

# **3Q23 & 9M23 RESULTS CALL PRESENTATION**

31 OCTOBER 2023





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## RECENT DEVELOPMENTS

1

NAV per share (GEL) up 5.1% q-o-q to GEL 76.99, supported by BoG's outstanding performance and share price growth

2

NCC ratio improved by 8.5 ppts y-o-y to 15.9% as at 30-Sep-23 (1.5 ppts improvement q-o-q), resulting from a significant decrease in net debt, strong cash generation and continued growth in portfolio value

3

Upgrade in GCAP's corporate credit rating from "B+" to "BB-" by S&P, reflecting strong progress on deleveraging

4

GEL 53.7 million dividend income (of which, recurring GEL 47.1 million) from the portfolio companies in 3Q23, driving 9M23 total dividend income to GEL 201.7 million (of which, recurring GEL 145.7 million)

5

Commencement of a new US\$ 15 million share buyback and cancellation program, in line with our capital allocation framework

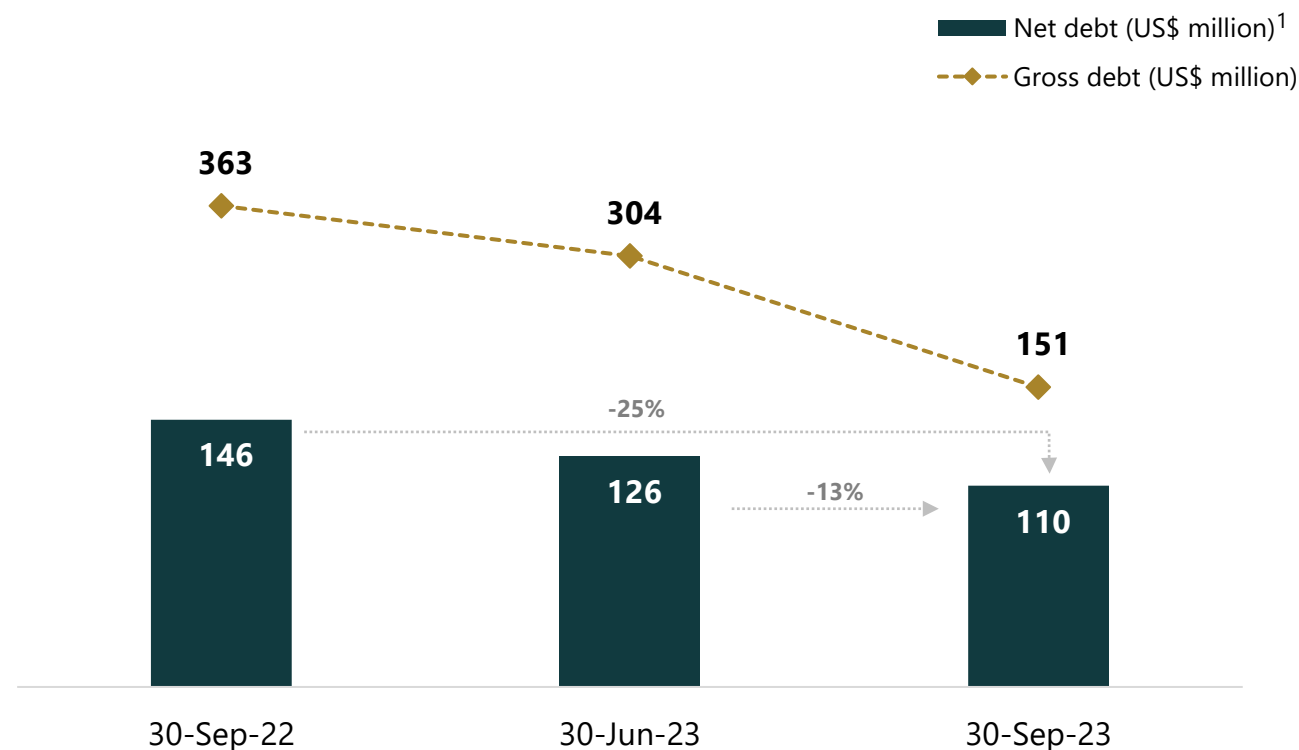
# SIGNIFICANT PROGRESS ON DELEVERAGING

## SIGNIFICANT DECREASE IN NET DEBT, REFLECTING STRONG CASH GENERATION AND SUCCESSFUL REFINANCING OF EUROBONDS

- ✓ In 3Q23, we completed the issuance of US\$ 150 million sustainability-linked bonds. The proceeds from the transaction, together with the existing liquid funds of GCAP were fully used to redeem GCAP's Eurobonds.

**ON 26-OCT-23, S&P UPGRADED GCAP'S ISSUER  
CREDIT RATING FROM "B+" TO "BB-"**

**NET DEBT<sup>1</sup> DOWN 25% Y-O-Y AND DOWN 13% Q-O-Q TO US\$ 110 MILLION AT 30-SEP-23**



**STRONG LIQUIDITY AT GCAP, WITH US\$ c.40 MILLION CASH AND LIQUID FUNDS  
BALANCE POST EUROBOND REFINANCING**

# NET CAPITAL COMMITMENT (NCC) OVERVIEW



**NCC RATIO IMPROVED BY 8.5 PPTS Y-O-Y AND 1.5 PPTS Q-O-Q TO 15.9% AS AT 30-SEP-23**

A 1.5 ppts decrease in the NCC ratio in 3Q23 reflects:

- A 50.5% decrease in gross debt.
- A 1.2% increase in the portfolio value.
- A 50.2% decrease in loans issued balance due to the full repayment of the previously issued loan to our auto services business.
- A US\$ 1.6 million decrease in GCAP's bank guarantee on the borrowings of the beer business, following which the guarantees issued balance was reduced to zero.

US\$ Million	30-Sep-22	Change (y-o-y)	30-Jun-23	Change (q-o-q)	Now 30-Sep-23
Cash and liquid funds	133.9	-72.0%	153.2	-75.5%	37.5
Loans issued	89.3	-96.3%	6.7	-50.2%	3.3
Accrued dividend income	-	NMF	20.2	NMF	-
Gross debt	(362.9)	-58.5%	(304.2)	-50.5%	(150.6)
<b>Net debt (1)</b>	<b>(139.7)</b>	<b>-21.4%</b>	<b>(124.1)</b>	<b>-11.5%</b>	<b>(109.8)</b>
<b>Guarantees issued (2)</b>	<b>(6.2)</b>	<b>NMF</b>	<b>(1.6)</b>	<b>NMF</b>	<b>-</b>
<b>Net debt and guarantees issued (3)=(1)+(2)</b>	<b>(145.9)</b>	<b>-24.7%</b>	<b>(125.7)</b>	<b>-12.6%</b>	<b>(109.8)</b>
<b>Planned investments (4)</b>	<b>(52.6)</b>	<b>-10.1%</b>	<b>(47.3)</b>	<b>-</b>	<b>(47.3)</b>
of which, planned investments in Renewable Energy	(30.1)	-3.3%	(29.1)	-	(29.1)
of which, planned investments in Education	(22.6)	-19.0%	(18.3)	-	(18.3)
<b>Announced Buybacks (5)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Contingency/liquidity buffer (6)</b>	<b>(50.0)</b>	<b>-</b>	<b>(50.0)</b>	<b>-</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>-5.2%</b>	<b>(97.3)</b>	<b>-</b>	<b>(97.3)</b>
<b>Net capital commitment (3)+(7)</b>	<b>(248.6)</b>	<b>-16.6%</b>	<b>(223.1)</b>	<b>-7.1%</b>	<b>(207.2)</b>
<b>Portfolio value<sup>1</sup></b>	<b>1,017.6</b>	<b>27.7%</b>	<b>1,283.8</b>	<b>1.2%</b>	<b>1,299.0</b>
<b>NCC ratio</b>	<b>24.4%</b>	<b>-8.5 ppts</b>	<b>17.4%</b>	<b>-1.5 ppts</b>	<b>15.9%</b>

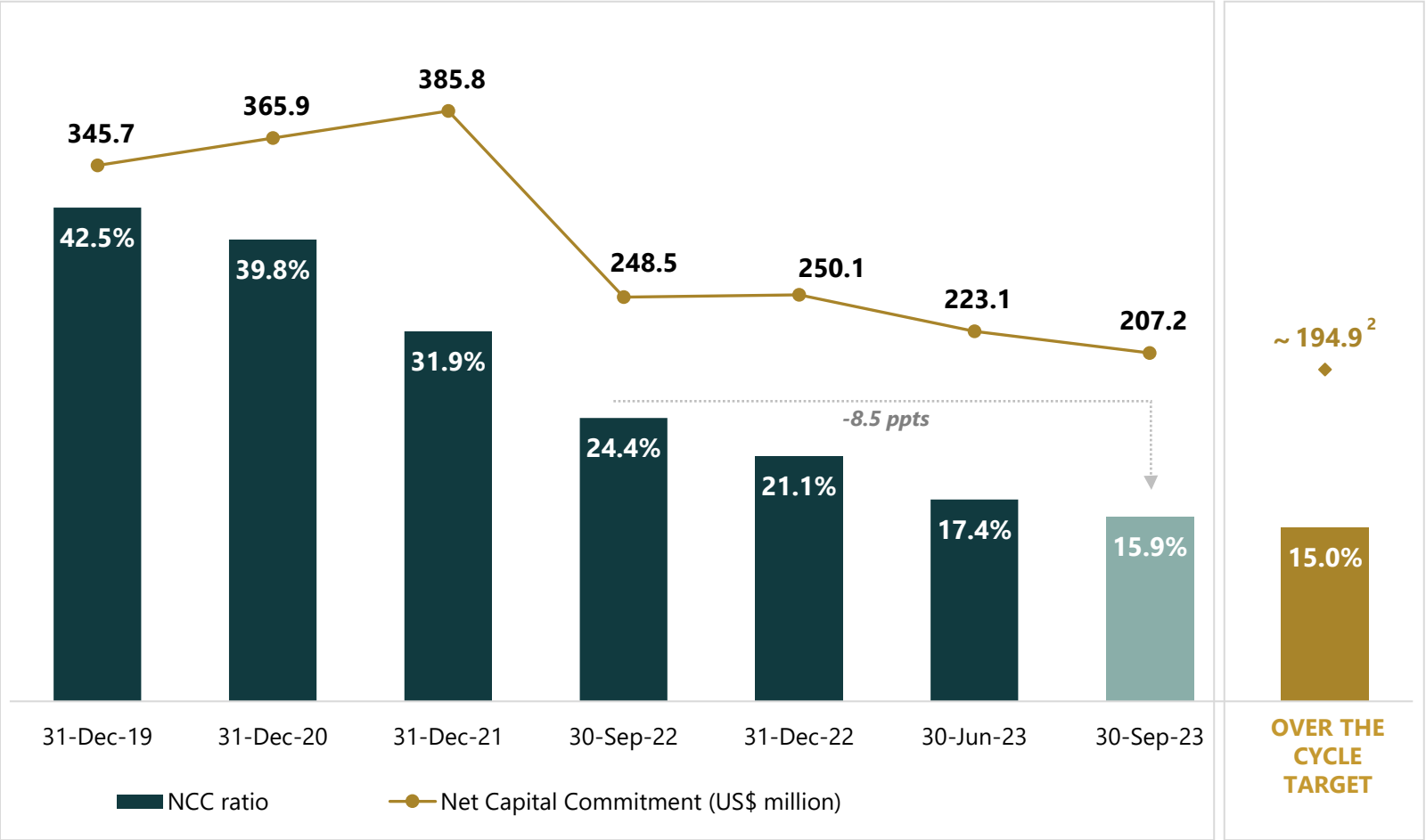
# NCC RATIO DEVELOPMENT OVERVIEW



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

*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 30 September 2023.

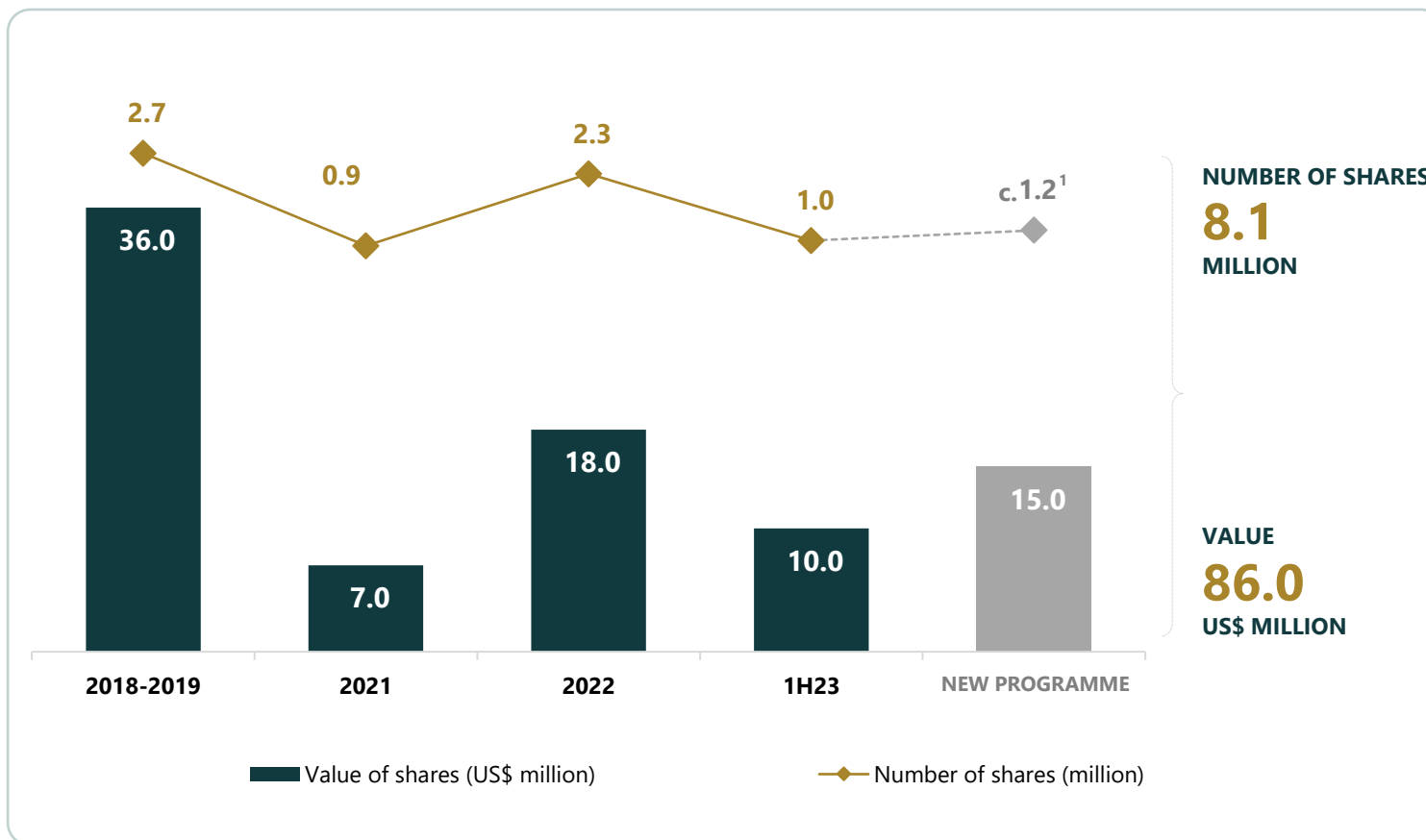
# COMMENCEMENT OF A NEW US\$ 15 MILLION SHARE BUYBACK AND CANCELLATION PROGRAM



**GCAP SHARE PRICE IS AT CORE OF OUR DECISION MAKING**

- US\$ 71 million already returned to GCAP investors through share buyback programmes since GCAP's inception
- A new US\$ 15 million buyback programme is expected to reduce the number of issued shares to c.42.6 million from the current 43.8 million.

## DEVELOPMENT OF SHARE BUYBACK AND CANCELLATION PROGRAMMES



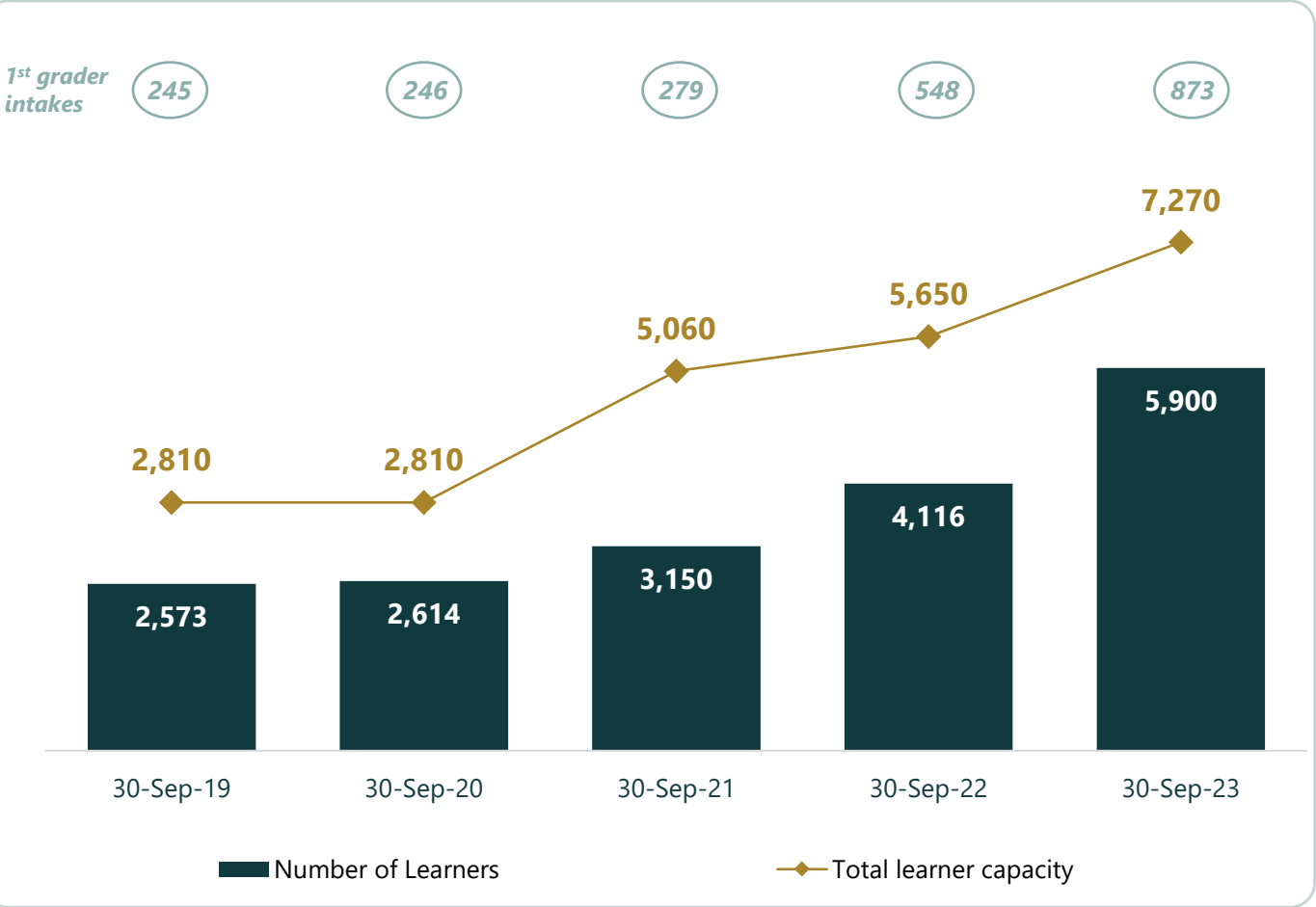
# UPDATE ON THE EXPANSION OF THE EDUCATION BUSINESS



## NUMBER OF LEARNERS INCREASED AT 23.1% CAGR OVER THE LAST 4 YEARS

- In 3Q23, the total learner capacity of the education business increased by 400 learners, reflecting the launch of a new campus in the mid-scale segment category.

