FINANCIAL PERFORMANCE HIGHLIGHTS (IFRS)[1]

GEL '000, unless otherwise noted *(unaudited)*	Dec-23	Sep-23	Change	Dec-22	Change
Georgia Capital NAV overview					
NAV per share, GEL	82.94	76.99	7.7%	65.56	26.5%
NAV per share, GBP	24.23	23.44	3.4%	20.12	20.4%
Net Asset Value (NAV)	3,378,512	3,187,680	6.0%	2,817,391	19.9%
Shares outstanding[2]	40,736,528	41,401,750	-1.6%	42,973,462	-5.2%
Liquid assets and loans issued	117,122	109,261	7.2%	438,674	-73.3%
NCC ratio[2]	15.6%	15.9%	-0.3 ppts	21.1%	-5.5 ppts

Georgia Capital Performance	4Q23	4Q22	Change	FY23	FY22	Change
Total portfolio value creation	223,132	329,432	-32.3%	680,515	34,073	NMF
of which, listed and observable businesses	*161,316*	*252,394*	*-36.1%*	*553,255*	*205,783*	*NMF*
of which, private businesses	*61,816*	*77,038*	*-19.8%*	*127,260*	*(171,710)*	*NMF*
Investments[3]	2,135	39,002	-94.5%	22,588	195,949	-88.5%
Buybacks[4]	22,483	14,312	57.1%	76,477	83,108	-8.0%
Dividend income	34,148	27,435	24.5%	235,883	93,875	NMF
of which, recurring dividend income[5]	*34,148*	*27,435*	*24.5%*	*179,822*	*93,875*	*91.6%*
of which, one-off dividend income[6]	-	-	*NMF*	*56,061*	-	*NMF*
Net income	208,305	341,132	-38.9%	615,589	1,464	NMF

Private portfolio companies' performance[1,7]	4Q23	4Q22	Change	FY23	FY22	Change
Large portfolio companies						
Revenue	357,192	333,565	7.1%	1,345,682	1,274,794	5.6%
EBITDA	32,046	43,057	-25.6%	149,177	156,816	-4.9%
Net operating cash flow	31,844	48,231	-34.0%	92,381	148,082	-37.6%
Investment stage portfolio companies						
Revenue	44,450	34,714	28.0%	155,280	141,488	9.7%
EBITDA	14,860	10,462	42.0%	54,666	51,699	5.7%
Net operating cash flow	10,399	11,178	-7.0%	50,609	53,132	-4.7%
Total portfolio[8]						
Revenue	541,774	502,294	7.9%	2,073,903	1,900,700	9.1%
EBITDA	54,447	57,986	-6.1%	247,556	243,293	1.8%
Net operating cash flow	35,166	52,675	-33.2%	135,466	206,047	-34.3%

KEY POINTS

- NAV per share (GEL) up 7.7% q-o-q to GEL 82.94 (GBP 24.23), reflecting strong value creation across our portfolio companies. NAV per share (GEL) was up 26.5% y-o-y in FY23
- Net Capital Commitment (NCC) ratio improved by 0.3 ppts q-o-q to 15.6% as at 31-Dec-23 (a 5.5 ppts improvement y-o-y), despite the launch of the US$ 15 million share buyback programme in 4Q23
- GEL 34.2 million dividend income from the portfolio companies in 4Q23, driving FY23 total dividend income to GEL 235.9 million (of which, recurring dividend income of GEL 179.8 million). This compares to total dividend income of GEL 93.9 million in FY22
- c.665,000 shares repurchased in 4Q23 (total bought back and cancelled now at c.4.8% of issued capital since Jan-23)
- Sale of one of the regional and community hospitals for a total consideration of GEL 34.6 million at 15.2x EV/EBITDA multiple, representing a 43% premium to its pre-disposal valuation
- Acquisition of GEL 73 million portfolio of medical insurance contracts together with the strong brand name "Ardi" for a total cash outflow of GEL 27 million, doubling our presence in the medical insurance business

Conference call: An investor/analyst conference call will be held on 22 February 2024, 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 36. 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 38.
[3] 4Q22 number includes the non-cash conversion of GEL 27.4 million loans issued to our private businesses into equity (GEL 169.9 million in FY22).
[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 FY23 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 2022 share 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 24) 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

Our 4Q23 results demonstrate the significant strategic, operational and financial progress of Georgia Capital, supported by the sustained growth of the Georgian economy.

NAV per share (GEL) was up 7.7% to GEL 82.94 in 4Q23. The NAV per share growth in 4Q23 mainly resulted from the continued increase in BoG's share price, up 7.7% q-o-q in 4Q23, translating into GEL 161.3 million value creation (5.1 ppts positive impact on the NAV per share). Value creation across our private portfolio companies amounted to GEL 61.8 million (1.9 ppts impact), reflecting a robust operating performance of our high-quality, resilient assets combined with movements in implied valuation multiples and foreign currency exchange rates. The NAV per share growth was further supported by our share buyback and cancellation programme (+0.9 ppts impact), partially offset by management platform related costs and net interest expense (-0.5 ppts impact). In GBP terms, the NAV per share growth in 4Q23 was 3.4%, driven by GEL's slight depreciation against GBP during the quarter.

Underlying operating performances across our private portfolio remain strong. The aggregated revenue of our private portfolio companies in 4Q23 totalled GEL 541.8 million (up 7.9% y-o-y), demonstrating decent top-line growth, while the aggregated EBITDA was down by 6.1% y-o-y to GEL 54.4 million, largely reflecting operating expense investments in growth. This performance underscores the resilience of our businesses, as they navigate through the temporary influence of various external factors (including regulatory changes) affecting operations in certain business segments.

- The operating performance of our retail (pharmacy) business was strong in 4Q23, and more than offset the impact of several recent healthcare-related regulatory changes (see page 14 for details). The 4Q23 revenue was up 6.9% y-o-y, reflecting increased sales of higher-margin para-pharmacy products and significant expansion of the retail chain (the business added 18 pharmacies and 10 franchise stores in 4Q23), the latter also having an immediate impact on the operating expenses, which translated into a 21.5% y-o-y decrease in EBITDA in 4Q23. We expect these investments to deliver a substantial increase in business results in the short term supported by the gradual increase in customer traffic to recently launched new stores, the ongoing optimisation of the retail chain and the continued growth of the Georgian economy.
- Our insurance businesses had a very strong fourth quarter. Revenues were up by 22.5% y-o-y in 4Q23, reflecting positive developments both in the P&C and medical insurance segments. To further capitalise on the emerging opportunities in the insurance sector, in January 2024, our medical insurance business signed a Memorandum of Understanding ("MOU") to acquire a GEL 73 million portfolio of medical insurance contracts and brand name from "Ardi," the third-largest player in the Georgian health insurance market with a 17% market share based on 9M23 net insurance premiums. Upon the successful completion of this transaction, the combined market share of our medical insurance business will make it the largest health insurer in the country. Ardi's portfolio is concentrated in the upscale segment, presenting an opportunity to further diversify our health insurance portfolio and achieve significant financial and strategic synergies. The total cash outflow for this transaction is GEL 27 million, which will be fully financed by funds already available in the medical insurance business, with no cash investment required from GCAP. Following this acquisition, the insurance business will operate under three brand names: Aldagi, Imedi L, and Ardi, all of which will be managed under GCAP.
- As previously disclosed, to address challenges and capitalise on opportunities from the recently introduced facility regulation rules in the healthcare sector, as detailed on page 15 of this report, our hospitals business underwent strategic restructuring in 4Q23, following which the business was split into two distinct segments: "Large and Specialty Hospitals" and "Regional and Community Hospitals". The Regional and Community Hospitals now also incorporate the community clinics that were previously managed and presented as part of the clinics and diagnostics business. The 4Q23 revenue of Large and Specialty Hospitals was up by 5.4% y-o-y, reflecting resilient underlying performance at the seven hospitals comprising the business on the back of the diversified range of services they offer, which enabled them to partially offset the impact of the new regulations. These new regulations had a more pronounced impact on our Regional and Community Hospitals (the 4Q23 revenue was down 12.7% y-o-y), as the 27 smaller facilities in this business offer services that are relatively more limited in scope than those of our Large and Specialty Hospitals. Consequently, the combined revenue and EBITDA of the hospitals business were down by 1.4% and 49.0% y-o-y, respectively, in 4Q23. Following the successful implementation of strategic restructuring to align with new regulations, the business is now well-positioned to capitalise on the competitive advantages offered by recent shifts in the healthcare market.

  In line with its strategy to divest low-ROIC generating assets, in December 2023, the business signed an agreement to sell one of its regional and community hospitals for a total consideration of GEL 34.6 million, at a 15.2x EV/EBITDA multiple, representing a 43% premium to its pre-disposal valuation. The ROIC of the divested hospital was 3.1%. The proceeds from this transaction were collected in January 2024 and are being utilised for deleveraging the balance sheet of the business.
- The performance of our investment-stage businesses was outstanding in 4Q23. An increase in electricity generation in Renewable Energy, strong intakes and a ramp-up of utilisation in Education, along with increased demand for ambulatory

services in our Clinics and Diagnostics, all contributed to a 28.0% and 42.0% y-o-y increase in combined revenue and EBITDA respectively, for our investment-stage businesses in the quarter.

NCC ratio decreased to 15.6% in 4Q23. A 0.3 ppts q-o-q improvement in the NCC ratio in 4Q23 was mainly driven by a) a 5.5% growth in total portfolio value, and b) a 7.5% increase in cash and liquid funds balances, which mainly reflects the net impact of GEL 34.2 million dividend income from our portfolio companies, partially offset by GEL 22.5 million (US$ 8.3 million) share buybacks in the quarter under GCAP's US$ 15 million share buyback and cancellation programme. On a y-o-y basis, the progress on the NCC ratio was substantial, down 5.5 ppts, which reflects the record-high GEL 235.9 million dividend inflows in FY23 together with a significant decrease in the gross debt balance.

We continue to deliver on our strategic priorities. Looking back, 2023 was an eventful year for the Group. **1)** At the beginning of 2023, our shareholders overwhelmingly approved a proposal to transfer GCAP to an LSE Standard listing, a move we believe is more suited to the Company's size and strategy and will help create greater value for shareholders. **2)** We achieved significant deleveraging progress through the successful issuance of a US$ 150 million sustainability-linked bond on the Georgian market. This issuance, combined with GCAP's existing liquid funds, was utilised to fully redeem our US$ 300 million Eurobond. **3)** During 2023, we launched two share buyback programmes totalling US$ 25 million, under which 2,135,222 shares (4.8% of the issued capital) have been repurchased to date. **4)** Our retail (pharmacy) business completed the buyout of the minority shareholders to increase GCAP's stake to 97.6%. **5)** Our hospitality business successfully completed the sale of two operational hotels, two under-construction properties, and a vacant land plot for a total consideration of US$ 38.6 million. The proceeds from these sales were utilised for deleveraging the hospitality business's balance sheet. These transactions marked further substantial progress towards two of our core strategic priorities: to divest, over the next few years, subscale portfolio companies, and to significantly reduce leverage in the Group's balance sheet.

As a result of the robust operational and strategic advancements demonstrated by Georgia Capital in 2023, GCAP's adjusted IFRS net income reached GEL 615.6 million in FY23, a substantial increase from the adjusted IFRS net income of GEL 1.5 million in FY22.

Proposed acquisition of Ameriabank CJSC by Bank of Georgia Group PLC. On 19-Feb-24, Bank of Georgia Group PLC (the "Bank") announced that it has reached an agreement for the proposed acquisition of 100% of Ameriabank CJSC a leading universal bank in Armenia with an attractive franchise (the "Transaction"). The Transaction price is approximately US$ 303.6 million, which will be fully financed by the Bank's surplus capital at an attractive valuation of 0.65x net asset value as at 31 October 2023 and 2.6x P/E 2023. The Transaction - expected to be EPS and RoAE accretive - represents a significant catalyst for the Bank and its shareholders. The Bank intends to keep the targeted pay-out ratio unchanged in the range of 30-50% of annual profits, potentially enabling increased capital distributions for the Bank's shareholders. The Transaction is subject to shareholder and regulatory approvals and is expected to close in 1Q24. Further information about the Transaction can be found on the Bank's website.

Macroeconomic update. Following two consecutive years of double-digit growth, real GDP expanded by 7.5% in 2023. The growth was supported by macroeconomic developments on both the external and domestic sides, with strong foreign currency inflows complementing strong aggregate demand. On the domestic side, strong credit expansion, continued fiscal outlays and strong business sentiment were key contributors to economic activity. The Georgian Lari remains above pre-pandemic levels, compared to the US Dollar, reflecting record-high total FX inflows, increased lending in foreign currency, ample FX liquidity, a strict monetary policy stance, and overall positive economic growth. Annual inflation saw a significant decline in 2023, with the annual average at 2.5%, below the 3% target. In January 2024, headline inflation stood at 0.0%. The National Bank of Georgia (NBG) has started to exit from tightened monetary policy and reduced the reference rate by 200 bps during May 2023 - January 2024 to 9.0%. The external balance sheet is strengthening, marked by a reduction in the current account deficit to 2.6% of GDP in 9M23, a decline in government debt to levels lower than those seen prior to the pandemic, and the attainment of historically high reserves reaching US$ 5.0 billion as of December 2023.

Outlook. The resilient performance of our portfolio companies coupled with our robust balance sheet and capital management drove our outstanding 4Q23 results. We have made strong progress in deleveraging the business towards our medium-term targeted NCC ratio of 15%, while consistently growing NAV per share on the back of capital light and sustainable investments. Looking ahead, as our hospitals and retail (pharmacy) businesses adapt to the evolving regulatory landscape, we anticipate an even more significant opportunity for value creation across our portfolio companies. This outlook is underpinned by the resilience of the Georgian economy and the emerging opportunities presented by the approval of Georgia's candidacy status by the EU in December 2023. I believe that Georgia Capital is extremely well positioned to deliver consistent NAV per share growth over the medium to long term, while also continuing to make significant progress on our key strategic priorities.

Irakli Gilauri, Chairman and CEO

DISCUSSION OF GROUP RESULTS

The discussion below analyses the Group's unaudited net asset value at 31-Dec-23 and its income for the fourth quarter and full year period then ended on an IFRS basis (see "Basis of Presentation" on page 36 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 fourth quarter (30-Sep-23 and 31-Dec-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 full year of 2023 see page 36.

NAV STATEMENT 4Q23

GEL '000, unless otherwise noted *(Unaudited)*	Sep-23	1. Value creation[9]	2a. Investment and Divestments	2b. Buyback	2c. Dividend	3. Operating expenses	4. Liquidity/ FX/Other	Dec-23	Change %
Listed and Observable Portfolio Companies									
Bank of Georgia (BoG)	1,092,209	161,316	-	-	(27,678)	-	-	1,225,847	12.2%
Water Utility	159,000	-	-	-	-	-	-	159,000	NMF
Total Listed and Observable Portfolio Value	**1,251,209**	**161,316**	**-**	**-**	**(27,678)**	**-**	**-**	**1,384,847**	**10.7%**
Listed and Observable Portfolio value change %		***12.9%***	***0.0%***	***0.0%***	***-2.2%***	***0.0%***	***0.0%***	***10.7%***	
Private Portfolio Companies									
Large Companies	**1,402,924**	**41,177**	**-**	**-**	**(6,470)**	**-**	**(1,400)**	**1,436,231**	**2.4%**
Retail (Pharmacy)	*679,245*	*34,397*	-	-	-	-	*359*	*714,001*	*5.1%*
Hospitals	*381,870*	*(35,589)*	-	-	-	-	*(1,925)*	*344,356*	*-9.8%*
Insurance (P&C and Medical)	*341,809*	*42,369*	-	-	*(6,470)*	-	*166*	*377,874*	*10.6%*
Of which, P&C Insurance	*267,811*	*24,059*	-	-	*(6,470)*	-	*166*	*285,566*	*6.6%*
Of which, Medical Insurance	*73,998*	*18,310*	-	-	-	-	-	*92,308*	*24.7%*
Investment Stage Companies	**527,808**	**34,017**	**2,135**	**-**	**-**	**-**	**2,654**	**566,614**	**7.4%**
Renewable Energy	*260,810*	*5,179*	*500*	-	-	-	*138*	*266,627*	*2.2%*
Education	*170,856*	*16,584*	*1,635*	-	-	-	*151*	*189,226*	*10.8%*
Clinics and Diagnostics	*96,142*	*12,254*	-	-	-	-	*2,365*	*110,761*	*15.2%*
Other Companies	**297,265**	**(13,378)**	**-**	**-**	**-**	**-**	**366**	**284,253**	**-4.4%**
Total Private Portfolio Value	**2,227,997**	**61,816**	**2,135**	**-**	**(6,470)**	**-**	**1,620**	**2,287,098**	**2.7%**
Private Portfolio value change %		***2.8%***	***0.1%***	***0.0%***	***-0.3%***	***0.0%***	***0.1%***	***2.7%***	
Total Portfolio Value (1)	**3,479,206**	**223,132**	**2,135**	**-**	**(34,148)**	**-**	**1,620**	**3,671,945**	**5.5%**
Total Portfolio value change %		***6.4%***	***0.1%***	***0.0%***	***-1.0%***	***0.0%***	***0.0%***	***5.5%***	
Net Debt (2)	**(294,185)**	**-**	**(1,464)**	**(22,196)**	**34,148**	**(5,459)**	**(7,652)**	**(296,808)**	**0.9%**
of which, Cash and liquid funds	*100,356*	-	*(1,464)*	*(22,196)*	*34,148*	*(5,459)*	*2,525*	*107,910*	*7.5%*
of which, Loans issued	*8,905*	-	-	-	-	-	*307*	*9,212*	*3.4%*
of which, Gross Debt	*(403,446)*	-	-	-	-	-	*(10,484)*	*(413,930)*	*2.6%*
Net other assets/ (liabilities) (3)	2,659	-	(671)	(287)	-	(3,347)	5,021	3,375	26.9%
of which, share-based comp.	-	-	-	-	-	*(3,347)*	*3,347*	-	*NMF*
Net Asset Value (1)+(2)+(3)	**3,187,680**	**223,132**	**-**	**(22,483)**	**-**	**(8,806)**	**(1,011)**	**3,378,512**	**6.0%**
NAV change %		***7.0%***	***0.0%***	***-0.7%***	***0.0%***	***-0.3%***	***0.0%***	***6.0%***	
Shares outstanding[9]	41,401,750	-	-	(665,222)	-	-	-	40,736,528	-1.6%
Net Asset Value per share, GEL	**76.99**	**5.39**	**0.00**	**0.71**	**0.00**	**(0.21)**	**0.04**	**82.94**	**7.7%**
NAV per share, GEL change %		***7.0%***	***0.0%***	***0.9%***	***0.0%***	***-0.3%***	***0.1%***	***7.7%***	

NAV per share (GEL) was up by 7.7% q-o-q in 4Q23, reflecting a GEL 223.1 million value creation across our portfolio companies with a positive 7.0 ppts impact and share buybacks (+0.9 ppts impact). The NAV per share growth was slightly offset by management platform-related costs and net interest expense (-0.5 ppts impact in total).

