FINANCIAL PERFORMANCE HIGHLIGHTS (IFRS)[1]

GEL '000, unless otherwise noted *(unaudited)*	Jun-24	Mar-24	Change	Dec-23	Change	
Georgia Capital NAV overview						
NAV per share, GEL	78.55	90.04	-12.8%	82.94	-5.3%	
NAV per share, GBP	22.10	26.48	-16.5%	24.23	-8.8%	
Net Asset Value (NAV)	3,140,721	3,645,530	-13.8%	3,378,512	-7.0%	
Shares outstanding[2]	39,983,227	40,487,423	-1.2%	40,736,528	-1.8%	
Liquid assets and loans issued	82,014	78,891	4.0%	117,122	-30.0%	
NCC ratio[2]	18.9%	14.8%	4.1 ppts	15.6%	3.3 ppts	
Georgia Capital Performance	**2Q24**	**2Q23**	**Change**	**1H24**	**1H23**	**Change**
Total portfolio value creation	(447,522)	205,567	NMF	(140,578)	282,461	NMF
of which, listed and observable businesses	*(258,645)*	*149,951*	*NMF*	*65,899*	*170,791*	*-61.4%*
of which, private businesses	*(188,877)*	*55,616*	*NMF*	*(206,477)*	*111,670*	*NMF*
Investments	3,068	3,423	-10.4%	6,068	20,423	-70.3%
Buybacks[3]	27,341	34,455	-20.6%	50,010	53,720	-6.9%
Dividend income[4]	36,507	121,661	-70.0%	50,307	148,074	-66.0%
Net (loss)/income	(483,060)	178,288	NMF	(195,458)	258,925	NMF
Private portfolio companies' performance[1,5]	**2Q24**	**2Q23**	**Change**	**1H24**	**1H23**	**Change**
Large portfolio companies						
Revenue	366,639	337,247	8.7%	706,090	659,684	7.0%
EBITDA	44,665	44,181	1.1%	80,312	86,682	-7.3%
Net operating cash flow	33,430	12,352	NMF	63,112	31,523	NMF
Investment stage portfolio companies						
Revenue	50,692	40,662	24.7%	94,013	73,594	27.7%
EBITDA	19,616	14,916	31.5%	34,107	24,654	38.3%
Net operating cash flow	22,477	15,425	45.7%	36,477	20,031	82.1%
Total portfolio[6]						
Revenue	556,308	524,678	6.0%	1,071,478	998,243	7.3%
EBITDA	82,245	69,883	17.7%	147,710	125,705	17.5%
Net operating cash flow	65,822	17,768	NMF	110,857	52,121	NMF

KEY POINTS

- NAV per share (GEL) down 12.8% in 2Q24, reflecting the impact on portfolio asset valuations from market movements resulting from the recent volatility in the regional geopolitical environment
- Strong performance of our private portfolio companies, aggregated quarterly revenue and EBITDA up 6.0% and 17.7% y-o-y, respectively, leading to a significant improvement in the net operating cash flow
- US$ 15 million increase to the existing share buyback programme, bringing the total amount of the current share buyback programme announced under the GEL 300 million (US$ c.110 million) capital return package, to US$ 40 million
- 1.3 million shares (US$ 16.6 million cost) have been repurchased since the announcement of the GEL 300 million (US$ c.110 million) capital return package in May-24 (total bought back since demerger now at 9.2 million shares (US$ 103.3 million cost), representing 19.3%[7] of the issued share capital at its peak)

Conference call: An investor/analyst conference call will be held on 13 August 2024, at 14:00 UK / 15:00 CET / 9:00 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 24. 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 24.
[3] Includes both the buybacks under the share buyback and cancellation programme and for the management trust.
[4] Dividend income in 2Q23 and 1H23 includes a) one-off dividends in the amount of GEL 28.2 million and GEL 49.5 million, respectively, and b) GEL 52.8 million final dividends from BoG, which were recognised in 2Q23.
[5] Private portfolio companies' performance highlights are presented excluding the water utility business. Aggregated numbers are presented like-for-like basis.
[6] The results of our four smaller businesses included in other portfolio companies (described on page 20) 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).
[7] Determined by taking into account the peak number of 47.9 million shares issued as of 31-Dec-20.

CHAIRMAN AND CEO'S STATEMENT

I am pleased to report that the operating performance of our portfolio companies in 2Q24 was exceptionally strong, supported by the continued macroeconomic resilience of the Georgian economy. Despite the recent volatility in the regional geopolitical environment, real GDP in Georgia expanded by 9.0% in 1H24. Inflation remained below the targeted 3%, enabling a monetary policy rate reduction to 8% in 2Q24, marking a cumulative 150 bps cut since the beginning of the year. Solid growth in bank lending, historically low unemployment rates, and rising wages have fueled robust domestic consumption, and the current account deficit has continued to decrease, driven by strong current transfers and rising service exports. As a result of the changing market sentiment, the Georgian Lari experienced a slight depreciation in 2Q24 but has since strengthened as volatility eased.

Underlying operating performances across our private portfolio were excellent. In 2Q24, aggregated revenue was up by 6.0% y-o-y to GEL 556.3 million, while EBITDA increased by 17.7% y-o-y to GEL 82.2 million in 2Q24. This growth was fuelled by the strong operating performance of most of our private businesses, which is detailed later in this report. Aggregated net operating cash flow generation during the quarter was robust, increasing by GEL 48.1 million y-o-y to GEL 65.8 million in 2Q24. In addition to focusing on top-line revenue growth, in 2Q24, our portfolio companies made significant progress in enhancing their overall financial position. Leverage profiles were improved throughout the business as a result of the extension of debt maturities in most portfolio companies.

Overall, NAV per share (GEL) was down 12.8% to GEL 78.55 in 2Q24. The decrease in NAV per share (GEL) in 2Q24 reflects the impact on our portfolio asset valuations of market movements resulting from volatility in the geopolitical environment. BoG's share price during 2Q24 decreased by 20.1%, reducing the value of GCAP's holding by GEL 251.6 million (-6.9 ppts impact). In 2Q24, the negative value creation across our private portfolio companies amounted to GEL 188.9 million (-5.2 ppts impact). While the strong operating performance of our private portfolio positively impacted the 2Q24 valuations, market movements in discount rates more than offset this strong operational progress. The NAV per share was further impacted by management platform related costs and GEL's 4.1% depreciation against US$ in 2Q24 (-0.7 ppts impact), the latter resulting in a foreign currency loss of GEL 14.7 million on GCAP net debt. The NAV per share decrease was partially offset by the accretive impact from share buybacks - in line with the current share buyback and cancellation programme (+1.3 ppts impact).

At least GEL 300 million (US$ c.110 million) earmarked for share buybacks and dividends through the end of 2026. In May 2024, we announced our Board's intention to make available at least GEL 300 million (US$ c.110 million) for share buybacks and dividends through the end of 2026, aiming to capitalise on the attractive opportunity presented by the current NAV per share discount levels. Significantly improved leverage profile, strong progress in free cash flow generation capabilities and confidence in our high-quality portfolio were the key drivers of this strategic move. As part of the GEL 300 million (US$ c.110 million) capital return package, we launched a US$ 25 million share buyback and cancellation programme in 2Q24. Since its launch to date, we have repurchased 1.3 million shares for a total consideration of US$ 16.6 million (GEL 46.1 million). While, since the demerger, we have now returned a total of US$ 103.3 million to our shareholders by repurchasing 9.2 million GCAP shares, which represents 19.3% of the issued share capital at its peak.

US$ 15 million increase to the existing share buyback and cancellation programme. In 2Q24, the NCC ratio was affected by the reduction in portfolio value, increasing by 4.1 ppts to 18.9%. However, subsequent movements in foreign exchange rates, combined with the collection of GEL 54.3 million dividends so far in 3Q24, improved the NCC ratio to a current 15.5% level. This improvement has allowed us to increase the ongoing US$ 25 million buyback program by an additional US$ 15 million (see page 22 for details). This brings the total amount of the current share buyback and cancellation programme announced under the GEL 300 million (US$ c.110 million) capital return package, to US$ 40 million.

Outlook. Recent geopolitical volatility, although challenging for our portfolio asset valuations as well as our share price, has not affected the underlying performance of our portfolio companies, which remained robust in 2Q24. With our solid capital return programme, we are well-positioned to navigate temporary market sentiments and create substantial value for our shareholders. We believe that, at current discount levels, investing in Georgia Capital shares represents the most compelling opportunity currently available to us and we will be doing so tactically while being vigilant about the developments in NCC, one of the key foundations of our capital allocation strategy. Looking ahead, we will also continue enhancing and developing our high-quality assets, where we see even greater potential for value creation. I believe that Georgia Capital has all the key fundamentals in place to continue delivering consistent NAV per share growth over the medium to long term – and to progress further towards achieving our key strategic priorities. This outlook is underpinned by the resilience of the Georgian economy, which has demonstrated consistent and substantial growth over the past few years.

Irakli Gilauri, Chairman and CEO

DISCUSSION OF GROUP RESULTS

The discussion below analyses the Group's unaudited net asset value at 30-Jun-24 and its income for the second quarter and first half period then ended on an IFRS basis (see "Basis of Presentation" on page 24 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 second quarter (31-Mar-24 and 30-Jun-24). 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 first half of 2024 see page 22.

NAV STATEMENT 2Q24

GEL '000, unless otherwise noted *(Unaudited)*	Mar-24	1. Value creation[8]	2a. Investment and Divestments	2b. Buyback	2c. Dividend	3. Operating expenses	4. Liquidity/ FX/Other	Jun-24	Change %
Listed and Observable Portfolio Companies									
Bank of Georgia (BoG)	*1,543,052*	*(251,645)*	-	-	*(21,593)*	-	-	*1,269,814*	*-17.7%*
Water Utility	*162,000*	*(7,000)*	-	-	-	-	-	*155,000*	*-4.3%*
Total Listed and Observable Portfolio Value	**1,705,052**	**(258,645)**	**-**	**-**	**(21,593)**	**-**	**-**	**1,424,814**	**-16.4%**
Listed and Observable Portfolio value change %		***-15.2%***	***0.0%***	***0.0%***	***-1.3%***	***0.0%***	***0.0%***	***-16.4%***	
Private Portfolio Companies									
Large Companies	**1,386,365**	**(120,600)**	**-**	**-**	**(14,914)**	**-**	**971**	**1,251,822**	**-9.7%**
Retail (Pharmacy)	*694,362*	*(65,352)*	-	-	*(10,048)*	-	*359*	*619,321*	*-10.8%*
Insurance (P&C and Medical)	*377,713*	*18,357*	-	-	*(4,866)*	-	*253*	*391,457*	*3.6%*
Of which, P&C Insurance	*289,390*	*10,771*	-	-	*(4,866)*	-	*253*	*295,548*	*2.1%*
Of which, Medical Insurance	*88,323*	*7,586*	-	-	-	-	-	*95,909*	*8.6%*
Hospitals	*314,290*	*(73,605)*	-	-	-	-	*359*	*241,044*	*-23.3%*
Investment Stage Companies	**589,558**	**(45,802)**	**3,068**	**-**	**-**	**-**	**502**	**547,326**	**-7.2%**
Renewable Energy	*266,367*	*(23,538)*	*3,068*	-	-	-	*269*	*246,166*	*-7.6%*
Education	*202,632*	*(9,434)*	-	-	-	-	*153*	*193,351*	*-4.6%*
Clinics and Diagnostics	*120,559*	*(12,830)*	-	-	-	-	*80*	*107,809*	*-10.6%*
Other Companies	**289,837**	**(22,475)**	**-**	**-**	**-**	**-**	**676**	**268,038**	**-7.5%**
Total Private Portfolio Value	**2,265,760**	**(188,877)**	**3,068**	**-**	**(14,914)**	**-**	**2,149**	**2,067,186**	**-8.8%**
Private Portfolio value change %		***-8.3%***	***0.1%***	***0.0%***	***-0.7%***	***0.0%***	***0.1%***	***-8.8%***	
Total Portfolio Value (1)	**3,970,812**	**(447,522)**	**3,068**	**-**	**(36,507)**	**-**	**2,149**	**3,492,000**	**-12.1%**
Total Portfolio value change %		***-11.3%***	***0.1%***	***0.0%***	***-0.9%***	***0.0%***	***0.1%***	***-12.1%***	
Net Debt (2)	**(327,332)**	**-**	**(3,068)**	**(25,454)**	**32,921**	**(5,925)**	**(21,766)**	**(350,624)**	**7.1%**
of which, Cash and liquid funds	*69,366*	-	*(3,068)*	*(25,454)*	*32,921*	*(5,925)*	*2,770*	*70,610*	*1.8%*
of which, Loans issued	*9,525*	-	-	-	-	-	*1,879*	*11,404*	*19.7%*
of which, Gross Debt	*(406,223)*	-	-	-	-	-	*(26,415)*	*(432,638)*	*6.5%*
Net other assets/ (liabilities) (3)	2,050	-	-	(1,887)	3,586	(3,407)	(997)	(655)	NMF
of which, share-based comp.	-	-	-	-	-	*(3,407)*	*3,407*	-	*NMF*
Net Asset Value (1)+(2)+(3)	**3,645,530**	**(447,522)**	**-**	**(27,341)**	**-**	**(9,332)**	**(20,614)**	**3,140,721**	**-13.8%**
NAV change %		***-12.3%***	***0.0%***	***-0.7%***	***0.0%***	***-0.3%***	***-0.6%***	***-13.8%***	
Shares outstanding[8]	40,487,423	-	-	(810,508)	-	-	306,312	39,983,227	-1.2%
Net Asset Value per share, GEL	**90.04**	**(11.05)**	**0.00**	**1.15**	**0.00**	**(0.23)**	**(1.36)**	**78.55**	**-12.8%**
NAV per share, GEL change %		***-12.3%***	***0.0%***	***1.3%***	***0.0%***	***-0.3%***	***-1.5%***	***-12.8%***	

NAV per share (GEL) was down 12.8% q-o-q in 2Q24, reflecting a) GEL 447.5 million negative value creation across our portfolio companies (-12.3 ppts impact), b) GEL's 4.1% depreciation against US$ during the quarter, resulting in a foreign currency loss of GEL 14.7 million on GCAP net debt (-0.4 ppts impact), and c) management platform-related costs and net interest expense (-0.5 ppts impact in total). The NAV per share decrease was partially offset by the accretive impact from share buybacks (+1.3ppts impact).

Portfolio overview

Total portfolio value decreased by GEL 478.8 million (12.1%) to GEL 3.5 billion in 2Q24:

- The value of the listed and observable portfolio decreased by GEL 280.2 million (down 16.4%), resulting from GEL 258.6 million negative value creation and the collection of GEL 21.6 million buyback dividends from BoG.
- The value of the private portfolio decreased by GEL 198.6 million (down 8.8%), mainly reflecting negative GEL 188.9 million value creation and a decrease of GEL 14.9 million due to dividends paid to GCAP.

Consequently, as of 30-Jun-24, the listed and observable portfolio value totalled GEL 1.4 billion (40.8% of the total portfolio value), and the private portfolio value amounted to GEL 2.1 billion (59.2% of the total).

[8] Please see definition in glossary on page 24.

1) Value creation

Total portfolio value creation amounted to negative GEL 447.5 million in 2Q24, reflecting the impact on our portfolio asset valuations of market movements resulting from volatility in the geopolitical environment.

- GEL 258.6 million negative value creation from the listed and observable portfolio derived from a 20.1% decrease in BoG's share price in 2Q24 and GEL 7.0 million negative value creation in Water Utility.
- The negative value creation across our private portfolio companies amounted to GEL 188.9 million, reflecting the net impact of:
  - GEL 271.5 million value reduction from changes in implied valuation multiples and foreign currency exchange rates. This valuation assessment reflects the increase in the country risk premium, which consequently translated into an approximately 1.0-2.0 ppts rise in discount rates.
  - GEL 82.6 million operating performance-related increase in the value of our private assets, resulting from their strong performance in 2Q24.

The table below summarises value creation drivers in our businesses in 2Q24:

Portfolio Businesses	Operating Performance[9]	Greenfields / buy-outs / exits[10]	Multiple Change and FX[11]	Value Creation
GEL '000, unless otherwise noted *(unaudited)*	*(1)*	*(2)*	*(3)*	*(1)+(2)+(3)*
Listed and Observable portfolio				**(258,645)**
BoG				(251,645)
Water Utility				(7,000)
Private portfolio	**82,649**	**-**	**(271,526)**	**(188,877)**
Large Portfolio Companies	**40,559**	**-**	**(161,159)**	**(120,600)**
Retail (pharmacy)	*41,994*	-	*(107,346)*	*(65,352)*
Insurance (P&C and Medical)	*16,311*	-	*2,046*	*18,357*
Of which, P&C Insurance	*5,205*	-	*5,566*	*10,771*
Of which, Medical Insurance	*11,106*	-	*(3,520)*	*7,586*
Hospitals	*(17,746)*	-	*(55,859)*	*(73,605)*
Investment Stage Portfolio Companies	**57,825**	**-**	**(103,627)**	**(45,802)**
Renewable Energy	*9,565*	-	*(33,103)*	*(23,538)*
Education	*33,637*	-	*(43,071)*	*(9,434)*
Clinics and Diagnostics	*14,623*	-	*(27,453)*	*(12,830)*
Other	**(15,735)**	**-**	**(6,740)**	**(22,475)**
Total portfolio	**82,649**	**-**	**(271,526)**	**(447,522)**

Valuation overview[12]

In 2Q24, 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 the basis 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 2Q24 is summarised in the following table:

	Enterprise Value (EV)			Equity Value			
GEL '000, unless otherwise noted *(Unaudited)*	30-Jun-24	31-Mar-24	Change %	30-Jun-24	31-Mar-24	Change %	% share in total portfolio
Listed and Observable portfolio				**1,424,814**	**1,705,052**	**-16.4%**	**40.8%**
BoG				1,269,814	1,543,052	-17.7%	36.4%
Water Utility				155,000	162,000	-4.3%	4.4%
Private portfolio	**3,325,748**	**3,489,396**	**-4.7%**	**2,067,186**	**2,265,760**	**-8.8%**	**59.2%**
Large portfolio companies	**1,911,913**	**2,012,188**	**-5.0%**	**1,251,822**	**1,386,365**	**-9.7%**	**35.8%**
Retail (pharmacy)	951,600	1,021,558	-6.8%	619,321	694,362	-10.8%	17.7%
Insurance (P&C and Medical)	421,043	383,741	9.7%	391,457	377,713	3.6%	11.2%
Of which, P&C Insurance	295,000	289,390	1.9%	295,548	289,390	2.1%	8.5%
Of which, Medical Insurance	126,043	94,351	33.6%	95,909	88,323	8.6%	2.7%
Hospitals	539,270	606,889	-11.1%	241,044	314,290	-23.3%	6.9%
Investment stage portfolio companies	**830,046**	**877,672**	**-5.4%**	**547,326**	**589,558**	**-7.2%**	**15.7%**
Renewable Energy	441,327	459,298	-3.9%	246,166	266,367	-7.6%	7.0%
Education[13]	221,269	240,500	-8.0%	193,351	202,632	-4.6%	5.6%
Clinics and Diagnostics	167,450	177,874	-5.9%	107,809	120,559	-10.6%	3.1%
Other	**583,789**	**599,536**	**-2.6%**	**268,038**	**289,837**	**-7.5%**	**7.7%**
Total portfolio				**3,492,000**	**3,970,812**	**-12.1%**	**100.0%**

[9] 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.
[10] 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.
[11] Change in the fair value attributable to the change in valuation multiples and the effect of exchange rate movement on net debt.
[12] Please read more about valuation methodology on page 24 in "Basis of presentation".
[13] 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 (35.8% of total portfolio value)

Retail (Pharmacy) (17.7% of total portfolio value) – Despite its strong operating performance, the EV of Retail (Pharmacy) was down by 6.8% to GEL 951.6 million in 2Q24, reflecting the market movements in the valuation inputs. The significant recent expansion of the retail chain coupled with the business's proactive approach aimed at enhancing the sales and profitability of para-pharmacy products, led to a 3.2% y-o-y retail revenue growth in 2Q24. Wholesale revenue was up by 4.4% y-o-y in 2Q24, reflecting the occurrence of state tenders that were postponed from 1Q24. Overall, the revenue of the retail (pharmacy) business was up 3.5% y-o-y, while gross profit increased by 9.7% y-o-y in 2Q24, notwithstanding the challenges posed by recently introduced price regulations. Operating expenses were up 15.9% y-o-y in 2Q24, due to increased rent and salary costs related to the chain expansion and the launch of a new warehouse at the end of 2023 which, together with the developments described above, translated into a 2.0% y-o-y decrease in EBITDA in 2Q24. See page 12 for details. LTM EBITDA (incl. IFRS 16) was up by 2.8% to GEL 108.3 million in 2Q24. Net debt (incl. IFRS 16) increased by 1.6% to GEL 324.8 million as at 30-Jun-24, mainly resulting from GEL 10.0 million dividend payment to GCAP in 2Q24. As a result, the fair value of GCAP's 97.6% holding decreased by 10.8% to GEL 619.3 million in 2Q24. The implied LTM EV/EBITDA valuation multiple (incl. IFRS 16) stood at 8.8x as at 30-Jun-24 (down from 9.7x as at 31-Mar-24).

Insurance (P&C and Medical) (11.2% of total portfolio value) – The insurance business combines: a) P&C Insurance valued at GEL 295.5 million and b) Medical Insurance valued at GEL 95.9 million.

P&C Insurance revenues were up 27.2% y-o-y to GEL 36.3 million in 2Q24, driven by the growth in the motor and credit life insurance lines. The revenue of the medical insurance business grew by 69.8% y-o-y in 2Q24, reflecting c.10% increase in insurance policy prices as well as the positive impact of the acquisition of Ardi insurance portfolio in April 2024, contributing 59.6 ppts to the 2Q24 y-o-y revenue growth. The combined ratio of the P&C insurance increased by 4.2 ppts y-o-y in 2Q24, mainly resulting from an increased loss ratio due to a surge in motor insurance claims in the corporate client segment. The combined ratio of the medical insurance improved by 5.1 ppts y-o-y in 2Q24, reflecting the strong topline growth of the business as well as the consolidation of Ardi's portfolio. As a result, the pre-tax profit of the combined insurance business was up 28.7% y-o-y to GEL 11.4 million in 2Q24. See page 13 for details. The equity value of the combined insurance business was up 3.6% q-o-q to GEL 391.5 million in 2Q24 as the negative movements in discount rates particularly in the medical insurance line were offset by the strong operating performance of the insurance businesses. This translated into an implied LTM P/E valuation multiple of 12.4x at 30-Jun-24 (12.4x at 31-Mar-24). Ardi's portfolio was measured at the recent acquisition price in 2Q24. The acquisition was fully financed by borrowings within the medical insurance business, therefore, the consolidation of Ardi's portfolio did not affect the overall valuation of the insurance business in 2Q24.

