



Investor presentation

20 August 2020

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 the 1H20 Results Announcement and 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. COVID-19 update**
2. Georgia Capital at a glance
3. Georgia Capital strategy & capital allocations
4. Georgia Capital 1H20 results discussion and key developments
5. Portfolio overview
6. Georgian macro overview
7. Appendices

COVID-19 statistics

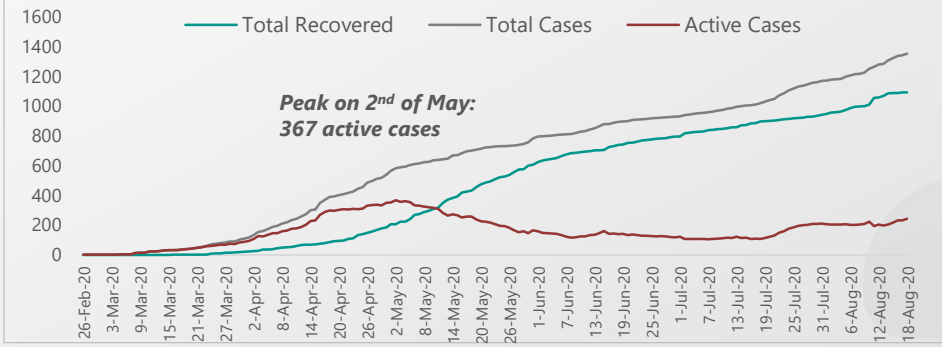
Lowest number of confirmed cases and deaths per capita in the region

Georgia: COVID-19 response

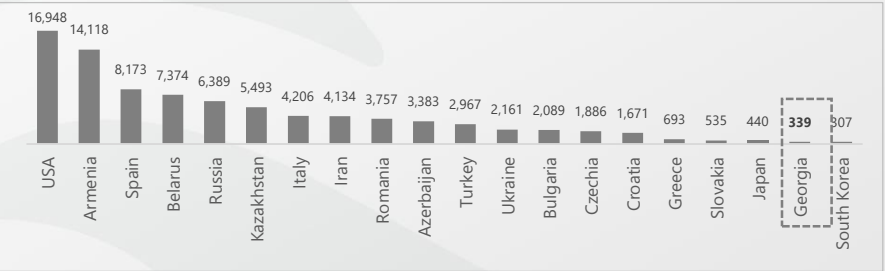
- Border checks began on 27 February and schools switched to distance learning from 29 February;
- Travel restrictions for neighbouring countries were imposed on 5 March, followed by mandatory self-isolation/quarantine since 9 March;
- All borders were closed on 18 March and state of emergency was in place from 21 March until 22 May;
- Intracity movement was banned by the end of March;
- Six stage lockdown exit strategy, introduced from 27 April, successfully completed in the beginning of July;

Largely all economic activities have been resumed by mid-July, local tourism resumed from 15 June and while external borders were opened to five EU member states on 8 July

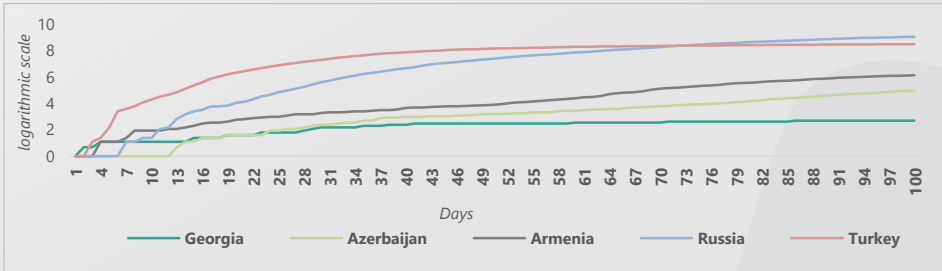
COVID-19 cases: dynamics in Georgia*



COVID-19 cases per 1M persons*



COVID-19 deaths since the first death case



Total cases*	Active cases*	Quarantined*	Hospitalized*
1,351	242	7,235	302

*As of 18 August 2020

Government measures

US\$ 3 billion funding facility

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

Monetary policy

- Easing non-price credit conditions (LTV, PTI, etc.);
- Intervening in the FX market (US\$ 270 million sold in March-July);
- Monetary policy rate reduced to 8.0% and gradual exit from strict monetary policy announced;
- Introducing US\$ 400 million 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 1.6 billion;
- Temporary liquidity instrument to support credit to SMEs;
- Moratorium announced on new regulatory activity;

Economic Plan

Total budget – GEL 3.5 billion

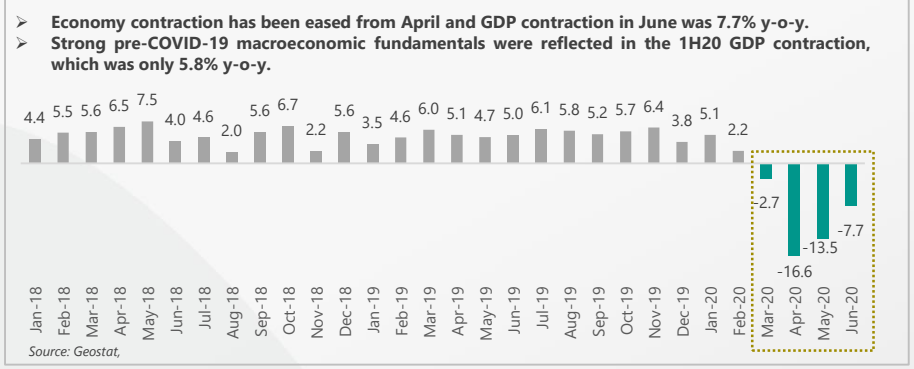
- **Social aid**  **GEL 1.03 billion**
- **Economic support and business aid**  **GEL 2.1 billion**
- **Anti-pandemic measures**  **GEL 0.35 billion**

Support measures

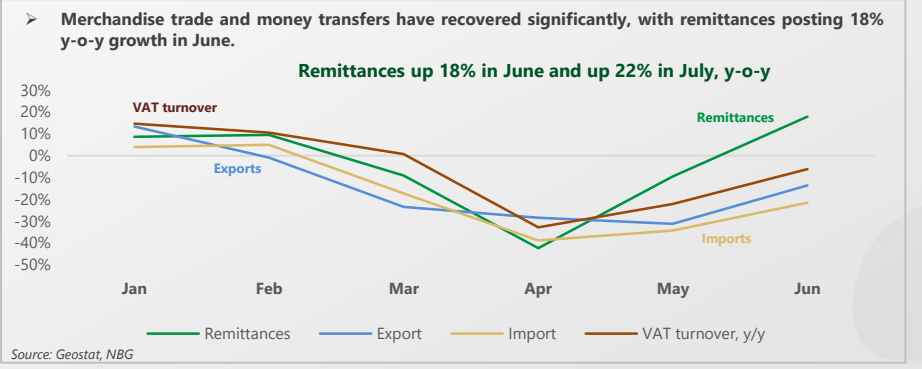
- Sectoral special support packages for tourism, agriculture and real estate sectors;
- Subsidies for utility bills, basic product prices and construction materials;
- Loan restructuring for all businesses;
- VAT returns and long-term funds for banks;
- Extra funding to support business, including a credit guarantee scheme (GEL 2bln);
- Tax deferrals for car importers;
- Social aid programs to address job losses;
- Pension indexation from Jan- 21;

Macroeconomic fundamentals in 1H20

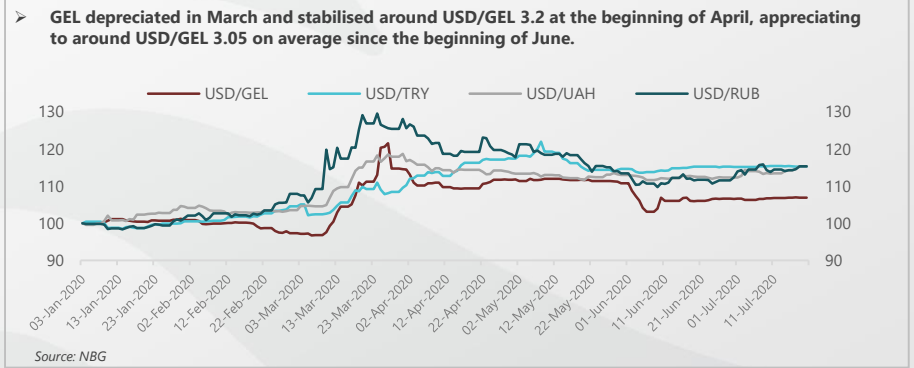
Monthly Economic Activity Estimate, y-o-y growth



Fast indicators



Exchange rate indices (1 January=100)

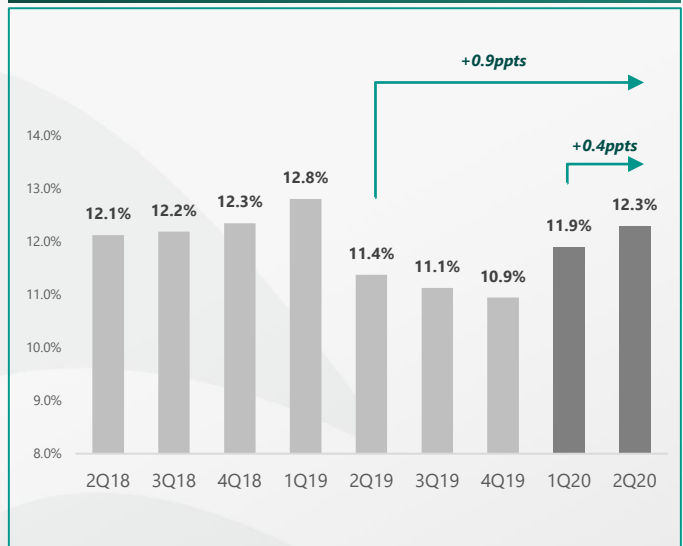


Key highlights

- IMF forecasts that real GDP will contract by 4% in 2020, rebounding to 4% in 2021.
- Inflation was 6.3% on average in Jan-July. IMF forecasts average inflation at 4.7% in 2020.
- NBG decreased the monetary policy rate by 100bps to 8.0% in Apr-Jul.
- Tourism revenues fell 26% in 1Q20 and 97% in 2Q20, as international travel is halted.
- Official reserve assets totaled \$3.6 billion by the end of May, with reserves providing cover for 4.3 months of imports based on Q1 data.
- The fiscal deficit and public debt are expected to rise to around 8.5% and 60% in 2020 respectively, according to IMF.

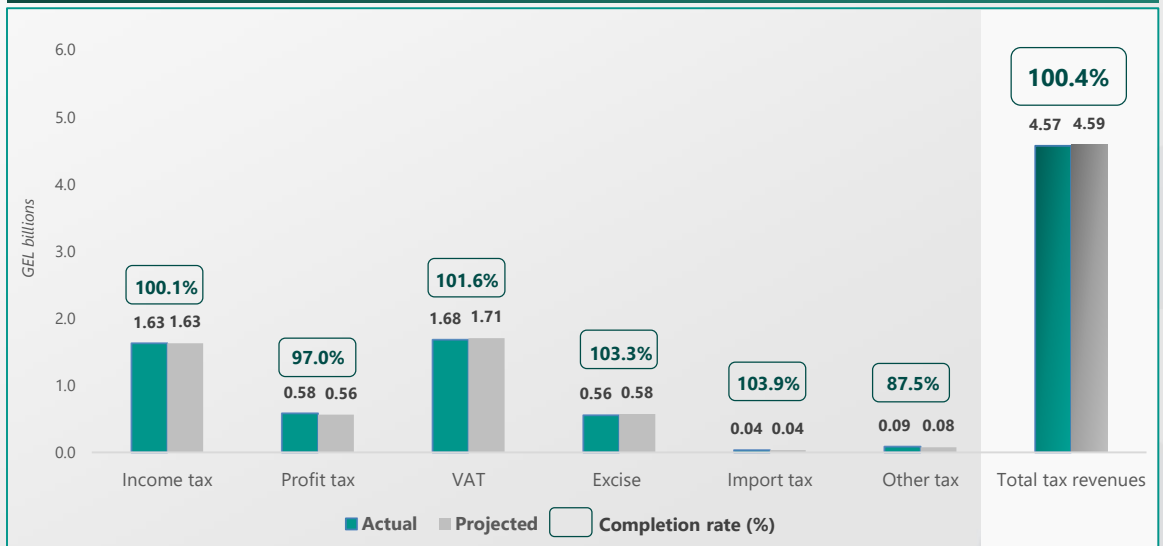
Macroeconomic fundamentals in 1H20 (cont'd)

Unemployment rate



Source: Geostat

1H20 tax revenues | Actual vs. Planned






Source: State treasury

Our response to COVID-19

We implemented a cash accumulation and preservation strategy at the end of 1Q20

COVID-19 measures

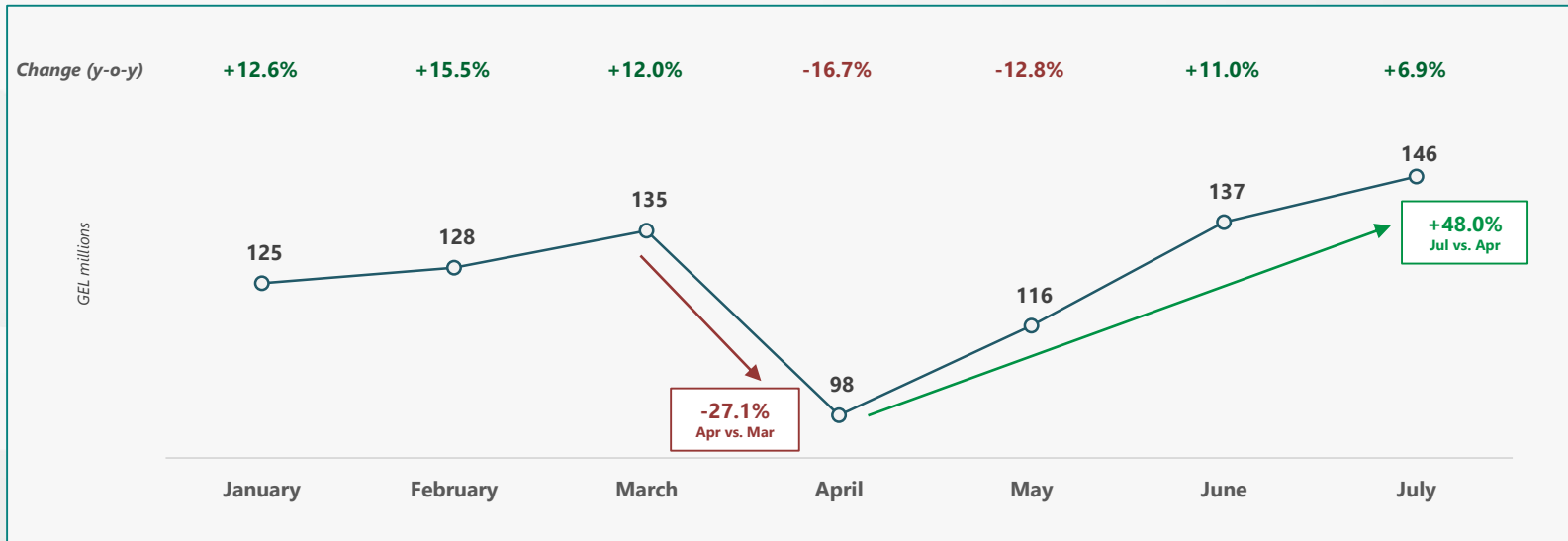
Progress in 2Q20

 <p>Limited capital allocations at GCAP level, only critical investments throughout the remainder of 2020, if any</p>	<p>No capital allocations in 2Q20</p>
 <p>Minimising capital investments at each portfolio company level</p>	<p>Aggregated development capex of portfolio companies</p> <p>GEL 30.4mIn down 71.8% y-o-y</p>
 <p>Optimising Opex expenditures both at GCAP and at portfolio companies' level</p>	<p>Aggregated operating expenses of portfolio companies</p> <p>GEL 63.5mIn down 17.1% y-o-y</p>

<p>GCAP liquidity remained high at 30 June 2020</p> <p>GEL 280mIn</p>	<p>Aggregated operating cash flow generation in portfolio companies</p> <p>GEL 87.7mIn +57.7% y-o-y in 2Q20</p> <p>GEL 179.8mIn +96.0% y-o-y in 1H20</p>	<p>Aggregated cash balances of portfolio companies as of 30 June 2020</p> <p>GEL 282mIn (up from GEL 183mIn at 31-Dec-19)</p>
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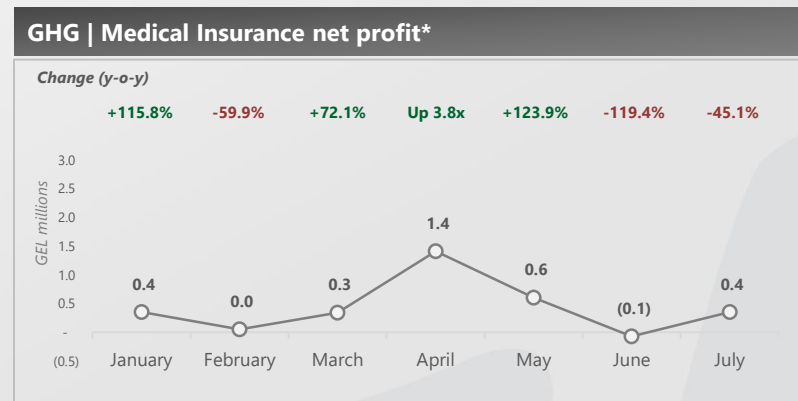
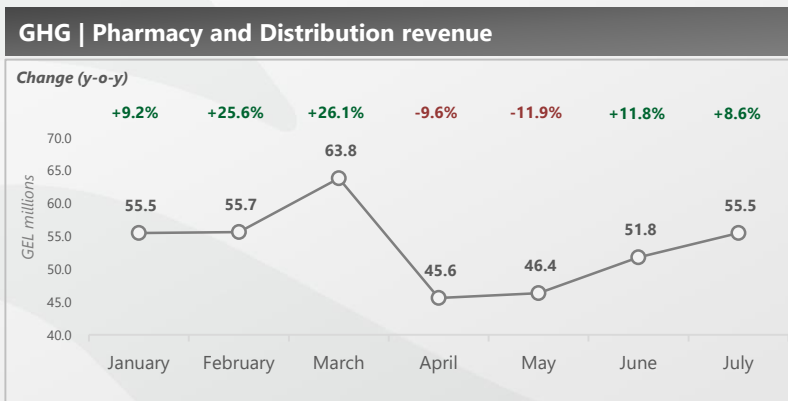
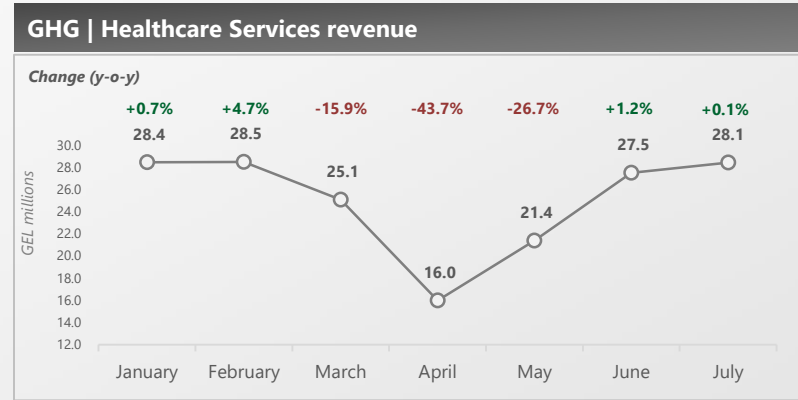
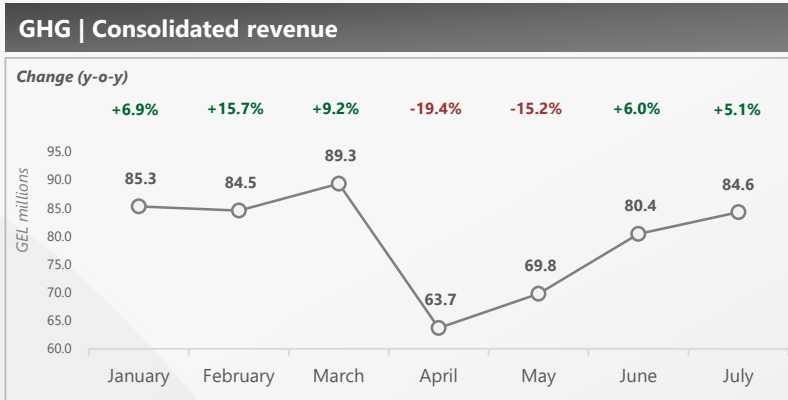
Rebound in revenues across all portfolio companies

Rebound in revenues across all portfolio companies from April's lows, resulting in 11% y-o-y aggregated revenue growth* in June



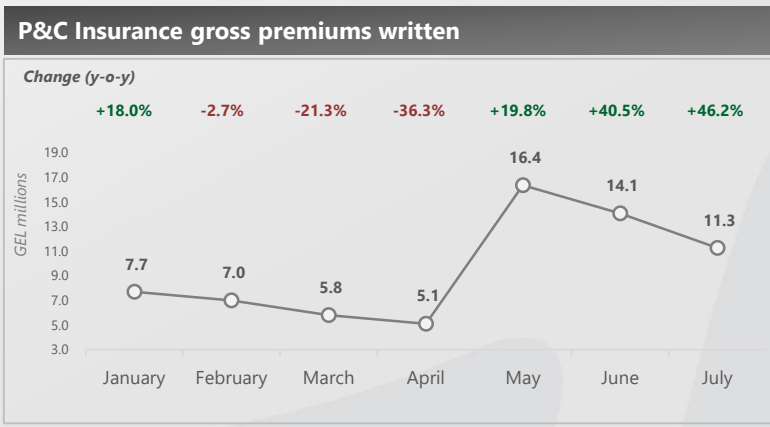
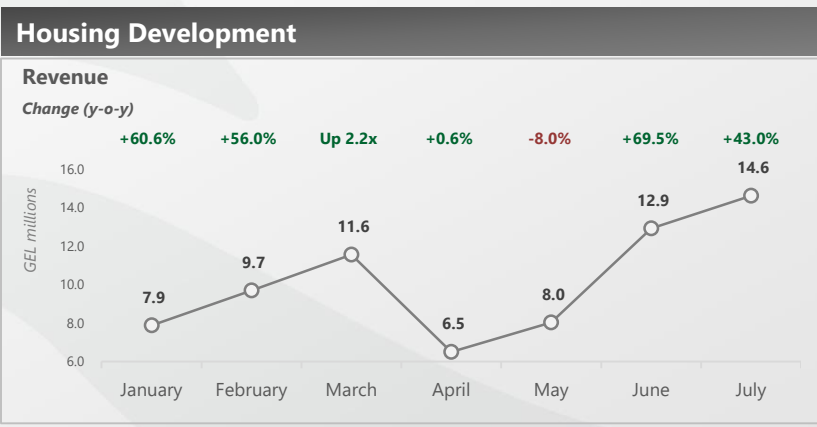
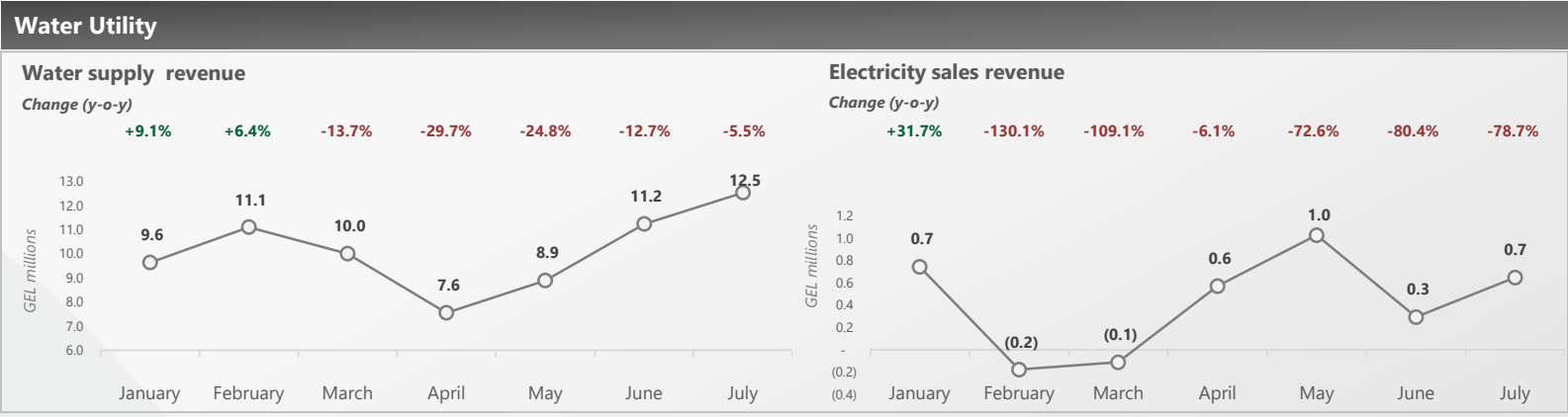
* Aggregated like-for-like y-o-y growth numbers in portfolio companies with controlling stakes, including the revenues generated by Amboli, Alaverdi, schools, Hydrolea HPPs and Qartli wind farm before acquisition (acquired in 2H19).

Monthly performance analysis | impact of COVID-19

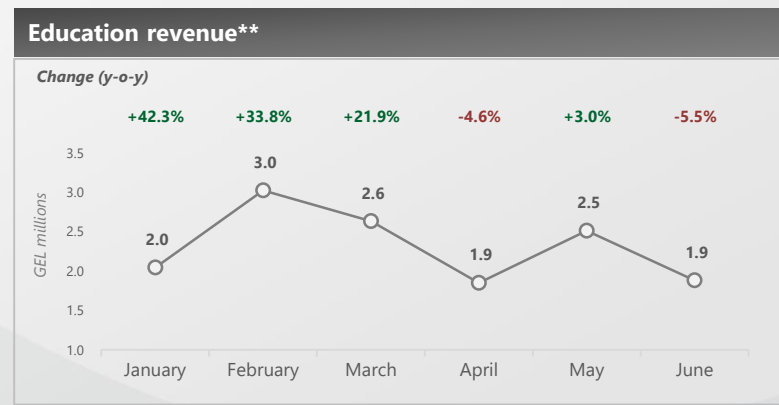
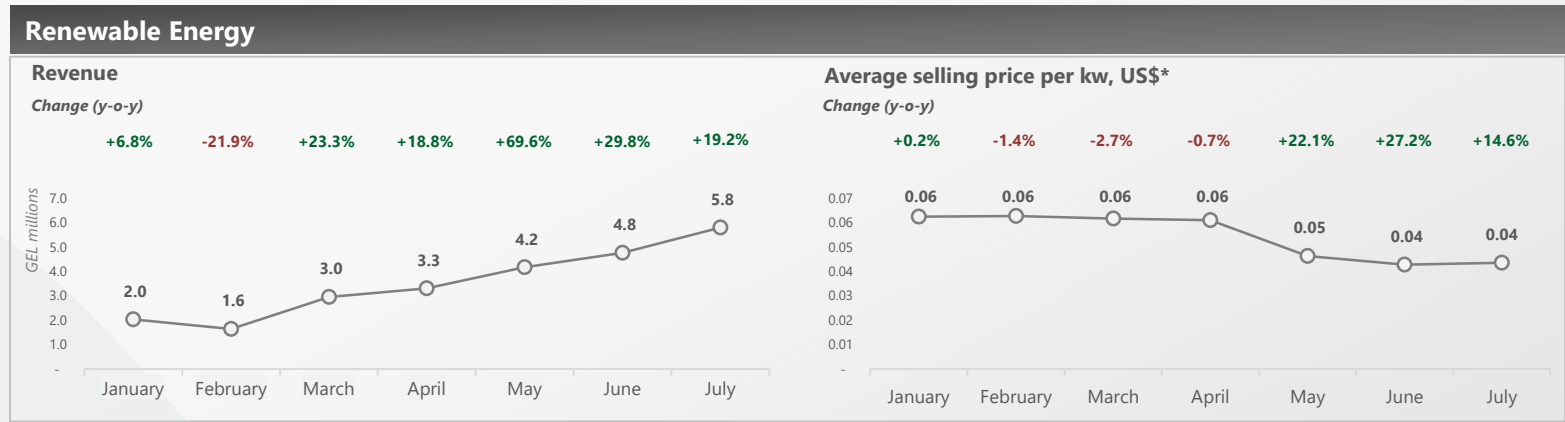


*Excluding IFRS 16.

Monthly performance analysis | impact of COVID-19 (cont'd)



Monthly performance analysis | impact of COVID-19 (cont'd)



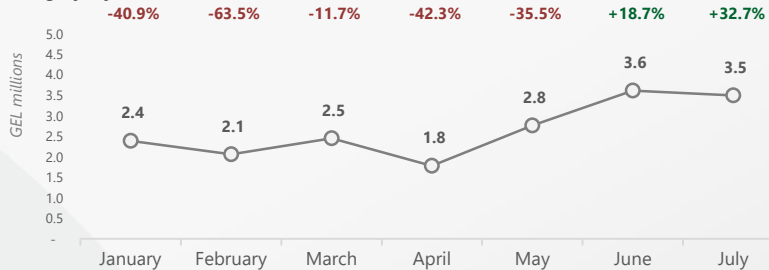
* Electricity sales are fully covered by long-term Power Purchase Agreements (PPAs) with Government during Sep-Apr.
 ** July revenues figure is not meaningful given that schools are not operational in Jul-Aug due to holidays.

Monthly performance analysis | impact of COVID-19 (cont'd)

Beverages

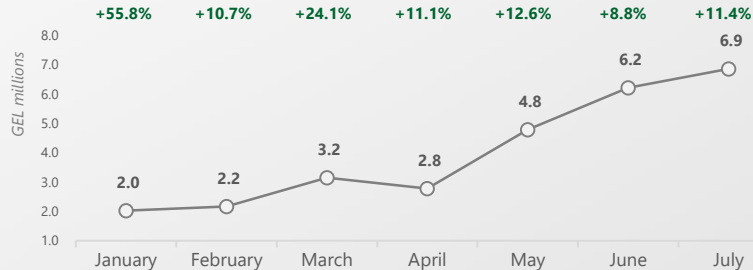
Wine revenue

Change (y-o-y)



Beer revenue

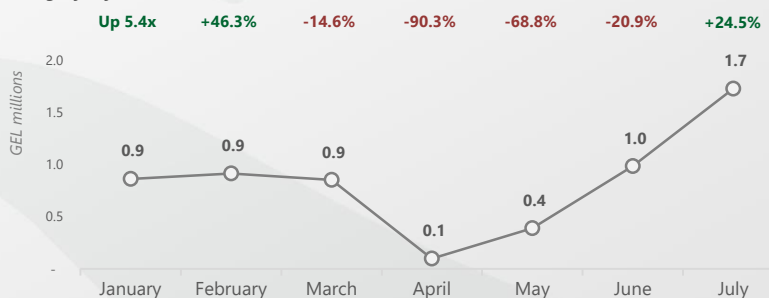
Change (y-o-y)



Auto service

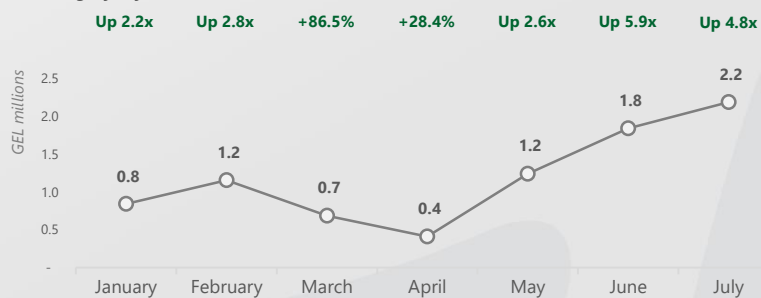
PTI revenue

Change (y-o-y)

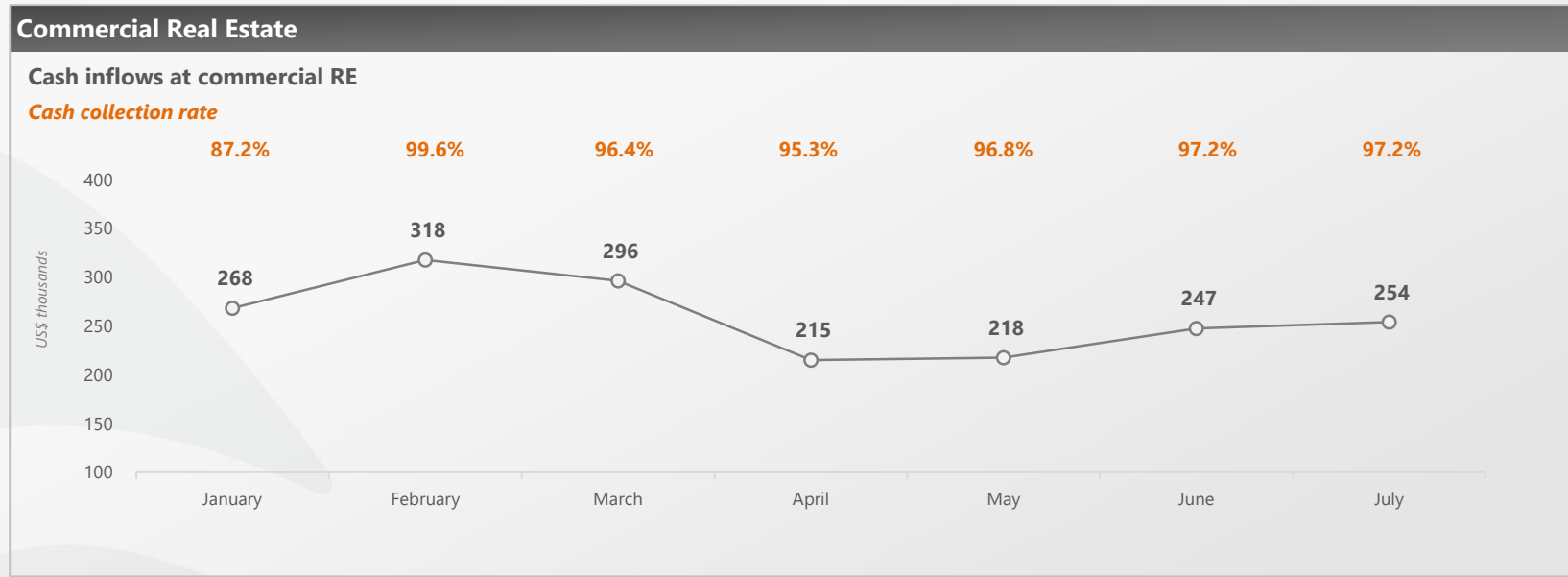


Amboli revenue

Change (y-o-y)



Monthly performance analysis | impact of COVID-19 (cont'd)



Hospitality business: In light of the COVID-19 outbreak, operations at the existing two hotels were suspended since mid-March and both hotels are leased by the government for quarantine, while constructions of new hotels were put on hold

Strong operating cash flow generation across portfolio companies

Portfolio company aggregated* operating cash flow generation up 96.0% y-o-y to GEL 179.8 million in 1H20

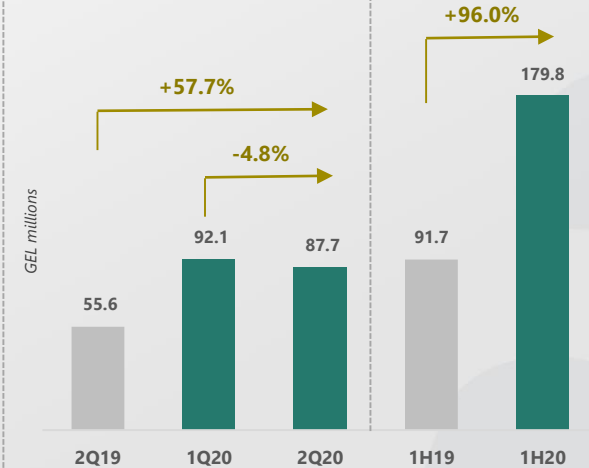
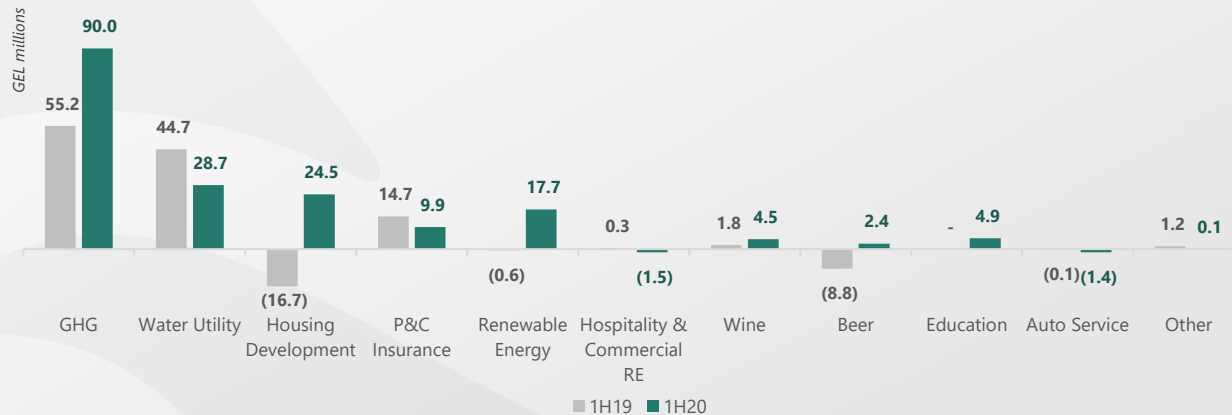
Late stage: +48%

Early stage: +4.9x

GEL 42.7 GEL 63.1

GEL (7.3) GEL 28.0

+63.1% -35.9% NMF -32.5% NMF NMF NMF NMF NMF NMF -93.2%



*Aggregated stand-alone IFRS operating cash flow and revenue of portfolio companies with controlling stakes: private businesses and GHG (GHG's cash flow excl. IFRS 16).

COVID-19 impact

As presented in 1Q20

Level of resilience across our portfolio


High

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

Medium

 Housing Development	 Digital Services
 Auto Service	 Commercial Real Estate

Low

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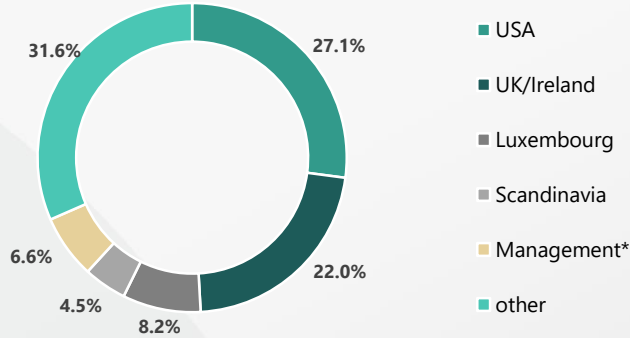
Having focused on financial discipline well before COVID-19, our portfolio companies entered this crisis well-prepared and remain well-positioned to emerge stronger from the outbreak.

