GEORGIA CAPITAL

Capturing Sustainable Investment Opportunities to Create Value

Georgia Capital PLC | Annual Report 2024

GEORGIA CAPITAL

A platform for investing in, upscaling and monetising large opportunity businesses in Georgia

Georgia Capital PLC ("Georgia Capital" or "GCAP" or "the Company" – LSE: CGEO LN) is a platform for buying, building and developing businesses in Georgia and monetising investments, as they mature. Georgia Capital PLC holds 100% of the share capital of JSC Georgia Capital ("JSC GCAP"), which together are referred to as the "Group" or "GCAP HoldCo".

The Group's primary business is to develop or buy businesses, help them develop their management and institutionalise their businesses so they can further develop mainly on their own, either with continued oversight or independently.

The Group's focus is typically on larger-scale investment opportunities in Georgia, which have the potential to reach at least GEL 300 million equity value over three to five years from the initial investment. As investments mature, the focus shifts to monetising them through exits. Georgia Capital manages its portfolio companies individually and does not focus on achieving intergroup synergies. The Group does not have capital commitments or a primary mandate to deploy funds or divest assets within a specific time frame. As such, it focuses on shareholder returns and on opportunities which meet its investment return and growth criteria.

For more information on Georgia Capital, visit georgiacapital.ge

Location: Shaori Reservoir, Georgia

Chairman and CEO statement
Read our Chairman and CEO Statement on pages 10 to 13

Georgia Capital Strategy
Read about our strategy on pages 14 and 15

Our Portfolio Companies
Read about our portfolio companies on pages 32 and 57

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Overview

Our Business

Discussion of Results

Strategic Review

Location: Utsera, Ratcha, Georgia

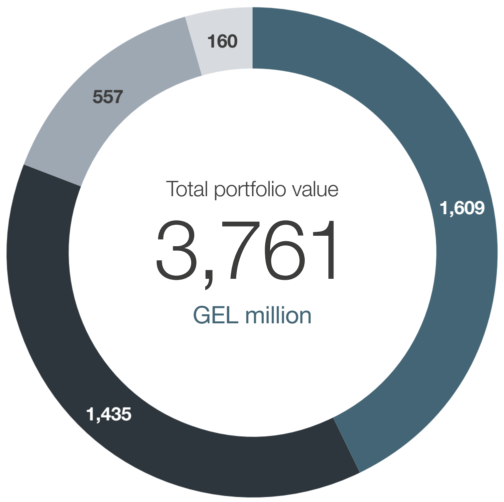
Performance Highlights

Georgia Capital NAV overview

NAV per share (GEL)	NAV per share (GBP)	Net Asset Value (NAV) (GEL million)
95.95 +15.7% y-o-y	27.14 +12.0% y-o-y	3,609 +6.8% y-o-y

Total portfolio value (GEL million)	Cash and liquid funds (GEL million)	NCC[1] ratio
3,761 +2.4% y-o-y	278 NMF	12.8% -2.8 ppts y-o-y

Portfolio breakdown (GEL million)



- Listed and observable portfolio
- Large portfolio companies
- Investment stage portfolio companies
- Other portfolio companies

Our portfolio	Value as at 31-Dec-24	% of the total portfolio value
Listed and observable portfolio	**1,609**	**42.8%**
Lion Finance Group[2]	1,421	37.8%
Water utility	188	5.0%
Private portfolio	**2,152**	**57.2%**
Large portfolio companies	**1,435**	**38.1%**
Retail (pharmacy)	716	19.0%
Insurance (P&C and medical)	428	11.4%
Hospitals	291	7.7%
Investment stage portfolio companies	**557**	**14.8%**
Renewable energy	253	6.7%
Education	182	4.8%
Clinics and diagnostics	123	3.3%
Other portfolio companies	**160**	**4.3%**
Total portfolio	**3,761**	**100%**

1 Net Capital Commitment – please see definition in glossary on page 227.
2 “Lion Finance Group PLC” or the “Bank”, formerly known as “Bank of Georgia Group PLC”.

Performance overview (GEL million)

Value creation[1]

		Value creation in 2024	Multiple of invested capital (MOIC) unrealised	Valuation methodology highlights[1]
Listed and observable portfolio	Lion Finance Group	340	15.8	London Stock Exchange (“LSE”)
	Water utility	29	3.8[2]	Pre-agreed put option multiple
Private portfolio	Large portfolio companies	30	4.7	Valued externally (combination of DCF and market approaches)
	Investment stage portfolio companies	(11)	1.8	Valued externally (combination of DCF and market approaches)
	Other portfolio companies	47		
Total portfolio		**435**		

Investments in 2024	Divestments	Buybacks[3]
17 -25.0% y-o-y	168 NMF	137 +78.5% y-o-y

Dividend income[4]
202 -14.5% y-o-y

Of which, recurring dividend income[5]	Of which, one-off dividend income
179 -0.4% y-o-y	23 -59.7% y-o-y

Our strategy
Read about our **strategy** on page 14

1 The detailed Valuation Methodology is described on pages 98-99 of this report.
2 In 2022, Georgia Capital completed the sale of an 80% equity interest in the water utility business for a cash consideration of US$ 180 million. The sale valuation translates into 2.9x MOIC in US$, of which 2.2x is realised (3.8x MOIC in GEL, of which 2.9x is realised).
3 Includes both the buybacks under the share buyback and cancellation programme and for the management trust.
4 For the detailed breakdown, please refer to page 29 of this report.
5 Includes regular cash and buyback dividends.

Certain financial measures presented in the Strategic Review are taken from unaudited management accounts. The figures from the management accounts are Alternative Performance Measures (APMs) and are described on page 94, and the differences from, and the reconciliation to, the IFRS audited accounts are presented on page 97.

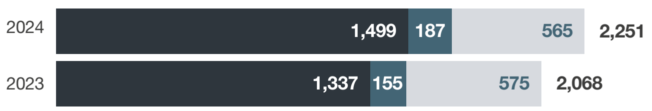
Performance Highlights continued

Private portfolio companies' performance highlights (unaudited)[1]

Georgia Capital's 2024 results demonstrate very strong operational and financial performances and reflect significant achievements in delivering on our strategic priorities.

Aggregated revenue (GEL million)

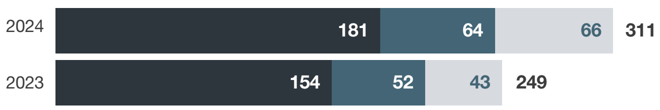
+8.9%



- Large portfolio companies
- Investment stage portfolio companies
- Other portfolio companies

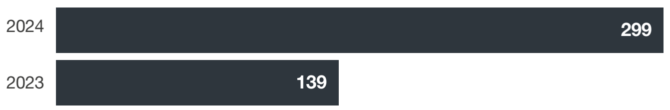
Aggregated EBITDA (GEL million)

+25.0%



Aggregated net operating cash flow[2] (GEL million)

+2.1x



Aggregated cash balances of private businesses[2] (GEL million)

+8.1%

1 The portfolio companies' performance highlights include aggregated stand-alone unaudited IFRS results for our portfolio companies, which can be viewed as APMs for Georgia Capital, since Georgia Capital does not consolidate its subsidiaries, but instead measures them at fair value under IFRS. In the Strategic Review, various stand-alone figures other than those derived from our NAV statement for the individual portfolio companies and the discussion of their business developments are derived from their separate, individual unaudited IFRS accounts. Private portfolio companies' performance highlights are presented excluding the water utility business, while the beer and distribution business is included.

2 The total aggregated net operating cash flow reflects the performance of the beer and distribution business, while the total aggregated cash balance of private businesses is adjusted to exclude the business' cash balance, in alignment with the completion of the sales transaction in December 2024.

Read more about our portfolio companies on pages 32-57

Listed and observable portfolio companies

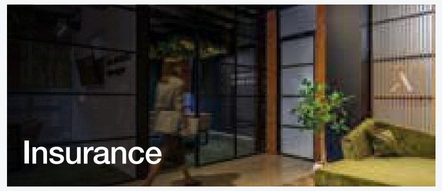
Lion Finance Group PLC ("Lion Finance Group"), formerly known as Bank of Georgia Group PLC (LSE: BGEO LN), is a FTSE 250 holding company whose subsidiaries provide banking and financial services focused on the high growth Georgian and Armenian markets through leading, customer-centric, universal banks – Bank of Georgia ("BoG") in Georgia and Ameriabank in Armenia. The business comprises a) retail banking and payment services (Retail Banking), b) banking services for small and medium-sized businesses (SME Banking) and c) corporate and investment banking operations (Corporate and Investment Banking). Lion Finance Group expects to benefit from superior growth of the Georgian and Armenian economy through both its retail banking and corporate and investment banking services and aims to deliver on its strategy and key medium-term objectives – 20%+ return on average equity (ROAE) and c.15% growth of its loan book. It targets to maintain a 30%-50% dividend/share buyback payout ratio through regular and progressive semi-annual capital distributions. Lion Finance Group's Annual Report 2024, when published, will be available at **https://lionfinancegroup.uk**. As of 31 December 2024, Georgia Capital owns a 19.23% non-voting equity stake in Lion Finance Group (31 December 2023: 19.71%).

The water utility business is a regulated monopoly in Tbilisi and the surrounding area, where it provides water and wastewater services to 1.4 million residents representing more than one-third of Georgia's population and c.43,000 legal entities. The water utility business also operates hydro power plants (HPPs) with a total installed capacity of 149MW. In 2022, Georgia Capital completed the sale of an 80% equity interest in the business to FCC Aqualia ("Aqualia") for a cash consideration of US$ 180 million. As a consequence, GCAP owns a 20% interest in the business as of 31 December 2024, which remains subject to the ongoing put/call option structure.

Private large portfolio companies

The retail (pharmacy) business is the largest pharmaceuticals retailer and wholesaler in Georgia, with a 35.8% market share in the organised retail market based on 2023 revenues. The business consists of a retail pharmacy chain operating under two brands (GPC and Pharmadepot) and a wholesale business that sells pharmaceuticals and medical supplies to hospitals and other pharmacies. The business operates a total of 410 pharmacies (of which, 395 are in Georgia and 15 in Armenia) and 19 franchise stores (of which, 12 are in Georgia, two in Armenia and five in Azerbaijan). As of 31 December 2024, GCAP owns a 97.8% equity stake in the business (31 December 2023: 97.6%).

The hospitals business, where GCAP owns 100% equity, is the largest healthcare market participant in Georgia, comprised of seven 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.



The insurance business comprises of the 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. GCAP owns a 100% stake in insurance business as of 31 December 2024 (31 December 2023: 100%).

- **P&C insurance** business is a leading player with a 30% market share in property and casualty insurance based on gross premiums as of 30 September 2024. P&C insurance also offers a variety of non-property and casualty products, such as life insurance.
- Our **medical insurance** business is the country's largest private health insurer, with a 35% market share based on gross insurance premiums as of 30 September 2024, offering a variety of health insurance products primarily to corporate and (selectively) to state entities and also to retail clients in Georgia.

Private investment stage portfolio companies

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 of 31 December 2024 (31 December 2023: 100%).

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

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 of two segments: 1) 16 polyclinics (providing outpatient diagnostic and treatment services); and 2) diagnostics, operating the largest laboratory in the entire Caucasus region – "Mega Lab". As of 31 December 2024, the clinics and diagnostics business is 100% owned by Georgia Capital (31 December 2023: 100%).

2024 in Brief

Key developments in 2024

1 Sale of an 80% holding in the beer and distribution business

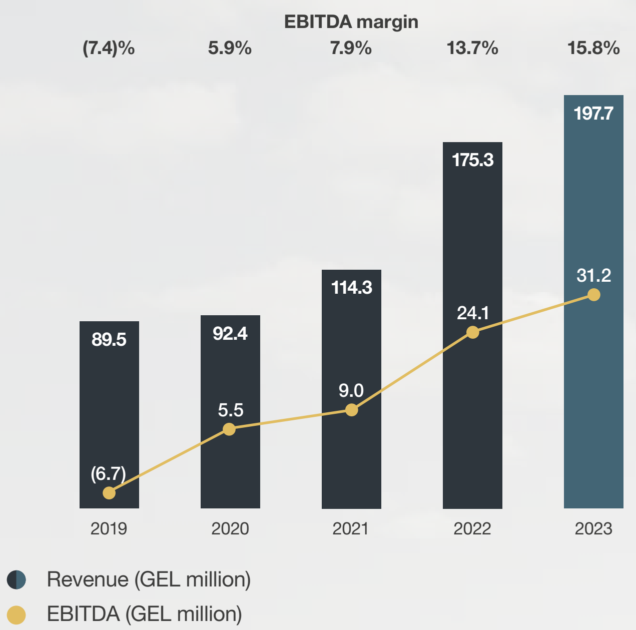
Transaction overview

In 2024, GCAP announced the sale of 80% of its holding (an effective 73.9% equity stake) in its beer and distribution business to Royal Swinkels, a strategic and international purchaser, for net cash proceeds of c.US$ 63 million. Completion of the transaction and the receipt of full sales proceeds occurred on 23 December 2024.

Following the sale, the business is now held through a new holding company domiciled in the Netherlands, where GCAP and its minority co-investor retains a 20% holding which is subject to an ongoing put/call option structure. GCAP's put option will be exercisable during each 12-month period following the end of the 2028, 2029 and 2030 financial years. Royal Swinkels' call option will be exercisable during each 12-month period following the end of the 2031, 2032 and 2033 financial years.

Under GCAP's management, the business has demonstrated strong revenue and EBITDA growth, with a 29% and 79% CAGR, respectively, over the past three years.

Operating performance development



Transaction rationale

The sale is in line with GCAP's capital light investment strategy and represents another successful exit from our private assets. The disposal:

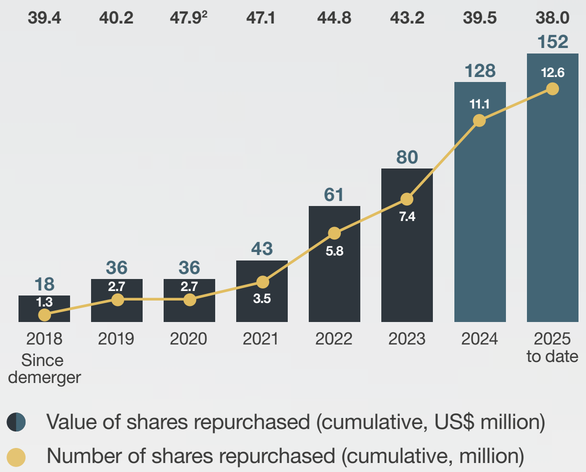
- Realised material cash proceeds, translating into a premium to the business' investment value as at 30 June 2024.
- Led to a 1.8% uplift to GCAP's NAV per share as at 30 June 2024.
- Enabled and facilitated an important international investor into Georgia, with significant industry expertise, that will strengthen the beer and distribution business to the benefit of its customers, employees and other stakeholders.
- Formed a strategic partnership between GCAP and Royal Swinkels that will support the business at least until such time as either the put option or call option is exercised.

2 Announcement of the GEL 300 million capital return package

In May 2024, GCAP announced its Board's intention to make available at least GEL 300 million for share buybacks and dividends through to the end of 2026. Significantly improved leverage profile, strong progress in free cash flow generation capabilities and confidence in high-quality portfolio were the key drivers of this strategic move. As part of the GEL 300 million capital return package, GCAP launched a US$ 25 million share buyback and cancellation programme in May 2024, which was subsequently increased by an additional US$ 15 million in August 2024. In December 2024, the Company launched another US$ 25 million share buyback and cancellation programme, which was increased by an additional US$ 25 million in March 2025.

Under the buyback programmes in total, the Company repurchased 3.7 million of its own shares in 2024, representing a nominal value of US$ 48.1 million. In 2025 to date, an additional 1.5 million shares (US$ 24.2 million value) have been repurchased. In total, as part of the GEL 300 million capital return package, GEL 251 million has already been allocated to share buybacks.

Development of GCAP's share buybacks
Number of issued shares (million)



12.6 million shares (US$ 151.7 million in value) repurchased and cancelled since the demerger in 2018, representing 26.2% of the issued share capital at its peak[1]

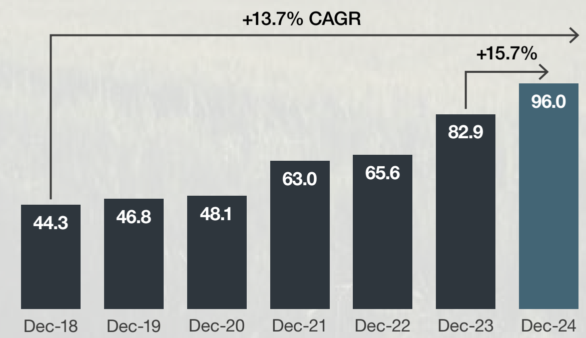
The gross number of issued shares, including those held by the management trust, now stands at 38.0 million, below the 39.4 million shares in issue at the time of the demerger

3 Strong NAV per share growth

NAV per share (GEL) increased by 15.7% in 2024, reflecting a GEL 435.3 million value creation across our portfolio companies with a positive 12.9 ppts impact and share buybacks (+5.8 ppts). The NAV per share growth was partially offset by a) management platform-related costs and net interest expense with a negative 1.9 ppts impact and b) GEL's depreciation against US$, resulting in a foreign currency loss of GEL 15.1 million on GCAP net debt (-0.5 ppts).