Hospitals (6.9% of total portfolio value) – Hospitals' EV decreased by 11.1% to GEL 539.3 million in 2Q24, reflecting decreases related to both changes in discount rates and the operating performance of the business. The revenue of Large and Specialty Hospitals was up 4.3% y-o-y in 2Q24, driven by a 9.8% y-o-y increase in revenues from high-margin outpatient and elective care services in 2Q24. This underscores the positive results of the business's efforts to expand its range of outpatient and elective care services, which have partially mitigated the impact of the new facility regulations introduced in September 2023 and contributed to a decrease in the share of revenues from the State (down from 58.2% in 2Q23 to 56.8% in 2Q24). Improved brand awareness has also supported revenue growth, with Caucasus Medical Centre ("CMC") becoming the first multi-profile referral hospital in Georgia to be accredited by the Joint Commission International ("JCI"). The 2Q24 revenue of our Regional and Community Hospitals was down by 14.1% y-o-y, mainly reflecting a) the temporary closure of certain sections of the business facilities due to regulatory-related phased renovation works at several hospitals, and b) the sale of one of the regional hospitals in 4Q23. The combined hospitals business saw a 10.6% y-o-y decline in gross profit in 2Q24. This decrease, aside from the revenue developments, reflects higher direct salary expenses due to new minimum salary regulations for certain medical personnel. Operating expenses (excl. IFRS 16) were down by 10.4% y-o-y in 2Q24, mainly resulting from a y-o-y decrease in marketing cost. These developments translated into a 10.8% decrease in EBITDA (excluding IFRS 16) in 2Q24. See page 14 for details. Consequently, LTM EBITDA (incl. IFRS 16) was down by 2.1% to GEL 43.0 million in 2Q24 and net debt amounted to GEL 270.7 million as at 30-Jun-24. As a result, the equity value of Hospitals was assessed at GEL 241.0 million in 2Q24 (down 23.3% q-o-q), translating into an implied LTM EV/EBITDA multiple (incl. IFRS 16) of 12.5x at 30-Jun-24 (13.8x at 31-Mar-24).

Private investment stage portfolio companies (15.7% of total portfolio value)

Renewable Energy (7.0% of total portfolio value) – The Enterprise Value of the business was down by 7.8% to US$ 157.1 million in 2Q24 (down 3.9% to GEL 441.3 million in GEL terms), reflecting the market movements in the valuation inputs. In US$ terms, the 2Q24 revenue was up by 17.6% to US$ 4.9 million, resulting from 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. Operating expenses were up 5.2% y-o-y, reflecting the resumption of operations at Hydrolea HPPs, as well as electricity and transmission costs incurred from the export of 21.6 GWh of electricity to the Republic of Türkiye in 2Q24. These developments led to a 22.1% y-o-y increase in EBITDA in 2Q24. See page 16 for details. The pipeline renewable energy projects continued to be measured at an equity investment cost and stood at GEL 51.5 million (US$ 18.3 million) in aggregate as at 30-Jun-24), down 9.0% q-o-q, reflecting the remeasurement of the costs to completion. Net debt was down by 3.0% to US$ 69.4 million in 2Q24. As a result, the equity value of Renewable Energy was assessed at GEL 246.2 million in 2Q24 (down 7.6% q-o-q), (down 11.4% q-o-q to US$ 87.6 million in US$ terms). The blended EV/EBITDA implied valuation multiple of the operational assets stood at 11.5x as at 30-Jun-24, down from 12.4x as at 31-Mar-24.

Education (5.6% of total portfolio value) – EV of Education was down by 8.0% to GEL 221.3 million in 2Q24, as the positive impact of the business's strong performance on the 2Q24 valuation was offset by the increases in discount rates. Revenue in 2Q24 increased by 25.6% y-o-y resulting from a) organic growth through strong learner intakes and a ramp-up of utilisation and b) expansion of the business through the launch and acquisition of two new campuses in 2023. The revenue growth was partially subdued by foreign exchange rate movements, as the tuition fees for our premium and international schools are denominated in US$. On a constant currency basis, the y-o-y revenue growth in 2Q24 amounted to 31.8%. The expansion of the business also led to a 27.5% y-o-y increase in operating expenses. Consequently, EBITDA was up by 21.5% y-o-y in 2Q24 (up 40.1% on a constant currency basis). See page 17 for details. LTM EBITDA was up by 14.4% to GEL 17.0 million in 2Q24. Net debt was down by 28.6% q-o-q to GEL 8.8 million in 2Q24, reflecting the strong cash flow generation of the business. As a result, GCAP's stake in the education business was valued at GEL 193.4 million at 30-Jun-24 (down 4.6% q-o-q), translating into the implied valuation multiple of 13.0x as at 30-Jun-24 (down from 16.2x as at 31-Mar-24). The 2Q24 valuation assessment also reflects the first-time valuation of the recently acquired campus in the affordable segment category, which was previously measured at an equity investment cost. The forward-looking implied multiple is estimated at 11.1x for the 2024-2025 academic year.

Clinics and Diagnostics (3.1% of total portfolio value) – The EV of the business decreased by 5.9% to GEL 167.5 million in 2Q24, reflecting the market movements in the valuation inputs. 2Q24 revenue and EBITDA (ex. IFRS 16) of the combined clinics and diagnostics business were up 22.8% and 45.4% y-o-y, respectively. This growth reflects a) the increased demand for high revenue-generating services driven by the business's proactive approach to customer acquisition and service enhancements, and b) the expansion of the business through the launch of two new ambulatory centres in 2H23, which also led to a 25.9% y-o-y increase in the operating expenses in 2Q24. See page 18 for details. Consequently, the LTM EBITDA (incl. IFRS 16) of the business was up by 7.8% to GEL 18.1 million in 2Q24. The net debt (incl. IFRS 16) stood at GEL 57.1 million as at 30-Jun-24 (up 4.7% q-o-q). As a result, the equity value of the business was assessed at GEL 107.8 million (down 10.6% q-o-q), translating into an implied LTM EV/EBITDA multiple (incl. IFRS 16) of 9.3x at 30-Jun-24 (down from 10.6x at 31-Mar-24).

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 20. The portfolio value of other businesses decreased by 7.5% to GEL 268.0 million in 2Q24, primarily attributable to a) GEL 15.7 million operating performance-related decrease in the value of these businesses and b) GEL 6.7 million value reduction due to changes in implied valuation multiples and foreign exchange rates.

Listed and observable portfolio companies (40.8% of total portfolio value)

BOG (36.4% of total portfolio value) – In 1Q24, BoG delivered an annualised ROAE of 27.7% and a y-o-y loan book growth in excess of 20.0%. In 2Q24, BoG's share price was down by 20.1% q-o-q to GBP 40.4 at 30-Jun-24, which together with the collection of GEL 21.6 million buyback dividends from the Bank, led to a 17.7% decrease in the value of GCAP's stake in BoG in 2Q24 (down to 1.3 billion as at 30-Jun-24). The LTM P/E valuation multiple was at 4.3x as of 30-Jun-24. BoG's public announcement of their 2Q24 results, when published, will be available on BoG's website.

Water Utility (4.4% of total portfolio value) – The equity value of the business decreased by GEL 7.0 million to GEL 155.0 million in 2Q24. This valuation assessment was performed by applying the put option valuation to GCAP's 20% holding (where GCAP has a clear exit path through a put and call structure at pre-agreed EBITDA multiples) and takes into account the recent movements in discount rates. In July 2024, the water utility business successfully priced US$ 300 million green Eurobonds. The notes are US$-denominated with a 5-year bullet maturity and carry an 8.875% coupon. The proceeds of the Notes will be used to refinance existing loan arrangements of the business and to finance capital expenditures in the water supply and sanitation services. The notes are listed on the Global Exchange Market of the Irish Stock Exchange and are rated BB- (credit watch positive) by S&P and BB- (stable) by Fitch Ratings.

2) Investments[14]

In 2Q24, GCAP invested GEL 3.1 million in Renewable Energy for the development of pipeline projects.

3) Share buybacks

During 2Q24, 810,508 shares with a total value of US$ 9.7 million (GEL 27.3 million) were bought back under GCAP's US$ 25 million share buyback and cancellation programme announced in May 2024.

[14] Investments are made at JSC Georgia Capital level, the Georgian holding company.

4) Dividends[15]

In 2Q24, Georgia Capital collected GEL 36.5 million in dividends from its portfolio companies. This consists of GEL 21.6 million buyback dividends from participation in the Bank's buyback program, GEL 10.0 million cash dividends from Retail (Pharmacy), and GEL 4.9 million from P&C Insurance.

1H24 NAV STATEMENT HIGHLIGHTS

GEL '000, unless otherwise noted *(Unaudited)*	Dec-23	1. Value creation[16]	2a. Investment and divestments	2b. Buyback	2c. Dividend	3. Operating expenses	4. Liquidity/ FX/Other	Jun-24	Change %
Total Listed and Observable Portfolio Value	**1,384,847**	**65,899**	**-**	**-**	**(25,932)**	**-**	**-**	**1,424,814**	**2.9%**
Listed and Observable Portfolio value change %		*4.8%*	*0.0%*	*0.0%*	*-1.9%*	*0.0%*	*0.0%*	*2.9%*	
Total Private Portfolio Companies	**2,287,098**	**(206,477)**	**6,068**	**-**	**(24,375)**	**-**	**4,872**	**2,067,186**	**-9.6%**
Of which, Large Companies	1,436,231	(166,705)	-	-	(19,757)	-	2,053	1,251,822	-12.8%
Of which, Investment Stage Companies	566,614	(23,494)	3,068	-	-	-	1,138	547,326	-3.4%
Of which, Other Companies	284,253	(16,278)	3,000	-	(4,618)	-	1,681	268,038	-5.7%
Private Portfolio value change %		*-9.0%*	*0.3%*	*0.0%*	*-1.1%*	*0.0%*	*0.2%*	*-9.6%*	
Total Portfolio Value	**3,671,945**	**(140,578)**	**6,068**	**-**	**(50,307)**	**-**	**4,872**	**3,492,000**	**-4.9%**
Total Portfolio value change %		*-3.8%*	*0.2%*	*0.0%*	*-1.4%*	*0.0%*	*0.1%*	*-4.9%*	
Net Debt	**(296,808)**	**-**	**(6,068)**	**(48,123)**	**46,721**	**(11,585)**	**(34,761)**	**(350,624)**	**18.1%**
Net Asset Value	**3,378,512**	**(140,578)**	**-**	**(50,010)**	**-**	**(18,672)**	**(28,531)**	**3,140,721**	**-7.0%**
NAV change %		*-4.2%*	*0.0%*	*-1.5%*	*0.0%*	*-0.6%*	*-0.8%*	*-7.0%*	
Shares outstanding[16]	40,736,528	-	-	(1,419,678)	-	-	666,377	39,983,227	-1.8%
Net Asset Value per share, GEL	**82.94**	**(3.46)**	**(0.00)**	**1.72**	**(0.00)**	**(0.46)**	**(2.19)**	**78.55**	**-5.3%**
NAV per share, GEL change %		*-4.2%*	*0.0%*	*2.1%*	*0.0%*	*-0.6%*	*-2.6%*	*-5.3%*	

NAV per share (GEL) was down 5.3% in 1H24, reflecting a) a GEL 140.6 million negative value creation across our portfolio companies (-4.2 ppts impact), b) GEL's 4.3% depreciation against US$ in 1H24, resulting in a foreign currency loss of GEL 15.9 million on GCAP net debt (-0.5 ppts impact), and c) management platform-related costs and net interest expense (-1.0 ppts impact in total). The NAV per share decrease was partially offset by the accretive impact from share buybacks (+2.1 ppts impact).

Portfolio overview

Total portfolio value decreased by GEL 179.9 million (4.9%) in 1H24:

- The value of GCAP's holding in BoG was up by GEL 44.0 million, reflecting GEL 69.9 million value creation, partially offset by GEL 25.9 million buyback dividend income from the Bank in 1H24.
- The value of the water utility business decreased by GEL 4.0 million, reflecting a decrease in the value of GCAP's put option due to movements in the discount rates.
- The value of the private portfolio decreased by GEL 219.9 million in 1H24, mainly reflecting the net impact of a) GEL 206.5 million negative value creation, b) a decrease of GEL 24.4 million due to dividends paid to GCAP, and c) investments of GEL 6.1 million in the private portfolio companies.

1) Value creation

Total portfolio value creation amounted to negative GEL 140.6 million in 1H24.

- A 1.5% increase in BoG's share price in 1H24 led to a GEL 69.9 million value creation.
- The value creation in the private portfolio amounted to negative GEL 206.5 million in 1H24, reflecting:
  - GEL 322.5 million value reduction from changes in valuation inputs due to the increase in the country risk premium, as described above.
  - GEL 116.0 million operating performance-related increase in the value of our private assets.

[15] Dividends are received at JSC Georgia Capital level, the Georgian holding company.
[16] Please see definition in glossary on page 24.

The table below summarises value creation drivers in our businesses in 1H24:

Portfolio Businesses	Operating Performance[17]	Greenfields / buy-outs / exits[18]	Multiple Change and FX[19]	Value Creation
GEL '000, unless otherwise noted *(unaudited)*	*(1)*	*(2)*	*(3)*	*(1)+(2)+(3)*
Listed and Observable				**65,899**
BoG				69,899
Water Utility				(4,000)
Private	**115,999**	**-**	**(322,476)**	**(206,477)**
Large Portfolio Companies	**(4,867)**	**-**	**(161,838)**	**(166,705)**
Retail (pharmacy)	21,601	-	(106,952)	(85,351)
Insurance (P&C and Medical)	22,073	-	604	22,677
Of which, P&C Insurance	*17,814*	-	*1,262*	*19,076*
Of which, Medical Insurance	*4,259*	-	*(658)*	*3,601*
Hospitals	(48,541)	-	(55,490)	(104,031)
Investment Stage Portfolio Companies	**109,749**	**-**	**(133,243)**	**(23,494)**
Renewable Energy	13,731	-	(37,934)	(24,203)
Education	48,859	-	(45,039)	3,820
Clinics and Diagnostics	47,159	-	(50,270)	(3,111)
Other	**11,117**	**-**	**(27,395)**	**(16,278)**
Total portfolio	**115,999**	**-**	**(322,476)**	**(140,578)**

The enterprise value and equity value development of our businesses in 1H24 is summarised in the following table:

	Enterprise Value (EV)			Equity Value			
GEL '000, unless otherwise noted *(Unaudited)*	30-Jun-24	31-Dec-23	Change %	30-Jun-24	31-Dec-23	Change %	% share in total portfolio
Listed and Observable portfolio				**1,424,814**	**1,384,847**	**2.9%**	**40.8%**
BoG				1,269,814	1,225,847	3.6%	36.4%
Water Utility				155,000	159,000	-2.5%	4.4%
Private portfolio	**3,325,748**	**3,463,259**	**-4.0%**	**2,067,186**	**2,287,098**	**-9.6%**	**59.2%**
Large portfolio companies	**1,911,913**	**2,021,278**	**-5.4%**	**1,251,822**	**1,436,231**	**-12.8%**	**35.8%**
Retail (pharmacy)	951,600	1,043,800	-8.8%	619,321	714,001	-13.3%	17.7%
Insurance (P&C and Medical)	421,043	358,566	17.4%	391,457	377,874	3.6%	11.2%
Of which, P&C Insurance	295,000	285,566	3.3%	295,548	285,566	3.5%	8.5%
Of which, Medical Insurance	126,043	73,000	72.7%	95,909	92,308	3.9%	2.7%
Hospitals	539,270	618,912	-12.9%	241,044	344,356	-30.0%	6.9%
Investment stage portfolio companies	**830,046**	**856,787**	**-3.1%**	**547,326**	**566,614**	**-3.4%**	**15.7%**
Renewable Energy	441,327	456,236	-3.3%	246,166	266,627	-7.7%	7.0%
Education[20]	221,269	228,799	-3.3%	193,351	189,226	2.2%	5.6%
Clinics and Diagnostics	167,450	171,752	-2.5%	107,809	110,761	-2.7%	3.1%
Other	**583,789**	**585,194**	**-0.2%**	**268,038**	**284,253**	**-5.7%**	**7.7%**
Total portfolio				**3,492,000**	**3,671,945**	**-4.9%**	**100.0%**

2) Investments[21]

In 1H24, GCAP invested GEL 6.1 million in private portfolio companies.

- GEL 3.1 million was invested in the renewable energy business for the development of the pipeline projects.
- GEL 3.0 million was invested in the auto service business.

3) Share buybacks

During 1H24, 1,419,678 shares were bought back for a total consideration of GEL 50.0 million.

- 1,299,150 shares with a total value of US$ 16.5 million (GEL 45.4 million) were bought back under GCAP's share buyback and cancellation programmes during 1H24. As of 12-Aug-24, an additional 510,885 shares with a value of GEL 18.9 million (US$ 6.9 million) have been repurchased under the ongoing share buyback programme in 3Q24.
- 120,528 shares (GEL 4.7 million in value) represent the tax-related statutory buyback for the management trust, where the average cost of unawarded shares is GBP 7.9 as of 30 June 2024.

4) Dividends[22]

In 1H24, GCAP collected GEL 50.3 million in dividends, comprising:

- GEL 25.9 million buyback dividends from BoG,
- GEL 10.0 million cash dividends from Retail (Pharmacy),
- GEL 9.7 million from P&C Insurance, and
- GEL 4.6 million from the beer business.

[17] 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.
[18] 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.
[19] Change in the fair value attributable to the change in valuation multiples and the effect of exchange rate movement on net debt.
[20] Excluding the recently launched schools and non-operational assets, added to the equity value of the education business at cost.
[21] Investments are made and dividends are received at JSC Georgia Capital level, the Georgian holding company.
[22] Dividends are received at JSC Georgia Capital level, the Georgian holding company.

Subsequent to 1H24, GCAP received GEL 43.4 million in final dividends from BoG, GEL 6.8 million cash dividends from P&C Insurance and GEL 4.1 million from Renewable Energy. Consequently, the dividend income in 2024 to date currently stands at GEL 104.6 million.

Net Capital Commitment (NCC) overview

Below we describe the components of Net Capital Commitment (NCC) as of 30 June 2024, 31 March 2024 and 31 December 2023. 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)*	30-Jun-24	31-Mar-24	Change	31-Dec-23	Change
Total cash and liquid funds	**70,610**	**69,366**	**1.8%**	**107,910**	**-34.6%**
Loans issued	11,404	9,525	19.7%	9,212	23.8%
Gross debt	(432,638)	(406,223)	6.5%	(413,930)	4.5%
Net debt (1)	**(350,624)**	**(327,332)**	**7.1%**	**(296,808)**	**18.1%**
Guarantees issued (2)	**-**	**-**	**NMF**	**-**	**NMF**
Net debt and guarantees issued (3)=(1)+(2)	**(350,624)**	**(327,332)**	**7.1%**	**(296,808)**	**18.1%**
Planned investments (4)	**(127,668)**	**(125,417)**	**1.8%**	**(125,143)**	**2.0%**
of which, planned investments in Renewable Energy	(78,030)	(77,807)	0.3%	(77,637)	0.5%
of which, planned investments in Education	(49,638)	(47,610)	4.3%	(47,506)	4.5%
Announced Buybacks (5)	**(42,896)**	**-**	**NMF**	**(18,087)**	**NMF**
Contingency/liquidity buffer (6)	**(140,505)**	**(134,765)**	**4.3%**	**(134,470)**	**4.5%**
Total planned investments, announced buybacks and contingency/liquidity buffer (7)=(4)+(5)+(6)	**(311,069)**	**(260,182)**	**19.6%**	**(277,700)**	**12.0%**
Net capital commitment (3)+(7)	**(661,693)**	**(587,514)**	**12.6%**	**(574,508)**	**15.2%**
Portfolio value	**3,492,000**	**3,970,812**	**-12.1%**	**3,671,945**	**-4.9%**
NCC ratio	**18.9%**	**14.8%**	**4.1 ppts**	**15.6%**	**3.3 ppts**

Cash and liquid funds. Total cash and liquid funds' balance was up by 1.8% q-o-q to GEL 70.6 million in 2Q24 (down 34.6% in 1H24), mainly reflecting the collection of dividends as described above, partially offset by cash outflows for share buybacks and operating expenses during the quarter.

Loans issued. Issued loans' balance primarily refers to loans issued to our private portfolio companies and are lent at market terms. The increase in the loans issued balance reflects interest accrual as well as the loan issued to our auto services business in 2Q24.

Gross debt. In US$ terms the balance was up 2.2% q-o-q in 2Q24, reflecting the interest accrual on the US$ 150 million sustainability-linked bonds. In GEL terms, the balance was up by 6.5% in 2Q24, further reflecting the foreign exchange rate movements. The gross debt balance in US$ terms remained flat in 1H24 and was up by 4.5% in GEL terms, primarily driven by GEL's depreciation against US$ in 1H24.

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 was down by 2.4% in both 2Q24 and 1H24, reflecting cash outflows for the investment projects as described above.

Announced buybacks. The balance of the announced buybacks at 30-Jun-24 reflects the unutilised share buybacks under GCAP's US$ 25 million share buyback and cancellation programme.

Contingency/liquidity buffer. The balance reflects the provision for cash and liquid assets in the amount of US$ 50 million, for contingency/liquidity purposes. The balance remained unchanged in US$ terms as at 30-Jun-24.

As a result of the movements described above, the NCC ratio as at 30-Jun-24 increased by 4.1 ppts q-o-q to 18.9% (up 3.3 ppts in 1H24), further reflecting a 12.1% and 4.9% decrease in the portfolio value in GEL terms in 2Q24 and 1H24, respectively. Movements in foreign exchange rates subsequent to 1H24, combined with the collection of GEL 54.3 million dividends so far in 3Q24, improved the NCC ratio to the current 15.5% level. This improvement has allowed us to increase the ongoing US$ 25 million buyback program by an additional US$ 15 million (see page 22 for details).

INCOME STATEMENT (ADJUSTED IFRS / APM)

Net loss under IFRS was GEL 477.6 million in 2Q24 (GEL 179.4 million net income in 2Q23) and GEL 192.3 million in 1H24 (GEL 242.5 million net income in 1H23). 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 June 30 as an aggregation of (i) the results of GCAP (the two holding companies Georgia Capital PLC and JSC Georgia Capital, taken together) and (ii) the fair value change in the value of portfolio companies during the reporting period. For details on the methodology underlying the preparation of the adjusted income statement, please refer to page 94 in Georgia Capital PLC 2023 Annual report.

