FINANCIAL PERFORMANCE HIGHLIGHTS (IFRS)[1]

GEL '000, unless otherwise noted	Sep-23	Jun-23	Change	Dec-22	Change	
Georgia Capital NAV overview						
NAV per share, GEL	76.99	73.28	5.1%	65.56	17.4%	
NAV per share, GBP	23.44	22.12	6.0%	20.12	16.5%	
Net Asset Value (NAV)	3,187,680	3,034,597	5.0%	2,817,391	13.1%	
Liquid assets and loans issued	109,261	418,586	-73.9%	438,674	-75.1%	
NCC ratio[2]	15.9%	17.4%	-1.5 ppts	21.1%	-5.2 ppts	
Georgia Capital Performance	**3Q23**	**3Q22**	**Change**	**9M23**	**9M22**	**Change**
Total portfolio value creation	174,922	169,906	3.0%	457,386	(295,360)	NMF
of which, listed and observable businesses	*221,148*	*142,450*	*55.2%*	*391,939*	*(46,611)*	*NMF*
of which, private businesses	*(46,226)*	*27,456*	*NMF*	*65,447*	*(248,749)*	*NMF*
Investments[3]	30	12,792	-99.8%	20,453	156,948	-87.0%
Buybacks[4]	273	15,256	-98.2%	53,994	68,796	-21.5%
Dividend income	53,661	32,019	67.6%	201,735	66,440	NMF
of which, recurring dividend income[5]	*47,061*	*32,019*	*47.0%*	*145,674*	*66,440*	*NMF*
of which, one-off dividend income[6]	*6,600*	*-*	*NMF*	*56,061*	*-*	*NMF*
Net income / (loss)	148,354	162,013	-8.4%	407,280	(339,666)	NMF
Private portfolio companies' performance[1,7]	**3Q23**	**3Q22**	**Change**	**9M23**	**9M22**	**Change**
Large portfolio companies						
Revenue	321,735	300,515	7.1%	972,848	922,680	5.4%
EBITDA	33,694	34,623	-2.7%	115,948	110,986	4.5%
Net operating cash flow	31,534	34,947	-9.8%	61,011	98,223	-37.9%
Investment stage portfolio companies						
Revenue	41,462	39,586	4.7%	126,187	124,707	1.2%
EBITDA	14,981	13,951	7.4%	40,938	44,001	-7.0%
Net operating cash flow	20,814	18,984	9.6%	39,733	43,583	-8.8%
Total portfolio[8]						
Revenue	525,322	492,120	6.7%	1,531,844	1,397,790	9.6%
EBITDA	70,061	67,489	3.8%	193,059	185,298	4.2%
Net operating cash flow	50,985	69,888	-27.0%	100,316	153,373	-34.6%

KEY POINTS

- 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 1.5 ppts q-o-q to 15.9% as at 30-Sep-23 (8.5 ppts improvement y-o-y), 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

Conference call: An investor/analyst conference call will be held on 31 October 2023, at 13:00 UK / 14:00 CET / 8:00 US Eastern Time. Please register at the Registration Link to attend the event. Further details are available on the Group's webpage.

[1] See "Basis of Presentation" for more background on page 26. Private portfolio companies' performance includes aggregated stand-alone IFRS results for our portfolio companies, which can be viewed as APMs for Georgia Capital, since Georgia Capital does not consolidate its subsidiaries and instead measures them at fair value under IFRS.
[2] Please see definition in glossary on page 26.
[3] 9M22 number includes the conversion of GEL 142.6 million loans issued to our beverages and real estate businesses into equity.
[4] Includes both the buybacks under the share buyback and cancellation programme and for the management trust.
[5] Includes regular cash and buyback dividends.
[6] One-off dividend income in 3Q23 includes the non-recurring GEL 6.6 million dividend collected from the retail (pharmacy) business. The 9M23 number includes a non-recurring GEL 26.7 million dividend collected from the retail (pharmacy) business and GEL 29.4 million buyback dividend attributable to participation in BoG's buybacks.
[7] Private portfolio companies' performance highlights are presented excluding the water utility business. Aggregated numbers are presented like-for-like basis.
[8] The results of our four smaller businesses included in other portfolio companies (described on page 23) are not broken out separately. Performance totals, however, include the other portfolio companies' results (and are therefore not the sum of large and investment stage portfolio results).

CHAIRMAN AND CEO'S STATEMENT

Georgia Capital's 3Q23 results demonstrate strong operational and financial performances and also reflect significant achievements in delivering on our strategic priorities.

NAV per share (GEL) was up 5.1% to GEL 76.99 in 3Q23. The NAV per share growth in 3Q23 mainly resulted from the continued growth of BoG's share price, up 26.2% q-o-q in 3Q23. This created GEL 221.1 million value in 3Q23 (7.3 ppts positive impact on the NAV per share). Value creation across our private portfolio companies amounted to negative GEL 46.2 million (-1.5 ppts impact), as resilient and mainly robust operating performances of our high-quality assets were offset by movements in implied valuation multiples and foreign currency exchange rates. Management platform-related costs and net interest expense reduced NAV per share by 0.5 ppts. In GBP terms, the NAV per share growth in 3Q23 was 6.0%, reflecting GEL's slight appreciation against GBP during the quarter.

Underlying operating performances across our private portfolio remain solid. In 3Q23, the aggregated revenues and EBITDA of our private portfolio companies increased by 6.7% and 3.8% y-o-y, respectively, notwithstanding the influence of various external factors on business operations.

- The operating performance of our retail (pharmacy) business was strong in 3Q23, and more than offset the impact of several recent healthcare-related regulatory changes. In the first half of the year, the Government introduced an External Reference Pricing ("ERP") model, imposing a maximum retail price ceiling on specified prescription medicines funded by the Government of Georgia. In addition, there have been additional regulations implemented to enhance the standards for medicine transportation and storage. These changes resulted in the closure of certain partner pharmacies in 2023, which our pharmacy business held wholesale distribution agreements with. Despite these challenges, the business recorded 5.2% and 15.6% y-o-y growth in revenue and EBITDA respectively in 3Q23. These results demonstrate the remarkable resilience of the business, underpinned by the ongoing expansion of the retail chain and franchise stores, along with an increased focus on product mix diversification.
- 2023 has also witnessed a number of regulatory changes in the healthcare sector. The performance of our hospitals and clinics & diagnostics businesses has been temporarily impacted by recently introduced facility regulation rules, implemented to address the oversupply of beds and enhance the quality of the healthcare industry in the country. The regulation introduced upgraded standards for healthcare facilities and imposed minimum requirements on space allotted per hospital bed. In order to adapt to the new standards, our healthcare businesses initiated a number of renovation projects in 3Q23, which resulted in certain sections of our healthcare facilities being temporarily closed and unable to accept patients. The renovation works have been completed and all affected facilities have already reopened. Despite these challenges, the combined revenue and EBITDA of our healthcare businesses (hospitals and clinics & diagnostics) were up by 3.8% and 25.4% y-o-y in 3Q23. These new regulations are expected to enhance the quality of healthcare services in Georgia which we believe will offer an opportunity to build on the competitive advantage of our high quality healthcare businesses in the medium to long term. However, in the short-term they slowed the previously projected pace of post-COVID recovery.
- Following a strategic review, we are planning to restructure the hospitals business to capture this emerging opportunity and enhance operational efficiencies. Starting from 4Q23, the hospitals business will be split into two distinct segments: "Large and Specialty Hospitals" and "Regional and Community Hospitals". The Regional and Community Hospitals will also incorporate the community clinics that are currently managed and presented as part of the clinics and diagnostics business. For our patients, the transition will be seamless and business operations will continue uninterrupted. The existing hospitals' management team will continue to manage the Large and Specialty Hospitals business and focus on their continued growth, while enhancing profitability margins. The Large and Specialty Hospitals and Regional and Community Hospitals will represent approximately 75% and 25%, respectively, of the consolidated hospitals business EBITDA. A new CEO from a local competitor is set to join the Regional and Community Hospitals business to lead the team to focus on the service and efficiency from this group of hospitals.
- Our P&C insurance business had a robust quarter in terms of revenue growth, up 22.5% y-o-y in 3Q23. However, increased property insurance claims, resulting from an unprecedented landslide in one of the regions of Georgia and increased Agro insurance claims due to an abnormal number of hailstorms during the quarter, led to a 17.4 ppts y-o-y increase in the loss ratio in 3Q23. This translated into a 61.4% y-o-y decrease in the net income of the business in 3Q23.

3Q23 was also strong for our education and medical insurance businesses. The expansion of the education business and ramp-up of utilisation levels led to a 14.7% y-o-y increase in the revenue of the business. Within our medical insurance business, revenues increased by 21.2% y-o-y, reflecting an increase in the prices of insurance policies, and in the number of insured clients. Our other portfolio companies posted a strong combined y-o-y revenue growth of 6.6% in 3Q23, mainly driven by an outstanding performance in the beverages business.

Details on how the operating performance of the different private portfolio businesses translated into their NAVs can be found in the pages that follow.

Strong progress on our key strategic priority of deleveraging GCAP. In 3Q23, we completed the issuance of a US$ 150 million sustainability-linked bond, representing the largest-ever corporate bond offering in Georgia, and the first of its magnitude and kind in our region. The proceeds from the transaction, together with the existing liquid funds of GCAP were fully used to redeem GCAP's Eurobonds. Following these transactions, GCAP's gross debt balance decreased from US$ 300 million to US$ 150 million. In 3Q23, the NCC ratio improved by 1.5 ppts q-o-q to 15.9% driven by a) GEL 53.7 million dividend income from the portfolio companies (up 67.6% y-o-y), b) a 3.5% growth in total portfolio value, c) a GEL 8.6 million decrease in loans issued due to the full repayment of a loan to our auto services business, and d) GEL 4.3 million decrease in GCAP's bank guarantee on the borrowings of the beer business, following which the guarantees issued balance was reduced to zero. This strong progress on deleveraging also resulted in an upgrade in our corporate credit rating from "B+" to "BB-" by S&P on 26 October 2023.

Launch of a new US$ 15 million share buyback and cancellation programme. While our share price has continued to recover, the strong growth in our NAV has meant that the discount to our NAV per share has remained elevated, at approximately 60%. This provides an attractive opportunity to create significant value for our shareholders through accretive tactical share buybacks. As a result, and in line with our capital allocation philosophy, we are today launching a US$ 15 million share buyback and cancellation programme, which will be in effect over a six-month period (see page 25 for details).

Macroeconomic update. Following two consecutive years of double-digit growth, real GDP expanded by 7.0% in 8M23. Growth was supported by strong external inflows with trade, remittances and tourism revenues showing strong y-o-y performances. On the domestic side, credit expansion, continued fiscal outlays and strong business sentiment were key contributors to economic activity. Georgian GEL remains above pre-pandemic levels on the back of strong external inflows, ample FX liquidity, a strict monetary policy stance, increased lending in foreign currency and overall positive economic growth. The annual inflation rate eased sharply in 2023, with the September headline number standing at 0.7%, below the 3% target. Considering the downward trend in inflation, the National Bank of Georgia (NBG) has started to exit from its previously tightened monetary policy and reduced the GEL prime rate by 100 bps to 10.0% since May 2023. The external balance sheet is strengthening, marked by a reduction in the current account deficit, a decline in government debt to levels lower than those seen prior to the pandemic, and the attainment of historically high reserves.

Outlook. Our robust balance sheet and capital allocation management, coupled with the overall performance of our portfolio companies about which you can read more in the pages that follow, led to strong results in 3Q23. The substantial deleveraging progress has enhanced our financial flexibility, allowing us to continue to create value for our shareholders and distribute US$ 15 million through a new share buyback programme, while getting much closer to our goal of achieving our targeted through-the-cycle NCC ratio of less than 15%. Looking ahead, I believe that Georgia Capital is extremely well-positioned to deliver consistent NAV per share growth in the medium to long term, all while making further progress on our key strategic and capital management priorities.

Irakli Gilauri, Chairman and CEO

DISCUSSION OF GROUP RESULTS

The discussion below analyses the Group's unaudited net asset value at 30-Sep-23 and its income for the third quarter and nine-month period then ended on an IFRS basis (see "Basis of Presentation" on page 26 below).

Net Asset Value (NAV) Statement

NAV statement summarises the Group's IFRS equity value (which we refer to as Net Asset Value or NAV in the NAV Statement below) at the opening and closing dates for the third quarter (30-Jun-23 and 30-Sep-23). The NAV Statement below breaks down NAV into its components and provides a roll forward of the related changes between the reporting periods. For the NAV Statement for the nine months of 2023 see page 25.

NAV STATEMENT 3Q23

GEL '000, unless otherwise noted	Jun-23	1. Value creation[9]	2a. Investment and Divestments	2b. Buyback	2c. Dividend	3. Operating expenses	4. Liquidity/ FX/Other	Sep-23	Change %
Listed and Observable Portfolio Companies									
Bank of Georgia (BoG)	882,846	221,148	-	-	(11,785)	-	-	1,092,209	23.7%
Water Utility	159,000	-	-	-	-	-	-	159,000	0.0%
Total Listed and Observable Portfolio Value	**1,041,846**	**221,148**	**-**	**-**	**(11,785)**	**-**	**-**	**1,251,209**	**20.1%**
Listed and Observable Portfolio value change %		***21.2%***	***0.0%***	***0.0%***	***-1.1%***	***0.0%***	***0.0%***	***20.1%***	
Private Portfolio Companies									
Large Companies	**1,496,262**	**(52,279)**	**-**	**-**	**(41,876)**	**-**	**817**	**1,402,924**	**-6.2%**
Retail (Pharmacy)	*723,505*	*(13,776)*	*-*	*-*	*(30,843)*	*-*	*359*	*679,245*	*-6.1%*
Hospitals	*426,060*	*(38,531)*	*-*	*-*	*(6,018)*	*-*	*359*	*381,870*	*-10.4%*
Insurance (P&C and Medical)	*346,697*	*28*	*-*	*-*	*(5,015)*	*-*	*99*	*341,809*	*-1.4%*
Of which, P&C Insurance	*276,960*	*(9,248)*	*-*	*-*	*-*	*-*	*99*	*267,811*	*-3.3%*
Of which, Medical Insurance	*69,737*	*9,276*	*-*	*-*	*(5,015)*	*-*	*-*	*73,998*	*6.1%*
Investment Stage Companies	**536,362**	**(8,955)**	**30**	**-**	**-**	**-**	**371**	**527,808**	**-1.6%**
Renewable Energy	*247,682*	*12,989*	*-*	*-*	*-*	*-*	*139*	*260,810*	*5.3%*
Education	*184,147*	*(13,473)*	*30*	*-*	*-*	*-*	*152*	*170,856*	*-7.2%*
Clinics and Diagnostics	*104,533*	*(8,471)*	*-*	*-*	*-*	*-*	*80*	*96,142*	*-8.0%*
Other Companies	**286,094**	**15,008**	**(4,168)**	**-**	**-**	**-**	**331**	**297,265**	**3.9%**
Total Private Portfolio Value	**2,318,718**	**(46,226)**	**(4,138)**	**-**	**(41,876)**	**-**	**1,519**	**2,227,997**	**-3.9%**
Private Portfolio value change %		***-2.0%***	***-0.2%***	***0.0%***	***-1.8%***	***0.0%***	***0.1%***	***-3.9%***	
Total Portfolio Value (1)	**3,360,564**	**174,922**	**(4,138)**	**-**	**(53,661)**	**-**	**1,519**	**3,479,206**	**3.5%**
Total Portfolio value change %		***5.2%***	***-0.1%***	***0.0%***	***-1.6%***	***0.0%***	***0.0%***	***3.5%***	
Net Debt (2)	**(324,864)**	**-**	**1,001**	**(273)**	**53,661**	**(5,442)**	**(18,268)**	**(294,185)**	**-9.4%**
of which, Cash and liquid funds	*401,125*	*-*	*1,001*	*(273)*	*106,498*	*(5,442)*	*(402,553)*	*100,356*	*-75.0%*
of which, Loans issued	*17,461*	*-*	*-*	*-*	*-*	*-*	*(8,556)*	*8,905*	*-49.0%*
of which, Accrued dividend income	*52,837*	*-*	*-*	*-*	*(52,837)*	*-*	*-*	*-*	*NMF*
of which, Gross Debt	*(796,287)*	*-*	*-*	*-*	*-*	*-*	*392,841*	*(403,446)*	*-49.3%*
Net other assets/ (liabilities) (3)	(1,103)	-	3,137	-	-	(3,360)	3,985	2,659	*NMF*
of which, share-based comp.	-	-	-	-	-	*(3,360)*	*3,360*	-	*0.0%*
Net Asset Value (1)+(2)+(3)	**3,034,597**	**174,922**	**-**	**(273)**	**-**	**(8,802)**	**(12,764)**	**3,187,680**	**5.0%**
NAV change %		***5.8%***	***0.0%***	***0.0%***	***0.0%***	***-0.3%***	***-0.4%***	***5.0%***	
Shares outstanding[9]	41,411,180	-	-	(9,430)	-	-	-	41,401,750	
Net Asset Value per share, GEL	**73.28**	**4.22**	**-**	**0.01**	**-**	**(0.21)**	**(0.31)**	**76.99**	**5.1%**
NAV per share, GEL change %		***5.8%***	***0.0%***	***0.0%***	***0.0%***	***-0.3%***	***-0.4%***	***5.1%***	

NAV per share (GEL) was up by 5.1% q-o-q in 3Q23, mainly reflecting GEL 174.9 million value creation across our portfolio companies with a positive 5.8 ppts impact. The NAV per share growth was slightly offset by a) management platform-related costs and net interest expense (-0.5 ppts impact in total) and b) GEL's depreciation against US$, resulting in a foreign currency loss of GEL 6.2 million on GCAP net debt (-0.2 ppts impact).

