



# Investor presentation

# Forward looking statements

## Disclaimer

This presentation contains forward-looking statements, including, but not limited to, statements concerning expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position and future operations and development. Although Georgia Capital PLC believes that the expectations and opinions reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations and opinions will prove to have been correct. By their nature, these forward-looking statements are subject to a number of known and unknown risks, uncertainties and contingencies, and actual results and events could differ materially from those currently being anticipated as reflected in such statements. Important factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements, which could include, among other things: impact of COVID-19; regional instability; regulatory risk across a wide range of industries; investment risk; liquidity risk; portfolio company strategic and execution risks; currency fluctuations, including depreciation of the Georgian Lari, and macroeconomic risk; and other key factors that indicated could adversely affect our business and financial performance, which are contained in our past and future filings and reports and also the 'Principal Risks and Uncertainties' and Emerging Risks included in Georgia Capital PLC's Annual Report and Accounts 2019. No part of this presentation constitutes, or shall be taken to constitute, an invitation or inducement to invest in Georgia Capital PLC or any other entity, and must not be relied upon in any way in connection with any investment decision. Georgia Capital PLC and other entities undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required. Nothing in this presentation should be construed as a profit forecast.

- 1. Response to COVID-19 outbreak**
2. Georgia Capital at a glance
3. Georgia Capital strategy & capital allocations
4. 1Q20 results discussion | Georgia Capital
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# Georgia has managed to effectively deal with the COVID-19

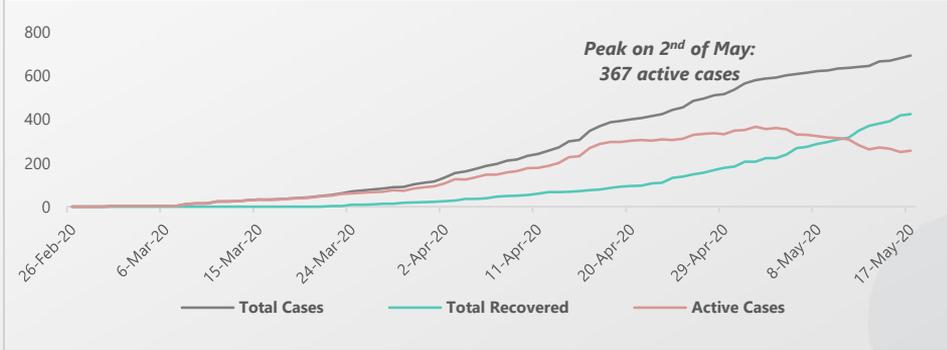
Lowest number of confirmed cases and deaths per capita in the region



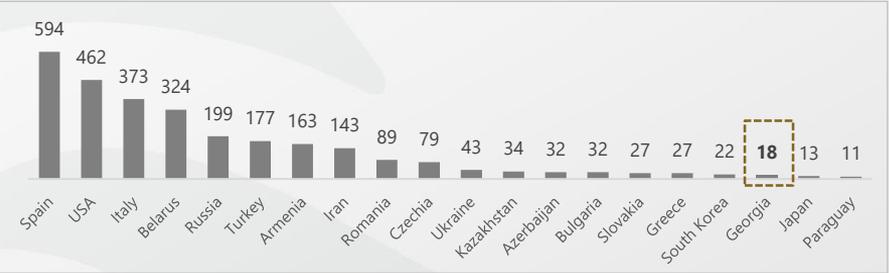
## Georgia: COVID-19 response

- 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
<b>701</b>	<b>257</b>	<b>3,787</b>	<b>337</b>

# 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.**



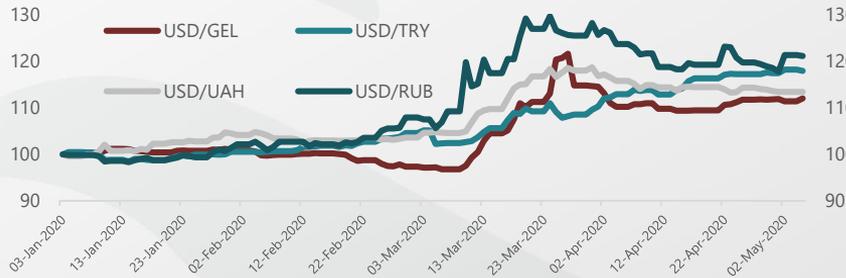
**GEL depreciated in March and stabilised around USD/GEL 3.2 from beginning of April.**



**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



# Georgia Capital's 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**

# COVID-19 portfolio implications *(excluding BoG)*

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

## Level of resilience

### High



### Medium



### Low



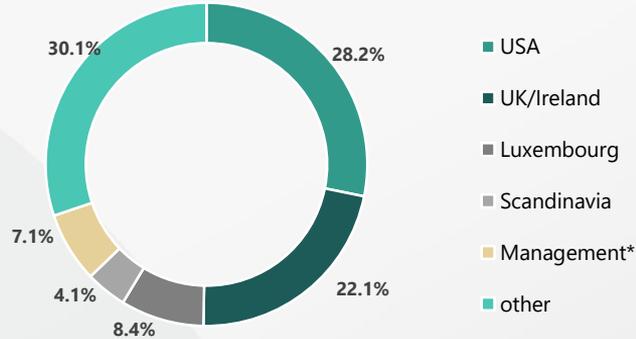
Having focused on financial discipline well before COVID-19, our portfolio companies entered this crisis well-prepared and remain well-positioned to emerge stronger from the outbreak.

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# CGEO:LN performance

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

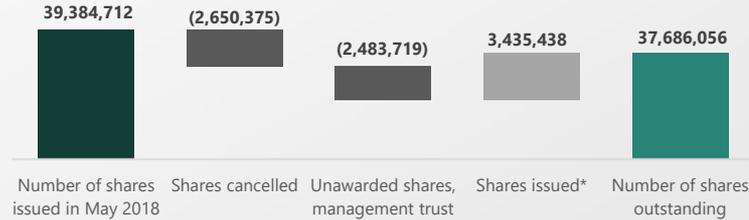
## GCAP shareholders allocation by geography



\* Includes both vested and unvested awarded shares

## Number of outstanding shares as at 31-Mar-20

As of 18 May 2020



Average daily trading volume – GBP 0.9 million

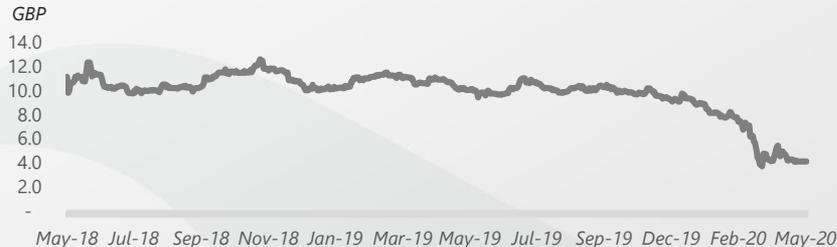
Market Capitalization – GBP 169 million

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

## GCAP top shareholders | 31-Mar-2020

Rank	Shareholder name	Ownership
1	M&G Investment Management Ltd	7.49%
2	Schroder Investment Management Ltd	4.34%
3	LGM Investments Ltd	3.39%
4	Vanguard Group Inc	3.19%
5	Norges Bank Investment Management	3.15%
6	Consilium Investment Management LLC	2.99%
7	Dunross & Co AB	2.75%
8	Van Eck Global	2.71%
9	Firebird Management LLC	2.35%
10	T Rowe Price	2.05%
	<b>Total</b>	<b>34.41%</b>

## Historical GCAP share price



CGEO will be included in MSCI Global Micro Cap index from 29-May-20

# Our portfolio at a glance



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

**Public portfolio**  
– GEL 660m<sup>1</sup>

**Georgia Healthcare Group**  
**70.6%**  


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**GEL 295m<sup>2</sup>**  
Valued: LSE

**Bank of Georgia**  
**19.9%<sup>4</sup>**  


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**GEL 365m<sup>2</sup>**  
Valued: LSE

**Private portfolio – GEL 1,140m<sup>1</sup>**

**Late Stage – GEL 613m<sup>1</sup>**

**Water Utility**  
**100%**  


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**GEL 432m**  
Valued: 8.5x EV/EBITDA

**Housing Development**  
**100%**  


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**GEL 40m**  
Valued: DCF

**P&C Insurance**  
**100%**  


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**GEL 141m**  
Valued: 7.7x P/E

**Pipeline - GEL 26m<sup>1,3</sup>**

**Auto Service**  
**90%-100%<sup>6</sup>**  


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**GEL 15m<sup>2</sup>**  
Valued: 8.7x EV/EBITDA (PTI)  
At acquisition price (Amboli)

**Early Stage – GEL 501m<sup>1</sup>**

**Renewable Energy**  
**100%**  


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**GEL 151m**  
Valued: at acquisition price

**Hospitality & Commercial RE**  
**100%**  


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**GEL 219m**  
Valued: NAV

**Beverages**  
**87%**  


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**GEL 75m<sup>2</sup>**  
Valued:  
8.3x EV/EBITDA (wine);  
2.2x EV/Sales (beer);

**Education**  
**70%-90%<sup>5</sup>**  


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**GEL 56m<sup>2</sup>**  
Valued: at acquisition price

**Digital Services**  
**60%**  


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**GEL 9m<sup>2</sup>**  
Valued: at acquisition price

**Third-party managed capital**

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**Upcoming funds**  
 ➤ **Targeting to raise c. US\$ 200 million**

1. As of 31 March 2020.    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. Different ownership stakes across premium, mid-level and affordable school segments.  
 6. Auto Service – 90% ownership in Amboli and 100% in Periodic Technical Inspection business.

# Portfolio highlights | 31 March 2020



Gross cash invested of GEL 1.3b



Net cash invested of GEL 447m



Portfolio fair value of GEL 1.8b

## Listed

## Private late stage

## Private early stage

## Pipeline

Original investment

252 129

214 92 10

143 195 62 101 56

14 9

MOIC<sup>1</sup>

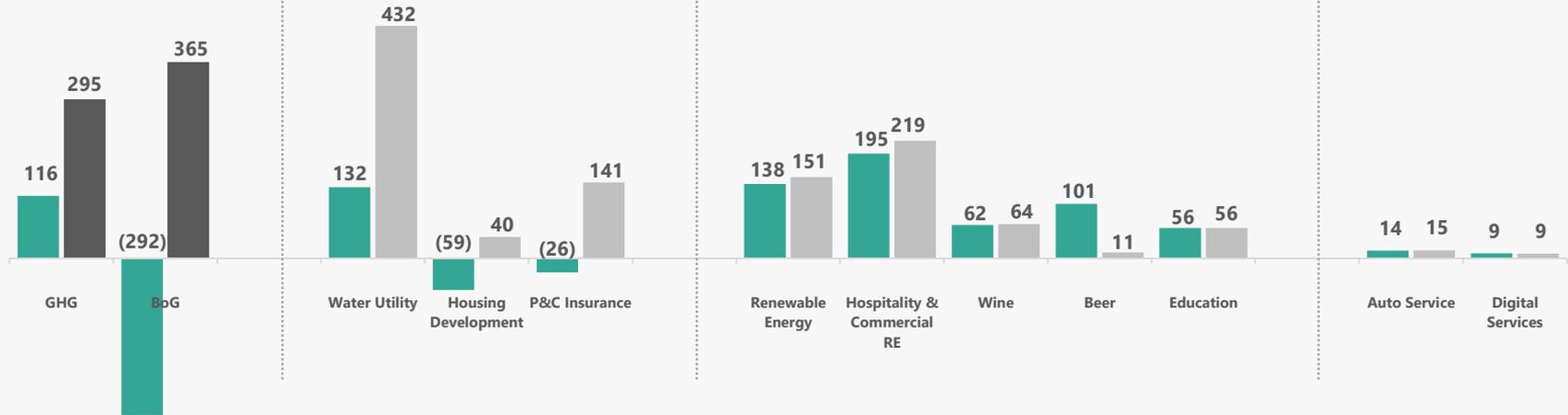
1.7 6.1

2.4 2.1 17.3

1.1 1.1 1.0 0.1 NMF

1.1 NMF

GEL millions



Legend: Fair value (grey), LSE Market value at 31-Mar-20 (black), Net cash investment (teal)

(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 million** 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

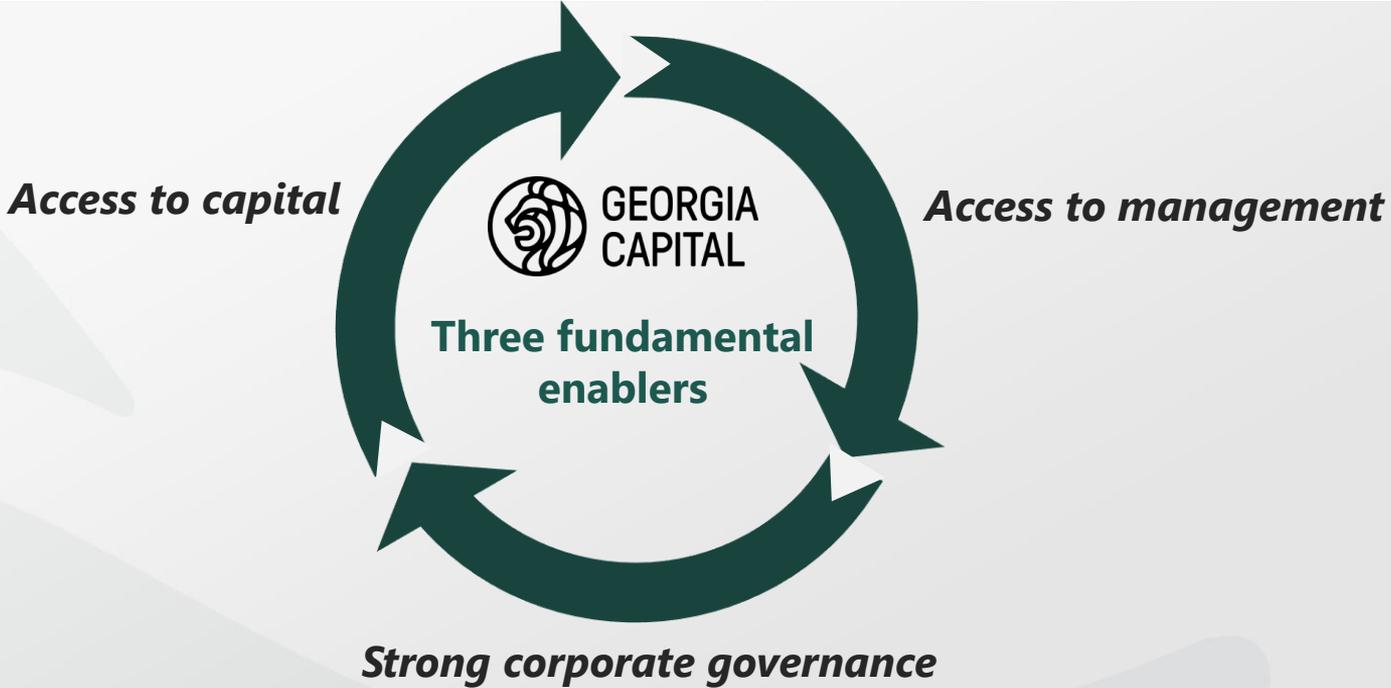
**121%**

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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 **40 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*

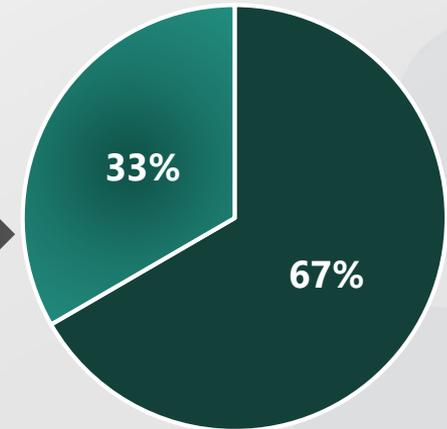
## Platform costs - targeted at maximum c.2% of MCAP

### 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

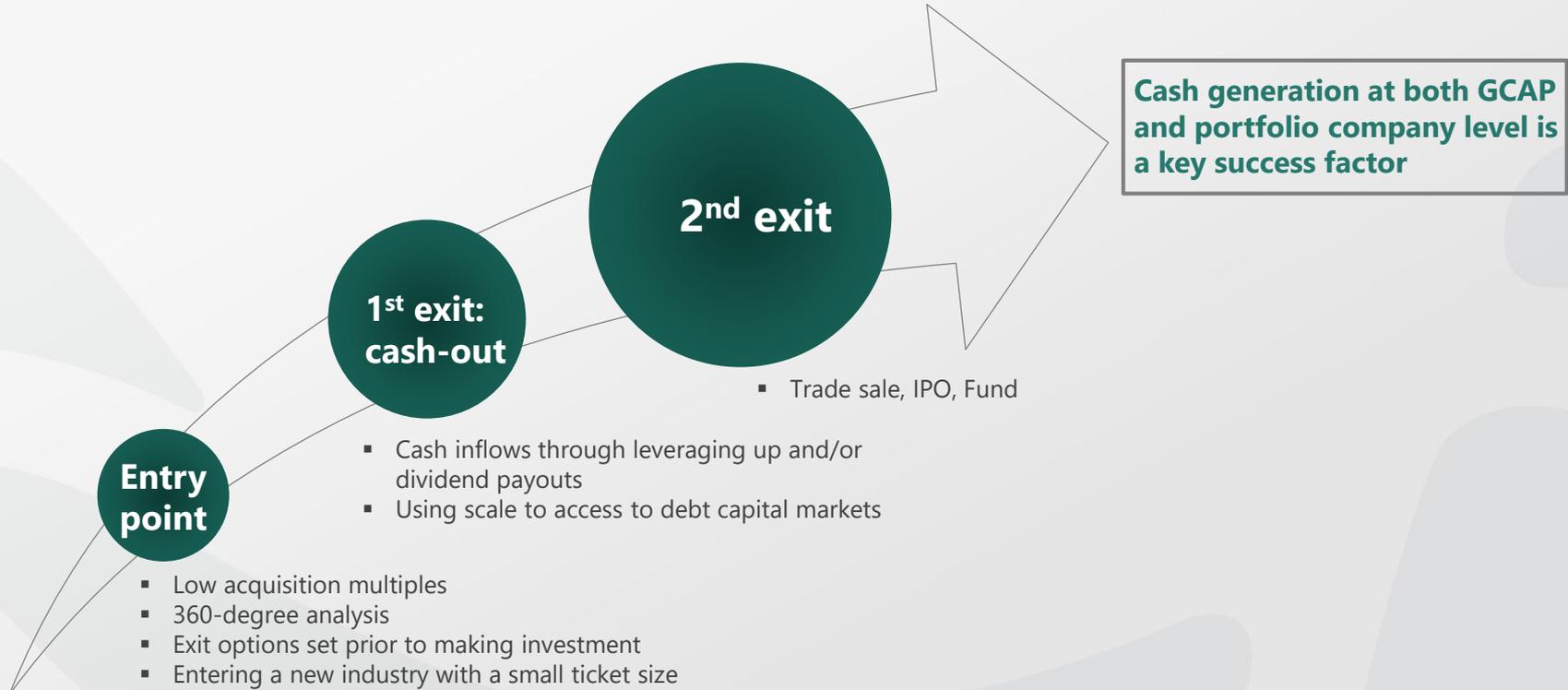
# Managing investments

## Share ownership plan of management in portfolio companies

Investment stage	<b>Pipeline</b> <small>Discovery</small>		<b>Early</b> <small>Young Portfolio Companies</small>				<b>Late</b> <small>Large Portfolio Companies</small>			<b>Listed</b> <small>Mature Portfolio Companies</small>	
											
