



**JSC GEORGIA CAPITAL
US\$ 150 MILLION
SUSTAINABILITY-LINKED BONDS**

JULY 2023



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DOCUMENTS INCORPORATED BY REFERENCE

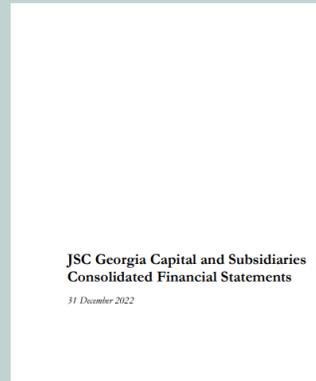


KEY DOCUMENTS RELATED TO THE SUSTAINABILITY-LINKED BOND ISSUANCE

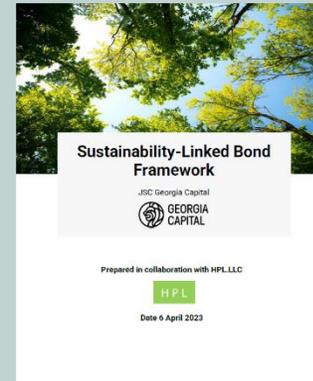
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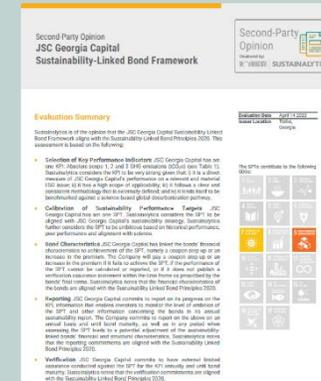
DRAFT PROSPECTUS



FINANCIAL STATEMENTS



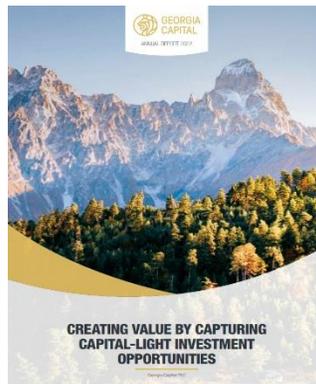
SLB FRAMEWORK



SECOND-PARTY OPINION

ADDITIONAL RESOURCES

(Links embedded)



ANNUAL REPORT 2022



SUSTAINABILITY REPORT 2022



WEBSITE



FINANCIAL RESULTS

CONTENTS



01 TRANSACTION HIGHLIGHTS

- *OFFERING TERMS*
- *TRANSACTION MILESTONES*

02 GEORGIA CAPITAL AT A GLANCE

03 FINANCIAL PERFORMANCE

04 ANNEX



INDICATIVE OFFERING TERMS

ISSUER	JSC Georgia Capital (JSC GCAP)
BONDS	Sustainability-Linked Bonds (verified by Sustainalytics)
ISSUE CURRENCY	US-Dollar (US\$)
OFFERING AMOUNT	US\$ 150,000,000
NOMINAL VALUE	US\$ 1,000
MIN. PLACEMENT LOT	1 bond
MATURITY	5 years, with redemption (call) options (see slide 10 for details)
COUPON RANGE	8.00-8.50% fixed coupon per annum (to be determined during the final book-building)
COUPON PAYMENT	Semi-annually
ISSUE DATE	August 3, 2023
ISSUE PRICE	100% of the principal amount (nominal value) of the Bonds Bond rating: Bonds are to be rated BB- from S&P
RATING	Issuer rating: <ul style="list-style-type: none">• B+ with positive CreditWatch from S&P• B+/ Stable from Moody's
USE OF PROCEEDS	a) 80% of the issuance amount - refinancing existing JSC GCAP Eurobond and b) 20% - general corporate purposes
GOVERNING LAW	Georgian Law
LISTING	Georgian Stock Exchange (GSE)
PLACEMENT AGENT	JSC Galt & Taggart & TBC Capital LLC
BONDHOLDER REPRESENTATIVE	Nodia, Urumashvili and Partners LLC

USE OF PROCEEDS

ROBUST LIQUIDITY AT GCAP, ENABLING THE REDUCTION IN THE GROSS DEBT BALANCE FROM US\$ 365 MILLION AS AT 31-DEC-21 TO US\$ 150 MILLION FOLLOWING THE LOCAL SUSTAINABILITY-LINKED BOND ISSUANCE¹

- As of the date of the Prospectus, the outstanding net amount of GCAP's Eurobond (net of the bonds kept in GCAP's treasury) is US\$ 216 million. Please see slides 16-17 for more details.
- The additional amount required to bring down the gross debt balance to US\$ 150 million, will be provided by GCAP from its liquid funds.



■ Eurobond redemption ■ General corporate purposes

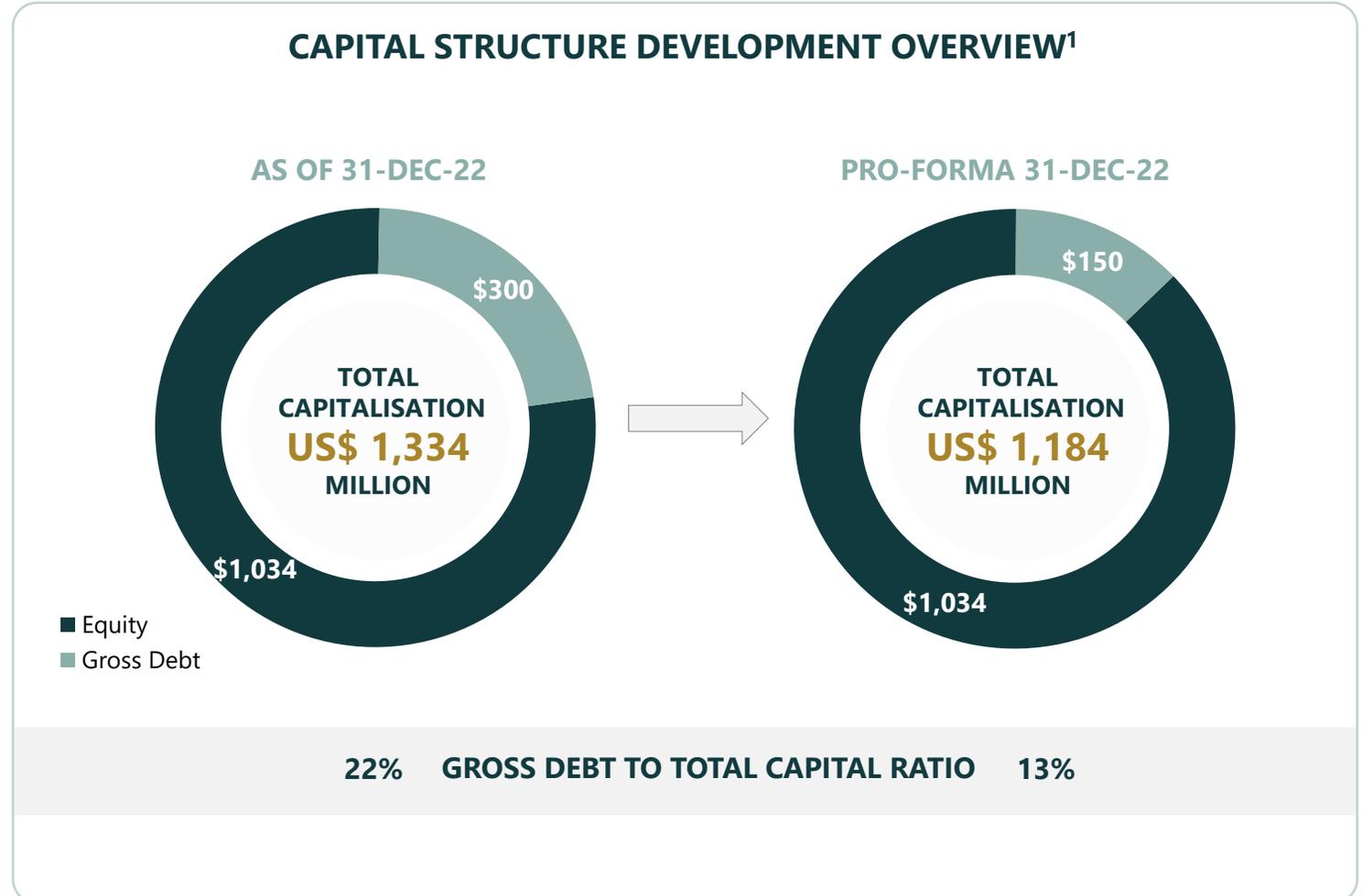
USE OF PROCEEDS

- **US\$ 120 million** will be used to redeem the issuer's existing Eurobond
- **US\$ c.30 million** will be earmarked for general corporate purposes

Georgia Capital | 1) It should be noted that Company intends to fully redeem remaining Eurobonds by the end of September 2023 in full. This will be executed in conjunction with the issuance of new bonds, by launching a parallel tender offer for the existing Eurobonds, with further tender offer or execution of the make whole option also being considered for the remaining Eurobonds, if needed. Besides the funds raised by local issuance, Eurobonds will be refinanced by liquid funds of the issuer. Upon completion of the aforementioned processes, the only remaining Indebtedness for the Georgia Capital will be the USD 150 million local bond.

CAPITAL STRUCTURE

**THE TRANSACTION HAS A
SIGNIFICANT POSITIVE IMPACT
ON GCAP'S CAPITAL STRUCTURE**

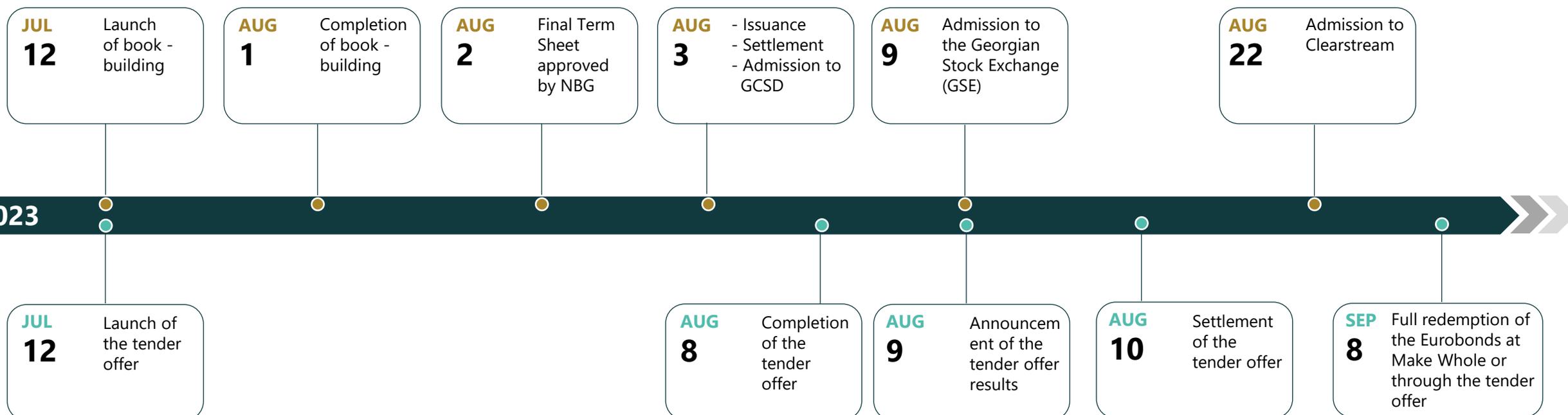


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INDICATIVE TIMELINE

- *IN CONJUNCTION WITH THE LOCAL SUSTAINABILITY-LINED BOND ISSUANCE, GCAP WILL LAUNCH A TENDER OFFER TO FACILITATE THE TRANSITION OF CURRENT EUROBOND HOLDERS INTO THE LOCAL BONDS*
- *THE ISSUER INTENDS TO GRANT TENDERING EUROBOND HOLDERS A PRIORITY ALLOCATION IN THE LOCAL BONDS*

TIMELINE OF THE LOCAL SUSTAINABILITY-LINKED BOND ISSUANCE



TIMELINE OF THE EUROBOND TENDER OFFER

KEY COVENANTS AND BONDHOLDER PROTECTION MECHANISMS

FINANCIAL COVENANTS

FINANCIAL COVENANT	COVENANT DESCRIPTION
Net Debt/Total Equity <= 45%	The Issuer shall not make or incur any Restricted Payment (certain dividend distributions, capital stock redemptions, etc.) and additional Indebtedness unless, after giving its effect, Net Debt/Total Equity covenant is maintained at 45% or less;
Restricted Payments <= 50% of Retained Earnings and Consolidated Net Profit	The issuer shall not make any dividend distribution, capital stock redemption or other Restricted Payment exceeding the sum 50% of Retained Earnings as of 31-Dec-22 and 50% of Consolidated Net Profit thereafter. Net Debt/Total Equity Covenant should be also maintained at all times of such distributions.
Interest Coverage >= 100%	The Issuer shall, at all times, maintain in Cash and Temporary Investments an amount equaling at least 100% of the accrued and due and payable on the Bonds on the next Interest Payment Date.
Limited Restrictions on Dividends from Material Subsidiaries	Dividend Payment or other distributions can be restricted only up to 50% of net profit of the Material Subsidiary

OTHER NON-FINANCIAL COVENANTS

- Negative Pledge
- Business Continuance
- Reorganization and M&A
- Disposals
- Tax Payments
- Maintenance of Property
- Maintenance of Insurance
- Compliance with the Legislation
- Financial and Regulatory Covenants
- Change of Business

REDEMPTION OPTIONS

DATES	REDEMPTION PRICE
Before 2 nd Anniversary	Optional Redemption at Make Whole
2 nd Anniversary	101.70%
3 rd Anniversary	100.70%
4 th Anniversary and after	100.00% (at par)

Redemption price will be increased by 0.30% if Sustainability Performance Targets are not met

CONTENTS



01 TRANSACTION HIGHLIGHTS

- **OFFERING TERMS**
- **TRANSACTION MILESTONES**

02 GEORGIA CAPITAL AT A GLANCE

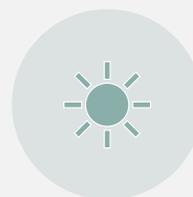
03 FINANCIAL PERFORMANCE

04 ANNEX

TRANSACTION MILESTONES



**CONTRIBUTE TO THE LOCAL
CAPITAL MARKET DEVELOPMENT**



**SUPPORT TO THE CLIMATE
CHANGE MITIGATION**



**SIGNIFICANTLY REDUCE
GCAP'S LEVERAGE**

DEVELOPMENT OF THE LOCAL CAPITAL MARKET



THE TRANSACTION MARKS A SIGNIFICANT MILESTONE FOR THE LOCAL CAPITAL MARKET, BEING THE LARGEST CORPORATE BOND OFFERING IN GEORGIA

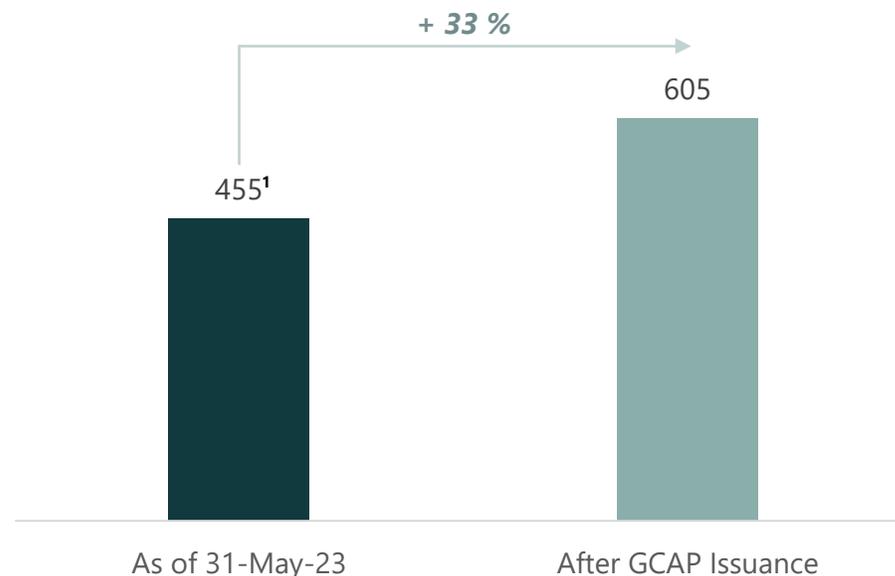
- ✓ Integration of Georgia into the EU necessitates the development of the capital market and the corresponding regulatory framework. Significant progress has been made in aligning securities legislation with the relevant EU framework.
- ✓ The development of the capital market will enhance access to long-term funding for Georgian corporates while offering appealing investment opportunities for both local and international investors.
- ✓ GCAP's local bond issuance is expected to be met with interest from the existing Eurobond investors, thereby attracting foreign investments into the local capital market.