Portfolio overview

Total portfolio value increased by GEL 118.6 million (3.5%) to GEL 3.5 billion in 3Q23:

- The value of the listed and observable portfolio increased by GEL 209.4 million (up 20.1%), resulting from the continued growth in BoG's share price.
- The value of the private portfolio decreased by GEL 90.7 million (down 3.9%), mainly reflecting a) a decrease of GEL 41.9 million due to dividends paid to GCAP and b) negative GEL 46.2 million value creation.

Consequently, as of 30-Sep-23, the listed and observable portfolio value totalled GEL 1.3 billion (36.0% of the total portfolio value), and the private portfolio value amounted to GEL 2.2 billion (64.0% of the total).

[9] Please see definition in glossary on page 26.

1) Value creation

Total portfolio value creation amounted to GEL 174.9 million in 3Q23. This reflects GEL 221.1 million value creation resulting from the 26.2% increase in BoG's share price during the quarter, partially offset by GEL 46.2 million negative impact from changes in implied valuation multiples[10] and foreign currency exchange rates on private portfolio valuations.

The table below summarises value creation drivers in our businesses in 3Q23:

Portfolio Businesses	Operating Performance[11]	Greenfields / buy-outs / exits[12]	Multiple Change and FX[13]	Value Creation
GEL '000, unless otherwise noted	*(1)*	*(2)*	*(3)*	*(1)+(2)+(3)*
Listed and Observable portfolio				**221,148**
BoG				221,148
Water Utility				-
Private portfolio	**1**	**-**	**(46,227)**	**(46,226)**
Large Portfolio Companies	**(49,632)**	**-**	**(2,647)**	**(52,279)**
Retail (pharmacy)	*(225)*	-	*(13,551)*	*(13,776)*
Hospitals	*(18,769)*	-	*(19,762)*	*(38,531)*
Insurance (P&C and Medical)	*(30,638)*	-	*30,666*	*28*
Of which, P&C Insurance	*(48,688)*	-	*39,440*	*(9,248)*
Of which, Medical Insurance	*18,050*	-	*(8,774)*	*9,276*
Investment Stage Portfolio Companies	**2,045**	**-**	**(11,000)**	**(8,955)**
Renewable Energy	*5,538*	-	*7,451*	*12,989*
Education	*(16,675)*	-	*3,202*	*(13,473)*
Clinics and Diagnostics	*13,182*	-	*(21,653)*	*(8,471)*
Other	**47,588**	**-**	**(32,580)**	**15,008**
Total portfolio	**1**	**-**	**(46,227)**	**174,922**

Valuation overview[14]

In 3Q23, our private large and investment stage portfolio companies were valued internally by incorporating the portfolio companies' 3Q23 results, in line with International Private Equity Valuation ("IPEV") guidelines and methodology deployed in 1H23 by an independent valuation company. The independent valuation assessments, which serve as an input for Georgia Capital's estimate of fair value, were performed by applying a combination of an income approach (DCF) and a market approach (listed peer multiples and, in some cases, precedent transactions). The independent valuations of large and investment stage businesses are performed on a semi-annual basis. In line with our strategy, from time to time we may receive offers from interested buyers for our private portfolio companies, which would be considered in the overall valuation assessment, where appropriate.

The enterprise value and equity value development of our businesses in 3Q23 is summarised in the following table:

	Enterprise Value (EV)			Equity Value			
GEL '000, unless otherwise noted	30-Sep-23	30-Jun-23	Change %	30-Sep-23	30-Jun-23	Change %	% share in total portfolio
Listed and Observable portfolio				**1,251,209**	**1,041,846**	**20.1%**	**36.0%**
BoG				1,092,209	882,846	23.7%	31.4%
Water Utility				159,000	159,000	NMF	4.6%
Private portfolio	**3,411,385**	**3,394,482**	**0.5%**	**2,227,997**	**2,318,718**	**-3.9%**	**64.0%**
Large portfolio companies	**1,978,870**	**1,990,517**	**-0.6%**	**1,402,924**	**1,496,262**	**-6.2%**	**40.3%**
Retail (pharmacy)	1,006,309	980,682	2.6%	679,245	723,505	-6.1%	19.5%
Hospitals	645,372	680,804	-5.2%	381,870	426,060	-10.4%	11.0%
Insurance (P&C and Medical)	327,189	329,031	-0.6%	341,809	346,697	-1.4%	9.8%
Of which, P&C Insurance	267,811	276,960	-3.3%	267,811	276,960	-3.3%	7.7%
Of which, Medical Insurance	59,378	52,071	14.0%	73,998	69,737	6.1%	2.1%
Investment stage portfolio companies	**835,040**	**848,849**	**-1.6%**	**527,808**	**536,362**	**-1.6%**	**15.2%**
Renewable Energy	452,797	441,335	2.6%	260,810	247,682	5.3%	7.5%
Education[15]	205,343	224,514	-8.5%	170,856	184,147	-7.2%	4.9%
Clinics and Diagnostics	176,900	183,000	-3.3%	96,142	104,533	-8.0%	2.8%
Other	**597,475**	**555,116**	**7.6%**	**297,265**	**286,094**	**3.9%**	**8.5%**
Total portfolio				**3,479,206**	**3,360,564**	**3.5%**	**100.0%**

[10] Valuation multiples implied by dividing the final valuations of the business assigned as described under "Valuation Overview" by the respective trailing twelve-month EBITDA or net income, as applicable.
[11] Change in the fair value attributable to the change in actual or expected earnings of the business, as well as the change in net debt.
[12] Greenfields / buy-outs represent the difference between fair value and acquisition price in the first reporting period in which the business/greenfield project is no longer valued at acquisition price/cost. Exits represent the difference between the latest reported fair value and the value of the disposed asset (or assets in the process of disposal) assessed at a transaction price.
[13] Change in the fair value attributable to the change in valuation multiples and the effect of exchange rate movement on net debt.
[14] Please read more about valuation methodology on page 26 in "Basis of presentation".
[15] Enterprise value is presented excluding the recently acquired schools and non-operational assets, added to the equity value of the education business at cost.

Private large portfolio companies (40.3% of total portfolio value)

Retail (Pharmacy) (19.5% of total portfolio value) – the Enterprise Value (EV) of Retail (Pharmacy) was up by 2.6% to GEL 1.0 billion in 3Q23, driven by the strong performance of the business, supported by the expansion of the retail chain and continued growth of Georgian economy. 3Q23 revenues and EBITDA were up by 5.2% and 15.6% y-o-y, respectively, notwithstanding several countervailing factors including a) GEL's appreciation against foreign currencies which negatively affect product pricing as c.70% of the inventory purchases are denominated in foreign currencies, b) the negative impact of the External Reference Pricing model, and c) the decrease in wholesale revenues due to the impact of new government regulations. See page 13 for details. Consequently, LTM EBITDA (incl. IFRS 16) was up by 3.6% to GEL 110.8 million in 3Q23. Net debt increased by 28.0% to GEL 319.1 million in 3Q23, reflecting the short-term borrowings obtained to support working capital requirements. As a result, the fair value of GCAP's 97.6% holding decreased by 6.1% to GEL 679.2 million in 3Q23. The implied LTM EV/EBITDA valuation multiple (incl. IFRS 16) decreased to 9.1x as at 30-Sep-23 (down from 9.2x as of 30-Jun-23).

Hospitals (11.0% of total portfolio value) – Hospitals' EV decreased by 5.2% to GEL 645.4 million in 3Q23. This valuation assessment reflects the anticipated impact of the recently introduced regulations. To address the oversupply of beds and enhance the quality of the healthcare industry in the country, the Government of Georgia introduced new facility regulation rules, effective from September 2023 which establishes upgraded standards for healthcare facilities and imposes minimum requirements for space allotted per hospital bed. During the phased renovation process of 12 of the business' 16 hospitals, certain sections of the business facilities were temporarily closed for services and unable to accept patients, thereby affecting the revenue and EBITDA (excl. IFRS 16) numbers, up 2.6% and down 12.3% y-o-y in 3Q23, respectively. See page 15 for details. LTM EBITDA (incl. IFRS 16) decreased by 2.4% q-o-q to GEL 51.7 million in 3Q23. Net debt was up by 3.9% q-o-q to GEL 231.0 million, mainly reflecting higher capex investments related to new facility regulations and payment of GEL 6.0 million dividends to GCAP in 3Q23. As a result, the equity value of Hospitals decreased by 10.4% q-o-q to GEL 381.9 million in 3Q23, translating into an implied LTM EV/EBITDA multiple (incl. IFRS 16) of 12.5x at 30-Sep-23 (12.9x at 30-Jun-23).

Insurance (P&C and Medical) (9.8% of total portfolio value) – The insurance business combines: a) P&C Insurance valued at GEL 267.8 million and b) Medical Insurance valued at GEL 74.0 million.

<u>P&C Insurance</u> – Insurance revenue was up by 22.5% y-o-y to GEL 32.7 million in 3Q23, mainly reflecting the growth in the Motor, credit life and agricultural insurance lines. The combined ratio increased by 22.8 ppts y-o-y in 3Q23, attributable to the following factors: a) a significant 17.4 ppts y-o-y increase in the loss ratio mainly due to the combined effect of an unprecedented landslide in one of the regions of Georgia and increased Agro insurance claims due to abnormal number of hailstorms during the quarter and b) a 3.9 ppts y-o-y increase in FX ratio, reflecting the impact of FX movements on the business operations. Consequently, 3Q23 net income was down 61.4% y-o-y to GEL 2.5 million. See page 16 for details. Pre-tax LTM net income was down by 17.5% to GEL 22.7 million in 3Q23. The equity value of the P&C insurance business was assessed at GEL 267.8 million at 30-Sep-23 (down 3.3% q-o-q), translating into an implied LTM P/E valuation multiple of 11.8x at 30-Sep-23 (up from 10.1x at 30-Jun-23).

<u>Medical Insurance</u> – Insurance revenue increased by 21.2% y-o-y to GEL 21.1 million in 3Q23, reflecting the increase in the prices of insurance policies and the number of insured clients mainly in the corporate client segment. The combined ratio was at 94.6% in 3Q23 (down 6.4 ppts y-o-y), resulting from a) a well-managed loss ratio, down 3.7 ppts y-o-y, and b) a 2.7 ppts improvement in the expense ratio, reflecting the strong top-line growth of the business. Consequently, the net income of the medical insurance business was up by 3.5x y-o-y to GEL 1.1 million in 3Q23. See page 16 for details. Pre-tax LTM net income was up by 18.7% to GEL 8.0 million in 3Q23. As a result of the developments described above, the equity value of the business was assessed at GEL 74.0 million at 30-Sep-23 (up 6.1% q-o-q), translating into the implied LTM P/E valuation multiple of 9.3x at 30-Sep-23 (down from 10.4x at 30-Jun-23).

Private investment stage portfolio companies (15.2% of total portfolio value)

Renewable Energy (7.5% of total portfolio value) – EV of the business was up by 0.3% to US$ 169.1 million in 3Q23 (up 2.6% to GEL 452.8 million in GEL terms, reflecting stable prospects and the local currency depreciation against US$ during the quarter). In US$ terms, 3Q23 revenue and EBITDA were up by 2.8% and down by 2.7% y-o-y, respectively, reflecting the net impact of a) a 1.3% y-o-y decrease in electricity generation in 3Q23 influenced by varying weather conditions and b) 3.9% y-o-y increase in the average electricity selling price in 3Q23 driven by exports to Türkiye the effect of which is partially offset by export related electricity and transmission costs reflected in operating expenses. Revenue and EBITDA in GEL terms were down by 3.9% and 9.0% y-o-y in 3Q23, respectively. See page 19 for details. The pipeline renewable energy projects continued to be measured at an equity investment cost (GEL 55.6 million in aggregate as at 30-Sep-23). Net debt decreased by 3.1% to US$ 71.7 million in 3Q23 (down 0.9% to GEL 192.0 million in GEL terms) due to strong cash flow generation during the quarter. As a result, the equity value of Renewable Energy was assessed at GEL 260.8 million in 3Q23 (up by 5.3% q-o-q), (up 2.9% q-o-q to US$ 97.4 in US$ terms). The blended EV/EBITDA implied valuation multiple of the operational assets stood at 12.5x as at 30-Sep-23, up from 12.4x at 30-Jun-23.

Education (4.9% of total portfolio value) – EV of Education was down by 8.5% to GEL 205.3 million in 3Q23, reflecting near-term developments in the operating performance of the business. The third quarter is usually a slow season for the education business, as the schools are not operational during the July-August holidays. The revenue in 3Q23 increased by 14.7% y-o-y driven by a) organic growth through strong intakes and a ramp-up of the utilisation and b) expansion of the business through the launch of a new campus in the mid-scale segment category in 3Q23. 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% in 3Q23, mainly reflecting inflation and increased salary expenses in line with the expansion. This led to a GEL 1.7 million decrease in EBITDA in 3Q23. See page 20 for details. Consequently, LTM EBITDA was down by 9.6% to GEL 12.4 million in 3Q23. Net debt was down by 3.3% q-o-q to GEL 12.9 million in 3Q23. As a result, GCAP's stake in the education business was valued at GEL 170.9 million at 30-Sep-23 (down 7.2% q-o-q). This translated into the implied valuation multiple of 16.5x 30-Sep-23. The forward-looking implied valuation multiple is estimated at 11.2x for the 2023-2024 academic year.