Sector	 <b>Digital Services</b>	 <b>Auto Service</b>	 <b>Education</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>	

# 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 31 March 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 18 May 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>		<b>X</b>	
 Renewable Energy	<b>X</b>	<b>X</b>	<b>X</b>	
 Hospitality & Commercial	<b>X</b>		<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.*

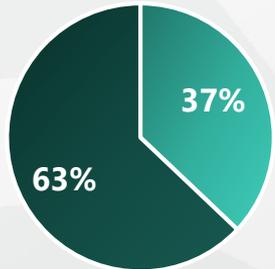
**Different yields will be appropriate for different industries, US\$ dollar and Lari businesses**

# Additional strategic priorities

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

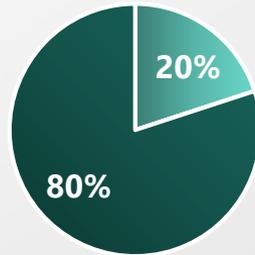
**Over the next 5 years we will reshape our balance sheet**

31-Mar-2020



■ Private ■ Listed

In 5 years



■ Private ■ Listed



Management company

GCAP investment portfolio



Third-party  
managed capital

# Content



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# NAV Statement | 31 March 2020



<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 %
<b>Listed Portfolio Companies</b>									
GHG <sup>(1)</sup>	430,079	(134,624)	-	-	-	-	-	295,455	-31.3%
BoG <sup>(1)</sup>	597,735	(233,123)	-	-	-	-	-	364,612	-39.0%
<b>Total Listed Portfolio Value</b>	<b>1,027,814</b>	<b>(367,747)</b>	-	-	-	-	-	<b>660,067</b>	<b>-35.8%</b>
<i>Listed Portfolio value change %</i>		<i>-35.8%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>-35.8%</i>	
<b>Private Portfolio Companies</b>									
<b>Late Stage</b>	<b>692,746</b>	<b>(79,658)</b>	<b>235</b>	-	-	-	-	<b>613,323</b>	<b>-11.5%</b>
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%
<b>Early Stage</b>	<b>495,827</b>	<b>(40,505)</b>	<b>50,523</b>	-	<b>(4,927)</b>	-	-	<b>500,918</b>	<b>1.0%</b>
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%
<b>Pipeline</b>	<b>36,696</b>	<b>(16,490)</b>	<b>5,264</b>	-	-	-	-	<b>25,470</b>	<b>-30.6%</b>
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%
<b>Total Private Portfolio Value</b>	<b>1,225,269</b>	<b>(136,653)</b>	<b>56,022</b>	-	<b>(4,927)</b>	-	-	<b>1,139,711</b>	<b>-7.0%</b>
<i>Private Portfolio value change %</i>		<i>-11.2%</i>	<i>4.6%</i>	<i>0.0%</i>	<i>-0.4%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>-7.0%</i>	
<b>Total Portfolio Value (1)</b>	<b>2,253,083</b>	<b>(504,400)</b>	<b>56,022</b>	-	<b>(4,927)</b>	-	-	<b>1,799,778</b>	<b>-20.1%</b>
<i>Total Portfolio value change %</i>		<i>-22.4%</i>	<i>2.5%</i>	<i>0.0%</i>	<i>-0.2%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>-20.1%</i>	
<b>Net Debt (2)</b>	<b>(493,565)</b>	-	<b>(56,022)</b>	<b>(5,746)</b>	<b>4,927</b>	<b>(4,378)</b>	<b>(104,812)</b>	<b>(659,596)</b>	<b>33.6%</b>
<i>of which, Cash and liquid funds</i>	211,889	-	(56,022)	(5,746)	4,927	(4,378)	19,439	170,109	-19.7%
<i>of which, Loans issued</i>	151,884	-	-	-	-	-	(16,006)	135,878	-10.5%
<i>of which, Gross Debt</i>	(857,338)	-	-	-	-	-	(108,245)	(965,583)	12.6%
<b>Net other assets/ (liabilities) (3)</b>	<b>(5,650)</b>	-	-	-	-	<b>(3,631)</b>	<b>6,435</b>	<b>(2,846)</b>	<b>-49.6%</b>
<i>of which, share-based compensation</i>	-	-	-	-	-	(3,631)	3,631	-	NMF
<b>Net Asset Value (1)+(2)+(3)</b>	<b>1,753,868</b>	<b>(504,400)</b>	-	<b>(5,746)</b>	-	<b>(8,009)</b>	<b>(98,377)</b>	<b>1,137,336</b>	<b>-35.2%</b>
<i>NAV growth %</i>		<i>-28.8%</i>	<i>0.0%</i>	<i>-0.3%</i>	<i>0.0%</i>	<i>-0.5%</i>	<i>-5.6%</i>	<i>-35.2%</i>	
Shares outstanding	37,441,971	-	-	244,085	-	-	-	37,686,056	0.7%
<b>Net Asset Value per share</b>	<b>46.84</b>	<b>(13.47)</b>	-	<b>(0.46)</b>	-	<b>(0.21)</b>	<b>(2.52)</b>	<b>30.18</b>	<b>-35.6%</b>
<i>NAV per share growth %</i>		<i>-28.8%</i>	<i>0.0%</i>	<i>-1.0%</i>	<i>0.0%</i>	<i>-0.5%</i>	<i>-5.4%</i>	<i>-35.6%</i>	
<b>Net Asset Value per share GBP</b>	<b>12.46</b>	<b>(3.59)</b>	-	<b>(0.12)</b>	-	<b>(0.06)</b>	<b>(1.28)</b>	<b>7.41</b>	<b>-40.5%</b>
<i>NAV per share growth %</i>		<i>-28.8%</i>	<i>0.0%</i>	<i>-1.0%</i>	<i>0.0%</i>	<i>-0.5%</i>	<i>-10.2%</i>	<i>-40.5%</i>	
<b>NAV per share, Listed portfolio</b>	<b>21.37</b>	-	-	-	-	-	-	<b>11.07</b>	<b>-48.2%</b>
<b>NAV per share, Private portfolio</b>	<b>25.47</b>	-	-	-	-	-	-	<b>19.11</b>	<b>-25.0%</b>

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

# 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)
<b>Listed</b>					<b>(367,747)</b>
GHG					(134,624)
BoG					(233,123)
<b>Private</b>	<b>(61,140)</b>	<b>(1,585)</b>	<b>(77,939)</b>	<b>4,011</b>	<b>(136,653)</b>
<b>Late Stage</b>	<b>(12,752)</b>	-	<b>(52,350)</b>	<b>(14,556)</b>	<b>(79,658)</b>
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)
<b>Early Stage</b>	<b>(48,388)</b>	-	<b>(14,150)</b>	<b>22,033</b>	<b>(40,505)</b>
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	-	-	-	-	-
<b>Pipeline</b>	-	<b>(1,585)</b>	<b>(11,439)</b>	<b>(3,466)</b>	<b>(16,490)</b>
Auto Service	-	-	(11,439)	(3,466)	(14,905)
Digital Services	-	-	-	-	-
Other	-	(1,585)	-	-	(1,585)
<b>Total Portfolio</b>	<b>(61,140)</b>	<b>(1,585)</b>	<b>(77,939)</b>	<b>4,011</b>	<b>(504,400)</b>



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

## 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

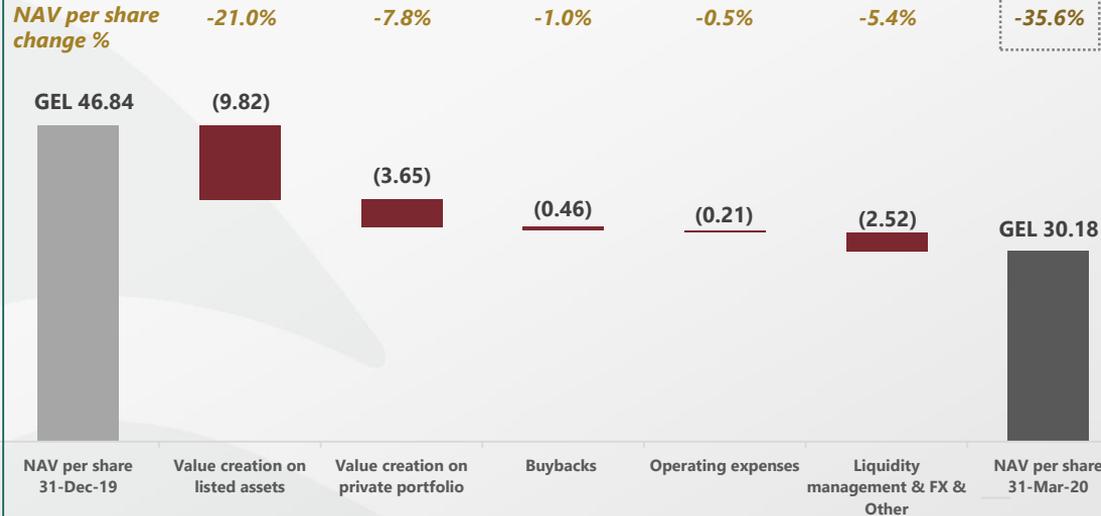


**Our liquidity remained high at GEL 306 million at 31 March 2020**

# NAV per share (GEL) movement in 1Q20

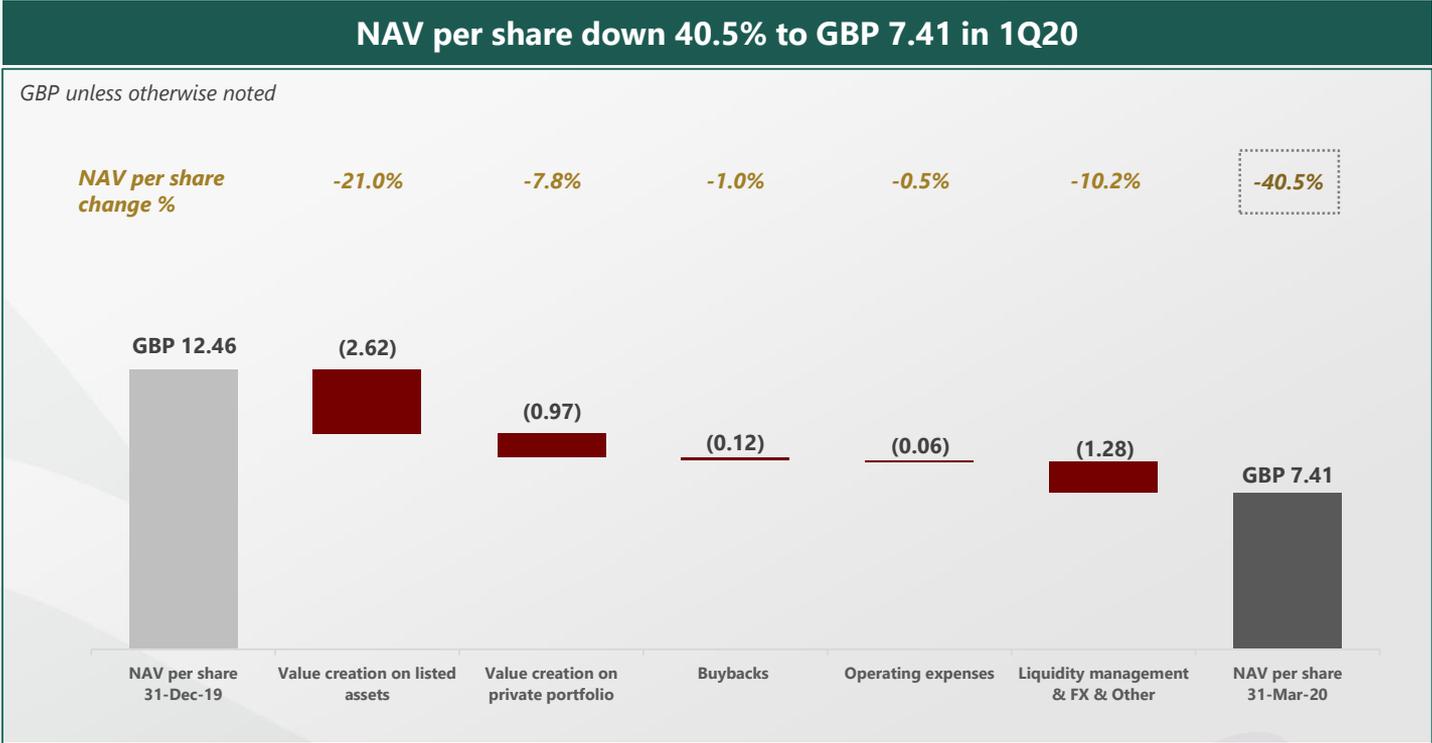
## NAV per share down 35.6% to GEL 30.18 in 1Q20

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).**

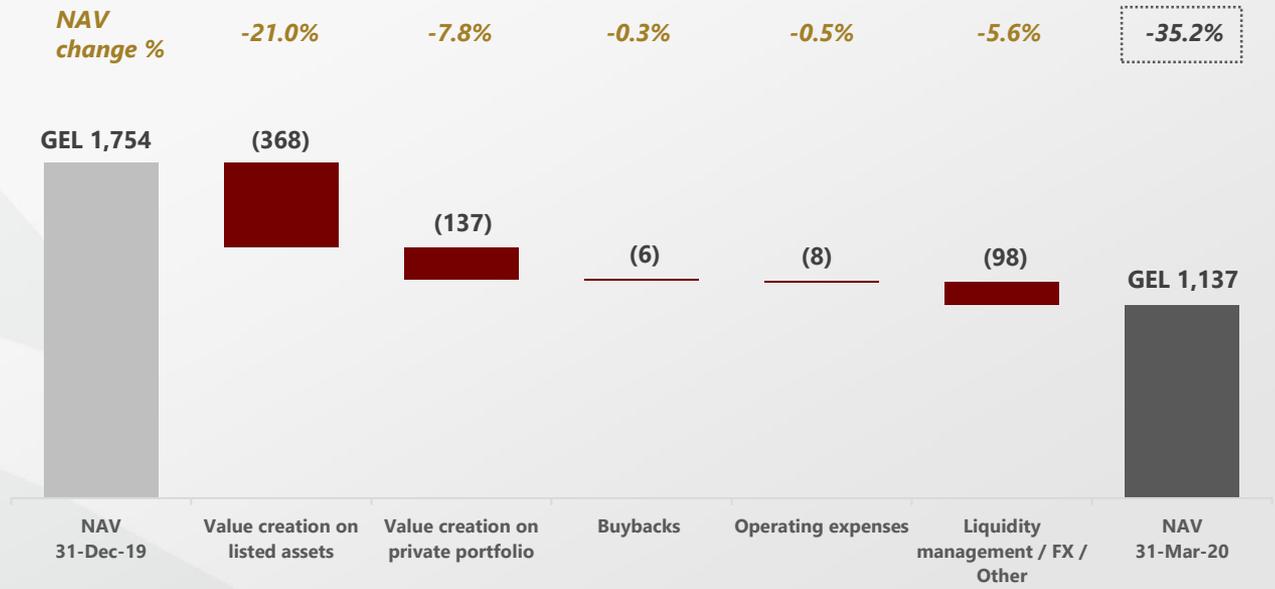
# NAV per share (GBP) movement in 1Q20



# NAV movements in 1Q20

**NAV down 35.2% to GEL 1,137 million during 1Q20**

*GEL millions unless otherwise noted*



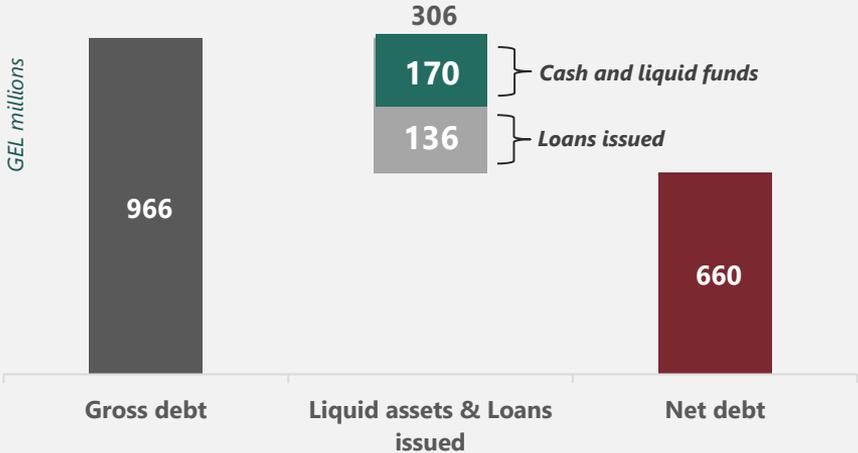
# Liquidity management at Georgia Capital



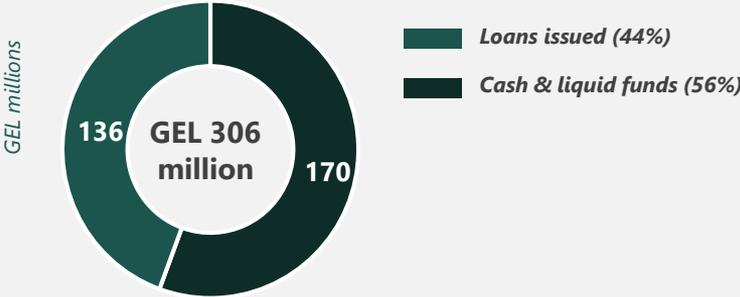
**GEL 660 million**  
**Net debt | 31-Mar-2020**