NUMBER OF LEARNERS AND TOTAL LEARNER CAPACITY DEVELOPMENT OVERVIEW



CAGR: 37.4%  
1st grader intakes

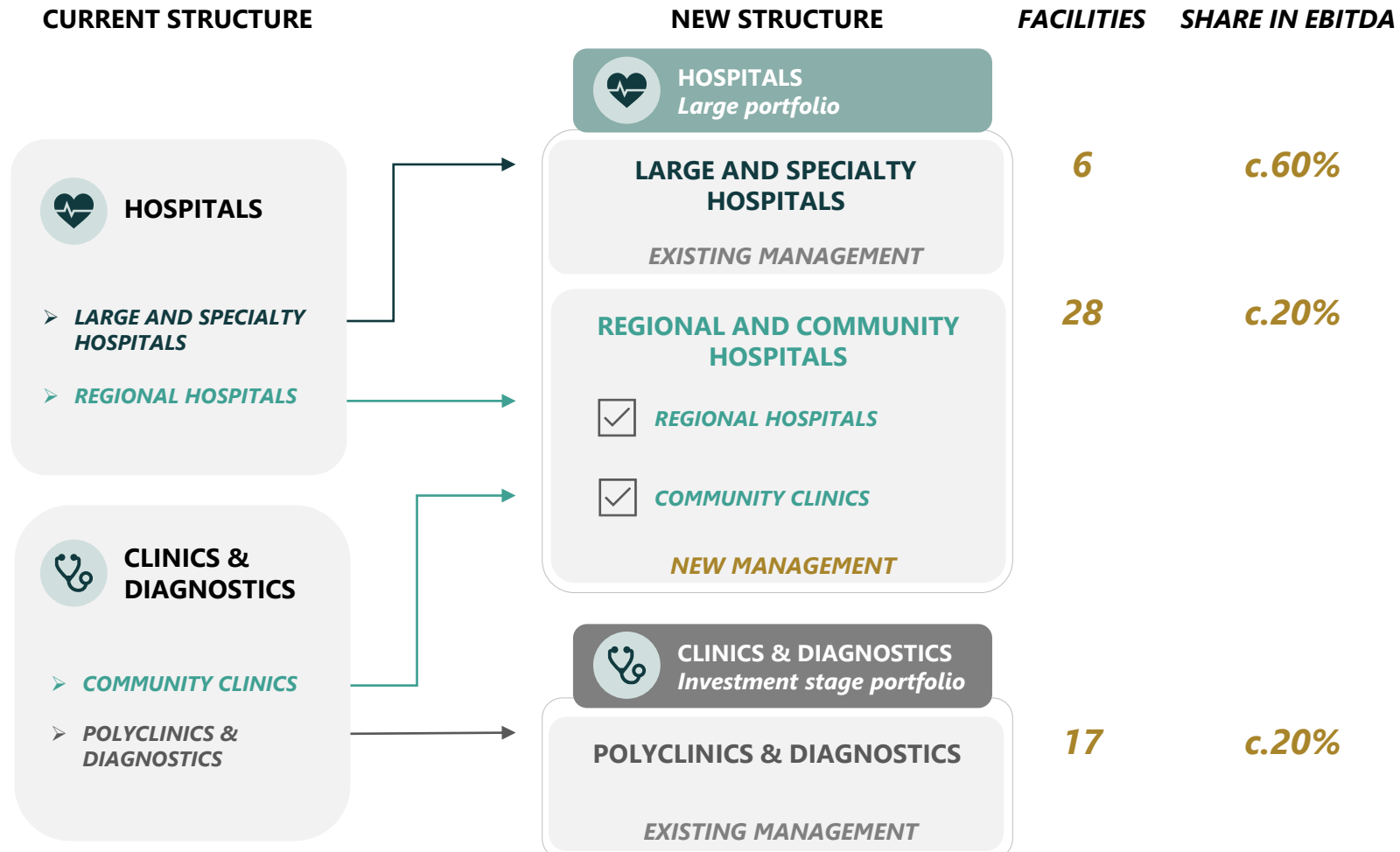
CAGR: 23.1%  
Number of learners



# STRATEGIC REORGANISATION ACROSS OUR HEALTHCARE BUSINESSES

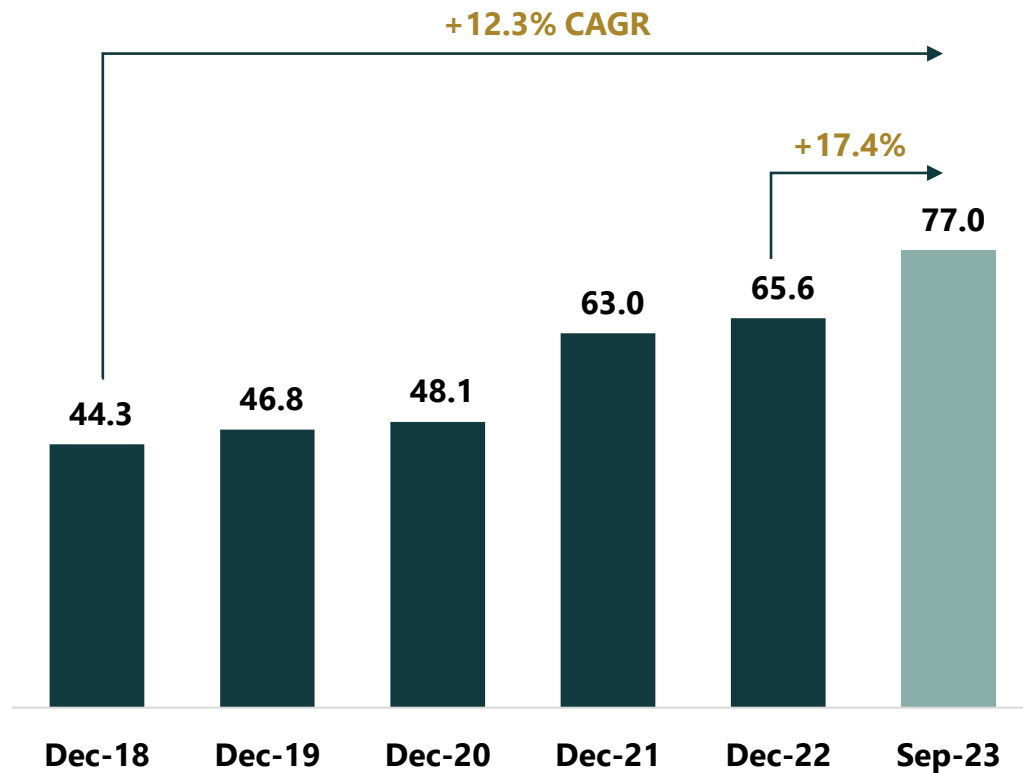
TO CAPTURE EMERGING OPPORTUNITIES ARISING FROM NEW GOVERNMENT REGULATIONS, ENSURE UNINTERRUPTED BUSINESS OPERATIONS, AND ENHANCE EFFICIENCY, WE PLAN TO RESTRUCTURE OUR HEALTHCARE BUSINESSES

- Starting from 4Q23, the hospitals business will be split into two distinct segments: "Large and Specialty Hospitals" and "Regional and Community Hospitals".
- Regional and Community Hospitals will also incorporate the community clinics that are currently managed and presented as part of the clinics and diagnostics business.
- The existing hospitals' management team will continue to manage the Large and Specialty Hospitals business.
- The Regional and Community Hospitals business will be managed by a new CEO, set to join the Group from a local competitor.



# STRONG NAV PER SHARE GROWTH

## NAV PER SHARE (GEL) DEVELOPMENT OVERVIEW



**STRONG NAV PER SHARE (GEL) GROWTH  
WITH 12.3% CAGR SINCE DEC-18**

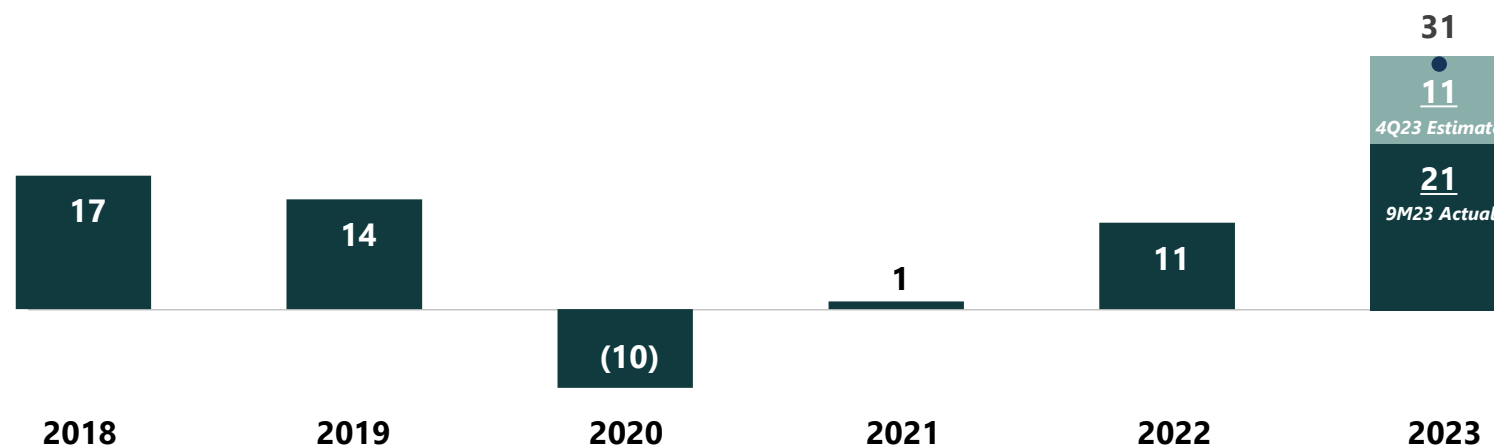
**IN US\$ AND GBP TERMS, NAV PER SHARE  
CAGR STANDS AT 12.3% AND 13.1%,  
RESPECTIVELY**

# FREE CASH FLOW DEVELOPMENT

**SIGNIFICANT INCREASE IN FREE CASH FLOW,  
REFLECTING ROBUST DIVIDEND INFLOWS,  
WELL-MANAGED OPERATING EXPENSES,  
AND REDUCED INTEREST EXPENSE IN LINE  
WITH OUR DELEVERAGING PROGRESS**

Free cash flow is determined by subtracting interest and operating expenses from dividend and interest income.

## GCAP's FREE CASH FLOW DEVELOPMENT (US\$ MILLION)



➤ The 2023 free cash flow excludes US\$ 22 million one-off dividends and US\$ 17 million buyback dividend from the participation in BoG's 9M23 buybacks.

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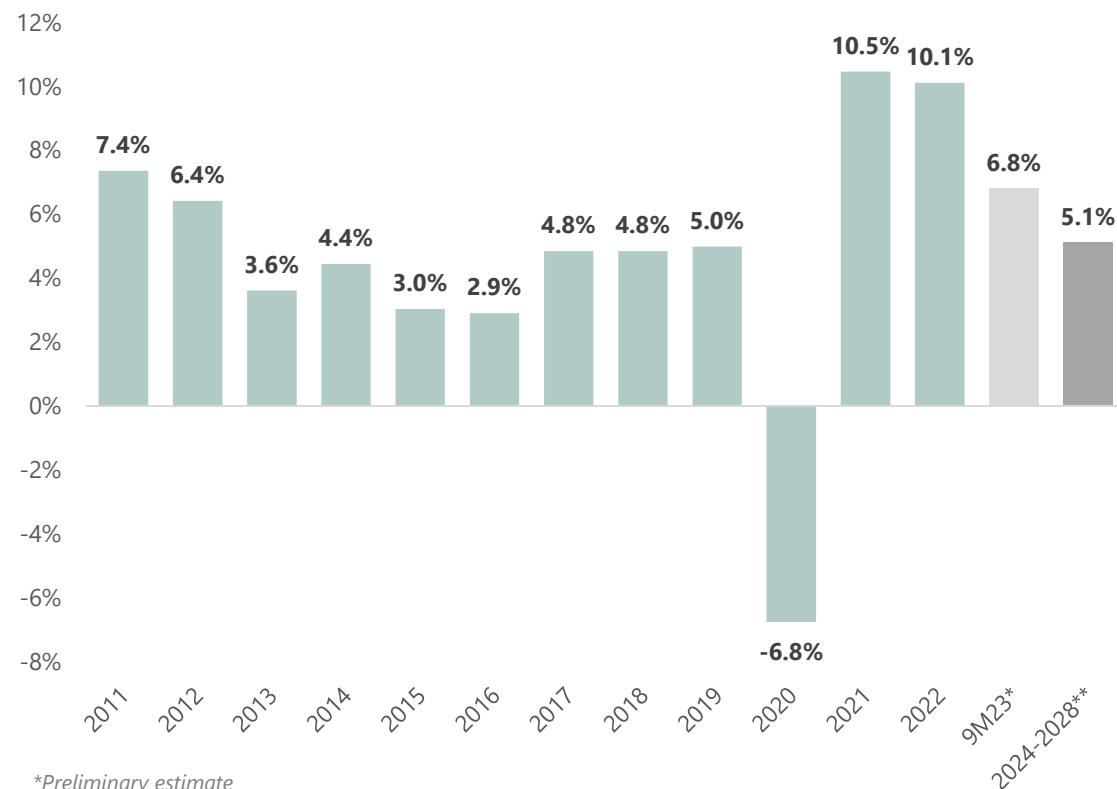
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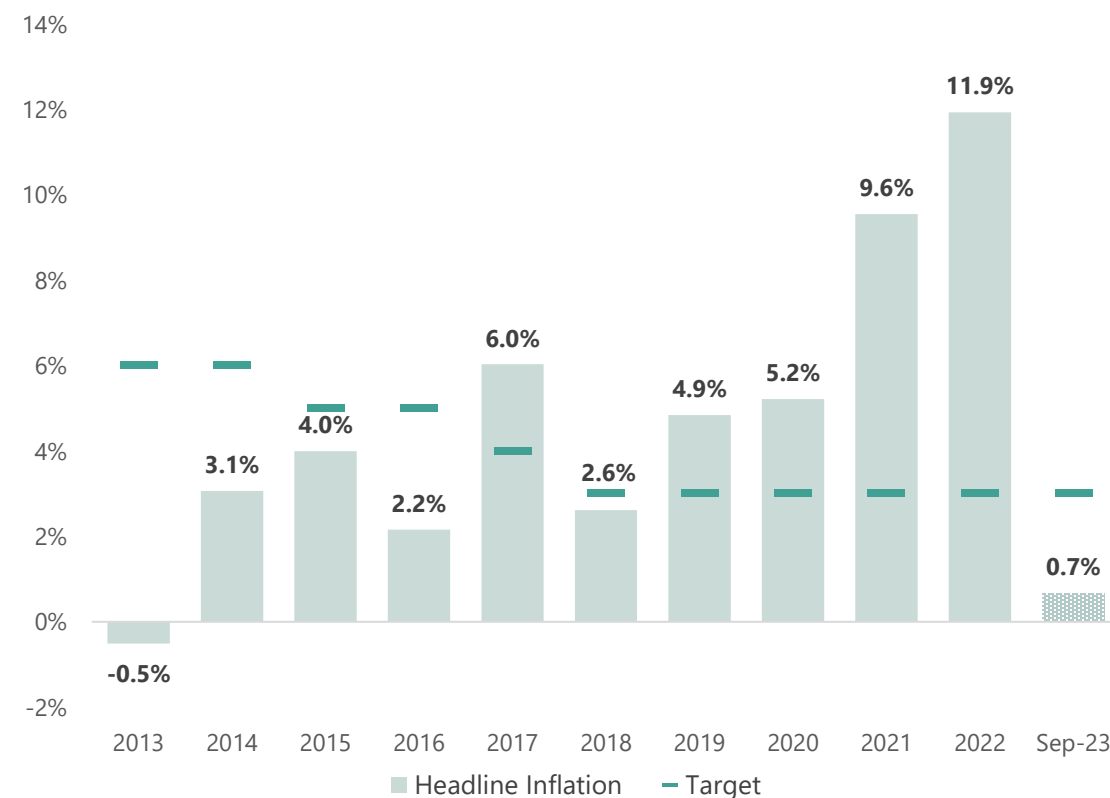


# REAL GDP UP BY 6.8% IN 9M23, WHILE INFLATION HAS FALLEN BELOW THE TARGET

**PRELIMINARY ECONOMIC GROWTH STANDS AT 6.8% Y-O-Y IN 9M23, FOLLOWING TWO YEARS OF DOUBLE-DIGIT EXPANSION (10.5% AND 10.1% IN 2021-2022, RESPECTIVELY)**



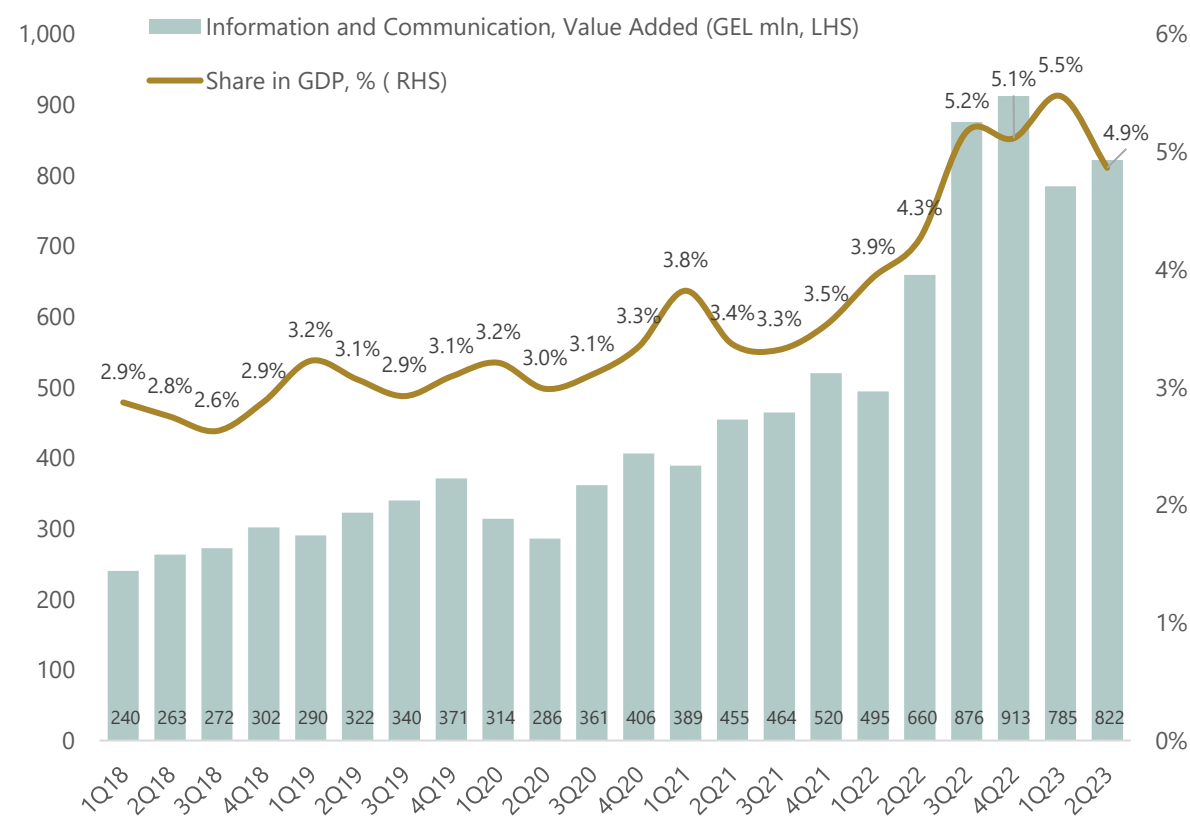
**ANNUAL INFLATION STANDING BELOW THE 3% TARGET SINCE APRIL 2023, WITH SEPTEMBER 2023 INFLATION PRINTED AT 0.7%**