Since December 2018, NAV per share (GEL) grew at 13.7% CAGR. In US$ and GBP terms, NAV per share CAGR stands at 12.8% and 13.0%, respectively

NAV per share (GEL) development overview



1 Determined by taking into account the peak number of 47.9 million shares issued as of 31 December 2020.
2 Represents shares issued during Georgia Healthcare Group share exchange facility.

Chairman and CEO Statement

"Our investments in high-quality Georgian businesses with great market positions, high returns and the ability to deliver sustainable earnings growth through the cycle, have continued to deliver very strong performances"

Irakli Gilauri
Chairman and Chief Executive Officer

Dear Fellow Shareholders,

In this, my seventh annual letter to Georgia Capital shareholders, I want to highlight the remarkable quality of our management team and portfolio businesses during a year characterised by a very challenging political and geopolitical environment, both in Georgia and neighbouring countries. Despite the significant external challenges and ongoing uncertainties, our portfolio companies have delivered very strong performances, culminating in a 15.7% growth in Net Asset Value per share in 2024, to GEL 95.95. This, together with the combination of the sale of the beer and distribution business and our ongoing share buyback programme, is an exceptional performance, again underpinned by our three fundamental drivers – strong corporate governance; access to management; and access to capital. My firm belief is that the best companies and management teams distinguish themselves in challenging times – reflecting on that, our management and employees truly distinguished themselves during 2024.

I am particularly pleased that we achieved a very consistent level of NAV growth across both our private portfolio businesses and in our listed investment. Our listed investment, Lion Finance Group PLC (formerly known as Bank of Georgia Group PLC) had an exceptional year, both in Georgia and in Armenia following the March 2024 acquisition of Ameriabank. I'll comment on this in more detail later. In our portfolio businesses, we have completed a number of senior management changes, and delivered a very successful restructuring of our healthcare businesses, whilst also ensuring the businesses weathered the significant storm of external political uncertainty. They have successfully absorbed all these pressures and delivered outstanding operational success. In short, I am delighted with the resilience of Georgia Capital and our businesses – conservative businesses in relatively defensive sectors.

Our aim has always been: to invest in high-quality businesses with great market positions, high returns and the ability to deliver sustainable earnings growth through the cycle. This focus continued to guide us in 2024 and will continue to do so in the future, whilst at the same time the Board always seeks to ensure the sound, prudential management of our balance sheet. This conservatism has ensured that, as Georgia Capital has developed over the last few years throughout a prolonged period of significant geopolitical challenge, the Board has maintained a conservative approach in the management of our portfolio companies, and a very strong balance sheet, characterised by further deleveraging during 2024. We are maintaining this conservative posture as we move into 2025.

The discount of our share price to our NAV per share has remained too wide, despite our share price increasing by 17.4% during 2024, and we responded to this by buying back more of our shares, through our ongoing share buyback and cancellation programmes, while at the same time reducing leverage at both the HoldCo and individual portfolio business levels. I will talk more about this later.

In last year's annual letter, I highlighted that our strategy during 2024 was to reduce leverage faster than our originally planned NCC ratio target of 15% by December 2025, deliver our targeted reduction in the management expense ratio, ensure we focus on the opportunities to sell businesses in our "other" portfolio, and maintain our policy of opportunistic share buybacks. In each of these aspirations for 2024 we delivered. I will address each aspect of our 2024 aspirations in this letter. Over time, we aim to develop into a sustainable permanent capital vehicle, investing mainly in capital-efficient/capital-light sectors and opportunities, in association with the regular return of capital to shareholders.

Our macroeconomic environment
From a macroeconomic perspective, Georgia sustained strong economic momentum in 2024, demonstrating resilience and flexibility despite external shocks and domestic political uncertainty. Real GDP expanded by an estimated 9.5%, following 7.8% growth in 2023, driven by robust domestic demand and recovering foreign exchange inflows. Credit expansion remained strong, with the commercial bank loan portfolio growing 17% y-o-y, while fiscal policy remained expansionary, with current and capital expenditures rising 16% and 12% y-o-y, respectively. This sustained economic growth supported significant deleveraging, leading to notable improvements in the external balance sheet. The IMF modified fiscal deficit narrowed to 2.5% of GDP, while government debt declined to 36% of GDP.

Georgia's external position improved significantly, with the current account deficit narrowing to -3.5% of GDP in 9M24, primarily due to strong growth in the services sectors, particularly tourism and transport. Tourism revenues reached US$ 4.4 billion, exceeding pre-pandemic levels by 35%, although visitor numbers remained below 2019 levels, indicating further growth potential.

Inflation remained below the 3% target since April 2023, averaging 1.1% in 2024, allowing the NBG to further ease its monetary policy by reducing the refinancing rate to 8%. However, the Georgian Lari depreciated as negative sentiment increased demand for hard currency. In response, the NBG actively intervened in the foreign exchange market to manage expectations. While it was a net buyer of US$ 287 million from January to April, it became a net seller, offloading US$ 874 million between May and October. As a result, international reserve assets declined by 11.2% year-on-year, reaching US$ 4.4 billion by December 2024.

Looking ahead, growth in 2025 is expected to moderate from the high levels of real GDP growth delivered over the last few years, partly due to the heightened levels of geopolitical uncertainty.

Delivering on our strategic priorities
This Annual Report will go into greater detail later, but let me highlight here how we continued to deliver on our key strategic priorities in 2024.

2024 was an outstanding year for the Group.

- In December 2024, we completed another milestone transaction, selling an 80% holding in our beer and distribution business to Royal Swinkels, a high-quality international investor and strategic buyer. The net sale proceeds of c.US$ 63 million, represented a substantial premium to the independently valued Net Asset Value of the business, and significantly strengthened GCAP's liquidity position and reduced net debt at the GCAP Holding Company level. Our remaining 20% holding in the business remains subject to a put/call structure.
- We continued to make disciplined capital allocations. In May 2024, we increased the consolidation of Georgia's Health Insurance market, by acquiring the Ardi medical insurance business.
- We almost doubled the level of share buybacks in 2024, compared to 2023, via our ongoing share buyback and cancellation programmes, under which US$ 48.1 million was allocated to share buybacks. In May 2024, we announced the Board's intention to make available at least GEL 300 million for share buybacks and dividends through the end of 2026, with the programmes to be funded from expected cash flows.
- We significantly delevered the business and, notwithstanding allocating US$ 48.1 million to share buybacks, the Net Capital Commitment ratio reduced to 12.8%, from 15.6% a year earlier. This is a significant achievement, comfortably ahead of out initially targeted 15% by December 2025.
- We completed two significant business restructurings – in the retail (pharmacy) and hospitals businesses – including the enhancement of the senior management teams in both businesses. Both businesses are now delivering significant performance improvements moving into 2025.

PERFORMANCE SNAPSHOT

GEL 435m
Value creation in 2024

US$ 152m
Returned to our investors through share buybacks since demerger

Read more on page 9

Chairman and CEO Statement continued

Capital allocation, share buybacks and dividends
During 2024, we allocated capital in a number of key areas, with an investment of GEL 16.9 million in our private portfolio companies. This included: GEL 11.3 million allocated to the renewable energy business for the ongoing development of pipeline projects; and GEL 5.6 million allocated to the education and other businesses.

In addition to these investments in our private portfolio companies, we also continued to invest in Georgia Capital shares to take advantage of the discount to NAV at which the shares currently trade. During 2024, 3,669,889 shares with a total value of GEL 131.9 million were bought back under our buyback and cancellation programmes. In addition, we continued our buyback and cancellation programme into 2025 and, in the first quarter of 2025 to date, an additional 1,512,332 shares, at a cost of GEL 68.5 million, have been repurchased for cancellation.

Consequently, the capital returned to shareholders since our demerger in 2018 totalled US$ 151.7 million, or 12.6 million Georgia Capital shares, representing 26.2% of GCAP's share capital at its peak. As a result, the gross number of issued shares, including those held by the management trust, now stands at 38.0 million, below the 39.4 million shares in issue at the time of the demerger. In essence, this reflects the repurchase of more shares than we issued in 2019-2020 to purchase the then outstanding minority stake in Georgia Healthcare Group.

During 2024, Georgia Capital collected GEL 201.8 million in dividends, including one-off dividends of GEL 22.6 million (2023: GEL 235.9 million, which included GEL 56.1 million of one-off dividends). Excluding the one-off dividends, GEL 122.2 million was received from Lion Finance Group, reflecting a combination of regular cash dividends and our participation in their share buybacks, GEL 25.4 million from our insurance businesses, GEL 10.0 million from retail (pharmacy), and GEL 21.5 million from renewable energy and other businesses. Looking forward to 2025, we currently anticipate receiving in excess of GEL 180 million in regular dividends from our portfolio companies.

Portfolio valuation
Our total portfolio value increased by GEL 89.5 million, or 2.4%, to GEL 3.8 billion during the year.

- The value of GCAP's holding in Lion Finance Group was up by GEL 195.2 million, reflecting the net impact of GEL 340.0 million value creation and GEL 144.8 million cash and buyback dividend income from the Bank during 2024.
- The value of the water utility business increased by GEL 29.0 million, reflecting its strong operating performance during the year.
- The value of the private portfolio decreased by GEL 134.6 million in 2024, mainly reflecting the divestment of an 80% holding in the beer and distribution business and the collection of GEL 57.0 million dividends from the private portfolio companies. The decrease was partially offset by GEL 66.3 million value creation and GEL 16.9 million investments in the portfolio companies.

Value creation
The total portfolio value creation amounted to GEL 435.3 million in 2024.

- An 18.5% increase in Lion Finance Group's share price, supported by a 3.3% appreciation of GBP against GEL in FY24, led to GEL 340.0 million value creation.
- GEL 29.0 million value was created in our water utility business.
- The value creation in the private portfolio amounted to GEL 66.3 million, reflecting a net impact of:
  - a GEL 671.5 million operating performance-related increase in the value of our private assets.
  - a GEL 605.1 million value reduction from changes in valuation inputs, largely reflecting the negative impact from the increased country risk premium during the year.

Our listed investment – Lion Finance Group – continued to deliver strong balance sheet growth in both customer lending and deposits, and high profitability, with an annualised ROAE of 30.0%, underpinned by its continued focus on digital transformation, and delivering strong growth in the payments business. The Bank is clearly making significant progress, which has led to sustainable customer franchise and revenue generation growth. Reflecting the strong performance, Lion Finance Group's share price increased by 18.5% in 2024, strongly supporting our NAV growth with GEL 340.0 million value creation. In addition, the Bank has a robust capital distribution policy, including share buybacks and regular dividends and, on 25 February 2025, the Bank announced its board's intention to recommend a final dividend for 2024 of GEL 5.62 per ordinary share at the Bank's 2025 Annual General Meeting. This will make a total dividend paid in respect of the Bank's 2024 earnings of GEL 9.00 per share (a 12.5% increase y-o-y). In addition, in February 2025, the Bank announced an extension of the buyback and cancellation programme by an additional GEL 107.7 million. Overall, the Bank's dividend and share buyback payout ratio for 2024 was 31% of total earnings.

In March 2024, Lion Finance Group completed its acquisition of 100% of Ameriabank CJSC, a leading universal bank in Armenia with an attractive franchise. The transaction has already started to deliver significant earnings enhancement for Lion Finance Group, with Ameriabank delivering high levels of growth and profitability. We expect this acquisition to continue to enhance earnings for Lion Finance Group over the next few years, supporting significant value creation.

The value creation of the water utility business amounted to GEL 29.0 million in 2024 and the equity value increased to GEL 188.0. This reflects the strong operating performance of the business on the back of the increased tariffs for corporates effective from 1 January 2024, and the application of 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. GCAP's put option is exercisable in 2025 or 2026.

As mentioned above, the operating performance of our various **private portfolio investments** was extremely strong against the backdrop of significant regulatory changes reflecting the impact, in particular, of management changes and restructuring programmes in the retail (pharmacy) and healthcare businesses. I was particularly pleased with the exceptional GEL 671.5 million operating performance related value creation in our private portfolio businesses, prior to the negative impact from, in particular, the increased country risk premium.

The individual performances of our private businesses are described in greater detail later in this report.

Environmental, social and governance
We have continued to focus on reducing our impact on the environment, with environmental, social and governance (ESG) issues remaining at the forefront of our thinking and business operations. Our progress in this regard during 2024 was excellent and, while there is significantly more detail in this report and in our Sustainability Report, I want to draw out a few particularly noteworthy aspects of our ESG commitment.

- Georgia Capital was awarded the Impact Award by the Asian Development Bank ("ADB"), in recognition of our longstanding commitment to responsible investment.
- For the first time in Georgia, we successfully obtained third-party assurance on our greenhouse gas emissions.
- We continued to invest in capital-light businesses and industries that have a positive impact on people and our planet.

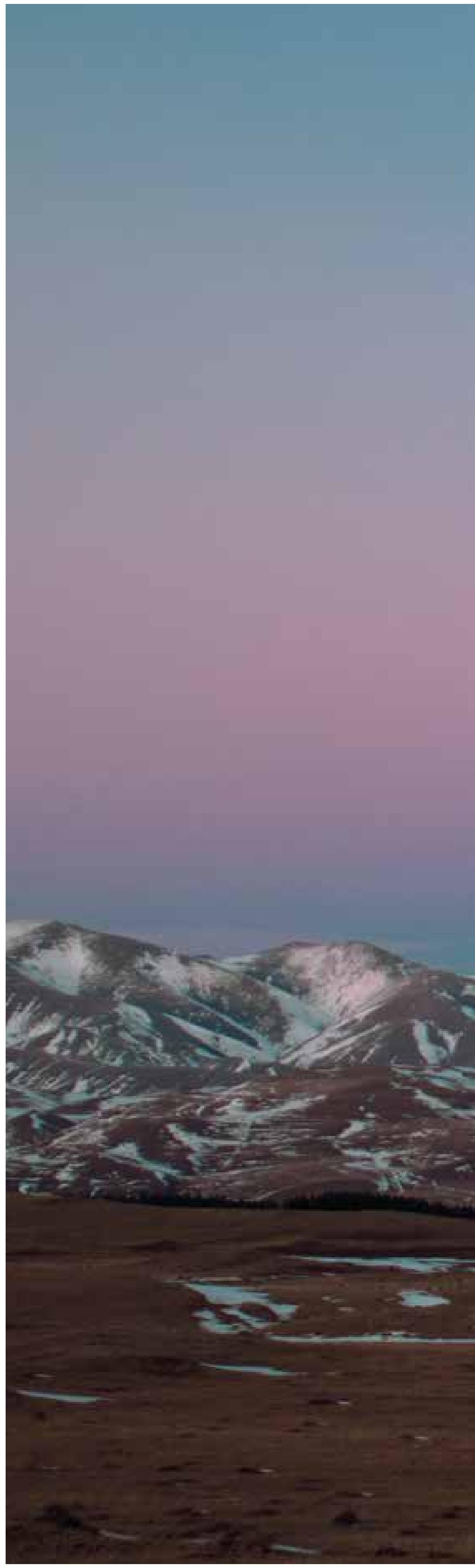
Our people are our business
We never lose sight of the fact that our people are our business. They remain critical to our ongoing success and we have excellent people throughout the business, at both the holding company level and in all of our portfolio businesses. During 2024, we continued to enhance the quality of our management teams, through a combination of internal development, combined with some high quality external hires.

Over the last 12 months, I have continued to dedicate much of my time to supporting and developing our people. As always, I deeply appreciate the considerable efforts of our management teams and employees in driving the continued success of Georgia Capital.

Outlook
I am delighted with how Georgia Capital rose to the challenges of 2024. The excellent performance of our portfolio companies, coupled with our unwavering focus on delivering on our strategic priorities with the sale of our beer and distribution business, were instrumental to our outstanding 2024 results. I am particularly pleased that we have delivered very strong levels of cash generation; made substantial further progress in reducing our Net Capital Commitment ratio; and continued to focus on significant capital repatriation to our shareholders via the ongoing share buyback and cancellation programme. This performance was underpinned in 2024 by the resilience of the Georgian economy, which has demonstrated consistent and substantial growth over the past few years, despite ongoing political and geopolitical tensions and uncertainties. In 2025, we aim to further optimise our portfolio by pursuing selective divestments, executing buybacks, strengthening our balance sheet, and seizing new investment opportunities aligned with our long-term vision. While macroeconomic and political uncertainties persist, we are confident in our ability to create long-term value for our shareholders through our resilient investment platform, and to progress further towards achieving our key strategic priorities.