Clinics and Diagnostics (2.8% of total portfolio value) – The EV of the business decreased by 3.3% to GEL 176.9 million in 3Q23. Similar to Hospitals, the new facility regulation has also impacted the outlook of the clinics and diagnostics business, which has been reflected in our 3Q23 valuation assessment. The combined 3Q23 revenue of the clinics and diagnostics business was up by 8.4% y-o-y. 3Q23 EBITDA (excl. IFRS 16), which also reflects a GEL 2.9 one-off gain from the sale of one of the polyclinic buildings, was up 4.2x y-o-y. See page 21 for details. Consequently, LTM EBITDA (incl. IFRS 16) of the business was up by 41.7% to GEL 13.8 million in 3Q23. Net debt was up by 3.4% q-o-q to GEL 77.3 million. As a result, the equity value of the business was assessed at GEL 96.1 million, down 8.0% q-o-q in 3Q23, translating into an implied LTM EV/EBITDA multiple (incl. IFRS 16) of 12.8x at 30-Sep-23, down from 18.8x at 30-Jun-23. The forward-looking implied valuation multiple is estimated at 10.1x.

Other businesses (8.5% of total portfolio value) - The "other" private portfolio (Auto Service, Beverages, Housing Development and Hospitality businesses) is valued based on LTM EV/EBITDA except for the housing development (DCF), wine business (DCF) and hospitality businesses (NAV). See performance highlights of other businesses on page 23. The portfolio value of other businesses increased by 3.9% to GEL 297.3 in 3Q23, mainly driven by the strong operating performance and improved prospects of our beverages business.

Listed and observable portfolio companies (36.0% of total portfolio value)

BOG (31.4% of total portfolio value) – In 2Q23, BoG delivered an annualised ROAE of 34.6% and a 17.6% loan book growth y-o-y (on a constant currency basis, the loan portfolio increased by 12.2% y-o-y). In 3Q23, BoG's share price was up by 26.2% q-o-q to GBP 36.9 at 30-Sep-23. This reflects the strong growth in BoG's earnings, supported by the accretive impact of the Bank's share buybacks. In 3Q23, GCAP received GEL 52.8 million final dividends (declared and accrued in 1H23) and GEL 11.8 million buyback dividends from participation in the Bank's buyback programme, corresponding to c.100,000 shares sold. Subsequent to 3Q23, GCAP received additional GEL 27.6 million interim dividends from BoG, up 52.3% compared to interim dividends received in 2022, notwithstanding the sale of c.775,000 BoG shares through the participation in the Bank's buyback programme since its resumption. As a result of the developments described above, the market value of GCAP's equity stake in BoG increased by 23.7% to GEL 1,092. million. The LTM P/E valuation multiple was at 3.4x at 30-Jun-23 (3.4x at 31-Mar-23). BoG's public announcement of their 3Q23 and 9M23 results when published will be available on BoG's website.

Water Utility (4.6% of total portfolio value) – In 3Q23, the fair value of GCAP's 20% holding in the water utility business, where GCAP has a clear exit path through a put and call structure at pre-agreed EBITDA multiples, remained unchanged at GEL 159.0 million. This reflects the application of the put option valuation to GCAP's holding in the business. We expect that the year-end valuation assessment will reflect the revised tariffs for the upcoming 2024-2026 regulatory period, which are anticipated to receive approval in December 2023.

2) Dividends

In 3Q23, Georgia Capital recorded GEL 53.7 million dividend income from portfolio companies, of which:

- A total of GEL 30.8 million dividends were collected from the Retail (pharmacy) business, with GEL 6.6 million constituting a one-off dividend.
- GEL 11.8 million buyback dividend was received from participation in BoG's buyback programme.
- GEL 6.0 million dividend from Hospitals business.
- GEL 5.0 million dividend from Medical Insurance.

9M23 NAV STATEMENT HIGHLIGHTS

GEL '000, unless otherwise noted	Dec-22	1. Value creation[16]	2a. Investment and divestments	2b. Buyback	2c. Dividend	3. Operating expenses	4. Liquidity/ FX/Other	Sep-23	Change %
Total Listed and Observable Portfolio Value	**985,463**	**391,939**	**-**	**-**	**(126,193)**	**-**	**-**	**1,251,209**	**27.0%**
Listed and Observable Portfolio value change %		***39.8%***	***0.0%***	***0.0%***	***-12.8%***	***0.0%***	***0.0%***	***27.0%***	
Total Private Portfolio Companies	**2,213,164**	**65,447**	**16,285**	**-**	**(75,542)**	**-**	**8,643**	**2,227,997**	**0.7%**
Of which, Large Companies	1,437,610	33,610	-	-	(70,355)	-	2,059	1,402,924	-2.4%
Of which, Investment Stage Companies	501,407	13,029	16,253	-	(5,187)	-	2,306	527,808	5.3%
Of which, Other Companies	274,147	18,808	32	-	-	-	4,278	297,265	8.4%
Private Portfolio value change %		***3.0%***	***0.7%***	***0.0%***	***-3.4%***	***0.0%***	***0.4%***	***0.7%***	
Total Portfolio Value	**3,198,627**	**457,386**	**16,285**	**-**	**(201,735)**	**-**	**8,643**	**3,479,206**	**8.8%**
Total Portfolio value change %		***14.3%***	***0.5%***	***0.0%***	***-6.3%***	***0.0%***	***0.3%***	***8.8%***	
Net Debt	**(380,905)**	**-**	**(19,422)**	**(53,994)**	**201,735**	**(16,327)**	**(25,272)**	**(294,185)**	**-22.8%**
Net Asset Value	**2,817,391**	**457,386**	**-**	**(53,994)**	**-**	**(27,974)**	**(5,129)**	**3,187,680**	**13.1%**
NAV change %		***16.2%***	***0.0%***	***-1.9%***	***0.0%***	***-1.0%***	***-0.2%***	***13.1%***	
Shares outstanding[16]	42,973,462	-	-	(2,151,848)	-	-	580,136	41,401,750	-3.7%
Net Asset Value per share, GEL	**65.56**	**10.64**	**-**	**2.13**	**-**	**(0.65)**	**(0.70)**	**76.99**	**17.4%**
NAV per share, GEL change %		***16.2%***	***0.0%***	***3.3%***	***0.0%***	***-1.0%***	***-1.1%***	***17.4%***	

NAV per share (GEL) increased by 17.4% in 9M23, reflecting a) GEL 457.4 million value creation across our portfolio companies with a positive 16.2 ppts impact, b) share buybacks (+3.3 ppts impact) and c) GEL's appreciation against US$, resulting in a foreign currency gain of GEL 6.5 million on GCAP net debt (+0.2 ppts impact). The NAV per share growth was slightly offset by management platform-related costs and net interest expense with a negative 1.9 ppts impact in total.

Portfolio overview

Total portfolio value increased by GEL 280.6 million (8.8%) to GEL 3.5 billion in 9M23:

- The value of GCAP's holding in BoG was up by GEL 261.7 million, reflecting robust GEL 387.9 million value creation, partially offset by GEL 126.2 million dividend income from the Bank in 9M23.
- The value of the water utility business increased by GEL 4.0 million, reflecting the application of the put option valuation to GCAP's 20% holding in the business.
- The value of the private portfolio increased by GEL 14.8 million in 9M23, mainly reflecting the net impact of a) GEL 65.4 million value creation, b) investments of GEL 20.5 million predominantly in investment stage businesses and c) a decrease of GEL 75.5 million due to dividends paid to GCAP.

1) Value creation

Total portfolio value creation amounted to GEL 457.4 million in 9M23.

- A 41.7% increase in BoG's share price in 9M23 led to a GEL 387.9 million value creation.
- GEL 4.0 million value was created at our water utility business in 9M23, as described above.
- The value creation in the private portfolio amounted to GEL 65.4 million in 9M23, reflecting the net impact of:
  - GEL 244.0 million operating performance-related increase in the value of our private assets, resulting from the continued strong performance of our non-healthcare businesses and the rebound in the earnings growth momentum of our healthcare businesses, as they undergo the post-COVID transformation and adapt to new regulatory changes.
  - GEL 178.5 million negative net impact from changes in implied valuation multiples[17] and foreign currency exchange rates.

[16] Please see definition in glossary on page 26.
[17] Valuation multiples implied by dividing the final valuations of the business assigned as described under "Valuation Overview" by the respective trailing twelve-month EBITDA or net income, as applicable.

The table below summarises value creation drivers in our businesses in 9M23:

Portfolio Businesses	Operating Performance[18]	Greenfields / buy-outs / exits[19]	Multiple Change and FX[20]	Value Creation
GEL '000, unless otherwise noted	*(1)*	*(2)*	*(3)*	*(1)+(2)+(3)*
Listed and Observable				**391,939**
BoG				387,939
Water Utility				4,000
Private	**243,986**	**-**	**(178,539)**	**65,447**
Large Portfolio Companies	**34,248**	**-**	**(638)**	**33,610**
Retail (pharmacy)	*4,447*	-	*553*	*5,000*
Hospitals	*(63,086)*	-	*17,149*	*(45,937)*
Insurance (P&C and Medical)	*92,887*	-	*(18,340)*	*74,547*
Of which, P&C Insurance	*20,345*	-	*27,044*	*47,389*
Of which, Medical Insurance	*72,542*	-	*(45,384)*	*27,158*
Investment Stage Portfolio Companies	**(1,102)**	**-**	**14,131**	**13,029**
Renewable Energy	*2,566*	-	*30,941*	*33,507*
Education	*5,550*	-	*(9,852)*	*(4,302)*
Clinics and Diagnostics	*(9,218)*	-	*(6,958)*	*(16,176)*
Other	**210,840**	**-**	**(192,032)**	**18,808**
Total portfolio	**243,986**	**-**	**(178,539)**	**457,386**

The enterprise value and equity value development of our businesses in 9M23 is summarised in the following table:

	Enterprise Value (EV)			Equity Value			
GEL '000, unless otherwise noted	30-Sep-23	31-Dec-22	Change %	30-Sep-23	31-Dec-22	Change %	% share in total portfolio
Listed and Observable portfolio				**1,251,209**	**985,463**	**27.0%**	**36.0%**
BoG				1,092,209	830,463	31.5%	31.4%
Water Utility				159,000	155,000	2.6%	4.6%
Private portfolio	**3,411,385**	**3,310,981**	**3.0%**	**2,227,997**	**2,213,164**	**0.7%**	**64.0%**
Large portfolio companies	**1,978,870**	**1,875,688**	**5.5%**	**1,402,924**	**1,437,610**	**-2.4%**	**40.3%**
Retail (pharmacy)	1,006,309	957,686	5.1%	679,245	724,517	-6.2%	19.5%
Hospitals	645,372	653,335	-1.2%	381,870	433,193	-11.8%	11.0%
Insurance (P&C and Medical)	327,189	264,667	23.6%	341,809	279,900	22.1%	9.8%
Of which, P&C Insurance	267,811	228,045	17.4%	267,811	228,045	17.4%	7.7%
Of which, Medical Insurance	59,378	36,622	62.1%	73,998	51,855	42.7%	2.1%
Investment stage portfolio companies	**835,040**	**816,023**	**2.3%**	**527,808**	**501,407**	**5.3%**	**15.2%**
Renewable Energy	452,797	417,903	8.3%	260,810	224,987	15.9%	7.5%
Education[21]	205,343	218,264	-5.9%	170,856	164,242	4.0%	4.9%
Clinics and Diagnostics	176,900	179,856	-1.6%	96,142	112,178	-14.3%	2.8%
Other	**597,475**	**619,270**	**-3.5%**	**297,265**	**274,147**	**8.4%**	**8.5%**
Total portfolio				**3,479,206**	**3,198,627**	**8.8%**	**100.0%**

2) Investments[22]

In 9M23, GCAP invested GEL 20.4 million in private portfolio companies.

- GEL 10.5 million was allocated to the education business, mainly for the acquisition of the new campus in the affordable segment and the development of a new campus in the mid-scale segment.
- GEL 5.7 million was invested in the renewable energy business for the development of the pipeline projects.
- GEL 4.2 million was invested in the auto service business.

3) Share buybacks

During 9M23, 2,151,848 shares were bought back for a total consideration of GEL 54.0 million.

- 1,151,848 shares were repurchased for the management trust for a total consideration of GEL 28.6 million, fully securing the management trust in the form of unawarded shares for the forthcoming four years.
- 1,000,000 shares with a total value of US$ 10.0 million (GEL 25.4 million) were bought back and cancelled under GCAP's US$ 10 million share buyback and cancellation programme announced in April 2023.

4) Dividends[22]

In 9M23, Georgia Capital recorded GEL 201.7 million dividend income from portfolio companies:

- GEL 73.4 million buyback dividend represents the participation in BoG's buyback programme, of which GEL 29.4 million one-off dividend was attributable to participation in BoG's 2022 buybacks in 9M23.
- GEL 52.8 million represents the final dividends from BoG, collected on 14-Jul-23.

[18] Change in the fair value attributable to the change in actual or expected earnings of the business, as well as the change in net debt.
[19] Greenfields / buy-outs represent the difference between fair value and acquisition price in the first reporting period in which the business/greenfield project is no longer valued at acquisition price/cost. Exits represent the difference between the latest reported fair value and the value of the disposed asset (or assets in the process of disposal) assessed at a transaction price.
[20] Change in the fair value attributable to the change in valuation multiples and the effect of exchange rate movement on net debt.
[21] Excluding the recently launched schools and non-operational assets, added to the equity value of the education business at cost.
[22] Investments are made and dividends are received at JSC Georgia Capital level, the Georgian holding company.

- A total of GEL 50.9 million dividends were collected from the retail (pharmacy) business, with GEL 26.7 million constituting a one-off dividend.
- GEL 8.4 million dividend from P&C Insurance.
- GEL 6.0 million dividend from Hospitals.
- GEL 5.2 million dividend from Renewable Energy.
- GEL 5.0 million dividend from Medical Insurance.

Net Capital Commitment (NCC) overview

Below we describe the components of Net Capital Commitment (NCC) as of 30 September 2023 and as of 30 June 2023. NCC represents an aggregated view of all confirmed, agreed and expected capital outflows at the GCAP HoldCo level.

Components of NCC GEL '000, unless otherwise noted	30-Sep-23	30-Jun-23	Change	31-Dec-22	Change
Cash at banks	68,851	163,082	-57.8%	235,255	-70.7%
Liquid funds	31,505	238,043	-86.8%	176,589	-82.2%
Of which, Internationally listed debt securities	*13,975*	*235,181*	*-94.1%*	*173,395*	*-91.9%*
Of which, Locally listed debt securities	*17,530*	*2,862*	*NMF*	*3,194*	*NMF*
Total cash and liquid funds	**100,356**	**401,125**	**-75.0%**	**411,844**	**-75.6%**
Loans issued	8,905	17,461	-49.0%	26,830	-66.8%
Accrued dividend income	-	52,837	NMF	-	NMF
Gross debt	(403,446)	(796,287)	-49.3%	(819,579)	-50.8%
Net debt (1)	**(294,185)**	**(324,864)**	**-9.4%**	**(380,905)**	**-22.8%**
Guarantees issued (2)	**-**	**(4,289)**	**NMF**	**(18,460)**	**NMF**
Net debt and guarantees issued (3)=(1)+(2)	**(294,185)**	**(329,153)**	**-10.6%**	**(399,365)**	**-26.3%**
Planned investments (4)	**(126,752)**	**(123,915)**	**2.3%**	**(141,396)**	**-10.4%**
of which, planned investments in Renewable Energy	(77,814)	(76,054)	2.3%	(81,205)	-4.2%
of which, planned investments in Education	(48,938)	(47,861)	2.3%	(60,191)	-18.7%
Announced Buybacks (5)	-	-	-	**-**	-
Contingency/liquidity buffer (6)	**(133,915)**	**(130,885)**	**2.3%**	**(135,100)**	**-0.9%**
Total planned investments, announced buybacks and contingency/liquidity buffer (7)=(4)+(5)+(6)	**(260,667)**	**(254,800)**	**2.3%**	**(276,496)**	**-5.7%**
Net capital commitment (3)+(7)	**(554,852)**	**(583,953)**	**-5.0%**	**(675,861)**	**-17.9%**
Portfolio value	**3,479,206**	**3,360,564**	**3.5%**	**3,198,627**	**8.8%**
NCC ratio	**15.9%**	**17.4%**	**-1.5 ppts**	**21.1%**	**-5.2 ppts**

Cash and liquid funds. Total cash and liquid funds' balance was down 75.0% q-o-q to GEL 100.4 million (down 75.5% q-o-q to US$ 37.5 million) in 3Q23, mainly reflecting the use of funds for redemption of GCAP's Eurobonds in 3Q23. The decrease was slightly offset by the strong dividend inflows as described above. In 3Q23, the balance of internationally listed debt securities decreased by 94.1% to GEL 14.0 million, reflecting the redemption of GCAP's Eurobonds. Consequently, in 9M23, the total cash and liquid funds' balance decreased by 75.6%.