INCOME STATEMENT (Adjusted IFRS/APM)

GEL '000, unless otherwise noted *(unaudited)*	2Q24	2Q23	Change	1H24	1H23	Change
Dividend income	36,507	121,661	-70.0%	50,307	148,074	-66.0%
Of which, regular dividend income	*14,914*	*81,316*	*-81.7%*	*24,375*	*86,503*	*-71.8%*
Of which, buyback dividend income	*21,593*	*40,345*	*-46.5%*	*25,932*	*61,571*	*-57.9%*
Interest income	1,681	5,015	-66.5%	3,320	9,991	-66.8%
Realised/unrealised (loss)/gain on liquid funds	(409)	654	NMF	(961)	1,085	NMF
Interest expense	(8,970)	(13,000)	-31.0%	(17,579)	(26,751)	-34.3%
Gross operating income	**28,809**	**114,330**	**-74.8%**	**35,087**	**132,399**	**-73.5%**
Operating expenses	(9,332)	(9,238)	1.0%	(18,672)	(19,171)	-2.6%
GCAP net operating income	**19,477**	**105,092**	**-81.5%**	**16,415**	**113,228**	**-85.5%**
Fair value changes of portfolio companies						
Listed and Observable Portfolio Companies	**(280,238)**	**56,769**	**NMF**	**39,967**	**56,383**	**-29.1%**
Of which, Bank of Georgia Group PLC	*(273,238)*	*52,769*	*NMF*	*43,967*	*52,383*	*-16.1%*
Of which, Water Utility	*(7,000)*	*4,000*	*NMF*	*(4,000)*	*4,000*	*NMF*
Private Portfolio companies	**(203,791)**	**27,137**	**NMF**	**(230,852)**	**78,004**	**NMF**
Large Portfolio Companies	**(135,514)**	**28,478**	**NMF**	**(186,462)**	**57,409**	**NMF**
Of which, Retail (pharmacy)	*(75,400)*	*(27,224)*	*NMF*	*(95,399)*	*(1,285)*	*NMF*
Of which, Insurance (P&C and Medical)	*13,491*	*57,020*	*-76.3%*	*12,968*	*66,100*	*-80.4%*
Of which, Hospitals	*(73,605)*	*(1,318)*	*NMF*	*(104,031)*	*(7,406)*	*NMF*
Investment Stage Portfolio Companies	**(45,802)**	**3,530**	**NMF**	**(23,494)**	**16,795**	**NMF**
Of which, Renewable energy	*(23,538)*	*686*	*NMF*	*(24,203)*	*15,330*	*NMF*
Of which, Education	*(9,434)*	*7,876*	*NMF*	*3,820*	*9,171*	*-58.3%*
Of which, Clinics and Diagnostics	*(12,830)*	*(5,032)*	*NMF*	*(3,111)*	*(7,706)*	*-59.6%*
Other businesses	**(22,475)**	**(4,871)**	**NMF**	**(20,896)**	**3,800**	**NMF**
Total investment return	**(484,029)**	**83,906**	**NMF**	**(190,885)**	**134,387**	**NMF**
(loss)/income before foreign exchange movements and non-recurring expenses	**(464,552)**	**188,998**	**NMF**	**(174,470)**	**247,615**	**NMF**
Net foreign currency (loss)/gain/impairment	(18,162)	(9,389)	93.4%	(19,320)	12,631	NMF
Non-recurring expenses	(346)	(1,321)	-73.8%	(1,668)	(1,321)	26.3%
Net (loss)/income	**(483,060)**	**178,288**	**NMF**	**(195,458)**	**258,925**	**NMF**

The gross operating income stood at GEL 28.8 million in 2Q24, down 74.8% y-o-y (down 73.5% to GEL 35.1 million in 1H24). This decline mainly reflects a decrease in dividend income due to a) the high base from the collection of non-recurring dividends of GEL 28.2 million in 2Q23 and GEL 49.5 million in 1H23, with no such income recorded in 2024, and b) a timing discrepancy in recognising BoG's final dividends, which in 2024 occurred in the third quarter as opposed to the second quarter of 2023.

Interest income was also down on lower liquid funds due to significant deleveraging progress in 2023, which also translated into a reduced interest expense during the quarter.

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

GCAP Operating Expenses Components

GEL '000, unless otherwise noted *(unaudited)*	2Q24	2Q23	Change	1H24	1H23	Change
Administrative expenses[23]	(2,897)	(2,899)	-0.1%	(5,757)	(5,528)	4.1%
Management expenses – cash-based[24]	(3,028)	(2,767)	9.4%	(5,828)	(5,356)	8.8%
Management expenses – share-based[25]	(3,407)	(3,572)	-4.6%	(7,087)	(8,287)	-14.5%
Total operating expenses	**(9,332)**	**(9,238)**	**1.0%**	**(18,672)**	**(19,171)**	**-2.6%**
Of which, fund type expense[26]	*(2,287)*	*(2,338)*	*-2.2%*	*(4,788)*	*(4,904)*	*-2.4%*
Of which, management fee type expenses[27]	*(7,045)*	*(6,900)*	*2.1%*	*(13,884)*	*(14,267)*	*-2.7%*

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

GCAP management fee expenses starting from 2024 have a self-targeted cap of 0.75% of Georgia Capital's NAV. The LTM management fee expense ratio was 0.85% at 30-Jun-24 (0.97% as of 30-Jun-23), reflecting a decrease in the net asset value in 2Q24.

Total investment return represents the increase (decrease) in the fair value of our portfolio. Total investment return was negative GEL 484.0 million in 2Q24 and GEL 190.9 million in 1H24, reflecting the changes in the value of our portfolio companies. We discuss valuation drivers for our businesses on pages 4-6. The performance of each of our private large and investment stage portfolio companies is discussed on pages 12-20.

GCAP's net foreign currency liability balance amounted to US$ 142 million (GEL 400 million) at 30-Jun-24. As a result of the movements described above, GCAP's adjusted IFRS *net loss* was GEL 483.1 million in 2Q24 (GEL 195.5 million in 1H24).

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 2Q24, 1H24, 2Q23 and 1H23 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 24 for more background.

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 418 pharmacies (of which 402 are in Georgia and 16 in Armenia) and 22 franchise stores (of which, 14 are in Georgia, 2 in Armenia and 6 in Azerbaijan).

2Q24 and 1H24 performance (GEL '000), Retail (pharmacy)[28]

INCOME STATEMENT HIGHLIGHTS	2Q24	2Q23	Change	1H24	1H23	Change
Revenue, net	**207,419**	**200,474**	**3.5%**	**411,130**	**397,023**	**3.6%**
Of which, retail	*163,307*	*158,232*	*3.2%*	*331,252*	*312,696*	*5.9%*
Of which, wholesale	*44,112*	*42,242*	*4.4%*	*79,878*	*84,327*	*-5.3%*
Gross Profit	**63,287**	**57,674**	**9.7%**	**123,101**	**114,656**	**7.4%**
Gross profit margin	*30.5%*	*28.8%*	*1.7 ppts*	*29.9%*	*28.9%*	*1.0 ppts*
Operating expenses (ex. IFRS 16)	(43,746)	(37,743)	15.9%	(88,019)	(74,210)	18.6%
EBITDA (ex. IFRS 16)	**19,541**	**19,931**	**-2.0%**	**35,082**	**40,446**	**-13.3%**
EBITDA margin, (ex. IFRS 16)	*9.4%*	*9.9%*	*-0.5 ppts*	*8.5%*	*10.2%*	*-1. 7ppts*
Net profit (ex. IFRS 16)	**4,445**	**12,751**	**-65.1%**	**11,193**	**33,348**	**-66.4%**
CASH FLOW HIGHLIGHTS						
Cash flow from operating activities (*ex. IFRS 16*)	**14,562**	**3,145**	**NMF**	**34,127**	**17,716**	**92.6%**
EBITDA to cash conversion	*74.5%*	*15.8%*	*58.7 ppts*	*97.3%*	*43.8%*	*53.5 ppts*
Cash flow used in investing activities[29]	**(19,512)**	**(84,964)**	**-77.0%**	**(24,738)**	**(78,139)**	**-68.3%**
Free cash flow, (ex. IFRS 16)[30]	**8,750**	**(85,637)**	**NMF**	**22,074**	**(66,187)**	**NMF**
Cash flow used in financing activities (*ex. IFRS 16*)	**(20,485)**	**23,247**	**NMF**	**(45,996)**	**15,180**	**NMF**
BALANCE SHEET HIGHLIGHTS	30-Jun-24	31-Mar-24	Change	31-Dec-23	Change	
Total assets	**590,200**	**611,445**	**-3.5%**	**631,218**	**-6.5%**	
Of which, cash and bank deposits	23,506	48,928	-52.0%	60,383	-61.1%	
Of which, securities and loans issued	16,574	2,278	NMF	2,623	NMF	
Total liabilities	**553,787**	**566,686**	**-2.3%**	**597,611**	**-7.3%**	
Of which, borrowings	208,072	207,324	0.4%	228,261	-8.8%	
Of which, lease liabilities	151,788	158,451	-4.2%	151,916	-0.1%	
Total equity	**36,413**	**44,759**	**-18.6%**	**33,607**	**8.3%**	

INCOME STATEMENT HIGHLIGHTS

- The developments in 2Q24 and 1H24 total revenue of Retail (Pharmacy) reflect the combination of the following factors:
  - A 3.2% y-o-y increase in retail revenue in 2Q24 (up 5.9% y-o-y in 1H24), driven by the significant expansion of the retail chain (the business added 35 pharmacies and 11 franchise stores over the last 12 months) and the business's proactive approach aimed at enhancing the sales and profitability of para-pharmacy products. The revenue from para-pharmacy, as a percentage of retail revenue, was 38.0% in 2Q24 (37.0% in 1H24).
  - A 4.4% y-o-y increase in wholesale revenue in 2Q24 mainly reflecting the occurrence of state tenders that were postponed from 1Q24. Overall, the State's recent approach to procuring certain medicines directly from manufacturers has resulted in a 5.3% y-o-y decrease in the wholesale revenue in 1H24.
  - The total revenue growth was partially affected by price regulations, which set a maximum selling price for both prescription and non-prescription medicines. The negative impact of these regulations on the total revenue growth amounted to GEL 4.5 million in 2Q24 (GEL 7.9 million in 1H24).

[28] The detailed IFRS financial statements are included in supplementary excel file, available at https://georgiacapital.ge/ir/financial-results. In 1H24, certain transaction-related expenses, such as POS-terminal charges, courier services, and other related expenses, have been reclassified from operating expenses to components of gross profit. The comparative 2Q23 and 1H23 periods have been adjusted retrospectively.

[29] Of which – cash outflow on capex of GEL 6.2 million in 2Q24 and GEL 12.5 million in 1H24 (GEL 5.1 million in 2Q23 and GEL 9.4 million in 1H23); proceeds from sale of investment property of GEL 0.4 million in 2Q24 and 1H24 (GEL 5.4 million in 2Q23 and GEL 14.6 million in 1H23); cash outflow on minority acquisition of GEL 89.1 million in 2Q23 and 1H23.

[30] Calculated by deducting capex and minority acquisition from operating cash flows and adding proceeds from the sale of PPE/IP.

- Gross profit was up by 9.7% y-o-y in 2Q24 (up by 7.4% y-o-y in 1H24), mainly driven by an 8.4 ppts and 6.4 ppts y-o-y improvement in the gross profit margin of para-pharmacy retail revenue in 2Q24 and 1H24, respectively.
- The y-o-y increase in operating expenses (excl. IFRS 16) in 2Q24 and 1H24 resulted from the increased rent and salary expenses in line with the substantial expansion of the retail chain and the launch of the new warehouse at the end of 2023.
- EBITDA (excl. IFRS 16) was down by 2.0% y-o-y in 2Q24 (down 13.3% y-o-y in 1H24). However, 2Q24 EBITDA (excl. IFRS 16) surpassed that of the first quarter (up by 25.7% q-o-q), even though the first quarter is typically one of the strongest in terms of the topline growth. This highlights the positive outcomes of chain expansion and optimisation efforts and indicates a rebound following the introduction of price regulations.
- Net interest expense (excl. IFRS 16) was up by GEL 4.0 million y-o-y to GEL 5.7 million in 2Q24 (up by GEL 7.9 million y-o-y to GEL 10.9 million in 1H24), attributable to the higher average net debt balance, utilised to finance the minority buyout transaction in June 2023.
- Net profit (excl. IFRS 16) was down by 65.1% y-o-y in 2Q24 (down 66.4% y-o-y in 1H24), which apart from the developments described above, reflects the negative impact of GEL's depreciation against foreign currencies during the quarter (FX loss (excl. IFRS 16) amounted to GEL 5.2 million in 2Q24 and GEL 3.2 million in 1H24)

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

- The net debt balance was up to GEL 168.0 million at 30-Jun-24, from GEL 156.1 million at 31-Mar-24, reflecting a dividend payment of GEL 10.0 million to GCAP in 2Q24.
- Cash flow from operating activities was strong with a 58.7ppts and 53.5ppts y-o-y improvement in EBITDA to cash conversion ratio in 2Q24 and 1H24, respectively, reflecting the low base effect of the significant working capital investments in 2023.

OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

- The business divested one of its franchise brands "Carters" with 4 operating stores in Georgia. The total consideration (excl. VAT) amounted to GEL 3.5 million. The proceeds from the transaction were fully received in July 2024.
- The number of pharmacies and franchise stores is provided below:

	Jun-24	Mar-23	*Change (q-o-q)*	Jun-23	*Change (y-o-y)*
Number of pharmacies	**418**	**418**	**-**	**383**	***35***
Of which, Georgia	*402*	*402*	-	*371*	*31*
Of which, Armenia	*16*	*16*	-	*12*	*4*
Number of franchise stores	**22**	**24**	**(2)**	**11**	**11**
Of which, Georgia	*14*	*18*	*(4)*	*7*	*7*
Of which, Armenia	*2*	*2*	-	*2*	-
Of which, Azerbaijan	*6*	*4*	*2*	*2*	*4*

- Retail (Pharmacy)'s key operating performance highlights for 2Q24 and 1H24 are noted below:

Key metrics	**2Q24**	**2Q23**	**Change**	**1H24**	**1H23**	**Change**
Same store revenue growth	*-5.9%*	*2.6%*	*-8.5 ppts*	*-2.6%*	*-0.6%*	*-2.0 ppts*
Number of bills issued (mln)	*7.8*	*7.9*	*-0.6%*	*15.9*	*15.5*	*2.6%*
Average bill size (GEL)	*19.7*	*19.0*	*3.7%*	*19.7*	*19.1*	*3.2%*

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

As at 30-Jun-24, the insurance business comprises a) Property and Casualty (P&C) insurance business, operating under the brand name "Aldagi" and b) medical insurance business, operating under "Imedi L" and "Ardi" brands, the latter acquired in April 2024. The P&C insurance business is a leading player with a 25% market share in property and casualty insurance based on gross premiums as of 31-Mar-24. P&C also offers a variety of non-property and casualty products, such as life insurance. The medical insurance business is the country's largest private health insurer, with a 33% market share based on gross insurance premiums as of 31-Mar-24, offering 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.

2Q24 and 1H24 performance (GEL'000), Insurance (P&C and Medical) [31]

INCOME STATEMENT HIGHLIGHTS	**2Q24**	**2Q23**	**Change**	**1H24**	**1H23**	**Change**
Insurance revenue	76,434	52,174	46.5%	131,426	98,405	33.6%
Of which, P&C Insurance	*36,304*	*28,544*	*27.2%*	*67,801*	*52,965*	*28.0%*
Of which, Medical Insurance	*40,130*	*23,630*	*69.8%*	*63,625*	*45,440*	*40.0%*
Net underwriting profit	19,261	14,234	35.3%	33,480	27,498	21.8%
Net investment profit	4,216	3,877	8.7%	7,538	6,353	18.7%
Pre-tax profit	11,400	8,858	28.7%	19,170	16,597	15.5%
Of which, P&C Insurance	*7,034*	*7,068*	*-0.5%*	*13,337*	*12,744*	*4.7%*
Of which, Medical Insurance	*4,366*	*1,790*	*NMF*	*5,833*	*3,853*	*51.4%*

CASH FLOW HIGHLIGHTS	**2Q24**	**2Q23**	**Change**	**1H24**	**1H23**	**Change**
Net cash flows from operating activities	16,154	12,911	25.1%	23,771	21,277	11.7%
Free cash flow	**17,721**	**11,359**	**56.0%**	**24,020**	**19,025**	**26.3%**

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

BALANCE SHEET HIGHLIGHTS	30-Jun-24	31-Mar-24	Change	31-Dec-23	Change
Total assets	328,581	248,274	32.3%	248,902	32.0%
Total equity	117,689	132,531	-11.2%	130,684	-9.9%

INCOME STATEMENT HIGHLIGHTS

- The increase in 2Q24 and 1H24 insurance revenue reflects a combination of factors:
  - The revenue of the P&C insurance business was up by 27.2% y-o-y in 2Q24 (up 28.0% y-o-y in 1H24), resulting from:
    - A GEL 4.8 million y-o-y increase in Motor insurance revenues in 2Q24 (a GEL 9.8 million y-o-y increase in 1H24), mainly attributable to the expansion of both retail and corporate client portfolios.
    - A GEL 1.4 million y-o-y increase in Credit Life insurance revenues in 2Q24 (a GEL 2.6 million y-o-y increase in 1H24), resulting from the growth of banks' portfolios in the mortgage, consumer loan and other sectors.
    - A GEL 1.6 million y-o-y increase in the revenues from other insurance lines in 2Q24 (a GEL 2.4 million y-o-y increase in 1H24).
  - The revenue of the medical insurance business was up by 69.8% y-o-y in 2Q24 (up 40.0% y-o-y in 1H24), reflecting c.10% increase in insurance policy prices as well as the positive impact of the acquisition of Ardi insurance portfolio in April 2024, which contributed 59.6 ppts and 31.0 ppts to the 2Q24 and 1H24 y-o-y revenue growth, respectively.
- The insurance business's key performance ratios for 2Q24 and 1H24 are noted below:

Key ratios	P&C Insurance						Medical Insurance					
	2Q24	2Q23	*Change*	1H24	1H23	*Change*	2Q24	2Q23	*Change*	1H24	1H23	*Change*
Combined ratio	88.5%	84.3%	4.2ppts	87.9%	83.6%	4.3ppts	91.1%	96.2%	-5.1ppts	93.3%	96.0%	-2.7ppts
Expense ratio	33.6%	33.8%	-0.2ppts	33.6%	34.6%	-1.0ppts	15.8%	15.2%	0.6 ppts	15.9%	15.3%	0.6 ppts
Loss ratio	53.2%	48.4%	4.8ppts	53.6%	50.4%	3.2 ppts	75.3%	81.0%	-5.7ppts	77.4%	80.7%	-3.3ppts
FX ratio	1.7%	2.1%	-0.4ppts	0.7%	-1.4%	2.1 ppts	-	-	-	-	-	-
ROAE[32]	33.3%	30.2%	3.1 ppts	32.2%	28.0%	4.2 ppts	33.8%	14.6%	19.2ppts	22.7%	17.1%	5.6ppts

- The combined ratio of P&C Insurance increased by 4.2 ppts y-o-y to 88.5% in 2Q24 (up by 4.3 ppts y-o-y to 87.9% in 1H24), mainly resulting from increased loss ratio predominantly due to increased motor insurance claims in the corporate client segment. However, recent price segmentation initiatives in the corporate motor insurance portfolio are expected to improve the loss ratio in the coming quarters.
- The combined ratio of Medical Insurance improved by 5.1 ppts and 2.7 ppts in 2Q24 and 1H24, respectively, reflecting a) consolidation of Ardi's portfolio and b) increased revenues, due to higher insurance tariffs, as described above.
- The net investment profit was up by 8.7% y-o-y in 2Q24 (up by 18.7% y-o-y in 1H24), attributable to the FX movements and higher average liquid funds balance.
- As a result, the pre-tax profit of the insurance business was up by 28.7% and 15.5% y-o-y in 2Q24 and 1H24, respectively.

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

- The solvency ratio of P&C and medical insurance businesses stood at 172% and 117%, respectively, as of 30 June 2024, above the required minimum of 100%.
- A y-o-y increase in the net cash flows from operating activities is mainly driven by higher underwriting cash flows of the business coupled with the positive impact of the consolidation of Ardi's portfolio.
- GEL 4.9 million dividends were paid to GCAP in 2Q24 (GEL 9.7 million in 1H24).

OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

- In July 2024, AM Best, an international credit rating agency, upgraded the outlook of Aldagi from bb+ stable to bb+ positive. This, based on AM Best's assessment, highlights the improvement of Aldagi's balance sheet strength fundamentals and the enhanced financial stability of the business.

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.

2Q24 and 1H24 performance (GEL '000), Hospitals[34]

INCOME STATEMENT HIGHLIGHTS	2Q24	2Q23	Change	1H24	1H23	Change
Revenue, net[35]	**82,785**	**84,599**	**-2.1%**	**163,534**	**164,256**	**-0.4%**
Gross Profit	**27,233**	**30,477**	**-10.6%**	**55,037**	**58,710**	**-6.3%**
Gross profit margin	*32.3%*	*35.6%*	*-3.3 ppts*	*33.1%*	*35.3%*	*-2.2 ppts*
Operating expenses (ex. IFRS 16)	(13,509)	(15,084)	-10.4%	(28,976)	(29,070)	-0.3%
EBITDA (ex. IFRS 16)	**13,724**	**15,393**	**-10.8%**	**26,062**	**29,639**	**-12.1%**
EBITDA margin (ex. IFRS 16)	*16.3%*	*18.0%*	*-1.7 ppts*	*15.7%*	*17.8%*	*-2.1 ppts*
Net loss (ex. IFRS 16)	**(2,606)**	**(1,183)**	**NMF**	**(6,191)**	**(2,514)**	**NMF**

[32] Calculated based on average equity, adjusted for preferred shares.
[33] The numbers were adjusted retrospectively to account for the recent strategic reorganisation in the healthcare businesses that occurred in December 2023.
[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.

CASH FLOW HIGHLIGHTS	2Q24	2Q23	Change	1H24	1H23	Change
Cash flow from operating activities (ex. IFRS 16)	**4,070**	**(3,703)**	**NMF**	**6,573**	**(7,470)**	**NMF**
EBITDA to cash conversion (ex. IFRS 16)	*29.7%*	*-24.1%*	*53.8 ppts*	*25.2%*	*-25.2%*	*50.4 ppts*
Cash flow used in investing activities[36]	**(11,445)**	**(8,702)**	**31.5%**	**6,147**	**(15,304)**	**NMF**
Free cash flow (ex. IFRS 16)[37]	**(7,675)**	**(12,613)**	**-39.2%**	**12,953**	**(23,246)**	**NMF**
Cash flow used in financing activities (ex. IFRS 16)	**17,333**	**(3,269)**	**NMF**	**(10,094)**	**4,779**	**NMF**

BALANCE SHEET HIGHLIGHTS	30-Jun-24	31-Mar-24	Change	31-Dec-23	Change
Total assets	**698,365**	**675,170**	**3.4%**	**707,614**	**-1.3%**
Of which, cash balance and bank deposits	12,140	2,292	NMF	9,753	24.5%
Of which, securities and loans issued	9,397	11,909	-21.1%	9,557	-1.7%
Total liabilities	**359,634**	**334,094**	**7.6%**	**357,658**	**0.6%**
Of which, borrowings	282,907	264,873	6.8%	281,352	0.6%
Total equity	**338,731**	**341,076**	**-0.7%**	**349,956**	**-3.2%**

INCOME STATEMENT HIGHLIGHTS

- The Large and Specialty Hospitals and Regional and Community Hospitals represent approximately 70% and 30%, respectively, of the consolidated hospitals' business revenue.