The Strategic Report as set out on pages 4 to 117 was approved by the Board of Directors on 20 March 2025 and signed on behalf by Irakli Gilauri, Chairman and Chief Executive Officer.

Irakli Gilauri
Chairman and CEO
20 March 2025



Georgia Capital Strategy

Georgia Capital – a platform for investing in, upscaling and monetising large opportunity businesses in Georgia

- Developing and growing businesses to the equity value of GEL 300 million to realise proceeds through an exit, as investments mature.
- LSE listed, with c.90% institutional shareholder base.
- Running an efficient cost structure with no management or success fees.

Georgia Capital strategy is based on three fundamental enablers:

1 Superior access to capital[1]

- Only Group of its size and scale focused on investing in and developing businesses in Georgia.
- Uniquely positioned given access to capital in a small frontier economy:
  - c.US$ 500 million raised in equity at LSE.
  - Issued seven Eurobonds totalling c.US$ 2.1 billion.
  - US$ 3+ billion raised from IFIs (EBRD, IFC, ADB, AIIB, etc.).

2 Access to good management

- Highly experienced senior management team, which grew BGEO Group (predecessor company) by c.33 times in asset size between 2005 and 2017.
- Reputation among talented managers as the “best group to work for”.
- Attracted talents have demonstrated a solid track record of successful delivery.
- Proven track record in turning around companies and growing them efficiently.
- Proven track record in monetising investments through cash exits.
- A platform for entrepreneurs to build institutions (entrepreneurship culture):
  - If we do not have the right people, then we do not invest, no matter the attractiveness of the opportunity.

3 Commitment to maintaining exemplary corporate governance

- Strong Board comprised mainly of independent Directors with extensive international experience.
- Outstanding track record in institutionalising businesses and creating independently run/managed institutions.
- Highly experienced management team in each portfolio company with a strong measure of independence.
- Aligned shareholders’ and management’s interests by share compensation:
  - The Executive Director is solely remunerated by way of long-term deferred shares (six-year vesting) and receives no cash compensation.
  - Salaries of the Company’s senior managers are heavily weighted towards deferred share remuneration, and bonuses for senior managers are paid in deferred shares rather than cash.
- High level of transparent reporting.
- Strong ESG practices.

Our strategic priorities

Deleveraging GCAP HoldCo by bringing down and maintaining the NCC ratio below 15%.

Reduce and maintain portfolio companies’ leverage to respective targeted levels.

Return at least GEL 300 million to GCAP investors through share buybacks and dividends through the end of 2026.

ESG

Achieve ESG targets at both GCAP HoldCo and portfolio company levels.

Continued progress on the divestment of “other” portfolio companies.

“Other” portfolio companies comprise 4.3% of the total portfolio value and include four subscale private businesses, being the auto service, beverages, housing development and hospitality businesses.

While a number of these businesses have interesting potential, the Group currently believes that most will not offer the scalable growth potential we seek. Absent a change in that assessment, the Group is targeting to exit “other” assets in a two to three-year period.

In 2024, GCAP sold 80% of its holding in the beer and distribution business at a premium to the investment value, securing a clear exit strategy for the remaining portion of its holding (see more details on page 8).

Our long-term aspiration

Achievement of our strategic priorities will enable GCAP to gradually transform into a Sustainable Permanent Capital Vehicle.

- Significantly reduced leverage at the GCAP HoldCo level.
- Capacity to redeploy our existing capital without the need for new equity share issuance/raise.
- Consistent NAV per share growth on the back of resilient, capital-light investments.
- Opportunity to return a significant portion of GCAP’s cash inflows to our shareholders.

1 Figures and statements in this section include the track record of our predecessor company BGEO, prior to the 2018 demerger.

Location: Javakheti National Park, Georgia. Image source: **https://nationalparks.ge/**

Market and Industry Overview

Georgia's economy maintains strong momentum with 9.5% growth in 2024

Preliminary estimates indicate that Georgia's real economy expanded by 9.5% y-o-y in 2024, sustaining impressive momentum following three years of rapid growth. This performance has been driven by strong domestic activity and solid external inflows. Domestic demand has been bolstered by rising real wages, strong credit growth, and increased public investments.

Georgia is favourably placed among peers

Country	Country rating	Fitch rating outlook
Czech Republic	AA-	Stable
Kazakhstan	BBB	Stable
Azerbaijan	BBB-	Stable
Georgia	BB	Negative
Armenia	BB-	Stable
Türkiye	BB-	Stable
Uzbekistan	BB-	Stable

Georgia sustained strong momentum in 2024, demonstrating resilience and flexibility despite external shocks and domestic political uncertainty. Strong growth supported significant deleveraging, leading to a notable improvement in the country's external balance sheet.

Macroeconomic overview and outlook

In 2024, Georgia's economy continued its robust expansion, once again demonstrating the flexibility and resilience of its macroeconomic environment in the face of various shocks. The growth was primarily driven by strong domestic activity and solid FX inflows. On the production side, the major sectors contributing positively included trade, information and communication (ICT), education, construction, public administration and finance. Preliminary estimates indicate that annual GDP growth reached 9.5% in 2024, up from 7.8% in 2023, supported by favourable developments across both domestic and external sectors.

Strong economic growth of

9.5%

in 2024, following a 7.8% growth in 2023.

Solid rebound in tourism revenues in 2024

135%

compared to 2019.

Recent data highlights the normalisation of remittance inflows, with a decline in remittances from Russia as the money transfers returned to pre-war levels. Conversely, remittances from the EU and the US have shown significant growth, increasing by 10% and 24% y-o-y, respectively, in 2024.

In foreign trade, exports grew moderately by 7.8% y-o-y in 2024, led by a substantial rise in motor car exports/re-exports, which reached US$ 2.4 billion with 14% growth. Ferro-alloys rebounded positively with a 78% increase, reversing their negative contribution in 2023. Precious metal ores also surged by 263% y-o-y. However, copper ore exports declined sharply by 80%, driven by shrinking global demand for copper due to reduced industrial activity, acting as the primary drag on overall export growth.

Tourism recovery remains strong, with international travel revenues reaching US$ 4.4 billion in 2024, 135% of 2019 levels, reflecting a robust global travel rebound. However, international visitor numbers have recovered to only 84% of 2019 levels, indicating room for further growth.

Domestically, growth was supported by continued credit expansion across both local and foreign currencies in retail and business sectors. The commercial bank loan portfolio grew by 17.0% y-o-y as at December 2024 (on a constant currency basis), despite tight monetary conditions and elevated global interest rates.

Fiscal policy remained expansionary, with current expenditures rising by 15.8% y-o-y and capital expenditures increasing by 12% in 2024. Fiscal revenues also saw a robust 16.3% increase, driven by strong tax performance. Strengthened aggregate demand led to a 8.6% y-o-y increase in imports during 2024, driven by consumer and investment goods. The trade deficit widened by 9.1% y-o-y to US$ 10.4 billion. Re-exports reached a record US$ 3.6 billion in 2024, growing 10% y-o-y and accounting for 54% of total exports, exceeding domestic exports for the first time since April 2023.

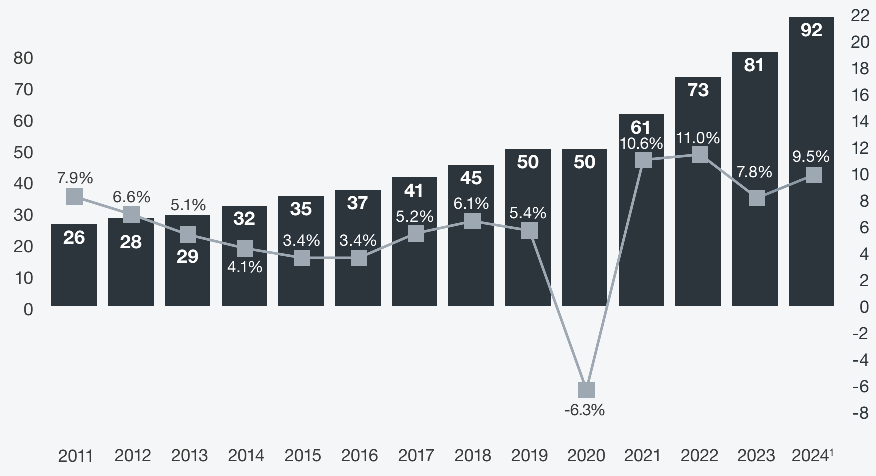
The current account deficit narrowed to 3.5% of GDP in 9M24, down from 4.8% in 9M23, supported by a 3.5% y-o-y increase in current transfers and a 11.4% rise in the service balance. Total FDI for 2024 stood at US$ 1.3 billion (4% of GDP), marking a 30% y-o-y decline following record highs in 2022 and 2023 (US$ 2.3 billion and US$ 1.9 billion, respectively). This decline was mainly due to reduced inflows in the manufacturing and trade sectors, where FDI fell by US$ 131 million and US$ 234 million y-o-y, respectively.

NBG focused on rebuilding reserves early in 2024, purchasing a net US$ 287 million in the first four months. However, US$ 220 million was sold between May and June to counteract negative market sentiment tied to the "Transparency of Foreign Influence" law, followed by an additional US$ 698 million during the pre-election period. As a result, official reserves declined to US$ 4.4 billion by the end of December 2024, marking a 11% y-o-y decrease.

The unemployment rate fell to 13.9% in 2024, while Labor force participation exceeded pre-pandemic levels, reaching 54.8% in 2024. Additionally, average monthly nominal earnings grew by 12% y-o-y in 9M24, reaching GEL 2,002. The highest wages were recorded in the ICT and financial sectors, at GEL 3,965 and GEL 3,783, respectively.

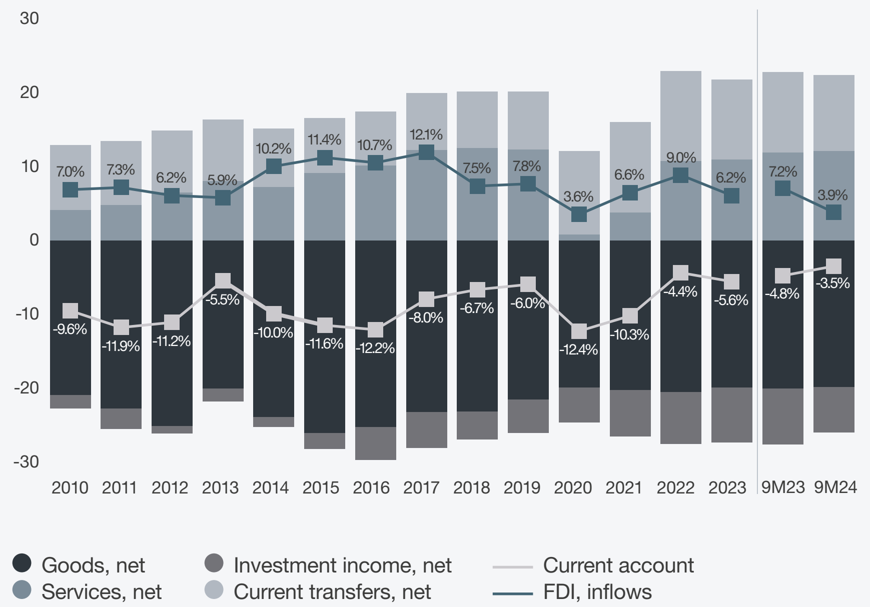
The consolidated budget deficit stood at GEL 1.8 billion in 2024, with the annual IMF-modified deficit projected at 2.5% of GDP. The operating balance improved significantly, increasing by 19% y-o-y from GEL 3.6 billion in 2023 to GEL 4.2 billion in 2024. Consolidated budget revenues grew by 16% y-o-y, driven by a 18% increase in tax revenues.

Real GDP growth

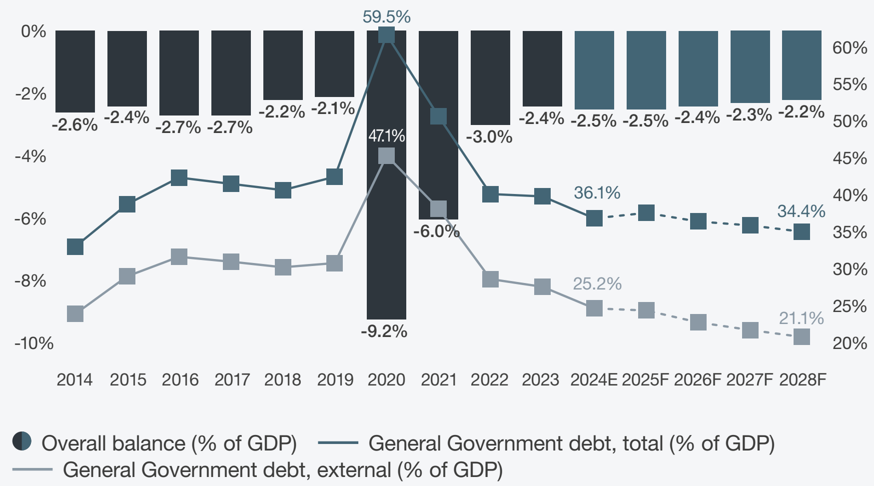


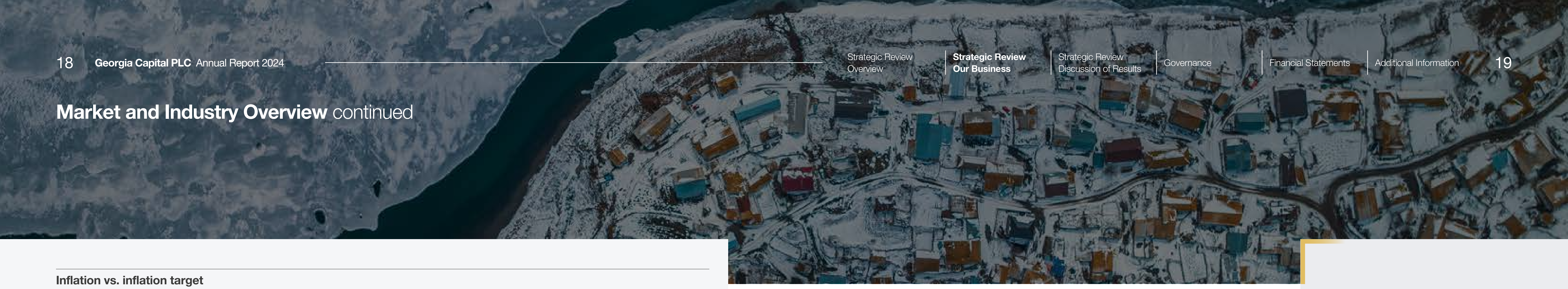
1 Preliminary estimate.

Current account balance (% of nominal GDP)



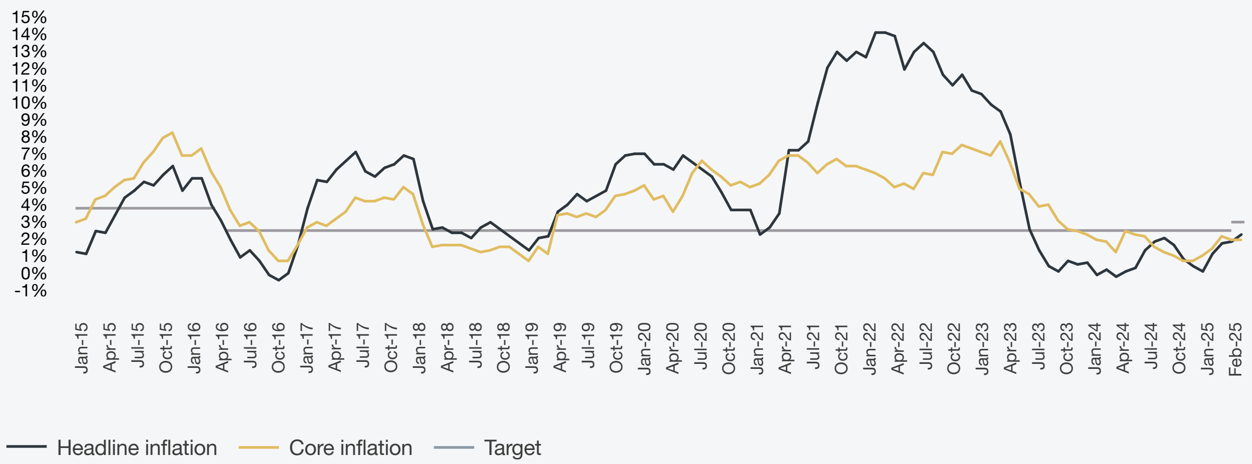
Public finances (% of GDP)





Market and Industry Overview continued

Inflation vs. inflation target



General Government gross debt reduced to 36% of GDP by the end of 2024, lowest since 2014, supported by four consecutive years of high economic growth. These improvements have bolstered significant deleveraging of external balance sheet and reduced vulnerabilities.

