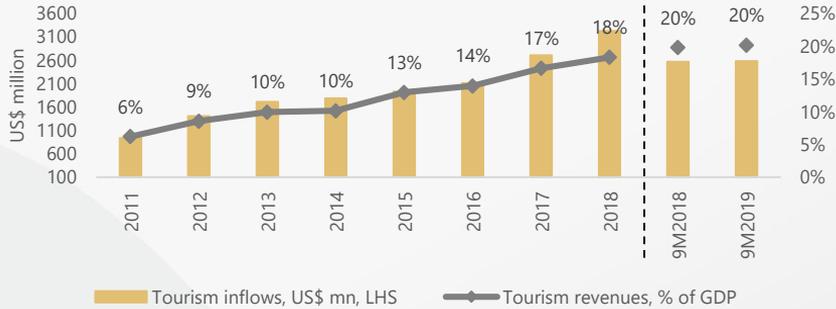
Source: Geostat



# Tourism sector on the rise

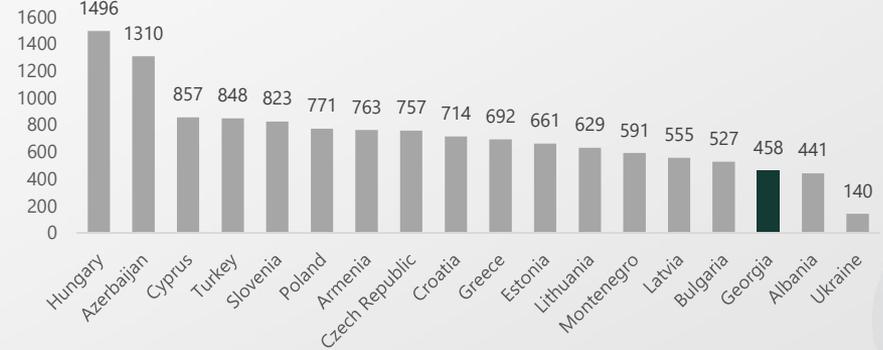
## Tourism revenues to GDP

Sources: NBG, Geostat



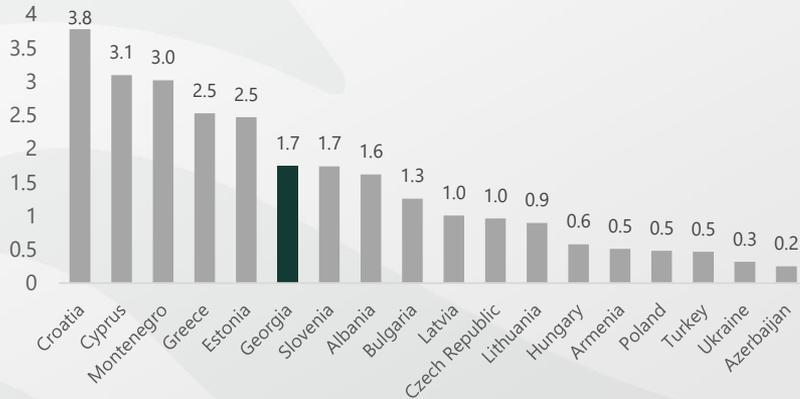
## Spending per arrival, 2017

Source: WDI



## Arrivals to country's population, 2017

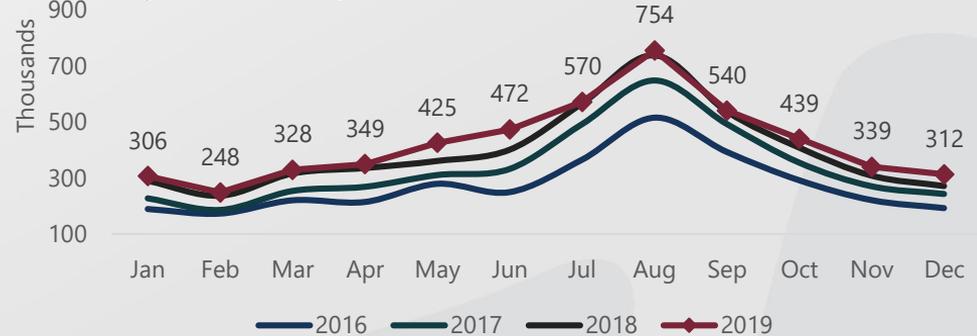
Source: WDI



## Number of Tourists (overnight visitors)

Source: GNTA

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