Total revenue breakdown	2Q24	2Q23	Change	1H24	1H23	Change
Total revenue, net	**82,785**	**84,599**	**-2.1%**	**163,534**	**164,256**	**-0.4%**
Of which, Large and Specialty Hospitals	*57,637*	*55,236*	*4.3%*	*111,509*	*105,243*	*6.0%*
Of which, Regional and Community Hospitals	*25,399*	*29,579*	*-14.1%*	*52,643*	*59,521*	*-11.6%*
Of which, Inter-business eliminations	*(251)*	*(216)*	*16.2%*	*(618)*	*(508)*	*21.7%*

- The 2Q24 revenue of Large and Specialty Hospitals increased by 4.3% y-o-y:
  - Revenues from high-margin outpatient and elective care services increased by 9.8% y-o-y in 2Q24 (up 5.2% y-o-y in 1H24), contributing to a decrease in the share of revenues from the State from 58.2% in 2Q23 to 56.8% in 2Q24 (down from 58.2% in 1H23 to 55.8% in 1H24). This underscores the positive results of the business's efforts to expand its range of outpatient and elective care services, which have partially mitigated the impact of the new facility regulations introduced in September 2023.
  - Improved brand awareness has also supported revenue growth, with Caucasus Medical Centre ("CMC") becoming the first multi-profile referral hospital in Georgia to be accredited by the Joint Commission International ("JCI").
  - A y-o-y increase in revenue of Large and Specialty Hospitals in 1H24 further reflects the reopening of Iashvili Paediatric Tertiary Referral Hospital, which was closed for most of 1Q23 due to mandatory regulatory-related renovation works.
- A y-o-y decrease in revenue for Regional and Community Hospitals in 2Q24 and 1H24 reflects:
  - The sale of one of the regional hospitals ("Batumi Hospital") in 4Q23.
  - The impact of the new facility regulations, which resulted in certain sections of the healthcare facilities being temporarily closed and unable to accept patients. The business expects to complete all regulatory-related renovation works by the end of 2024.
- As a result, the combined revenue of the hospitals business was down by 2.1% and 0.4% y-o-y in 2Q24 and 1H24, respectively. Adjusted for the sale of the above-mentioned "Batumi Hospital", the combined revenue was up by 3.1% y-o-y in 2Q24 (up by 5.2% in 1H24).
- The decrease in the gross profit margin apart from the revenue developments described above, reflects the following trends in direct salary and materials rates[38] and utility costs:
  - Starting from January 2024, the State introduced minimum salary requirements for janitors and junior nurses. As a result, the direct salary rate was up 3.6 ppts y-o-y to 41.2% in 2Q24 (up 2.7 ppts y-o-y to 40.4% in 1H24).
  - The materials rate was mainly flat (up 0.1 ppts y-o-y to 17.0% in 2Q24 and up by 0.3 ppts y-o-y to 16.9% in 1H24).
  - Utilities and other costs were managed effectively, down by 10.8% and 15.3% y-o-y in 2Q24 and 1H24, respectively.
- Operating expenses (excl. IFRS 16) were down by 10.4% y-o-y in 2Q24 (down 0.3% y-o-y in 1H24), mainly resulting from:
  - A reduction in marketing expenses due to a high base in 2023, which was related to the strategic restructuring of the business.
  - A substantial 156% y-o-y increase in other operating income from university residency programs and clinical trials in 2Q24 (up 31.4% y-o-y in 1H24), offsetting the operating expenses.
- The developments described above translated into a 10.8% and 12.1% y-o-y decrease in EBITDA (excluding IFRS 16) in 2Q24 and 1H24, respectively.

	2Q24	2Q23	Change	1H24	1H23	Change
Total EBITDA (excl. IFRS 16), breakdown	**13,724**	**15,393**	**-10.8%**	**26,062**	**29,639**	**-12.1%**
Of which, Large and Specialty Hospitals	*11,203*	*11,150*	*0.5%*	*20,292*	*21,039*	*-3.5%*
Of which, Regional and Community Hospitals	*2,521*	*4,242*	*-40.6%*	*5,769*	*8,601*	*-32.9%*

[36] Of which - capex of GEL 12.0 million and GEL 23.4 in 2Q24 and 1H24, respectively (GEL 9.6 million and GEL 18.1 in 2Q23 and 1H23 respectively); proceeds from the sale of property of GEL 29.8 million in 1H24 (GEL 2.3 million in 1H23).
[37] Operating cash flows less capex, plus net proceeds from the sale of Batumi Hospital.
[38] The respective costs divided by gross revenues.

- Adjusted for the sale of "Batumi Hospital", the combined EBITDA was down by 6.9% y-o-y in 2Q24 (down 7.5% y-o-y in 1H24).
- Net interest expense (excluding IFRS 16) was largely flat (up 0.9% y-o-y in 2Q24 up 2.9% y-o-y in 1H24).
- As a result, the business posted a net loss (excluding IFRS 16) of GEL 2.6 million in 2Q24 (GEL 6.2 million net loss in 1H24).

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

- Capex investment was GEL 12.0 million in 2Q24 (23.4 million in 1H24), comprising: a) the maintenance capex of GEL 4.9 million in 2Q24 (8.9 million in 1H24) and b) capex related to the new regulations and obtaining required accreditations in the amount of GEL 2.5 million in 2Q24 (5.3 million in 1H24).
- EBITDA to cash conversion ratio stood at 29.7% and 25.2% in 2Q24 and 1H24, respectively, reflecting the one-off administrative delays in the collection of receivables from the State in 2024, as well as the integration of the community hospitals, formerly managed under Clinics and Diagnostics, into the hospitals business in 4Q23. The trend is expected to normalise in the coming months.

OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

- The business key operating performance highlights for 2Q24 and 1H24 are noted below:

Key metrics	**2Q24**	**2Q23**	**Change**	**1H24**	**1H23**	**Change**
Number of admissions (thousands):	*381.4*	*386.8*	*-1.4%*	*783.2*	*747.0*	*4.8%*
Of which, Large and Specialty Hospitals	*176.8*	*160.7*	*10.0%*	*341.1*	*300.4*	*13.5%*
Of which, Regional and Community Hospitals[39]	*204.6*	*226.1*	*-9.5%*	*442.1*	*446.6*	*-1.0%*
Occupancy rates:						
Of which, Large and Specialty Hospitals	69.6%	61.7%	*7.9 ppts*	67.5%	57.9%	*9.6 ppts*
Of which, Regional and Community Hospitals	61.1%	49.9%	*11.2 ppts*	63.5%	50.9%	*12.6 ppts*

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$.

2Q24 and 1H24 performance (US$ '000), Renewable Energy[40]

INCOME STATEMENT HIGHLIGHTS	2Q24	2Q23	Change	1H24	1H23	Change
Revenue	**4,890**	**4,159**	**17.6%**	**7,535**	**5,964**	**26.3%**
Of which, PPA	*1,968*	*1,935*	*1.7%*	*3,541*	*3,740*	*-5.3%*
Of which, Non-PPA	*2,922*	*2,224*	*31.4%*	*3,994*	*2,224*	*79.6%*
Operating expenses	(1,175)	(1,117)	5.2%	(2,046)	(2,025)	1.0%
EBITDA	**3,715**	**3,042**	**22.1%**	**5,489**	**3,939**	**39.4%**
EBITDA margin	*76.0%*	*73.1%*	*2.8 ppts*	*72.8%*	*66.0%*	*6.8 ppts*
Net profit / (loss)	**1,202**	**174**	**NMF**	**627**	**(1,539)**	**NMF**
CASH FLOW HIGHLIGHTS						
Cash flow from operating activities	**3,530**	**1,912**	**84.6%**	**4,672**	**2,485**	**88.0%**
Cash flow used in investing activities	**(361)**	**(612)**	**-41.0%**	**(1,217)**	**(2,154)**	**-43.5%**
Cash flow used in financing activities	**(1,563)**	**(1,845)**	**-15.3%**	**(6,725)**	**(2,654)**	**NMF**
Repayment of borrowings	*(4)*	*(9)*	*-50.2%*	*(5,191)*	*(9)*	*NMF*
Dividends paid out	*-*	*-*	*NMF*	*-*	*(2,000)*	*NMF*

BALANCE SHEET HIGHLIGHTS	30-Jun-24	31-Mar-24	Change	31-Dec-23	Change
Total assets	**118,977**	**117,586**	**1.2%**	**122,579**	**-2.9%**
Of which, cash balance	*7,151*	*5,560*	*28.6%*	*10,525*	*-32.1%*
Total liabilities	**78,359**	**79,543**	**-1.5%**	**83,911**	**-6.6%**
Of which, borrowings	*75,911*	*77,237*	*-1.7%*	*80,935*	*-6.2%*
Total equity	**40,619**	**38,043**	**6.8%**	**38,667**	**5.0%**

INCOME STATEMENT HIGHLIGHTS (GEL)	2Q24	2Q23	Change	1H24	1H23	Change
Revenue	13,526	10,722	26.2%	20,617	15,427	33.6%
EBITDA	10,267	7,841	30.9%	15,023	10,180	47.6%

INCOME STATEMENT HIGHLIGHTS

- The y-o-y increase in 2Q24 and 1H24 revenues in US$ terms reflects the net impact of the following factors:
  - An improvement in electricity generation, up 19.4% and 26.7% y-o-y in 2Q24 and 1H24, respectively, 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 periods due to previously planned phased rehabilitation works.

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[39] Adjusted for the sale of Batumi Hospital, the number of admissions in Regional and community hospitals was 213.5 thousand and 422.0 thousand in 2Q23 and 1H23, respectively (down 4.2% y-o-y in 2Q24 and up 4.8% y-o-y in 1H24).

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

- A 1.5% y-o-y decrease in the average electricity selling price (down 0.3% y-o-y in 1H24), mainly driven by the decrease in electricity export prices (down 16.5% y-o-y to 57.4 US$/MWh in 2Q24), while the average local selling price increased by 3.6% y-o-y to 52.0 US$/MWh in 2Q24.

- Approximately 41% of electricity sales during 2Q24 (c.48% during 1H24) were covered by long-term fixed-price power purchase agreements (PPAs) formed with a Government-backed entity.

2Q24 and 1H24 revenue and generation breakdown by power assets:

	2Q24				1H24			
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	1,923	*4.0%*	35,824	*5.1%*	2,001	*3.6%*	37,240	*4.6%*
20MW Hydrolea HPPs	1,672	*89.4%*	36,086	*73.1%*	2,978	*136.9%*	57,470	*109.0%*
21MW Qartli wind farm	1,295	*-9.3%*	19,918	*-9.2%*	2,556	*-7.9%*	39,330	*-7.9%*
Total	**4,890**	***17.6%***	**91,828**	***19.4%***	**7,535**	***26.3%***	**134,039**	***26.7%***

- The operating expenses were up by 5.2% y-o-y in 2Q24 (up 1.0% y-o-y in 1H24), primarily reflecting a) the resumption of operations at Hydrolea HPPs and b) electricity and transmission costs incurred from the export of 21.6 GWh of electricity to the Republic of Türkiye in 2Q24.
- The developments described above, led to a 22.1% and 39.4% y-o-y increase in EBITDA in 2Q24 and 1H24, respectively.

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

- A y-o-y increase in the cash flow from operating activities in 2Q24 and 1H24 reflects the developments in EBITDA, as described above.
- In 1Q24, the business repurchased and cancelled US$5.1 million of its US$80 million green bonds, resulting in a y-o-y reduction in interest expense in 2Q24, as evidenced by the lower cash outflows for financing activities highlighted in the cash flow summary above. Subsequent to 2Q24, the business repurchased and cancelled an additional US$ 1.9 million of its outstanding green bonds. Consequently, the gross debt balance of Renewable Energy now stands at US$ 73.0 million.

OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

- To harmonize with EU standards, the State launched the Day-ahead (DAM) and Intraday markets (IDM) on 1-Jul-24, after completing final testing phases. Currently, trading on the DAM and IDM is voluntary. The next phase, scheduled for summer 2025, considers full transitioning to hourly trading and launching the balancing market. We expect these market reforms to positively impact the renewable energy business performance.

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.

2Q24 and 1H24 performance (GEL '000), Education[41]

INCOME STATEMENT HIGHLIGHTS	2Q24	2Q23	Change	1H24	1H23	Change
Revenue	**18,173**	**14,468**	**25.6%**	**36,689**	**28,408**	**29.2%**
Operating expenses	(12,658)	(9,930)	27.5%	(25,277)	(18,508)	36.6%
EBITDA	**5,515**	**4,538**	**21.5%**	**11,412**	**9,900**	**15.3%**
EBITDA Margin	*30.3%*	*31.4%*	*-1.1 ppts*	*31.1%*	*34.8%*	*-3.7 ppts*
Net profit	**6,291**	**3,427**	**83.6%**	**11,330**	**8,429**	**34.4%**
CASH FLOW HIGHLIGHTS						
Net cash flows from operating activities	9,959	8,231	21.0%	16,043	11,327	41.6%
Net cash flows used in investing activities	(5,018)	(4,715)	6.4%	(9,172)	(19,839)	-53.8%
Net cash flows from financing activities	3,121	514	NMF	4,108	13,053	-68.5%
BALANCE SHEET HIGHLIGHTS	30-Jun-24	31-Mar-24	Change	31-Dec-23	Change	
Total assets	**214,355**	**198,997**	**7.7%**	**191,723**	**11.8%**	
Of which, cash	18,557	10,428	78.0%	7,535	NMF	
Total liabilities	**72,257**	**64,231**	**12.5%**	**62,149**	**16.3%**	
Of which, borrowings	33,267	29,301	13.5%	27,750	19.9%	
Total equity	**142,098**	**134,766**	**5.4%**	**129,574**	**9.7%**	

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

INCOME STATEMENT HIGHLIGHTS

- The 25.6% y-o-y increase in 2Q24 (up 29.2% y-o-y in 1H24) revenues was driven by a) organic growth through strong intakes and a ramp-up of the utilisation and b) expansion of the business through the launch of a new campus in the mid-scale segment and the acquisition of the new campus in the affordable segment during 2023. The revenue growth was partially subdued by foreign exchange rate movements, as the tuition fees for our premium and international schools are denominated in US$. On a constant currency basis, the y-o-y revenue growth in 2Q24 amounted to 31.8% (up 35.8% y-o-y 1H24).
- Operating expenses were up by 27.5% y-o-y in 2Q24 (up 36.6% y-o-y in 1H24), mainly reflecting increased salary, catering and utility expenses, in line with the expansion of the business.
- Consequently, EBITDA was up by 21.5% y-o-y (up 15.3% y-o-y in 1H24), while EBITDA margin was down by 1.1 ppts y-o-y in 2Q24 (down 3.7 y-o-y in 1H24), reflecting the early ramp-up stage of the newly launched campuses. The margin is expected to rebound as the utilisation rate of the newly added learner capacity picks up gradually. On a constant currency basis, a y-o-y EBITDA growth in 2Q24 amounted to 40.1% (up 33.4% y-o-y 1H24).
- Net income was up 83.6% y-o-y in 2Q24 (up 34.4% y-o-y in 1H24), which apart from the developments described above, reflects a gain from the first-time valuation of the call option on the minority stake in one of the recently acquired campuses, which was previously measured at an equity investment cost.

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

- Strong cash collection rates (at 96.4% as of 30-Jun-24, in line with last year's level), combined with enhanced revenue streams, led to a 21.0% y-o-y increase in operating cash flow generation of the business in 2Q24 (up 41.6% y-o-y in 1H24).
- Investing cash outflows of GEL 5.0 million and GEL 9.2 million in 2Q24 and 1H24, respectively, reflect the investments related to the ongoing expansion of existing campuses in the midscale and affordable segments.

OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

- The total number of learners increased by 1,367 learners y-o-y to 5,883 learners at 30-Jun-24.
- The utilisation rate for the total 7,270 learner capacity was up by 15.2 ppts y-o-y to 80.9% as at 30-Jun-24.
  - 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 68.9%.
- The number of campuses across the different segments is noted below:

	Jun-24	Mar-24	*Change (q-o-q)*	Jun-23	*Change (y-o-y)*
Total number of campuses	**7**	**7**	**-**	**6**	**1**
Premium and International segment	*1*	*1*	*-*	*1*	*-*
Mid-scale segment	*2*	*2*	*-*	*1*	*1*
Affordable segment	*4*	*4*	*-*	*4*	*-*

Discussion of Clinics and Diagnostics Business Results[42]

The clinics and diagnostics business, where GCAP owns a 100% equity interest, is the second largest healthcare market participant in Georgia after our hospitals business. The business comprises two segments: 1) 18 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".

2Q24 and 1H24 performance (GEL '000), Clinics and Diagnostics[43]

INCOME STATEMENT HIGHLIGHTS	2Q24	2Q23	Change	1H24	1H23	Change
Revenue, net[44]	**18,993**	**15,472**	**22.8%**	**36,707**	**29,760**	**23.3%**
Of which, clinics	*15,187*	*12,056*	*26.0%*	*29,273*	*23,198*	*26.2%*
Of which, diagnostics	*5,452*	*4,776*	*14.2%*	*10,830*	*9,192*	*17.8%*
Of which, inter-business eliminations	*(1,646)*	*(1,360)*	*21.0%*	*(3,396)*	*(2,630)*	*29.1%*
Gross Profit	**9,623**	**7,258**	**32.6%**	**18,349**	**13,581**	**35.1%**
Gross profit margin	*50.6%*	*46.8%*	*3.8ppts*	*49.9%*	*45.4%*	*4.5ppts*
Operating expenses (ex. IFRS 16)	(5,996)	(4,763)	25.9%	(11,153)	(9,136)	22.1%
EBITDA (ex. IFRS 16)	**3,627**	**2,495**	**45.4%**	**7,196**	**4,445**	**61.9%**
EBITDA margin (ex. IFRS 16)	*19.1%*	*16.1%*	*3.0ppts*	*19.6%*	*14.9%*	*4.7ppts*
Net profit / (loss) (ex. IFRS 16)	**379**	**(866)**	**NMF**	**1,722**	**(835)**	**NMF**
CASH FLOW HIGHLIGHTS						
Cash flow from operating activities (ex. IFRS 16)	**2,445**	**2,258**	**8.3%**	**7,174**	**2,199**	**NMF**
EBITDA to cash conversion (ex. IFRS 16)	*67.4%*	*90.5%*	*-23.1ppts*	*99.7%*	*49.5%*	*50.2ppts*
Cash flow used in investing activities	**(3,401)**	**(2,974)**	**14.4%**	**(4,504)**	**(5,763)**	**-21.9%**
Free cash flow (ex. IFRS 16)[45]	**(645)**	**(903)**	**-28.5%**	**3,292**	**(3,666)**	**NMF**
Cash flow from financing activities (ex. IFRS 16)	**587**	**1,199**	**-51.0%**	**(1,867)**	**6,078**	**NMF**

[42] The numbers were adjusted retrospectively to account for the recent strategic reorganisation in the healthcare businesses.
[43] The detailed IFRS financial statements are included in supplementary excel file, available at https://georgiacapital.ge/ir/financial-results.
[44] Net revenue – Gross revenue less corrections and rebates. Margins are calculated from Gross revenue.
[45] Operating cash flows less capex.

BALANCE SHEET HIGHLIGHTS	30-Jun-24	31-Mar-24	Change	31-Dec-23	Change
Total assets	**131,991**	**129,633**	**1.8%**	**135,848**	**-2.8%**
Of which, cash balance and bank deposits	5,331	5,671	-6.0%	4,500	18.5%
Of which, securities and loans issued	3,049	3,051	-0.1%	8,357	-63.5%
Total liabilities	**78,726**	**75,826**	**3.8%**	**83,901**	**-6.2%**
Of which, borrowings	43,162	41,143	4.9%	48,630	-11.2%
Total equity	**53,265**	**53,807**	**-1.0%**	**51,947**	**2.5%**

Discussion of results, Clinics (GEL '000)

INCOME STATEMENT HIGHLIGHTS	2Q24	2Q23	Change	1H24	1H23	Change
Revenue, net	**15,187**	**12,056**	**26.0%**	**29,273**	**23,198**	**26.2%**
Gross Profit	**7,785**	**6,011**	**29.5%**	**14,887**	**11,316**	**31.6%**
Gross profit margin	*51.1%*	*49.8%*	*1.3ppts*	*50.7%*	*48.5%*	*2.2ppts*
Operating expenses (ex. IFRS 16)	(4,875)	(3,913)	24.6%	(9,070)	(7,524)	20.5%
EBITDA (ex. IFRS 16)	**2,910**	**2,098**	**38.7%**	**5,817**	**3,792**	**53.4%**
EBITDA margin (ex. IFRS 16)	*19.1%*	*17.4%*	*1.7ppts*	*19.8%*	*16.2%*	*3.6ppts*
Net profit / (loss) (ex. IFRS 16)	**183**	**(268)**	**NMF**	**1,298**	**(83)**	**NMF**
CASH FLOW HIGHLIGHTS						
Cash flow from operating activities (ex. IFRS 16)	**3,062**	**2,531**	**20.9%**	**7,770**	**3,883**	**100.1%**
EBITDA to cash conversion (ex. IFRS 16)	*105.2%*	*120.6%*	*-15.4ppts*	*133.6%*	*102.4%*	*31.2ppts*
Cash flow used in investing activities[46]	**(3,288)**	**(2,825)**	**16.4%**	**(4,262)**	**(5,024)**	**-15.1%**
Free cash flow (ex. IFRS 16)	**84**	**(479)**	**NMF**	**4,129**	**(1,235)**	**NMF**
Cash flow used in financing activities (ex. IFRS 16)	**(183)**	**705**	**NMF**	**(2,573)**	**4,671**	**NMF**

BALANCE SHEET HIGHLIGHTS	30-Jun-24	31-Mar-24	Change	31-Dec-23	Change
Total assets	**100,804**	**99,557**	**1.3%**	**105,789**	**-4.7%**
Of which, cash balance and bank deposits	5,223	5,605	-6.8%	4,261	22.6%
Of which, securities and loans issued	3,049	3,051	-0.1%	8,357	-63.5%
Total liabilities	**65,908**	**63,965**	**3.0%**	**71,840**	**-8.3%**
Of which, borrowings	35,797	34,743	3.0%	42,340	-15.5%
Total equity	**34,896**	**35,592**	**-2.0%**	**33,949**	**2.8%**

INCOME STATEMENT HIGHLIGHTS

- The 26.0% y-o-y increase in 2Q24 revenue (up 26.2% y-o-y in 1H24) reflects:
  - The increased demand for high revenue-generating services as well as the growth in the number of registered patients, driven by the business's proactive approach to customer acquisition and service enhancements.
  - Ramp-up of two new ambulatory centres launched in 2H23, contributing to the overall top-line growth.
  - The acquisition of a portfolio of c.27,000 new customers in June 2024. Although this acquisition had a limited impact on 2Q24 and 1H24 results, it is anticipated to significantly contribute to the business's future performance.
- The cost of services in the clinics consists mainly of salaries, materials and utilities, and the cost of providers,:
  - The trend in salary cost is captured in the direct salary rate[47]. A significant portion of direct salaries is fixed, which on the back of increased revenue improved by 1.1 ppts y-o-y to 31.1% in 2Q24 (up by 1.6 ppts to 30.5% in 1H24), notwithstanding the impact of new regulatory requirements regarding minimum salaries, as outlined in the discussion of the hospitals business results above.
  - The materials rate and utility expenses were well-managed, improving by 0.3 ppts and 2.1% y-o-y in 2Q24, respectively (0.7 ppts and 4.5% improvement in 1H24, respectively).
  - The cost of providers mainly consists of outsourced laboratory services, which accounted for c.13% of revenue in 2Q24, (c.13% in 1H24). Increased demand for such services led to a 0.7 ppts y-o-y increase in the provider cost ratio in 2Q24 (up 1.3 ppts y-o-y in 1H24).
- Consequently, the gross profit margin improved by 1.3 ppts y-o-y in 2Q24 (2.2 ppts y-o-y improvement in 1H24).
- Operating expenses (excl. IFRS 16) were up by 24.6% y-o-y in 2Q24 (up 20.5% y-o-y in 1H24), reflecting increased salaries and administrative expenses, in line with the expansion of the business.
- The development described above translated into a 38.7% y-o-y increase in EBITDA in 2Q24 (up 53.4% y-o-y in 1H24).