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CGEO:LN performance

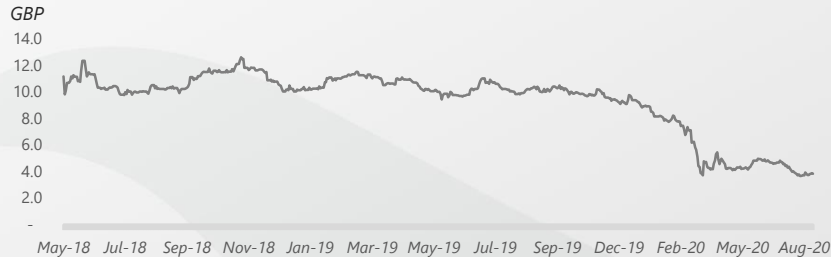
LSE premium listed, with more than 90% institutional shareholder base

GCAP shareholders allocation by geography



* Includes both vested and unvested awarded shares

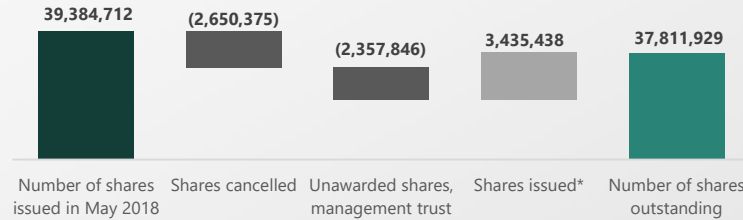
Historical GCAP share price



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

Number of outstanding shares as at 30-Jun-20

As of 18 August 2020



Average daily trading volume – GBP 0.8 million

Market Capitalization – GBP 179 million

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

GCAP top shareholders | 30-Jun-2020

Rank	Shareholder name	Ownership
1	M&G Investment Management Ltd	7.24%
2	Schroder Investment Management Ltd	4.86%
3	Norges Bank Investment Management	4.49%
4	Aberdeen Standard Investments	4.10%
5	Vanguard Group Inc	3.17%
6	Dunross & Co AB	2.91%
7	Consilium Investment Management LLC	2.75%
8	Van Eck Global	2.66%
9	Mason Hill Advisors LLC	2.56%
10	LGM Investments Ltd	2.42%
Total		37.16%

Our portfolio at a glance | 30 June 2020



GEORGIA CAPITAL
Management platform

Public portfolio – GEL 730mln	Private portfolio – GEL 1,096mln				
	Late Stage – GEL 607mln				Pipeline - GEL 26mln ²
 Georgia Healthcare Group 70.6% ⁵ GEL 336mln ¹ Valued: LSE	 Water Utility 100% GEL 439mln Valued: EV/EBITDA	 Housing Development 100% GEL 23mln Valued: DCF	 P&C Insurance 100% GEL 145mln Valued: P/E	 Auto Service 90%-100% ⁴ GEL 15mln ¹ Valued: EV/EBITDA (PTI) At acquisition price (Amboli)	
	Early Stage – GEL 464mln				
 Bank of Georgia 19.9% GEL 394mln ¹ Valued: LSE	 Renewable Energy 100% GEL 185mln Valued: Sum of the parts: EV/EBITDA and acquisition price	 Hospitality & Commercial RE 100% GEL 138mln Valued: NAV	 Beverages 87% GEL 60mln ¹ Valued: EV/EBITDA (wine); EV/Sales (beer);	 Education 70%-90% ³ GEL 81mln ¹ Valued: EV/EBITDA	 Digital Services 60% GEL 9mln ¹ Valued: at acquisition price

1. GCAP share.
 2. Total pipeline portfolio includes other pipeline projects with GEL 2 million value.
 3. Different ownership stakes across premium, mid-level and affordable school segments.
 4. Auto Service – 90% ownership in Amboli and 100% in Periodic Technical Inspection business.
 5. GCAP's holding in GHG increased to 97.4% on 16 July 2020 as part of the Offer.

Portfolio highlights | 30 June 2020



Gross cash invested of GEL 1.3bn



Net cash invested of GEL 452mln



Portfolio fair value of GEL 1.8bn

Listed

Private late stage

Private early stage

Pipeline

Original investment

252

129

215

93

10

144

197

162

56

14

9

MOIC¹

1.9

6.3

2.4

1.9

17.8

1.3

0.7

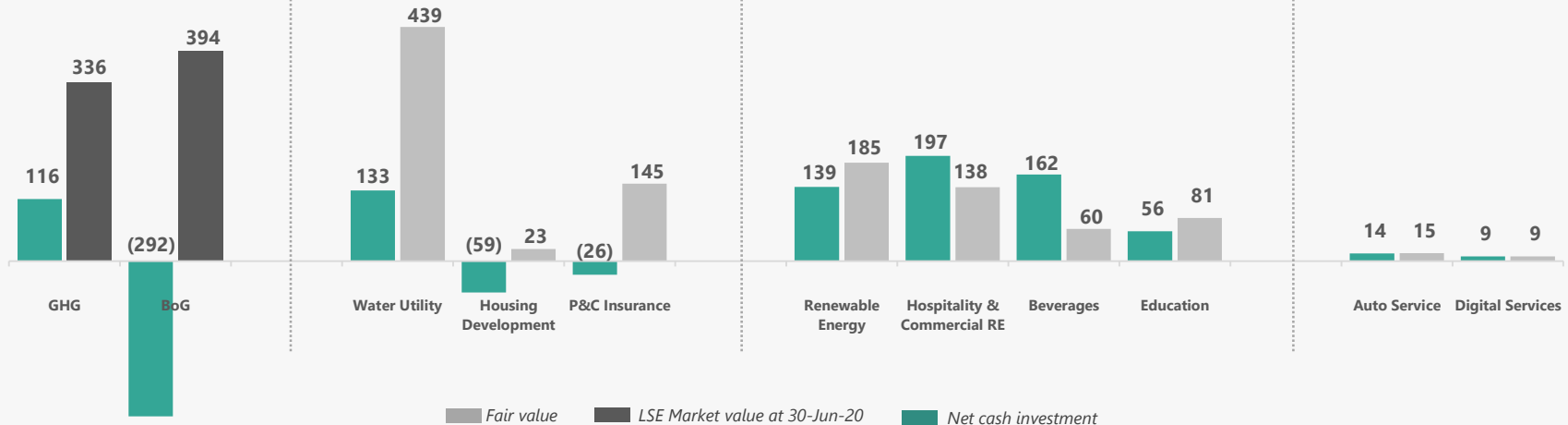
0.4

1.4

1.1

NMF

GEL millions



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

Solid track record

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



Acquisitions

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

Total number of acquisitions executed

50+



Capital raise

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

- **c.US\$ 500 million** raised in equity at LSE
- Issued six Eurobonds totaling **US\$ 1.75 billion**
- **US\$ 3 billion+** raised from IFIs (EBRD, IFC etc.)

Total amount of debt raised (US\$)

4.75bln+



Exit IRR

121% IRR from GHG IPO

60%+ IRR from completed m² Real Estate projects

IRR from GHG IPO

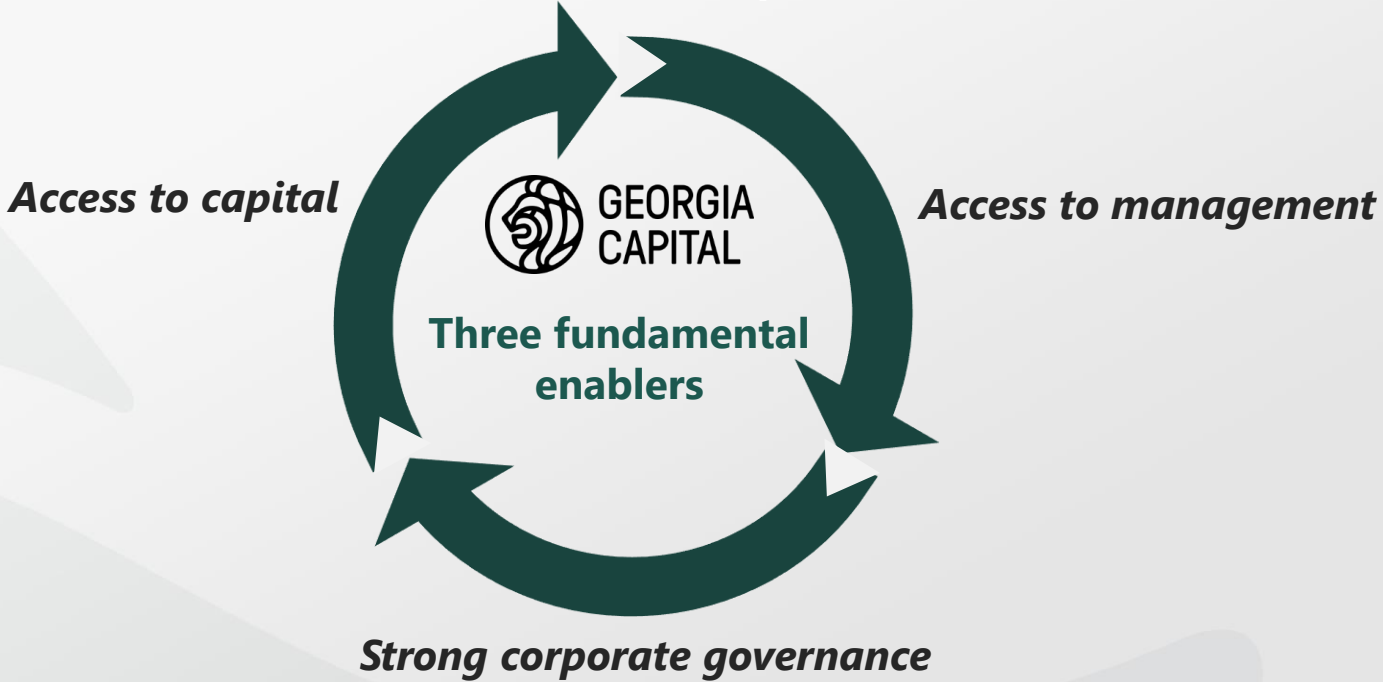
121%

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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

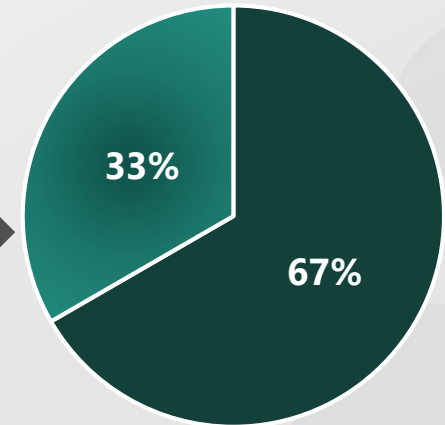
Cash preservation is a key target for GCAP: **two thirds of total operating expenses are related to share-based compensation.**

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

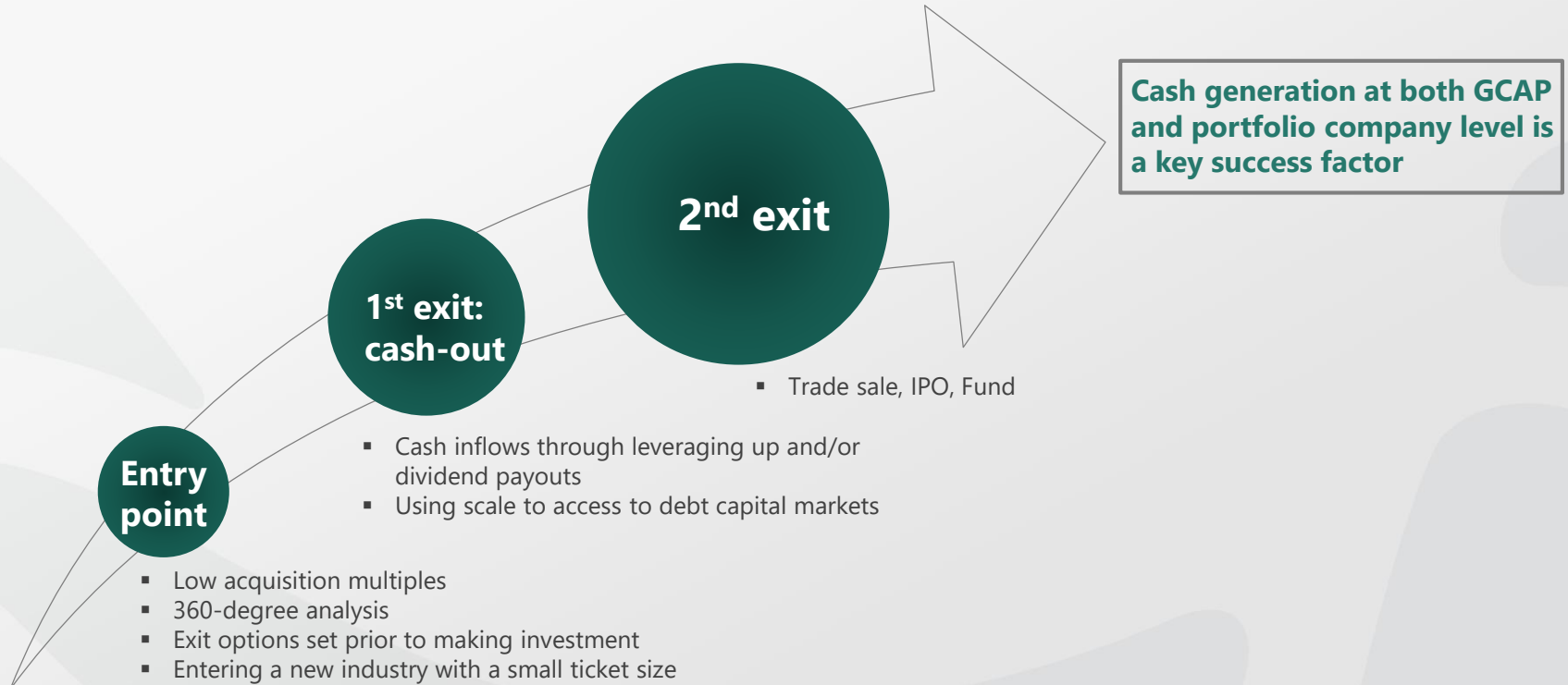
Managing investments

Share ownership plan of management in portfolio companies

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

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 30 June 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

From 1 August 2019 through 20 August 2020, we repurchased CGEO shares of up to US\$ 20 million for the management trust

Capital allocations

Clear exit paths

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

Exit options are set prior to making an investment decision

Capital allocations

How we evaluate investment performance



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

MOIC and IRR at GCAP level

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

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

Realised and unrealised MOICs are equally important for us.

ROIC for financing projects and reinvestment at portfolio companies' level

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

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

Content



1. COVID-19 update
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3. Georgia Capital strategy & capital allocations
- 4. Georgia Capital 1H20 results discussion and key developments**
5. Portfolio overview
6. Georgian macro overview
7. Appendices

NAV Statement | 1H20



<i>GEL '000, unless otherwise noted</i>	Dec-19	1. Value creation	2a. Investments	2b. Buybacks	2c. Dividends	3. Operating expenses	4. Liquidity mgmt./FX/Other	Jun-20	Change %
Listed Portfolio Companies									
GHG ⁽¹⁾	430,079	(94,412)	-	-	-	-	-	335,667	-22.0%
BoG ⁽¹⁾	597,735	(203,333)	-	-	-	-	-	394,402	-34.0%
Total Listed Portfolio Value	1,027,814	(297,745)	-	-	-	-	-	730,069	-29.0%
Listed Portfolio value change %		-29.0%	-	-	-	-	-	-29.0%	
Private Portfolio Companies									
Late Stage									
Late Stage	692,746	(87,574)	-	-	-	-	1,739	606,911	-12.4%
Water Utility	483,970	(46,064)	-	-	-	-	1,083	438,989	-9.8%
Housing Development	43,853	(21,958)	-	-	-	-	656	22,551	-48.6%
P&C Insurance	164,923	(19,552)	-	-	-	-	-	145,371	-11.9%
Early Stage	495,827	(80,924)	50,553	-	(4,927)	-	3,310	463,839	-6.5%
Renewable Energy	106,800	37,647	44,350	-	(4,927)	-	847	184,717	73.0%
Hospitality & Commercial RE	245,558	(110,827)	1,136	-	-	-	2,463	138,330	-43.7%
Beverages	87,119	(32,091)	5,035	-	-	-	-	60,063	-31.1%
Education	56,350	24,347	32	-	-	-	-	80,729	43.3%
Pipeline	36,696	(16,493)	5,436	-	-	-	-	25,639	-30.1%
Auto Service	25,757	(14,908)	4,200	-	-	-	-	15,049	-41.6%
Digital Services	8,790	-	-	-	-	-	-	8,790	0.0%
Other	2,149	(1,585)	1,236	-	-	-	-	1,800	-16.2%
Total Private Portfolio Value	1,225,269	(184,991)	55,989	-	(4,927)	-	5,049	1,096,389	-10.5%
Private Portfolio value change %		-15.1%	4.6%	-	-0.4%	-	-	-10.5%	
Total Portfolio Value (1)	2,253,083	(482,736)	55,989	-	(4,927)	-	5,049	1,826,458	-18.9%
Total Portfolio value change %		-21.4%	2.5%	-	-0.2%	-	-	-18.9%	
Net Debt (2)									
Net Debt (2)	(493,565)	-	(56,674)	(5,746)	4,927	(8,312)	(73,180)	(632,550)	28.2%
of which, Cash and liquid funds	211,889	-	(56,674)	(5,746)	4,927	(8,312)	646	146,730	-30.8%
of which, Loans issued	151,884	-	-	-	-	-	(18,543)	133,341	-12.2%
of which, Gross Debt	(857,338)	-	-	-	-	-	(55,283)	(912,621)	6.4%
Net other assets/ (liabilities) (3)									
Net other assets/ (liabilities) (3)	(5,650)	-	685	(287)	-	(6,268)	15,115	3,595	-163.6%
of which, share-based comp.	-	-	-	-	-	(6,268)	6,268	-	0.0%
Net Asset Value (1)+(2)+(3)	1,753,868	(482,736)	-	(6,033)	-	(14,580)	(53,016)	1,197,503	-31.7%
NAV change %		-27.5%	-	-0.3%	-	-0.8%	-3.0%	-31.7%	
Shares outstanding	37,441,971	-	-	222,956.0	-	-	147,002.0	37,811,929	1.0%
Net Asset Value per share	46.84	(12.9)	-	(0.4)	-	(0.4)	(1.5)	31.7	-32.4%
NAV per share change %		-27.5%	-	-0.9%	-	-0.8%	-3.1%	-32.4%	

(1) Number of shares owned in GHG and BoG were 93,011,414 and 9,784,716 as of 30-Jun-20, respectively.

Value creation in 1H20

Portfolio Businesses	Operating Performance	Greenfields	Multiple Change and FX	Value Creation
<i>GEL thousands</i>	(1)	(2)	(3)	(1) + (2) + (3)
Listed				(297,745)
GHG				(94,412)
BoG				(203,333)
Private	(268,932)	55,482	28,459	(184,991)
Late Stage	(156,187)	-	68,613	(87,574)
Water Utility	(130,175)	-	84,111	(46,064)
Housing Development	(24,784)	-	2,826	(21,958)
P&C Insurance	(1,228)	-	(18,324)	(19,552)
Early Stage	(105,017)	57,067	(32,974)	(80,924)
Renewable Energy	4,927	32,720	-	37,647
Hospitality & Commercial Real Estate	(101,625)	-	(9,202)	(110,827)
Beverages	(8,319)	-	(23,772)	(32,091)
Education	-	24,347	-	24,347
Pipeline	(7,728)	(1,585)	(7,180)	(16,493)
Auto Service	(7,728)	-	(7,180)	(14,908)
Other	-	(1,585)	-	(1,585)
Total Portfolio	(268,932)	55,482	28,459	(482,736)

Capital allocations in 1H20

		1Q20			2Q20			
<i>GEL millions</i>		Investments	Buybacks	Dividends	Investments	Buybacks	Dividends	Total
Listed portfolio	BOG	-	-	-	-	-	-	-
	GHG	-	-	-	-	-	-	-
Private late stage portfolio	Water Utility	-	-	-	-	-	-	-
	Housing Development	-	-	-	-	-	-	-
	P&C Insurance	-	-	-	-	-	-	-
Private early stage portfolio	Renewable Energy	44.4	-	(4.9)	-	-	-	39.5
	Hospitality & Commercial RE	1.1	-	-	-	-	-	1.1
	Beverages	5.0	-	-	-	-	-	5.0
	Education	-	-	-	-	-	-	0.0
Pipeline portfolio	Auto Service	4.2	-	-	-	-	-	4.2
	Digital Services	-	-	-	-	-	-	-
	Other	1.1	-	-	0.2	-	-	1.3
Buybacks	GCAP	-	5.7	-	-	0.3	-	6.0
Total		56	5.7	(4.9)	0.2	0.3	-	57

Investments highlights

- **Renewable Energy:**
 - GEL 38.7mln for RP Global buyout (34.4% minority)
 - GEL 5.6mln for the development of under-construction Zoti HPP
- **Auto Service:** GEL 4.2mln mainly for the buyout of 10% ownership in Amboli, increasing GCAP's ownership to 90%
- **Beer business:** GEL 5mln working capital financing

Dividends

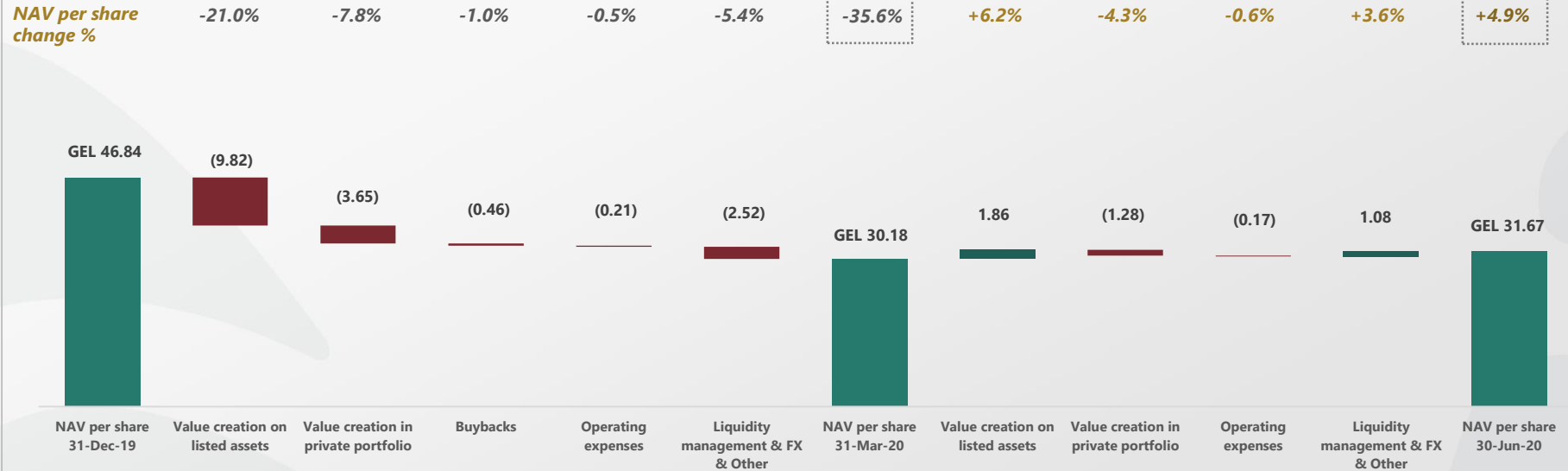
- **Renewable Energy:** GEL 5mln dividend payment



Our liquidity remained high at GEL 280 million at 30 June 2020

NAV per share developments in 1H20

NAV per share down 32.4% in 1H20 reflecting negative impact of COVID-19



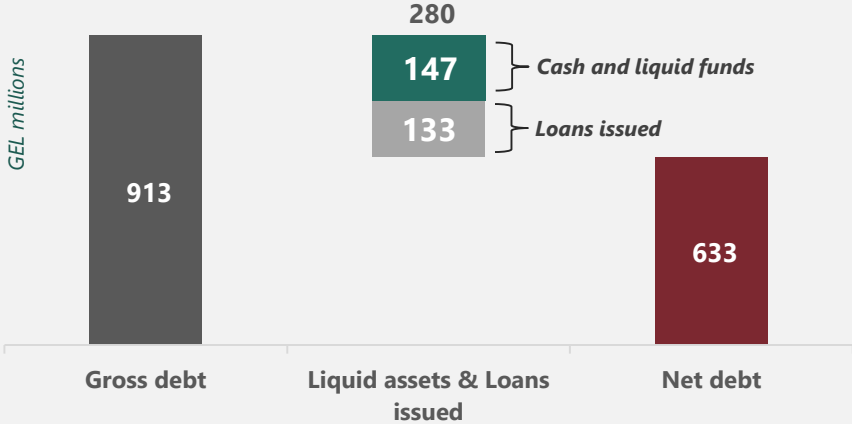
Liquidity management at Georgia Capital



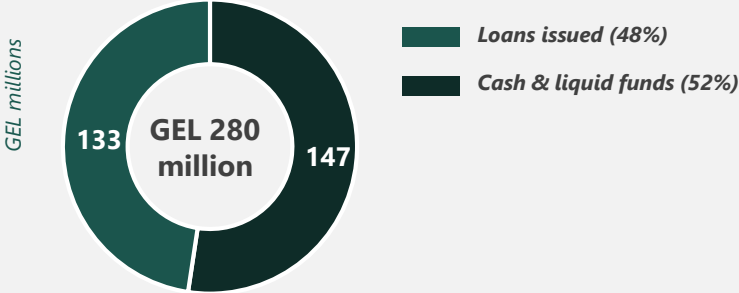
GEL 633 million
Net debt | 30-Jun-2020

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

Net debt overview | 30 June 2020



Liquid assets & Loans issued | 30 June 2020



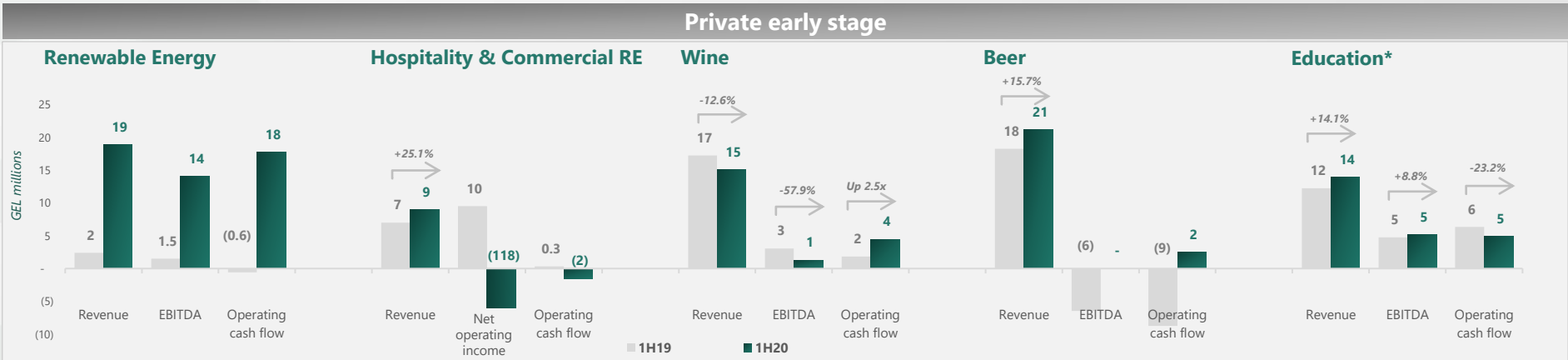
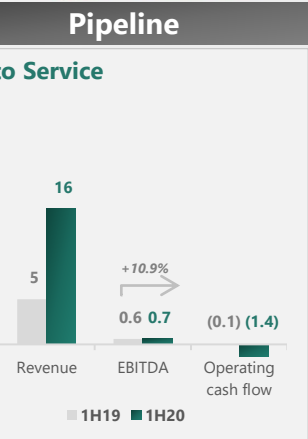
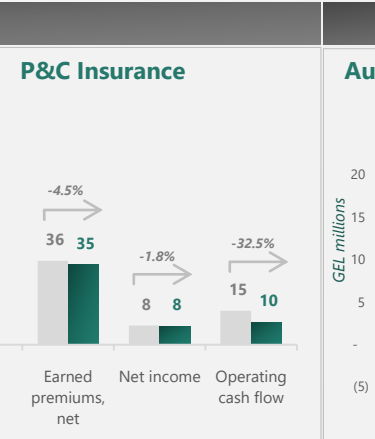
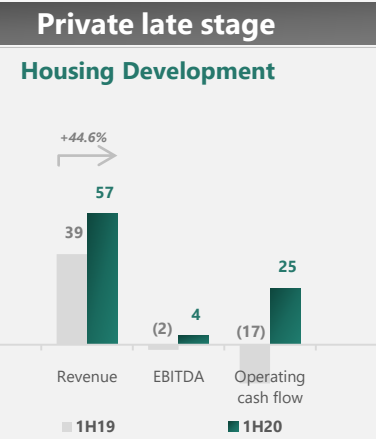
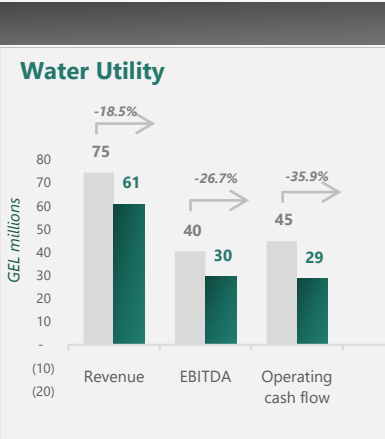
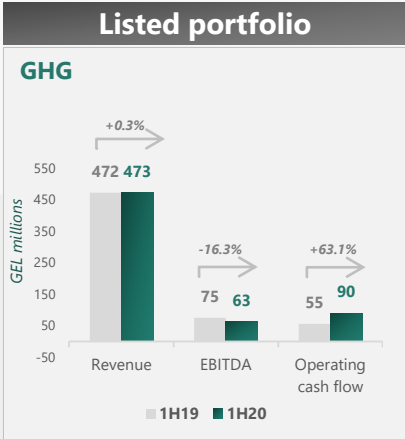
Portfolio over net debt

2.9x

Listed assets over net debt

1.2x

Portfolio performance highlights | 1H20



* Like for like figures for education business.

GGU issued US\$ 250 million green bonds

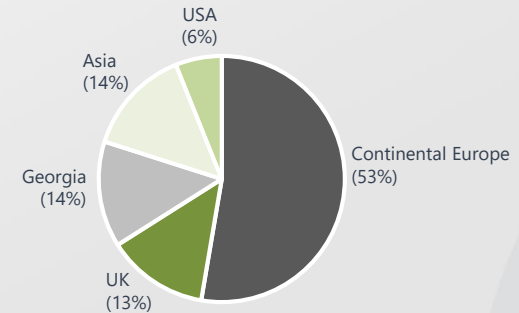
First-ever Green Bonds from Georgia

- Considerable interest from investors, demonstrating our superior access to capital even during the current challenging times.
- The issuance of the bonds significantly improves the financial flexibility of GGU and enhances its liquidity profile, contributing to the healthy growth of the business.

Issuance details

Notes:	US\$ 250 million, 5NC2, 7.75% Green Bonds
Listing:	Irish Stock Exchange
Notes rating:	B+ (Stable) by Fitch / B (Positive) by S&P
Sole bookrunner, Green structuring agent, Development finance structuring agent:	J.P. Morgan
Co-manager:	TBC Capital
Second party opinion provider:	Sustainalytics, a leading provider of environmental, social and governance (ESG) research and analysis, for its Green Bond Framework
Demand:	Book was oversubscribed c. 1.5x (order of up to US\$ 380m)
Call option:	Bonds can be called after 2 years at 103.875%

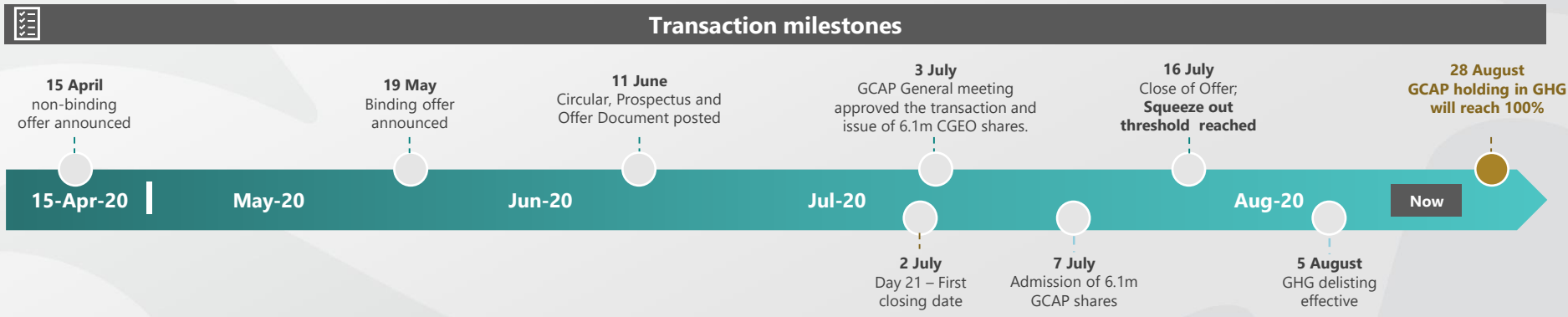
Allocation by geography



Recommended final share exchange offer for GHG shareholders

Final share exchange offer for GHG shareholders was completed and our holding in GHG will reach 100% on 28 August 2020

- **Further strengthening GCAP private portfolio with three strong overarching free cash flow generative businesses**, being Healthcare Services, Pharmacy and Distribution, and Medical Insurance.
- **We expect to value each of these three businesses separately in the next quarters**, with the valuation to be performed by an external worldwide recognized valuation firm.
- By taking GHG private, the share of listed assets in our portfolio decreases to c. 20%, which is in line with our strategic priority announced at the investor day last year.



GHG agreed terms to sell HTMC hospital

➤ **Divestment of one of the lowest return generating hospital, improving GHG's ROIC and leverage profile**

US\$ 12mln



Total cash consideration

40%



Equity stake to be sold in HTMC,
subject to regulatory approvals



Transaction overview

- On 19 August 2020, GHG's signed a Sales and Purchase Agreement ("SPA") to sell a 40% equity interest in High Technology Medical Centre University Clinic ("HTMC"), subject to regulatory approvals.
- Due to the HTMC's current shareholding structure (GHG owns 50%, while the other 50% is held by an individual shareholder and current CEO of the hospital) GHG has had less control on the Hospital's operations.
- The remaining 10% interest is also intended to be disposed in the coming months.
- The buyer, Tbilisi State Medical University, intends to use HTMC as teaching platform.
- HTMC, had 13.0% and 9.8% share in the total healthcare services business' assets and EBITDA, respectively, in 2019.

Transaction rationale

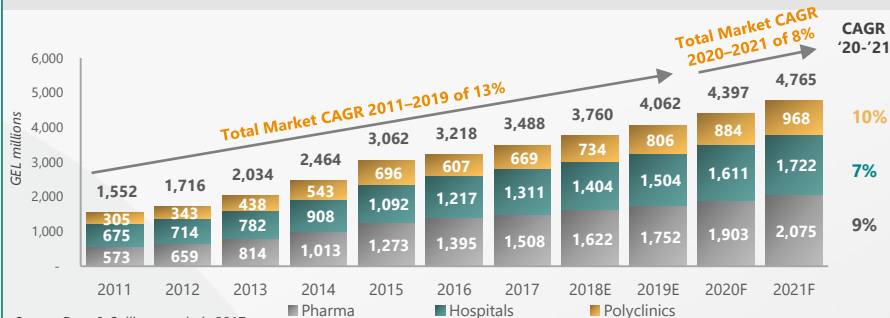
- **In line with GHG's strategy to dispose low return generating assets** - the transaction materially improves the healthcare services business ROIC - on a pro-forma basis, increasing FY19 ROIC by 90bps.
- **Improving leverage profile** - the total cash consideration of US\$ 12mln (GEL 36.8mln) will be used to reduce net debt position and improve leverage ratio:
 - the cost of GEL-denominated debt at c. 11.5% vs. HTMC ROIC of 3.4%.

1. COVID-19 update
2. Georgia Capital at a glance
3. Georgia Capital strategy & capital allocations
4. Georgia Capital 1H20 results discussion and key developments
- 5. Portfolio overview**
6. Georgian macro overview
7. Appendices

Georgian healthcare market overview

Growth in Healthcare Services Market Expected to Continue

Double digit growth on the back of favorable dynamics expected



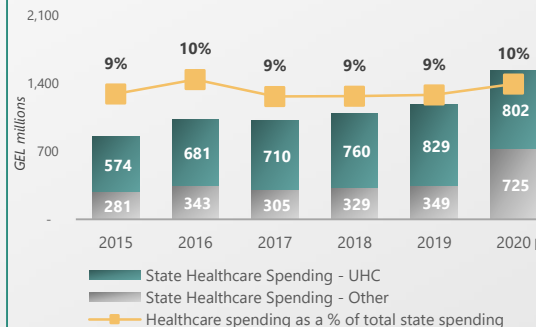
Source: Frost & Sullivan analysis 2017

Hospitals market includes revenue of c.10% from specialty beds, which is non-addressable market for GHG

Polyclinics market excludes dental and aesthetic services

State healthcare budget is increasing for the last several years

State healthcare spending dynamics

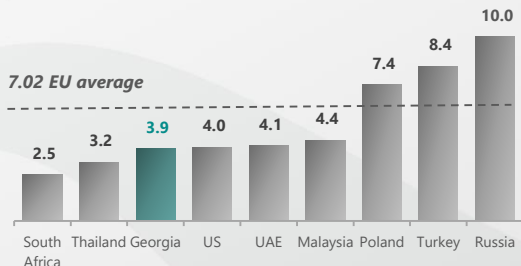


Source: Ministry of Finance of Georgia

- The country's expenditure on healthcare – c.8% of GDP;
- c.40% of the total healthcare expenditure is financed by the State;
- Government expenditure on healthcare as a % of GDP reached c.3% from 1.6% in 2013;
- Government spending on healthcare accounts for c.9% of the total budget;
- In 2020 increase in Other State Healthcare Spending is due to the evolved COVID-19 pandemic.