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

## Net debt overview | 31-Mar-2020



## Liquid assets & Loans issued | 31-Mar-2020



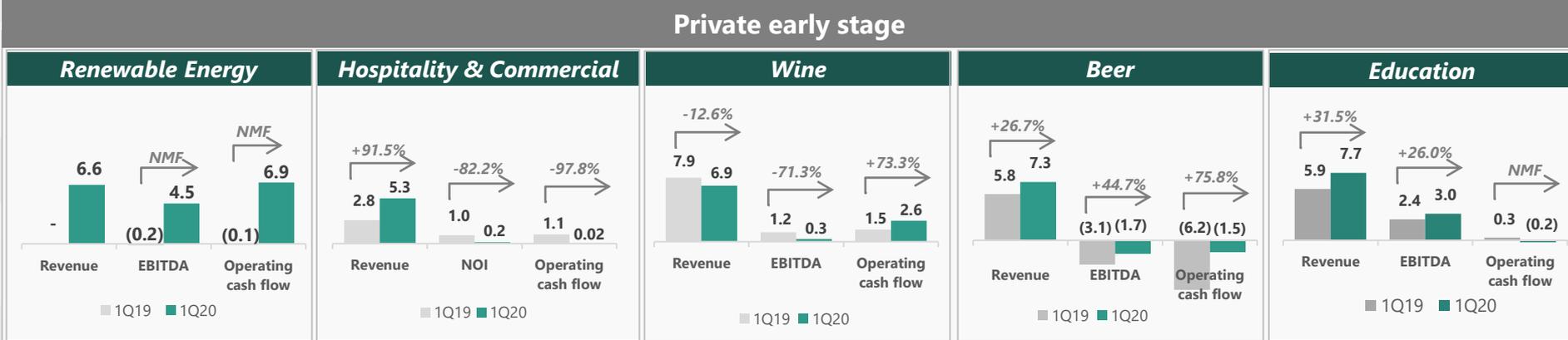
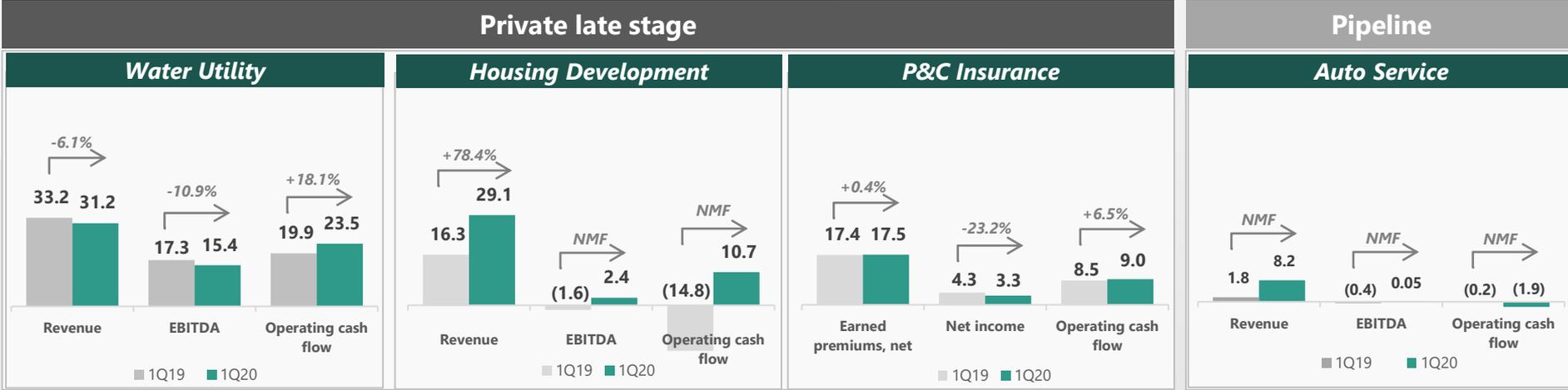
**Portfolio over net debt**

**2.7x**

**Listed assets over net debt**

**1.0x**

# Portfolio performance highlights | 1Q20



1. Response to COVID-19 outbreak
2. Georgia Capital at a glance
3. Georgia Capital strategy & capital allocations
4. 1Q20 results discussion | Georgia Capital
- 5. Portfolio overview**
6. Georgian macro overview
7. Appendices

# 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
<b>Listed Portfolio Companies</b>					<b>660,067</b>	<b>1,027,814</b>	<b>-35.8%</b>
<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%
<b>Private Portfolio Companies</b>					<b>1,139,711</b>	<b>1,225,269</b>	<b>-7.0%</b>
<b>Late Stage</b>					<b>613,323</b>	<b>692,746</b>	<b>-11.5%</b>
<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&amp;C Insurance</i>	100%	P/E (LTM)	7.7	9.0	141,101	164,923	-14.4%
<b>Early Stage</b>					<b>500,918</b>	<b>495,827</b>	<b>1.0%</b>
<i>Renewable Energy</i>	100% <sup>1</sup>	At acquisition price			151,150	106,800	41.5%
<i>Hospitality &amp; 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%
<b>Pipeline</b>					<b>25,470</b>	<b>36,696</b>	<b>-30.6%</b>
<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%
<b>Total Portfolio Value</b>					<b>1,799,778</b>	<b>2,253,083</b>	<b>-20.1%</b>

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



# 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

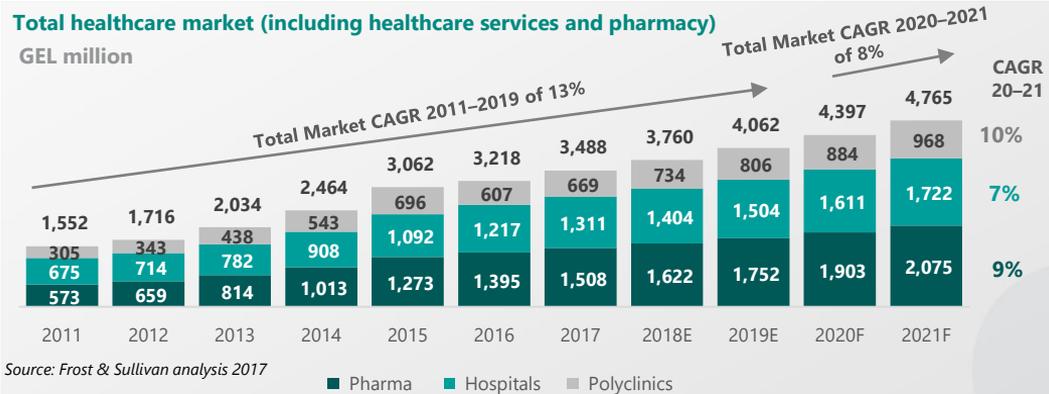
## Value creation potential

- High-growth potential driven by opportunity to develop medical tourism, polyclinics (outpatient clinics) and new markets (beauty, aesthetics, lad retail)
- 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.

(1) Source: World Bank, 2016 data.

## 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

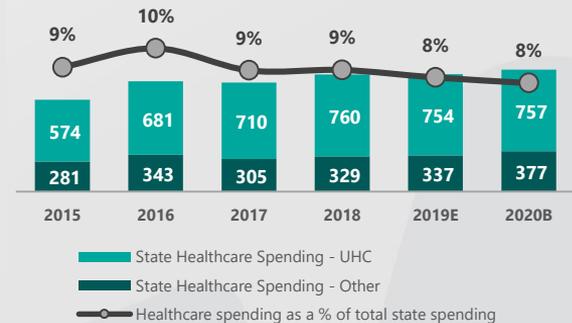
Double digit revenue CAGR next 5 years

Mid-teen EBITDA CAGR next 5 years

Gradually approaching ROIC c.15-17%

## State healthcare spending dynamics

GEL million



- Given the current level of uncertainty due to COVID-19, the Directors of GHG decided not to recommend a dividend to shareholders at the 2020 AGM.
- Since the spread of the COVID-19, GHG announced readiness to support the Government of Georgia in its efforts to fight the spread of the virus in light of a spike in healthcare demand.



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

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

## Stock price performance



## Financial metrics (GEL millions)

	2015	2016 <sup>1</sup>	2017	2018	2019	1Q19	1Q20	Change
Healthcare services EBITDA, excl. IFRS 16	54	74	70	76	84 <sup>3</sup>	21.3 <sup>3</sup>	17.0 <sup>3</sup>	-20.2%
Pharmacy and distribution EBITDA, excl. IFRS 16	N/A	6	39	52	65	15.6	18.6	19.4%
Healthcare services EBITDA margin, excl. IFRS 16	27.4%	30.2%	26.4%	24.9%	24.6% <sup>3</sup>	24.5% <sup>3</sup>	20.1% <sup>3</sup>	-4.4ppts
Pharmacy and distribution EBITDA margin, excl. IFRS 16	N/A	4.3%	8.6%	10.1%	10.6%	10.7%	10.6%	-0.1ppts
Net profit, excl. IFRS 16	24	37 <sup>4</sup>	46	53	69	18.3 <sup>5</sup>	14.3 <sup>5</sup>	-21.8%
EPS (GEL)	0.15	0.24	0.23	0.27	0.36	0.09 <sup>5</sup>	0.07 <sup>5</sup>	-26.4%

## Selected operating metrics

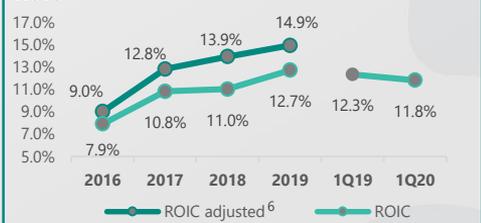
	1Q19	1Q20	Change
Number of hospitals & clinics	53	52	-1
Number of hospital beds	2,967	2,967	NMF
Hospital bed occupancy rate <sup>2</sup>	62.3%	60.5%	-1.8ppts
Number of community clinic beds	353	353	NMF
Number of pharmacies	276	298	+22
Number of bills issued (millions)	7.16	7.67	+0.51
Number of individuals insured	c.229,000	c.178,000	-c.51,000
Insurance claims retention rates within Group	39.2%	43.9%	+4.7ppts

## Performance track record

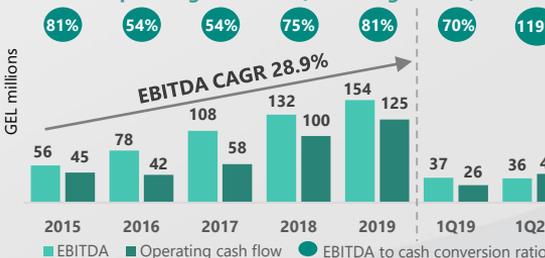
### Capex evolution



### ROIC



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



### Revenue



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

(2) Excluding emergency beds.

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

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

(5) Adjusted to exclude losses from foreign currencies and non-recurring expenses.

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

# Bank of Georgia (BoG) Overview

<http://bankofgeorgiagroup.com/>



BANK OF GEORGIA



GEORGIA  
CAPITAL

## Investment rationale

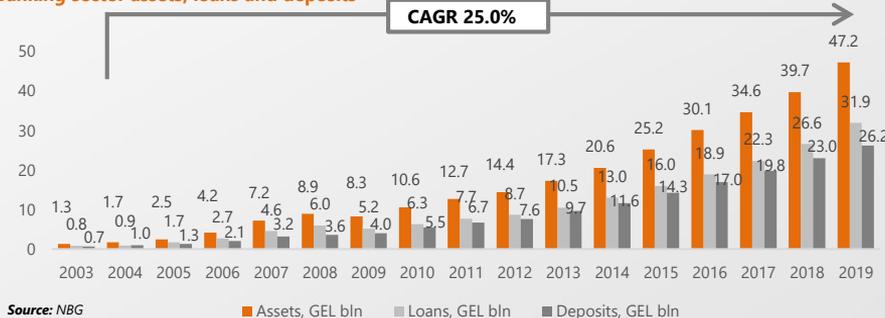
- The first entity from Georgia to be listed on the premium segment of the Main Market of the London Stock Exchange (LSE:BGEO) since February 2012
- **High standards of transparency and governance**
- **Leading market position<sup>1</sup>** in Georgia by assets (35.9%), loans (35.6%), client deposits (35.4%) and equity (28.9%) as of 31 March 2020
- Market with **stable growth perspectives**
- **Strong brand name recognition** and retail banking franchise
- Sustainable growth combined with **strong capital, liquidity and robust profitability**
- Outstanding ROAE performance
- Dividend per share growing at 34.3% CAGR in 2010-2018 years

## Value creation potential

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

## Market opportunity

### Banking sector assets, loans and deposits



## Banking business key medium to long term targets

ROAE  
20%+

Loan book  
growth  
15%-20%

## 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 648m+** 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)

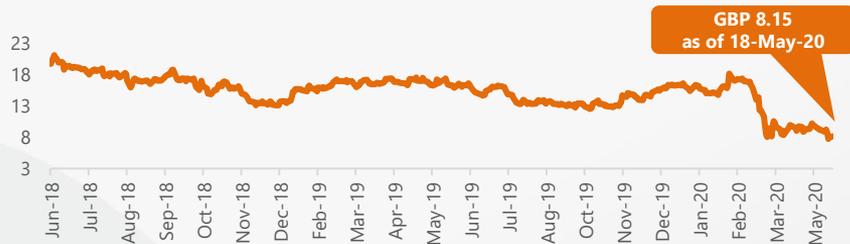
- Given the current level of uncertainty due to COVID-19, the directors of BoG decided not to recommend a dividend to shareholders at the 2020 AGM.



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

<http://bankofgeorgiagroup.com/>

## Stock price performance



## Selected operating metrics

	1Q19	1Q20
Retail clients ('000)	2,455	2,567
Digital transactions (millions)	41.5	44.0

## Financial metrics (GEL millions)

	2015	2016	2017	2018	2019	1Q19	1Q20	Change
ROAE	21.9%	22.2%	25.2%	26.4% <sup>2</sup>	26.1% <sup>3</sup>	24.5%	-18.6%	-43.1ppts
NIM	7.7%	7.4%	7.3%	6.5%	5.6%	6.0%	5.0%	-1.0ppts
NPL coverage	83.4%	86.7%	92.7%	90.5%	80.9%	92.2%	147.2%	55.0ppts
Loan portfolio	5,367	6,682	7,741	9,398	11,931	9,571	13,144	37.3%
Cost/income	35.5%	37.7%	37.7%	36.7%	37.8%	35.5%	38.6%	3.1ppts

## GEL 12.7 billion loan portfolio breakdown\* | 31 March 2020

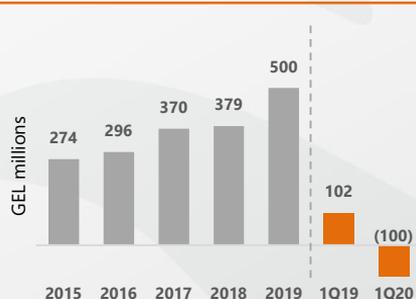
Corporate loans,  
GEL 4,543.7 million,  
35.7%



Retail loans,  
GEL 8,189.1 million,  
64.3%

\* Bank of Georgia Standalone.

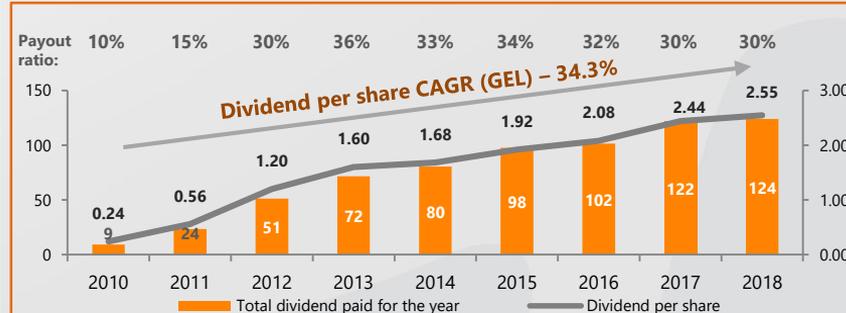
## Net profit



## 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

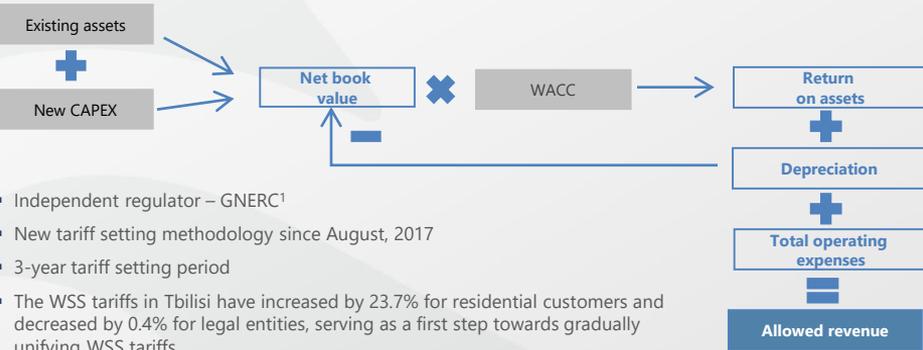
## Investment rationale

- 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
- Stable cash collection rates
- Diversified cash flow streams from water and electricity sales, the latter being linked to US dollars

## Value creation potential

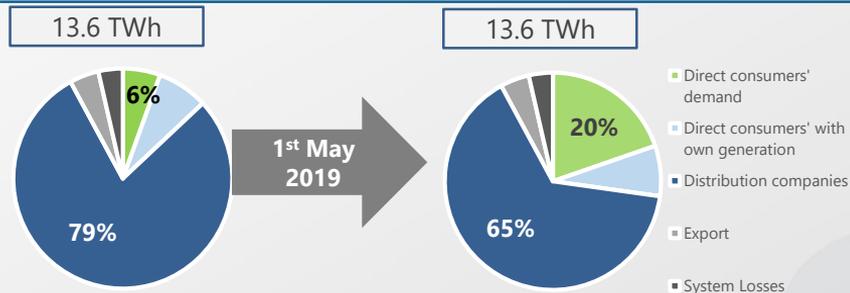
- EU harmonization reforms in progress in utilities sector, expected to drive water tariffs up
- High GDP growth combined with tourism growth drive high demand from corporates
- Energy market deregulation positively affecting electricity sales price
- Upside opportunity from efficiency gains – continued decrease in self-consumption of energy, freeing up electricity for market sales.
- Stable dividend distribution capacity

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



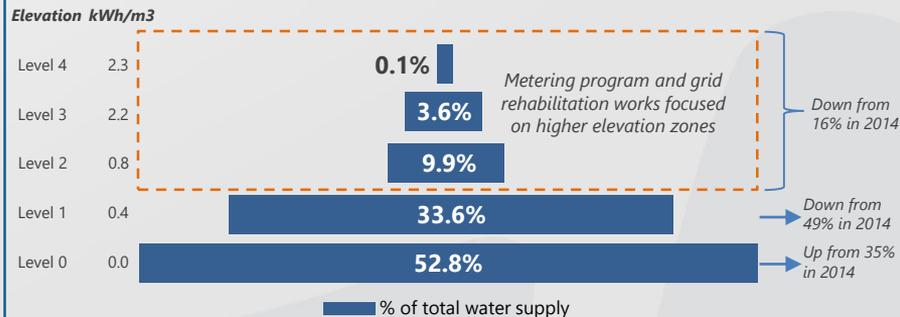
- Independent regulator – GNERC<sup>(1)</sup>
- New tariff setting methodology since August, 2017
- 3-year tariff setting period
- The WSS tariffs in Tbilisi have increased by 23.7% for residential customers and decreased by 0.4% for legal entities, serving as a first step towards gradually unifying WSS tariffs

