



1Q20 trading update call presentation

Forward looking statements

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- 1. 1Q20 developments | Georgia**
- 2. Updated strategy | Georgia Capital**
- 3. 1Q20 NAV developments**
- 4. Portfolio overview**
- 5. Wrap up**
- 6. Appendix**

Georgia has managed to effectively deal with the COVID-19

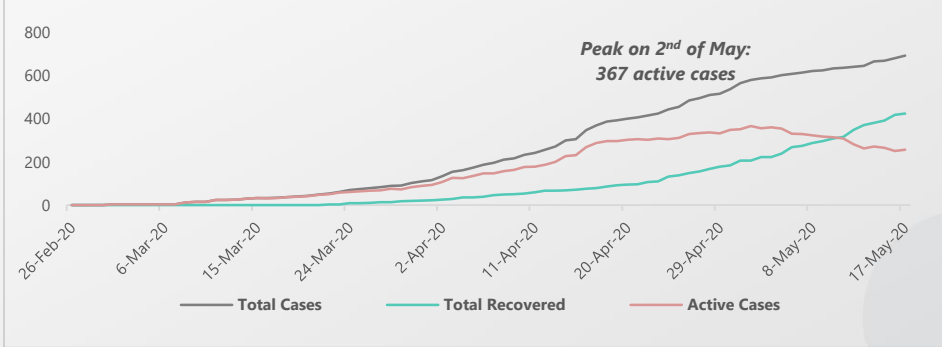
Lowest number of confirmed cases and deaths per capita in the region



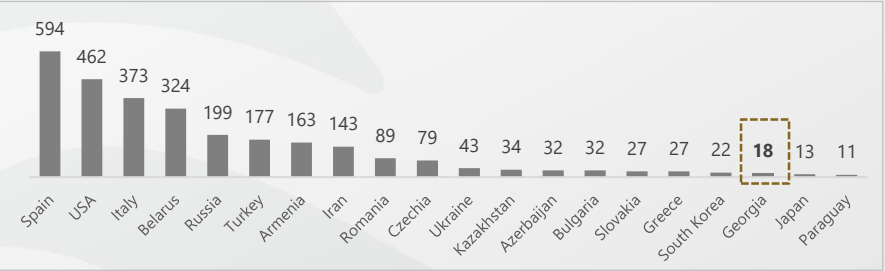
Georgia: COVID-19 response

- Border checks began on 27 February and schools switched to distance learning from 29 February
- Travel restrictions for neighbouring countries were imposed on 5 March, followed by mandatory self-isolation/quarantine since 9 March
- All borders were closed on 18 March and state of emergency was declared on 21 March, which is now in place until 22 May 2020
- Intracity movement was banned by the end of March
- All economic activity was halted, with only a fraction resuming operation after special licenses
- Gradual relaxing of measures (including total ban on cars) announced from 27 April, with a six stage exit plan underway

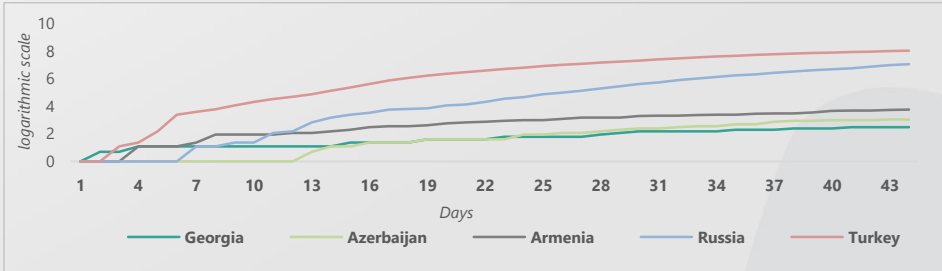
COVID-19 cases: dynamics in Georgia



COVID-19 cases per 100,000 persons



COVID-19 deaths since the first death case



Total cases	Active cases	Quarantined	Hospitalized
701	257	3,787	337

COVID-19 update | Government measures

US\$ 3 billion funding facility

- US\$ 3b (predominantly loans) from international donors (incl. US\$ 450m from IMF):
 - US\$1.5b intended for the private sector
 - US\$1.5b for the public sector

Monetary policy

- Easing non-price credit conditions (LTV, PTI, etc.);
- Intervening in the FX auctions (US\$ 120m in March-April);
- Monetary policy rate reduced to 8.5% and gradual exit from strict monetary policy announced (April 2020);
- Introducing US\$ 400m currency swap facility for the financial sector to provide GEL liquidity;
- Reduced capital conservation buffer (2.5% of Risk Weighted Assets) and 2/3 of currency induced credit risk buffer total of GEL 1.6b.

Government Economic Plan

- Special support package for the tourism and agriculture sectors, to be followed by construction and education;
 - Tourism: Loan co-financing, income tax deferral and property tax exemption in 2020;
 - Agriculture: Subsidies for intermediate products, fuels and irrigation; loan and insurance co-financing; direct grants to farmers;
 - All farmers should register lands till 2021, as aid package is directly tied to proof of ownership;
- Subsidies for utility bills, basic product prices and construction materials;
- Loan restructuring for all businesses;
- VAT returns and long term funds for banks;
- Extra funding to support business, including a credit guarantee scheme (GEL 2b);
- Tax deferrals for car importers;
- Social aid programs to address job losses;
- Pension indexation from Jan- 21.