Tourism remains a vital sector for the Georgian economy, contributing significantly to FX inflows and the current account balance. In 2024, the number of international visitors grew by 4.6% y-o-y to 6.5 million, recovering to 84% of 2019 levels. Tourism revenues reached US$ 4.4 billion, up 7.3% y-o-y, and accounted for 135% of 2019 levels. Income from Türkiye, Iran, Russia, Israel, Saudi Arabia and the EU exceeded 2019 levels. Particularly strong growth was observed in revenues from Israel, with 42% y-o-y growth in 2024. Visitor numbers from Central Asian countries also surged significantly.

The Georgian Lari (GEL) experienced fluctuations in 2024 due to domestic political tensions and election-related uncertainties. The Georgian Lari depreciated as negative sentiment increased demand for hard currency.

In response, the NBG actively intervened in the foreign exchange market to manage expectations. While it was a net buyer of US$ 287 million from January to April, it became a net seller, offloading US$ 874 million between May and October. Overall, the GEL depreciated by 4.2% in 2024 despite strong economic fundamentals and solid FX inflows. The nominal effective exchange rate (NEER) rose by 0.7% y-o-y in January 2025, while the real effective exchange rate (REER) decreased by 7.1% y-o-y in January 2025.

Inflation, like in much of the world, surged during 2021-2022 but declined sharply in 2023, falling below the 3% target from April 2023 onward. In 2024, headline inflation averaged to 1.1% supported by broad based disinflation across the consumer basket. Headline inflation started to pick up slightly since November 2024 and reached 2.4% y-o-y in February 2025.

In response to slowing inflation, NBG reduced its policy rate by 150 basis points in early 2024, from 9.5% to 8.0% by May 2024. However, both global and domestic uncertainties continue to pose inflationary risks, including volatility in oil and food prices in the international market, as well as weaker GEL pressuring imported prices. Acknowledging these risks, the NBG has kept the policy rate steady at 8.0% during its last Monetary Policy Committee meetings. The NBG is prepared to adjust policy rate in line with the macroeconomic developments.

Reflecting heightened political risks and uncertainty, Fitch Ratings revised Georgia's sovereign credit rating outlook from "positive" to "stable" in June 2024 and later from "stable" to "negative" in December 2024. The agency cited concerns that "a protracted political crisis could undermine the institutional framework and affect investor and domestic confidence, exerting pressure on external liquidity and the exchange rate". Although uncertainties remain high, Fitch expects 2025 real GDP growth to be at 5.3%, while inflation to be 2.1% on average.

On the economic side, IMF revised its GDP growth forecast for Georgia upwards from 5.7% (World Economic Outlook – April 2024) to 7.6% for 2024 (World Economic Outlook – October 2024), projecting 6.0% growth for 2025, the highest in the region.

The medium-term growth forecast (2025-2029) stands at 5.2%, positioning Georgia among the fastest-growing economies. According to the latest IMF Article IV staff report, growth is expected to align with its potential rate of 5% over the medium term, with inflation stabilising around the 3% target and the current account deficit at 5.5% of GDP.

Reform-driven success

Over the past two decades, Georgia has implemented significant economic and structural reforms, leading to notable improvements in governance and productivity. As a result, corruption has declined, productivity has risen, and the economy has become more diversified, bolstering the country's resilience to external shocks.

Georgia consistently ranks highly in global governance and business indicators. According to the latest World Bank *Ease of Doing Business* report (2020), Georgia ranks 7th, making it one of the top economies in the region for starting a business. The country also leads in transparency and fiscal management, ranking 1st out of 125 countries in the International Budget Partnership's 2023 Open Budget Index, and 34th out of 184 countries in the 2025 Index of Economic Freedom by the Heritage Foundation. In addition, Georgia ranks 44th out of 194 countries in the 2024 Trace International Business Bribery Risk Matrix. Notably, it is on par with EU member states in the 2024 Corruption Perception Index by Transparency International, ranking at the top in the Eastern Europe and Central Asia region.

The *Economic Liberty Act*, effective since January 2014, has been instrumental in maintaining a credible fiscal framework by limiting the fiscal deficit to 3% of GDP and public debt to 60% of GDP. Although the Georgian Government temporarily exceeded these thresholds during the pandemic under an emergency escape clause, both fiscal deficit and public debt have since returned within the fiscal rules–public debt as of 2021 and the fiscal deficit as of 2022. The Act also mandates a nationwide referendum for any new taxes or increases in existing taxes, with some exceptions.

Additionally, Georgia introduced a groundbreaking corporate income tax reform in January 2017, making tax applicable only to distributed profits, while reinvested or retained profits remain exempt. This move is part of a broader effort to create a favourable tax environment; Georgia has reduced the number of taxes from 21 in 2004 to just six in 2020, earning recognition as having one of the friendliest tax regimes in the *World Bank's Doing Business* report. Recent structural reforms, including the VAT reform (July 2020) and a new insolvency framework (adopted in September 2020 and implemented in April 2021), further demonstrate Georgia's commitment to improving the business environment.

Despite challenges arising from the global disruptions, structural reforms and large infrastructure projects to promote Georgia as a transit and tourism hub and enhance long-term growth are still underway. A new pension law was adopted in 2018, enhancing long-term fiscal sustainability, supporting capital market development, increasing the replacement rate, narrowing the current account deficit and boosting potential output. A new bill on investment funds was adopted in 2020, in line with international practice and harmonisation obligations with EU law, providing an up-to-date regulatory framework for investment activity. The Georgian Government focuses on addressing the shortcomings in employee benefit schemes, further cutting non-essential expenditures, consolidating public sector institutions, making social and healthcare spending more targeted, privatisation schemes and increasing capital expenditure efficiency. Within the responsible lending framework, NBG took macroprudential measures to decrease household indebtedness, enhance financial stability and strengthen regulation, supporting the financial system's resilience to currency fluctuations and FX-induced credit risks. A new important reform adopting the framework for issuing mortgage covered bonds was adopted by the parliament in 2022, aiming to provide an additional source for a relatively cheap and stable source of financing for credit institutions.

A business-friendly environment, well-developed infrastructure, stable energy supply, flexible labour legislation, a stable and profitable banking sector, strategic geography connecting European, landlocked Central Asian and Middle East countries, and preferential trading agreements, support Georgia to become a regional hub economy.

The Georgian Government's ongoing infrastructure investments and increased spending on roads, energy, tourism and municipal infrastructure will also reinforce the potential. To enhance Georgia's competitiveness, the Georgian Government continues to strengthen integration in existing international systems

Below target inflation since April 2023, standing at

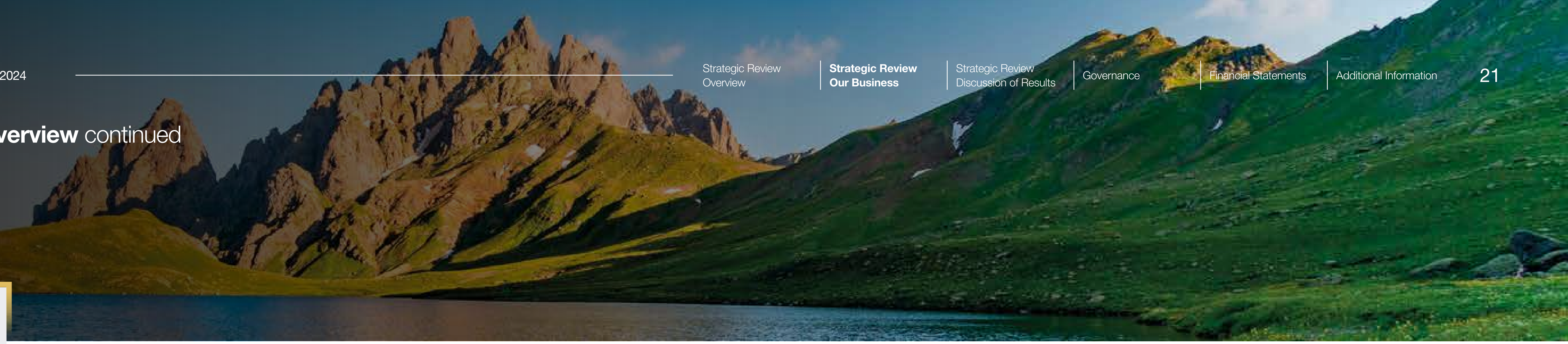
2.4%

in February 2025

Medium-term (2025-2029) economic growth rate

5.2%

one of the highest in the region (IMF, October 2024)



Market and Industry Overview continued

Public debt down to

36%

of GDP by the end of 2024, lowest since 2014

as well as new transit routes. Georgia is a regional energy corridor. In November 2019, the Georgian PM, alongside the Turkish and Azerbaijani presidents, opened the Trans-Anatolian Pipeline, allowing natural gas from Azerbaijan to be exported to Europe through Georgia. In December 2022, leaders of Azerbaijan, Georgia, Hungary and Romania signed an agreement to build an underwater electric cable in the Black Sea, further positioning Georgia as an important player in the EU energy policy. The Black Sea Submarine Cable project is one of the largest energy infrastructure projects currently under preparation. Also, a fiber-optic submarine cable interconnection across the Black Sea is considered, which would be laid alongside the electric cable, to strengthen internet connectivity between the Caucasus and the EU. Strengthening of Georgia's domestic power transmission system as well as its digital connectivity should result from the Black Sea Submarine Cable project, and the World Bank, one of the contributors of this project approved a US$ 35 million loan in May 2024 for the first preparatory phase. In 2025, the first phase of the Black Sea Submarine Cable project is planned to be implemented. This phase includes studies of the Black Sea seabed and related consultancy services (financial and technical assistance). The project is crucial for Europe and Georgia in several aspects: energy security, economy, green policy, and interregional connectivity.

Following the Russia-Ukraine conflict, and the subsequent Western sanctions imposed on Russia, the Georgian Government has revived plans to build a deep-sea port at Anaklia, which would be located in the so-called Middle Corridor, which connects China and the countries of Central Asia to Europe through Georgia and Azerbaijan. The port is expected to be built with the co-participation of the state and international investors. Recent developments indicate that a consortium led by Chinese and Singaporean companies has been selected as the private partner for the Anaklia Deep Sea Port project. On 29 May 2024, Georgian Minister of Economy and Sustainable Development, Levan Davitashvili, announced that the consortium, including China Communications Construction Company and China Harbor Investment, was the sole bidder and would be officially declared the winner. Additionally, an agreement for constructing the port's marine infrastructure was signed with the Belgian company "Jan De Nul", a leading firm in marine construction. These partnerships support the Anaklia Deep Sea Port project, aiming to enhance Georgia's role as a strategic transit hub between Europe and Asia.

Georgia's business-friendly environment, coupled with its sustainable growth prospects, attracted FDI on average 7.9% of GDP over the past decade. These capital flows boosted productivity and accelerated growth. Public infrastructure projects were also instrumental in driving growth, as well as better realising the country's potential in logistics, transport and tourism. Faced with low domestic savings, FDI is an important source of financing growth in Georgia, as well as a reliable source of current account deficit funding. Total FDI amounted to US$ 1.3 billion, down 30% y-o-y in 2024, following record high FDI numbers in 2022-2023 (US$ 2.3 billion and US$ 1.9 billion, respectively). Major sectors attracting FDI in 2024 were: financial and insurance activities (39% of the total), manufacturing (13% of the total) and real estate activities (12% of the total). The share of reinvestment by foreign companies in total FDI was 88% in 2024, more than 2019's 47%. The increasing share of reinvestment indicates investors trust in Georgia's growth model and the success of the profit tax reform introduced in 2017. Planned investment and infrastructure programmes, a rising number of free trade agreements (FTAs) and a business-supportive environment will support further FDI inflows in the medium term.

Free trade agreements

There have been significant changes in Georgia's export structure and destination markets in recent years; however, Georgia has not yet fully tapped into international markets. One of the biggest changes in destination markets has been a reorientation from the Russian market after the 2005 embargo, as the embargo forced Georgian producers to redirect exports to other Commonwealth of Independent States (CIS) countries, the EU and the Middle East. Exports to Russia picked up again in 2013 as Russia reopened its borders to Georgian products. Another significant change concerns the growing importance of China as a Georgian export market, as the FTA effective from January 2018 has brought a major acceleration of exports to China. China was the single largest destination country for Georgian exports for 2020-2022 years. Since 2013, Georgia's developed logistics and transport infrastructure has helped shore up opportunities for new re-export commodities, including copper and pharmaceuticals. Georgia's potential to become a logistic hub has strengthened since sanctions on Russia, with robust demand observed from Kyrgyzstan, Kazakhstan, Azerbaijan and Armenia in 2023-2024. Importantly, re-exports reached a record high of US$ 3.6 billion in 2024, accounting for 54% of total exports and growing by 10% y-o-y, first time ever exceeding domestic exports since April 2023.

Together with established destinations, improved access to large new markets, such as the EU, China and Hong Kong, could increase market penetration. Georgia's existing FTAs (with the EU, CIS, EFTA, Türkiye, China and Hong Kong) and the prospective FTA with India, as well as an agreement with Israel and successfully concluded economic partnership negotiations with South Korea, offer significant upside potential for Georgia's exports. Furthermore, the Comprehensive Economic Partnership Agreement (CEPA) was signed on 10 October 2023, between Georgia and United Arab Emirates. The CEPA will strengthen trade, economic and investment cooperation between the countries.

The EU-Georgia Association Agreement, which came into force in July 2016, and the related DCFTA, effective since September 2014, have laid the solid groundwork to improve governance, strengthen the rule of law and provide more economic opportunities by expanding the EU market to Georgian goods and services. Closer economic ties with the EU and trust in prudent policymaking are also expected to attract foreign investments to Georgia. Visa-free travel to the EU, granted to Georgian passport holders in March 2017, is another major success of the Georgian foreign policy.

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. Georgia previously planned to apply to join the EU in 2024. The European Council granted a conditional European perspective to all three countries, with Ukraine and Moldova receiving the candidate status pre-emptively. For Georgia, however, candidate status was made subject to meeting a list of 12 conditions.

On 8 November 2023, the European Commission adopted the 2023 Enlargement Package – a set of documents explaining its policy on EU enlargement. The final decision was made on 14 December 2023 and the European Council granted the status to Georgia and called on Georgia to demonstrate a clear commitment to EU values, continue progress on its reform agenda and fulfil the conditions specified in the Commission's report meaningfully and irreversibly. Granting candidate status to Georgia is a significant acknowledgment by the EU of the progress made in recent years.

However, the reintroduction of controversial "transparency of foreign influence" law and a perceived lack of commitment to key EU demands have heightened tensions with the West and put Georgia's EU integration process on hold. Even more, after the elections, the Georgian Government announced a postponement of its EU accession talks until 2028. This decision has intensified protests, as approximately 85% of the population supports EU membership.

Individual sector overview

Banking

The banking sector has been one of the most developed and fastest-growing sectors of the Georgian economy. The banking sector's asset growth rate of 16.6% (ten-year CAGR) has far outstripped the nominal GDP growth rate for the same period. However, despite robust progress, there are plenty of opportunities to further tap into growth potential, as the financial market remains at an early stage of development. The sector has remained resilient in the face of challenges such as COVID-19 and the war in Ukraine, underscoring the robustness of the banking system.

In December 2024, Fitch Rating downgraded the outlook of Georgian banks to "stable" from "positive" on the back of increased political risks and elevated uncertainty. Despite the revision, rating agency highlighted that the risk of liquidity and local-currency stability are balanced by the banks' asset quality and capitalisation, exceeding historical averages.

In December 2022, the parliament adopted changes in the corporate tax model for banks (as well as credit unions and microfinance organisations), setting the corporate tax rate at 20%, combining the previous 15% rate with the 5% dividend tax rate and abolishing the latter. Moreover, commercial banks adopted International Financial Reporting Standards (IFRS) from January 2023, as laid out in NBG's 2020-2022 supervisory strategy, aiming to increase harmonisation with developed countries.

In 2022, NBG began implementing a new bank recovery and resolution framework, with assistance from IMF technical missions. The IMF mission noted Georgia's "considerable progress" in establishing the necessary infrastructure for an effective bank recovery and resolution regime, and identified key priorities for further collaboration. Additionally, NBG applied for membership in the Single Euro Payments Area (SEPA), emphasising that SEPA membership would enhance the credibility of the financial sector and simplify financial services for Georgian citizens.

In January 2023, NBG introduced a new methodology for defining systemically important commercial banks and establishing a systemic buffer for them, with the aim of further strengthening financial system resilience. This updated methodology classified three banks—Bank of Georgia, TBC Bank and Liberty Bank—as systemically important, assigning a 2.5% buffer for the first two and a 1% buffer for Liberty Bank. The decree also included provisions to increase these buffers if any individual bank's deposit concentration exceeds specified thresholds.

