

# 4Q22 & FY22 RESULTS CALL PRESENTATION

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20 FEBRUARY 2023



# CONTENTS

- 01** 2022 LOOKBACK
- 02** PROPOSED TRANSFER TO LSE STANDARD LISTING
- 03** MACROECONOMIC UPDATE | GEORGIA
- 04** 4Q22 & FY22 PERFORMANCE OVERVIEW
- 05** 4Q22 & FY22 PORTFOLIO RESULTS AND VALUATIONS OVERVIEW
- 06** LIQUIDITY AND DIVIDEND INCOME OUTLOOK
- 07** WRAP-UP
- 08** ANNEX



## SEVERAL KEY ACTIVITIES IN 2022

01

### STRATEGY UPDATE

At 2022 Investor Day, the Group introduced its updated strategy, where GCAP will focus on:

- Investing in capital-light opportunities only;
- Adapting the capital management framework;
- Putting ESG at core of the Group's strategy.

02

### COMPLETION OF THE WATER UTILITY BUSINESS SALE

- In 2022, GCAP completed the sale of an 80% equity interest in the water utility business to FCC Aqualia for a cash consideration of US\$ 180 million.
- The disposal created significant value for GCAP shareholders, translating into 2.7x MOIC in US\$ (3.6x MOIC in GEL) and 20% IRR in US\$ (27% IRR in GEL).

03

### MILESTONE TRANSACTIONS ON THE GEORGIAN CAPITAL MARKET

- Our renewable energy business closed a US\$ 80 million green secured bond offering, which represents the largest-ever corporate bond placement in Georgia. The notes have 5-year bullet maturity (callable after two years) and carry a 7.00% coupon.
- Our housing development business issued a US\$ 35 million 2-year bond, carrying an 8.5% coupon.

04

### BUYBACK OF GCAP EUROBONDS

- In October 2022, we conducted a Modified Dutch Auction ("MDA"), through which, we bought back US\$ 29 million GCAP Eurobonds.
- In addition to the tendered amount, we accumulated US\$ 87 million GCAP Eurobonds through repurchases on the open market.
- Upon completion of the MDA, US\$ 65 million notes were cancelled, decreasing our outstanding gross debt balance to US\$ 300 million and leaving US\$ 51 million GCAP Eurobonds in our treasury.

05

### SHARE BUYBACK AND CANCELLATION PROGRAMME IN 2022

- Since the commencement of the US\$ 25 million share buyback programme in August 2021, 3.1 million shares (c.7% of issued capital) have been repurchased and cancelled.

# CONTENTS

**01** 2022 LOOKBACK

**02** PROPOSED TRANSFER TO LSE STANDARD LISTING

**03** MACROECONOMIC UPDATE | GEORGIA

**04** 4Q22 & FY22 PERFORMANCE OVERVIEW

**05** 4Q22 & FY22 PORTFOLIO RESULTS AND VALUATIONS OVERVIEW

**06** LIQUIDITY AND DIVIDEND INCOME OUTLOOK

**07** WRAP-UP

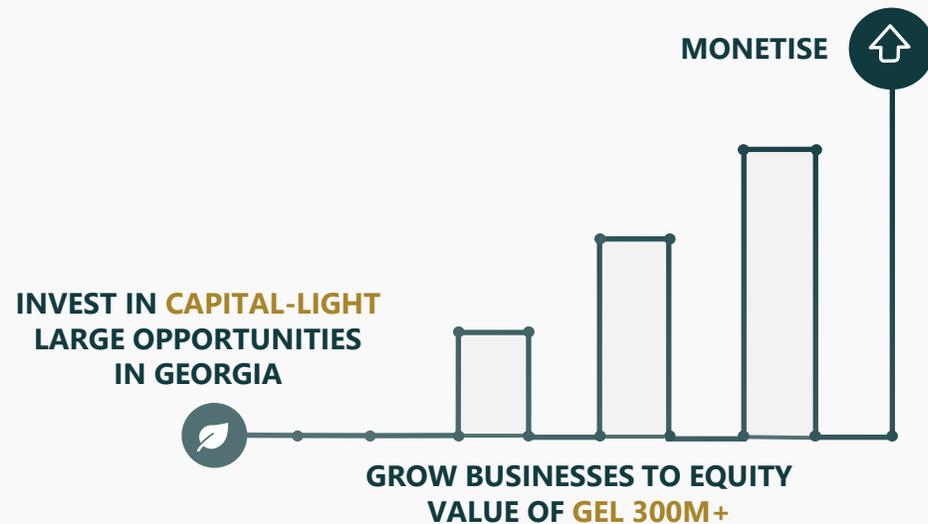
**08** ANNEX



# SNAPSHOT OF GCAP'S STRATEGY

## CAPITAL-LIGHT INVESTMENT STRATEGY

GCAP invests in capital-light, large opportunities, which have the potential to become GEL 300m+ in equity value over 3-5 years



- Capital-light investments provide strong value creation potential without significant capital commitments.

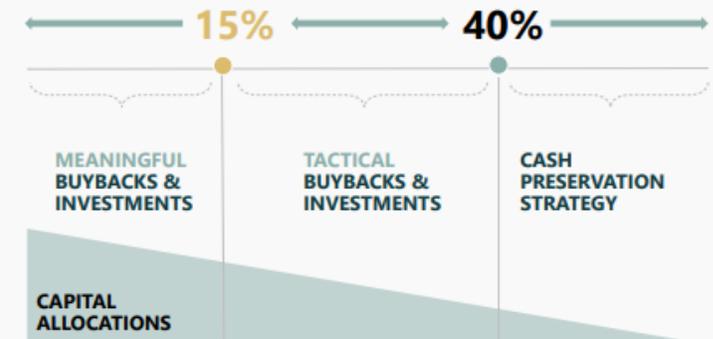
## CAPITAL MANAGEMENT FRAMEWORK

GCAP manages capital allocations in line with its updated 360-degree framework, which also takes into consideration GCAP's leverage levels

GCAP SHARE PRICE IS AT THE  
CORE OF OUR INVESTMENT  
DECISION MAKING



NCC RATIO NAVIGATION TOOL



- NCC ratio of 15% provides room to generate material level of share buybacks when trading at significant discount.

# OUR MEDIUM TO LONG-TERM ASPIRATION



## TRANSFORMING INTO A SUSTAINABLE PERMANENT CAPITAL VEHICLE (PCV)

- ✓ Significantly reduced / no leverage at the GCAP HoldCo level
- ✓ Capacity to redeploy our existing capital without the need for new equity share issuance/raise
- ✓ Opportunity to return a significant portion of GCAP's cash inflows to shareholders

### OUR CURRENT STRATEGIC PRIORITIES

- ✓ Managing investments in line with the capital-light investment strategy
- ✓ Continued progress on the divestment of "other" portfolio companies
- ✓ Deleveraging GCAP HoldCo by bringing down the NCC ratio below 15% by Dec-2025

## TRANSFORMATION INTO A PCV ASSUMES PORTFOLIO EXPOSURE TO PREDOMINANTLY CAPITAL-LIGHT & LARGE INVESTMENTS

CURRENT PRIVATE PORTFOLIO OVERVIEW		POTENTIAL TO BECOME A LARGE INVESTMENT	CAPITAL-LIGHT
LARGE PORTFOLIO COMPANIES	 Hospitals	✓	✗
	 Retail (Pharmacy)	✓	✓
	 Insurance (P&C and medical)	✓	✗
INVESTMENT STAGE PORTFOLIO COMPANIES	 Renewable Energy	✓	✗
	 Education	✓	✓
	 Clinics and diagnostics	✓	✓
	 Other businesses	✗	✗

# RATIONALE OF TRANSFERRING TO LSE STANDARD LISTING

THE TRANSFER WILL ELIMINATE TRANSACTION DELAYS AND COSTS ASSOCIATED WITH **CLASS TESTS** AND ENSURE MORE SEAMLESS EXECUTION OF SIGNIFICANT TRANSACTIONS

*THE TRANSFER WILL:*

## 01 PROVIDE FLEXIBILITY TO DISPOSE ASSETS

- Provide flexibility when it comes to disposals/exits from portfolio companies, given there will be no legal/regulatory burdens (circular submissions, shareholder approvals, etc.).
- Minimize the dependency on market fluctuations, as GCAP's market capitalization will no longer be the main factor in determining class test related transaction execution paths.

## 02 SIMPLIFY THE PROCEDURES TO EXECUTE MEANINGFUL BUYBACKS

- Save US\$ c. 1.0 million on costs related to sponsors, legal and accounting services.

## 03 REDUCE COSTS

- Save US\$ c.1.2 million on fees related to significant transactions.
- Save up to US\$ 1.0 million on annual operating expenses, supporting the company's target to bring down its OPEX ratio to 0.75% of NAV starting from 2024.



GIVEN ITS SIZE AND STRATEGY, LSE STANDARD LISTING IS MORE SUITED FOR GCAP'S CURRENT REQUIREMENTS

FOLLOWING THE TRANSFER, GCAP WILL CONTINUE TO MAINTAIN THE HIGHEST LEVELS OF:

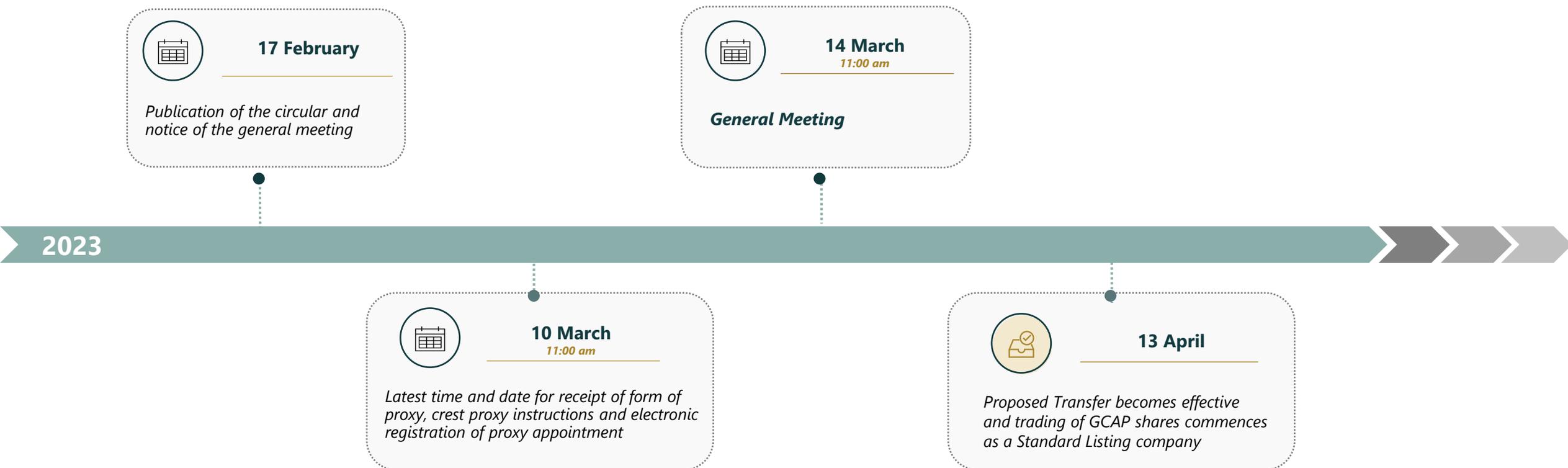


CORPORATE GOVERNANCE



TRANSPARENCY

# TIMELINE



# CONTENTS

---

**01** 2022 LOOKBACK

---

**02** PROPOSED TRANSFER TO LSE STANDARD LISTING

---

**03** MACROECONOMIC UPDATE | GEORGIA

---

**04** 4Q22 & FY22 PERFORMANCE OVERVIEW

---

**05** 4Q22 & FY22 PORTFOLIO RESULTS AND VALUATIONS OVERVIEW

---

**06** LIQUIDITY AND DIVIDEND INCOME OUTLOOK

---

**07** WRAP-UP

---

**08** ANNEX

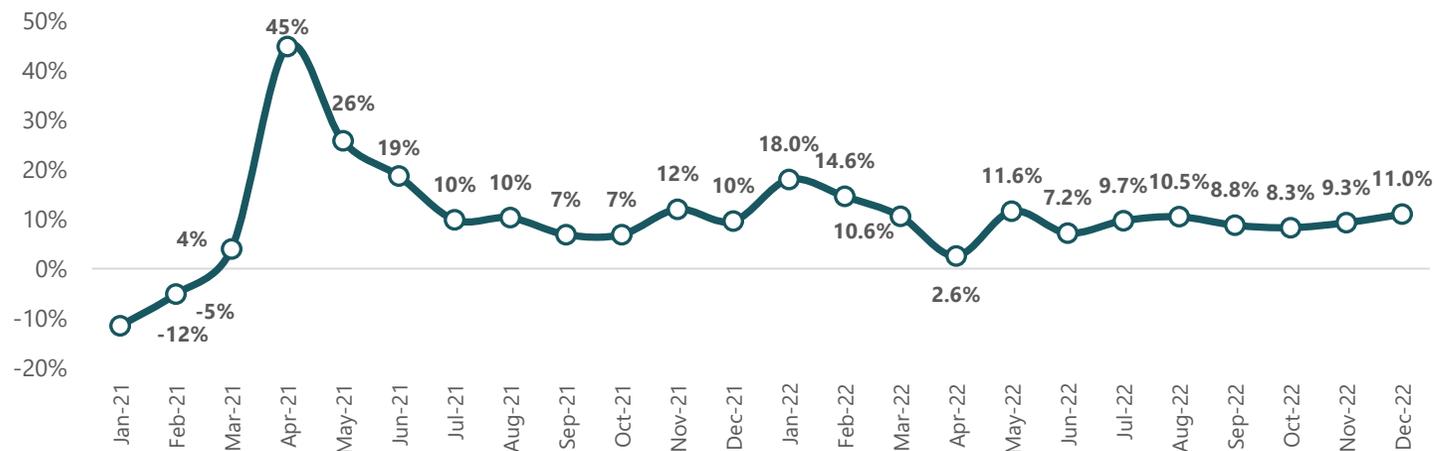
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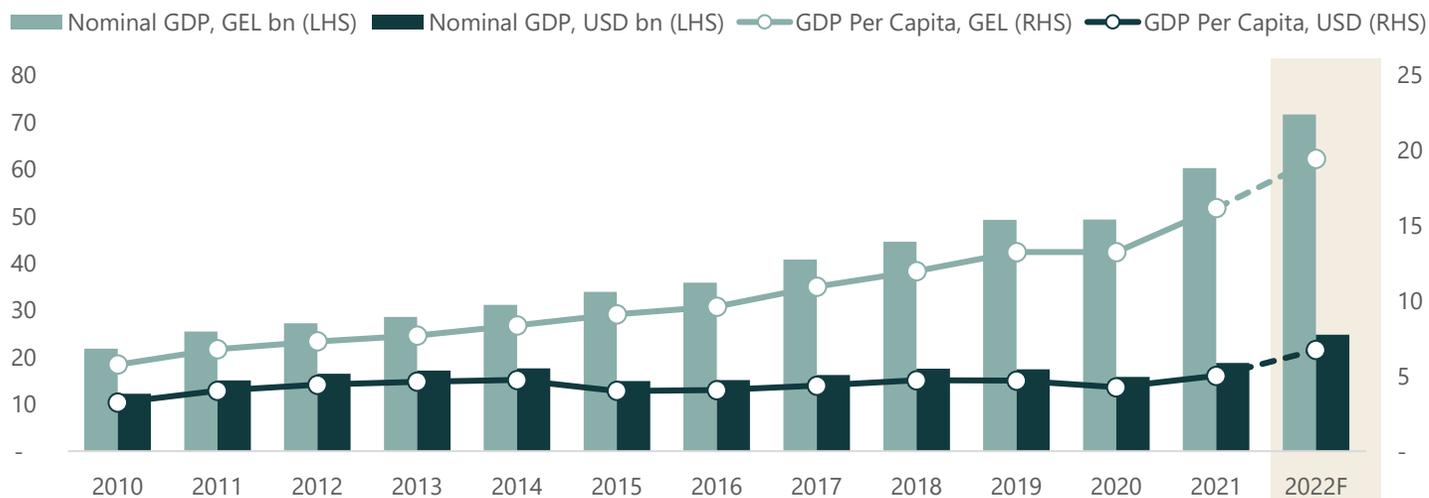
# THE 2<sup>ND</sup> CONSECUTIVE YEAR OF DOUBLE-DIGIT GROWTH



PRELIMINARY ECONOMIC GROWTH 10.1% Y-O-Y IN 2022, WITH 4Q22 GROWTH TOTALING 9.5% Y-O-Y



## NOMINAL GDP IS EXPECTED TO ACCELERATE BOTH IN GEL AND USD TERMS



## REAL GDP UP 10.1% Y-O-Y IN 2022

### KEY DRIVERS

- Strong external demand supplemented by the migration effect, as remittance inflows grew by 86% y-o-y in 2022, largely on the back of a surge in inflows from Russia, while merchandise exports increased by 32% y-o-y in 2022, and tourism revenues reached 108% of 2019 levels in 2022, including 135% in 2H22;
- Continued credit expansion (up 12.1% y-o-y in December w/o the exchange rate effect) both in retail and business sectors, despite the tight monetary stance and rising FX interest rates, aiding economic activity;
- Current expenditures growing by 9% y-o-y and capital expenditures expanding by 22% y-o-y in 2022, facilitated by a 28% growth in fiscal revenues;
- Strong consumer and business sentiment supporting spending and investment decisions;
- As a result of the improved macroeconomic environment, Fitch Ratings revised Georgia's sovereign credit rating outlook to positive from stable in January 2023.