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

- The strong performance of the business translated into a 105.2% EBITDA to cash conversion ratio in 2Q24 (133.6% in 1H24).
- In 2Q24, the business spent GEL 2.2 million on capex, primarily related to the expansion of services and the polyclinics chain. Capex investment in 1H24 amounted to GEL 2.8 million.

OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

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

	2Q24	2Q23	Change	1H24	1H23	Change
Number of admissions (thousands)	437.4	396.0	10.5%	898.8	792.4	13.4%

[46] Of which capex of GEL 2.2 million in 2Q24 and GEL 2.8 million in 1H24 (GEL 3.0 million in 2Q23 and GEL 5.1 million in 1H23).
[47] The respective costs divided by gross revenues.

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

	Jun-24	Jun-23	Change	Dec-23	Change
Number of polyclinics	18	17	1	18	-

As of 30-Jun-24, the total number of registered patients in our polyclinics in Tbilisi reached c.336,000 (c.283,000 as of 30-Jun-23).

Discussion of results, Diagnostics (GEL '000)

INCOME STATEMENT HIGHLIGHTS	2Q24	2Q23	Change	1H24	1H23	Change
Revenue, net	**5,452**	**4,776**	**14.2%**	**10,830**	**9,192**	**17.8%**
Gross Profit	**1,838**	**1,247**	**47.4%**	**3,462**	**2,265**	**52.8%**
Gross profit margin	*33.7%*	*26.1%*	*7.6ppts*	*32.0%*	*24.6%*	*7.4ppts*
Operating expenses (ex. IFRS 16)	(1,121)	(850)	31.9%	(2,083)	(1,612)	29.2%
EBITDA (ex. IFRS 16)	**717**	**397**	**80.6%**	**1,379**	**653**	**NMF**
EBITDA margin (ex. IFRS 16)	*13.2%*	*8.3%*	*4.9ppts*	*12.7%*	*7.1%*	*5.6ppts*
Net profit / (loss) (ex. IFRS 16)	**196**	**(598)**	**NMF**	**424**	**(752)**	**NMF**

INCOME STATEMENT HIGHLIGHTS

- The revenue developments in 2Q24 and 1H24 reflect the results of the business's enhanced efforts to broaden its client base and diversify its range of services, particularly in the high-margin category.
- Materials and direct salary rates improved by 6.1 ppts and 1.8 ppts y-o-y in 2Q24, respectively (3.8 ppts and 2.2 ppts y-o-y improvement in 1H24, respectively), which along with increased revenues, reflect significant process optimisations.
- As a result, the business recorded a 47.4% y-o-y increase in gross profit and an 80.6% y-o-y increase in EBITDA in 2Q24 (up 52.8% and 111.2% y-o-y in 1H24, respectively).

OTHER VALUATION DRIVERS AND OPERATING HIGHLIGHTS

- The key operating performance highlights for 2Q24 and 1H24 are presented below:

	2Q24	2Q23	Change	1H24	1H23	Change
Number of patients served (thousands)	*197*	*206*	*-4.2%*	*418*	*413*	*1.2%*
Number of tests performed (thousands)	*673*	*630*	*6.8%*	*1,411*	*1,249*	*12.9%*
Average revenue per test GEL	*8.1*	*7.6*	*6.9%*	*7.7*	*7.4*	*4.3%*
Average number of tests per patient	*3.4*	*3.0*	*11.6%*	*3.4*	*3.0*	*11.6%*

Discussion of Other Portfolio Results

The four businesses in our "other" private portfolio are Auto Service, Beverages, Hospitality and Housing. They had a combined value of GEL 268.0 million at 30-Jun-24, which represents 7.7% of our total portfolio.

2Q24 & 1H24 aggregated performance highlights (GEL '000), Other Portfolio

	2Q24	2Q23	Change	1H24	1H23	Change
Revenue	138,977	146,769	-5.3%	271,375	264,965	2.4%
EBITDA	17,964	10,786	66.6%	33,291	14,369	NMF
Net cash flows from operating activities	9,916	(10,008)	NMF	11,267	568	NMF

- **Auto Service |** The auto service business includes a car services and parts business, and a periodic technical inspection (PTI) business.
  - **Car services and parts business |** In 2Q24, revenue was up by 17.1% y-o-y to GEL 15.3 million (up 10.8% y-o-y to GEL 27.6 million in 1H24) reflecting an increase in the retail segment. Similarly, the gross profit was up by 15.5% to GEL 4.1 million in 2Q24 and up 9.9% to GEL 7.4 million in 1H24, y-o-y. In 2Q24, operating expenses increased by 27.4% y-o-y (up 25.8% y-o-y in 1H24), reflecting the business growth. As a result, the business posted a GEL 0.7 million EBITDA in 2Q24, down 22.5% y-o-y (GEL 0.8 million in 1H24, down 45.2% y-o-y).
  - **Periodic technical inspection (PTI) business |** PTI business's revenue was up by 17.0% y-o-y to GEL 5.3 million in 2Q24 (up by 18.9% y-o-y to GEL 10.9 million in 1H24), driven by an increase in primary vehicle inspections. The number of total cars serviced was up by 19.1% and 17.9% y-o-y, leading to a 24.9% and 27.5% y-o-y increase in EBITDA in 2Q24 and 1H24, respectively,
- **Beverages |** The beverages business combines three business lines: a beer business, a distribution business and a wine business.
  - **Beer business |** The gross revenue of the beer business increased by 9.7% y-o-y to GEL 46.8 million in 2Q24 and was up by 6.6% y-o-y to GEL 72.0 million in 1H24, resulting from increased product prices. Sales in hectolitres were down by 0.3% and 2.9% y-o-y in 2Q24 and 1H24, respectively. The average GEL price per litre (average for beer and lemonade) increased by 10.0% y-o-y in 2Q24 (up by 9.8% y-o-y in 1H24). The operating expenses were up by 32.1% and 19.0% y-o-y in 2Q24 and 1H24, respectively, mainly due to the increased marketing expenses.

Consequently, the EBITDA of the business increased by 9.9% to GEL 8.7 million in 2Q24 (up 7.4% y-o-y to GEL 11.0 million in 1H24).

- **Distribution business |** Revenue of the distribution business increased by 17.4% and 13.1% y-o-y to GEL 60.6 million and GEL 97.0 million in 2Q24 and 1H24, respectively, in line with the increased revenues of the beer business, as described above. The gross profit margin was down by 2.3 ppts and 2.2 ppts y-o-y in 2Q24 and 1H24, respectively, reflecting the change in product mix. In 2Q24, operating expenses were up by 8.0% y-o-y (up by 7.2% y-o-y in 1H24). As a result, the business posted GEL 2.9 million EBITDA in 2Q24, down by 6.9% y-o-y (GEL 3.1 million in 1H24, down by 20.9% y-o-y).
- **Wine business |** The net revenue of the wine business was down by 26.5% to GEL 11.9 million in 2Q24, reflecting a 33.5% decrease in the number of bottles sold in 2Q24, primarily due to weaker exports in 2Q24 (share of exports in total sales was down by 9.7 ppts y-o-y to 79.3% in 2Q24). For 1H24, revenue was up by 14.8% y-o-y to GEL 29.6 million with a 13.6% increase in the number of bottles sold. Operating expenses decreased by 4.8% y-o-y in 2Q24 (down by 4.8% y-o-y in 1H24) due to the business's cost-saving initiatives. Consequently, EBITDA was down by 41.1% to GEL 0.8 million in 2Q24 (up by GEL 3.2 million to GEL 3.8 million in 1H24).

- **Real estate businesses** | The combined revenue of the real estate businesses decreased by 17.1% y-o-y to GEL 50.5 million in 2Q24 (down by 5.1% y-o-y to GEL 113.0 million in 1H24). The 2Q24 EBITDA increased by GEL 6.7 million y-o-y to GEL 3.6 million (up by GEL 14.7 million to GEL 10.6 million in 1H24), mainly resulting from the strong operating performance of the hospitality business and the reassessment of the construction progress for ongoing residential projects at our housing development business. In August 2024, our housing development business successfully closed a US$ 25 million local bond offering. The 2-year, US$-denominated notes carry an 8.5% coupon. Proceeds were used to refinance US$ 35 million local bonds maturing in October 2024. The remaining US$ 10 million will be funded by a short-term bank loan, which is expected to be repaid from the business's organic cash flows.

ADDITIONAL FINANCIAL INFORMATION

The 1H24 NAV Statement shows the development of NAV since 31-Dec-23:

GEL '000, unless otherwise noted *(Unaudited)*	Dec-23	1. Value creation[48]	2a. Investment and Divestments	2b. Buyback	2c. Dividend	3.Operating expenses	4. Liquidity/ FX/Other	Jun-24	Change %
Listed and Observable Portfolio Companies									
Bank of Georgia (BoG)	1,225,847	69,899	-	-	(25,932)	-	-	1,269,814	3.6%
Water Utility	159,000	(4,000)	-	-	-	-	-	155,000	-2.5%
Total Listed and Observable Portfolio Value	**1,384,847**	**65,899**	**-**	**-**	**(25,932)**	**-**	**-**	**1,424,814**	**2.9%**
Listed and Observable Portfolio value change %		***4.8%***	***0.0%***	***0.0%***	***-1.9%***	***0.0%***	***0.0%***	***2.9%***	
Private Portfolio Companies									
Large Companies	**1,436,231**	**(166,705)**	**-**	**-**	**(19,757)**	**-**	**2,053**	**1,251,822**	**-12.8%**
Retail (Pharmacy)	*714,001*	*(85,351)*	-	-	*(10,048)*	-	*719*	*619,321*	*-13.3%*
Insurance (P&C and Medical)	*377,874*	*22,677*	-	-	*(9,709)*	-	*615*	*391,457*	*3.6%*
Of which, P&C Insurance	*285,566*	*19,076*	-	-	*(9,709)*	-	*615*	*295,548*	*3.5%*
Of which, Medical Insurance	*92,308*	*3,601*	-	-	-	-	-	*95,909*	*3.9%*
Hospitals	*344,356*	*(104,031)*	-	-	-	-	*719*	*241,044*	*-30.0%*
Investment Stage Companies	**566,614**	**(23,494)**	**3,068**	**-**	**-**	**-**	**1,138**	**547,326**	**-3.4%**
Renewable Energy	*266,627*	*(24,203)*	*3,068*	-	-	-	*674*	*246,166*	*-7.7%*
Education	*189,226*	*3,820*	-	-	-	-	*305*	*193,351*	*2.2%*
Clinics and Diagnostics	*110,761*	*(3,111)*	-	-	-	-	*159*	*107,809*	*-2.7%*
Other Companies	**284,253**	**(16,278)**	**3,000**	**-**	**(4,618)**	**-**	**1,681**	**268,038**	**-5.7%**
Total Private Portfolio Value	**2,287,098**	**(206,477)**	**6,068**	**-**	**(24,375)**	**-**	**4,872**	**2,067,186**	**-9.6%**
Private Portfolio value change %		***-9.0%***	***0.3%***	***0.0%***	***-1.1%***	***0.0%***	***0.2%***	***-9.6%***	
Total Portfolio Value (1)	**3,671,945**	**(140,578)**	**6,068**	**-**	**(50,307)**	**-**	**4,872**	**3,492,000**	**-4.9%**
Total Portfolio value change %		***-3.8%***	***0.2%***	***0.0%***	***-1.4%***	***0.0%***	***0.1%***	***-4.9%***	
Net Debt (2)	**(296,808)**	**-**	**(6,068)**	**(48,123)**	**46,721**	**(11,585)**	**(34,761)**	**(350,624)**	**18.1%**
of which, Cash and liquid funds	*107,910*	-	*(6,068)*	*(48,123)*	*46,721*	*(11,585)*	*(18,245)*	*70,610*	*-34.6%*
of which, Loans issued	*9,212*	-	-	-	-	-	*2,192*	*11,404*	*23.8%*
of which, Gross Debt	*(413,930)*	-	-	-	-	-	*(18,708)*	*(432,638)*	*4.5%*
Net other assets/ (liabilities) **(3)**	3,375	-	-	(1,887)	3,586	(7,087)	1,358	(655)	NMF
of which, share-based comp.	-	-	-	-	-	*(7,087)*	*7,087*	-	*NMF*
Net Asset Value (1)+(2)+(3)	**3,378,512**	**(140,578)**	**-**	**(50,010)**	**-**	**(18,672)**	**(28,531)**	**3,140,721**	**-7.0%**
NAV change %		***-4.2%***	***0.0%***	***-1.5%***	***0.0%***	***-0.6%***	***-0.8%***	***-7.0%***	
Shares outstanding[48]	40,736,528	-	-	(1,419,678)	-	-	666,377	39,983,227	-1.8%
Net Asset Value per share, GEL	**82.94**	**(3.46)**	**(0.00)**	**1.72**	**(0.00)**	**(0.46)**	**(2.19)**	**78.55**	**-5.3%**
NAV per share, GEL change %		***-4.2%***	***0.0%***	***2.1%***	***0.0%***	***-0.6%***	***-2.6%***	***-5.3%***	

US$ 15 MILLION INCREASE TO THE EXISTING SHARE BUYBACK AND CANCELLATION PROGRAMME

As outlined on page 2 above, the Board has approved the increase to the current US$ 25 million share buyback and cancellation programme of an additional US$ 15 million, which will be put in place immediately. The programme will continue until its end on 31 December 2024. The shares will be purchased in the open market and the cancellation of the treasury shares will be executed on a monthly basis. The purpose of the buyback is to reduce the share capital. Under the buyback programme, the maximum price paid per share will not exceed the latest reported NAV per share amount. The Programme is consistent with the Board's intention, announced on 17 May 2024, to make available at least GEL 300 million for share buyback and cancellation programmes through the end of 2026.

In accordance with the authority granted by the shareholders at the 2024 annual general meeting ("AGM"), the maximum number of shares that may be repurchased is 5,175,439. The programme is conducted within certain pre-set parameters, and in accordance with the general authority to repurchase shares granted at the 2024 AGM, Chapter 12 of the FCA Listing Rules, and the provisions of the Market Abuse Regulation 596/2014/EU and of the Commission Delegated Regulation (EU) 2016/1052 (as they form part of UK domestic law).

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

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

[48] Please see definition in glossary on page 24.

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.

	2Q24, *unaudited*			1H24, *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	36,507	(12,361)	24,146	50,307	(17,466)	32,841
Interest income	1,681	(1,681)	-	3,320	(3,320)	-
Realized / unrealized (loss)/ gain on liquid funds	(409)	409	-	(961)	961	-
Interest expense	(8,970)	8,970	-	(17,579)	17,579	-
Gross operating income	**28,809**	**(4,663)**	**24,146**	**35,087**	**(2,246)**	**32,841**
Operating expenses (administrative, salaries and other employee benefits)	(9,332)	9,332	-	(18,672)	18,672	-
GCAP net operating income	**19,477**	**4,669**	**24,146**	**16,415**	**16,426**	**32,841**
Total investment return – loss on investments at fair value	**(484,029)**	**(16,488)**	**(500,517)**	**(190,885)**	**(30,919)**	**(221,804)**
Administrative expenses, salaries and other employee benefits	-	(1,378)	(1,378)	-	(3,183)	(3,183)
Loss before foreign exchange movements and non-recurring expenses	**(464,552)**	**(13,197)**	**(477,749)**	**(174,470)**	**(17,676)**	**(192,146)**
Net foreign currency (loss)/gain/impairment	(18,162)	18,325	163	(19,320)	19,277	(43)
Non-recurring expenses	(346)	346	-	(1,668)	1,668	-
Net gains from investment securities measured at FVPL	-	-	-	-	(112)	(112)
Net loss	**(483,060)**	**5,474**	**(477,586)**	**(195,458)**	**3,157**	**(192,301)**

Basis of presentation

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

Under IFRS 10, Georgia Capital PLC meets the "investment entity" definition. For more details about the basis of preparation please refer to page 94 in Georgia Capital PLC 2023 Annual report.

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

GLOSSARY

1. **APM** – Alternative Performance Measure.
2. **GCAP** refers to the aggregation of stand-alone Georgia Capital PLC and stand-alone JSC Georgia Capital accounts.
3. **Georgia Capital** and "the Group" refer to Georgia Capital PLC and its portfolio companies as a whole.
4. **NMF** – Not meaningful.
5. **NAV** – Net Asset Value, represents the net value of an entity and is calculated as the total value of the entity's assets minus the total value of its liabilities.
6. **LTM** – last twelve months.
7. **EBITDA** - Earnings before interest, taxes, non-recurring items, FX gain/losses and depreciation and amortisation; The Group has presented these figures in this document because management uses EBITDA as a tool to measure the Group's operational performance and the profitability of its operations. The Group considers EBITDA to be an important indicator of its representative recurring operations.
8. **ROIC** – return on invested capital is calculated as EBITDA less depreciation, divided by the aggregate amount of total equity and borrowed funds.
9. **Loss ratio** equals net insurance claims expense divided by 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.

Principal risks and uncertainties

Understanding our risks

We continuously monitor our internal and external environment to ensure that any new principal or emerging risk is identified in a timely manner and responded to appropriately. The Directors have carried out a robust assessment of the principal and emerging risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. We define our principal risks as those that have the potential to impact the delivery of our strategic objectives materially. We also monitor risks which include new and emerging risks which may have the potential to become principal risks but are not yet considered to be so. Emerging risks usually have large uncertain outcomes which may become certain in the longer term (beyond one year) and which could have a material effect on the business strategy if they were to occur.

Principal risks and uncertainties

The table below describes the principal risks and uncertainties faced by the Group and their potential impact, as well as the trends and outlook associated with these risks and the mitigating actions we take to address these risks. If any of the following risks were to occur, the Group's business, financial condition, results of operations or prospects could be materially affected. The risks and uncertainties described below may not be the only ones the Group faces. The order in which the principal risks and uncertainties appear does not denote their order of priority. Additional risks and uncertainties, including those that the Group is currently not aware of or deems immaterial, may also result in decreased revenues, incurred expenses or other events that could result in a decline in the value of the Group's securities.