Portfolio overview

Total portfolio value increased by GEL 192.7 million (5.5%) to GEL 3.7 billion in 4Q23:

- The value of the listed and observable portfolio increased by GEL 133.6 million (up 10.7%), reflecting the net impact of the continued growth in BoG's share price and GEL 27.7 million dividends paid to GCAP.
- The value of the private portfolio increased by GEL 59.1 million (up 2.7%), driven by a positive GEL 61.8 million value creation, slightly offset by GEL 6.5 million dividends paid to GCAP by our private portfolio companies.

Consequently, as of 31-Dec-23, the listed and observable portfolio value totalled GEL 1.4 billion (37.7% of the total portfolio value), and the private portfolio value amounted to GEL 2.3 billion (62.3% of the total).

[9] Please see definition in glossary on page 38.

1) Value creation

Total portfolio value creation amounted to GEL 223.1 million in 4Q23:

- A GEL 161.3 million value creation from the listed and observable portfolio was attributable to the 7.7% increase in BoG's share price, supported by a 4.2% appreciation of GBP against GEL during the quarter.
- A GEL 61.8 million value creation from private portfolio companies reflects the net effect of:
    - GEL 79.6 million operating-performance related value reduction, as detailed on pages 6-7 below.
    - GEL 141.4 million value creation due to changes in implied valuation multiples in 4Q23, resulting from the strong outlook for our private portfolio companies in the context of the continued resilience of the Georgian economy.

The table below summarises value creation drivers in our businesses in 4Q23:

Portfolio Businesses	Operating Performance[10]	Greenfields / buy-outs / exits[11]	Multiple Change and FX[12]	Value Creation
GEL '000, unless otherwise noted *(unaudited)*	*(1)*	*(2)*	*(3)*	*(1)+(2)+(3)*
Listed and Observable portfolio				**161,316**
BoG				161,316
Water Utility				-
Private portfolio	**(79,553)**	**-**	**141,369**	**61,816**
Large Portfolio Companies	**(120,402)**	**-**	**161,579**	**41,177**
Retail (pharmacy)	*(28,857)*	-	*63,254*	*34,397*
Hospitals	*(94,105)*	-	*58,516*	*(35,589)*
Insurance (P&C and Medical)	*2,560*	-	*39,809*	*42,369*
Of which, P&C Insurance	*(1,644)*	-	*25,703*	*24,059*
Of which, Medical Insurance	*4,204*	-	*14,106*	*18,310*
Investment Stage Portfolio Companies	**35,284**	**-**	**(1,267)**	**34,017**
Renewable Energy	*4,150*	-	*1,029*	*5,179*
Education	*9,136*	-	*7,448*	*16,584*
Clinics and Diagnostics	*21,998*	-	*(9,744)*	*12,254*
Other	**5,565**	**-**	**(18,943)**	**(13,378)**
Total portfolio	**(79,553)**	**-**	**141,369**	**223,132**

Valuation overview[13]

In 4Q23, valuation assessments of our large and investment stage portfolio companies were performed by a third-party independent valuation firm, Kroll (formerly known as Duff & Phelps), in line with International Private Equity Valuation ("IPEV") guidelines. 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 4Q23 is summarised in the following table:

	Enterprise Value (EV)			Equity Value			
GEL '000, unless otherwise noted *(Unaudited)*	31-Dec-23	30-Sep-23	Change %	31-Dec-23	30-Sep-23	Change %	% share in total portfolio
Listed and Observable portfolio				**1,384,847**	**1,251,209**	**10.7%**	**37.7%**
BoG				1,225,847	1,092,209	12.2%	33.4%
Water Utility				159,000	159,000	NMF	4.3%
Private portfolio	**3,463,259**	**3,411,385**	**1.5%**	**2,287,098**	**2,227,997**	**2.7%**	**62.3%**
Large portfolio companies	**2,021,278**	**1,978,870**	**2.1%**	**1,436,231**	**1,402,924**	**2.4%**	**39.1%**
Retail (pharmacy)	1,043,800	1,006,309	3.7%	714,001	679,245	5.1%	19.4%
Hospitals	618,912	645,372	-4.1%	344,356	381,870	-9.8%	9.4%
Insurance (P&C and Medical)	358,566	327,189	9.6%	377,874	341,809	10.6%	10.3%
Of which, P&C Insurance	285,566	267,811	6.6%	285,566	267,811	6.6%	7.8%
Of which, Medical Insurance	73,000	59,378	22.9%	92,308	73,998	24.7%	2.5%
Investment stage portfolio companies	**856,787**	**835,040**	**2.6%**	**566,614**	**527,808**	**7.4%**	**15.5%**
Renewable Energy	456,236	452,797	0.8%	266,627	260,810	2.2%	7.3%
Education[14]	228,799	205,343	11.4%	189,226	170,856	10.8%	5.2%
Clinics and Diagnostics	171,752	176,900	-2.9%	110,761	96,142	15.2%	3.0%
Other	**585,194**	**597,475**	**-2.1%**	**284,253**	**297,265**	**-4.4%**	**7.7%**
Total portfolio				**3,671,945**	**3,479,206**	**5.5%**	**100.0%**

[10] 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.
[11] 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.
[12] Change in the fair value attributable to the change in valuation multiples and the effect of exchange rate movement on net debt.
[13] Please read more about valuation methodology on page 36 in "Basis of presentation".
[14] 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 (39.1% of total portfolio value)

Retail (Pharmacy) (19.4% of total portfolio value) – the Enterprise Value (EV) of Retail (Pharmacy) was up by 3.7% to GEL 1.0 billion in 4Q23, reflecting the continued strong outlook of the business, driven by a significant expansion and ongoing optimisation of the retail chain (the business added 18 pharmacies and 10 franchise stores in 4Q23) as well as the resilience of the Georgian economy. 4Q23 revenue was up 6.9%, reflecting a) increased sales of higher-margin para-pharmacy products and b) the chain expansion which had a positive impact on the revenue growth, driven by gradually increasing customer traffic in recently launched stores. The expansion also led to an increase in operating expenses (up 19.4% y-o-y in 4Q23) due to increased rent and salary costs. This translated into a 21.5% y-o-y decrease in EBITDA (excl. IFRS 16) in 4Q23. See page 13 for details. Consequently, LTM EBITDA (incl. IFRS 16) was down by 2.8% to GEL 107.6 million in 4Q23. Net debt (incl. IFRS 16) remained largely flat at GEL 322.2 million as at 31-Dec-23. As a result of the chain expansion, increasing revenues and positive outlook for the business, the fair value of GCAP's 97.6% holding increased by 5.1% to GEL 714.0 million in 4Q23. The implied LTM EV/EBITDA valuation multiple (incl. IFRS 16) increased to 9.7x as at 31-Dec-23 (up from 9.1x as of 30-Sep-23).

Hospitals (9.4% of total portfolio value) – The EV of the combined Hospitals, which now also incorporates the community clinics that were previously managed and presented as part of the clinics and diagnostics business, stood at GEL 618.9 million in 4Q23. The revenue of Large and Specialty Hospitals was up by 5.4% y-o-y in 4Q23, reflecting resilient underlying performance at the seven hospitals comprising the business on the back of the diversified range of services they offer, which enabled them to partially offset the impact of the new regulations, as detailed on page 15 of this report. These new regulations had a more pronounced impact on our Regional and Community Hospitals (the 4Q23 revenue was down 12.7% y-o-y), as the 27 smaller facilities in this business offer services that are relatively more limited in scope than those of our Large and Specialty Hospitals. Consequently, the combined revenue and EBITDA (excl. IFRS 16) of the hospitals business were down by 1.4% and 49.0% y-o-y respectively, in 4Q23. In December 2023, the business signed an agreement to sell one of its regional and community hospitals for a total consideration of GEL 34.6 million at 15.2x EV/EBITDA multiple. The proceeds from this transaction were collected in January 2024 and are being utilised for deleveraging the balance sheet of the business. The sale is in line with our strategy to divest low-ROIC generating assets. Taking into account the disposal, LTM EBITDA (incl. IFRS 16) stood at GEL 44.8 million in 4Q23, and the net debt amounted to GEL 241.1 million. As a result, the equity value of Hospitals stood at GEL 344.4 million in 4Q23, translating into an implied LTM EV/EBITDA multiple (incl. IFRS 16) of 13.8x at 31-Dec-23.

Insurance (P&C and Medical) (10.3% of total portfolio value) – The insurance business combines: a) P&C Insurance valued at GEL 285.6 million and b) Medical Insurance valued at GEL 92.3 million.

P&C Insurance – Insurance revenue was up by 26.8% y-o-y to GEL 31.2 million in 4Q23, mainly reflecting the growth in the motor and credit life insurance lines. The combined ratio increased by 10.7 ppts y-o-y in 4Q23, attributable to the following factors: a) a 2.3 ppts y-o-y increase in the loss ratio mainly due to the increased cargo and property insurance claims, b) a 4.0 ppts increase in expense ratio driven by increased salary expenses in line with business growth and c) a 4.4 ppts y-o-y increase in FX ratio, reflecting the impact of FX movements on the business operations. Consequently, 4Q23 net income increased by 0.6% y-o-y to GEL 5.8 million. See page 17 for details. Pre-tax LTM net income was down by 3.0% to GEL 22.0 million in 4Q23. The equity value of the P&C insurance business, which also reflects the application of the recently enforced Estonian Taxation Model, was assessed at GEL 285.6 million at 31-Dec-23 (up 6.6% q-o-q), translating into an implied LTM P/E valuation multiple of 13.0x at 31-Dec-23 (up from 11.8x at 30-Sep-23).

Medical Insurance – Insurance revenue increased by 17.5% y-o-y to GEL 24.8 million in 4Q23, reflecting the increase in the price of insurance policies and the number of insured clients primarily in the corporate client segment. The combined ratio was at 92.6% in 4Q23 (down 2.5 ppts y-o-y), mainly resulting from the well-managed loss ratio, down 3.8 ppts y-o-y. Consequently, the net income of the medical insurance business was up by 12.6% y-o-y to GEL 2.2 million in 4Q23. See page 17 for details. Pre-tax LTM net income was up by 5.7% to GEL 8.4 million in 4Q23. As a result, the equity value of the business, which also reflects the application of the Estonian Taxation Model, was assessed at GEL 92.3 million at 31-Dec-23 (up 24.7% q-o-q), translating into the implied LTM P/E valuation multiple of 11.0x at 31-Dec-23 (up from 9.3x at 30-Sep-23).

Private investment stage portfolio companies (15.5% of total portfolio value)

Renewable Energy (7.3% of total portfolio value) – The EV of the business was up 0.3% to US$ 169.6 million in 4Q23 (up 0.8% to GEL 456.2 million in GEL terms, reflecting a slight depreciation of GEL against US$ during the quarter). In US$ terms, 4Q23 revenue and EBITDA were up by 4.7% and 6.6% y-o-y, respectively, reflecting the net impact of a) a 7.8% y-o-y increase in electricity generation in 4Q23, mainly driven by the resumption of operations of two power-generating units of Hydrolea HPPs, which were taken offline during the November 2022 - June 2023 period to enable scheduled rehabilitation works and b) 2.7% y-o-y decrease in the average electricity selling price in 4Q23. Revenue and EBITDA in GEL terms were up 3.2% and 4.7% y-o-y in 4Q23, respectively. See page 20 for details. The pipeline renewable energy projects continued to be measured at an equity investment cost (GEL 56.2 million in aggregate as at 31-Dec-23). Net debt decreased by 1.6% to US$ 70.5 million in 4Q23 (down 1.2% to GEL 189.6 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 266.6 million in 4Q23 (up 2.2% q-o-q), (up 1.8% q-o-q to US$ 99.1

million in US$ terms). The blended EV/EBITDA implied valuation multiple of the operational assets stood at 12.6x as at 31-Dec-23, up from 12.5x at 30-Sep-23.

Education (5.2% of total portfolio value) – EV of Education was up by 11.4% to GEL 228.8 million in 4Q23, reflecting the strong operating performance of the business. Revenue in 4Q23 increased by 41.5% y-o-y resulting from a) organic growth through strong intakes and a ramp-up of the utilisation and b) expansion of the business, which coupled with the overall inflation, also led to a 50.0% y-o-y increase in operating expenses. Consequently, EBITDA was up by 26.9% y-o-y in 4Q23. See page 21 for details. LTM EBITDA was up by 10.3% to GEL 13.7 million in 4Q23. Net debt was up by 27.6% q-o-q to GEL 16.5 million in 4Q23, reflecting the CAPEX investments for the expansion projects. As a result, GCAP's stake in the education business was valued at GEL 189.2 million at 31-Dec-23 (up 10.8% q-o-q). This translated into the implied valuation multiple of 16.7x as at 31-Dec-23, up from 16.5x at 30-Sep-23. The forward-looking implied multiple is estimated at 10.5x for the 2024-2025 academic year.

Clinics and Diagnostics (3.0% of total portfolio value) – In 4Q23, the EV of the clinics and diagnostics business was GEL 171.8 million. 4Q23 revenue and EBITDA of the combined clinics and diagnostics business were up by 28.8% and up GEL 2.8 million y-o-y, respectively. This growth reflects the high demand for non-COVID services and the expansion of the business. See page 22 for details. Consequently, the LTM EBITDA (incl. IFRS 16) of the business was GEL 14.7 million and the net debt stood at GEL 58.5 million in 4Q23. As a result, the equity value of the business was assessed at GEL 110.8 million, translating into an implied LTM EV/EBITDA multiple (incl. IFRS 16) of 11.7x at 31-Dec-23.

Other businesses (7.7% of total portfolio value) – Of the "other" private portfolio businesses, Auto Service and Beverages (other than wine) are valued based on LTM EV/EBITDA. Wine and Housing Development are valued based on DCF, Hospitality is valued based on NAV. See performance highlights of other businesses on page 24. The portfolio value of other businesses decreased by 4.4% to GEL 284.3 in 4Q23, primarily attributable to the value reduction of our housing development business resulting from the remeasurement of the remaining construction budgets for ongoing residential projects.

Listed and observable portfolio companies (37.7% of total portfolio value)

BOG (33.4% of total portfolio value) – In 3Q23, BoG delivered an annualised ROAE of 30.7% and a 19.0% loan book growth y-o-y (on a constant currency basis, the loan portfolio increased by 17.6% y-o-y). In 4Q23, BoG's share price was up by 7.7% q-o-q to GBP 39.8 at 31-Dec-23, reflecting the strong growth in BoG's earnings. In 4Q23, GCAP received GEL 27.7 million interim dividends (declared in August 2023 and paid in October 2023), representing a 52.3% increase compared to the interim dividends received in 2022. As a result of the developments described above, the market value of GCAP's equity stake in BoG increased by 12.2% to GEL 1,225.8 million. The LTM P/E valuation multiple was at 3.5x at 30-Sep-23 (3.4x at 30-Jun-23). BoG's public announcement of their 4Q23 and FY23 results when published will be available on BoG's website.

Water Utility (4.3% of total portfolio value) – In December 2023, the Georgian National Energy and Water Supply Regulatory Commission ("GNERC"), the independent body that regulates the GCAP's water utility business, approved new tariffs for water supply and sanitation ("WSS") for the 2024-2026 regulatory period. The WSS tariffs for legal entities in Tbilisi increased from GEL 6.5 to GEL 8.8 per cubic meter compared to the previous regulatory period of 2021-2023. WSS tariffs for residential customers remained unchanged. The anticipated changes in WSS tariffs had previously been reflected in the valuation assessment of the water utility business, which was performed based on the application of the put option valuation to GCAP's 20% holding in the business (GCAP has a clear exit path through a put and call structure at pre-agreed EBITDA multiples). Consequently, the fair value of Water Utility remained unchanged at GEL 159.0 million in 4Q23.

2) Investments[15]

In 4Q23, GCAP invested GEL 2.1 million in private portfolio companies.

- GEL 1.6 million was allocated to the education business, predominantly for the expansion of a new campus in the mid-scale segment.
- GEL 0.5 million was invested in the renewable energy business for the development of the pipeline projects.

3) Share buybacks

During 4Q23, 665,222 shares with a total value of US$ 8.3 million (GEL 22.5 million) were bought back under GCAP's US$ 15 million share buyback and cancellation programme announced in October 2023.

4) Dividends[16]

In 4Q23, Georgia Capital collected GEL 34.2 million cash dividends from the portfolio companies, of which:

- GEL 27.7 million interim dividends were received from BoG.
- GEL 6.5 million dividends were collected from P&C Insurance.

[15] Investments are made at JSC Georgia Capital level, the Georgian holding company.
[16] Dividends are received at JSC Georgia Capital level, the Georgian holding company.

FY23 NAV STATEMENT HIGHLIGHTS

GEL '000, unless otherwise noted *(Unaudited)*	Dec-22	1. Value creation[17]	2a. Investment and divestments	2b. Buyback	2c. Dividend	3. Operating expenses	4. Liquidity/ FX/Other	Dec-23	Change %
Total Listed and Observable Portfolio Value	**985,463**	**553,255**	**-**	**-**	**(153,871)**	**-**	**-**	**1,384,847**	**40.5%**
Listed and Observable Portfolio value change %		***56.1%***	***0.0%***	***0.0%***	***-15.6%***	***0.0%***	***0.0%***	***40.5%***	
Total Private Portfolio Companies	**2,213,164**	**127,260**	**18,420**	**-**	**(82,012)**	**-**	**10,266**	**2,287,098**	**3.3%**
Of which, Large Companies	1,437,610	74,786	-	-	(76,825)	-	660	1,436,231	-0.1%
Of which, Investment Stage Companies	501,407	47,044	18,388	-	(5,187)	-	4,962	566,614	13.0%
Of which, Other Companies	274,147	5,430	32	-	-	-	4,644	284,253	3.7%
Private Portfolio value change %		***5.8%***	***0.8%***	***0.0%***	***-3.7%***	***0.0%***	***0.5%***	***3.3%***	
Total Portfolio Value	**3,198,627**	**680,515**	**18,420**	**-**	**(235,883)**	**-**	**10,266**	**3,671,945**	**14.8%**
Total Portfolio value change %		***21.3%***	***0.6%***	***0.0%***	***-7.4%***	***0.0%***	***0.3%***	***14.8%***	
Net Debt	**(380,905)**	**-**	**(20,887)**	**(76,190)**	**235,883**	**(21,786)**	**(32,923)**	**(296,808)**	**-22.1%**
Net Asset Value	**2,817,391**	**680,515**	**-**	**(76,477)**	**-**	**(36,779)**	**(6,138)**	**3,378,512**	**19.9%**
NAV change %		***24.2%***	***0.0%***	***-2.7%***	***0.0%***	***-1.3%***	***-0.2%***	***19.9%***	
Shares outstanding[17]	42,973,462	-	-	(2,817,070)	-	-	580,136	40,736,528	-5.2%
Net Asset Value per share, GEL	**65.56**	**15.84**	**0.00**	**2.70**	**0.00**	**(0.85)**	**(0.30)**	**82.94**	**26.5%**
NAV per share, GEL change %		***24.2%***	***0.0%***	***4.1%***	***0.0%***	***-1.3%***	***-0.5%***	***26.5%***	

NAV per share (GEL) increased by 26.5% in FY23, reflecting a) GEL 680.5 million value creation across our portfolio companies with a positive 24.2 ppts impact, b) share buybacks (+4.1 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 2.4 ppts impact in total.