Loans issued. Issued loans' balance primarily refers to loans issued to our private portfolio companies and are lent at market terms. The balance was down by GEL 8.6 million in 3Q23 (down by GEL 17.9 million in 9M23), reflecting the full repayment of the previously issued loan by our auto services business.

Gross debt. In US$ terms the balance decreased by 50.5% q-o-q in 3Q23, reflecting the net impact of the issuance of US$ 150 million local sustainability-linked bonds and full redemption of GCAP Eurobonds in 3Q23 (down 50.3% in 9M23). In GEL terms, the balance was down by 49.3% in 3Q23 and down by 50.8% in 9M23, reflecting foreign exchange rate movements.

Guarantees issued. The balance reflected GCAP's guarantee on the borrowing of the beer business. In 3Q23, the guarantee was reduced to zero, leaving GCAP with no outstanding guarantees.

Planned investments. Planned investments' balance represents expected investments in renewable energy and education businesses over the next 2-3 years. The balance in US$ terms remained unchanged in 3Q23, while in 9M23 it decreased by 9.6%, due to the investments in these businesses, as described above (the balance in GEL terms was up 2.3% and down 10.4% in 3Q23 and 9M23, respectively).

Contingency/liquidity buffer. The balance reflects the cash and liquid assets in the amount of US$ 50 million, held by GCAP at all times, for contingency/liquidity purposes. The balance remained unchanged in US$ terms as at 30-Sep-23.

As a result of the movements described above, NCC was down by 5.0% to GEL 554.9 million (US$ 207.2 million), translating into a 15.9% NCC ratio as at 30-Sep-23 (down by 1.5 ppts q-o-q).

INCOME STATEMENT (ADJUSTED IFRS / APM)

Net income under IFRS was GEL 152.9 million in 3Q23 (GEL 164.5 million net income in 3Q22) and GEL 395.4 million in 9M23 (GEL 344.6 million net loss in 9M22). The IFRS income statement is prepared on the Georgia Capital PLC level and the results of all operations of the Georgian holding company JSC Georgia Capital are presented as one line item. As we conduct almost all of our operations through JSC Georgia Capital, through which we hold all of our portfolio companies, the IFRS results provide little transparency on the underlying trends.

Accordingly, to enable a more granular analysis of those trends, the following adjusted income statement presents the Group's results of operations for the period ending September 30 as an aggregation of (i) the results of GCAP (the two holding companies Georgia Capital PLC and JSC Georgia Capital, taken together) and (ii) the fair value change in the value of portfolio companies during the reporting period. For details on the methodology underlying the preparation of the adjusted income statement, please refer to page 96 in Georgia Capital PLC 2022 Annual report.

INCOME STATEMENT (Adjusted IFRS/APM)

GEL '000, unless otherwise noted	3Q23	3Q22	Change	9M23	9M22	Change
Dividend income	53,661	32,019	67.6%	201,735	66,440	NMF
Of which, regular dividend income	*41,876*	*32,019*	30.8%	*128,379*	*66,440*	93.2%
Of which, buyback dividend income	*11,785*	-	NMF	*73,356*	-	NMF
Interest income	4,304	8,165	-47.3%	14,296	26,315	-45.7%
Realised / unrealised loss/gain on liquid funds / Loss on GCAP Eurobond buybacks	(3,430)	(1,719)	99.5%	(2,348)	(13,154)	NMF
Interest expense	(12,031)	(16,573)	-27.4%	(38,782)	(54,253)	-28.5%
Gross operating income	**42,504**	**21,892**	**94.2%**	**174,901**	**25,348**	**NMF**
Operating expenses	(8,802)	(9,821)	-10.4%	(27,973)	(29,521)	-5.2%
GCAP net operating income/(loss)	**33,702**	**12,071**	**NMF**	**146,928**	**(4,173)**	**NMF**
Fair value changes of portfolio companies						
Listed and Observable Portfolio Companies	**209,363**	**142,450**	**47.0%**	**265,746**	**(69,409)**	**NMF**
Of which, Bank of Georgia Group PLC	*209,363*	*142,450*	*47.0%*	*261,746*	*(83,017)*	*NMF*
Of which, Water Utility	-	-	*NMF*	*4,000*	*13,608*	*-70.6%*
Private Portfolio companies	**(88,102)**	**(4,563)**	**NMF**	**(10,095)**	**(292,391)**	**-96.5%**
Large Portfolio Companies	**(94,155)**	**(25,140)**	**NMF**	**(36,745)**	**(189,065)**	**-80.6%**
Of which, Retail (pharmacy)	*(44,619)*	*6,209*	*NMF*	*(45,904)*	*(33,147)*	*38.5%*
Of which, Hospitals	*(44,549)*	*(45,819)*	*-2.8%*	*(51,955)*	*(141,588)*	*-63.3%*
Of which, Insurance (P&C and Medical)	*(4,987)*	*14,470*	*NMF*	*61,114*	*(14,330)*	*NMF*
Investment Stage Portfolio Companies	**(8,955)**	**5,965**	**NMF**	**7,842**	**(13,254)**	**NMF**
Of which, Renewable energy	*12,989*	*1,768*	*NMF*	*28,320*	*(234)*	*NMF*
Of which, Education	*(13,473)*	*7,286*	*NMF*	*(4,302)*	*28,028*	*NMF*
Of which, Clinics and Diagnostics	*(8,471)*	*(3,089)*	*NMF*	*(16,176)*	*(41,048)*	*-60.6%*
Other businesses	**15,008**	**14,612**	**2.7%**	**18,808**	**(90,072)**	**NMF**
Total investment return	**121,261**	**137,887**	**-12.1%**	**255,651**	**(361,800)**	**NMF**
Income/(loss) before foreign exchange movements and non-recurring expenses	**154,963**	**149,958**	**3.3%**	**402,579**	**(365,973)**	**NMF**
Net foreign currency (loss)/gain	(6,170)	12,137	NMF	6,460	26,585	-75.7%
Non-recurring expenses	(439)	(82)	NMF	(1,759)	(278)	NMF
Net income/(loss)	**148,354**	**162,013**	**-8.4%**	**407,280**	**(339,666)**	**NMF**

Gross operating income of GEL 42.5 million in 3Q23 reflects a significant increase in dividend income, which was further supported by a y-o-y decrease in interest expenses due to GEL's y-o-y appreciation against US$ and significant deleveraging progress as described above. Gross operating income in 9M23 amounted to GEL 174.9 million.

The components of GCAP's operating expenses are shown in the table below.

GCAP Operating Expenses Components

GEL '000, unless otherwise noted	3Q23	3Q22	Change	9M23	9M22	Change
Administrative expenses[23]	(2,523)	(2,693)	-6.3%	(8,051)	(8,780)	-8.3%
Management expenses – cash-based[24]	(2,919)	(2,402)	21.5%	(8,275)	(7,266)	13.9%
Management expenses – share-based[25]	(3,360)	(4,726)	-28.9%	(11,647)	(13,475)	-13.6%
Total operating expenses	**(8,802)**	**(9,821)**	**-10.4%**	**(27,973)**	**(29,521)**	**-5.2%**
Of which, fund type expense[26]	*(2,103)*	*(2,597)*	*-19.0%*	*(7,007)*	*(8,681)*	*-19.3%*
Of which, management fee type expenses[27]	*(6,699)*	*(7,224)*	*-7.3%*	*(20,966)*	*(20,840)*	*0.6%*

[23] Includes expenses such as external audit fees, legal counsel, corporate secretary and other similar administrative costs.
[24] Cash-based management expenses are cash salary and cash bonuses paid/accrued for staff and management compensation.
[25] Share-based management expenses are share salary and share bonus expenses of management and staff.
[26] Fund type expenses include expenses such as audit and valuation fees, fees for legal advisors, Board compensation and corporate secretary costs.
[27] Management fee is the sum of cash-based and share-based operating expenses (excluding fund-type costs).

GCAP management fee expenses starting from 2024 will have a self-targeted cap of 0.75% of Georgia Capital's NAV. The LTM management fee expense ratio was 0.90% at 30-Sep-23 (1.09% as of 30-Sep-22).

Total investment return represents the increase (decrease) in the fair value of our portfolio. Total investment return was GEL 121.3 million in 3Q23 and GEL 255.7 million in 9M23, mostly reflecting the growth in the value of our listed and observable portfolio businesses. We discuss valuation drivers for our businesses on pages 5-7. The performance of each of our private large and investment stage portfolio companies is discussed on pages 13-23.

GCAP's net foreign currency liability balance amounted to US$ 129 million (GEL 346 million) at 30-Sep-23, down from c.US$ 142 million (GEL 371 million) at 30-Jun-23. Net foreign currency loss was GEL 6.2 million in 3Q23, and net foreign currency gain was GEL 6.5 million in 9M23. As a result of the movements described above, GCAP's adjusted IFRS *net income* was GEL 148.4 million in 3Q23 and GEL 407.3 million in 9M23.

DISCUSSION OF PORTFOLIO COMPANIES' RESULTS (STAND-ALONE IFRS)

The following sections present the IFRS results and business development extracted from the individual portfolio company's IFRS accounts for large and investment stage entities, where the 3Q23, 9M23, 3Q22 and 9M22 portfolio company's accounts and respective IFRS numbers are unaudited. We present key IFRS financial highlights, operating metrics and ratios along with commentary explaining the developments behind the numbers. For the majority of our portfolio companies, the fair value of our equity investment is determined by the application of an income approach (DCF) and a market approach (listed peer multiples and precedent transactions). Under the discounted cash flow (DCF) valuation method, fair value is estimated by deriving the present value of the business using reasonable assumptions of expected future cash flows and the terminal value, and the appropriate risk-adjusted discount rate that quantifies the risk inherent to the business. Under the market approach, listed peer group earnings multiples are applied to the trailing twelve months (LTM) stand-alone IFRS earnings of the relevant business. As such, the stand-alone IFRS results and developments driving the IFRS earnings of our portfolio companies are key drivers of their valuations within GCAP's financial statements. See "Basis of Presentation" on page 26 for more background.

LARGE PORTFOLIO COMPANIES

Discussion of Retail (pharmacy) Business Results

The retail (pharmacy) business, where GCAP owns a 97.6% equity interest, is the largest pharmaceuticals retailer and wholesaler in Georgia, with a 32% market share by revenue. The business consists of a retail pharmacy chain and a wholesale business that sells pharmaceuticals and medical supplies to hospitals and other pharmacies. The business operates a total of 394 pharmacies (of which 381 are in Georgia and 13 are in Armenia) and 13 franchise stores (of which, two are in Armenia and four in Azerbaijan).

3Q23 & 9M23 performance (GEL '000), Retail (pharmacy)[28]

INCOME STATEMENT HIGHLIGHTS	3Q23	3Q22	Change	9M23	9M22	Change
Revenue, net	**199,597**	**189,809**	**5.2%**	**600,144**	**580,711**	**3.3%**
Of which, retail	*159,972*	*148,398*	*7.8%*	*476,192*	*453,015*	*5.1%*
Of which, wholesale	*39,625*	*41,411*	*-4.3%*	*123,952*	*127,696*	*-2.9%*
Gross Profit	**61,918**	**56,461**	**9.7%**	**181,077**	**171,303**	**5.7%**
Gross profit margin	*31.0%*	*29.7%*	*1.3 ppts*	*30.2%*	*29.5%*	*0.7 ppts*
Operating expenses (ex. IFRS 16)	(41,038)	(38,403)	6.9%	(119,751)	(114,779)	4.3%
EBITDA (ex. IFRS 16)	**20,880**	**18,058**	**15.6%**	**61,326**	**56,524**	**8.5%**
EBITDA margin, (ex. IFRS 16)	*10.5%*	*9.5%*	*1.0 ppts*	*10.2%*	*9.7%*	*0.5 ppts*
Net profit (ex. IFRS 16)	**12,369**	**14,683**	**-15.8%**	**45,717**	**51,205**	**-10.7%**
CASH FLOW HIGHLIGHTS						
Cash flow from operating activities (*ex. IFRS 16*)	**435**	**19,268**	**-97.7%**	**18,152**	**54,480**	**-66.7%**
EBITDA to cash conversion	*2.1%*	*106.7%*	*-104.6 ppts*	*29.6%*	*96.4%*	*-66.8 ppts*
Cash flow from investing activities[29]	**5,343**	**(8,887)**	**NMF**	**(72,795)**	**(54,558)**	**33.4%**
Free cash flow, (ex. IFRS 16)[30]	**(10,590)**	**15,822**	**NMF**	**(76,776)**	**(3,921)**	**NMF**
Cash flow used in financing activities (*ex. IFRS 16*)	**(620)**	**(5,059)**	**-87.7%**	**14,560**	**10,107**	**44.1%**
BALANCE SHEET HIGHLIGHTS	30-Sep-23	30-Jun-23	Change	31-Dec-22	Change	
Total assets	**580,104**	**552,064**	**5.1%**	**576,060**	**0.7%**	
Of which, cash and bank deposits	34,426	29,514	16.6%	75,279	-54.3%	
Of which, securities and loans issued	4,578	20,509	-77.7%	22,857	-80.0%	
Total liabilities	**544,160**	**502,395**	**8.3%**	**515,081**	**5.6%**	
Of which, borrowings	216,232	178,870	20.9%	131,547	64.4%	
Of which, lease liabilities	136,836	115,331	18.6%	107,455	27.3%	
Total equity	**35,944**	**49,669**	**-27.6%**	**60,979**	**-41.1%**	

INCOME STATEMENT HIGHLIGHTS

- The y-o-y increase in retail revenues in 3Q23 and 9M23 reflects the expansion of the pharmacy chain and franchise stores, along with overall economic growth in Georgia. This revenue growth was partially subdued by a significant decrease in product prices due to the appreciation of GEL against foreign currencies (as approximately 70% of inventory purchases are denominated in foreign currencies) and the implementation of the External Reference Pricing model, which sets a maximum retail price for state-financed prescription medicines.
- A y-o-y decline in wholesale revenue is attributable to the impact of new government regulations, as detailed in the valuation drivers and operating highlights section below. These regulations led to the closure of certain partner pharmacies in 2023, with whom our pharmacy business had wholesale agreements.