As part of the 2021 joint Financial Sector Assessment Program by the IMF and World Bank, NBG received recommendations to establish a Minimum Requirement for Own Funds and Eligible

Market and Industry Overview continued

Liabilities (MREL) for domestic systemically important banks within its resolution framework. Based on the European Bank Recovery and Resolution Directive, this regulation sets a progressively increasing MREL for systemic commercial banks: 10% from January 2024, 15% by December 2025, and 20% by December 2027. Starting in 2024, these banks are required to submit monthly reports to NBG.

In November 2023, the NBG's Financial Stability Committee (FSC) decided to gradually accumulate the countercyclical capital buffer over the next few years: 0.25% by March 2024, 0.5% by March 2025, 0.75% by March 2026, and 1% by March 2027. This buffer, introduced under Basel III, is a key macroprudential policy tool to curb excessive credit growth and mitigate systemic risks.

In December 2023, the Georgian parliament approved amendments to the resolution fund legislation, requiring commercial banks to make ex-ante contributions to a resolution fund, which will accumulate to a target amount of 3% of insured deposits. This fund is intended to support the resolution process in case of emergency, ensuring the early identification of banks' financial vulnerabilities. Contributions to the fund will begin in 2025 and continue through 2033. The NBG will manage the fund, with the option to transfer it to the Deposit Insurance Agency.

De-dollarisation remains a priority for both NBG and the Georgian Government. Restrictions on foreign currency loans have been in place since January 2017, with the initial limit at GEL 100,000. As part of the long-term de-dollarisation plan, the FSC has gradually risen this limit, with the most recent update, starting from January 1, 2025, the cap on unhedged foreign currency loans increased to GEL 500,000. In December 2024, due to the increased deposit dollarisation caused by domestic uncertainty, the FSC increased the upper limit of the minimum reserve requirements for funds attracted in foreign currency by 5 percentage points to curb excess liquidity risks. Additionally, the maximum maturity for unsecured consumer loans was extended from three years to four years starting November 2023.

The banking sector ended 2024 with record net profits of GEL 3.1 billion, 14% increase compared to the 2023 profits. Interest income rose by 17.8% y-o-y, reaching GEL 8.4 billion, while interest expenses climbed by 25% to GEL 4.1 billion. Non-performing loans (NPLs) were 1.47% of total loans by the end of 2024, slightly lower than the 1.48% recorded at the end of 2023. Return on assets (ROA) stood at 4.3% and return on equity (ROE) at 25.2%, though slightly lower than 2023 level. By the end of 2024, the average capital adequacy ratio increased to 22.7% from 22.1% in 2023, while the liquid asset ratio declined to 18.3% from 20.9% in 2023.

Despite tightened monetary conditions and elevated foreign currency rates, the loan portfolio demonstrated resilience. Credit to the economy grew by 17.0% y-o-y (excluding exchange rate effects) by the end of 2024, with a 22.3% increase in GEL loans and a 10.6% rise in foreign currency loans. Mortgage loans grew by 12.4% by December 2024, while business loans increased by 16.8%. Commercial bank deposits rose by 13.0%, with GEL deposits up 9.5% and foreign currency deposits growing 16.4% (excluding government deposits).

Deposit dollarisation increased to 52.8% by the end of 2024, up from 50.7% at the end of 2023. Loan dollarisation following a decreasing trend, falling below 50% for the first time in 2022, reaching 43.3% by the end of 2024.

Retail (pharmacy)

The pharmaceutical market in Georgia is highly concentrated, with three major players holding approximately 95% of the organised retail (pharmacy) market share in 2023. The Georgian pharmaceutical market is highly dependent on imports. There are over 100 importers of pharmaceutical products in Georgia, but approximately 57% of all imports are performed by three companies: GEPHA (approximately 16%), PSP (approximately 21%) and Aversi (approximately 20%). Pharmaceuticals market reforms have made it possible to create a competitive marketplace in Georgia. These have included the introduction of parallel imports and automatic registration of medicines recognised by international control bodies, such as the US Food and Drug Administration and the European Medicines Agency, as well as favourable regimes for setting up pharmacies (0% VAT on medicines, absence of customs duties and no price controls).

Imports of medicines were the third largest commodity group, amounting to US$ 623 million (3.7% of total imports), while export of medicines was the eighth largest export commodity group, amounting to US$ 129.5 million (1.97% of total exports) in twelve months of 2024, including US$ 104.1 million of re-exports (2.9% of total re-exports).

Also, effective from 15 January 2023, the Ministry of Health, Labour and Social Affairs of Georgia (the "Ministry") implemented an External Reference Pricing model on the pharmaceuticals market, related to both prescription and non-prescription medicine. Reference Pricing is an approach where prices are set according to the benchmark prices for the same or similar medicines in comparable countries. According to the new initiative, the Ministry introduced the maximum retail price on targeted pharmaceutical products, in two directions: Generic and Original drugs. The price caps are set based on the average of such medicine prices in the following countries: Bulgaria, Latvia, Macedonia and Montenegro.

Currently, approximately 297 Generic drugs are subject to the new regulation.

Property and casualty (P&C) insurance

From 2010 to 2023, the Georgian property and casualty insurance sector grew by 425%, with insurance revenue increasing to GEL 557 million. According to the Insurance State Supervision Service of Georgia ("ISSSG"), the total value of gross written premiums increased from GEL 113 million in 2010 to GEL 588 million in 2023; an increase of 418%. The largest six insurance providers in Georgia account for approximately 78% of the market. The level of insurance market penetration in Georgia amounts to 1.3% (of which 0.8% is attributable to the property and casualty insurance market) as at 31 December 2023. This was lower than insurance penetration in more developed countries such as the UK, France, Switzerland and Belgium, which had penetration rates of 9.7%, 8.7%, 6.9% and 5.5%, respectively, and was also lower than penetration in neighbouring countries such as Czech Republic, Poland, Hungary and Türkiye, which had penetration rates of 2.90%, 2.90%, 2.00% and 1.70%, respectively. The Georgian retail insurance market offers ample room for growth, as most of its potential is yet to be unlocked. Motor insurance accounts for 55% of the total retail insurance market in Georgia, of which 13% represents border Mandatory Third Party Liability (MTPL) insurance, effective from March 2018.

Moreover, the motor insurance segment has great potential to increase, as only 7% of registered cars are insured on the local market. The new law requiring local MTPL for all vehicles registered in Georgia is expected to kick in and significantly boost retail market penetration.

Medical insurance

Over the past decade, the private medical insurance market expanded significantly compared with the 2006 figure, when only 40,000 Georgian citizens (or c.1% of the total population) had a voluntary medical insurance package, mostly provided as part of a corporate benefits programme. There were 735,000 private health insurance (PHI) policies in force at the end of June 2024. The corporate segment accounts for the major portion of the PHI market – 91.7% of all policies are acquired by employers, and the rest (61,000) are purchased by self-paying individuals. In Georgia, PHI is primarily intended to provide value-added services in the form of more extensive coverage or more convenience for the patient.

Hospitals and clinics and diagnostics

The Georgian healthcare industry experienced important transformations during the last decade. The key components of the national healthcare reform were massive privatisation, infrastructure upgrade, sector liberalisation, introduction of Universal Health Care (UHC) and wider accessibility to healthcare services as the major outcome.

To address high private healthcare costs and basic healthcare coverage for the entire population, UHC was introduced in 2013 and replaced previous state-funded medical insurance plans. New initiatives regarding the reimbursement and differentiating coverage of Universal Health Insurance were adopted in 2017.
In terms of health expenditure as a percentage of GDP, Georgia achieved a level consistent with that of major developed economies, at approximately 8%, which is above most of its peer emerging economies. However, there still remains vast potential for further increase since Georgia has one of the lowest per capita expenditures on healthcare among the benchmark countries. Healthcare spending per capita is currently at a very low base of only c.US$ 300, with annual outpatient encounters of 3.7 per capita, significantly lower than many comparable countries. On average, c.65% of healthcare spending is funded by the private sector. Notwithstanding a significant improvement in the bed occupancy rate, from c.30% in 2003 to c.50% currently, there is still potential for even higher efficiency in order to align Georgia with best practices. The occupancy rate in Georgia is far below EU (77%) and CIS average (83.4%) indicators. The Georgian healthcare market has shown solid growth in recent years. According to management's estimates based on third-party data, the total healthcare market grew by a CAGR of 9% over 2011-2023 years. Outlook for the healthcare sector is positive as increasing GDP and disposable income help domestic consumption to increase, especially in elective care, diagnostics and outpatient services.

To streamline the state funding financing in healthcare and improve the reimbursement process, the Georgian Government introduced an initiative to implement a Diagnosis Related Group (DRG) financing system. The DRG system categorises inpatient case types that are clinically similar and expected to use the same or similar resources into groups by applying various criteria (age, sex, intervention needed, comorbidity, etc.). The new system became effective from the beginning of 2023. The way the DRG system was initially implemented had a positive impact on the business EBITDA, however the system was modified several months into its implementation, decreasing tariffs on a number of services, and making the changes profit neutral.

Market and Industry Overview continued

In 2024, the Georgian Government announced changes to the DRG system, introducing a co-payment component to the universal healthcare programme. Patients will now have the option to pay out-of-pocket for additional services that fall outside the established pricing framework. These services include VIP wards, premium-quality prosthetics or specific doctors, all available at an additional cost. It remains uncertain whether participants in the universal healthcare programme will be able to utilise private insurance packages to cover these extra services. The changes are anticipated to have a positive impact on both profitability and the quality of healthcare services.

Renewable energy

Georgia is on track to develop a stable, EU-aligned and competitively priced energy sector. The country has overcome the frequent energy shortages of electricity and gas supply interruptions by renovating and updating energy infrastructure, improving transmission infrastructure and increasingly diversifying its natural gas and electricity importing markets. Economic growth paired with transparent and investor-friendly environment attracts foreign investments in the sector.

In 2008, the power generation market witnessed significant changes to facilitate market liberalisation. All HPPs constructed after August 2008 have been deregulated, which served as a first step towards the establishment of the free electricity market. In 2014, the EU and Georgia signed an Association Agreement and Georgia became a full contracting party member of the Energy Community in 2017. Further, the electricity law was amended, deregulating all HPPs below 75MW.

In order to increase market liquidity, the first step was to increase the number of direct customers at the wholesale electricity market. In accordance with the new regulation enforced since 1 May 2019, consumers with at least 5GWh of consumption per month were obliged to register as direct customers. Direct customers secure electricity directly from generating companies or traders, which enables the development of a stable deregulated electricity market. Deregulation continued in 2021 – all entities with monthly consumption of more than 0.4GWh and with 35-110kV access lines were registered as direct consumers. This process will continue in the following years as well, further increasing the share of the deregulated market.

Active energy sector reform started when Georgia became a member of the Energy Community. Georgia has signed a protocol concerning the accession of Georgia to the treaty establishing the Energy Community of EU and its neighbours in October 2016, ratified by the parliament of Georgia in spring 2017. With this agreement, Georgia undertook an obligation to synchronise Georgian legislation with EU standards in the energy sector and to do so in a short period of time. As Georgia is not directly connected to the Energy Community member countries via transmission line, it is exempt from several directives. However, significant changes apply to the market structure in the electricity and natural gas sectors, energy efficiency, and environmental law. Energy Community regulations will bring to Georgia a more competitive and transparent market model.

The first step in the reform process was the adoption of new laws by the Parliament of Georgia, framing general principles of the market organisation. Later some decrees of the Georgian Government and the Georgian National Energy and Water Supply Regulatory Commission followed, specifying the details of the market organisation and transition period. Although some uncertainties remain to be cleared by by-laws, the total framework is developing gradually. The reforms affect many sectors, including electricity and natural gas, renewable energy, energy efficiency, construction, environmental legislation, etc.

The Law on Energy was adopted by the parliament of Georgia in December 2019. The Law on Energy defines general principles of market organisation, main participants and role sharing. According to the Law on Energy, market reform envisages the reform of both wholesale and retail markets. As a result, new players will emerge in both markets to intensify competition and weaken industry regulation.

The Electricity Market Model Concept adopted by the Georgian Government in April 2020 clarified the organisational details regarding the wholesale market of electricity. Based on the latest changes in regulations, the first stage of the intraday market (IDM) and day-ahead market (DAM) was launched in July 2024. Full market opening is scheduled for July 2025 (including DAM, IDM, and balancing market).

Education

The private K-12 education industry in Georgia has been growing at a 10% CAGR over the last decade. Based on the business' estimation, the market size reached GEL 417 million in 2024, driven by both increasing enrolments and rising tuition fees. Currently, there are c.70,300 learners in private schools in Georgia, representing 11% of the total general education market. There is a consolidation trend that represents an opportunity in a fragmented market. Over the last decade, average private school size has increased by 51% and the number of private schools has decreased by 13%. Private learners are consolidating in the four largest cities with populations over 100,000, namely Tbilisi, Batumi, Kutaisi and Rustavi. Tbilisi is the largest city in Georgia with the majority share of private learners (64% of the Georgian private market) and Georgia Capital is the largest player on the market with a 9.4% market share in terms of learners, while the second largest player holds 2.3%. Management believes that the key growth drivers will be the large gap in the quality of public schools as compared to private schools as well as increasing household income and decreasing unemployment rates.

Data provided in this section was collated from the following sources unless stated otherwise:

- Geostat
- National Bank of Georgia
- Ministry of Finance of Georgia
- Georgian National Tourism Administration
- Insurance State Supervision Service of Georgia
- World Bank
- International Monetary Fund
- Fitch Ratings

Capital Allocation and Managing Portfolio Companies

Georgia Capital does not have capital commitments or a primary mandate to deploy funds or divest assets within a specific time frame. It focuses on shareholder returns and on opportunities that meet its investment return and growth criteria. In line with its capital allocation strategy, the Group emphasises capital-light, larger-scale investment opportunities in Georgia, which have the potential to reach at least GEL 300 million equity value over three to five years and to be monetised through exits as they mature. The Group believes that the superior exit opportunities and improved liquidity associated with larger sized investments will support the Group's desire to reduce the current discount to reported NAV per share.

- Georgia Capital invests in Georgia in sectors not requiring intensive capital commitments.
- GCAP enables its large and capital-light portfolio companies to explore regional growth opportunities, such as the expansion of the retail (pharmacy) business into Armenia and Azerbaijan.
- In capital heavy industries, Georgia Capital seeks to manage third-party money and/or establish partnerships.

Businesses operating in a frontier economy such as Georgia have limited access to capital and management personnel. Consequently, those with access to these limited resources can make investments in companies which then provide an attractive risk return profile. The Group seeks to generate value for its shareholders by: investing in opportunities in Georgia that are currently not directly accessible to its shareholders; changing management and governance structures; institutionalising and scaling up the Company operations, often to benefit from consolidating fragmented and underdeveloped markets; and unlocking value by exiting these companies over time. The Group's approach to investing and managing companies entails the following principles:

Highly disciplined entry approach

The Georgian economy entered into a period of significant development and growth approximately 15 years ago and different sectors and businesses are therefore at early stages of formation.

Access to capital and management personnel is limited and as a result, Georgia Capital can pursue attractive investment opportunities and acquire assets on relatively attractive terms with a view to consolidating fragmented and underdeveloped sectors of the economy, particularly targeting high-multiple service industries, not requiring significant capital commitments.

The Group believes that in the long run Georgia will become a service hub of the region. Since the Group is under no time pressure to invest, it takes a selective and opportunistic approach to new investments. The Group's key principle is to buy assets at affordable prices and to remain very disciplined in this regard. To evaluate new acquisition opportunities Georgia Capital has developed a 360-degree analysis framework.

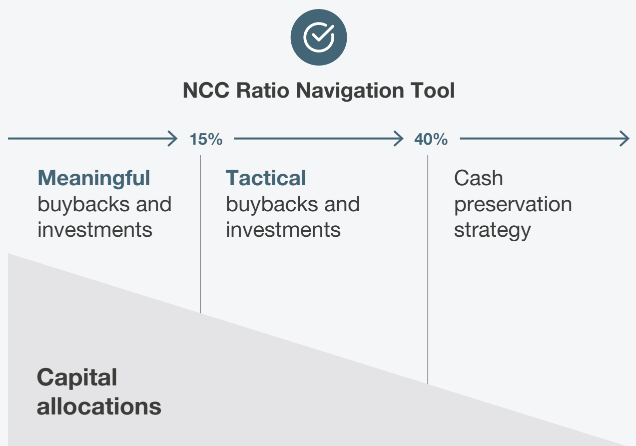
360-degree analysis – a strong foundation for value creation

Georgia Capital's share price is at the core of decision-making when it comes to new investments. The Group performs a 360-degree analysis each time it makes a capital allocation decision and compares: a) the investment opportunity versus buyback opportunity; and b) the sale opportunity versus buyback opportunity. The Group intends to buy assets/companies at a higher discount to their listed peers than GCAP's fair value discount. Georgia Capital is targeting to invest in opportunities which produce greater returns than returns created by buying back Georgia Capital's shares.