## 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

## 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)

## Valuation highlights | 31 March 2020

GEL millions, unless otherwise noted	31-Mar-20	31-Dec-19	Change
LTM EBITDA	95 <sup>1</sup>	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 ROIC <sup>2</sup>	11.8%	12.5%	-0.7ppts

## Valuation peer group

Company	Country	Ticker	Stock Exchange
Aguas Andinas	Chile	AGUAS-A	Sant Comerç
EASTW <sup>3</sup>	Thailand	EASTW	Thailand
Tallinna Vesi	Estonia	TVEAT	Tallinn

## Financial metrics (GEL millions)

	2015	2016	2017	2018	2019	1Q19	1Q20	Change
<b>Total revenue</b>	119	127	135	149	163	33.2	31.2	-6.1%
Of which, utility revenue	105	109	119	132	133	28.9	29.0	0.4%
Of which, energy revenue	9	10	10	9	20	2.4	0.5	-80.7%
Of which, other revenue	5	8	6	8	10	2.0	1.7	-12.5%
<b>Cash flow from operations</b>	52	54	70	82	99	19.9	23.5	18.1%
FCF	17	(2)	(58)	(66)	17	5.6	5.8	3.6%

## Selected operating metrics

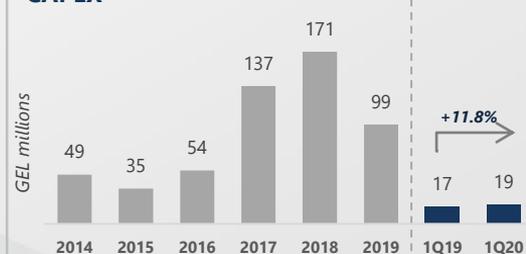
millions except # of connections	1Q19	1Q20	Change
<b>Water Utility</b>			
Water sales (m <sup>3</sup> )	42.0	41.2	-1.8%
Self-produced electricity consumption (kwh)	41.7	41.9	0.5%
New connections	1,140	867	-23.9%
<b>Energy</b>			
Electricity generation (kwh)	63.2	55.5	-12.1%
Energy sales (kwh)	21.5	13.7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

## Performance track record

### EBITDA



### CAPEX



### Self-produced electricity consumption



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

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

(3) Eastern Water Resources Dev. & Man.

# Housing development business overview

## Investment rationale

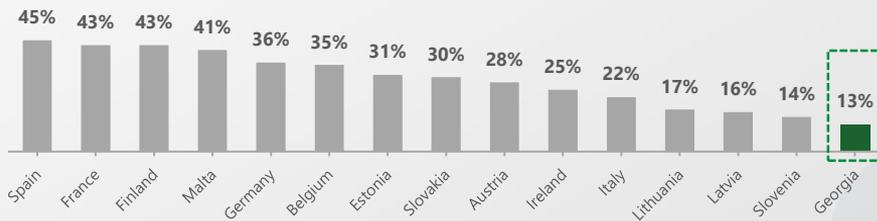
- Shortage of housing from Soviet era combined with Georgian tradition of multi generations living under one roof - average household size is significantly higher at 3.3 compared to Eastern or Western Europe
- Most of the housing stock dates back to Soviet era and is amortised
- In line with the economic 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. Undisputed market leading platform of at least 2,500<sup>1</sup> apartments to be delivered in five years.
- Earn Construction management fees from third-party projects and bring construction works in-house

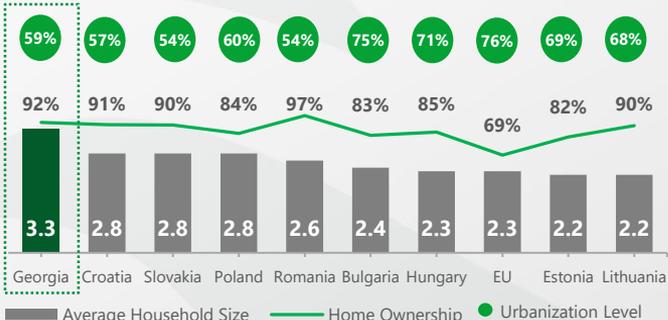
## Significant room for further growth in mortgages

### Mortgage loans to GDP %, 2018



## 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.

## Number of residential unit transactions in Tbilisi

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.

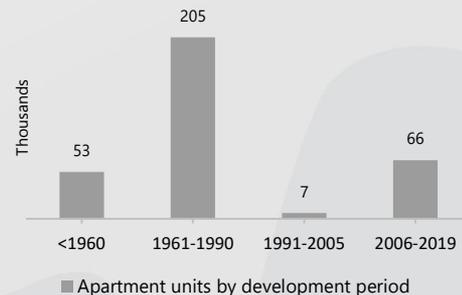
### Total share of new apartments sold



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

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



# Housing development business overview (cont'd)

## Valuation highlights | 31 March 2020

GEL millions, unless otherwise noted	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

- **Following COVID-19 outbreak, the business introduced one-off 20%-25% discounts for all-cash sales and during March sold 54 apartments with US\$ 2.5 million sales value, of which, 77% was collected in cash.**

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

	2015	2016	2017	2018	2019	1Q19	1Q20	Change
Apartments sales revenue	45	96	92	95	55	6.3	14.5	NMF
Construction revenue	-	-	-	36	60	9.8	14.1	44.9%
EBITDA	18	11	28	16	(3)	(1.6)	2.4	NMF
Cash flow from operations	(10)	(16)	19	(10)	(9)	(14.8)	10.7	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
Cash received (US\$ m) <sup>2</sup>	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

## Performance track record

**10** completed projects

(2,856 apartments developed with 100% sales progress and US\$ 251m sales value)

**358k sq.m**

Gross Buildable Area on completed projects

**US\$ 40.8m**

land value unlocked

**3,319** apartments sold

(86.8% as a % of total with sales value of **US\$ 282m**)

**2** on-going projects

(with 969 apartments under development)

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

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

(2) Includes cash inflow from sales during prior periods.

# P&C insurance business overview

## Investment rationale

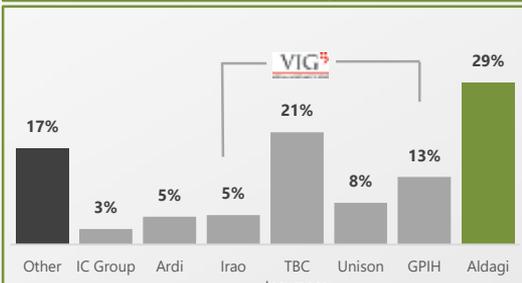
- Significantly underpenetrated P&C insurance market in Georgia (0.6% penetration)
- Market leader with a powerful distribution network of point of sale and sales agents

## 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 7% 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 (up by 76% in 1Q20 to GEL 0.3mln)
- Developing and introducing new digital channels to simplify purchase of insurance products
- Undisputed leader in providing insurance solutions to corporate clients

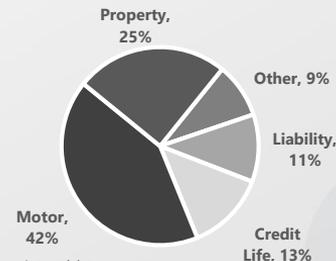
## Market share FY19

(earned premium, gross)



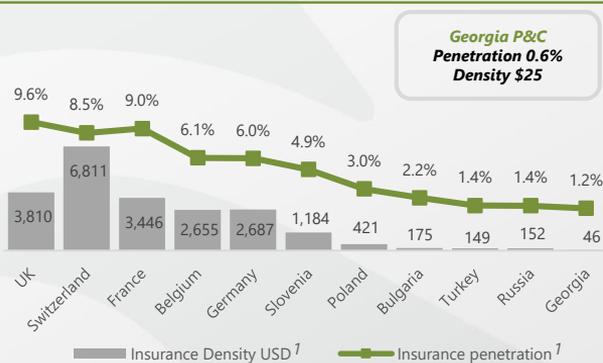
Source: Insurance State Supervision Service of Georgia

## Market composition by product lines



Source: Internal data

## Insurance penetration & density



Source: Swiss Re Institute

(1) Including healthcare insurance.

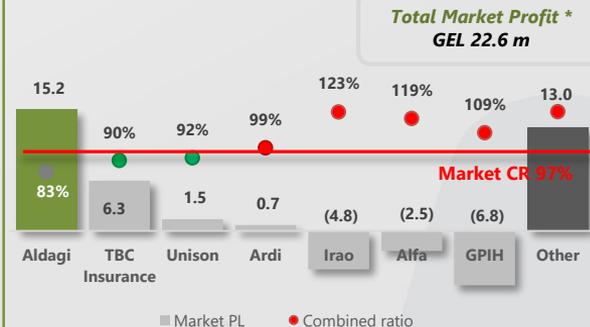
## Market & Aldagi Revenue (GEL millions)

**CAGR 2010-2019**  
Market – 14%  
Aldagi – 15%



Source: Insurance State Supervision Service of Georgia

## Market PL & Combined Ratio | FY19



\* Market data is based on net profits reported to regulatory body and does not represent IFRS amounts.



ALDAGI



GEORGIA CAPITAL

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

## Valuation highlights | 31 March 2020

<i>GEL millions, unless otherwise noted</i>	31-Mar-20	31-Dec-19	Change
LTM net income	18 <sup>3</sup>	18	NMF
Multiple applied	7.7	9.0	-14.4%
Equity FV	141	165	-14.4%
LTM ROAE	28.0%	30.4%	-2.4ppts

## 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 <sup>1</sup>	1Q19	1Q20	Change
Earned premiums, net	47	50	63	67	75	17.4	17.5	0.4%
Net income	12 <sup>1</sup>	14	16	18 <sup>2</sup>	18	4.3	3.3	-23.2%
Combined ratio	79%	73%	75%	75%	82%	77.1%	87.5%	10.3ppts
Loss ratio	43%	35%	40%	38%	42%	38.7%	48.7%	10.0ppts
Expense ratio	36%	38%	35%	37%	41%	38.4%	38.8%	0.4ppts
Cash flow from operations	12	14	13	21	19	8.5	9.0	6.5%

## Selected operating metrics

	1Q19	1Q20	change (y-o-y)	Renewal Ratio
<i>Corporate insurance policies written</i> <sup>2</sup>	32,978	30,571	-7.3%	86%
<i>Retail insurance policies written</i>	20,779	23,038	10.9%	61%

## Performance track record

### Earned premium, gross

(GEL millions)

#### 1Q20 Earned premium, gross composition:

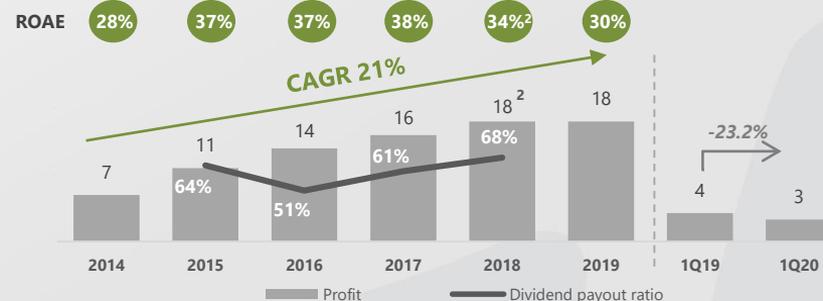
**Segment:** Corporate 56%, Retail 39%, Compulsory lines 4%, Government 1%

**Product:** Motor 37%, Property 27%, Credit life 14% Liability 11%, Other 11%



### Profit & Dividend payout ratio

(GEL millions)



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

(2) Excluding credit life insurance.

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

# Renewable energy business overview

## Investment rationale

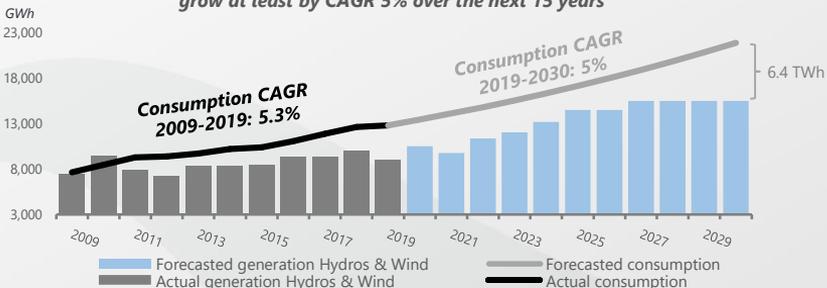
- Growing electricity market as supply lags behind the increasing demand, creating opportunities.
- Underutilized energy resources - availability of economically feasible hydro and wind projects.
- Cheap to develop – up to US\$1.5m for 1MW hydro and up to US\$1.4m for wind development on average with 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:
  - Tourism and 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.
- Stable dividend provider capacity in the medium term.

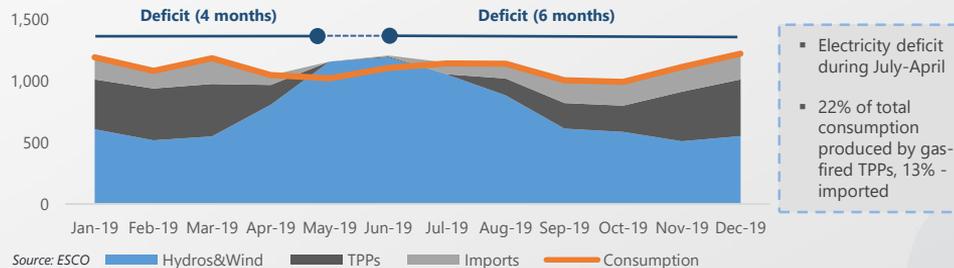
## Actual and forecasted consumption

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

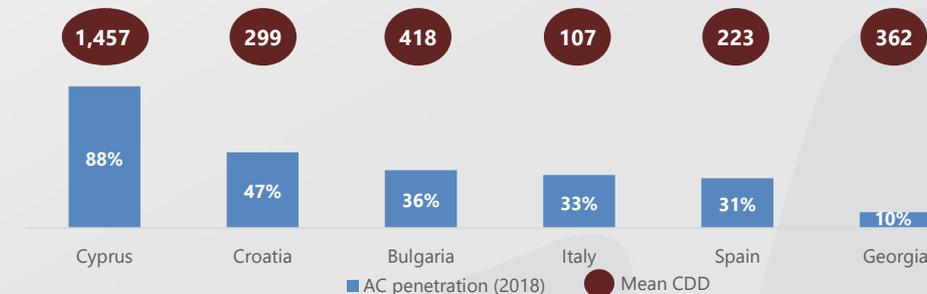
## Electricity supply and consumption, 2019



- Electricity deficit during July-April
- 22% of total consumption produced by gas-fired TPPs, 13% - imported

## 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)

## Valuation highlights | 31 March 2020

GEL millions, unless otherwise noted

	31-Mar-20	31-Dec-19	Change
At acquisition price (GCAP share)	151	107	41.4%
GCAP ownership*	100%	65%	35ppts

\* 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 March 2020

Greenfield projects	MW	Cost per MW	Gross generation (GWh) <sup>1</sup>	Gross capacity factor	PPA tenor years	PPA tariff (US¢/kWh)	Current stage
Mestiachala HPPs	50	1.2	174	39.8%	15	5.5	Operational <sup>2</sup>
Zoti HPPs	46	1.3	173	43.0%	15	5.1	Under Construction
Bakhvi 2 HPP	36	1.3	136	43.2%	15	5.5	Feasibility
Racha HPPs	38	1.5	169	50.8%	-	-	Feasibility
Wind Tbilisi	54	1.3	191	40.3%	10	6.5	Development
Wind Kaspi	54	1.3	195	41.2%	10	6.5	Development
Wind (other)	99	1.4	340	39.2%	10	6.5	Feasibility
Darchi HPP	19	1.4	89	53.3%	10	5.6	Feasibility
<b>Recent acquisitions</b>							
Hydrolea HPPs	21	1.8	105	58.5%	8-10	5.6	Operational
Qartli Wind Farm	21	1.4	85	47.1%	13	6.5	Operational
<b>Total</b>	<b>438</b>		<b>1,657</b>				

- **Projects under construction and under feasibility stages were put on hold in light of the COVID-19 outbreak until there is more certainty regarding the effects of COVID-19 on the business landscape and the Georgian economy.**

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

(2) 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. Following the rehabilitation, 30 MW generation unit was recommissioned in December 2019, while the restoration works continue on the 20MW HPP.

## Financial metrics (GEL millions)

	2017	2018	2019	1Q19	1Q20	Change
Revenue	NMF	NMF	16.2	NMF	6.6	NMF
EBITDA	(1.7)	(0.8)	13.1	(0.2)	4.5	NMF
Cash flow from operations	(1.5)	(0.7)	2.8	(0.1)	6.9	NMF
Development Capex	76.6	68.3	32.9	11.3	11.1	-1.8%

## Key points

- Strong performance of high-quality renewable assets, acquired in 4Q19.
- GEL 5m insurance proceeds for business interruption ("BI") reimbursement for 2019 revenues from 50MW Mestiachala HPPs.
- The remaining GEL 5m BI reimbursement for 2019 revenues is expected to be received in 2Q20.
- The 30MW Mestiachala HPP resumed operations in 2019, while the restoration works continue on the 20MW Mestiachala HPP.