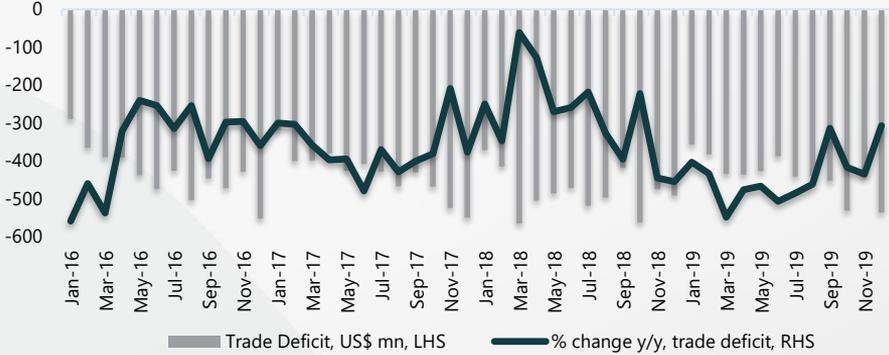
# Diversified foreign trade



## Goods' Trade Deficit

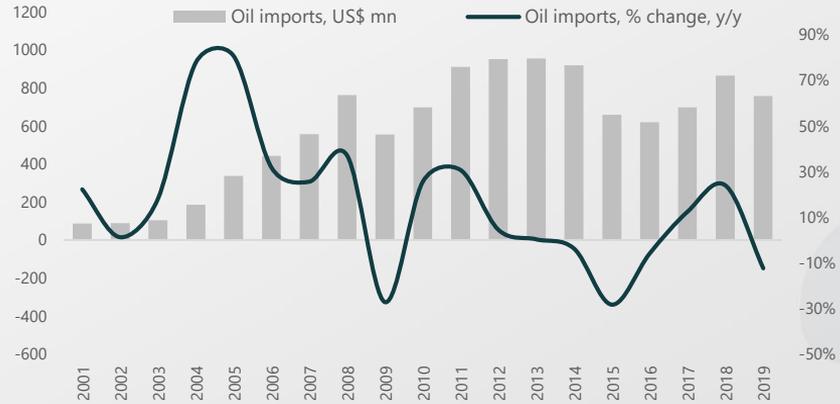
Source: GeoStat

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



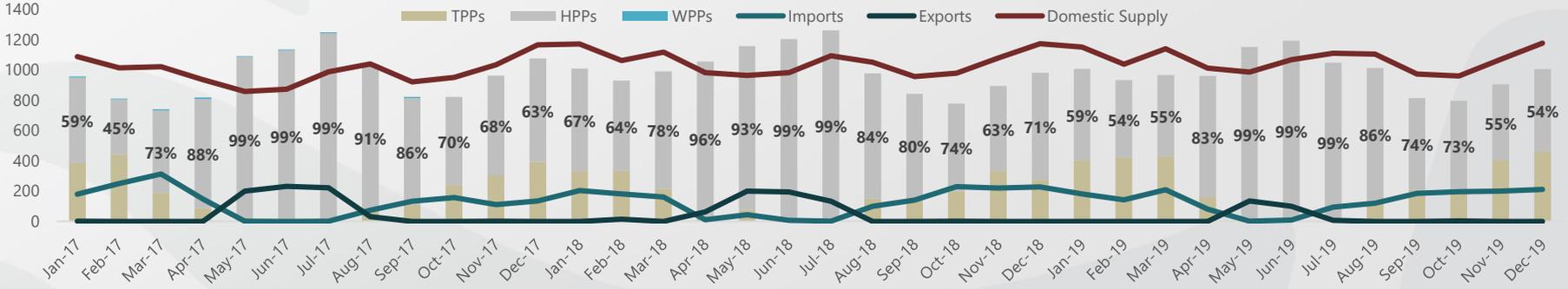
## Oil imports

Source: GeoStat



## Electricity generation and trade, GWH

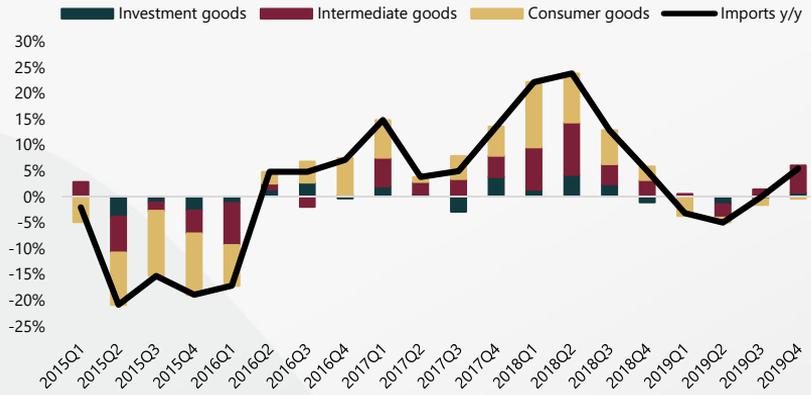
Source: ESCO



# Diversified foreign trade

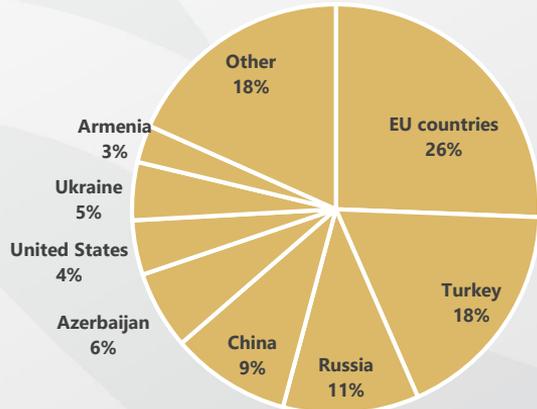
## Imports of Goods, contribution to growth