360-degree framework – a strong foundation for value creation

GCAP share price is at the core of our investment decision-making

We perform 360-degree analysis each time we make a capital allocation decision and compare:
- Investment opportunity vs. buyback opportunity
- Sale opportunity vs. buyback opportunity



In 2022, the Group introduced an NCC Navigation Tool, which is an integral part of GCAP's existing 360-degree framework and drives the Group's share buyback and investment decisions. NCC represents an aggregated view of all confirmed, agreed and expected capital outflows at the GCAP holding company level. An NCC ratio (NCC as a percentage of the total portfolio value) between 15%-40% guides us to tactical share buybacks/investments, an NCC ratio below 15% would be expected to lead to more meaningful share buybacks/investments, whilst a ratio above 40% would lead us to implement a cash preservation strategy as we did during the active phases of the COVID-19 pandemic.

Since its inception, GCAP has bought back 12.6 million shares with the total value of US$ 151.7 million under its buyback programmes to date.

- The US$ 45 million share buyback programme, which commenced in June 2018, was completed in August 2019. Under the programme we bought back 3,336,843 shares, of which 2,650,375 shares were cancelled and 686,468 shares were transferred to the management trust.
- In August 2019, Georgia Capital initiated a US$ 20 million share purchase programme for the management trust. The management trust programme has repurchased 1,550,084 shares.
- There was no buyback programme in 2020 in light of the cash preservation strategy due to COVID-19.
- In August 2021, Georgia Capital commenced a US$ 10 million share buyback and cancellation programme, which was extended by an additional US$ 15 million in 2022. Under the US$ 25 million share buyback programme, 3,075,923 shares have been repurchased and cancelled, corresponding to GEL 76.2 million (US$ 25.0 million) in value.
- In 2023, GCAP launched two buyback programmes: a US$ 10 million programme in April 2023, under which it repurchased and cancelled 1,000,000 shares with a total value of GEL 25.4 million (US$ 10.0 million), and a US$ 15 million buyback programme launched in October 2023, during which 665,222 shares with a total value of GEL 22.5 million (US$ 8.3 million) were repurchased in 2023.
- In May 2024, GCAP initiated a US$ 25 million share buyback and cancellation programme, which was subsequently extended by an additional US$ 15 million in August. In December 2024, the Company launched another US$ 25 million share buyback and cancellation programme, which was increased by an additional US$ 25 million in March 2025. Under the buyback programmes in total, the Company repurchased 3,669,889 of its own shares in 2024, representing a nominal value of US$ 48.1 million. In 2025 to date, additional 1,512,332 shares (US$ 24.2 million in value) have been repurchased.

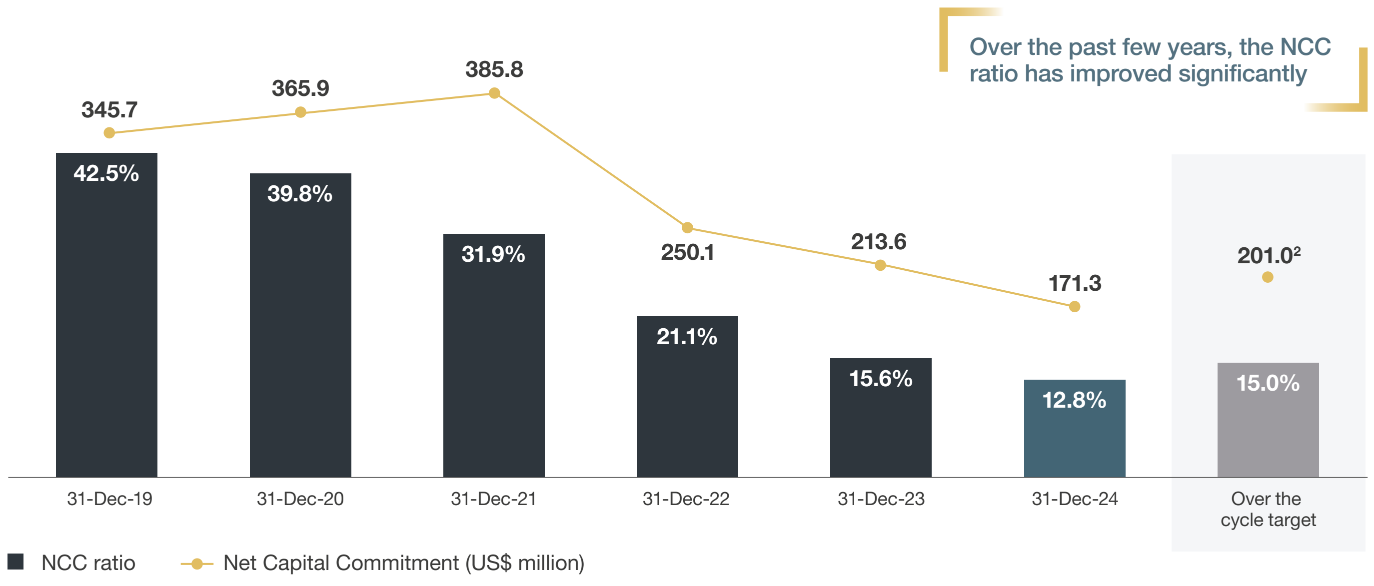
The table below summarises GCAP's share buybacks in 2024.

	Value of shares repurchased (US$ million)	Number of shares repurchased
Georgia Capital share buybacks	*49.8*	*3,790,417*
of which, programme	*48.1*	*3,669,889*
of which, management trust	*1.7*	*120,528*
Number of Georgia Capital shares cancelled	*47.8*	*3,656,705*

Entering a new industry with a small ticket size

Another core principle of the Group's investment philosophy is to be mindful about the size of potential investments in new industries. Georgia Capital typically starts with a small ticket size and tests and develops a management track record before stepping up the investment.

NCC and NCC ratio development overview[1]



1 Reflects the retrospective conversion of the loans issued to our real estate and beverages businesses into equity.
2 Assuming the application of the 15% NCC ratio target to the total portfolio value as at 31 December 2024.

Capital Allocation and Managing Portfolio Companies continued

Liquidity is important
In order for the strategy to succeed, GCAP must be disciplined in unlocking the value of companies in which it invests and that it manages. In particular, it is crucial to set an exit strategy prior to making an investment. A low investment entry point becomes even more important in a small frontier economy, with limited exit opportunities. The Group aims to have two potential liquidity events for each of its assets:

- The first exit: when entering a new industry Georgia Capital intends to develop and grow portfolio companies. GCAP's key focus areas at portfolio company level are the ability to grow operating cash and to make efficient capital expenditure investments by targeting an appropriate level of return on invested capital (ROIC). Once the business reaches its late stage of development, GCAP expects to pursue its first exit route, which envisages dividend flows for the Group; and
- The second exit: as businesses mature, Georgia Capital normally seeks to monetise its investment through appropriate exit options, typically within five to ten years from initial investment.

The Chief Strategy Officer is responsible for overseeing the establishment of structured exit processes for the portfolio companies, as Georgia Capital is actively engaged in the price discovery of portfolio assets held.

Focus on cash generation
Cash generation at both Georgia Capital and portfolio company level is a key success factor for Georgia Capital.

Focus on management development
By developing top talent in Georgia Capital, the Group can add value for the Company's shareholders. Investing time in growing and developing management continues to be critical for the success of the Group's strategy.

Good corporate governance
The Company believes that robust corporate governance is a source of value creation for its shareholders. The Company believes that alignment of the interests of shareholders and management by awarding long-term deferred shares to the Group's senior executives enhances value creation.

GCAP role – vis-à-vis portfolio companies

- Approval of all capital allocation decisions: equity, debt, profit reinvestment, divestment, etc.
- Strategy setting, business plan approval and monitoring.
- Human capital (CEO and CFO) allocation and KPI setting.
- Approval and monitoring of the ESG strategy.

Capital allocation outlook
Georgia Capital expects to allocate US$ 42.2 million net equity capital in the renewable energy and education businesses over the next three to five years.

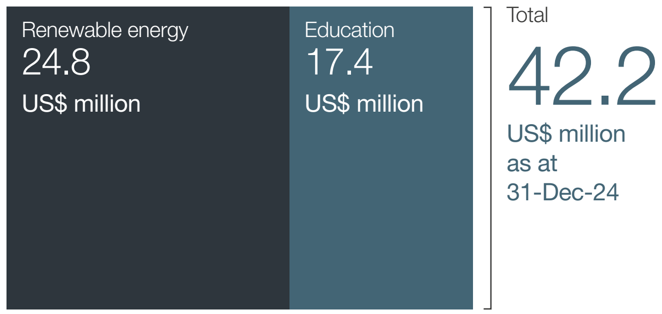
Other than already identified greenfield projects in the renewable energy and education businesses, the Group expects to focus on acquisitions. By driving the development of these two businesses, the Group expects to realise at least 2.0x MOIC at each investment level.

No investments are expected in the clinics and diagnostics business from GCAP.

Detailed information on the investments in these businesses are set out on pages 32-57 of this report.

Planned investments from GCAP in portfolio companies

Total net investment identified from GCAP over the next 3-5 years



IRR and MOIC are the key drivers for GCAP to invest in new opportunities

Key money multiples at GCAP level: IRR MOIC

ROIC is at the core of decision-making when our portfolio companies are investing or divesting assets/ businesses

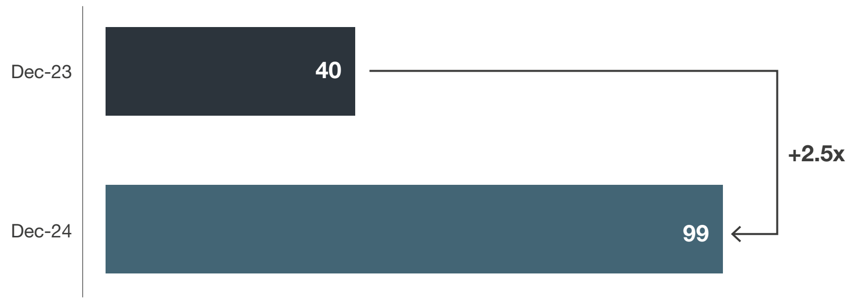
Key metric for reinvestment decision-making at portfolio companies' level: ROIC

- ROIC should exceed weighted average cost of capital (WACC) for new investments.
- Portfolio companies to continue divestment of low ROIC and/or non-core assets and businesses to enhance ROIC.

Strong balance sheet and cash management at Georgia Capital

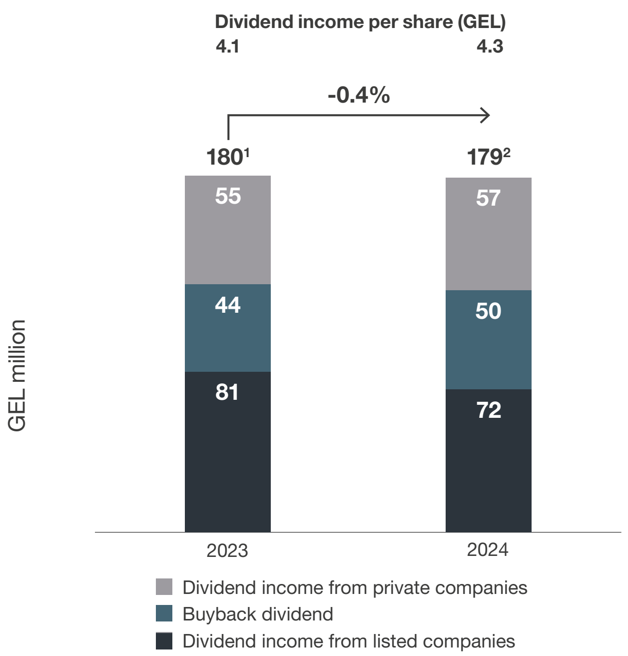
Cash and liquid funds balance increased 2.5x y-o-y to US$ 99 million at 31 December 2024, primarily reflecting the collection of the beer and distribution business sale proceeds.

Total cash and liquid funds (US$ million)



Strong dividend income from portfolio companies

Recurring dividend income from portfolio companies



GEL 179.2 million recurring dividend income in 2024

(GEL million)	2024[2]	2023[1]
Lion Finance Group	**122.2**	**124.5**
of which, cash dividends	*72.2*	*80.5*
of which, buyback dividends	*50.0*	*44.0*
Insurance	**25.4**	**19.9**
Renewable energy	**12.3**	**5.2**
Retail (pharmacy)	**10.0**	**24.2**
Beer business	**8.3**	**–**
Auto service	**1.0**	**–**
Hospitals	**–**	**6.0**
Total	**179.2**	**179.8**

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 0.72% at 31 December 2024 (0.80% as of 31 December 2023).

1 In addition to the recurring dividends, in 2023, GCAP received a one-off non-recurring inflow of GEL 56.1 million, of which GEL 29.4 million was collected from the participation in Lion Finance Group's 2022 share buybacks; and GEL 26.7 from the retail (pharmacy) business, following the minority buyout.
2 In 2024, GCAP recorded an additional one-off buyback dividend income of GEL 22.6 million from temporarily reducing our stake in Lion Finance Group to 19.1% in 3Q24 (from our targeted holding level of 19.5%).

Our Management Team

Georgia Capital

Irakli Gilauri, Chairman and CEO
Irakli Gilauri formerly served as the CEO of BGEO Group from 2011 to May 2018. He joined as CFO of Bank of Georgia in 2004 and was appointed as Chairman of the Bank in September 2015, having previously served as CEO of the Bank since May 2006. Prior, he was an EBRD banker. Mr Gilauri has almost 20 years of experience in banking, investment and finance. Over the last decade, Irakli's leadership has been instrumental in creating major players in a number of Georgian industries, including banking, healthcare, utilities and energy, real estate, insurance and wine. Holds an MSc in banking from Cass Business School and a certificate in winemaking from the University of California, Davis.

Giorgi Alpaidze, Deputy CEO, Chief Financial Officer
Formerly BGEO Group CFO. Joined BGEO as Head of Finance, Funding and Investor Relations in 2016. He has extensive international experience in banking, accounting and finance. Previously, he was a senior manager in Ernst & Young LLP's Greater New York City's assurance practice. Holds a BBA from the European School of Management in Georgia. US Certified Public Accountant.

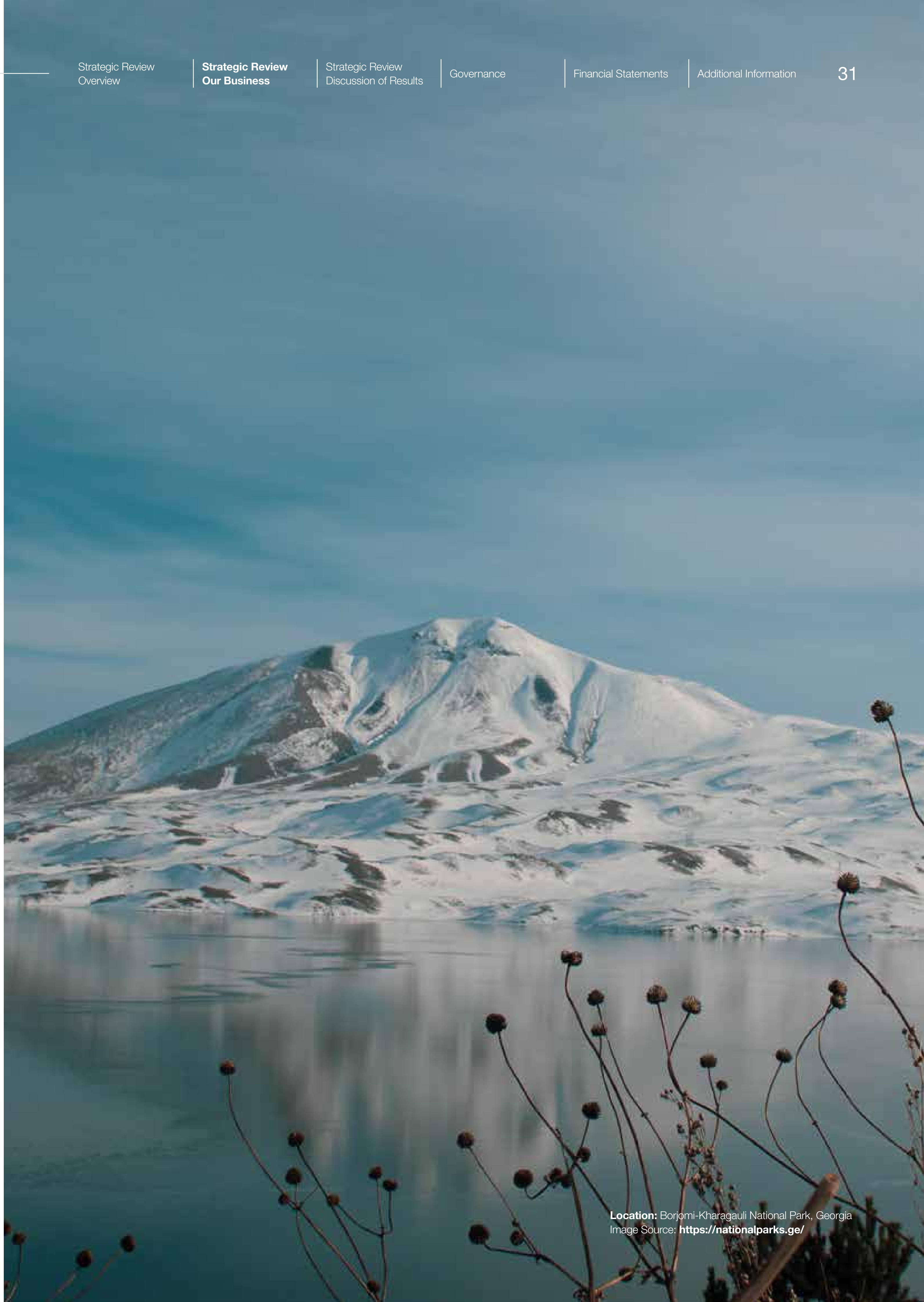
Ia Gabunia, Chief Strategy Officer
Formerly Investment Director at Georgia Capital. Joined BGEO as an Investment Director in 2017. Ia has over ten years of experience in banking and investment management. Prior to joining BGEO Ia served as Head of Corporate Banking at Bank Republic, Société Générale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

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

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

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

Eka Duchidze, Executive Director
Eka previously served as CEO of Amber Group, a hospitality business under Georgia Capital. She joined Bank of Georgia as Corporate Secretary in 2005 and went on to hold key roles such as Executive Assistant to the CEO and Head of Internal Branding, recently leading the development of SOLO Banking and SOLO Lifestyle. Earlier, she spent eight years at the World Bank Group, including two years in Washington, DC, as a Program Assistant in the OPIC Department.