[28] The detailed IFRS financial statements are included in supplementary excel file, available at https://georgiacapital.ge/ir/financial-results.
[29] Of which – cash outflow on capex of GEL 11.0 million in 3Q23 and GEL 20.4 million in 9M23 (GEL 3.4 million in 3Q22 and GEL 17.2 million in 9M22); cash outflow on minority acquisition; proceeds from sale of PPE of GEL 14.6 million in 9M23 (none in 3Q22 and none in 9M22).
[30] Calculated by deducting capex and minority acquisition from operating cash flows and adding proceeds from sale of PPE.

- The improvement in gross profit margins in 3Q23 and 9M23 is mainly attributable to increased sales of high-margin para-pharmacy products in the retail business line (para-pharmacy revenue as a percentage of retail revenue increased from 37.4% in 3Q22 to 39.6% in 3Q23, and from 35.7% in 9M22 to 39.6% in 9M23).
- The increase in operating expenses in 3Q23 and 9M23 reflects the expansion of the pharmacy chain and franchise stores.
- As a result, the business posted strong EBITDA margins (excluding IFRS 16) of 10.5% (up 1.0 ppts y-o-y) and 10.2% (up 0.5 ppts y-o-y) in 3Q23 and 9M23, respectively.
- The significant y-o-y increase in interest expense (excluding IFRS 16) in 3Q23 and 9M23 is due to the higher average net debt balance, as explained below.
- The business posted GEL 12.4 million net profit (excluding IFRS 16) in 3Q23, down 15.8% y-o-y, further reflecting higher FX gain in 3Q22 due to GEL's appreciation against the basket of foreign currencies last year. Net profit (excluding IFRS 16) in 9M23 amounted to GEL 45.7 million, down 10.7% y-o-y.

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

- The net debt balance was up to GEL 177.2 million as at 30-Sep-23, from GEL 128.9 million at 30-Jun-23, mainly reflecting the short-term borrowings obtained to support working capital requirements. The net debt balance was up by GEL 143.8 million from 31-Dec-22, further reflecting increased borrowings that partially financed the minority buyout transaction in June 2023.
- Throughout the year, the business maintained its strategy of making advance payments to key vendors to secure substantial supplier discounts. This temporarily impacted the EBITDA to cash conversion ratio in 2023, but is expected to normalise in 2024.
- GEL 30.8 million dividends were paid to GCAP in 3Q23 (GEL 50.9 million in 9M23).

OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

- In June 2023 the business signed an agreement with its minority shareholders to acquire a 20.6% equity interest in the business. As a result of this transaction, GCAP's ownership stake in Retail (Pharmacy) increased to 97.6%. The transaction was executed at previously disclosed/agreed valuation multiples.
- Effective from 2023, the Government introduced two new regulations: i) Good Manufacturing Practice ("GMP") and ii) Good Distribution Practice ("GDP"). These regulations establish the minimum standards that medicine distributors must meet to ensure the quality and integrity of medicines throughout the supply chain. Compliance with GMP and GDP ensures that medicines are consistently stored under the appropriate conditions, including during transportation, to prevent contamination. The implementation of the new standards resulted in the closure of several of our partner small pharmacies, leading to a reduction in annualised wholesale business revenue by approximately GEL 22.0 million and a corresponding decrease in gross profit by around GEL 4.6 million. In 3Q23 and 9M23, the wholesale business revenue was affected by GEL 6.2 million and GEL 18.0 million, respectively, while the effect on gross profit was GEL 1.1 million in 3Q23 and GEL 3.1 million in 9M23. To meet the requirements the business incurred additional CAPEX of GEL c.4.0 million in 9M23.

- The business added 19 pharmacies and 3 franchise stores (one of which sells the Carter's baby clothing line) over the last 12 months.

	Sep-23	Jun-23	*Change (q-o-q)*	Sep-22	*Change (y-o-y)*
Number of pharmacies	**394**	**383**	***11***	**368**	***26***
Of which, Georgia	381	371	*10*	359	*22*
Of which, Armenia	13	12	*1*	9	*4*
Number of franchise stores	**13**	**11**	**2**	**10**	**3**
Of which, Georgia	7	7	-	7	-
Of which, Armenia	2	2	-	2	-
Of which, Azerbaijan	4	2	**2**	1	3

- Retail (Pharmacy)'s key operating performance highlights for 3Q23 and 9M23 are noted below:

Key metrics	**3Q23**	**3Q22**	**Change**	**9M23**	**9M22**	**Change**
Same store revenue growth	*3.5%*	*-3.1%*	*6.6 ppts*	*1.0%*	*2.2%*	*-1.2 ppts*
Number of bills issued (mln)	*7.6*	*7.5*	*1.1%*	*23.1*	*22.5*	*2.5%*
Average bill size (GEL)	*20.0*	*18.8*	*6.7%*	*19.5*	*19.1*	*2.5%*

Discussion of Hospitals Business Results

The hospitals business, where GCAP owns a 100% equity, is the largest healthcare market participant in Georgia, comprised of 16 referral hospitals, providing secondary and tertiary level healthcare services across Georgia.

3Q23 & 9M23 performance (GEL '000), Hospitals[31]

INCOME STATEMENT HIGHLIGHTS	3Q23	3Q22	Change	9M23	9M22	Change
Revenue, net[32]	**68,307**	**66,580**	**2.6%**	**220,468**	**216,137**	**2.0%**
Gross Profit	**22,067**	**22,834**	**-3.4%**	**76,405**	**77,187**	**-1.0%**
Gross profit margin	*32.0%*	*33.9%*	*-1.9 ppts*	*34.3%*	*35.2%*	*-0.9 ppts*
Operating expenses (ex. IFRS 16)	(13,351)	(12,893)	3.6%	(39,364)	(38,698)	1.7%
EBITDA (ex. IFRS 16)	**8,716**	**9,941**	**-12.3%**	**37,041**	**38,489**	**-3.8%**
EBITDA margin (ex. IFRS 16)	*12.6%*	*14.8%*	*-2.2 ppts*	*16.6%*	*17.5%*	*-0.9 ppts*
Net (loss)/profit (ex. IFRS 16)[33]	**(6,376)**	**(3,497)**	**-82.3%**	**(7,580)**	**1,287**	**NMF**
CASH FLOW HIGHLIGHTS						
Cash flow from operating activities (ex. IFRS 16)	**21,735**	**3,768**	**NMF**	**14,792**	**18,384**	**-19.5%**
EBITDA to cash conversion (ex. IFRS 16)	*249.4%*	*37.9%*	*NMF*	*39.9%*	*47.8%*	*-7.9 ppts*
Cash flow used in investing activities[34]	**(16,513)**	**(6,922)**	**NMF**	**(30,556)**	**(4,610)**	**NMF**
Free cash flow (ex. IFRS 16)[35]	**5,188**	**(1,650)**	**NMF**	**(16,202)**	**12,598**	**NMF**
Cash flow from financing activities (ex. IFRS 16)	**(8,818)**	**6,737**	**NMF**	**(4,067)**	**(39,163)**	**-89.6%**

BALANCE SHEET HIGHLIGHTS	30-Sep-23	30-Jun-23	Change	31-Dec-22	Change
Total assets	**614,090**	**630,233**	**-2.6%**	**614,705**	**-0.1%**
Of which, cash balance and bank deposits	1,192	4,991	-76.1%	21,625	-94.5%
Of which, securities and loans issued	8,990	8,575	4.8%	14,040	-36.0%
Total liabilities	**283,957**	**288,013**	**-1.4%**	**270,418**	**5.0%**
Of which, borrowings	232,387	227,093	2.3%	213,880	8.7%
Total equity	**330,133**	**342,220**	**-3.5%**	**344,287**	**-4.1%**

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 minimum requirements for space allotted per hospital bed. In order to meet the new standards, the business initiated renovation projects in 12 of its hospitals. During the phased renovation, certain departments of our facilities were temporarily closed and unable to accept patients. These renovation works took place throughout July and August, with most of the work being completed by the end of September. The CAPEX investment for the renovation projects amounted to GEL 10.0 million in 3Q23. The negative annualised impact of increased expenses that will result from additional requirements is estimated at GEL c.4.0 million.

INCOME STATEMENT HIGHLIGHTS

- Notwithstanding the developments related to the new facility regulation as described above, the 3Q23 revenue was up by 2.6% y-o-y. The relatively modest 2.0% y-o-y increase in 9M23 revenue further reflects mainly the following factors:
  - The suspension of COVID contracts by the Government in mid-March 2022.
  - Temporary closure of Iashvili Paediatric Tertiary Referral Hospital ("Iashvili Hospital), the largest paediatric services provider in the country, due to mandatory regulatory-related renovation works. The works commenced in October 2022 and were completed in March 2023.
  - The absence of revenues from the Traumatology Hospital, which was divested in April 2022.
- The cost of services in the business consists mainly of salaries, materials and utilities. Trends in salary and materials costs are captured in the direct salary and materials rates[36].
  - A y-o-y increase in direct salary rates, up 2.0 ppts to 40.5% in 3Q23 and up 2.3 ppts to 38.5% in 9M23, is mainly attributable to increased minimum salary rates for medical staff.
  - An improvement in materials rate (17.5% in 3Q23 compared to 17.7% in 3Q22 and 17.4% in 9M23 compared to 18.7% in 9M22) resulted from the phasing out of COVID as well as the completion of the transfer of the hospitals business' procurement department from pharmacy to hospitals.
  - Utilities and other costs were up y-o-y by 3.7% in 3Q23 and up 5.0% in 9M23, resulting from overall inflation.
- Administrative salaries and other employee benefits were well-managed y-o-y, down by 1.2% in 3Q23 and by 0.4% in 9M23. The launch of new products and services and increased marketing costs to support the transition to the post-

[31] The detailed IFRS financial statements are included in supplementary excel file, available at https://georgiacapital.ge/ir/financial-results.
[32] Net revenue – Gross revenue less corrections and rebates. Margins are calculated from gross revenue.
[33] 9M22 number is adjusted for a GEL 2.7 million loss from the sale of the Traumatology Hospital.
[34] Of which - capex of GEL 16.5 million in 3Q23 (GEL 5.4 million in 3Q22) and GEL 33.3 million in 9M23 (GEL 14.5 million in 9M22).
[35] Operating cash flows less capex, plus net proceeds on sale of PPE.
[36] The respective costs divided by gross revenues.

COVID environment translated into increased general and administrative expenses (excl. IFRS 16), up 5.0% in 3Q23 and up 4.2% in 9M23, y-o-y. As a result, the business operating leverage was negative at 7.0% in 3Q23 and 2.7% in 9M23.

- The developments described above resulted in a 12.3% and 2.2 ppts y-o-y decrease in EBITDA (excl. IFRS 16) and EBITDA margin in 3Q23, respectively (down 3.8% and 0.9 ppts y-o-y in 9M23, respectively).
- Net interest expense (excluding IFRS 16) was up by 46.2% in 3Q23 and up 41.3% in 9M23, y-o-y, reflecting the increased net debt balance (as described below) and increased interest rates on the market.

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

- Net debt balance was up 4.1% q-o-q, mainly resulting from higher capex investments associated with new facility regulation and payment of GEL 6.0 million dividends to GCAP in 3Q23. Net debt balance was up 24.7% in 9M23, further reflecting the delay in the collection of receivables from the State in 2023 due to one-off processing delays due to the introduction of the Diagnosis Related Group ("DRG") financing system.
- As expected, starting in 3Q23, the State began to settle overdue payments, which resulted in a significant improvement in the EBITDA to cash conversion ratio (249.4% in 3Q23).
- Capex investment was GEL 16.5 million in 3Q23, reflecting maintenance and capex related to the new facility regulation at hospitals. In 9M23, the capex investment amounted to GEL 33.3 million, which apart from the 3Q23 capex described above includes renovation works in Iashvili Hospital.

OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

- The business key operating performance highlights for 3Q23 and 9M23 are noted below:

Key metrics	**3Q23**	**3Q22**	**Change**	**9M23**	**9M22**	**Change**
Occupancy rate	*48.4%*	*43.6%*	*4.8 ppts*	*53.2%*	*52.1%*	*1.1 ppts*
Number of admissions (thousands)	*253.9*	*287.5*	*-11.7%*	*801.8*	*903.9*	*-11.3%*

The decrease in the number of admissions reflects the renovation works in our hospitals as described above.

Discussion of Insurance (P&C and Medical) Business Results

The insurance business comprises a) Property and Casualty (P&C) insurance business and b) medical insurance business. The P&C insurance business is a leading player in the local insurance market with a 29.2% market share in property and casualty insurance based on gross premiums as of 30-Jun-23. P&C also offers a variety of non-property and casualty products, such as life insurance. The medical insurance business is one of the country's largest private health insurers, with a 19% market share based on 1H23 net insurance premiums. Medical Insurance offers a variety of health insurance products primarily to corporate and (selectively) to state entities and also to retail clients in Georgia. GCAP owns a 100% equity stake in both insurance businesses.

3Q23 & 9M23 performance (GEL'000), Insurance (P&C and Medical)[37]

INCOME STATEMENT HIGHLIGHTS	**3Q23**	**3Q22**	**Change**	**9M23**	**9M22**	**Change**
Insurance revenue	53,831	44,126	22.0%	152,236	125,831	21.0%
Net underwriting profit	10,019	13,926	-28.1%	37,518	36,700	2.2%
Net investment profit	4,043	2,512	60.9%	10,393	6,786	53.2%
Net profit	3,602	6,772	-46.8%	17,601	17,126	2.8%
CASH FLOW HIGHLIGHTS						
Net cash flows from operating activities	10,242	12,452	-17.7%	31,521	27,585	14.3%
Free cash flow	**8,670**	**11,687**	**-25.8%**	**27,697**	**25,403**	**9.0%**
BALANCE SHEET HIGHLIGHTS	**30-Sep-23**	**30-Jun-23**	**Change**	**31-Dec-22**	**Change**	
Total assets	254,101	236,917	7.3%	217,373	16.9%	
Total equity	127,808	127,730	0.1%	121,486	5.2%	

- The Georgian insurance sector is set to adopt the Estonian Taxation Model which will come into force from the beginning of 2024. Prior to this change, the pre-tax profit of the insurance businesses was levied by a 15% corporate income tax. Following the coming into force of the Estonian Taxation Model, a 15% corporate income tax will be applied to earnings distributed to individuals or non-resident legal entities. Consequently, GCAP's insurance businesses will no longer be subject to the corporate income tax payment, freeing up the resources for both business development and enhanced dividend payments to GCAP.
- In 2023, P&C and medical insurance businesses adopted the IFRS 17 "Insurance contracts" accounting standard. Comparative periods were also retrospectively restated.

[37] The detailed IFRS financial statements are included in supplementary excel file, available at https://georgiacapital.ge/ir/financial-results.

TOTAL INSURANCE BUSINESS HIGHLIGHTS

P&C and medical insurance have a broadly equal share in total revenues, while the combined net profit in 3Q23 and 9M23 was mainly attributable to P&C (69.1% and 75.4% share in total net profit in 3Q23 and 9M23, respectively). The loss ratio was up by 9.0 ppts and the expense ratio was down by 0.1 ppts y-o-y in 3Q23 (up 3.8 ppts and down 1.0 ppts y-o-y in 9M23, respectively), translating into 11.2 ppts y-o-y increase in the combined ratio in 3Q23 (up 3.6 ppts y-o-y in 9M23). As a result, ROAE[38] was 12.3% in 3Q23 (24.6% in 3Q22) and 20.3% in 9M23 (22.0% in 9M22).