Total budget – GEL 3.5 billion

- **Social aid**  **GEL 1.03b**
- **Economic support and business aid**  **GEL 2.1b**
- **Anti-pandemic measures**  **GEL 0.35b**

Six stage lockdown exit strategy

- Six stage exit strategy, beginning from 27 April, already brought forward partially to 11 May, as all types of industry permitted to resume operation;

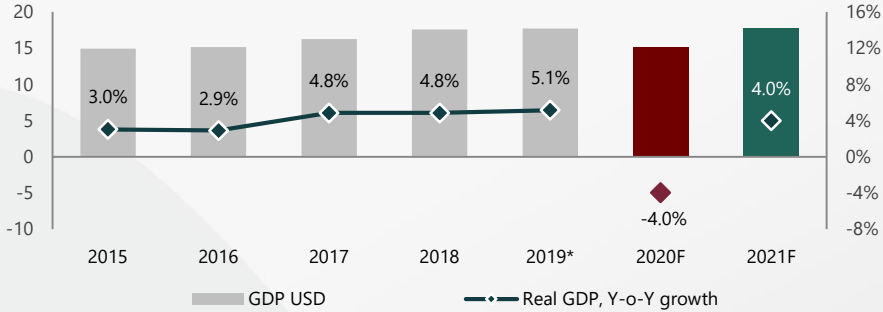
Local tourism to resume from 15 June, while external borders will be opened from 1 July

Macro developments in 1Q20

Gross domestic product

Source: Geostat, IMF

US\$ billions



Real GDP grew by 1.5% in 1Q20, according to rapid estimates. IMF forecasts that real GDP will contract by 4% in 2020, rebounding to 4% in 2021.



Inflation at 6.4% on average in Jan-Apr. IMF forecasts the ave. inflation at 4.7% in 2020.



NBG decreased the monetary policy rate by 50 basis points to 8.5% end of April.



Tourism revenues fell 26% in 1Q20 and 70% in March, as international travel is halted.



Official reserve assets totaled \$3.4 billion by the end of March.



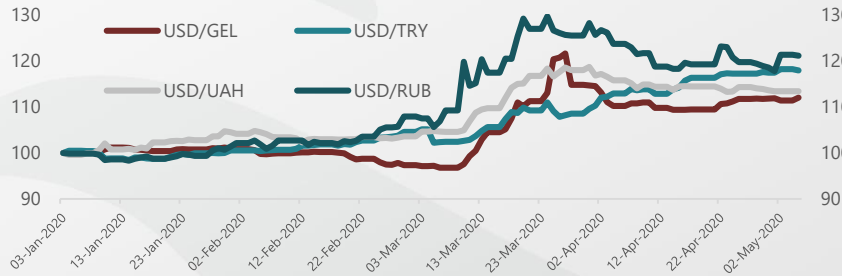
GEL depreciated in March and stabilised around USD/GEL 3.2 from beginning of April.



The fiscal deficit and public debt are expected to rise to around 8.5% and 60% in 2020 respectively, according to IMF.

Exchange rate indices (1 January=100)

Source: NBG



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Our response to COVID-19



Cash accumulation and preservation is our key priority during the global COVID-19 pandemic



Limited capital allocations at GCAP level, only critical investments throughout the remainder of 2020, if any



Minimising capital investments at each portfolio company level



Optimising Opex expenditures both at GCAP and at portfolio companies level

Looking ahead, the range of possible outcomes remains wide and these uncertainties call us to be very disciplined and attentive to developments in our portfolio

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1Q20 performance highlights

Georgia Capital performance

GEL thousands

	1Q20	1Q19	Change (y-o-y)
Total portfolio value creation	(504,400)	137,497	NMF
<i>of which, listed businesses</i>	<i>(367,747)</i>	<i>118,683</i>	<i>NMF</i>
<i>of which, private businesses</i>	<i>(136,653)</i>	<i>18,814</i>	<i>NMF</i>
Investments	56,022	22,170	NMF
Dividend income	4,927	18,735	NMF

Georgia Capital NAV overview

GEL thousands, except per share information

	31-Mar-20	31-Dec-19	Change (y-o-y)
NAV per share, GEL	30.18	46.84	-35.6%
Net Asset Value (NAV)	1,137,336	1,753,868	-35.2%
Total portfolio value	1,799,778	2,253,083	-20.1%
Liquid assets & loans issued	305,987	363,773	-15.9%
Net debt	(659,596)	(493,565)	33.6%

NAV per share (GEL) decomposition¹

	Share in portfolio value at 31-Dec-19	31-Dec-19	Movement in 1Q20	31-Mar-20	Change%	Weighted change%
NAV per share GEL, Listed	46%	21.37	(10.3)	11.07	-48.2%	-22.0%
NAV per share GEL, Private	54%	25.47	(6.36)	19.11	-25.0%	-13.6%
NAV per share GEL, Total	100%	46.84	(16.66)	30.18	-35.6%	-35.6%

(1) NAV per share allocation between listed and private assets is calculated based on respective share in total portfolio value.