Source: NBG



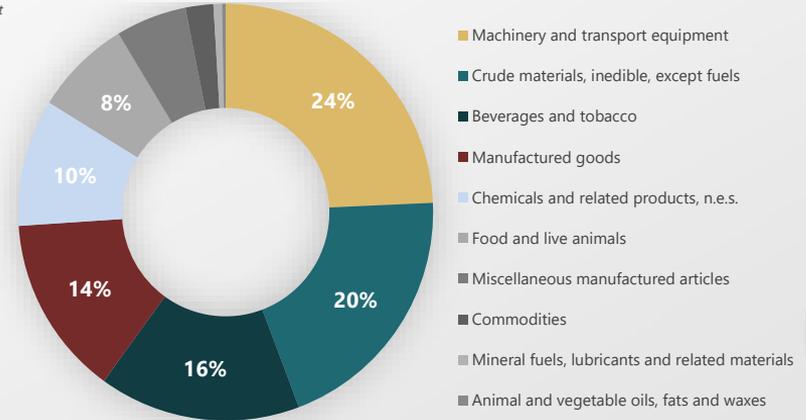
## Import countries, 2019

Sources: GeoStat



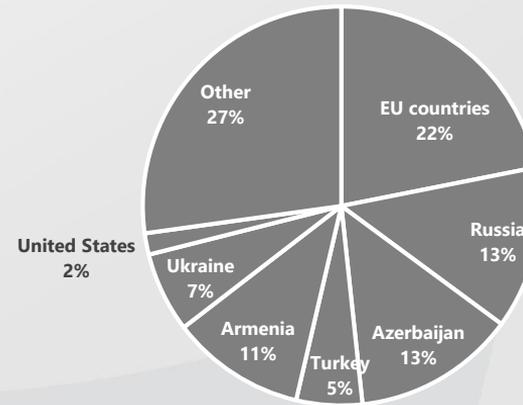
## Foreign Demand, 2019

Source: Geostat



## Export countries, 2019

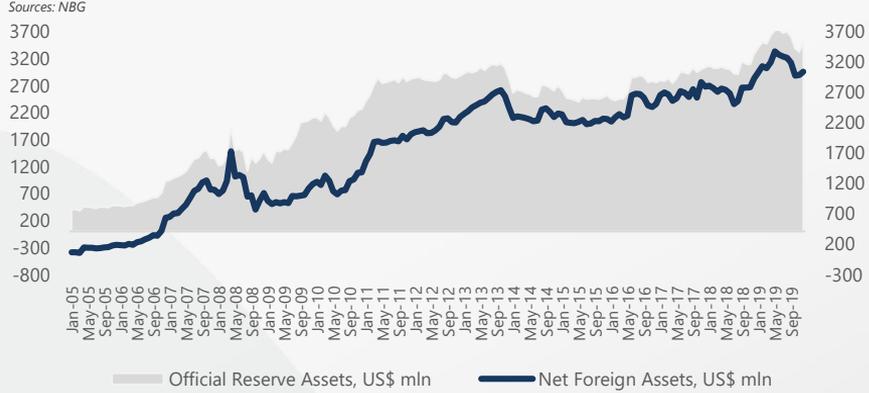
Sources: GeoStat



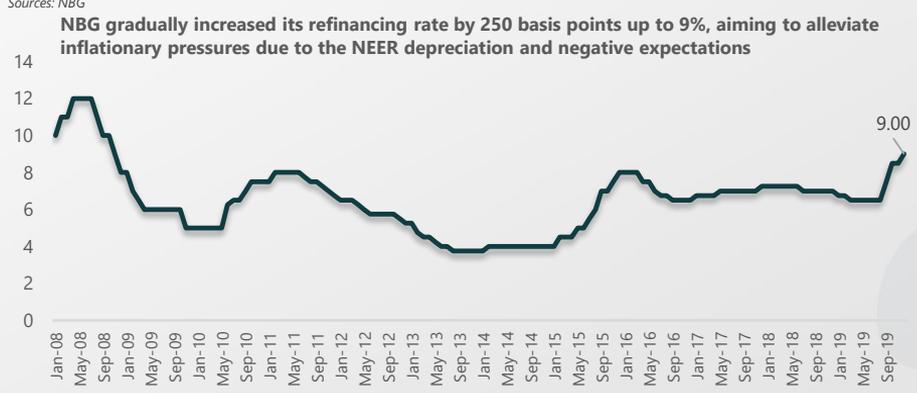
# Prudent monetary policy ensures macro-financial stability