CURRENTLY, GCAP'S PORTFOLIO COMPANIES HAVE A SOLID PRESENCE ON THE LOCAL CAPITAL MARKET, ACCOUNTING FOR APPROXIMATELY ONE-THIRD OF THE ISSUED CORPORATE DEBT SECURITIES.

CAPITALISING ON THE POSITIVE MOMENTUM IN MARKET DEVELOPMENT, GCAP INTENDS TO ACCESS THE LOCAL CAPITAL MARKET THROUGH THE LARGEST PUBLIC CORPORATE BOND PLACEMENT EVER WITNESSED IN GEORGIA.

FOLLOWING GCAP'S BOND ISSUANCE, THE TOTAL OUTSTANDING BALANCE OF THE LOCAL CORPORATE BONDS WILL INCREASE BY 33% FROM 31-MAY-23

OUTSTANDING BALANCES OF THE LOCAL CORPORATE BONDS (US\$ MILLION)



SOLID TRACK RECORD IN TAPPING DEBT CAPITAL MARKETS



c.US\$ 900 MILLION DEBT FINANCING SECURED FROM BOTH LOCAL AND INTERNATIONAL CAPITAL MARKETS SINCE 2018

INTERNATIONAL CAPITAL MARKET TRANSACTIONS

TOTAL: US\$ 615 MILLION

JSC GEORGIA CAPITAL



Amount: US\$ 65 million
Issue Date: Mar-21
Maturity: Mar-24

JSC GEORGIA GLOBAL UTILITIES



Amount: US\$ 250 million
Issue Date: Jul-20
Early Redemption: Sep-22

JSC GEORGIA CAPITAL



Amount: US\$ 300 million
Issue Date: Mar-18
Maturity: Mar-24

LOCAL CAPITAL MARKET TRANSACTIONS

TOTAL: US\$ 275 MILLION

JSC GEORGIAN RENEWABLE POWER OPERATIONS



Amount: US\$ 80 million
Issue Date: Oct-22
Maturity: Oct-27

JSC GEORGIA REAL ESTATE



Amount: US\$ 35 million
Issue Date: Oct-22
Maturity: Oct-24

JSC EVEX HOSPITALS



Amount: GEL 50 million
Issue Date: Nov-19
Maturity: Nov-24

JSC m2 REAL ESTATE



Amount: US\$ 35 million
Issue Date: Oct-19
Maturity: Oct-22

JSC m2 COMMERCIAL ASSETS



Amount: US\$ 30 million
Issue Date: Dec-18
Maturity: Dec-21

JSC m2 REAL ESTATE



Amount: US\$ 25 million
Issue Date: Oct-16
Maturity: Oct-19

JSC m2 REAL ESTATE



Amount: US\$ 20 million
Issue Date: Mar-15
Maturity: Mar-17

SECURING A SUSTAINABLE FUTURE

THROUGH THE ISSUANCE OF SUSTAINABILITY-LINKED BONDS, GCAP TARGETS TO DECREASE THE GROUP'S GREENHOUSE GAS EMISSIONS BY 20% BY 2027, MEASURED AGAINST THE 2022 BASELINE

GCAP HAS OBTAINED SECOND PARTY OPINION FROM SUSTAINALYTICS ON ITS SUSTAINABILITY-LINKED BOND FRAMEWORK, AFFIRMING THE ALIGNMENT WITH THE FIVE CORE COMPONENTS OF THE SUSTAINABILITY-LINKED BOND PRINCIPLES

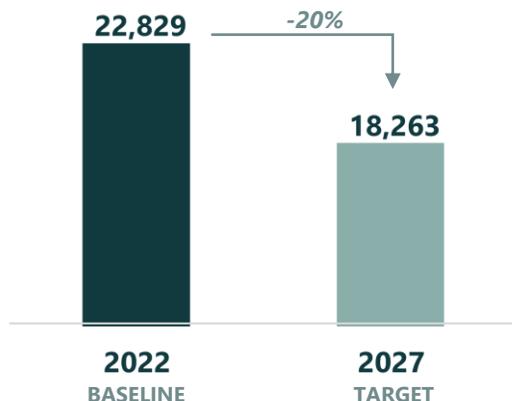
GCAP'S SUSTAINABILITY-LINKED FRAMEWORK OVERVIEW



01	KEY PERFORMANCE INDICATOR (KPI)	Absolute scope 1, 2 and 3 GHG emissions reduction	VERY STRONG
02	SUSTAINABILITY PERFORMANCE TARGET (SPT) ¹	Reduce absolute scope 1, 2 and 3 GHG emissions by 20% by 2027 compared to a 2022 baseline	AMBITIOUS
03	CHARACTERISTICS	Adjust coupon rate based on the progress against the KPI/SPT	ALIGNED
04	REPORTING	Disclose the performance towards the KPI/SPT on annual basis in Annual and Sustainability Reports	ALIGNED
05	VERIFICATION	GCAP commits to have external limited assurance conducted annually, until the bond maturity	ALIGNED

GCAP'S SUSTAINABILITY PERFORMANCE TARGET¹

GREENHOUSE GAS EMISSIONS (TCO₂E)



In line with GCAP's overarching commitment to reaching Net-Zero across the Group by 2050

GCAP's Sustainability Performance Target contributes to the following SDGs:





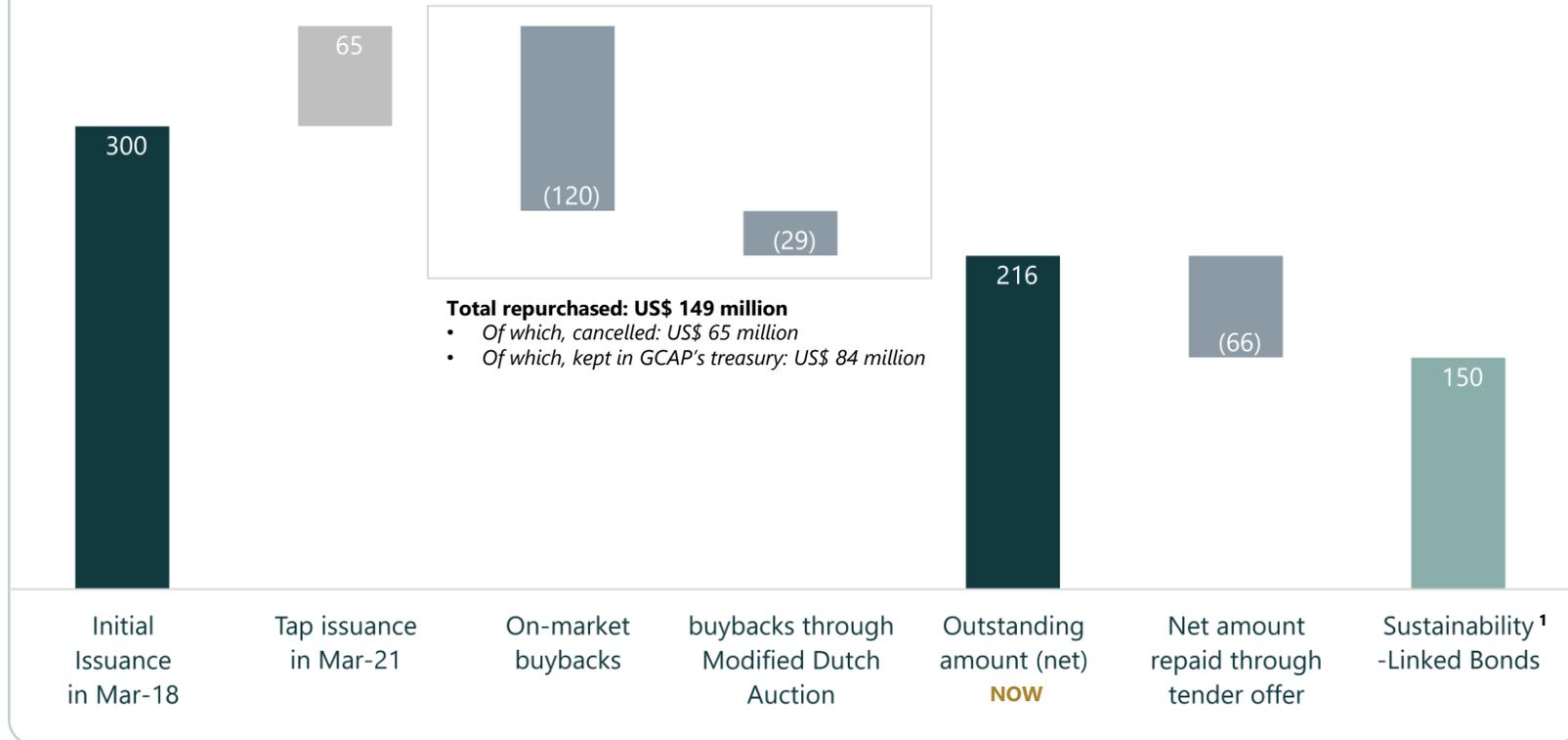
STRONG PROGRESS ON DELEVERAGING GCAP'S BALANCE SHEET



SIGNIFICANT REDUCTION IN THE GROSS DEBT BALANCE, IN LINE WITH GCAP'S DELEVERAGING STRATEGY

GCAP EUROBOND DEVELOPMENT OVERVIEW

(US\$ MILLION)



Georgia Capital | 1) After the full refinancing of the Eurobonds, the Issuer's only liability will be the new Sustainability Linked bond.



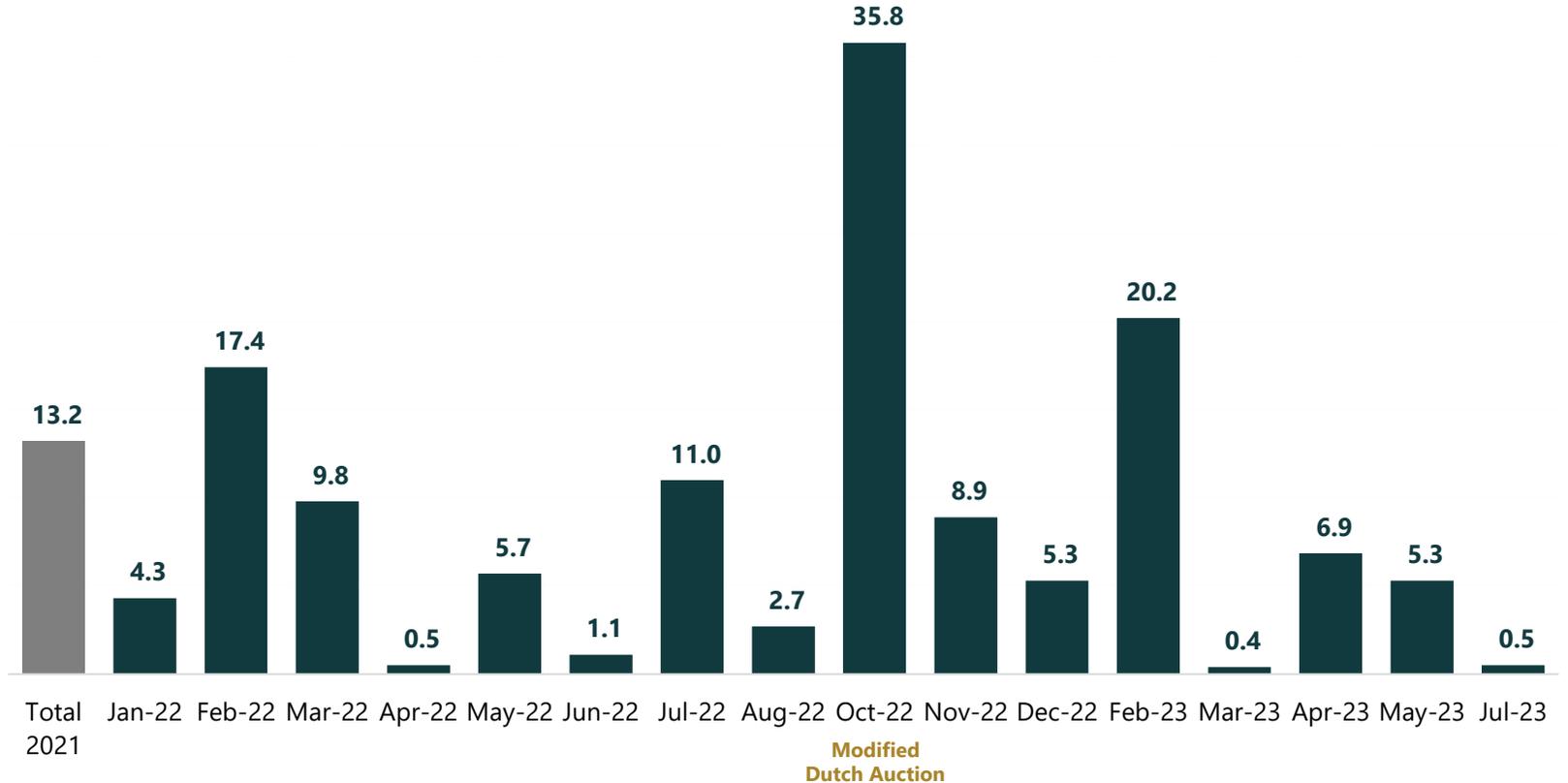
SIGNIFICANT EXPERIENCE IN MARKET MAKING



OVER THE EXISTENCE OF EUROBOND, GCAP HAS BEEN ACTIVELY ENGAGED IN ON-MARKET REPURCHASES

- As part of GCAP's deleveraging strategy, the Issuer intends to continue pursuing on-market buybacks. This approach aims to enhance liquidity of the local bonds.
- In addition, when deemed appropriate, GCAP may facilitate market making transactions.