Portfolio overview

Total portfolio value increased by GEL 473.3 million (14.8%) in FY23:

- The value of GCAP's holding in BoG was up by GEL 395.4 million, reflecting a robust GEL 549.3 million value creation, partially offset by GEL 153.9 million dividend income from the Bank in FY23.
- The value of the water utility business increased by GEL 4.0 million, reflecting an increase in the put option valuation to GCAP's 20% holding in the business which was attributed in 2Q23.
- The value of the private portfolio increased by GEL 73.9 million in FY23, mainly reflecting the net impact of a) GEL 127.3 million value creation, b) investments of GEL 22.6 million predominantly in the investment stage businesses and c) a decrease of GEL 82.0 million due to dividends paid to GCAP.

1) Value creation

Total portfolio value creation amounted to GEL 680.5 million in FY23.

- A 52.6% increase in BoG's share price, supported by a 5.1% appreciation of GBP against GEL in FY23, led to a GEL 549.3 million value creation.
- GEL 4.0 million value was created in our water utility business in FY23, as described above.
- The value creation in the private portfolio amounted to GEL 127.3 million in FY23, reflecting:
  - GEL 87.6 million operating performance-related increase in the value of our private assets, resulting from the continued strong performance of our private portfolio companies, partially subdued by the performance of the hospitals business, which has been impacted by the recently introduced government regulations as described elsewhere in this report.
  - GEL 39.7 million net impact from changes in implied valuation multiples[18] and foreign currency exchange rates.

[17] Please see definition in glossary on page 38.
[18] 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 FY23:

Portfolio Businesses	Operating Performance[19]	Greenfields / buy-outs / exits[20]	Multiple Change and FX[21]	Value Creation
GEL '000, unless otherwise noted *(unaudited)*	*(1)*	*(2)*	*(3)*	*(1)+(2)+(3)*
Listed and Observable				**553,255**
BoG				549,255
Water Utility				4,000
Private	**87,558**	**-**	**39,702**	**127,260**
Large Portfolio Companies	**(52,946)**	**-**	**127,732**	**74,786**
Retail (pharmacy)	*2,267*	-	*37,130*	*39,397*
Hospitals	*(154,041)*	-	*72,515*	*(81,526)*
Insurance (P&C and Medical)	*98,828*	-	*18,087*	*116,915*
Of which, P&C Insurance	*19,503*	-	*51,944*	*71,447*
Of which, Medical Insurance	*79,325*	-	*(33,857)*	*45,468*
Investment Stage Portfolio Companies	**54,471**	**-**	**(7,427)**	**47,044**
Renewable Energy	*6,754*	-	*31,930*	*38,684*
Education	*15,165*	-	*(2,883)*	*12,282*
Clinics and Diagnostics	*32,552*	-	*(36,474)*	*(3,922)*
Other	**86,033**	**-**	**(80,603)**	**5,430**
Total portfolio	**87,558**	**-**	**39,702**	**680,515**

The enterprise value and equity value development of our businesses in FY23 is summarised in the following table:

	Enterprise Value (EV)			Equity Value			
GEL '000, unless otherwise noted *(Unaudited)*	31-Dec-23	31-Dec-22	Change %	31-Dec-23	31-Dec-22	Change %	% share in total portfolio
Listed and Observable portfolio				**1,384,847**	**985,463**	**40.5%**	**37.7%**
BoG				1,225,847	830,463	47.6%	33.4%
Water Utility				159,000	155,000	2.6%	4.3%
Private portfolio	**3,463,259**	**3,310,981**	**4.6%**	**2,287,098**	**2,213,164**	**3.3%**	**62.3%**
Large portfolio companies	**2,021,278**	**1,875,688**	**7.8%**	**1,436,231**	**1,437,610**	**-0.1%**	**39.1%**
Retail (pharmacy)	1,043,800	957,686	9.0%	714,001	724,517	-1.5%	19.4%
Hospitals	618,912	653,335	-5.3%	344,356	433,193	-20.5%	9.4%
Insurance (P&C and Medical)	358,566	264,667	35.5%	377,874	279,900	35.0%	10.3%
Of which, P&C Insurance	285,566	228,045	25.2%	285,566	228,045	25.2%	7.8%
Of which, Medical Insurance	73,000	36,622	99.3%	92,308	51,855	78.0%	2.5%
Investment stage portfolio companies	**856,787**	**816,023**	**5.0%**	**566,614**	**501,407**	**13.0%**	**15.5%**
Renewable Energy	456,236	417,903	9.2%	266,627	224,987	18.5%	7.3%
Education[22]	228,799	218,264	4.8%	189,226	164,242	15.2%	5.2%
Clinics and Diagnostics	171,752	179,856	-4.5%	110,761	112,178	-1.3%	3.0%
Other	**585,194**	**619,270**	**-5.5%**	**284,253**	**274,147**	**3.7%**	**7.7%**
Total portfolio				**3,671,945**	**3,198,627**	**14.8%**	**100.0%**

2) Investments[23]

In FY23, GCAP invested GEL 22.6 million in private portfolio companies.

- GEL 12.2 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 6.2 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 FY23, 2,817,070 shares were bought back for a total consideration of GEL 76.5 million.

- 1,665,222 shares with a total value of US$ 18.3 million (GEL 47.9 million) were bought back under GCAP's share buyback and cancellation programmes during 2023. As of 20-Feb-24, an additional 470,000 shares with the value of GEL 17.2 million (US$ 6.5 million) have been repurchased under the ongoing US$ 15 million share buyback programme in 1Q24.
- 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 next three years.

[19] 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.
[20] 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.
[21] Change in the fair value attributable to the change in valuation multiples and the effect of exchange rate movement on net debt.
[22] Excluding the recently launched schools and non-operational assets, added to the equity value of the education business at cost.
[23] Investments are made and dividends are received at JSC Georgia Capital level, the Georgian holding company.

4) Dividends[24]

In FY23, Georgia Capital recorded GEL 235.9 million dividend income from its portfolio companies:

Dividend income GEL million *(unaudited)*	Recurring	One-off	Total
BoG	**124.5**	**29.4**	**153.9**
Of which, cash dividends	*80.5*	*-*	*80.5*
Of which, buyback dividends	*44.0*	*29.4*	*73.4*
Retail (Pharmacy)	**24.2**	**26.7**	**50.9**
Insurance business	**19.9**	**-**	**19.9**
Of which, P&C Insurance	*14.9*	*-*	*14.9*
Of which, Medical Insurance	*5.0*	*-*	*5.0*
Hospitals business	**6.0**	**-**	**6.0**
Renewable Energy	**5.2**	**-**	**5.2**
Total	**179.8**	**56.1**	**235.9**

A one-off dividend of GEL 29.4 million from BoG, represents the participation in the Bank's 2022 buybacks in FY23. GEL 26.7 million one-off dividend was collected from the retail (pharmacy) business, following the minority buyout transaction in 3Q23.

Net Capital Commitment (NCC) overview

Below we describe the components of Net Capital Commitment (NCC) as of 31 December 2023, 30 September 2023 and 31 December 2022. NCC represents an aggregated view of all confirmed, agreed and expected capital outflows (including a buffer for contingencies) at both Georgia Capital PLC and JSC Georgia Capital levels.

Components of NCC GEL '000, unless otherwise noted *(unaudited)*	31-Dec-23	30-Sep-23	Change	31-Dec-22	Change
Cash at banks	72,122	68,851	4.8%	235,255	-69.3%
Liquid funds	35,788	31,505	13.6%	176,589	-79.7%
Of which, Internationally listed debt securities	*18,254*	*13,975*	*30.6%*	*173,395*	*-89.5%*
Of which, Locally listed debt securities	*17,534*	*17,530*	*0.0%*	*3,194*	*NMF*
Total cash and liquid funds	**107,910**	**100,356**	**7.5%**	**411,844**	**-73.8%**
Loans issued	9,212	8,905	3.4%	26,830	-65.7%
Gross debt	(413,930)	(403,446)	2.6%	(819,579)	-49.5%
Net debt (1)	**(296,808)**	**(294,185)**	**0.9%**	**(380,905)**	**-22.1%**
Guarantees issued (2)	**-**	**-**	**NMF**	**(18,460)**	**NMF**
Net debt and guarantees issued (3)=(1)+(2)	**(296,808)**	**(294,185)**	**0.9%**	**(399,365)**	**-25.7%**
Planned investments (4)	**(125,143)**	**(126,752)**	**-1.3%**	**(141,396)**	**-11.5%**
of which, planned investments in Renewable Energy	(77,637)	(77,814)	-0.2%	(81,205)	-4.4%
of which, planned investments in Education	(47,506)	(48,938)	-2.9%	(60,191)	-21.1%
Announced Buybacks (5)	**(18,087)**	**-**	**NMF**	**-**	**NMF**
Contingency/liquidity buffer (6)	**(134,470)**	**(133,915)**	**0.4%**	**(135,100)**	**-0.5%**
Total planned investments, announced buybacks and contingency/liquidity buffer (7)=(4)+(5)+(6)	**(277,700)**	**(260,667)**	**6.5%**	**(276,496)**	**0.4%**
Net capital commitment (3)+(7)	**(574,508)**	**(554,852)**	**3.5%**	**(675,861)**	**-15.0%**
Portfolio value	**3,671,945**	**3,479,206**	**5.5%**	**3,198,627**	**14.8%**
NCC ratio	**15.6%**	**15.9%**	**-0.3 ppts**	**21.1%**	**-5.5 ppts**

Cash and liquid funds. Total cash and liquid funds' balance was up by 7.5% q-o-q to GEL 107.9 million (up 7.1% q-o-q to US$ 40.1 million) in 4Q23, mainly reflecting the net effect of dividend inflows and share buybacks during the quarter, as described above. The total cash and liquid funds' balance in FY23 decreased by 73.8%, mostly reflecting the use of funds for redemption of GCAP's Eurobonds in 2023.

Loans issued. Issued loans' balance primarily refers to loans issued to our private portfolio companies and are lent at market terms. The balance was up by GEL 0.3 million in 4Q23, reflecting the interest accrual on the loans issued (down by GEL 17.6 million in FY23, mainly reflecting the loan repayments from the hospitality and auto service businesses).

Gross debt. In US$ terms the balance increased by 2.2% q-o-q in 4Q23, reflecting the interest accrual on the US$ 150 million sustainability-linked bonds. In GEL terms, the balance was up by 2.6% in 4Q23, further reflecting the foreign exchange rate movements. The FY23 gross debt balance in US$ terms was down by 49.3%, representing the full redemption of US$ 300 million GCAP Eurobonds and the issuance of US$ 150 million sustainability-linked bonds in 2023.

Guarantees issued. The balance reflected GCAP's guarantee on the borrowing of the beer business, which was reduced to zero in 2023, leaving 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 decreased by 1.7% and 11.1% in 4Q23 and FY23, respectively,

[24] Dividends are received at JSC Georgia Capital level, the Georgian holding company.

due to the investments made in these businesses, as described above (the balance in GEL terms was down 1.3% and 11.5% in 4Q23 and FY23, respectively).

Announced buybacks. The balance of the announced buybacks at 31-Dec-23 reflects the unutilised share buybacks under GCAP's US$ 15 million share buyback and cancellation programme.

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 31-Dec-23.

As a result of the movements described above, NCC was up by 3.5% q-o-q to GEL 574.5 million (US$ 213.6 million) which, together with the 5.5% increase in the portfolio value translated into a 15.6% NCC ratio as at 31-Dec-23 (down by 0.3 ppts q-o-q).

INCOME STATEMENT (ADJUSTED IFRS / APM)

Net income under IFRS was GEL 213.2 million in 4Q23 (GEL 332.4 million net income in 4Q22) and GEL 608.6 million in FY23 (GEL 12.2 million net loss in FY22). 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 December 31 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 *(unaudited)*	4Q23	4Q22	Change	FY23	FY22	Change
Dividend income	34,148	27,435	24.5%	235,883	93,875	NMF
Of which, regular dividend income	*34,148*	*27,435*	*24.5%*	*162,527*	*93,875*	*73.1%*
Of which, buyback dividend income	-	-	*NMF*	*73,356*	-	*NMF*
Interest income	2,345	6,641	-64.7%	16,642	32,955	-49.5%
Realised / unrealised gain/(loss) on liquid funds / Gain/(Loss) on GCAP Eurobond buybacks	772	10,437	-92.6%	(1,574)	(2,717)	-41.2%
Interest expense	(9,026)	(15,521)	-41.8%	(47,808)	(69,774)	-31.5%
Gross operating income	**28,239**	**28,992**	**-2.6%**	**203,143**	**54,339**	**NMF**
Operating expenses	(8,807)	(10,473)	-15.9%	(36,779)	(39,996)	-8.0%
GCAP net operating income	**19,432**	**18,519**	**4.9%**	**166,364**	**14,343**	**NMF**
Fair value changes of portfolio companies						
Listed and Observable Portfolio Companies	**133,638**	**234,294**	**-43.0%**	**399,384**	**164,885**	**NMF**
Of which, Bank of Georgia Group PLC	*133,638*	*232,294*	*-42.5%*	*395,384*	*149,277*	*NMF*
Of which, Water Utility	-	*2,000*	*NMF*	*4,000*	*15,608*	*-74.4%*
Private Portfolio companies	**55,346**	**67,703**	**-18.3%**	**45,248**	**(224,687)**	**NMF**
Large Portfolio Companies	**34,707**	**73,554**	**-52.8%**	**(2,039)**	**(115,511)**	**-98.2%**
Of which, Retail (pharmacy)	*34,397*	*47,279*	*-27.2%*	*(11,507)*	*14,132*	*NMF*
Of which, Hospitals	*(35,589)*	*966*	*NMF*	*(87,544)*	*(140,622)*	*-37.7%*
Of which, Insurance (P&C and Medical)	*35,899*	*25,309*	*41.8%*	*97,012*	*10,979*	*NMF*
Investment Stage Portfolio Companies	**34,017**	**18,325**	**85.6%**	**41,857**	**5,072**	**NMF**
Of which, Renewable energy	*5,179*	*23,079*	*-77.6%*	*33,497*	*22,846*	*46.6%*
Of which, Education	*16,584*	*24*	*NMF*	*12,282*	*28,052*	*-56.2%*
Of which, Clinics and Diagnostics	*12,254*	*(4,778)*	*NMF*	*(3,922)*	*(45,826)*	*-91.4%*
Other businesses	**(13,378)**	**(24,176)**	**-44.7%**	**5,430**	**(114,248)**	**NMF**
Total investment return	**188,984**	**301,997**	**-37.4%**	**444,632**	**(59,802)**	**NMF**
Income/(loss) before foreign exchange movements and non-recurring expenses	**208,416**	**320,516**	**-35.0%**	**610,996**	**(45,459)**	**NMF**
Net foreign currency gain	28	20,965	-99.9%	6,491	47,550	-86.3%
Non-recurring expenses	(139)	(349)	-60.2%	(1,898)	(627)	NMF
Net income	**208,305**	**341,132**	**-38.9%**	**615,589**	**1,464**	**NMF**

The gross operating income stood at GEL 28.2 million in 4Q23 and amounted to GEL 203.1 million in FY23, reflecting robust dividend income, further supported by a decrease in interest expenses due to significant deleveraging progress in 2023.

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

GCAP Operating Expenses Components

GEL '000, unless otherwise noted *(unaudited)*	**4Q23**	**4Q22**	**Change**	**FY23**	**FY22**	**Change**
Administrative expenses[25]	(2,858)	(2,998)	-4.7%	(10,909)	(11,779)	-7.4%
Management expenses – cash-based[26]	(2,602)	(2,475)	5.1%	(10,877)	(9,741)	11.7%
Management expenses – share-based[27]	(3,347)	(5,000)	-33.1%	(14,993)	(18,476)	-18.9%
Total operating expenses	**(8,807)**	**(10,473)**	**-15.9%**	**(36,779)**	**(39,996)**	**-8.0%**
Of which, fund type expense[28]	*(2,660)*	*(2,651)*	*0.3%*	*(9,667)*	*(11,334)*	*-14.7%*
Of which, management fee type expenses[29]	*(6,147)*	*(7,822)*	*-21.4%*	*(27,112)*	*(28,662)*	*-5.4%*

GCAP management fee expenses starting from 2024 have a self-targeted cap of 0.75% of Georgia Capital's NAV. The LTM management fee expense ratio was 0.80% at 31-Dec-23 (1.02% as of 31-Dec-22).

Total investment return represents the increase (decrease) in the fair value of our portfolio. Total investment return was GEL 189.0 million in 4Q23 and GEL 444.6 million in FY23, mostly reflecting the changes in the value of our portfolio companies. 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 13-24.

GCAP's net foreign currency liability balance amounted to US$ 130 million (GEL 350 million) at 31-Dec-23, up from US$ 129 million (GEL 346 million) at 30-Sep-23. As a result of the movements described above, GCAP's adjusted IFRS *net income* was GEL 208.3 million in 4Q23 and GEL 615.6 million in FY23.

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

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 2023 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 36 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 based on the 2022 revenues. 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 412 pharmacies (of which 397 are in Georgia and 15 in Armenia) and 23 franchise stores (of which, two are in Armenia and four in Azerbaijan).