## 1Q20 performance

GEL thousands, unless otherwise noted	Mestiachala HPPs <sup>2</sup>	Hydrolea	Qartli Wind Farm
<b>Revenue</b>	<b>482</b>	<b>1,576</b>	<b>4,582</b>
<i>Of which, BI reimbursement</i>	326	-	-
<b>EBITDA</b>	<b>(150)</b>	<b>1,086</b>	<b>3,917</b>
<b>Generation (Gwh)</b>	<b>0.9</b>	<b>9.2</b>	<b>23.4</b>

# Hospitality and commercial real estate business overview

## Investment rationale

- Increased number of tourists visiting Georgia every year: 5.1 million visitors in 2019, up 6.8% y-o-y, 9.9% CAGR over the last six years.
- Tourism inflows up 1.4% y-o-y from US\$ 3.2 billion to US\$ 3.3 billion in 2019; 11.5% CAGR over the last six 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 tapping unpenetrated markets in Georgian regions

## Arrivals of tourists and tourism revenue | Georgia

Source: Georgian National Tourism Administration  
National Bank of Georgia

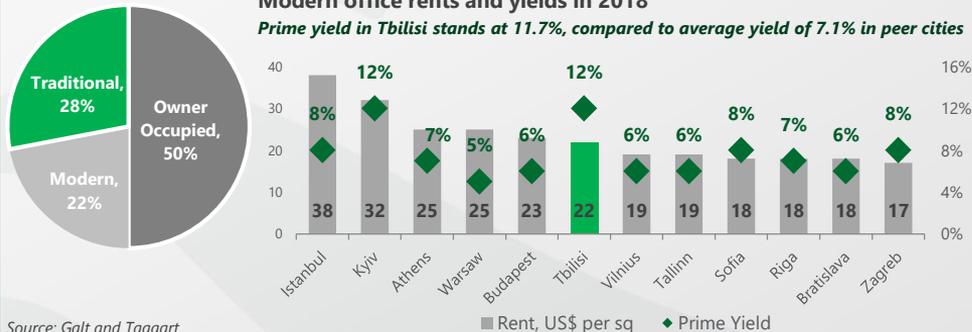


## Leasable modern office stock remains scarce

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

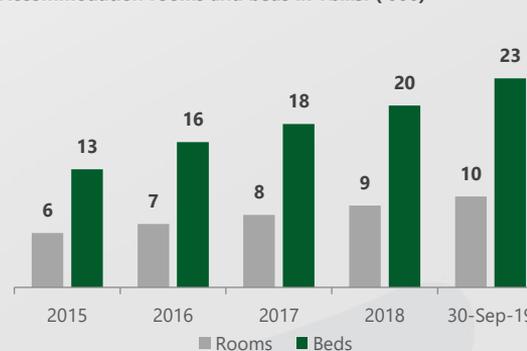


Source: Galt and Taggart

(1) Central and Eastern Europe.

## Hotel market overview | Tbilisi

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



Source: Galt and Taggart

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



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

## Valuation highlights | 31 March 2020

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

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

## Selected operating metrics

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

## Ramada Encore YTD February performance

RevPAR, US\$	ADR, US\$	Occupancy%
<b>15</b>	<b>55</b>	<b>27.5%</b>

## GUDAURI LODGE MTD February performance

RevPAR, US\$	ADR, US\$	Occupancy%
<b>55</b>	<b>113</b>	<b>49.1%</b>

- "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 and both hotels are rented to the government for quarantine, covering the costs of current operations.

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

	2016	2017	2018	2019	1Q19	1Q20	Change
NOI <sup>3</sup> from operating leases	3	3	5	6	1.5	2.4	<b>61.9%</b>
NOI <sup>3</sup> from hospitality services	-	-	2	2	0.0	(0.3)	<b>NMF</b>
Revaluation gain	-	1	28	22	-	-	<b>NMF</b>
Total net operating income	2	3	31	25	1.0	0.2	<b>-82.2%</b>
Cash flow from operations	3	3	6	3	1.1	0.0	<b>-97.8%</b>
Commercial real estate portfolio	42	42	68	129	87.1	151.0	<b>73.4%</b>

## Hospitality projects overview | 31 March 2020

Hotel	Location	Rooms	Current Stage
Ramada Encore Kazbegi, Tbilisi	Capital city	152	Operational
GUDAURI LODGE	Region	121	Operational
Ramada Melikishvili, Tbilisi	Capital city	125	Construction
Kempinski, Tbilisi	Capital city	99	Construction
Seti Square in Mestia, Svaneti	Region	52	Construction
Ramada Kutaisi	Region	124	Construction
Kakheti Wine & Spa	Region	60	Construction
Shovi, Racha	Region	109	Design
Mestia, Svaneti	Region	140	Design
Telavi	Region	110	Design
Zugdidi	Region	130	Design
<b>Total</b>		<b>1,222</b>	

- **Hotels under construction and under design stages have been put on hold in light of COVID-19 outbreak until there is more certainty regarding the effects of COVID-19 on the business landscape and the Georgian economy.**

(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

## Investment rationale

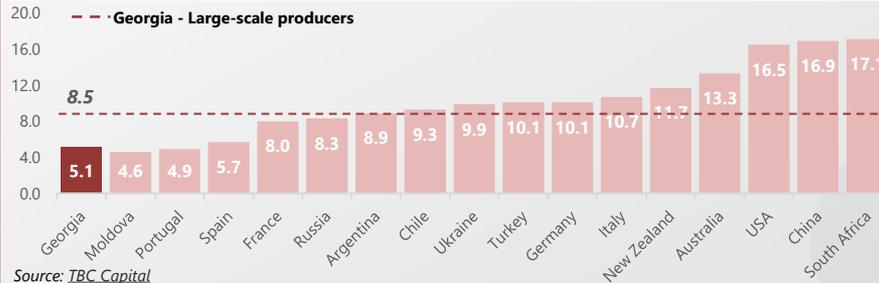
- Georgia is considered the “cradle of wine” with a rich, 8,000-year history of wine-making and home to over 500 unique grape varieties
- Georgia’s favorable trade regimes (free trade agreements with EU and China) provide potential for export growth for beverages
- Growing urbanization and tourism inflows are raising demand for bottled wine locally
- 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

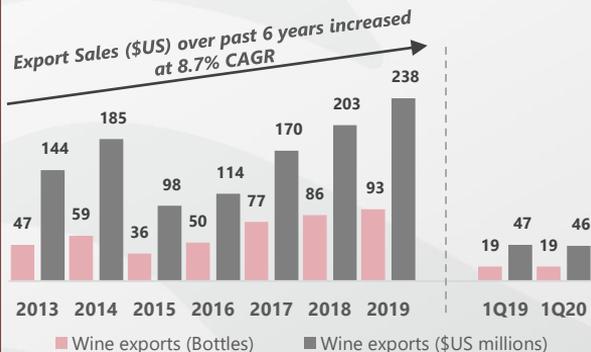
- Best-in-class distribution network platform
- Grow vineyard base to 1,000 hectares, from current 704 hectares

## Vineyard productivity – 2019 (TON/HA)

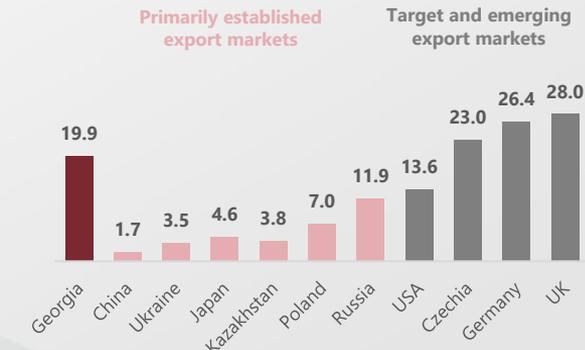
➤ At 5.1 tons per hectare, grapes yield is three times lower compared to other top exporters. However, the yield equals 8.5 tons/ha on average for the large-scale producers



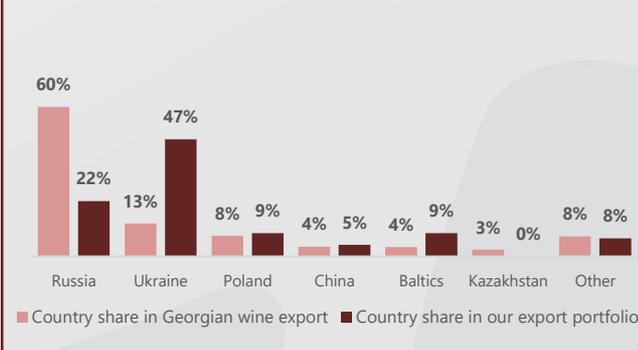
## Georgian wine exports (Bottles, US\$ millions)



## Wine consumption per capita, liters (2019)



## Georgian wine bottle sales by export countries | 1Q20



# Wine business overview (cont'd)

## Valuation highlights | 31 March 2020

<i>GEL millions, unless otherwise noted</i>	31-Mar-20	31-Dec-19	Change
<b>GCAP ownership</b>	<b>87%</b>	<b>87%</b>	<b>NMF</b>
<b>LTM EBITDA</b>	<b>10.8<sup>1</sup></b>	<b>9.5</b>	<b>12.9%</b>
<b>Multiple applied</b>	<b>8.3</b>	<b>10.0</b>	<b>-17.0%</b>
<b>Enterprise value</b>	<b>81</b>	<b>95</b>	<b>-6.3%</b>
<b>Net debt</b>	<b>(35)</b>	<b>(31)</b>	<b>13.3%</b>
<b>Alaverdi at acquisition price</b>	<b>16</b>	<b>16</b>	<b>NMF</b>
<b>Equity fair value</b>	<b>56</b>	<b>72</b>	<b>-11.7%</b>
<b>LTM ROIC<sup>2</sup></b>	<b>2.8%</b>	<b>6.2%</b>	<b>-2.4ppts</b>

## Valuation peer group

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

(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.

## Financial metrics (GEL millions)

	2015	2016	2017	2018	2019	1Q19	1Q20	Change
Wine Revenue	18	18	20	29	42	7.9	6.9	-12.5%
Gross profit margin	52%	53%	49%	45%	48%	46.1%	37.8%	-8.2ppts
Wine EBITDA	2	3	5	7	9	1.2	0.3	-71.3%
Cash flow from operations	2.6	1.8	1.5	0.1	2.8	1.5	2.6	70.0%

## Selected operating metrics (in '000)

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

# 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 2015) 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\$ 27.5m (43.2m litres) in 2019.
- 33%+ CAGR in 2016-2019 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>

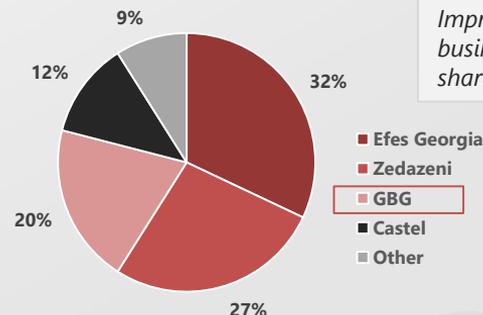
### Per capita beer consumption implies room for growth

Georgia falls behind beer consumption per capita against EU



Source: TBC Capital

## Domestic market share<sup>1</sup> | 31-Mar-20



Improved product mix allowed the business to increase beer market share from 12% to 20% in 1Q20

(1) Management estimate at the end of 1Q20.

(2) Georgia 2019, other countries 2016.

# Beer business overview (cont'd)

## Valuation highlights | 31 March 2020

GEL millions, unless otherwise noted	31-Mar-20	31-Dec-19	Change
<b>GCAP ownership</b>	<b>87%</b>	<b>87%</b>	<b>NMF</b>
<b>LTM Revenue<sup>1</sup></b>	<b>47</b>	<b>47</b>	<b>NMF</b>
<b>Multiple applied</b>	<b>2.2</b>	<b>2.2</b>	<b>NMF</b>
<b>Enterprise Value</b>	<b>104</b>	<b>104</b>	<b>NMF</b>
<b>Net debt</b>	<b>(91)</b>	<b>(86)</b>	<b>5.3%</b>
<b>Equity fair value</b>	<b>11</b>	<b>15</b>	<b>-25.9%</b>
<b>LTM ROIC<sup>2</sup></b>	<b>-14.7%</b>	<b>-15.5%</b>	<b>+0.8ppts</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) 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.

## Financial metrics (GEL millions)

	2017	2018	2019	1Q19	1Q20	Change
Beer Revenue	18	29	44	5.8	7.3	26.7%
Beer EBITDA	(6)	(14)	(6)	(3.1)	(1.7)	44.7%
Cash flow from operations	(11.4)	(13.8)	(14)	(6.2)	(1.5)	75.2%

## Selected operating metrics (in '000)

	1Q19	1Q20	Change
Beer sales liters	2,015	3,747	85.9%
Lemonade sales liters	335	688	NMF
Average price per liter US\$	1.08	0.82	-23.6%

## 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



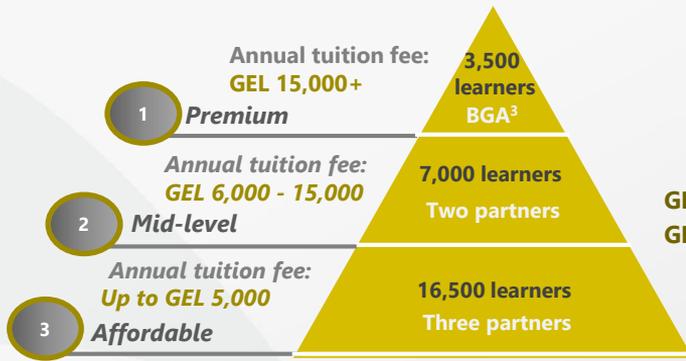
**Jul-19:** Heineken launch, exclusive Heineken producer in Georgia

# Education business overview

Fragmented education market offers attractive opportunity for a scaled player

## 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 27,000 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**

➢ Expansion plans were put on hold in light of the COVID-19 outbreak until there is more certainty regarding the effects of COVID-19 on the business landscape and the Georgian economy.



**Three high quality school partnerships across premium, mid-level and affordable education segments, providing a clear pathway to approximately 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	Valued at	Current capacity of learners	Targeted capacity of learners	Targeted cost per learner (GEL)
BGA <sup>3</sup>	Premium	23 July 2019	GEL 60 million	50%	70%	6.4x EV/EBITDA 2020	800	3,200	35,000 - 40,000
Buckwood	Mid-level	29 July 2019	GEL 24 million	50%	80%	6.4x EV/EBITDA 2020	760	2,980	14,000 - 19,000
Green School	Affordable	22 August 2019	GEL 21 million	50%	80% - 90% <sup>1</sup>	5.6x EV/EBITDA	1,250	5,000	6,500 - 8,500
<b>Total</b>			<b>GEL 105 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.  
 (3) Including BIST.

# Education business overview cont'd

## Industry investment rationale

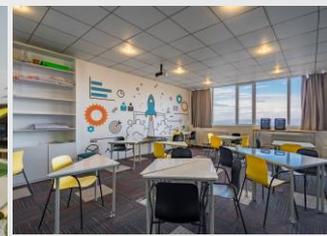
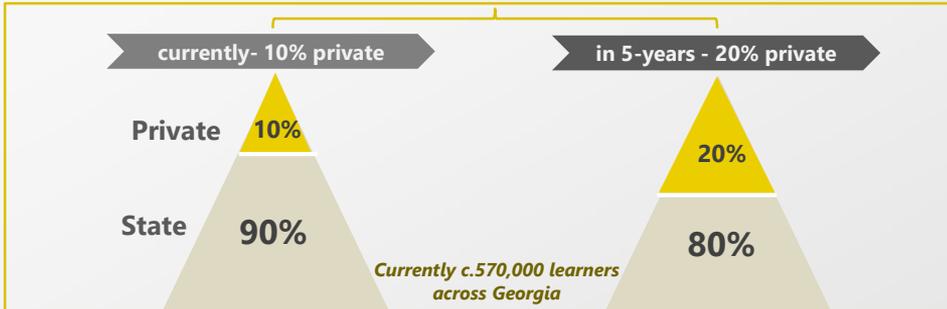
- Highly fragmented private school market
- Large and growing market
- Efficiency upside
- High trading multiples
- Low base – 3.8% of GDP, compared to EU average of 4.6% \*

\* 2017 data: World bank, Eurostat

## Financial metrics (GEL millions)

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

## Medium term demand outlook for private high schools



## Operating metrics

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

# 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%

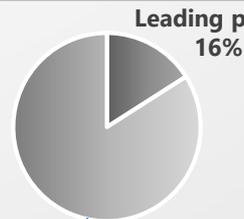
### Auto park by age in 2019:

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



Leading player  
16%

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

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

**Car services and parts**  
**Car insurance**  
**Secondary car trading**  
**PTI**

c. **GEL 1 billion** market  
c. **GEL 0.1 billion** market  
c. **GEL 1.7 billion** market  
c. **GEL 50 million** market

We have allocated GEL 14 million capital to auto service business as of 31 March 2020<sup>2</sup>

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

### Periodic technical inspection business highlights

Total investment	<b>GEL 48mln</b>
GCAP allocated capital	<b>GEL 5mln</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 3.4mln<sup>1</sup></b>
Enterprise Value	<b>0.7x EV/Sales 2018</b>
Additional equity capital injection	<b>GEL 1.6mln</b>

**Increased ownership by 10% to 90% in Amboli in 1Q20**

(1) Holdback of GEL 0.6 million.

(2) GEL 10 million was allocated in 2019.

# Auto Service 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

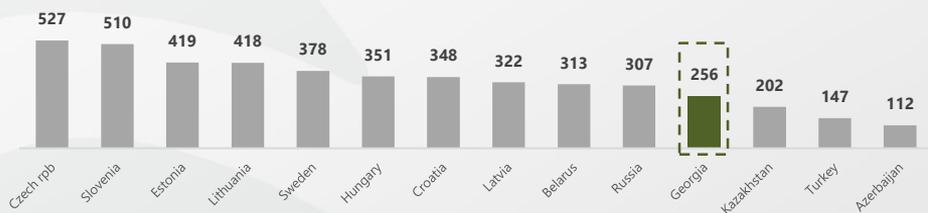
- Room for growth in the highly fragmented auto service market in Georgia with approximately GEL 2.8 billion annual revenues
- In July 2018, the business (Greenway Georgia or "GWG") won state tender to launch and operate 51 periodic technical inspection lines across Georgia with a 10-year license.
- Currently, inspection covers the basic technical control of vehicles. The government plans to gradually tighten procedures 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, present in 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 cars serviced.

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

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

## Valuation highlights | 31 March 2020

GEL millions, unless otherwise noted	31-Mar-20	31-Dec-19	Change
PTI EBITDA <sup>2</sup>	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 price	9	5	83.4%
Auto service business   Equity fair value	15	26	-41.6%

## Selected metrics

	Financial metrics   Auto Service		
	1Q19	1Q20	Change
Revenue	1.8	8.2	NMF
Gross profit	0.7	2.0	NMF
EBITDA	(0.4)	0.05	NMF
Operating cashflow	(0.2)	(1.9)	NMF

## Operating metrics | PTI

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

➤ All inspection centers were constructed within 6 months. The operations launched in Mar-19.

➤ Average time per checks decreased significantly from 25 minutes upon launch to 12 minutes at 31-Mar-20.