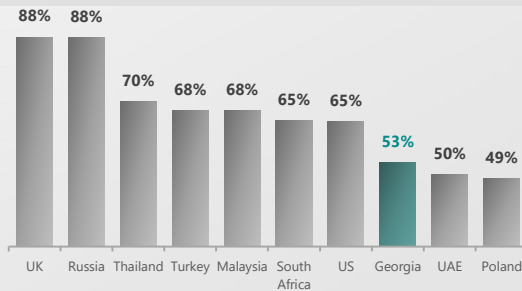
Long-term, high growth prospects

Outpatient visits per capita, 2014-2016

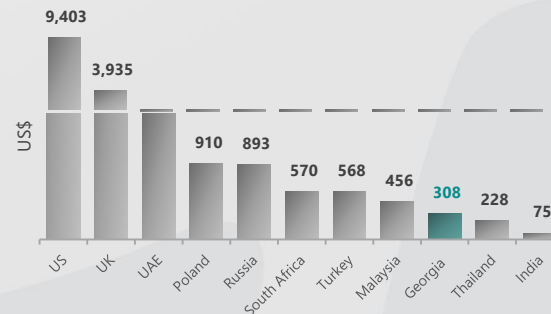


Source: Frost & Sullivan analysis 2017

Bed occupancy rate by country, 2014-2016



Per capita expenditures on healthcare by country, 2014-2018



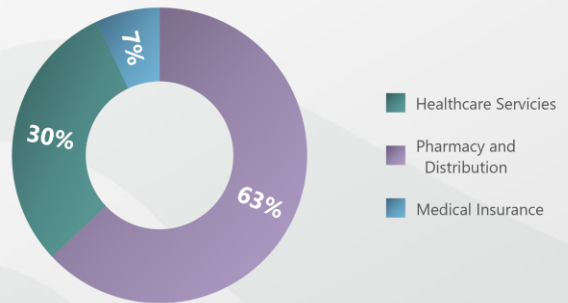
GHG at a glance

A well diversified business model with cost and synergy advantages

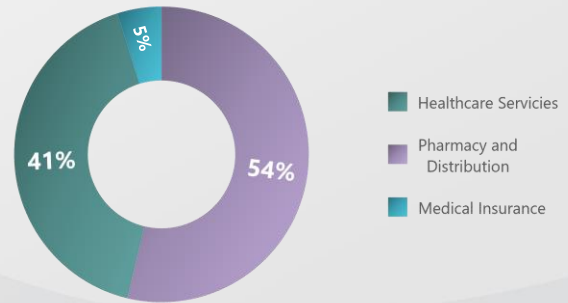
Extensive geographic coverage - diversified healthcare services and pharmacy network **covering 3/4 of Georgia's population**

Healthcare services						Pharmacy and distribution	Medical insurance
Hospitals	Clinics		Diagnostics				
18	19	15	1	299	c.175,000		
Referral Hospitals	Community Clinics	Polyclinics	Mega Lab	Pharmacies	Individuals insured		
<i>General and specialty hospitals offering outpatient and inpatient services in Tbilisi and major regional cities</i>	<i>Outpatient and basic inpatient services in regional towns and municipalities</i>	<i>Outpatient diagnostic and treatment services in Tbilisi and major regional cities</i>	<i>Full range of diagnostics services, including basic and complex laboratory tests</i>	<i>Wholesaler and urban-retailer, with a countrywide distribution network</i>	<i>Range of private insurance products purchased by individuals and employers</i>		
Market share		23% by beds¹ (total 3,320 beds)	c.3% by revenue	N/A	c.32% by revenue²	c.28% by revenue³	
1H20 EBITDA EBITDA margin⁴		GEL 22.5 million 17.7% margin	GEL 3.6 million 16.8% margin	GEL (0.1) million -3.5% margin	GEL 33.6 million 10.5% margin	GEL 3.0 million 8.8% margin	

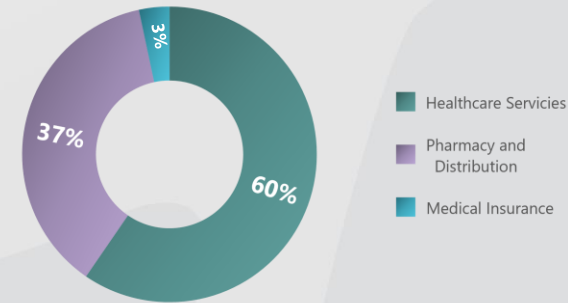
1H20 revenue breakdown | GEL 475 million



1H20 EBITDA⁴ breakdown | GEL 63 million



1H20 operating cash flow⁴ breakdown | GEL 90 million

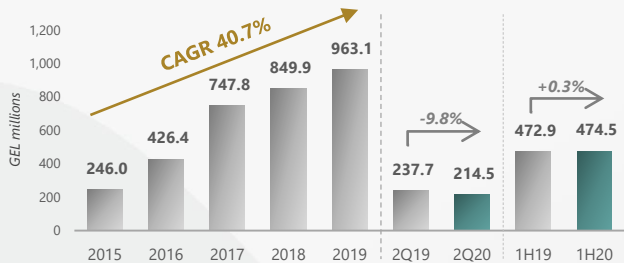


Note 1: NCDC 2018, updated by GHG to include the changes before 30 June 2020; excluding specialty beds
 Note 2: Total market size 2018 – Frost & Sullivan analysis, revenue distribution between competitors represents managements estimates

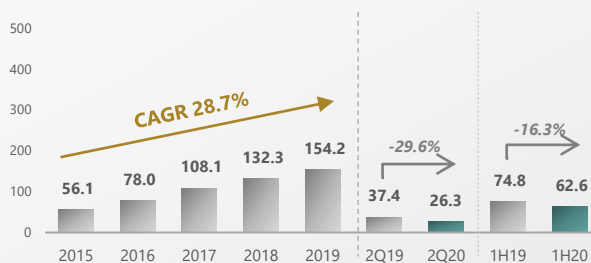
Note 3: Market share as of 31 March 2020
 Note 4: Excluding IFRS 16 effect

GHG's track record of delivering strong results

Revenue

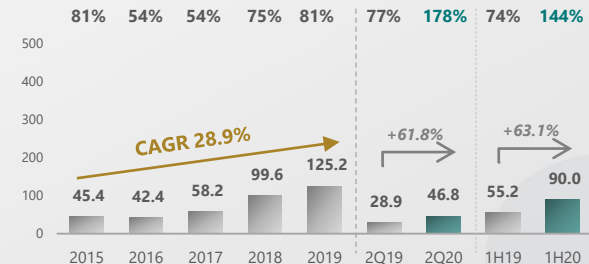


EBITDA¹

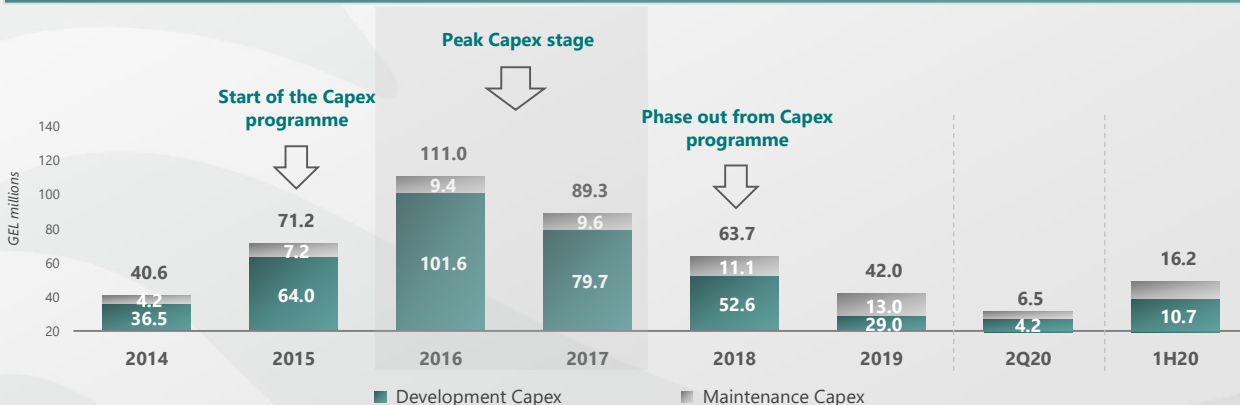


Operating cash flow¹

EBITDA to cash conversion ratio¹:

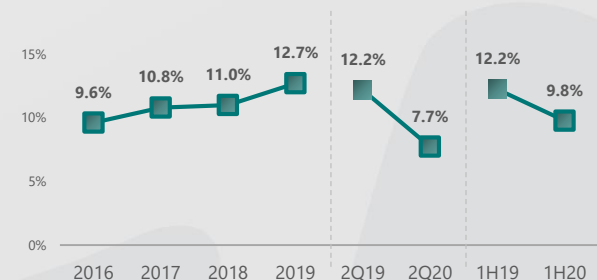


CAPEX



ROIC

Pursuing value creation and making and delivering strong operational performance

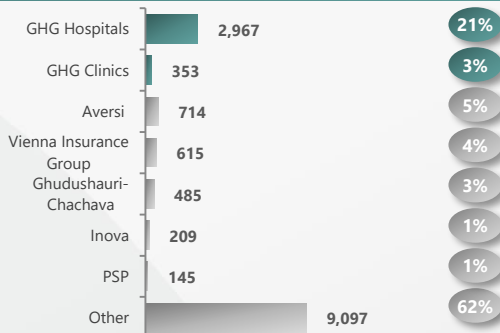


Note 1: Excluding IFRS16 impact

Healthcare services business overview

The largest healthcare service provider in Georgia: more than 23% market share by number of referral hospitals and community clinics beds – 3,320

Market share by number of beds¹



Businesses major growth drivers

Referral hospitals

- › Organic growth of matured hospitals in line with the market
- › Growth in launched two flagship hospitals
- › Supporting growth pillars, such as medical tourism and clinical trials
- › Forming joint ventures in synergetic businesses
- › Digitalisation

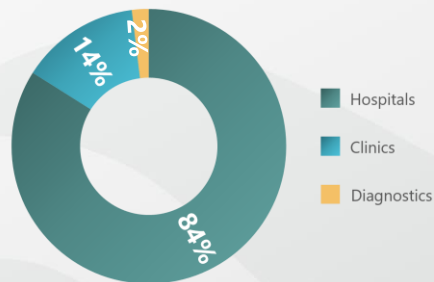
Clinics & Polyclinics

- › Increase number of registered customers
- › Increasing Group referrals
- › Adding new services, such as dental and aesthetic
- › Digitalisation

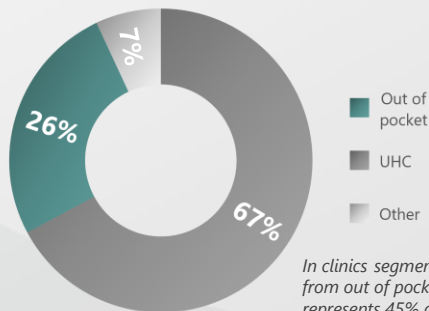
Diagnostics

- › Building an effective logistics system for Group's healthcare facilities
- › Develop retail network
- › Attracting B2B clients
- › Digital Channels

1H20 Revenue breakdown by segments



1H20 Revenue breakdown by payment sources



In clinics segment revenue from out of pocket payments represents 45% of total



Medium to long-term targets

- Double digit revenue CAGR in Hospitals and Clinics (20%+at Clinics)
- Gradually improving EBITDA margin
 - 28-30% at Hospitals
 - 25% at Clinics

Healthcare services business overview (cont'd)

Hospitals

18

Number of referral hospitals

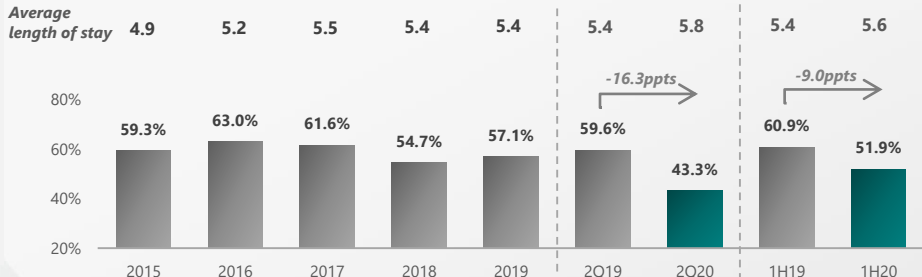
2,967

Number of hospital beds

KGEL 85.4

Revenue per bed, annualised

Bed occupancy rate



Clinics

19

Number of community clinics

353

Number of community clinics beds

15

Number of polyclinics

203,000

Number of registered patients in Tbilisi

1H20 Cash flow highlights

GEL 53.6mln

+153.4% y-o-y

Operating cash flow¹

206.9%

+156.6ppts y-o-y

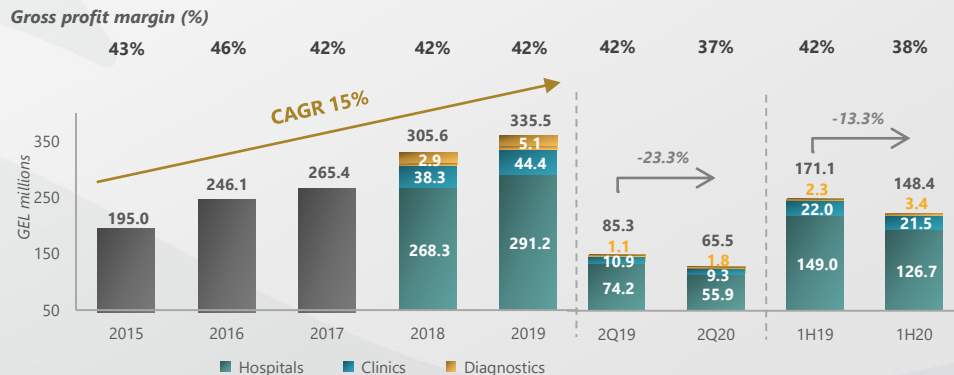
EBITDA to cash conversion¹

GEL 33.3mln

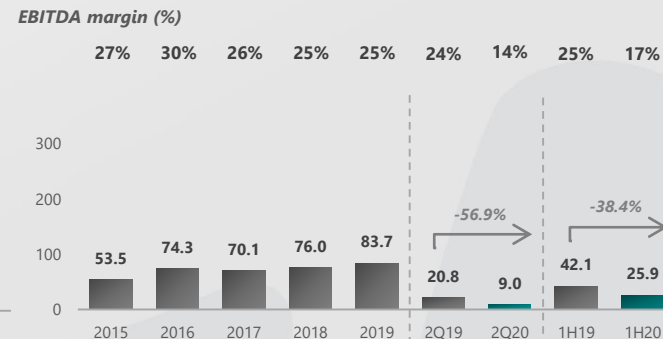
+223.4% y-o-y

Free cash flow¹

Revenue*



EBITDA¹



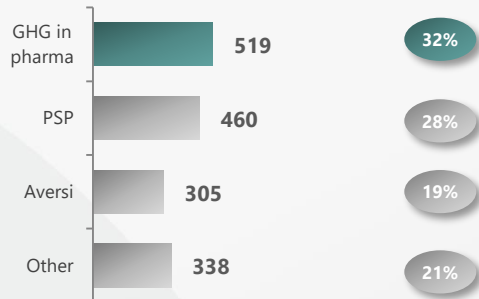
Note 1: Excluding IFRS16 impact

*Sum of segments revenue does not reconcile to total revenue due to eliminations

Pharmacy and distribution business overview

Country's largest retailer in terms of both, revenue and number of bills issued

Market share by revenue, 2018¹



Businesses major growth drivers

- › Expanding retail footprint
- › Enhancing retail margin (private label products)
- › New retail categories such as lab service and beauty
- › Growing wholesale revenue (such as hospital supplies)
- › Digital channels



Medium to long-term targets

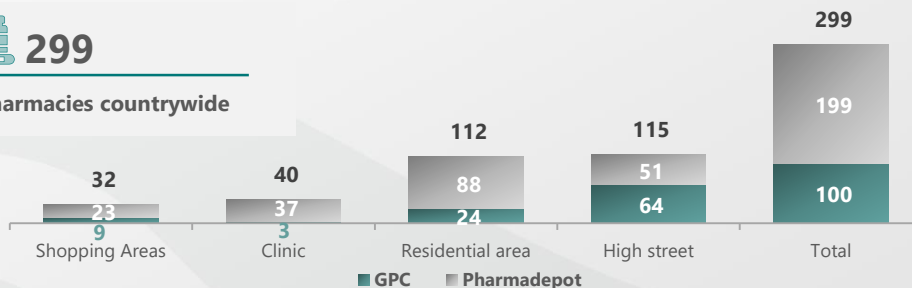
- Double digit revenue CAGR
- 9%+ EBITDA margin

Operates under two pharmacy brands, each with a distinct positioning:

- › GPC for the high-end customer segment
- › Pharmadepot for the mass retail segment


299

Pharmacies countrywide



Note 1: Total market size 2018 – Frost & Sullivan analysis, revenue distribution between competitors represents managements estimates

Pharmacy and distribution business overview (cont'd)

Margin enhancement and strong growth in para-pharmacy sales

- Strong sales in para-pharmacy products of GEL 81.6 million in 1H20 (up 21.1% y-o-y), with 33.5% gross profit margin.
- Para-pharmacy sales have the strongest margins and the share of para-pharmacy sales in retail revenue reached 34.0% in 1H20 (30.3% in 1H19).



Cash flow highlights

GEL 33.4mln

+8.0% y-o-y
Operating cash flow¹

99.3%

-0.6 ppts y-o-y
EBITDA to cash conversion¹

GEL 33.0 mln

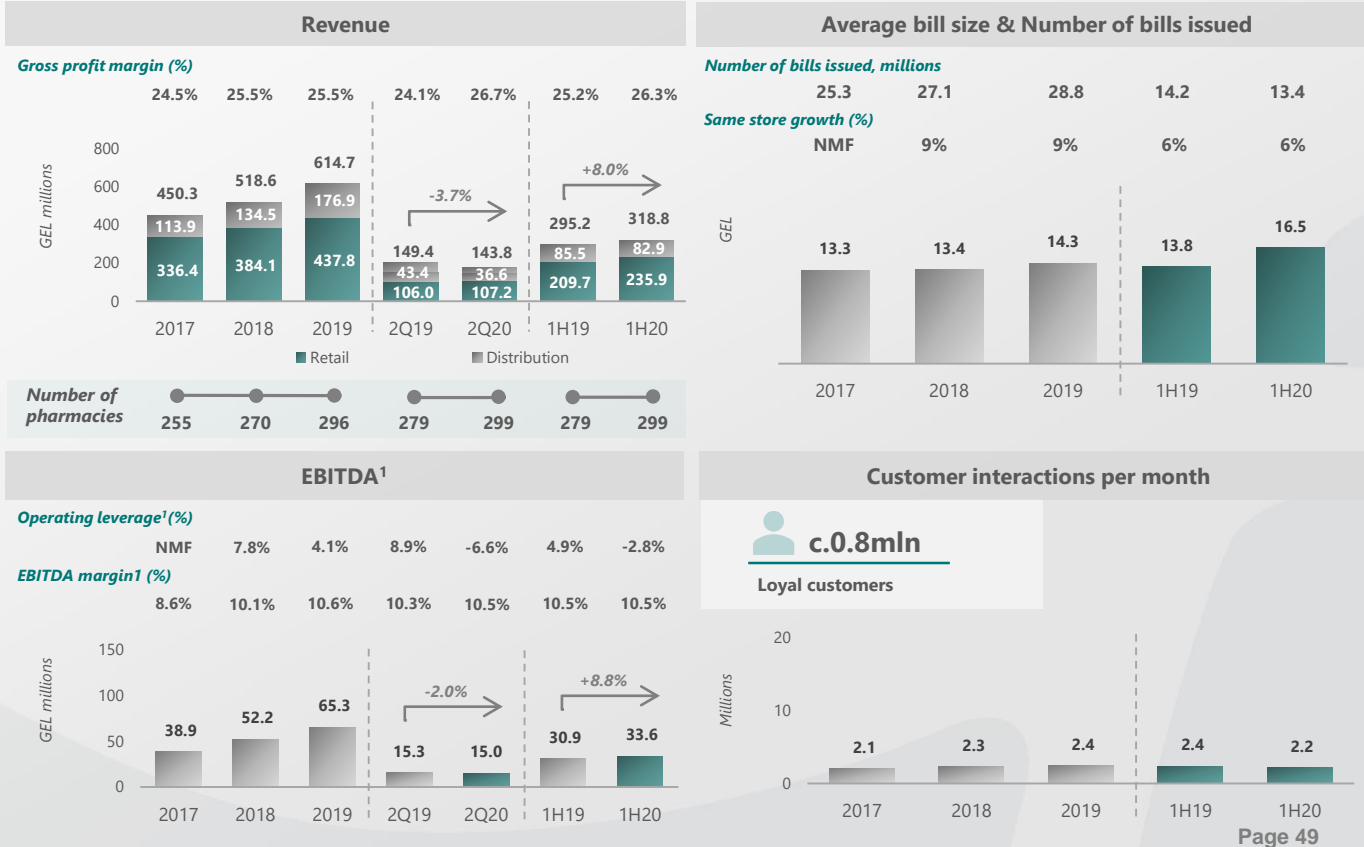
+7.5% y-o-y
Free cash flow¹

55 days

-9.4% y-o-y
Working capital cycle (days)

Note 1: Excluding IFRS16 impact

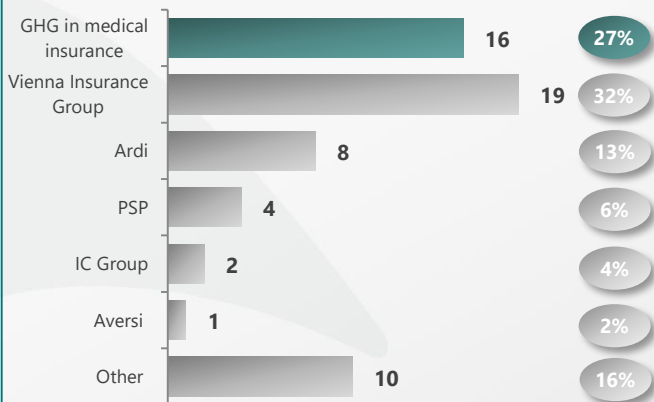
Performance track record




Medical insurance business overview

Largest medical insurer in the country with 27.8%¹ market share Offering a variety of medical insurance products, with a wide distribution network to the Georgian population

Market share by gross premium revenue¹



 **c.175,000**

Number of insured clients

Businesses major growth drivers

- Growing the number of insured clients
- Enhancing gross profit through the introduction of “fee business” (such as motor Casco distribution, motor Third Party Liability distribution)
- Increasing retention rates within the Group



Medium to long-term targets

- Increase contribution to the Group segments
- Combined ratio <97%

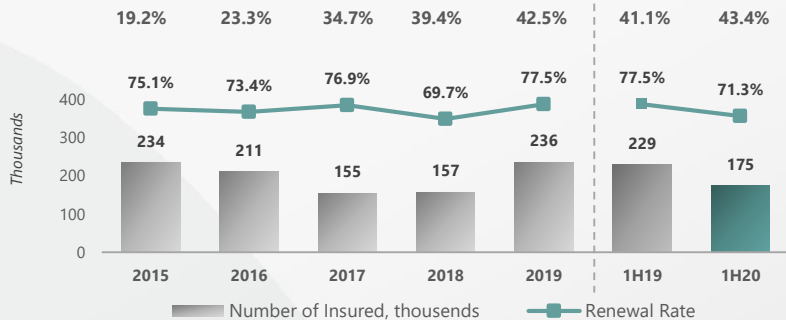


Medical insurance business overview (cont'd)

Performance track record

Number of Insured & Renewal rate

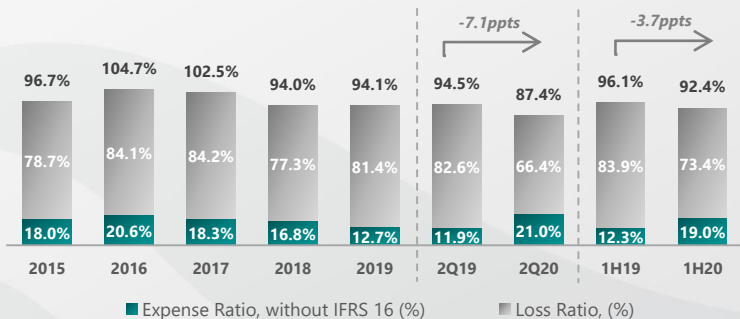
Retention rate within the Group (%)



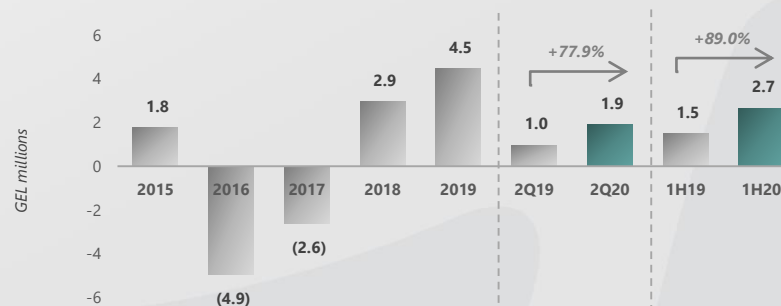
Revenue (Net insurance premiums earned)



Combined ratio¹



Net Profit¹



Note 1: Excluding IFRS16 impact

Digital transformation

Taking healthcare beyond buildings

Successful implementation of almost all elements of the Healthcare Information System ("HIS") in all its healthcare facilities across the country:

Electronic Medical Records ("EMR"),

By full implementation of outpatient EMR, Clinics business has successfully removed 100% of papers in all its 15 polyclinics and 19 community clinics in the country.

Inpatient Medical Ordering System and EMR

Hospitals business successfully implemented electronic ordering in all its 18 facilities, eliminating significant paperwork in inpatient departments.

The full EMR is almost up and running in almost all our hospitals.

Picture Archiving and Communication System ("PACS")

All Tbilisi-based hospitals and polyclinics, both inpatient and outpatient, were successfully connected, integrating more than 100 pieces of radiology equipment.

Laboratory Information Management System ("LIMS")

"BioLab" LIMS has been fully integrated with our inpatient and outpatient EMR, ensuring fast and high-quality cooperation between healthcare facilities and the laboratory.



Increased level of cooperation among doctors and clinics in the entire network, and a significant overall improvement of the healthcare services quality

Core benefits seen from successful implementation of HIS

- › Increase in the outpatient (c.40%) and inpatient business throughput
- › Elimination of human errors and elimination of the loss of medical data or medical documents
- › Real-time record of the results of clinical and administrative work
- › Reduction of the time required for a comprehensive clinical review
- › Reduction of the cost (penalties and charges) related to clinical and regulatory risks
- › Daily financial and operating reports introduced in both inpatient and outpatient businesses
- › Development and effective implementation of clinical quality control functions in each and every hospital

A fully integrated digital healthcare platform

EKIMO – Health at your hand

Innovative, independent and fully integrated digital healthcare platform combining all components of primary healthcare doctors, clinics, laboratories, radiology units, retail pharmacies and medical insurance.

The platform is open for any healthcare service provider or health product seller in the country, and it is completely free of charge for patients/customers.

Since its launch, EKIMO has been joined by 1,047 doctors from 73 different clinics, half of which are independent, third-party clinics.

EKIMO Partner network

667 have online consultations too



1,047
Doctors



73
Clinics



c.300
Pharmacies

51,269

Registered users

33,991

Monthly active users

5,267

Monthly paying users



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 position¹** in Georgia by assets (35.4%), loans (34.8%), client deposits (38.2%) and equity (30.6%) as of 30 June 2020
- **Strong brand name recognition** and retail banking franchise
- **Sustainable high profitability with average ROAE of more than 20%** over the last four years on the back of solid NIM, low cost of credit risk and stringent cost control
- **Resilient credit profile:** Well-capitalised, diversified and high quality loan book and strong liquidity profile
- 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%

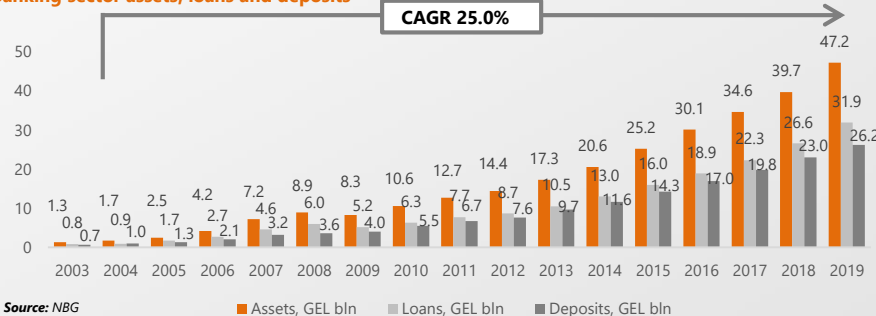
Banking business key medium to long term targets

ROAE
20%+

Loan book
growth
15%-20%

Market opportunity

Banking sector assets, loans and deposits



Robust capital management track record

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

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

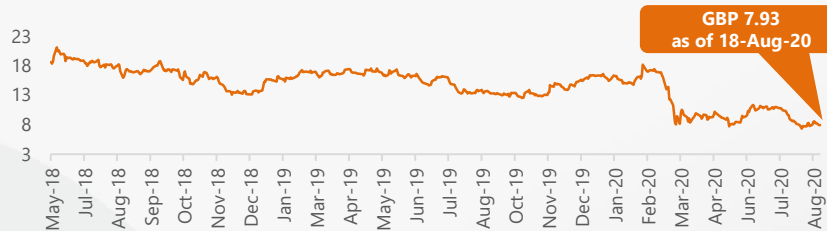
- **Due to the COVID-19 related uncertainties, BoG has decided against distributing a 2019 dividend to shareholders; however, BoG's dividend policy remains unchanged, and the Bank plans to return to a targeted payout ratio range of 25-40% as soon as practically possible.**



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

<http://bankofgeorgiagroup.com/>

Stock price performance



Selected operating metrics

	30-Jun-19	30-Jun-20
Retail clients ('000)	2,475	2,541
Digital transactions (millions)	86.5	78.3

Financial metrics (GEL millions)

	2015	2016	2017	2018	2019	2Q19	2Q20	1H19	1H20	Change
ROAE	21.9%	22.2%	25.2%	26.4% ²	26.1% ³	22.9% ³	21.8%	23.7% ³	1.4%	-22.3ppts
NIM	7.7%	7.4%	7.3%	6.5%	5.6%	5.7%	4.2%	5.8%	4.6%	-1.2ppts
NPL coverage	83.4%	86.7%	92.7%	90.5%	80.9%	88.1%	115.7%	88.1%	115.7%	27.6ppts
Loan portfolio	5,367	6,682	7,741	9,398	11,931	10,580	12,599	10,580	12,599	19.1%
Cost/income	35.5%	37.7%	37.7%	36.7%	37.8%	38.3%	43.9%	36.9%	41.1%	4.2ppts

GEL 12.2 billion loan portfolio breakdown* | 30 June 2020

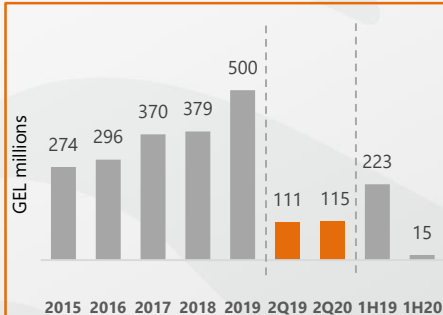
Corporate loans,
GEL 4,182.5 million,
34.2%



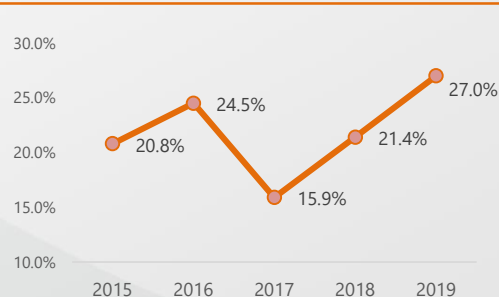
Retail loans,
GEL 8,041.0 million,
65.8%

* Bank of Georgia Standalone.

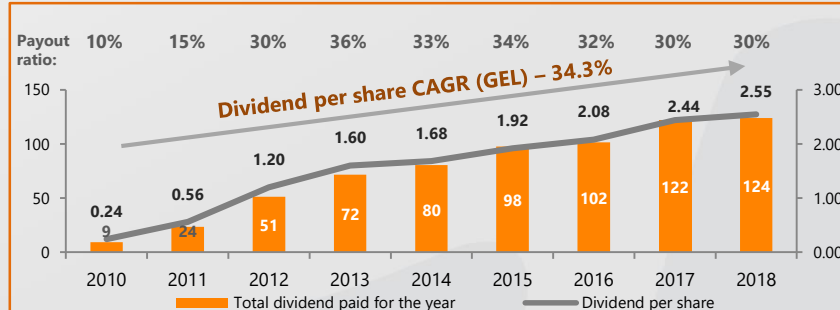
Net profit



Loan book growth



Dividend record¹ (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

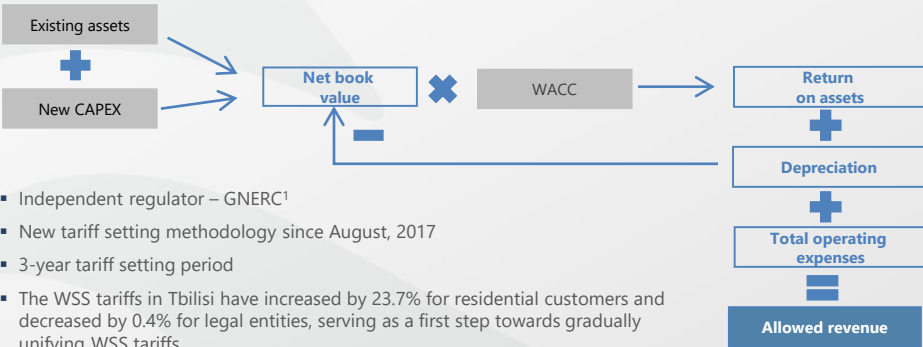
Investment rationale

- 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

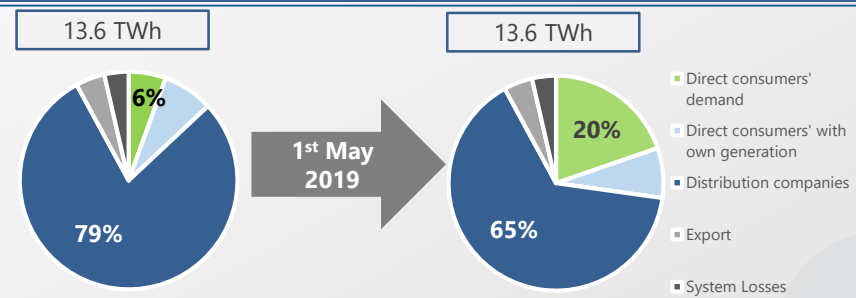
- EU harmonization reforms in progress in utilities sector, expected to drive water tariffs up
- Energy market deregulation positively affecting electricity sales price
- Upside opportunity from efficiency gains – continued decrease in self-consumption of energy, freeing up electricity for market sales.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

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



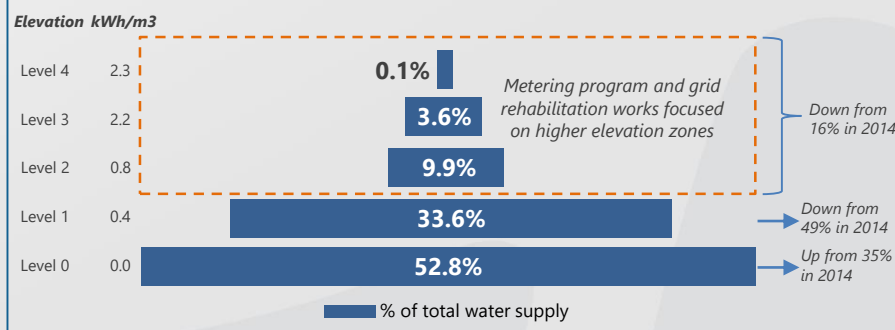
- Independent regulator – GNERC⁽¹⁾
- New tariff setting methodology since August, 2017
- 3-year tariff setting period
- The WSS tariffs in Tbilisi have increased by 23.7% for residential customers and decreased by 0.4% for legal entities, serving as a first step towards gradually unifying WSS tariffs

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 | 30 June 2020

	Jun-20	Dec-19	Change
LTM EBITDA	85	95	-11.0%
Multiple applied	9.8	8.8	11.4%
Enterprise value	829	837	-0.9%
Net debt	(390)	(353)	10.6%
Equity fair value	439	484	-9.3%
LTM ROIC ¹	9.7%	12.5%	-2.8ppts

Valuation peer group

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

Financial metrics (GEL millions)

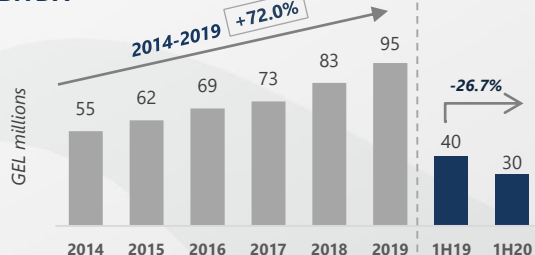
	2015	2016	2017	2018	2019	1H19	1H20	Change
Total revenue	119	127	135	149	163	75	61	-18.5%
Of which, utility revenue	110	117	125	140	143	66	58	-11.9%
Of which, energy revenue	9	10	10	9	20	8	2	-71.4%
Cash flow from operations	52	54	70	82	99	45	29	-35.8%
FCF	17	(2)	(58)	(66)	17	10	(8)	NMF

Selected operating metrics

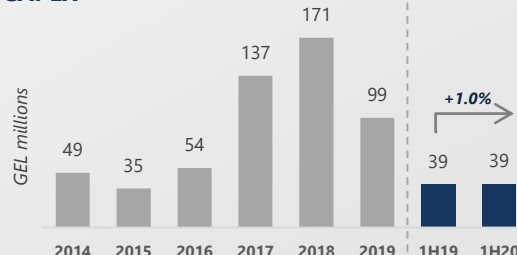
millions except # of connections	1H19	1H20	Change
Water Utility			
Water sales (m ³)	87.3	81.8	-6.3%
Self-produced electricity consumption (kwh)	86.3	85.9	-0.5%
New connections	2,312	1,441	-37.7%
Energy			
Electricity generation (kwh)	168.5	115.9	-31.2%
Energy sales (kwh)	82.2	30.0	-63.5%
Electricity purchases (kwh)	18.0	18.6	3.6%

Performance track record

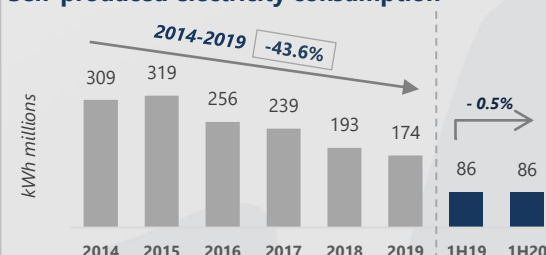
EBITDA



CAPEX



Self-produced electricity consumption



(1) ROIC is calculated as EBITDA less depreciation, divided by aggregate amount of total equity and borrowed funds.
 (2) Eastern Water Resources Dev. & Man.