Value creation in 1Q20

Portfolio Businesses	Operating Performance	Greenfields	Multiple Change	FX	Value Creation
<i>GEL thousands</i>	(1)	(2)	(3)	(4)	(1) + (2) + (3) + (4)
Listed					(367,747)
GHG					(134,624)
BoG					(233,123)
Private	(61,140)	(1,585)	(77,939)	4,011	(136,653)
Late Stage	(12,752)	-	(52,350)	(14,556)	(79,658)
Water Utility	(3,754)	-	(28,528)	(19,622)	(51,904)
Housing Development	(8,998)	-	-	5,066	(3,932)
P&C Insurance	-	-	(23,822)	-	(23,822)
Early Stage	(48,388)	-	(14,150)	22,033	(40,505)
Renewable Energy	4,927	-	-	-	4,927
Hospitality & Commercial Real Estate	(55,815)	-	-	27,743	(28,072)
Beverages	2,500	-	(14,150)	(5,710)	(17,360)
Education	-	-	-	-	-
Pipeline	-	(1,585)	(11,439)	(3,466)	(16,490)
Auto Service	-	-	(11,439)	(3,466)	(14,905)
Digital Services	-	-	-	-	-
Other	-	(1,585)	-	-	(1,585)
Total Portfolio	(61,140)	(1,585)	(77,939)	4,011	(504,400)



Decrease in value of private business excluding multiple change and FX is GEL 63 million

Operating cash flow | Portfolio companies

Strong operating cash flow generation - up almost 3x to GEL 92m in 1Q20 from GEL 36m in 1Q19

GEL millions, unless otherwise noted

Late stage: +3.2x

GEL 43.2

GEL 13.6

+64.6%

+18.1%

NMF

+6.5%

43.2

26.2

23.5

19.9

10.7

(14.8)

9.0

8.5

GHG*

Water Utility

Housing
development

P&C Insurance

Early stage: +3.3x

GEL 7.8

GEL (3.4)

NMF

-100.0%

+73.3%

+75.8%

NMF

NMF

6.9

(0.1)

-

1.1

2.6

1.5

(1.5)

(6.2)

(0.2)

0.3

Renewable
Energy

Hospitality &
Commercial RE

Wine

Beer

Education

Auto Service

■ 1Q20

■ 1Q19

- **GHG 1Q20 operating cashflow*** at GEL 43.2m (up 64.6% y-o-y) with EBITDA to cash conversion ratio of 119% (70% in 1Q19).
- **The 18.1% growth in 1Q20 Water Utility operating cash flow**, reflecting 100%+ EBITDA to cash conversion ratio.
- As a result of strong sales, **Housing Development operating cash flow rebounded to GEL 10.7m in 1Q20** and is expected to further increase on the back of cost optimisation strategies.
- **Renewable Energy 1Q20 operating cash flow at GEL 6.9m**, reflecting GEL 2.4m from Qartli wind farm and GEL 5m insurance proceeds.
- **1Q20 operating cashflow improved significantly in Beverages:**
 - Up 73.3% in the wine business, benefitting from vineyard acquisitions.
 - Up by GEL 4.7m in the beer business reflecting new brand launches.

* Excluding IFRS16

Capital allocations in 1Q20

<i>GEL millions</i>		Investments	Buybacks	Dividends	Total
Listed portfolio	BOG	-	-	-	-
	GHG	-	-	-	-
Private late stage portfolio	Water Utility	0.2	-	-	0.2
	Housing Development	-	-	-	-
	P&C Insurance	-	-	-	-
Private early stage portfolio	Renewable Energy	44.4	-	(4.9)	39.5
	Hospitality & Commercial RE	1.1	-	-	1.1
	Beverages	5.0	-	-	5.0
	Education	-	-	-	-
Pipeline portfolio	Auto Service	4.2	-	-	4.2
	Digital Services	-	-	-	-
	Other	1.1	-	-	1.1
Buybacks	GCAP	-	5.7	-	5.7
Total		56.0	5.7	(4.9)	56.8

Investments highlights

- **Renewable Energy:**
 - GEL 38.7m for RP Global buyout (34.4% minority)
 - GEL 5.6m for Zoti HPP
- **Auto Service:** GEL 4.2m for Amboli working capital expansion
- **Beer business:** GEL 5m working capital financing

Dividends

- **Renewable Energy:** GEL 5m dividend payment



Our liquidity remained high at GEL 306 million at 31 March 2020

Total portfolio growth in 1Q20

➤ **Total portfolio value decreased by 20.1% to GEL 1.8 billion, mainly reflecting negative impact of COVID-19 on valuation multiples**