# 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\$ 0.1m per start-up)

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

1. Response to COVID-19 outbreak
2. Georgia Capital at a glance
3. Georgia Capital strategy & capital allocations
4. 1Q20 results discussion | Georgia Capital
5. Portfolio overview
- 6. Georgian macro overview**
7. Appendices

# Sovereign ratings with favourable macro fundamentals

## Key Ratings Highlights

Rating Agency	Rating	Outlook	Affirmed
 MOODY'S	Ba2	Stable	September 2019
 S&P Global	BB	Stable	October 2019
 FitchRatings	BB	Negative	April 2020

## Georgia is favorably placed among peers

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

## General Facts



## Economy

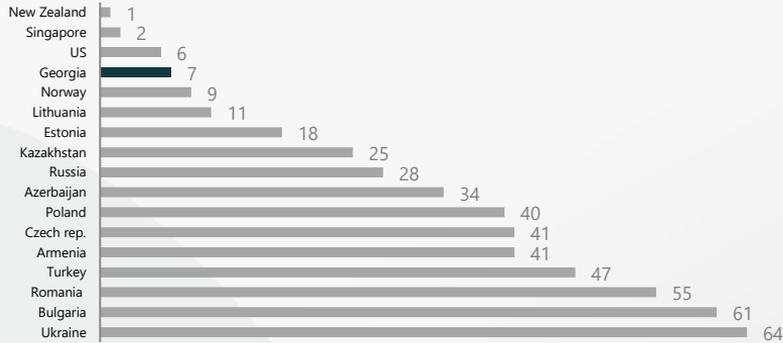
- Nominal GDP (Geostat) 2019: GEL 50 billion (US\$17.7 billion)
- Real GDP growth rate 2019: 5.1%
- Real GDP 2010-2019 annual average growth rate: 4.8%
- GDP per capita 2019 (PPP, international dollar) IMF: 12,227
- Annual inflation 2019: 4.9%
- External public debt to GDP 2019: 32.4%

# Georgia's key economic drivers

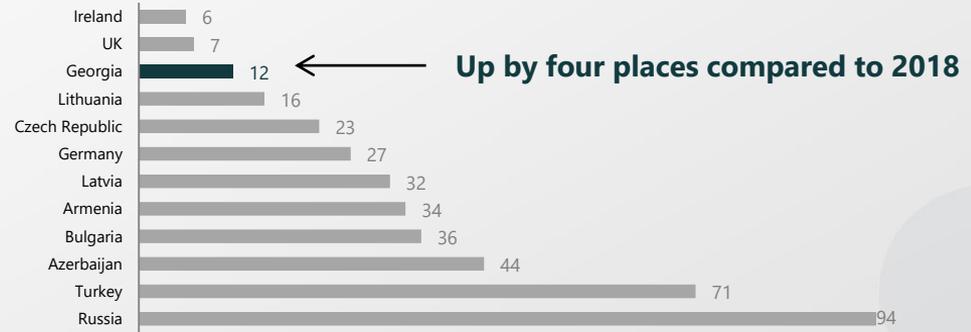
<b>Liberal economic policy</b>	<p><b>Top performer globally in WB Doing Business over the past 12 years</b></p> <ul style="list-style-type: none"> <li>Liberty Act (effective January 2014) ensures a credible fiscal and monetary framework;</li> <li>Fiscal deficit/GDP capped at 3%; Public debt/GDP capped 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 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 (7.2% of GDP) in 2019.</li> <li>FDI averaged 8.5% of GDP in 2010-2019.</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

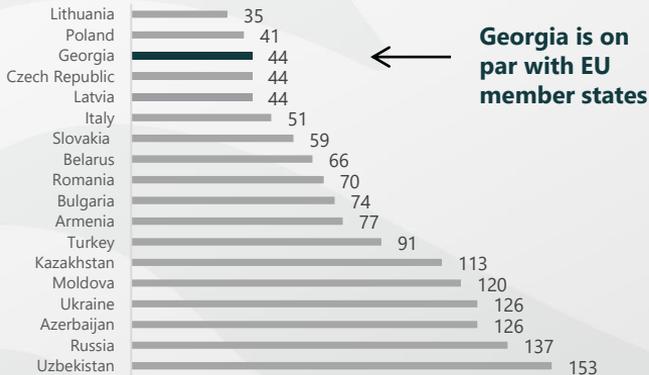
## Ease of Doing Business | 2020 (WB Doing Business Report)



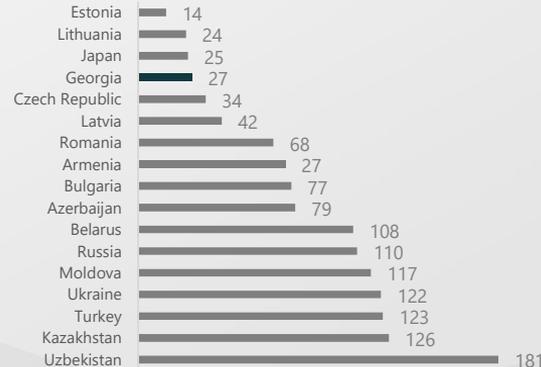
## Economic Freedom Index | 2020 (Heritage Foundation)



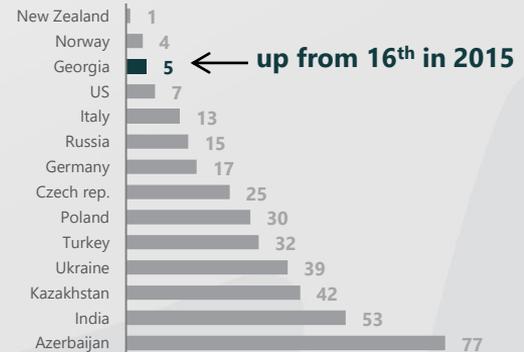
## Corruption Perception Index | TI 2019



## Business Bribery Risk, 2019 | Trace International



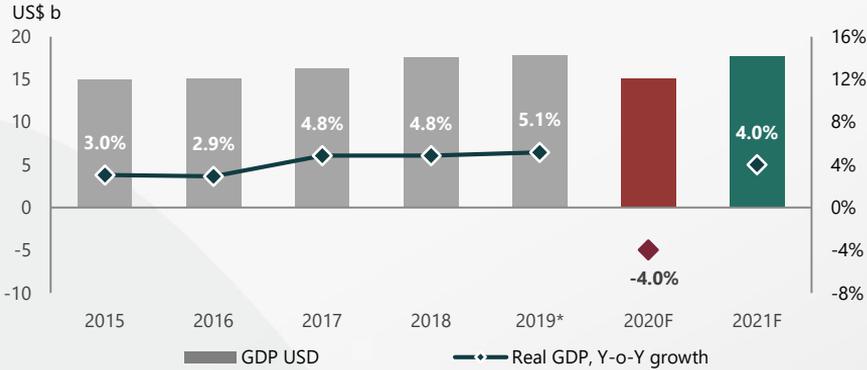
## Open Budget Index, 2017 | International Budget Partnership



# COVID-19 impact – IMF forecasts

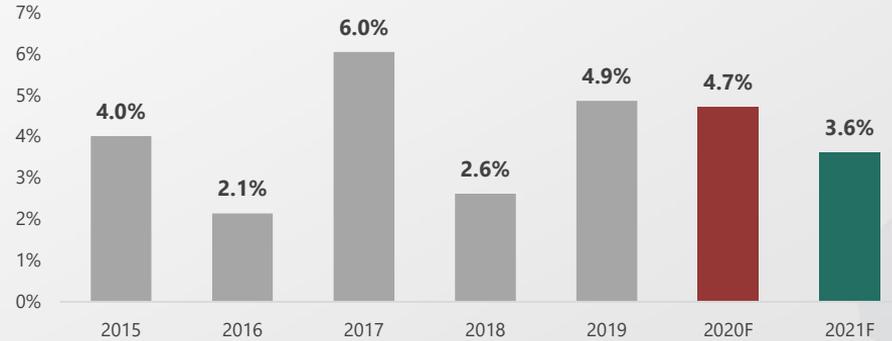
## Gross Domestic Product

Source: IMF



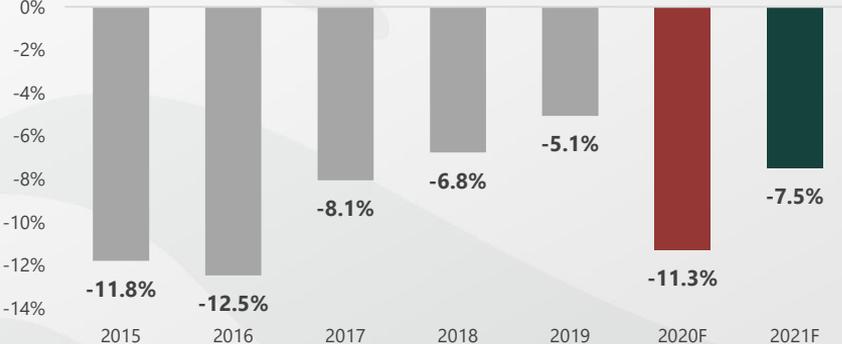
## Consumer Price Inflation

Source: IMF



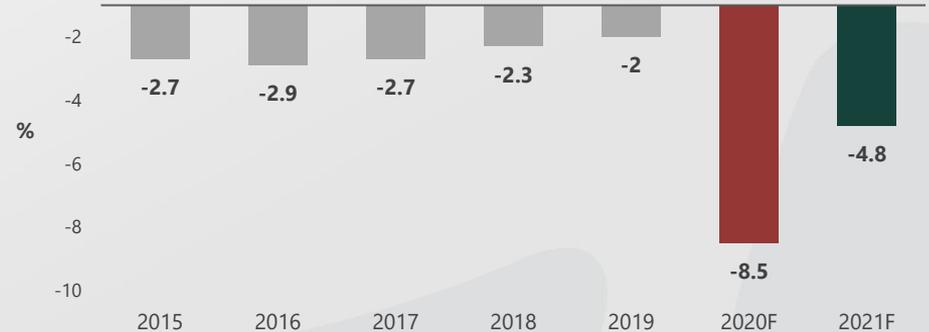
## Current Account Balance

Source: IMF



## Fiscal Deficit (GFSM 1986, IMF Modified)

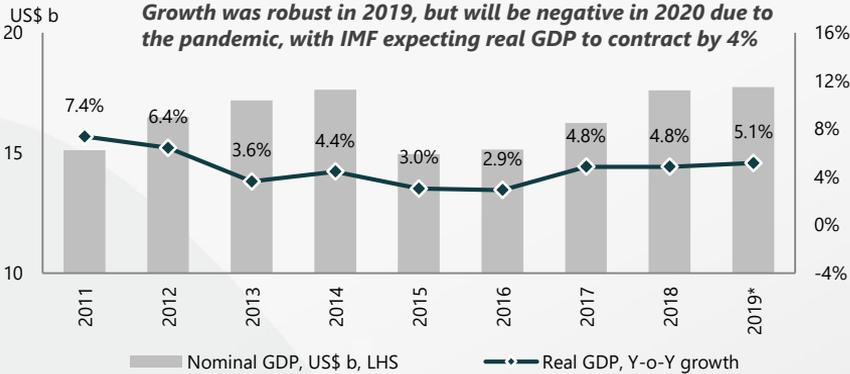
Source: IMF



# Diversified resilient economy

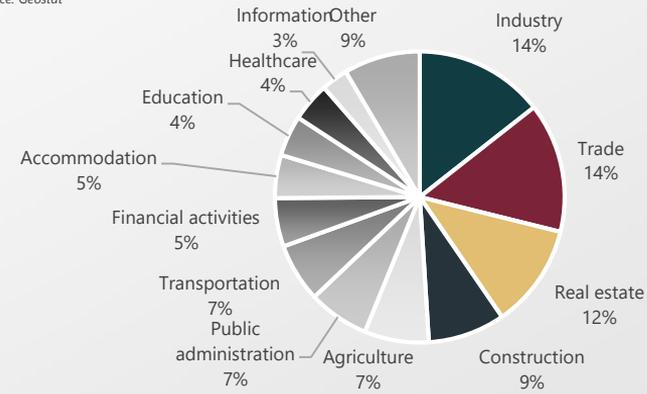
## Gross domestic product

Source: Geostat



## Diversified nominal GDP structure, 2019

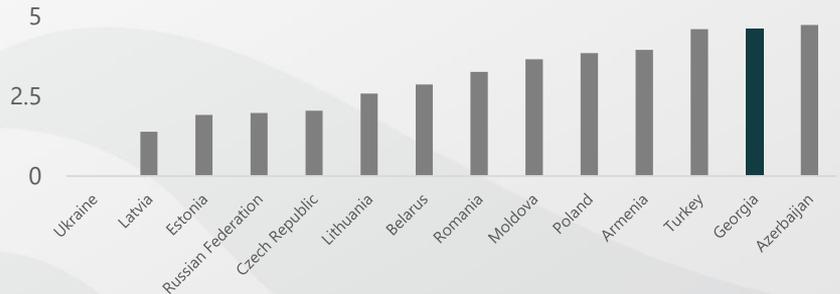
Source: Geostat



## One of the Fastest Developing Economies in the Region

Source: IMF

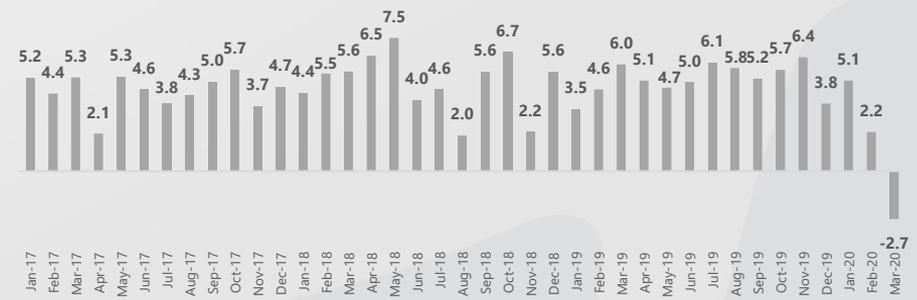
### Comparative real GDP growth rates, % (2007-2019 average)



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

Source: Geostat

### Economic activity increased by 1.5% in 1Q20

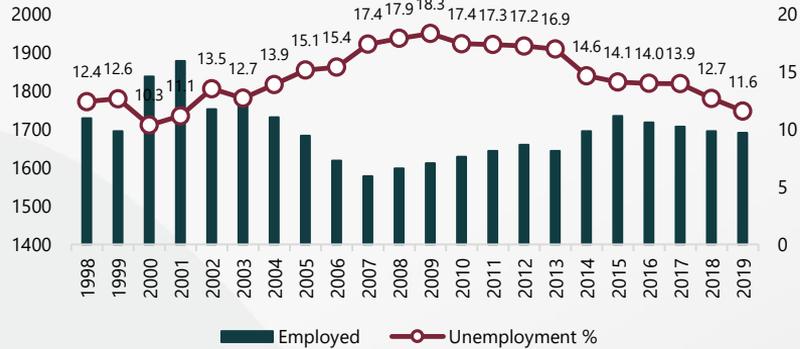


<sup>1</sup> preliminary data

# Room for further job creation

Unemployment rate down 1.1 ppts y-o-y to 11.6% in 2019

Sources: GeoStat



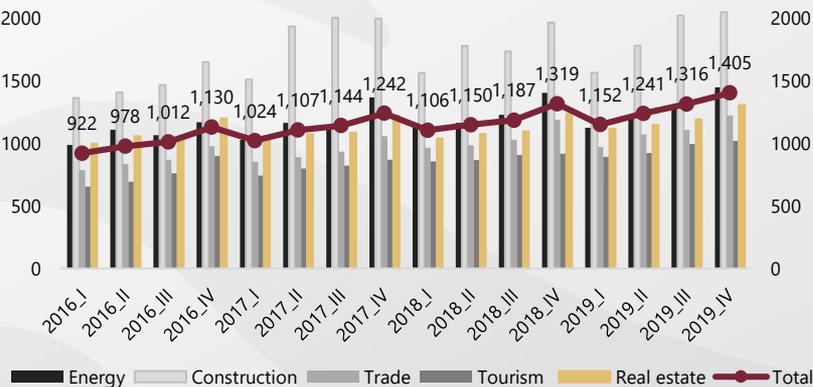
## UNDP Human Development Index

Sources: UNDP



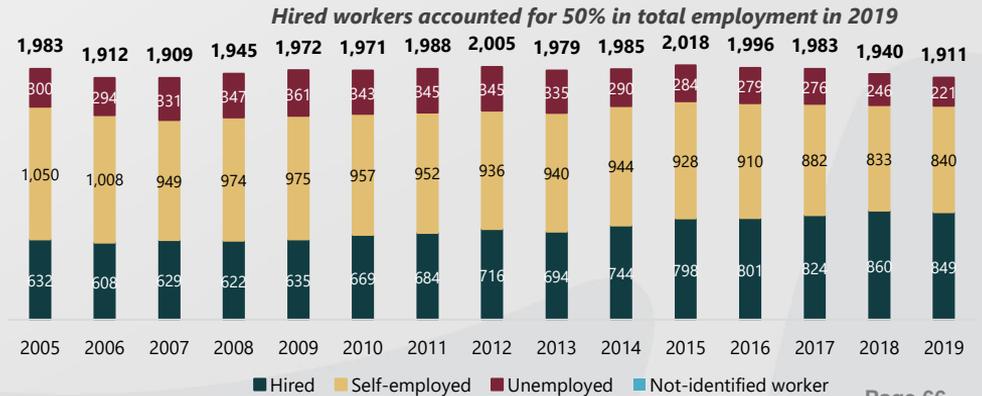
## Average monthly nominal earnings in business sector

Sources: GeoStat



## Labor force decomposition

Sources: GeoStat



# Inflation targeting since 2009

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

Sources: NBG, GeoStat

**As demand and supply shocks stemming from the pandemic move inflation in different directions, we expect the demand side to prevail with time and inflation to decelerate towards the target by the end of 2020, with IMF forecasting annual inflation to average 4.7%**