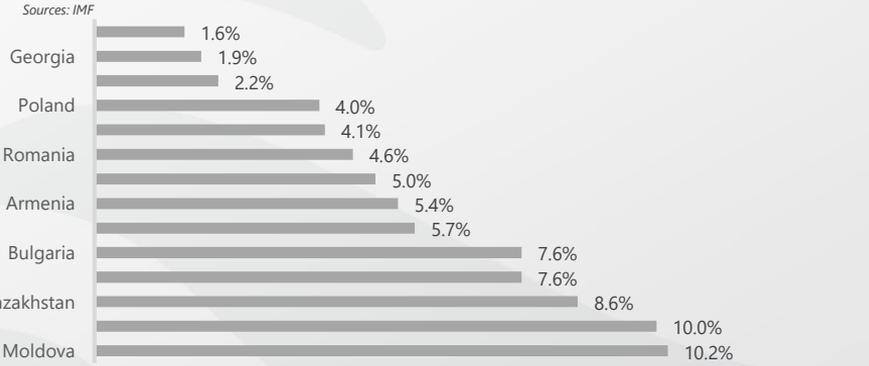
## International reserves



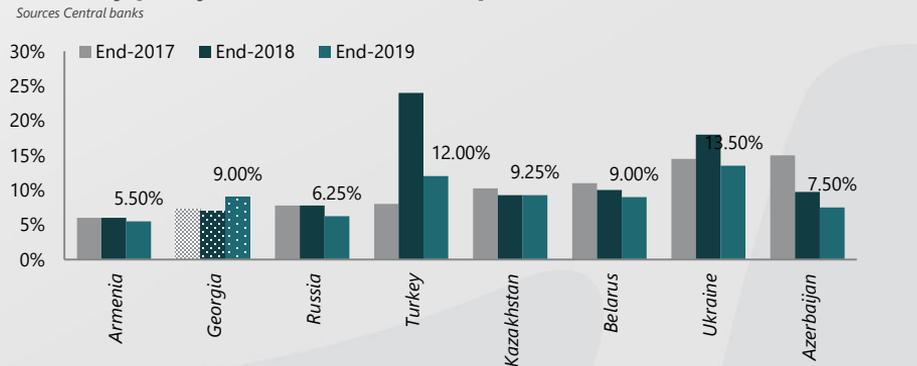
## Monetary policy rate



## Nonperforming loans to total gross loans, latest 2019



## Monetary policy rate remains low vs. peers



# Floating exchange rate - policy priority

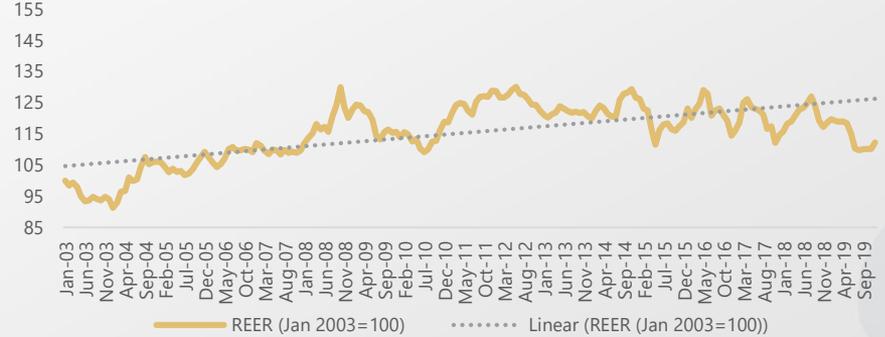
## Central Bank's interventions

Sources: NBG



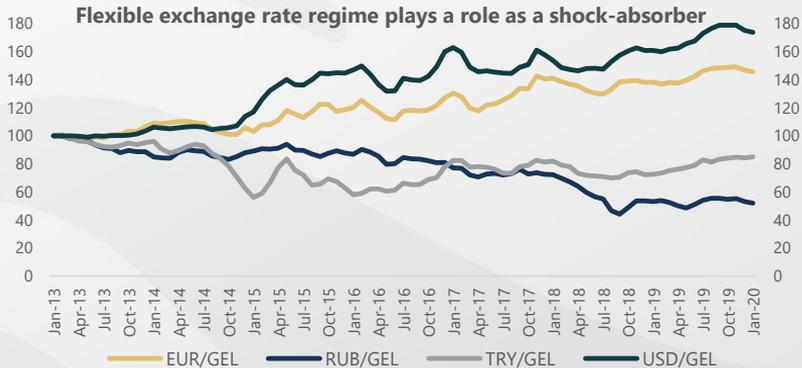
## Real effective exchange rate (REER)

Sources: NBG



## Bilateral exchange rate indices (Dec2012=100)

Sources: NBG



## Dollarization ratios

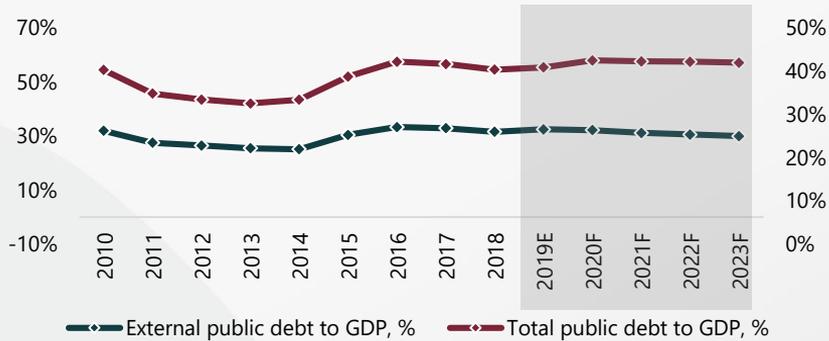
Source: NBG



# Low public debt

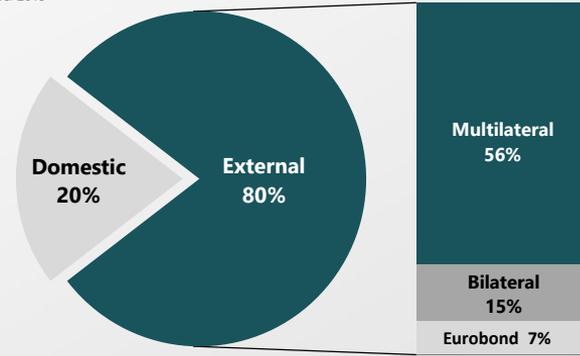
## Public debt as % of GDP is capped at 60%