Discussion of results, P&C Insurance

INCOME STATEMENT HIGHLIGHTS	3Q23	3Q22	Change	9M23	9M22	Change
Insurance revenue	32,707	26,702	22.5%	85,672	72,011	19.0%
Net underwriting profit	6,275	11,615	-46.0%	26,879	29,786	-9.8%
Net investment profit	2,855	1,542	85.1%	6,923	3,940	75.7%
Net profit	2,490	6,457	-61.4%	13,277	15,676	-15.3%
CASH FLOW HIGHLIGHTS						
Net cash flows from operating activities	7,136	9,976	-28.5%	25,081	26,048	-3.7%
Free cash flow	**6,666**	**9,462**	**-29.5%**	**23,400**	**24,482**	**-4.4%**

BALANCE SHEET HIGHLIGHTS	30-Sep-23	30-Jun-23	Change	31-Dec-22	Change
Total assets	186,426	167,336	11.4%	151,795	22.8%
Total equity	91,939	87,977	4.5%	86,090	6.8%

INCOME STATEMENT HIGHLIGHTS

- The increase in 3Q23 and 9M23 insurance revenue reflects a combination of factors:
  - Motor insurance revenues were up by GEL 3.5 million y-o-y in 3Q23 (up by 6.4 million in 9M23), mainly attributable to the growth in the retail client portfolio.
  - Credit life insurance revenues were up by GEL 1.1 million y-o-y in 3Q23 (up by 3.6 million in 9M23), resulting from the growth of banks' portfolios in the mortgage, consumer loan, and other sectors.
  - Agricultural insurance revenues were up by GEL 0.5 million y-o-y in 3Q23 (up by GEL 1.1 million y-o-y in 9M23), driven by increased Agro insurance sales from GEL 12.0 million in 9M22 to GEL 13.5 million in 9M23.

- P&C Insurance's key performance ratios for 3Q23 and 9M23 are noted below:

Key ratios	3Q23	3Q22	*Change*	9M23	9M22	*Change*
Combined ratio	99.5%	76.7%	22.8 ppts	89.7%	79.6%	10.1 ppts
Expense ratio	35.2%	33.7%	1.5 ppts	34.8%	34.0%	0.8 ppts
Loss ratio	63.3%	45.9%	17.4 ppts	55.3%	47.3%	8.0 ppts
FX ratio	1.0%	-2.9%	3.9 ppts	-0.4%	-1.7%	1.3 ppts
ROAE[38]	12.8%	35.6%	-22.8 ppts	22.8%	29.6%	-6.8 ppts

- The combined ratio increased by 22.8 ppts y-o-y in 3Q23 (up by 10.1 ppts y-o-y in 9M23).
  - The expense ratio remained well controlled in both reporting periods, up by 1.5 ppts y-o-y in 3Q23 and up by 0.8 ppts y-o-y in 9M23.
  - An increase in the 3Q23 loss ratio was mainly driven by:
    - Increased property insurance claims, resulting from an unprecedented landslide in one of the regions of Georgia with the estimated net loss of GEL 2.6 million (8.0 ppts impact on the 3Q23 loss ratio).
    - Increased Agro insurance claims due abnormal number of hailstorms during the quarter, resulting in a 7.2 ppts y-o-y increase in the 3Q23 loss ratio. The increase further reflects the low base effect of exceptionally low Agro insurance claims in 3Q22.
    - The 9M23 loss ratio was further affected by a large property insurance claim incurred in 1Q23, with an estimated net loss of GEL 1.2 million.
  - A 3.9 ppts y-o-y increase in FX ratio in 3Q23 (up by 1.3 ppts y-o-y in 9M23), reflecting the impact of foreign exchange rate movements on the business's insurance operations.
- P&C Insurance's net investment profit was up by 85.1% y-o-y in 3Q23 (up by 75.7% y-o-y in 9M23), reflecting a) a higher average liquid funds balance, b) an increase in global interest rates, and c) lower market-driven losses on investments placed in publicly traded debt securities.

[38] Calculated based on average equity, adjusted for preferred shares.

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

- P&C Insurance's solvency ratio was 195% as of 30 September 2023, significantly above the required minimum of 100%.
- A 28.5% y-o-y decrease in the net cash flows from operating activities in 3Q23 (down by 3.7% in 9M23) reflects the payment of some payable balances to reinsurers, agents and brokers as well as the reimbursement of the abnormal amount of claims mentioned above.
- GEL 8.4 million dividends were paid to GCAP in 9M23.

OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

- With its 29.2% market share on the local insurance market, P&C remained the largest market player, maintaining a strong position.
- In 9M23, the business expanded its operations into the regional reinsurance markets of Armenia and Azerbaijan. The expansion has positively contributed to the operating performance of the business.
- In 3Q23, Aldagi became the first insurance company on the local market to obtain an international credit rating of bb+ from AM Best. The credit rating is expected to further support the regional expansion of the business' reinsurance operations.

Discussion of results, Medical Insurance

INCOME STATEMENT HIGHLIGHTS	3Q23	3Q22	Change	9M23	9M22	Change
Insurance revenue	21,124	17,424	21.2%	66,564	53,820	23.7%
Net underwriting profit	3,744	2,311	62.0%	10,639	6,914	53.9%
Net investment profit	1,188	970	22.5%	3,470	2,846	21.9%
Net profit	1,112	315	NMF	4,324	1,450	NMF
CASH FLOW HIGHLIGHTS						
Net cash flows from operating activities	3,106	2,476	25.4%	6,440	1,537	NMF
Free cash flow	**2,004**	**2,225**	**-9.9%**	**4,297**	**921**	**NMF**
BALANCE SHEET HIGHLIGHTS	**30-Sep-23**	**30-Jun-23**	**Change**	**31-Dec-22**	**Change**	
Total assets	67,675	69,581	-2.7%	65,578	3.2%	
Total equity	35,869	39,753	-9.8%	35,396	1.3%	

INCOME STATEMENT HIGHLIGHTS

- The increase in 3Q23 and 9M23 insurance revenue is due to the increase in the price of insurance policies and a 6.6% y-o-y increase in the total number of insured clients (c.170,500 as of Sep-23) mainly in the corporate client segment.
- 9M23 net claims expenses stood at GEL 53.1 million (up 19.9% y-o-y), out of which:
  - GEL 22.3 million (42.0% of the total) was inpatient;
  - GEL 21.8 million (41.1% of the total) was outpatient; and
  - GEL 9.0 million (16.9% of the total) was related to pharmaceuticals.
- 3Q23 combined ratio decreased by 6.4 ppts y-o-y (down by 5.6 ppts y-o-y in 9M23), reflecting:
  - Improved loss ratio, down 3.7 ppts y-o-y to 77.6% in 3Q23, reflecting the robust revenue growth (down 2.5 ppts y-o-y to 79.7% in 9M23).
  - 2.7 ppts y-o-y decrease in the 3Q23 expense ratio, reflecting the top-line growth of the business while operating expenses remained flat (down 3.1 ppts y-o-y in 9M23).
- The solid operating performance during the quarter led to a 253.0% y-o-y increase in the 3Q23 net profit. In 9M23 the business posted GEL 4.3 million net profit, up 198.2% y-o-y.

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

- GEL 5.0 million dividends were paid to GCAP in 3Q23.

OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

- The business remains one of the largest medical insurers on the market with a 19.2% market share based on 1H23 net insurance premiums. The insurance renewal rate was up 7.6 ppts y-o-y to 83.2% in 9M23.

INVESTMENT STAGE PORTFOLIO COMPANIES

Discussion of Renewable Energy Business Results

The renewable energy business operates three wholly-owned commissioned renewable assets: 30MW Mestiachala HPP, 20MW Hydrolea HPPs and 21MW Qartli wind farm. In addition, the business has a pipeline of renewable energy projects in varying stages of development. The renewable energy business is 100% owned by Georgia Capital. As electricity sales in Georgia is a dollar business, the financial data below is presented in US$.

3Q23 & 9M23 performance (US$ '000), Renewable Energy[39]

INCOME STATEMENT HIGHLIGHTS	3Q23	3Q22	Change	9M23	9M22	Change
Revenue	**5,507**	**5,356**	**2.8%**	**11,472**	**11,740**	**-2.3%**
Of which, PPA	*2,357*	*2,638*	*-10.7%*	*6,098*	*6,374*	*-4.3%*
Of which, Non-PPA	*3,150*	*2,718*	*15.9%*	*5,374*	*5,366*	*0.1%*
Operating expenses	(1,096)	(824)	33.0%	(3,121)	(2,471)	26.3%
EBITDA	**4,411**	**4,532**	**-2.7%**	**8,351**	**9,269**	**-9.9%**
EBITDA margin	*80.1%*	*84.6%*	*-4.5 ppts*	*72.8%*	*79.0%*	*-6.2 ppts*
Net profit/(loss)	**1,971**	**1,345**	**46.5%**	**432**	**(1,430)**	**NMF**
CASH FLOW HIGHLIGHTS						
Cash flow from operating activities	**4,358**	**4,313**	**1.0%**	**6,843**	**8,042**	**-14.9%**
Cash flow used in investing activities	**(1,009)**	**2,515**	**NMF**	**(3,163)**	**263**	**NMF**
Cash flow from financing activities	**65**	**(8,331)**	**NMF**	**(2,589)**	**(15,628)**	**-83.4%**
Dividends paid out	*-*	*(700)*	*NMF*	*(2,000)*	*(2,100)*	*-4.8%*
BALANCE SHEET HIGHLIGHTS	30-Sep-23	30-Jun-23	Change	31-Dec-22	Change	
Total assets	**124,757**	**121,869**	**2.4%**	**122,645**	**1.7%**	
Of which, cash balance	*10,585*	*7,212*	*46.8%*	*9,468*	*11.8%*	
Total liabilities	**85,176**	**83,578**	**1.9%**	**84,288**	**1.1%**	
Of which, borrowings	*82,195*	*81,116*	*1.3%*	*80,570*	*2.0%*	
Total equity	**39,581**	**38,291**	**3.4%**	**38,357**	**3.2%**	
INCOME STATEMENT HIGHLIGHTS (GEL)	3Q23	3Q22	Change	9M23	9M22	Change
Revenue	14,590	15,176	-3.9%	30,017	34,420	-12.8%
EBITDA	11,689	12,840	-9.0%	21,869	27,067	-19.2%

INCOME STATEMENT HIGHLIGHTS

- A y-o-y increase in 3Q23 revenue in US$ terms reflects the net impact of the following factors:
  - The average electricity selling price increased by 3.9% y-o-y to 56.4 US$/MWh in 3Q23, resulting from an 8.8% y-o-y increase in the average market selling price (excluding PPAs), reaching 53.5 US$/MWh in 3Q23. This reflects the export of 16.2 GWh of electricity to the Republic of Türkiye in 3Q23, with an average export price of 68.2 US$/MWh.
  - Electricity generation decreased by 1.3% in 3Q23, reflecting the decrease in electricity generation at Mestiachala HPP and Qartli Wind and the increased electricity generation at Hydrolea HPPs, influenced by varying weather conditions.
- A y-o-y decrease in 9M23 revenue was mainly driven by an 8.1% y-o-y decrease in electricity generation, as one of the power-generating units of Hydrolea HPPs was temporarily taken offline in December 2022 due to planned rehabilitation works (the works were completed in June 2023 and the operations resumed in their normal course).
- Approximately 40% of electricity sales during 3Q23 (c.50% in 9M23) were covered by long-term fixed-price power purchase agreements (PPAs) formed with a government-backed entity.

Revenue and generation breakdown by power assets:

	3Q23				9M23			
US$ '000, unless otherwise noted	**Revenue from electricity sales**	***Change y-o-y***	**Electricity generation (MWh)**	***Change y-o-y***	**Revenue from electricity sales**	***Change y-o-y***	**Electricity generation (MWh)**	***Change y-o-y***
30MW Mestiachala HPP	3,079	*3.1%*	55,372	*-5.5%*	5,010	*11.1%*	90,964	*-3.2%*
20MW Hydrolea HPPs	896	*19.3%*	18,498	*21.7%*	2,154	*-29.1%*	45,998	*-26.7%*
21MW Qartli wind farm	1,532	*-5.4%*	23,568	*-5.4%*	4,308	*2.7%*	66,275	*2.7%*
Total	**5,507**	***2.8%***	**97,438**	***-1.3%***	**11,472**	***-2.3%***	**203,237**	***-8.1%***

- Operating expenses were up by 33.0% and 26.3% y-o-y in 3Q23 and 9M23, respectively, mainly reflecting the electricity and transmission costs incurred due to electricity export in the Republic of Türkiye.
- The developments described above, led to a 2.7% and 9.9% y-o-y decrease in EBITDA in 3Q23 and 9M23, respectively.

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

- Operating cash flow in 3Q23 remained flat and was down by 14.9% y-o-y in 9M23, aligning with the EBITDA developments, as described above.
- A y-o-y change in investing cash flows mainly reflects (a) the investments made for the development of pipeline projects in 3Q23 and 9M23 and (b) investing cash inflows in the comparable periods of 2022 as a result of the sale of investment securities, which were previously held for liquidity management purposes.
- A y-o-y decrease in cash outflows from financing activities in 3Q23 and 9M23 is attributable to the following factors:

[39] The detailed IFRS financial statements (in both US$ and GEL) are included in supplementary excel file, available at https://georgiacapital.ge/ir/financial-results.

- A y-o-y differential in the timing of coupon payments between the existing local bonds (no coupon payment in 3Q23, US$ 2.8 million in 9M23) and the already redeemed Eurobonds (US$ 4.4 million coupon payment in 3Q22, US$ 8.2 million in 9M22).
- Low base effect of cash outflows for Eurobond buybacks of US$ 3.2 million in 3Q22 (US$ 5.5 in 9M22).
- Investment of US$ 2.2 million by GCAP for the development of the pipeline projects in 9M23.

Discussion of Education Business Results

Our education business currently combines majority stakes in four private school brands operating across seven campuses, acquired in 2019-2023: British-Georgian Academy and British International School of Tbilisi (70% stake), the leading schools in the premium and international segments; Buckswood International School (80% stake), well-positioned in the midscale segment and Green School (80%-90% ownership), well-positioned in the affordable segment.

3Q23 & 9M23 performance (GEL '000), Education[40]

INCOME STATEMENT HIGHLIGHTS	3Q23	3Q22	Change	9M23	9M22	Change
Revenue	**7,737**	**6,747**	**14.7%**	**36,145**	**28,901**	**25.1%**
Operating expenses	(9,609)	(6,963)	38.0%	(28,117)	(20,328)	38.3%
EBITDA	**(1,872)**	**(216)**	**NMF**	**8,028**	**8,573**	**-6.4%**
EBITDA Margin	*-24.2%*	*-3.2%*	*-21.0 ppts*	*22.2%*	*29.7%*	*-7.5 ppts*
Net (loss)/profit	**(3,389)**	**(1,042)**	**NMF**	**5,040**	**7,437**	**-32.2%**
CASH FLOW HIGHLIGHTS						
Net cash flows from operating activities	6,151	4,889	25.8%	17,478	15,406	13.4%
Net cash flows used in investing activities	(7,911)	(8,171)	-3.2%	(27,750)	(16,372)	69.5%
Net cash flows from financing activities	1,210	3,398	-64.4%	14,263	6,025	NMF
BALANCE SHEET HIGHLIGHTS	30-Sep-23	30-Jun-23	Change	31-Dec-22	Change	
Total assets	**186,718**	**180,212**	**3.6%**	**156,320**	**19.4%**	
Of which, cash	9,491	9,970	-4.8%	5,709	66.2%	
Total liabilities	**66,340**	**56,329**	**17.8%**	**52,168**	**27.2%**	
Of which, borrowings	26,443	24,288	8.9%	21,740	21.6%	
Total equity	**120,378**	**123,883**	**-2.8%**	**104,152**	**15.6%**	

In 3Q23, the total learner capacity of the education business increased by 400 learners to 7,270 learners, reflecting the launch of a new campus in the mid-scale segment category.