4Q23 & FY23 performance (GEL '000), Retail (pharmacy)[30]

(Unaudited)

INCOME STATEMENT HIGHLIGHTS	4Q23	4Q22	Change	FY23	FY22	Change
Revenue, net	**223,548**	**209,182**	**6.9%**	**823,692**	**789,893**	**4.3%**
Of which, retail	*177,767*	*167,921*	*5.9%*	*653,960*	*620,936*	*5.3%*
Of which, wholesale	*45,781*	*41,261*	*11.0%*	*169,732*	*168,957*	*0.5%*
Gross Profit	**63,245**	**59,967**	**5.5%**	**244,322**	**231,270**	**5.6%**
Gross profit margin	*28.3%*	*28.7%*	*-0.4 ppts*	*29.7%*	*29.3%*	*0.4 ppts*
Operating expenses (ex. IFRS 16)	(47,228)	(39,564)	19.4%	(166,979)	(154,343)	8.2%
EBITDA (ex. IFRS 16)	**16,017**	**20,403**	**-21.5%**	**77,343**	**76,927**	**0.5%**
EBITDA margin, (ex. IFRS 16)	*7.2%*	*9.8%*	*-2.6 ppts*	*9.4%*	*9.7%*	*-0.3 ppts*
Net loss/profit (ex. IFRS 16)	**(104)**	**7,400**	**NMF**	**45,614**	**58,605**	**-22.9%**
CASH FLOW HIGHLIGHTS						
Cash flow from operating activities (*ex. IFRS 16*)	**34,210**	**22,619**	**51.2%**	**52,361**	**77,099**	**-32.1%**
EBITDA to cash conversion	*213.6%*	*110.9%*	*102.7 ppts*	*67.7%*	*100.2%*	*-32.5 ppts*
Cash flow used in investing activities[31]	**(11,335)**	**(3,808)**	**NMF**	**(84,130)**	**(58,367)**	**44.1%**
Free cash flow, (ex. IFRS 16)[32]	**20,647**	**18,938**	**9.0%**	**(56,130)**	**15,016**	**NMF**
Cash flow from financing activities (*ex. IFRS 16*)	**3,126**	**(6,716)**	**NMF**	**17,686**	**3,392**	**NMF**

BALANCE SHEET HIGHLIGHTS	31-Dec-23	30-Sep-23	Change	31-Dec-22	Change
Total assets	**631,218**	**580,104**	**8.8%**	**576,060**	**9.6%**
Of which, cash and bank deposits	60,383	34,426	75.4%	75,279	-19.8%
Of which, securities and loans issued	2,623	4,578	-42.7%	22,857	-88.5%
Total liabilities	**597,611**	**544,160**	**9.8%**	**515,081**	**16.0%**
Of which, borrowings	228,261	216,232	5.6%	131,547	73.5%
Of which, lease liabilities	151,916	136,836	11.0%	107,455	41.4%
Total equity	**33,607**	**35,944**	**-6.5%**	**60,979**	**-44.9%**

INCOME STATEMENT HIGHLIGHTS

- The y-o-y increase in retail revenues in 4Q23 and FY23 was driven by a combination of factors:
  - The expansion of the pharmacy chain and franchise stores - the business added 18 pharmacies and 10 franchise stores over the last quarter (40 pharmacies and 11 franchise stores over the last 12 months).
  - Increased focus on higher margin para-pharmacy product sales - the para-pharmacy revenue as a percentage of retail revenue increased from 38.6% in 4Q22 to 40.0% in 4Q23 (up from 36.5% in FY22 to 39.7% in FY23).
  - Overall economic growth in Georgia.
  - The revenue growth was partially subdued by a) implementation of the External Reference Pricing model, which sets a maximum retail price for state-financed prescription medicines. The list of regulated products was further expanded

[30] The detailed IFRS financial statements are included in supplementary excel file, available at https://georgiacapital.ge/ir/financial-results.
[31] Of which – cash outflow on capex of GEL 13.6 million in 4Q23 and GEL 34.0 million in FY23 (GEL 3.7 million in 4Q22 and GEL 20.9 million in FY22); cash outflow on minority acquisition; proceeds from sale of PPE of GEL 14.6 million in FY23 (none in 4Q23, 4Q22 and in FY22).
[32] Calculated by deducting capex and minority acquisition from operating cash flows and adding proceeds from sale of PPE.

in 4Q23 (detailed in other valuation drivers and operating highlight section below) and b) a decrease in product prices due to the appreciation of GEL against foreign currencies (as approximately 70% of inventory purchases are denominated in foreign currencies).

- The 4Q23 wholesale revenue growth is attributable to new high-margin contracts signed during the quarter, which more than offset the negative impact of the retail pricing regulations introduced in 2023.
- The increase in operating expenses in 4Q23 reflects increased rent and salary expenses in line with the substantial expansion of the pharmacy chain and franchise stores during the quarter. This also translated into the temporarily subdued EBITDA margin (excluding IFRS 16) of 7.2% in 4Q23. Overall, in FY23 the business maintained the EBITDA margin (excluding IFRS 16) at 9.4%, above the targeted threshold of 9%, and we expect the investments in the recently opened stores to deliver a substantial increase in business revenues in the coming quarters as customer traffic gradually increases.
- The significant y-o-y increase in interest expense (excluding IFRS 16) in 4Q23 and FY23 is due to the higher average net debt balance, as explained below.
- The developments described above translated into a GEL 7.5 million y-o-y decrease in 4Q23 net profit (excluding IFRS 16) (down 22.2% y-o-y in FY23).

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

- The net debt balance was down to GEL 165.3 million as at 31-Dec-23, from GEL 177.2 million at 30-Sep-23, mainly reflecting robust cash flow generation in 4Q23. The net debt balance was up by GEL 131.8 million from 31-Dec-22, further reflecting increased borrowings that partially financed the minority buyout transaction in June 2023.
- In 4Q23, the business sold a significant portion of its inventory stock, resulting in a 213.6% EBITDA-to-cash conversion ratio. The ratio was at 67.7% in FY23, reflecting the business's strategy of making advance payments to key vendors to secure substantial supplier discounts for high-volume inventory purchases.
- GEL 50.9 million dividends were paid to GCAP in FY23.

OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

- Effective from 2023, the Government introduced two new **quality 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 revenues and gross profit. In 4Q23 and FY23, the wholesale business revenue was affected by GEL 4.0 million and GEL 21.4 million, respectively, while the effect on gross profit was GEL 0.9 million in 4Q23 and GEL 5.0 million in FY23. To meet the requirements the business incurred additional CAPEX of GEL c.4.0 million in FY23.
- In November 2023, the state announced the third wave of **price regulations** under the External Reference Pricing model, affecting both prescription and non-prescription medicine. The new prices, aligned with these latest regulations, took effect from January 2024. Overall, the anticipated impact of these price regulations on the 2024-year EBITDA is estimated at negative GEL 8.0 million. In response to these regulatory challenges, the business's strategic focus lies in the optimisation of the chain and increasing the share of para-pharmacy products in sales, which remain unaffected by regulations.
- In December 2023, the Georgian National Competition Agency (the "Agency") imposed fines on four companies in the Georgian pharmaceutical retailers' sector, including GCAP's retail (pharmacy) business, for alleged anti-competitive actions related to price quotations on certain prescription medicines funded under the state programme. The penalty amount assessed by the Agency on our retail (pharmacy) business is GEL 20.0 million derived by utilising the single rate across all the alleged participants. We have since appealed the Agency's decision in court and plan to vigorously defend our position.

- The number of pharmacies and franchise stores is provided below:

(Unaudited)	**Dec-23**	**Sep-23**	***Change (q-o-q)***	**Dec-22**	***Change (y-o-y)***
Number of pharmacies	**412**	**394**	***18***	**372**	***40***
Of which, Georgia	*397*	*381*	*16*	*362*	*35*
Of which, Armenia	*15*	*13*	*2*	*10*	*5*
Number of franchise stores	**23**	**13**	**10**	**12**	**11**
Of which, Georgia	*17*	*7*	*10*	*8*	*9*
Of which, Armenia	*2*	*2*	*-*	*2*	*-*
Of which, Azerbaijan	*4*	*4*	*-*	*2*	*2*

➢ Retail (Pharmacy)'s key operating performance highlights for 4Q23 and FY23 are noted below:

Key metrics *(unaudited)*	**4Q23**	**4Q22**	**Change**	**FY23**	**FY22**	**Change**
Same store revenue growth	*-1.0%*	*-8.7%*	*7.7 ppts*	*0.4%*	*-0.8%*	*1.2 ppts*
Number of bills issued (mln)	*8.2*	*8.5*	*-3.8%*	*31.3*	*31.0*	*0.8%*
Average bill size (GEL)	*20.6*	*18.7*	*10.1%*	*19.8*	*19.0*	*4.5%*

Discussion of Hospitals Business Results[33]

The hospitals business, where GCAP owns a 100% equity, is the largest healthcare market participant in Georgia, comprised of 7 Large and Specialty Hospitals, providing secondary and tertiary level healthcare services across Georgia and 27 Regional and Community Hospitals, providing outpatient and basic inpatient services.

4Q23 & FY23 performance (GEL '000), Hospitals[34]

(Unaudited)

INCOME STATEMENT HIGHLIGHTS	4Q23	4Q22	Change	FY23	FY22	Change
Revenue, net[35]	**77,638**	**78,721**	**-1.4%**	**313,748**	**313,407**	**0.1%**
Gross Profit	**23,046**	**30,906**	**-25.4%**	**104,616**	**114,460**	**-8.6%**
Gross profit margin	*28.9%*	*38.7%*	*-9.8 ppts*	*32.8%*	*36.0%*	*-3.2 ppts*
Operating expenses (ex. IFRS 16)	(15,138)	(15,409)	-1.8%	(58,487)	(57,704)	1.4%
EBITDA (ex. IFRS 16)	**7,908**	**15,497**	**-49.0%**	**46,129**	**56,756**	**-18.7%**
EBITDA margin (ex. IFRS 16)	*9.9%*	*19.4%*	*-9.5 ppts*	*14.5%*	*17.8%*	*-3.3 ppts*
Net (loss) (ex. IFRS 16)[36]	**(27,322)**	**(3,127)**	**NMF**	**(36,615)**	**(1,566)**	**NMF**
CASH FLOW HIGHLIGHTS						
Cash flow used in operating activities (ex. IFRS 16)	**(3,697)**	**11,717**	**NMF**	**10,621**	**31,730**	**-66.5%**
EBITDA to cash conversion (ex. IFRS 16)	*-46.8%*	*75.6%*	*NMF*	*23.0%*	*55.9%*	*-32.9 ppts*
Cash flow used in investing activities[37]	**(13,031)**	**(11,626)**	**12.1%**	**(44,746)**	**(17,443)**	**NMF**
Free cash flow (ex. IFRS 16)[38]	**(17,226)**	**(135)**	**NMF**	**(35,069)**	**12,855**	**NMF**
Cash flow from financing activities (ex. IFRS 16)	**26,066**	**4,542**	**NMF**	**22,362**	**(35,786)**	**NMF**

BALANCE SHEET HIGHLIGHTS	31-Dec-23	30-Sep-23	Change	31-Dec-22	Change
Total assets	**707,614**	**679,183**	**4.2%**	**680,355**	**4.0%**
Of which, cash balance and bank deposits	9,753	1,845	NMF	23,557	-58.6%
Of which, securities and loans issued	9,557	8,990	6.3%	14,040	-31.9%
Total liabilities	**357,658**	**306,921**	**16.5%**	**293,983**	**21.7%**
Of which, borrowings	281,352	246,182	14.3%	227,960	23.4%
Total equity	**349,956**	**372,262**	**-6.0%**	**386,372**	**-9.4%**

The 4Q23 and FY23 performance of the hospitals business reflects the temporary impact of the recently introduced facility regulation rules, implemented to address the oversupply of beds and enhance the quality of the healthcare industry in the country. This regulation, which became effective from September 2023, established upgraded standards for healthcare facilities and imposed minimum requirements for space allotted per hospital bed. In order to adapt to the new standards, our hospitals business initiated a number of renovation projects in all of its facilities. This resulted in certain sections of our healthcare facilities being temporarily closed and unable to accept patients. Most renovation works took place throughout the second half of 2023, with most of the work being completed by the end of November. The CAPEX investment for the renovation projects amounted to GEL 11.3 million in 2023. The negative annualised impact of increased expenses that will result from additional requirements is estimated at GEL c.4.0 million. We believe that this new regulation's mandate of higher quality healthcare facilities in Georgia offers an opportunity to build on the competitive advantage of our high-quality healthcare businesses in the medium to long term.

To capture emerging opportunities in the healthcare sector and enhance operational efficiencies, our healthcare businesses underwent strategic restructuring. The hospitals business was split into two distinct segments: "Large and Specialty Hospitals" and "Regional and Community Hospitals". The Regional and Community Hospitals now also incorporate the community clinics that were previously managed and presented as part of the clinics and diagnostics business. For our patients, the transition was seamless and business operations continued uninterrupted. A new CEO from a local competitor joined the Regional and Community Hospitals business in December to focus on the service and efficiency from this group of hospitals.

[33] The numbers were adjusted retrospectively to account for the recent strategic reorganisation in the healthcare businesses.
[34] The detailed IFRS financial statements are included in supplementary excel file, available at https://georgiacapital.ge/ir/financial-results.
[35] Net revenue – Gross revenue less corrections and rebates. Margins are calculated from gross revenue.
[36] FY22 figure is adjusted for a GEL 2.7 million loss from the sale of the Traumatology Hospital.
[37] Of which - capex of GEL 14.1 million in 4Q23 (GEL 11.9 million in 4Q22) and GEL 48.5 million in FY23 (GEL 27.6 million in FY22).
[38] Operating cash flows less capex, plus net proceeds on sale of PPE.

INCOME STATEMENT HIGHLIGHTS

- In FY23, the Large and Specialty Hospitals and Regional and Community Hospitals represent approximately 65% and 35%, respectively, of the consolidated hospitals business revenue.

Total revenue breakdown *(unaudited)*	**4Q23**	**4Q22**	**Change**	**FY23**	**FY22**	**Change**
Total revenue, net	**77,638**	**78,721**	**-1.4%**	**313,748**	**313,407**	**0.1%**
Of which, Large and Specialty Hospitals	*51,992*	*49,349*	*5.4%*	*204,690*	*198,883*	*2.9%*
Of which, Regional and Community Hospitals	*25,966*	*29,733*	*-12.7%*	*110,551*	*115,768*	*-4.5%*
Of which, Inter-business eliminations	*(320)*	*(361)*	*-11.6%*	*(1,493)*	*(1,244)*	*20.0%*

- The 4Q23 revenue of Large and Specialty Hospitals was up by 5.4% y-o-y. This growth reflects the resilient underlying performance of the hospitals and their ability to offer a diversified range of services, partially offsetting the impact of the new facility regulations. The relatively modest 2.9% y-o-y increase in FY23 revenue further reflects the following factors:
  - The COVID related inflation of 2022 revenue as the Government contracts continued through mid-March 2022.
  - The absence of revenues from the Traumatology Hospital, which was divested in April 2022.
- Our Regional and Community Hospitals primarily concentrate on delivering outpatient and basic inpatient services, which are smaller and offer services relatively more limited in scope than the services provided by our Large and Specialty Hospitals. The works and related facilities closures mandated by the new regulations therefore had a more pronounced impact on this group of hospitals in terms of revenue growth (down 12.7% and 4.5% y-o-y in 4Q23 and FY23, respectively).
- 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[39].
  - The direct salary rates were up 6.1 ppts to 42.4% y-o-y in 4Q23 and up 3.2 ppts y-o-y to 39.6% in FY23, mainly attributable to increased minimum salary rates for medical staff.
  - The materials rate was up 2.4 ppts y-o-y to 18.1% in 4Q23 and down 0.5 ppts y-o-y to 17.2% for the FY23.
  - Utilities and other costs were down y-o-y by 0.5% in 4Q23 and up 4.5% in FY23, resulting from overall inflation.
- As a result of the developments described above, 4Q23 and FY23 gross profit margins were down y-o-y by 9.8 ppts and 3.2 ppts, respectively.
- Operating expenses, mainly comprising administrative salaries and other employee benefits and general and administrative expenses (excl. IFRS 16), were largely flat (down by 1.8% y-o-y in 4Q23 and up 1.4% y-o-y in FY23).
- The developments described above translated into 49.0% and 18.7% y-o-y decrease in EBITDA (excluding IFRS 16) in 4Q23 and FY23, respectively.

Total EBITDA (excl. IFRS 16), breakdown *(unaudited)*	**4Q23**	**4Q22**	**Change**	**FY23**	**FY22**	**Change**
Total EBITDA (excl. IFRS 16)	**7,908**	**15,497**	**-49.0%**	**46,129**	**56,756**	**-18.7%**
Of which, Large and Specialty Hospitals	*6,587*	*9,457*	*-30.3%*	*34,339*	*35,915*	*-4.4%*
Of which, Regional and Community Hospitals	*1,321*	*6,040*	*-78.1%*	*11,790*	*20,841*	*-43.4%*

- Net interest expense (excluding IFRS 16) was up by 31.1% in 4Q23 and up 36.3% in FY23, y-o-y, reflecting the increased net debt balance (as described below) and increased interest rates on the market.
- The business posted a net loss (excluding IFRS 16) of GEL 27.3 million in 4Q23 (GEL 36.6 million in FY23), which reflects a GEL 18.6 million one-off costs associated with the write-off of historic receivables due to their extremely low probability of recovery.

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

- Net debt balance was up 11.3% q-o-q and up 37.7% y-o-y as at 31-Dec-23, mainly resulting from high capex investments associated with new facility regulation. The y-o-y increase in the net debt balance further reflects the delay in the collection of receivables from the State in 2023 due to one-off processing delays related to the introduction of the Diagnosis Related Group ("DRG") financing system.
- Capex investment was GEL 14.1 million in 4Q23, reflecting maintenance and capex related to the new facility regulation at hospitals. In FY23, the capex investment amounted to GEL 48.5 million, which apart from the 4Q23 capex described above includes renovation works in Iashvili Hospital.
- In December 2023, the business signed an agreement to sell one of its regional and community hospitals for a total consideration of GEL 34.6 million at 15.2x EV/EBITDA multiple. The proceeds from this transaction were collected in January 2024 and will be primarily utilised for deleveraging hospitals business's balance sheet. The sale is in line with the business's strategy to divest low-ROIC generating assets.

[39] The respective costs divided by gross revenues.

OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

- The business key operating performance highlights for 4Q23 and FY23 are noted below:

***Key metrics** (unaudited)*	4Q23	4Q22	Change	FY23	FY22	Change
Number of admissions (thousands)	*375.1*	*376.9*	*-0.5%*	*1,468.1*	*1,640.2*	*-10.5%*
Of which, Large and Specialty Hospitals	*165.5*	*138.3*	*19.7%*	*599.9*	*614.7*	*-2.4%*
Of which, Regional and Community Hospitals	*209.6*	*238.6*	*-12.2%*	*868.2*	*1,025.5*	*-15.3%*
Occupancy rates:						
Large and Specialty Hospitals	*54.6%*	*55.8%*	*-1.2 ppts*	*53.5%*	*55.5%*	*-2.0 ppts*
Regional Hospitals	*50.3%*	*52.2%*	*-1.9 ppts*	*49.4%*	*46.4%*	*3.0 ppts*

The decrease in the number of admissions in FY23 reflects the renovation works in our hospitals as described above.

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

As at 31-Dec-23, 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 30% market share in property and casualty insurance based on gross premiums as of 30-Sep-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 9M23 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.

4Q23 & FY23 performance (GEL'000), Insurance (P&C and Medical)[40]

(Unaudited)

INCOME STATEMENT HIGHLIGHTS	4Q23	4Q22	Change	FY23	FY22	Change
Insurance revenue	56,005	45,709	22.5%	208,243	171,540	21.4%
Net underwriting profit	16,310	14,942	9.2%	53,829	51,644	4.2%
Net investment profit	3,878	3,023	28.3%	14,272	9,809	45.5%
Net profit	8,023	7,740	3.7%	25,626	24,866	3.1%
CASH FLOW HIGHLIGHTS						
Net cash flows from operating activities	2,170	14,860	-85.4%	33,687	42,443	-20.6%
Free cash flow	**1,127**	**13,874**	**-91.9%**	**28,821**	**39,275**	**-26.6%**
BALANCE SHEET HIGHLIGHTS	**31-Dec-23**	**30-Sep-23**	**Change**	**31-Dec-22**	**Change**	
Total assets	248,906	254,101	-2.0%	217,373	14.5%	
Total equity	130,538	127,808	2.1%	121,486	7.5%	

- In January 2024, our medical insurance business signed a Memorandum of Understanding ("MOU") to acquire the portfolio of medical insurance contracts and the brand name from "Ardi," the third-largest player in the health insurance market with a 17% market share based on 9M23 net insurance premiums. Upon the successful completion of this transaction, the combined market share of our medical insurance business will make it the largest health insurer in the country. Ardi's portfolio is concentrated in the upscale segment category, presenting an opportunity to further diversify our health insurance portfolio and achieve significant synergies from both financial and strategic perspectives. The total cash outflow for this transaction amounts to GEL 27 million, which will be fully financed by the funds available in our medical insurance business, with no cash investments required from GCAP. Following this acquisition, the insurance business will operate under three brand names: Aldagi, Imedi L, and Ardi, all of which will be managed under GCAP.
- The Georgian insurance sector has adopted the Estonian Taxation Model, which came into force at the beginning of 2024. Before this change, a 15% corporate income tax was applied to the pre-tax profit of insurance businesses. With the Estonian Taxation Model, a 15% corporate income tax is now applied only to earnings distributed to individuals or non-resident legal entities. As a result, GCAP's insurance businesses are no longer subject to corporate income tax payments, freeing up 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.

TOTAL INSURANCE BUSINESS HIGHLIGHTS

P&C and medical insurance had a broadly equal share in total revenues in 4Q23 and FY23, while the combined net profit in both reporting periods was mainly attributable to P&C (72.7% and 74.6% share in total net profit in 4Q23 and FY23, respectively). The loss ratio was down by 0.9 ppts, the expense ratio was up by 3.1 and the FX ratio was up by 2.4 ppts y-o-y

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

in 4Q23 (up by 2.5, 0.1 and 1.2 ppts y-o-y in FY23, respectively), translating into 4.6 ppts y-o-y increase in the combined ratio in 4Q23 (up 3.8 ppts y-o-y in FY23). As a result, ROAE[41] was 27.2% in 4Q23 (27.5% in 4Q22) and 22.0% in FY23 (23.5% in FY22).

Discussion of results, P&C Insurance

(Unaudited)						
INCOME STATEMENT HIGHLIGHTS	**4Q23**	**4Q22**	**Change**	**FY23**	**FY22**	**Change**
Insurance revenue	31,238	24,637	26.8%	116,912	96,648	21.0%
Net underwriting profit	10,820	11,223	-3.6%	37,700	41,011	-8.1%
Net investment profit	2,901	1,975	46.9%	9,824	5,915	66.1%
Net profit	5,830	5,793	0.6%	19,109	21,469	-11.0%
CASH FLOW HIGHLIGHTS						
Net cash flows used in operating activities	(2,003)	11,731	NMF	23,075	37,778	-38.9%
Free cash flow	**(2,139)**	**11,094**	**NMF**	**21,258**	**35,575**	**-40.2%**
BALANCE SHEET HIGHLIGHTS	**31-Dec-23**	**30-Sep-23**	**Change**	**31-Dec-22**	**Change**	
Total assets	180,206	186,426	-3.3%	151,795	18.7%	
Total equity	92,411	91,939	0.5%	86,090	7.3%	

INCOME STATEMENT HIGHLIGHTS

- The increase in 4Q23 and FY23 insurance revenue reflects a combination of factors:
  - Motor insurance revenues were up by GEL 4.5 million y-o-y in 4Q23 (up by GEL 10.9 million in FY23), mainly attributable to the growth in the retail client portfolio.
  - Credit life insurance revenues were up by GEL 1.3 million y-o-y in 4Q23 (up by GEL 4.9 million in FY23), resulting from the growth of banks' portfolios in the mortgage, consumer loan, and other sectors.
  - Revenues from other insurance lines increased by GEL 0.8 million y-o-y in 4Q23 and GEL 4.5 million y-o-y in FY23.
- P&C Insurance's key performance ratios for 4Q23 and FY23 are noted below:

Key ratios *(unaudited)*	**4Q23**	**4Q22**	***Change***	**FY23**	**FY22**	***Change***
Combined ratio	89.0%	78.3%	10.7 ppts	89.5%	79.2%	10.3 ppts
Expense ratio	38.5%	34.5%	4.0 ppts	35.8%	34.1%	1.7 ppts
Loss ratio	49.8%	47.5%	2.3 ppts	53.8%	47.3%	6.5 ppts
FX ratio	0.7%	-3.7%	4.4 ppts	-0.1%	-2.2%	2.1 ppts
ROAE[38]	28.8%	30.0%	-1.2 ppts	24.4%	29.7%	-5.3 ppts

- The combined ratio increased by 10.7 ppts y-o-y in 4Q23 (up by 10.3 ppts y-o-y in FY23).
    - The expense ratio was up by 4.0 ppts y-o-y in 4Q23 and up by 1.7 ppts y-o-y in FY23, driven by increased salary expenses in line with the business growth.
    - The 4Q23 loss ratio was up 2.3 ppts y-o-y, mainly attributable to the increased cargo and property insurance claims. The FY23 loss ratio (up 6.5 ppts y-o-y) further reflects a number of extraordinary events that occurred during 2023:
      - Increased agro insurance claims due to an abnormal number of hailstorms during the year resulted in a 2.9 ppts y-o-y increase in the FY23 loss ratio. The increase additionally reflects the base effect of exceptionally low agro insurance claims in FY22.
      - Increased property insurance claims, resulting from a) an unprecedented landslide in one of the regions of Georgia with the estimated net loss of GEL 2.6 million (2.2 ppts impact on the FY23 loss ratio); and b) a large property insurance claim incurred in 1Q23, with an estimated net loss of GEL 1.2 million.
    - A 4.4 ppts y-o-y increase in the FX ratio in 4Q23 (up by 2.1 ppts y-o-y in FY23) reflects the impact of foreign exchange rate movements on the business's insurance operations.
- P&C Insurance's net investment profit was up by 46.9% y-o-y in 4Q23 (up by 66.1% y-o-y in FY23), attributable to a) a higher average liquid funds balance, b) an increase in global interest rates, and c) a reversal of market-driven losses in 4Q23 and FY23 on investments placed in publicly traded debt securities.

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

- P&C Insurance's solvency ratio was 171% as of 31 December 2023, significantly above the required minimum of 100%.
- A y-o-y decrease in the net cash flows from operating activities in 4Q23 reflects the cash outflows for the reimbursement of the abnormal amount of claims mentioned above. The FY23 numbers further reflect the timing difference of payment of some payable balances to reinsurers.
- GEL 6.5 million dividends were paid to GCAP in 4Q23 (GEL 14.9 million in FY23).

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

OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

- In 2023, 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 2023, 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

(Unaudited)

INCOME STATEMENT HIGHLIGHTS	4Q23	4Q22	Change	FY23	FY22	Change
Insurance revenue	24,767	21,072	17.5%	91,331	74,892	22.0%
Net underwriting profit	5,490	3,719	47.6%	16,129	10,633	51.7%
Net investment profit	977	1,048	-6.8%	4,448	3,894	14.2%
Net profit	2,193	1,947	12.6%	6,517	3,397	91.8%
CASH FLOW HIGHLIGHTS						
Net cash flows from operating activities	4,173	3,129	33.4%	10,612	4,665	127.5%
Free cash flow	**3,266**	**2,780**	**17.5%**	**7,563**	**3,700**	**104.4%**

BALANCE SHEET HIGHLIGHTS	31-Dec-23	30-Sep-23	Change	31-Dec-22	Change
Total assets	68,700	67,675	1.5%	65,578	4.8%
Total equity	38,127	35,869	6.3%	35,396	7.7%

INCOME STATEMENT HIGHLIGHTS

- The increase in 4Q23 and FY23 insurance revenue is due to the increase in the price of insurance policies and a 3.3% y-o-y increase in the total number of insured clients (c.169,100 as of Dec-23) mainly in the corporate client segment.
- FY23 net claims expenses stood at GEL 71.4 million (up 17.7% y-o-y), out of which:
  - GEL 28.0 million (39.3% of the total) was inpatient.
  - GEL 31.3 million (43.8% of the total) was outpatient; and
  - GEL 12.1 million (16.9% of the total) was related to pharmaceuticals.
- 4Q23 combined ratio decreased by 2.5 ppts y-o-y to 92.6% (down by 4.7 ppts y-o-y to 94.8% in FY23), reflecting:
  - Improved loss ratio, down 3.8 ppts y-o-y to 73.9% in 4Q23 (down 2.8 ppts y-o-y to 78.2% in FY23), driven by robust revenue growth.
  - The slight increase in expense ratio in 4Q23 (up 1.3 ppts y-o-y to 18.7%) was mainly due to the increased salaries and other employee benefits (up 60.7% in 4Q23 y-o-y) in line with the business growth. Overall, in FY23 expense ratio was down 1.9 ppts to 16.6% reflecting the top-line growth of the business.
- The developments described above translated into a 12.6% and 91.8% y-o-y increase in the 4Q23 and FY23 net profit, respectively.

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

- GEL 5.0 million dividends were paid to GCAP in FY23.
- The solid operating performance of the business led to a 33.4% and 127.5% y-o-y increase in the net cash flows from operating activities in 4Q23 and FY23, respectively.

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$.

4Q23 & FY23 performance (US$ '000), Renewable Energy[42]

(Unaudited)						
INCOME STATEMENT HIGHLIGHTS	**4Q23**	**4Q22**	**Change**	**FY23**	**FY22**	**Change**
Revenue	**2,978**	**2,843**	**4.7%**	**14,449**	**14,583**	**-0.9%**
Of which, PPA	*2,431*	*2,588*	*-6.1%*	*8,529*	*8,962*	*-4.8%*
Of which, Non-PPA	*547*	*255*	*114.5%*	*5,920*	*5,621*	*5.3%*
Operating expenses	(947)	(937)	1.1%	(4,068)	(3,408)	19.4%
EBITDA	**2,031**	**1,906**	**6.6%**	**10,381**	**11,175**	**-7.1%**
EBITDA margin	*68.2%*	*67.0%*	*1.2 ppts*	*71.8%*	*76.6%*	*-4.8 ppts*
Net (loss)/profit	**(1,098)**	**2,363**	**NMF**	**(666)**	**933**	**NMF**
CASH FLOW HIGHLIGHTS						
Cash flow from operating activities	**3,035**	**3,302**	**-8.1%**	**9,877**	**11,344**	**-12.9%**
Cash flow used in investing activities	**(398)**	**2,698**	**NMF**	**(3,561)**	**2,961**	**NMF**
Cash flow used in financing activities	**(2,581)**	**(2,627)**	**-1.8%**	**(5,170)**	**(18,255)**	**-71.7%**
Dividends paid out	-	*(700)*	*NMF*	*(2,000)*	*(2,800)*	*-28.6%*
BALANCE SHEET HIGHLIGHTS	**31-Dec-23**	**30-Sep-23**	**Change**	**31-Dec-22**	**Change**	
Total assets	**122,579**	**124,757**	**-1.7%**	**122,645**	**-0.1%**	
Of which, cash balance	*10,525*	*10,585*	*-0.6%*	*9,468*	*11.2%*	
Total liabilities	**83,911**	**85,176**	**-1.5%**	**84,288**	**-0.4%**	
Of which, borrowings	*80,935*	*82,195*	*-1.5%*	*80,570*	*0.5%*	
Total equity	**38,667**	**39,581**	**-2.3%**	**38,357**	**0.8%**	
INCOME STATEMENT HIGHLIGHTS (GEL)	4Q23	4Q22	Change	FY23	FY22	Change
Revenue	8,048	7,801	3.2%	38,065	42,221	-9.8%
EBITDA	5,488	5,244	4.7%	27,357	32,311	-15.3%

INCOME STATEMENT HIGHLIGHTS

- The y-o-y increase in 4Q23 revenue in US$ terms reflects the net impact of the following factors:
  - A 7.8% y-o-y increase in electricity generation in 4Q23, mainly driven by the resumption of operations of two power-generating units of Hydrolea HPPs, which were taken offline during November 2022-June 2023 periods due to previously planned phased rehabilitation works.
  - The average electricity selling price was down 2.7% y-o-y to 58.7 US$/MWh in 4Q23.
- The y-o-y decrease in FY23 revenue in US$ terms reflects the net impact of the following factors:
  - A 5.3% y-o-y decrease in electricity generation in FY23 due to the rehabilitation works at Hydrolea HPPs, as described above.
  - A 4.6% y-o-y increase in the average electricity selling price in FY23 (up to 56.8 US$/MWh). This reflects the export of 32.3 GWh of electricity to the Republic of Türkiye in May-July 2023, with an average export price of 68.4 US$/MWh.
- Approximately 80% of electricity sales during 4Q23 (c.55% in FY23) were covered by long-term fixed-price power purchase agreements (PPAs) formed with a government-backed entity.

Revenue and generation breakdown by power assets:

(Unaudited)	4Q23				FY23			
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	480	*-16.5%*	8,733	*-16.4%*	5,491	*8.0%*	99,697	*-4.5%*
20MW Hydrolea HPPs	1,214	*54.6%*	22,310	*60.7%*	3,366	*-12.0%*	68,308	*-10.8%*
21MW Qartli wind farm	1,284	*-13.4%*	19,758	*-13.4%*	5,592	*-1.5%*	86,033	*-1.5%*
Total	**2,978**	***4.7%***	**50,801**	***7.8%***	**14,449**	***-0.9%***	**254,038**	***-5.3%***

- Operating expenses were flat in 4Q23. As for the FY23, the operating expenses were up by 19.4% y-o-y reflecting electricity and transmission costs incurred due to electricity export in the Republic of Türkiye.
- The developments described above led to a 6.6% y-o-y increase in EBITDA in 4Q23 (down 7.1% y-o-y in FY23).

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

- A y-o-y decrease in the cash flow from investing activities reflects the high base effect of the following factors on 2022 numbers: a) consideration received from the Mestiachala 1 HPP sale and b) the sale of financial securities, previously held for liquidity management purposes.
- A y-o-y decrease in the FY23 cash outflows from financing activities is attributable to the y-o-y decrease in the average gross debt balance.

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

- Subsequent to 4Q23, the business repurchased and cancelled US$ 5.1 million of its outstanding US$ 80.0 million green bonds. Consequently, the gross debt balance of Renewable Energy now stands at US$ 74.9 million.

Discussion of Education Business Results

Our education business currently combines majority stakes in four private school brands operating across seven campuses acquired over the period 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.

4Q23 & FY23 performance (GEL '000), Education[43]

(Unaudited)						
INCOME STATEMENT HIGHLIGHTS	**4Q23**	**4Q22**	**Change**	**FY23**	**FY22**	**Change**
Revenue	**19,346**	**13,676**	**41.5%**	**55,491**	**42,577**	**30.3%**
Operating expenses	(12,936)	(8,625)	50.0%	(41,053)	(28,953)	41.8%
EBITDA	**6,410**	**5,051**	**26.9%**	**14,438**	**13,624**	**6.0%**
EBITDA Margin	*33.1%*	*36.9%*	*-3.8 ppts*	*26.0%*	*32.0%*	*-6.0 ppts*
Net profit	**8,223**	**3,901**	**110.8%**	**13,263**	**11,338**	**17.0%**
CASH FLOW HIGHLIGHTS						
Net cash flows used in operating activities	(115)	1,048	NMF	17,363	16,454	5.5%
Net cash flows used in investing activities	(3,504)	(7,707)	-54.5%	(31,254)	(24,079)	29.8%
Net cash flows from financing activities	1,634	(525)	NMF	15,897	5,500	NMF
BALANCE SHEET HIGHLIGHTS	**31-Dec-23**	**30-Sep-23**	**Change**	**31-Dec-22**	**Change**	
Total assets	**191,723**	**186,718**	**2.7%**	**156,320**	**22.6%**	
Of which, cash	7,535	9,491	-20.6%	5,709	32.0%	
Total liabilities	**62,149**	**66,340**	**-6.3%**	**52,168**	**19.1%**	
Of which, borrowings	27,750	26,443	4.9%	21,740	27.6%	
Total equity	**129,574**	**120,378**	**7.6%**	**104,152**	**24.4%**	

INCOME STATEMENT HIGHLIGHTS

- The y-o-y increase in 4Q23 and FY23 revenues was driven by a) organic growth through strong intakes and a ramp-up of the utilisation and b) expansion of the business, as described in other valuation drivers and operating highlights section below. 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 50.0% and 41.8% y-o-y in 4Q23 and FY23, respectively, mainly reflecting increased salary, catering and utility expenses, in line with the expansion of the business and inflation.
- Consequently, EBITDA was up by 26.9% y-o-y in 4Q23 (up by 6.0% y-o-y in FY23).
- The business posted a net income of GEL 8.2 million in 4Q23 (GEL 13.3 million in FY23).