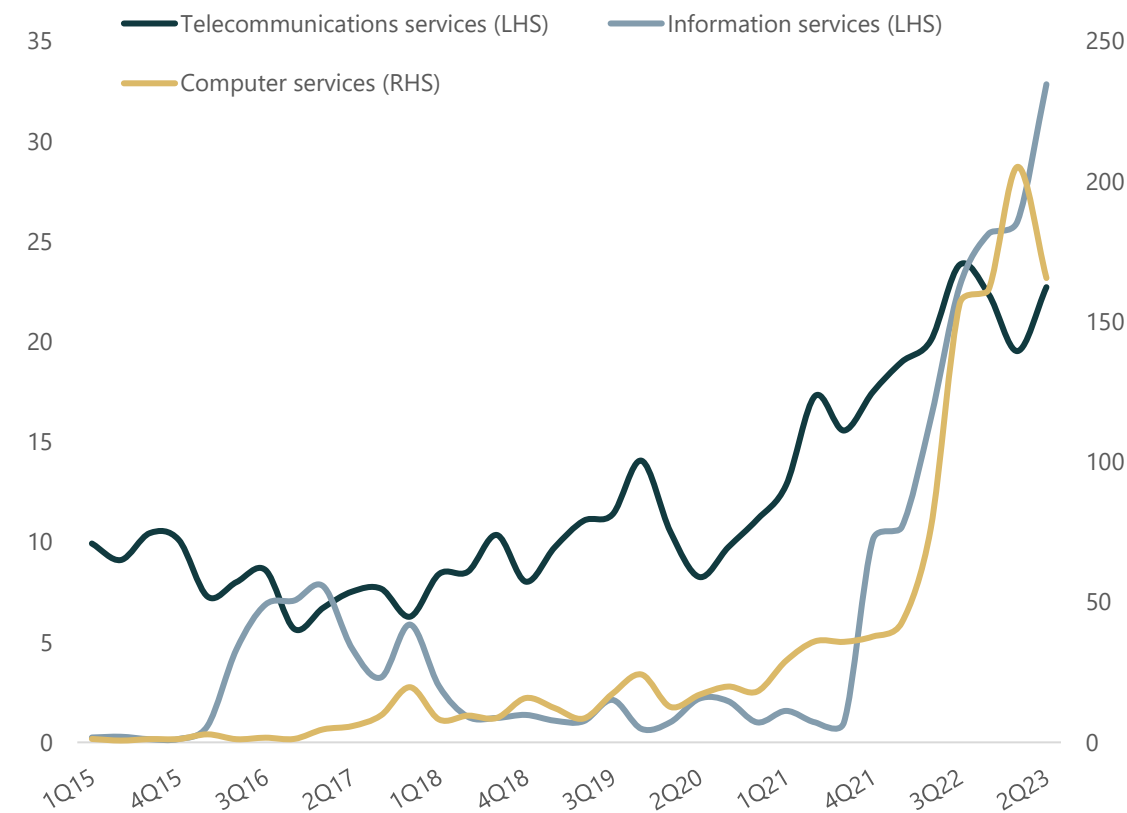
# ICT SECTOR: BOOSTS GDP GROWTH AND EMERGES AS A NEW SOURCE FOR THE FOREIGN CURRENCY FLOWS



THE INFORMATION AND COMMUNICATION (ICT) SECTOR SHARE IN GDP  
STANDING AT 4.9% IN 2Q23, AS OPPOSED TO 3.1% IN 2018-2021



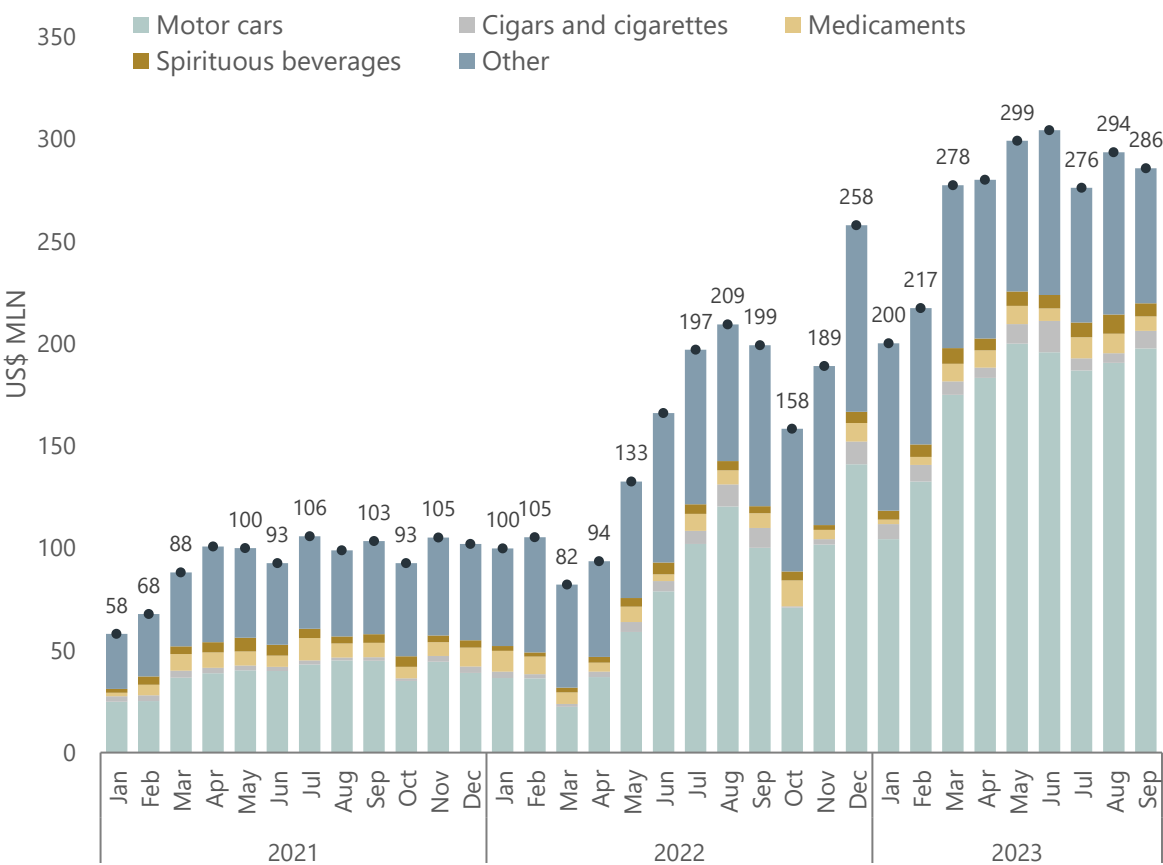
EXPORTS OF ICT SERVICES (US\$ MLN)



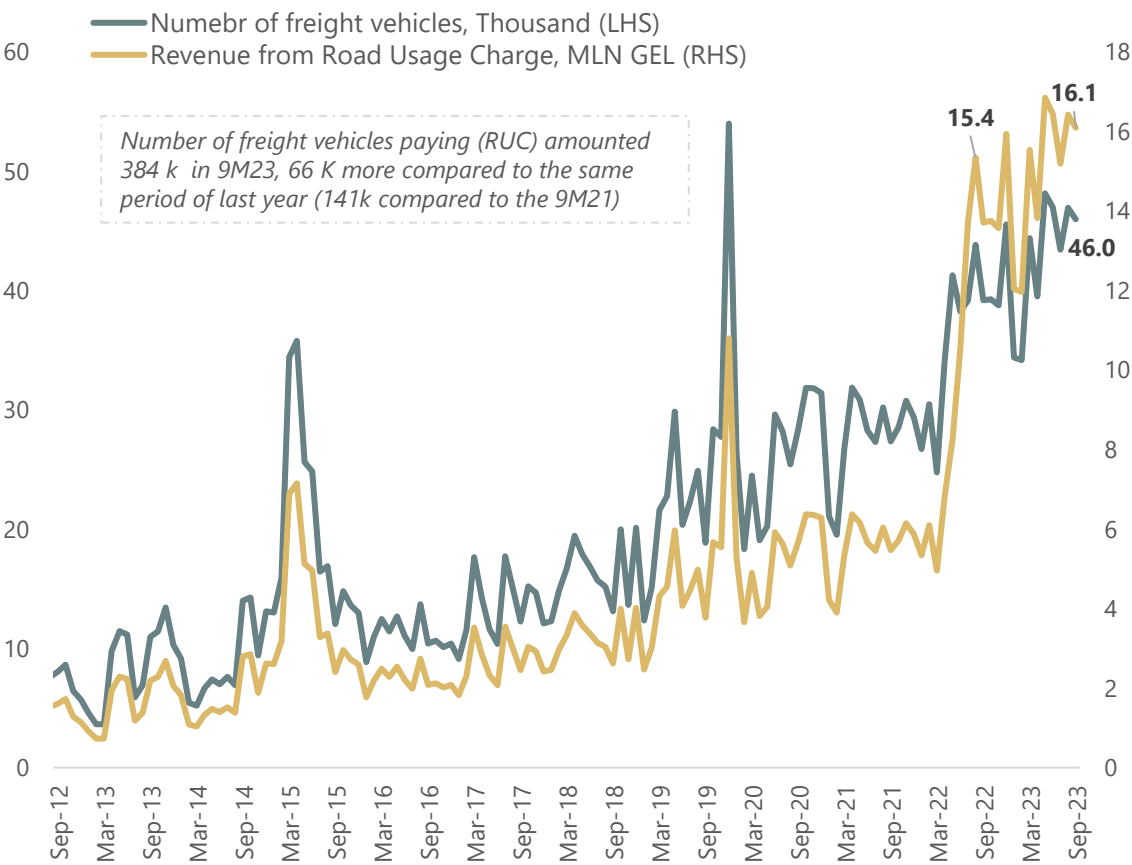
# THE GROWING IMPORTANCE OF “MIDDLE CORRIDOR”



RE-EXPORT INCREASED BY 89% Y-O-Y IN 9M23, AND BY 199% COMPARED TO THE 9M21, MOSTLY DUE TO THE INCREASED RE-EXPORT OF MOTOR CARS

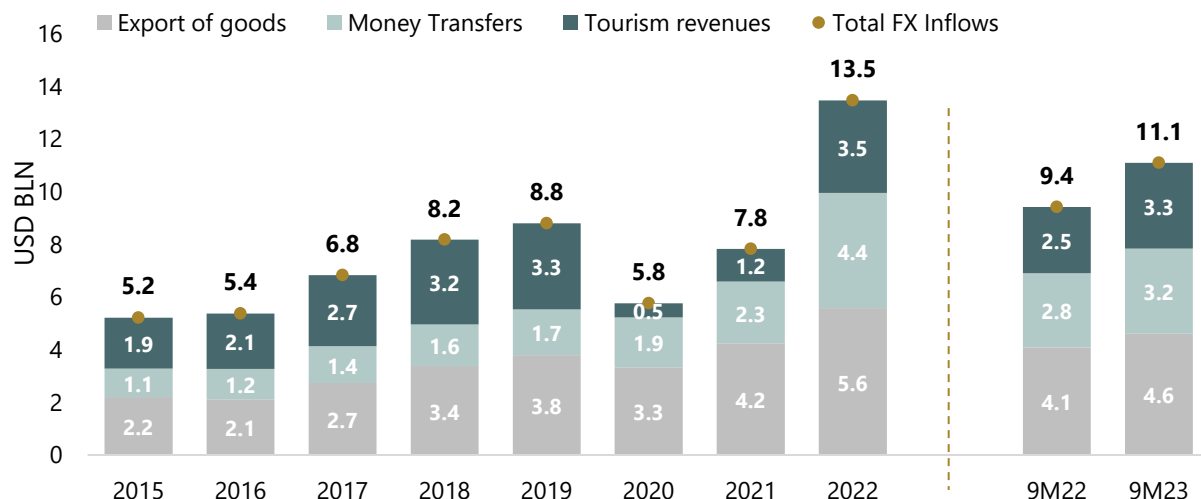


REVENUES FROM ROAD USAGE CHARGE (RUC) INCREASED BY 59% Y-O-Y AND BY 176% COMPARED TO 9M21

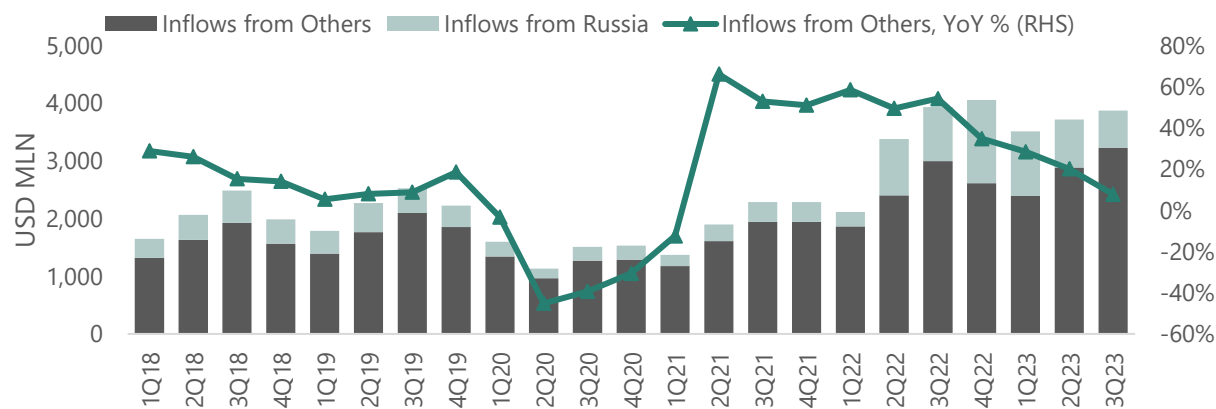


# IMPROVED EXTERNAL POSITION

**TOTAL FX INFLOWS INCREASED BY 17.8% Y-O-Y AND AMOUNTED TO US\$ 11.1 BLN IN 9M23**



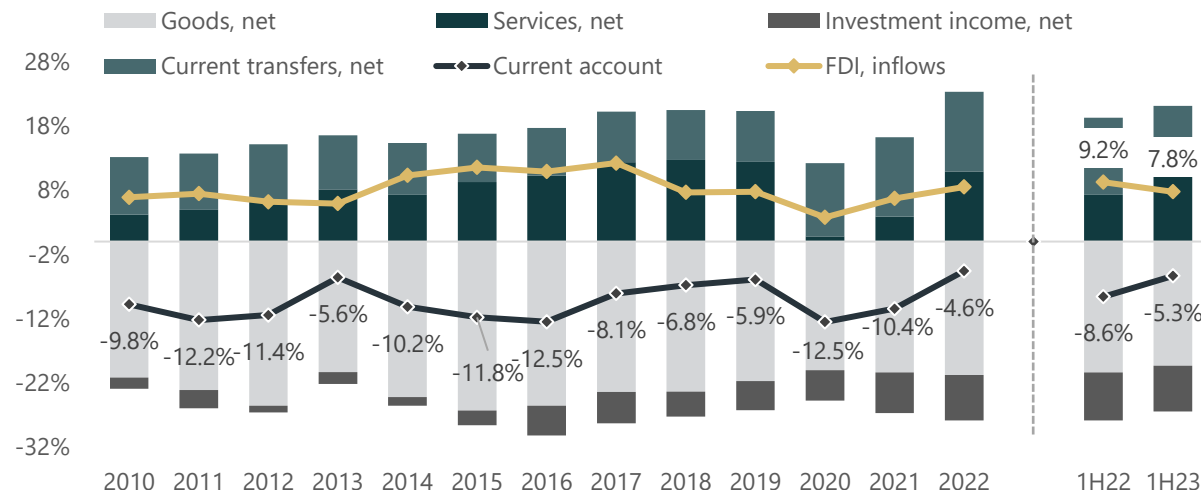
**EXTERNAL INFLOWS\* EXCLUDING RUSSIA CONTINUE TO INCREASE**



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



**CURRENT ACCOUNT DEFICIT HAS NARROWED SIGNIFICANTLY AS FDI CONTINUES TO FULLY FINANCE THE DEFICIT**



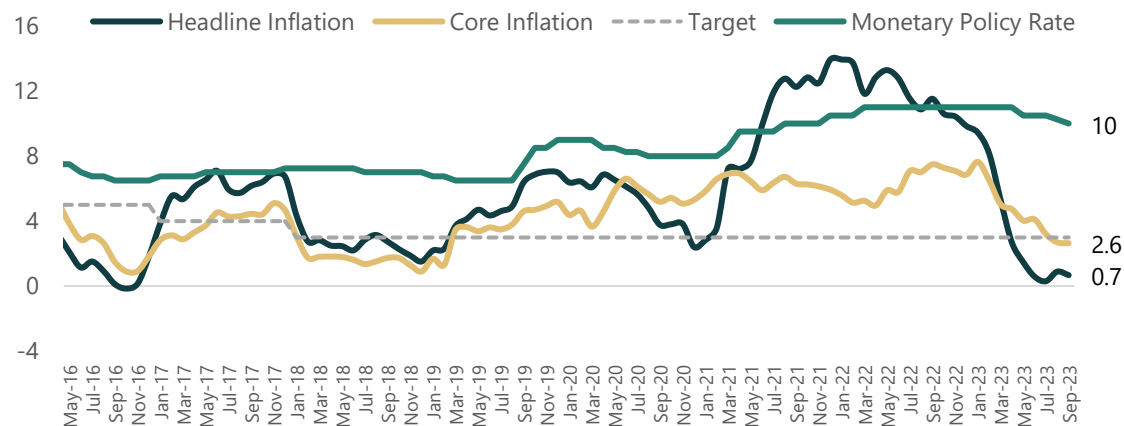
**APPRECIATING SINCE MID-2021, BRIEFLY INTERRUPTED AFTER THE WAR, GEL HAS NOW STRENGTHENED TO ABOVE PRE-PANDEMIC LEVELS AGAINST US\$**