The 2023-2024 academic year has started with a significant increase in the total number of learners, in line with both the organic growth and the expansion of the business. In total, as of 30-Sep-23, the business grew by 1,784 learners to 5,900 learners compared to the beginning of the 2022-2023 academic year (up by 1,384 learners q-o-q). The growth of intakes in 1st graders was 325 learners (up by 59.3% y-o-y to 873 learners), and in the kindergartens and pre-schools was 262 learners (up by 61.1% y-o-y to 691 learners).

INCOME STATEMENT HIGHLIGHTS

- The third quarter is usually a slow season for the education business, as the schools are not operational during the July-August holidays. The revenue in 3Q23 increased by 14.7% y-o-y and was up 25.1% y-o-y in 9M23, driven by a) organic growth through strong intakes and a ramp-up of the utilisation and b) expansion of the business. 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% and 38.3% y-o-y in 3Q23 and 9M23, respectively, mainly reflecting inflation and increased salary expenses in line with the expansion of the business.
- Consequently, 3Q23 EBITDA was down by GEL 1.7 million y-o-y (down by 6.4% y-o-y in 9M23).

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

- Strong cash collection rates (at 54.8% as of 30-Sep-23, slightly below last year's level of 60.8%), combined with enhanced revenue streams, led to a 25.8% and 13.4% y-o-y increase in operating cash flow generation of the business in 3Q23 and 9M23, respectively.
- Investing cash flows mainly reflect the cash outflows for the investment projects, in line with the business expansion strategy.

[40] The detailed IFRS financial statements are included in supplementary excel file, available at https://georgiacapital.ge/ir/financial-results.

OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

- The utilisation rate for the total 7,270 learner capacity was up by 8.3 ppts y-o-y to 81.2% as of 30-Sep-23.
  - 100% utilization rate for the pre-expansion 2,810 learner capacity.
  - The utilisation of the newly added capacity of 4,460 learners was 69.3%.
- The number of campuses across the different segments is noted below:

	Sep-23	Jun-23	*Change (q-o-q)*	Sep-22	*Change (y-o-y)*
Total number of campuses	**7**	**6**	**1**	**5**	**2**
Premium and International segment	*1*	*1*	-	*1*	-
Mid-scale segment	*2*	*1*	*1*	*1*	*1*
Affordable segment	4	*4*	-	*3*	*1*

Discussion of Clinics and Diagnostics Business Results

The clinics and diagnostics business, where GCAP owns a 100% equity interest, is the second largest healthcare market participant in Georgia after our hospitals business. The business comprises two segments: 1) Clinics: 18 community clinics (providing outpatient and basic inpatient services); 17 polyclinics (providing outpatient diagnostic and treatment services) and 14 lab retail points at GPC pharmacies; 2) Diagnostics, operating the largest laboratory in the entire Caucasus region – "Mega Lab".

3Q23 & 9M23 performance (GEL '000), Clinics and Diagnostics[41]

INCOME STATEMENT HIGHLIGHTS	3Q23	3Q22	Change	9M23	9M22	Change
Revenue, net[42]	**19,142**	**17,663**	**8.4%**	**60,032**	**61,386**	**-2.2%**
Of which, clinics	*16,109*	*14,443*	*11.5%*	*51,095*	*49,238*	*3.8%*
Of which, diagnostics	*4,293*	*4,459*	*-3.7%*	*13,485*	*16,224*	*-16.9%*
Of which, inter-business eliminations	*(1,260)*	*(1,239)*	*1.7%*	*(4,548)*	*(4,076)*	*11.6%*
Gross Profit	**8,290**	**6,946**	**19.3%**	**26,056**	**24,945**	**4.5%**
Gross profit margin	*42.2%*	*39.1%*	*3.1 ppts*	*42.6%*	*40.5%*	*2.1 ppts*
Operating expenses (ex. IFRS 16)	(2,929)	(5,663)	-48.3%	(14,946)	(16,643)	-10.2%
EBITDA (ex. IFRS 16)	**5,361**	**1,283**	**NMF**	**11,110**	**8,302**	**33.8%**
EBITDA margin (ex. IFRS 16)	*27.3%*	*7.2%*	*20.1 ppts*	*18.2%*	*13.5%*	*4.7 ppts*
Net profit/(loss) (ex. IFRS 16)	**1,243**	**(1,333)**	**NMF**	**(461)**	**(981)**	**53.0%**
CASH FLOW HIGHLIGHTS						
Cash flow from operating activities (ex. IFRS 16)	**3,068**	**1,731**	**77.2%**	**4,155**	**4,518**	**-8.0%**
EBITDA to cash conversion (ex. IFRS 16)	*57.2%*	*134.9%*	*-77.7 ppts*	*37.4%*	*54.4%*	*-17.0 ppts*
Cash flow used in investing activities	**(3,563)**	**(1,675)**	**NMF**	**(10,261)**	**(8,116)**	**26.4%**
Free cash flow (ex. IFRS 16)[43]	**(467)**	**73**	**NMF**	**(5,911)**	**(3,565)**	**-65.8%**
Cash flow used in financing activities (ex. IFRS 16)	**(2,366)**	**(50)**	**NMF**	**3,039**	**(954)**	**NMF**

BALANCE SHEET HIGHLIGHTS	30-Sep-23	30-Jun-23	Change	31-Dec-22	Change
Total assets	**204,573**	**200,403**	**2.1%**	**190,767**	**7.2%**
Of which, cash balance and bank deposits	3,894	6,766	-42.4%	6,966	-44.1%
Of which, securities and loans issued	3,069	3,141	-2.3%	3,107	-1.2%
Total liabilities	**109,208**	**105,836**	**3.2%**	**94,786**	**15.2%**
Of which, borrowings	68,748	69,253	-0.7%	60,832	13.0%
Total equity	**95,365**	**94,567**	**0.8%**	**95,981**	**-0.6%**

Discussion of results, Clinics

(GEL '000)

INCOME STATEMENT HIGHLIGHTS	3Q23	3Q22	Change	9M23	9M22	Change
Revenue, net	**16,109**	**14,443**	**11.5%**	**51,095**	**49,238**	**3.8%**
Of which, polyclinics	*11,502*	*9,462*	*21.6%*	*35,334*	*30,349*	*16.4%*
Of which, community clinics	*4,607*	*4,981*	*-7.5%*	*15,761*	*18,889*	*-16.6%*
Gross Profit	**7,230**	**6,068**	**19.1%**	**22,731**	**21,008**	**8.2%**
Gross profit margin	*43.6%*	*41.7%*	*1.9 ppts*	*43.5%*	*42.4%*	*1.1 ppts*
Operating expenses (ex. IFRS 16)	(2,050)	(4,777)	-57.1%	(12,455)	(13,658)	-8.8%
EBITDA (ex. IFRS 16)	**5,180**	**1,291**	**NMF**	**10,276**	**7,350**	**39.8%**
EBITDA margin (ex. IFRS 16)	*31.2%*	*8.9%*	*22.3 ppts*	*19.7%*	*14.8%*	*4.9 ppts*
Net profit/(loss) (ex. IFRS 16)	**1,558**	**(985)**	**NMF**	**154**	**(961)**	**NMF**

[41] The detailed IFRS financial statements are included in supplementary excel file, available at https://georgiacapital.ge/ir/financial-results.
[42] Net revenue – Gross revenue less corrections and rebates. Margins are calculated from Gross revenue.
[43] Operating cash flows less capex.

CASH FLOW HIGHLIGHTS						
Cash flow from operating activities (ex. IFRS 16)	**2,928**	**1,802**	**62.5%**	**5,699**	**5,371**	**6.1%**
EBITDA to cash conversion (ex. IFRS 16)	*56.5%*	*139.6%*	*-83.1%*	*55.5%*	*73.1%*	*-17.6%*
Cash flow used in investing activities[44]	**(3,349)**	**(1,597)**	**NMF**	**(9,308)**	**(7,428)**	**25.3%**
Free cash flow (ex. IFRS 16)	**(389)**	**236**	**NMF**	**(3,401)**	**(1,973)**	**-72.4%**
Cash flow used in financing activities (ex. IFRS 16)	**(2,326)**	**287**	**NMF**	**1,672**	**30**	**NMF**

BALANCE SHEET HIGHLIGHTS	30-Sep-23	30-Jun-23	Change	31-Dec-22	Change
Total assets	**174,076**	**170,277**	**2.2%**	**160,691**	**8.3%**
Of which, cash balance and bank deposits	3,883	6,640	-41.5%	5,825	-33.3%
Of which, securities and loans issued	3,069	3,417	-10.2%	3,379	-9.2%
Total liabilities	**96,406**	**93,720**	**2.9%**	**83,531**	**15.4%**
Of which, borrowings	63,116	63,735	-1.0%	56,908	10.9%
Total equity	**77,670**	**76,557**	**1.5%**	**77,160**	**0.7%**

INCOME STATEMENT HIGHLIGHTS

- The increase in total revenue during both reporting periods is attributable to the growth in the polyclinics business line. This increase in polyclinic revenue is the result of 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, resulting in a 13.9% y-o-y reduction in the total number of admissions at community clinics in 3Q23. This decline translated into a 7.5% y-o-y decrease in revenue for community clinics in 3Q23. The y-o-y decrease in 9M23 revenues from community clinics further reflects the suspension of the COVID programme in 1Q22.
- In 3Q23, the business sold one of its polyclinic buildings for US$ 6.2 million. 80% of the sales proceeds were collected in October, while the remaining 20% will be received before year-end. The proceeds from the transaction will be mainly used for deleveraging the business. The gain from this transaction amounted to GEL 2.9 million, which reduced the operating expenses in 3Q23.
- The cost of services in the business consists mainly of materials, salaries and utilities. Trends in materials and salary costs are captured in the direct materials and salary rates[45] (a significant portion of direct salaries are fixed). The y-o-y increase in the gross profit, up 19.1% and 8.2% in 3Q23 and 9M23, respectively, was due to the following factors:
  - The post-COVID transition was reflected in the improved materials rate (COVID treatments are characterised by high materials rate). The materials rate was down 1.9 ppts in 3Q23 and down 4.2 ppts in 9M23, y-o-y.
  - The direct salary rate remained well managed, down by 1.9 ppts y-o-y in 3Q23 and was flat y-o-y in 9M23.
- Operating expenses (excl. IFRS 16) mainly reflect the following factors:
  - The salaries and administrative expenses (excl. IFRS 16) remained well controlled in 3Q23 but were up by 6.4% and 11.0% y-o-y in 9M23, respectively, reflecting the expansion as well as the restructuring of the business back to normal operating levels.
  - The gain from the disposal, as mentioned above.
- Excluding the gain from the divested building, the business posted a 13.7% EBITDA margin in 3Q23 (up 4.8 ppts y-o-y) and 14.1% in 9M23 (down 0.7 ppts y-o-y).
- The net interest expense (excl. IFRS 16) was up 32.6% in 3Q23 and up 14.6% in 9M23 y-o-y, reflecting a) an increased balance of net debt due to investment made for the expansion of the business and b) increased interest rates on the market.

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

- The EBITDA to cash conversion ratio reflects the gain recorded from the disposal, as mentioned above. Excluding this impact, the EBITDA to cash conversion ratio stood at 128.5% in 3Q23 and 77.3% in 9M23.
- In 9M23, the business spent GEL 9.1 million on capex, primarily related to the expansion of the polyclinics chain in 2023 and investment in maintenance capex at community clinics. Capex investment in 3Q23 amounted to GEL 3.3 million.

OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

- Our community clinics and (to a lesser extent) our polyclinics were both affected by the reduced traffic for COVID services, such as COVID tests and vaccinations in 2023:

	3Q23	3Q22	Change	9M23	9M22	Change
Number of admissions (thousands)	460.3	483.7	-4.9%	1,481.9	1,619.8	-8.5%
Of which, polyclinics	369.0	377.7	-2.3%	1,190.7	1,260.4	-5.5%
Of which, community clinics	91.3	106.0	-13.9%	291.2	359.4	-19.0%

[44] Of which capex of GEL 3.3 million in 3Q23 and GEL 9.1 million in 9M23 (GEL 1.6 million in 3Q22 and GEL 7.3 million in 9M22).
[45] The respective costs divided by gross revenues.

- The number of polyclinics and community clinics operated by the business is provided below.

	Sep-23	Jun-23	*Change (q-o-q)*	Sep-22	*Change (y-o-y)*
Number of clinics	35	35	-	36	-1
Of which, polyclinics	*17*	*17*	-	*17*	-
Of which, community clinics	*18*	*18*	-	*19*	*-1*

As of 30-Sep-23, the total number of registered patients in our polyclinics reached c.291,000 (c.270,000 as of 30-Sep-22) in Tbilisi and c.632,000 (c.608,000 as of 30-Sep-22) in Georgia.

Discussion of results, Diagnostics

(GEL '000)

INCOME STATEMENT HIGHLIGHTS	3Q23	3Q22	Change	9M23	9M22	Change
Revenue, net	**4,293**	**4,459**	**-3.7%**	**13,485**	**16,224**	**-16.9%**
Of which, from regular lab tests	4,164	3,583	16.2%	13,033	10,474	24.4%
Of which, from COVID-19 tests	129	876	-85.3%	452	5,750	-92.1%
Gross Profit	**1,060**	**878**	**20.7%**	**3,325**	**3,931**	**-15.4%**
Gross profit margin	*24.7%*	*19.7%*	*5.0 ppts*	*24.7%*	*24.2%*	*0.5 ppts*
Operating expenses (ex. IFRS 16)	(879)	(886)	-0.8%	(2,491)	(2,979)	-16.4%
EBITDA (ex. IFRS 16)	**181**	**(8)**	**NMF**	**834**	**952**	**-12.4%**
EBITDA margin (ex. IFRS 16)	*4.2%*	*-0.2%*	*4.4 ppts*	*6.2%*	*5.9%*	*0.3 ppts*
Net loss (ex. IFRS 16)	**(315)**	**(348)**	**9.5%**	**(1,067)**	**(20)**	**NMF**

INCOME STATEMENT HIGHLIGHTS

- As part of the post-COVID transition, the business has been actively broadening its client base and diversifying its range of non-COVID services. This translated into a 16.2% y-o-y increase in revenues from regular lab tests in 3Q23 and 24.4% in 9M23.
- Overall, the 16.9% y-o-y decrease in the net revenue of the diagnostics business in 9M23 was driven by the suspension of Government contracts for COVID testing in March 2022 as infections slowed and became less severe. After having been the revenue driver in 2021 and the first quarter of 2022, revenues from COVID testing decreased dramatically and were down 92.1% y-o-y in 9M23.
- In 3Q23, the business posted a 20.7% y-o-y increase in gross profit with 24.7% gross profit margin (up 5.0 ppts y-o-y) and GEL 0.2 million EBITDA with 4.2% EBITDA margin (up 4.4 ppts y-o-y).

OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

- The key operating performance highlights for 3Q23 and 9M23 are noted below:

	3Q23	3Q22	Change	9M23	9M22	Change
Number of non-Covid tests performed (thousands)	557	455	22.4%	1,791	1,566	14.3%
Average revenue per non-Covid test (GEL)	7.5	7.9	-5.0%	7.3	6.7	8.8%

Discussion of Other Portfolio Results

The four businesses in our "other" private portfolio are Auto Service, Beverages, Housing Development, and Hospitality. They had a combined value of GEL 297.3 million at 30-Sep-23, which represented 8.5% of our total portfolio.