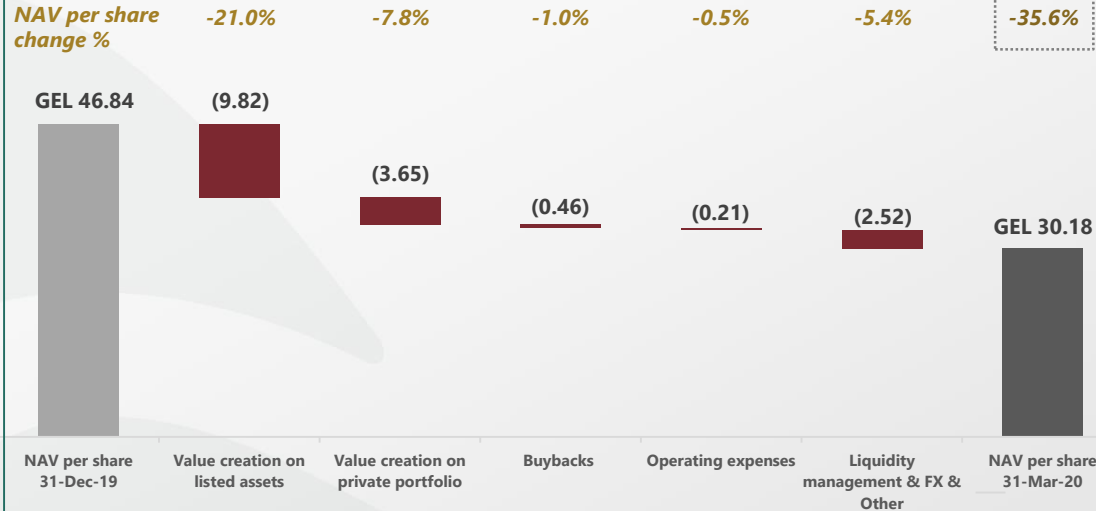
<i>GEL thousands unless otherwise noted</i>	Dec-19	1. Value creation	2a. Investments	2b. Buybacks	2c. Dividends	3. Operating expenses	4. Liquidity management/ FX /Other	Mar-20	Change %
Listed Portfolio Companies									
GHG ¹	430,079	(134,624)	-	-	-	-	-	295,455	-31.3%
BoG ¹	597,735	(233,123)	-	-	-	-	-	364,612	-39.0%
Total Listed Portfolio Value	1,027,814	(367,747)	-	-	-	-	-	660,067	-35.8%
Listed Portfolio Value change		-35.8%	-	-	-	-	-	-35.8%	
Private Portfolio Companies									
Late Stage	692,746	(79,658)	235	-	-	-	-	613,323	-11.5%
Water Utility	483,970	(51,904)	235	-	-	-	-	432,301	-10.7%
Housing Development	43,853	(3,932)	-	-	-	-	-	39,921	-9.0%
P&C Insurance	164,923	(23,822)	-	-	-	-	-	141,101	-14.4%
Early Stage	495,827	(40,505)	50,523	-	(4,927)	-	-	500,918	1.0%
Renewable Energy	106,800	4,927	44,350	-	(4,927)	-	-	151,150	41.5%
Hospitality and Commercial RE	245,558	(28,072)	1,137	-	-	-	-	218,623	-11.0%
Beverages	87,119	(17,360)	5,036	-	-	-	-	74,795	-14.1%
Education	56,350	-	-	-	-	-	-	56,350	0.0%
Pipeline	36,696	(16,490)	5,264	-	-	-	-	25,470	-30.6%
Auto Service	25,757	(14,905)	4,200	-	-	-	-	15,052	-41.6%
Digital Services	8,790	-	-	-	-	-	-	8,790	0.0%
Other	2,149	(1,585)	1,064	-	-	-	-	1,628	-24.2%
Total Private Portfolio Value	1,225,269	(136,653)	56,022	-	(4,927)	-	-	1,139,711	-7.0%
Private Portfolio Value change		-11.2%	4.6%	-	-0.4%	-	-	-7.0%	
Total Portfolio Value	2,253,083	(504,400)	56,022	-	(4,927)	-	-	1,799,778	-20.1%
Total Portfolio Value change		-22.4%	2.5%	-	-0.2%	-	-	-20.1%	

(1) Number of shares owned in GHG and BoG were 93,011,414 (Dec-19: 93,011,414) and 9,784,716 (Dec-19: 9,784,716) as of 31-Mar-20, respectively.

NAV per share (GEL) movement in 1Q20

NAV per share down 35.6% to GEL 30.18 in 1Q20

GEL unless otherwise noted



- **NAV per share (GEL) down 35.6% in 1Q20, resulting from decrease in valuations of the listed assets.**
 - GEL 368m decrease in the market value of listed assets **(-21% impact on NAV per share).**
- **Valuations also decreased across our private businesses, primarily reflecting contractions in valuation multiples.**
 - GEL 137m decrease in the fair value of private portfolio **(-7.8% impact on NAV per share)**
- **Platform costs: 1Q20 management platform related costs (-0.5% impact on NAV per share).**
- 1Q20 net interest, FX and other costs **(-5.4% impact on NAV per share).**

NAV per share (GBP) movement in 1Q20



NAV per share down 40.5% to GBP 7.41 in 1Q20

GBP unless otherwise noted

NAV per share change %

-21.0%

-7.8%

-1.0%

-0.5%

-10.2%

-40.5%

GBP 12.46

(2.62)

(0.97)

(0.12)

(0.06)

(1.28)

GBP 7.41

NAV per share 31-Dec-19

Value creation on listed assets

Value creation on private portfolio

Buybacks

Operating expenses

Liquidity management & FX & Other

NAV per share 31-Mar-20

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Portfolio overview | 31 March 2020