Housing development business overview

Investment rationale

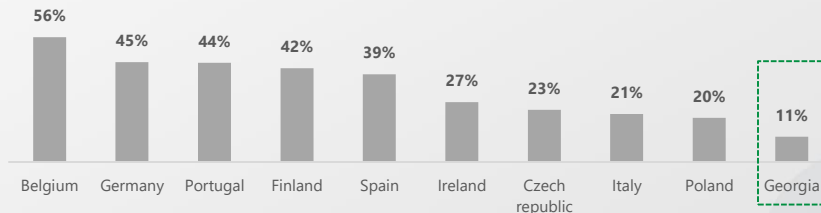
- Shortage of housing from Soviet era combined with Georgian tradition of multi generations living under one roof - average household size is significantly higher at 3.3 compared to Eastern or Western Europe
- Most of the housing stock dates back to Soviet era and is amortised
- In line with the economic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

Value creation potential

- Unlock land value by developing housing projects (incl. suspended projects of defaulted company "Sveti" under distressed assets management arm)
- Earn Construction management fees from third-party projects and bring construction works in-house

Significant room for further growth in mortgages

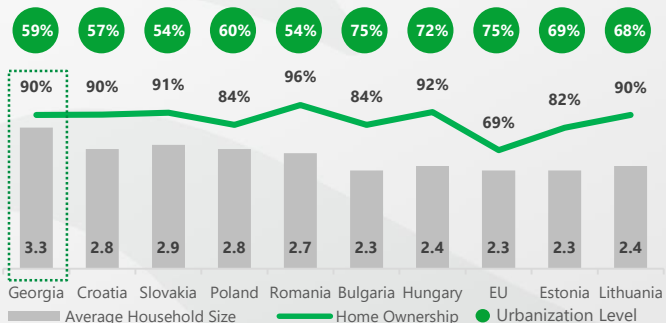
Mortgage loans to GDP %, 2019



Source: European Mortgage Federation, National Bank of Georgia, World Bank

Household size further reduction driving demand for housing market

Average household size and home ownership, latest available data

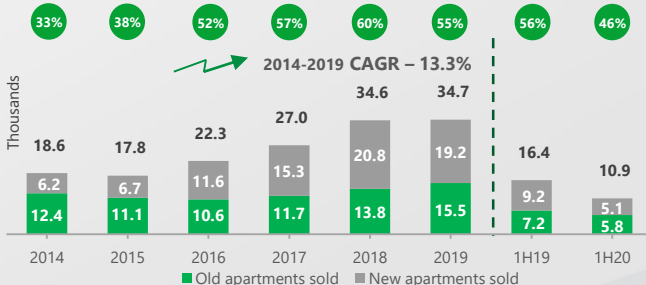


Source: Geostat, Eurostat, World Bank, United Nations, Trading Economics, Statista

Number of residential unit transactions in Tbilisi

Government 4% mortgage interest rate subsidy will further incentivize customers to buy apartments on the primary market in 2H20

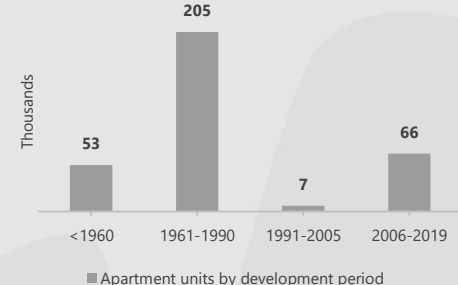
Total share of new apartments sold



Source: TBC Capital, Galt and Taggart

Most of the housing stock needs replacement

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



Source: Galt and Taggart

Housing development business overview (cont'd)

Valuation highlights | 30 June 2020

<i>GEL millions, unless otherwise noted</i>	Jun-20	Dec-19	Change
Enterprise value	182	205	-11.1%
Net debt	(159)	(161)	-0.9%
Equity fair value	23	44	-48.6%
Dividends (<i>lifetime</i>)	152	152	NMF

➤ *The cost of equity increased and the expected cash inflows from the pipeline projects decreased as a result of COVID-19 related uncertainties, leading to GEL 22.0 million negative value creation in 1H20.*

Financial metrics (GEL millions)¹

	2015	2016	2017	2018	2019	1H19	1H20	Change
Apartments sales revenue	45	96	92	95	55	16.6	33.9	NMF
Construction revenue	-	-	-	36	60	21.6	21.7	0.29%
EBITDA	18	11	28	16	(3)	(2.1)	3.9	NMF
Cash flow from operations	(10)	(16)	19	(10)	(9)	(16.7)	24.5	NMF

Ongoing residential projects update

	YTD Jun-20		Project to date Jun-20	
	Digomi	Sveti	Digomi	Sveti
Sq.m. of apartments sold	14,251	6,805	34,625	6,805
Sq.m. sold as % of total available space (apartments)	60%	4.2%	60%	4.2%
IFRS revenue recognition	36%	26%	36%	26%
Total sales value (US\$ mln)	11.8	4.1	33.2	4.1
Cash received (US\$ mln)	13.6 ²	3.6 ²	21.4	3.6
Price per square meter US\$	832	602	958	602

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\$ 63.3m

land value unlocked

3,584 apartments sold

(53.2% as a % of total with sales value³ of **US\$ 293m**)

2 on-going projects

(with 3,884 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.

(3) Excluding receivable from prior period sales on Sveti project.



P&C insurance business overview

Investment rationale

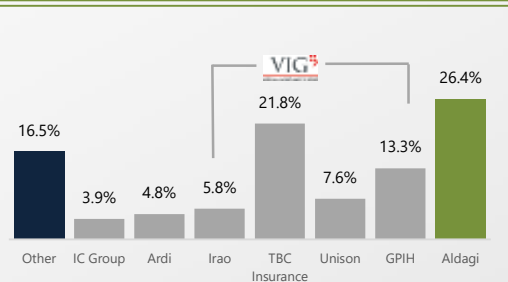
- Significantly underpenetrated P&C insurance market in Georgia (0.7% penetration)
- Market leader with a powerful distribution network of point of sale and sales agents

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 62% in 1H20 from GEL 0.4m to GEL 0.6m.
- Developing and introducing new digital channels to simplify purchase of insurance products
- Undisputed leader in providing insurance solutions to corporate clients

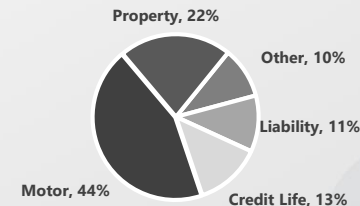
Market share 1Q20

(earned premium, gross)



Source: Insurance State Supervision Service of Georgia

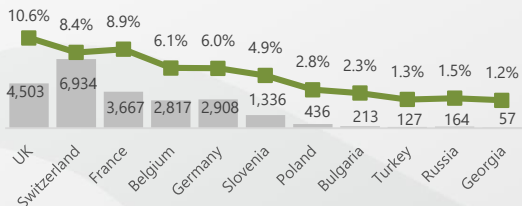
Market composition by product lines



Source: Internal data

Insurance penetration & density

Georgia P&C Penetration 0.7% Density \$34

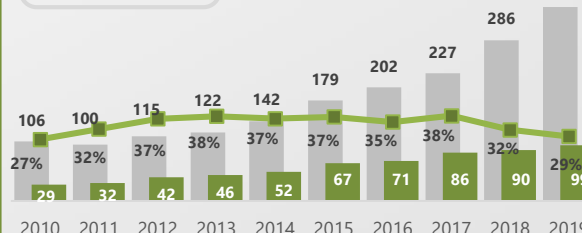


Source: Swiss Re Institute

(1) Including healthcare insurance.

Market & Aldagi Revenue (GEL millions)

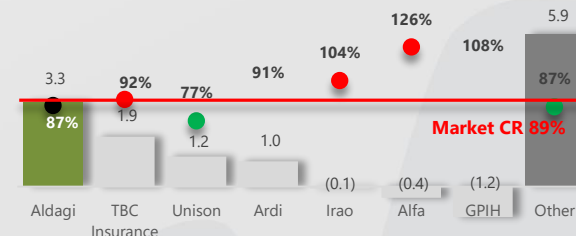
CAGR 2010-2019 Market - 14% Aldagi - 15%



Source: Insurance State Supervision Service of Georgia

Market PL & Combined Ratio | 1Q20

Total Market Profit * GEL 11.6 m



* 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

GEL millions, unless otherwise noted	Jun-20	Dec-19	Change
LTM net income	18	18	-0.8%
Multiple applied	8.0	9.0	-11.1%
Equity fair value	141	165	-11.9%
LTM ROAE	28.7%	30.4%	-1.7ppts

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	1H19	1H20	Change
Earned premiums, net	47	50	63	67	75	36.3	34.7	-4.5%
Net income	12 ¹	14	16	18 ²	18	8.3	8.2	-1.8%
Combined ratio	79%	73%	75%	75%	82%	80.2%	80.3%	0.1ppts
Loss ratio	43%	35%	40%	38%	42%	41.6%	43.8%	2.2ppts
Expense ratio	36%	38%	35%	37%	41%	38.6%	36.4%	-2.1ppts
Cash flow from operations	12	14	13	21	19	14.7	9.9	-32.5%

Selected operating metrics

	1H19	1H20	change (y-o-y)	Renewal Ratio
Corporate insurance policies written ³	50,781	42,790	-15.7%	85%
Retail insurance policies written	54,730	49,887	-8.8%	61%

Performance track record

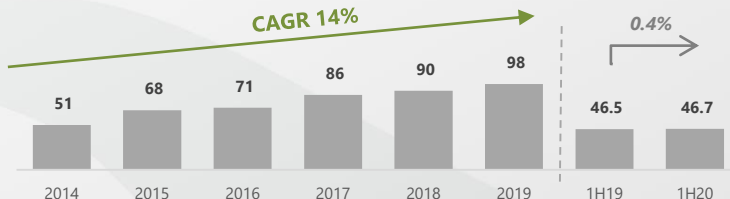
Earned premium, gross

(GEL millions)

1H20 Earned premium, gross composition:

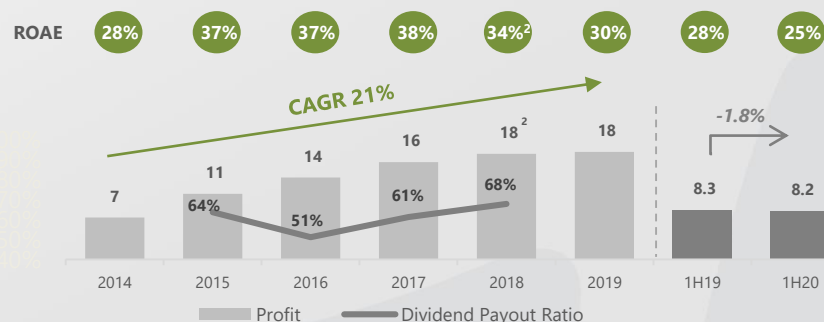
Segment: Corporate 56%, Retail 38%, Compulsory lines 3%, Government 3%

Product: Motor 34%, Property 27%, Credit life 14% Liability 10%, Other 15%



Profit & Dividend payout ratio

(GEL millions)



1. Excluding impact of one-off FX contract with GEL 8 million loss
2. Adjusted for non-recurring items.

3. Excluding credit life insurance.
4. FY19 net income used for valuation at 31-Mar-20.

Renewable energy business overview

Investment rationale

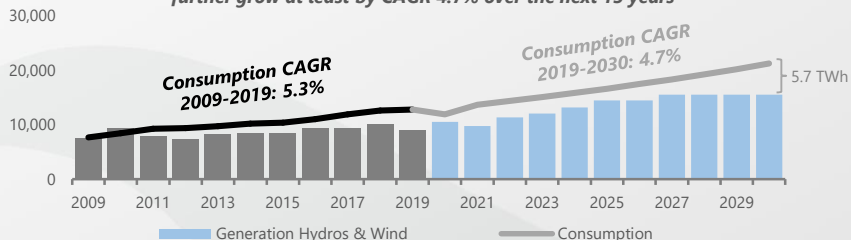
- Growing electricity market as supply lags behind the increasing demand, creating opportunities.
- Underutilized energy resources - availability of economically feasible hydro and wind projects.
- Cheap to develop – up to US\$1.5m for 1MW hydro and up to US\$1.4m for wind development on average with 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 by CAGR of up to 5% over the next 10-15 years on the back of following key drivers:
 - 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.

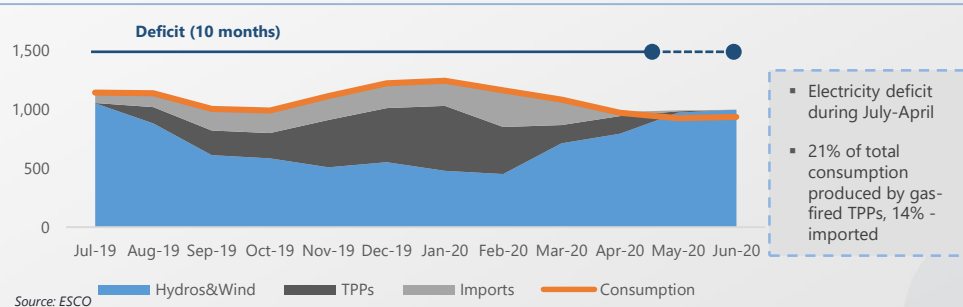
Actual and forecasted consumption, GWh

Energy consumption has grown at 5.3% CAGR in last 10 years and is expected to further grow at least by CAGR 4.7% over the next 15 years



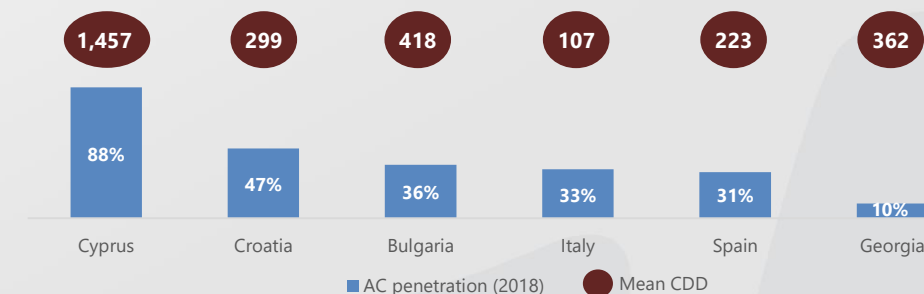
- Growth of internal consumption: 7.7% in 2017, 6.1% in 2018 and 1.5% in 2019
- Anticipated deficit of at least 6.4 TWh by 2030

Electricity supply and consumption, LTM



Low base and high CDD¹ 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)

Renewable energy platform


Hydro: 208 MW
Of which operational 71MW

Wind: 228 MW
Of which operational 21MW

Valuation highlights | 30 June 2020

GEL millions, unless otherwise noted

	Jun-20	Dec-19	Change
Equity Fair value (GCAP share)	185	107	73.0%
Net debt	271	239	13.3%
GCAP ownership³	100%	65%	35ppts

- **Hydrolea HPPs and Qartli wind farm (acquired in 4Q19) were valued using run-rate EBITDA earnings and related EV/EBITDA multiple, resulting in GEL 32.7 million value creation.**

Valuation peer group

Company	Country	Ticker	Stock Exchange
Falck Renewables	Italy	FKR	Italy
Terna Energy	Athens	TENERGY	Athens
Azure Power Global	India	AZRE	NYSE
BCPG Public Company Limited	Thailand	BCPG	Thailand

(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.

(3) 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.

Financial metrics (GEL millions)

	2017	2018	2019	1H19	1H20	Change
Revenue	NMF	NMF	16.2	2.4	18.9	NMF
EBITDA	(1.7)	(0.8)	13.1	1.5	14.1	NMF
Cash flow from operations	(1.5)	(0.7)	2.8	(0.6)	17.7	NMF
Capex	70.0	62.3	117.4	18.5	22.0	18.7%

1H20 performance

GEL thousands, unless otherwise noted

	Mestiachala HPPs ²	Hydrolea	Qartli Wind Farm
Revenue	5,653	3,816	9,334
<i>Of which, BI reimbursement</i>	2,620	-	-
Generation (Gwh)	25.7	26.4	46.6

Renewable energy projects overview | 30 June 2020

Greenfield projects	MW	Cost per MW	Gross generation (GWh) ¹	Gross capacity factor	PPA tenor years	PPA tariff (US\$/kWh)	Current stage
Mestiachala HPPs	50	1.2	174	39.8%	15	5.5	Operational ²
Zoti HPPs	46	1.3	173	43.0%	15	5.1	Under Construction
Darchi HPP	17	1.6	83	55.7%	10	5.6	Development
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
Recent acquisitions							
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
Total	436		1,651				

- **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.**

Hospitality and commercial real estate business overview

➤ **We are re-evaluating our commitment to develop the hospitality business in light of the continuing uncertainty regarding the effects of COVID-19.**

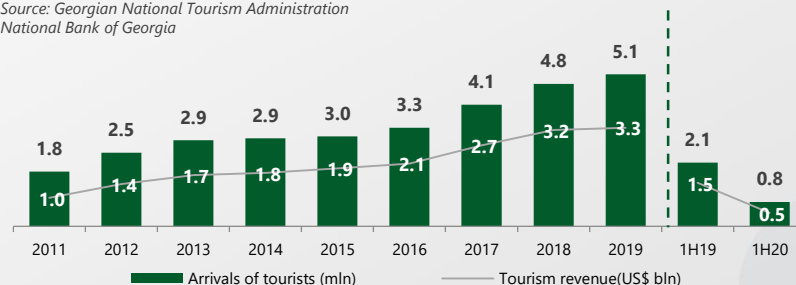
Pre Covid-19 strategy

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.
- 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

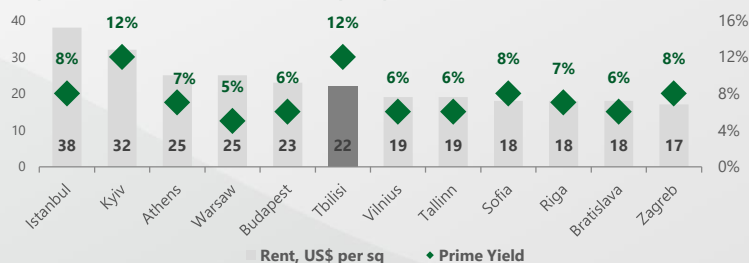
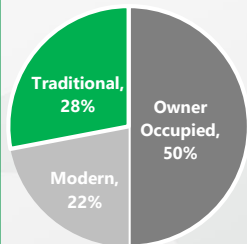


Leasable modern office stock remains scarce

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 CEE¹ 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.
Despite recent COVID-19 outbreak, rent per sq.m. in Tbilisi stands at US\$ 20.7 in 2Q20.

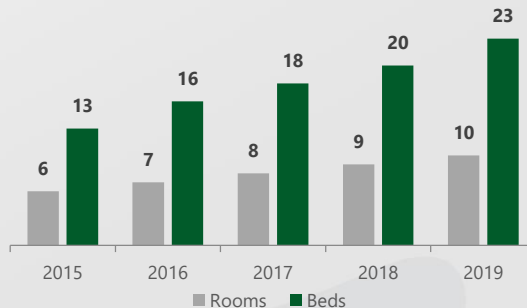


Source: Galt and Taggart

(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 | 30 June 2020

GEL millions, unless otherwise noted	Jun-20	Dec-19	Change
NAV	138	246	-43.7%
<i>Of which, Commercial Real Estate</i>	77	86	-10.5%
<i>Of which, Hospitality</i>	61	159	-61.6%
LTM ROIC¹	-23.7%	6.5%	-30.2ppts

- **The mark-down of Hospitality & Commercial Real Estate NAV (8% of our total portfolio at 30 June 2020) is attributable to the uncertain outlook for the tourism sector.**

Selected operating metrics

	1H19	1H20	Change
Gross yield (leased portfolio)	9.2%	9.2%	-0.1ppts
Occupancy rate	84.7%	89.9%	+5.2ppts
Leased area (sq.m.)	26,163	34,428	31.6%

Ramada Encore YTD June performance

RevPAR, US\$	ADR, US\$	Occupancy%
9	23	38.3%

GUDAURI LODGE YTD June performance

RevPAR, US\$	ADR, US\$	Occupancy%
18	36	49.1%

- 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.

Financial metrics (GEL millions)²

	2016	2017	2018	2019	1H19	1H20	Change
NOI ³ from operating leases	3	3	5	6	2.8	4.2	49.8%
NOI ³ from hospitality services	-	-	2	2	0.7	(1.1)	NMF
Revaluation gain	-	1	28	22	7.9	(117.6)	NMF
Total net operating income	2	3	31	25	9.5	(117.6)	NMF
Cash flow from operations	3	3	6	3	0.3	(1.5)	NMF
Commercial real estate portfolio	42	42	68	129	122	118	-3.0%

Hospitality projects overview | 30 June 2020

Hotel	Location	Rooms	Stage Pre Covid-19	Current status
Ramada Encore Kazbegi, Tbilisi	Capital city	152	Operational	Rented for quarantine
GUDAURI LODGE	Region	121	Operational	Rented for quarantine
Ramada Melikishvili, Tbilisi	Capital city	125	Construction	Put on hold
Kempinski, Tbilisi	Capital city	99	Construction	Put on hold
Seti Square in Mestia, Svaneti	Region	52	Construction	Put on hold
Ramada Kutaisi	Region	124	Construction	Put on hold
Kakheti Wine & Spa	Region	60	Construction	Put on hold
Shovi, Racha	Region	109	Design	Put on hold
Mestia, Svaneti	Region	140	Design	Put on hold
Telavi	Region	110	Design	Put on hold
Zugdidi	Region	130	Design	Put on hold
Total		1,222		

(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.

Beverages business overview | Wine

Investment rationale

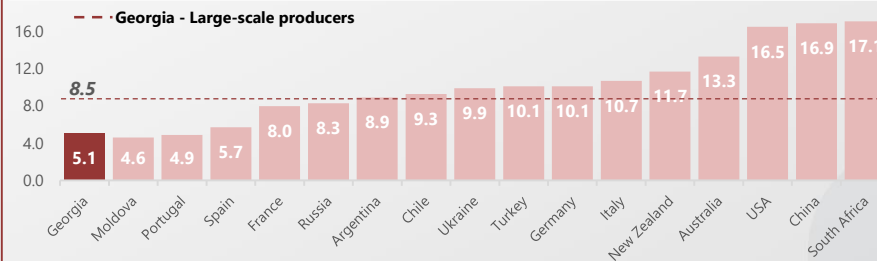
- Georgia is considered the "cradle of wine" with a rich, 8,000-year history of wine-making and home to over 500 unique grape varieties
- Georgia's favorable trade regimes (free trade agreements with EU and China) provide potential for export growth for beverages
- Growing urbanization and tourism inflows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



Source: TBC Capital

Georgian wine exports (Bottles, US\$ millions)

Export Sales (\$US) over past 6 years increased at 9.6% CAGR

Wine business share in export market (1H20) – 5.2%

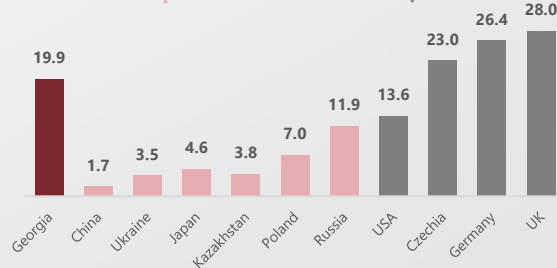


Source: National Statistics office of Georgia

Wine consumption per capita, liters (2019)

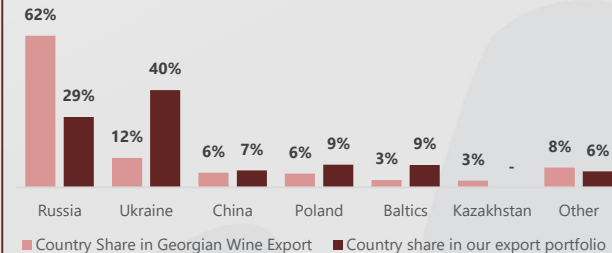
Primarily established export markets

Target and emerging export markets



Source: TBC Capital

Georgian wine bottle sales by export countries | 1H20



Source: National Statistics Office of Georgia

Beverages business overview | Beer

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.

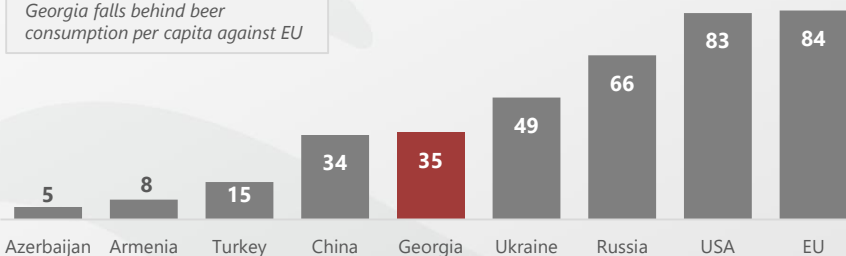
Export to more than 25 countries

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

Annual beer consumption (liter per capita, Age 15+) in 2019²

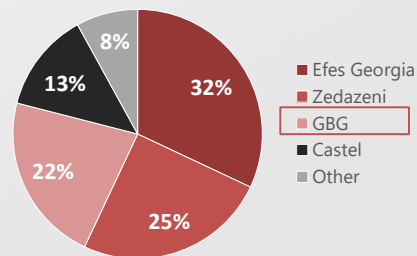
Per capita beer consumption implies room for growth

Georgia falls behind beer consumption per capita against EU



Source: TBC Capital

Domestic market share¹ | 30-Jun-20



Better portfolio and Improved product mix allowed the business to increase beer market share from 17.5% to 22% in 1H20

(1) Management estimate at the end of 1H20.
 (2) Georgia 2019, other countries 2016.

Beverages business overview (cont'd)

Wine business

Financial metrics (GEL millions)

	2015	2016	2017	2018	2019	1H19	1H20	Change
Wine Revenue	18	18	20	29	42	17.3	15.1	-12.6%
Gross profit margin	52%	53%	49%	48%	45%	45.3%	36.4%	-8.9ppts
Wine EBITDA	2	3	5	7	9	3.0	1.3	-57.9%
Cash flow from operations	2.6	1.8	1.5	0.1	2.8	1.8	4.5	NMF

Selected operating metrics (in '000)

	1H19	1H20	Change
Wine sales bottles	2,608	2,354	-9.7%
Of which, export sales	2,093	2,118	1.2%
Export share (%)	80.3%	90.0%	+9.7 ppts
Average price per bottle US\$	2.6	2.3	-11.8%

Valuation peer group

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

Beer business

Financial metrics (GEL millions)

	2017	2018	2019	1H19	1H20	Change
Beer Revenue	18	29	44	18.2	21.1	15.7%
Beer EBITDA	(6)	(14)	(6)	(6.5)	-	NMF
Cash flow from operations	(11.4)	(13.8)	(14)	(8.8)	2.4	NMF

Selected operating metrics (in '000)

	1H19	1H20	Change
Beer sales liters	8,464	11,672	37.9%
Lemonade sales liters	1,148	1,238	7.8%
Average price per liter GEL	2.39	2.27	-5.0%

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

➤ **Beverages equity fair value at GEL 60.1 million as at 30 June 2020, down by 31.1% in 1H20**

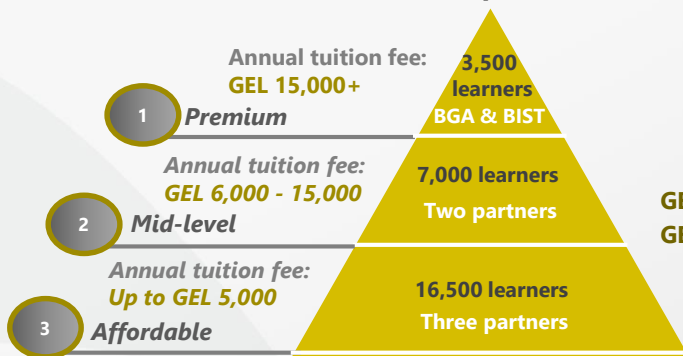
➤ Wine businesses valued using LTM EV/EBITDA methodology, while beer business is valued with LTM EV/sales

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 ²	Debt/Equity	GCAP ownership	Acquired at	Current capacity of learners	Targeted capacity of learners	Targeted cost per learner (GEL)
BGA & BIST	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% ¹	5.6x EV/EBITDA	1,250	5,000	6,500 - 8,500
Total			GEL 105 million				2,810	11,180	

(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.

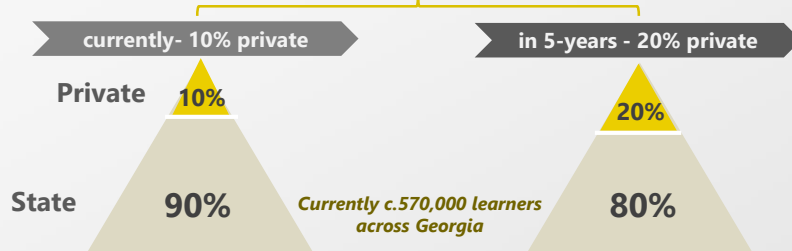
Education business overview (cont'd)

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%*

* Latest available data: World bank, Eurostat

Medium term demand outlook for private high schools



1H20 performance highlights

Financial metrics

GEL millions, unless otherwise noted	1H19	1H20	Change
Revenue	12.2	14.0	14.1%
EBITDA	4.8	5.2	8.8%
EBITDA margin	38.9%	37.1%	-1.8ppts
Cash flow from operations	6.3	4.9	-23.2%
Net debt	7.1	14.8	NMF

Operating metrics

	1H19	1H20	Change
Capacity utilization	85.9%	89.8%	+3.9ppts
Number of learners	2,379	2,524	5.7%
Learner to teacher ratio	9.1	8.9	-2.5%
Revenue per learner (GEL)	8,923	9,515	6.6%

Valuation highlights | 30 June 2020

- Education business was valued using **LTM EV/EBITDA methodology at GEL 80.7 million** at 30 June 2020.
- As a result of stable operating performance across all three schools, **the business created GEL 24.3 million value for GCAP from the first-time revaluation in 1H20.**

Valuation peer group

Company	Country	Ticker	Stock exchange
SISB Public Company Limited	Thailand	SISB	Thailand
Cogna Educação S.A.	Brazil	COGN3	Sao Paulo
Curro Holdings Limited	South Africa	COH	Johannesburg
Overseas Education Limited	Singapore	RQ1	Singapore
Cairo for Investment & Real Estate Development S.A.E.	Egypt	CIRA	Cairo and Alexandria

Attractive service business – Auto Service

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

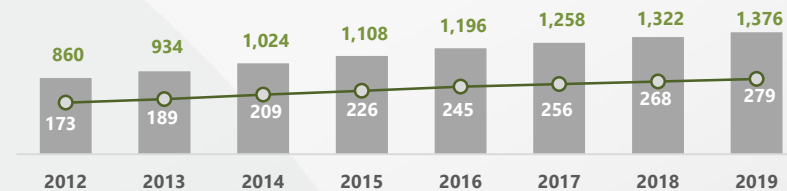
Auto park in Georgia ('000)

CAGR 2012-2019:

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

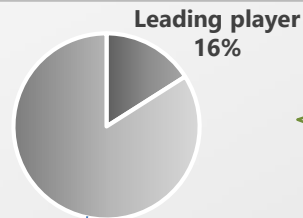
Auto park by age in 2019:

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



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

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



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

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

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 30 June 2020²

Successfully launched the periodic technical inspection business (PTI)

Periodic technical inspection business highlights

Total investment	GEL 48mln
GCAP allocated capital	GEL 5mln

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

Amboli transaction Highlights

Equity stake purchased	80%
Total cash consideration	GEL 3.4mln¹
Enterprise Value	0.7x EV/Sales 2018
Additional equity capital injection	GEL 1.6mln

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

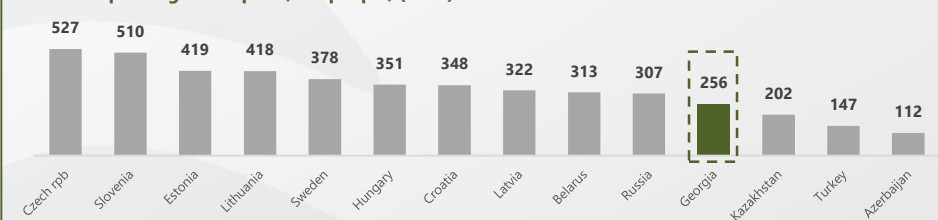
- Room for growth in the highly fragmented auto service market in Georgia with approximately GEL 2.8 billion annual revenues
- In July 2018, the business (Greenway Georgia or "GWG") won state tender to launch and operate 51 periodic technical inspection lines across Georgia with a 10-year license.
- 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 2H19 and 1H21 EBITDA earnings:

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

Valuation highlights | 30 June 2020

GEL millions, unless otherwise noted	Jun-20	Dec-19	Change
PTI EBITDA	6.2 ²	6.7 ³	-7.9%
Multiple applied	9.8	10.4	-5.8%
PTI Enterprise Value	61	70	-13.2%
PTI Net debt	(55)	(49)	11.5%
PTI Equity fair value	6	21	-72.0%
Amboli acquisition cost	9	5	83.4%
Auto service business Equity fair value	15	26	-41.6%

Selected metrics

Financial metrics Auto Service				<p>➤ Mandatory testing suspended during lockdown leading to number of cars serviced down 28.5% y-o-y.</p>
	1H20	1H19	Change	
Revenue	16.0	5.3	NMF	
Gross profit	3.8	3.0	25.4%	
EBITDA	0.7	0.6	10.9%	
Operating cashflow	(1.4)	(0.1)	NMF	
Operating metrics PTI				
Number of inspection lines		Market share ¹		
51		34%		
	1H20	1H19	Change	
Cars serviced	100,400	140,338	-28.5%	
of which, primary	73,091	101,513	-28.0%	
of which, secondary	27,309	38,825	-29.7%	

➤ 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 30-Jun-20.

Digital Services business overview

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.




Content



1. COVID-19 update
2. Georgia Capital at a glance
3. Georgia Capital strategy & capital allocations
4. Georgia Capital 1H20 results discussion and key developments
5. Portfolio overview
- 6. Georgian macro overview**
7. Appendices

Sovereign ratings with favourable macro fundamentals

Key Ratings Highlights

Rating Agency	Rating	Outlook	Affirmed
	Ba2	Stable	September 2019
	BB	Stable	October 2019
	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
Georgia	BB	Negative
Kazakhstan	BBB	Stable
Turkey	BB-	Stable
Ukraine	B	Stable

General Facts



Economy

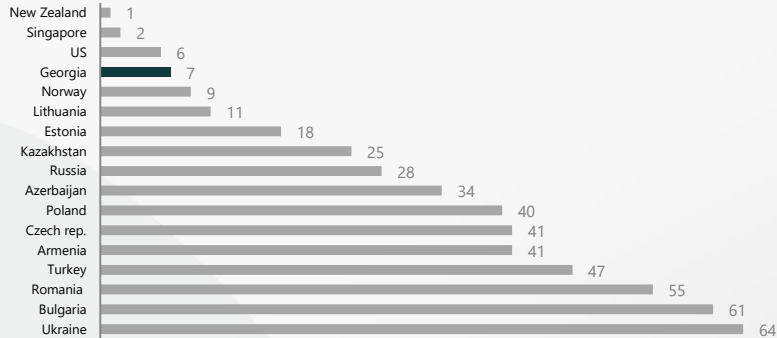
- Nominal GDP (Geostat) 2019: GEL 50 billion (US\$17.7 billion)
- Real GDP growth rate 2019: 5.1%
- Real GDP 2010-2019 annual average growth rate: 4.8%
- GDP per capita 2019 (PPP, international dollar) IMF: 12,227
- Annual inflation 2019: 4.9%
- External public debt to GDP 2019: 32.4%

Georgia's key economic drivers

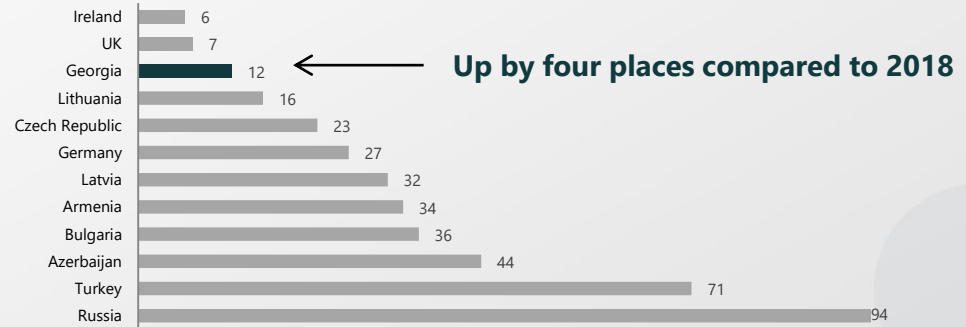
Liberal economic policy	<p>Top performer globally in WB Doing Business over the past 12 years</p> <ul style="list-style-type: none"> Liberty Act (effective January 2014) ensures a credible fiscal framework; Fiscal deficit/GDP capped at 3%; Public debt/GDP capped at 60%; Business friendly environment and low tax regime (attested by favourable international rankings);
Regional logistics and tourism hub	<p>A natural transport and logistics hub, connecting land-locked energy rich countries in the east and European markets in the west</p> <ul style="list-style-type: none"> Access to a market of 2.8 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. 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. Regional energy transit corridor accounting for 1.6% of the world's oil and gas transit volumes.
Strong FDI	<p>An influx of foreign investors on the back of the economic reforms have boosted productivity and accelerated growth</p> <ul style="list-style-type: none"> FDI stood at US\$ 1.3 billion (7.2% of GDP) in 2019. FDI averaged 8.5% of GDP in 2010-2019.
Support from international community	<p>Georgia and the EU signed an Association Agreement and DCFTA in June 2014</p> <ul style="list-style-type: none"> Visa-free travel to the EU is another major success in Georgian foreign policy. Georgian passport holders were granted free visa entrance to the EU countries from 28 March 2017. Discussions commenced with the USA to drive inward investments and exports. Strong political support from NATO, EU, US, UN and member of WTO since 2000; Substantial support from DFIs, the US and EU.
Electricity transit hub potential	<p>Developed, stable and competitively priced energy sector</p> <ul style="list-style-type: none"> Only 20% of hydropower capacity utilized; 155 renewable (HPPs/WPPs/SPPs) energy power plants are in various stages of construction or development. Georgia imports natural gas mainly from Azerbaijan. Significantly boosted transmission capacity in recent years, a new 400 kV line to Turkey and 500 kV line to Azerbaijan built, other transmission lines to Armenia and Russia upgraded. Additional 2,000 MW transmission capacity development in the pipeline, facilitating cross-border electricity trade and energy swaps to Eastern Europe.
Political environment stabilised	<ul style="list-style-type: none"> Georgia underscored its commitment to European values by securing a democratic transfer of political power in successive parliamentary, presidential, and local elections and by signing an Association Agreement and free trade agreement with the EU. New constitution amendments passed in 2013 to enhance governing responsibility of Parliament and reduce the powers of the Presidency. Continued economic relationship with Russia, although economic dependence is relatively low. Russia began issuing visas to Georgians in March 2009; Georgia abolished visa requirements for Russians – Russia announced the easing of visa procedures for Georgians citizens effective December 23, 2015. Direct flights between the two countries resumed in January 2010. However, they have been banned again since July 2019 following the decision from Russia. Member of WTO since 2000, allowed Russia's access to WTO; In 2013 trade restored with Russia. In 2019, Russia accounted for 13.2% of Georgia's exports and 10.8% of imports.