# GEORGIAN LARI – NOW ABOVE PRE-PANDEMIC LEVELS



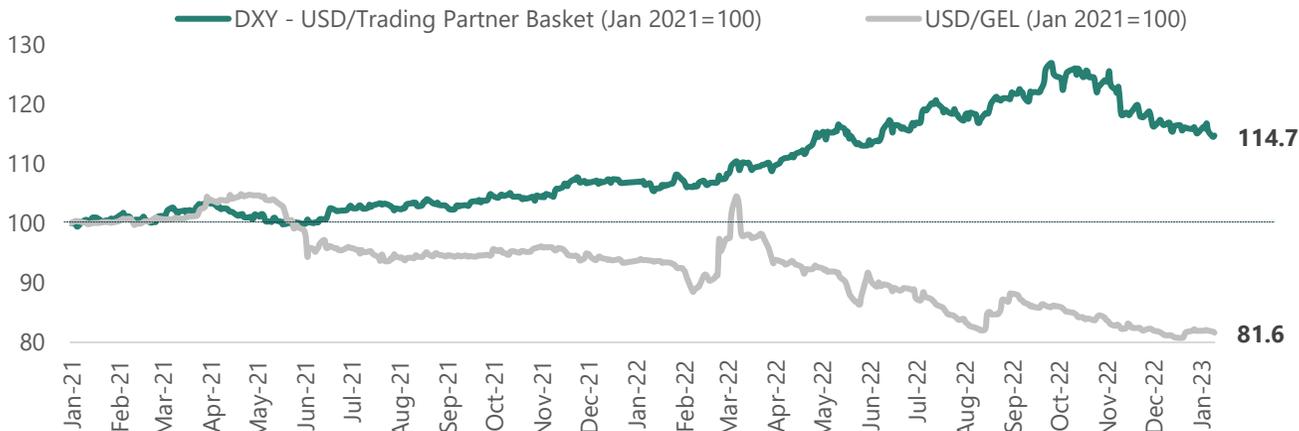
APPRECIATING SINCE MID-2021, BRIEFLY INTERRUPTED AFTER THE RUSSIAN INVASION OF UKRAINE, GEL HAS NOW STRENGTHENED TO ABOVE PRE-PANDEMIC LEVELS AGAINST USD

Sources: NBG



## GEL HAS APPRECIATED AGAINST USD, DESPITE USD STRENGTHENING GLOBALLY

Sources: NBG, Bloomberg



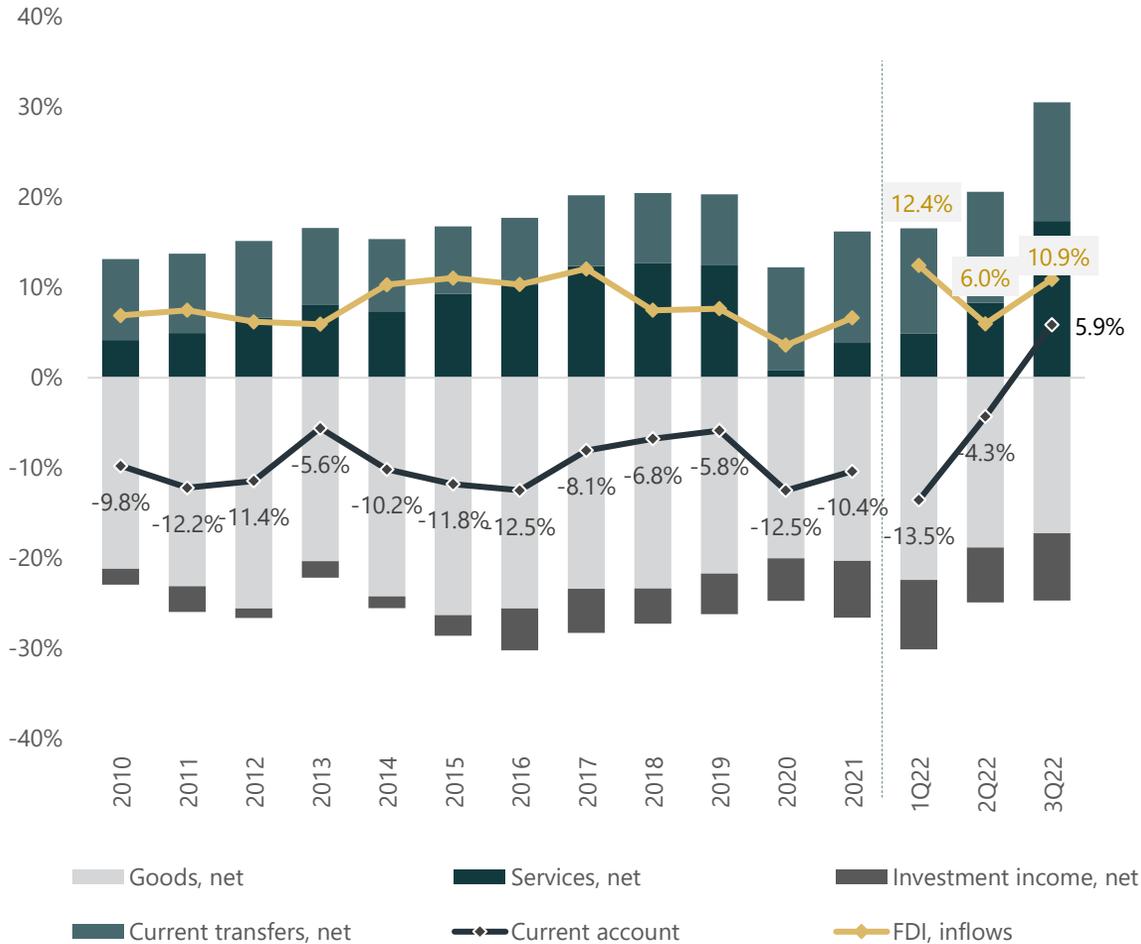
## GEL APPRECIATION DRIVERS

- Record high remittance inflows, increasing by 86% y-o-y in 2022;
- Continued robust performance in merchandise exports, growing by 32% y-o-y in 2022;
- Tourism revenues rebounding to 108% of 2019 level in 2022 (including 135% in 2H22), reflecting the global resumption of travel as well as the migration effect;
- Tight monetary policy (cumulative hike of 300 basis points since March 2021 to 11% as of January 2023), supporting stronger GEL and curbing negative expectations;
- Ample FX liquidity in the banking sector, facilitating foreign currency lending;
- Rebounding economic activity and significant interest rate differential aiding accelerated lending in foreign currency, as FX loan growth has remained resilient thus far despite rising FX interest rates.

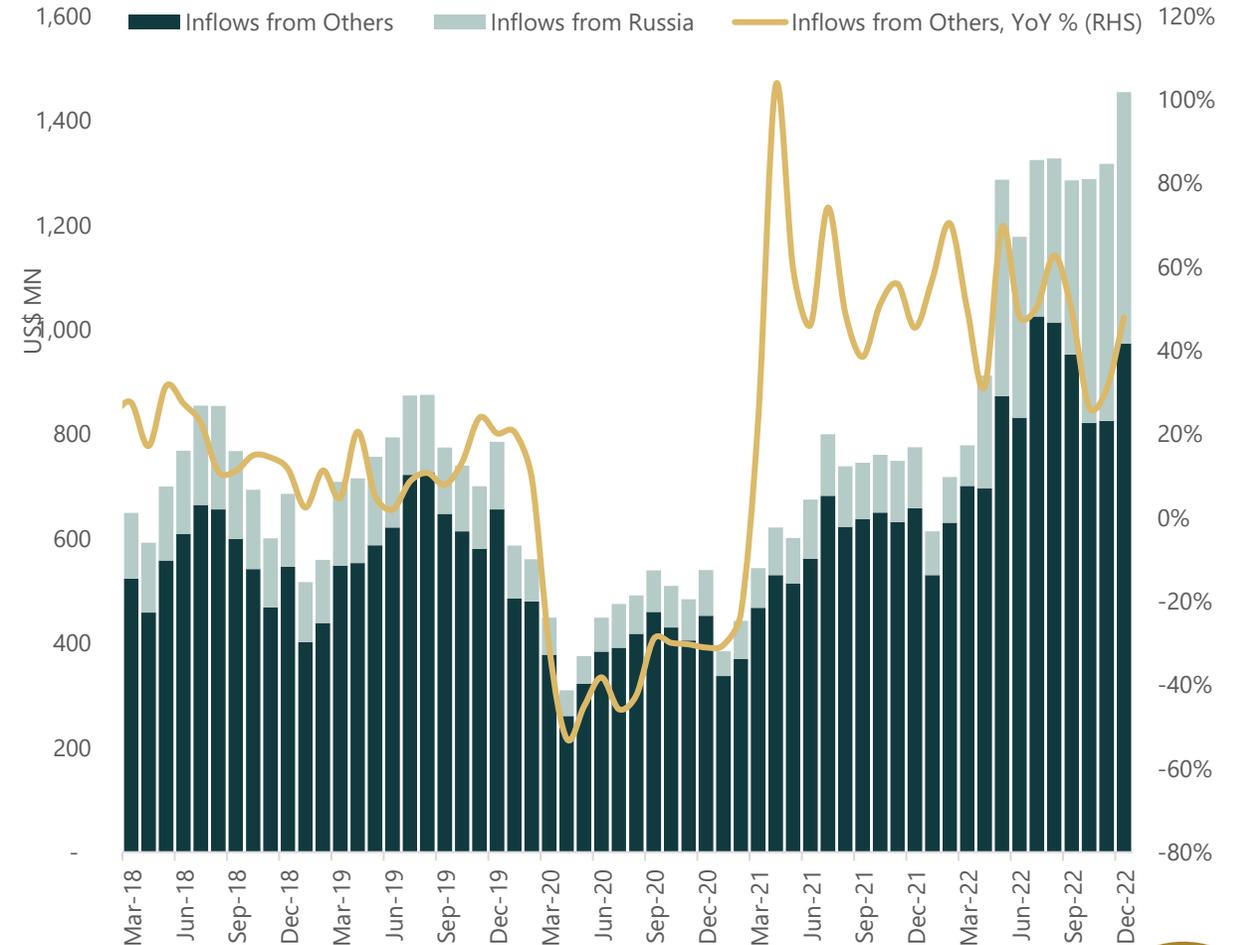
# CURRENT ACCOUNT DEFICIT 2.7% OF GDP IN 9M22 ON THE BACK OF A RECORD-HIGH 6% SURPLUS IN 3Q22



CURRENT ACCOUNT BALANCE (% OF NOMINAL GDP)



EXTERNAL INFLOWS\* INCREASED BY US\$ 5.6 BN Y-O-Y IN 2022, O/W INFLOWS FROM RUSSIA INCREASED BY US\$ 2.4BN AND INFLOWS FROM OTHER COUNTRIES GREW BY US\$ 3.2 BN

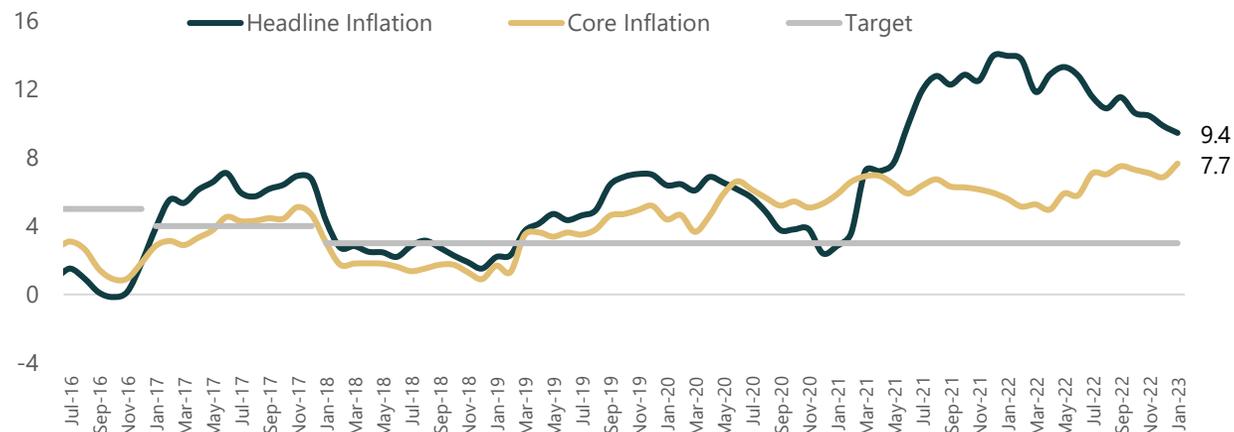


\*External inflows include merchandise exports, remittances and tourism inflows.

# INFLATION BACK TO SINGLE DIGITS AND EXPECTED TO CONTINUE DECELERATING IN 2023

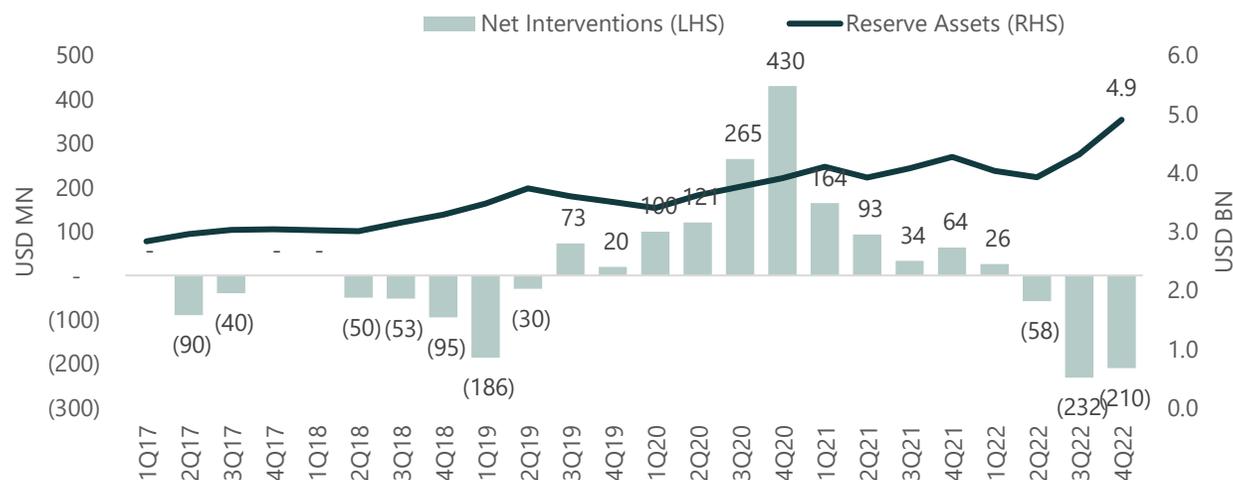
## INFLATION Y-O-Y VS. INFLATION TARGET

Sources: NBS, GeoStat



## NET NBS INTERVENTIONS ON THE FX MARKET AND OFFICIAL RESERVE ASSETS (US\$ MN)

Source: GeoStat



## DISINFLATION TO CONTINUE IN 2023

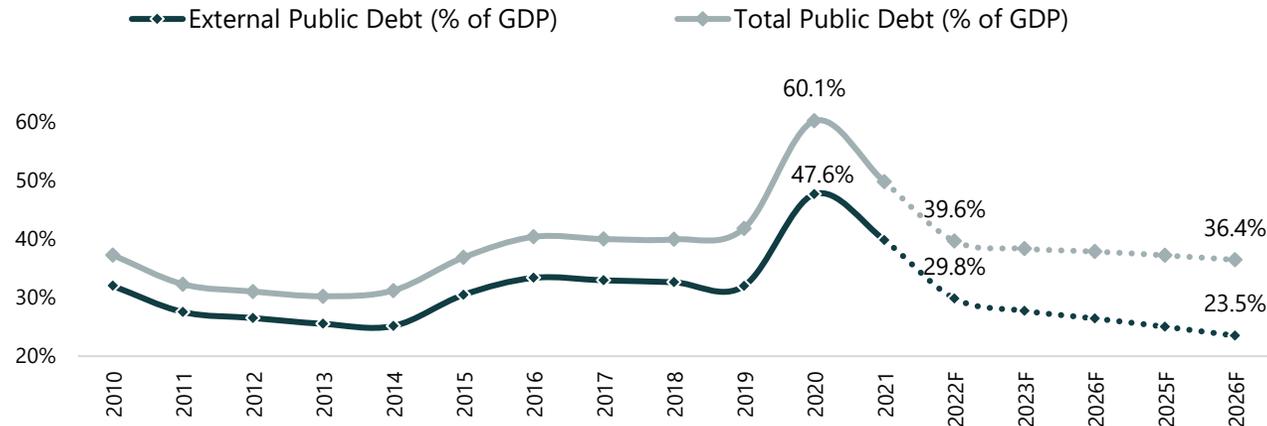
- Annual inflation reached 9.8% in December 2022 (11.9% on average in 2022) and 9.4% in January 2023, back to single digits after decelerating throughout the year since the peak of 13.9% in January. Disinflation is expected to continue gradually in 2023;
- Food, oil and utility prices were the main drivers of rising prices throughout 2022, albeit pressures have been easing as food and energy prices have been declining at the global markets. With shrinking oil prices already reflected in sustained monthly deflation in the transport sub-group, disinflationary pressures are expected to become more pronounced in 2023;
- Despite GEL strengthening, imported inflation was the most significant driver of rising prices in 2022, with global food and energy prices contributing the most to elevated price pressures. As imported inflation has shrunk, so has overall inflation;
- Supply side price pressures are no longer abated by weak domestic demand, as the economic recovery has been rapid.

# PUBLIC DEBT PROJECTED TO HAVE FALLEN BELOW 2019 LEVELS IN 2022, WITH THE DEFICIT/GDP RATIO HALVING Y-O-Y



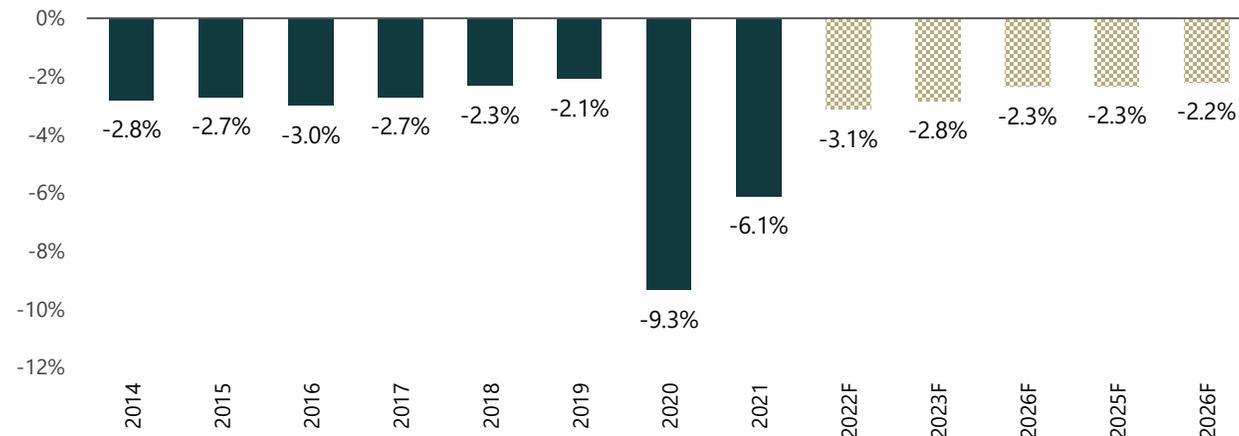
## PUBLIC DEBT

Sources: MoF



## OVERALL BALANCE (IMF MODIFIED), % OF GDP

Source: MoF



## FISCAL SUPPORT HAS BEGUN MODERATING

- Fiscal support moderated in 2022, with current expenditures growing by 9% y-o-y and capital expenditures expanding by 22% y-o-y in 2022;
- As a result of double-digit economic growth, tax revenues grew by 30% y-o-y in 2022, facilitating a 28% growth in overall fiscal revenues (consolidated budget);
- The overall fiscal deficit fell by 53% y-o-y in 2022, on the back of a slowdown in expenditures and exceptional revenue performance, while the operating balance improved from GEL -227 mn in 2021 to GEL 2.6 bn in 2022;
- The government projects that the fiscal deficit has shrunk to 3.1% of GDP in 2022, falling under 3% from next year;
- Public debt is projected to have fallen to under 40% of GDP in 2022, lower than the pre-COVID level of 42% in 2019, with external debt falling to under 30% of GDP, down from 32% in 2019.