<i>GEL thousands unless otherwise noted</i>	Ownership %	Valuation Method	Multiples / Share prices		Fair Values		
			Mar-20	Dec-19	Mar-20	Dec-19	Change
Listed Portfolio Companies					660,067	1,027,814	-35.8%
<i>GHG</i>	70.6%	Public markets	GEL 3.2	GEL 4.6	295,455	430,079	-31.3%
<i>BoG</i>	19.9%	Public markets	GEL 37.3	GEL 61.1	364,612	597,735	-39.0%
Private Portfolio Companies					1,139,711	1,225,269	-7.0%
Late Stage					613,323	692,746	-11.5%
<i>Water Utility</i>	100%	EV/EBITDA LTM	8.5	8.8	432,301	483,970	-10.7%
<i>Housing Development</i>	100%	Discounted Cash Flows			39,921	43,853	-9.0%
<i>P&C Insurance</i>	100%	P/E (LTM)	7.7	9.0	141,101	164,923	-14.4%
Early Stage					500,918	495,827	1.0%
<i>Renewable Energy</i>	100% ¹	At acquisition price			151,150	106,800	41.5%
<i>Hospitality & Commercial RE</i>	100%	NAV			218,623	245,558	-11.0%
<i>Beverages</i>	87%				74,795	87,119	-14.1%
<i>Of which, wine</i>		EV/EBITDA (LTM)	8.3	10.0	63,620	72,042	-11.7%
<i>Of which, beer</i>		EV/Sales (LTM)	2.2	2.2	11,175	15,077	-25.9%
<i>Education</i>	70%-90%	At acquisition price			56,350	56,350	0.0%
Pipeline					25,470	36,696	-30.6%
<i>Auto Service</i>	90%-100%	EV/EBITDA	8.7	10.4	15,052	25,757	-41.6%
<i>Digital Services</i>	60%	At acquisition price			8,790	8,790	0.0%
<i>Other</i>		At cost			1,628	2,149	-24.2%
Total Portfolio Value					1,799,778	2,253,083	-20.1%

(1) Following the buyout of the 34.4% minority shareholder in GRPC on 25 February 2020, Georgia Capital owns 100% of renewable energy business.

Water utility business overview

Valuation highlights | 31 March 2020

<i>GEL millions, unless otherwise noted</i>	31-Mar-20	31-Dec-19	Change
LTM EBITDA	95 ²	95	NMF
Multiple applied	8.5	8.8	-3.4%
Enterprise value	808	837	-3.4%
Net debt	(376)	(353)	6.6%
Equity fair value	432	484	-10.7%
LTM ROIC¹	11.8%	12.5%	-0.7ppt

Key points

- 1Q20 revenues from water supply to corporates and individuals remained flat.
- Extraordinarily lower precipitation at Zhinvali led to an 80.7% reduction in energy revenues.
- Water Utility's EBITDA to cash conversion ratio continued to be strong at 100%+.
- 18.1% growth in 1Q20 operating cash flow, reflecting cash receipt of GEL 3.4m for prior period electricity sales.
- Government introduced subsidies for utility bills for more than one million households during the first three months (Mar-May) of the pandemic.

Selected metrics

Financial metrics			
<i>GEL millions, unless otherwise noted</i>	1Q20	1Q19	Change
Revenue	31.2	33.2	-6.1%
Of which, utility revenue	29.0	28.9	0.4%
Of which, energy revenue	0.5	2.4	-80.7%
Of which, other revenue	1.7	2.0	-12.5%
EBITDA	15.4	17.3	-10.9%
Cash flow from operations	23.5	19.9	18.1%
Development capex (net of VAT)	17.7	14.3	23.6%
FCF	5.8	5.6	3.6%

Operating metrics

<i>millions except for # of connections</i>	1Q20	1Q19	Change
Water Utility			
Water sales (m ³)	41.2	42.0	-1.8%
Self-produced electricity consumption (kwh)	41.9	41.7	0.5%
New connections	867	1,140	-23.9%
Energy			
Electricity generation (kwh)	55.5	63.2	-12.1%
Energy sales (kwh)	13.7	21.5	-36.5%
Electricity purchases (kwh)	9.2	9.3	-1.1%

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

(2) FY19 EBITDA used for valuation at 31-Mar-20.

Housing development business overview

Valuation highlights | 31 March 2020

<i>GEL millions, unless otherwise noted</i>	31-Mar-20	31-Dec-19	Change
Enterprise value	221	205	8.2%
Net debt	(181)	(161)	12.8%
Equity fair value	40	44	-9.0%
Dividends (lifetime)	152	152	NMF

Key points

- **Despite COVID-19 Housing Development continued strong project execution:**
 - sold 5,741 sq.m. with US\$ 5.2m sales value in the on-going two stages of Digomi project, reaching 45% sales progress in aggregate.
 - following COVID-19 outbreak, the business introduced one-off 20%-25% discounts for all-cash sales and during March sold 54 apartments with US\$ 2.5m sales value, of which, 77% was collected in cash.
- The business started revenue recognition from the second stage of Digomi project in February 2020 under IFRS.
- 1Q20 operating cash flow rebounded to GEL 10.7m and is expected to further increase on the back of cost optimisation strategies.
- 1Q20 construction management gross profit more than doubled y-o-y mainly on the back of two new third-party projects.