Institutional oriented reforms

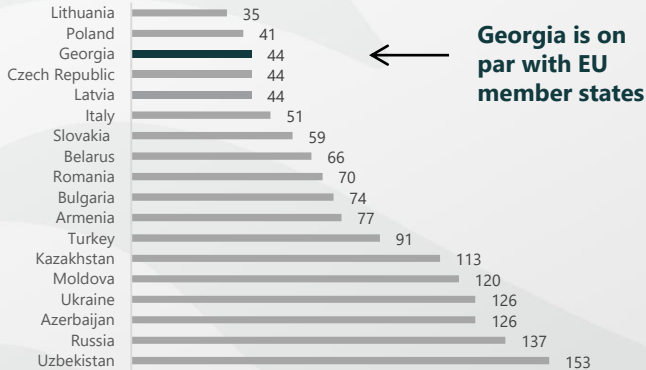
Ease of Doing Business | 2020 (WB Doing Business Report)



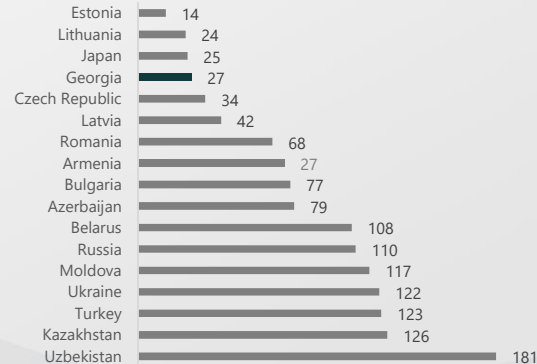
Economic Freedom Index | 2020 (Heritage Foundation)



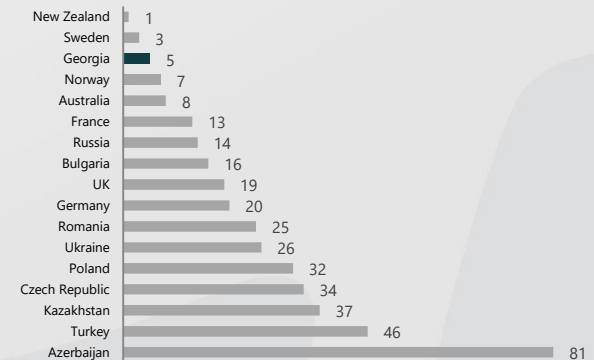
Corruption Perception Index | TI 2019



Business Bribery Risk, 2019 | Trace International



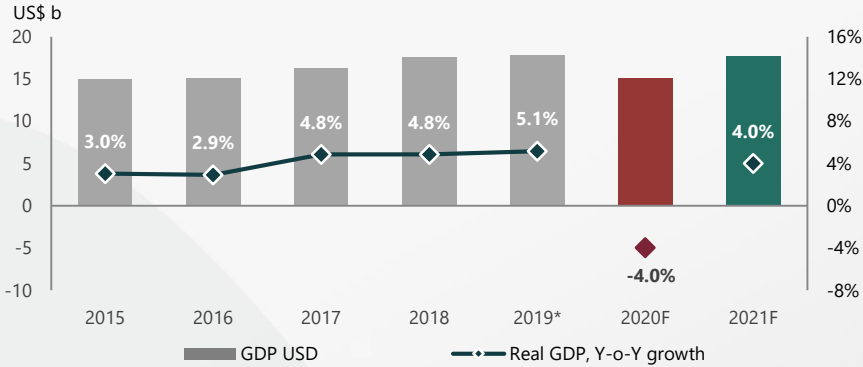
Open Budget Index, 2019 | International Budget Partnership



COVID-19 impact – IMF forecasts

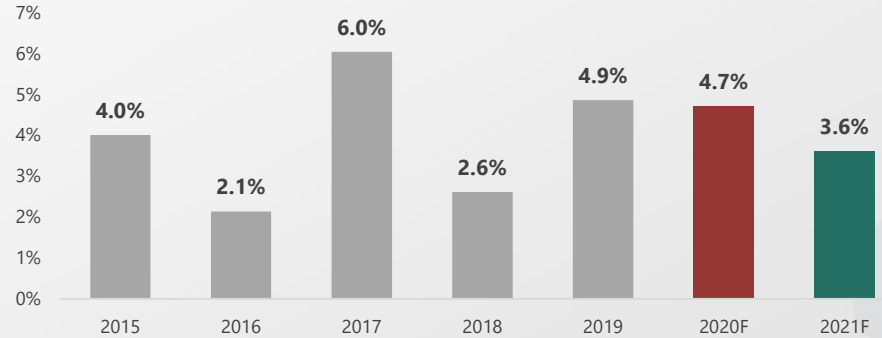
Gross Domestic Product

Source: IMF



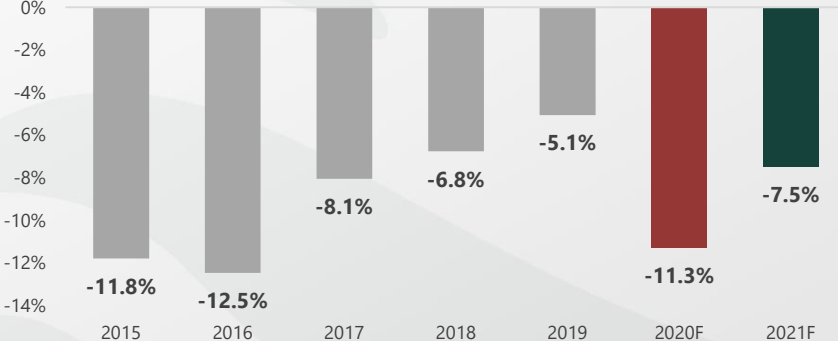
Consumer Price Inflation

Source: IMF



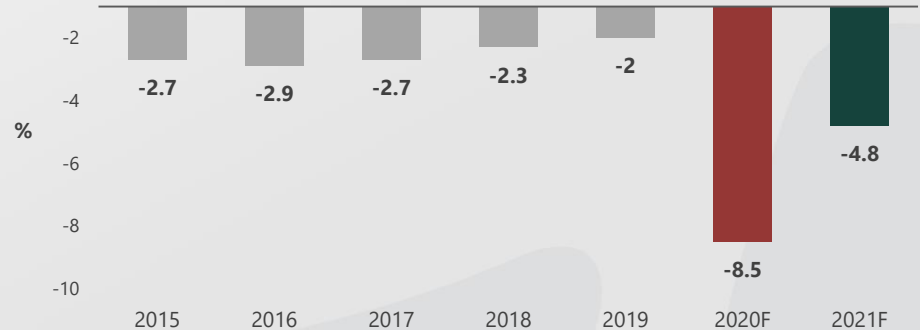
Current Account Balance

Source: IMF



Fiscal Deficit (GFSM 1986, IMF Modified)

Source: IMF

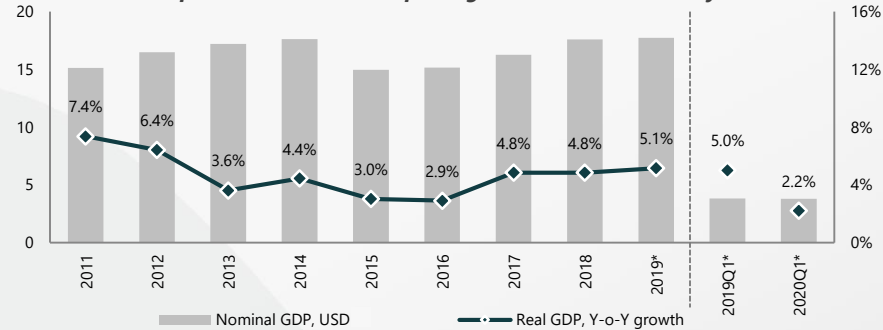


Diversified resilient economy

Gross domestic product

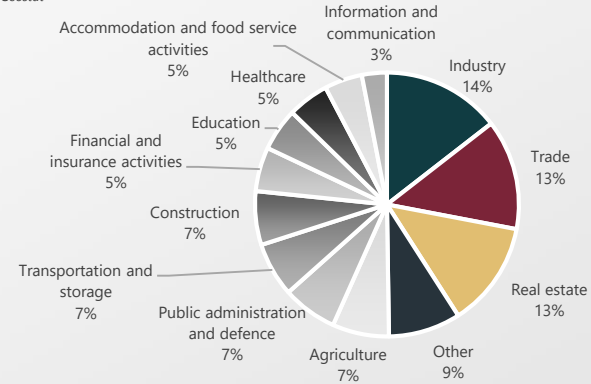
Source: Geostat
US\$ bln

Growth was robust in 2019, but will be negative in 2020 due to the pandemic, with IMF expecting real GDP to contract by 4%



Diversified nominal GDP structure, 1Q2020

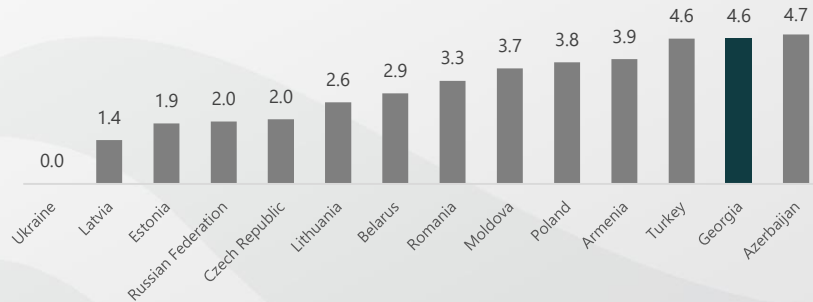
Source: Geostat



One of the Fastest Developing Economies in the Region

Source: IMF

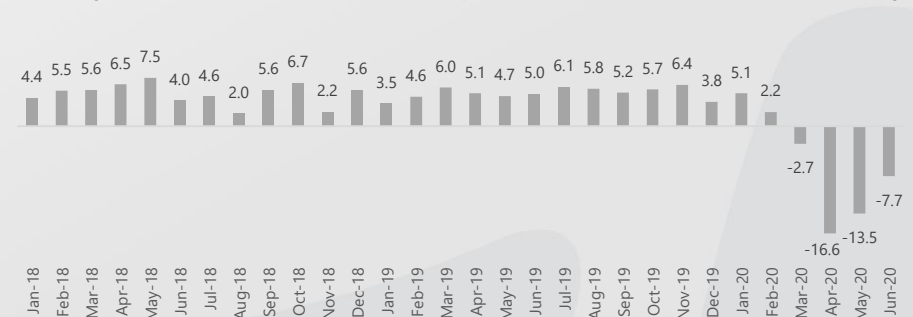
Comparative real GDP growth rates, % (2007-2019 average)



Monthly Economic Activity Estimate, y-o-y growth

Source: Geostat

Economy contraction has been eased from April and GDP contraction in June was 7.7% y-o-y

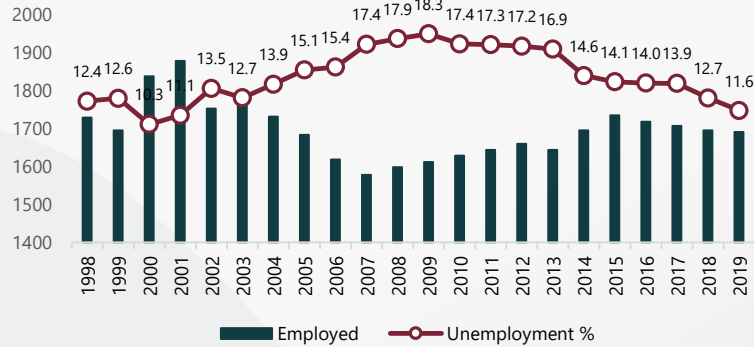


¹ preliminary data

Room for further job creation

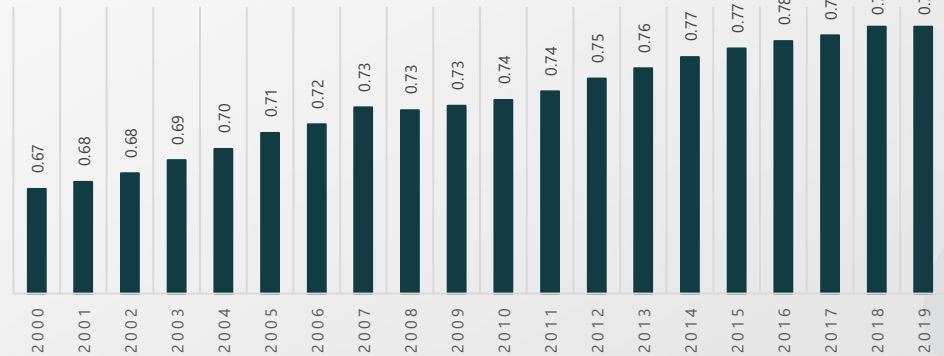
Unemployment rate down 1.1 ppts y-o-y to 11.6% in 2019

Sources: GeoStat



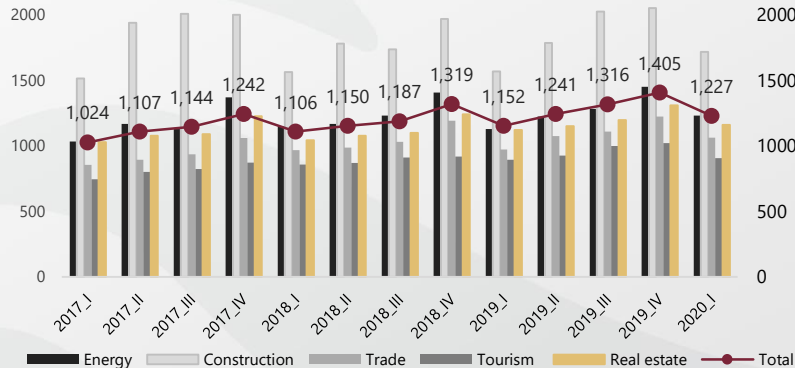
UNDP Human Development Index

Sources: UNDP



Average monthly nominal earnings in business sector

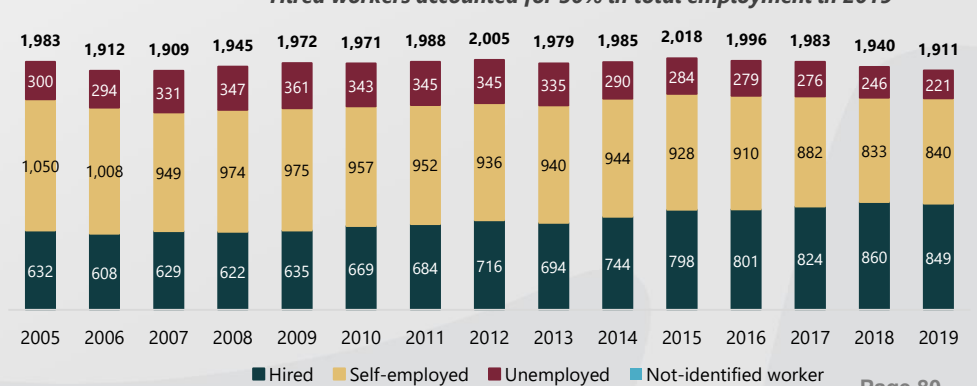
Sources: GeoStat



Labor force decomposition

Sources: GeoStat

Hired workers accounted for 50% in total employment in 2019

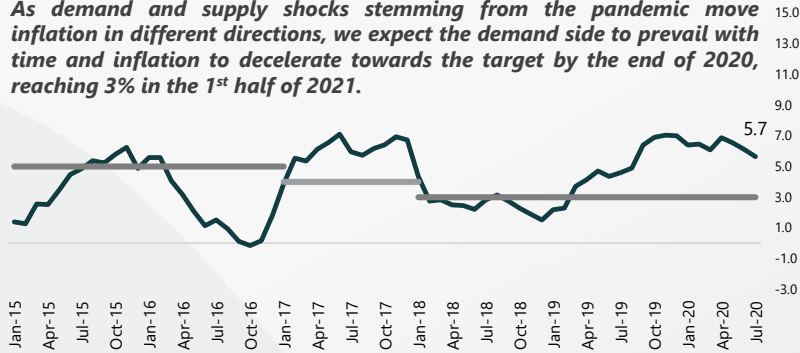


Inflation targeting since 2009

Inflation y-o-y vs. inflation target

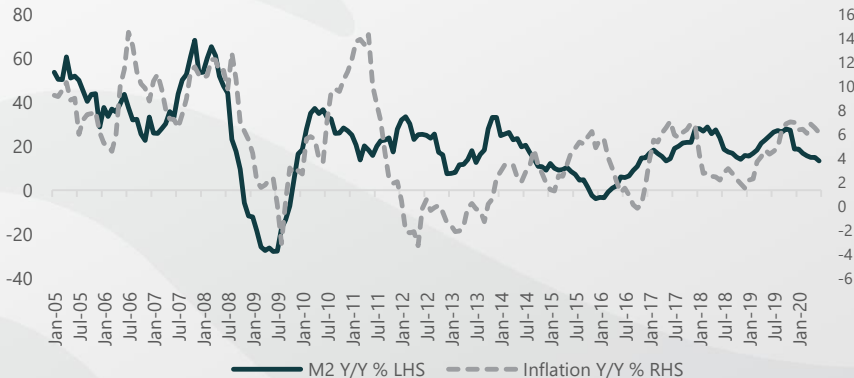
Sources: NBG, GeoStat

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, reaching 3% in the 1st half of 2021.



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

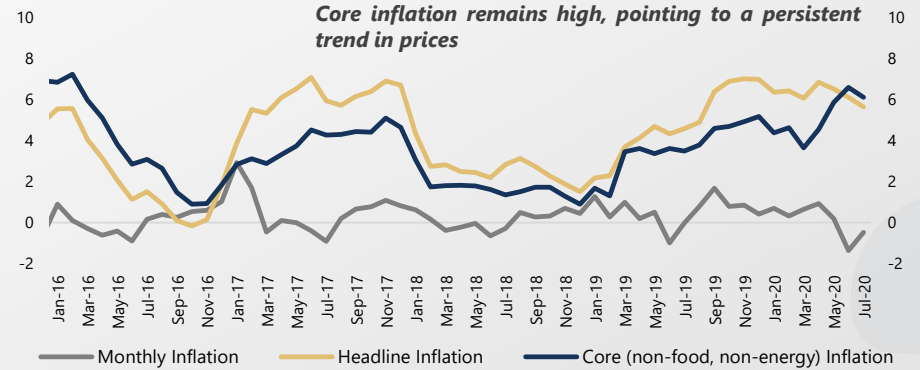
Sources: Geostat, NBG



Inflation y-o-y

Source: GeoStat

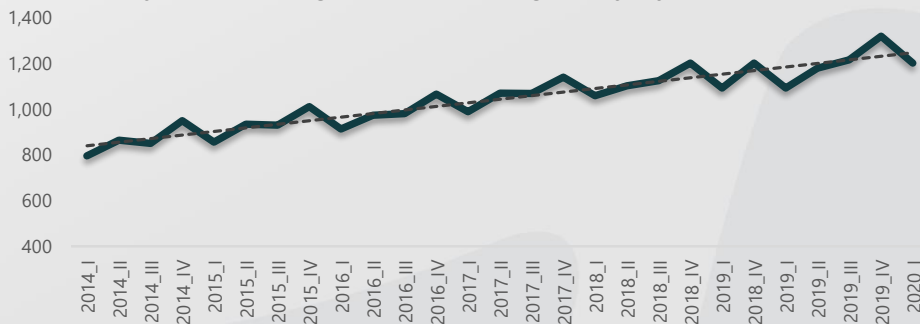
Core inflation remains high, pointing to a persistent trend in prices



Average monthly nominal earnings

Source: Geostat

Monthly nominal earnings increased on average 7.7% y-o-y in 2010-2019

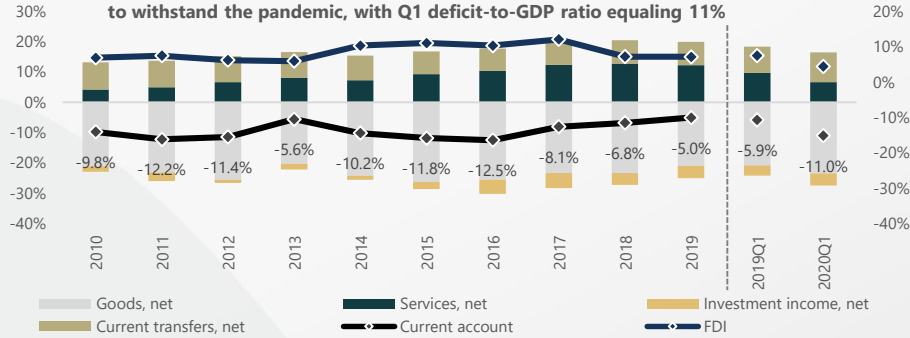


Current account

Current account balance (% of nominal GDP)

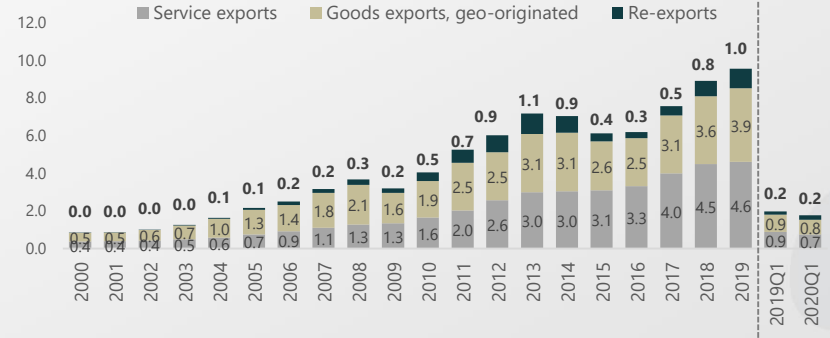
Sources: NBG

Double digit shrinking in the trade deficit helped the Current Account balance (CAB) to improve to a historic low of 5.1% in 2019, providing a strong position to withstand the pandemic, with Q1 deficit-to-GDP ratio equaling 11%



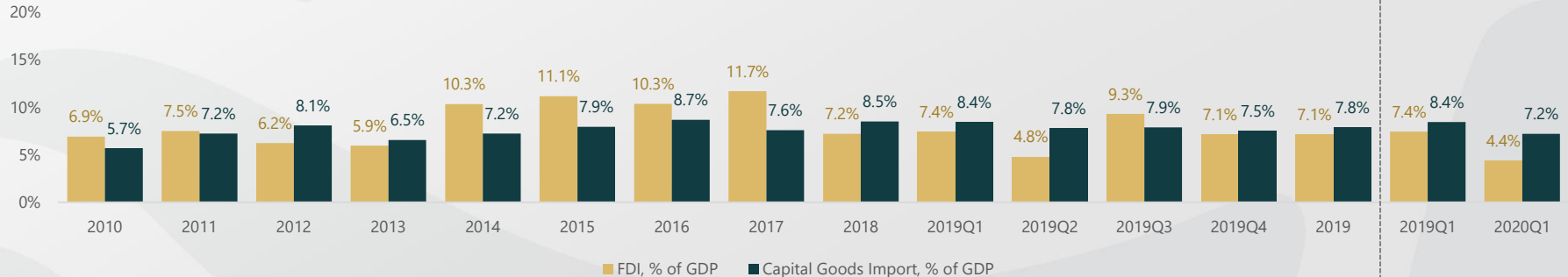
Exports and Re-exports, US\$ billion

Source: NBG



FDI and capital goods import

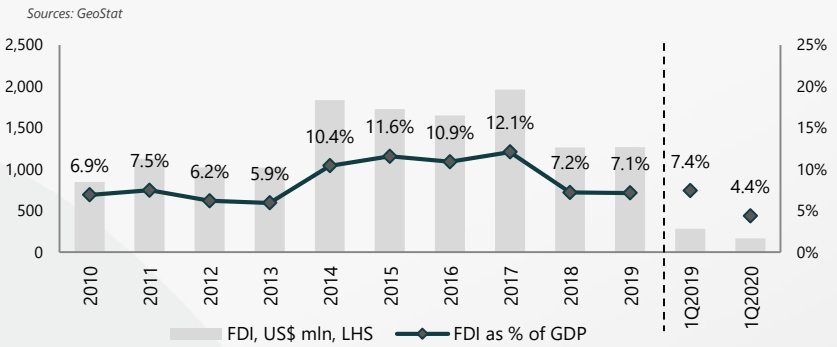
Source: GeoStat



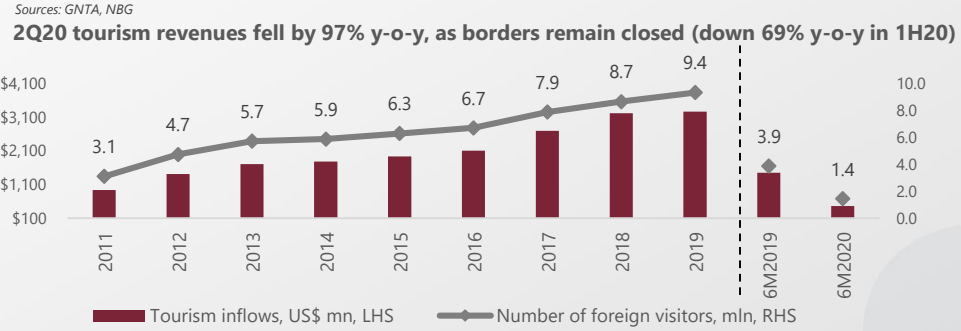
Diversified sources of capital



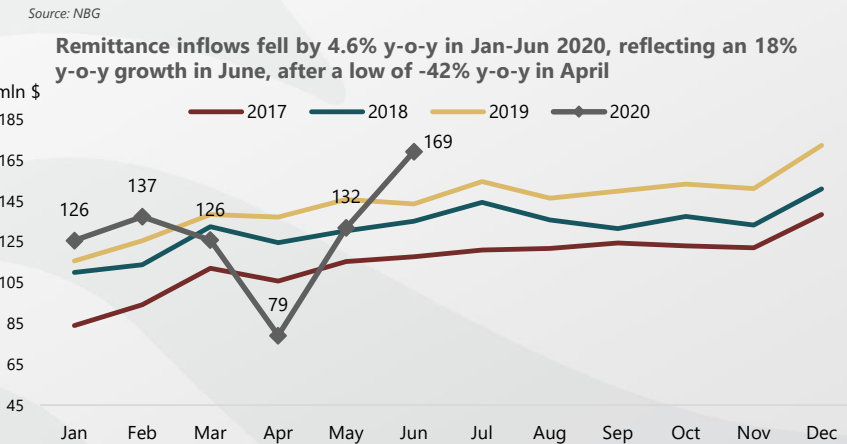
Strong foreign investor interest



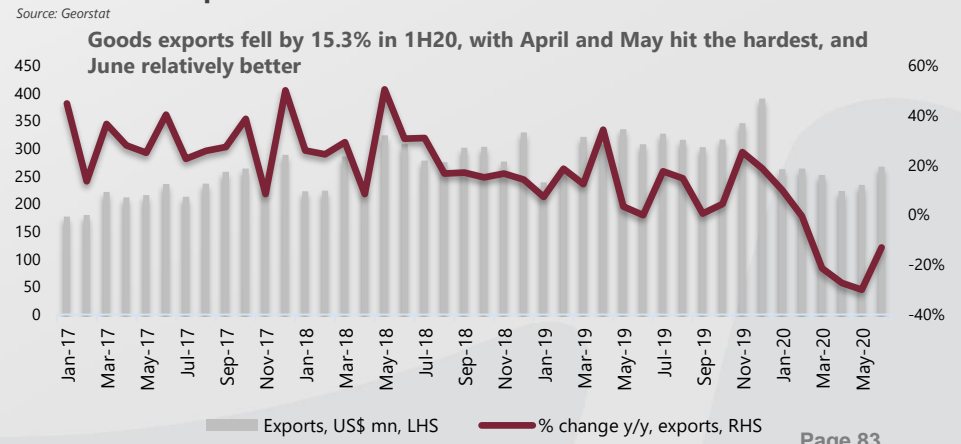
Visitors and tourism revenues



Remittances



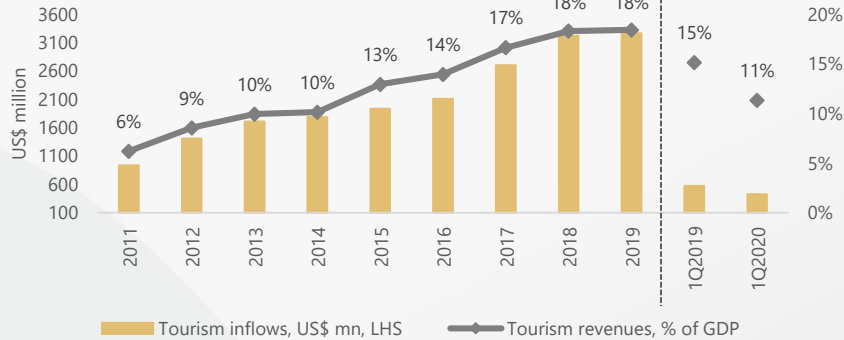
Merchandise exports



Tourism sector

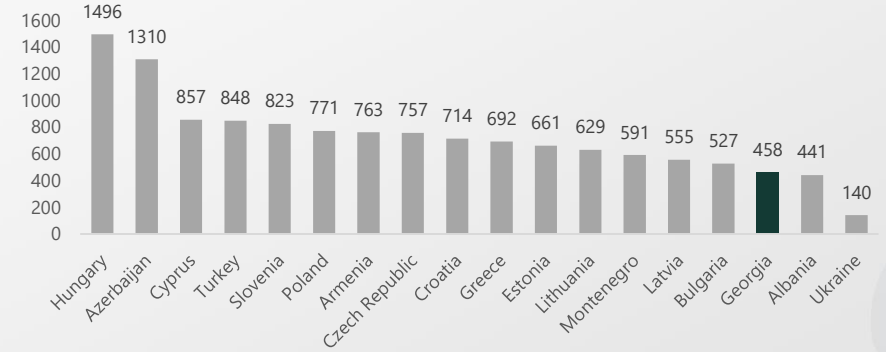
Tourism revenues to GDP

Sources: NBG, Geostat



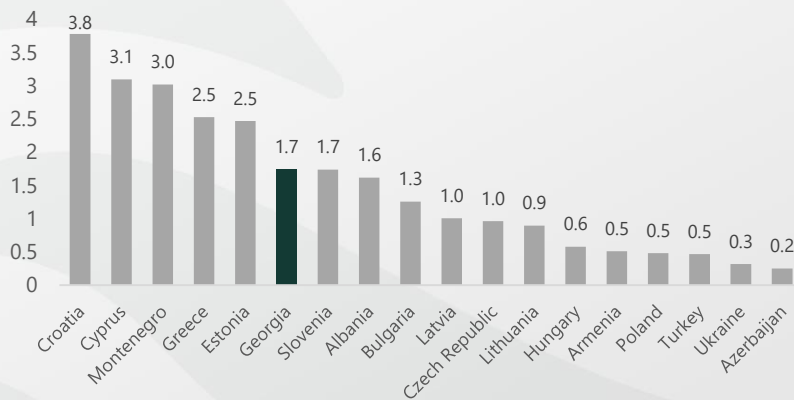
Spending per arrival, 2017

Source: WDI



Arrivals to country's population, 2017

Source: WDI



Number of Tourists (overnight visitors)

Source: GNTA

During Mar-Jun 2020, the number of tourists fell 7 times y-o-y, with borders remaining closed aside from France, Germany and the Baltic states

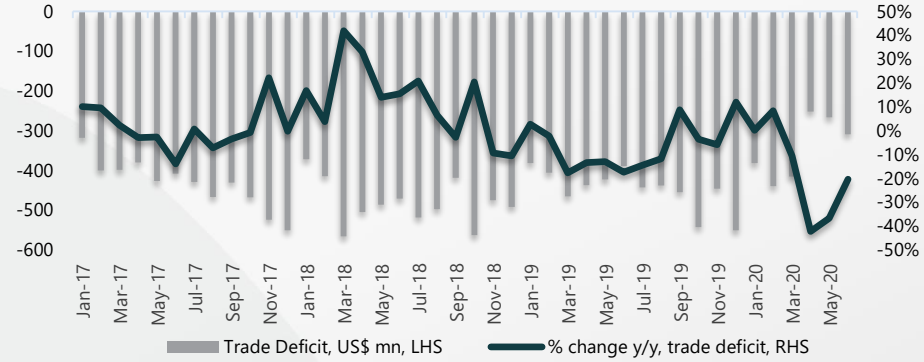


Diversified foreign trade

Goods' Trade Deficit

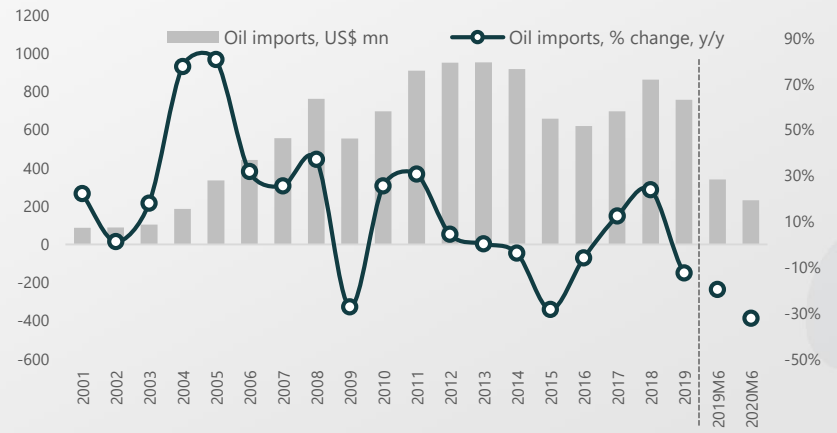
Source: GeoStat

In 2Q20, the trade deficit fell by 34%, as exports were cut by 23.7% and imports contracted by 29.3% on the back of the pandemic



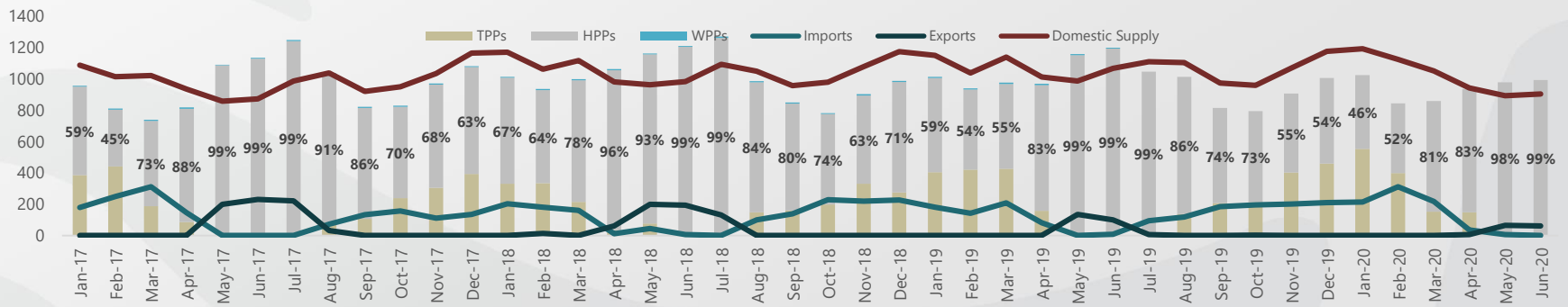
Oil imports

Source: GeoStat



Electricity generation and trade, GWH

Source: ESCO

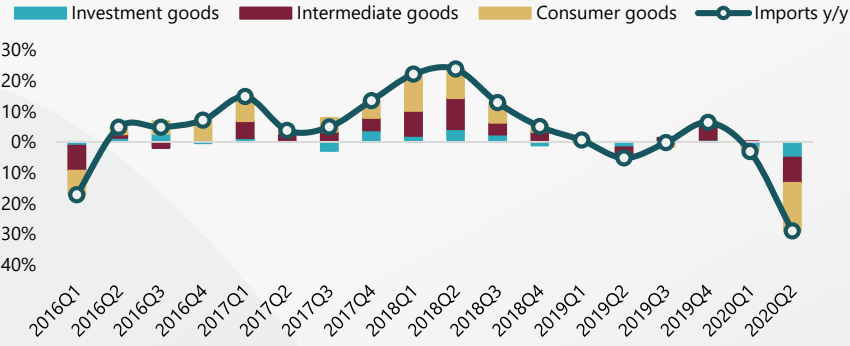


Diversified foreign trade

Imports of Goods, contribution to growth

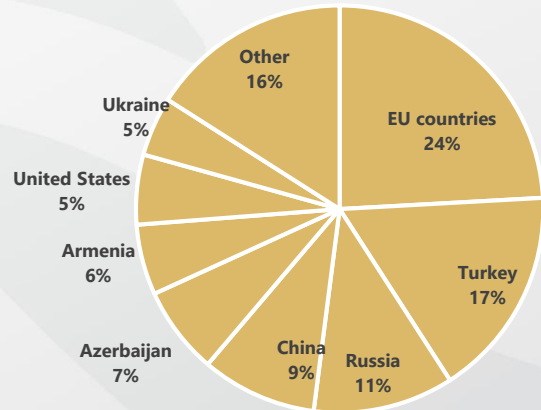
Source: NBG

All types of goods contributed to shrinking imports in Q2, with consumer goods driving the half of the decline