# CONTENTS

---

**01** 2022 LOOKBACK

---

**02** PROPOSED TRANSFER TO LSE STANDARD LISTING

---

**03** MACROECONOMIC UPDATE | GEORGIA

---

**04** 4Q22 & FY22 PERFORMANCE OVERVIEW

- **AGGREGATED PORTFOLIO RESULTS OVERVIEW**
- NAV PER SHARE DEVELOPMENT OVERVIEW
- UPDATE ON DELEVERAGING

---

**05** 4Q22 & FY22 PORTFOLIO RESULTS AND VALUATIONS OVERVIEW

---

**06** LIQUIDITY AND DIVIDEND INCOME OUTLOOK

---

**07** WRAP-UP

---

**08** ANNEX

---

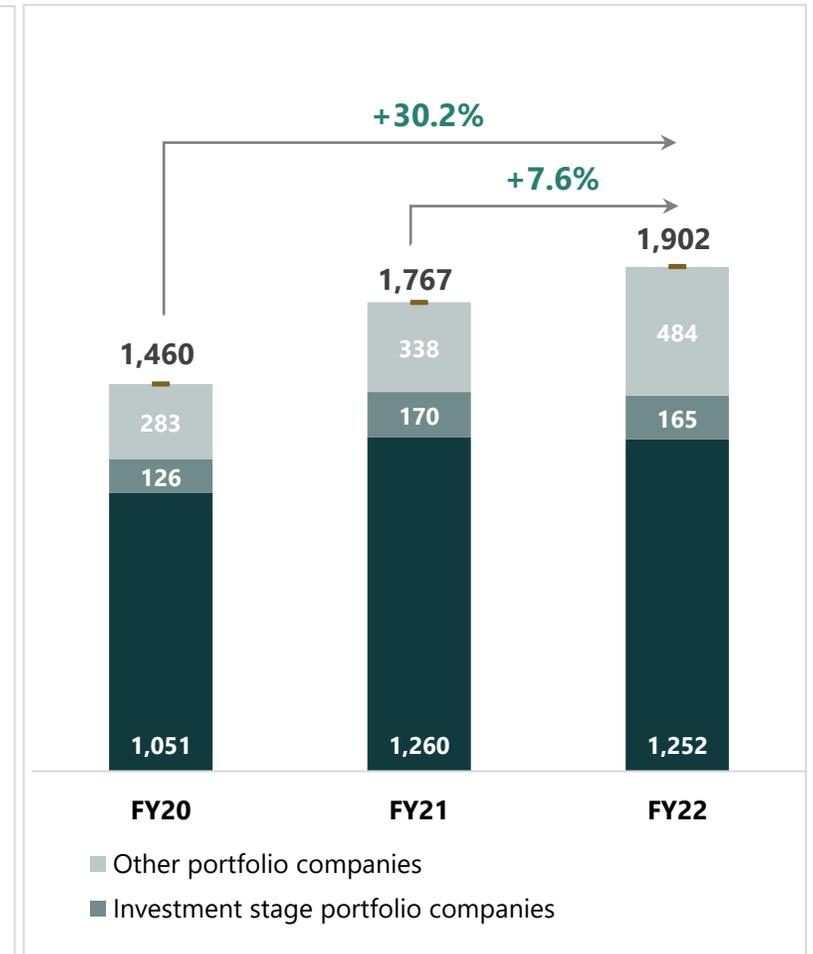
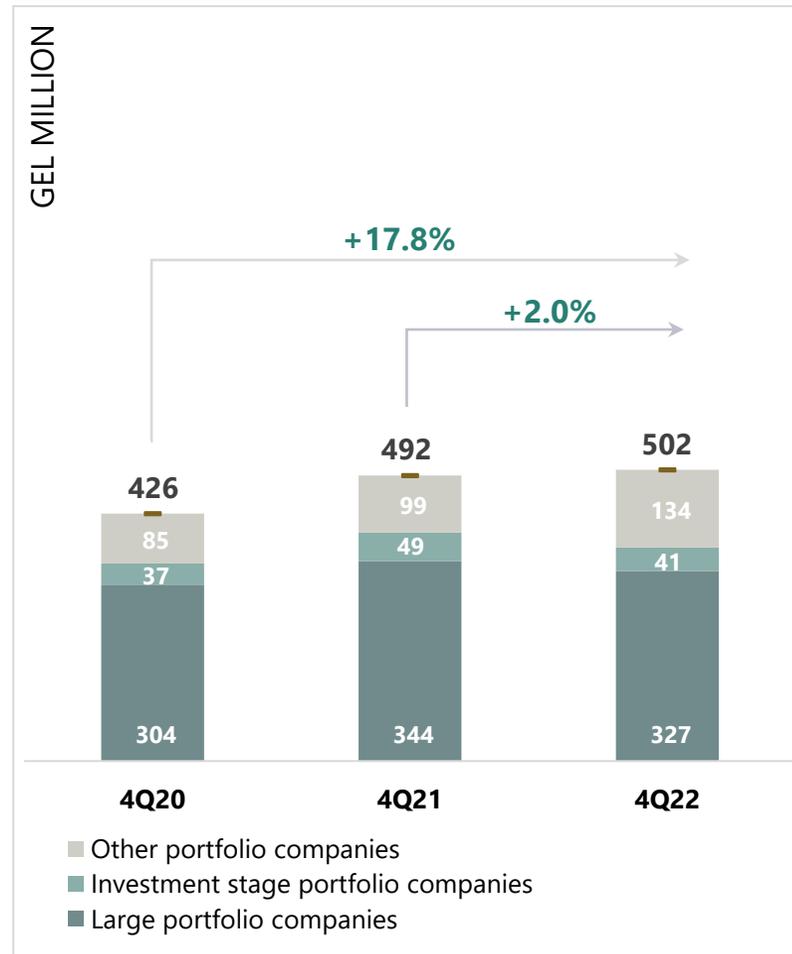


# AGGREGATED REVENUE DEVELOPMENT ACROSS PRIVATE PORTFOLIO



**AGGREGATED REVENUE UP  
2.0% Y-O-Y IN 4Q22 AND UP  
7.6% Y-O-Y IN FY22**

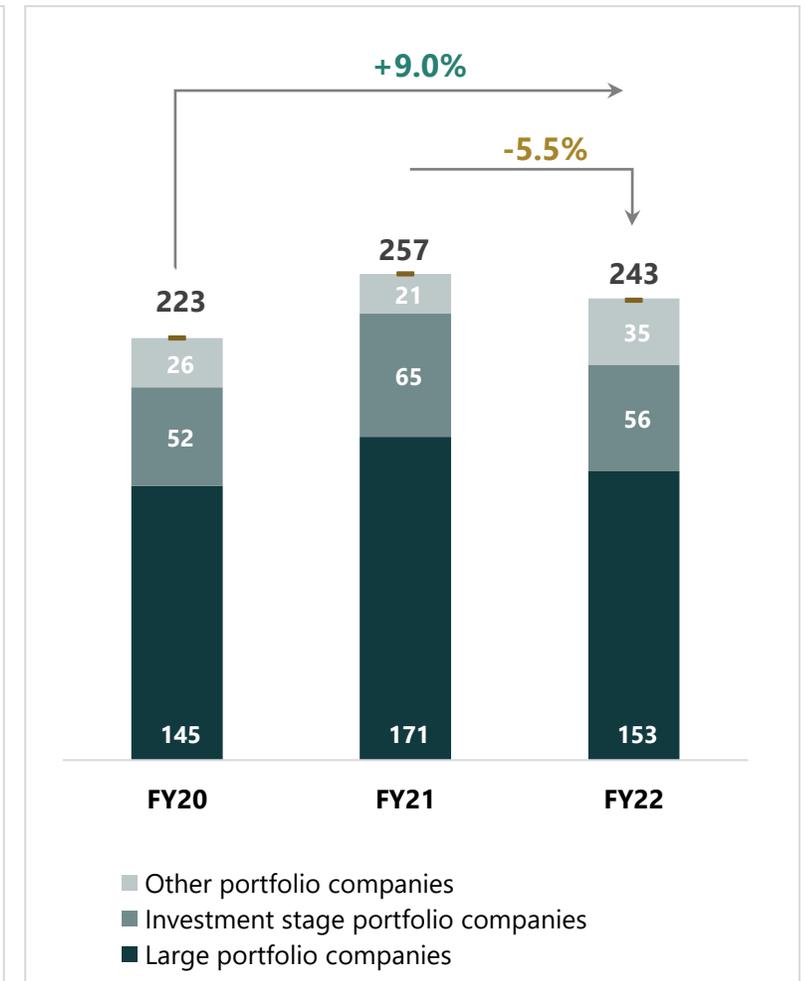
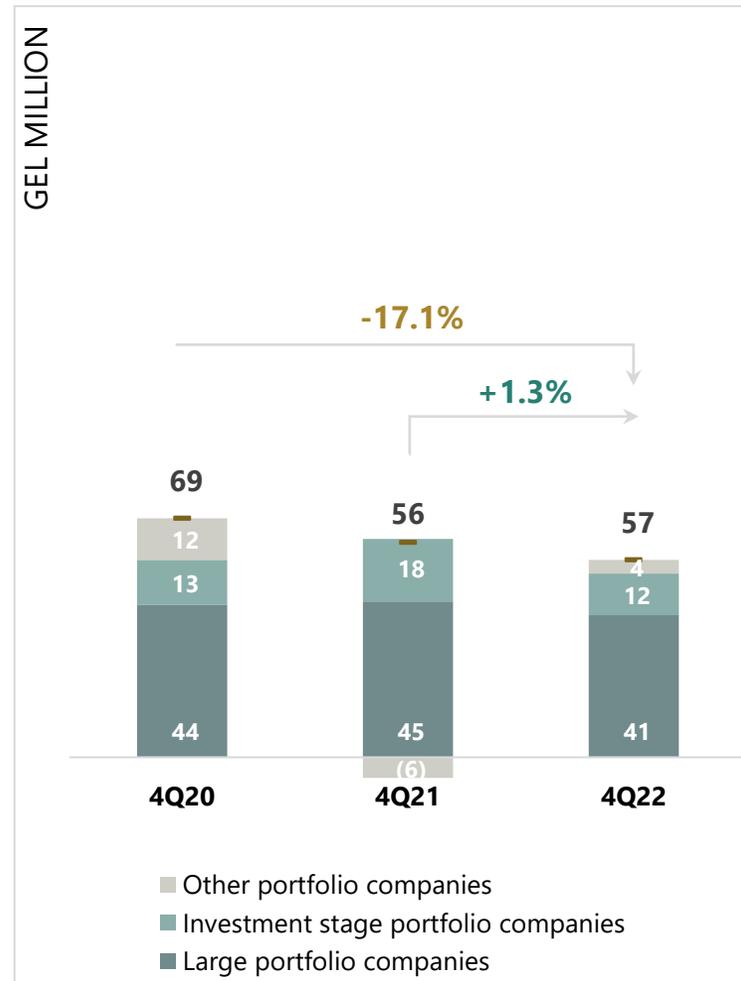
- Aggregated revenue excluding Hospitals and Clinics & Diagnostics, which have been temporarily impacted by the transition to the post-COVID environment, is up 8.1% y-o-y in 4Q22 and up 13.2% y-o-y in FY22.



# AGGREGATED EBITDA DEVELOPMENT ACROSS PRIVATE PORTFOLIO

**AGGREGATED EBITDA UP 1.3%  
Y-O-Y IN 4Q22 AND DOWN  
5.5% Y-O-Y IN FY22**

- Aggregated EBITDA excluding Hospitals and Clinics & Diagnostics, is up 22.2% y-o-y in 4Q22 and up 11.9% y-o-y in FY22.

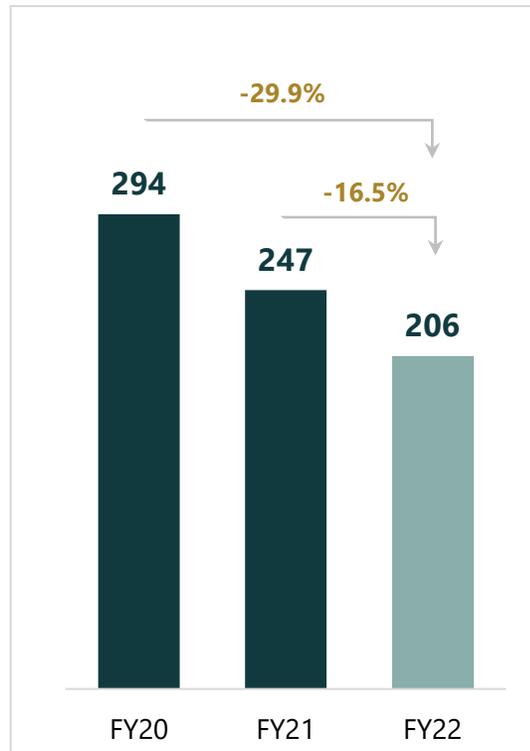
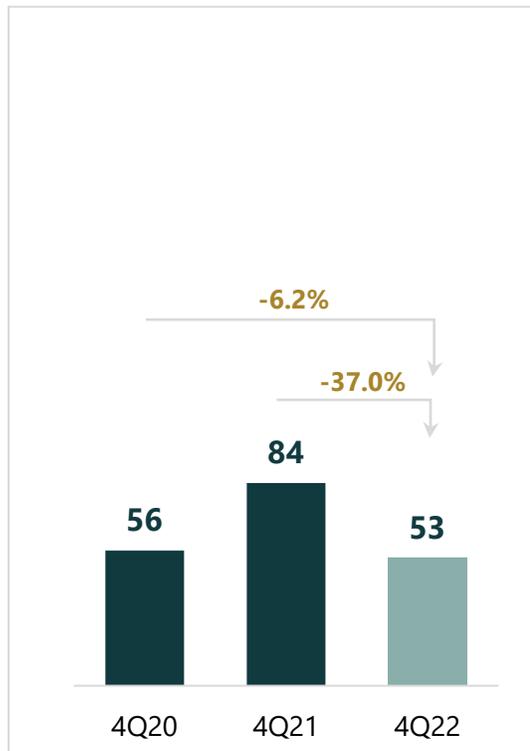


# AGGREGATED CASH BALANCE & NET OPERATING CASH FLOW DEVELOPMENT ACROSS PRIVATE PORTFOLIO

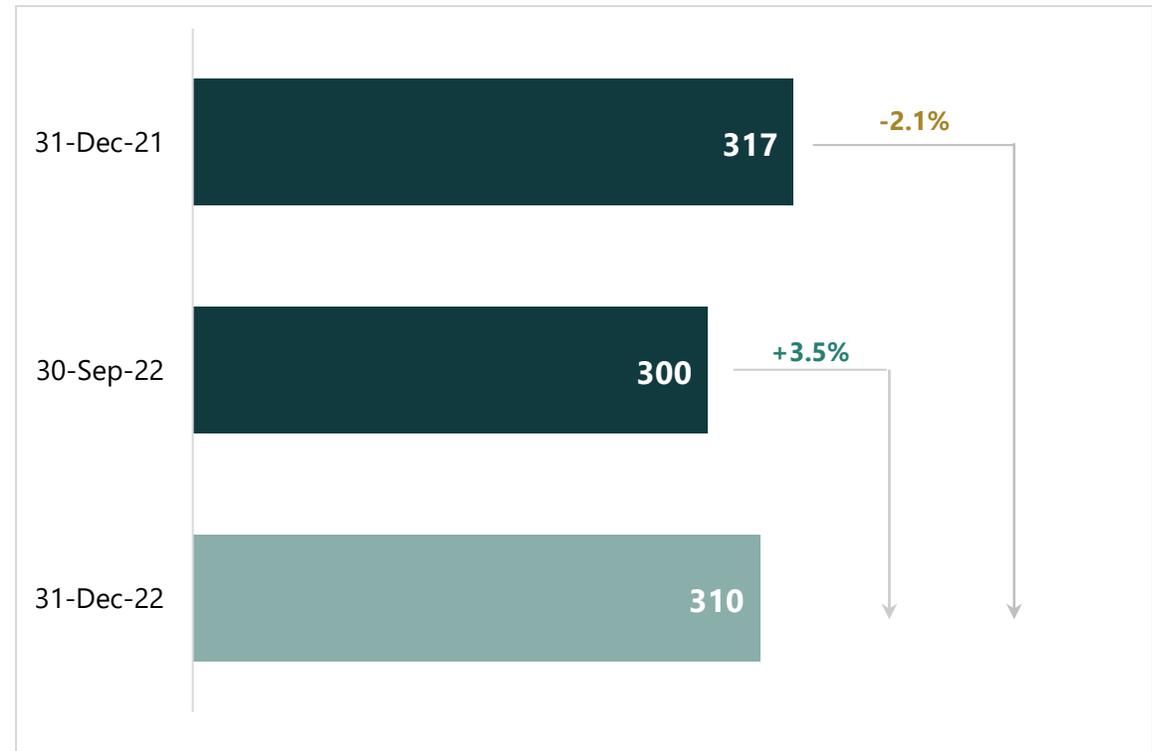


ORGANIC TRANSITION TO REVENUE GROWTH STRATEGY FROM PREVIOUSLY ADOPTED CASH PRESERVATION STRATEGY

**TOTAL AGGREGATED NET OPERATING CASH FLOW**  
(GEL MILLION)



**TOTAL AGGREGATED CASH BALANCE OF PRIVATE BUSINESSES**  
(GEL MILLION)



# CONTENTS

**01** 2022 LOOKBACK

**02** PROPOSED TRANSFER TO LSE STANDARD LISTING

**03** MACROECONOMIC UPDATE | GEORGIA

**04** 4Q22 & FY22 PERFORMANCE OVERVIEW

- AGGREGATED PORTFOLIO RESULTS OVERVIEW
- **NAV PER SHARE DEVELOPMENT OVERVIEW**
- UPDATE ON DELEVERAGING

**05** 4Q22 & FY22 PORTFOLIO RESULTS AND VALUATIONS OVERVIEW

**06** LIQUIDITY AND DIVIDEND INCOME OUTLOOK

**07** WRAP-UP

**08** ANNEX

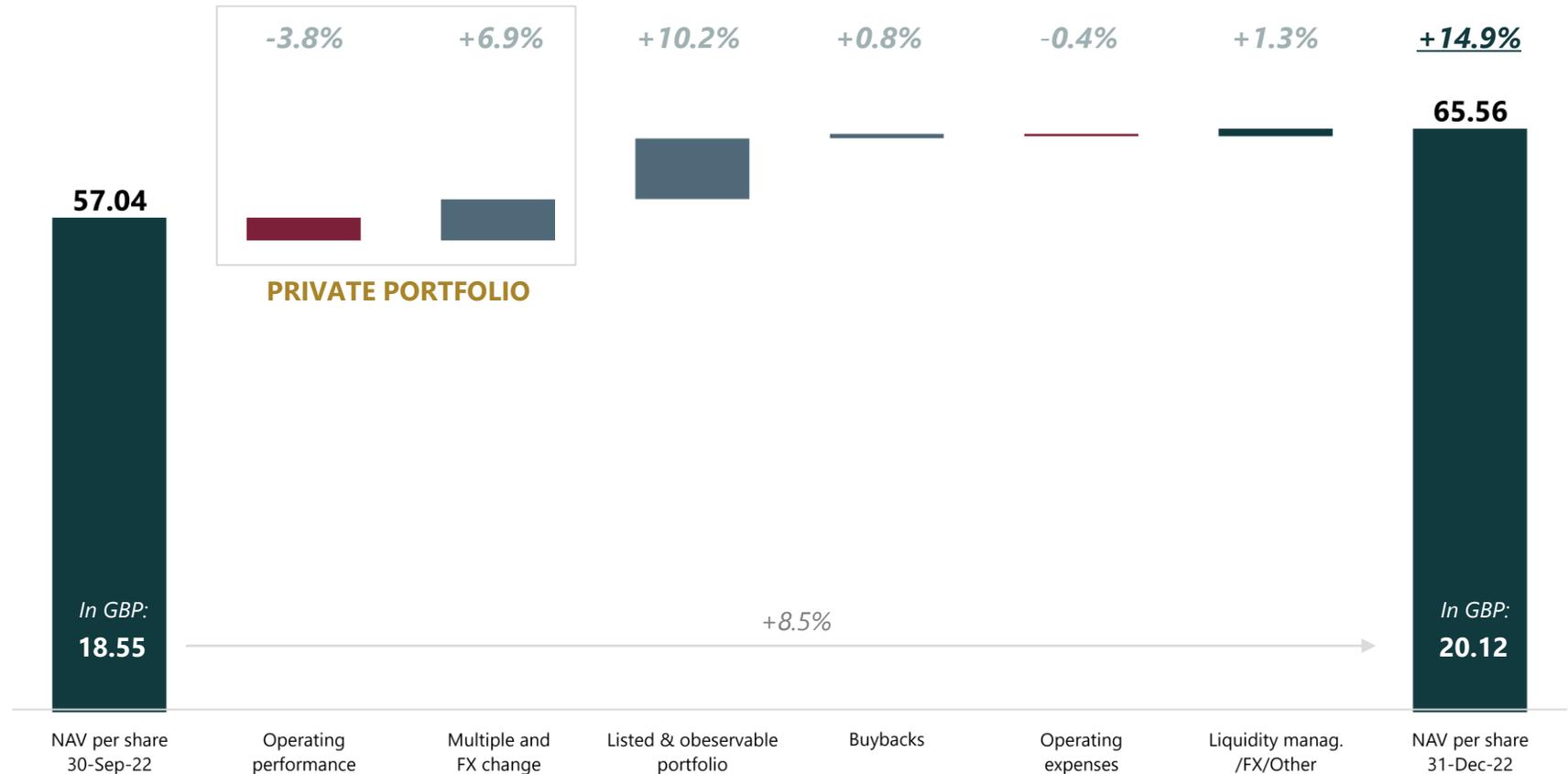


# NAV PER SHARE (GEL) MOVEMENT IN 4Q22



## NAV PER SHARE (GEL) UP 14.9% IN 4Q22

- NAV per share (GBP) up 8.5% in 4Q22.
- 14.9% growth in 4Q22 NAV per share (GEL) mainly reflects the continued growth in BoG's value (BoG's share price up by 31.0% q-o-q).