Selected metrics

Financial metrics			
<i>GEL millions, unless otherwise noted</i>	1Q20	1Q19	Change
Apartments sales revenue	14.5	6.3	NMF
Construction revenue	14.1	9.8	44.9%
EBITDA	2.4	(1.6)	NMF
Cash flow from operations	10.7	(14.8)	NMF

Digomi residential project update

	QTD 31 March 2020			Project to date 31 March 2020		
	Stage I	Stage II	Total	Stage I	Stage II	Total
Sq.m. of apartments sold	2,194	3,546	5,741	19,174	6,940	26,114
Sq.m. sold as % of total available space (apartments)	87%	19%	45%	87%	19%	45%
IFRS revenue recognition	38%	21%	34%	38%	21%	34%
Total sales value (US\$ m)	1.9	3.2	5.2	19.8	6.6	26.5
<i>Cash received (US\$ m)¹</i>	2.7	3.9	6.6	10.2	4.0	14.2
Price per square meter US\$	886	909	900	1,034	957	1,014

(1) Includes cash inflows from sales during prior periods.

P&C Insurance business overview

Valuation highlights | 31 March 2020

<i>GEL millions, unless otherwise noted</i>	31-Mar-20	31-Dec-19	Change
LTM net income	18 ¹	18	NMF
Multiple applied	7.7	9.0	-14.4%
Equity FV	141	165	-14.4%
LTM ROAE	28.0%	30.4%	-2.4ppts

(1) FY19 net income used for valuation at 31-Mar-20.

Key Points

- 1Q20 P&C Insurance revenue remained flat.
- Increased claims in the credit life insurance portfolio driving 1Q20 loss ratio up by 10 ppts to 48.7%.
- Expense ratio remained stable at 38.8%.
- 1Q20 operating expenses were up 15.1%, not yet reflecting the cost optimisation initiatives starting from March 2020 in light of COVID-19.
- Net income down 23.2% to GEL 3.3m and ROAE was 20.5% in 1Q20.

Selected metrics

Financial metrics			
<i>GEL millions, unless otherwise noted</i>	1Q20	1Q19	change
Earned premiums, net	17.5	17.4	0.4%
Net income	3.3	4.3	-23.2%
Combined ratio	87.5%	77.1%	10.3ppts
Expense ratio	38.8%	38.4%	0.4ppts
Loss ratio	48.7%	38.7%	10.0ppts
ROAE	20.5%	29.7%	-9.1ppts
Cash flow from operations	9.0	8.5	6.5%

Operating metrics			
	1Q20	1Q19	change
Corporate insurance policies written*	30,571	32,978	-7.3%
Retail insurance policies written	23,038	20,779	10.9%

*Excluding credit life insurance.

Renewable energy business overview

Valuation highlights | 31 March 2020

<i>GEL millions, unless otherwise noted</i>	31-Mar-20	31-Dec-19	Change
At acquisition price (GCAP share)	151	107	41.4%
Net debt	281	239	17.7%
GCAP ownership²	100%	65%	35ppts

72MW operational renewable assets



Hydro: 51 MW

Hydrolea HPPs (21MW), Mestiachala HPP (30MW)



Wind: 21MW

Qartli Wind Farm (21MW)

Key points

- **Strong performance of high-quality renewable assets, acquired in 4Q19.**
 - Qartli wind farm contributed GEL 3.9m to 1Q20 EBITDA on the back of 23.4 GWh generation, up 9.2% y-o-y.
 - The 21MW Hydrolea HPPs, where 9MW Akhmeta HPP is temporarily offline, added GEL 1.1m to 1Q20 EBITDA.
- GEL 5m insurance proceeds for business interruption ("BI") reimbursement for 2019 revenues from 50MW Mestiachala HPPs.
- The remaining GEL 5m BI reimbursement for 2019 expected to be received in 2Q20.
- The 30MW Mestiachala HPP resumed operations in 2019, while the restoration works continue on the 20MW Mestiachala HPP.

(1) The annual net generation capacity of both Mestiachala HPPs (50MW in aggregate) is projected at approximately 171GWh on stabilized basis, following the recovery from flood damage.

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

Selected metrics

Financial metrics			
<i>GEL millions, unless otherwise noted</i>	1Q20	1Q19	Change
Revenue	6.6	-	NMF
<i>Of which, Mestiachala</i>	<i>0.5</i>	<i>-</i>	<i>NMF</i>
<i>Of which, Hydrolea</i>	<i>1.6</i>	<i>-</i>	<i>NMF</i>
<i>Of which, Qartli Wind Farm</i>	<i>4.6</i>	<i>-</i>	<i>NMF</i>
EBITDA	4.5	(0.2)	NMF
<i>Of which, Mestiachala</i>	<i>(0.2)</i>	<i>-</i>	<i>NMF</i>
<i>Of which, Hydrolea</i>	<i>1.1</i>	<i>-</i>	<i>NMF</i>
<i>Of which, Qartli Wind Farm</i>	<i>3.9</i>	<i>-</i>	<i>NMF</i>
Cash flow from operations	6.9	(0.1)	NMF
<i>Of which BI reimbursement</i>	<i>5.0</i>	<i>-</i>	<i>NMF</i>
CAPEX	11.1	11.3	-1.8%

Operating metrics

	1Q20	1Q19	Change
Generation (Gwh)¹	33.5	37.6	-10.9%
30MW Mestiachala (Gwh)	0.9	-	NMF
QWF (Gwh)	23.4	21.4	9.2%
Hydrolea (Gwh)	9.2	16.2	-43.3%
<i>Of which, Akhmeta</i>	<i>0.1</i>	<i>7.0</i>	<i>-98.0%</i>

- **Akhmeta HPP was taken offline in the beginning of January for rehabilitation works**