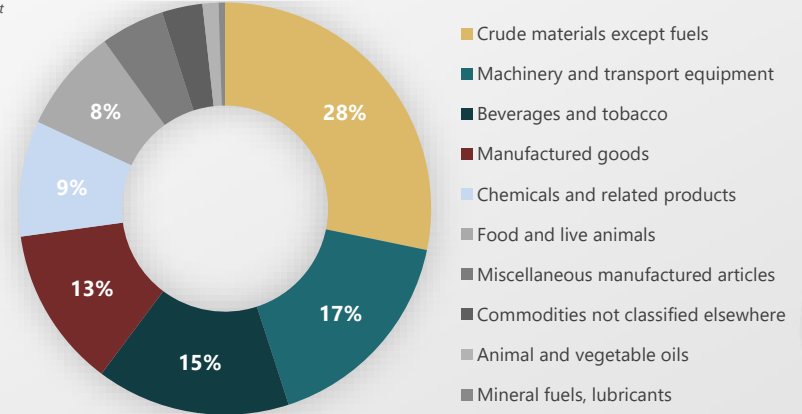
Import countries, 1H20

Sources: GeoStat



Foreign Demand, 1H20

Source: Geostat



Export countries, 1H20

Sources: GeoStat

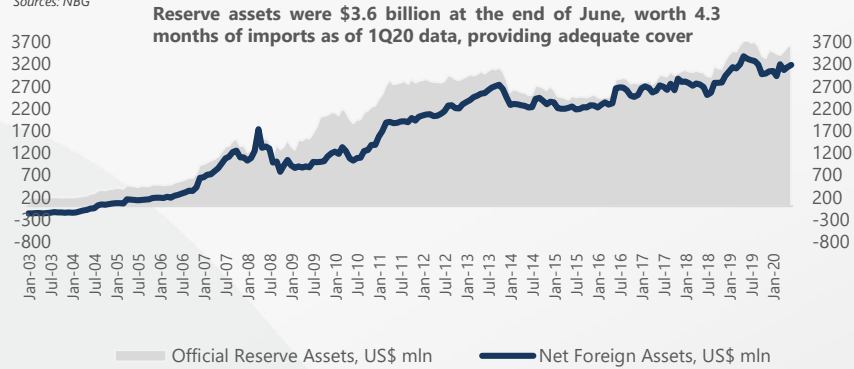


China has become the single largest destination country for Georgian exports in 1H20 with a 13.6% share, as opposed to 2.9% in 1H19

Prudent monetary policy ensures macro-financial stability

International reserves

Sources: NBG



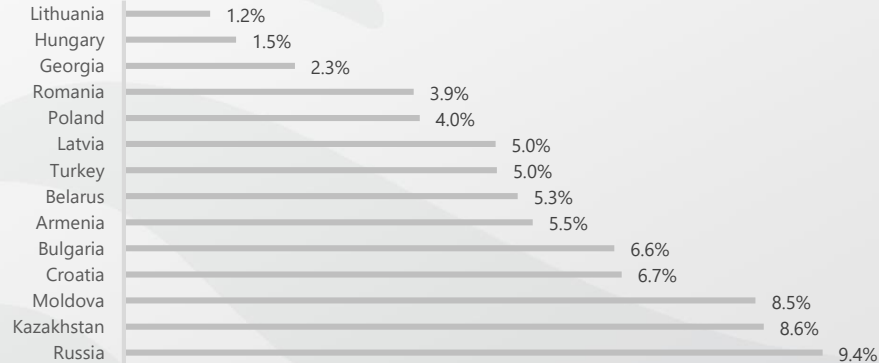
Monetary policy rate

Sources: NBG



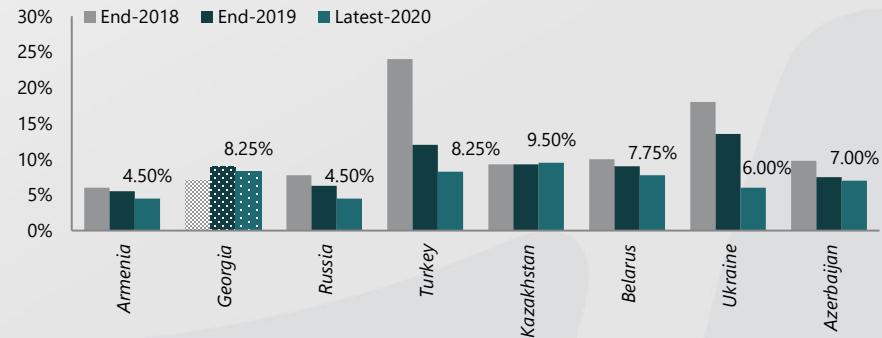
Nonperforming loans to total gross loans, latest 2020

Sources: IMF



Monetary policy rate vs peers

Sources: Central banks

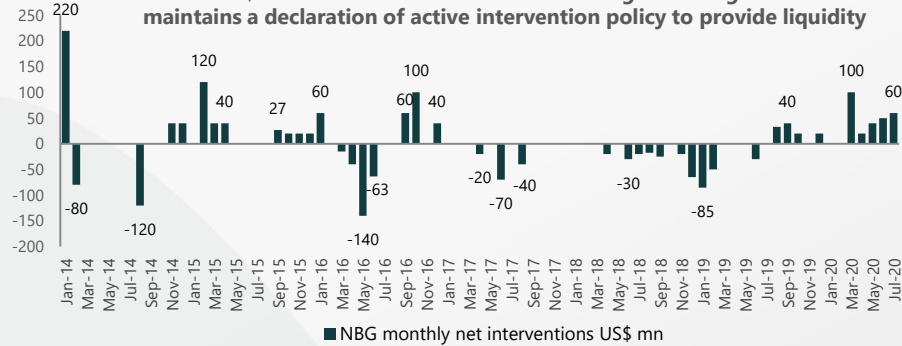


Floating exchange rate - policy priority

Central Bank's interventions

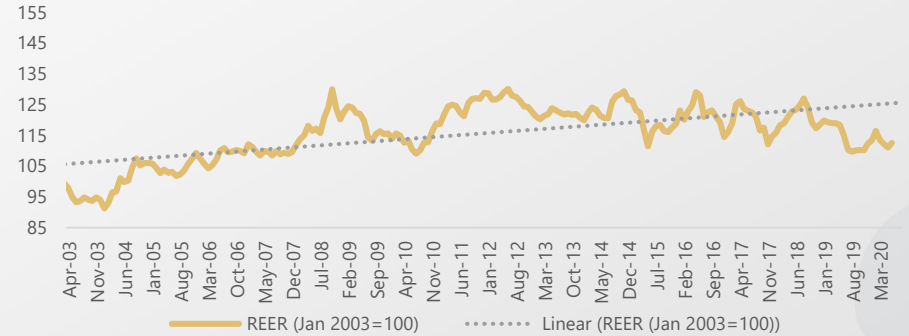
Sources: NBG

NBG sold \$270mln in Mar-Jul 2020 on the foreign exchange market and maintains a declaration of active intervention policy to provide liquidity



Real effective exchange rate (REER)

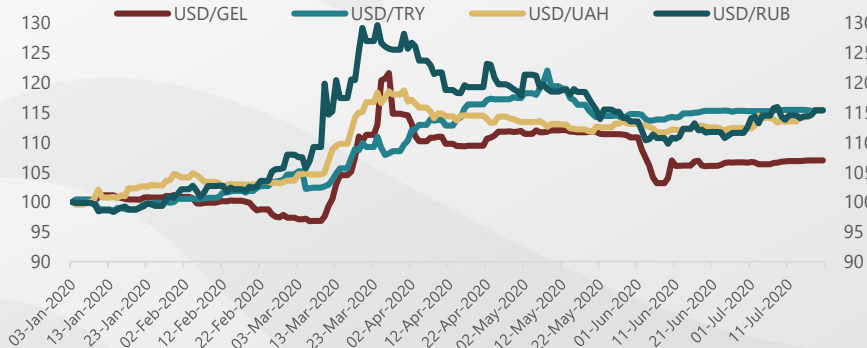
Sources: NBG



Exchange rate indices (1 January = 100)

Sources: NBG

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



Dollarization ratios

Sources: NBG

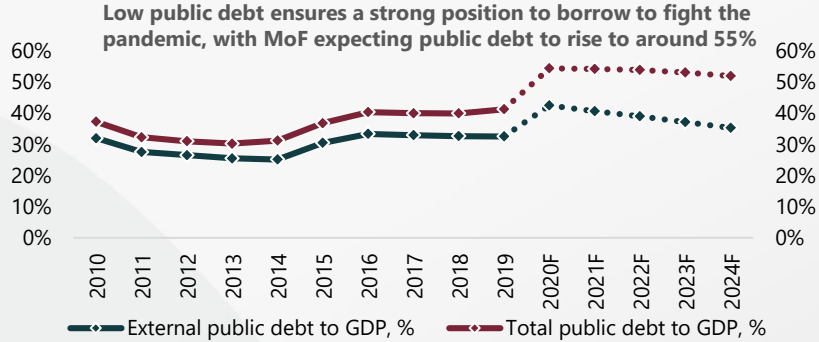
Both deposit and loan dollarization jumped in March on the back of the pandemic and GEL depreciation, with deposit dollarization starting to decline immediately



Low public debt

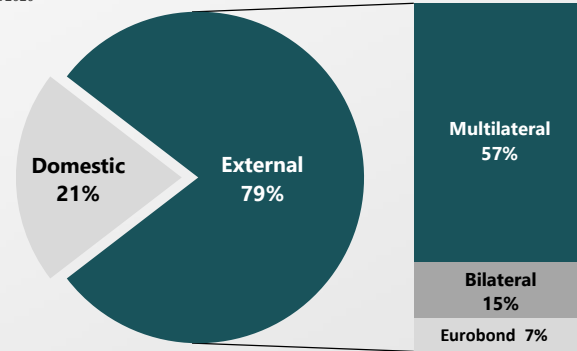
Public debt

Sources: MOF



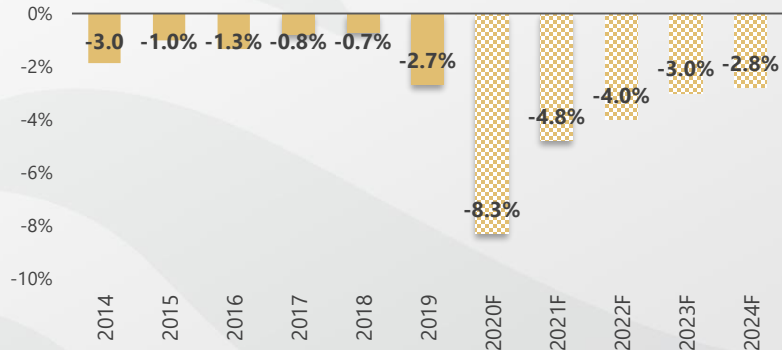
Breakdown of public debt

Source: MOF, as of 30 April 2020



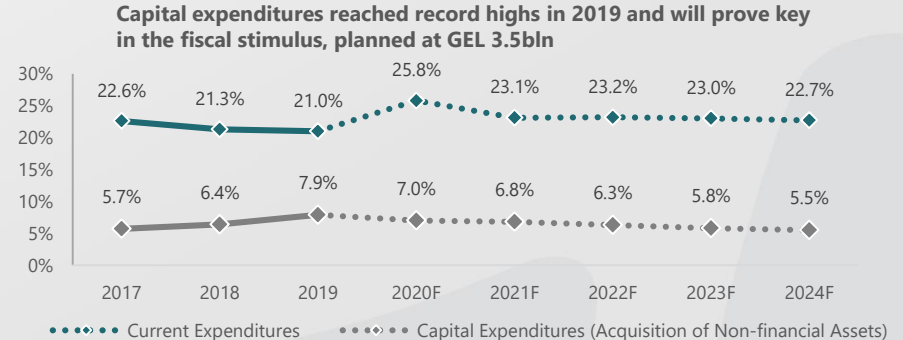
Overall Balance, % of GDP (GFSM 2001)

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

Content

1. COVID-19 update
2. Georgia Capital at a glance
3. Georgia Capital strategy & capital allocations
4. Georgia Capital 1H20 results discussion and key developments
5. Portfolio overview
6. Georgian macro overview
- 7. Appendices**

- **Georgia Capital results discussion**
- Georgia Capital financial statements
- Portfolio companies overview
- Portfolio companies financial statements

Maturity profile across portfolio companies

Gross debt maturity as of 30 June 2020¹

<i>Gel millions, unless otherwise noted</i>	2H20	2021	2022	2023	2024	2024+	Total
GHG	70	94	181	33	77	-	455
Late Stage	-	29	121	2	31	481	664
Water Utility	-	-	-	-	-	477	477
Housing development ²	-	29	121	2	31	4	187
P&C Insurance	-	-	-	-	-	-	-
Early Stage	7	144	43	35	51	375	655
Renewable Energy	-	-	-	-	-	287	287
Hospitality	1	27	9	10	26	45	118
Commercial Real Estate ³	-	92	-	-	-	-	92
Wine	5	5	9	9	9	17	54
Beer	-	17	22	12	13	19	83
Education	1	3	3	4	3	7	21
Pipeline	3	6	7	7	14	17	54
Auto Service	3	6	7	7	14	17	54
Total	80	273	352	77	173	873	1,828

- All existing loans of Water Utility and Renewable Energy were refinanced by GGU's green bond, shifting principal payments through 2020-2023 to 2024+
- Beer business' loan terms renegotiated, shifting principal payments from 2H20 to the following years

(1) Principal repayments as of 30 June 2020, considering green bonds issued by GGU in July 2020.

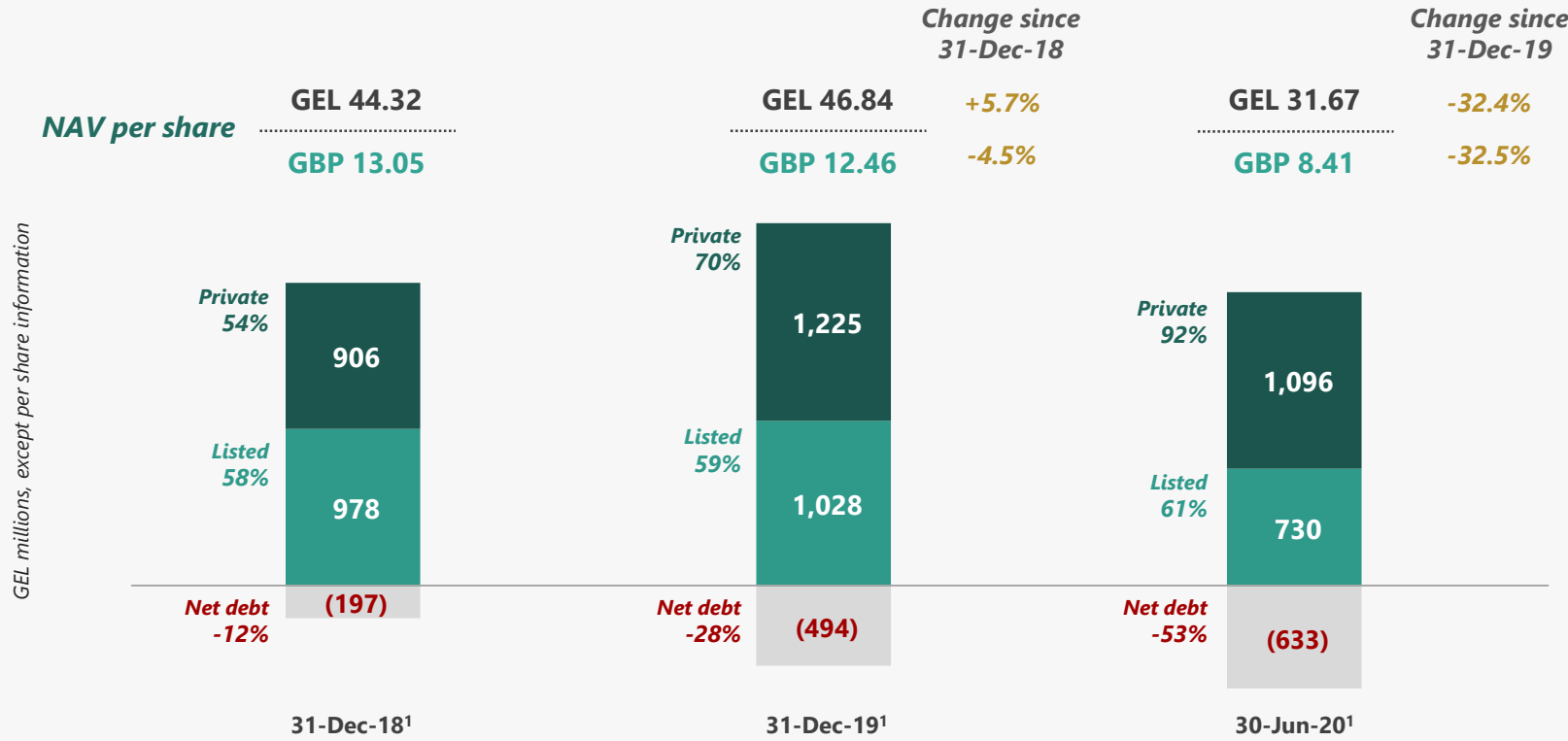
(2) A 3-year US\$ 35 million bonds issued on the local market in Oct-19 with a 7.5% annual coupon rate, maturing in Oct-22.

(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) | 30 June 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)
Listed Investments	381	418	138	730	3.4x	1.5x
Georgia Healthcare Group PLC	252	131	4	336	1.9x	0.5x
Bank of Georgia Group PLC	129	287	134	394	6.3x	3.3x
Private investments, late stage	318	-	270	607	2.8x	0.8x
Water Utility	215	-	82	439	2.4x	0.4x
Housing Development	93	-	152	23	1.9x	1.6x
P&C Insurance	10	-	36	145	17.8x	3.5x
Private investments, early stage	560	-	5	464	0.8x	-
Renewable Energy	144	-	5	185	1.3x	-
Hospitality and Commercial Real Estate	197	-	-	138	0.7x	-
Beverages	162	-	-	60	0.4x	-
Education	56	-	-	81	1.4x	-
Pipeline	25	-	-	26	1.0x	-
Auto Service	14	-	-	15	1.4x	-
Digital Services	9	-	-	9	1.0x	-
Other	2	-	-	2	1.0x	-
Total	1,283	418	413	1,826	2.1x	0.6x

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\$ 5.2mln

March 2019 Kazbegi brand acquisition



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

May 2019 Redberry



- The leading Georgian digital marketing agency
- US\$ 0.4mln** cash consideration to acquire **60% equity stake**
- US\$ 2.8mln** 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 24mln²**

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 16mln**

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 13mln**

February

March

April

May

June

July

August

October

November

December

April 2019 Amboli



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

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 75mln²**

July 2019

Green School



- The leading player in **affordable segment**
- Purchase of **80-90¹% equity stake**
- Valued at **5.6x EV / EBITDA³**
- Targeted capacity of c. **5,000 learners by 2024** (Current 1,250 learners)
- Capital allocation from GCAP of **GEL 21mln²**

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 30mln**

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 1.3mln**

(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

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

Listed	BoG		<p>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.</p>
	GGU		<p>Giorgi Vakhtangishvili, 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 m². Previously he was a senior auditor at EY Georgia. Holds BBA degree from European School of Management (ESM).</p>
	Georgia Real Estate*		<p>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.</p>
			<p>Shota Berekashvili, Co-CEO, Georgia Real Estate* Joined JSC m² Real Estate in 2017. Before joining m² from 2009 to 2017 Shota was the founder and the CEO of "BK Capital" construction company. From 2003 to 2009 worked in Moscow as CFO of "BK Capital". From 1999 to 2003 worked in investment banking sector in NY and London. In 1999 Shota graduated from Columbia University NY with Bachelor's degree in Science and in 2002 Shota graduated from Cass Business School London with Master's Degree in Corporate Finance and Risk Management.</p>
Private	Aldagi		<p>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.</p>
	Wine		<p>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.</p>
	Beer		<p>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.</p>

* m² was renamed as Georgia Real Estate in 2019

Content

1. COVID-19 update
2. Georgia Capital at a glance
3. Georgia Capital strategy & capital allocations
4. Georgia Capital 1H20 results discussion and key developments
5. Portfolio overview
6. Georgian macro overview
- 7. Appendices**

- *Georgia Capital results discussion*
- **Georgia Capital financial statements**
- *Portfolio companies overview*
- *Portfolio companies financial statements*

NAV Statement | 2Q20



<i>GEL '000, unless otherwise noted</i>	Mar-20	1. Value creation	2a. Investments	2b. Buybacks	2c. Dividends	3. Operating expenses	4b. Liquidity mgmt./FX/Other	Jun-20	Change %
Listed Portfolio Companies	660,067	70,002	-	-	-	-	-	730,069	10.6%
GHG ¹	295,455	40,212	-	-	-	-	-	335,667	13.6%
BoG ¹	364,612	29,790	-	-	-	-	-	394,402	8.2%
Private Portfolio Companies	1,139,711	(48,340)	204	-	-	-	4,814	1,096,389	-3.8%
Late Stage	613,323	(7,916)	-	-	-	-	1,504	606,911	-1.0%
Water Utility	432,301	5,840	-	-	-	-	848	438,989	1.5%
Housing Development	39,921	(18,026)	-	-	-	-	656	22,551	-43.5%
P&C Insurance	141,101	4,270	-	-	-	-	-	145,371	3.0%
Early Stage	500,918	(40,421)	32	-	-	-	3,310	463,839	-7.4%
Renewable Energy	151,150	32,720	-	-	-	-	847	184,717	22.2%
Hospitality & Commercial RE	218,623	(82,756)	-	-	-	-	2,463	138,330	-36.7%
Beverages	74,795	(14,732)	-	-	-	-	-	60,063	-19.7%
Education	56,350	24,347	32	-	-	-	-	80,729	43.3%
Pipeline	25,470	(3)	172	-	-	-	-	25,639	0.7%
Auto Service	15,052	(3)	-	-	-	-	-	15,049	0.0%
Digital Services	8,790	-	-	-	-	-	-	8,790	0.0%
Other	1,628	-	172	-	-	-	-	1,800	10.6%
Total Portfolio Value (1)	1,799,778	21,662	204	-	-	-	4,814	1,826,458	1.5%
Net Debt (2)	(659,596)	-	(889)	-	-	(3,934)	31,869	(632,550)	-4.1%
<i>of which, Cash and liquid funds</i>	170,109	-	(889)	-	-	(3,934)	(18,556)	146,730	-13.7%
<i>of which, Loans issued</i>	135,878	-	-	-	-	-	(2,537)	133,341	-1.9%
<i>of which, Gross Debt</i>	(965,583)	-	-	-	-	-	52,962	(912,621)	-5.5%
Net other assets/ (liabilities) (3)	(2,846)	-	685	(287)	-	(2,636)	8,679	3,595	NMF
<i>Of which, share-based comp.</i>	-	-	-	-	-	(2,636)	2,636	-	0.0%
Net Asset Value (1)+(2)+(3)	1,137,336	21,662	-	(287)	-	(6,570)	45,362	1,197,503	5.3%
NAV change %		1.9%	-	0.0%	-	-0.6%	4.0%	5.3%	
Shares outstanding	37,686,056	-	-	(21,129)	-	-	147,002	37,811,929	0.3%
Net Asset Value per share	30.18	0.57	-	0.01	-	-0.17	1.08	31.67	4.9%
NAV per share change %		1.9%	-	0.0%	-	-0.6%	3.6%	4.9%	

(1) Number of shares owned in GHG and BoG were 93,011,414 and 9,784,716 as of 30-Jun-20, respectively.

Georgia Capital 1H20 performance (adjusted IFRS10 accounts)



Income statement

<i>GEL '000, unless otherwise noted</i>	1H20	1H19	Change
Dividend income	4,927	55,667	-91.1%
Interest income	11,816	21,868	-46.0%
Realised / unrealised (loss)/ gain on liquid funds	(4,577)	5,297	NMF
Interest expense	(30,180)	(25,892)	16.6%
Gross operating (loss)/income	(18,014)	56,940	NMF
Operating expenses	(14,580)	(16,609)	-12.2%
GCAP net operating (loss)/income	(32,594)	40,331	NMF
Fair value changes of portfolio companies			
Listed portfolio companies	(297,745)	216,885	NMF
<i>Of which, Georgia Healthcare Group PLC</i>	(94,412)	141,081	NMF
<i>Of which, Bank of Georgia Group PLC</i>	(203,333)	75,804	NMF
Private portfolio companies	(189,918)	74,034	NMF
Late Stage	(87,574)	52,948	NMF
<i>Of which, Water Utility</i>	(46,064)	28,689	NMF
<i>Of which, Housing Development</i>	(21,958)	(6,626)	NMF
<i>Of which, P&C Insurance</i>	(19,552)	30,885	NMF
Early Stage	(85,851)	5,424	NMF
<i>Of which, Renewable energy</i>	32,720	-	NMF
<i>Of which, Hospitality & Commercial Real Estate</i>	(110,827)	7,087	NMF
<i>Of which, Beverages</i>	(32,091)	(1,663)	NMF
<i>Of which, Education</i>	24,347	-	NMF
Pipeline businesses	(16,493)	15,662	NMF
<i>Of which, Auto Service</i>	(14,908)	15,662	NMF
<i>Of which, other</i>	(1,585)	-	NMF
Total investment return	(487,663)	290,920	NMF
(Loss)/Income before foreign exchange movements and non-recurring expenses	(520,257)	331,251	NMF
Net foreign currency loss	(41,361)	(25,624)	61.4%
Non-recurring expenses	(3,222)	-	NMF
Net (loss)/Income	(564,840)	305,627	NMF

Reconciliation of adjusted IFRS10 accounts to IFRS

<i>GEL '000, unless otherwise noted</i>	Income statement (Adjusted IFRS10 accounts)	Adjustment	IFRS income statement
Dividend income	4,927	(4,927)	-
Interest income	11,816	(11,816)	-
Realised / unrealised (loss)/ gain on liquid funds	(4,577)	4,577	-
Interest expense	(30,180)	30,180	-
Gross operating (loss)/income	(18,014)	18,014	-
Operating expenses	(14,580)	10,890	(3,690)
GCAP net operating (loss)/income	(32,594)	28,904	(3,690)
Total investment return / gross investment loss	(487,663)	(62,929)	(550,592)
(Loss)/Income before foreign exchange movements and non-recurring expenses	(520,257)	(34,025)	(554,282)
Net foreign currency loss	(41,361)	41,165	(196)
Non-recurring expenses	(3,222)	3,222	-
Net (loss)/Income	(564,840)	10,362	(554,478)

Content

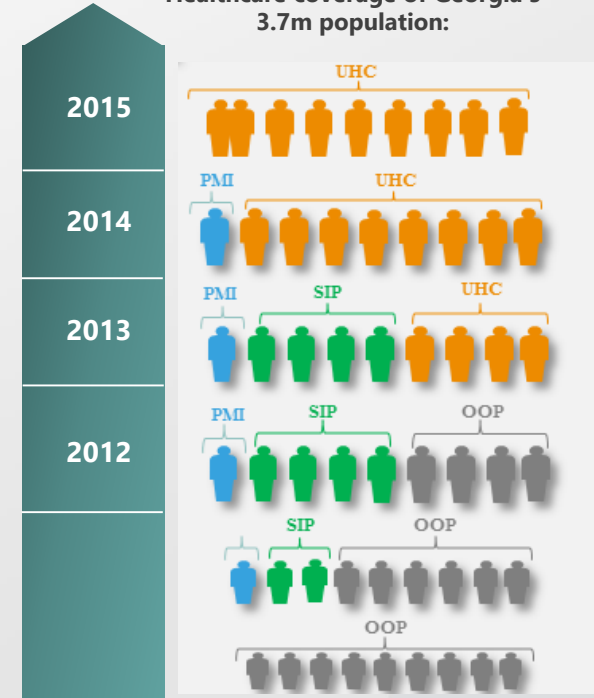
1. COVID-19 update
2. Georgia Capital at a glance
3. Georgia Capital strategy & capital allocations
4. Georgia Capital 1H20 results discussion and key developments
5. Portfolio overview
6. Georgian macro overview
- 7. Appendices**

- *Georgia Capital results discussion*
- *Georgia Capital financial statements*
- **Portfolio companies overview**
- *Portfolio companies financial statements*

Georgian healthcare market overview

<p>Overview</p>	<ul style="list-style-type: none"> UHC was introduced in February 2013 and replaced most of the previously existing state-funded medical insurance plans The main goal is to provide basic healthcare coverage to the entire population
<p>Financing and top-up mechanism</p>	<ul style="list-style-type: none"> UHC is fully financed by the government UHC doesn't reimburse 100% of costs in most cases, leaving substantial room for out-of-pocket payments by patients
<p>Beneficiaries and providers</p>	<ul style="list-style-type: none"> UHC beneficiaries may select any healthcare provider enrolled in the programme Actual prices charged to patients by healthcare providers are not regulated by the state Any provider, whether private or public, is eligible to participate in the programme

Healthcare coverage of Georgia's 3.7m population:



- OOP – out-of-pocket
 - UHC – Universal Healthcare Program
 - PMI – Private Medical Insurance
 - SIP – State Insurance Program
- PMI, UHC, SIP include co-payments

Housing development business | Overview of completed and on-going projects as of 30 June 2020



#	Project name	Total Sq.m. (Net Sellable Area)	Number of apartments	Sq.m. of apartments sold	Number of apartments sold	Number of apartments sold as % of total	Number of apartments available for sale	sq.m. apartments available for sale	Number of apartments transferred to IP	Sq.m. of apartments transferred to IP	Start date (construction)	Actual / Planned Completion date (construction)	Construction progress	Total Sales (US\$ mln)	Recognised as revenue (US\$ mln)	Deferred revenue (US\$ mln)	Deferred revenue expected to be recognised as revenue in 2020	Land value unlocked (US\$ mln)	Realised & Expected IRR
Completed projects		218,397	2,856	218,397	2,856	100.0%	-	-	21	3,337				250.7	250.7	-	-	32.9	
1	Chubinashvili street	9,366	123	9,366	123	100.0%	-	-	-	-	Sep-10	Aug-12	100%	9.9	9.9	-	-	0.9	47%
2	Tamarashvili street	40,717	525	40,717	525	100.0%	-	-	-	-	May-12	Jun-14	100%	48.9	48.9	-	-	5.4	46%
3	Kazbegi Street	21,937	295	21,937	295	100.0%	-	-	-	-	Dec-13	Feb-16	100%	27.2	27.2	-	-	3.6	165%
4	Nutsubidze Street	15,757	221	15,757	221	100.0%	-	-	-	-	Dec-13	Sep-15	100%	17.4	17.4	-	-	2.2	58%
5	Tamarashvili Street II	21,023	266	21,023	266	100.0%	-	-	4	476	Jul-14	Jun-16	100%	24.3	24.3	-	-	2.7	71%
6	Moscow avenue	15,053	238	15,053	238	100.0%	-	-	-	-	Sep-14	Jun-16	100%	12.3	12.3	-	-	1.6	31%
7	Skyline	2,614	12	2,614	12	100.0%	-	-	7	1,375	Dec-15	Dec-17	100%	5.4	5.4	-	-	3.1	329%
8	Kartozia Street	58,443	801	58,443	801	100.0%	-	-	-	-	Nov-15	Nov-18	100%	61.1	61.1	-	-	5.8	37%
9	50 Chavchavadze ave.	6,550	77	6,550	77	100.0%	-	-	5	741	Oct-16	Nov-18	100%	10.9	10.9	-	-	3.3	27%
10	Kazbegi Street II	26,937	298	26,937	298	100.0%	-	-	5	744	Jun-16	Jun-19	100%	33.2	33.2	-	-	4.3	43%
On-going projects		221,343	3,884	43,957	728	18.7%	3,156	177,386	-	-				58.1	21.6	36.5	13.9	30.4	
11	10 Melikishvili ave.	2,527	16	2,527	16	100.0%	-	-	-	-	Sep-17	Sep-20	99%	4.4	4.1	0.3	0.3	0.8	101%
12	m3 Saburtalo, Stage I	22,089	391	21,505	380	97.2%	11	584	-	-	Jul-19	Sep-21	29%	22.0	9.7	12.4	6.5	2.5	112%
13	m3 Saburtalo, Stage II	36,415	562	13,119	216	38.4%	346	23,296	-	-	Feb-20	May-22	2%	11.9	2.6	9.3	2.8	4.6	132%
14	Sveti Nutsubidze	22,591	411	3,834	62	15.1%	349	18,757	-	-	Mar-20	Apr-23	0%	4.9	1.5	3.4	1.4	5.7	
15	Sveti Mlrtskhalava	89,297	1,624	2,606	48	3.0%	1,576	86,691	-	-	Mar-20	Apr-23	1%	8.6	2.2	6.4	1.5	11.9	
16	Sveti Chkondideli	48,423	880	365	6	0.7%	874	48,059	-	-	Mar-20	Apr-23	1%	6.3	1.5	4.8	1.4	5.0	
Total		439,739	6,740	262,354	3,584	53.2%	3,156	177,386	21	3,337				308.8	272.3	36.5	13.9	63.3	

P&C insurance business | segment results in 1H20

Well-diversified business model

Key Segments		Motor ⁽²⁾	Property ⁽³⁾	Credit life ⁽⁴⁾	Liability ⁽⁵⁾	Other ⁽⁶⁾
Market size (1Q20) ⁽¹⁾		GEL 38mln	GEL 19mln	GEL 11mln	GEL 9mln	GEL 8mln
Aldagi market share ⁽¹⁾		22%	33%	28%	35%	16%
# of Clients		Corporate – 1,258 Retail – 26,910	Corporate – 1,030 Retail – 10,304	Retail - 3 channels	Corporate – 984 Retail – 848	Corporate – 885 Retail – 19,366
Financials 1H20	Earned premiums, gross	GEL 46.7 mln				
	Earned premiums, net	GEL 34.7 mln				
	Underwriting profit, net	GEL 15 mln				
	Net profit	GEL 8.2 mln				
Loss ratio: 43.8%		Corporate – 54% Retail – 49%	Corporate – 10% Retail – 32%	Retail – 88%	Corporate – 0% Retail – 50%	Corporate – 3% Retail – 10%
Combined ratio: 80.3%		Corporate – 92% Retail – 87%	Corporate – 52% Retail – 81%	Retail – 97%	Corporate – 47% Retail – 97%	Corporate – 48% Retail – 94%

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

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

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

(4) Loan-linked life insurance.

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

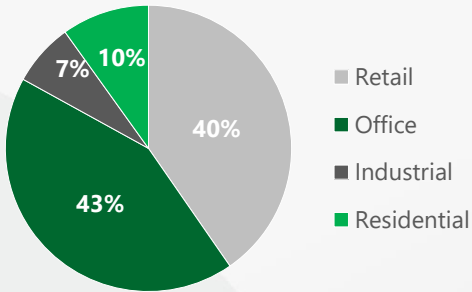
(6) Cargo, Contractor's Plant And Machinery insurance (CPM), Livestock, Bankers blanket bond insurance (BBB), Directors and officers liability insurance (D&O), Agro insurance.