# CONTENTS

**01** 2022 LOOKBACK

**02** PROPOSED TRANSFER TO LSE STANDARD LISTING

**03** MACROECONOMIC UPDATE | GEORGIA

**04** 4Q22 & FY22 PERFORMANCE OVERVIEW

- AGGREGATED PORTFOLIO RESULTS OVERVIEW
- NAV PER SHARE DEVELOPMENT OVERVIEW
- **UPDATE ON DELEVERAGING**

**05** 4Q22 & FY22 PORTFOLIO RESULTS AND VALUATIONS OVERVIEW

**06** LIQUIDITY AND DIVIDEND INCOME OUTLOOK

**07** WRAP-UP

**08** ANNEX



# NET CAPITAL COMMITMENT (NCC) OVERVIEW



## NCC REPRESENTS AN AGGREGATED VIEW OF ALL CONFIRMED, AGREED AND EXPECTED CAPITAL OUTFLOWS AT THE GCAP HOLDCO LEVEL

Loans issued balance down by 88.9% in 4Q22, reflecting the repayment of an US\$ 80 million shareholder loan provided to the renewable energy business in 3Q22.

Gross debt down by 16.4% in 4Q22 reflecting the cancellation of US\$ 65 million Eurobonds.

Portfolio value up by 16.3% in 4Q22, resulting from strong value creation across our listed & observable and private portfolio companies.

Pro-forma NCC ratio, which reflects the expected cash proceeds from the monetization of BoG to the historical level of 19.9%, is down to 19.6%.

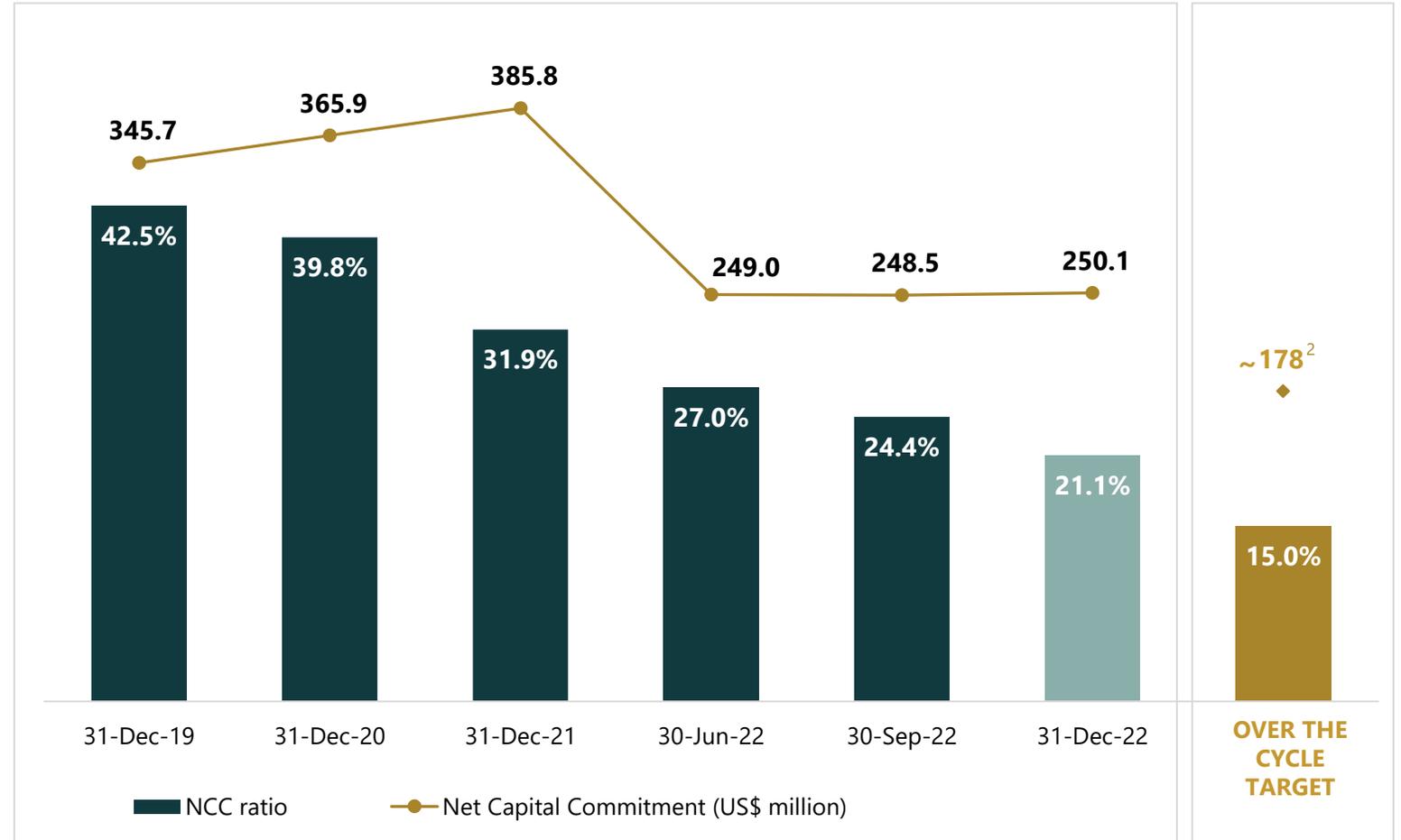
US\$ MILLION	30-SEP-22	CHANGE	31-DEC-22
Cash and liquid funds	133.9	13.8%	152.4
Loans issued	89.3	-88.9%	9.9
Gross debt	(362.9)	-16.4%	(303.3)
<b>Net debt (1)</b>	<b>(139.7)</b>	<b>0.9%</b>	<b>(141.0)</b>
<b>Guarantees issued (2)</b>	<b>(6.2)</b>	<b>10.1%</b>	<b>(6.8)</b>
<b>Net debt and guarantees issued (3)=(1)+(2)</b>	<b>(145.9)</b>	<b>1.3%</b>	<b>(147.8)</b>
<b>Planned investments (4)</b>	<b>(52.6)</b>	<b>-0.6%</b>	<b>(52.3)</b>
<i>of which, planned investments in Renewable Energy</i>	(30.1)	NMF	(30.1)
<i>of which, planned investments in Education</i>	(22.6)	-1.3%	(22.3)
<b>Announced Buybacks (5)</b>	-	NMF	-
<b>Contingency/liquidity buffer (6)</b>	<b>(50.0)</b>	<b>NMF</b>	<b>(50.0)</b>
<b>Total planned investments, announced buybacks and contingency/liquidity buffer (7)=(4)+(5)+(6)</b>	<b>(102.6)</b>	<b>-0.3%</b>	<b>(102.3)</b>
<b>Net capital commitment (3)+(7)</b>	<b>(248.5)</b>	<b>0.6%</b>	<b>(250.1)</b>
<b>Portfolio value<sup>1</sup></b>	<b>1,017.6</b>	<b>16.3%</b>	<b>1,183.8</b>
<b>NCC ratio</b>	<b>24.4%</b>	<b>-3.3 pts</b>	<b>21.1%</b>

# NCC RATIO DEVELOPMENT OVERVIEW

**NCC RATIO DOWN BY 3.3 PPTS TO 21.1% IN 4Q22**

*In light of a worldwide rising interest rate environment, we are targeting to reduce the balance of "net debt and guarantees issued" close to zero over the short to medium term.*

NCC AND NCC RATIO DEVELOPMENT OVERVIEW<sup>1</sup>



Georgia Capital PLC | 1. Reflects the retrospective conversion of the loans issued to our real estate and beverages businesses into equity.

2. Assuming the application of the 15% NCC ratio target to the total portfolio value as at 31 December 2022.

# CONTENTS

---

**01** 2022 LOOKBACK

---

**02** PROPOSED TRANSFER TO LSE STANDARD LISTING

---

**03** MACROECONOMIC UPDATE | GEORGIA

---

**04** 4Q22 & FY22 PERFORMANCE OVERVIEW

---

**05** 4Q22 & FY22 PORTFOLIO RESULTS AND VALUATIONS OVERVIEW

---

**06** LIQUIDITY AND DIVIDEND INCOME OUTLOOK

---

**07** WRAP-UP

---

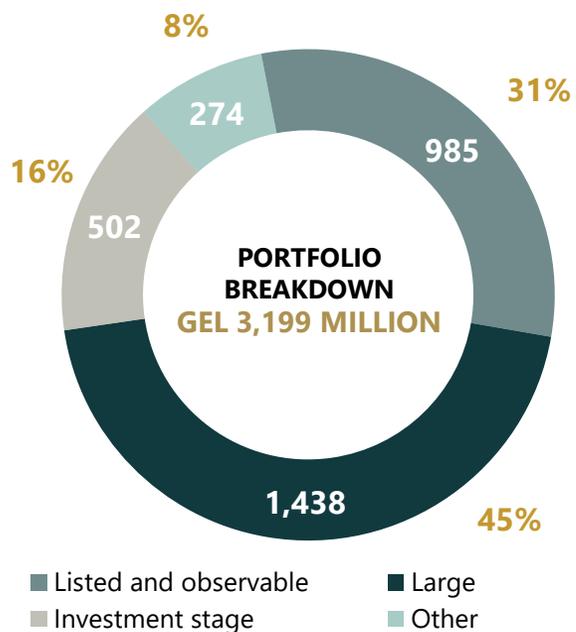
**08** ANNEX

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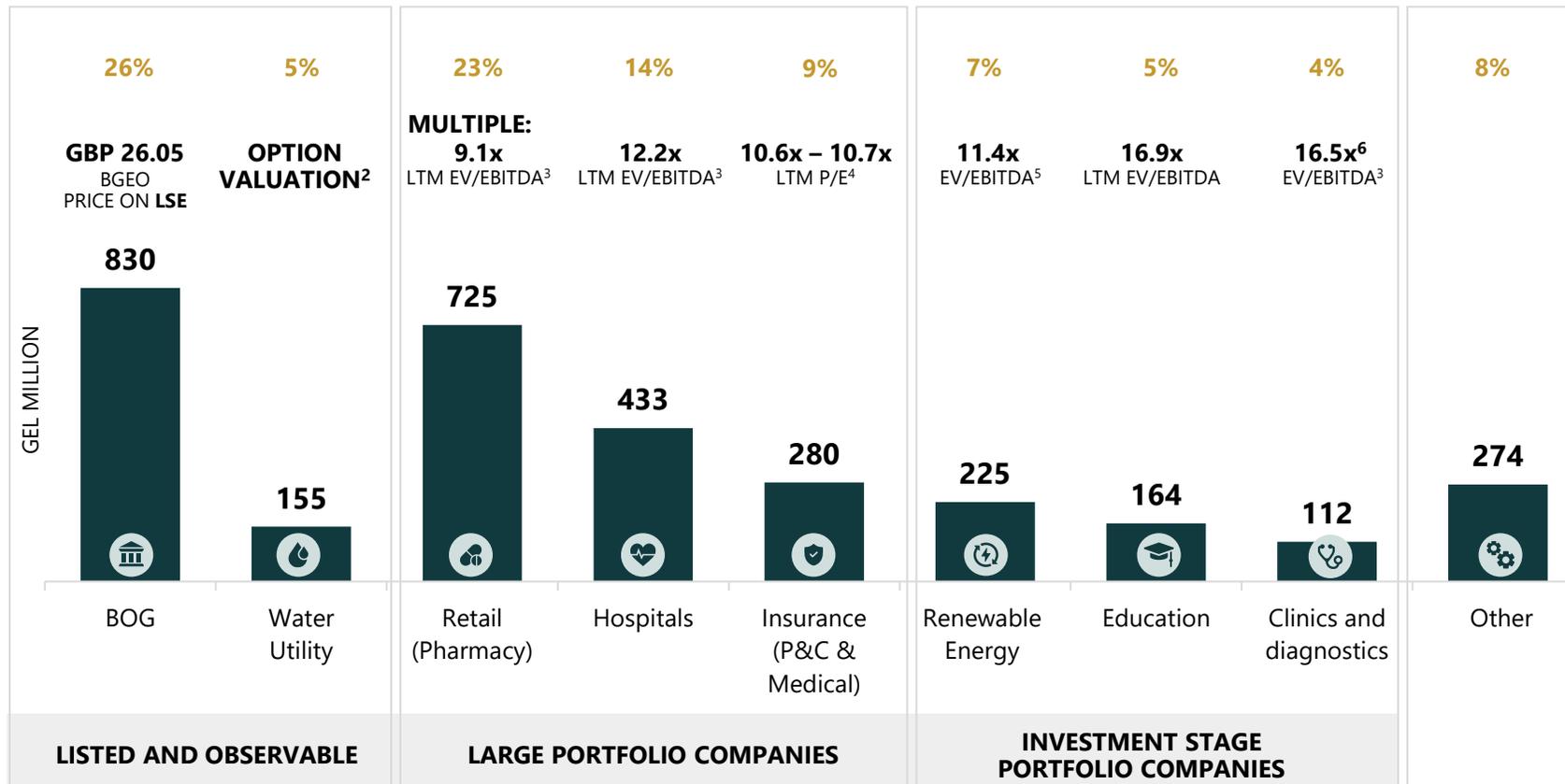


# PORTFOLIO VALUE AS OF 31-DEC-22

91% OF OUR PORTFOLIO IS VALUED EXTERNALLY<sup>1</sup>



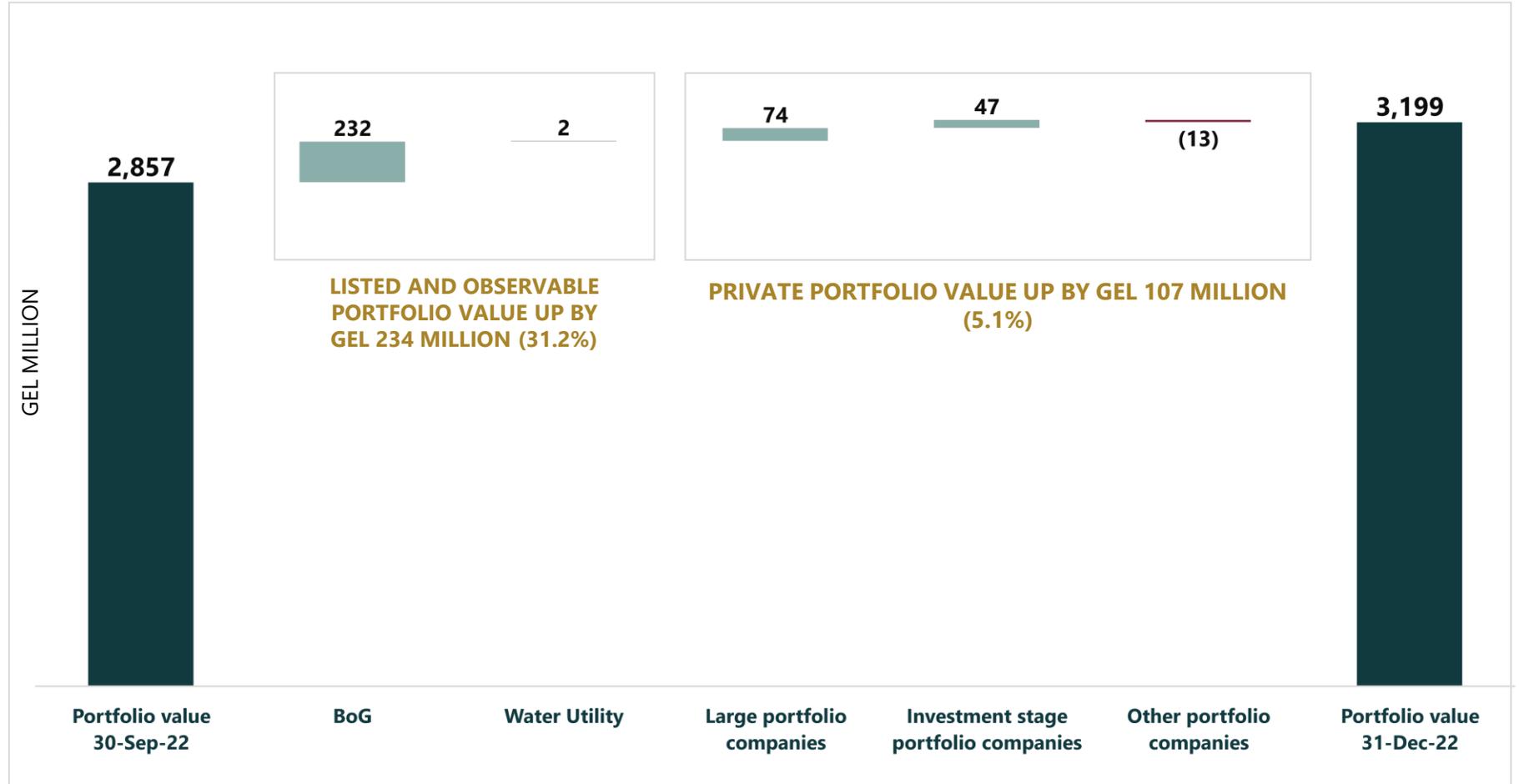
## % SHARE IN TOTAL PORTFOLIO VALUE:



# PORTFOLIO VALUE DEVELOPMENT IN 4Q22



**PORTFOLIO VALUE UP 12.0%  
TO GEL 3.2 BILLION IN 4Q22**



# RETAIL (PHARMACY) BUSINESS OPERATING PERFORMANCE OVERVIEW

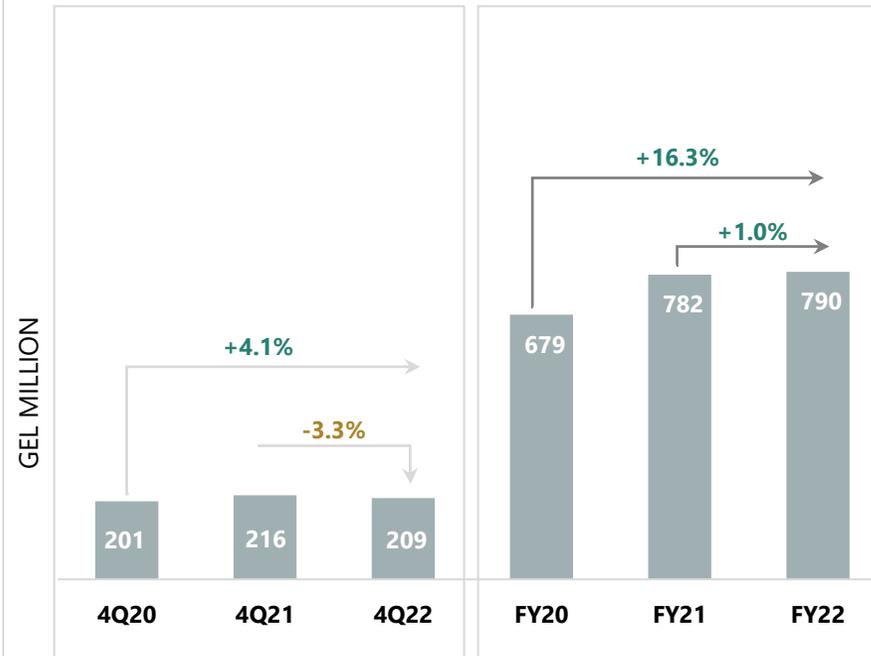


## RETAIL (PHARMACY)

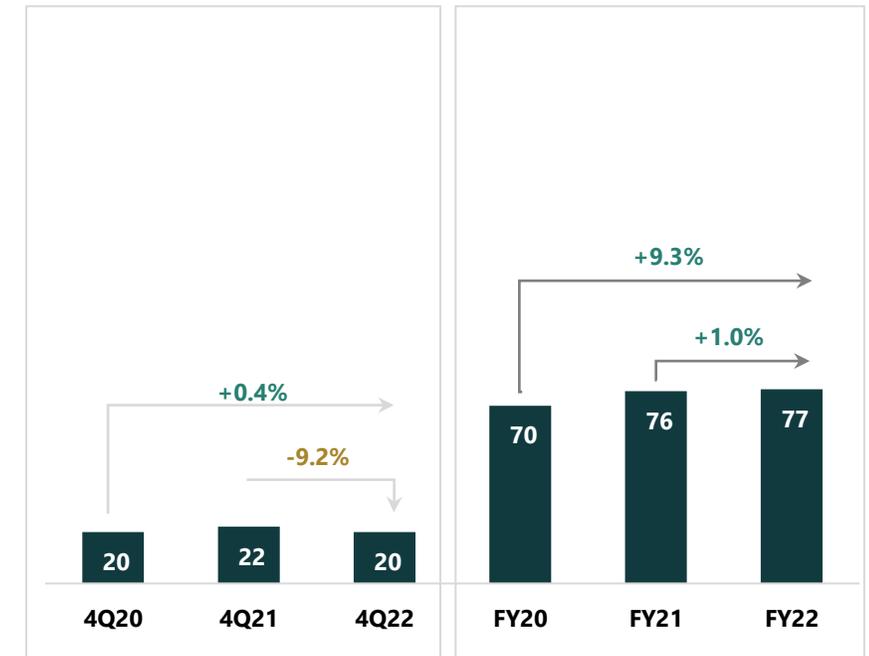
### KEY DRIVERS

- 4Q22 and FY22 revenues reflect the recalibration of product prices due to GEL's appreciation against foreign currencies and gradual transfer of the hospitals business' procurement department from pharmacy to hospitals.
- EBITDA was further impacted by inflation and increased operating expenses in line with the continuing expansion of the business (added 24 pharmacies and 5 franchise stores over the last 12 months).
- In FY22, the business paid GEL 16.0 million dividends to GCAP.

### REVENUE DEVELOPMENT



### EBITDA<sup>1</sup> DEVELOPMENT



### KEY OPERATING HIGHLIGHTS

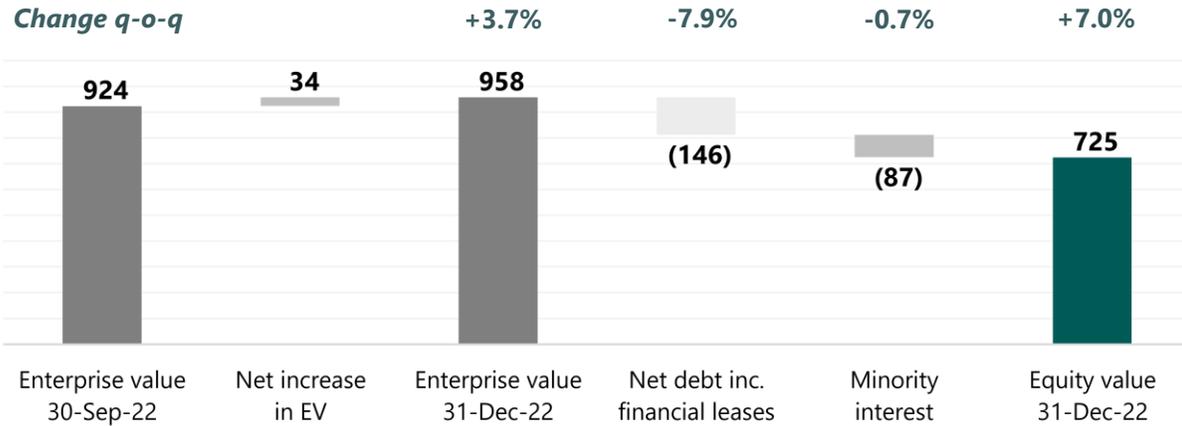




# RETAIL (PHARMACY) BUSINESS VALUATION OVERVIEW

## VALUE DEVELOPMENT OVERVIEW | 4Q22

(GEL MILLION)



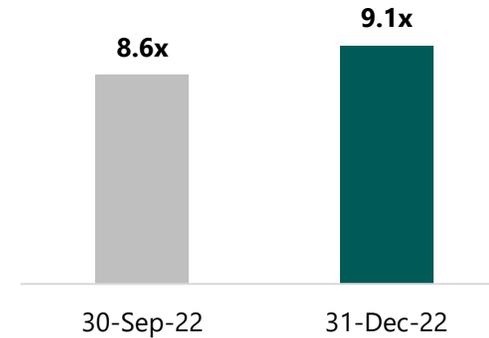
## VALUATION HIGHLIGHTS<sup>1</sup>

GEL million, unless noted otherwise

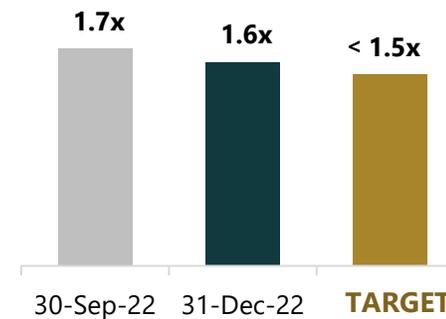
	31-Dec-22	30-Sep-22	Change	31-Dec-21	Change
Enterprise value	957.7	923.6	34.1	952.3	5.4
LTM EBITDA	105.5	107.4	(1.9)	102.9	2.6
Implied EV/EBITDA multiple	9.1x	8.6x	0.5x	9.3x	(0.2x)
Net debt inc. lease liabilities	(145.9)	(158.4)	12.5	(118.4)	(27.5)
Equity value of GCAP's share	724.5	677.2	47.3	710.4	14.1

## IMPLIED LTM EV/EBITDA DEVELOPMENT

(incl. IFRS 16)



## ADJUSTED NET DEBT TO EBITDA<sup>2</sup>



# HOSPITALS BUSINESS OPERATING PERFORMANCE OVERVIEW

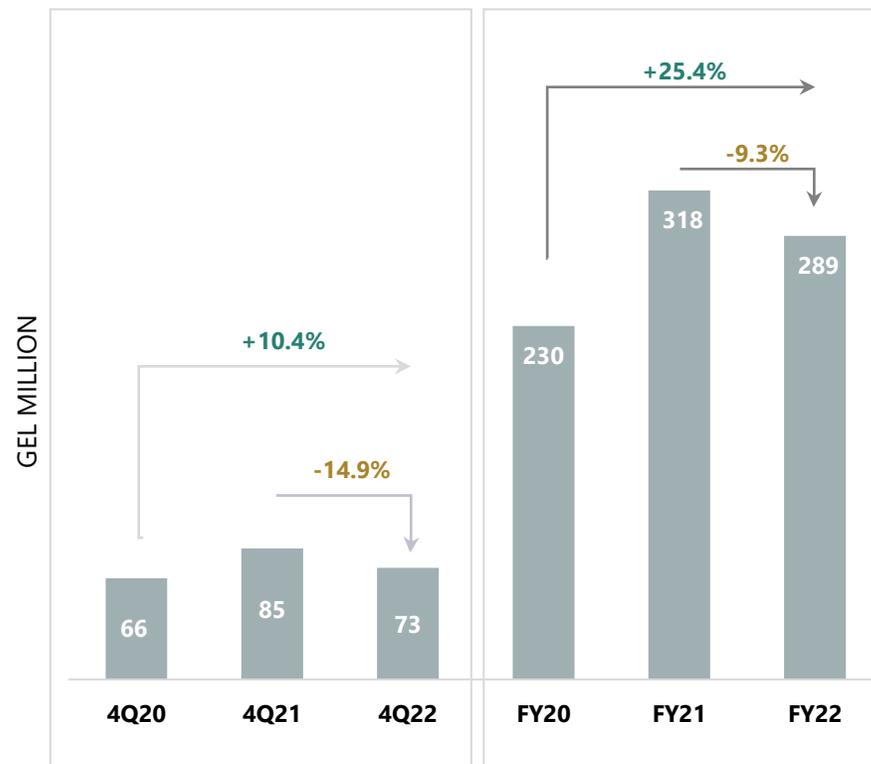


## HOSPITALS

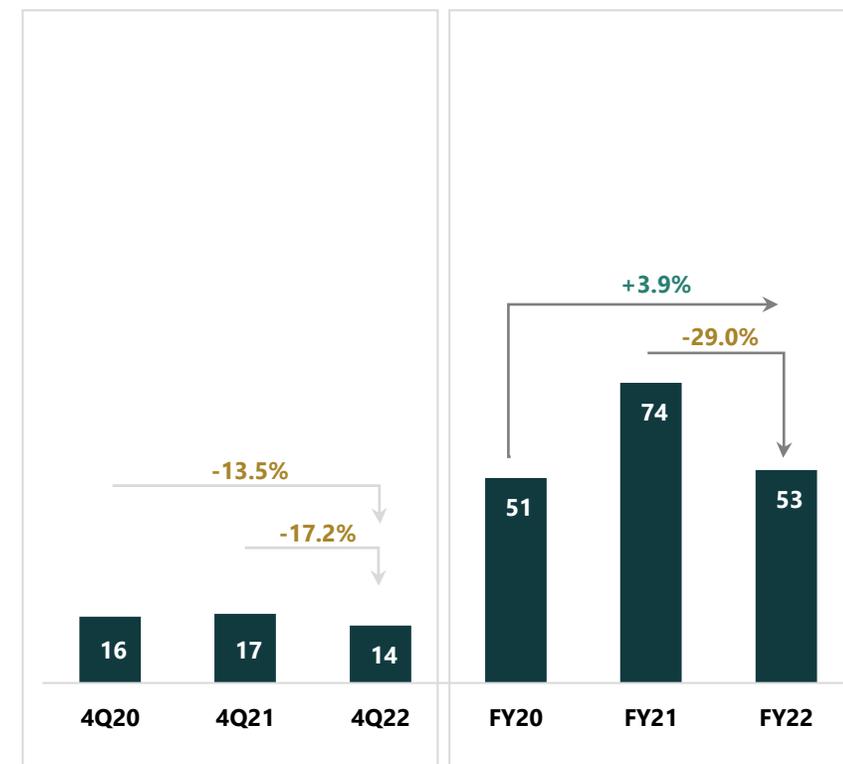
### KEY DRIVERS

- A y-o-y decrease in 4Q22 and FY22 revenue and EBITDA reflects:
  - the suspension of COVID contracts by the Government in 1Q22,
  - the temporary closure of Iashvili Hospital due to the mandatory renovation works
  - the absence of revenues from the Traumatology Hospital, which was divested in April 2022.
- Adjusted for the temporary closure of Iashvili Hospital and the absence of revenues from the Traumatology Hospital, the 4Q22 revenue was down by 7.7% y-o-y, while the 4Q22 EBITDA was up by 3.5% y-o-y.
- In FY22, the business paid GEL 13.0 million dividends to GCAP.

### REVENUE DEVELOPMENT



### EBITDA<sup>1</sup> DEVELOPMENT



### KEY OPERATING HIGHLIGHTS

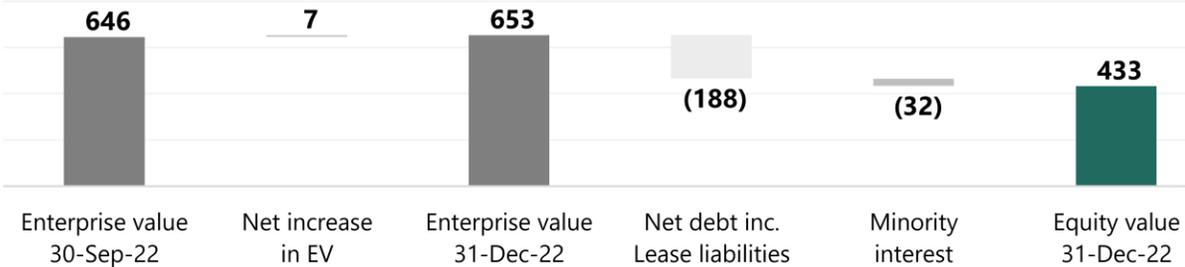
	4Q21	vs.	4Q22	Change y-o-y	FY21	vs.	FY22	Change y-o-y
Number of admissions ('000)	349.9		271.1	-22.5%	1,326.6		1,175.0	-11.4%
Revenue per bed <sup>2</sup>	133.8		116.7	-12.8%	124.2		115.2	-7.2%
Bed occupancy rate (%)	69.6%		52.0%	-17.6ppts	65.3%		54.3%	-11.0ppts



# HOSPITALS BUSINESS VALUATION OVERVIEW

## VALUE DEVELOPMENT OVERVIEW | 4Q22 (GEL MILLION)

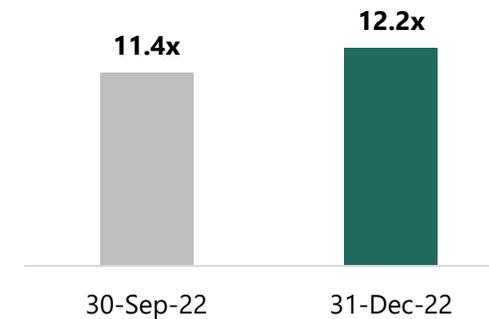
Change q-o-q +1.1% +2.8% +3.2% +0.2%



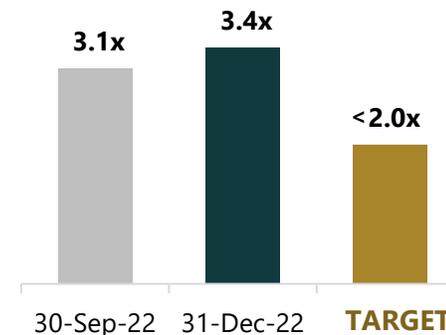
## VALUATION HIGHLIGHTS<sup>1</sup>

GEL million, unless noted otherwise	31-Dec-22	30-Sep-22	Change	31-Dec-21	Change
Enterprise value	653.3	646.2	7.1	791.5	(138.2)
LTM EBITDA	53.6	56.7	(3.1)	75.1	(21.5)
Implied EV/EBITDA multiple	12.2x	11.4x	0.8x	10.5x	1.7x
Net debt incl. lease liabilities	(188.1)	(182.9)	(5.2)	(178.4)	(9.7)
Equity value of GCAP's share	433.2	432.2	1.0	573.8	(140.6)

## IMPLIED LTM EV/EBITDA DEVELOPMENT (incl. IFRS 16)



## NET DEBT TO EBITDA



Georgia Capital PLC | 1. The independent valuations of the large and investment portfolio companies are performed on a semi-annual basis. In 4Q22, our private large and investment portfolio companies were valued externally by a third-party independent valuation firm.

# INSURANCE BUSINESS OPERATING PERFORMANCE OVERVIEW



## INSURANCE

### KEY DRIVERS

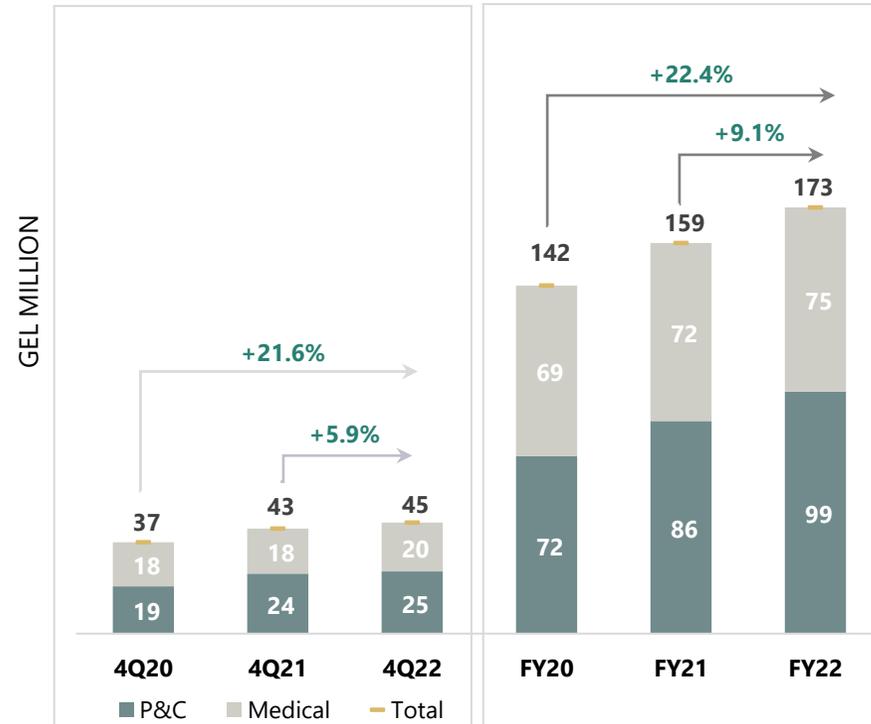
#### P&C Insurance

- Increase in earned premiums net is mainly driven by the growth in the credit life, agricultural and border MTPL insurance lines.
- The combined ratio remained largely flat, reflecting a) improvements in loss ratio due to robust revenue growth, and reduction in both COVID-19-related credit life insurance and Agro insurance claims, and b) increased expense ratio reflecting inflation and business growth.
- The business paid GEL 7.4 million dividends to GCAP in 4Q22 (GEL 14.7 million in FY22).