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

- Strong cash collection rates (at 77.2% as of 31-Dec-23, slightly below last year's level of 79.5%), combined with enhanced revenue streams, led to a 5.5% y-o-y increase in operating cash flow generation of the business in FY23.
- Investing cash flows of GEL 31.3 million in FY23 mainly reflect the cash outflows for the investment projects, in line with the business expansion strategy.

OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

- In 2023, the total learner capacity of the education business increased by 1,600 learners to 7,270 learners, reflecting a) the launch of a new campus in the mid-scale segment and b) the acquisition of the new campus in the affordable segment during 2023.
- The total number of learners increased by 1,665 learners y-o-y to 5,827 learners at 31-Dec-2023.
- The utilisation rate for the total 7,270 learner capacity was up by 6.8 ppts y-o-y to 80.2% as of 31-Dec-23.
  - The utilisation rate for the pre-expansion 2,810 learner capacity was 100%.
  - The utilisation of the newly added capacity of 4,460 learners was 67.6%.
- The number of campuses across the different segments is noted below:

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

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

Discussion of Clinics and Diagnostics Business Results[44]

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. Following the strategic restructuring, as outlined in the hospitals business discussion section on page 15, the business comprises two segments: 1) 19 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".

4Q23 & FY23 performance (GEL '000), Clinics and Diagnostics[45]

(Unaudited)

INCOME STATEMENT HIGHLIGHTS	4Q23	4Q22	Change	FY23	FY22	Change
Revenue, net[46]	**17,047**	**13,238**	**28.8%**	**61,723**	**56,691**	**8.9%**
Of which, clinics	*13,717*	*10,446*	*31.3%*	*49,170*	*41,133*	*19.5%*
Of which, diagnostics	*4,950*	*4,253*	*16.4%*	*18,435*	*20,477*	*-10.0%*
Of which, inter-business eliminations	*(1,620)*	*(1,461)*	*10.9%*	*(5,882)*	*(4,919)*	*19.6%*
Gross Profit	**8,350**	**5,058**	**65.1%**	**29,240**	**23,622**	**23.8%**
Gross profit margin	*48.9%*	*38.0%*	*10.9 ppts*	*47.2%*	*41.6%*	*5.6 ppts*
Operating expenses (ex. IFRS 16)	(5,429)	(4,986)	8.9%	(16,345)	(18,013)	-9.3%
EBITDA (ex. IFRS 16)	**2,921**	**72**	**NMF**	**12,895**	**5,609**	**129.9%**
EBITDA margin (ex. IFRS 16)	*17.1%*	*0.5%*	*16.6 ppts*	*20.8%*	*9.9%*	*10.9 ppts*
Net profit/(loss) (ex. IFRS 16)	**1,008**	**(3,934)**	**NMF**	**2,307**	**(5,187)**	**NMF**
CASH FLOW HIGHLIGHTS						
Cash flow from operating activities (ex. IFRS 16)	**2,274**	**988**	**NMF**	**6,901**	**3,878**	**78.0%**
EBITDA to cash conversion (ex. IFRS 16)	*77.9%*	*NMF*	*NMF*	*53.5%*	*69.1%*	*-15.6 ppts*
Cash flow used in investing activities	**8,951**	**(1,044)**	**NMF**	**(1,451)**	**(8,460)**	**-82.8%**
Free cash flow (ex. IFRS 16)[47]	**14,780**	**(29)**	**NMF**	**10,508**	**(3,985)**	**NMF**
Cash flow used in financing activities (ex. IFRS 16)	**(9,960)**	**3,405**	**NMF**	**(5,982)**	**4,117**	**NMF**

BALANCE SHEET HIGHLIGHTS	31-Dec-23	30-Sep-23	Change	31-Dec-22	Change
Total assets	**135,848**	**141,259**	**-3.8%**	**125,598**	**8.2%**
Of which, cash balance and bank deposits	4,500	3,240	38.9%	5,033	-10.6%
Of which, securities and loans issued	8,357	4,869	71.6%	3,607	NMF
Total liabilities	**83,901**	**88,230**	**-4.9%**	**71,908**	**16.7%**
Of which, borrowings	48,630	56,753	-14.3%	47,252	2.9%
Total equity	**51,947**	**53,029**	**-2.0%**	**53,690**	**-3.2%**

Discussion of results, Clinics

(Unaudited, GEL '000)

INCOME STATEMENT HIGHLIGHTS	4Q23	4Q22	Change	FY23	FY22	Change
Revenue, net	**13,717**	**10,446**	**31.3%**	**49,170**	**41,133**	**19.5%**
Gross Profit	**6,985**	**4,357**	**60.3%**	**24,550**	**18,990**	**29.3%**
Gross profit margin	*50.8%*	*41.4%*	*9.4 ppts*	*49.7%*	*46.0%*	*3.7 ppts*
Operating expenses (ex. IFRS 16)	(4,420)	(4,001)	10.5%	(12,845)	(14,043)	-8.5%
EBITDA (ex. IFRS 16)	**2,565**	**356**	**NMF**	**11,705**	**4,947**	**136.6%**
EBITDA margin (ex. IFRS 16)	*18.7%*	*3.4%*	*15.3 ppts*	*23.7%*	*12.0%*	*11.7 ppts*
Net profit/(loss) (ex. IFRS 16)	**1,113**	**(3,302)**	**NMF**	**3,027**	**(4,529)**	**NMF**
CASH FLOW HIGHLIGHTS						
Cash flow from operating activities (ex. IFRS 16)	**2,042**	**90**	**NMF**	**8,214**	**3,832**	**NMF**
EBITDA to cash conversion (ex. IFRS 16)	*79.6%*	*25.3%*	*54.3 ppts*	*70.2%*	*77.5%*	*-7.3 ppts*
Cash flow used in investing activities[48]	**9,255**	**(1,019)**	**NMF**	**(194)**	**(7,748)**	**-97.5%**
Free cash flow (ex. IFRS 16)	**14,855**	**(891)**	**NMF**	**13,094**	**(3,256)**	**NMF**
Cash flow used in financing activities (ex. IFRS 16)	**(10,260)**	**3,759**	**NMF**	**(7,649)**	**5,454**	**NMF**

BALANCE SHEET HIGHLIGHTS	31-Dec-23	30-Sep-23	Change	31-Dec-22	Change
Total assets	**105,789**	**110,761**	**-4.5%**	**95,250**	**11.1%**
Of which, cash balance and bank deposits	4,261	3,229	32.0%	3,892	9.5%
Of which, securities and loans issued	8,357	4,869	71.6%	3,607	NMF
Total liabilities	**71,840**	**75,541**	**-4.9%**	**60,782**	**18.2%**
Of which, borrowings	42,340	50,833	-16.7%	43,056	-1.7%
Total equity	**33,949**	**35,220**	**-3.6%**	**34,468**	**-1.5%**

INCOME STATEMENT HIGHLIGHTS

- The increase in revenue is the result of higher demand for non-COVID regular ambulatory services and the expansion of the business, which added two new ambulatory centres in the second half of 2022 and two in 2023.
- The cost of services in the clinics consists mainly of salaries, cost of providers, materials and utilities:

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[44] The numbers were adjusted retrospectively to account for the recent strategic reorganisation in the healthcare businesses.
[45] The detailed IFRS financial statements are included in supplementary excel file, available at https://georgiacapital.ge/ir/financial-results.
[46] Net revenue – Gross revenue less corrections and rebates. Margins are calculated from Gross revenue.
[47] Operating cash flows less capex.
[48] Of which capex of GEL 3.2 million in 4Q23 and GEL 11.2 million in FY23 (GEL 1.0 million in 4Q22 and GEL 7.1 million in FY22).

  - The trend in salary cost is captured in the direct salary rate[49]. A significant portion of direct salaries is fixed, which on the back of increased revenue improved by 4.9 ppts to 30.2% in 4Q23 and by 2.0 ppts to 31.5% in FY23.
  - The cost of providers mainly consists of outsourced laboratory services, which as a percentage of revenue also improved y-o-y, down 1.7 ppts to 12.0% in 4Q23 and down 0.5 ppts to 11.6% in FY23, attributable to additional discounts from the laboratory services provider.
- As a result of the developments described above, the gross profit margins improved substantially in 4Q23 and FY23, up 9.4 and 3.7 ppts, y-o-y, respectively.
- Operating expenses (excl. IFRS 16) were up by 10.5% y-o-y in 4Q23, reflecting increased salaries and administrative expenses (excl. IFRS 16) in line with the expansion of the business as described above. The FY23 operating expenses (excl. IFRS 16) were down by 8.5% y-o-y which mainly reflect a GEL 2.9 million gain recognised from the sale of one of the polyclinic buildings in 3Q23.
- Business performance translated into an 18.7% EBITDA margin in 4Q23 (up 15.3 ppts y-o-y) and 23.7% in FY23 (up 11.7 ppts y-o-y). Excluding the gain recognised from the disposal, the FY23 EBITDA margin was 17.8% (up 5.8 ppts y-o-y).
- The net interest expense (excl. IFRS 16) was up 12.9% in FY23 y-o-y (down 1.6% y-o-y in 4Q23) reflecting a) an increased balance of net debt during the year 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 was up 54.3 ppts in 4Q23, y-o-y to 79.6% and stood at 70.2% for FY23.
- In FY23, the business spent GEL 11.2 million on capex, primarily related to the expansion of the services and the polyclinics chain. Capex investment in 4Q23 amounted to GEL 3.2 million.

OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

- The number of admissions at our clinics is highlighted below:

(Unaudited)	**4Q23**	**4Q22**	**Change**	**FY23**	**FY22**	**Change**
Number of admissions (thousands)	449.4	447.1	0.5%	1,640.0	1,707.5	-4.0%

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

(Unaudited)	***Dec-23***	***Sep-23***	***Change (q-o-q)***	***Dec-22***	***Change (y-o-y)***
Number of polyclinics	19	17	2	17	2

As of 31-Dec-23, the total number of registered patients in our polyclinics reached c.301,000 (c.277,000 as of 31-Dec-22) in Tbilisi and c.636,000 (c.616,000 as of 31-Dec-22) in Georgia.

Discussion of results, Diagnostics

(Unaudited, GEL '000)

INCOME STATEMENT HIGHLIGHTS	**4Q23**	**4Q22**	**Change**	**FY23**	**FY22**	**Change**
Revenue, net	**4,950**	**4,253**	**16.4%**	**18,435**	**20,477**	**-10.0%**
Of which, from regular lab tests	4,877	3,943	23.7%	17,910	14,417	24.2%
Of which, from COVID-19 tests	73	310	-76.5%	525	6,060	-91.3%
Gross Profit	**1,365**	**701**	**94.7%**	**4,690**	**4,632**	**1.3%**
Gross profit margin	*27.6%*	*16.5%*	*11.1 ppts*	*25.4%*	*22.6%*	*2.8 ppts*
Operating expenses (ex. IFRS 16)	(1,009)	(985)	2.4%	(3,500)	(3,964)	-11.7%
EBITDA (ex. IFRS 16)	**356**	**(284)**	**NMF**	**1,190**	**668**	**78.1%**
EBITDA margin (ex. IFRS 16)	*7.2%*	*-6.7%*	*13.9 ppts*	*6.5%*	*3.3%*	*3.2 ppts*
Net loss (ex. IFRS 16)	**(105)**	**(632)**	**83.4%**	**(1,172)**	**(652)**	**-79.8%**

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 23.7% y-o-y increase in revenues from regular lab tests in 4Q23 and 24.2% in FY23.
- Overall, the 10.0% y-o-y decrease in the net revenue of the diagnostics business in FY23 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 91.3% y-o-y in FY23.
- In 4Q23, the business posted a 94.7% y-o-y increase in gross profit with 27.6% gross profit margin (up 11.1 ppts y-o-y) and GEL 0.4 million EBITDA with 7.2% EBITDA margin (up 13.9 ppts y-o-y), reflecting increased demand on higher margin

[49] The respective costs divided by gross revenues.

non-COVID services. The FY23 gross profit was up 1.3% with 25.4% gross profit margin (up 2.8 ppts y-o-y), while in the same period, the EBITDA was up 78.1% with 6.5% EBITDA margin (up 3.2 ppts y-o-y), the latter reflecting a reduction in the operating expenses.

OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

- The key operating performance highlights for 4Q23 and FY23 are noted below:

(Unaudited)	**4Q23**	**4Q22**	**Change**	**FY23**	**FY22**	**Change**
Number of non-Covid tests performed (thousands)	658	607	8.4%	2,449	2,174	12.7%
Average revenue per non-Covid test (GEL)	7.4	6.5	14.1%	7.3	6.6	10.2%

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 284.3 million at 31-Dec-23, which represented 7.7% of our total portfolio.

4Q23 & FY23 aggregated performance highlights (GEL '000), Other Portfolio

(Unaudited)	**4Q23**	**4Q22**	**Change**	**FY23**	**FY22**	**Change**
Revenue	140,132	134,014	4.6%	572,941	484,417	18.3%
EBITDA	7,541	4,467	68.8%	43,714	34,778	25.7%
Net cash flows used in operating activities	(7,076)	(6,734)	-5.1%	(7,525)	4,834	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 4Q23, revenue was up by 24.1% y-o-y to GEL 22.9 million (up 28.7% y-o-y to GEL 63.3 million in FY23), reflecting an increase in retail, corporate and wholesale segments. Similarly, the gross profit was up by 26.4% to GEL 5.7 million in 4Q23 and up by 37.4% to GEL 16.3 million in FY23, y-o-y. In 4Q23, operating expenses were up by 38.5% y-o-y (up by 45.8% y-o-y in FY23), reflecting the business growth. As a result, the business posted GEL 1.9 million EBITDA in 4Q23, up by 7.5% y-o-y (GEL 4.3 million in FY23, up by 18.3% y-o-y).
  - **Periodic technical inspection (PTI) business |** PTI business's revenue was up by 33.7% y-o-y to GEL 5.7 million in 4Q23 (up by 24.1% y-o-y to GEL 20.8 million in FY23). 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 20.8% and 10.9% y-o-y in 4Q23 and FY23, respectively, translating into a 10.6% and 18.4% y-o-y increase in EBITDA (4Q23 and FY23 EBITDA were GEL 2.5 and GEL 10.3 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 8.2% y-o-y to GEL 27.6 million in 4Q23 and was up by 18.9% y-o-y to GEL 136.2 million in FY23, resulting from the strong recovery in tourism and increased product prices due to higher demand. Sales in hectolitres were flat in 4Q23 (up by 0.2% y-o-y) and were up by 8.8% y-o-y in FY23. The average 4Q23 GEL price per litre (average for beer and lemonade) increased by 8.0% y-o-y (up by 9.3% in FY23). The operating expenses were down by 30.1% and 29.6% y-o-y in 4Q23 and FY23, deriving from the structural changes across beer and distribution business lines. Consequently, the EBITDA of the business increased by more than four times y-o-y and stood at GEL 3.7 million in 4Q23 (up 44.2% y-o-y to GEL 22.0 million in FY23).
  - **Distribution business |** Revenue of the distribution business increased by 16.1% and 9.6% y-o-y to GEL 41.7 million and GEL 190.8 million in 4Q23 and FY23, respectively. The gross profit margin was up by 0.5 ppts and 3.1 ppts y-o-y in 4Q23 and FY23, respectively, reflecting the improved trade terms from the suppliers. In 4Q23, operating expenses were up by 33.7% y-o-y (up by 45.6% y-o-y in FY23), reflecting the business growth, increased marketing expenses and inflation. As a result, the business posted GEL 1.2 million EBITDA in 4Q23, down by 24.6% y-o-y (GEL 9.4 million in FY23, down by 1.2% y-o-y).
  - **Wine business |** The net revenue of the wine business was down by 18.7% to GEL 15.0 million in 4Q23 (up by 22.8% y-o-y to GEL 58.1 million in FY23). The decline was driven by a 13.7% decrease in the number of bottles sold in 4Q23 (a 37.9% increase in FY23), primarily due to a decrease in exports. The share of exports in total sales was down by 1.0 ppts y-o-y to 80.9% in 4Q23 (up by 4.1 ppts y-o-y in FY23). Operating expenses decreased by

13.3% y-o-y in 4Q23 due to cost savings (down by 5.7% in FY23). Consequently, EBITDA increased by 27.6% to GEL 1.5 million in 4Q23 (up by GEL 3.3 million to GEL 4.4 million in FY23).

- **Real estate businesses** | The combined revenue of the real estate businesses was flat y-o-y in 4Q23 at GEL 56.9 million (up by 24.9% y-o-y to GEL 238.2 million in FY23). The FY23 EBITDA decreased by GEL 6.5 million y-o-y to negative GEL 7.0 million, mainly resulting from the remeasurement of the construction budgets for ongoing residential projects at our housing development business (4Q23 EBITDA was down by GEL 0.5 million to negative GEL 3.4 million y-o-y). In FY23, 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 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.

RECONCILIATION OF ADJUSTED INCOME STATEMENT TO IFRS INCOME STATEMENT

The table below reconciles the adjusted income statement to the IFRS income statement. Adjustments to reconcile adjusted income statement with IFRS income statement mainly relate to eliminations of income, expense and certain equity movement items recognised at JSC Georgia Capital, which are subsumed within gross investment (loss)/income in IFRS income statement of Georgia Capital PLC.