REGIONAL INSTABILITY RISK	
PRINCIPAL RISK / UNCERTAINTY	The Georgian economy and our business may be adversely affected by regional tensions. Georgia shares borders with Russia, Azerbaijan, Armenia and the Republic of Türkiye, and has two breakaway territories, Abkhazia and the Tskhinvali/South Ossetia regions. In addition to strong political and geographic influences, regional countries are highly linked to the Georgian economy, representing its significant historical trading partners. Following a significant Russian military build-up near the Russia-Ukraine border and months of rising tensions, Russian troops crossed the border on 24 February 2022, and the situation escalated into a war. In response to the invasion, all G-7 countries, the EU and many other countries have announced severe economic sanctions on Russia, including selected high-profile Russian banks, Russian entities and Russian individuals. At the start of the war, there was a significant depreciation of the Russian Ruble against foreign currencies, although the Ruble has since recovered but remains depreciated compared to the pre-war period. The market value of Russian securities has also decreased significantly. As the situation grinds on, the already steep humanitarian costs and economic losses for Ukraine, Russia and the rest of the world are likely to deepen. Casualties have mounted again since the Ukraine counter-offensive, and as of now, no substantial progress has been made on peace talks. Ukraine and Russia are particularly important trade partners of Georgia, and spillover risks remain. The length and outcome of the war are clearly uncertain, but it is possible that the negative impact of the war will become more pronounced in the medium to longer term and could continue to have a material impact on market confidence, affecting all regional countries. Various tensions have also existed between Russia and Georgia for more than 15 years, and the two countries also had a brief armed conflict in 2008, which led to Russia's control of the two breakaway territories. There has also been ongoing geopolitical tension, political instability, economic instability and military conflict between other regional countries. Following a six-week war (September-November 2020) between Armenia and Azerbaijan over the disputed Nagorno-Karabakh region, Azerbaijan launched a blitz offensive against the breakaway state on 19 September 2023, resulting in a ceasefire agreement one day later, disbanding the army of the Nagorno-Karabakh republic and dissolving the republic on 1 January 2024. Almost the entire population of the Nagorno-Karabakh Republic, estimated at around 110,000, has since fled to Armenia. While negotiations regarding the peace treaty between Armenia and Azerbaijan continue, with the aim of normalising relations and unblocking regional bottlenecks, skirmishes have been reported near the Armenian border before and after the Azerbaijani September offensive. On 7 October 2023, following a surprise Hamas assault on Israeli territory, Israel declared a state of war and launched a large-scale ground invasion of the Gaza Strip, preceded by extensive aerial bombardment. The Hamas attack and the subsequent armed conflict between Israel and Hamas-led militant groups have resulted in mass casualties, as well as raising risks of drawing neighbouring countries into the war. On 22 November 2023, Israel and Hamas agreed to a temporary ceasefire during which several prisoners were released by both sides. Despite calls from various international bodies and nations for a prolonged truce, hostilities have resumed. Despite increasing global

	pressure for a ceasefire, both sides have remained engaged in conflict and risks of its spread to the wider Middle East remain. On May 14, 2024, Georgia's ruling party passed the controversial foreign agents' law in its third and final reading, with 84 votes in favour and 30 against. The adoption of the "transparency of foreign influence" law is a source of considerable risk of political instability and uncertainty in Georgia. Deliberations around the law and its ultimate passage led to public discontent and protests that resonated internationally. The law was perceived as an attempt to consolidate power and elicited significant reactions from the US and the EU. Its passage is considered to jeopardise Georgia's relationships with Western allies, thereby hindering its aspirations for Euro-Atlantic integration. Aligning with Russian legislative practices could undermine democratic institutions and civil liberties, potentially resulting in further social unrest within the country. The continuation or escalation of the war in Ukraine or other regional or international conflicts, the economic decline of Georgia's trading partners and any further tension with Russia, including border and territorial disputes, or domestically engendered political instability or social unrest, may have a negative impact on the political or economic stability of Georgia, which in turn may affect our business unfavourably, including putting adverse pressure on our business model, our revenues, our financial position and the valuations of our listed and private portfolio companies.
KEY DRIVERS / TRENDS	The Russian invasion of Ukraine has resulted in extraordinary economic disruption, as market confidence has plunged, unprecedented sanctions have been imposed upon the Russian economy, food and energy prices have surged and spillover risks have been substantially aggravated, with further economic consequences to follow as the situation develops. While food and energy prices have relatively stabilised since the second half of 2022, markets remain highly unpredictable in light of the ongoing conflict. In July 2023, Russia announced its unilateral decision to end the Black Sea Grain Initiative, which allowed Ukrainian exports of grain via a safe maritime humanitarian corridor between July 2022 and July 2023, resulting in an immediate jump in wheat and grain prices and raising risks of food shortages in developing countries, although prices have since stabilised. The September 2023 Azerbaijan offensive in the Nagorno-Karabakh region, and the subsequent dissolution of the breakaway Nagorno-Karabakh republic, has significantly altered the geopolitical status quo in the Caucasus. While Russian peacekeeping forces remain in the region, subject to negotiations with Azerbaijan, the military conflict has largely ended, with Armenia accepting Azerbaijan's sovereignty in the area. However, tensions are high between the two countries with respect to the current and future treatment of the local population, which has almost entirely fled to Armenia. Moreover, skirmishes have been reported near the Armenian-Azerbaijan border villages. Multiple meetings between the heads of state of the two countries, as well as high-ranking government officials, have yet to result in mutually acceptable terms for a conclusive peace treaty, although negotiations are ongoing. The short-term resolution as well as long-term geopolitical implications of the Israel-Hamas war for the engaged parties as well as the wider region remain highly uncertain. While Georgia's economic exposure to Israel on a macro level is not particularly large, Israel is an important source of remittances and tourism revenues. In 1H24, Georgia's merchandise exports to Israel totalled US$ 16 million (0.6% of the total), while remittances from Israel made up US$ 121 million (7.3% of the total) and tourism receipts equalled US$ 175 million in 1H24 (9.2% of the total). Russia imposed economic sanctions on Georgia in 2006, and conflict between the countries escalated in 2008 when Russian forces crossed Georgian borders and recognised the independence of Abkhazia and the Tskhinvali/ South Ossetia regions. Russian troops continue to occupy the regions, and tensions between Russia and Georgia persist. The introduction of a preferential trade regime between Georgia and the EU in 2016, the European Parliament's approval of a proposal on visa liberalisation for Georgia in 2017, as well as Georgia's recent application and subsequent receipt of the EU candidate status, could potentially intensify tensions between the countries. Russia banned direct flights in July 2019 and recommended stopping the sale of holiday packages to Georgia. The decision was made in response to anti-Putin protests in Tbilisi, which started after a member of the Russian parliament addressed the Georgian parliament in Russian from the speaker's chair. In May 2023, Vladimir Putin signed a decree abolishing the visa regime for Georgian citizens starting 15 May 2023. In addition, the ban on direct flights to Georgia was lifted from 15 May 2023. In November 2023, a Georgian citizen was murdered by Russian forces in the occupied Tskhinvali region, further straining the relationship between the two countries, with the Georgian Government and the international community condemning the murder and demanding punishment for those responsible.

	On May 14, 2024, Georgia's ruling party passed the above-mentioned foreign agents' law. This occurred amidst widespread local protests and strong opposition from Western countries. Protests erupted throughout the country, driven by a pro-EU populace and concerns over the law's potential to curb civil liberties. Western partners criticised the law for not aligning with EU standards. Despite a presidential veto, the parliament overrode it on May 28, 2024, escalating political tensions. The law mandates that organizations receiving over 20% of their funding from foreign sources register as "agents of foreign influence." "Transparency of foreign influence" law elicited significant reactions from the US and the EU. Both expressed strong opposition, highlighting concerns over the law's implications for democracy and civil liberties in Georgia. The US imposed visa restrictions on a number of Georgian officials, targeting individuals responsible for undermining democracy and suppressing civil society. The "MEGOBARI Act" was introduced and passed by the US House Foreign Affairs Committee, proposing sanctions and travel bans on those obstructing Georgia's Euro-Atlantic integration. The Act also mandates a comprehensive review of US-Georgia bilateral cooperation, affecting military and economic aid. US Secretary of State Antony Blinken emphasized that these measures are intended to support Georgia's democratic institutions and counter Russian influence. The EU strongly criticized the law, stating it is incompatible with EU norms and values. The European Council and the European Commission warned that the law would undermine civil society and independent media, negatively impacting Georgia's EU membership prospects. The volatility surrounding this event led to a depreciation of the Georgian Lari (GEL) by 7.9% from its 2024 low to its peak. The sovereign spread of Georgia widened as investors demanded higher premiums for holding Georgian debt, reflecting increased perceived risks associated with the country's political environment. Furthermore, the market capitalization of Georgian companies listed on the London Stock Exchange experienced a sharp decline as investors reacted to the heightened uncertainty and potential future sanctions by pulling out their investments.
MITIGATION	The Group actively monitors significant developments in the region and risks related to political instability and the Georgian Government's response thereto. It also develops responsive strategies and action plans of its own. The Georgian export market shifted away from the Russian market after Russia's 2006 embargo, and the Group participated in that shift. In 2023, Russia accounted for 10.8% of Georgian exports, as opposed to 17.8% in 2005. Since the beginning of the Russia-Ukraine war, the migration effect from Russia, Ukraine and Belarus has altered the composition of foreign currency inflows from remittances and international visitors. The migration effect has resulted in an 86% y-o-y increase in remittance inflows in 2022, including a fivefold increase of up to US$ 2.1 billion from Russia. Remittances had started to decline from May 2023 and continued its decreasing trend in 2024 falling by 30% y-o-y in 1H24, reflecting a 71% y-o-y decline from Russia. Moreover, while international travel receipts increased substantially from the three countries directly after the war, tourism revenues from those countries have been declining since 1H23 on the back of the fading impact of war-related migration. In 1H24, tourism revenues from the rest of the world were the driving factor behind a 5.2% y-o-y growth in travel receipts. In contrast, receipts from Russia, Ukraine and Belarus fell by 21%, 32% and 20% y-o-y, respectively. Whilst elevated foreign currency inflows have effectively constituted rising external demand in the short run, the medium to long-term effects remain highly uncertain, depending on the timing and terms of the eventual conclusion of the war in Ukraine. Despite this surge in foreign currency inflows predominantly from Russia, both remittance inflows and tourism receipts remain diversified, with the EU having emerged as the top foreign currency provider since 2019. This diversification has proved crucial in 2023, as inflows from the rest of the world have compensated for a decline in inflows from Russia. As travel resumes globally, it is hoped that the rising trend of tourism revenues from the EU will continue, as the EU share in travel receipts reached 13.0% in 1H24 (up from 12.0% in 1H23). Merchandise exports also remain diversified, partially insulating foreign demand from regional risks, and new destination countries have emerged as top trading partners since 2022, such as Peru, Kazakhstan and Kyrgyzstan. Kyrgyzstan and Kazakhstan became the top destination countries for Georgian exports in 1H24, accounting for 16% and 12.4% of total exports respectively (1.7% and 4.3% in 2022), followed by Russia with 12% and Azerbaijan with 11.2% (11.5% and 12.1% in 2022, respectively). Russia was the largest destination country for domestically produced Georgian exports with a 21% share in 1H24 (19.6% in 2023), followed by the Republic of Türkiye with 16.8% (12.4% in 2023). While financial market turbulence and geopolitical tensions affect regional trading partners, Georgia's preferential trading regimes, including DCFTA with the EU and FTA with China, support the country's resilience against regional external shocks. Enhancing linkages with the EU market will further be supported by a new recovery plan for Eastern Partnership countries, including ambitious

	investments in improved connectivity and unlocked potential to get full benefits from the DCFTA. Following Ukraine's plea to join the EU as it battles Russia's invasion, Georgia and Moldova on 3 March 2022 submitted their applications to join the EU. In December 2023, the European Council granted Georgia the status of a candidate country. Deepening integration with the EU promises enhanced economic security and further development opportunities for the Georgian economy, with the Commission report noting Georgia's strong track record in macroeconomic policymaking, favourable institutional and regulatory framework, and "some level of preparation" to deal with competitive pressure and market forces within the EU. Despite Georgia's increasing ties with the EU over the past decade, the adoption of the 'transparency of foreign influence' law, which has faced strong opposition from Western nations, could undermine the country's prospects for EU integration. Following the sharp depreciation of the GEL related to the adoption of the 'transparency of foreign influence' law, the National Bank of Georgia intervened in the market by selling $219.8 million in May - June 2024 to curb negative expectations. Despite elevated uncertainty, Georgia's economy demonstrated robust growth. Preliminary data indicates that the economy continued to expand, achieving a y-o-y growth rate of 9.0% in 1H24. Foreign exchange inflows maintained their positive trend, and loan growth remained robust, contributing to economic stability. These positive developments quickly reversed the capital market volatility associated with increased risk and uncertainty. As a result, the GEL began to appreciate, ending with a slight year-to-date depreciation of 0.6% as of August 9, 2024. However, despite these developments, the sovereign spread remains widened. Additionally, the market capitalizations of Georgian companies listed on the London Stock Exchange remain lower compared to the pre-volatility period of May-June, reflecting ongoing concerns about political uncertainty and the upcoming October elections.
CURRENCY AND MACROECONOMIC ENVIRONMENT RISKS	
PRINCIPAL RISK / UNCERTAINTY	Unfavourable dynamics of major macroeconomic variables, including the depreciation of the Georgian Lari against the US Dollar, may have a material impact on the Group's performance. On the macro level, the country's free-floating exchange rate works well as a shock absorber, but on the micro level, currency fluctuations have affected and may continue to adversely affect the Group's results. There is a risk that the Group incurs material losses or loses material amounts of revenue and, consequently, deteriorates its solvency in a specific currency or group of currencies due to the fluctuation of exchange rates. The risk is mainly caused by significant open foreign currency positions in the balance sheets of the Group and the portfolio companies.
KEY DRIVERS / TRENDS	The Group's operations are primarily located in, and most of its revenue is sourced from Georgia. Factors such as GDP, inflation, interest and currency exchange rates, as well as unemployment, personal income, tourist numbers and the financial situation of companies, can have a material impact on customer demand for its products and services. The Lari floats freely against major currencies. After depreciating in 2020 due to capital outflows from the emerging and frontier markets, a sudden stop in tourism revenues and shrinking merchandise exports, as well as rapidly deteriorating expectations, the Lari reversed course and has been strengthening for the past two years, having appreciated to higher than pre-COVID levels since mid-2022. The recent depreciation of the GEL, driven by increasing political risks and uncertainties, proved to be short-lived. As of August 9, 2024, the depreciation trend has slowed, resulting in a year-to-date depreciation of only 0.6%. The real effective exchange rate (REER) appreciated sharply in 2023 but began to normalize towards the end of the year. As of June 2024, the REER index was reported to be 7.8% and 4.9% lower compared to December 2023 and June 2023, respectively. NBG raised the monetary policy rate by 300 bps during March 2021 - April 2022 to 11%, responding to high inflation, subsequent rising inflationary expectations and increased uncertainty. On the back of supply-side bottlenecks, rising global food, energy and commodity prices, and resumed economic activity, inflation peaked in January 2022 and has since begun decelerating rapidly. Inflation has been below the 3% target since April 2023, reaching 1.8% in July 2024 and averaging 1.2% for the first seven months of 2024. Considering the strong disinflation, as well as favourable macro dynamics NBG has begun a gradual exit from tight monetary policy, cutting the policy rate by a cumulative 150 bps in 2023 and another 150 bps in 7M24 to 8.00% as of July 2024. NBG remains committed to adjusting the policy rate depending on the macroeconomic developments. The fiscal deficit (IMF modified) narrowed to 2.5% of GDP in 2023, and public debt fell to 39.2% of GDP, aiding disinflation on the domestic side and reducing vulnerabilities on the external side. According to the latest projections from the Ministry of Finance, public debt is expected to further

	decrease to 38.4% of GDP, while the fiscal deficit will remain steady at 2.5% of GDP, in line with fiscal rule bounds the government has set for itself in consultation with the IMF. Real GDP continued its strong performance in 2024, growing by 9.0% y-o-y in the first six months of 2024, despite increased uncertainty. Georgia has been among the top performers in the world according to the IMF and the World Bank. Economic growth has been supported by strong domestic demand, including robust investment, continued credit expansion, moderated yet above pre-war levels of FX inflows, and supportive fiscal policy. The current account deficit remained low at 5.0% of GDP in 1Q24, following up on a historic low level of 4.4% in 2023. FDI reached a record-high value of US$ 2.1 billion in 2022, and fell by 24% y-o-y in 2023 on the back of the high base effect, totalling US$ 1.6 billion. FDI decreased significantly in 1Q24 and amounted to US$ 201 million, down by 64% y-o-y. This reduction is mainly attributed to the manufacturing sector, where FDI inflow decreased by US$ 200 million y-o-y. As a result of the improved macroeconomic environment. Fitch Ratings revised Georgia's sovereign credit rating outlook to positive in January 2023, reaffirming it in July 2023 and January 2024. Moody's also improved its outlook from Ba2 negative to Ba2 stable in March 2024. However, due to recent political developments and the introduction of the 'transparency of foreign influence' law, Fitch downgraded the outlook to stable in June 2024, citing increased political uncertainty and weakened public trust. Despite the increasing political risks and uncertainties, rating agencies and IFIs expect strong economic growth in 2024 and the medium term.
MITIGATION	The Georgian economy remains vulnerable to external shocks due to a mix of its historically high current account deficit, low domestic savings rate and high level of dollarisation. The current account deficit reached a record low of 4.4% of GDP in 2023 and stood at 5.0% of GDP in 1Q24, down from 5.8% of GDP in 1Q23. This positive shift in 1Q24 was supported by strong growth in the transfer balance (+20.3% y-o-y) and moderate growth in the service balance (+3.2% y-o-y). The NBG continued to rebuild its buffers in the first four months of 2024, purchasing a net total of US$ 287 million, however, recent political tensions and negative expectations caused currency depreciation, prompting the NBG to intervene in the foreign exchange market by selling $219.8 million in May-June 2024. As a result, official reserve assets amounted to US$ 4.7 billion by the end of July 2024, down 14.1% y-o-y. The Group continually monitors market conditions, reviews market changes and also performs stress and scenario testing to test its position under adverse economic conditions, including adverse currency movements. The currency risk management process is an integral part of the Group's activities; currency risk is managed through regular and frequent monitoring of the Group's currency positions and through the timely and efficient elaboration of responsive actions and measures. Senior management reviews the overall currency positions of the Group several times during the year and elaborates on respective overall currency strategies; the Finance department monitors the daily currency position for Georgia Capital HoldCo, weekly currency positions on a portfolio company level and manages short-term liquidity of the Group across different currencies. Control procedures involve regular monitoring and control of the currency gap and currency positions, running currency sensitivity tests and elaborating response actions/steps based on the results of the tests.
REGULATORY AND LEGAL RISKS	
PRINCIPAL RISK / UNCERTAINTY	The Group owns businesses operating across a wide range of industries: banking, healthcare, retail (pharmacy) and distribution, property and casualty insurance, medical insurance, real estate, water utility and electric power generation, hydro and wind power, beverages, education and auto service. Many of these industries are highly regulated. The regulatory environment continues to evolve, and we cannot predict what additional regulatory changes will be introduced in the future or the impact they may have on our operations. Georgia Capital and its businesses may also be adversely affected by risks related to litigations arising from time to time in the ordinary course of business.
KEY DRIVERS / TRENDS	Each of our businesses is subject to different regulators and regulations. Legislation in certain industries, such as banking, healthcare, energy, insurance and utilities is continuously evolving. Different changes, including but not limited to governmental funding, licensing and accreditation requirements and tariff structures, may adversely affect our businesses.

	Regulatory developments in recent years have been particularly hard to anticipate in the healthcare sphere, where Georgia switched to a universal healthcare model in 2013 and a series of changes to the model since it was introduced have negatively affected our hospitals and, more recently, our pharmacy (retail) business. While we expect that the multi-year regulatory reset in healthcare is now coming to a close, there can be no assurance that further regulatory changes in healthcare or other sectors will not adversely affect us. Except for the three cases listed below, there were no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which GCAP is aware) during the 12 months preceding the date of this document which may have, or have had in the recent past, significant effects on either GCAP and/or its portfolio companies' financial position or profitability. <u>Imedi L litigation</u> As at 30 June 2024, 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 which was in favour of the Defendants was later overruled and, upon reconsideration, 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 to Defendants. The Defendants appealed the decision of the First Instance Court. Several hearings have taken place at the Appellate Court and as of 30 June 2024, the case is still at the stage of consideration at the Appellate Court. No date for the next 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 the 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. <u>BGA Litigation</u> As at 30 June 2024, our education subsidiary Georgia Education Group ("GEG") was engaged in litigation with the minority partner of the British Georgian Academy (the "BGA"). The dispute originated following the substantial delays from the CEO and the COO of BGA to support previously agreed expansion plans. Given the delays, the Group started the process of not renewing the expiring contracts of BGA minority partners who were also the CEO and the COO of the company. The minority partner has since initiated a legal process aimed at terminating the memorandum of understanding (the "MoU") in which Georgia Capital acquired a 70% shareholding interest in BGA in 2019 (which is currently owned by GEG). According to the MoU, the shareholders of BGA would invest in the company additional sums, if the company would construct two new schools in Georgia. The parties agreed to make the investments according to the needs of the construction stages, as per the respective construction timeline. GEG contends that it was the CEO and the COO who delayed the projects such that they did not reach the construction stages. As of 30 July 2024, the first hearing at the First Instance Court is set for 27 November 2024. The potential loss amount of the claim is the investment value of 70% of BGA, out of which, in case of a potential loss, only US$ 10 million (the purchase price paid in 2019) will be fully recovered by GEG. GEG's assessment of the claim is that the claimant's allegations are based on false factual grounds and are without any legal merit. GEG regards the claim as frivolous; filed not for genuine cause but to exert pressure on GEG renegotiate the arrangements entered in 2019. Management shares the GEG's assessment of the merits of the case and considers that the probability of incurring losses on this claim is low, accordingly, the fair value of BGA does not take into account a potential liability in relation to this litigation. <u>Retail (Pharmacy) litigation</u> 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. No date of hearing has been set yet.
MITIGATION	Continued investment in our people and processes enables us to meet our current regulatory requirements and means that we are well-placed to respond to any future changes in regulation. Further, our investment portfolio is well diversified, limiting exposure to particular industry-specific regulatory risks. In line with our integrated control framework, we carefully evaluate the impact of legislative and regulatory changes as part of our formal risk identification and assessment processes and, to the extent possible, proactively participate in the drafting of relevant legislation. As part of this process, we engage where possible in constructive dialogue with regulatory bodies and seek external advice on potential changes to legislation. We then develop appropriate policies, procedures and controls as required to fulfil our compliance obligations. Our compliance framework, at all levels, is subject to regular review by Internal Audit and external assurance providers. Our integrated control framework also ensures the application and development of mechanisms for identifying legal risks in the Group's activities in a timely manner, the monitoring and investigation of the Group's activities in order to identify any legal risks, the planning and implementation of all necessary actions for the elimination of identified legal risks, participation in legal proceedings on behalf of the Group where necessary and the investigation of possibilities for increasing the effectiveness of the Group's legal documentation and its implementation in the Group's daily activities. The framework also considers the engagement of external legal advisors, when appropriate.
INVESTMENT RISK	
PRINCIPAL RISK / UNCERTAINTY	The Group may be adversely affected by risks in respect of specific investment decisions.
KEY DRIVERS / TRENDS	An inappropriate investment decision might lead to poor performance. Investment risks may arise from inadequate research and due diligence of new acquisitions and bad timing of the execution of both acquisition and divestment decisions. The valuation of investments can be volatile in line with market developments.
MITIGATION	The Group manages investment risk with established procedures and a thorough evaluation of target acquisitions. Investment opportunities are subject to rigorous appraisal and a multi-stage approval process. Target entry and exit event prices are monitored and updated regularly in relation to market conditions and strategic aims. The Group performs due diligence on each target acquisition including on financial and legal matters. Subject to an evaluation of the due diligence results an acceptable price and funding structure is determined, and the pricing, funding and future integration plan is presented to the Board for approval. The Board reviews and approves or rejects proposals for development, acquisition and sale of investments and decides on all major new business initiatives, especially those requiring a significant capital allocation. The Board focuses on both investment strategy and exit processes, while also actively managing exit strategies in light of the prevailing market conditions.
LIQUIDITY RISK	
PRINCIPAL RISK / UNCERTAINTY	Risk that liabilities cannot be met, or new investments made, due to a lack of liquidity. Such risk can arise from not being able to sell an investment due to lack of demand from the market, from suspension of dividends from portfolio companies, from not holding cash or being able to raise debt.
KEY DRIVERS / TRENDS	The Group predominantly invests in private portfolio businesses, potentially making the investments difficult to monetise at any given point in time. There is a risk that the Group will not be able to meet its financial obligations and liabilities on time due to a lack of cash or liquid assets or the inability to generate sufficient liquidity to meet payment obligations. This may be caused by numerous factors, such as: the inability to refinance long-term liabilities; suspended dividend inflows from the investment entity subsidiaries; excessive investments in long-term assets and a resulting mismatch in the availability of funding to meet liabilities; or failure to comply with the creditor covenants causing a default.
MITIGATION	The liquidity management process is a regular process, where the framework is approved by the Board and is monitored by senior management and the Chief Financial Officer. The framework models the ability of the Group to fund under both normal conditions (Base Case) and during stressed situations. This approach is designed to ensure that the funding framework is sufficiently flexible to ensure liquidity under a wide range of market conditions. The Finance department