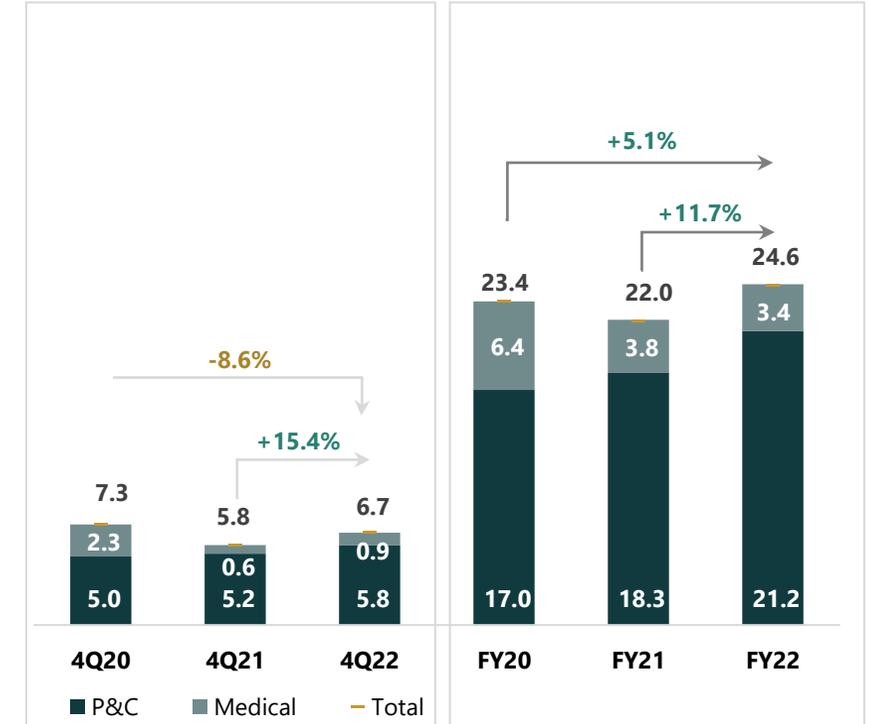
#### Medical Insurance

- The performance in 4Q22 and FY22 reflects c.5% increase in the price of insurance policies.
- The business paid GEL 1.0 million dividend to GCAP in FY22.

### EARNED PREMIUMS NET



### NET INCOME DEVELOPMENT



### KEY OPERATING HIGHLIGHTS

#### Medical Insurance

	4Q21	vs.	4Q22	Change y-o-y
Combined ratio	100.3%		100.2%	-0.1ppts
Number of individuals insured	165,148		163,721	-0.9%

#### P&C Insurance

	FY21	vs.	FY22	Change y-o-y
Combined ratio	97.4%		99.4%	+2.0ppts
Number of policies written	233,990		251,009	+7.3%

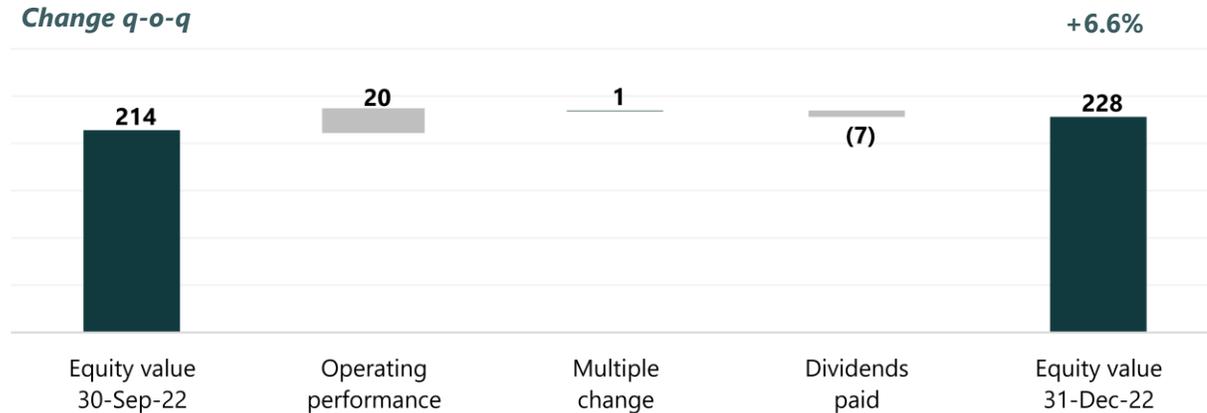


# P&C INSURANCE BUSINESS VALUATION OVERVIEW

## VALUE DEVELOPMENT OVERVIEW | 4Q22

(GEL MILLION)

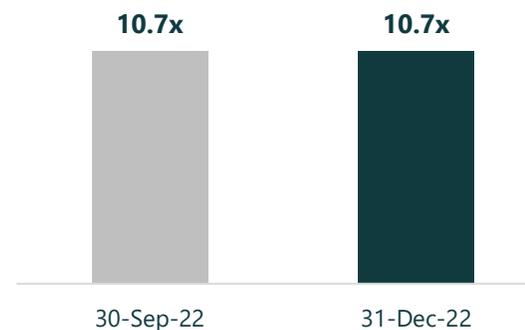
Change q-o-q



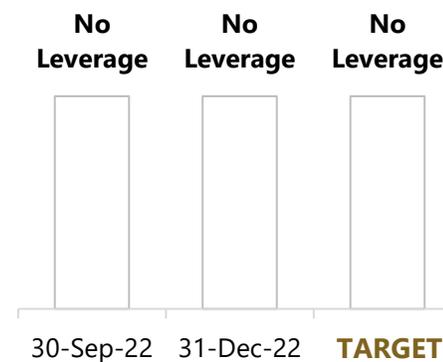
## VALUATION HIGHLIGHTS<sup>1</sup>

GEL million, unless noted otherwise	31-Dec-22	30-Sep-22	Change	31-Dec-21	Change
LTM Net income <sup>2</sup>	21.2	20.0	1.2	17.6	3.6
Implied P/E multiple	10.7x	10.7x	-	12.0x	(1.3x)
Equity value	228.0	213.9	14.1	211.5	16.5
LTM ROAE <sup>3</sup>	29.5%	28.1%	+1.4 ppts	24.7%	+4.8 ppts

## IMPLIED LTM P/E MULTIPLE DEVELOPMENT



## NET DEBT TO EBITDA



# CONTENTS

- 01** 2022 LOOKBACK

---

- 02** PROPOSED TRANSFER TO LSE STANDARD LISTING

---

- 03** MACROECONOMIC UPDATE | GEORGIA

---

- 04** 4Q22 & FY22 PERFORMANCE OVERVIEW

---

- 05** 4Q22 & FY22 PORTFOLIO RESULTS AND VALUATIONS OVERVIEW

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- 06** LIQUIDITY AND DIVIDEND INCOME OUTLOOK

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- 07** WRAP-UP

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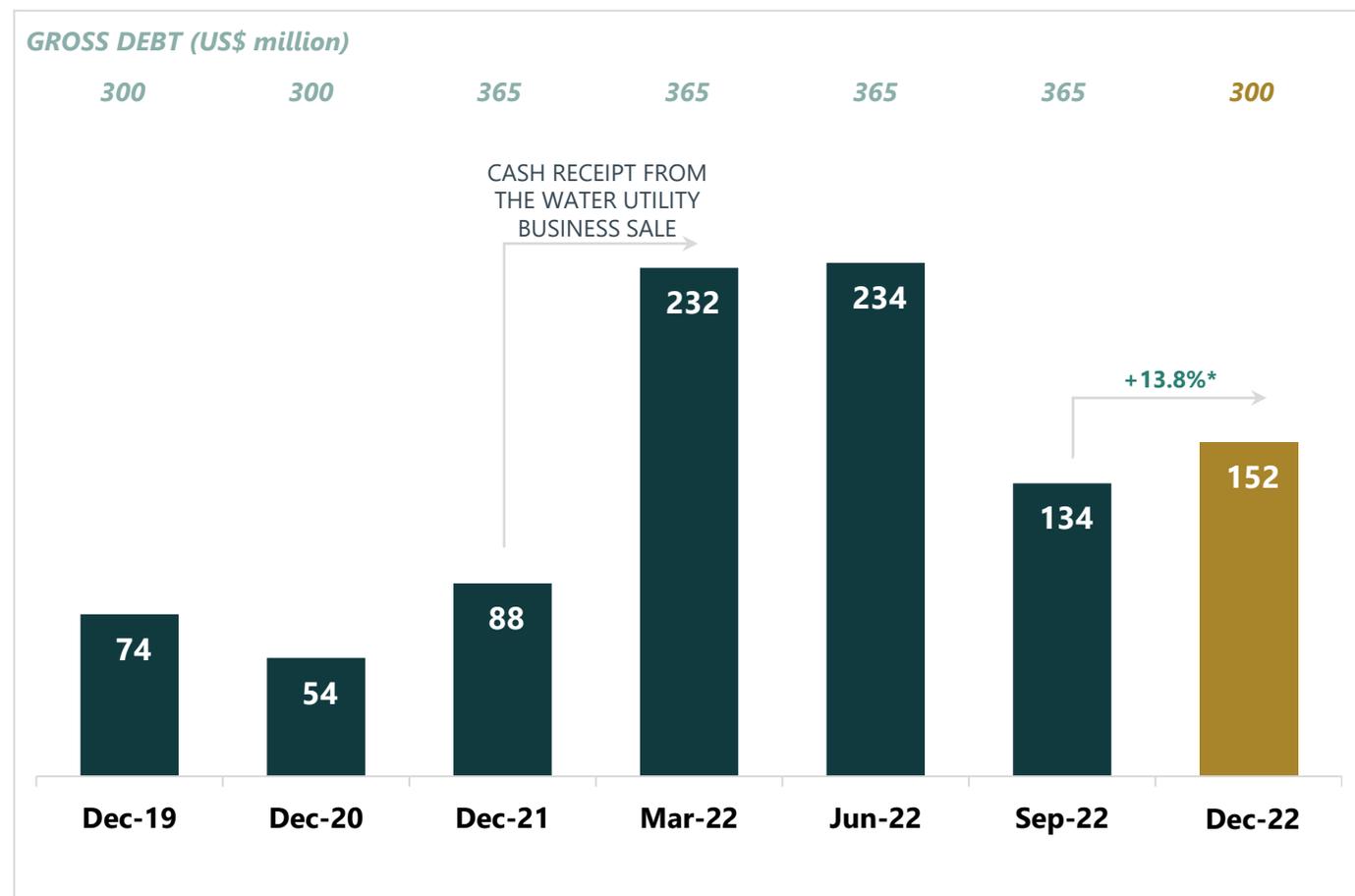
- 08** ANNEX

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# LIQUIDITY OUTLOOK

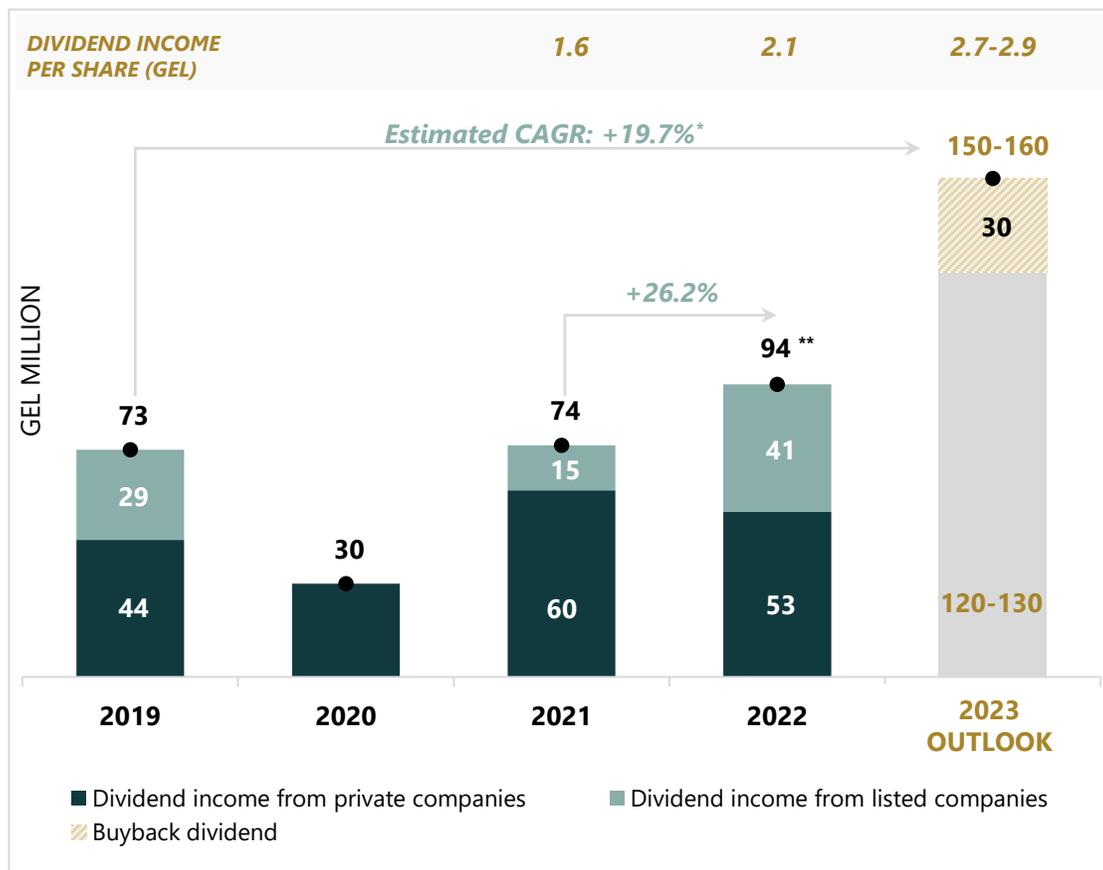
## LIQUIDITY DEVELOPMENT OVERVIEW (US\$ MILLION)



\* LIQUIDITY UP BY 13.8% IN 4Q22, REFLECTING THE NET IMPACT OF A) REPAYMENT OF THE US\$ 80 MILLION SHAREHOLDER LOAN PROVIDED TO THE RENEWABLE ENERGY BUSINESS AND DIVIDEND AND INTEREST RECEIPTS OF GEL 34.7 MILLION IN AGGREGATE, AND B) THE REPURCHASE AND CANCELLATION OF US\$ 65 MILLION GCAP EURO BONDS FOLLOWING THE MODIFIED DUTCH AUCTION.

# DIVIDEND INCOME OUTLOOK

## CASH DIVIDEND INCOME FROM PORTFOLIO COMPANIES



\* Calculated for the lower end of the range.

\*\* Including the buyback dividend of GEL 29 million, the total dividend income in 2022 stands at GEL 123 million.

## GEL 94 MILLION DIVIDEND INCOME IN 2022

DIVIDENDS INCOME (GEL million)	4Q22	FY22
BOG	18.1	40.9
Retail (Pharmacy)	-	16.0
P&C Insurance	7.4	14.7
Hospitals	-	13.0
Renewable Energy	2.0	8.2
Medical Insurance	-	1.0
<b>TOTAL</b>	<b>27.4</b>	<b>93.9</b>

## SOLID DIVIDEND INCOME OUTLOOK IN 2023

**150-160**  
GEL MILLION

➤ Including buyback dividends from BoG

# CONTENTS

- 01** 2022 LOOKBACK

---

- 02** PROPOSED TRANSFER TO LSE STANDARD LISTING

---

- 03** MACROECONOMIC UPDATE | GEORGIA

---

- 04** 4Q22 & FY22 PERFORMANCE OVERVIEW

---

- 05** 4Q22 & FY22 PORTFOLIO RESULTS AND VALUATIONS OVERVIEW

---

- 06** LIQUIDITY AND DIVIDEND INCOME OUTLOOK

---

- 07** WRAP-UP

---

- 08** ANNEX

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# SOLID PERFORMANCE ACROSS OUR PORTFOLIO, WITH OUTLOOK BEING EVEN STRONGER



## PERFORMANCE HIGHLIGHTS

✓	NAV per share (GEL) up 14.9% in 4Q22, up 8.5% in GBP terms
✓	US\$ 116 million GCAP Eurobonds re-purchased to date, of which US\$ 65 million were cancelled in 4Q22
✓	NCC Ratio down 3.3 pts q-o-q to 21.1% at 31-Dec-22, resulting from strong growth in the portfolio value and robust liquidity at GCAP
✓	GEL 27.4 and 93.9 million regular divided income in 4Q22 and FY22, respectively

## OUTLOOK

➔	Proposed transfer from LSE Premium to LSE Standard listing, which represents a better fit for execution of GCAP's strategy
➔	Significant value creation potential across our portfolio companies with post-COVID transition impact on our healthcare businesses expected to fade away over the next few quarters
➔	Strong economic growth outlook

# CONTENTS

- 01** 2022 LOOKBACK

---

- 03** PROPOSED TRANSFER TO LSE STANDARD LISTING

---

- 04** MACROECONOMIC UPDATE | GEORGIA

---

- 05** 4Q22 & FY22 PERFORMANCE OVERVIEW

---

- 06** 4Q22 & FY22 PORTFOLIO RESULTS AND VALUATIONS OVERVIEW

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- 07** LIQUIDITY AND DIVIDEND INCOME OUTLOOK