	4Q23, *unaudited*			FY23, *unaudited*		
GEL '000, unless otherwise noted (Unaudited)	**Adjusted IFRS income statement**	**Adjustment**	**IFRS income statement**	**Adjusted IFRS income statement**	**Adjustment**	**IFRS income statement**
Dividend income	34,148	(8,342)	25,806	235,883	(188,224)	47,659
Interest income	2,345	(2,345)	-	16,642	(16,642)	-
Realised / unrealised gain/(loss) on liquid funds / Loss on Eurobond buybacks	772	(772)	-	(1,574)	1,574	-
Interest expense	(9,026)	9,026	-	(47,808)	47,808	-
Gross operating income/(loss)	**28,239**	**(2,433)**	**25,806**	**203,143**	**(155,484)**	**47,659**
Operating expenses (administrative, salaries and other employee benefits)	(8,807)	8,807	-	(36,779)	36,779	-
GCAP net operating income/(loss)	**19,432**	**6,374**	**25,806**	**166,364**	**(118,705)**	**47,659**
Total investment return / gain on investments at fair value	**188,984**	**241**	**189,225**	**444,632**	**123,719**	**568,351**
Administrative expenses, salaries and other employee benefits	-	(2,025)	(2,025)	-	(6,563)	(6,563)
Income/(loss) before foreign exchange movements and non-recurring expenses	**208,416**	**4,590**	**213,006**	**610,996**	**(1,549)**	**609,447**
Net foreign currency gain/(loss)	28	15	43	6,491	(7,446)	(955)
Non-recurring expenses	(139)	139	-	(1,898)	1,898	-
Net gains from investments measured at FVPL	-	125	125	-	125	125
Net income/(loss)	**208,305**	**4,869**	**213,174**	**615,589**	**(6,972)**	**608,617**

DETAILED FINANCIAL INFORMATION

IFRS STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME OF GEORGIA CAPITAL PLC

GEL '000, unless otherwise noted	**2023, unaudited**	**2022, audited**
Gains on investments at fair value	568,351	925
Dividend income	47,659	-
Gross investment profit	**616,010**	**925**
Administrative expenses	(4,476)	(4,389)
Salaries and other employee benefits	(2,087)	(2,374)
Profit/(loss) before foreign exchange and non-recurring items	**609,447**	**(5,838)**
Net foreign currency loss	(955)	(6,075)
Non-recurring expense	-	(240)
Net gains from investment securities measured at FVPL	125	
Profit/(loss) before income taxes	**608,617**	**(12,153)**
Income tax	-	-
(Profit/(loss) for the year	**608,617**	**(12,153)**
Other comprehensive income	-	-
Total comprehensive income/(loss) for the year	**608,617**	**(12,153)**
Earnings/(loss) per share:		
– basic	15.4102	(0.2887)
– diluted	14.9311	(0.2887)

IFRS STATEMENT OF FINANCIAL POSITION OF GEORGIA CAPITAL PLC

GEL '000, unless otherwise noted	**31 December 2023** ***Unaudited***	**31 December 2022** ***Audited***
Assets		
Cash and cash equivalents[50]	12,319	23,361
Investment in redeemable securities	3,517	-
Prepayments	976	363
Equity investments at fair value	3,363,411	2,795,060
Total assets	**3,380,223**	**2,818,784**
Liabilities		
Other liabilities	1,711	1,393
Total liabilities	**1,711**	**1,393**
Equity		
Share capital	1,420	1,473
Additional paid-in capital and merger reserve	238,311	238,311
Treasury shares	(2)	-
Retained earnings	3,138,783	2,577,607
Total equity	**3,378,512**	**2,817,391**
Total liabilities and equity	**3,380,223**	**2,818,784**

IFRS STATEMENT OF CASH FLOWS OF GEORGIA CAPITAL PLC

GEL '000, unless otherwise noted	**2023** **Unaudited**	**2022** **Audited**
Cash flows from operating activities		
Salaries and other employee benefits paid	(1,546)	(1,877)
General, administrative and operating expenses paid	(4,685)	(4,780)
Transaction costs paid	-	(3,172)
Net cash flows used in operating activities before income tax	**(6,231)**	**(9,829)**
Income tax paid	-	-
Net Cash flow used in operating activities	**(6,231)**	**(9,829)**
Cash flows used in investing activities		
Capital redemption from subsidiary	-	87,238
Purchase of redeemable securities	(3,382)	-
Dividends received	47,659	-
Cash flows from investing activities	**44,277**	**87,238**
Cash flows from financing activities		
Other purchases of treasury shares	(47,834)	(54,326)
Acquisition of treasury shares under share-based payment plan	(203)	(247)
Net cash used in financing activities	**(48,037)**	**(54,573)**
Effect of exchange rates changes on cash and cash equivalents	(1,051)	(6,675)
Net (decrease)/increase in cash and cash equivalents	**(11,042)**	**16,161**
Cash and cash equivalents, beginning of the year	**23,361**	**7,200**
Cash and cash equivalents, end of the year	**12,319**	**23,361**

IFRS STATEMENT OF CHANGES IN EQUITY OF GEORGIA CAPITAL PLC

Unaudited, GEL '000, unless otherwise noted	***Share capital***	***Additional paid-in capital and merger reserve***	***Treasury Shares***	***Retained earnings***	***Total***
31 December 2022	**1,473**	**238,311**	**-**	**2,577,607**	**2,817,391**
Profit for the year	-	-	-	608,617	608,617
Total comprehensive income for the year	**-**	**-**	**-**	**608,617**	**608,617**
Increase in equity arising from share-based payments	-	-	-	541	541
Cancellation of shares	(53)	-	53	-	-
Purchase of treasury shares	-	-	(55)	(47,982)	(48,037)
31 December 2023	**1,420**	**238,311**	**(2)**	**3,138,783**	**3,378,512**

[50] As at 31 December 2023 and 31 December 2022 cash and cash equivalents consist of current accounts with credit institutions.

SEGMENT INFORMATION - RECONCILIATION TO IFRS FINANCIAL STATEMENTS (2023)

Unaudited, GEL '000, unless otherwise noted	*Georgia Capital PLC*	*Aggregation with JSC Georgia Capital*	*Elimination of double effect on investments*	*Aggregated Holding Company*	*Reclassifications*[51]	*NAV Statement*
Cash and cash equivalents	12,319	51,138	-	63,457	(63,457)	-
Amounts due from credit institutions	-	8,678	-	8,678	(8,678)	-
Marketable securities	-	18,203	-	18,203	(18,203)	-
Investment in redeemable securities	3,517	14,068	-	17,585	(17,585)	-
Prepayments	976	-	-	976	(976)	-
Loans issued	-	9,212	-	9,212	(9,212)	-
Other assets, net	-	5,060	-	5,060	(5,060)	-
Equity investments at fair value	3,363,411	3,671,945	(3,363,411)	3,671,945	-	3,671,945
Total assets	**3,380,223**	**3,778,304**	**(3,363,411)**	**3,795,116**	**(123,171)**	**3,671,945**
Debt securities issued	-	413,930	-	413,930	(413,930)	-
Other liabilities	1,711	963	-	2,674	(2,674)	-
Total liabilities	**1,711**	**414,893**	**-**	**416,604**	**(416,604)**	**-**
Net Debt	-	-	-	-	(296,808)	(296,808)
of which, Cash and liquid funds	-	-	-	-	*107,910*	*107,910*
of which, Loans issued	-	-	-	-	*9,212*	*9,212*
of which, Gross Debt	-	-	-	-	*(413,930)*	*(413,930)*
Net other assets/ (liabilities)	-	-	-	-	3,375	3,375
Total equity/NAV	**3,378,512**	**3,363,411**	**(3,363,411)**	**3,378,512**	**-**	**3,378,512**

RETAIL (PHARMACY) - RECONCILIATION TO IFRS 16 (2023)

Unaudited, GEL '000, unless otherwise noted	**Before IFRS 16**	***IFRS 16 effects***	**After IFRS 16**
Income statement			
Gross profit	244,322	-	244,322
Operating Expenses	(166,979)	*30,286*	(136,693)
EBITDA	**77,343**	***30,286***	**107,629**
Depreciation and amortization	(8,468)	*(26,620)*	(35,088)
Net interest (expense)/income	(13,545)	*(8,543)*	(22,088)
Net (losses)/gains from foreign currencies	(5,342)	*16*	(5,326)
Net non-recurring (expense)/income	(3,567)	-	(3,567)
Profit before income tax expense	**46,421**	***(4,861)***	**41,560**
Income tax (expense)/benefit	(807)	-	(807)
Profit for the year	**45,614**	***(4,861)***	**40,753**
Cash flow statement			
Net cash flow from operating activities	52,361	*30,500*	82,861
Net cash flow used in investing activities	(84,130)	-	(84,130)
Net cash flow from financing activities	17,686	*(30,500)*	(12,814)
Exchange (losses)/gains on cash equivalents	(813)	-	(813)
Total cash inflow	**(14,896)**	**-**	**(14,896)**
Cash balance			
Cash, beginning balance	75,279	-	75,279
Cash, ending balance	**60,383**	**-**	**60,383**

[51] Reclassification to aggregated balances to arrive at the NAV specific presentation, such as: aggregating cash, marketable securities, investment in redeemable securities, repurchased GCAP bonds as cash and liquid funds, debt securities issued as gross debt and netting of other assets and liabilities.

HOSPITALS - RECONCILIATION TO IFRS 16 (2023)

Unaudited, GEL '000, unless otherwise noted	Before IFRS 16	*IFRS 16 effects*	After IFRS 16
Income statement			
Gross profit	104,616	-	104,616
Operating Expenses	(58,487)	*966*	(57,521)
EBITDA	**46,129**	***966***	**47,095**
Depreciation and amortization	(31,886)	*(2,860)*	(34,746)
Net interest (expense)/income	(30,345)	*(385)*	(30,730)
Net (losses)/gains from foreign currencies	(1,144)	*(52)*	(1,196)
Net non-recurring (expense)/income	(19,369)	-	(19,369)
Profit before income tax expense	**(36,615)**	***(2,331)***	**(38,946)**
Income tax benefit/(expense)	-	-	-
Profit for the year	**(36,615)**	***(2,331)***	**(38,946)**
Cash flow statement			
Net cash flow from operating activities	10,621	*966*	11,587
Net cash flow used in investing activities	(44,746)	-	(44,746)
Net cash flow from financing activities	22,362	*(966)*	(21,396)
Exchange (losses)/gains on cash equivalents	(2,041)	-	(2,041)
Total cash (outflow)/inflow from continuing operations	**(13,804)**	**-**	**(13,804)**
Cash balance			
Cash, beginning balance	23,557	-	23,557
Cash, ending balance	**9,753**	**-**	**9,753**

CLINICS - RECONCILIATION TO IFRS 16 (2023)

Unaudited, GEL '000, unless otherwise noted	Before IFRS 16	*IFRS 16 effects*	After IFRS 16
Income statement			
Gross profit	24,550	-	24,550
Operating Expenses	(12,845)	*1,841*	(11,004)
EBITDA	**11,705**	***1,841***	**13,546**
Depreciation and amortization	(5,147)	*(1,117)*	(6,264)
Net interest (expense)/income	(3,095)	*(804)*	(3,899)
Net (losses)/losses from foreign currencies	(170)	*(42)*	(212)
Net non-recurring expense/(income)	(266)	-	(266)
Profit before income tax expense	**3,027**	***(122)***	**2,905**
Income tax benefit/(expense)	-	-	-
Profit for the year	**3,027**	***(122)***	**2,905**
Cash flow statement			
Net cash flow from operating activities	8,214	*1,841*	10,055
Net cash flow used in investing activities	(194)	-	(194)
Net cash flow used in financing activities	(7,649)	*(1,841)*	(9,490)
Exchange (losses)/gains on cash equivalents	(2)	-	(2)
Total cash inflow/(outflow) from continuing operations	**369**	**-**	**369**
Cash balance			
Cash, beginning balance	3,892	-	3,892
Cash, ending balance	**4,261**	**-**	**4,261**

SELECTED EXPLANATORY NOTES TO THE IFRS FINANCIAL STATEMENTS OF GEORGIA CAPITAL PLC (UNAUDITED).

Numbers are presented in GEL thousands, unless noted otherwise.

GOING CONCERN

The Board of Directors of Georgia Capital has made an assessment of the Company's ability to continue as a going concern and is satisfied that it has the resources to continue in business for a period of at least 12 months from the date of approval of the financial statements, i.e. the period ending 31 March 2025. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern for the foreseeable future. Therefore, the financial statements continue to be prepared on a going concern basis.

The Directors have made an assessment of the appropriateness of the going concern basis of preparation and reviewed Georgia Capital's liquidity outlook for the period ending 31 March 2025.

The main source of cash inflow for GCAP PLC is capital redemption from JSC GCAP, which holds the liquid assets to support the liquidity needs of the Company as well. As at 31 December 2023, JSC GCAP holds cash in the amount of GEL 51,138, amounts due from credit institutions in the amount of GEL 8,678 and marketable debt securities and redeemable securities in the amount of GEL 18,203 and GEL 14,068. Securities are considered to be highly liquid, as they are debt instruments listed on international and local markets.

The liquidity needs of the Group during the Going Concern review period mainly consist of the coupon payments on JSC GCAP sustainability-linked bonds and the operating costs of running the holding companies and capital allocations to its portfolio companies. The liquidity outlook also assumes dividend income from the private portfolio companies (healthcare, retail (pharmacy), renewable energy, and insurance businesses) and Bank of Georgia Group PLC. Capital allocations are assumed in relation to investment stage companies (Renewable Energy and Education).

On August 3, 2023, JSC GCAP issued USD 150 million sustainability-linked local bonds in Georgia, with an 8.5% coupon rate, payable in August 2028. The proceeds from the transaction, together with GCAP's existing liquid funds, were fully used to redeem GCAP's USD 300 million Eurobonds. Following these transactions, GCAP's gross debt balance decreased from USD 300 million to USD 150 million. In February 2024, GCAP made its first coupon payment on the bond in the amount of USD 6.4 million. The Directors remain confident that, given the strong liquidity and the Group's track record of proven access to capital, GCAP will successfully continue to service its existing bonds.

The Company has been increasingly assessing climate related risk and opportunities that may be present to the Group. During the going concern period no significant risk has been associated to the Group and portfolio companies that would materially impact their ability to generate sufficient cash and continue as a going concern.

Based on the considerations outlined above, management of Georgia Capital concluded that the going concern basis of preparation remains appropriate for these financial statements.

FAIR VALUE MEASUREMENTS

VALUATION TECHNIQUES

The following is a description of the determination of fair value for financial instruments which are recorded at fair value using valuation techniques. These incorporate the Company's estimate of assumptions that a market participant would make when valuing the instruments.

Assets for which fair value approximates carrying value

For financial assets and financial liabilities that are liquid or have a short-term maturity (less than three months), it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits, savings accounts without a specific maturity and variable rate financial instruments.

Fixed rate financial instruments

The fair value of fixed rate financial assets and liabilities carried at amortised cost are estimated by comparing market interest rates when they were first recognised with current market rates offered for similar financial instruments. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and maturity.

Investment in subsidiaries

Equity investments at fair value include investment in subsidiary at fair value through profit or loss representing 100% interest of JSC Georgia Capital. Georgia Capital PLC holds a single investment in JSC Georgia Capital (an investment entity on its own), which holds a portfolio of investments, both meet the definition of investment entity and Georgia Capital PLC measures its investment in JSC Georgia Capital at fair value through profit or loss. Investments in investment entity subsidiaries and loans issued are accounted for as financial instruments at fair value through profit and loss in accordance with IFRS 9. Debt securities owned are measured at fair value. We determine that, in the ordinary course of business, the net asset value of investment entity subsidiaries is considered to be the most appropriate to determine fair value. JSC Georgia Capital's net asset value as of 31 December 2023 and 31 December 2022 is determined as follows:

	31 December 2023	*31 December 2022*
Assets		
Cash and cash equivalents	51,138	199,771
Amounts due from credit institutions	8,678	16,278
Marketable securities	18,203	25,445
Investment in redeemable securities	14,068	12,631
Equity investments at fair value	3,671,945	3,198,627
Of which listed and observable investments	**1,384,847**	**985,463**
BOG	1,225,847	830,463
Water Utility	159,000	155,000
Of which private investments:	**2,287,098**	**2,213,164**
Large portfolio companies	**1,436,231**	**1,437,610**
Retail (Pharmacy)	714,001	724,517
Hospitals	344,356	433,193
P&C insurance	285,566	228,045
Medical insurance	92,308	51,855
Investment stage portfolio companies	**566,614**	**501,407**
Clinics and diagnostics	110,761	112,178
Renewable energy	266,627	224,987
Education	189,226	164,242
Other portfolio companies	**284,253**	**274,147**
Loans issued	9,212	26,830
Other assets	5,060	2,351
Total assets	**3,778,304**	**3,481,933**
Liabilities		
Debt securities issued	413,930	681,067
Other liabilities	963	5,806
Total liabilities	**414,893**	**686,873**
Net Asset Value	**3,363,411**	**2,795,060**

In measuring fair values of JSC Georgia Capital's investments, following valuation methodology is applied:

Equity Investments in Listed and Observable Portfolio Companies

Equity instruments listed on an active market are valued at the price within the bid/ask spread, that is most representative of fair value at the reporting date, which usually represents the closing bid price. The instruments are included within Level 1 of the hierarchy in JSC GCAP financial statements. Listed and observable portfolio also includes instruments for which there is a clear exit path from the business, e.g. through a put and/or call options at pre-agreed multiples. In such cases, pre-agreed terms are used for valuing the company.

Equity Investments in Private Portfolio Companies

Large portfolio companies – An independent third-party valuation firm is engaged to assess fair value ranges of large private portfolio companies at the reporting date starting from 31 December 2020. The independent valuation company has extensive relevant industry and emerging markets experience. Valuation is performed by applying several valuation methods including an income approach based mainly on discounted cash flow and a market approach based mainly on listed peer multiples (the DCF and listed peer multiples approaches applied are described below for the other portfolio companies). The different valuation approaches are weighted to derive a fair value range, with the income approach being more heavily weighted than the market approach. Management selects what is considered to be the most appropriate point in the provided fair value range at the reporting date.

Investment stage portfolio companies – An independent third-party valuation firm is engaged to assess fair value ranges of investment stage private portfolio companies at the reporting date starting from 30 June 2022. The independent valuation company has extensive relevant industry and emerging markets experience. Valuation is performed by applying several valuation methods including an income approach based mainly on discounted cash flow and a market approach based mainly on listed peer multiples (the DCF and listed peer multiples approaches applied are substantially identical to those described below for the other portfolio companies). The different valuation approaches are weighted to derive a fair value range, with the income approach being more heavily weighted than the market approach. Management selects what is considered to be the most appropriate point in the provided fair value range at the reporting date.

Other portfolio companies – fair value assessment is performed internally as described below.

Equity investments in private portfolio companies are valued by applying an appropriate valuation method, which makes maximum use of market-based public information, is consistent with valuation methods generally used by market participants and is applied consistently from period to period, unless a change in valuation technique would result in a more reliable estimation of fair value.

The value of an unquoted equity investment is generally crystallised through the sale or flotation of the entire business. Therefore, the estimation of fair value is based on the assumed realisation of the entire enterprise at the reporting date. Recognition is given to the uncertainties inherent in estimating the fair value of unquoted companies and appropriate caution is applied in exercising judgments and in making the necessary estimates.

The fair value of equity investments is determined using one of the valuation methods described below:

Listed Peer Group Multiples

This methodology involves the application of a listed peer group earnings multiple to the earnings of the business and is appropriate for investments in established businesses and for which the Company can determine a group of listed companies with similar characteristics.