EUROBOND BUYBACKS – MONTHLY BREAKDOWN (US\$ MILLION)¹



➤ * Georgia Capital | 1) Presented information is disclosed by the company on its website through its investor relation materials.

STRATEGIC INVESTOR BASE

STRONG INTEREST FOR PARTICIPATION FROM THE INTERNATIONAL FINANCIAL INSTITUTIONS

At the time of preparing the Prospectus, interested IFIs¹ are:



European Bank for
Reconstruction and
Development



International Finance
Corporation

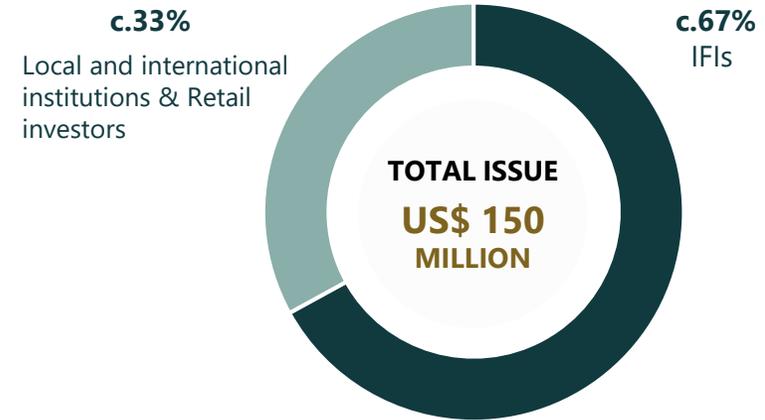


Asian Infrastructure
Investment Bank



Asian Development
Bank

INDICATIVE INVESTOR BASE



- EBRD also acted as a Strategic Investor in the Eurobond Issuance.
- Some of the existing Eurobond investors expressed interest to roll over into local bonds, given the notes will be admitted to Clearstream system.

Georgia Capital | 1) At the time of preparing the Prospectus, the Issuer is in discussions with certain development financial institutions and multi-lateral development banks (jointly, "IFI") with a view to entering into framework (investment) agreements pursuant to which each IFI may purchase Bonds, subject to certain conditions as described in each framework agreement. Among other things, the framework agreements will include the Issuer's undertaking to comply with each IFI's policy requirements relating to matters including, but not limited to, environmental and social matters, sanctions, anti money laundering, anti-corruption and fraud. Even if such framework agreements are entered into, none of the aforementioned IFIs is under an obligation to acquire any Bonds.

CONTENTS



01 TRANSACTION HIGHLIGHTS

02 GEORGIA CAPITAL AT A GLANCE

03 FINANCIAL PERFORMANCE

04 ANNEX

OWNERSHIP STRUCTURE AS AT 31-DEC-22

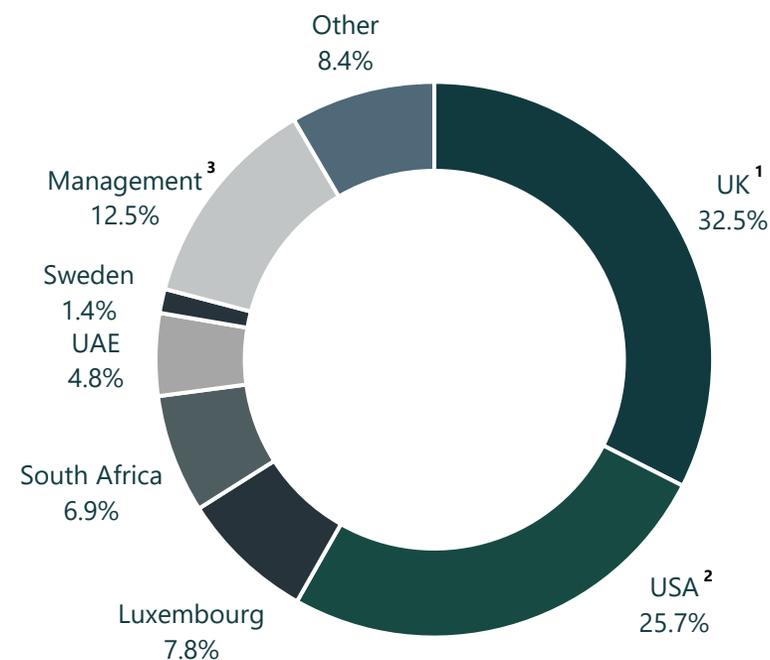


JSC GCAP IS WHOLLY OWNED BY GEORGIA CAPITAL PLC (GCAP PLC), LONDON STOCK EXCHANGE LISTED COMPANY WITH 100% FREE FLOAT AND STRONG MANAGEMENT BUY-IN

GCAP PLC TOP 10 SHAREHOLDERS

RANK	SHAREHOLDER NAME	OWNERSHIP
1.	Management & Management Trust ⁴	12.51%
2.	Gemsstock Ltd	10.67%
3.	Allan Gray Ltd	6.63%
4.	Coeli Frontier Markets AB	4.65%
5.	Lazard Asset Management LLC	4.07%
6.	BlackRock Investment Management (UK)	3.43%
7.	RWC	3.09%
8.	GLG Partners LP	2.83%
9.	Firebird Management LLC	2.76%
10.	Schroder Investment Management Ltd	2.69%
	Total	53.33%

GCAP PLC SHAREHOLDERS ALLOCATION BY GEOGRAPHY



➤ For most recent ownership structure, please refer to our webpage: <https://georgiacapital.ge/about/investors>

Georgia Capital PLC | 1. UK also includes Channel Islands. 2. USA also includes Cayman Islands. 3. Management shares include vested and unvested awarded shares and unawarded shares for management. 4. Management & Management Trust includes shares directly held by the management (3.8%), shares held by the trust (4.9%) and unvested shares for the management (3.8%).

OUR PORTFOLIO OVERVIEW AS AT 31-DEC-22

LISTED AND OBSERVABLE PORTFOLIO

Value: GEL 985m
31% of the total portfolio value

BANK OF GEORGIA

Value: GEL 830m (26.0%)

WATER UTILITY

Value: GEL 155m (4.8%)

PRIVATE PORTFOLIO - CONTROLLING STAKES IN MARKET-LEADING GEORGIAN BRANDS

Value: GEL 2,213m
69% of the total portfolio value

LARGE PORTFOLIO COMPANIES

RETAIL (PHARMACY)

Value: GEL 725m (22.7%)

HOSPITALS

Value: GEL 433m (13.5%)

INSURANCE (P&C AND MEDICAL)

Value: GEL 280m (8.8%)

INVESTMENT STAGE PORTFOLIO COMPANIES

RENEWABLE ENERGY

Value: GEL 225m (7.0%)

EDUCATION

Value: GEL 164m (5.1%)

CLINICS AND DIAGNOSTICS

Value: GEL 112m (3.5%)

OTHER BUSINESSES

Value: GEL 274m (8.6%)



OUR STRATEGY

01

INVESTING IN CAPITAL-LIGHT OPPORTUNITIES ONLY



02

OUR ROBUST CAPITAL MANAGEMENT FRAMEWORK



03

ESG AT THE CORE OF OUR STRATEGY



OUR INVESTMENT STRATEGY

GCAP INVESTS IN CAPITAL-LIGHT, LARGE OPPORTUNITIES, WHICH HAVE A POTENTIAL TO BECOME GEL 300 MLN+ IN EQUITY VALUE OVER 3-5 YEARS

THE CYCLE OF GCAP'S STRATEGY

Invest Our key strategic principle is to develop or buy capital-light businesses at affordable prices.

Grow GCAP helps the portfolio companies institutionalise their management, enhance their governance and grow them into mature businesses that can further develop largely on their own, either with continued oversight or independently.

Monetise As investments mature, GCAP intends to realise proceeds through exits at attractive prices.

**INVEST IN CAPITAL-LIGHT
LARGE OPPORTUNITIES
IN GEORGIA**



**GROW BUSINESSES TO EQUITY
VALUE OF GEL 300 MLN+**

MONETISE



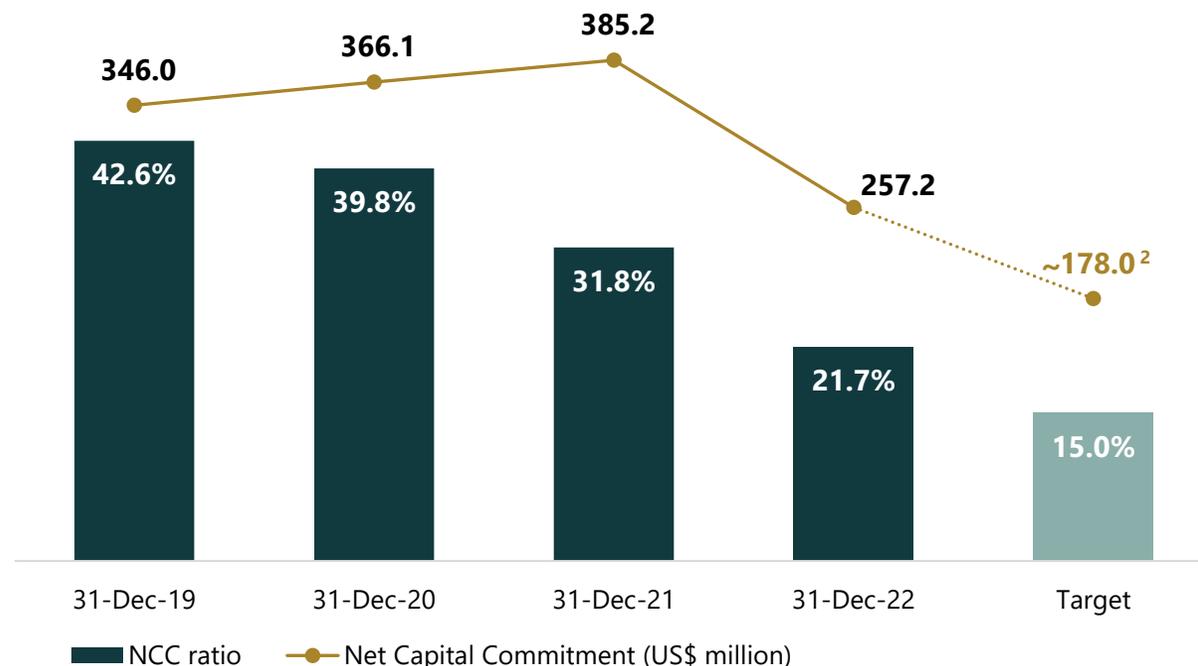
OUR CAPITAL MANAGEMENT FRAMEWORK



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

US\$ MILLION	31-DEC-22
Cash and liquid funds	94.1
Loans issued	9.9
Gross debt	(252.1)
Net debt (1)	(148.1)
Guarantees issued (2)	(6.8)
Net debt and guarantees issued (3)=(1)+(2)	(154.9)
Planned investments (4)	(52.3)
<i>of which, planned investments in Renewable Energy</i>	<i>(30.1)</i>
<i>of which, planned investments in Education</i>	<i>(22.3)</i>
Announced Buybacks (5)	-
Contingency/liquidity buffer (6)	(50.0)
Total planned investments, announced buybacks and contingency/liquidity buffer (7)=(4)+(5)+(6)	(102.3)
Net capital commitment (3)+(7)	(257.2)
Portfolio value	1,183.8
NCC ratio	21.7%

NCC AND NCC RATIO DEVELOPMENT OVERVIEW¹



OUR TARGET IS TO BRING DOWN THE NCC RATIO BELOW 15% BY DEC-25

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 March 2023.

CORE STRATEGY ENABLERS

THREE FUNDAMENTAL ENABLERS:

- 01** Superior corporate governance
- 02** Access to management
- 03** Access to capital



THREE FUNDAMENTAL ENABLERS



**STRONG
CORPORATE
GOVERNANCE**



**ACCESS TO
MANAGEMENT**



ACCESS TO CAPITAL

OUR ROBUST CORPORATE GOVERNANCE FRAMEWORK



SUPERVISORY BOARD COMPOSITION



IRAKLI GILAURI, CEO & DEPUTY CHAIRMAN

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



MASSIMO GESUA'SIVE SALVADORI, MEMBER OF THE SUPERVISORY BOARD

Experience: Currently an analyst at Brook asset management, formerly with McKinsey & Company for over 9 years



DAVID MORRISON, CHAIRMAN

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



NEIL JANIN, POTENTIAL MEMBER OF SUPERVISORY BOARD¹

Experience: Neil Janin is currently not a member of the Supervisory Board of the Issuer, Georgia Capital JSC, although he is expected to be elected as a member of this Board in 2023. Formerly Chair and Non-Executive Director of BGEO Group, Non-Executive Director of GHG, Director of McKinsey & Company for over 27 years.



MARIA CHATTI-GAUTIER, MEMBER OF THE SUPERVISORY BOARD

Experience: Over 25 years of experience in private equity in prominent financial institutions. Currently Senior Advisor of Trail Management

Georgia Capital PLC | 1. Neil Janin is not currently a member of the Supervisory Board of the Issuer, Georgia Capital JSC. However, he is expected to be elected as a member of the Supervisory Board in 2023. He currently serves as a member of the Remuneration and Nomination Committees. The Issuer follows the Supervisory Board's structure of its parent company – Georgia Capital PLC, where Mr. Janin was appointed as an independent non-executive director of the board in May 2023.

GCAP'S HIGHLY EXPERIENCED MANAGEMENT TEAM



IRAKLI GILAURI, CEO & DEPUTY CHAIRMAN

Irakli Gilauri formerly served as the CEO of BGEO Group from 2011 to May 2018. He joined as CFO of Bank of Georgia in 2004 and was appointed as Chairman of the Bank in September 2015, having previously served as CEO of the Bank since May 2006. Prior, he was an EBRD (European Bank for Reconstruction and Development) banker. Mr Gilauri has up to 20 years of experience in banking, investment and finance. 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 MSc in banking from Cass Business School and a certificate in winemaking from the University of California, Davis.



AVTO NAMICHEISHVILI, DEPUTY CEO

In addition to his deputy CEO role at JSC Georgia Capital, Avto also serves as a chairman of the Group's renewable energy, beverages, housing development and hospitality businesses. Formerly he was BGEO Group General Counsel. He was General Counsel of the Bank of Georgia from 2007 to 2018 and has 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, he was a Partner at a leading Georgian law firm. Holds LLM in an international business law from Central European University, Hungary.