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- 06** WRAP-UP

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- 08** ANNEX

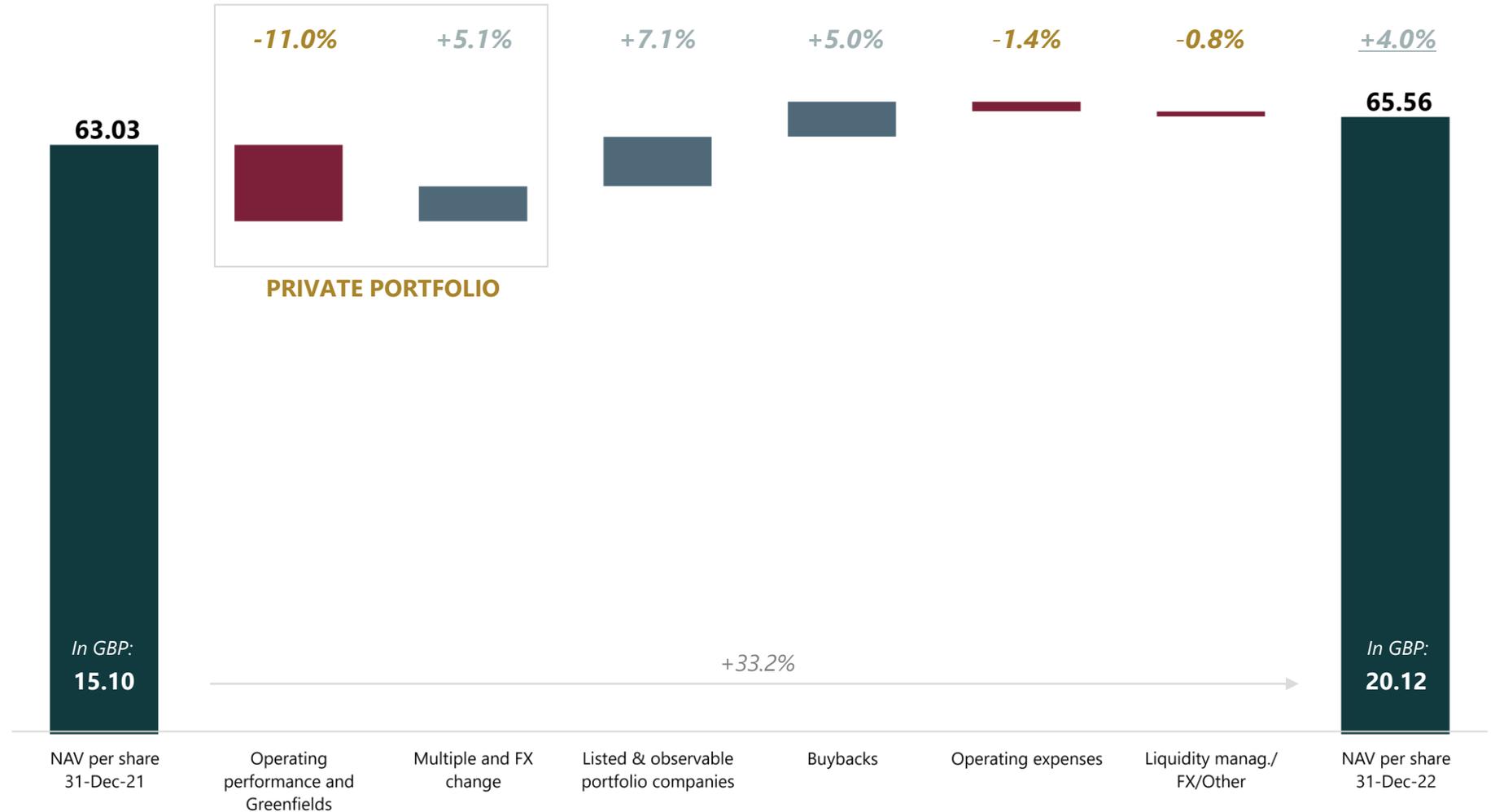


# NAV PER SHARE (GEL) MOVEMENT IN FY22



## NAV PER SHARE (GEL) UP 4.0% IN FY22

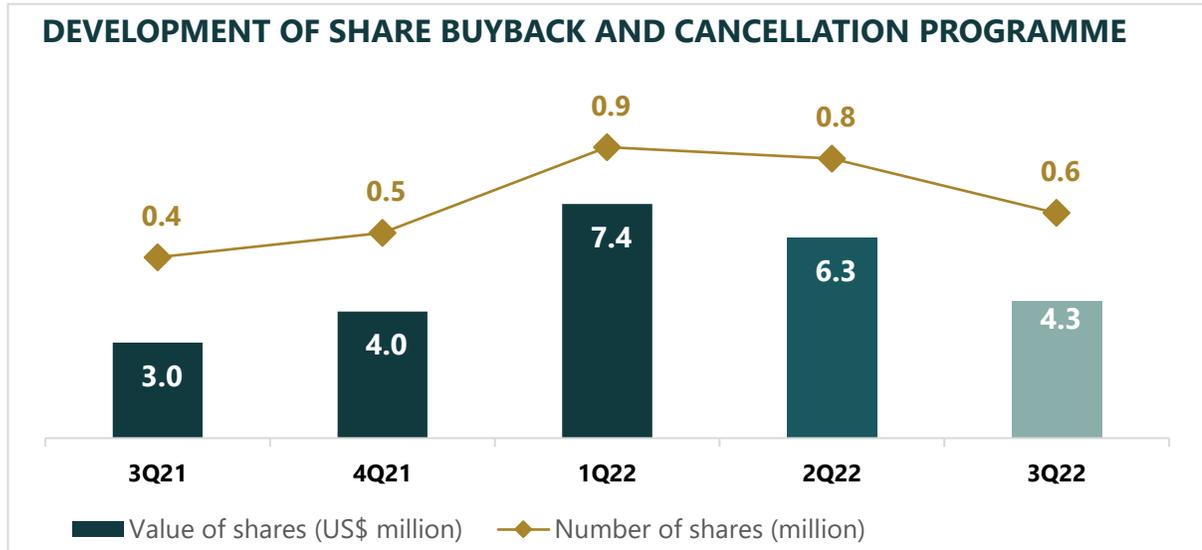
- NAV per share (GBP) up 33.2% in FY22, reflecting a 28.1% appreciation of GEL against GBP



# PROGRESS ON THE SHARE BUYBACK AND CANCELLATION PROGRAMME

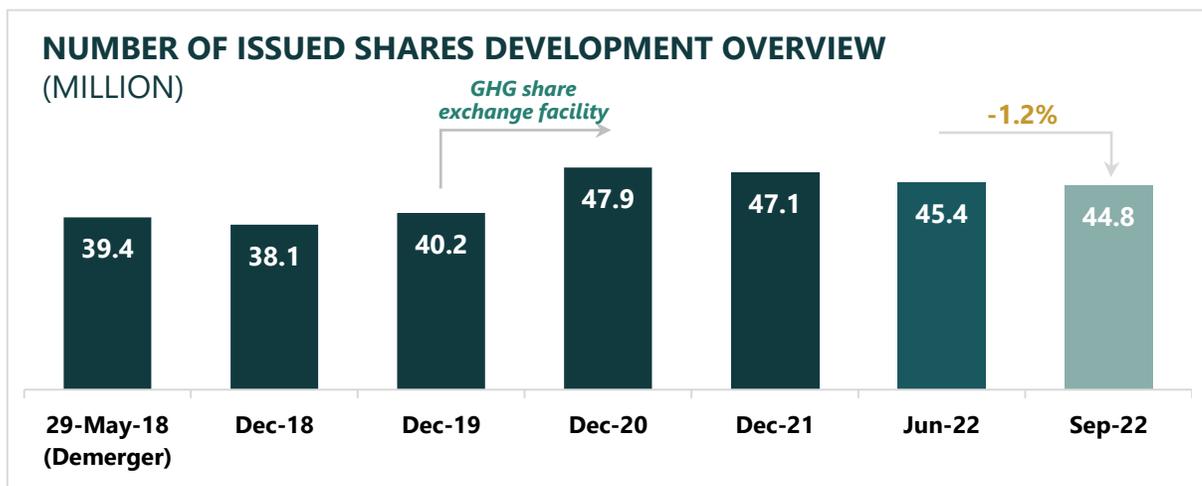
**3.1 MILLION SHARES (c.7% OF ISSUED CAPITAL) WERE REPURCHASED UNDER THE US\$ 25 MILLION SHARE BUYBACK AND CANCELLATION PROGRAMME AS OF 31-DEC-22**

➤ In FY22, 1,190,522 shares with a value of US\$ 9.8 million were repurchased for the management trust.



TOTAL  
**3.1**  
MILLION  
SHARES

TOTAL  
**25.0**  
US\$ MILLION



# RENEWABLE ENERGY BUSINESS OPERATING PERFORMANCE OVERVIEW

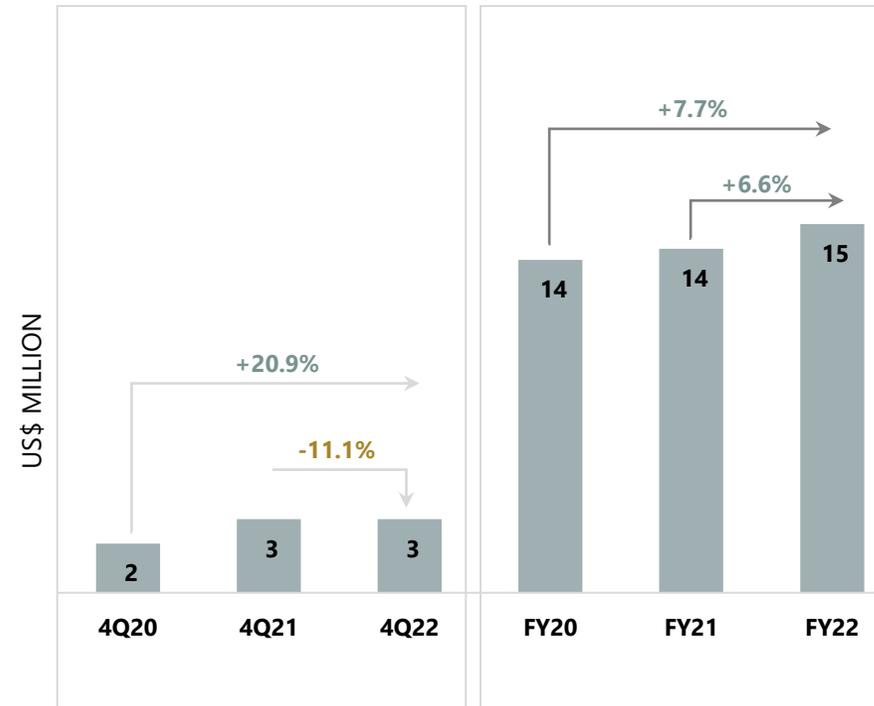


## RENEWABLE ENERGY

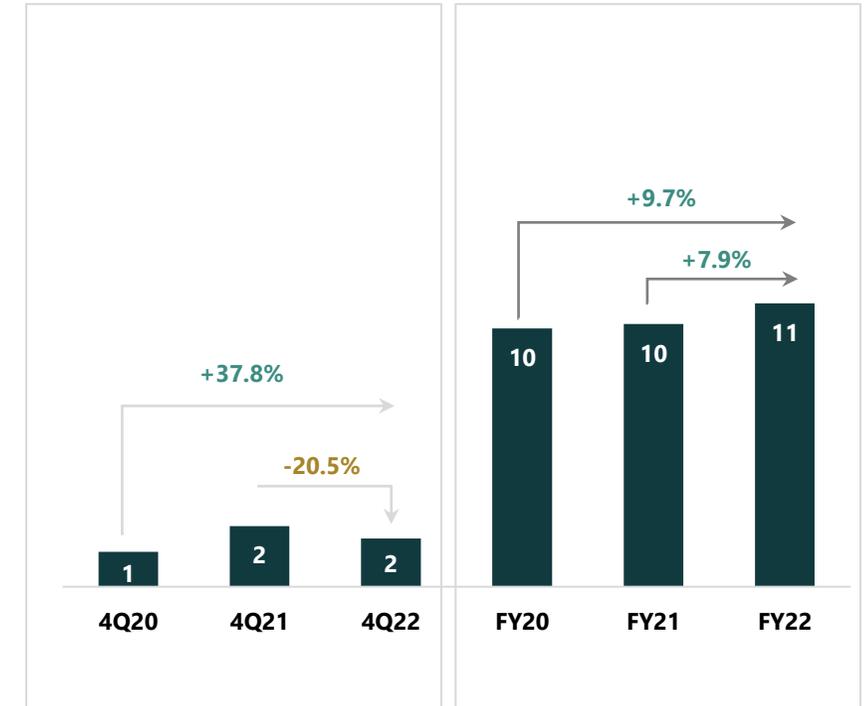
### KEY DRIVERS

- A y-o-y decrease in revenue and EBITDA in 4Q22 reflect the net impact of:
  - A 43.3% y-o-y decrease in electricity generation at Hydrolea HPPs as two of the power-generating units were temporarily taken offline due to previously planned rehabilitation works;
  - A 23.8% and 8.8% y-o-y increase in electricity generation at Mestiachala 2 HPP and Qartli Wind Farm due to the favourable weather condition in 4Q22;
  - A 1.8% y-o-y increase in the average electricity selling price (at 60.3 US\$/MWh in 4Q22).
- The business paid US\$ 0.7 million (GEL 1.9 million) dividends in 4Q22 (US\$ 2.8 million, GEL 8.1 million in FY22).

### REVENUE DEVELOPMENT



### EBITDA DEVELOPMENT



### KEY OPERATING HIGHLIGHTS

	4Q21	vs.	4Q22	Change y-o-y	FY21	vs.	FY22	Change y-o-y
Electricity generation (GWh)	53.9		47.1	-12.5%	265.8		268.3	+0.9%
Average sales price (US\$/MWh)	59.2		60.3	+1.8%	50.7		54.3	+7.1%

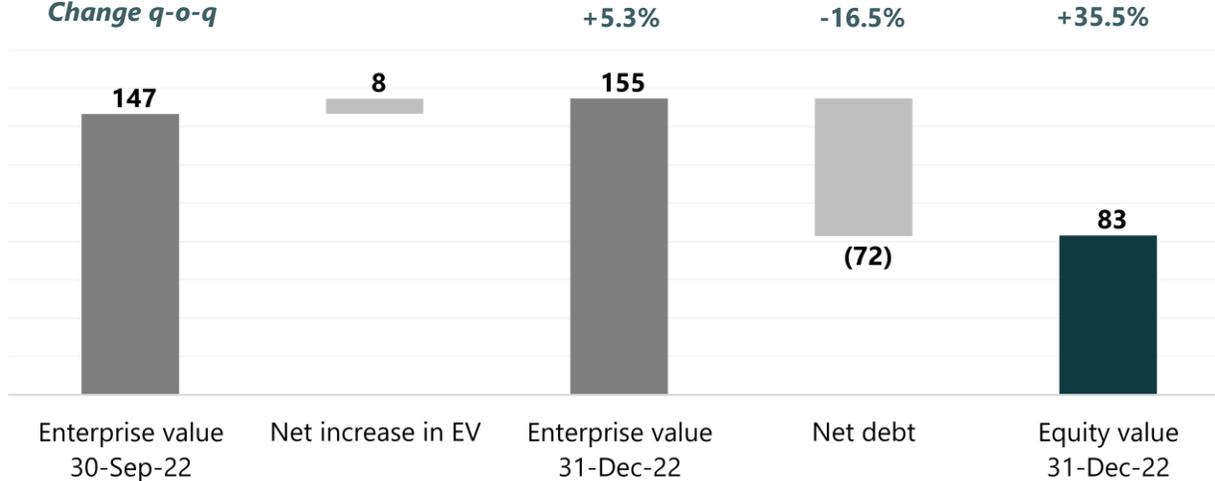


# RENEWABLE ENERGY BUSINESS VALUATION OVERVIEW

## VALUE DEVELOPMENT OVERVIEW | 4Q22

(US\$ MILLION)

Change q-o-q



## VALUATION HIGHLIGHTS<sup>1</sup>

US\$ million, unless noted otherwise

	31-Dec-22	30-Sep-22	Change	31-Dec-21	Change
Enterprise value	154.7	146.9	7.8	138.3	16.4
EBITDA <sup>3</sup>	12.2	12.3	(0.1)	11.3	0.9
Implied EV/EBITDA multiple	11.4x	10.7x	0.7x	11.1x	0.3x
Investments at cost (EV) <sup>2</sup>	15.1	14.6	0.5	13.5	1.6
Net debt	(71.4)	(85.5)	14.1	(82.3)	10.9
Equity value	83.3	61.4	21.9	55.9	27.4

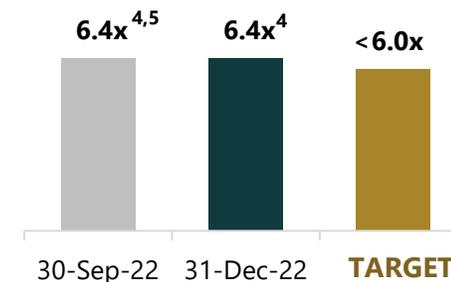
## EQUITY FAIR VALUE COMPOSITION AT 31-DEC-22

(US\$ MILLION)



■ Operational assets ■ Pipeline projects

## NET DEBT TO EBITDA



# EDUCATION BUSINESS OPERATING PERFORMANCE OVERVIEW

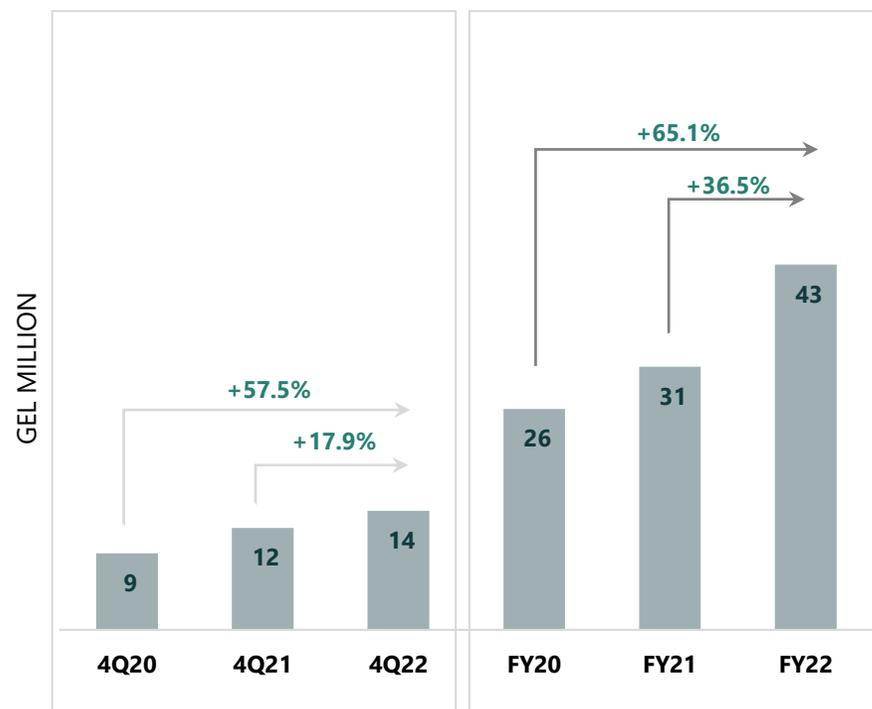


## EDUCATION

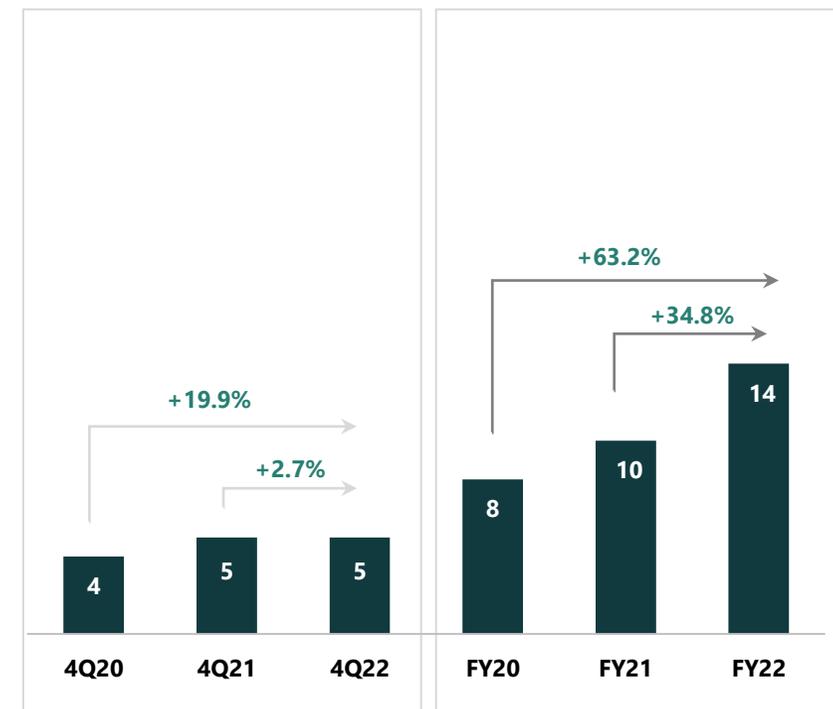
### KEY DRIVERS

- Increase in revenues reflect strong intakes and a ramp-up of the utilization.
- EBITDA margin was down by 5.5 pts y-o-y in 4Q22 (EBITDA up by 2.7% y-o-y in 4Q22), reflecting:
  - Fewer academic days at our premium schools in 4Q22 compared to 4Q21.
  - Increased operating expenses (up by 29.1% y-o-y in 4Q22), resulting from inflation and expansion of the business.
- In 2022, the education business increased its capacity by 610 learners to 5,670 learners.
- The utilisation rate for the total 5,670 learner capacity was 73.4%, up 11.2 pts y-o-y as of 31-Dec-22.