Location: Borjomi-Kharagauli National Park, Georgia
Image Source: **https://nationalparks.ge/**

Our Portfolio Overview
Listed and observable portfolio

Banking

Value: GEL 1,421 million
37.8% of the total portfolio value

Overview
Lion Finance Group PLC ("Lion Finance Group" or the "Bank"), formerly known as Bank of Georgia Group PLC is a FTSE 250 holding company whose subsidiaries provide banking and financial services focused on the high-growth Georgian and Armenian markets through leading, customer-centric, universal banks – JSC Bank of Georgia ("BoG") in Georgia and CJSC Ameriabank ("Ameriabank") in Armenia, the latter acquired in March 2024.

Bank of Georgia overview
BoG, a systemically important and leading universal Georgian bank, offers a) retail banking and payment services (Retail Banking), b) banking services for small and medium-sized businesses (SME Banking) and c) corporate and investment banking operations (Corporate and Investment Banking) in Georgia. BoG is well-positioned to benefit from the growth of the Georgian economy through its business segments and aims to deliver on its growth strategy with strong capital and liquidity positions. In Retail Banking, a prominent component of the banking business, BoG runs a client-centric digital multi-brand offering with the aim of reaching the entire spectrum of retail customers, encompassing both the mass retail segment (Mass Retail) and affluent high-net-worth individuals (Premium Banking). Bank of Georgia is a digital banking and payments leader, with a strong retail and corporate banking franchise in Georgia.

Focusing on customer satisfaction and enhancing its digital and advanced analytics capabilities, BoG aims to increase customer engagement and maintain its relevance in customers' daily lives. The SME Banking segment, through which BoG develops value propositions for small and medium-sized enterprises, has shown remarkable growth in recent years. In Corporate and Investment Banking, given the scale, the rich portfolio of banking products and services, and the industry and product expertise that it possesses, BoG is a universal bank of choice and top-of-mind advisor for Georgian corporates. In the brokerage business, under the Corporate and Investment Banking business, BoG is focused on profitable growth, through unlocking retail brokerage potential and fully digitalising brokerage services.

Ameriabank overview
Ameriabank is a highly attractive franchise displaying many complementary characteristics to Lion Finance Group.

Ameriabank is the market leader in Armenia by total loan portfolio (20.9% market share as at 31 December 2024) and the second largest bank by total deposits (18.5% market share as at December 2024), with a strong loan and deposit portfolio growth. Over the last few years Ameriabank has significantly expanded its loan portfolio, especially in retail, with its mortgages and consumer loan portfolio exhibiting high growth rates (combined CAGR of 24.1% in 2020-2022). Ameriabank also has a particularly strong foothold in the corporate segment, being a market leader with a market position in loans to legal entities as at 31 December 2024. Ameriabank is considered to have significant growth potential and further scope to improve commercial performance, particularly in retail. This is expected to be achieved by combining Ameriabank's existing franchise strengths with the Lion Finance Group's expertise, stemming from their proven track record and leading digital products and payments capabilities.

Ameriabank is also one of the leading payments acquirers in Armenia, with further potential upside on the back of the group's strong expertise in this area, as well as supported by favourable market fundamentals, as the Armenian economy is predicted to become increasingly cashless over the next few years.

Investment rationale
- The first entity from Georgia to be listed on the premium segment of the Main Market of the LSE (LSE: BGEO) since February 2012.
- High standards of transparency and governance.
- Leading market position in Georgia by loans (37.6%) and deposits (41.4%) as at 31 December 2024.
- Leading market position in Armenia by loans (20.9%) and deposits (18.5%) as at 31 December 2024.
- Digital leader in banking sector with a strong retail banking franchise.
- Growing market: The banking sector's y-o-y lending growth rate at 17.0% and 25.0% in Georgia and Armenia, respectively.
- Sustainable growth combined with strong capital, liquidity and robust profitability, with ROAE above 20%.

Ownership
Georgia Capital owns 19.23% of Lion Finance Group PLC, as of 31 December 2024. As long as Georgia Capital's stake in Lion Finance Group is greater than 9.9%, it will exercise its voting rights in accordance with the votes cast by all other shareholders on all shareholder votes at any general meeting.

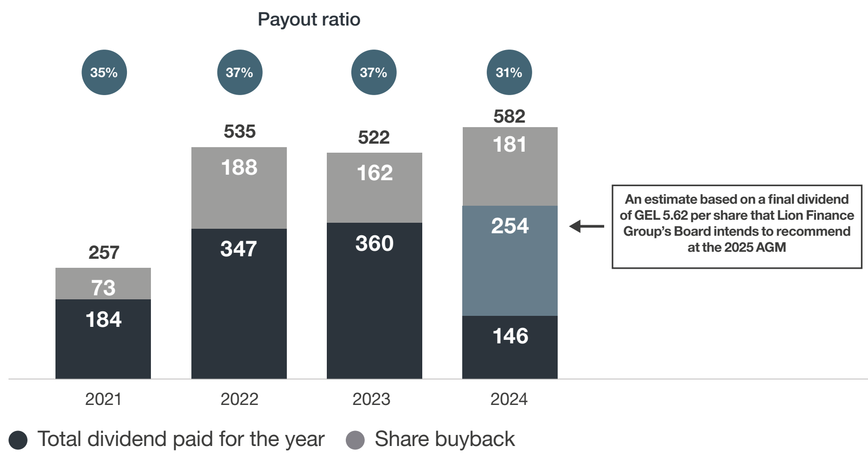
Value creation potential
- Annual loan book growth c.15%.
- Regular progressive semi-annual capital distribution with 30%-50% dividend/share buyback payout ratio.
- 20%+ ROAE.
- Significant additional growth potential of Ameriabank within Lion Finance Group by using its experience and know-how in retail products, digitalisation and payment business.

Performance and strategy
Lion Finance Group delivered strong results in FY24. Excellent top and bottom-line growth and outstanding ROAE were supported by the strong macroeconomic environment in both Georgia and Armenia. All sectors including Retail Banking, SME Banking and Corporate and Investment Banking exhibited excellent performance. Lending activity was robust, loan book quality remained strong and operating income increased in FY24, the latter driven by strong income generation across key revenue lines. Lion Finance Group continued its focus on customer satisfaction, employee empowerment and improving its digital banking and payments business franchise, while maintaining a healthy cost to income structure. As a result, Lion Finance Group delivered a ROAE of 30.0% (adjusted for one-offs) in FY24, while maintaining robust liquidity and capital positions.

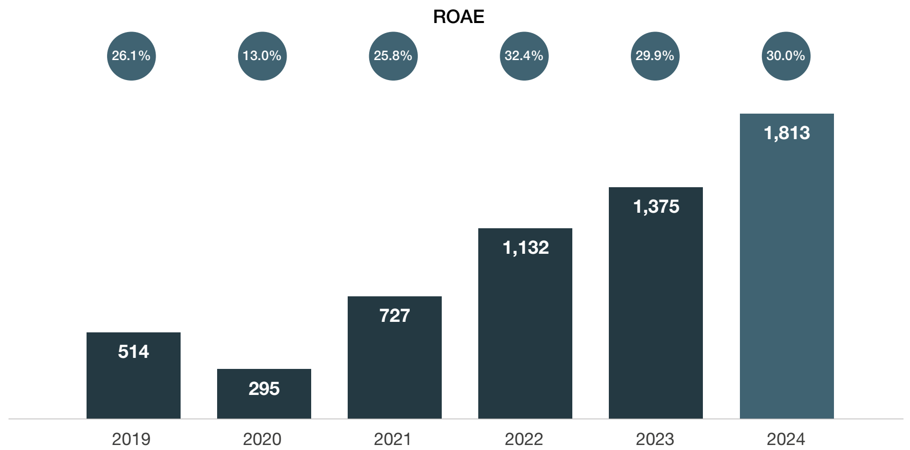
On 25 February 2025, the Bank announced its Board's intention to recommend a final dividend for 2024 of GEL 5.62 per ordinary share at the Bank's 2025 Annual General Meeting. This will make a total dividend paid in respect of the Bank's 2024 earnings of GEL 9.00 per share (a 12.5% increase compared to 2023). In addition, in February 2025, the Bank announced an extension of the buyback and cancellation programme by an additional GEL 107.7 million. Overall, the Bank's dividend and share buyback payout ratio for 2024 was 31% of total earnings.

Performance track record[1]

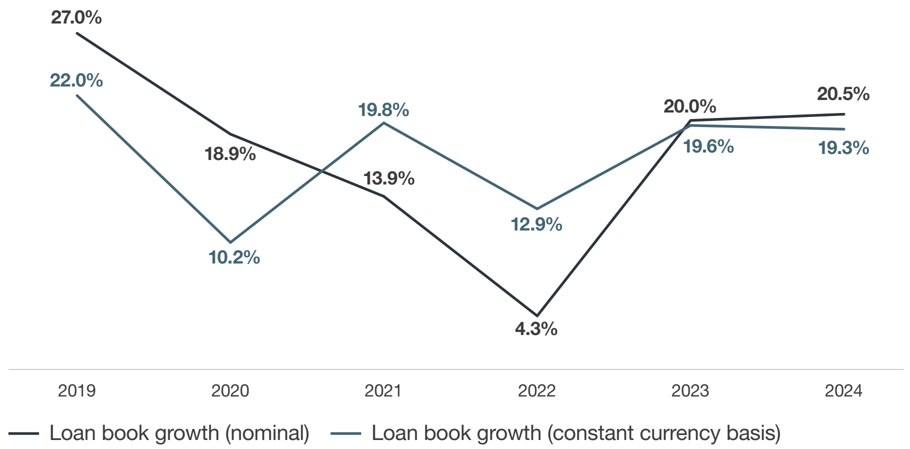
Capital distribution (GEL million)



Profit and ROAE (GEL million)



Loan book growth (BoG)



1 Numbers are derived from the business' unaudited IFRS accounts. Certain numbers have been adjusted for presentation purposes. For details, please refer to the Lion Finance Group's disclosures at **https://lionfinancegroup.uk/**.

Our Portfolio Overview continued
Listed and observable portfolio continued

Financial metrics[1]

Profit (Lion Finance Group) (GEL million)	ROAE (Lion Finance Group)	Cost/Income (Lion Finance Group)	Cost of credit risk ratio (Lion Finance Group)
1,813	30.0%	34.3%	0.5%
+31.9% y-o-y	+0.1 ppts y-o-y	+4.5 ppts y-o-y	-0.2 ppts y-o-y

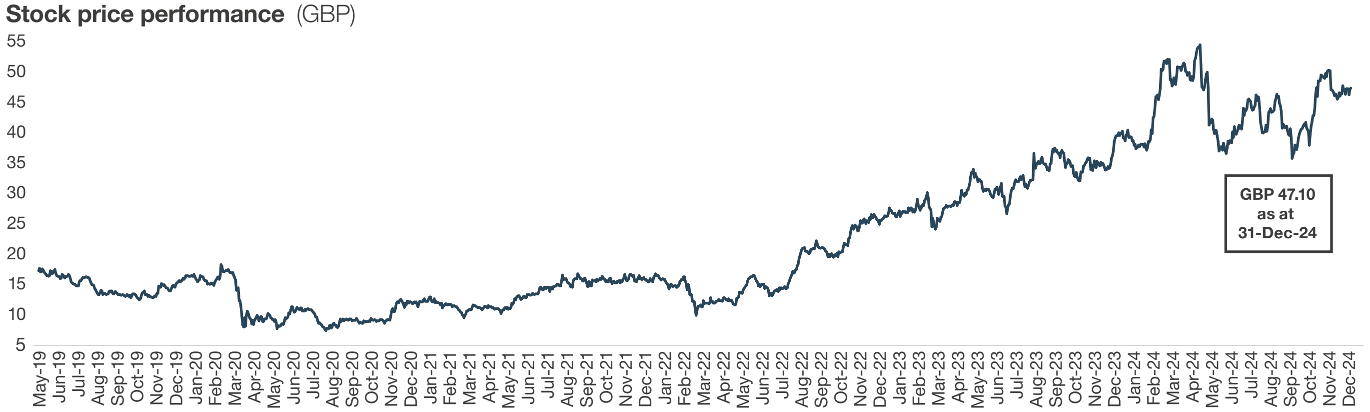
Tier 1 capital adequacy ratio (BoG)	Liquidity coverage ratio (BoG)	Tier 1 capital adequacy ratio (Ameriabank)	Liquidity coverage ratio (Ameriabank)
20.5%	138.6%	14.4%	195.7%
+0.5 ppts y-o-y	+13.4 ppts y-o-y	+0.3 ppts y-o-y	+78.3 ppts y-o-y

Operating metrics

Number of monthly active retail customers – BoG (million)	Monthly active digital retail users – BoG (million)	Number of monthly active retail customers – Ameriabank (million)	Monthly active digital retail users – Ameriabank (million)
2.0	1.6	0.4	0.2
+10.7% y-o-y	+17.5% y-o-y	+22.4% y-o-y	+54.4% y-o-y

Valuation highlights

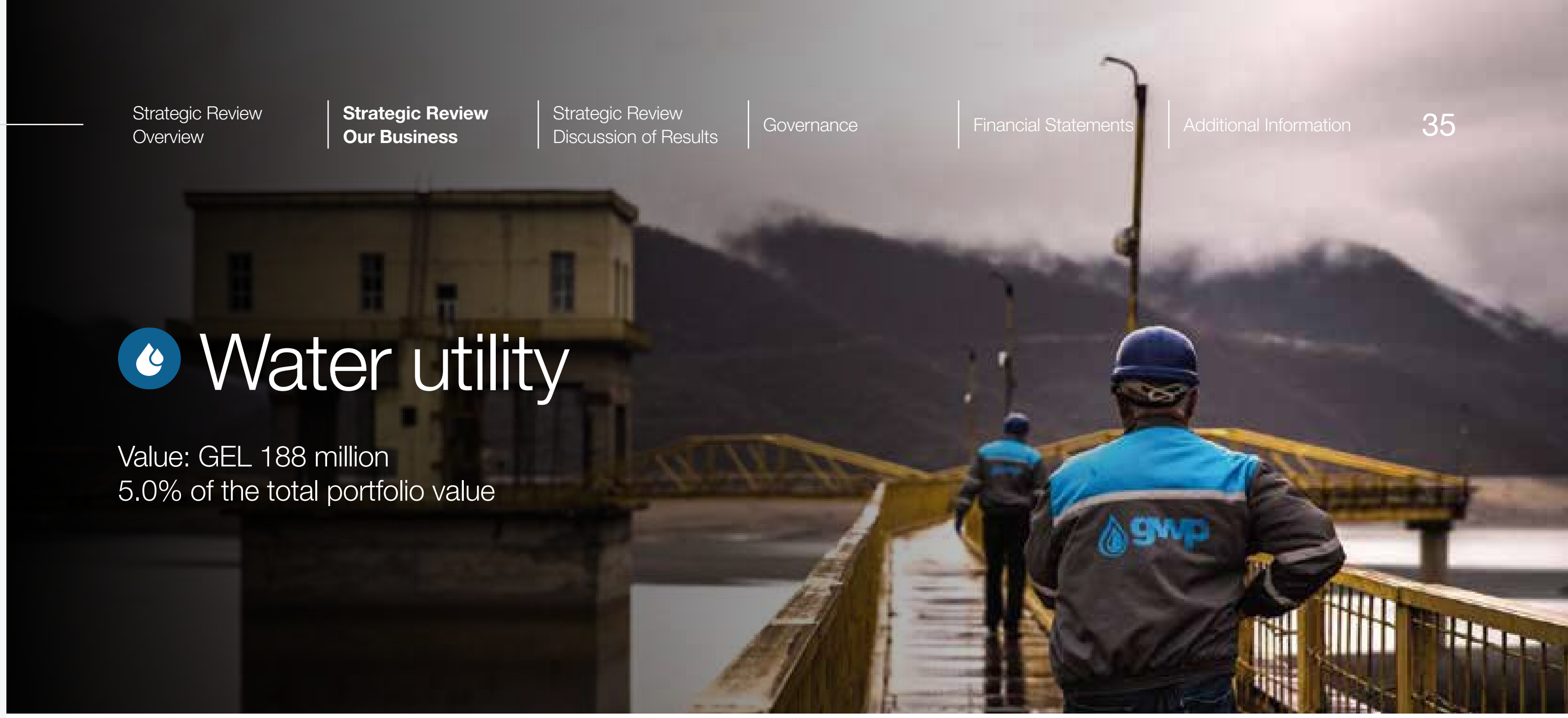
Stock price performance (GBP)



Implied multiple highlights at 31-Dec-24

LTM P/E	Price to book (P/B)
4.0	1.02
-0.3 YTD	-0.2 y-o-y

1 Numbers are derived from the business' unaudited IFRS accounts. Certain numbers have been adjusted for presentation purposes. For details, please refer to the Lion Finance Group's disclosures at **https://lionfinancegroup.uk/**.