Sources: MOF



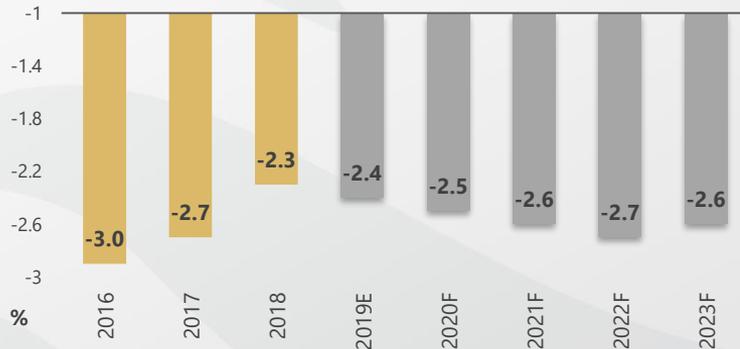
## Breakdown of public debt

Source: MOF, as of December 2019



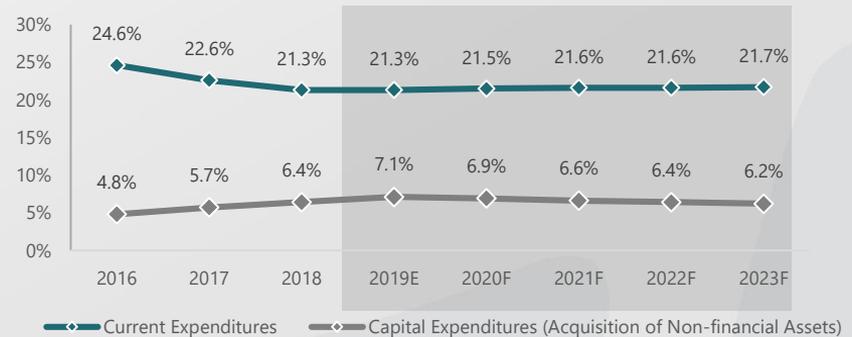
## Modified Fiscal Deficit, % of GDP (IMF programme)

Source: MOF



## Current vs Capital Expenditure, % of GDP

Source: MOF



# Growth-oriented government reforms (2019-2020)

## 1 Structural Reforms

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

## 2 Promoting Transit & Tourism Hub

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

## 3 Education

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

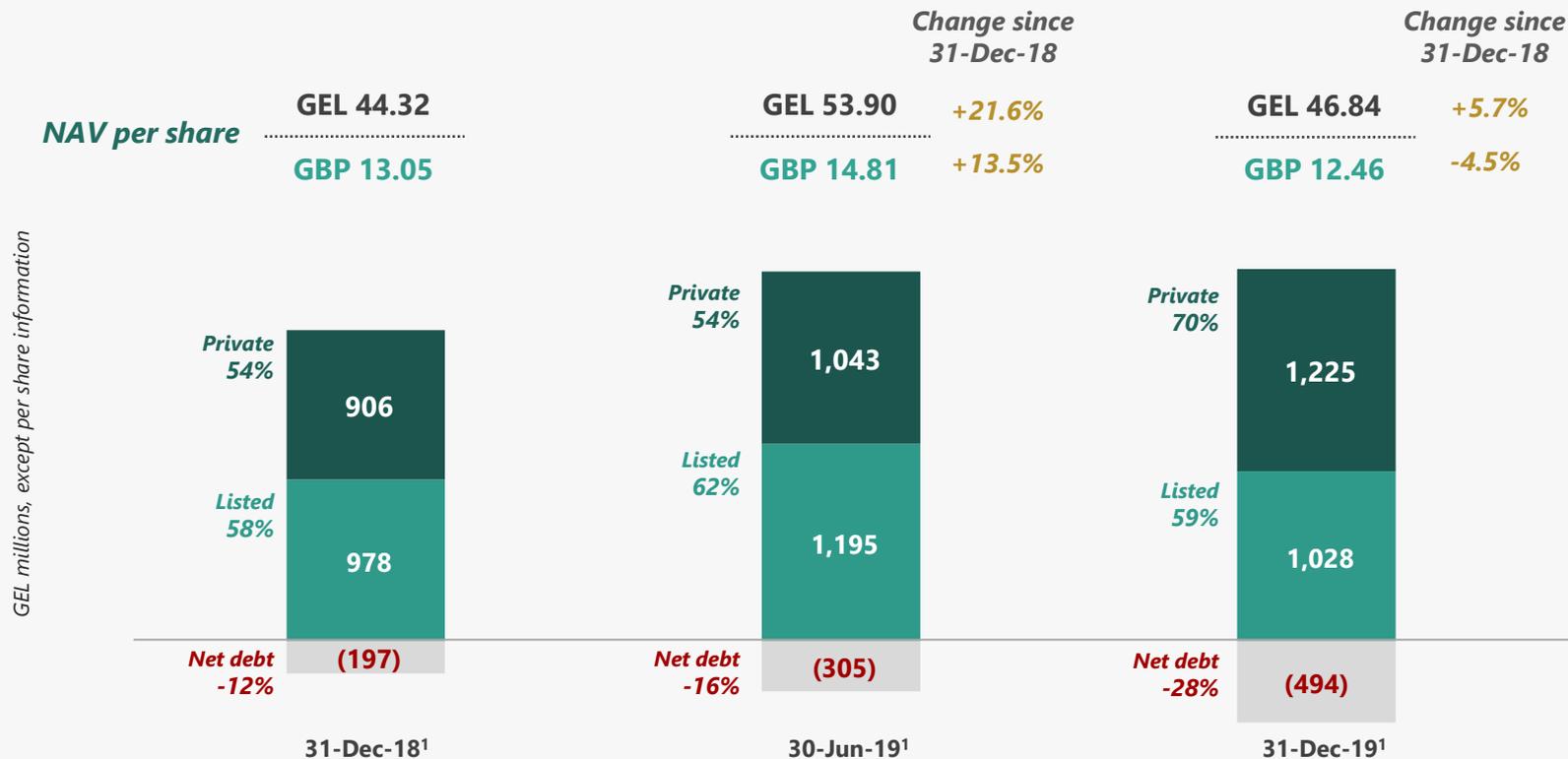
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# Net Asset Value evolution