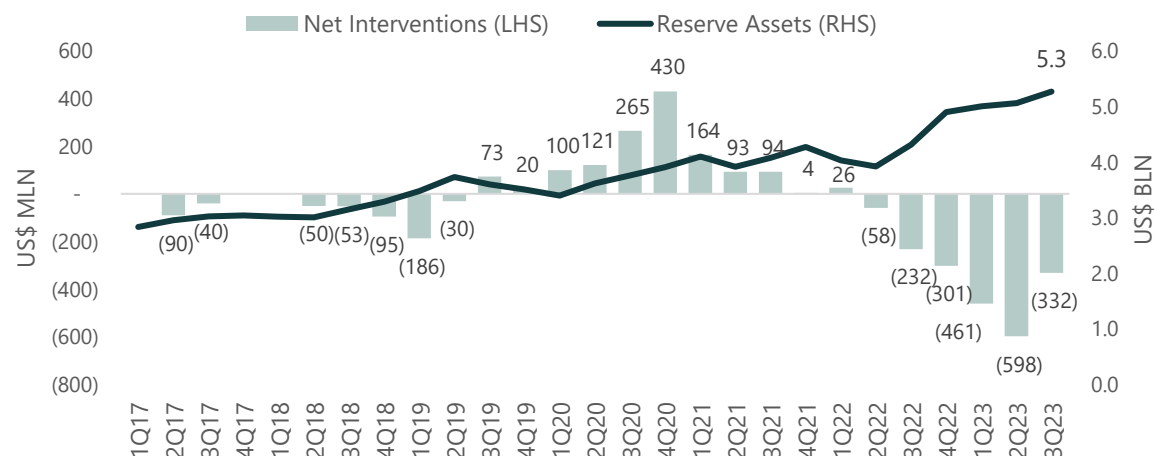


# APPROPRIATE MACRO POLICY STANCE

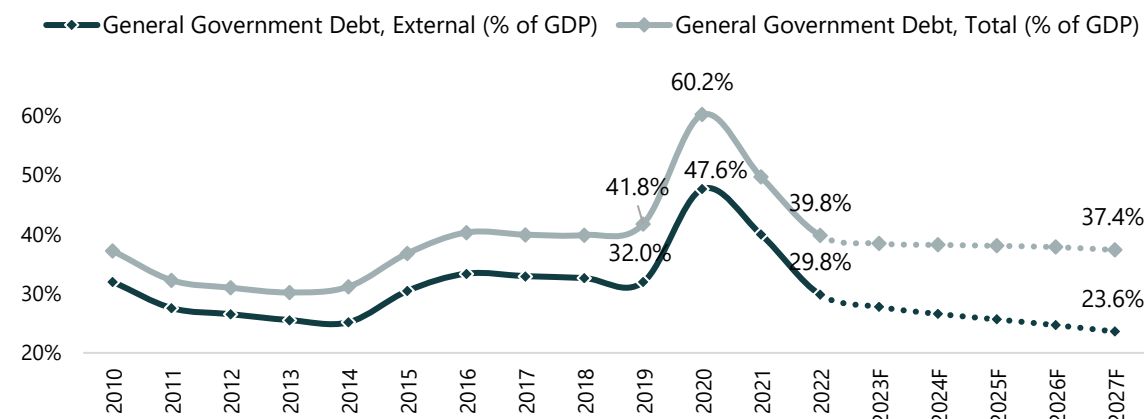
## INFLATION Y-O-Y VS. INFLATION TARGET



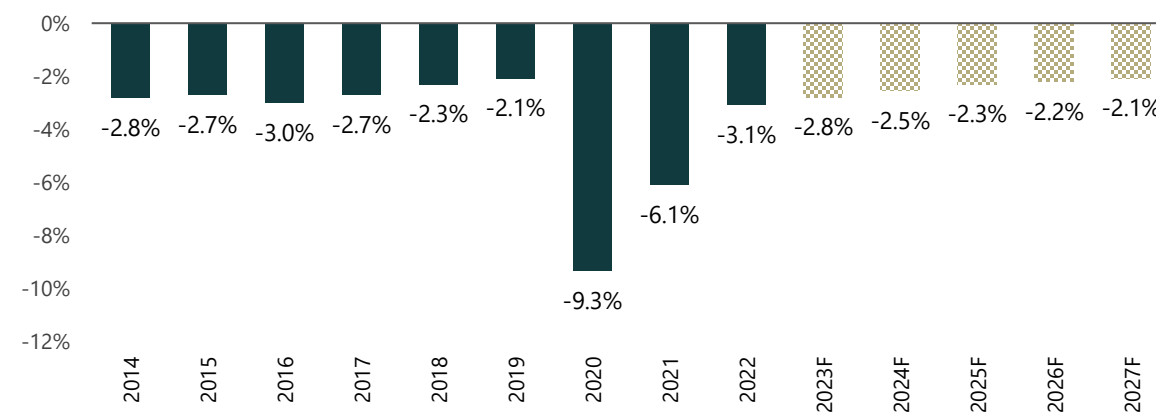
## NET NBG INTERVENTIONS ON THE FX MARKET AND OFFICIAL RESERVE ASSETS



## GENERAL GOVERNMENT DEBT (% OF GDP)



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





## MACROECONOMIC WRAP-UP



**STRONG GDP PERFORMANCE**



**BELOW - TARGET INFLATION**



**ROBUST EXTERNAL BALANCE SHEET**



**GEL/US\$ ABOVE THE PRE-PANDEMIC LEVELS**



**SOUND MACROECONOMIC FRAMEWORK**

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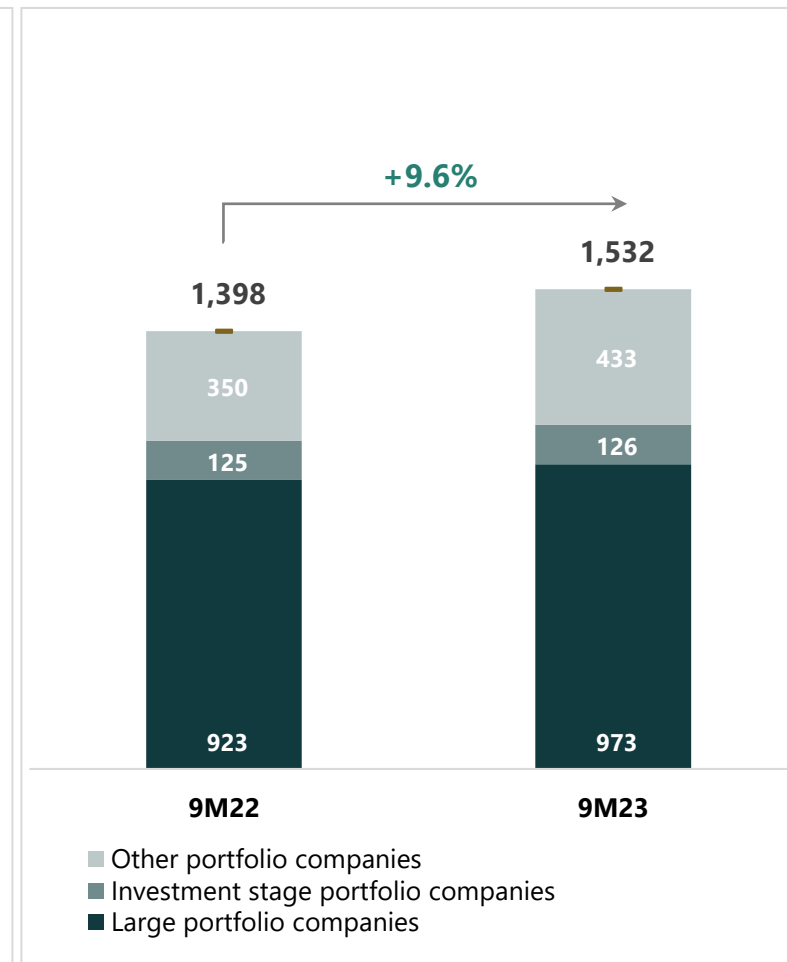
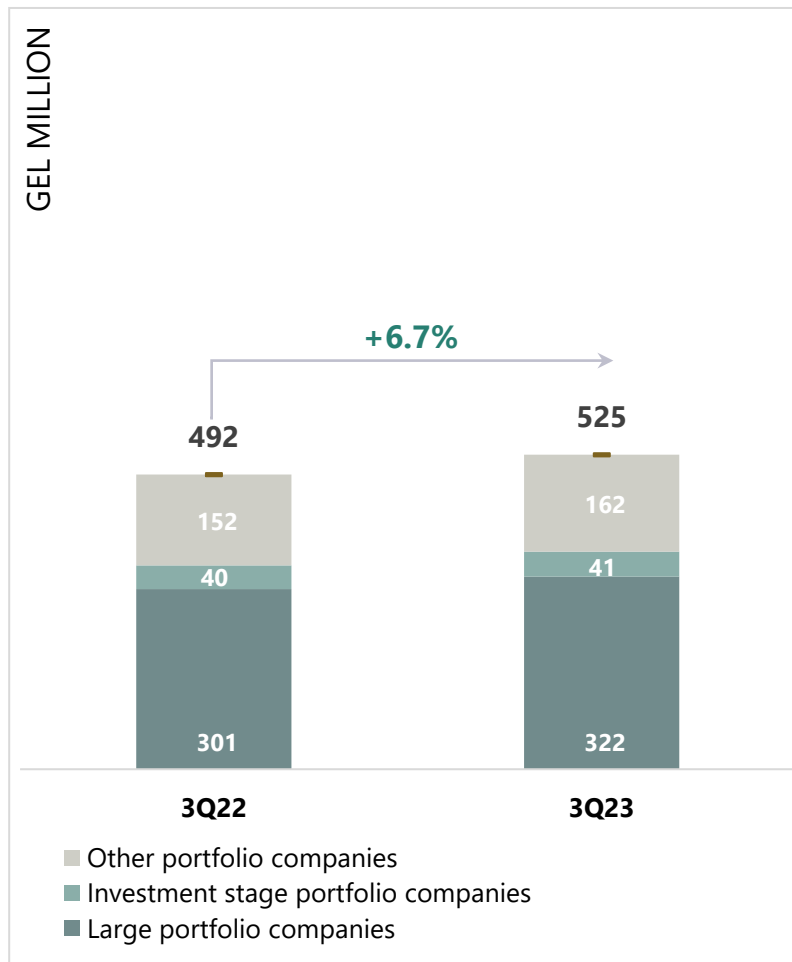
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# AGGREGATED REVENUE DEVELOPMENT ACROSS PRIVATE PORTFOLIO

## AGGREGATED REVENUE UP 6.7% Y-O-Y IN 3Q23

- 9M23 aggregated revenue up 9.6% y-o-y



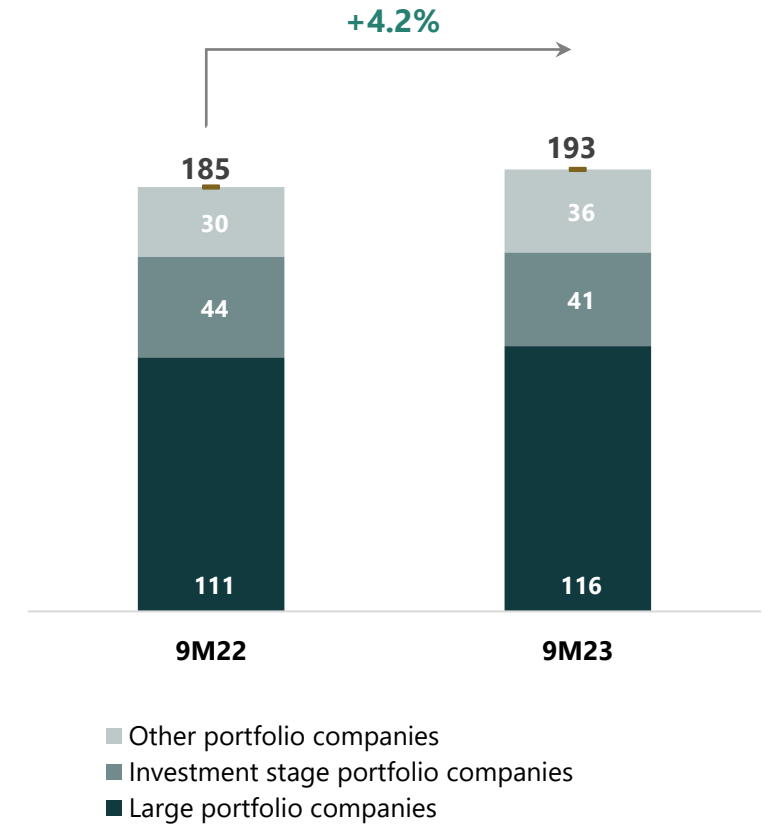
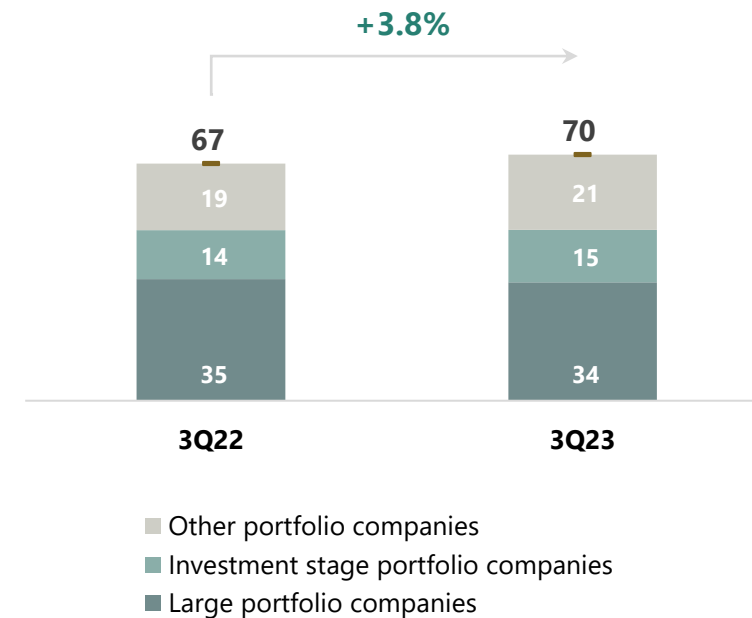


# AGGREGATED EBITDA DEVELOPMENT ACROSS PRIVATE PORTFOLIO

**AGGREGATED EBITDA UP  
3.8% IN 3Q23 AND UP 4.2%  
Y-O-Y IN 9M23**

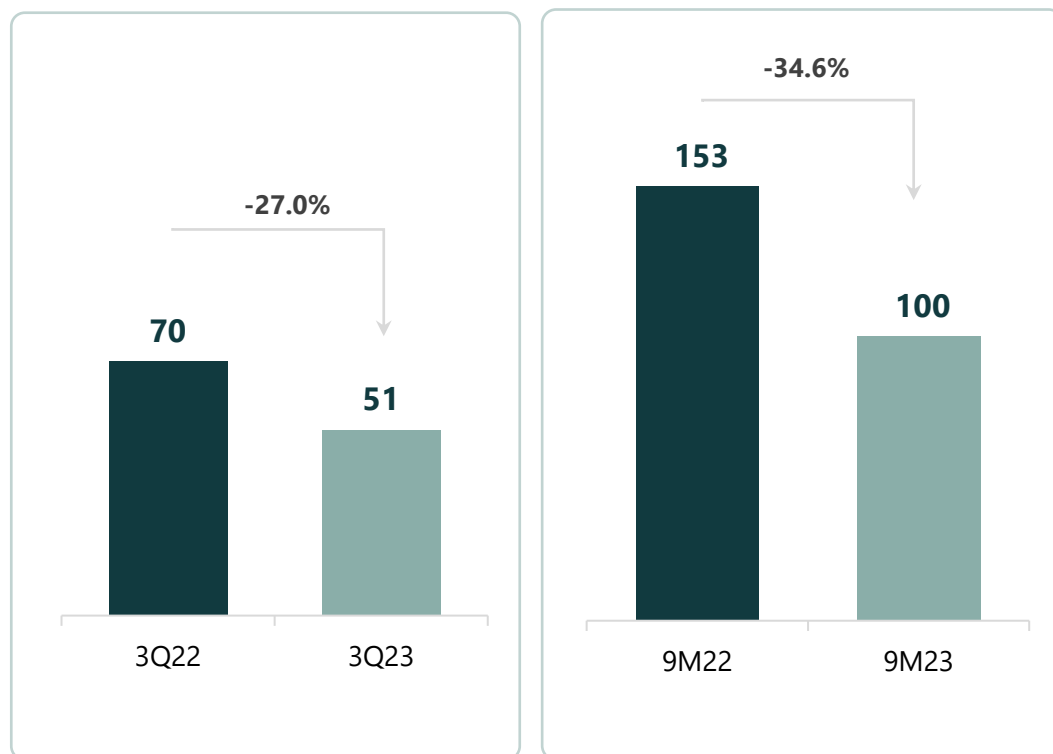
- 3Q23 and 9M23 performance reflects a number of regulatory changes, particularly within the healthcare sector, which in the short-term have slowed the previously projected pace of post-COVID recovery.

GEL MILLION

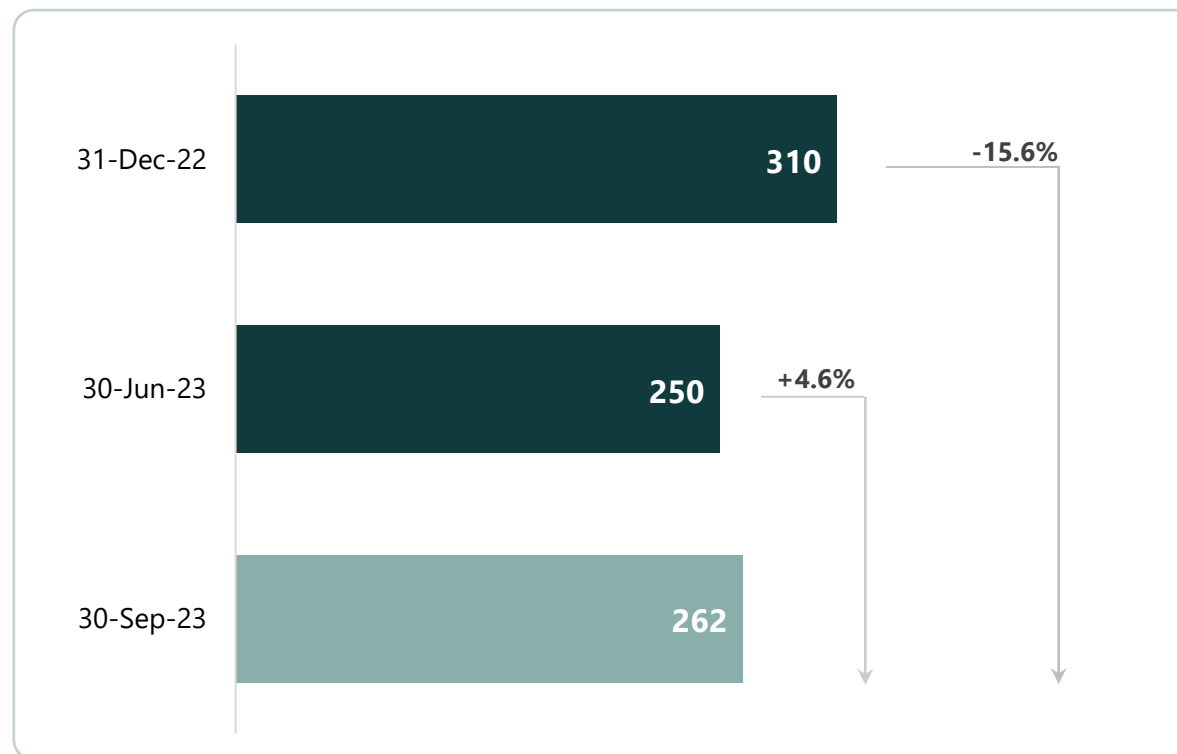


# AGGREGATED CASH BALANCE & NET OPERATING CASH FLOW DEVELOPMENT ACROSS PRIVATE PORTFOLIO

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



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



➤ The temporary decrease in aggregated net operating cash flows primarily reflects the retail (pharmacy) business's strategy of making advance payments to key vendors to secure substantial supplier discounts.