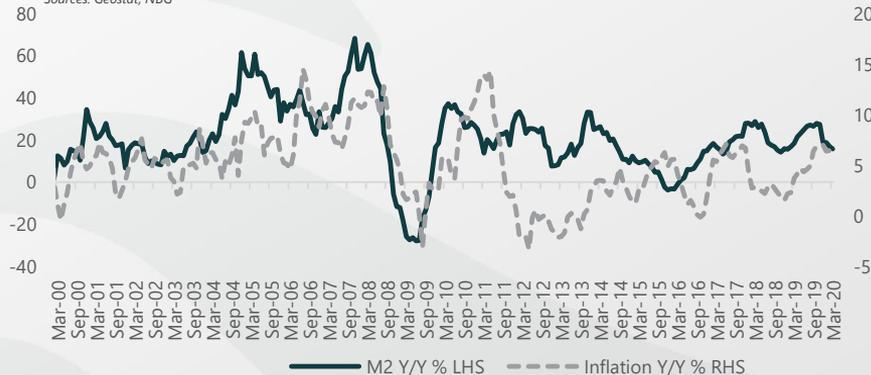
## Inflation y-o-y

Source: GeoStat



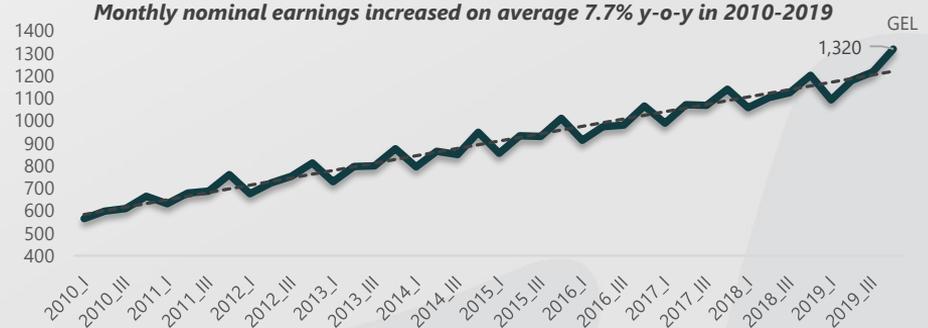
## M2 vs. inflation, y-o-y, %

Sources: Geostat, NBG



## Average monthly nominal earnings

Source: Geostat



# Current account deficit down to historic lows

## Current account balance (% of nominal GDP)

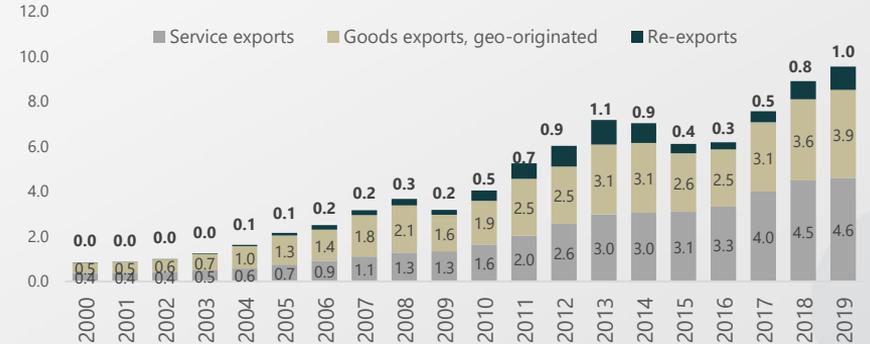
Sources: NBG

**Double digit shrinking in the trade deficit helped current account balance (CAB) to improve to a historic low of 5.1% in 2019, providing a strong position to withstand the pandemic, with IMF expecting CAB to widen to around 11% of GDP in 2020**



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

Source: NBG



## FDI and capital goods import

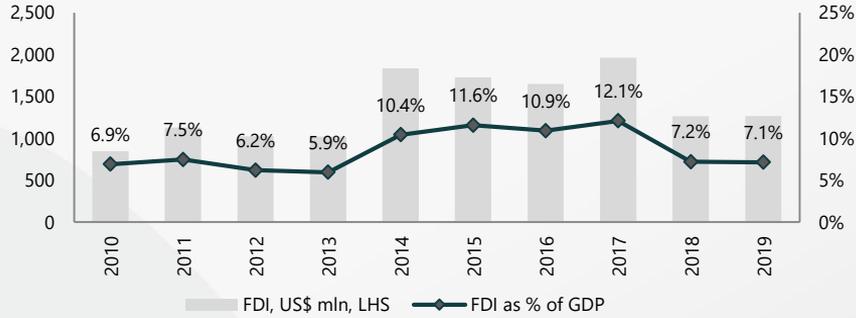
Source: GeoStat



# Diversified sources of capital

## Strong foreign investor interest

Sources: GeoStat



## Visitors and tourism revenues

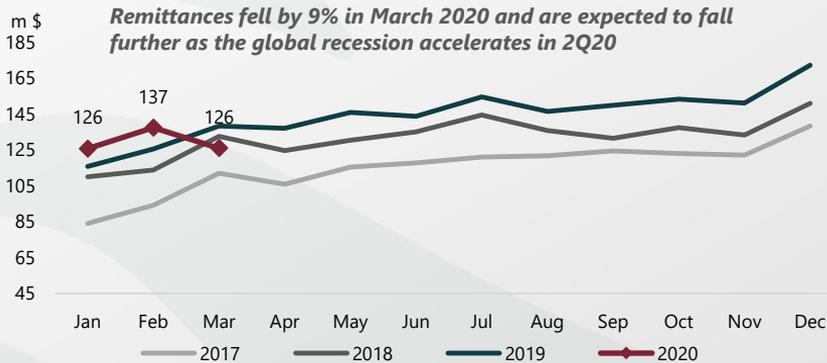
Sources: GNTA, NBG

### Tourism revenues fell by 70% in March, while 1Q20 was down by 26%



## Remittances

Source: NBG



## Merchandise exports

Source: Geostat

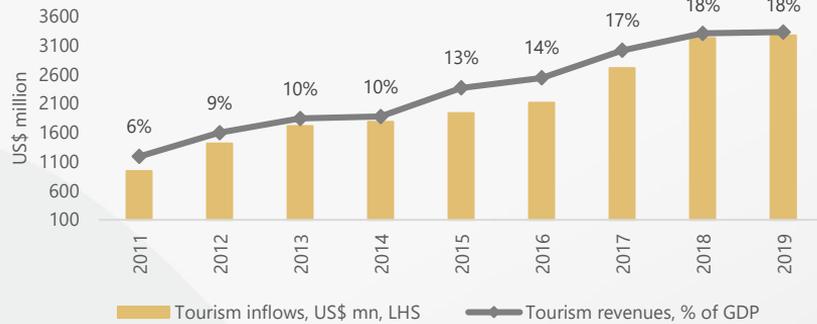
### Goods exports fell by 21.5% in March 2020, by 5.6% in 1Q20



# Tourism sector

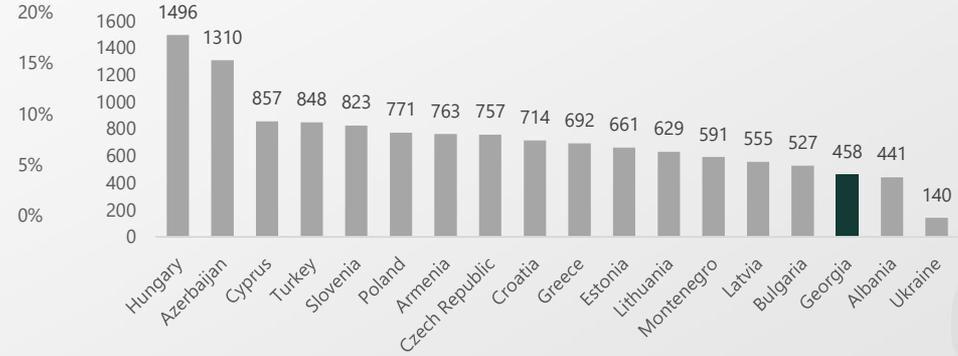
## Tourism revenues to GDP

Sources: NBG, Geostat



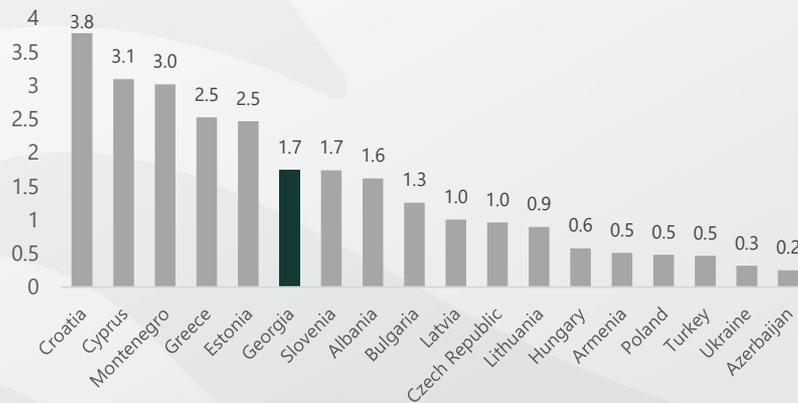
## Spending per arrival, 2017

Source: WDI



## Arrivals to country's population, 2017

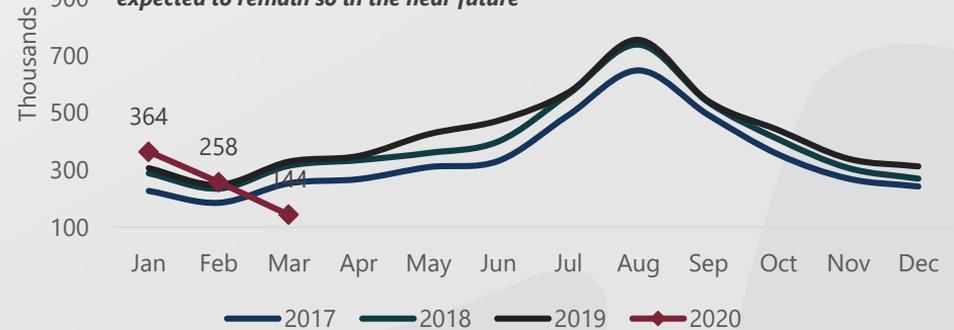
Source: WDI



## Number of Tourists (overnight visitors)

Source: GNTA

**In March 2020, the number of tourists fell 2.2 times y-o-y, with borders closed and expected to remain so in the near future**

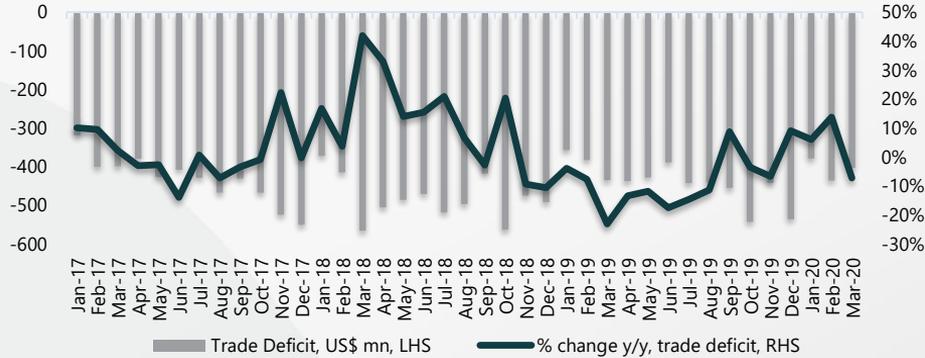


# Diversified foreign trade

## Goods' Trade Deficit

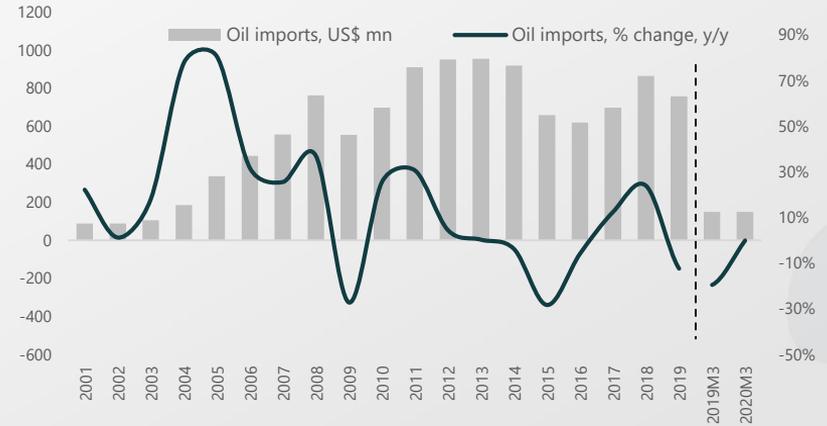
Source: GeoStat

In March 2020, the trade deficit fell by 7.3%, as exports were cut by 21.5% and imports contracted by 13.5% on the back of the pandemic



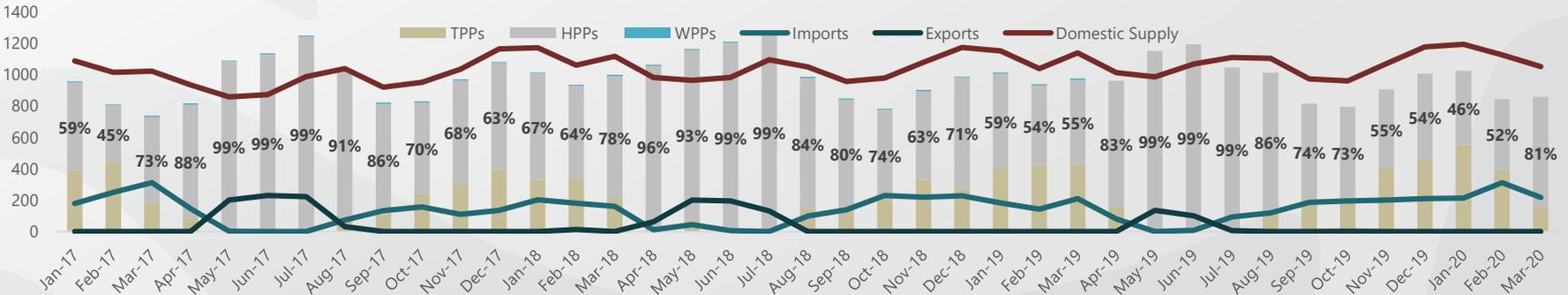
## Oil imports

Source: GeoStat



## Electricity generation and trade, GWH

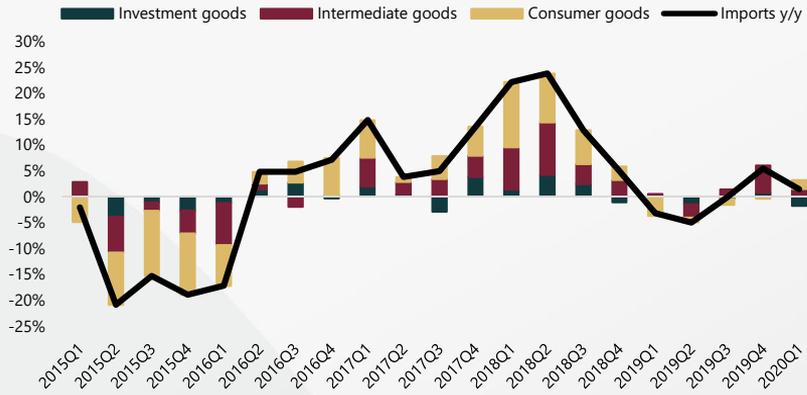
Source: ESCO



# Diversified foreign trade

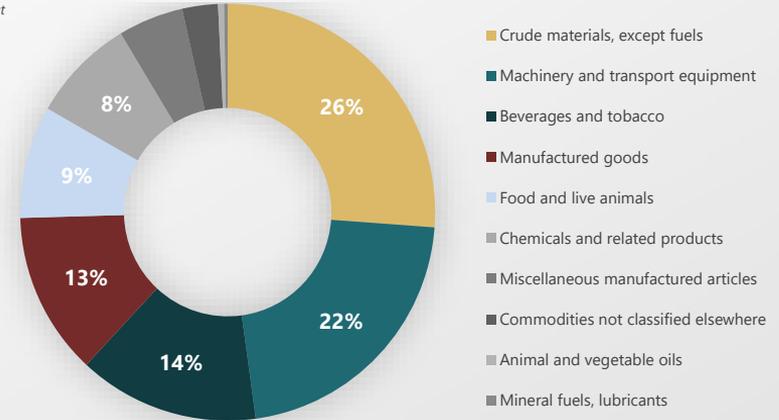
## Imports of Goods, contribution to growth