Hospitality & Commercial Real Estate business overview

Valuation highlights | 31 March 2020

<i>GEL millions, unless otherwise noted</i>	31-Mar-20	31-Dec-19	Change
NAV	219	246	-11.0%
LTM ROIC ¹	5.6%	6.5%	-0.9ppts

➤ **In light of COVID-19, we marked down the valuations of our operational and pipeline hotels.**

Key points

- Commercial real estate revenues up 67.7% primarily due to the 73% y-o-y portfolio expansion to GEL 151m (US\$ 46m) at 31 March 2020, supported by high occupancy levels.
 - During Mar-19 – Mar-20, we allocated GEL 31m commercial space in the completed residential projects valued at c. 10% yield in US\$ terms.
 - The occupancy level and gross income yield stood at 91.6% (83.5% in 1Q19) and 9.8% (9.0% in 1Q19), respectively.
- Within the hospitality business, “Gudauri Lodge” hotel was launched in December 2019.
- In light of the COVID-19 outbreak, operations at the existing two hotels were suspended since mid-March.
- Constructions of new hotels are put on hold.

Selected metrics

Financial metrics ²			
<i>GEL millions, unless otherwise noted</i>	1Q20	1Q19	Change
NOI ³ from operating leases	2.4	1.5	61.9%
NOI ³ from hospitality services	(0.3)	0.0	NMF
Total net operating income	0.2	1.0	-82.2%
Commercial Real Estate portfolio	151.0	87.1	73.4%
Cash flow from operations	0.0	1.1	-97.8%

Operating metrics

	1Q20	1Q19	Change
Gross yield (leased portfolio)	9.8%	9.0%	+0.8ppts
Occupancy rate	91.6%	83.5%	+8.1ppts
Leased area (sq.m.)	34,780	25,145	38.3%

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

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

(3) Net operating income.

Wine business overview

Valuation highlights | 31 March 2020

<i>GEL millions, unless otherwise noted</i>	31-Mar-20	31-Dec-19	Change
GCAP ownership	87%	87%	NMF
LTM EBITDA	10.8¹	9.5	12.9%
Multiple applied	8.3	10.0	-17.0%
Enterprise value	89	95	-6.3%
Net debt	(35)	(31)	13.3%
Alaverdi at cost	16	16	NMF
Equity fair value	64	72	-11.7%
LTM ROIC²	4.1%	6.2%	-2.1ppts

Key Points

- The wine operating cash flow grew 70.0% to GEL 2.6m in 1Q20.
- 71.3% decrease in wine EBITDA is largely due to a timing of orders, shifted to and recognized in revenues in 2Q20.
- Absent the timing difference, export wine sales and average sales price per bottle were flat at 0.8m bottles and at US\$2.8, respectively.
- Export market sales accounted for 90% of the 1Q20 revenue.
- Following the COVID-19 outbreak, the business has not observed negative impact on the expected wine export sales volumes.

(1) FY19 EBITDA adjusted for FX.

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

Selected metrics

Financial metrics

<i>GEL millions, unless otherwise noted</i>	1Q20	1Q19	Change
Revenue	6.9	7.9	-12.5%
Gross profit margin	37.8%	46.1%	-8.2ppts
EBITDA	0.3	1.2	-71.3%
Operating cash flow	2.6	1.5	70.0%

Operating metrics

<i>('000)</i>	1Q20	1Q19	Change
Wine sales bottles	960	1,165	-17.6%
Of which, export sales	824	971	-15.1%
Export share (%)	85.9%	83.3%	+2.6 ppts
Average price per bottle US\$	2.71	2.69	0.6%

Beer business overview

Valuation highlights | 31 March 2020

<i>GEL millions, unless otherwise noted</i>	31-Mar-20	31-Dec-19	Change
GCAP ownership	87%	87%	NMF
LTM Revenue¹	47	47	NMF
Multiple applied	2.2	2.2	NMF
Enterprise Value	104	104	NMF
Net debt	(91)	(86)	5.3%
Equity fair value	11	15	-25.9%
LTM ROIC²	-14.7%	-15.5%	+0.8ppts

Key Points

- The beer business benefited from full scale launch of new brands over the last twelve months.
- Improved product mix allowed the beer business to achieve:
 - 20% of market share in 1Q20 (12.2% in 1Q19).
 - 26.7% growth in revenues.
 - 44.7% improvement in EBITDA.
 - 75.2% improvement in operating cash flow.
- Following COVID-19 outbreak, the business has seen an uplift in beer sales through retail stores in line with the increased consumption at home, though it is too early to determine the sustainability of this trend.
- The business may experience negative impact in the short term growth plans until HORECA sales channels are fully re-opened.

(1)FY19 revenue, normalised for annualization of revenues from newly launched brands.

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

Selected metrics

Financial metrics			
<i>GEL millions, unless otherwise noted</i>	1Q20	1Q19	Change
Revenue	7.3	5.8	26.7%
EBITDA	(1.7)	(3.1)	44.7%
Operating cash flow	(1.5)	(6.2)	75.2%

Operating metrics			
<i>('000)</i>	1Q20	1Q19	Change
Beer sales liters	3,747	2,015	85.9%
Lemonade sales liters	688	335	NMF
Average price per liter US\$	0.82	1.08	-23.6%

Education business overview

Financial metrics

<i>GEL millions, unless otherwise noted</i>	1Q20	1Q19	Change
Revenue	7.7	5.9	31.5%
EBITDA	3.0	2.4	26.0%
EBITDA margin	40%	41%	-1ppts
Cash flow from operations	(0.2)	0.3	NMF
Net debt	19.7	11.2	76.6%

Key points

- The education business EBITDA grew 26% and EBITDA margin was at 40% in 1Q20.
- 77% contribution in 1Q20 EBITDA from premium schools (BGA), followed by 13% from mid-level school (Buckwood) and 10% from affordable school (Green School).
- The business growth reflects:
 - Increase in average tuition fees in premium schools
 - Organic growth in the number of learners and increased school capacity utilisation across all three segments
- In light of the COVID-19, the schools are providing distance learning since the outbreak.