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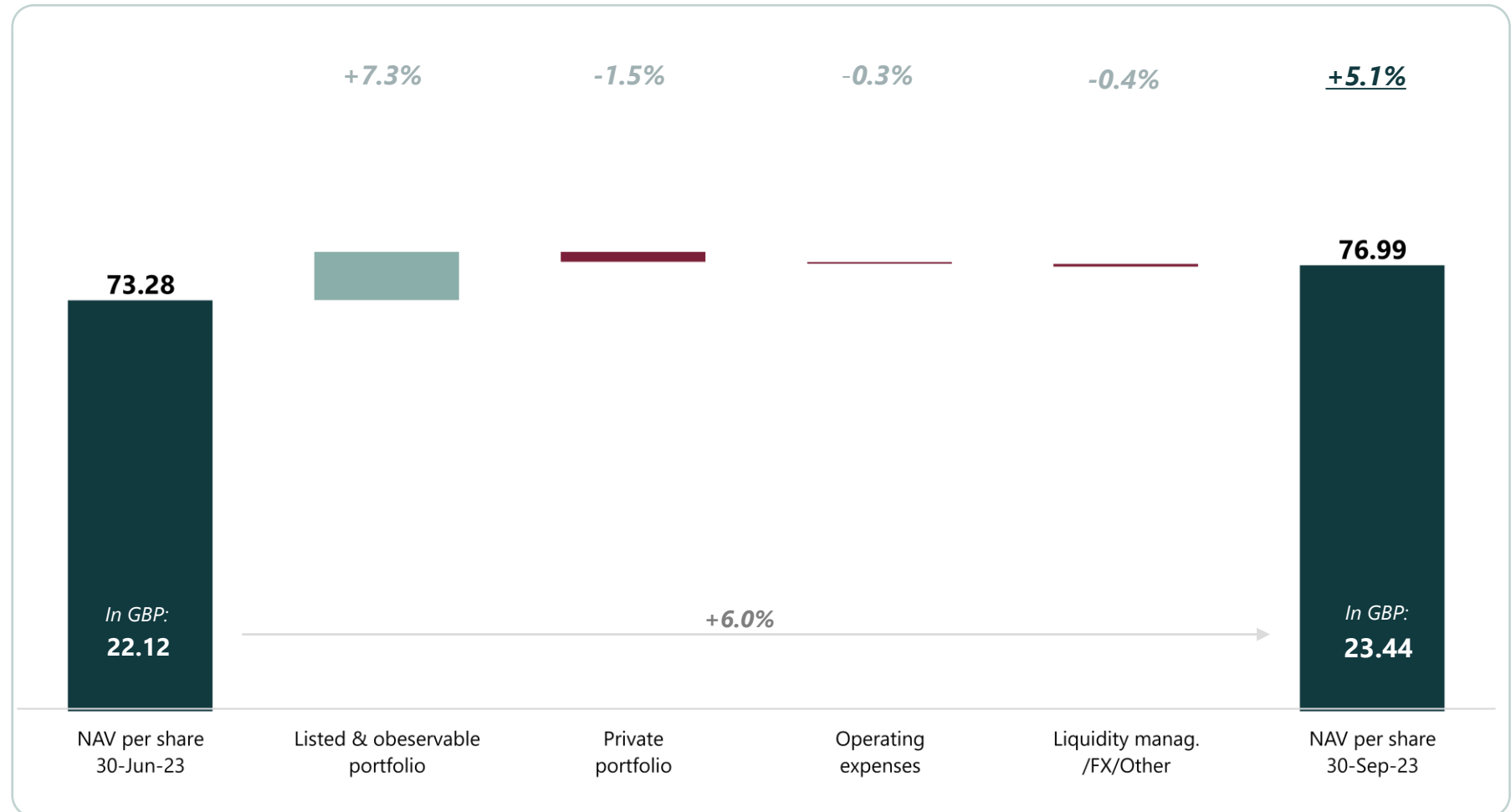
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# NAV PER SHARE (GEL) MOVEMENT IN 3Q23



## NAV PER SHARE (GEL) UP 5.1% Q-O-Q TO 76.99

- NAV per share (GEL) performance in 3Q23 mainly reflects continued recovery in BoG's share price.





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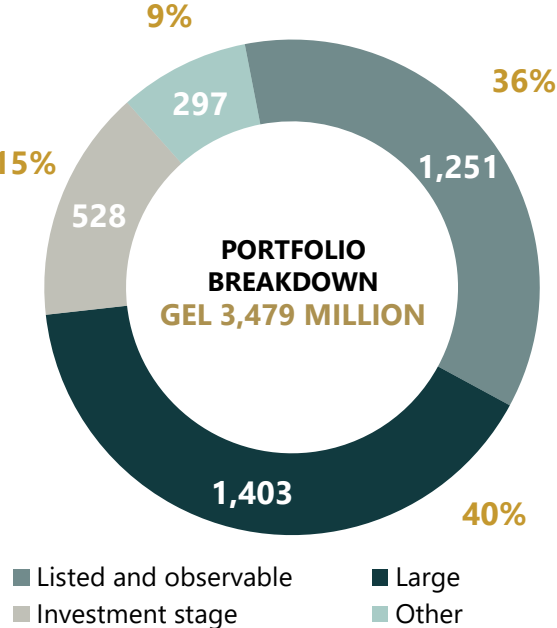
**07** ANNEX

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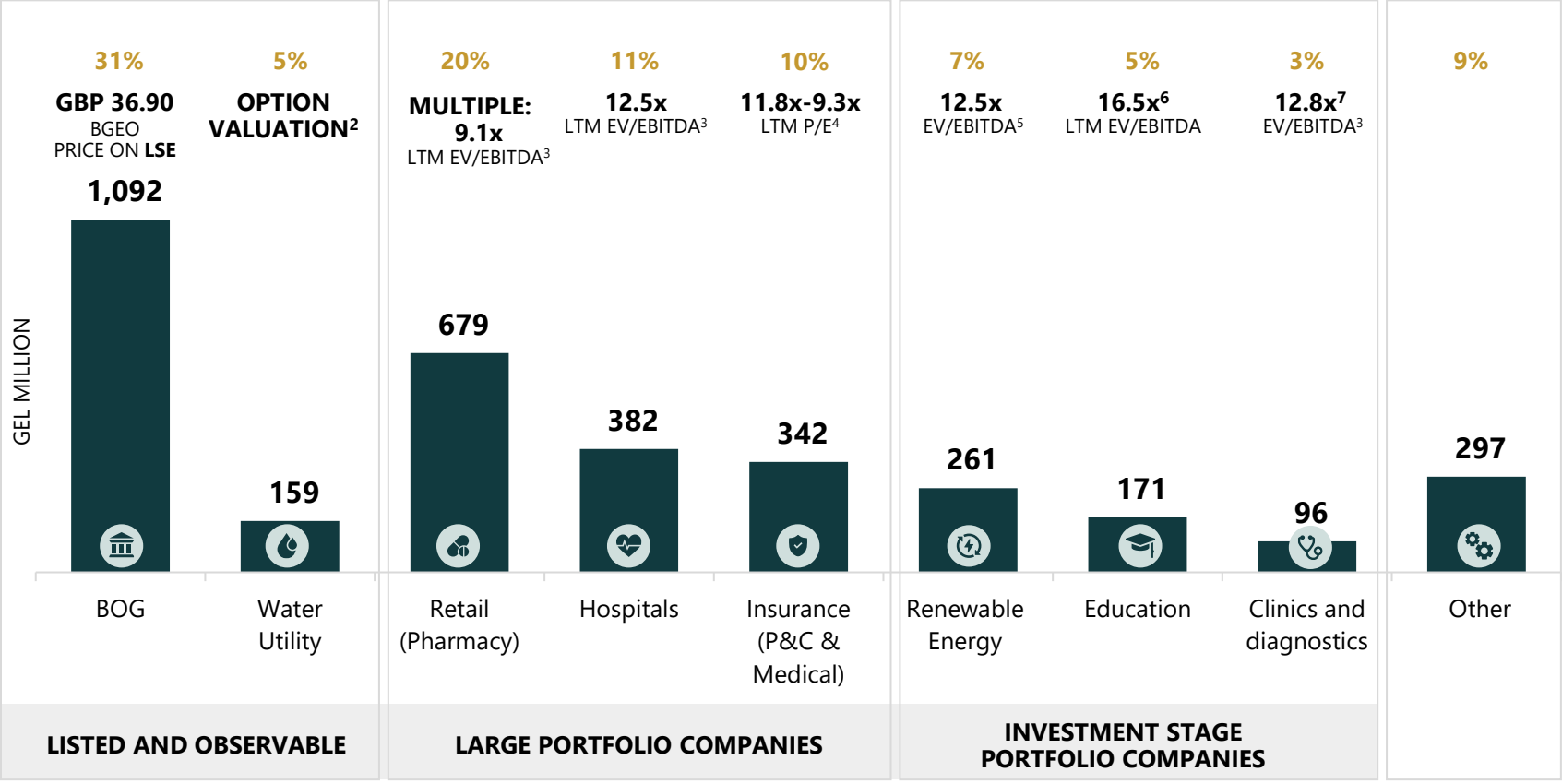
# PORTFOLIO VALUE AS OF 30-SEP-23



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



## % SHARE IN TOTAL PORTFOLIO VALUE:



**Georgia Capital PLC |** 1. The independent valuations of the large and investment portfolio companies are performed on a semi-annual basis. In 3Q23, our private large and investment portfolio companies were valued internally by incorporating 3Q23 results, in line with IPEV guidelines and methodology deployed in 1H23 by a third-party independent valuation firm. 2. The valuation of Water Utility in 3Q23 reflects the application of the put option valuation to GCAP's 20% holding in the business. 3. LTM EV/EBITDA multiples for Retail (Pharmacy), Hospitals and Clinics & Diagnostics are presented including IFRS 16 as of 30-Sep-23. 4. LTM P/E multiple of 11.8x for P&C insurance and LTM P/E multiple of 9.3x for medical insurance business as at 30-Sep-23. 5. Blended multiple for the operational assets of Renewable Energy is 12.5x, while other pipeline projects are stated at cost. 6. The forward-looking implied valuation multiple is estimated at 11.2x for the 2023-2024 academic year. 7. The forward-looking implied valuation multiple for Clinics & Diagnostics is estimated at 10.1x.

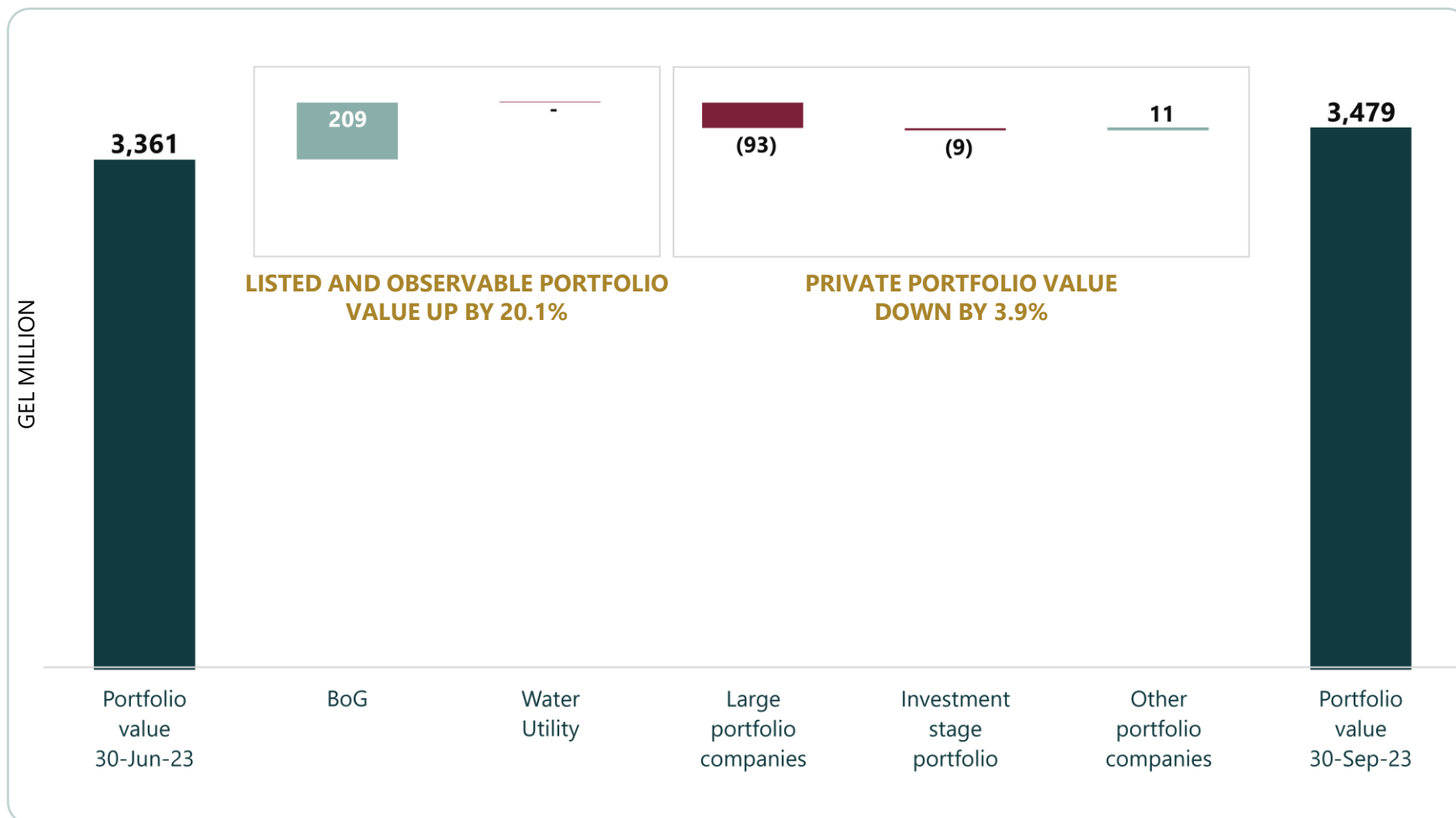
# PORTFOLIO VALUE DEVELOPMENT IN 3Q23

## PORTFOLIO VALUE UP 3.5% TO GEL 3.5 BILLION IN 3Q23

- The value of the listed and observable portfolio increased by GEL 209.4 million.
- The value creation in the private portfolio amounted to negative GEL 46.2 million in 3Q23, reflecting the negative net impact from changes in implied valuation multiples and foreign currency exchange rates.

### PRIVATE PORTFOLIO VALUE CREATION IN 3Q23

PRIVATE PORTFOLIO	VALUE CREATION
<b>GEL million</b>	
Other businesses	15.0
Renewable Energy	13.0
Insurance (P&C & Medical)	-
Clinics & Diagnostics	(8.5)
Education	(13.5)
Retail (Pharmacy)	(13.8)
Hospitals	(38.4)
<b>Total</b>	<b>(46.2)</b>



# RETAIL (PHARMACY) BUSINESS OPERATING PERFORMANCE OVERVIEW

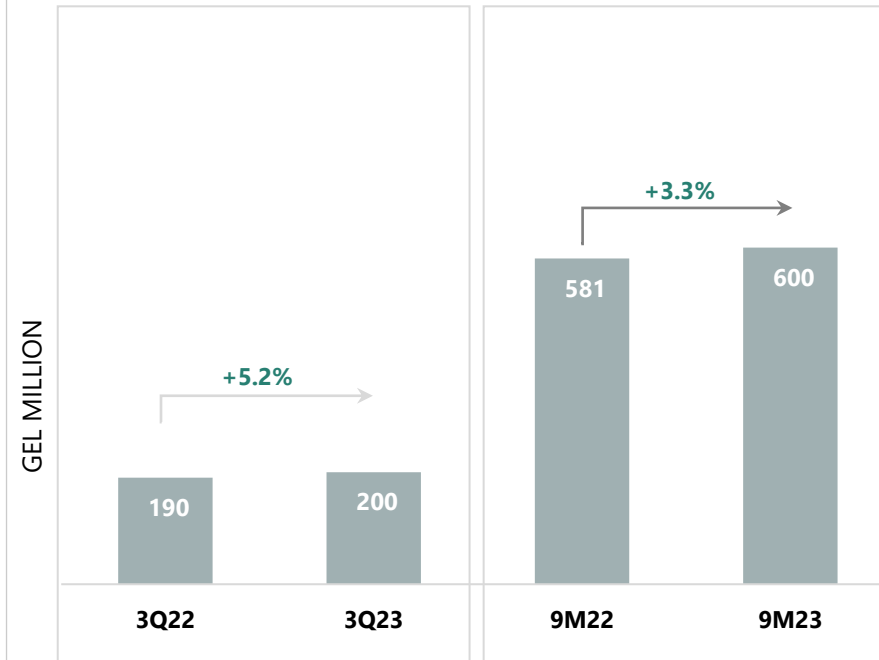


## RETAIL (PHARMACY)

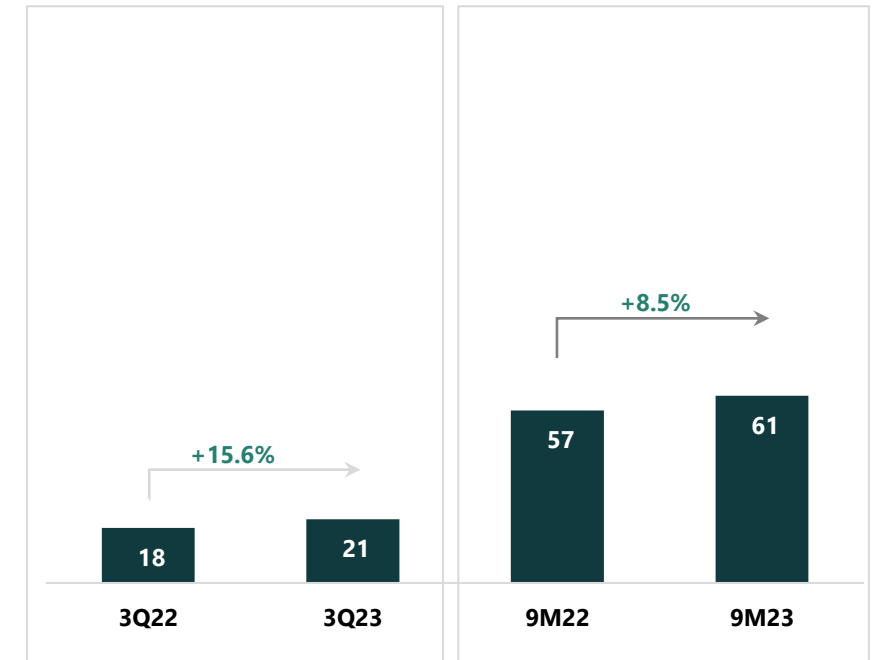
### KEY DRIVERS

- The y-o-y increase in revenues and EBITDA reflects the expansion of the pharmacy chain and franchise stores, along with overall economic growth in Georgia, partially subdued by:
  - The decrease in product prices due to GEL's appreciation against foreign currencies;
  - The negative impact of the External Reference Pricing model;
  - The decrease in wholesale revenues due to the impact of new government regulations, which led to the closure of certain partner pharmacies in 2023, which our pharmacy business held wholesale distribution agreements with.
- The business added 26 pharmacies and 3 franchise stores over the last 12 months.