IRAKLI GOGIA, PORTFOLIO MANAGER

CEO at Retail (Pharmacy), Hospitals, Medical Insurance and Clinics and Diagnostics businesses. Formerly Deputy CEO, Finance at GHG. Prior to that Irakli was a deputy chairman of the supervisory board of Evex Medical Corporation and Insurance Company Imedi L. He has ten years of experience in the financial industry. Previously, served as CFO of Insurance Company Aldagi and Liberty Consumer, prior to which he was a senior auditor at Ernst & Young and Deloitte. Holds a Bachelor of Business Administration degree from the European School of Management in Tbilisi.



GIORGI ALPAIDZE, DEPUTY CEO, 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. Holds a BBA from the European School of Management in Georgia. US Certified Public Accountant.



IA GABUNIA, CHIEF STRATEGY OFFICER

Formerly Investment Director at Georgia Capital. Joined BGEO as an Investment Director in 2017. Ia has over ten years of experience in banking and investment management. Prior to joining BGEO Ia served as Head of Corporate Banking at Bank Republic, Société Générale Group. Previously, she held numerous executive positions in leading Georgian companies. Ia holds a BSc degree from London School of Economics and Political Science, UK.



GIORGI KETILADZE, MANAGING DIRECTOR, INVESTMENTS

Formerly Investment Officer at BGEO Group. Joined BGEO in 2017. Previously, worked at Deutsche Bank in Corporate Finance department and at KPMG consulting in Germany. Giorgi holds a master's degree from London Business School.



NINO VAKHVAKHISHVILI, CHIEF ECONOMIST

Joined Georgia Capital in 2018. Nino is an IMF's Short-term Expert and visiting lecturer at the University of Georgia. Before joining the company, she spent over five years at the National Bank of Georgia. Holds a master's degree in economics from ISET.



LEVAN DADIANI, GENERAL COUNSEL

Formerly Senior Group Lawyer at BGEO Group. Joined BGEO in 2012. Levan has an extensive experience in commercial law, equity investments, corporate and project financing and energy projects. Previously, he was a Partner at a leading Georgian law firm. Holds an LLM degree in International Business Law from University of Texas at Austin, USA.



OUR STRATEGIC PRIORITIES



**DELEVERAGING GCAP HOLDCO BY BRINGING DOWN
THE NCC RATIO BELOW 15%**

**REDUCE AND MAINTAIN PORTFOLIO COMPANIES'
LEVERAGE TO RESPECTIVE TARGETED LEVELS**



**ACHIEVE ESG TARGETS AT BOTH GCAP HOLDCO AND
PORTFOLIO COMPANY LEVELS**



**CONTINUED PROGRESS ON THE DIVESTMENT
OF "OTHER" PORTFOLIO COMPANIES**

CONTENTS



01 TRANSACTION HIGHLIGHTS

02 GEORGIA CAPITAL AT A GLANCE

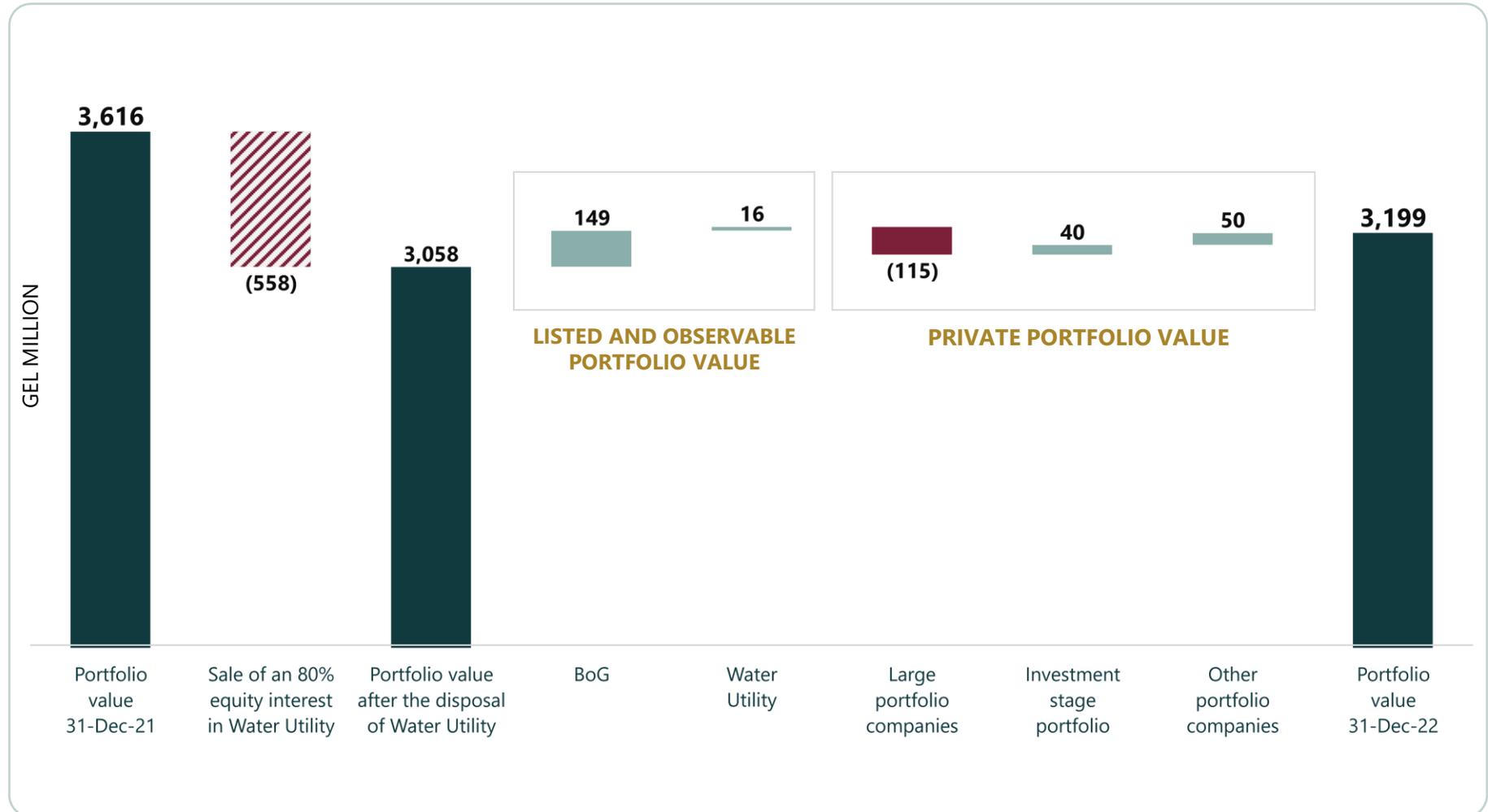
03 FINANCIAL PERFORMANCE

04 ANNEX

PORTFOLIO VALUE DEVELOPMENT IN 2022

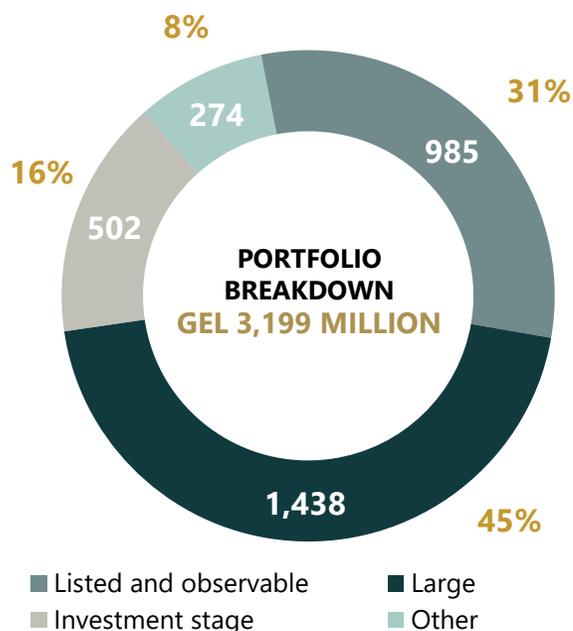
PORTFOLIO VALUE DOWN 11.5% TO GEL 3.2 BILLION IN 2022, REFLECTING THE SALE OF AN 80% INTEREST IN THE WATER UTILITY BUSINESS

- In 2022, GCAP completed the sale of an 80% equity interest in the water utility business to an international strategic investor for a cash consideration of US\$ 180 million.
- The value of GCAP's holding in BoG was up by GEL 149 million, reflecting a 56.2% increase in BoG's share price in FY22.
- The value of the large portfolio companies was down by GEL 115 million in FY22, predominantly resulting from the gradual organic return to a pre-pandemic environment for our healthcare businesses, as described on Slide 35.

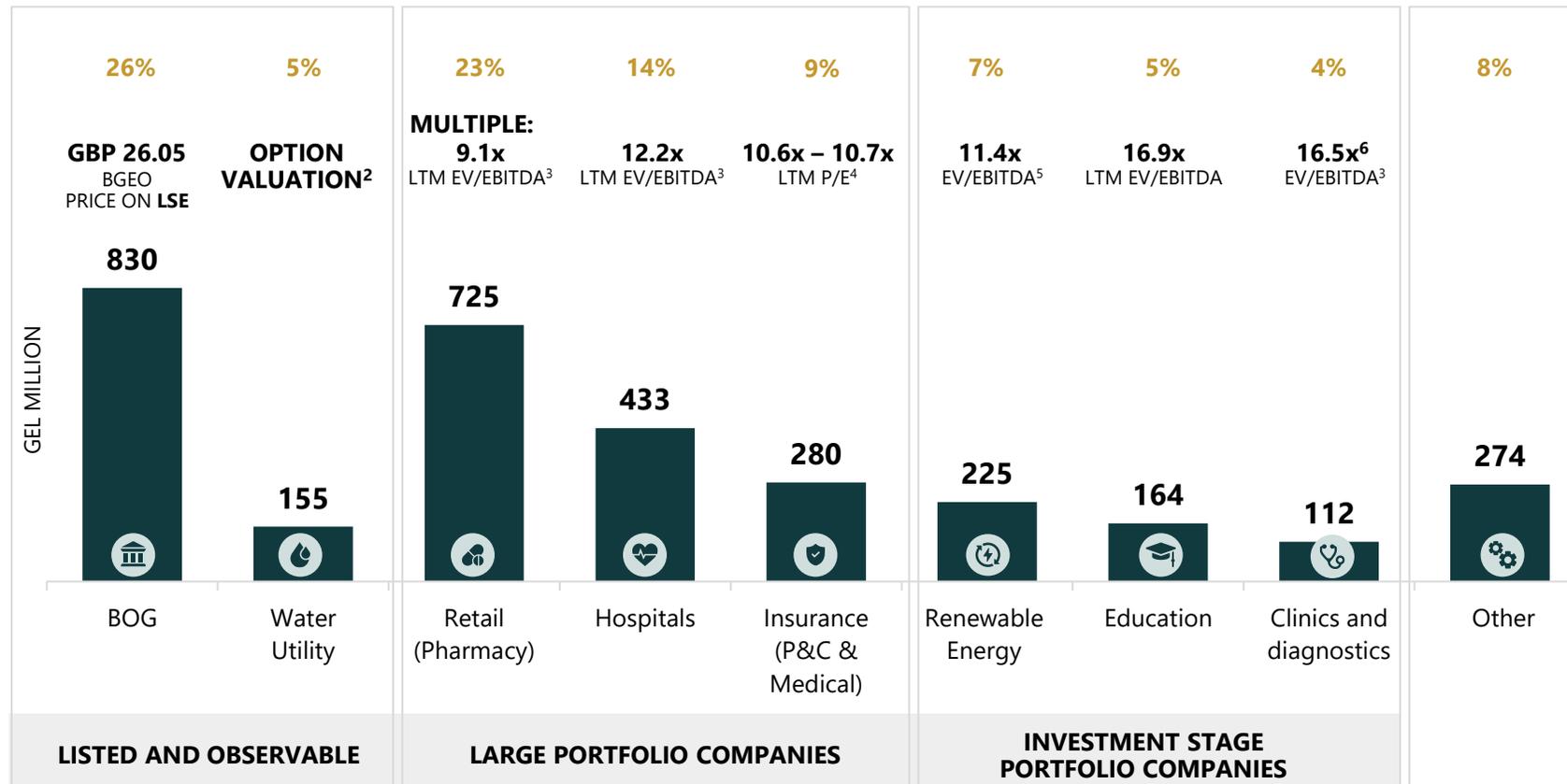


PORTFOLIO VALUE AS OF 31-DEC-22

91% OF OUR PORTFOLIO IS VALUED EXTERNALLY¹



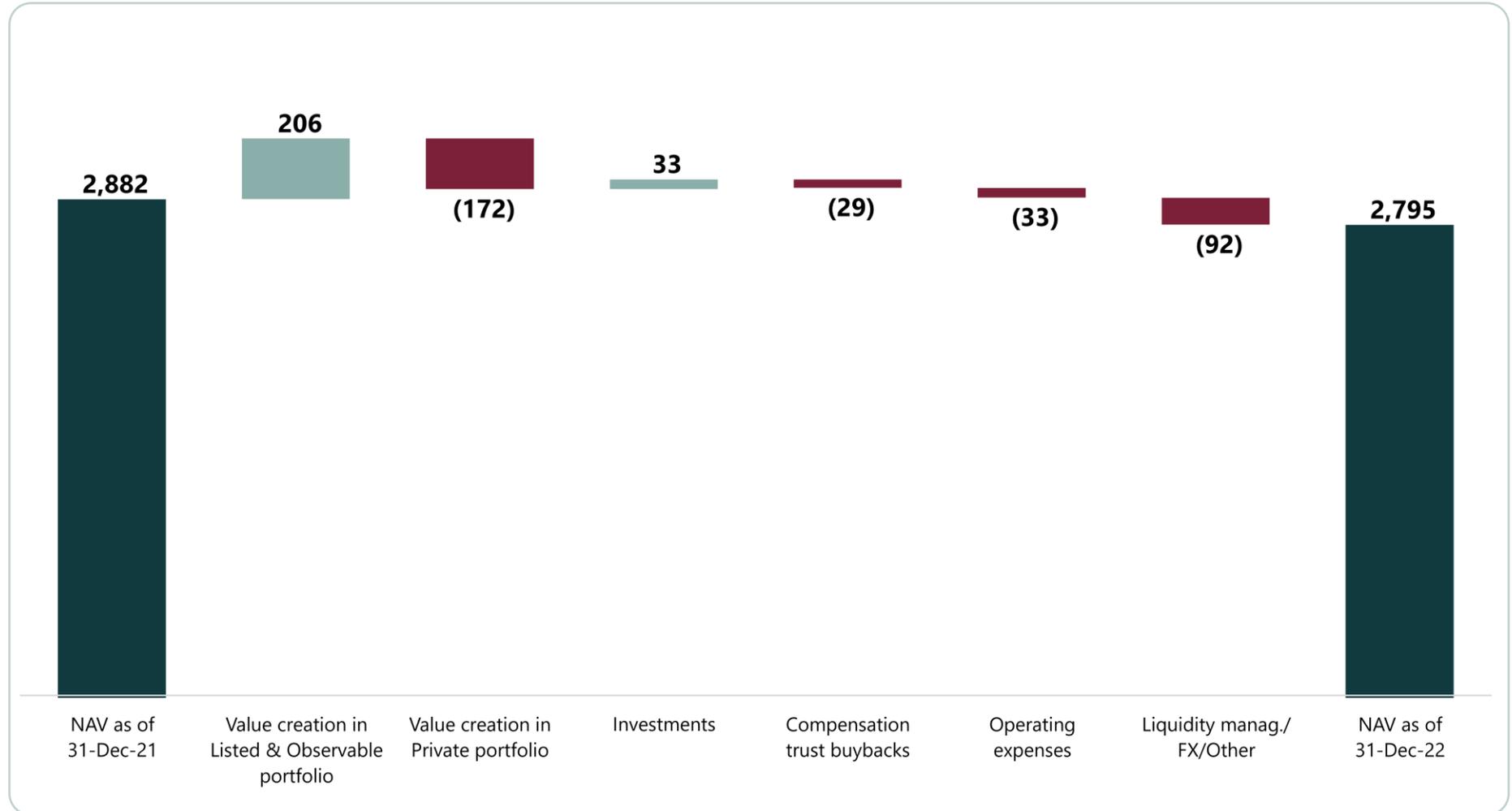
% SHARE IN TOTAL PORTFOLIO VALUE:



NAV DEVELOPMENT IN 2022

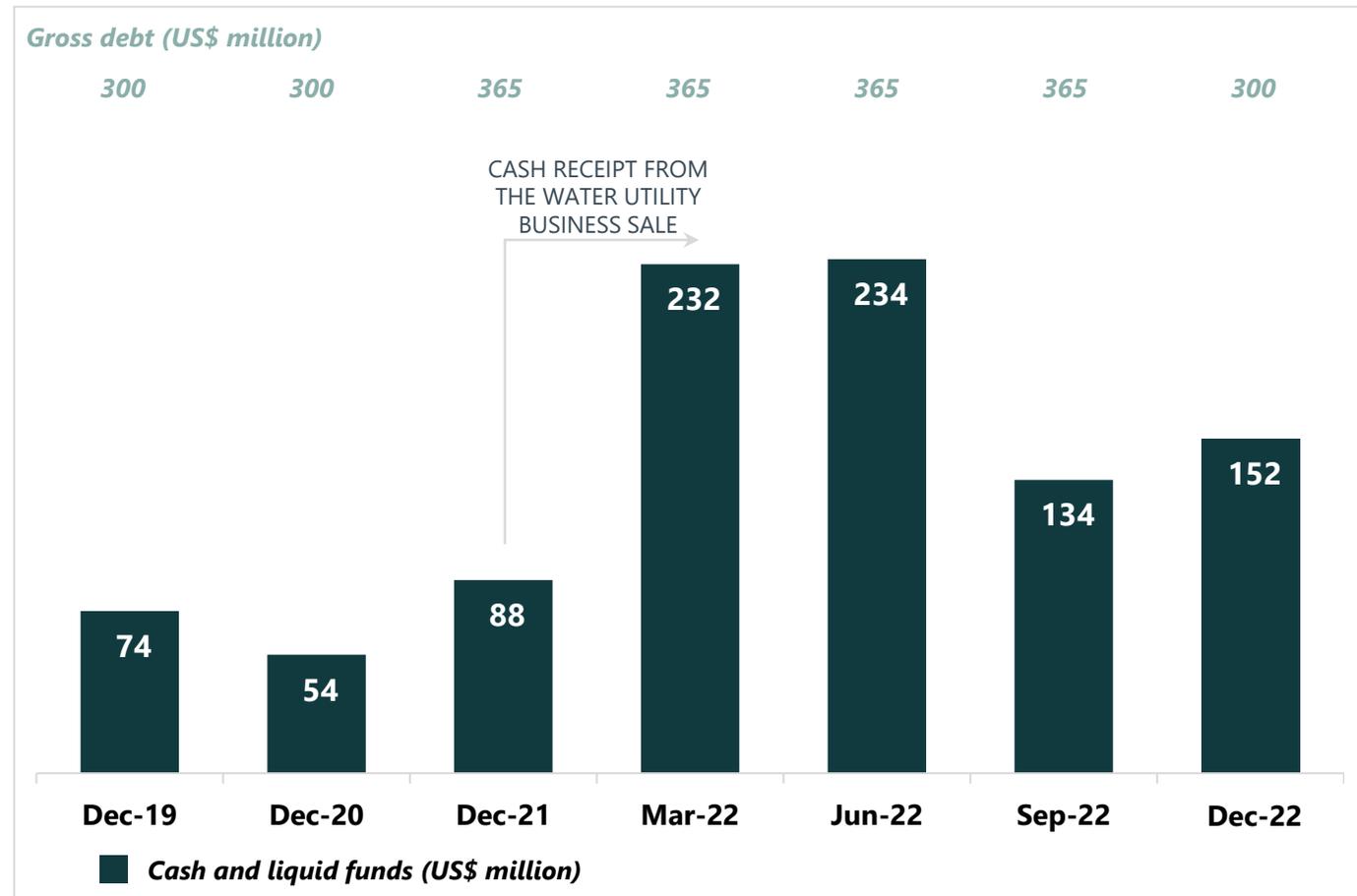


NAV DOWN BY 3.0%
IN 2022



LIQUIDITY OUTLOOK

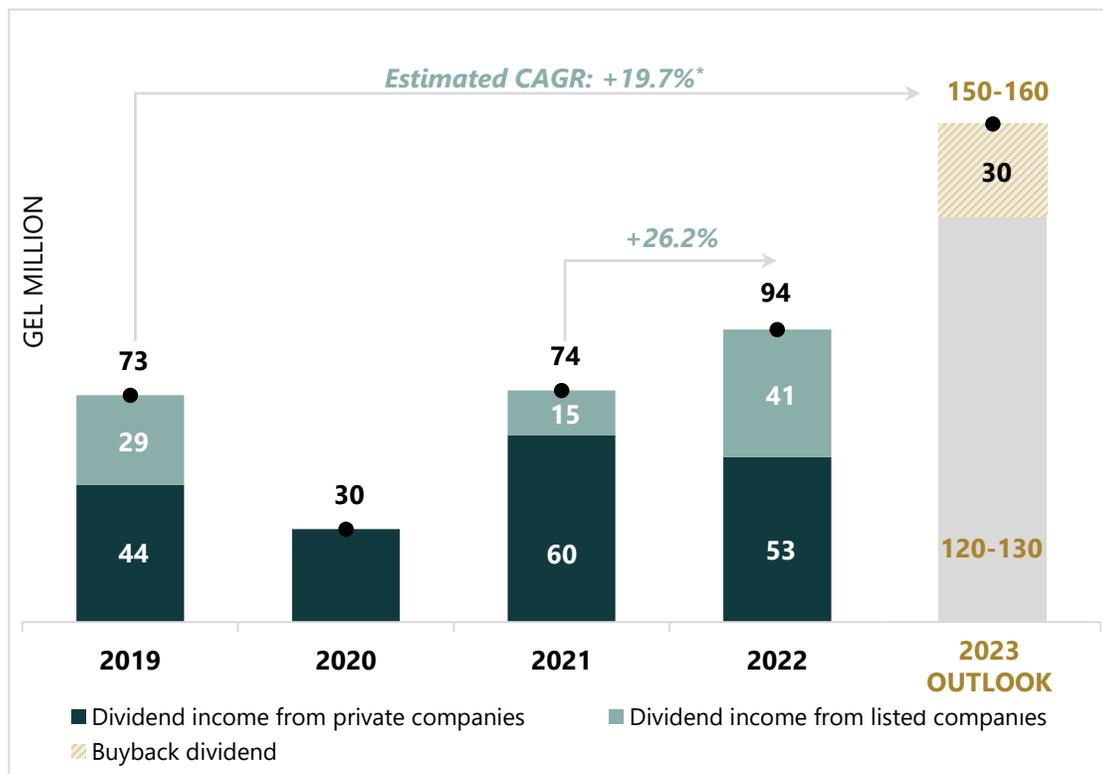
LIQUIDITY DEVELOPMENT OVERVIEW



**ROBUST CASH AND LIQUID FUNDS BALANCE AT GCAP,
SUPPORTED BY STRONG DIVIDEND INFLOWS FROM OUR
NON-CYCLICAL, HIGH-QUALITY ASSETS**

DIVIDEND INCOME OUTLOOK

CASH DIVIDEND INCOME FROM PORTFOLIO COMPANIES



IN ADDITION TO THE RECURRING DIVIDENDS, GCAP RECEIVED A ONE-OFF NON-RECURRING INFLOW OF GEL 55 MILLION IN 2023:

- 1) GEL 29 million from the participation in BOG's 2022 buybacks;
- 2) One-off additional dividend of c. GEL 26 million from the retail (pharmacy) business, following the minority buyout in 2Q23.

GEL 94 MILLION DIVIDEND INCOME IN 2022

DIVIDENDS INCOME (GEL million)	FY22	FY21
BOG	40.9	14.5
Retail (Pharmacy)	16.0	11.5
P&C Insurance	14.7	14.9
Hospitals	13.0	11.5
Renewable Energy	8.2	20.0
Medical Insurance	1.0	2.0
TOTAL	93.8	74.4

SOLID RECURRING DIVIDEND INCOME OUTLOOK IN 2023

150-160

GEL MILLION

OF WHICH, RECEIVED TO DATE:
GEL 112 MILLION

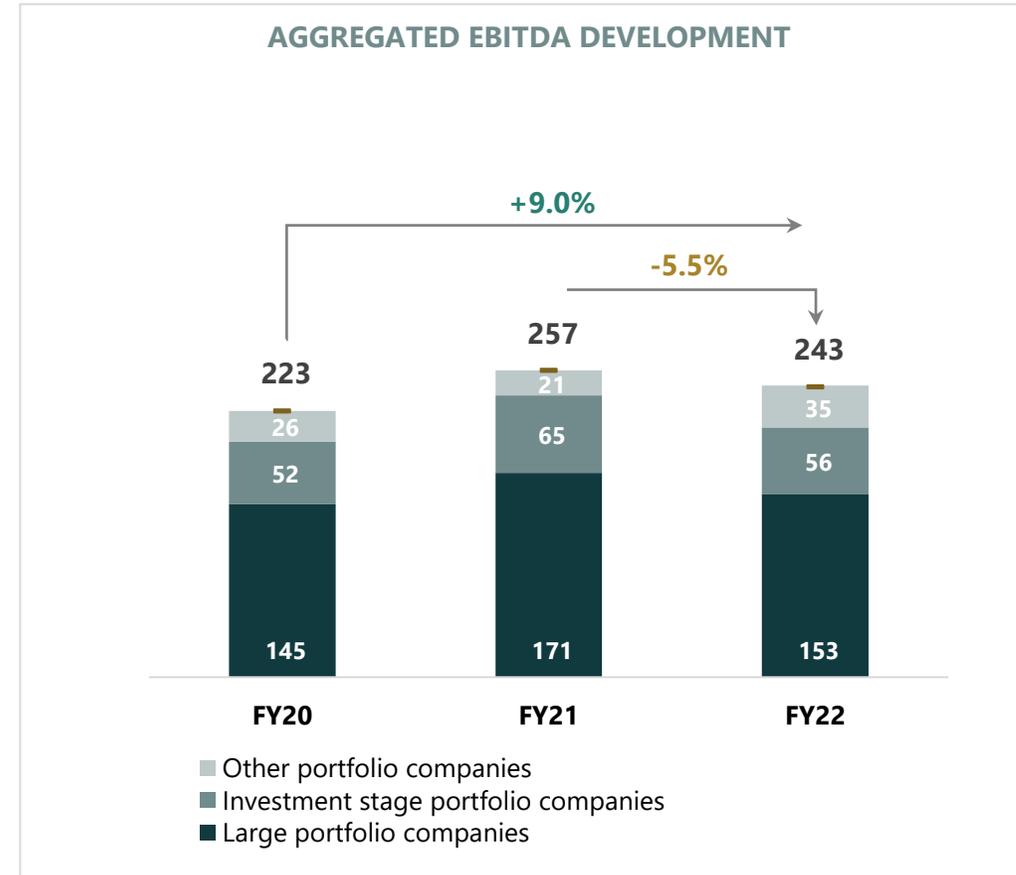
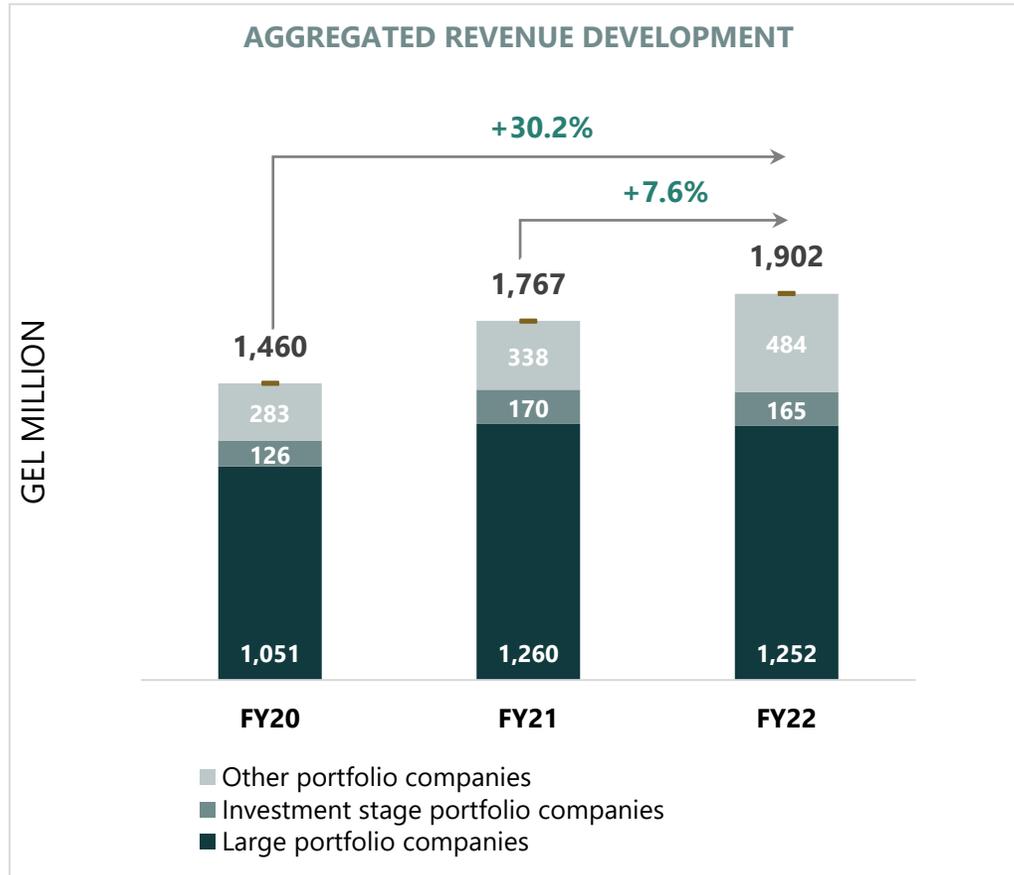
ADDITIONAL ONE-OFF INFLOWS IN 2023