	monitors certain liquidity measures on a daily basis and actively analyses and manages liquidity weekly. Senior management is involved at least once a month and the Board on a quarterly basis. Such monitoring involves a review of the composition of the cash buffer, potential cash outflows and management's readiness to meet such commitments. It also serves as a tool to revisit the portfolio composition and take necessary measures, if required. Since the adoption of the capital management framework and introduction of the NCC navigation tool in May 2022, the Group's primary emphasis has centred around deleveraging. This strategic approach has resulted in a significant reduction in the Group's liquidity risk. In August 2023, JSC Georgia Capital successfully issued a US$ 150 million Sustainability-Linked Bond. The proceeds from the transaction, together with existing liquid funds of GCAP, were utilised to fully redeem the US$ 300 million Eurobond. Following the cancellation and repayment of the outstanding Eurobond, GCAP's gross debt balance has been reduced from US$ 300 million to US$ 150 million over the last two years, significantly improving its leverage profile. Overall, since the introduction of the NCC concept in 1Q22, the NCC ratio has decreased significantly, from 28.2% at 31 March 2022 to 18.9% at 30 June 2024. The Group aims to reduce the NCC ratio to below 15% and maintain it at this level throughout the cycle. The deleveraging strategy was also implemented across our private portfolio companies, where individual leverage targets have been developed. In October 2023, S&P updated GCAP's issuer credit rating from "B+" to "BB-/Stable". As outlined on page 2 above, in 2Q24, our portfolio companies made significant progress in enhancing their overall financial position. Leverage profiles improved across the business due to the extension of debt maturities in most private portfolio companies, demonstrating the management's effective liquidity management measures.
PORTFOLIO COMPANY STRATEGIC AND EXECUTION RISKS	
PRINCIPAL RISK / UNCERTAINTY	Market conditions may adversely impact our strategy and all our businesses have their own risks specific to their industry. Our businesses have growth and expansion strategies and we face execution risk in implementing these strategies. The Group will normally seek to monetise its investments, primarily through strategic sale, typically within five to ten years from acquisition, and we face market and execution risk in connection with exits at reasonable prices.
KEY DRIVERS / TRENDS	Each of our portfolio companies face its own risks. These include risks inherent to their industry, or to their industry particularly in Georgia, and each faces significant competition. They also face the principal risks and uncertainties referred to in this table. Macroeconomic conditions, the financial and economic environment and other market conditions in international capital markets may limit the Group's ability to achieve a partial or full exit from its existing or future businesses at reasonable prices. It may not be possible or desirable to divest, including because suitable buyers cannot be found at the appropriate times, or because of difficulties in obtaining favourable terms or prices, or because the Group has failed to act at the appropriate time.
MITIGATION	For each business, we focus on building a strong management team and have successfully been able to do so thus far. Management succession planning is regularly on the agenda for the Nomination Committee which reports to the Board on this matter. The Board closely monitors the implementation of strategy, financial and operational performance, risk management and internal control framework, and corporate governance of our businesses. We hold management accountable for meeting targets. For each industry in which we operate, we closely monitor industry trends, market conditions and the regulatory environment. We have also sought, and continue to seek, advice from professionals with global experience in relevant industries. We carry our private portfolio companies at fair value in our NAV Statement. The valuations are audited, increasing the credibility of fair valuation and limiting the risk of mispricing the asset. In addition, the valuation of private large and investment

	portfolio companies (51.5%of total portfolio value) is performed by an independent valuation company on a semi-annual basis. The Group has a strong track record of growth and has accessed the capital markets on multiple occasions. Our acquisition history has also been successful, and we have been able to integrate businesses due to our strong management with integration experience. In 2022, GCAP completed the water utility business disposal, which represents our most significant monetisation event to date and marks the completion of the full investment cycle for one of our large portfolio businesses as set out on page 12 of the Group's 2022 Annual Report.

Statement of Directors' Responsibilities

We, the Directors, confirm that to the best of our knowledge:

- The unaudited interim condensed financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting", as adopted by the United Kingdom and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- This Results Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- This Results Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related parties' transactions and changes therein)

After making enquiries, the Directors considered it appropriate to adopt the going concern basis in preparing this Results Report.

The Directors of the Group are as follows:

Irakli Gilauri

David Morrison

Massimo Gesua' sive Salvadori

Maria Chatti-Gautier

Neil Janin

By order of the Board

Irakli Gilauri

Chairman & Chief Executive Officer

12 August 2024

Georgia Capital PLC Unaudited Interim Condensed Financial Statements

30 June 2024

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INTERIM CONDENSED FINANCIAL STATEMENTS

SELECTED EXPLANATORY NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

(Thousands of Georgian Lari)

	Note	30 June 2024 (unaudited)	31 December 2023
Assets			
Cash and cash equivalents*		1,442	12,319
Investment in redeemable securities		-	3,517
Prepayments		1,071	976
Equity investments at fair value	5	3,141,607	3,363,411
Total assets		**3,144,120**	**3,380,223**
Liabilities			
Other liabilities		3,399	1,711
Total liabilities		**3,399**	**1,711**
Equity			
Share capital	6	1,381	1,420
Additional paid-in capital and merger reserve		238,311	238,311
Treasury shares		(5)	(2)
Retained earnings		2,901,034	3,138,783
Total equity		**3,140,721**	**3,378,512**
Total liabilities and equity		**3,144,120**	**3,380,223**

**As at 30 June 2024 and 31 December 2023 cash and cash equivalents consist of current accounts with credit institutions.*

The financial statements on page 36 to 58 were approved by the Board of Directors on 12 August and signed on its behalf by:

Irakli Gilauri Chief Executive Officer

12 August 2024

Georgia Capital PLC
Registered No. 10852406

The accompanying notes on pages 40 to 58 are an integral part of these interim condensed financial statements.

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

For the six months ended 30 June 2024

(Thousands of Georgian Lari)

	Note	*30 June 2024 (unaudited)*	*30 June 2023 (unaudited)*
(Losses)/gains on investments at fair value	5	(221,804)	234,667
Dividend income	5	32,841	12,000
Gross investment (loss)/profit		**(188,963)**	**246,667**
Administrative expenses		(2,099)	(1,938)
Salaries and other employee benefits		(1,084)	(1,122)
(Loss)/profit before foreign exchange and non-recurring items		**(192,146)**	**243,607**
Net foreign currency loss		(43)	(1,118)
Net losses from investment securities measured at FVPL		(112)	-
(Loss)/profit before income taxes		**(192,301)**	**242,489**
Income tax		-	-
(Loss)/profit for the period		**(192,301)**	**242,489**
Other comprehensive income		-	-
Total comprehensive (loss)/income for the period		**(192,301)**	**242,489**
(Loss)/Earnings per share (GEL):	6		
– basic		(4.9970)	6.0596
– diluted		(4.9970)	5.9337

The accompanying notes on pages 40 to 58 are an integral part of these interim condensed financial statements.

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

(Thousands of Georgian Lari)

	Share capital	*Additional paid-in capital and merger reserve*	*Treasury shares*	*Retained earnings*	*Total*
1 January 2024	**1,420**	**238,311**	**(2)**	**3,138,783**	**3,378,512**
Loss for the period	-	-	-	(192,301)	(192,301)
Total comprehensive loss for the period	**-**	**-**	**-**	**(192,301)**	**(192,301)**
Increase in equity arising from share-based payments	-	-	-	229	229
Cancellation of shares (Note 6)	(39)	-	39	-	-
Purchase of treasury shares (Note 6)	-	-	(42)	(45,677)	(45,719)
30 June 2024 (unaudited)	**1,381**	**238,311**	**(5)**	**2,901,034**	**3,140,721**

	Share capital	*Additional paid-in capital and merger reserve*	*Treasury shares*	*Retained earnings*	*Total*
1 January 2023	**1,473**	**238,311**	**-**	**2,577,607**	**2,817,391**
Profit for the period	-	-	-	242,489	242,489
Total comprehensive income for the period	**-**	**-**	**-**	**242,489**	**242,489**
Increase in equity arising from share-based payments	-	-	-	271	271
Cancellation of shares (Note 6)	(32)	-	32	-	-
Purchase of treasury shares (Note 6)	-	-	(32)	(25,522)	(25,554)
30 June 2023 (unaudited)	**1,441**	**238,311**	**-**	**2,794,845**	**3,034,597**

The accompanying notes on pages 40 to 58 are an integral part of these interim condensed financial statements.

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

(Thousands of Georgian Lari)

	Note	30 June 2024 (unaudited)	30 June 2023 (unaudited)
Cash flows from operating activities			
Salaries and other employee benefits paid		(854)	(851)
General, administrative and operating expenses paid		(2,694)	(1,859)
Net other expense paid		-	(667)
Net cash flows used in operating activities before income tax		**(3,548)**	**(3,377)**
Income tax paid		-	-
Net Cash flows used in operating activities		**(3,548)**	**(3,377)**
Cash flows from investing activities			
Proceeds from redemption of redeemable securities		3,379	-
Dividends received	5	32,841	12,000
Cash flows from investing activities		**36,220**	**12,000**
Cash flows from financing activities			
Other purchases of treasury shares	6	(43,231)	(25,351)
Acquisition of treasury shares under share-based payment plan	6	(304)	(203)
Net cash used in financing activities		**(43,535)**	**(25,554)**
Effect of exchange rates changes on cash and cash equivalents		(14)	(1,042)
Net decrease in cash and cash equivalents		**(10,877)**	**(17,973)**
Cash and cash equivalents, beginning of the period		**12,319**	**23,361**
Cash and cash equivalents, end of the period		**1,442**	**5,388**

The accompanying notes on pages 40 to 58 are an integral part of these interim condensed financial statements.

1. Principal Activities

Georgia Capital PLC ("Georgia Capital" or the "Company") is a public limited liability company incorporated in England and Wales with registered number 10852406. Georgia Capital PLC holds 100% of the share capital of the JSC Georgia Capital ("JSC GCAP"), which makes up a group of companies (the "Group"), focused on buying, building and developing businesses in Georgia and monetising investments as they mature. The Group currently has the following portfolio businesses (i) a retail (pharmacy) business, (ii) a hospitals business (consisting of a. large and specialty hospitals and b. regional and community hospitals), (iii) an insurance business (P&C and medical insurance); (iv) a clinics and diagnostics business, (v) a renewable energy business (hydro and wind assets) and (vi) an education business; Georgia Capital also holds other small private businesses across different industries in Georgia; a 20% equity stake in the water utility business and a 19.7% equity stake in LSE premium-listed Bank of Georgia Group PLC ("BoG"), a leading universal bank in Georgia. The shares of Georgia Capital are admitted to trading on the London Stock Exchange PLC's Main Market for listed securities under the ticker CGEO, effective 29 May 2018.

Georgia Capital's registered legal address is Central Square, 29 Wellington Street, Leeds, LS1 4DL, England, United Kingdom.

As at 30 June 2024 and 31 December 2023, the following shareholders owned more than 5% of the total outstanding shares* of Georgia Capital. Other shareholders individually owned less than 5% of the outstanding shares.

Shareholder	***30 June 2024 (unaudited)***	***31 December 2023***
Gemsstock Ltd	11%	11%
Allan Gray Ltd	8%	7%
Lazard Asset Management LLC**	7%	6%
Others	74%	76%
Total	**100%**	**100%**

For the purposes of calculating percentage of shareholding, the denominator includes total number of issued shares which includes shares held in the trust for share-based compensation purposes of the Group.
*****Combines several accounts managed by Lazard Asset Management LLC.***

References to the Group are applied in these financial statements in the context of going concern assessment, segment, fair valuation and risk management disclosures.

2. Basis of Preparation

General

The Company's condensed half year financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the United Kingdom. They should be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with UK-adopted international accounting standards ("IFRS"), were approved by the Board on 21 March 2024 and delivered to the Registrar of Companies.

The interim condensed financial statements are unaudited and have not been reviewed by auditors pursuant to the Auditing Practices Board guidance on "Review of interim financial information".

These interim condensed financial statements are presented in thousands of Georgian Lari ("GEL"), except per share amounts, which are presented in Georgian Lari, and unless otherwise noted.

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. 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.

3. Material Accounting Policy Information

Accounting policies

The accounting policies and methods of computation applied in the preparation of these interim condensed financial statements are consistent with those disclosed in the annual financial statements of the Company as at and for the year ended 31 December 2023. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The following amendments became effective from 1 January 2024 and had no material impact on the Company's condensed interim financial statements:

Amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback
Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current
Amendments to IAS 1 Presentation of Financial Statements – Classification of Debt with Covenants
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments – Disclosures: Supplier Finance Arrangements

The following amendments became effective on January 1, 2024, and have not yet been endorsed by the local regulatory body:

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2 Climate-related Disclosures

The following standards that are issued but not yet effective are also expected to have no material impact on the Company's condensed interim financial statements:

IFRS 18 Presentation and Disclosures in Financial Statements
IFRS 19 Subsidiaries without Public Accountability: Disclosures
Amendments to IAS 21 Lack of Exchangeability – Exchangeable Currency and Determination of Exchange rate

4. Segment Information

For management purposes, the Group is organised into the following operating segments as follows:
listed and observable portfolio companies, private large portfolio companies, private investment stage portfolio companies, private other portfolio companies, and corporate centre.

Listed and observable portfolio companies segment

BOG - the Company has a significant investment in London Stock Exchange premium listed Bank of Georgia Group PLC. GCAP does not hold voting rights in BOG.
Water Utility - the Company has a 20% equity stake in the Water Utility business, following the disposal of 80% of its shares during 2021. Water Utility is a regulated monopoly in Tbilisi and the surrounding area, where it provides water and wastewater services.

Private portfolio companies segment

Large portfolio companies segment:

The large portfolio companies are companies that are close to reaching more than a GEL 300 million equity value. This segment includes investments in hospitals (large and specialty hospitals, regional and community hospitals), retail (pharmacy) and insurance businesses.

Retail (Pharmacy) business consists of a retail pharmacy chain and a wholesale business that sells pharmaceuticals and medical supplies to hospitals and other pharmacies.
The hospital business comprises two segments: Large and Specialty Hospitals, the leading participant in Georgia's healthcare market, offering secondary and tertiary healthcare services; and Regional and Community Hospitals, encompassing regional hospitals and community clinics that deliver outpatient and essential inpatient services.
Insurance business comprises a property and casualty insurance and medical insurance businesses, principally providing wide-scale property and casualty and medical insurance services to corporate and retail clients.

Investment stage portfolio companies segment:

The investment stage portfolio companies have the potential to reach more than a GEL 300 million equity value. This segment includes investments into clinics and diagnostics, renewable energy and education businesses.

Clinics & Diagnostics business consists of polyclinics providing outpatient diagnostic and treatment services, and diagnostics business, operating the largest laboratory in the entire Caucasus region.
Renewable energy business principally operates three wholly owned commissioned renewable energy assets. In addition, a pipeline of renewable energy projects is in an advanced stage of development.
Education business combines majority stakes in four leading private schools in Tbilisi. It provides education for preschool to 12th grade (K-12);

Other portfolio companies segment:

The other portfolio companies are companies which GCAP believes to have limited potential to reach a GEL 300 million equity value. This segment includes Housing Development, Hospitality, Beverages and Auto Service businesses.

Corporate Centre comprising of Georgia Capital PLC and JSC Georgia Capital.

Management monitors the fair values of its segments separately for the purposes of making decisions about resource allocation and performance assessment. Transactions between segments are accounted for at actual transaction prices.

In 2023, Georgia Capital revised presentation of its segment note. The hospitals business is split into two distinct sub-segments: “Large and Specialty Hospitals” and “Regional and Community Hospitals”. The Regional and Community Hospitals also incorporates the community clinics that were previously managed and presented as part of the clinics and diagnostics business. The clinics & diagnostics business, alongside the renewable energy and education businesses, is presented under the investment stage portfolio.

Starting from the first half of 2024, the insurance business operates under three distinct brand names: Aldagi, specializing in P&C insurance, and Imedi L and Ardi, both specializing in medical insurance. A GEL 87 million portfolio of insurance contracts and the brand name from "Ardi" was acquired in April 2024. Ardi was the third-largest player in the Georgian health insurance market, holding a 17% market share based on 2023 net insurance premiums. This acquisition positions GCAP’s medical insurance business as the largest health insurer in the country and offers an opportunity to diversify our portfolio and achieve significant financial and strategic synergies. The total cash outflow for this transaction amounts to GEL 26.4 million, fully financed by funds already available in the medical insurance business.

(Thousands of Georgian Lari)

4. Segment Information (continued)

The following table presents the net asset value (NAV) of the Group's operating segments at 30 June 2024 and the roll-forward from 31 December 2023:

NAV Statement	*31 December 2023*	*1.Value Creation*	*2a. Investments & Divestments*	*2b. Buybacks*	*2c. Dividends*	*3.Operating Expenses*	*4. Liquidity Management/ FX / Other*	*30 June 2024 (unaudited)*
Listed and Observable Portfolio Companies	**1,384,847**	**65,899**	**-**	**-**	**(25,932)**	**-**	**-**	**1,424,814**
BoG	1,225,847	69,899	-	-	(25,932)*	-	-	1,269,814
Water Utility	159,000	(4,000)	-	-	-	-	-	155,000
Private Portfolio Companies	**2,287,098**	**(206,477)**	**6,068**	**-**	**(24,375)**	**-**	**4,872**	**2,067,186**
Large Portfolio Companies	**1,436,231**	**(166,705)**	**-**	**-**	**(19,757)**	**-**	**2,053**	**1,251,822**
Retail (Pharmacy)	714,001	(85,351)	-	-	(10,048)	-	719	619,321
Hospitals	344,356	(104,031)	-	-	-	-	719	241,044
Insurance (P&C and Medical)	377,874	22,677	-	-	(9,709)	-	615	391,457
Of which, P&C Insurance	*285,566*	*19,076*	-	-	*(9,709)*	-	*615*	*295,548*
Of which, Medical Insurance	*92,308*	*3,601*	-	-	-	-	-	*95,909*
Investment Stage Portfolio Companies	**566,614**	**(23,494)**	**3,068**	**-**	**-**	**-**	**1,138**	**547,326**
Clinics and diagnostics	110,761	(3,111)	-	-	-	-	159	107,809
Renewable energy	266,627	(24,203)	3,068	-	-	-	674	246,166
Education	189,226	3,820	-	-	-	-	305	193,351
Other Portfolio Companies	**284,253**	**(16,278)**	**3,000**	**-**	**(4,618)**	**-**	**1,681**	**268,038**
Total Portfolio Value	**3,671,945**	**(140,578)**	**6,068**	**-**	**(50,307)**	**-**	**4,872**	**3,492,000**
Net Debt	**(296,808)**	**-**	**(6,068)**	**(48,123)**	**46,721**	**(11,585)**	**(34,761)**	**(350,624)**
of which, Cash and liquid funds	*107,910*	-	*(6,068)*	*(48,123)*	*46,721*	*(11,585)*	*(18,245)*	*70,610*
of which, Loans issued	*9,212*	-	-	-	-	-	*2,192*	*11,404*
of which, Gross Debt	*(413,930)*	-	-	-	-	-	*(18,708)*	*(432,638)*
Net other assets/ (liabilities)	*3,375*	-	-	*(1,887)*	*3,586*	*(7,087)*	*1,358*	*(655)*
Net Asset Value	**3,378,512**	**(140,578)**	**-**	**(50,010)**	**-**	**(18,672)**	**(28,531)**	**3,140,721**

* In segment information, dividend income includes consideration received as a result of participation in BoG buyback programme.

(Thousands of Georgian Lari)

4. Segment Information (continued)

The following table presents the NAV statement of the Group's operating segments at 30 June 2023 and the roll forward from 31 December 2022:

NAV Statement	*31 December 2022*	*1.Value Creation*	*2a. Investments & Divestments*	*2b. Buybacks*	*2c. Dividends*	*3.Operating Expenses*	*4. Liquidity Management/ FX / Other*	*30 June 2023 (unaudited)*
Listed and Observable Portfolio Companies	**985,463**	**170,791**	**-**	**-**	**(114,408)**	**-**	**-**	**1,041,846**
BoG	830,463	166,791	-	-	(114,408)*	-	-	882,846
Water Utility	155,000	4,000	-	-	-	-	-	159,000
Private Portfolio Companies	**2,213,164**	**111,670**	**20,423**	**-**	**(33,666)**	**-**	**7,127**	**2,318,718**
Large Portfolio Companies	**1,437,610**	**85,888**	-	**-**	**(28,479)**	**-**	**1,243**	**1,496,262**
Retail (Pharmacy)	724,517	18,776	-	-	(20,061)	-	273	723,505
Hospitals	433,193	(7,406)	-	-	-	-	273	426,060
Insurance (P&C and Medical)	279,900	74,518	-	-	(8,418)	-	697	346,697
Of which, P&C Insurance	228,045	56,636	-	-	(8,418)	-	697	276,960
Of which, Medical Insurance	51,855	17,882	-	-	-	-	-	69,737
Investment Stage Portfolio Companies	**501,407**	**21,982**	**16,223**	**-**	**(5,187)**	**-**	**1,937**	**536,362**
Clinics and diagnostics	112,178	(7,706)	-	-	-	-	61	104,533
Renewable energy	224,987	20,517	5,718	-	(5,187)	-	1,647	247,682
Education	164,242	9,171	10,505	-	-	-	229	184,147
Other Portfolio Companies	**274,147**	**3,800**	**4,200**	**-**	**-**	**-**	**3,947**	**286,094**
Total Portfolio Value	**3,198,627**	**282,461**	**20,423**	**-**	**(148,074)**	**-**	**7,127**	**3,360,564**
Net Debt	**(380,905)**	**-**	**(20,423)**	**(53,720)**	**148,074**	**(10,884)**	**(7,006)**	**(324,864)**
of which, Cash and liquid funds	411,844	-	(20,423)	(53,720)	95,237	(10,884)	(20,929)	401,125
of which, Loans issued	26,830	-	-	-	-	-	(9,369)	17,461
of which, Dividend receivable	-	-	-	-	52,837	-	-	52,837
of which, Gross Debt	(819,579)	-	-	-	-	-	23,292	(796,287)
Net other assets/ (liabilities)	(331)	-	-	-	-	(8,287)	7,515	(1,103)
Net Asset Value	**2,817,391**	**282,461**	**-**	**(53,720)**	**-**	**(19,171)**	**7,636**	**3,034,597**

1.Value Creation – measures the annual shareholder return on each portfolio company for Georgia Capital. It is the aggregation of a) the change in beginning and ending fair values, b) dividend income during period. The net result is then adjusted to remove capital injections (if any) to arrive at the total value creation / investment return.; 2a.Investments and Divestments – represents capital injections and divestments in portfolio companies made by JSC GCAP; 2b. Buybacks – represent buybacks made by GCAP PLC and JSC GCAP in order to satisfy share compensation of executives and purchases under buyback program announced by GCAP PLC; 2c.Dividends – represent dividends received from portfolio companies by JSC GCAP; 3.Operating Expenses – holding company aggregated operating expenses of GCAP PLC and JSC GCAP; 4.Liquidity Management/FX/Other – holding company aggregated movements of GCAP PLC and JSC GCAP related to liquidity management, foreign exchange movement, non-recurring and other.
2. Net debt and Net other assets/(liabilities) represent corporate centre.