### REVENUE DEVELOPMENT



### EBITDA DEVELOPMENT



### KEY OPERATING HIGHLIGHTS

	4Q21	vs.	4Q22	Change y-o-y	FY21	vs.	FY22	Change y-o-y
Number of learners	3,148		4,162	+32.2%	3,148		4,162	+32.2%
Capacity utilisation <sup>1</sup> (excluding expansion)	93.8%		100.0%	+6.2 pts	93.8%		100.0%	+6.2 pts

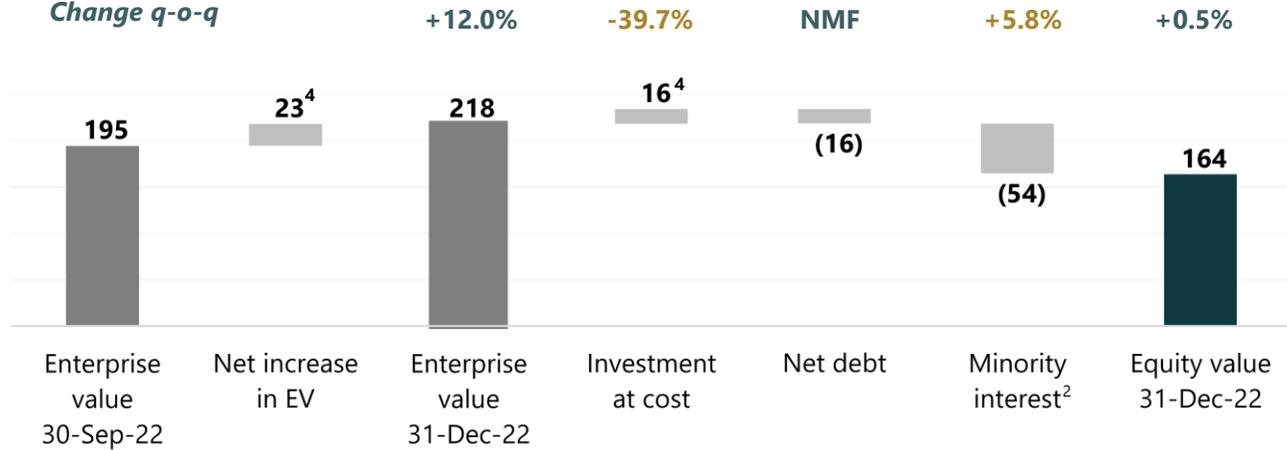


# EDUCATION BUSINESS VALUATION OVERVIEW

## VALUE DEVELOPMENT OVERVIEW | 4Q22

(GEL MILLION)

Change q-o-q

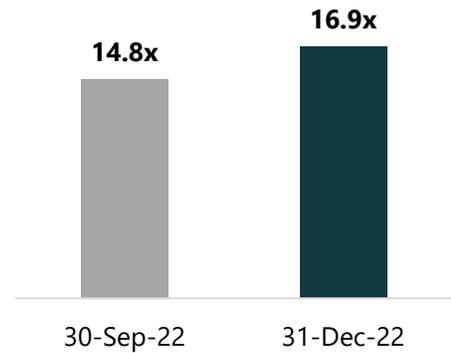


## VALUATION HIGHLIGHTS<sup>1</sup>

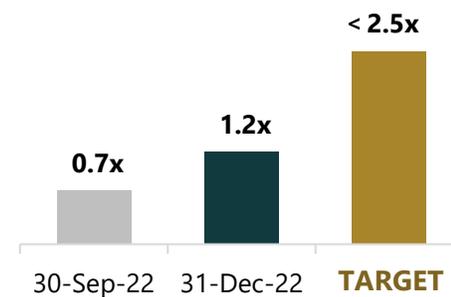
GEL million, unless noted otherwise

	31-Dec-22	30-Sep-22	Change	31-Dec-21	Change
Enterprise value	218.2	194.8	23.4	139.9	78.4
EBITDA <sup>3</sup>	12.9	13.2	(0.3)	11.2	1.7
Implied EV/EBITDA multiple	16.9x	14.8x	2.1x	12.5x	4.4x
Net debt	(16.3)	(7.4)	(8.9)	(8.4)	(7.9)
Investments at cost	16.3	27.1	(10.8)	34.9	(18.6)
Total equity value of GCAP's share	164.2	163.4	0.8	129.8	34.4

## LTM EV/EBITDA DEVELOPMENT



## NET DEBT TO EBITDA



# CLINICS & DIAGNOSTICS BUSINESS OPERATING PERFORMANCE OVERVIEW

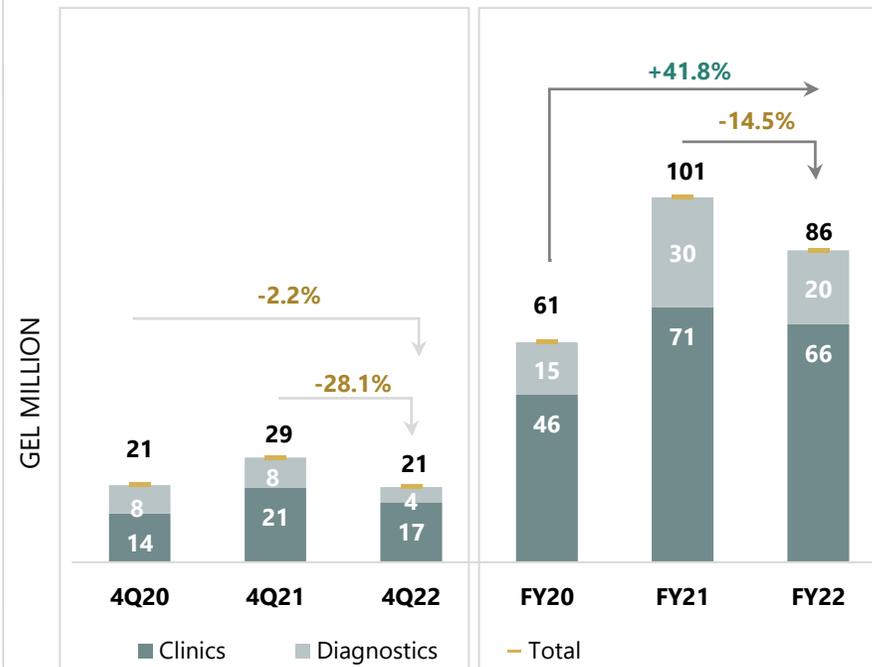


## CLINICS & DIAGNOSTICS

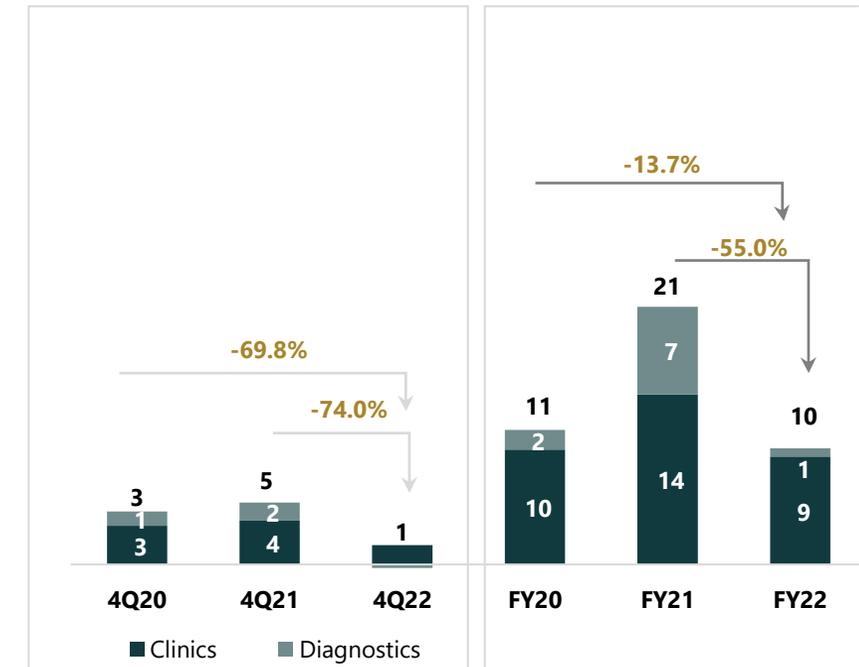
### KEY DRIVERS

- Similar to the hospitals business, our clinics business was also impacted by the suspension of COVID contracts by the Government.
- Substantially lower COVID cases during the quarter resulted in a significant decrease in diagnostics business revenues and EBITDA.
- The business is showing initial signs of rebound with a 26.9% and 63.8% y-o-y increase in the revenues from non-COVID related services at our polyclinics and community clinics, respectively, in 4Q22. At our diagnostics business, revenues from regular lab tests increased by 8.6% y-o-y in 4Q22.

### REVENUE DEVELOPMENT<sup>2</sup>



### EBITDA<sup>1</sup> DEVELOPMENT



### KEY OPERATING HIGHLIGHTS

	4Q21	vs.	4Q22	Change y-o-y	FY21	vs.	FY22	Change y-o-y
<b>Clinics</b>								
Number of admissions ('000)	708.8		552.9	-22.0%	2,401.2		2,172.7	-9.5%
Number of registered patients ('000)	589		616	+4.6%	589		616	+4.6%
<b>Diagnostics</b>								
Average revenue per non-covid test (GEL)	6.6		6.5	-1.6%	6.7		6.6	-1.4%
Number of non-covid tests performed ('000)	550		607	+10.4%	2,079		2,174	+4.5%

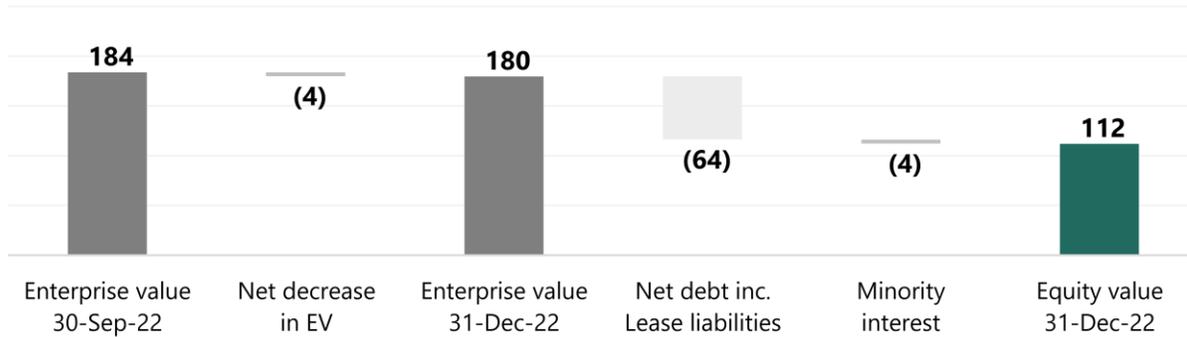


# CLINICS & DIAGNOSTICS BUSINESS VALUATION OVERVIEW

## VALUE DEVELOPMENT OVERVIEW | 4Q22

(GEL MILLION)

Change q-o-q -2.2% +0.7% +9.4% -4.1%



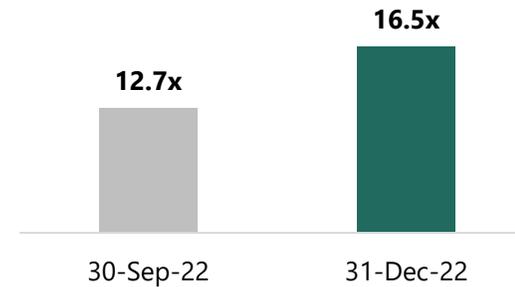
## VALUATION HIGHLIGHTS<sup>1</sup>

GEL million, unless noted otherwise

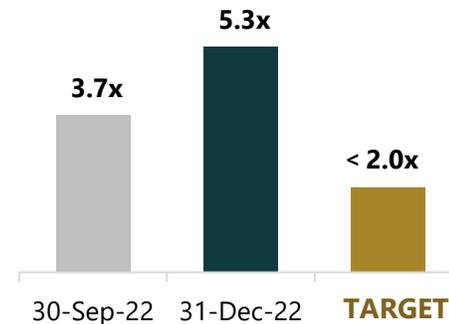
	31-Dec-22	30-Sep-22	Change	31-Dec-21	Change
Enterprise value	179.9	183.9	(4.0)	211.6	(31.7)
LTM EBITDA	10.9	14.5	(3.6)	22.3	(11.4)
Implied EV/EBITDA multiple	16.5x	12.7x	3.8x	9.5x	7.0x
Net debt incl. lease liabilities	(63.8)	(63.3)	(0.5)	(48.1)	(15.7)
Equity value of GCAP's share	112.2	117.0	(4.8)	158.0	(45.8)

## IMPLIED LTM EV/EBITDA DEVELOPMENT

(incl. IFRS 16)



## NET DEBT TO EBITDA



Georgia Capital PLC | 1. The independent valuations of the large and investment portfolio companies are performed on a semi-annual basis. In 4Q22, our private large and investment portfolio companies were valued externally by a third-party independent valuation firm.

# DELEVERAGING ACROSS OUR PRIVATE PORTFOLIO



**AGGREGATED LEVERAGE  
ACROSS OUR PRIVATE LARGE  
AND INVESTMENT STAGE  
PORTFOLIO COMPANIES AT  
2.6x AS OF 31-DEC-22**

ADJUSTED NET DEBT/EBITDA	30-SEP-22	CHANGE	31-DEC-22	TARGET (OVER THE CYCLE)
<b>LARGE PORTFOLIO COMPANIES</b>				
Retail (pharmacy) <sup>1</sup>	1.7x	-0.1x	1.6x	Up to 1.5x
Hospitals	3.1x	+0.3x	3.4x	Up to 2.0x
Insurance (P&C and Medical)	No leverage	<i>NMF</i>	No leverage	No leverage
<b>INVESTMENT STAGE PORTFOLIO COMPANIES</b>				
Renewable Energy <sup>2</sup>	6.4x	0.0x	6.4x	Up to 6.0x
Education	0.7x	+0.5x	1.2x	Up to 2.5x
Clinics and Diagnostics	3.7x	+1.6x	5.3x	Up to 2.0x

# PRIVATE PORTFOLIO COMPANIES' DEBT MATURITY PROFILE



## GROSS DEBT MATURITY AS OF 31 DECEMBER 2022 (GEL MILLION)

	2023	2024	2025	2026+	Total
<b>Large portfolio companies</b>	<b>163.0</b>	<b>88.2</b>	<b>30.8</b>	<b>45.7</b>	<b>327.7</b>
Retail (pharmacy)	27.2	10.8	10.8	16.2	65.0
Hospitals	135.8	77.4	20.0	29.5	262.7
Medical Insurance	-	-	-	-	-
<b>Investment stage portfolio companies</b>	<b>24.3</b>	<b>13.2</b>	<b>12.2</b>	<b>233.4</b>	<b>283.1</b>
Renewable Energy	-	-	0.6	216.0	216.6
Education	4.1	4.3	2.7	11.2	22.3
Clinics and Diagnostics	20.2	8.9	8.9	6.2	44.2
<b>Other businesses</b>	<b>81.9</b>	<b>155.7</b>	<b>26.5</b>	<b>180.6</b>	<b>444.7</b>
<b>Total</b>	<b>269.2</b>	<b>257.1</b>	<b>69.5</b>	<b>459.7</b>	<b>1,055.5</b>

➤ Gross debt of other businesses includes a 2-year US\$ 35 million bonds issued by the housing development business in Oct-22.

# VALUATION PEER GROUP



## RETAIL (PHARMACY)

- NEUCA S.A. | Poland
- Sopharma Trading AD | Bulgaria
- S.C. Ropharma S.A. | Romania
- SALUS, Ljubljana, d. d. | Slovenia
- Great Tree Pharmacy Co., Ltd. | Taiwan
- Dis-Chem Pharmacies Limited | South Africa
- Clicks Group Limited | South Africa

## HOSPITALS

- Medcover AB (publ) | Sweden
- EMC Instytut Medyczny SAEMC SA | Poland
- Med Life S.A. | Romania
- Netcare Limited | South Africa
- Mediclinic International plc | South Africa
- MLP Saglik Hizmetleri A.S. | Turkey
- Life Healthcare Group Holdings Limited | South Africa

## P&C INSURANCE

- Dhipaya Insurance | Thailand
- Zavarovalnica Triglav | Slovenia
- Pozavarovalnica Sava | Slovenia
- Aksigorta | Turkey
- Anadolu Sigorta | Turkey
- Bao Minh Insurance | Vietnam
- Turkiye Sigorta | Turkey

## MEDICAL INSURANCE

- Powszechny Zaklad Ubezpieczen SA | Poland
- UNIQA Insurance Group AG | Austria
- Ageas SA/NV | Belgium

## EDUCATION

- SISB Public Company Limited | Thailand
- Curro Holdings Limited | South Africa
- Overseas Education Limited | Singapore
- Cairo For Investment & Real Estate Development S.A.E | Egypt
- Cogna Educação S.A. | Brazil
- Colegios Peruanos S.A. | Peru
- Educational Holding Group K.S.C.P | Kuwait
- ADvTECH Limited | South Africa

## CLINICS AND DIAGNOSTICS

- EMC Instytut Medyczny SA | Poland
- Med Life S.A. | Romania
- Mediclinic International plc | South Africa
- Medcover AB | Sweden
- Fleury S.A. | Brazil
- Instituto Hermes Pardini S.A. | Brazil

## RENEWABLE ENERGY\*

- BCPG Public Company Limited | Thailand
- ERG S.p.A | Italy
- Polenergia S.A. | Poland
- Terna Energy Societe Anonyme | Greece

\*This list of the renewable energy business peers is extracted from the larger peer group used in valuations by Kroll.

# FORWARD LOOKING STATEMENTS



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, certain of which are beyond our control, include, among other things: regional instability; impact of COVID-19; 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 could adversely affect our business and financial performance, which are contained elsewhere in this presentation and in our past and future filings and reports and also the 'Principal Risks and Uncertainties' included in the 1H22 Results Announcement and Georgia Capital PLC's Annual Report and Accounts 2021. 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.