Source: NBG



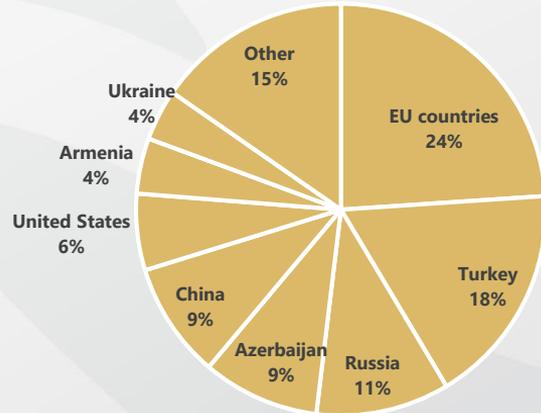
## Foreign Demand, 1Q20

Source: Geostat



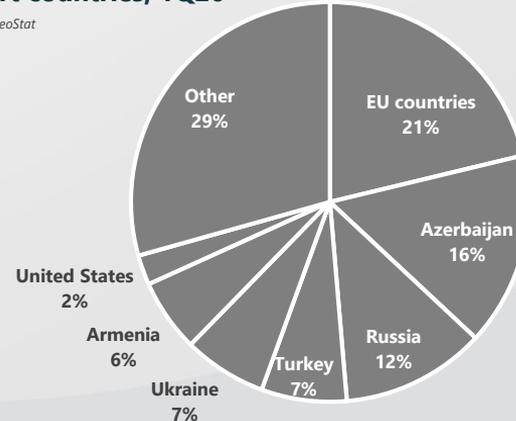
## Import countries, 1Q20

Sources: GeoStat



## Export countries, 1Q20

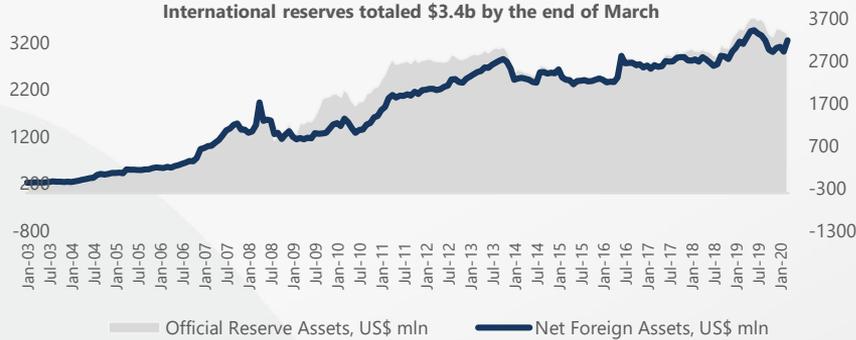
Sources: GeoStat



# Prudent monetary policy ensures macro-financial stability

## International reserves

Sources: NBG



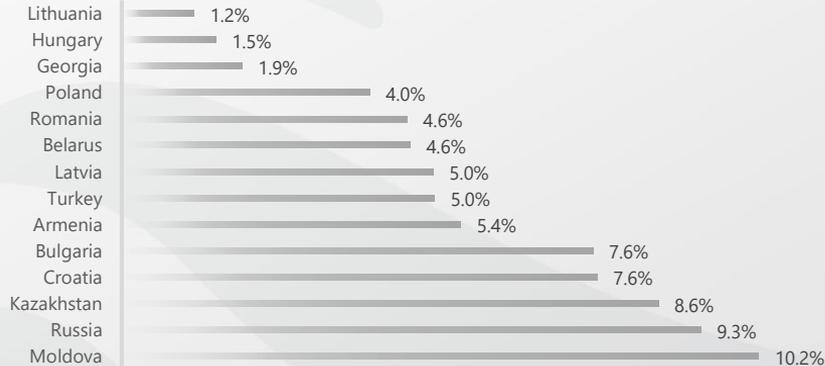
## Monetary policy rate

Sources: NBG



## Nonperforming loans to total gross loans, latest 2020

Sources: IMF



## Monetary policy rate vs. peers

Sources: Central banks

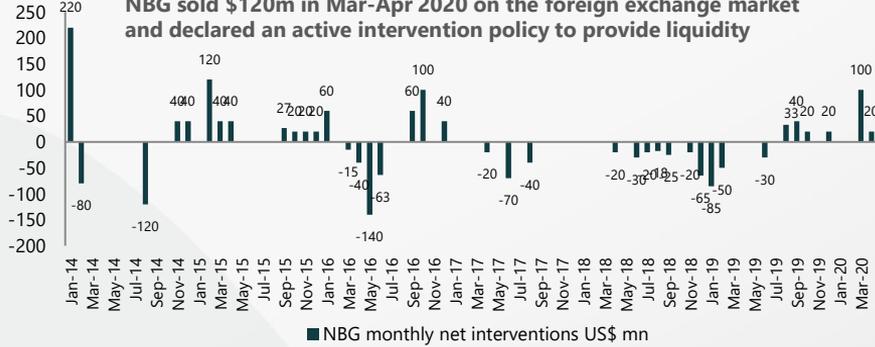


# Floating exchange rate - policy priority

## Central Bank's interventions

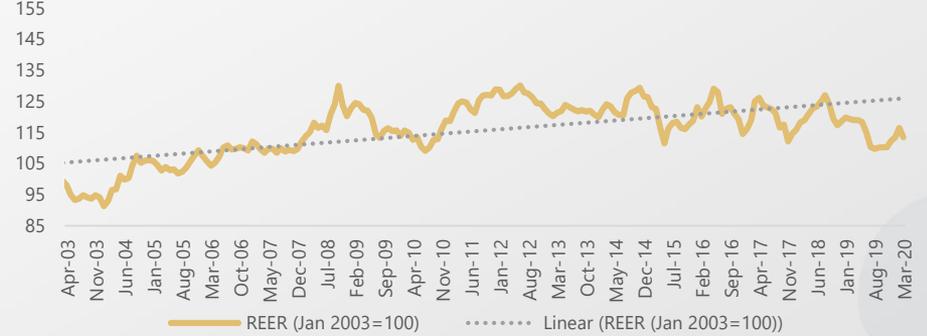
Sources: NBG

**NBG sold \$120m in Mar-Apr 2020 on the foreign exchange market and declared an active intervention policy to provide liquidity**



## Real effective exchange rate (REER)

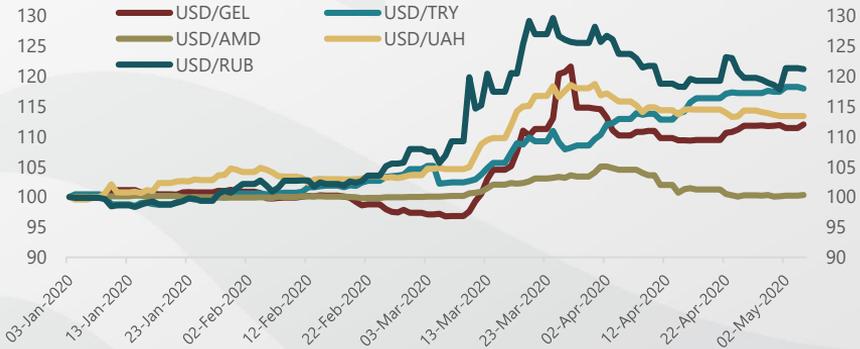
Sources: NBG



## Exchange rate indices (1 January = 100)

Sources: NBG

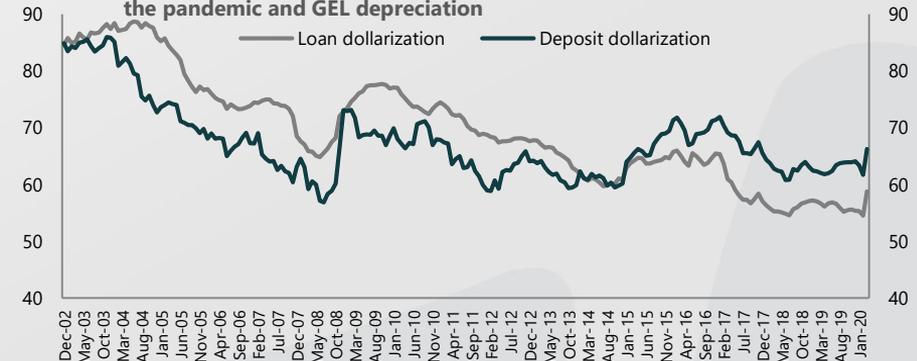
**Flexible exchange rate regime plays a role as a shock-absorber**



## Dollarization ratios

Source: NBG

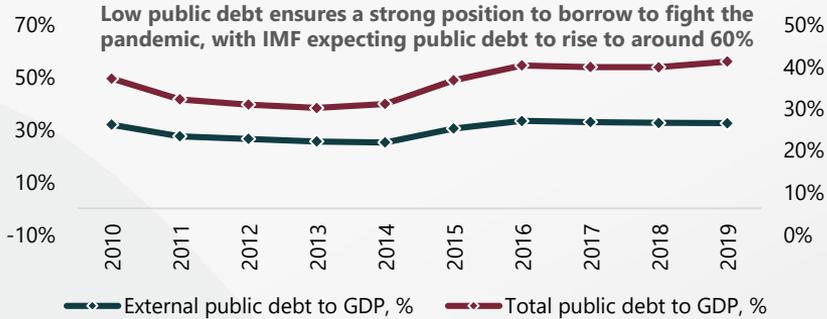
**Both deposit and loan dollarization jumped in March on the back of the pandemic and GEL depreciation**



# Low public debt

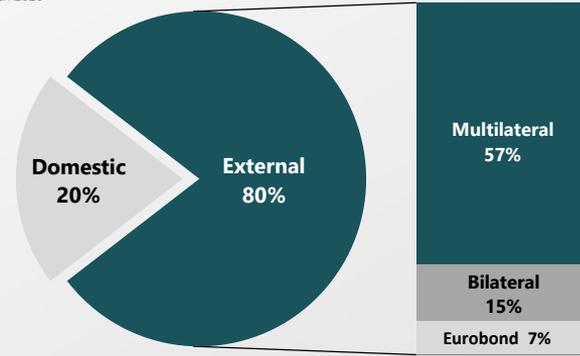
## Public debt

Sources: MOF



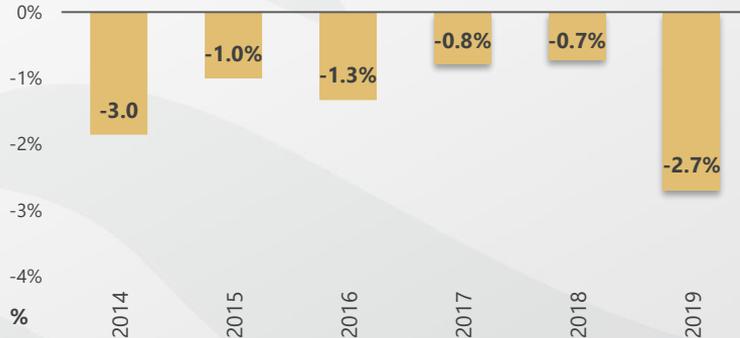
## Breakdown of public debt

Source: MOF, as of 31 March 2020



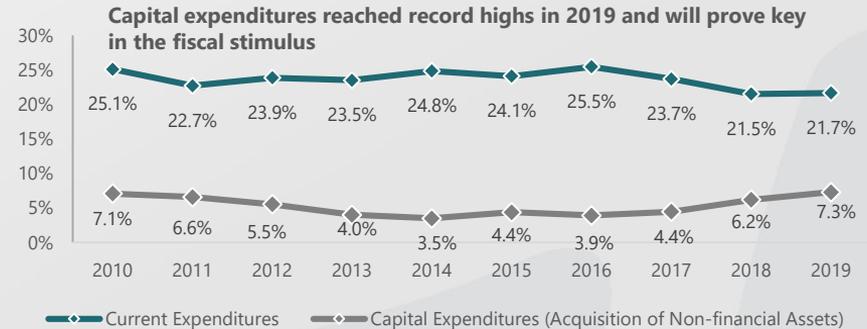
## Overall Balance, % of GDP (GFSM 2001)

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

1. Response to COVID-19 outbreak
2. Georgia Capital at a glance
3. Georgia Capital strategy & capital allocations
4. 1Q20 results discussion | Georgia Capital
5. Portfolio overview
6. Georgian macro overview
- 7. Appendices**

# Maturity profile across private portfolio companies

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

(1) Principal repayments.

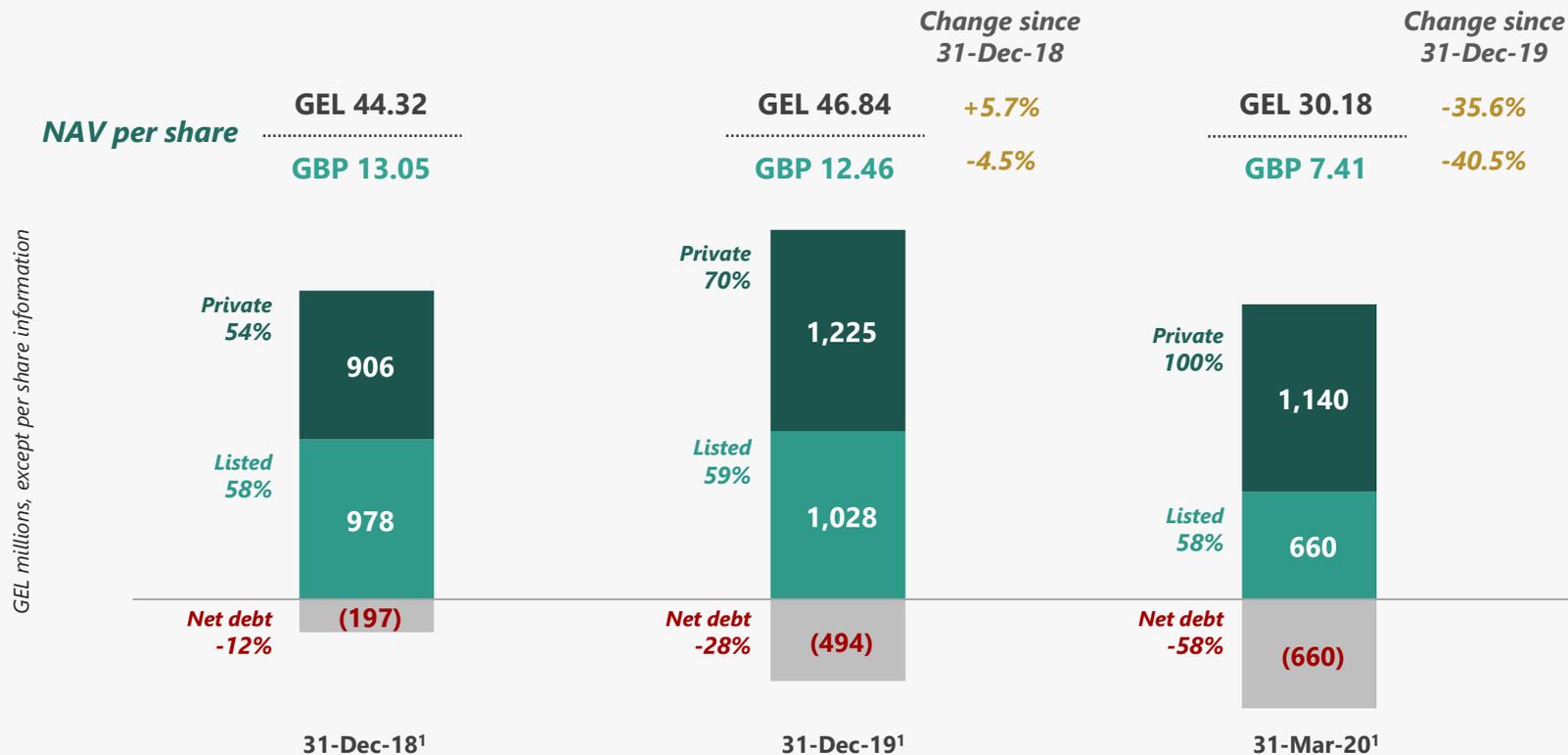
(2) A 3-year US\$ 35 million bonds issued on the local market in Oct-19 with a 7.5% annual coupon rate, maturing in Oct-22.

(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.

# Multiple of Invested Capital (MOIC) | 31 March 2020

<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>660</b>	<b>3.2x</b>	<b>1.5x</b>
Georgia Healthcare Group PLC	252	131	4	295	1.7x	0.5x
Bank of Georgia Group PLC	129	287	134	365	6.1x	3.3x
<b>Private investments, late stage</b>	<b>316</b>	<b>-</b>	<b>270</b>	<b>613</b>	<b>2.8x</b>	<b>0.9x</b>
Water Utility	214	-	82	432	2.4x	0.4x
Housing Development	92	-	152	40	2.1x	1.6x
P&C Insurance	10	-	36	141	17.3x	3.5x
<b>Private investments, early stage</b>	<b>556</b>	<b>-</b>	<b>5</b>	<b>501</b>	<b>0.9x</b>	<b>-</b>
Renewable Energy	143	-	5	151	1.1x	-
Hospitality and Commercial Real Estate	195	-	-	219	1.1x	-
Beverages	162	-	-	75	0.5x	-
<i>Of which, wine</i>	62	-	-	64	1.0x	-
<i>Of which, beer</i>	101	-	-	11	0.1x	-
Education	56	-	-	56	1.0x	-
<b>Pipeline</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>25</b>	<b>1.0x</b>	<b>-</b>
Auto Service	14	-	-	15	1.1x	-
Digital Services	9	-	-	9	1.0x	-
Other	2	-	-	2	1.0x	-
<b>Total</b>	<b>1,278</b>	<b>418</b>	<b>413</b>	<b>1,800</b>	<b>2.1x</b>	<b>0.7x</b>

# Net Asset Value evolution



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

# Acquisitions in 2019 | private portfolio

## February 2019 Kempinski Hotel

- Buyout of the remaining **40% equity stake** for US\$ 5.2m

## March 2019

### Kazbegi brand acquisition

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

## May 2019 Redberry

- The leading Georgian digital marketing agency
- US\$ 0.4m** cash consideration to acquire **60% equity stake**
- US\$ 2.8m** 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 24m<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 16m**

## November 2019

### Qartli wind farm

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

February

March

April

May

June

July

August

October

November

December

## April 2019

### Amboli

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

## 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 75m<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 21m<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 30m**

## 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 1.3m**

(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).

# 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: A Fellow of the Chartered Institute of Management Accountants and has over 20 years experience sitting on the boards of listed companies, and has chaired audit committees of listed companies for the past 15 years.*



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

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



**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*



**Maria Chatti-Gauttier**, Independent Non-Executive Director

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

**6 out of 7 members are independent**

# Georgia Capital's highly experienced management team



## Georgia Capital Management

Georgia Capital



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



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



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



**Giorgi Alpaidze**, Chief Financial Officer  
Formerly BGEO Group CFO. Joined BGEO as Head of Group's Finance, Funding and Investor Relations in 2016. He has extensive international experience in banking, accounting and finance. Previously he was a senior manager in Ernst & Young LLP's Greater New York City's assurance practice. BBA from the European School of Management in Georgia. U.S. Certified Public Accountant.



**Ia Gabunia**, 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 Ia held numerous executive positions in the leading Georgian companies, Ia holds a BSc degree from London School of Economics and Political Science, UK.



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

Listed

GGU

Georgia Real Estate\*

Private

Wine

Beer

BoG



**Archil Gachechiladze**, CEO, Bank of Georgia  
Previously CEO at GGU, the Group's water utility and renewable businesses. Prior to that Archil was a Deputy CEO in charge of corporate banking in 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.



**Giorgi Vaktangishvili**, CEO, Georgia Global Utilities  
Formerly CFO at GGU. Previously held different managerial positions at BGEO Group's companies; before joining GGU, Giorgi served as CEO of m<sup>2</sup>. Previously he was a senior auditor at EY Georgia. Holds BBA degree from European School of Management (ESM).



**Irakli Burdiladze**, 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.



**Shota Berekashvili**, 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.



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



**Temo Jankarashvili**, CEO, Wine Business  
CEO of Wine business since November 2019, in addition to his CFO role at beer business. Formerly CFO at Rustavi 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&As, LBOs and project financing. Holds BBA degree in Banking and Finance from Tbilisi State University.



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

\* m<sup>2</sup> was renamed as Georgia Real Estate in 2019

# Glossary

- **Combined ratio** equals sum of the loss ratio and the expense ratio in the P&C Insurance.
- **EBITDA** - earnings before interest, taxes, non-recurring items, FX gain/losses and depreciation and amortization; Management uses EBITDA as a tool to measure the portfolio companies' operational performance and the profitability of operations. The Group considers EBITDA to be an important indicator of the 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 reporting date.
- **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.
- **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



## **Georgia Capital PLC**

Registered Address  
84 Brook Street  
London W1K 5EH  
United Kingdom

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

Registered under number 10852406 in England and Wales

## **Stock Listing**

London Stock Exchange PLC's Main Market for listed securities

Ticker: "CGEO.LN"

## **Contact Information**

Georgia Capital PLC Investor Relations

Telephone: +44 (0) 203 178 4052; +995 322 000000

E-mail: [ir@gcap.ge](mailto:ir@gcap.ge)

## **Auditors**

Ernst & Young LLP  
1 More London Place  
London, SE1 2AF  
United Kingdom

## **Registrar**

Computershare Investor Services PLC  
The Pavilions  
Bridgwater Road  
Bristol BS13 8AE  
United Kingdom

Please note that Investor Centre is a free, secure online service run by our Registrar, Computershare, giving you convenient access to information on your shareholdings.

Investor Centre Web Address - [www.investorcentre.co.uk](http://www.investorcentre.co.uk).

Investor Centre Shareholder Helpline - + 44 (0) 370 702 0176

## **Share price information**

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

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