55

GEL MILLION

OF WHICH, RECEIVED TO DATE:
GEL 49 MILLION

AGGREGATED REVENUE AND EBITDA DEVELOPMENT ACROSS PRIVATE PORTFOLIO



- As the COVID cases declined substantially in Georgia starting from 2022, the Government suspended the COVID contracts with healthcare facilities in mid-March 2022. Restructuring the cost base of COVID facilities, and phasing out from Government contracts, temporarily impacted the performance of our healthcare businesses in 2022 (Hospitals and Clinics & Diagnostics)
- Excluding Hospitals and Clinics & Diagnostics, the 2022 aggregated revenue and EBITDA were up by 13.2% and 11.9% y-o-y, respectively, in FY22

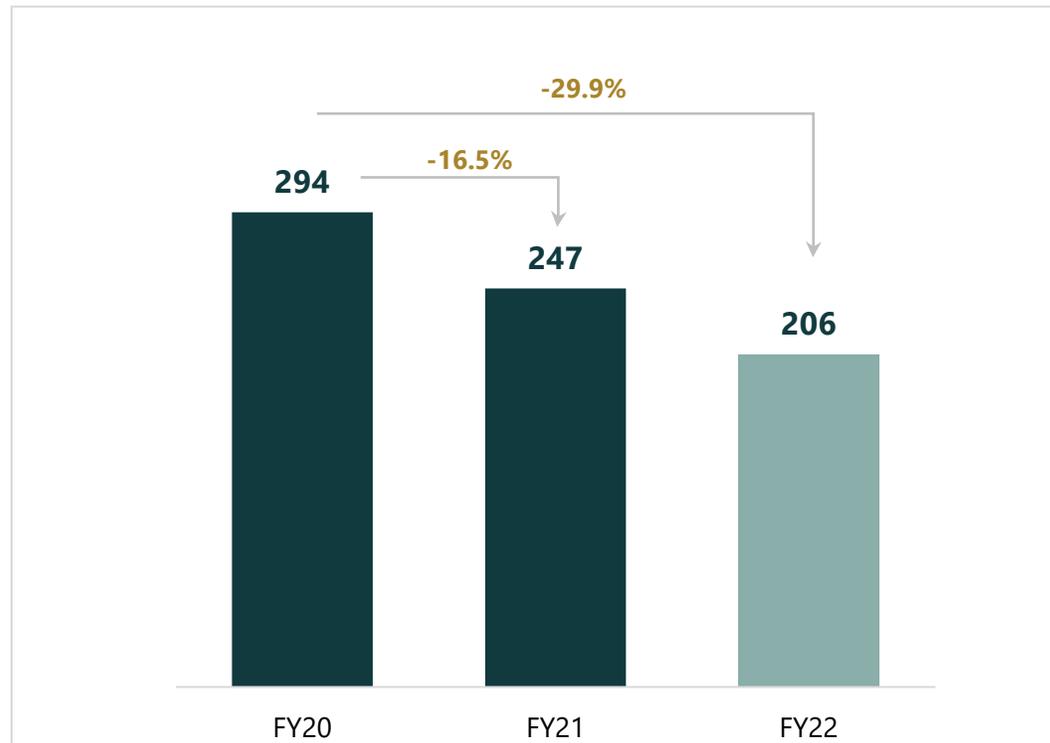
AGGREGATED CASH BALANCE & NET OPERATING CASH FLOW DEVELOPMENT ACROSS PRIVATE PORTFOLIO



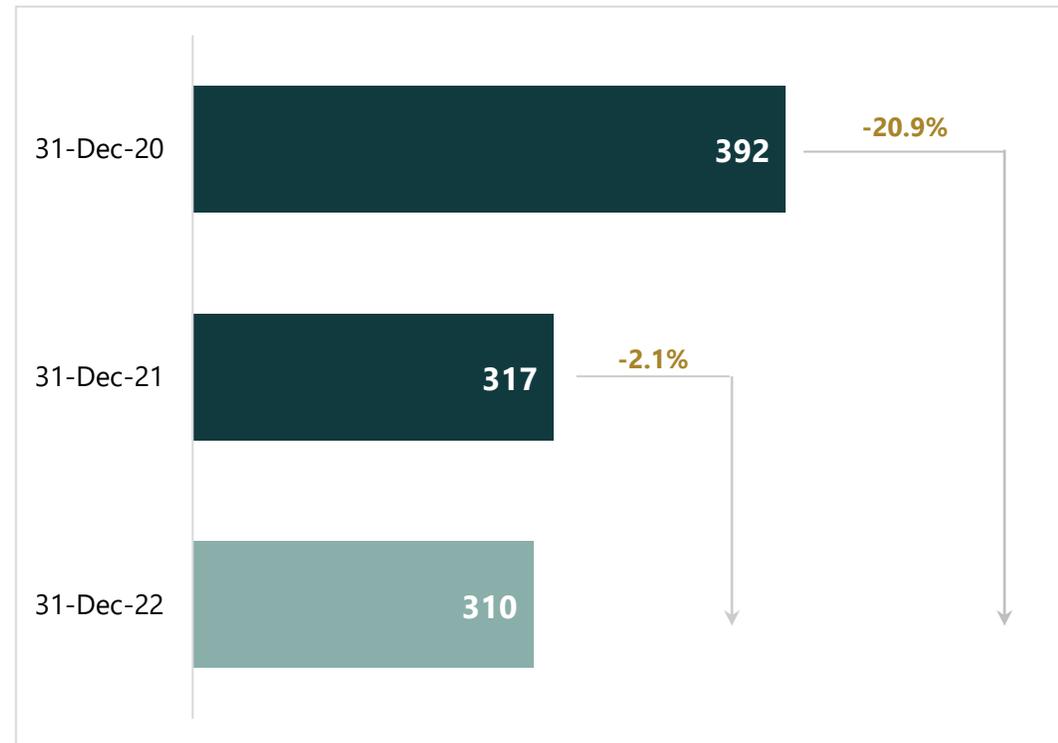
ORGANIC TRANSITION TO REVENUE GROWTH STRATEGY FROM PREVIOUSLY ADOPTED CASH PRESERVATION STRATEGY

➤ Aggregated net operating cash flow and cash balance development of our private businesses reflects organic transition to revenue growth strategy from previously adopted cash preservation strategy, which was implemented to manage uncertainties related to by the COVID-19 pandemic

TOTAL AGGREGATED NET OPERATING CASH FLOW*
(GEL MILLION)



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



CONTENTS

01 TRANSACTION HIGHLIGHTS

02 GEORGIA CAPITAL AT A GLANCE

03 FINANCIAL PERFORMANCE

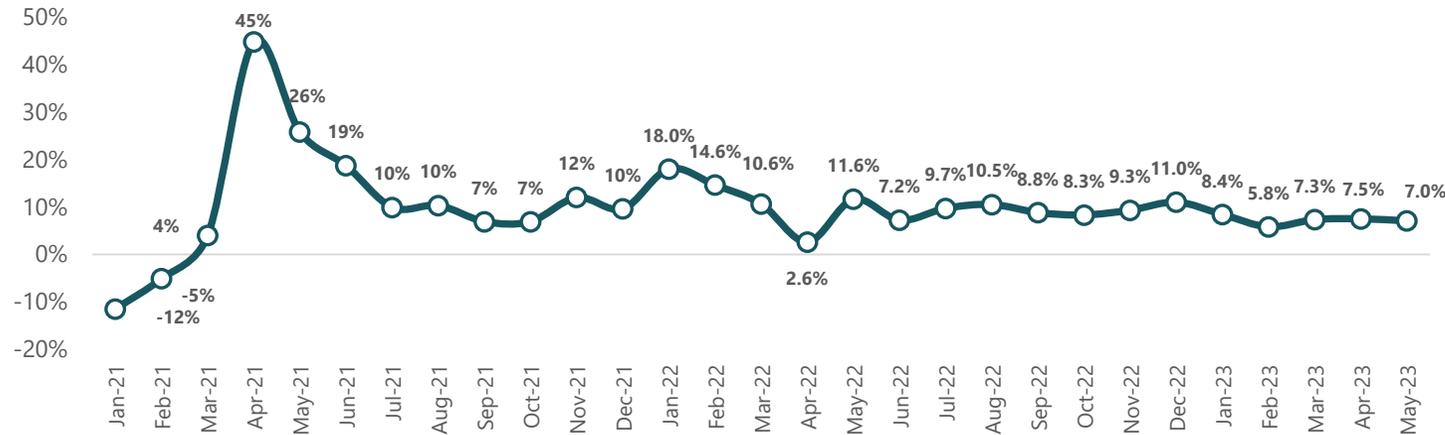
04 ANNEX

- MACROECONOMIC OVERVIEW | GEORGIA
 - *FINANCIAL STATEMENTS AND OTHER*
-

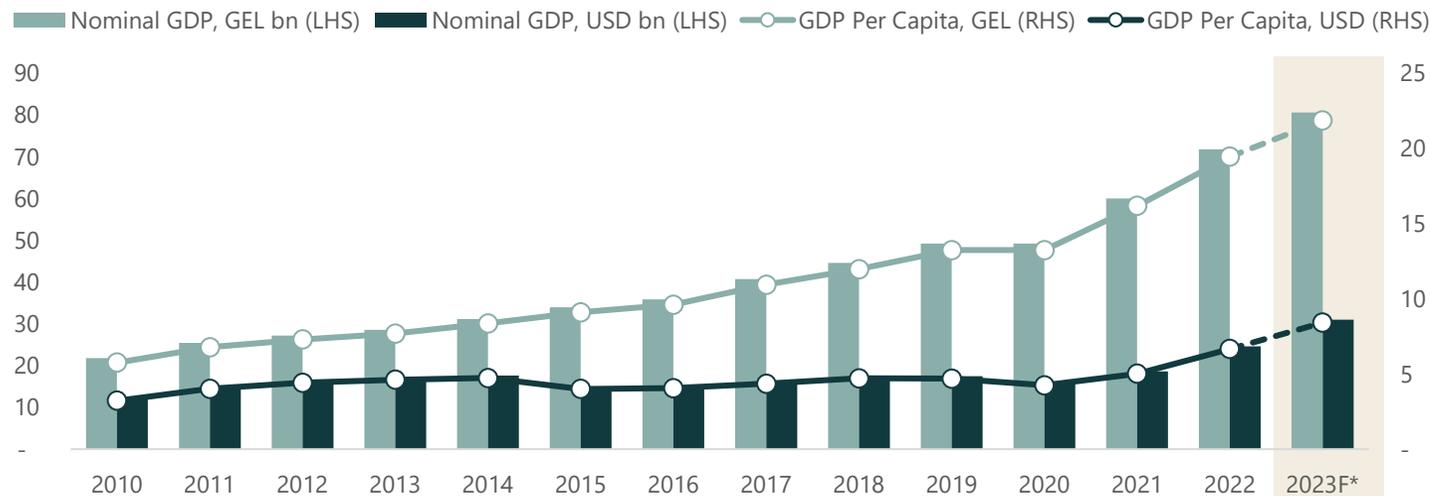
REAL GDP UP BY 7.5% IN JANUARY-MAY 2023



PRELIMINARY ECONOMIC GROWTH STANDING AT 7.5% Y-O-Y IN JANUARY-MAY 23, FOLLOWING UP ON TWO YEARS OF DOUBLE-DIGIT EXPANSION (10.5% AND 10.1% IN 2021-2022 RESPECTIVELY)



NOMINAL GDP IS EXPECTED TO CONTINUE ACCELERATING BOTH IN GEL AND USD TERMS



ECONOMIC GROWTH REMAINS STRONG

- Strong external demand supplemented by the migration effect, as remittance inflows grew by 48% y-o-y in January-May 2023, largely on the back of a surge in inflows from Russia, while merchandise exports increased by 18.6% y-o-y in 5M23, and tourism revenues reached 138% of 2019 levels in 1Q23;
- Continued credit expansion (up 12.8% y-o-y in May w/o the exchange rate effect) both in retail and business sectors as well as both in GEL and foreign currency, despite the tight monetary stance and rising FX interest rates, aiding economic activity;
- Government expenditure growing by 14.9% (including 11.3% y-o-y growth of current expenditure and 34.5% y-o-y growth of capital expenditure) in January- May 2023, facilitated by a 20.4% y-o-y growth in fiscal revenues;
- Strong 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.