### REVENUE DEVELOPMENT



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



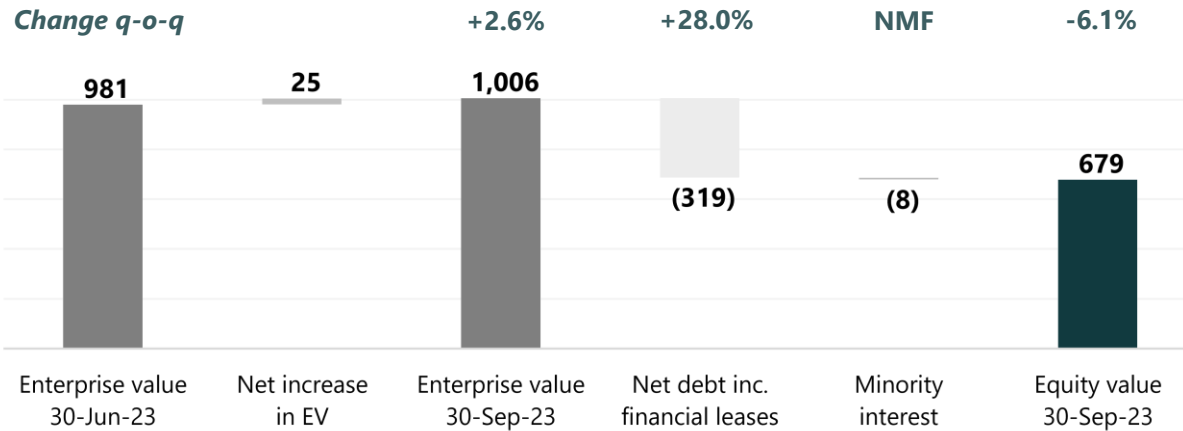
### KEY OPERATING HIGHLIGHTS

	3Q22	vs.	3Q23	Change y-o-y	9M22	vs.	9M23	Change y-o-y
# of pharmacies & franchise stores	378		407	+7.7%	378		407	+7.7%
Same store revenue growth	-3.1%		3.5%	+6.6ppts	2.2%		1.0%	-1.2ppts
# of bills issued (mln)	7.5		7.6	+1.1%	22.5		23.1	+2.5%
Average bill size	18.8		20.0	+6.7%	19.1		19.5	+2.5%



# RETAIL (PHARMACY) BUSINESS VALUATION OVERVIEW

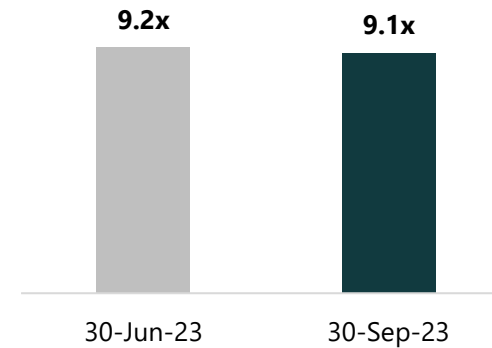
## VALUE DEVELOPMENT OVERVIEW | 3Q23 (GEL MILLION)



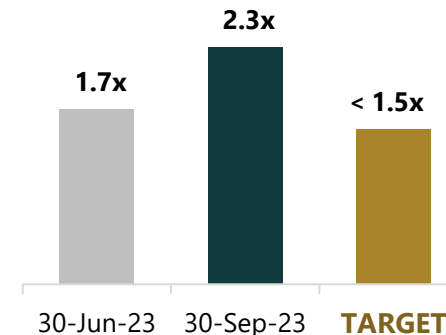
## VALUATION HIGHLIGHTS<sup>1</sup>

GEL million, unless noted otherwise	30-Sep-23	30-Jun-23	Change	31-Dec-22	Change
Enterprise value	1,006.3	980.7	25.6	957.7	48.6
LTM EBITDA	110.8	106.9	3.9	105.5	5.3
Implied EV/EBITDA multiple	9.1x	9.2x	(0.1x)	9.1x	-
Net debt inc. lease liabilities	(319.1)	(249.2)	(69.9)	(145.9)	(173.2)
Equity value of GCAP's share	679.2	723.5	(44.3)	724.5	(45.3)

## IMPLIED LTM EV/EBITDA DEVELOPMENT



## ADJUSTED NET DEBT TO EBITDA<sup>2</sup> (excl. IFRS 16)



# HOSPITALS BUSINESS OPERATING PERFORMANCE OVERVIEW

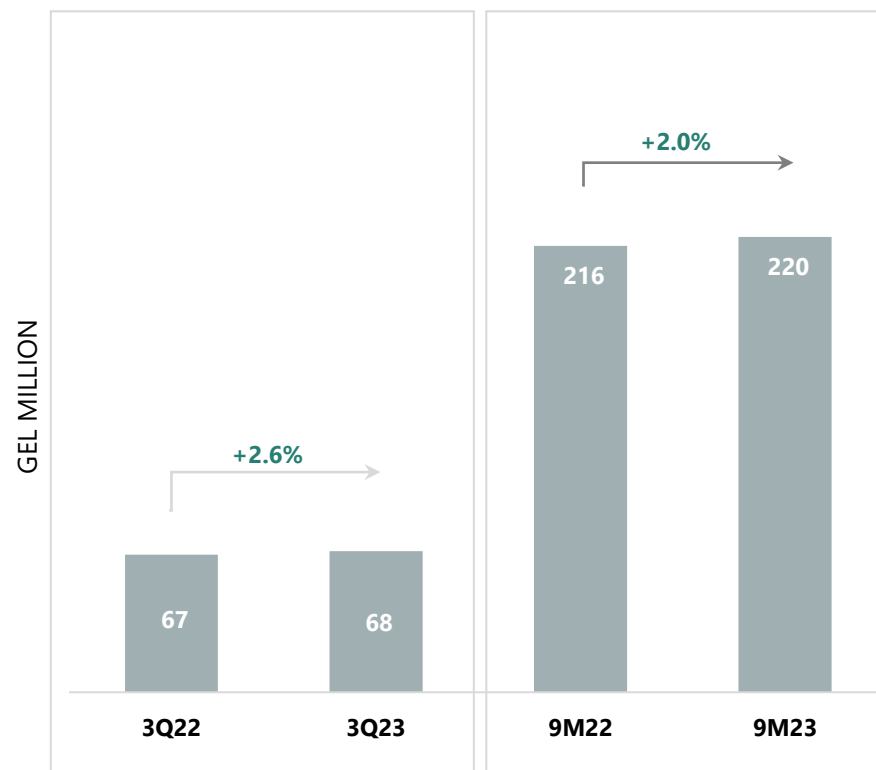


## HOSPITALS

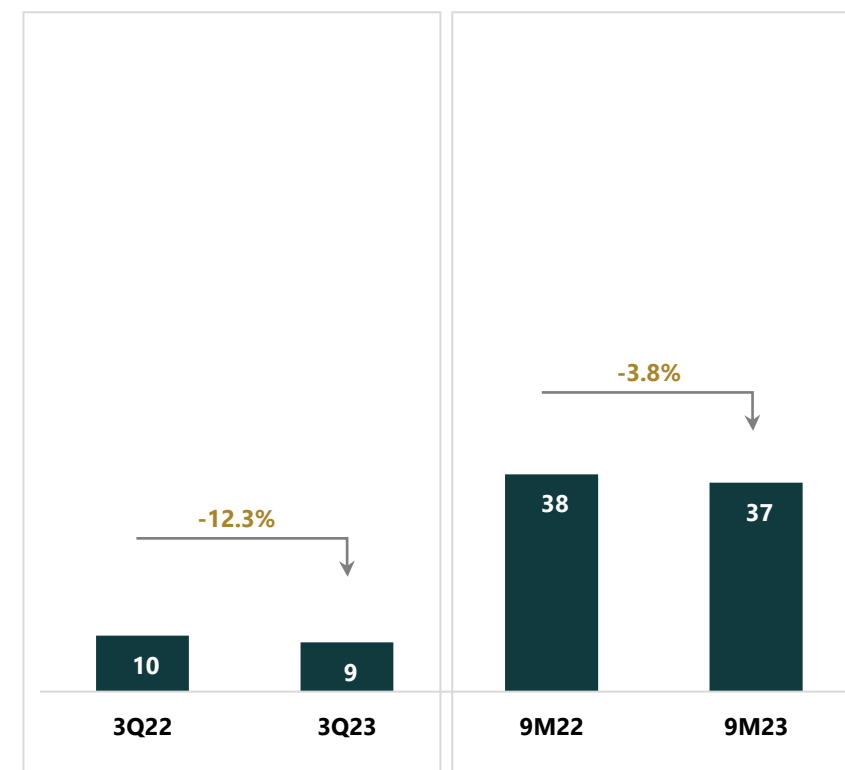
### KEY DRIVERS

- To address the oversupply of beds and enhance the quality of the healthcare industry in Georgia, the government introduced a new facility regulation, effective from September 2023. This regulation establishes upgraded standards for healthcare facilities and imposes limitations on space allotted per hospital bed.
- To meet the new standards, the business initiated renovation projects in 12 of its 16 hospitals. During the phased renovation process, certain sections of the business facilities were temporarily closed for services and unable to accept patients, thereby affecting the revenue and EBITDA.

### REVENUE DEVELOPMENT



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



### KEY OPERATING HIGHLIGHTS

	3Q22	vs.	3Q23	Change y-o-y	9M22	vs.	9M23	Change y-o-y
Number of admissions ('000)	287.5		253.9	-11.7%	903.9		801.8	-11.3%
Bed occupancy rate (%)	43.6%		48.4%	+4.8ppts	52.1%		53.2%	+1.1ppts

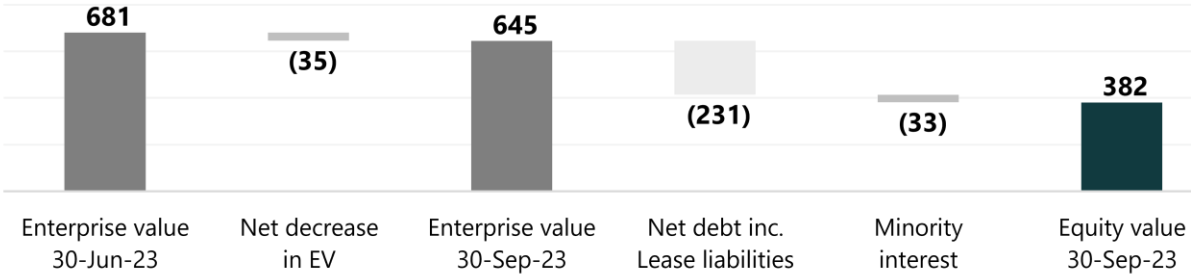


# HOSPITALS BUSINESS VALUATION OVERVIEW

## VALUE DEVELOPMENT OVERVIEW | 3Q23

(GEL MILLION)

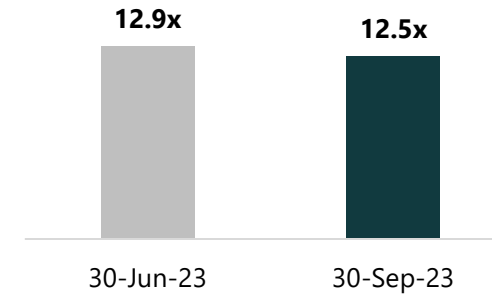
Change q-o-q                      -5.2%                      +3.9%                      0.0%                      -10.4%



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

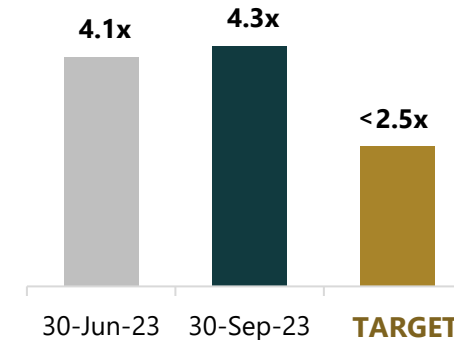
GEL million, unless noted otherwise	30-Sep-23	30-Jun-23	Change	31-Dec-22	Change
Enterprise value	645.4	680.8	(35.4)	653.3	(8.0)
LTM EBITDA	51.7	52.9	(1.3)	53.6	(1.9)
Implied EV/EBITDA multiple	12.5x	12.9x	(0.4x)	12.2x	0.3x
Net debt incl. lease liabilities	(231.0)	(222.2)	(8.8)	(188.1)	(42.9)
Equity value of GCAP's share	381.9	426.1	(44.2)	433.2	(51.3)

## IMPLIED LTM EV/EBITDA DEVELOPMENT



## NET DEBT TO EBITDA

(excl. IFRS 16)





# INSURANCE BUSINESS OPERATING PERFORMANCE OVERVIEW



## INSURANCE

### KEY DRIVERS

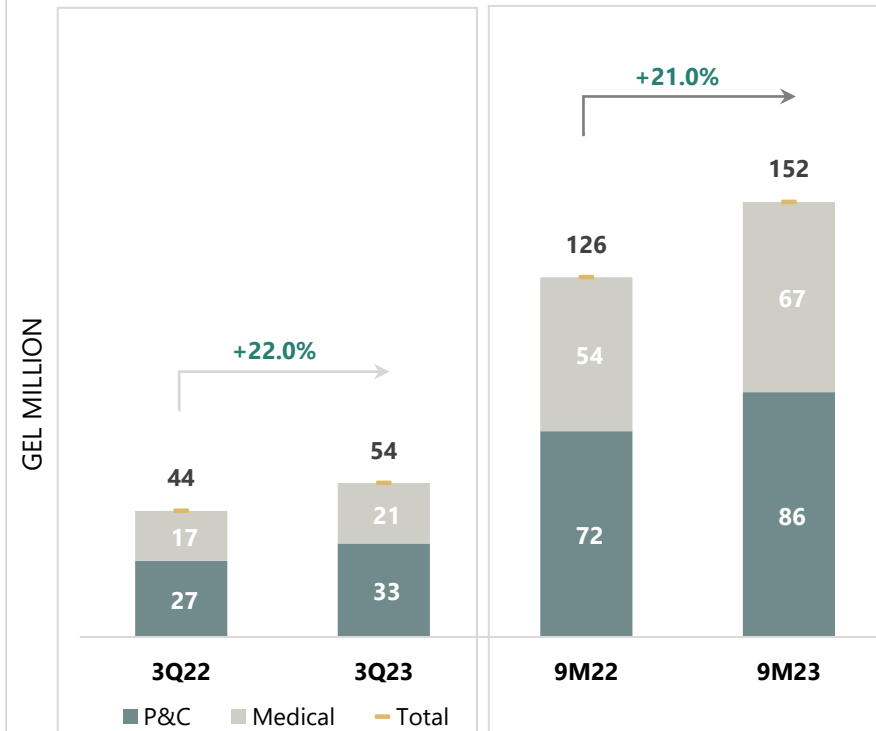
#### P&C Insurance

- The increase in insurance revenue is mainly driven by the growth in the motor, credit life and agricultural insurance lines.
- The combined ratio was up by 22.8ppts y-o-y in 3Q23, mostly reflecting:
  - Increased property insurance claims, resulting from an unprecedented landslide in one of the regions of Georgia;
  - Increased Agro insurance claims due to abnormal number of hailstorms during the quarter; and
  - A 3.9 ppts y-o-y increase in FX ratio, reflecting the impact of FX movements on the business operations.

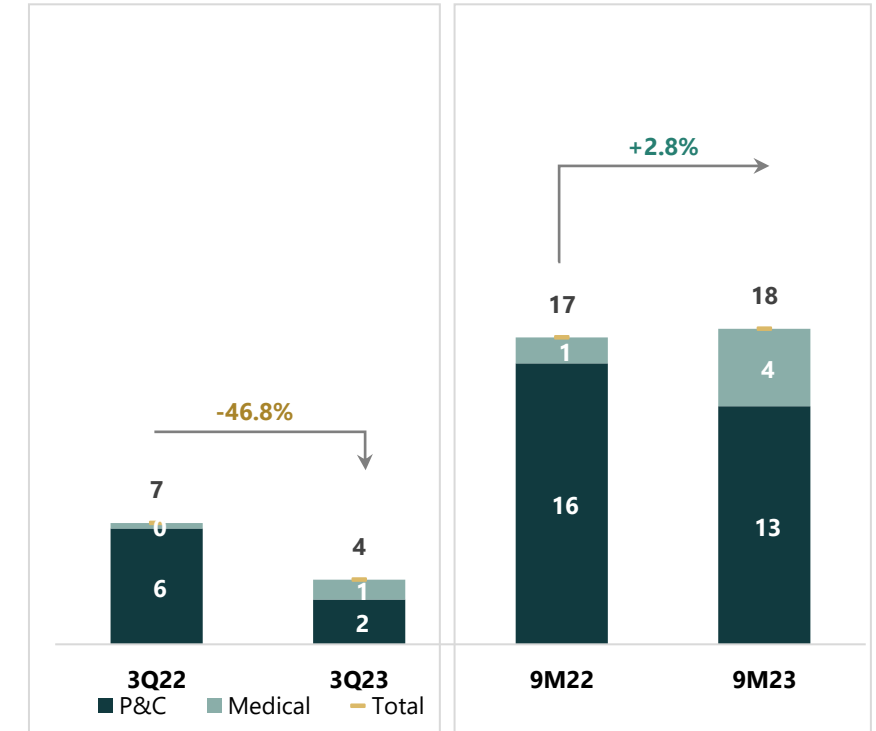
#### Medical Insurance

- The increase in insurance revenue is attributable to increase in the total number of insured clients, mainly in the corporate client segment and increase in price of insurance policies.