Operating metrics

	Premium			Mid-level			Affordable		
	1Q20	1Q19	Change	1Q20	1Q19	Change	1Q20	1Q19	Change
Capacity utilization	95%	91%	3.7ppts	90%	87%	3.0ppts	90%	82%	8.5ppts
Number of learners	761	731	4.1%	685	627	9.3%	1,127	1,021	10.4%
Learner to teacher ratio	9.1	9.4	-3.3%	10.2	10.3	-0.5%	8.4	8.4	-0.3%
Revenue per learner (GEL)	22,511	17,847	26.1%	6,686	6,082	9.9%	3,213	3,217	-0.1%

Auto service (PTI, Amboli & Carfest) overview

Valuation highlights | 31 March 2020

<i>GEL millions, unless otherwise noted</i>	31-Mar-20	31-Dec-19	Change
PTI EBITDA ²	6.7	6.7	NMF
Multiple applied	8.7	10.4	-16.3%
PTI Enterprise Value	59	70	-16.3%
PTI Net debt	(53)	(49)	7.0%
PTI Equity fair value	6	21	-71.9%
Amboli acquisition cost	9	5	83.4%
Auto service business Equity fair value	15	26	-41.6%

Key points

- In 1Q20, the gross profit distribution across three segments was: 62% from PTI, 26% from Amboli and 12% from Carfest.
- The PTI business was the main contributor of earnings at EBITDA level with GEL 0.3m contribution.
- During 1Q20 the gross profit margin in PTI business improved to 47.8% (41.2% in 1Q19).

(1) Based on cars serviced.

(2) Combination of the last six months and the next six months earnings as of 31 December 2019.

Selected metrics

Financial metrics

<i>GEL millions, unless otherwise noted</i>	1Q20	1Q19	Change
Revenue	8.2	1.8	NMF
Gross profit	2.0	0.7	NMF
EBITDA	0.05	(0.4)	NMF
Operating cash flow	(1.9)	(0.2)	NMF

Operating metrics | PTI

Number of inspection lines	Market share ¹		
51	34%		
	1Q20	1Q19	Change
Cars serviced	68,995	47,885	44.1%
<i>of which, primary</i>	48,271	34,387	40.4%
<i>of which, secondary</i>	20,724	13,498	53.5%

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COVID-19 portfolio implications *(excluding BoG)*




Most of our portfolio companies operate across structurally important, defensive sectors

Level of resilience


High

 Water Utility	 P&C Insurance	 Renewable Energy
 GEORGIA HEALTHCARE GROUP GHG	 Education	 Beverages

Medium

 Housing Development	 Digital Services
 Auto Service	

Low

 Hospitality & Commercial RE



Having focused on financial discipline well before COVID-19, our portfolio companies entered this crisis well-prepared and remain well-positioned to emerge stronger from the outbreak.

Key takeaways

Leveraging the successful model and capabilities built over the years at GCAP

Strong pre-COVID-19 macro fundamentals were reflected in the country's 1Q20 GDP growth of 1.5% y-o-y

Solid 1Q20 results across our portfolio companies but tougher times ahead

Continued capital allocation discipline

Strong balance sheet, modest leverage and no immediate debt maturities

Defensive portfolio with diversified revenue streams

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Maturity profile across private portfolio companies

Gross debt maturity ¹								Average maturity <i>(in years)</i>
<i>Gel millions, unless otherwise noted</i>	2020	2021	2022	2023	2024	2024+	Total	31 March 2020
Late Stage	25	79	156	42	104	194	600	4.2
Water Utility	25	61	39	40	45	190	400	4.8
Housing development ²	0.4	18	117	2	59	4	200	2.9
P&C Insurance	-	-	-	-	-	-	-	-
Early Stage	44	156	47	49	128	281	705	5.0
Renewable Energy	8	14	15	16	58	194	305	7.2
Hospitality	2	26	6	6	38	46	124	4.7
Commercial Real Estate ³	-	99	-	-	-	-	99	1.6
Wine	7	6	10	10	10	14	57	3.4
Beer	25	8	12	13	18	20	96	2.7
Education	2	3	4	4	4	7	24	3.9
Pipeline	7	7	7	7	14	18	60	3.8
Auto Service	7	7	7	7	14	18	60	3.8
Total	76	242	210	98	246	493	1,365	4.6

(1) Principal repayments.

(2) A 3-year US\$ 35 million bonds issued on the local market in Oct-19 with a 7.5% annual coupon rate, maturing in Oct-22.

(3) A 3-year US\$ 30 million bonds issued on the local market in 2019 with a 7.5% annual coupon rate, maturing in Dec-21. Bonds are backed by commercial real estate.