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

# Portfolio overview | 31 December 2019

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

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

# Number of outstanding shares overview & Value creation reconciliation | 2019

## Number of outstanding shares overview

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

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

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

## Value creation – reconciliation of Management Income Statement with NAV Statement

GEL '000, unless otherwise noted

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

# Multiple of Invested Capital (MOIC) | 31 December 2019

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

# 2H19 NAV overview



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

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

# Georgia Capital's board of directors



## Board of directors - Georgia Capital PLC



**Irakli Gilauri**, Chairman & CEO

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



**David Morrison**, Senior Independent Director

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



**Caroline Brown**, Independent Non-Executive Director

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



**Kim Bradley**, Independent Non-executive Director

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



**Jyrki Talvitie**, Independent Non-Executive Director

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



**Massimo Gesua'sive Salvadori**, Independent Non-Executive Director

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

**5 out of 6 members are independent**

# Georgia Capital's highly experienced management team



## Georgia Capital Management

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

Private	Listed	BoG		<p><b>Archil Gachechiladze</b>, CEO, Bank of Georgia Previously CEO at GGU, the Group's water utility and renewable businesses. Prior to that Archil was a Deputy CEO in charge of corporate banking in BoG. He launched the Bank's industry and macro research, brokerage, and advisory businesses. Previously, he was an Associate at Lehman Brothers Private Equity in London, and worked at Salford Equity Partners, EBRD, KPMG, Barents, and the World Bank. Holds MBA with distinction from Cornell University and is CFA charterholder.</p>
				<p><b>Avto Namicheishvili</b>, Interim CEO, Georgia Global Utilities Starting from 28-Jan-19, Avto assumes the role of interim CEO of the Group's Water Utility and Renewable Energy businesses, in addition to his deputy CEO role at Georgia Capital. Formerly he was BGEO Group General Counsel. Joined as a General Counsel at the Bank of Georgia in 2007, and has since played a key role in all of the Group's equity and debt raises on the capital markets, and over 25 mergers and acquisitions. Prior, was a Partner at a leading Georgian law firm. Holds LL.M. in international business law from Central European University, Hungary.</p>
	GGU		<p><b>Irakli Burdiladze</b>, Co-CEO, Georgia Real Estate* Joined as a CFO at the Bank of Georgia in 2006. Before taking leadership of real estate business in 2010, he served as the COO of the Bank. Prior he was a CFO at a leading real estate developer and operator in Georgia. Holds a graduate degree in International Economics and International Relations from the Johns Hopkins University School of Advanced International Studies.</p>	
			<p><b>Shota Berekashvili</b>, Co-CEO, Georgia Real Estate* Joined JSC m<sup>2</sup> Real Estate in 2017. Before joining m<sup>2</sup> from 2009 to 2017 Shota was the founder and the CEO of "BK Capital" construction company. From 2003 to 2009 worked in Moscow as CFO of "BK Capital". From 1999 to 2003 worked in investment banking sector in NY and London. In 1999 Shota graduated from Columbia University NY with Bachelor's degree in Science and in 2002 Shota graduated from Cass Business School London with Master's Degree in Corporate Finance and Risk Management.</p>	
			<p><b>Giorgi Baratashvili</b>, CEO, Aldagi Joined as the Head of Corporate Clients Division of Aldagi in 2004. Before taking the leadership of our P&amp;C insurance business in 2014, he served as Deputy CEO of Aldagi in charge of strategic management for corporate sales and corporate account management. Holds the Master Diploma in International Law.</p>	
			<p><b>Temo Jankarashvili</b>, CEO, Wine Business CEO of Wine business since November 2019, in addition to his CFO role at beer business. Formerly CFO at Rustavis Azot JSC. He has an extensive experience in finance. Previously, worked for BGEO Group for 11 years, served as a VIP Director at Bank of Georgia, successfully leading the commercial lending team, covering structured financing, M&amp;As, LBOs and project financing. Holds BBA degree in Banking and Finance from Tbilisi State University.</p>	