■ Corporate
■ Retail

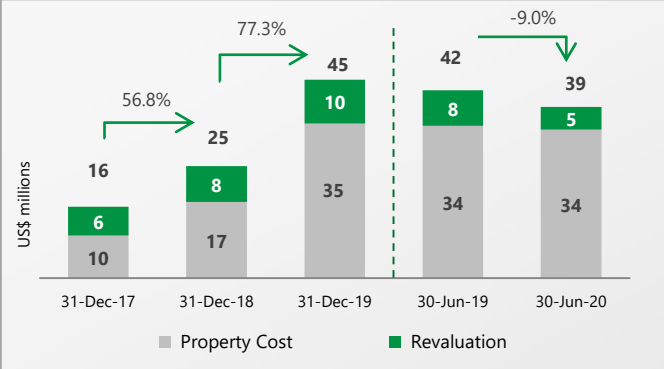
Hospitality and commercial RE business | commercial portfolio & hotel portfolio highlights



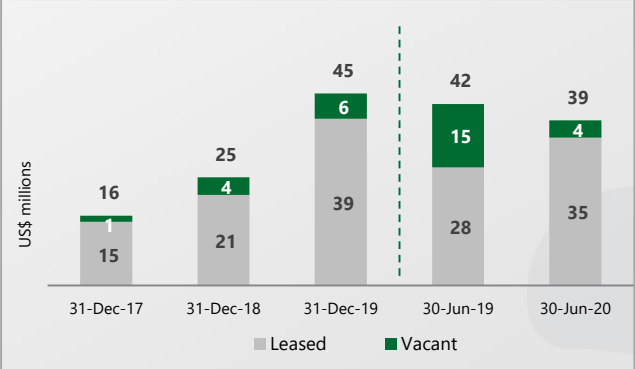
Commercial portfolio breakdown | 30-Jun-20



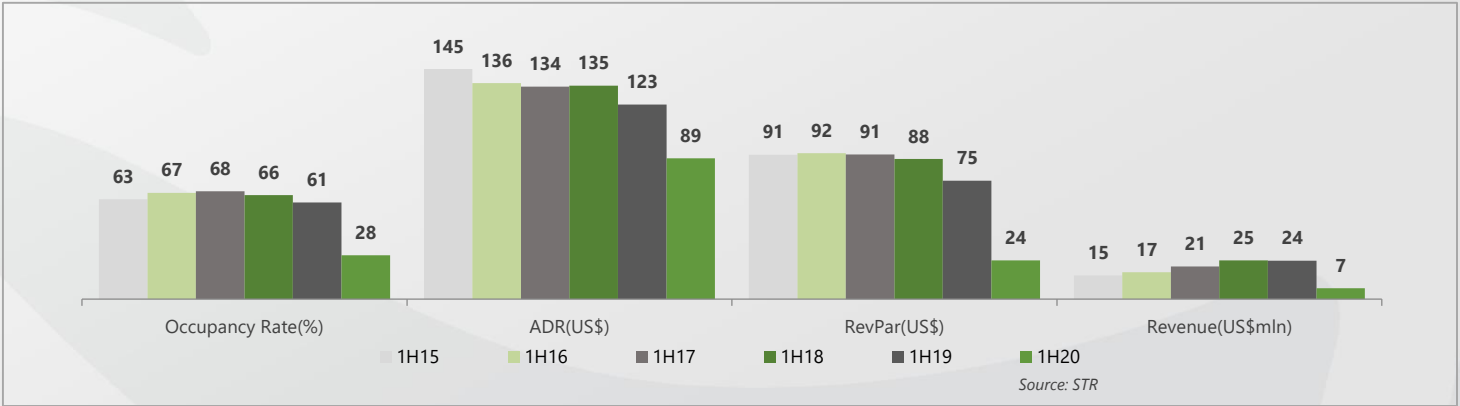
Commercial portfolio growth



Commercial portfolio growth



Key performance metrics of hotels | Tbilisi



Content

1. COVID-19 update
2. Georgia Capital at a glance
3. Georgia Capital strategy & capital allocations
4. Georgia Capital 1H20 results discussion and key developments
5. Portfolio overview
6. Georgian macro overview
- 7. Appendices**

- *Georgia Capital results discussion*
- *Georgia Capital financial statements*
- *Portfolio companies overview*
- ***Portfolio companies financial statements***

GHG Consolidated financial highlights



Income statement

GEL thousands, unless otherwise noted

	1H20	1H19	Change	2Q20	2Q19	Change
Revenue, gross	474,522	472,872	0.3%	214,469	237,660	-9.8%
Corrections & rebates	(1,593)	(1,164)	36.9%	(636)	(605)	5.1%
Revenue, net	472,929	471,708	0.3%	213,833	237,055	-9.8%
Costs of services	(326,096)	(321,660)	1.4%	(146,393)	(163,163)	-10.3%
Cost of salaries and other employee benefits	(51,608)	(56,533)	-8.7%	(23,120)	(28,578)	-19.1%
Cost of materials and supplies	(26,325)	(24,477)	7.5%	(11,971)	(12,064)	-0.8%
Cost of medical service providers	(1,139)	(1,869)	-39.1%	(374)	(1,070)	-65.0%
Cost of utilities and other	(7,739)	(7,780)	-0.5%	(3,300)	(3,443)	-4.2%
Net insurance claims incurred	(19,863)	(23,440)	-15.3%	(8,647)	(11,812)	-26.8%
Agents, brokers and employee commissions	(1,196)	(1,415)	-15.5%	(551)	(646)	-14.7%
Cost of pharma – wholesale	(51,220)	(56,416)	-9.2%	(22,709)	(29,184)	-22.2%
Cost of pharma - retail	(167,006)	(149,730)	11.5%	(75,721)	(76,366)	-0.8%
Gross profit	146,833	150,048	-2.1%	67,440	73,892	-8.7%
Salaries and other employee benefits	(49,589)	(47,317)	4.8%	(24,123)	(23,922)	0.8%
General and administrative expenses	(21,753)	(19,710)	10.4%	(10,090)	(10,030)	0.6%
<i>General and administrative expenses excluding IFRS 16</i>	<i>(33,023)</i>	<i>(30,097)</i>	<i>9.7%</i>	<i>(15,364)</i>	<i>(15,290)</i>	<i>0.5%</i>
Impairment of receivables	(3,310)	(2,312)	43.2%	(1,995)	(1,140)	75.0%
Other operating income	1,658	4,454	-62.8%	333	3,826	-91.3%
EBITDA	73,839	85,163	-13.3%	31,565	42,626	-25.9%
EBITDA excluding IFRS 16	62,569	74,776	-16.3%	26,291	37,365	-29.6%
EBITDA margin excluding IFRS 16	13.2%	15.8%	-2.6ppts	12.3%	15.7%	-3.5ppts
Depreciation and amortization	(29,185)	(26,809)	8.9%	(14,686)	(13,633)	7.7%
<i>Depreciation and amortization excluding IFRS 16</i>	<i>(19,561)</i>	<i>(17,654)</i>	<i>10.8%</i>	<i>(9,844)</i>	<i>(8,975)</i>	<i>9.7%</i>
Net interest income (expense)	(24,490)	(23,353)	4.9%	(11,864)	(11,715)	1.3%
<i>Net interest income (expense) excluding IFRS 16</i>	<i>(21,385)</i>	<i>(20,702)</i>	<i>3.3%</i>	<i>(10,279)</i>	<i>(10,341)</i>	<i>-0.6%</i>
Net gains/(losses) from foreign currencies	(10,424)	(8,995)	15.9%	11,477	(8,846)	NMF
<i>Net gains/(losses) from foreign currencies excluding IFRS 16</i>	<i>(6,393)</i>	<i>(4,244)</i>	<i>50.6%</i>	<i>7,086</i>	<i>(4,388)</i>	<i>NMF</i>
Net non-recurring income/(expense)	(2,334)	(527)	NMF	(1,567)	(371)	NMF
Profit before income tax expense	7,406	25,479	-70.9%	14,925	8,062	85.1%
Income tax benefit/(expense)	(1,548)	(357)	NMF	(398)	(272)	46.3%
Profit for the period	5,858	25,122	-76.7%	14,527	7,790	86.5%
Attributable to:						
- shareholders of the Company	(1,932)	15,571	NMF	7,732	4,256	81.7%
- non-controlling interests	7,790	9,551	-18.4%	6,795	3,534	92.3%
Profit for the period excluding IFRS 16	11,348	31,292	-63.7%	11,289	13,019	-13.3%
Attributable to:						
- shareholders of the Company	2,079	20,278	-89.7%	5,443	8,281	-34.3%
- non-controlling interests	9,269	11,014	-15.8%	5,846	4,738	23.4%

GHG Consolidated financial highlights (cont'd)



Statement of cash flow

<i>GEL thousands, unless otherwise noted</i>	1H20	1H19	Change	2Q20	2Q19	Change
Cash flows from / (used in) operating activities						
Revenue received	499,674	451,829	10.6%	239,602	233,963	2.4%
Cost of services paid	(321,039)	(318,412)	0.8%	(146,883)	(163,308)	-10.1%
Gross profit received	178,635	133,417	33.9%	92,718	70,655	31.2%
Salaries paid	(52,825)	(47,439)	11.4%	(30,287)	(25,263)	19.9%
General and administrative expenses paid	(22,294)	(20,432)	9.1%	(9,425)	(10,297)	-8.5%
General and administrative expenses paid, excluding IFRS 16	(33,564)	(30,984)	8.3%	(14,699)	(15,881)	-7.4%
Other operating income/(expense) and tax paid	(612)	370	NMF	(458)	(468)	-2.1%
Net cash flows from operating activities before income tax	102,904	65,916	56.1%	52,548	34,627	51.8%
Income tax paid	(1,636)	(194)	NMF	(469)	(108)	NMF
Net cash flows from operating activities	101,268	65,722	54.1%	52,079	34,519	50.9%
Net cash flows from operating activities, excluding IFRS 16	89,998	55,170	63.1%	46,805	28,935	61.8%
Cash flows from / (used in) investing activities						
Cash outflow on Capex	(16,245)	(20,665)	-21.4%	(6,502)	(11,160)	-41.7%
Acquisition of subsidiaries/payments of holdback	(5,445)	(6,101)	-10.8%	-	(877)	NMF
Interest income received	1,675	1,243	34.8%	1,259	917	37.3%
Other investing activities	1,034	3,516	-70.6%	860	3,249	-73.5%
Net cash flow used in investing activities	(18,981)	(22,007)	-13.8%	(4,383)	(7,871)	-44.3%
Cash flows from / (used in) financing activities						
Payment of dividends to minorities	(6,036)	(4,950)	21.9%	(2,316)	(1,980)	17.0%
Purchase of treasury shares	(1,452)	(1,582)	-8.2%	(1,452)	(1,272)	14.2%
Payment of finance lease liabilities	(8,165)	(7,949)	2.7%	(3,689)	(4,248)	-13.2%
Interest expense paid on finance lease	(3,105)	(2,603)	19.3%	(1,585)	(1,336)	18.6%
Increase/(decrease) in borrowings	32,633	(29,094)	NMF	16,602	(8,083)	NMF
Interest expense paid	(10,271)	(18,297)	-43.9%	(3,175)	(10,192)	-68.9%
Net cash flows (used in)/from financing activities	3,604	(64,475)	NMF	4,385	(27,111)	NMF
Net cash flows (used in)/from financing activities, excluding IFRS 16	14,874	(53,923)	NMF	9,659	(21,527)	NMF
Effect of exchange rates changes on cash and cash equivalents	2,142	6	NMF	(205)	74	NMF
Net increase/(decrease) in cash and cash equivalents	88,033	(20,754)	NMF	51,875	(388)	NMF
Cash and bank deposits, beginning	32,005	47,961	-33.3%	68,163	27,595	147.0%
Cash and bank deposits, ending	120,039	27,207	NMF	120,039	27,207	NMF

Balance sheet

<i>GEL thousands, unless otherwise noted</i>	Jun-20	Dec-19	Change	Jun-19	Change
Total assets, of which:	1,428,717	1,351,207	5.7%	1,329,411	7.5%
Cash and bank deposits	120,039	32,005	NMF	27,207	NMF
Receivables from healthcare services	99,183	130,212	-23.8%	124,050	-20.0%
Receivables from sale of pharmaceuticals	16,951	17,508	-3.2%	18,808	-9.9%
Insurance premiums receivable	34,675	26,892	28.9%	44,737	-22.5%
Property and equipment	663,405	671,658	-1.2%	672,785	-1.4%
Right of use assets	77,764	84,115	-7.6%	79,908	-2.7%
Goodwill and other intangible assets	165,786	162,247	2.2%	156,042	6.2%
Inventory	188,606	174,462	8.1%	157,132	20.0%
Prepayments	16,122	12,289	31.2%	14,156	13.9%
Other assets	46,186	39,819	16.0%	34,586	33.5%
<i>Of which, securities</i>	<i>4,431</i>	<i>-</i>	<i>NMF</i>	<i>-</i>	<i>NMF</i>
Total liabilities, of which:	835,192	748,933	11.5%	757,709	10.2%
Borrowed Funds	414,540	363,585	14.0%	368,895	12.4%
Accounts payable	144,975	128,700	12.6%	119,784	21.0%
Insurance contract liabilities	33,704	25,489	32.2%	43,160	-21.9%
Finance lease liabilities, of which:	89,739	90,791	-1.2%	85,942	4.4%
<i>IFRS 16 impact</i>	<i>81,063</i>	<i>82,115</i>	<i>-1.3%</i>	<i>77,266</i>	<i>4.9%</i>
Other liabilities	152,234	140,368	8.5%	139,928	8.8%
Total shareholders' equity attributable to:	593,525	602,274	-1.5%	571,702	3.8%
<i>Shareholders of the Company</i>	<i>521,702</i>	<i>530,899</i>	<i>-1.7%</i>	<i>502,640</i>	<i>3.8%</i>
<i>Non-controlling interest</i>	<i>71,823</i>	<i>71,375</i>	<i>0.6%</i>	<i>69,062</i>	<i>4.0%</i>

Healthcare services business financial highlights (cont'd)



Income statement

	Hospitals			Clinics			Diagnostics			Eliminations			Total		
<i>GEL thousands, unless otherwise noted</i>	1H20	1H19	Change	1H20	1H19	Change	1H20	1H19	Change	1H20	1H19	Change	1H20	1H19	Change
Revenue, gross	126,720	148,992	-14.9%	21,461	21,984	-2.4%	3,447	2,285	50.9%	(3,211)	(2,143)		148,417	171,118	-13.3%
Corrections & rebates	(1,370)	(994)	37.8%	(223)	(170)	31.2%	-	-	-	-	-	-	(1,593)	(1,164)	36.9%
Revenue, net	125,350	147,998	-15.3%	21,238	21,814	-2.6%	3,447	2,285	50.9%	(3,211)	(2,143)		146,824	169,954	-13.6%
Costs of services	(79,250)	(85,661)	-7.5%	(11,865)	(12,467)	-4.8%	(3,090)	(1,605)	92.5%	3,213	1,810		(90,992)	(97,923)	-7.1%
Cost of salaries and other employee benefits	(45,367)	(51,430)	-11.8%	(7,306)	(7,632)	-4.3%	(770)	(549)	40.3%	-	-	-	(53,443)	(59,611)	-10.3%
Cost of materials and supplies	(24,793)	(25,300)	-2.0%	(1,397)	(1,398)	-0.1%	(2,051)	(821)	NMF	-	(329)	-	(28,241)	(27,848)	1.4%
Cost of medical service providers	(2,429)	(2,107)	15.3%	(1,788)	(2,247)	-20.4%	(50)	(46)	8.7%	2,981	2,133		(1,286)	(2,267)	-43.3%
Cost of utilities and other	(6,661)	(6,824)	-2.4%	(1,374)	(1,190)	15.5%	(219)	(189)	15.9%	232	6		(8,022)	(8,197)	-2.1%
Gross profit	46,100	62,337	-26.0%	9,373	9,347	0.3%	357	680	-47.5%	2	(333)		55,832	72,031	-22.5%
Salaries and other employee benefits	(16,606)	(16,109)	3.1%	(3,925)	(3,539)	10.9%	(454)	(515)	-11.8%	-	-	-	(20,985)	(20,163)	4.1%
General and administrative expenses	(6,192)	(6,989)	-11.4%	(1,654)	(1,419)	16.6%	(122)	(149)	-18.1%	25	(51)		(7,943)	(8,608)	-7.7%
<i>G&A excl. IFRS 16</i>	(6,371)	(7,288)	-12.6%	(2,232)	(2,174)	2.7%	(122)	(160)	-23.8%	25	(51)		(8,700)	(9,673)	-10.1%
Impairment of receivables	(2,137)	(2,265)	-5.7%	(55)	(90)	-38.9%	-	(4)	NMF	-	-	-	(2,192)	(2,359)	-7.1%
Other operating income	1,470	1,327	10.8%	445	439	1.4%	100	96	4.2%	(52)	404		1,963	2,266	-13.4%
EBITDA	22,635	38,301	-40.9%	4,184	4,738	-11.7%	(119)	108	NMF	(25)	20		26,675	43,167	-38.2%
EBITDA excluding IFRS 16	22,456	38,002	-40.9%	3,606	3,983	-9.5%	(119)	97	NMF	(25)	20		25,918	42,102	-38.4%
EBITDA margin excluding IFRS 16	17.7%	25.5%	-7.8ppts	16.8%	18.1%	-1.3ppts	-3.5%	4.2%	-7.7ppts				17.5%	24.6%	-7.1ppts
Depreciation and amortization	(14,763)	(13,599)	8.6%	(3,558)	(3,290)	8.1%	(63)	(132)	-52.3%	-	-	-	(18,384)	(17,021)	8.0%
<i>Depreciation and amortization excl. IFRS 16</i>	(14,384)	(13,244)	8.6%	(2,834)	(2,485)	14.0%	(63)	(119)	-47.1%	-	-	-	(17,281)	(15,848)	9.0%
Net interest income (expense)	(14,060)	(13,233)	6.2%	(2,594)	(2,212)	17.3%	(233)	(1)	NMF	-	-	-	(16,887)	(15,446)	9.3%
<i>Net interest income (expense) excl. IFRS 16</i>	(13,975)	(13,168)	6.1%	(2,331)	(1,955)	19.2%	(233)	-	NMF	-	-	-	(16,539)	(15,123)	9.4%
Net gains/(losses) from foreign currencies	(1,924)	(1,552)	24.0%	(176)	(895)	-80.3%	(3)	(20)	-85.0%	-	-	-	(2,103)	(2,467)	-14.8%
<i>Net gains/(losses) from FX excl. IFRS 16</i>	(1,848)	(1,145)	61.4%	16	(62)	NMF	(3)	(20)	-85.0%	-	-	-	(1,835)	(1,227)	49.6%
Net non-recurring income/(expense)	(2,007)	(392)	NMF	(97)	(67)	44.8%	-	(5)	NMF	-	-	-	(2,104)	(464)	NMF
Profit before income tax expense	(10,119)	9,525	NMF	(2,241)	(1,726)	-29.8%	(418)	(50)	NMF	(25)	20		(12,803)	7,769	NMF
Profit for the period	(10,119)	9,525	NMF	(2,241)	(1,726)	-29.8%	(418)	(50)	NMF	(25)	20		(12,803)	7,769	NMF
Attributable to:															
<i>- shareholders of the Company</i>	(10,521)	6,754	NMF	(2,288)	(1,760)	-30.0%	(418)	(50)	NMF	(25)	20		(13,252)	4,964	NMF
<i>- non-controlling interests</i>	402	2,771	-85.5%	47	34	38.2%	-	-	-	-	-		449	2,805	-84.0%
Profit for the period excluding IFRS 16	(9,758)	10,053	NMF	(1,640)	(586)	NMF	(418)	(47)	NMF	(25)	20		(11,841)	9,440	NMF
Attributable to:															
<i>- shareholders of the Company</i>	(10,160)	7,282	NMF	(1,687)	(620)	NMF	(418)	(47)	NMF	(25)	20		(12,290)	6,635	NMF
<i>- non-controlling interests</i>	402	2,771	-85.5%	47	34	38.2%	-	-	NMF	-	-		449	2,805	-84.0%

Healthcare services business financial highlights (cont'd)



Income statement

	Hospitals			Clinics			Diagnostics			Eliminations			Total		
<i>GEL thousands, unless otherwise noted</i>	2Q20	2Q19	Change	2Q20	2Q19	Change	2Q20	2Q19	Change	2Q20	2Q19	Change	2Q20	2Q19	Change
Revenue, gross	55,901	74,218		9,321	10,877	-14.3%	1,781	1,131	57.5%	(1,523)	(906)		65,480	85,320	-23.3%
Corrections & rebates	(521)	(532)	-2.1%	(115)	(73)	57.5%	-	-	-	-	-		(636)	(605)	5.1%
Revenue, net	55,380	73,686	-24.8%	9,206	10,804	-14.8%	1,781	1,131	57.5%	(1,523)	(906)		64,844	84,715	-23.5%
Costs of services	(35,502)	(42,640)	-16.7%	(5,093)	(6,223)	-18.2%	(1,476)	(774)	90.7%	1,555	573		(40,516)	(49,064)	-17.4%
Cost of salaries and other employee benefits	(20,285)	(26,189)	-22.5%	(3,195)	(3,789)	-15.7%	(367)	(260)	41.2%	-	-		(23,847)	(30,238)	-21.1%
Cost of materials and supplies	(11,198)	(12,281)	-8.8%	(650)	(721)	-9.8%	(983)	(428)	NMF	-	(329)		(12,831)	(13,759)	-6.7%
Cost of medical service providers	(1,066)	(1,095)	-2.6%	(780)	(1,183)	-34.1%	(40)	(45)	-11.1%	1,454	896		(432)	(1,427)	-69.7%
Cost of utilities and other	(2,953)	(3,075)	-4.0%	(468)	(530)	-11.7%	(86)	(41)	NMF	101	6		(3,406)	(3,640)	-6.4%
Gross profit	19,878	31,046	-36.0%	4,113	4,581	-10.2%	305	357	-14.6%	32	(333)		24,328	35,651	-31.8%
Salaries and other employee benefits	(8,316)	(8,157)	2.0%	(1,963)	(1,783)	10.1%	(295)	(281)	5.1%	-	-		(10,574)	(10,220)	3.5%
General and administrative expenses	(3,149)	(3,741)	-15.8%	(719)	(791)	-9.1%	(30)	(71)	-57.7%	7	(51)		(3,891)	(4,654)	-16.4%
G&A excl. IFRS 16	(3,203)	(3,861)	-17.0%	(981)	(1,092)	-10.2%	(30)	(76)	-60.6%	7	(51)		(4,207)	(5,080)	-17.2%
Impairment of receivables	(984)	(1,128)	-12.8%	(35)	(15)	NMF	-	-	NMF	-	-		(1,019)	(1,143)	-10.8%
Other operating income	333	940	-64.6%	87	216	-59.7%	47	49	-4.1%	(18)	404		449	1,609	-72.1%
EBITDA	7,762	18,960	-59.1%	1,483	2,208	-32.8%	27	54	-50.3%	21	20		9,293	21,243	-56.3%
EBITDA excluding IFRS 16	7,708	18,840	-59.1%	1,221	1,907	-36.0%	27	49	-45.0%	21	20		8,977	20,816	-56.9%
EBITDA margin excluding IFRS 16	13.8%	25.4%	-11.6ppts	13.1%	17.5%	-4.4ppts	1.5%	4.3%	-2.8ppts	-	-		13.7%	24.4%	-10.7ppts
Depreciation and amortization	(7,433)	(6,920)	7.4%	(1,771)	(1,664)	6.4%	(34)	(67)	-49.3%	-	-		(9,238)	(8,652)	6.8%
Depreciation and amortization excl. IFRS 16	(7,232)	(6,728)	7.5%	(1,409)	(1,257)	12.1%	(34)	(60)	-43.4%	-	-		(8,675)	(8,046)	7.8%
Net interest income (expense)	(6,767)	(6,620)	2.2%	(1,294)	(1,126)	14.9%	(118)	(1)	NMF	-	-		(8,179)	(7,747)	5.6%
Net interest income (expense) excl. IFRS 16	(6,720)	(6,586)	2.0%	(1,155)	(998)	15.7%	(118)	-	NMF	-	-		(7,993)	(7,584)	5.4%
Net gains/(losses) from foreign currencies	2,327	(1,437)	NMF	649	(834)	NMF	-	(14)	NMF	-	-		2,976	(2,286)	NMF
Net gains/(losses) from FX excl. IFRS 16	2,219	(1,052)	NMF	(9)	(35)	-74.4%	-	(14)	NMF	-	-		2,210	(1,102)	NMF
Net non-recurring income/(expense)	(1,374)	(288)	NMF	(20)	(15)	33.3%	-	-	NMF	-	-		(1,394)	(303)	NMF
Profit before income tax expense	(5,485)	3,696	NMF	(953)	(1,432)	-33.4%	(125)	(28)	NMF	21	20		(6,542)	2,256	NMF
Profit for the period	(5,485)	3,696	NMF	(953)	(1,432)	-33.4%	(125)	(28)	NMF	21	20		(6,542)	2,256	NMF
Attributable to:															
- shareholders of the Company	(5,480)	2,437	NMF	(961)	(1,446)	-33.5%	(125)	(28)	NMF	21	20		(6,545)	983	NMF
- non-controlling interests	(5)	1,259	NMF	8	14	-42.9%	-	-	NMF	-	-		3	1,273	-99.8%
Profit for the period excluding IFRS 16	(5,399)	4,186	NMF	(1,372)	(398)	NMF	(125)	(26)	NMF	21	20		(6,875)	3,782	NMF
Attributable to:															
- shareholders of the Company	(5,394)	2,927	NMF	(1,380)	(412)	NMF	(125)	(26)	NMF	21	20		(6,878)	2,509	NMF
- non-controlling interests	(5)	1,259	NMF	8	14	-42.9%	-	-	NMF	-	-		3	1,273	-99.8%

Healthcare services business financial highlights (cont'd)



Statement of cash flow

GEL thousands, unless otherwise noted

	1H20	1H19	Change	2Q20	2Q19	Change
Cash flows from / (used in) operating activities						
Revenue received	175,530	160,951	9.1%	84,663	79,494	6.5%
Cost of services paid	(87,266)	(112,120)	-22.2%	(45,754)	(56,038)	-18.4%
Gross profit received	88,264	48,831	80.8%	38,909	23,455	65.9%
Salaries paid	(22,520)	(18,534)	21.5%	(13,015)	(8,386)	55.2%
General and administrative expenses paid	(10,832)	(8,001)	35.4%	(4,365)	(4,036)	8.1%
General and administrative expenses paid, excluding IFRS 16	(11,589)	(9,069)	27.8%	(4,681)	(4,623)	1.2%
Other operating income/(expense) and tax paid	(499)	59	NMF	(445)	(1,252)	-64.4%
Net cash flows from operating activities before income tax	54,413	22,355	143.4%	21,084	9,781	115.6%
Income tax paid	(43)	(129)	-66.7%	(43)	(109)	-60.4%
Net cash flows from operating activities	54,370	22,226	144.6%	21,041	9,673	117.5%
Net cash flows from operating activities, excluding IFRS 16	53,613	21,158	153.4%	20,725	9,086	128.1%
Cash flows from / (used in) investing activities						
Cash outflow on Capex	(13,689)	(17,383)	-21.3%	(5,472)	(9,345)	-41.4%
Acquisition of subsidiaries/payments of holdback	(5,445)	(6,101)	-10.8%	-	(877)	NMF
Interest income received	142	532	-73.3%	95	472	-79.9%
Dividends and intersegment loans issued/received	(1,286)	12,103	NMF	(8,444)	6,273	NMF
Net cash flow used in investing activities	(20,278)	(10,849)	86.9%	(13,821)	(3,477)	NMF
Cash flows from / (used in) financing activities						
Purchase of treasury shares	(1,024)	(1,194)	-14.2%	(1,024)	(884)	15.8%
Payment of finance lease liabilities	(409)	(745)	-45.1%	(130)	(424)	-69.3%
Interest expense paid on finance lease	(348)	(323)	7.7%	(186)	(163)	13.9%
Increase/(decrease) in borrowings	10,447	(7,510)	NMF	16,847	(177)	NMF
Interest expense paid	(8,856)	(16,475)	-46.2%	(2,200)	(9,384)	-76.6%
Net cash flows (used in)/from financing activities	(190)	(26,247)	-99.3%	13,307	(11,032)	NMF
Net cash flows (used in)/from financing activities, excluding IFRS 16	567	(25,179)	NMF	13,623	(10,446)	NMF
Effect of exchange rates changes on cash and cash equivalents	408	(146)	NMF	198	(91)	NMF
Net increase/(decrease) in cash and cash equivalents	34,310	(15,016)	NMF	20,725	(4,928)	NMF
Cash and bank deposits, beginning	7,648	18,293	-58.2%	21,233	8,205	158.8%
Cash and bank deposits, ending	41,958	3,277	NMF	41,958	3,277	NMF

Balance sheet

GEL thousands, unless otherwise noted

	Jun-20	Dec-19	Change	Jun-19	Change
Total assets, of which:	960,076	953,874	0.7%	928,668	3.4%
Cash and bank deposits	41,958	7,648	NMF	3,277	NMF
Receivables from healthcare services	108,671	140,861	-22.9%	132,284	-17.9%
Property and equipment	613,727	621,443	-1.2%	627,024	-2.1%
Right of use assets	10,064	11,369	-11.5%	10,226	-1.6%
Goodwill and other intangible assets	107,772	104,222	3.4%	98,224	9.7%
Inventory	18,771	19,387	-3.2%	18,319	2.5%
Prepayments	9,724	7,937	22.5%	6,873	41.5%
Other assets	49,389	41,007	20.4%	32,440	52.2%
<i>Of which, securities and intercompany loans</i>	<i>3,618</i>	<i>-</i>	<i>NMF</i>	<i>-</i>	<i>NMF</i>
Total liabilities, of which:	495,606	472,675	4.9%	460,148	7.7%
Borrowed Funds	304,060	291,239	4.4%	289,368	5.1%
Accounts payable	46,004	45,754	0.5%	37,087	24.0%
Other liabilities	145,542	135,682	7.3%	133,692	8.9%
Total shareholders' equity attributable to:	464,470	481,199	-3.5%	468,521	-0.9%
Shareholders of the Company	392,247	409,424	-4.2%	399,059	-1.7%
Non-controlling interest	72,223	71,775	0.6%	69,462	4.0%

Pharmacy and distribution business financial highlights



Income statement

<i>GEL thousands, unless otherwise noted</i>	1H20	1H19	Change	2Q20	2Q19	Change
Revenue	318,840	295,193	8.0%	143,811	149,414	-3.7%
Costs of services	(235,122)	(220,944)	6.4%	(105,378)	(113,463)	-7.1%
Cost of pharma – wholesale	(68,116)	(71,214)	-4.4%	(29,657)	(37,097)	-20.1%
Cost of pharma - retail	(167,006)	(149,730)	11.5%	(75,721)	(76,366)	-0.8%
Gross profit	83,718	74,249	12.8%	38,433	35,951	6.9%
Salaries and other employee benefits	(27,324)	(25,244)	8.2%	(12,545)	(12,580)	-0.3%
General and administrative expenses	(12,264)	(10,653)	15.1%	(5,685)	(5,146)	10.5%
<i>General and administrative expenses excluding IFRS 16</i>	<i>(22,574)</i>	<i>(19,794)</i>	<i>14.0%</i>	<i>(10,550)</i>	<i>(9,885)</i>	<i>6.7%</i>
Impairment of receivables	(343)	(179)	91.6%	(342)	(121)	NMF
Other operating income	151	1,876	-92.0%	46	1,982	-97.7%
EBITDA	43,938	40,049	9.7%	19,907	20,086	-0.9%
EBITDA excluding IFRS 16	33,628	30,908	8.8%	15,042	15,347	-2.0%
EBITDA margin excluding IFRS 16	10.5%	10.5%	NMF	10.5%	10.3%	0.2ppts
Depreciation and amortization	(10,226)	(9,240)	10.7%	(5,153)	(4,702)	9.6%
<i>Depreciation and amortization excluding IFRS 16</i>	<i>(1,887)</i>	<i>(1,426)</i>	<i>32.3%</i>	<i>(964)</i>	<i>(738)</i>	<i>30.6%</i>
Net interest income (expense)	(8,367)	(8,193)	2.1%	(4,088)	(4,141)	-1.3%
<i>Net interest income (expense) excluding IFRS 16</i>	<i>(5,639)</i>	<i>(5,892)</i>	<i>-4.3%</i>	<i>(2,703)</i>	<i>(2,943)</i>	<i>-8.2%</i>
Net gains/(losses) from foreign currencies	(8,289)	(6,546)	26.6%	8,460	(6,519)	NMF
<i>Net gains/(losses) from foreign currencies excluding IFRS 16</i>	<i>(4,566)</i>	<i>(3,088)</i>	<i>47.9%</i>	<i>4,874</i>	<i>(3,294)</i>	<i>NMF</i>
Net non-recurring income/(expense)	(72)	(62)	16.1%	(15)	(68)	-77.9%
Profit before income tax expense	16,984	16,008	6.1%	19,111	4,656	NMF
Income tax benefit/(expense)	(945)	(69)	NMF	-	(69)	NMF
Profit for the period	16,039	15,939	0.6%	19,111	4,587	NMF
Attributable to:						
- shareholders of the Company	8,698	9,193	-5.4%	12,319	2,326	NMF
- non-controlling interests	7,341	6,746	8.8%	6,792	2,261	NMF
Profit for the period excluding IFRS 16	20,519	20,371	0.7%	16,234	8,235	97.1%
Attributable to:						
- shareholders of the Company	11,699	12,162	-3.8%	10,391	4,770	NMF
- non-controlling interests	8,820	8,209	7.4%	5,843	3,465	68.6%

Pharmacy and distribution business financial highlights (cont'd)



Statement of cash flow

GEL thousands, unless otherwise noted

	1H20	1H19	Change	2Q20	2Q19	Change
Cash flows from / (used in) operating activities						
Revenue received	312,119	279,962	11.5%	148,374	147,100	0.9%
Cost of services paid	(231,608)	(203,598)	13.8%	(100,025)	(105,623)	-5.3%
Gross profit received	80,511	76,364	5.4%	48,349	41,476	16.6%
Salaries paid	(25,482)	(24,516)	3.9%	(14,216)	(13,992)	1.6%
General and administrative expenses paid	(10,386)	(11,588)	-10.4%	(4,693)	(5,770)	-18.7%
General and administrative expenses paid, excluding IFRS 16	(20,696)	(20,891)	-0.9%	(9,558)	(10,671)	-10.4%
Other operating income/(expense) and tax paid	(494)	-	NMF	(75)	635	NMF
Net cash flows from operating activities before income tax	44,149	40,260	9.7%	29,365	22,349	31.4%
Income tax paid	(463)	(65)	NMF	(196)	-	NMF
Net cash flows from operating activities	43,686	40,195	8.7%	29,169	22,349	30.5%
Net cash flows from operating activities, excluding IFRS 16	33,376	30,892	8.0%	24,304	17,449	39.3%
Cash flows from / (used in) investing activities						
Cash outflow on Capex	(2,384)	(3,253)	-26.7%	(933)	(1,815)	-48.6%
Interest income received	1,120	13	NMF	851	5	NMF
Intersegment loans issued proceeds from other investing activities	846	3,000	-71.8%	8	6,526	-99.9%
Net cash flow used in investing activities	(418)	(240)	74.2%	(74)	4,716	NMF
Cash flows from / (used in) financing activities						
Payment of dividends	(18,833)	(15,000)	25.6%	(7,341)	(6,000)	22.4%
Purchase of treasury shares	(273)	(245)	11.4%	(273)	(245)	11.4%
Payment of finance lease liabilities	(7,582)	(7,050)	7.5%	(3,480)	(3,750)	-7.2%
Interest expense paid on finance lease	(2,728)	(2,253)	21.1%	(1,385)	(1,150)	20.4%
Increase/(decrease) in borrowings	35,910	(21,514)	NMF	15,078	(12,836)	NMF
Interest expense paid	(2,031)	(1,645)	23.5%	(1,263)	(811)	55.6%
Net cash flows (used in)/from financing activities	4,463	(47,707)	NMF	1,336	(24,793)	NMF
Net cash flows (used in)/from financing activities, excluding IFRS 16	14,773	(38,404)	NMF	6,201	(19,893)	NMF
Effect of exchange rates changes on cash and cash equivalents	1,292	149	NMF	(467)	162	NMF
Net increase/(decrease) in cash and cash equivalents	49,023	(7,603)	NMF	29,964	2,435	NMF
Cash and bank deposits, beginning	7,774	17,305	-55.1%	26,833	7,267	NMF
Cash and bank deposits, ending	56,797	9,702	NMF	56,797	9,702	NMF

Balance sheet

GEL thousands, unless otherwise noted

	Jun-20	Dec-19	Change	Jun-19	Change
Total assets, of which:	454,006	396,078	14.6%	359,342	26.3%
Cash and bank deposits	56,797	7,774	NMF	9,702	NMF
Receivables from sale of pharmaceuticals	43,099	40,157	7.3%	33,820	27.4%
Property and equipment	34,788	35,161	-1.1%	30,604	13.7%
Right of use assets	67,097	72,149	-7.0%	68,902	-2.6%
Goodwill and other intangible assets	52,620	52,506	0.2%	52,329	0.6%
Inventory	169,637	155,075	9.4%	138,813	22.2%
Prepayments	5,296	3,832	38.2%	6,578	-19.5%
Other assets	24,672	29,424	-16.2%	18,593	32.7%
<i>Of which, securities and intercompany loans</i>	<i>12,327</i>	<i>12,167</i>	<i>1.3%</i>	<i>2,495</i>	<i>NMF</i>
Total liabilities, of which:	355,204	303,240	17.1%	284,416	24.9%
Borrowed Funds	120,751	84,712	42.5%	79,489	51.9%
Accounts payable	129,343	110,690	16.9%	100,349	28.9%
Other liabilities	105,110	107,838	-2.5%	104,579	0.5%
Total shareholders' equity	98,802	92,838	6.4%	74,925	31.9%

Medical insurance business financial highlights



Income statement

<i>GEL thousands, unless otherwise noted</i>	1H20	1H19	Change	2Q20	2Q19	Change
Revenue	34,559	36,366	-5.0%	16,491	18,873	-12.6%
Costs of services	(26,571)	(31,916)	-16.7%	(11,506)	(16,233)	-29.1%
Net insurance claims incurred	(25,375)	(30,501)	-16.8%	(10,955)	(15,587)	-29.7%
Agents, brokers and employee commissions	(1,196)	(1,415)	-15.5%	(551)	(646)	-14.7%
Gross profit	7,988	4,450	79.5%	4,985	2,640	88.8%
Salaries and other employee benefits	(2,778)	(2,106)	31.9%	(1,551)	(1,189)	30.4%
General and administrative expenses	(817)	(728)	12.2%	(300)	(373)	-19.6%
<i>General and administrative expenses excluding IFRS 16</i>	<i>(1,020)</i>	<i>(909)</i>	<i>12.2%</i>	<i>(393)</i>	<i>(469)</i>	<i>-16.2%</i>
Impairment of receivables	(1,044)	(217)	NMF	(734)	(114)	NMF
Other operating income	(122)	567	NMF	(32)	355	NMF
EBITDA	3,227	1,966	64.1%	2,368	1,319	79.5%
EBITDA excluding IFRS 16	3,024	1,785	69.4%	2,275	1,223	86.0%
EBITDA margin excluding IFRS 16	8.8%	4.9%	3.8ppts	13.8%	6.5%	7.3ppts
Depreciation and amortization	(576)	(548)	5.1%	(295)	(279)	5.7%
<i>Depreciation and amortization excluding IFRS 16</i>	<i>(394)</i>	<i>(380)</i>	<i>3.7%</i>	<i>(205)</i>	<i>(191)</i>	<i>7.3%</i>
Net interest income (expense)	764	286	NMF	403	173	NMF
<i>Net interest income (expense) excluding IFRS 16</i>	<i>793</i>	<i>313</i>	<i>NMF</i>	<i>417</i>	<i>186</i>	<i>NMF</i>
Net gains/(losses) from foreign currencies	(32)	18	NMF	41	(41)	NMF
<i>Net gains/(losses) from foreign currencies excluding IFRS 16</i>	<i>8</i>	<i>71</i>	<i>-88.7%</i>	<i>2</i>	<i>8</i>	<i>-75.0%</i>
Net non-recurring income/(expense)	(158)	-	NMF	(158)	-	NMF
Profit before income tax expense	3,225	1,722	87.3%	2,359	1,172	101.3%
Income tax benefit/(expense)	(603)	(288)	NMF	(398)	(203)	96.1%
Profit for the period	2,622	1,434	82.8%	1,961	969	102.4%
Attributable to:						
- shareholders of the Company	2,622	1,434	82.8%	1,961	969	102.4%
Profit for the period excluding IFRS 16	2,670	1,501	77.9%	1,933	1,023	89.0%
Attributable to:						
- shareholders of the Company	2,670	1,501	77.9%	1,933	1,023	89.0%

Medical insurance business financial highlights (cont'd)

Statement of cash flow

GEL thousands, unless otherwise noted

	1H20	1H19	Change	2Q20	2Q19	Change
Cash flows from / (used in) operating activities						
Revenue received	33,860	34,567	-2.0%	15,616	20,924	-25.4%
Cost of services paid	(23,436)	(25,820)	-9.2%	(9,910)	(14,941)	-33.7%
Gross profit received	10,424	8,747	19.2%	5,705	5,983	-4.6%
Salaries paid	(4,823)	(4,389)	9.9%	(3,056)	(2,886)	5.9%
General and administrative expenses paid	(1,076)	(843)	27.6%	(368)	(490)	-25.0%
General and administrative expenses paid, excluding IFRS 16	(1,279)	(1,024)	24.9%	(461)	(586)	-21.4%
Other operating income/(expense) and tax paid	(182)	(213)	-14.6%	(182)	(109)	66.8%
Net cash flows from operating activities before income tax	4,343	3,302	31.5%	2,100	2,498	-15.9%
Income tax paid	(1,130)	-	NMF	(230)	-	NMF
Net cash flows from operating activities	3,213	3,302	-2.7%	1,870	2,498	-25.1%
Net cash flows from operating activities, excluding IFRS 16	3,010	3,121	-3.6%	1,777	2,401	-26.0%
Cash flows from / (used in) investing activities						
Cash outflow on Capex	(172)	(29)	NMF	(97)	-	NMF
Interest income received	1,289	836	54.2%	788	577	36.6%
Other investing activities	(303)	(1,308)	-76.8%	(628)	(300)	109.2%
Net cash flow used in investing activities	814	(501)	NMF	63	277	-77.1%
Cash flows from / (used in) financing activities						
Payment of dividends	(750)	-	NMF	(375)	-	NMF
Purchase of treasury shares	(155)	(143)	8.4%	(155)	(143)	8.4%
Payment of finance lease liabilities	(174)	(154)	13.0%	(79)	(74)	7.3%
Interest expense paid on finance lease	(29)	(27)	7.4%	(14)	(23)	-38.2%
Increase/(decrease) in borrowings	1,600	(300)	NMF	-	(300)	NMF
Interest expense paid	(260)	(315)	-17.5%	(187)	(134)	39.7%
Net cash flows (used in)/from financing activities	232	(939)	NMF	(810)	(673)	20.3%
Net cash flows (used in)/from financing activities, excluding IFRS 16	435	(758)	NMF	(717)	(577)	24.3%
Effect of exchange rates changes on cash and cash equivalents	442	3	NMF	63	3	NMF
Net increase/(decrease) in cash and cash equivalents	4,701	1,865	NMF	1,186	2,104	NMF
Cash and bank deposits, beginning	16,583	12,363	34.1%	20,098	12,124	65.8%
Cash and bank deposits, ending	21,284	14,228	49.6%	21,284	14,228	49.6%