(Thousands of Georgian Lari)

4. Segment Information (continued)

Reconciliation to IFRS financial statements:

	30 June 2024 (unaudited)					
	Georgia Capital PLC	*Aggregation with JSC Georgia Capital**	*Elimination of double effect on investments*	*Aggregated Holding Company*	*Reclassifications***	*NAV Statement*
Cash and cash equivalents	1,442	40,955	-	42,397	(42,397)	-
Marketable securities	-	28,213	-	28,213	(28,213)	-
Prepayments	1,071	-	-	1,071	(1,071)	-
Loans issued	-	11,404	-	11,404	(11,404)	-
Other assets, net	-	6,704	-	6,704	(6,704)	-
Equity investments at fair value	3,141,607	3,492,000	(3,141,607)	3,492,000	-	3,492,000
Total assets	**3,144,120**	**3,579,276**	**(3,141,607)**	**3,581,789**	**(89,789)**	**3,492,000**
Debt securities issued	-	432,638	-	432,638	(432,638)	-
Other liabilities	3,399	5,031	-	8,430	(8,430)	-
Total liabilities	**3,399**	**437,669**	**-**	**441,068**	**(441,068)**	**-**
Net Debt	-	-	-	-	(350,624)	(350,624)
of which, Cash and liquid funds	-	-	-	-	*70,610*	*70,610*
of which, Loans issued	-	-	-	-	*11,404*	*11,404*
of which, Gross Debt	-	-	-	-	*(432,638)*	*(432,638)*
Net other assets/ (liabilities)	-	-	-	-	*(655)*	(655)
Total equity/NAV	**3,140,721**	**3,141,607**	**(3,141,607)**	**3,140,721**	**-**	**3,140,721**

	30 June 2023 (unaudited)					
	Georgia Capital PLC	*Aggregation with JSC Georgia Capital**	*Elimination of double effect on investments*	*Aggregated Holding Company*	*Reclassifications***	*NAV Statement*
Cash and cash equivalents	5,388	157,694	-	163,082	(163,082)	-
Marketable securities	-	3,940	-	3,940	(3,940)	-
Investment in redeemable securities	-	12,789	-	12,789	(12,789)	-
Prepayments	1,020	-	-	1,020	(1,020)	-
Loans issued	-	17,461	-	17,461	(17,461)	-
Other assets, net	-	55,958	-	55,958	(55,958)	-
Equity investments at fair value	3,029,727	3,360,564	(3,029,727)	3,360,564	-	3,360,564
Total assets	**3,036,135**	**3,608,406**	**(3,029,727)**	**3,614,814**	**(254,250)**	**3,360,564**
Debt securities issued	-	574,974	-	574,974	(574,974)	-
Other liabilities	1,538	3,705	-	5,243	(5,243)	-
Total liabilities	**1,538**	**578,679**	**-**	**580,217**	**(580,217)**	**-**
Net Debt	-	-	-	-	(324,864)	(324,864)
of which, Cash and liquid funds	-	-	-	-	*401,125*	*401,125*
of which, Loans issued	-	-	-	-	*17,461*	*17,461*
of which, Dividend receivable					*52,837*	*52,837*
of which, Gross Debt	-	-	-	-	*(796,287)*	*(796,287)*
Net other assets/ (liabilities)	-	-	-	-	(1,103)	(1,103)
Total equity/NAV	**3,034,597**	**3,029,727**	**(3,029,727)**	**3,034,597**	**-**	**3,034,597**

** For a detailed breakdown of JSC Georgia Capital refer to note 7.*
*** Reclassification and adjustments to aggregated balances to arrive at the NAV specific presentation, such as: aggregating cash, marketable securities, repurchased GCAP bonds as cash and liquid funds, debt securities issued as gross debt and netting of other assets and liabilities; capitalization of project development related expenses.*

(Thousands of Georgian Lari)

4. Segment Information (continued)

The following table presents income statement information of the Group's operating segments for the six months ended 30 June 2024 (unaudited):

	Private Portfolio Companies								
	Listed & observable Portfolio Companies	***Large***	***Investment Stage***	***Other***	***Corporate Center***	***Total***	***Intragroup Investment Reversal and Adjustments***	***Equity Changes in JSC GCAP***	***Investment Entity Total***
Gains/(losses) on investments at fair value	39,967	(186,462)	(23,494)	(20,896)	-	(190,885)	(1,235)	(29,684)	(221,804)
Listed and observable Investments	*39,967*	-	-	-	-	*39,967*	*(39,967)*	-	-
Private Investments	-	*(186,462)*	*(23,494)*	*(20,896)*	-	*(230,852)*	*38,732*	*(29,684)*	*(221,804)*
Dividend income	25,932	19,757	-	4,618	-	50,307	(50,307)	32,841	32,841
Interest income	-	-	-	-	3,320	3,320	(3,320)	-	-
Loss on liquid funds	-	-	-	-	(961)	(961)	961	-	-
Gross investment profit/(loss)	**65,899**	**(166,705)**	**(23,494)**	**(16,278)**	**2,359**	**(138,219)**	**(53,901)**	**3,157**	**(188,963)**
Administrative expenses	-	-	-	-	(5,757)	(5,757)	3,658	-	(2,099)
Salaries and other employee benefits	-	-	-	-	(12,915)	(12,915)	11,831	-	(1,084)
Interest expense	-	-	-	-	(17,579)	(17,579)	17,579	-	-
Profit/(loss) before provisions, foreign exchange and non-recurring items	**65,899**	**(166,705)**	**(23,494)**	**(16,278)**	**(33,892)**	**(174,470)**	**(20,833)**	**3,157**	**(192,146)**
Expected credit loss (charge)/reversal	-	-	-	-	(3,378)	(3,378)	3,378	-	-
Net foreign currency (loss)/gain	-	-	-	-	(15,942)	(15,942)	15,899	-	(43)
Non-recurring expense	-	-	-	-	(1,668)	(1,668)	1,668	-	-
Net losses from investment securities measured at FVPL	-	-	-	-	-	-	(112)	-	(112)
Profit/(loss) before income taxes	**65,899**	**(166,705)**	**(23,494)**	**(16,278)**	**(54,880)**	**(195,458)**	**-**	**3,157**	**(192,301)**
Income tax	-	-	-	-	-	-	-	-	-
Profit/(loss) for the period	**65,899**	**(166,705)**	**(23,494)**	**(16,278)**	**(54,880)**	**(195,458)**	**-**	**3,157**	**(192,301)**

(Thousands of Georgian Lari)

4. Segment Information (continued)

The following table presents income statement information of the Group's operating segments for the six months ended 30 June 2023 (unaudited):

		Private Portfolio Companies							
	Listed & observable Portfolio Companies	***Large***	***Investment Stage***	***Other***	***Corporate Center***	***Total***	***Intragroup Investment Reversal and Adjustments***	***Equity Changes in JSC GCAP***	***Investment Entity Total***
Gains on investments at fair value	56,383	57,409	16,795	3,800	-	134,387	128,714	(28,434)	234,667
Listed and observable Investments	56,383	-	-	-	-	*56,383*	*(56,383)*	-	-
Private Investments	-	*57,409*	16,795	3,800	-	*78,004*	*185,097*	*(28,434)*	*234,667*
Dividend income	*114,408*	28,479	5,187	-	-	148,074	(148,074)	12,000	12,000
Interest income	-	-	-	-	9,991	9,991	(9,991)	-	-
Gain on liquid funds	-	-	-	-	1,085	1,085	(1,085)	-	-
Gross investment profit	**170,791**	**85,888**	**21,982**	**3,800**	**11,076**	**293,537**	**(30,436)**	**(16,434)**	**246,667**
Administrative expenses	-	-	-	-	(5,528)	(5,528)	3,590	-	(1,938)
Salaries and other employee benefits	-	-	-	-	(13,643)	(13,643)	12,521	-	(1,122)
Interest expense	-	-	-	-	(26,751)	(26,751)	26,751	-	-
Profit/(loss) before provisions, foreign exchange and non-recurring items	**170,791**	**85,888**	**21,982**	**3,800**	**(34,846)**	**247,615**	**12,426**	**(16,434)**	**243,607**
Expected credit loss	-	-	-	-	(41)	(41)	41	-	-
Net foreign currency gain	-	-	-	-	12,670	12,670	(13,788)	-	(1,118)
Non-recurring expense	-	-	-	-	(1,321)	(1,321)	1,321	-	-
Profit/(loss) before income taxes	**170,791**	**85,888**	**21,982**	**3,800**	**(23,538)**	**258,923**	**-**	**(16,434)**	**242,489**
Income tax	-	-	-	-	-	-	-	-	-
Profit/(loss) for the period	**170,791**	**85,888**	**21,982**	**3,800**	**(23,538)**	**258,923**	**-**	**(16,434)**	**242,489**

(Thousands of Georgian Lari)

5. Equity Investments at Fair Value

	30 June 2024 (unaudited)	*31 December 2023*
Subsidiaries (Note 7)	3,141,607	3,363,411
Equity Investments at Fair Value	**3,141,607**	**3,363,411**

	2024	*2023*
At 1 January	**3,363,411**	**2,795,060**
Fair Value (loss)/gain and dividend income	(188,963)	246,667
Dividend income*	(32,841)	(12,000)
At 30 June (unaudited)	**3,141,607**	**3,029,727**

* During six months ended 30 June 2024 JSC Georgia Capital paid dividend to its 100% shareholder in the amount of GEL 32,841 (30 June 2023: GEL12,000).

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. For the breakdown and detailed information regarding the equity investments at fair value, refer to note 7.

6. Equity

Share capital

As at 30 June 2024 issued share capital comprised 42,013,685 authorised common shares (30 June 2023: 43,827,862), of which 42,013,685 (30 June 2023: 43,827,862) were fully paid. Each share has a nominal value of one British penny. Shares issued and outstanding as at 30 June 2024 and 30 June 2023 are described below:

	Number of shares Ordinary	*Amount*
1 January 2024	**43,215,840**	**1,420**
Cancellation of shares	(1,202,155)	(39)
30 June 2024 (unaudited)	**42,013,685**	**1,381**

	Number of shares Ordinary	*Amount*
1 January 2023	**44,827,862**	**1,473**
Cancellation of shares	(1,000,000)	(32)
30 June 2023 (unaudited)	**43,827,862**	**1,441**

(Thousands of Georgian Lari)

6. Equity (continued)

Treasury Shares

During six months ended 30 June 2024, the Company paid cash consideration of GEL 43,535 (30 June 2023: GEL 25,554) for acquisition of treasury shares, of which GEL 304 (30 June 2023: GEL 203) was related to shares acquired for settlement of employee share-based payments and GEL 43,231 (30 June 2023: GEL 25,351) were other acquisitions made by the Company, including those under the share buyback programme.

During the six months ended 30 June 2024 1,202,155 treasury shares bought back under the Buyback Program were cancelled (30 June 2023: 1,000,000).

(Loss)/earnings per share

	30 June 2024 (unaudited)	*30 June 2023 (unaudited)*
Basic (loss)/earnings per share		
(Loss)/profit for the period attributable to ordinary shareholders of the parent	(192,301)	242,489
Weighted average number of ordinary shares outstanding during the year	38,483,498	40,017,308
(Loss)/earnings per share (GEL)	(4.9970)	6.0596
Diluted (loss)/earnings per share		
(Loss)/profit for the period attributable to ordinary shareholders of the Group	(192,301)	242,489
Weighted average number of diluted ordinary shares outstanding during the year	38,483,498	40,866,075
Diluted (loss)/earnings per share (GEL)	(4.9970)	5.9337

7. Fair Value Measurements

Fair value hierarchy

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability. The following tables show analysis of assets and liabilities measured at fair value or for which fair values are disclosed by level of the fair value hierarchy:

30 June 2024 (unaudited)	*Level 1*	*Level 2*	*Level 3*	*Total*
Assets measured at fair value				
Equity investments at fair value	-	-	3,141,607	3,141,607

31 December 2023	*Level 1*	*Level 2*	*Level 3*	*Total*
Assets measured at fair value				
Equity investments at fair value	-	-	3,363,411	3,363,411

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.

(Thousands of Georgian Lari)

7. Fair Value Measurement (continued)

Valuation techniques (continued)

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. 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 30 June 2024 and 31 December 2023 is as follows:

	30 June 2024 (unaudited)	***31 December 2023***
Assets		
Cash and cash equivalents	40,955	51,138
Amounts due from credit institutions	-	8,678
Marketable securities	28,213	18,203
Investment in redeemable securities	-	14,068
Equity investments at fair value	3,492,000	3,671,945
Of which listed and observable investments	***1,424,814***	***1,384,847***
BOG	*1,269,814*	*1,225,847*
Water utility	*155,000*	*159,000*
Of which private investments:	***2,067,186***	***2,287,098***
Large portfolio companies	***1,251,822***	***1,436,231***
Retail (Pharmacy)	*619,321*	*714,001*
Hospitals	*241,044*	*344,356*
P&C insurance	*295,548*	*285,566*
Medical insurance	*95,909*	*92,308*
Investment stage portfolio companies	***547,326***	***566,614***
Clinics and diagnostics	*107,809*	*110,761*
Renewable energy	*246,166*	*266,627*
Education	*193,351*	*189,226*
Other portfolio companies	***268,038***	***284,253***
Loans issued	11,404	9,212
Other assets	6,704	5,060
Total assets	**3,579,276**	**3,778,304**
Liabilities		
Debt securities issued	432,638	413,930
Other liabilities	5,031	963
Total liabilities	**437,669**	**414,893**
Net Asset Value	**3,141,607**	**3,363,411**

7. Fair Value Measurement (continued)

Valuation techniques (continued)

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.

7. Fair Value Measurement (continued)

Valuation techniques (continued)

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.

7. Fair Value Measurement (continued)

Valuation techniques (continued)

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 30 June 2024 such businesses include Hospitals (Large and Specialty & Regional and Community Hospitals), Insurance (consisting of a. P&C insurance and b. Medical insurance), Retail (Pharmacy), Clinics & Diagnostics, Renewable energy and 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 30 June 2024 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 30 June 2024, 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.

(Thousands of Georgian Lari)

7. Fair Value Measurement (continued)

Description of significant unobservable inputs to level 3 valuations (continued)

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

30 June 2024 (unaudited)

Description	*Valuation technique*	*Unobservable input*	*Range*[implied multiple**]*	*Fair value*
Loans Issued	DCF	Discount rate	11.0%-16.5%	*11,404*
Equity investments at fair value				
Large portfolio				*1,251,822*
Retail (Pharmacy)	DCF, EV/EBITDA	EV/EBITDA multiple	5.6x-19.9x [8.8x]	*619,321*
Hospitals	DCF, EV/EBITDA	EV/EBITDA multiple	3.9x-14.9x [12.5x]	*241,044*
P&C insurance	DCF, P/E	P/E multiple	5.7x-20.8x [13.0x]	*295,548*
Medical insurance	DCF, P/E	P/E multiple	7.6x-11.6x [10.9x]	*95,909*
Investment stage				*547,326*
Clinics and diagnostics	DCF, EV/EBITDA	EV/EBITDA multiple	6.5x-14.9x [9.3x]	*107,809*
Renewable energy	DCF, EV/EBITDA	EV/EBITDA multiple	3.8x-18.2x [11.5x]	*246,166*
Education	DCF, EV/EBITDA	EV/EBITDA multiple	4.4x-36.4x [13.0x]	*193,351*
Other	Sum of the parts	EV/EBITDA multiples Cashflow probability NAV multiple	5.5x-22.5x [7.0x-9.0x] [90%-100%] [1.0x]	*268,038*

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.*

7. Fair Value Measurement (continued)

Description of significant unobservable inputs to level 3 valuations (continued)

On 31 December 2021, Georgia Capital signed a SPA to dispose 80% interest in Water Utility business, which was previously included within the large private portfolio companies As at 30 June 2024 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.

In April 2024, Georgia Capital signed an agreement to acquire a portfolio of insurance contracts and the brand name from "Ardi". As at 30 June 2024, Ardi's portfolio was measured at the recent acquisition price. The acquisition was fully financed by borrowings within the medical insurance business, therefore, the consolidation of Ardi's portfolio did not affect the overall valuation of the insurance business as at 30 June 2024.

As at 30 June 2024, 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 the 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. Initial judgment of the First Instance Court which was in favour of the Defendants was later overruled and upon reconsideration 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 to Defendants. The Defendants appealed the decision of the First Instance Court. Several hearings have taken place at the Appellate Court and as of 30 June 2024 the case is still at the stage of consideration at the Appellate Court. No date for the next 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. No date of hearing has been set yet.

As at 30 June 2024, Georgia Education Group (the "Group") was engaged in litigation with the minority partner of the British Georgian Academy (the "BGA"). The claimant asks the court to annul the memorandum of understanding (the "MoU") based on which Georgia Capital acquired a 70% shareholding interest in BGA in 2019 due to alleged failure by the Group to invest in the development of BGA. As of 30 July 2024, the first hearing at the First Instance Court is set on 27 November 2024.

The Group's assessment of the claim is that the claimant's allegations are based on false factual grounds and are without any legal merit. The Group regards the claim as frivolous; filed not for genuine cause but to exert pressure on the Group to renegotiate the arrangements entered in 2019. Management shares the Group's assessment of the merits of the case and considers that the probability of incurring losses on this claim is low.

(Thousands of Georgian Lari)

7. Fair Value Measurement (continued)

Sensitivity analysis to significant changes in unobservable inputs within Level 3 hierarchy

In order to determine reasonably possible alternative assumptions the Company adjusted key unobservable model inputs. The Company adjusted the inputs used in valuation by increasing and decreasing them within a range which is considered by the Company to be reasonable.

If the listed peer multiples used in the market approach to value unquoted investments as at 30 June 2024 decreased by 10% (31 December 2023: 10%), value of equity investments at fair value would decrease by GEL 58 million or 2% (31 December 2023: GEL 59 million or 2%). If the multiple increased by 10% (31 December 2023: 10%) then the equity investments at fair value would increase by GEL 58 million or 2% (31 December 2023: GEL 59 million or 2%).

If the discount rates used in the income approach to value unquoted investments decreased by 50 basis points (31 December 2023: 50 basis points), the value of equity investments at fair value would increase by GEL 68 million or 2% (31 December 2023: GEL 82 million or 2%). If the discount rates increased by 50 basis points (31 December 2023: 50 basis points) then the equity investments at fair value would decrease by GEL 82 million or 2% (31 December 2023: GEL 87 million or 2%). If the discount rate decreased by 100 basis points, the value of equity investments at fair value would increase by GEL 152 million or 4% (31 December 2023: GEL 177 million or 5%). If the discount rate increased by 100 basis points then the equity investments at fair value would decrease by GEL 151 million or 4% (31 December 2023: GEL 164 million or 4%).

If the multiple used to value unquoted investments valued on NAV and recent transaction price basis as at 30 June 2024 decreased by 10% (31 December 2023: 10%), value of equity investments at fair value would decrease by GEL 9 million or 0.3% (31 December 2023: GEL 10 million or 0.3%). If the multiple increased by 10% then the equity investments at fair value would increase by GEL 9 million or 0.3% (31 December 2023: GEL 10 million or 0.3%)

As set out in the description of significant unobservable inputs to level 3 valuations the valuations have been prepared on the basis that climate change risks are reflected in the peer multiples and discount rates. Therefore, the sensitivities noted above in respect of peer multiples and discount rates include the risk arising from climate change.

Movements in level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of level 3 financial assets which are recorded at fair value:

	At 1 January 2023	***Fair Value gain***	***Capital redemption***	***Capital increase***	***At 31 December 2023***	***Fair Value loss***	***Capital redemption***	***Dividend Income***	***At 30 June 2024 (unaudited)***
Level 3 financial assets									
Equity investments at fair value (Note 5)	2,795,060	616,010	-	(47,659)	3,363,411	(188,963)	-	(32,841)	3,141,607

(Thousands of Georgian Lari)

8. Maturity Analysis

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled:

	30 June 2024 (unaudited)		
	Less than 1 Year	*More than 1 Year*	*Total*
Cash and cash equivalents	1,442	-	1,442
Equity investments at fair value	-	3,141,607	3,141,607
Prepayments	1,071	-	1,071
Total assets	**2,513**	**3,141,607**	**3,144,120**
Other liabilities	3,399	-	3,399
Total liabilities	**3,399**	**-**	**3,399**
Net	**(886)**	**3,141,607**	**3,140,721**

	31 December 2023		
	Less than 1 Year	*More than 1 Year*	*Total*
Cash and cash equivalents	12,319	-	12,319
Investment in redeemable securities	3,517	-	3,517
Equity investments at fair value	-	3,363,411	3,363,411
Prepayments	976	-	976
Total assets	**16,812**	**3,363,411**	**3,380,223**
Other liabilities	1,711	-	1,711
Total liabilities	**1,711**	**-**	**1,711**
Net	**15,101**	**3,363,411**	**3,378,512**

9. Related Party Disclosures

In accordance with IAS 24 "Related Party Disclosures", parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties. All transactions with related parties are conducted on an arm's length basis. There were no related party transactions as of and for the periods ended 30 June 2024 and 30 June 2023, other than dividend received from JSC GCAP (note 5) and compensation of key management personnel disclosed below:

Compensation of key management personnel comprised the following:

	30 June 2024 (unaudited)	**30 June 2023 (unaudited)**
Salaries and other benefits	(370)	(485)
Share-based payments compensation	(2,728)	(3,208)
Total key management compensation	**(3,098)**	**(3,693)**

9. Related Party Disclosures (continued)

Key management personnel do not receive cash settled compensation, except for fixed salaries. The number of key management personnel for the six months ended 30 June 2024 was 5 (30 June 2023: 7).

10. Events after the Reporting Period

During July and August of 2024, GCAP consolidated all insurance businesses under one holding company, A Group. As a result, Aldagi, Imedi L and Ardi are all managed under a single umbrella company. Previously, Medical Insurance and Ardi were managed by Georgia Healthcare Group, while Aldagi was under JSC A Group.

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) an insurance business (P&C and medical insurance), (3) a hospitals business, (4) a renewable energy business (hydro and wind assets), (5) an education business; and (6) a clinics and diagnostics business.** Georgia Capital also holds other small private businesses across different industries in Georgia; a 20% equity stake in the **water utility business** and a 19.7% equity stake in LSE premium-listed **Bank of Georgia Group PLC ("BoG")**, a leading universal bank in Georgia.

COMPANY INFORMATION

Georgia Capital PLC

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Share price information
Shareholders can access both the latest and historical prices via the website
www.georgiacapital.ge