	Georgia Real Estate*		<p><b>Tornike Nikolaishvili</b>, CEO, Beer Business CEO of beer business since September 2018, having previously been Chief Marketing Officer at Bank of Georgia from March 2018. Previously he was a Commercial Director at EFES Georgia - Natakhtari Brewery. Before joining EFES, he was an Advertising Manager of Cartu-Universal. Overall, he has 15 years' experience in FMCG sector. Holds BBA degree of European School of Management.</p>	
			<p><b>Temo Jankarashvili</b>, CEO, Wine Business CEO of Wine business since November 2019, in addition to his CFO role at beer business. Formerly CFO at Rustavis Azot JSC. He has an extensive experience in finance. Previously, worked for BGEO Group for 11 years, served as a VIP Director at Bank of Georgia, successfully leading the commercial lending team, covering structured financing, M&amp;As, LBOs and project financing. Holds BBA degree in Banking and Finance from Tbilisi State University.</p>	
	Aldagi		<p><b>Giorgi Baratashvili</b>, CEO, Aldagi Joined as the Head of Corporate Clients Division of Aldagi in 2004. Before taking the leadership of our P&amp;C insurance business in 2014, he served as Deputy CEO of Aldagi in charge of strategic management for corporate sales and corporate account management. Holds the Master Diploma in International Law.</p>	
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Wine		<p><b>Temo Jankarashvili</b>, CEO, Wine Business CEO of Wine business since November 2019, in addition to his CFO role at beer business. Formerly CFO at Rustavis Azot JSC. He has an extensive experience in finance. Previously, worked for BGEO Group for 11 years, served as a VIP Director at Bank of Georgia, successfully leading the commercial lending team, covering structured financing, M&amp;As, LBOs and project financing. Holds BBA degree in Banking and Finance from Tbilisi State University.</p>		
		<p><b>Tornike Nikolaishvili</b>, CEO, Beer Business CEO of beer business since September 2018, having previously been Chief Marketing Officer at Bank of Georgia from March 2018. Previously he was a Commercial Director at EFES Georgia - Natakhtari Brewery. Before joining EFES, he was an Advertising Manager of Cartu-Universal. Overall, he has 15 years' experience in FMCG sector. Holds BBA degree of European School of Management.</p>		
Beer		<p><b>Tornike Nikolaishvili</b>, CEO, Beer Business CEO of beer business since September 2018, having previously been Chief Marketing Officer at Bank of Georgia from March 2018. Previously he was a Commercial Director at EFES Georgia - Natakhtari Brewery. Before joining EFES, he was an Advertising Manager of Cartu-Universal. Overall, he has 15 years' experience in FMCG sector. Holds BBA degree of European School of Management.</p>		
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\* m<sup>2</sup> was renamed as Georgia Real Estate in 2019

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# Reconciliation of management accounts to IFRS

## Income statements reconciliation, FY19

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

## Balance sheet reconciliation, 31 December 2019

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

# Georgia Capital Consolidated IFRS Accounts



## Consolidated IFRS Income Statement

## Consolidated IFRS Statement of Cash Flow

## Consolidated IFRS Balance Sheet

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

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

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

# Georgia Capital FY19 Performance (management accounts)



## Income Statement

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

## Cash flow, Georgia Capital stand-alone

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

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# P&C insurance business | segment results in 2019

## Well-diversified business model

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

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

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

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

(4) Loan-linked life insurance.

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

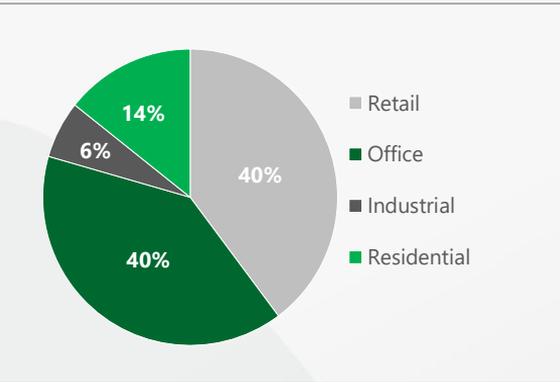
(6) Cargo, Contractor's Plant And Machinery insurance (CPM), Livestock, Bankers blanket bond insurance (BBB), Directors and officers liability Insurance (D&O), Agro insurance.