Balance sheet

GEL thousands, unless otherwise noted

	Jun-20	Dec-19	Change	Jun-19	Change
Total assets, of which:	91,993	79,575	15.6%	89,905	2.3%
Cash and bank deposits	21,284	16,583	28.3%	14,228	49.6%
Insurance premiums receivable	38,955	31,531	23.5%	48,135	-19.1%
Property and equipment	14,890	15,054	-1.1%	15,159	-1.8%
Right of use assets	603	597	1.0%	780	-22.7%
Goodwill and other intangible assets	5,517	5,519	NMF	5,488	0.5%
Inventory	198	-	NMF	-	NMF
Prepayments	1,102	520	NMF	705	56.4%
Other assets of which:	9,444	9,771	-3.3%	5,411	74.5%
<i>securities and intercompany loans</i>	<i>8,012</i>	<i>7,649</i>	<i>4.7%</i>	<i>3,118</i>	<i>NMF</i>
Total liabilities, of which:	61,740	52,695	17.2%	64,764	-4.7%
Borrowed Funds	9,255	7,450	24.2%	5,651	63.8%
Accounts payable	368	-	NMF	-	NMF
Insurance contract liabilities	40,048	31,687	26.4%	47,640	-15.9%
Other liabilities	12,069	13,558	-11.0%	11,474	5.2%
Total shareholders' equity	30,253	26,880	12.5%	25,141	20.3%

GHG selected ratios and KPIs



Selected ratios and KPIs	2Q20	2Q19	Change	1H20	1H19	Change	Selected ratios and KPIs	2Q20	2Q19	Change	1H20	1H19	Change
GHG, consolidated							Diagnostics						
ROIC (%)	7.7%	12.2%	-4.5ppts	9.8%	12.2%	-2.4ppts	EBITDA margin excluding IFRS 16 impact	1.5%	4.3%	-2.8ppts	-3.5%	4.2%	-7.7ppts
Group rent expenditure	5,770	6,118	-5.7%	12,257	12,014	2.0%	Number of patients served ('000)	106	60	76.7%	245	127	92.90%
of which, pharmacy and distribution business	5,389	5,555	-3.0%	11,537	10,880	6.0%	Number of tests performed ('000)	266	184	44.6%	591	356	66.00%
Group capex (maintenance)	2,319	3,878	-40.2%	5,537	7,062	-21.6%	Average revenue per test GEL	6.7	6.1	9.8%	5.8	6.4	-9.40%
Group capex (development)	4,183	7,282	-42.6%	10,708	13,603	-21.3%	Average number of tests per patient	2.5	3.1	18.2%	2.4	2.8	-14.30%
Number of employees	15,555	16,173	-3.8%	15,555	16,173	-3.8%	Pharmacy and Distribution						
Number of physicians	3,476	3,645	-4.6%	3,476	3,645	-4.6%	EBITDA margin excluding IFRS 16	10.5%	10.3%	0.2ppts	10.5%	10.5%	NMF
Number of nurses	3,301	3,425	-3.6%	3,301	3,425	-3.6%	Number of bills issued (millions)	5.7	7.1	-19.0%	13.4	14.2	-5.9%
Nurse to doctor ratio, referral hospitals	0.95	0.94	1.1%	0.95	0.94	1.1%	Average bill size	17.6	14.2	23.9%	16.5	13.8	19.6%
Number of pharmacists	2,887	2,983	-3.2%	2,887	2,983	-3.2%	Revenue from wholesale as a percentage of total revenue from pharma	25.4%	29.0%	-3.6ppts	26.0%	29.0%	-3.0ppts
Hospitals							Revenue from retail as a percentage of total revenue from pharma	74.6%	71.0%	3.6ppts	74.0%	71.0%	3.0ppts
EBITDA margin excluding IFRS 16	13.8%	25.4%	-11.6ppts	17.7%	25.5%	-7.8ppts	Revenue from para-pharmacy as a percentage of retail revenue from pharma	38.7%	31.4%	7.3ppts	34.0%	30.3%	3.7ppts
Direct salary rate (direct salary as % of revenue)	36.3%	35.3%	1.0ppts	35.8%	34.5%	1.3ppts	Number of pharmacies	299	279	20	299	279	20
Materials rate (direct materials as % of revenue)	20.0%	16.5%	3.5ppts	19.6%	17.0%	2.6ppts	Medical Insurance						
Administrative salary rate (administrative salaries as % of revenue)	14.9%	11.0%	3.9ppts	13.1%	10.8%	2.3ppts	Loss ratio	66.4%	82.6%	-16.2ppts	73.4%	83.9%	-10.5ppts
SG&A rate (SG&A expenses as % of revenue)	5.7%	5.2%	0.5ppts	5.0%	4.9%	0.1ppts	Expense ratio excluding IFRS 16, of which	21.0%	11.9%	9.1ppts	19.0%	12.3%	6.7ppts
Number of hospitals	18	18	NMF	18	18	NMF	Commission ratio	3.3%	3.4%	-0.1ppts	3.5%	3.9%	-0.4ppts
Number of hospital beds	2,967	2,967	NMF	2,967	2,967	NMF	Combined ratio excluding IFRS 16	87.4%	94.5%	-7.1ppts	92.4%	96.1%	-3.7ppts
Hospitals bed occupancy rate	43.3%	59.6%	-16.3ppts	51.9%	60.9%	-9.0ppts	Renewal rate	77.1%	81.3%	-4.2ppts	71.3%	77.5%	-6.2ppts
Hospitals bed occupancy rate, excluding TRH and CMC	43.6%	64.1%	-20.5ppts	53.6%	65.6%	-12.0ppts							
CMC bed occupancy rate	34.2%	38.6%	-4.4ppts	37.6%	37.1%	0.5ppts							
TRH bed occupancy rate	49.3%	46.9%	2.4ppts	52.6%	49.5%	3.1ppts							
Average length of stay (days)	5.8	5.4	7.4%	5.6	5.4	3.7%							
Average revenue per hospital bed	75.4	100.1	-24.7%	85.4	100.4	-14.9%							
Clinics													
EBITDA margin excluding IFRS 16	13.1%	17.5%	-4.4ppts	16.8%	18.1%	-1.3ppts							
EBITDA margin of polyclinics excluding IFRS 16	12.3%	16.3%	-4.0ppts	13.2%	15.6%	-2.4ppts							
Direct salary rate (direct salary as % of revenue)	34.3%	34.8%	-0.5ppts	34.0%	34.7%	-0.7ppts							
Materials rate (direct materials as % of revenue)	7.0%	6.6%	0.4ppts	6.5%	6.4%	0.1ppts							
Number of community clinics	19	19	NMF	19	19	NMF							
Number of community clinics beds	353	353	NMF	353	353	NMF							
Number of polyclinics	15	16	-1	15	16	-1							

Water utility business financial highlights



Income statement

<i>GEL thousands, unless otherwise noted</i>	1H20	1H19	Change
Revenue from water supply to legal entities	35,537	43,337	-18.0%
Revenue from water supply to individuals	19,329	19,507	-0.9%
Revenue from electric power sales	2,354	8,240	-71.4%
Revenue from technical support	1,955	1,607	21.7%
Other income	1,594	1,850	-13.8%
Revenue	60,769	74,541	-18.5%
Salaries and benefits	(9,133)	(9,936)	-8.1%
Electricity and transmission costs	(8,559)	(8,380)	2.1%
Other operating expenses	(10,621)	(11,350)	-6.4%
Operating expenses	(28,313)	(29,666)	-4.6%
Provisions for doubtful trade receivables	(2,849)	(4,508)	-36.8%
EBITDA	29,608	40,367	-26.7%
<i>EBITDA Margin</i>	<i>48.7%</i>	<i>54.2%</i>	<i>-5.5ppts</i>
Depreciation and amortization	(17,456)	(16,936)	3.1%
EBIT	12,151	23,431	-48.1%
<i>EBIT Margin</i>	<i>20.0%</i>	<i>31.4%</i>	<i>-11.4ppts</i>
Net interest expense	(15,808)	(10,793)	46.5%
Net non-recurring expenses	(489)	(2,389)	-79.5%
Foreign exchange (loss) gain	(9,954)	(9,497)	4.8%
EBT	(14,100)	752	NMF
Profit	(14,100)	752	NMF

Statement of cash flow

<i>GEL thousands, unless otherwise noted</i>	1H20	1H19	Change
Cash received from customers	63,348	74,035	-14.4%
Cash paid to suppliers	(18,349)	(16,745)	9.6%
Cash paid to employees	(10,037)	(9,103)	10.3%
Interest received	1,052	592	77.7%
Taxes paid	(7,347)	(4,056)	81.1%
Cash flow from operating activities before maintenance capex	28,667	44,723	-35.9%
Maintenance capex	(11,388)	(11,093)	2.7%
Operating cash flow	17,279	33,630	-48.6%
Purchase of PPE and intangible assets	(27,994)	(27,883)	0.4%
Proceeds from PPE and investment property sale	-	75	NMF
CAPEX VAT	2,323	3,653	-36.4%
Restricted cash in Bank	-	329	NMF
Total cash used in investing activities	(25,671)	(23,826)	7.7%
Proceeds from borrowings	55,616	29,830	86.4%
Repayment of borrowings	(12,672)	(9,169)	38.2%
Interest paid	(17,423)	(11,785)	47.8%
Dividend paid	(3)	-	NMF
Contributions under share-based payment plan	(724)	(1,777)	-59.2%
Total cash flow from financing activities	24,794	7,099	NMF
Effect of exchange rates changes on cash	(1,086)	80	NMF
Total cash (outflow)/inflow	15,316	16,983	-9.8%
Cash, beginning balance	26,581	13,713	93.8%
Cash, ending balance	41,897	30,696	36.5%

Balance sheet

<i>GEL thousands, unless otherwise noted</i>	Jun-20	Dec-19	Change
Inventories	4,204	3,799	10.7%
Trade and other receivables	21,689	22,357	-3.0%
Prepaid taxes other than income tax	2,107	50	NMF
Prepayments	2,350	3,703	-36.5%
Other current assets	-	7	NMF
Cash and cash equivalents	41,897	26,581	57.6%
Total current assets	72,247	56,497	27.9%
Property, plant and equipment	541,778	522,702	3.6%
Investment Property	8,641	8,641	NMF
Intangible assets	2,540	1,954	30.1%
Other non-current assets	2,647	1,243	NMF
Total non-current assets	555,606	534,539	3.9%
Total assets	627,853	591,036	6.2%
Current borrowings	33,710	25,954	29.9%
Trade and other payables	22,725	20,868	8.9%
Other current liabilities	1,411	3,463	-59.3%
Total current liabilities	57,846	50,285	15.0%
Long term borrowings	397,898	353,021	12.7%
Deferred income	30,025	29,435	2.0%
Total non-current liabilities	427,923	382,456	11.9%
Total liabilities	485,769	432,741	12.3%
Total equity	142,084	158,295	-10.2%
Total liabilities and equity	627,853	591,036	6.2%

Housing development business financial highlights

Income statement

<i>GEL thousands, unless otherwise noted</i>	1H20	1H19	Change
Gross profit from apartments sale	7,649	1,998	NMF
Gross profit from construction management	3,269	2,459	32.9%
Other income	(222)	290	NMF
Gross Real Estate Profit	10,696	4,747	NMF
Operating expenses	(6,754)	(6,847)	-1.4%
EBITDA	3,942	(2,100)	NMF
Profit before non-recurring items	(3,231)	(7,472)	56.8%
Net non-recurring items	(309)	-	NMF
Profit	(3,539)	(7,848)	54.9%

Statement of cash flow

<i>GEL thousands, unless otherwise noted</i>	1H20	1H19	Change
Proceeds from sales of apartments	56,835	14,902	NMF
<i>Outflows for development</i>	(18,494)	(15,213)	21.6%
Net proceeds from construction services	1,837	4,074	-54.9%
Cash paid for operating expenses	(7,914)	(13,385)	-40.9%
Income tax paid	(7,717)	(7,080)	-9.0%
Net cash flows from operating activities	24,547	(16,703)	NMF
Capital expenditure on investment property and PPE	(1,923)	(2,980)	-35.5%
Purchase of investment properties	129	-	NMF
Loan issued	(300)	(1,289)	-76.7%
Net cash flows used in investing activities	(2,094)	(4,269)	-51.0%
Net Intersegment loans received/(issued)	(9,427)	19,526	NMF
Contributions under share-based payment plan	(679)	(987)	-31.2%
Interest paid	(6,543)	(3,550)	84.3%
Repayment of lease liabilities	(327)	-	NMF
Interest paid on lease liabilities	(30)	-	NMF
Net cash flows from financing activities¹	(17,006)	14,989	NMF
Exchange (losses)/gains on cash equivalents	40	(726)	NMF
Total cash outflow	5,487	(6,709)	NMF
Cash, beginning balance	15,602	10,467	49.1%
Cash, ending balance	21,089	3,758	NMF

Balance sheet

<i>GEL thousands, unless otherwise noted</i>	Jun-20	Jun-19	Change
Cash and cash equivalents	13,958	3,335	NMF
Amounts due from credit institutions	7,131	422	NMF
Investment securities	202	1,305	-84.6%
Accounts receivable and other loans	17,036	13,114	29.9%
Prepayments	51,047	34,479	48.1%
Inventories	163,345	93,730	74.3%
Investment property	2,311	38,346	-94.0%
<i>Land bank</i>	1,283	9,359	-86.3%
<i>Commercial real estate</i>	1,028	28,987	-96.5%
Property and equipment	28,168	11,027	NMF
Other assets	49,703	32,656	52.2%
Total assets	332,901	228,414	45.7%
Amounts due to credit institutions	81,926	50,647	61.8%
Debt securities issued	107,959	72,797	48.3%
Deferred income	97,864	21,249	NMF
Other liabilities	55,147	49,109	12.3%
Total liabilities	342,896	193,802	76.9%
Total equity	(9,994)	34,623	NMF
Total liabilities and equity	332,902	228,425	45.7%

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

P&C insurance business financial highlights



Income statement				Statement of cash flow				Balance sheet			
<i>GEL thousands, unless otherwise noted</i>				<i>GEL thousands, unless otherwise noted</i>				<i>GEL thousands, unless otherwise noted</i>			
	1H20	1H19	Change		1H20	1H19	Change		Jun-20	Dec-19	change
Gross premiums written	56,000	52,739	6.2%	Insurance premium received	38,761	39,224	-1.2%	Cash and cash equivalents	4,255	3,421	24.4%
Earned premiums, gross	46,692	46,512	0.4%	Reinsurance premium paid	(5,138)	(4,044)	27.1%	Amounts due from credit institutions	39,012	32,574	19.8%
Earned premiums, net	34,668	36,288	-4.5%	Insurance benefits and claims paid	(24,216)	(13,682)	77.0%	Investment securities	8,018	7,109	12.8%
Insurance claims expenses, gross	(15,274)	(21,353)	-28.5%	Reinsurance claims received	10,773	5,096	NMF	Insurance premiums receivable, net	50,726	36,730	38.1%
Insurance claims expenses, net	(15,198)	(15,111)	0.6%	Acquisition costs paid	(3,824)	(4,355)	-12.2%	Ceded share of technical provisions	68,673	64,706	6.1%
Acquisition costs, net	(4,463)	(5,736)	-22.2%	Salaries and benefits paid	(5,393)	(6,775)	-20.4%	PPE and intangible assets, net	14,077	14,448	-2.6%
Net underwriting profit	15,007	15,441	-2.8%	Interest received	2,231	1,888	18.2%	Goodwill	13,063	13,062	NMF
Investment income	2,957	2,282	29.6%	Net other operating expenses paid	(2,545)	(1,342)	89.7%	Deferred acquisition costs	3,796	3,812	-0.4%
Net fee and commission income	40	57	-29.8%	Income tax paid	(746)	(1,343)	-44.5%	Pension fund assets	5,305	4,868	9.0%
Net investment profit	2,997	2,339	28.1%	Net cash flows from operating activities	9,903	14,667	-32.5%	Other assets	20,343	19,544	4.1%
Salaries and employee benefits	(4,839)	(5,391)	-10.2%	Purchase of property and equipment	(311)	(637)	-51.1%	Total assets	227,269	200,274	13.5%
Selling, general and administrative expenses	(2,034)	(1,965)	3.5%	Purchase of intangible assets	(763)	(838)	-8.9%	Gross technical provisions	106,551	100,886	5.6%
Depreciation & Amortisation	(1,153)	(994)	16.0%	Loan Issued	(4,310)	(19,902)	-78.3%	Other insurance liabilities	29,028	15,714	84.7%
Impairment charges	(353)	(289)	22.1%	Proceeds from repayment of loan issued	3,310	21,166	-84.4%	Current income tax liabilities	522	376	38.7%
Net other operating income	211	377	-44.1%	Proceeds from / (Placement of) bank deposits	(6,208)	(9,512)	-34.7%	Pension benefit obligations	5,305	4,868	9.0%
Operating profit	9,836	9,518	3.3%	Purchase of available-for-sale assets/ Deposits	(20)	(1,784)	-98.9%	Other Liabilities	15,384	15,819	-2.8%
Foreign exchange (loss) / gain	8	339	-97.7%	Net cash flows from used in investing activities	(8,303)	(11,507)	-27.8%	Total liabilities	156,790	137,663	13.9%
Interest expense	(139)	(70)	97.8%	Dividend Paid	-	(8,000)	NMF	Total equity	70,479	62,611	12.6%
Non-recurring expenses	(50)	-	NMF	Purchase of treasury shares	(521)	(927)	-43.8%	Total liabilities and equity	227,269	200,274	13.5%
Pre-tax profit	9,655	9,787	-1.3%	Interest paid	(54)	-	NMF				
Income tax expense	(1,501)	(1,479)	1.5%	Cash paid for lease liabilities	(266)	(955)	-72.2%				
Net profit	8,154	8,308	-1.8%	Net cash flows from financing activities	(841)	(9,881)	-91.5%				
				Effect of exchange rates changes on cash and cash equivalents	72	(14)	NMF				
				Total cash inflow/(outflow)	831	(6,735)	NMF				
				Cash and cash equivalents, beginning	3,421	11,103	-69.2%				
				Cash and cash equivalents, ending	4,252	4,368	-2.7%				

Renewable energy business financial highlights

Income statement

<i>GEL thousands, unless otherwise noted</i>	1H20	1H19	Change
Revenue from electricity sales	16,183	2,395	NMF
Other revenue	2,703	-	NMF
Total Revenue	18,886	2,395	NMF
Salaries and benefits	(749)	(219)	NMF
Electricity and transmission costs	(90)	(20)	NMF
Other operating expenses	(3,956)	(671)	NMF
Total Operating Expenses	(4,796)	(910)	NMF
EBITDA	14,090	1,485	NMF
EBIT	7,562	587	NMF
Net interest expense	(10,946)	(1,498)	NMF
Non-recurring expenses	-	(151)	NMF
Foreign exchange (losses) gains	(1,049)	16	NMF
Profit before income tax	(4,433)	(1,046)	NMF
Net Profit	(4,433)	(1,046)	NMF
Attributable to:			
– shareholders of the Group	(3,679)	(680)	NMF
– non-controlling interests	(754)	(366)	NMF

Statement of cash flow

<i>GEL thousands, unless otherwise noted</i>	1H20	1H19	Change
Cash receipt from customers	25,049	639	NMF
Cash paid to suppliers	(4,393)	(349)	NMF
Cash paid to employees	(950)	(237)	NMF
Interest received	363	111	NMF
Taxes paid	(2,326)	(753)	NMF
Cash flow from operating activities	17,743	(589)	NMF
Purchase of PPE and intangible assets	(18,502)	(21,754)	-15.0%
VAT return	2,500	3,210	-22.1%
Loans issued	(1,442)	(577)	NMF
Acquisition of subsidiaries	(6,008)	-	NMF
Total cash flow used in investing activities	(23,452)	(19,121)	22.6%
Proceeds from borrowings	-	28,176	NMF
Repayment of borrowings	(2,472)	-	NMF
Interest paid	(8,493)	-	NMF
Dividends paid out	(4,927)	-	NMF
Capital increase	5,591	2,415	NMF
Total cash flow used in financing activities	(10,301)	30,591	NMF
Exchange (losses)/gains on cash equivalents	1,953	1,623	20.3%
Total cash inflow/(outflow)	(14,057)	12,504	NMF
Cash, beginning balance	35,253	8,388	NMF
Cash, ending balance	21,196	20,892	1.5%

Balance sheet

<i>GEL thousands, unless otherwise noted</i>	Jun-20	Dec-19	Change
Total current assets	70,076	88,794	-21.1%
Property, plant and equipment	369,178	338,169	9.2%
Other non-current assets	14,173	12,491	13.5%
Total non-current assets	383,351	350,660	9.3%
Total assets	453,427	439,454	3.2%
Total current liabilities	25,401	34,877	-27.2%
Long term borrowings	270,501	254,792	6.2%
Other non-current liabilities	2,239	2,175	2.9%
Total non-current liabilities	272,740	256,967	6.1%
Total liabilities	298,141	291,844	2.2%
Total equity attributable to shareholders of the Group	156,006	111,113	40.4%
Non-controlling interest	(720)	36,497	NMF
Total equity	155,286	147,610	5.2%
Total liabilities and equity	453,427	439,454	3.2%

Hospitality & Commercial RE business financial highlights



Income statement

<i>GEL thousands, unless otherwise noted</i>	1H20	1H19	Change
Revenue from operating lease	5,670	4,034	40.6%
Gross profit from operating leases	4,181	2,791	49.8%
Revenue from hospitality services	3,294	3,134	5.1%
Gross profit from hospitality services	(1,094)	697	NMF
Other income	61	-	NMF
Gross Real Estate Profit	3,148	3,488	-9.7%
Revaluation of commercial and hospitality properties	(117,578)	7,892	NMF
Operating expenses	(3,166)	(1,860)	70.2%
NOI	(117,596)	9,520	NMF
Net operating income before non-recurring items	(122,627)	5,880	NMF
Net non-recurring items	(1,212)	-	NMF
Profit before income tax	(123,839)	5,880	NMF
Profit / (loss)	(123,839)	5,880	NMF

Statement of cash flow

<i>GEL thousands, unless otherwise noted</i>	1H20	1H19	Change
Net proceeds from rent generating assets	3,023	1,924	57.1%
Net proceeds from hospitality services	(1,143)	822	NMF
Other operating expenses paid	(2,824)	(2,423)	16.5%
Income tax paid	(586)	-	NMF
Net cash flows from operating activities	(1,529)	324	NMF
Acquisition of investment property	5,976	(10,574)	NMF
Capital expenditure on investment property	(31,593)	(18,741)	68.6%
VAT return	6,769	(9,787)	NMF
Loans issued	-	(58)	NMF
Acquisition of subsidiaries	-	(13,874)	NMF
Net cash flows used in investing activities	(18,848)	(53,035)	-64.5%
Proceeds from preferred stock issued	1,137	6,833	-83.4%
Proceeds from debt securities issued	-	59,964	NMF
Contributions under share-based payment plan	(679)	(172)	NMF
Proceeds from borrowings	231	67,941	-99.7%
Repayment of borrowings	(487)	(75,681)	-99.4%
Net intragroup loans (repaid)/ received	9,427	(19,526)	NMF
Interest paid	(5,262)	(7,792)	-32.5%
Repayment of lease liabilities	(392)	-	NMF
Interest paid on lease liabilities	(44)	-	NMF
Net cash flows from financing activities¹	3,932	31,567	-87.5%
Effect of exchange rate changes on cash and cash equivalents	60	(126)	NMF
Total cash inflow/(outflow)	(16,385)	(21,269)	23.0%
Cash, beginning balance	19,245	28,616	-32.7%
Cash, ending balance	2,860	7,347	-61.1%

Balance sheet

<i>GEL thousands, unless otherwise noted</i>	Jun-20	Jun-19	Change
Cash and cash equivalents, bank placements	2,859	7,347	-61.1%
Prepayments	26,000	29,902	-13.0%
Inventories	771	-	NMF
Investment property	335,163	294,758	13.7%
<i>Land bank</i>	<i>54,185</i>	<i>55,606</i>	<i>-2.6%</i>
<i>Commercial real estate</i>	<i>280,978</i>	<i>239,152</i>	<i>17.5%</i>
Property and equipment	7,064	401	NMF
Goodwill	1,098	-	NMF
Other assets	12,906	42,230	-69.4%
Total assets	385,861	374,638	3.0%
Borrowings	119,346	102,203	16.8%
Debt securities issued	91,232	86,257	5.8%
Other liabilities	36,227	1,980	NMF
Total liabilities	246,805	190,440	29.6%
Total equity attributable to shareholders of the Group	138,332	184,199	-24.9%
Non-controlling interest	724	-	NMF
Total equity	139,056	184,199	-24.5%
Total liabilities and equity	385,861	374,639	3.0%

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

Beverages business financial highlights

Income statement

GEL thousands, unless otherwise noted

	1H20	1H19	Change
Wine Business	16,120	17,967	-10.3%
Beer Business	29,472	20,425	44.3%
Distribution Business	8,675	7,834	-10.7%
Revenue	54,267	46,226	17.4%
Wine Business	(10,058)	(9,306)	8.1%
Beer Business	(19,705)	(14,223)	38.5%
Distribution Business	(6,398)	(6,033)	6.1%
COGS	(36,162)	(29,562)	22.3%
Gross Profit	18,104	16,664	8.6%
Gross Profit Margin	33.4%	36.0%	-2.6ppts
Salaries and other employee benefits	(8,665)	(9,907)	-12.5%
Sales and marketing expenses	(963)	(2,697)	-64.3%
General and administrative expenses	(3,267)	(4,205)	-22.3%
Distribution expenses	(2,633)	(3,112)	-15.4%
Other operating expenses	(301)	(1,474)	-79.6%
EBITDA	2,275	(4,731)	NMF
<i>wine EBITDA</i>	<i>1,281</i>	<i>3,046</i>	<i>-57.9%</i>
<i>beer EBITDA</i>	<i>19</i>	<i>(6,464)</i>	<i>NMF</i>
<i>distribution EBITDA</i>	<i>1,115</i>	<i>(985)</i>	<i>NMF</i>
Net foreign currency gain (loss)	(7,881)	(6,525)	20.8%
Depreciation and amortization	(7,732)	(7,232)	6.9%
Net interest income/expense	(6,646)	(6,271)	6.0%
Net non-recurring items	-	-	NMF
(Loss) profit before income tax	(19,984)	(24,759)	-19.3%
(Loss) Profit	(19,984)	(24,759)	-19.3%

Balance sheet (Wine business)

GEL thousands, unless otherwise noted

	Jun-20	Dec-19	change
Cash and cash equivalents	4,650	5,230	-11.1%
Amounts due from financial institutions	946	994	-4.8%
Accounts Receivable	15,413	14,269	8.0%
Prepayments & Other Assets	3,035	2,748	10.4%
Inventory	26,320	28,174	-6.6%
Intangible Assets, Net	174	270	-35.6%
Goodwill	10,803	10,803	NMF
Property and Equipment, Net	55,858	57,138	-2.2%
Total Assets	117,199	119,626	-2.0%
Accounts Payable	7,630	4,342	75.7%
Borrowings	50,258	49,373	1.8%
Other Current Liabilities	3,519	4,188	-16.0%
Total Liabilities	61,407	57,903	6.0%
Total equity	55,792	61,723	-9.6%
Total liabilities and equity	117,199	119,626	-2.0%

Balance sheet (Beer business)

GEL thousands, unless otherwise noted

	Jun-20	Dec-19	change
Cash and cash equivalents	7,499	2,543	NMF
Accounts Receivable	11,036	7,912	39.5%
Prepayments & Other Assets	3,085	4,489	-31.3%
Inventory	11,550	12,113	-4.6%
Intangible Assets, Net	6,635	8,722	-23.9%
Goodwill	-	2,226	NMF
Property and Equipment, Net	72,454	70,249	3.1%
Total Assets	112,259	108,254	3.7%
Accounts Payable	12,084	10,491	15.2%
Borrowings	99,211	88,973	11.5%
Other Current Liabilities	4,322	2,933	47.4%
Total Liabilities	115,617	102,397	12.9%
Total equity	(3,358)	5,857	NMF
Total liabilities and equity	112,259	108,254	3.7%

Beverages business financial highlights (cont'd)

Statement of cash flow (Wine business)

<i>GEL thousands, unless otherwise noted</i>	1H20	1H19	Change
Cash received from customers	19,604	19,921	-1.6%
Cash paid to suppliers	(5,003)	(8,505)	-41.2%
Cash paid to employees	(3,591)	(2,608)	37.7%
Cash paid for operating expenses	(4,553)	(4,770)	-4.6%
Taxes paid	(1,984)	(2,242)	-11.5%
Net cash flows from operating activities	4,475	1,797	NMF
Purchase of Property, Plant and Equipment	(1,036)	(3,844)	-73.1%
Net cash flows from used in investing activities	(1,036)	(3,844)	-73.1%
Proceeds from borrowings	612	18,545	-96.7%
Repayments of borrowings	(3,024)	(18,115)	-83.3%
Interest paid	(1,626)	(1,527)	6.5%
Capital increase	-	226	NMF
Cash paid for lease liabilities	(367)	-	NMF
Net cash flows from financing activities	(4,405)	(871)	NMF
Effect of exchange rates changes on cash and cash equivalents	386	380	1.6%
Total cash inflow/(outflow)	(580)	(2,538)	-77.2%
Cash and cash equivalents, beginning	5,230	8,380	-37.6%
Cash and cash equivalents, ending	4,650	5,842	-20.4%

Statement of cash flow (Beer business)

<i>GEL thousands, unless otherwise noted</i>	1H20	1H19	Change
Proceeds from sales	30,242	21,802	38.7%
Cash outflows for inventory	(7,870)	(11,775)	-33.2%
Transportation Cost	(1,690)	(982)	72.1%
Sales and Marketing Expenses	(471)	(4,432)	-89.4%
Operating Expenses	(17,763)	(13,396)	32.6%
Net cash flows from operating activities	2,449	(8,783)	NMF
Cash outflows for purchase of Property, plant and equipment	(3,027)	(15,810)	-80.9%
Net cash flows used in investing activities	(3,027)	(15,810)	-80.9%
Proceeds from borrowings	5,002	88,719	-94.4%
Repayment of borrowings	-	(68,658)	NMF
Interest paid	(4,002)	(3,522)	13.6%
Issue of share capital	5,000	10,143	-50.7%
Cash paid for lease liabilities	(264)	-	NMF
Net cash flows from financing activities	5,736	26,683	-78.5%
Effect of exchange rate changes on cash and cash equivalents	(201)	(278)	-27.7%
Total cash inflow/(outflow)	4,956	1,811	NMF
Cash and cash equivalents at beginning of period	2,543	1,244	NMF
Cash and cash equivalents at end of period	7,499	3,055	NMF

Education business financial highlights

Income statement

GEL thousands, unless otherwise noted

	1H20	1H19	Change
Revenues	13,955	12,235	14.1%
Salaries and employee benefits	(7,177)	(5,391)	33.1%
Other operating expenses	(1,601)	(2,085)	-23.2%
EBITDA	5,177	4,759	8.8%
<i>EBITDA margin</i>	<i>37.1%</i>	<i>38.9%</i>	<i>1.8ppts</i>
Foreign exchange gain / (loss)	(1,589)	(1,034)	53.7%
Depreciation and amortization	(1,008)	(935)	7.8%
Net interest income/expense	(499)	(553)	-9.8%
Non-recurring expenses	-	(450)	NMF
Net income before income tax	2,081	1,787	16.5%
Net income	2,081	1,777	17.1%

Statement of cash flow

GEL thousands, unless otherwise noted

	1H20	1H19	Change
Cash receipts from customers	12,121	14,212	-14.7%
Cash receipts from state	316	302	4.6%
Cash paid to suppliers	(1,465)	(2,486)	-41.1%
Cash paid to employees	(6,382)	(5,462)	16.8%
Interest received	74	63	17.5%
Net proceeds from restricted cash	400	-	NMF
Taxes paid	(197)	(295)	-33.2%
Net cash flows from operating activities	4,867	6,334	-23.2%
Purchase of Property, Plant and Equipment	(3,064)	(1,290)	NMF
Issue/repayment of loans	-	8	NMF
Increase of capital in subsidiaries	-	(17)	NMF
Net cash flows from used in investing activities	(3,064)	(1,299)	NMF
Proceeds from borrowings	1,168	3,770	-69.0%
Repayment of borrowings	(437)	(4,335)	-89.9%
Payment of finance lease liabilities	-	(160)	NMF
Interest paid	(488)	(491)	-0.6%
Dividends paid	-	(54)	NMF
Net cash flows from financing activities	243	(1,270)	NMF
Effect of exchange (losses)/gains on cash and cash equivalents	(36)	53	NMF
Total cash inflow/(outflow)	2,010	3,818	-47.4%
Cash and cash equivalents at the beginning of period	5,128	2,621	95.7%
Cash and cash equivalents at the end of period	7,138	6,439	10.9%

Balance sheet

GEL thousands, unless otherwise noted

	Jun-20	Dec-19	change
Cash and cash equivalents	7,138	5,128	39.2%
Accounts Receivable	638	532	19.9%
Prepayments & Other Assets	2,248	1,666	34.9%
Inventory	166	100	66.0%
Intangible Assets, Net	54	54	NMF
Property and Equipment, Net	33,780	32,778	3.1%
Total Assets	44,024	40,258	9.4%
Accounts Payable	4,404	4,245	3.7%
Borrowings	21,968	19,808	10.9%
Other Current Liabilities	6,278	5,481	14.5%
Deferred revenue	11,925	13,295	-10.3%
Other Non-current Liabilities	481	544	-11.6%
Total Liabilities	45,056	43,373	3.9%
Total equity	(1,032)	(3,115)	66.9%
Total liabilities and equity	44,024	40,258	9.4%

Auto service business financial highlights

Income statement				Statement of cash flow				Balance sheet			
<i>GEL thousands, unless otherwise noted</i>				<i>GEL thousands, unless otherwise noted</i>				<i>GEL thousands, unless otherwise noted</i>			
	1H20	1H19	Change		1H20	1H19	Change		Jun-20	Dec-19	Change
Revenue	16,031	5,304	NMF	Operating revenue received	15,594	5,296	NMF	Cash and cash equivalents	1,003	243	NMF
Costs of services	(12,240)	(2,281)	NMF	Salaries and benefits paid	(3,317)	(2,691)	23.3%	Accounts receivable	1,758	1,739	1.1%
Gross profit	3,791	3,023	25.4%	Operating expenses paid	(13,706)	(2,705)	NMF	Premises and equipment, net	47,098	45,988	2.4%
Salaries and other employee benefits	(1,761)	(955)	84.4%	Net cash flows from operating activities	(1,430)	(100)	NMF	Intangible assets, net	7,842	8,287	-5.4%
Selling, general administrative expenses	(1,328)	(1,426)	-6.9%	Purchase of property and equipment	(48)	(12,634)	-99.6%	Prepayments	1,477	4,228	-65.1%
Net other operating income / (expenses)	(22)	(28)	-22.4%	Purchase of intangible assets	-	(1,219)	NMF	Inventory	6,191	3,894	59.0%
Total operating expenses	(3,112)	(2,410)	29.1%	Loan Issued	(49)	22	NMF	Other Assets	438	1,515	-71.1%
EBITDA	680	613	10.9%	Net cash flows from used in investing activities	(97)	(13,831)	-99.3%	Total assets	65,806	65,895	-0.1%
Depreciation expense	(1,295)	(644)	NMF	Proceeds from borrowings	4,205	39,528	-89.4%	Borrowings	61,366	57,563	6.6%
Amortization expense	(467)	(357)	31.1%	Repayment of borrowings	(4,756)	(28,366)	-83.2%	Finance lease liability	4,050	3,493	16.0%
Interest expense	(2,250)	(2,409)	-6.6%	Interest paid	(809)	(2,131)	-62.0%	Accounts payable	2,314	1,717	34.8%
Foreign exchange gain / (loss)	(3,154)	(210)	NMF	Issue of ordinary shares	4,000	5,000	-20.0%	Other Liabilities	2,132	4,769	-55.3%
Non-recurring income / (costs)	(26)	(315)	-91.7%	Repayment of lease liabilities	(198)	(38)	NMF	Total liabilities	69,861	67,540	3.4%
Net profit	(6,512)	(3,321)	96.1%	Interest paid on lease liabilities	(133)	(54)	NMF	Share capital - ordinary shares	11,104	7,002	58.6%
				Net cash flows from financing activities	2,309	13,939	-83.4%	Retained earnings	(8,764)	(2,035)	NMF
				Effect of exchange rates changes on cash and cash equivalents	(23)	(14)	58.7%	Net profit	(6,512)	(6,729)	-3.2%
				Net increase/(decrease) in cash and cash equivalents	760	(6)	NMF	Total equity	(4,056)	(1,646)	NMF
				Cash and cash equivalents, beginning	238	1,465	-83.8%	Non-controlling interest	116	116	NMF
				Cash and cash equivalents, ending	997	1,459	-31.6%	Total liabilities and equity	65,806	65,895	-0.1%

Glossary

- **GCAP** refers to the aggregation of stand-alone Georgia Capital PLC and stand-alone JSC Georgia Capital accounts
- **Georgia Capital** and “the Group” refer to Georgia Capital PLC and its portfolio companies as a whole
- **NMF** – Not meaningful
- **NAV** – Net Asset Value, represents the net value of an entity and is calculated as the total value of the entity’s assets minus the total value of its liabilities.
- **LTM** – last twelve months
- **NTM** – next twelve months
- **EBITDA** - Earnings before interest, taxes, non-recurring items, FX gain/losses and depreciation and amortization; The Group has presented these figures in this document because management uses EBITDA as a tool to measure the Group’s operational performance and the profitability of its operations. The Group considers EBITDA to be an important indicator of its representative recurring operations.
- **ROIC** – return on invested capital is calculated as EBITDA less depreciation, divided by aggregate amount of total equity and borrowed funds
- **IRR** - for portfolio companies is calculated based on a) historical contributions to the portfolio company less b) dividends received and c) market / fair value of the portfolio company at 30 June 2020.
- **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.
- **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.
- **Loss ratio** equals net insurance claims expense divided by net earned premiums
- **Expense ratio** in P&C Insurance equals sum of acquisition costs and operating expenses divided by net earned premiums
- **Combined ratio** equals sum of the loss ratio and the expense ratio in the insurance business
- **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;
- **Net investment** - gross investments less capital returns (dividends and sell-downs)
- **EV** – enterprise value
- **NOI** – net operating income
- **Liquid assets & loans issued** include cash, marketable debt securities and issued short-term loans
- **Total return / value creation** - total return / value creation of each portfolio investment is calculated as follows: we aggregate a) change in beginning and ending fair values, b) gains from realized sales (if any) and c) dividend income during period. We then adjust the net result to remove capital injections (if any) to arrive at the total value creation / investment return.
- **WPP** – Wind power plant
- **HPP** – Hydro power plant
- **PPA** – Power purchase agreement

Company information



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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.

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Share price information

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

www.georgiacapital.ge