3Q23 & 9M23 aggregated performance highlights (GEL '000), Other Portfolio

	3Q23	3Q22	Change	9M23	9M22	Change
Revenue	162,125	152,019	6.6%	432,809	350,403	23.5%
EBITDA	21,386	18,916	13.1%	36,173	30,311	19.3%
Net cash flows used in operating activities	(1,363)	15,957	NMF	(428)	11,568	NMF

- **Auto Service |** The auto service business includes a car services and parts business, and a periodic technical inspection (PTI) business.
  - **Car services and parts business |** In 3Q23, revenue was up by 17.0% y-o-y to GEL 15.6 million (up 31.5% y-o-y to GEL 40.4 million in 9M23), reflecting an increase in retail, corporate and wholesale segments. Similarly, the gross profit was up by 28.0% to GEL 4.0 million in 3Q23 and up by 44.1% to GEL 10.7 million in 9M23, y-o-y. In 3Q23, operating expenses were up by 37.1% y-o-y (up by 49.4% y-o-y in 9M23), reflecting the business growth

and inflation pressures. As a result, the business posted GEL 0.9 million EBITDA in 3Q23, up by 4.6% y-o-y (GEL 2.4 million in 9M23, up by 28.4% y-o-y).

- **Periodic technical inspection (PTI) business |** PTI business's revenue was up by 24.5% y-o-y to GEL 6.0 million in 3Q23 (up by 20.8% y-o-y to GEL 15.1 million in 9M23). Revenue growth was driven by an increase in primary vehicle inspections during the quarter, further supported by the introduction of fees for secondary checks in 2023 as compared to the preceding periods, when this service was provided free of charge. The number of total cars serviced was up by 12.2% and 7.6% y-o-y in 3Q23 and 9M23, respectively, translating into a 27.3% and 21.3% y-o-y increase in EBITDA (3Q23 and 9M23 EBITDA was GEL 3.5 and GEL 7.8 million, respectively).

- **Beverages |** The beverages business combines three business lines: a beer business, a distribution business and a wine business.
  - **Beer business |** The gross revenue of the beer business increased by 9.0% y-o-y to GEL 41.0 million in 3Q23 and was up by 21.9% y-o-y to GEL 108.6 million in 9M23, resulting from the strong recovery in tourism and increased product prices due to higher demand. Beer y-o-y sales (in hectolitres) were up 0.6% in 3Q23 (up by 7.1% y-o-y in 9M23). The average 3Q23 GEL price per litre (average for beer and lemonade) increased by 11.4% y-o-y (up by 9.7% in 9M23). The operating expenses were down by 29.8% and 29.4% y-o-y in 3Q23 and 9M23, deriving from the structural changes across beer and distribution business lines. Consequently, the EBITDA of the business increased by 12.7% y-o-y and stood at GEL 7.9 million in 3Q23 (up 27.1% y-o-y to GEL 18.2 million in 9M23).
  - **Distribution business |** Revenue of the distribution business decreased by 3.8% and increased by 7.9% y-o-y to GEL 63.3 million and GEL 149.2 million in 3Q23 and 9M23, respectively. The gross profit margin was up by 4.9 ppts and 3.8 ppts y-o-y in 3Q23 and 9M23, respectively, reflecting the improved trade terms from the suppliers. In 3Q23, operating expenses were up by 45.5% y-o-y (up by 49.8% y-o-y in 9M23), reflecting the business growth and inflation. As a result, the business posted an EBITDA of GEL 4.2 million in 3Q23, up by 5.0% y-o-y (GEL 8.2 million in 9M23, up by 3.6% y-o-y).
  - **Wine business |** The net revenue of the wine business was up by 40.4% to GEL 17.4 million in 3Q23 (up by 49.1% y-o-y to GEL 43.2 million in 9M23), driven by a 61.7% increase in the number of bottles sold in 3Q23 (up by 75.1% in 9M23), attributable to significant growth in exports (export share in total sales was up by 5.3ppts to 86.5% in 3Q23 and up by 6.1ppts to 87.0% in 9M23). Consequently, EBITDA increased 6.2 times to GEL 2.3 million in 3Q23 (up by GEL 3.0 million to GEL 2.9 million in 9M23).

- **Housing development and hospitality businesses** | In light of the increased sales and construction progress, 3Q23 revenue of the housing development business was up 11.7% y-o-y to GEL 60.9 million (up by 37.2% y-o-y to GEL 171.7 million in 9M23). However, 3Q23 EBITDA decreased by GEL 3.5 million y-o-y to GEL 0.8 million, reflecting decreased profitability of the ongoing residential projects due to the remeasurement of the construction budgets as a result of significant inflation within the construction materials (9M23 EBITDA was down by GEL 7.2 million to negative GEL 4.3 million y-o-y). The revenue of the hospitality business decreased by 15.1% y-o-y in 3Q23 (up by 10.6% y-o-y in 9M23), while the hospitality business EBITDA was up by GEL 0.9 million to negative GEL 0.2 million in 3Q23 (9M23 EBITDA was up by GEL 1.2 million y-o-y to GEL 0.8 million). In 9M23, the hospitality business successfully completed the sale of two operational hotels, a vacant land plot and two under-construction hotels located in Tbilisi and Kutaisi (the latter completed in 3Q23). The total consideration from these transactions amounts to US$ 38.6 million. The proceeds from these sales were utilised for deleveraging the hospitality business's balance sheet.

ADDITIONAL FINANCIAL INFORMATION

The 9M23 NAV Statement shows the development of NAV since 31-Dec-22:

GEL '000, unless otherwise noted	Dec-22	1. Value creation[46]	2a. Investment and Divestments	2b. Buyback	2c. Dividend	3. Operating expenses	4. Liquidity/ FX/Other	Sep-23	Change %
Listed and Observable Portfolio Companies									
Bank of Georgia (BoG)	830,463	387,939	-	-	(126,193)	-	-	1,092,209	*31.5%*
Water Utility	155,000	4,000	-	-	-	-	-	159,000	*2.6%*
Total Listed and Observable Portfolio Value	**985,463**	**391,939**	**-**	**-**	**(126,193)**	**-**	**-**	**1,251,209**	**27.0%**
Listed and Observable Portfolio value change %		***39.8%***	***0.0%***	***0.0%***	***-12.8%***	***0.0%***	***0.0%***	***27.0%***	
Private Portfolio Companies									
Large Companies	**1,437,610**	**33,610**	**-**	**-**	**(70,355)**	**-**	**2,059**	**1,402,924**	***-2.4%***
Retail (Pharmacy)	*724,517*	*5,000*	-	-	*(50,904)*	-	*632*	*679,245*	*-6.2%*
Hospitals	*433,193*	*(45,937)*	-	-	*(6,018)*	-	*632*	*381,870*	*-11.8%*
Insurance (P&C and Medical)	*279,900*	*74,547*	-	-	*(13,433)*	-	*795*	*341,809*	*22.1%*
Of which, P&C Insurance	*228,045*	*47,389*	-	-	*(8,418)*	-	*795*	*267,811*	*17.4%*
Of which, Medical Insurance	*51,855*	*27,158*	-	-	*(5,015)*	-	-	*73,998*	*42.7%*
Investment Stage Companies	***501,407***	***13,029***	***16,253***	**-**	***(5,187)***	**-**	***2,306***	***527,808***	***5.3%***
Renewable Energy	*224,987*	*33,507*	*5,718*	-	*(5,187)*	-	*1,785*	*260,810*	*15.9%*
Education	*164,242*	*(4,302)*	*10,535*	-	-	-	*381*	*170,856*	*4.0%*
Clinics and Diagnostics	*112,178*	*(16,176)*	-	-	-	-	*140*	*96,142*	*-14.3%*
Other Companies	***274,147***	***18,808***	***32***	**-**	**-**	**-**	***4,278***	***297,265***	***8.4%***
Total Private Portfolio Value	**2,213,164**	**65,447**	**16,285**	**-**	**(75,542)**	**-**	**8,643**	**2,227,997**	**0.7%**
Private Portfolio value change %		***3.0%***	***0.7%***	***0.0%***	***-3.4%***	***0.0%***	***0.4%***	***0.7%***	
Total Portfolio Value (1)	**3,198,627**	**457,386**	**16,285**	**-**	**(201,735)**	**-**	**8,643**	**3,479,206**	***8.8%***
Total Portfolio value change %		***14.3%***	***0.5%***	***0.0%***	***-6.3%***	***0.0%***	***0.3%***	***8.8%***	
Net Debt (2)	**(380,905)**	**-**	**(19,422)**	**(53,994)**	**201,735**	**(16,327)**	**(25,272)**	**(294,185)**	***-22.8%***
of which, Cash and liquid funds	*411,844*	-	*(19,422)*	*(53,994)*	*201,735*	*(16,327)*	*(423,480)*	*100,356*	*-75.6%*
of which, Loans issued	*26,830*	-	-	-	-	-	*(17,925)*	*8,905*	*-66.8%*
of which, Gross Debt	*(819,579)*	-	-	-	-	-	*416,133*	*(403,446)*	*-50.8%*
Net other assets/ (liabilities) **(3)**	(331)	-	3,137	-	-	(11,647)	11,500	2,659	*NMF*
of which, share-based comp.	-	-	-	-	-	*(11,647)*	*11,647*	-	-
Net Asset Value (1)+(2)+(3)	**2,817,391**	**457,386**	**-**	**(53,994)**	**-**	**(27,974)**	**(5,129)**	**3,187,680**	***13.1%***
NAV change %		***16.2%***	***0.0%***	***-1.9%***	***0.0%***	***-1.0%***	***-0.2%***	***13.1%***	
Shares outstanding[46]	42,973,462	-	-	(2,151,848)	-	-	580,136	41,401,750	-3.7%
Net Asset Value per share, GEL	**65.56**	**10.64**	**-**	**2.13**	**-**	**(0.65)**	**(0.70)**	**76.99**	***17.4%***
NAV per share, GEL change %		***16.2%***	***0.0%***	***3.3%***	***0.0%***	***-1.0%***	***-1.1%***	***17.4%***	

Commencement of US$ 15 million share buyback and cancellation programme

As outlined on page 3 above, the Board has approved the commencement of the US$ 15 million share buyback and cancellation over a six-month period, which will be put in place immediately. The shares will be purchased in the open market and the cancellation of the treasury shares will be executed on a monthly basis. The purpose of the buyback is to reduce the share capital. Under the buyback programme, the maximum price paid per share will not exceed the latest reported NAV per share amount.

In accordance with the authority granted by the shareholders at the 2023 annual general meeting ("AGM"), the maximum number of shares that may be repurchased is 6,719,696. The programme is conducted within certain pre-set parameters, and in accordance with the general authority to repurchase shares granted at the 2023 AGM, Chapter 12 of the FCA Listing Rules, and the provisions of the Market Abuse Regulation 596/2014/EU and of the Commission Delegated Regulation (EU) 2016/1052 (as they form part of UK domestic law).

The Company has appointed Numis Securities Limited ("Numis") to manage an irrevocable, non-discretionary share buyback programme until the end of the programme. During closed periods the Company and its directors have no power to invoke any changes to the programme and it is being executed at the sole discretion of Numis.

The Company will make further announcements in due course following the completion of any share repurchases.

[46] Please see definition in glossary on page 26.

Basis of presentation

This announcement contains unaudited financial results presented in accordance with IAS 34 – Interim Financial Reporting as adopted in the United Kingdom. The financial results are unaudited and are derived from management accounts.

Under IFRS 10, Georgia Capital PLC meets the "investment entity" definition. For more details about the bases of preparation please refer to page 96 in Georgia Capital PLC 2022 Annual report.

The presentation of the Income Statement (Adjusted) and some of the information under the NAV Statement should be considered to be Alternative Performance Measures (APM).

GLOSSARY

1. **APM** – Alternative Performance Measure.
2. **GCAP** refers to the aggregation of stand-alone Georgia Capital PLC and stand-alone JSC Georgia Capital accounts.
3. **Georgia Capital** and "the Group" refer to Georgia Capital PLC and its portfolio companies as a whole.
4. **NMF** – Not meaningful.
5. **NAV** – Net Asset Value, represents the net value of an entity and is calculated as the total value of the entity's assets minus the total value of its liabilities.
6. **LTM** – last twelve months.
7. **EBITDA** - Earnings before interest, taxes, non-recurring items, FX gain/losses and depreciation and amortisation; The Group has presented these figures in this document because management uses EBITDA as a tool to measure the Group's operational performance and the profitability of its operations. The Group considers EBITDA to be an important indicator of its representative recurring operations.
8. **ROIC** – return on invested capital is calculated as EBITDA less depreciation, divided by the aggregate amount of total equity and borrowed funds.
9. **Loss ratio** equals net insurance claims expense divided by insurance revenue.
10. **Expense ratio** in P&C Insurance equals sum of acquisition costs and operating expenses divided by insurance revenue.
11. **Combined ratio** equals sum of the loss ratio and the expense ratio in the insurance business.
12. **ROAE** – Return on average total equity (ROAE) equals profit for the period attributable to shareholders divided by monthly average equity attributable to shareholders of the business for the same period.
13. **Net investment** - gross investments less capital returns (dividends and sell-downs).
14. **EV** – enterprise value.
15. **Liquid assets & loans issued** include cash, marketable debt securities and issued short-term loans at GCAP level.
16. **Total return / value creation** - total return / value creation of each portfolio investment is calculated as follows: we aggregate a) change in beginning and ending fair values, b) gains from realised sales (if any) and c) dividend income during period. We then adjust the net result to remove capital injections (if any) to arrive at the total value creation / investment return.
17. **WPP** – Wind power plant.
18. **HPP** – Hydro power plant.
19. **PPA** – Power purchase agreement.
20. **Number of shares outstanding** – Number of shares in issue less total unawarded shares in JSC GCAP's management trust.
21. **Market Value Leverage ("MVL"), also Loan to Value ("LTV")** – Interchangeably used across the document and is calculated by dividing net debt to the total portfolio value.
22. **NCC** - Net Capital Commitment, representing an aggregated view of all confirmed, agreed and expected capital outflows at the GCAP HoldCo level.
23. **NCC Ratio** – Equals Net Capital Commitment divided by portfolio value.

ABOUT GEORGIA CAPITAL PLC

Georgia Capital PLC (LSE: **CGEO LN**) is a platform for buying, building and developing businesses in Georgia (together with its subsidiaries, "**Georgia Capital**" or **"the Group").** The Group's primary business is to develop or buy businesses, help them institutionalise their management and grow them into mature businesses that can further develop largely on their own, either with continued oversight or independently. Once Georgia Capital has successfully developed a business, the Group actively manages its portfolio to determine each company's optimal owner. Georgia Capital will normally seek to monetise its investment over a 5-10 year period from the initial investment.

Georgia Capital currently has the following portfolio businesses: **(1) a retail (pharmacy) business, (2) a hospitals business, (3) an insurance business (P&C and medical insurance); (4) a renewable energy business (hydro and wind assets), (5) an education business; and (6) a clinics and diagnostics business.** Georgia Capital also holds other small private businesses across different industries in Georgia; a 20.0% equity stake in the **water utility business** and a 19.62% equity stake (at 30-Sep-23) in LSE premium-listed **Bank of Georgia Group PLC ("BoG")**, a leading universal bank in Georgia.

Forward looking statements

This announcement 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 document and in our past and future filings and reports and also the 'Principal Risks and Uncertainties' included in 1H23 Results Announcement and in Georgia Capital PLC's Annual Report and Accounts 2022. No part of this document 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 document should be construed as a profit forecast.

COMPANY INFORMATION

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Please note that Investor Centre is a free, secure online service run by our Registrar, Computershare, giving you convenient access to information on your shareholdings.
Investor Centre Web Address - www.investorcentre.co.uk.
Investor Centre Shareholder Helpline - +44 (0) 370 873 5866

Share price information
Shareholders can access both the latest and historical prices via the website
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