■ Corporate  
■ Retail

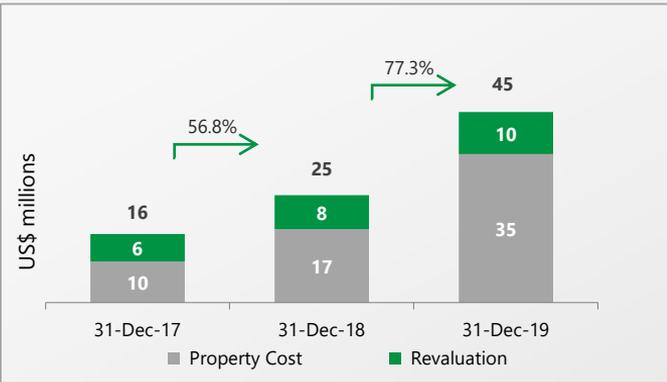
# Hospitality and commercial RE business | commercial portfolio & hotel portfolio highlights



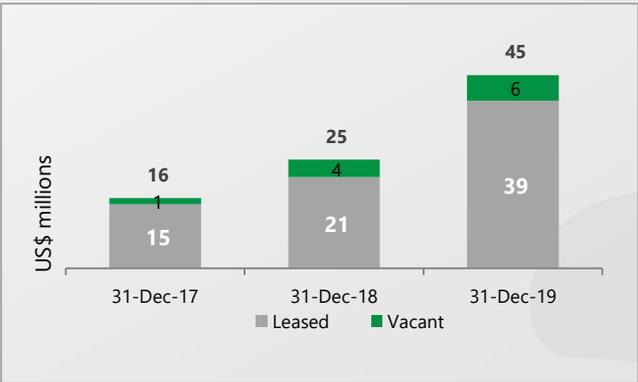
## Commercial portfolio breakdown | 31-Dec-19



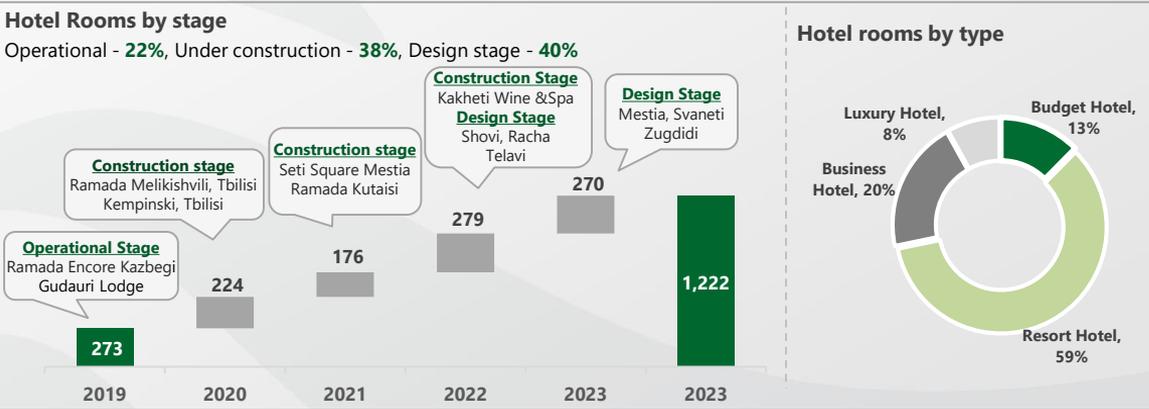
## Commercial portfolio growth



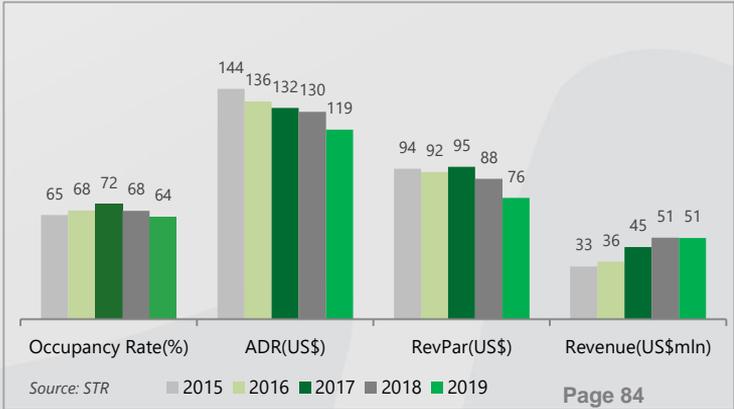
## Commercial portfolio growth



## Progressing against the 1,222 hotel room portfolio



## Key performance metrics of hotels | Tbilisi



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



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

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# Water utility business financial highlights

## Income statement

GEL thousands, unless otherwise noted

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

## Statement of cash flow

GEL thousands, unless otherwise noted

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

## Balance sheet

GEL thousands, unless otherwise noted

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

# Housing development business financial highlights

## Income statement

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

## Statement of cash flow

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

## Balance sheet

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

(1) Value created on commercial property.

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

# P&C insurance business financial highlights



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

# Renewable energy business financial highlights

## Income statement

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

## Statement of cash flow

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

## Balance sheet

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

# Hospitality & Commercial RE business financial highlights



## Income statement

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

## Statement of cash flow

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

## Balance sheet

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

(1) Value created on commercial property.

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

# Beverages business financial highlights

## Income statement

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

## Balance sheet (Wine business)

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

## Balance sheet (Beer business)

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

# Beverages business financial highlights (cont'd)

## Statement of cash flow (Wine business)

*GEL thousands, unless otherwise noted*

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

## Statement of cash flow (Beer business)

*GEL thousands, unless otherwise noted*

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

# Periodic technical inspection business financial highlights

## Income statement

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

## Statement of cash flow

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

## Balance sheet

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

# Glossary

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

# Company information



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Registered under number 10852406 in England and Wales

## **Stock Listing**

London Stock Exchange PLC's Main Market for listed securities

Ticker: "CGEO.LN"

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## **Share price information**

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

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