The earnings multiple used in valuation is determined by reference to listed peer group multiples appropriate for the period of earnings calculation for the investment being valued. The Company identifies a peer group for each equity investment taking into consideration points of similarity with the investment such as industry, business model, size of the company, economic and regulatory factors, growth prospects (higher growth rate) and risk profiles. Some peer-group companies' multiples may be more heavily weighted during valuation if their characteristics are closer to those of the company being valued than others.

As a rule of thumb, last 12-month earnings will be used for the purposes of valuation as a generally accepted method. Earnings are adjusted where appropriate for exceptional, one-off or non-recurring items.

a. Valuation based on enterprise value

Fair value of equity investments in private companies can be determined as their enterprise value less net financial debt (gross face value of debt less cash) appearing in the most recent Financial Statements.

Enterprise value is obtained by multiplying measures of a company's earnings by listed peer group multiple (EV/EBITDA) for the appropriate period. The measures of earnings generally used in the calculation is recurring EBITDA for the last 12 months (LTM EBITDA). In exceptional cases, where EBITDA is negative, peer EV/Sales (enterprise value to sales) multiple can be applied to last 12-month recurring/adjusted sales revenue of the business (LTM sales) to estimate enterprise value.

Once the enterprise value is estimated, the following steps are taken:

- Net financial debt appearing in the most recent financial statements is subtracted from the enterprise value. If net debt exceeds enterprise value, the value of shareholders' equity remains at zero (assuming the debt is without recourse to Georgia Capital).
- The resulting fair value of equity is apportioned between Georgia Capital and other shareholders of the company being valued, if applicable.
- Valuation based on enterprise value using peer multiples is used for businesses within non-financial industries.

b. Equity fair value valuation

Fair value of equity investment in companies can also be determined as using price to earnings (P/E) multiple of similar listed companies.

The measure of earnings used in the calculation is recurring adjusted net income (net income adjusted for non-recurring items and forex gains/ losses) for the last 12 months (LTM net income). The resulting fair value of equity is allocated between Georgia Capital and other shareholders of the portfolio company, if any. Fair valuation of equity using peer multiples can be used for businesses within financial sector (e.g. insurance companies).

Discounted cash flow

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. The discount rate is estimated with reference to the market risk-free rate, a risk adjusted premium and information specific to the business or market sector. Under the discounted cash flow analysis unobservable inputs are used, such as estimates of probable future cash flows and an internally-developed discounting rate of return.

Net Asset Value

The net assets methodology involves estimating fair value of an equity investment in a private portfolio company based on its book value at reporting date. This method is appropriate for businesses (such as real estate) whose value derives mainly from the underlying value of its assets and where such assets are already carried at their fair values (fair values determined by professional third-party valuation companies) on the balance sheet.

Price of recent investment

The price of a recent investment resulting from an orderly transaction, generally represents fair value as of the transaction date. At subsequent measurement dates, the price of a recent investment may be an appropriate starting point for estimating fair value. However, adequate consideration is given to the current facts and circumstances to assess at each measurement date whether changes or events subsequent to the relevant transaction imply a change in the investment's fair value.

Exit price

Fair value of a private portfolio company in a sales process, where the price has been agreed but the transaction has not yet settled, is measured at the best estimate of expected proceeds from the transaction, adjusted pro-rata to the proportion of shareholding sold.

Validation

Fair value of investments estimated using one of the valuation methods described above is cross-checked using several other valuation methods as follows:

- Listed peer group multiples – peer multiples such as P/E, P/B (price to book) and dividend yield are applied to the respective metrics of the investment being valued depending on the industry of the company. The Company develops fair value range based on these techniques and analyses whether fair value estimated above falls within this range.
- Discounted cash flow (DCF) – The discounted cash flow valuation method is used to determine fair value of equity investment. Based on DCF, the Company might make upward or downward adjustment to the value of valuation target as derived from primary valuation method. If fair value estimated using discounted cash flow analysis significantly differs from the fair value estimate derived using primary valuation method, the difference is examined thoroughly, and judgement is applied in estimating fair value at the measurement date.
- 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.

Valuation process for Level 3 valuations

Georgia Capital hired third-party valuation professionals to assess fair value of the large private portfolio companies as at 31 December 2021. Starting from 2022 third-party valuation professionals are hired to assess fair value of the investment stage private portfolio companies as well. As of 31 December 2023, such businesses include Hospitals (Large and Specialty & Regional and Community Hospitals), P&C insurance, Retail (Pharmacy), Medical Insurance, Clinics & Diagnostics, Renewable energy, Education. The valuation is performed by applying several valuation methods that are weighted to derive fair value range, with the income approach being more heavily weighted than market approach. Management selects most appropriate point in the provided fair value range at the reporting date. Fair values of investments in other private portfolio companies are assessed internally in accordance with Georgia Capital's valuation methodology by the Valuation Workgroup.

Georgia Capital's Management Board proposes fair value to be placed at each reporting date to the Audit and Valuation Committee. Audit and Valuation Committee is responsible for the review and approval of fair values of investments at the end of each reporting period.

Description of significant unobservable inputs to level 3 valuations

The approach to valuations as of 31 December 2023 was consistent with the Company's valuation process and policy.

Management analyses the impact of climate change on the valuations, such as by incorporation of known effects of climate risks to the future cash flow forecasts or through adjusting peer multiples the known differences in the climate risk exposure as compared to the investment being fair valued. As at 31 December 2023, the management concluded that the effects of the climate risks are reflected in the peer multiples and discount rates used in the valuations and that no specific adjustments are required in relation of the Group's investment portfolio measurement and respective fair value sensitivity disclosures.

The following table show descriptions of significant unobservable inputs to level 3 valuations of equity investments:

31 December 2023

Description	*Valuation technique*	*Unobservable input*	*Range* [implied multiple**]*	*Fair value*
Loans Issued	*DCF*	*Discount rate*	15.0%-16.5%	*9,212*
Equity investments at fair value				
Large portfolio				*1,436,231*
Retail (Pharmacy)	*DCF, EV/EBITDA*	EV/EBITDA multiple	6.3x-28.2x [9.7x]	*714,001*
Hospitals	*DCF, EV/EBITDA*	EV/EBITDA multiple	7.2x-12.8x [13.8x]	*344,356*
P&C insurance	*DCF, P/E*	P/E multiple	4.6x-12.6x [13.0x]	*285,566*
Medical insurance	*DCF, P/E*	P/E multiple	5.7x-11.6x [11.0x]	*92,308*
Investment stage				*566,614*
Clinics and diagnostics	*DCF, EV/EBITDA*	EV/EBITDA multiple	9.4x-12.8x [11.7x]	*110,761*
Renewable energy	DCF, EV/EBITDA	EV/EBITDA multiple	2.8x-17.0x [12.6x]	*266,627*
Education	DCF, EV/EBITDA	EV/EBITDA multiple	6.1x-42.7x [16.7x]	*189,226*
Other	Sum of the parts	EV/EBITDA multiples Cashflow probability NAV multiple	2.1x-19.0x [6.7x-14.6x] [90%-100%] [1.0x]	*284,253*

**For equity investments at fair value the range refers to LTM multiples of listed peer group companies, prior to any adjustments.*
***Implied multiples are derived by dividing selected value of the company by respective LTM earnings measure.*

Georgia Capital hired third-party valuation professionals to assess fair value of the large and investment stage private portfolio companies as at 31 December 2023 and 31 December 2022 including P&C insurance, Hospitals (Large and Specialty & Regional and Community Hospitals), Retail (Pharmacy), Medical Insurance and Clinics and Diagnostics. Starting from 30 June 2022, fair value assessment for Renewable Energy and Education businesses are performed by third-party valuation professionals as well. The valuation is performed by applying several valuation methods that are weighted to derive fair value range, with the income approach being more heavily weighted than market approach. Management selects most appropriate point in the provided fair value range at the reporting date.

On 31 December 2021, Georgia Capital signed SPA to dispose 80% interest in Water Utility business, which was previously included within the large private portfolio companies. As at 31 December 2023 the remaining 20% interest in Water Utility business was valued using the pre-agreed put option multiple in reference to the signed contract with the buyer as GCAP has a clear exit path from the business through a put and call structure at pre-agreed EBITDA multiples.

As at 31 December 2023, several portfolio companies (Hospitals, Clinics, P&C Insurance, together "Defendants") were engaged in litigation with the former shareholders of Insurance Company Imedi L who allege that they sold their 66% shares in Imedi L to Defendants under duress at a price below market value in 2012. Since the outset, Defendants have vigorously defended their position that the claims are wholly without merit. The initial judgment of the First Instance Court in 2018 which was in favour of the Defendants was overruled by the Appellate Court in 2020 and the case was returned for reconsideration to the First Instance Court. Upon reconsideration, in 2022 the First Instance Court partially satisfied the claim and ruled that USD 12.7 million principal amount plus an annual 5% interest charge as lost income (c. USD 21 million in total) should be paid by Defendants. The Defendants appealed the decision of the First Instance Court and as of 31 December 2023 the case is at the stage of consideration at the Appellate Court. No hearing date has been set.

Defendants are confident that they will prevail and there have not been made a provision for a potential liability in their financial statements. Management shares Defendants' assessment of the merits of the case and considers that the probability of incurring losses on this claim is low, accordingly, fair values of portfolio companies do not take into account a potential liability in relation to this litigation.

In December 2023, the Georgian National Competition Agency (the "Agency") imposed fines on four companies in the Georgian pharmaceutical retailers' sector, including GCAP's retail (pharmacy) business, for alleged anti-competitive actions related to price quotations on certain prescription medicines funded under the state programme. The penalty amount assessed by the Agency on our retail (pharmacy) business is GEL 20.0 million derived by utilising the single rate across all the alleged participants. The company has appealed the Agency's decision in court and plans to vigorously defend its position.

ADDITIONAL FINANCIAL INFORMATION

The FY23 NAV Statement shows the development of NAV since 31-Dec-22:

GEL '000, unless otherwise noted (Unaudited)	Dec-22	1. Value creation[52]	2a. Investment and Divestments	2b. Buyback	2c. Dividend	3.Operating expenses	4. Liquidity/ FX/Other	Dec-23	Change %
Listed and Observable Portfolio Companies									
Bank of Georgia (BoG)	830,463	549,255	-	-	(153,871)	-	-	1,225,847	*47.6%*
Water Utility	155,000	4,000	-	-	-	-	-	159,000	*2.6%*
Total Listed and Observable Portfolio Value	**985,463**	**553,255**	**-**	**-**	**(153,871)**	**-**	**-**	**1,384,847**	**40.5%**
Listed and Observable Portfolio value change %		***56.1%***	***0.0%***	***0.0%***	***-15.6%***	***0.0%***	***0.0%***	***40.5%***	
Private Portfolio Companies									
Large Companies	**1,437,610**	**74,786**	**-**	**-**	**(76,825)**	**-**	**660**	**1,436,231**	***-0.1%***
Retail (Pharmacy)	*724,517*	*39,397*	-	-	*(50,904)*	-	*991*	*714,001*	*-1.5%*
Hospitals	*433,193*	*(81,526)*	-	-	*(6,018)*	-	*(1,293)*	*344,356*	*-20.5%*
Insurance (P&C and Medical)	*279,900*	*116,915*	-	-	*(19,903)*	-	*962*	*377,874*	*35.0%*
Of which, P&C Insurance	*228,045*	*71,447*	-	-	*(14,888)*	-	*962*	*285,566*	*25.2%*
Of which, Medical Insurance	*51,855*	*45,468*	-	-	*(5,015)*	-	-	*92,308*	*78.0%*
Investment Stage Companies	***501,407***	***47,044***	***18,388***	**-**	***(5,187)***	**-**	***4,962***	***566,614***	***13.0%***
Renewable Energy	*224,987*	*38,684*	*6,218*	-	*(5,187)*	-	*1,925*	*266,627*	*18.5%*
Education	*164,242*	*12,282*	*12,170*	-	-	-	*532*	*189,226*	*15.2%*
Clinics and Diagnostics	*112,178*	*(3,922)*	-	-	-	-	*2,505*	*110,761*	*-1.3%*
Other Companies	***274,147***	***5,430***	***32***	**-**	**-**	**-**	***4,644***	***284,253***	***3.7%***
Total Private Portfolio Value	**2,213,164**	**127,260**	**18,420**	**-**	**(82,012)**	**-**	**10,266**	**2,287,098**	**3.3%**
Private Portfolio value change %		***5.8%***	***0.8%***	***0.0%***	***-3.7%***	***0.0%***	***0.5%***	***3.3%***	
Total Portfolio Value (1)	**3,198,627**	**680,515**	**18,420**	**-**	**(235,883)**	**-**	**10,266**	**3,671,945**	***14.8%***
Total Portfolio value change %		***21.3%***	***0.6%***	***0.0%***	***-7.4%***	***0.0%***	***0.3%***	***14.8%***	
Net Debt (2)	**(380,905)**	**-**	**(20,887)**	**(76,190)**	**235,883**	**(21,786)**	**(32,923)**	**(296,808)**	***-22.1%***
of which, Cash and liquid funds	*411,844*	-	*(20,887)*	*(76,190)*	*235,883*	*(21,786)*	*(420,954)*	*107,910*	*-73.8%*
of which, Loans issued	*26,830*	-	-	-	-	-	*(17,618)*	*9,212*	*-65.7%*
of which, Gross Debt	*(819,579)*	-	-	-	-	-	*405,649*	*(413,930)*	*-49.5%*
Net other assets/ (liabilities) **(3)**	(331)	-	2,467	(287)	-	(14,993)	16,519	3,375	*NMF*
of which, share-based comp.	-	-	-	-	-	*(14,993)*	*14,993*	-	-
Net Asset Value (1)+(2)+(3)	**2,817,391**	**680,515**	**-**	**(76,477)**	**-**	**(36,779)**	**(6,138)**	**3,378,512**	***19.9%***
NAV change %		***24.2%***	***0.0%***	***-2.7%***	***0.0%***	***-1.3%***	***-0.2%***	***19.9%***	
Shares outstanding[52]	42,973,462	-	-	(2,817,070)	-	-	580,136	40,736,528	-5.2%
Net Asset Value per share, GEL	**65.56**	**15.84**	**0.00**	**2.70**	**0.00**	**(0.85)**	**(0.30)**	**82.94**	***26.5%***
NAV per share, GEL change %		***24.2%***	***0.0%***	***4.1%***	***0.0%***	***-1.3%***	***-0.5%***	***26.5%***	

Basis of presentation

This announcement contains unaudited financial results presented in accordance UK-adopted international accounting standards ("IFRS"). The financial results are unaudited and derived from management accounts.

The information in this Announcement in respect of full year 2023 preliminary results, which was approved by the Board of Directors on 21 February 2024, does not constitute statutory accounts as defined in Section 435 of the UK Companies Act 2006. The Group's financial statements for the year ended 31 December 2022 were filed with the Registrar of Companies, and the audit reports were unqualified and contained no statements in respect of Sections 498 (2) or (3) of the UK Companies Act 2006. The financial statements for the year ended 31 December 2023 will be included in the Annual Report and Accounts to be published in March 2024 and filed with the Registrar of Companies in due course.

Under IFRS 10, Georgia Capital PLC meets the "investment entity" definition and does not consolidate its portfolio companies, instead the investments are measured at fair value. Our Group level discussion is therefore based on the IFRS 10 investment entity accounts.

Net Asset Value statement, as included in notes to IFRS financial statements (page 31 in this document), summarises the Group's equity value and drivers of related changes between the reporting periods. Georgia Capital PLC holds a single investment - in JSC Georgia Capital (an investment entity on its own) - which in turn owns a portfolio of investments, each measured at fair value. Georgia Capital PLC measures its investment in JSC Georgia Capital at fair value through profit and loss under IFRS, estimated with reference to JSC Georgia Capital's own investment portfolio value as offset against its net debt. NAV is calculated at stand-alone GCAP level, which represents the aggregation of the stand-alone assets and liabilities of Georgia Capital PLC and JSC Georgia Capital.

[52] Please see definition in glossary on page 38.

The income statement presents the Group's results of operations for the reporting period. As we conduct most of our operations through JSC Georgia Capital, through which we hold our portfolio companies, the IFRS results provide little transparency on the underlying trends. To enable a comprehensive view of the combined operations of Georgia Capital PLC and JSC Georgia Capital (together referred to herein as "GCAP") as if it were one holding company, we adjust the accounts ("adjusted IFRS 10 Income Statement"). 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. A full reconciliation of the adjusted income statement, to the IFRS income statement is provided on page 26. Our adjusted IFRS 10 income statement may be viewed as alternative performance measure (APM).

Additionally, for the majority of our portfolio companies the fair value of our equity investment is determined by the application of a market approach (listed peer multiples and precedent transactions) and an income approach (DCF). Under the market approach, listed peer group earnings multiples are applied to the trailing twelve month (LTM) stand-alone IFRS earnings of the relevant business. 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. As such, the stand-alone IFRS results and developments behind IFRS earnings of our portfolio companies are key drivers in their valuations. Following the Group discussion, we therefore also present IFRS financial statements for material companies and a related brief results discussion.

Summary of valuation methodology for our investment portfolio

The fair values of the large private portfolio and investment stage companies at year-end 2023 were assessed by an independent valuation company. Combination of income approach (DCF) and market approach (listed peer multiples and in some cases precedent transactions) was applied consistently under both, internal and external valuation approaches. However, the independent valuation company's approach is more highly weighted towards DCF. More details on the methodology underlying the independent valuation are provided on pages 29-35 in fair value measurement note to IFRS financial statements and also will be provided in the Annual Reports and Accounts.

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 net earned premiums.
10. **Expense ratio** in P&C Insurance equals sum of acquisition costs and operating expenses divided by net earned premiums.
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, represents an aggregated view of all confirmed, agreed and expected capital outflows at both Georgia Capital PLC and JSC Georgia Capital levels.
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 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) and (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 19.71% equity stake (at 31-Dec-23) in LSE premium-listed **Bank of Georgia Group PLC ("BoG")**, a leading universal bank in Georgia.

COMPANY INFORMATION

Georgia Capital PLC

Registered Address
42 Brook Street
London W1K 5DB
United Kingdom
www.georgiacapital.ge
Registered under number 10852406 in England and Wales

Stock Listing
London Stock Exchange PLC's Main Market for listed securities
Ticker: "CGEO.LN"

Contact Information
Georgia Capital PLC Investor Relations
Telephone: +44 (0) 203 178 4052; +995 322 000000
E-mail: ir@gcap.ge

Auditors
PricewaterhouseCoopers LLP ("PwC")
Atria One, 144 Morrison Street,
Edinburgh EH3 8EX
United Kingdom

Registrar
Computershare Investor Services PLC
The Pavilions
Bridgewater Road
Bristol BS13 8AE
United Kingdom

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
www.georgiacapital.ge