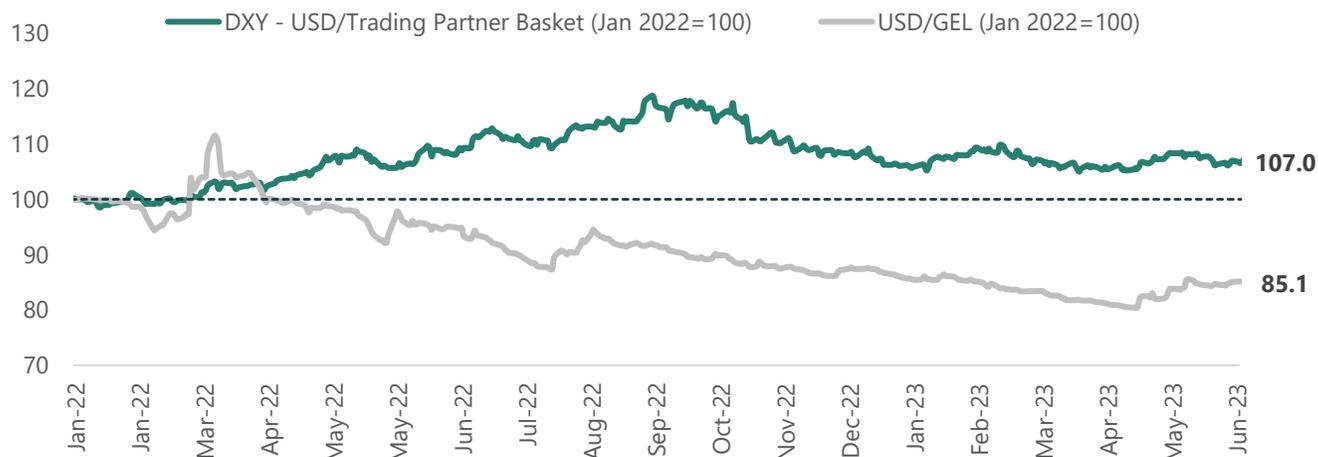
GEORGIAN LARI – NOW ABOVE PRE-PANDEMIC LEVELS



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



GEL HAS APPRECIATED AGAINST USD, DESPITE USD STRENGTHENING GLOBALLY

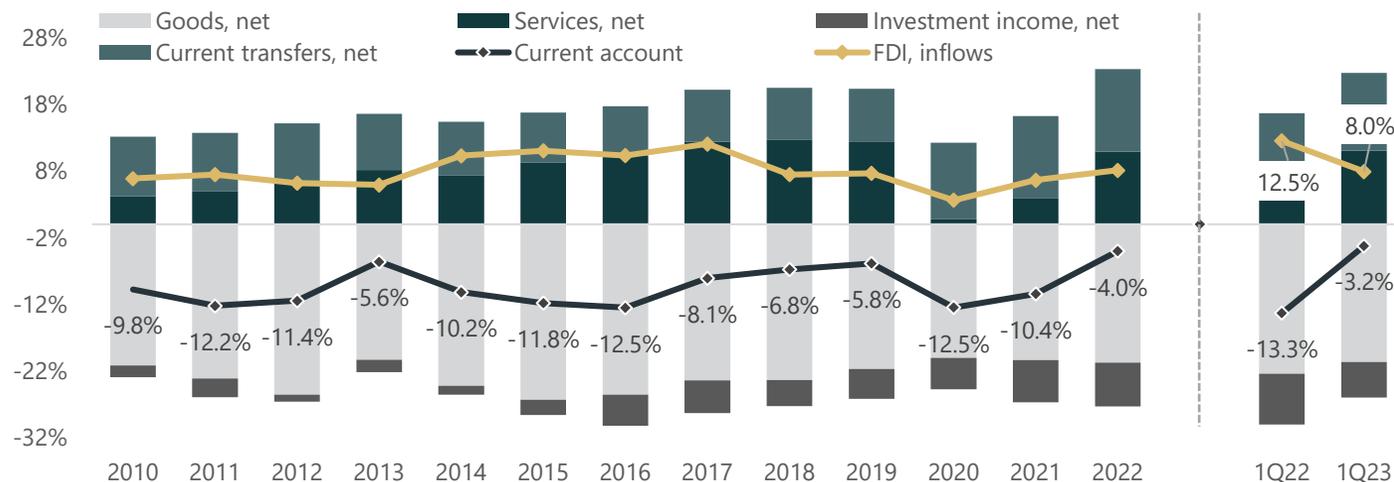


GEL APPRECIATION DRIVERS

- Record-high remittance inflows, surging by 48% y-o-y in January-May 2023;
- Continued solid performance of exports, growing by 18.6% y-o-y in January-May 23;
- Tourism revenues rebounding to 138% of 2019 level in 1Q23, reflecting the global resumption of travel as well as the migration effect;
- Tight monetary policy supporting stronger GEL and curbing negative expectations;
- Ample FX liquidity in the banking sector, facilitating foreign currency lending (FX liquidity coverage ratio at an average of 137.4% in 2022 and 133.8% in 5M23);
- 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, averaging 12.2% in 2022 and 10.5% in 5M23 (w/o the exchange rate effect).

CURRENT ACCOUNT DEFICIT REMAINING LOW AT 3.2% OF GDP IN 1Q23

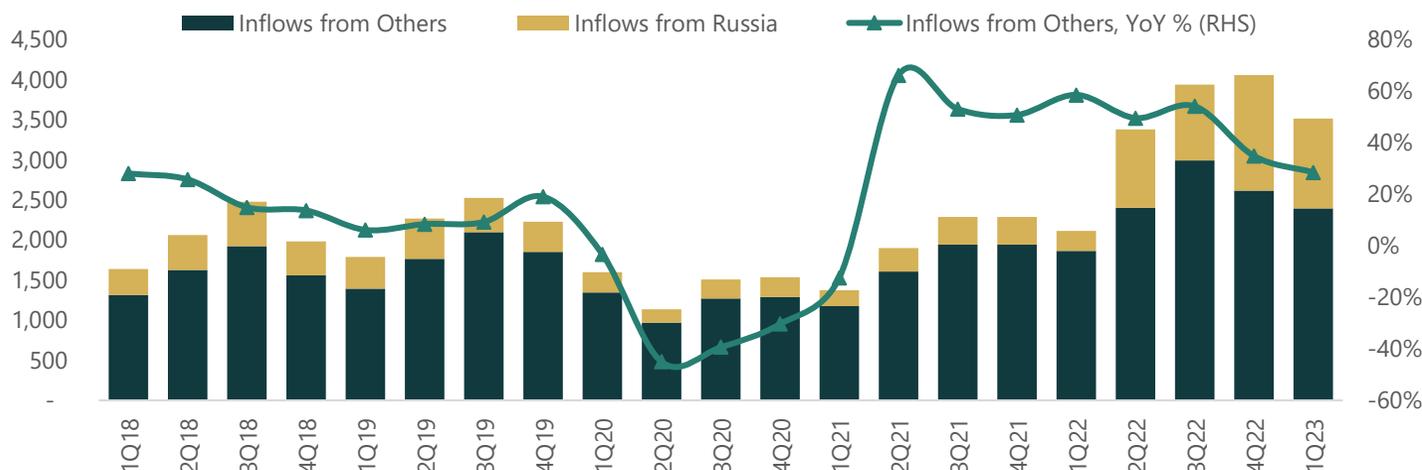
CURRENT ACCOUNT COMPONENTS AND FDI INFLOWS (% OF NOMINAL GDP)



EXTERNAL INFLOWS AT RECORD-HIGH LEVELS

- The current account deficit reached \$201 mn in 1Q23, three times less than the deficit in 1Q22 (\$612 mn).
- The current account deficit to GDP ratio reached 3.2% in 1Q23, largely thanks to the doubling tourism revenues, elevated ITC export and increased remittances compared to the 1Q22.
- The trade deficit (goods and services) made up 9.6% of GDP in 1Q23.
- The secondary income (transfers) surplus reached 11.7% of GDP in 1Q23, while the primary income deficit totaled -5.3% of GDP;
- While inflows from Russia have been surging, so have been inflows from other countries, with overall external inflows* reaching \$3.5 bn in 1Q23, o/w inflows from Russia equaled \$1.1 bn (up by 350% y-o-y) and inflows from other countries totaled \$2.4 bn (up by 28% y-o-y).

EXTERNAL INFLOWS* (USD MN) FROM RUSSIA AND OTHER COUNTRIES

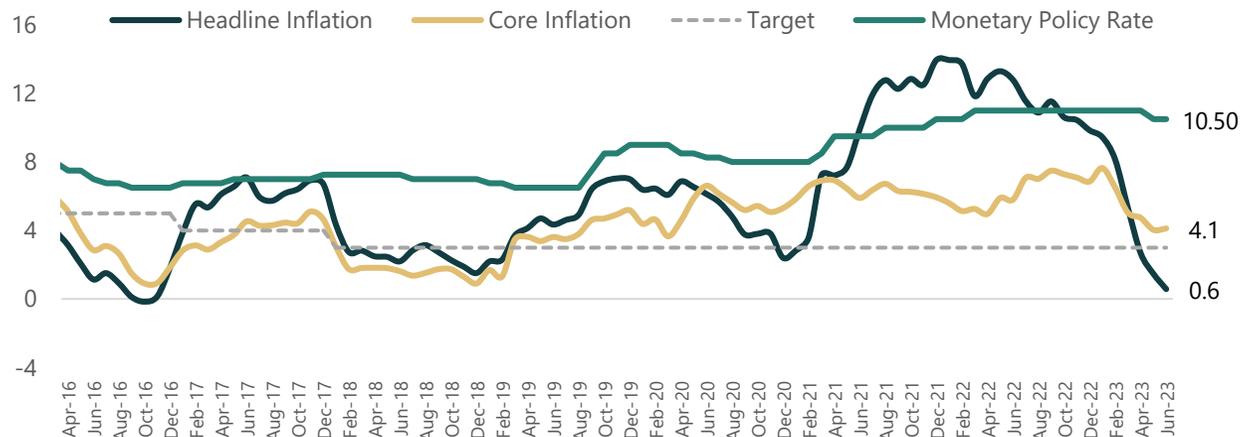


*EXTERNAL INFLOWS INCLUDE MERCHANDISE EXPORTS, REMITTANCES AND TOURISM INFLOWS.

INFLATION BELOW THE TARGET LEVEL SINCE APRIL 2023



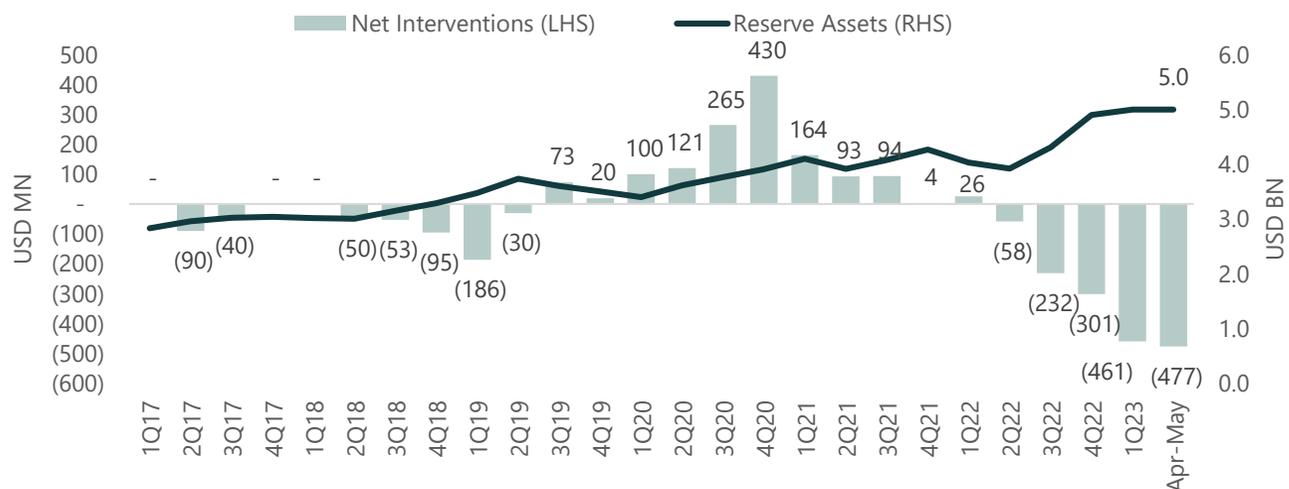
INFLATION Y-O-Y VS. INFLATION TARGET



SIGNIFICANT DISINFLATION UNDERWAY

- Annual inflation decelerated to 0.6% in June 2023, below the 3% target. While part of this disinflation can be attributed to the base effect, prices have been falling compared to the previous month since February 2023, averaging a 0.4% m-o-m deflation in Feb-Jun 2023;
- As GEL has strengthened and global price pressures have relatively eased, imported inflation has begun shrinking, driving overall disinflation. Imported inflation turned negative since March 2023, amounting to -6.5% in May 2023;
- NBG has begun a gradual exit from tight monetary policy in May 2023 and reduced the policy rate by 50 bps to 10.50%.
- NBG used appropriate timing to rebuild the buffers and bought \$938 mln in 5 months. As a result, reserve assets reached US\$ 5 bn in May 2023.

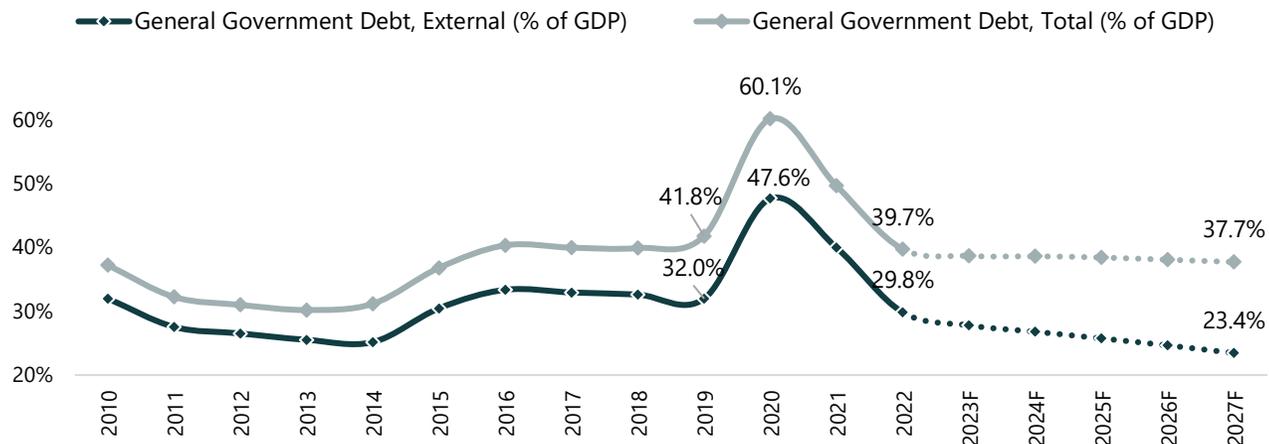
NET NBG INTERVENTIONS ON THE FX MARKET AND OFFICIAL RESERVE ASSETS (US\$ MN)



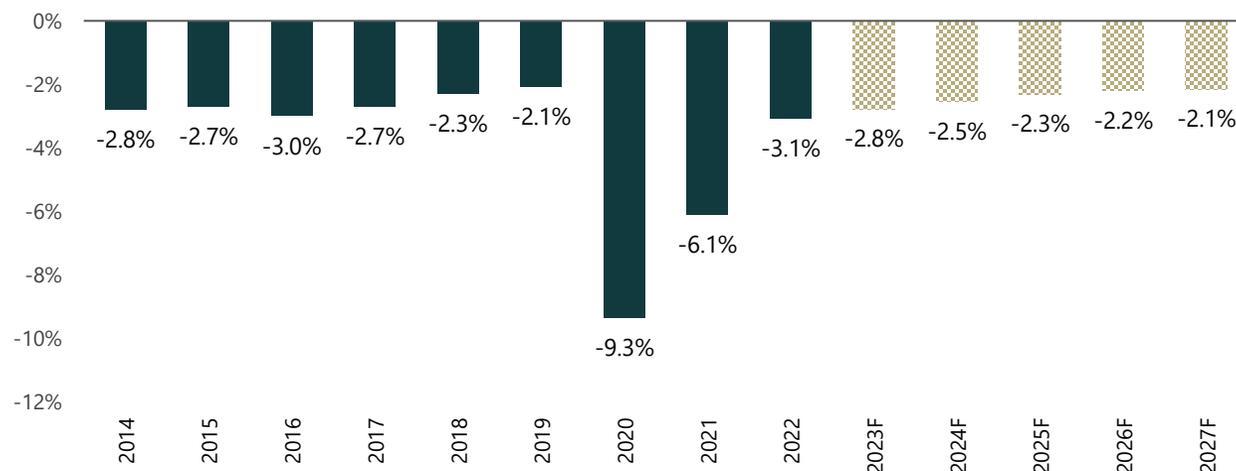
PUBLIC DEBT SHRINKING BELOW PRE-COVID LEVELS AND THE FISCAL DEFICIT FALLING TO 3.1% OF GDP IN 2022



GENERAL GOVERNMENT DEBT (% OF GDP)



OVERALL BALANCE (IMF MODIFIED)*, % OF GDP



FISCAL SUPPORT HAS CONTINUED MODERATING

- Fiscal support has continued moderating, as the overall fiscal balance (consolidated budget) posted a surplus of GEL 168.6 mn in January-May 2023, up by 180% y-o-y;
- The operating surplus (difference between current expenditures and current revenues) reached GEL 1.7 bn, up by 85% y-o-y, in January-May 2023;
- Government expenditure growing by 14.9% (including 11.3% y-o-y growth of current expenditure and 34.5% y-o-y growth of capital expenditure) in January- May 2023, facilitated by a 20.4% y-o-y growth in fiscal revenues;
- Government debt 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.