### INSURANCE REVENUE



### NET INCOME DEVELOPMENT



### KEY OPERATING HIGHLIGHTS

#### Medical Insurance

	3Q22	vs.	3Q23	Change y-o-y	9M22	vs.	9M23	Change y-o-y
Gross premium written (MGEL)	14.6		15.5	+6.4%	63.2		75.8	+20.1%
Combined ratio	101.0%		94.6%	-6.4ppts	101.1%		95.5%	-5.6ppts
Number of individuals insured	159,960		170,512	+6.6%	159,960		170,512	+6.6%

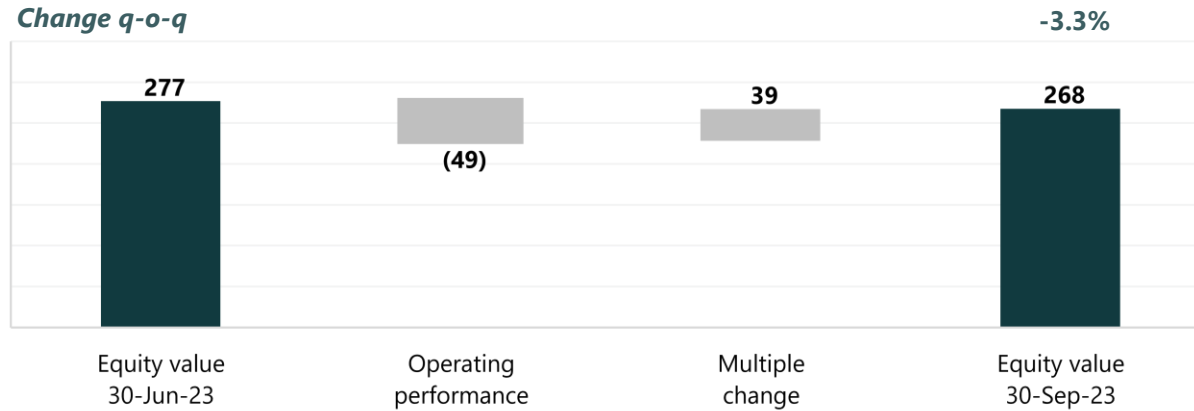
#### P&C Insurance

	3Q22	vs.	3Q23	Change y-o-y	9M22	vs.	9M23	Change y-o-y
Gross premium written (MGEL)	38.2		50.1	+31.3%	105.0		129.7	+23.5%
Combined ratio	76.7%		99.5%	+22.8ppts	79.6%		89.7%	+10.1ppts
Number of policies written	66,455		87,146	+31.1%	189,192		242,194	+28.0%



# P&C INSURANCE BUSINESS VALUATION OVERVIEW

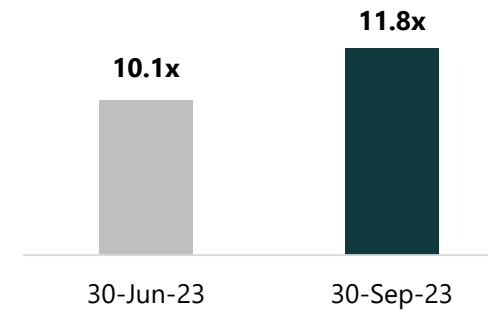
## VALUE DEVELOPMENT OVERVIEW | 3Q23 (GEL MILLION)



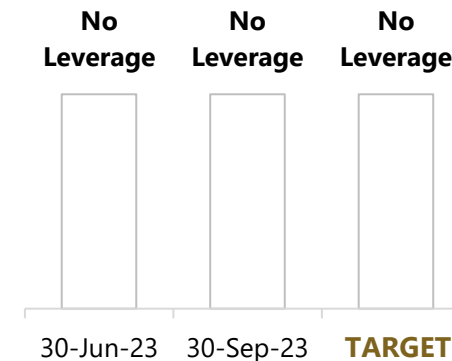
## VALUATION HIGHLIGHTS<sup>1</sup>

GEL million, unless noted otherwise	30-Sep-23	30-Jun-23	Change	31-Dec-22	Change
LTM net income <sup>2</sup>	22.7	27.5	(4.8)	21.5	1.2
Implied P/E multiple <sup>2</sup>	11.8x	10.1x	1.7x	10.6x	1.2x
Equity value	267.8	277.0	(9.1)	228.0	39.8
LTM ROAE <sup>3</sup>	24.5%	30.3%	(9.4ppts)	29.7%	(20.3ppts)

## IMPLIED LTM P/E MULTIPLE DEVELOPMENT



## NET DEBT TO EBITDA



# RENEWABLE ENERGY BUSINESS OPERATING PERFORMANCE OVERVIEW

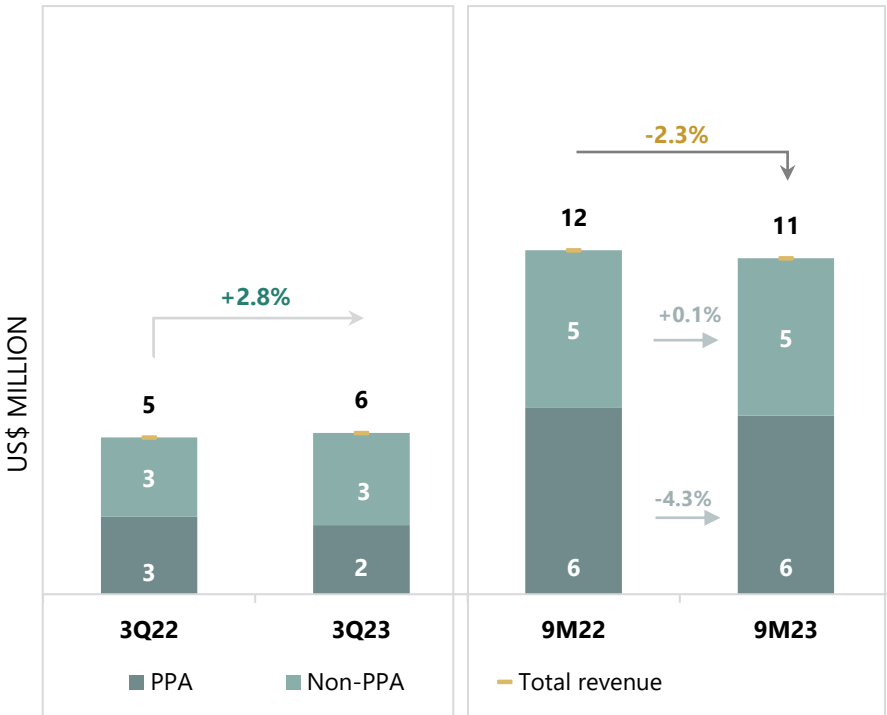


## RENEWABLE ENERGY

### KEY DRIVERS

- A 2.8% y-o-y increase in 3Q23 revenue reflects the net impact of:
  - A 1.3% y-o-y decrease in electricity generation in 3Q23 influenced by varying weather conditions; and
  - The electricity exports to the Republic of Türkiye which led to a 3.9% y-o-y increase in the average electricity selling price in 3Q23, while also affecting operating expenses, up 33.0% y-o-y in 3Q23, resulting from the electricity and transmission costs incurred due to electricity exports.

### REVENUE DEVELOPMENT



### EBITDA DEVELOPMENT



### KEY OPERATING HIGHLIGHTS

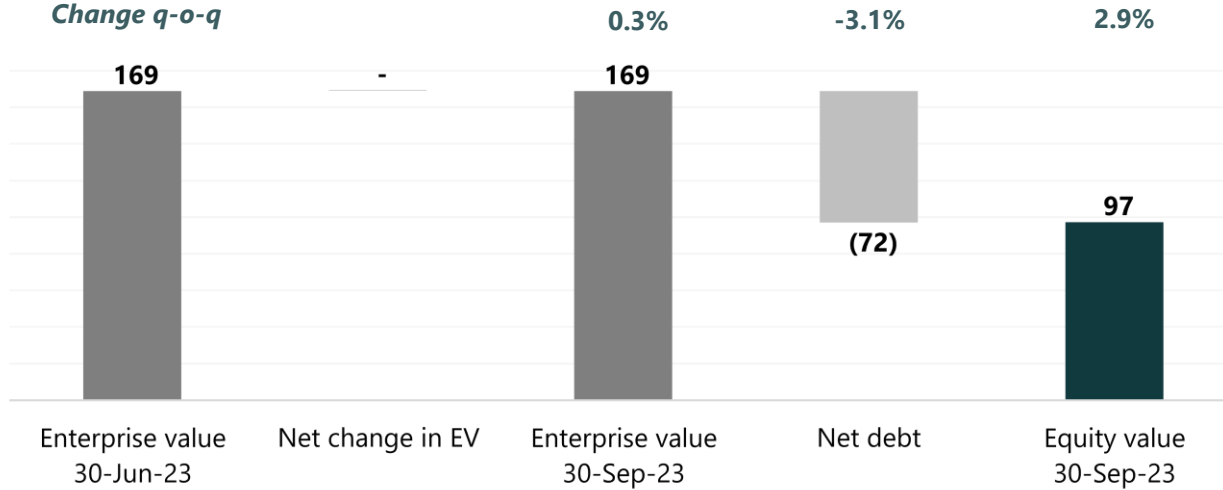
	3Q22	vs.	3Q23	Change y-o-y	9M22	vs.	9M23	Change y-o-y
Electricity generation (GWh)	98.7		97.4	-1.3%	221.2		203.2	-8.1%
Average sales price (US\$/MWh)	54.3		56.4	+3.9%	53.1		56.4	+6.2%



# RENEWABLE ENERGY BUSINESS VALUATION OVERVIEW

## VALUE DEVELOPMENT OVERVIEW | 3Q23 (US\$ MILLION)

Change q-o-q

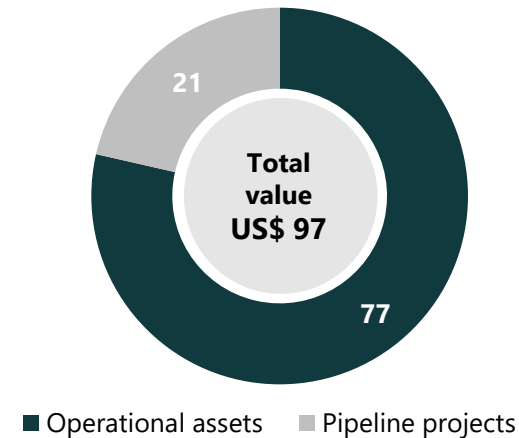


## VALUATION HIGHLIGHTS<sup>1</sup>

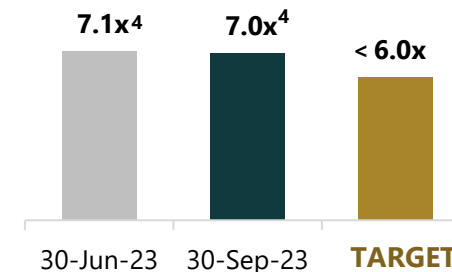
US\$ million, unless noted otherwise

	30-Sep-23	30-Jun-23	Change	31-Dec-22	Change
Enterprise value	169.1	168.6	0.5	154.7	14.4
EBITDA <sup>2</sup>	12.0	12.1	(0.1)	12.2	(0.2)
Implied EV/EBITDA multiple	12.5x	12.4x	0.1x	11.4x	1.1x
Investments at cost (EV) <sup>3</sup>	19.3	18.8	0.5	15.1	4.2
Net debt	(71.7)	(74.0)	2.3	(71.4)	(0.3)
Equity value	97.4	94.6	2.8	83.3	14.1

## EQUITY FAIR VALUE COMPOSITION AT 30-SEP-23 (US\$ MILLION)



## NET DEBT TO EBITDA



# EDUCATION BUSINESS OPERATING PERFORMANCE OVERVIEW



## EDUCATION

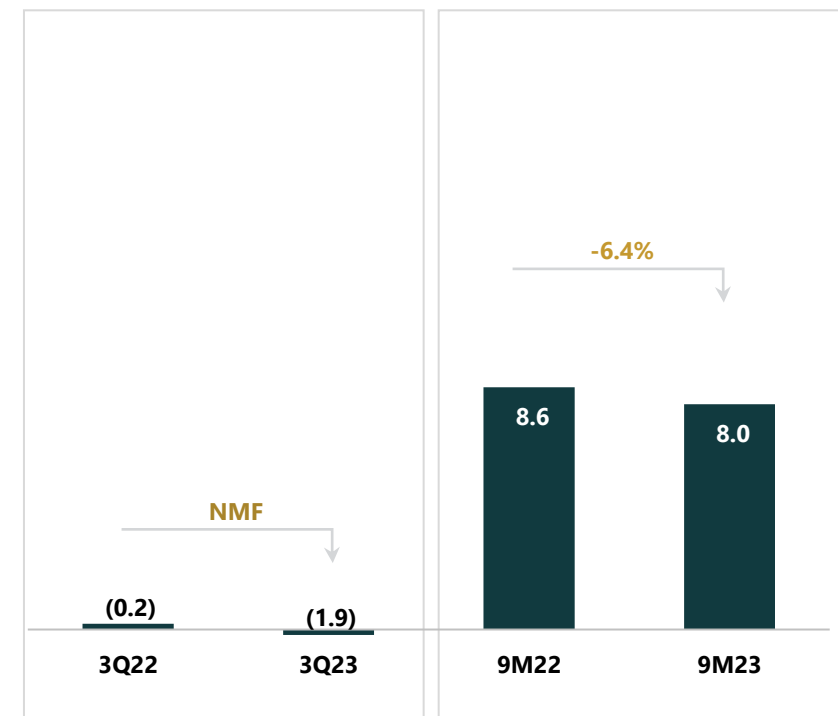
### KEY DRIVERS

- A 14.7% y-o-y increase in 3Q23 revenues were driven by:
  - organic growth through strong intakes and a ramp-up of the utilization;
  - expansion of the business through the launch of a new campus in the mid-scale segment category and the rebranding of the recently acquired school in the affordable segment.
  - The revenue growth was partially subdued by GEL's y-o-y appreciation against US\$, as the tuition fees for our premium and international schools are denominated in US\$.
- Operating expenses were up by 38.0% y-o-y in 3Q23, mainly reflecting inflation and increased salary expenses in line with the expansion.
- The business grew by 1,784 learners (up by 43.3% y-o-y to 5,900 learners as of 30-Sep-23).

### REVENUE DEVELOPMENT



### EBITDA DEVELOPMENT



### KEY OPERATING HIGHLIGHTS

	3Q22	vs.	3Q23	Change y-o-y	9M22	vs.	9M23	Change y-o-y
Capacity	5,650		7,270	+28.7%	5,650		7,270	+28.7%
Number of learners	4,116		5,900	+43.3%	4,116		5,900	+43.3%
Capacity utilisation	72.8%		81.2%	+8.3ppts	72.8%		81.2%	+8.3ppts

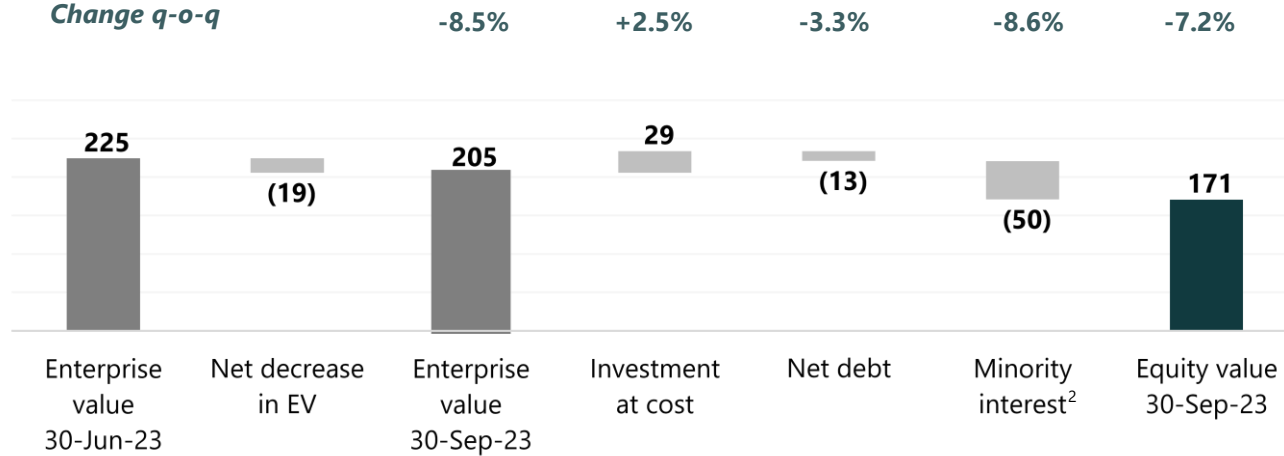


# EDUCATION BUSINESS VALUATION OVERVIEW

## VALUE DEVELOPMENT OVERVIEW | 3Q23

(GEL MILLION)

Change q-o-q

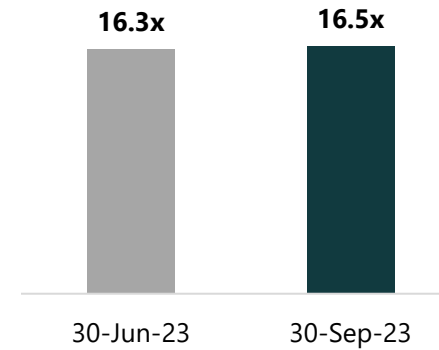


## VALUATION HIGHLIGHTS<sup>1</sup>

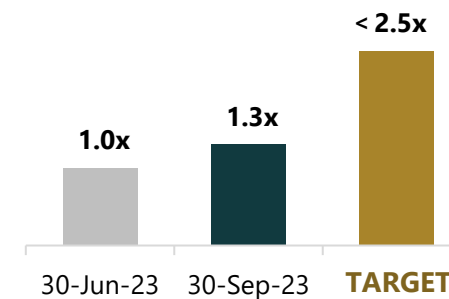
GEL million, unless noted otherwise

	30-Sep-23	30-Jun-23	Change	31-Dec-22	Change
Enterprise value	205.3	224.5	(19.2)	218.3	(12.9)
LTM EBITDA <sup>3</sup>	12.4	13.8	(1.3)	12.9	(0.5)
Implied EV/EBITDA multiple	16.5x	16.3x	0.2x	16.9x	(0.4x)
Net debt	(12.9)	(13.4)	0.4	(16.3)	3.4
Investments at cost	28.6	27.9	0.7	16.3	12.2
Total equity value of GCAP's share	170.9	184.2	(13.3)	164.2	6.6

## LTM EV/EBITDA DEVELOPMENT



## 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 3Q23, our private large and investment portfolio companies were valued internally by incorporating 3Q23 results, in line with IPEV guidelines and methodology deployed in 1H23 by a third-party independent valuation firm. 2. GCAP has different ownership stakes across schools (70-90%). 3. Functional currency adjustment is applied where applicable.

# CLINICS & DIAGNOSTICS BUSINESS OPERATING PERFORMANCE OVERVIEW

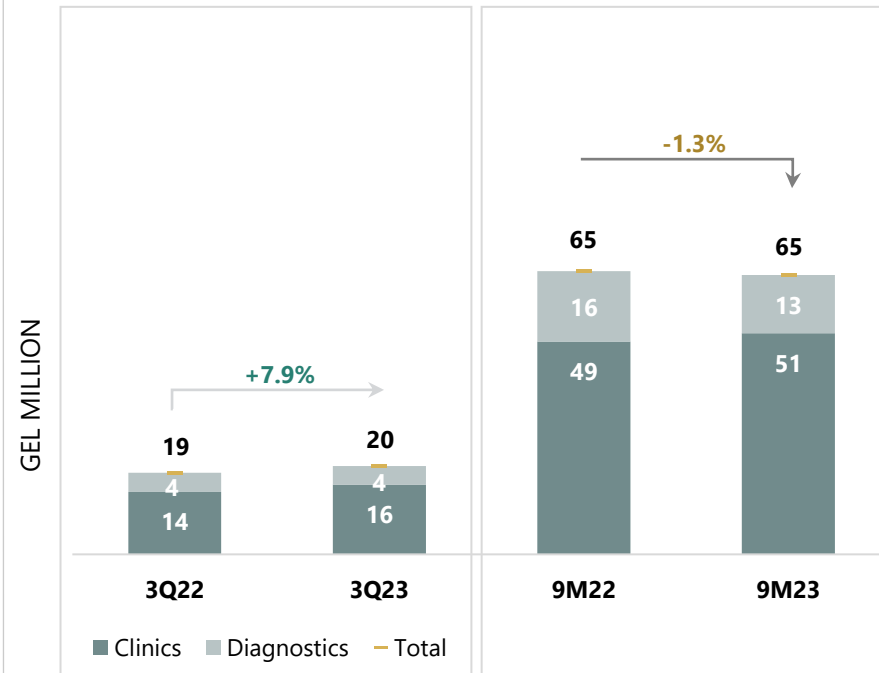


## CLINICS & DIAGNOSTICS

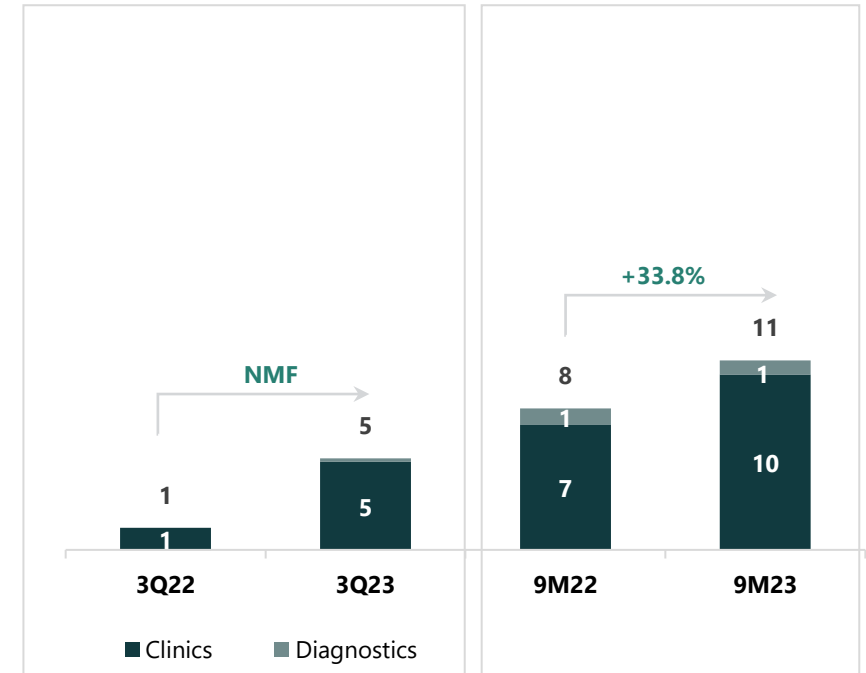
### KEY DRIVERS

- The y-o-y increase in total revenues in 3Q23 is attributable to higher demand for non-COVID regular ambulatory services and the expansion of the business.
- Similar to the hospitals business, the new facility regulation, also affected community clinics. In certain departments, admissions were temporarily suspended due to renovation works.
- In 3Q23, the business sold one of its polyclinic buildings for US\$ 6.2 million. The gain from this transaction amounted to GEL 2.9 million.