*CALCULATED AS NET ACQUISITION OF FINANCIAL ASSETS SUBTRACTED FROM PRELIMINARY ESTIMATES OF NET BORROWING.
 Georgia Capital PLC | Source: Ministry of Finance | For more detailed information please refer to Prospectus and review Risks Slides 47-49

CONTENTS

01 TRANSACTION HIGHLIGHTS

02 GEORGIA CAPITAL AT A GLANCE

03 FINANCIAL PERFORMANCE

04 ANNEX

- **MACROECONOMIC OVERVIEW | GEORGIA**
 - ***FINANCIAL STATEMENTS AND OTHER***
-

JSC GEORGIA CAPITAL'S FINANCIAL STATEMENTS



INCOME STATEMENT

<i>GEL thousand unless otherwise noted</i>	2022	2021
Dividend income	93,875	74,362
(Losses)/gains on investments at fair value	(69,252)	682,074
Interest income	32,029	22,154
Other income	(2,602)	(20,522)
Gross investment profit	54,050	758,068
Salaries and other admin expenses	(32,640)	(27,770)
Depreciation and amortization	(635)	(567)
Interest expense	(59,763)	(76,406)
(Loss)/profit before provisions, foreign exchange, and non-recurring items	(38,988)	653,325
Net foreign currency gain	58,116	39,933
Other non-operating expenses	(4,514)	(881)
Income tax	-	-
Profit for the year	14,614	692,377
Other comprehensive (loss)/income for the year, net of tax	(72)	377
Total comprehensive income for the year	14,542	692,754

STATEMENT OF FINANCIAL POSITION

<i>GEL thousand unless otherwise noted</i>	2022	2021
Assets		
Cash and cash equivalents	216,049	125,381
Securities and other liquid assets	38,076	97,565
Loans issued	26,830	154,214
Equity investments at fair value	3,198,627	3,616,231
Other assets	2,351	8,475
Total assets	3,481,933	4,001,866
Debt securities	681,067	1,095,433
Other liabilities	5,806	25,060
Total liabilities	686,873	1,120,493
Share capital	12,877	13,286
Paid in capital, Treasury shares & reserves	522,361	622,879
Retained earnings	2,259,822	2,245,208
Total equity	2,795,060	2,881,373

JSC GEORGIA CAPITAL'S FINANCIAL STATEMENTS (CONT'D)



STATEMENT OF CASH FLOWS

GEL thousand unless otherwise noted

	2022	2021
Net Cash flow from operating activities	100,469	74,640
Net cash flows from/(used in) investing activities	490,374	(162,125)
Net cash (used in)/from financing activities	(467,901)	62,725
Effect of exchange rates changes and expected credit losses on cash and cash equivalents	(12,885)	(2,552)
Cash and cash equivalents, beginning of the year	89,714	117,026
Cash and cash equivalents, end of the year	199,771	89,714

NAV STATEMENT

GEL thousand unless otherwise noted

	31-Dec-21	1. Value Creation	2a. Investments	2b. Buybacks	2c. Dividends	3. Operating Expenses	4. Liquidity Management/ FX/ Other	31-Mar-22
Listed and Observable Portfolio Companies	681,186	205,783	139,392	-	(40,898)	-	-	985,463
Private Portfolio Companies	2,935,045	(171,710)	(501,011)	-	(52,977)	-	3,817	2,213,164
Large portfolio companies	2,249,260	(70,728)	(696,960)	-	(44,783)	-	821	1,437,610
Investment stage companies	461,140	13,266	34,196	-	(8,194)	-	999	501,407
Other portfolio companies	224,645	(114,248)	161,753	-	-	-	1,997	274,147
Total Portfolio Value	3,616,231	34,073	(361,619)	-	(93,875)	-	3,817	3,198,627
Net Debt	(734,858)	-	394,987	(28,535)	93,875	(33,275)	(95,761)	(403,567)
Net Asset Value	2,881,373	34,073	33,368	(28,535)	-	(33,275)	(91,944)	2,795,060

JSC GEORGIA CAPITAL'S SELECTED FINANCIAL RATIOS



Selected Financial Ratios	Unaudited 31-Dec-22	Unaudited 31-Dec-21
NCC ratio	21.7%	31.8%
LTV	12.5%	19.9%
Cash flow adequacy ratio	1.5	1.1
Net Debt to NAV	14.3%	24.9%
Interest Service coverage ratio	2.2	1.8

Georgia Capital PLC | General note: For detailed information, please refer to the prospectus and financial statements of the company.

1) It should be noted that the financial ratios disclosed above do not include any effect of the new, Sustainability-linked Bonds, since it is expected to be immaterial or cannot be fully assessed at this point. This stems from the fact that the Sustainability-linked Bonds are expected to effectively refinance Eurobonds of the same volume, while specific bond characteristics are yet to be determined as a result of the book-building process, as described in the Prospectus.

For the detailed information, please refer to the prospectus and financial statements of the company.

RISKS ASSOCIATED WITH THE COMPANY AND BONDS



Investing in bonds involves certain risks. Prospective purchasers of the Bonds should read bond issue prospectus carefully before making an investment decision. In addition to the other information provided in the prospectus, potential investors, before investing in the bonds, should carefully consider the risks described, taking into account their own financial situation and investment objectives. Any of the risks described could have a material adverse effect on the Company's business, financial condition and results of operations.

If any of these risks materialize, it could adversely affect the market value of the bonds. In addition, the following factors are important in evaluating the market risks associated with bonds. The Company believes that the risk factors described represent the principal risks associated with investing in the Notes. However, additional risks and uncertainties that the Company does not consider material or is not aware of might arise. Any such risks and uncertainties may have a similar adverse effect. Accordingly, the Company does not claim that the described risks of holding the bonds are exhaustive

Brief information on the material risk factors specific to the Issuer's business and securities being offered

1. Macroeconomic and Political Risks Related to Georgia

- 1.1. *The Group is subject to risks associated with political, financial and economic instability in Georgia and the wider region.*
- 1.2. *Regional tensions and disruptions in neighboring markets could have a negative effect on Georgia's economy.*
- 1.3. *Political and governmental instability in Georgia could have a material adverse effect on the local economy and the Group's business.*
- 1.4. *Uncertainties in the judicial system in Georgia, or any arbitrary or inconsistent state action taken in Georgia in the future, may have a material adverse effect on the local economy, which could, in turn, have an adverse effect on the business.*
- 1.5. *There may be challenges associated with legislative harmonization of the Georgian regulatory environment with the European Union driven by the DCFTA.*
- 1.6. *Uncertainties in the tax system in Georgia may result in the imposition of tax adjustments or fines against the Group and there may be changes in current tax laws and policies.*
- 1.7. *Instability or a lack of growth in the domestic currency market may have an adverse effect on the development of Georgia's economy and, in turn, have an adverse effect on the Group.*

2. Risks Relating to the Group

- 2.1. *The Group's operations are located in, and its revenue is sourced from Georgia, and any deterioration in macroeconomic conditions in Georgia will adversely affect its business.*
- 2.2. *Unexpected events such as natural disasters, state of emergency, pandemics, etc. may have a serious adverse effect on the Company*
- 2.3. *There is a risk that liabilities cannot be met, or new investments made, due to a lack of liquidity. Such risk can arise from not being able to realize returns due to a lack of demand from the market, from a suspension of dividends from portfolio companies, from not holding sufficient cash or being able to raise sufficient debt financing.*
- 2.4. *Market conditions may adversely impact the Group's operating results and its ability to execute its investment strategy*
- 2.5. *The Group and its portfolio companies depend on their ability to hire and retain key management and qualified personnel.*

RISKS ASSOCIATED WITH THE COMPANY AND BONDS

3. Risks Relating to BoG

- 3.1. *There are risks related to listed investments.*
- 3.2. *There are risks inherent in relation to the Group's stake in BoGG.*
- 3.3. *The quality of JSC Bank of Georgia's loan portfolio and its business prospects may deteriorate as a result of adverse macroeconomic conditions in Georgia.*
- 3.4. *Credit risk is the risk that the BoGG will incur a financial loss because its customers or counterparties fail to meet their contractual obligations.*
- 3.5. *Significant changes or volatility in JSC Bank of Georgia's net interest margin could have an adverse effect on BoGG's performance.*
- 3.6. *Regulatory and legal risk is the risk of financial loss, regulatory censure, criminal or civil enforcement action or damage to the reputation as a result of failure to identify, assess, correctly interpret, comply with, or manage regulatory and/or legal requirements.*
- 3.7. *JSC Bank of Georgia faces liquidity and funding risks.*
- 3.8. *JSC Bank of Georgia is subject to certain regulatory ratios.*
- 3.9. *Market risk is the risk of financial loss due to fluctuations in fair value or future cash flows of financial instruments due to changes in market variables.*
- 3.10. *Financial crime risk is the risk of knowingly or unknowingly facilitating illegal activity, including money laundering, fraud, bribery and corruption, tax evasion, sanctions evasion, the financing of terrorism and proliferation, through the Group.*
- 3.11. *Competition could adversely affect JSC Bank of Georgia's market share or compress its NIM.*

4. Risk relating to Water Utility Business

- 4.1. *Changes in regulated tariffs could have an adverse effect on water utility's results of operations and financial condition.*
- 4.2. *Contamination of water, either from naturally occurring compounds or man-made sources, may result in the interruption of water supply and/or exposure of humans to hazardous substances, which could in turn result in liability for the Group.*
- 4.3. *Water utility business uses gaseous chlorine deposited in gas tanks for water purification, which gives rise to the risk of explosions which can threaten human lives and result in substantial environmental damage.*
- 4.4. *Counterparty risk in a pre-agreed put option in water utility business may result in a substantial financial loss for the Group.*

5. Risks Relating to Retail (Pharmacy)

- 5.1. *Group's pharmacy business operates in a competitive industry.*
- 5.2. *Group's pharmacy business may have risks associated with the expansion and development of new or existing retail stores.*
- 5.3. *The government introduced External reference Pricing model, which may lower prices and profitability margins for the business.*

6. Risks Relating to Hospitals

- 6.1. *Georgia Capital's hospitals operate across the Georgian healthcare ecosystem through its hospitals services and are subject to a complex spectrum of laws, regulations and codes, and cannot accurately predict future regulatory changes or their effect.*
- 6.2. *Hospitals business depends on revenue from the Georgian government and a small number of insurance providers.*
- 6.3. *Hospital Business is involved in contractual and other disputes and litigation.*
- 6.4. *Inadequate record-keeping or documentation of medical matters and patient data could lead to medical or administrative errors and regulatory breaches, which could give rise to fines, penalties and/or reputational damage.*
- 6.5. *Hospitals business performance depends on its ability to recruit and retain high-quality doctors, nurses and other healthcare professionals.*
- 6.6. *Any failure to maintain the quality of service provided at Groups facilities may negatively impact the brand or reputation and could lead to a decrease in the number of patients.*

7. Risks Relating to the Group's Medical, Property and Casualty Insurance Business

- 7.1. *The Georgian property and casualty insurance market is highly competitive. Aldagi (P&C) might not be able to compete with its competitors' pricing policies or price its insurance products correctly.*
- 7.2. *Aldagi's (P&C) business is partly dependent on obtaining suitable reinsurance.*
- 7.3. *Aldagi (P&C insurer) is required to meet certain minimum capital and reserve requirements and comply with a number of regulatory requirements relating to its operations.*
- 7.4. *Medical Insurance may not be able to accurately forecast healthcare costs in relation to its medical insurance products.*

RISKS ASSOCIATED WITH THE COMPANY AND BONDS



8. Risks for Clinics and Diagnostics

8.1. *Group's clinics and diagnostics business operates in a competitive industry.*

9. Risks relating to Renewable Energy Business

9.1. *Ability to generate, distribute and supply electricity is dependent upon the Georgian transmission system.*

9.2. *Renewable Energy business sells electricity mainly to ESCO in terms of long-term power purchase agreements ("PPAs"), but in months which are not covered by PPA, the business takes market risks, which can be expressed in two sub-risks, which are 1) risk of finding off-taker and 2) market price risk*

9.3. *Environmental, health and safety laws*

9.4. *Climate conditions and natural hazards can affect the business*

9.5. *The Issuer in regard to its renewable energy business is dependent upon its PPAs with ESCO*

9.6. *Maintenance and refurbishment of power plants involve significant risks that could result in unplanned power outages, reduced output and unanticipated capital expenditure.*

10. Risks Relating to the Group's Education Business

10.1. *The Group may be unable to recruit a sufficient number of qualified teaching personnel for its schools and/or the market rate for teachers' salaries may increase.*

10.2. *The education business may not be able to successfully execute its growth strategy.*

11. Risks Relating to the Group's Other Businesses

12. Risks Relating to the Bonds

12.1. *The market price of the Bonds may be volatile.*

12.2. *There may not be an active trading market for the Bonds, which may be further affected by the fact that bonds are secured;*

12.3. *Investors whose financial activities are denominated in a currency or currency unit other than Bond currency may receive less interest or principal than expected, as a result of fluctuations in exchange rates or exchange controls*

12.4. *Transfer of the Bonds will be subject to restrictions imposed on investors of certain territories/other countries.*

12.5. *The terms and conditions of the Bonds may be modified or waivers for breaches of the terms and conditions may be issued in the future*

12.6. *The Bonds have a call option, which carries certain risks for investors*

12.7. *The Bonds are Pari Passu securities*

12.8. *The Bonds constitute unsecured obligations of the Issuer.*

12.9. *Any fluctuations in the credit ratings assigned to Georgia, the Issuer or the Bonds may cause trading in the Bonds to be volatile and/or adversely affect the trading price of the Notes*

12.10. *Any change of law in Georgia in the future may have a material adverse effect on the Bonds, including their GSE listing and taxation of interest on the Bond*

12.11. *Investors must rely on procedures of the Registrar, Bondholders and in corresponding cases – nominal holders of the Bonds*

12.12. *An investment in the Bonds may involve certain legal investment considerations*

12.13. *Application for purchasing Bonds may be satisfied partially*

12.14. *The Issuer's shareholder's interests may, in certain circumstances, be different from the interests of the Bondholders.*

12.15. *Bonds carry a fixed interest rate*



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