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



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



### KEY OPERATING HIGHLIGHTS

	3Q22	vs.	3Q23	Change y-o-y	9M22	vs.	9M23	Change y-o-y
<b>Clinics</b>								
Number of admissions ('000)	483.8		460.3	-4.9%	1,619.8		1,481.8	-8.5%
Number of registered patients ('000)	608.3		632.2	+3.9%	608.3		632.2	+3.9%
<b>Diagnostics</b>								
Number of patients served ('000)	208		164	-20.9%	762		577	-24.3%
Number of total tests performed ('000)	501		560	+11.8%	1,799		1,810	+0.6%

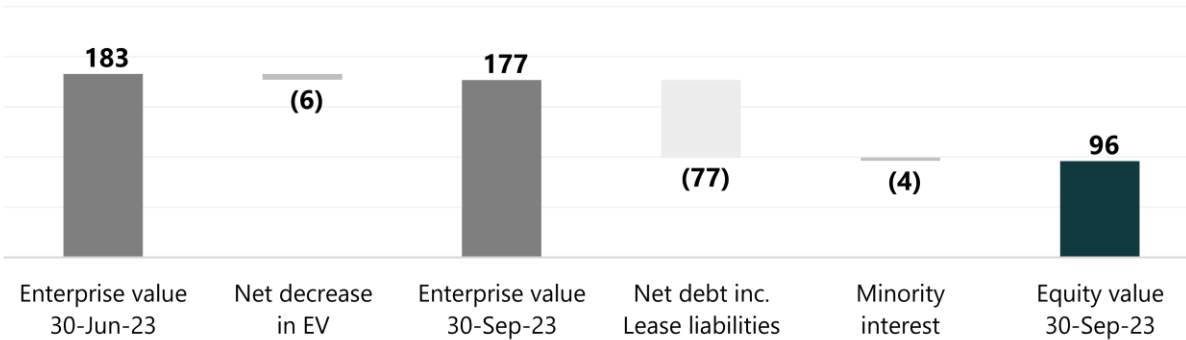




# CLINICS & DIAGNOSTICS BUSINESS VALUATION OVERVIEW

## VALUE DEVELOPMENT OVERVIEW | 3Q23 (GEL MILLION)

Change q-o-q

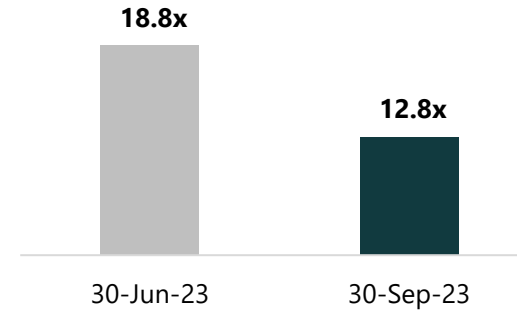


## VALUATION HIGHLIGHTS<sup>1</sup>

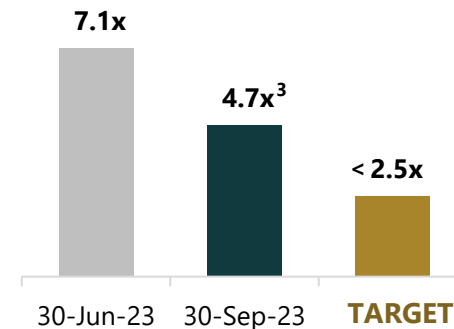
GEL million, unless noted otherwise

	30-Sep-23	30-Jun-23	Change	31-Dec-22	Change
Enterprise value	176.9	183.0	(6.1)	179.9	(3.0)
LTM EBITDA	13.8	9.7	4.1	10.9	2.9
Implied EV/EBITDA multiple	12.8x	18.8x	(6.0x)	16.5x	(3.7x)
Net debt incl. lease liabilities	(77.3)	(74.7)	(2.6)	(63.8)	(13.5)
Equity value of GCAP's share	96.1	104.5	(8.4)	112.2	(16.1)

## IMPLIED LTM EV/EBITDA DEVELOPMENT<sup>2</sup>



## NET DEBT TO EBITDA (excl. IFRS 16)



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**05** LIQUIDITY AND DIVIDEND INCOME OUTLOOK

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**06** WRAP-UP

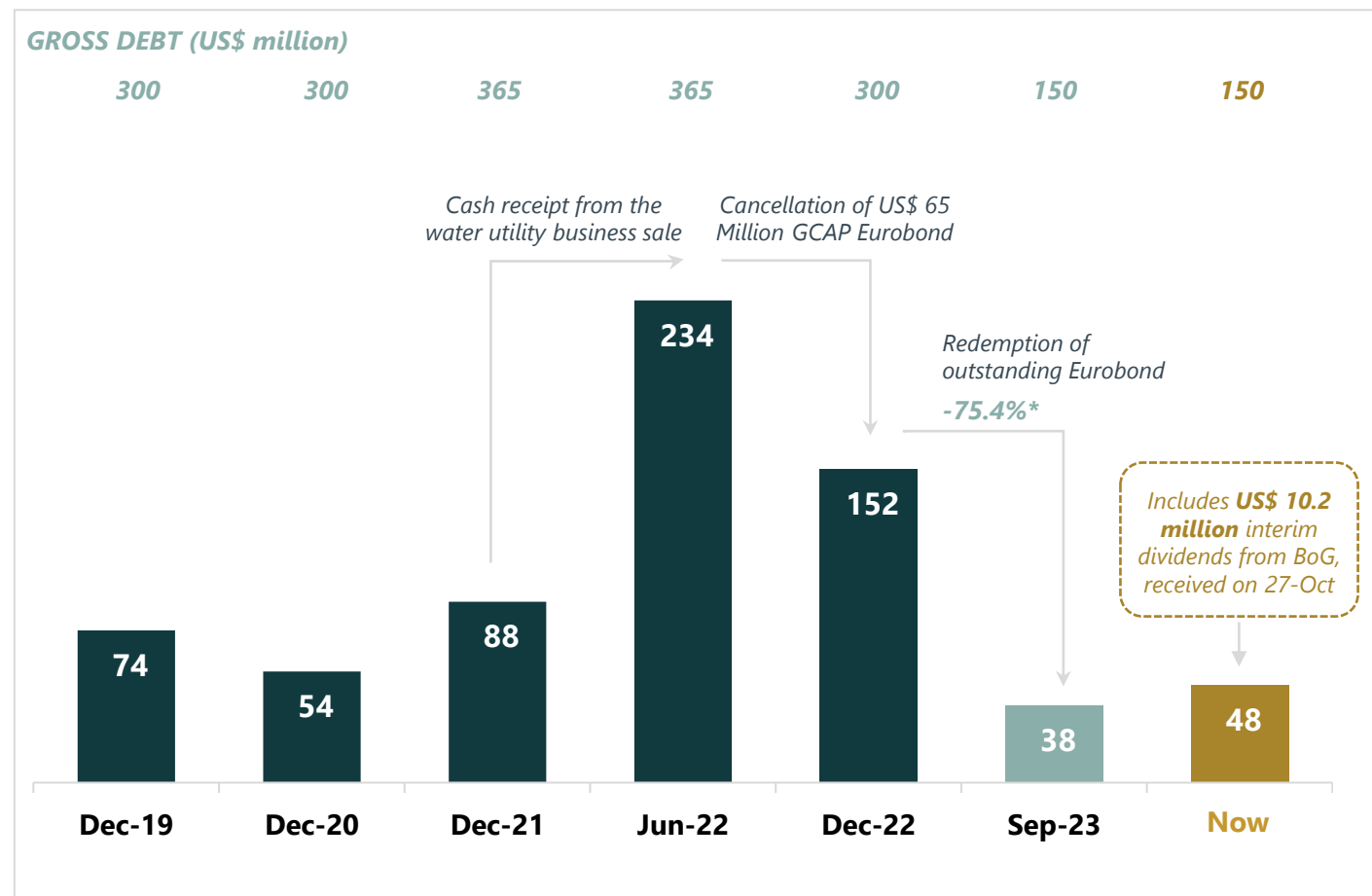
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**07** ANNEX

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# LIQUIDITY OUTLOOK

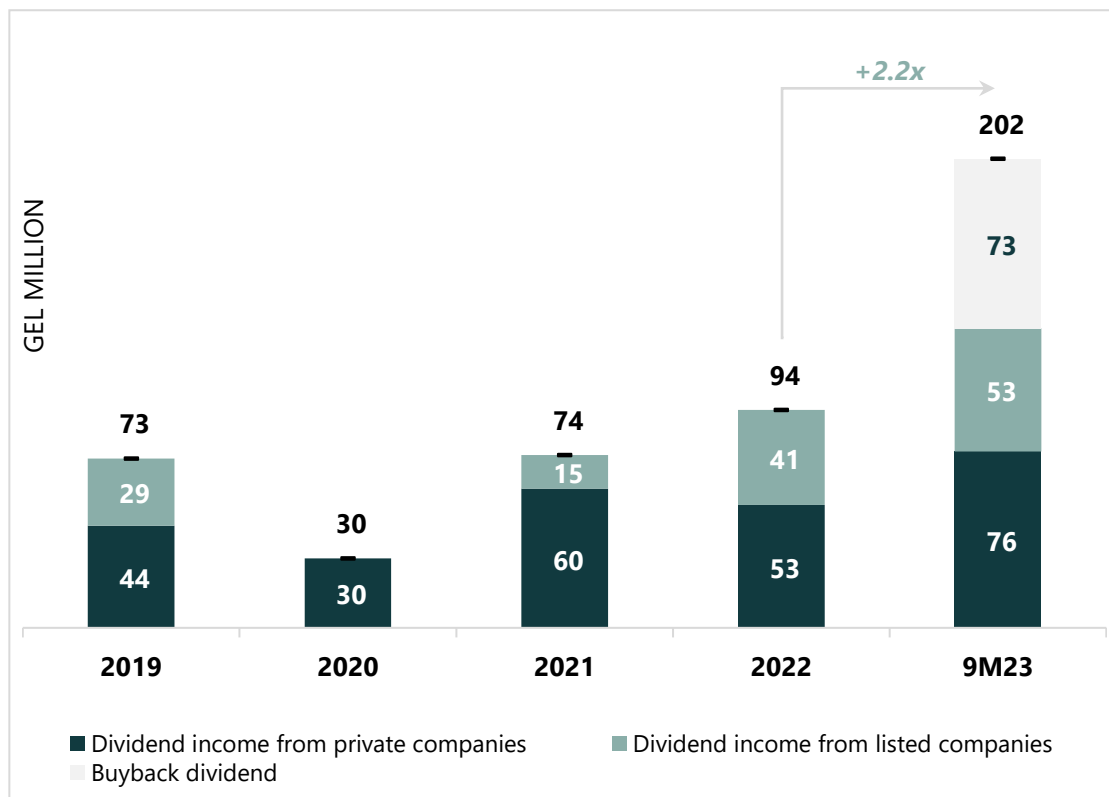
## LIQUIDITY DEVELOPMENT OVERVIEW (US\$ MILLION)



**\* LIQUIDITY DOWN BY 75.4% IN US\$ TERMS IN 9M23, MAINLY REFLECTING THE REDEMPTION OF GCAP'S EUROBONDS IN 3Q23, WHICH WAS PARTIALLY FINANCED BY GCAP'S EXISTING LIQUID FUNDS BALANCE. THE DECREASE WAS SLIGHTLY OFFSET BY STRONG DIVIDEND INFLOWS**

# 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 56.1 MILLION IN 9M23:**

- 1) GEL 29.4 million from the participation in BOG's 2022 share buybacks;
- 2) One-off additional dividend of GEL 26.7 from the retail (pharmacy) business, following the minority buyout.

## GEL 202 MILLION DIVIDEND INCOME IN 9M23

DIVIDENDS INCOME (GEL million)	RECURRING	ONE-OFF	TOTAL
<b>BOG</b>	96.8	29.4	126.2
Of which, cash dividends	52.8	-	52.8
Of which, buyback dividends	44.0	29.4	73.4
<b>Retail (Pharmacy)</b>	24.2	26.7	50.9
<b>Insurance business</b>	13.4	-	13.4
Of which, P&C Insurance	8.4	-	8.4
Of which, Medical Insurance	5.0	-	5.0
<b>Hospitals business</b>	6.0	-	6.0
<b>Renewable Energy</b>	5.2	-	5.2
<b>TOTAL</b>	<b>145.7</b>	<b>56.1</b>	<b>201.7</b>

### SOLID RECURRING DIVIDEND INCOME OUTLOOK 2023

**c.180**  
GEL MILLION

EXCEEDING THE INITIALLY  
ANNOUNCED OUTLOOK BY 12.5%

### ADDITIONAL ONE-OFF INFLOWS IN 2023

**56**  
GEL MILLION

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# SOLID PERFORMANCE ACROSS OUR PORTFOLIO



## PERFORMANCE HIGHLIGHTS

✓	NAV per share (GEL) up 5.1% q-o-q to GEL 76.99, supported by BoG's outstanding performance and share price growth
✓	NCC ratio improved by 8.5 ppts y-o-y to 15.9% as at 30-Sep-23 (1.5 ppts improvement q-o-q), resulting from a significant decrease in net debt, strong cash generation and continued growth in portfolio value
✓	Upgrade in GCAP's corporate credit rating from "B+" to "BB-" by S&P, reflecting strong progress on deleveraging
✓	GEL 53.7 million dividend income (of which, recurring GEL 47.1 million) from the portfolio companies in 3Q23, driving 9M23 total dividend income to GEL 201.7 million (of which, recurring GEL 145.7 million)
✓	Commencement of a new US\$ 15 million share buyback and cancellation program, in line with our capital allocation framework

## OUTLOOK

➡	Significant value creation potential across our portfolio companies
➡	Substantial progress on deleveraging towards our targeted NCC ratio of 15%
➡	Strong economic growth outlook



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**06** WRAP-UP







**07** ANNEX



# DELEVERAGING ACROSS OUR PRIVATE PORTFOLIO



**AGGREGATED LEVERAGE  
ACROSS OUR PRIVATE LARGE  
AND INVESTMENT STAGE  
PORTFOLIO COMPANIES AT  
3.1x AS OF 30-SEP-23**

ADJUSTED NET DEBT/EBITDA	30-JUN-23	CHANGE	30-SEP-23	TARGET (OVER THE CYCLE)
<b>LARGE PORTFOLIO COMPANIES</b>				
 Retail (pharmacy) <sup>1</sup>	1.7x	+0.6x	2.3x	Up to 1.5x
 Hospitals	4.1x	+0.2x	4.3x	Up to 2.5x
 Insurance (P&C and Medical)	No leverage	NMF	No leverage	No leverage
<b>INVESTMENT STAGE PORTFOLIO COMPANIES</b>				
 Renewable Energy <sup>2</sup>	7.1x	-0.1x	7.0x	Up to 6.0x
 Education	1.0x	+0.3x	1.3x	Up to 2.5x
 Clinics and Diagnostics	7.1x	-2.4x	4.7x <sup>3</sup>	Up to 2.5x

**Georgia Capital PLC** | General note: Figures for Hospitals, Retail (Pharmacy), Clinics and Diagnostics are given excluding IFRS 16 effects; Net debt/EBITDA is adjusted for capital commitments. 1. Includes the application of the minority buyout agreement. 2. Renewable energy ratio is calculated in US\$. 3. LTM EBITDA excludes the gain of GEL 2.9 million from the sale of one of the polyclinics buildings in 3Q23. The net debt includes the receivable of US\$ 6.2 million incurred from the sales transaction.

# PRIVATE PORTFOLIO COMPANIES' DEBT MATURITY PROFILE



## GROSS DEBT MATURITY AS OF 30 SEPTEMBER 2023

(GEL MILLION)

	2023	2024	2025	2026+	Total
<b>Large portfolio companies</b>	<b>25.9</b>	<b>252.4</b>	<b>51.8</b>	<b>100.8</b>	<b>430.9</b>
Retail (pharmacy) <sup>1</sup>	17.1	125.2	26.1	49.5	217.9
Hospitals	8.8	127.2	25.7	51.3	213.0
<b>Investment stage portfolio companies</b>	<b>9.2</b>	<b>41.9</b>	<b>12.1</b>	<b>237.3</b>	<b>300.5</b>
Renewable Energy	-	-	0.6	214.7	215.3
Education	1.8	5.1	2.8	16.4	26.1
Clinics and Diagnostics	7.4	36.8	8.7	6.2	59.1
<b>Other businesses<sup>2</sup></b>	<b>7.9</b>	<b>147.7</b>	<b>27.1</b>	<b>78.3</b>	<b>261.0</b>
<b>Total</b>	<b>43.0</b>	<b>442.0</b>	<b>91.0</b>	<b>416.4</b>	<b>992.4</b>

1. Includes GEL c.40 million debt for financing the minority shareholder buyout in 9M23.

2. 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 | Sweden
- EMC Instytut Medyczny SAEMC SA | Poland
- Med Life S.A. | Romania
- Netcare Limited | 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
- Allianz SE | Germany
- 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
- ADvTECH Limited | South Africa



## CLINICS AND DIAGNOSTICS

- EMC Instytut Medyczny SA | Poland
- Med Life S.A. | Romania
- Medcover AB | Sweden
- Fleury 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; currency fluctuations, including depreciation of the Georgian Lari, and macroeconomic risk; regulatory risk across a wide range of industries; investment risk; liquidity risk; portfolio company strategic and execution risks; and other key factors that could adversely affect our business and financial performance, including those 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 1H23 Results Announcement and in Georgia Capital PLC's Annual Report and Accounts 2022. 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.