Water utility

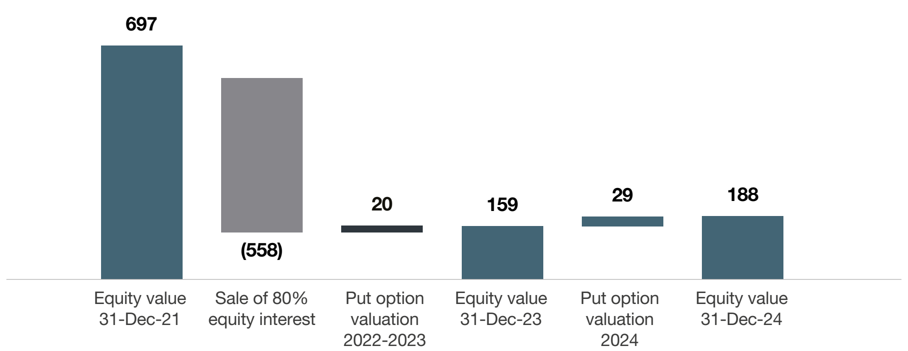
Value: GEL 188 million
5.0% of the total portfolio value

The water utility business is a regulated natural monopoly in Tbilisi and the surrounding area, providing water and wastewater supply services to approximately 1.4 million residents and approximately 43,000 legal entities. The business also operates HPPs with a total installed capacity of 149MW. The water utility business uses a portion of the power generated by its HPPs associated with the water infrastructure for internal consumption at regulated electricity tariffs to power its water distribution network, while the remaining electricity is sold on the market. Revenues come from two main streams (water and electricity sales), where the business benefits from both earning fair regulatory returns on invested capital made in upgrading the water utility network and average electricity sales price growth due to electricity market deregulation in 2019.

In 2022, GCAP completed the sale of an 80% interest in the water utility business for a total consideration of US$ 180 million. In 2024, the remaining 20% equity interest in business was valued by the application of pre-agreed put option multiple to the normalised LTM EBITDA of the business, leading to GEL 29.0 million value creation. As of 31 December 2024, the fair value of GCAP's 20% holding in the water utility business was assessed at GEL 188.0 million.

In 2024, the water utility business successfully issued US$ 300 million in green bonds on the Irish Stock Exchange, representing its second issuance of green bonds, following its initial transaction in 2020.

Value development overview[1] (GEL million)



1 The detailed valuation overview and related drivers are described on pages 100-117 of this report.

GCAP and the majority shareholder have put and call options for the minority vitality business

GCAP's put option
8.25x
EV/EBITDA
Exercisable in 2025-2026.

Majority shareholder's call option
8.90x
EV/EBITDA
Exercisable on the date of expiry of the put option in 2026 and expiring six months thereafter.

Our Portfolio Overview continued
Private large portfolio companies

Retail (pharmacy)

Value: GEL 716 million
19.0% of the total portfolio value

Overview

The retail (pharmacy) business is the largest pharmaceuticals retailer and wholesaler in the country, with a 35.8% market share in the organised retail market based on 2023 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 two brands, GPC and Pharmadepot, with a total of 410 pharmacies (of which 395 are in Georgia, and 15 in Armenia) and 19 franchise stores (of which, two are in Armenia and five in Azerbaijan). The business' franchises include brands like The Body Shop, a British company specialising in cosmetics, skincare and perfumes, and Alain Afflelou SA, a top optical retailer in France.

Performance and strategy

The retail (pharmacy) business successfully continued the growth of its retail segment. The significant expansion of the retail chain over the last few years, coupled with the business' proactive approach aimed at enhancing the sales and profitability margins of para-pharmacy products, significantly contributed to the business' robust performance in 2024. The business' initiative to renegotiate trading terms with key suppliers across major product categories positively impacted gross profit margins in FY24. This was particularly evident in the para-pharmacy retail segment, where gross profit margin increased by 6.4 ppts y-o-y.

The retail (pharmacy) business performance was partially affected by price regulations, which set a maximum selling retail price for both prescription and non-prescription medicines. The list of regulated products, initially identified in 2023, was expanded further in 2024. The negative impact of these regulations on the total revenue in FY24 amounted to GEL 14.5 million.

In 2024, the business divested from its textile franchise brands "Carters" and "Triumph" with six operating stores in Georgia.

The business strategy aims to achieve a double-digit CAGR in EBITDA over the next five years while maintaining an EBITDA margin above 9%. This will be achieved by focusing on several key areas: optimising the retail chain, which has added over 100 pharmacies in the past five years; enhancing revenue by prioritising the sales of high-margin products and increasing the share of para-pharmacy products, which are not subject to state regulations; boosting sales through e-commerce channels; and pursuing international expansion. As part of its international growth strategy, the business continues to expand in Armenia and Azerbaijan and is exploring investment opportunities in other countries across the region.

Investment rationale

- Largest retailer in the country with more than 400 pharmacies and franchise stores and over 2.5 million customer interactions per month.
- Retail business with 95% out-of-pocket payment.
- Supported by the country's growing macroeconomic environment.

Ownership

Georgia Capital owns 97.8% of the retail (pharmacy) business as at 31 December 2024 (31 December 2023: 97.6%).

Value creation potential

- The largest player and purchaser of pharmacy products on the Georgian market with a cost advantage due to the scale of operations: higher discounts from manufacturers and elimination of distributor margins.
- High-growth potential driven by growing macroeconomic environment, expansion of the local and international chains, and adding highly synergetic products and services.

Key focus areas in medium and long term

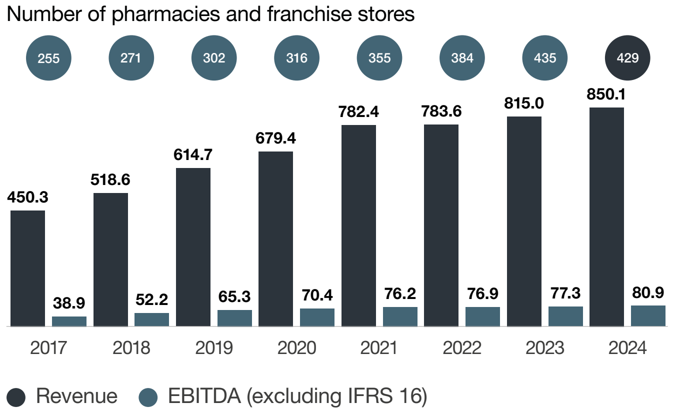
1	Expanding retail footprint in Georgia	• Strengthening and differentiating the retail brands, GPC and Pharmadepot, to cultivate a loyal customer base, elevate brand recognition, and maximise their market potential
2	Revenue enhancement	• Focusing on the strategic growth of high-margin priority product sales and expanding the para-pharmacy segment's contribution to revenue, leveraging its exemption from state regulations
3	International expansion	• Exploring international investment opportunities within the region

Five-year financial targets

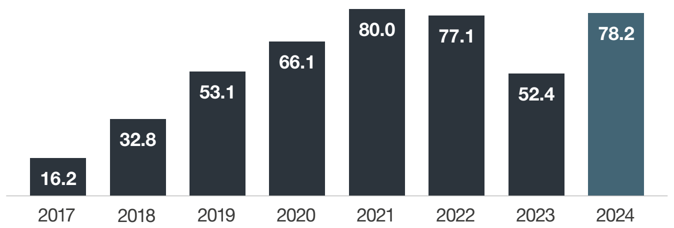
- Double-digit EBITDA CAGR
- 9%+ EBITDA margin

Performance track record[1]

Revenue and EBITDA[2] (GEL million)



Operating cash flow (excl. IFRS 16) (GEL million)



1 Numbers are derived from the business' unaudited IFRS accounts.
2 In 2024, 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 2022 and 2023 periods have been adjusted retrospectively.

Our Portfolio Overview continued
Private large portfolio companies continued

Financial metrics[1]

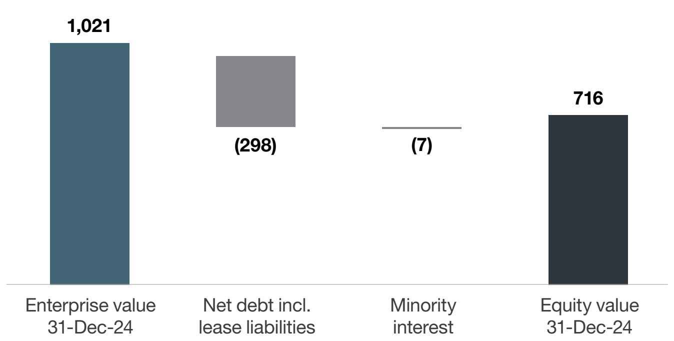
Revenue (GEL million) 850.1 +4.3% y-o-y	EBITDA excluding IFRS 16 (GEL million) 80.9 +4.6% y-o-y	Operating cash flow excluding IFRS 16 (GEL million) 78.2 +49.4% y-o-y	Free cash flow excluding IFRS 16 (GEL million) 54.8 NMF
Gross profit margin 30.7% +2.0 ppts y-o-y	EBITDA margin excluding IFRS 16 9.5% NMF	EBITDA to cash conversion excluding IFRS 16 96.7% +29.0 ppts y-o-y	Dividend paid to GCAP (GEL million) 10.0 -80.3% y-o-y

Operating metrics

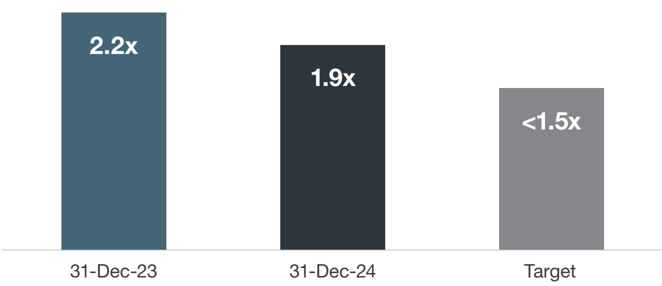
Number of pharmacies and franchise stores 429 -6 over 2023	Number of bills issued (million) 31.6 +0.9% y-o-y	Average bill size (GEL) 20.4 +4.1% y-o-y	Same store revenue growth (1.7)% -1.6 ppts y-o-y

Valuation highlights[2]

Value development overview at 31-Dec-24 (GEL million)



Adjusted net debt to EBITDA (excl. IFRS 16)[3]



Implied multiple highlights at 31-Dec-24

LTM EV/EBITDA
8.4x
-1.3x y-o-y

Peer companies
- NEUCA S.A. | Poland
- Sopharma Trading AD | Bulgaria
- S.C. Ropharma S.A. | Romania
- SALUS, Ljubljana, d. d. | Slovenia
- Great Tree Pharmacy Co., Ltd. | Taiwan
- Dis-Chem Pharmacies Limited | South Africa
- Clicks Group Limited | South Africa

1 Numbers are derived from the business' unaudited IFRS accounts.
2 The detailed valuation overview and related drivers are described on pages 100-117 of this report.
3 Includes the application of the minority buyout agreement.

Insurance

Value: GEL 428 million
11.4% of the total portfolio value

The insurance business comprises a) property and casualty (P&C) insurance business and b) medical insurance business. As of the beginning of 2024, the Georgian insurance sector adopted the Estonian Taxation Model. Prior to this change, the pre-tax profit of the insurance businesses was levied by a 15% corporate income tax. Following the enforcement of the Estonian Taxation Model, a 15% corporate income tax is applied to earnings distributed to individuals or non-resident legal entities. Consequently, GCAP's insurance businesses is no longer subject to the corporate income tax payment, freeing up the resources for both business development and enhanced dividend payments to GCAP.

P&C insurance

Overview
Over nearly three decades in the Georgian property and casualty insurance market, Aldagi has achieved almost universal brand awareness, leading positions in retail insurance services, with the largest product portfolio and exceptional financial strength. The company has almost doubled its retail portfolio over the last four years, outperformed market growth, delivered an average annual ROAE of c.31% in 2014-2024 and consistently distributed dividends within a 50%-80% payout ratio each year since 2014. Based on the latest available market data, as at 30 September 2024, Aldagi continues to be one of the most profitable insurance companies in the local market with a 19% share of the insurance industry profit and a market share of 30% based on gross premiums written[1].

The current low level of insurance market penetration in Georgia (1.3%, of which 0.8% relates to property and casualty insurance and 0.5% to medical insurance) provides enormous potential for growth and Aldagi is well-equipped to capture these opportunities. The company plans to increase the P&C insurance business profitability by strategically focusing on each of its four main business lines set out below:

- **Retail customers.** The Georgian retail insurance market offers ample room for growth, as most of its potential is yet to be unlocked. Motor insurance accounts for 56% of the total retail insurance market in Georgia, of which 13.5% third party liability insurance (TPL) purchased at the border by foreign-registered vehicles entering Georgia, which became mandatory from March 2018. Moreover, the motor insurance segment has great potential to increase, as only 7% of registered cars are insured on the local market. A new law making TPL insurance mandatory for all vehicles registered in Georgia is expected to be passed in the next few years which will significantly boost retail market penetration. Overall, Aldagi's market share in voluntary retail insurance stands at 36% and Aldagi expects to grow its retail segment concentration by developing simple products for mass retail as well as developing a unique customer experience through exclusive premium line services. Aldagi aims to further strengthen customer retention and its market leadership position by continued development of its digital insurance platform.
- **SME segment.** Georgia's insurance market for SMEs is currently in its infancy. Aldagi sees significant potential to grow this segment of the portfolio by developing tailor-made products and providing them with established multi-channel distribution networks and digital portals, created especially for SME clients. A separate SME sales division was established at the end of 2019 as a part of this strategy. As a result, Aldagi's SME gross revenues have grown by 42% in 2024 (from GEL 5.6 million to GEL 8.0 million).
- **Large corporates.** Although the level of insurance penetration within the corporate segment is relatively high compared to retail and SME segments, a combination of favourable Georgian macroeconomic conditions, a good investment climate, stable economic growth and an increase in infrastructure projects will further increase customer demand for insurance products.

Investment rationale
- Significantly underpenetrated insurance market in Georgia (0.8% penetration in property and casualty insurance market).
- Market leader with a powerful distribution network of point of sale and sales agents.

Ownership
The P&C insurance business is 100% owned by Georgia Capital.

Value creation potential
- Compulsory border MTPL effective from 1 March 2018.
- Local MTPL is expected to kick in and provide access to untapped retail casualty and collision insurance market with only 5% existing penetration.
- Increasing footprint in untapped MSME sector, where Aldagi's gross revenues have grown by 42% in 2024 (from GEL 5.6 million to GEL 8.0 million).
- Digitalisation.
- Undisputed leader in providing insurance solutions to corporate clients.

1 Source: ISSSG.

Our Portfolio Overview continued
Private large portfolio companies continued

- **International reinsurance.** The P&C insurance business entered regional reinsurance markets of Armenia and Azerbaijan. Aldagi became the first insurance company on the local market to obtain an international credit rating of bb+ from AM Best. In 2024, AM Best upgraded the outlook of the credit rating from bb+ stable to bb+ positive.

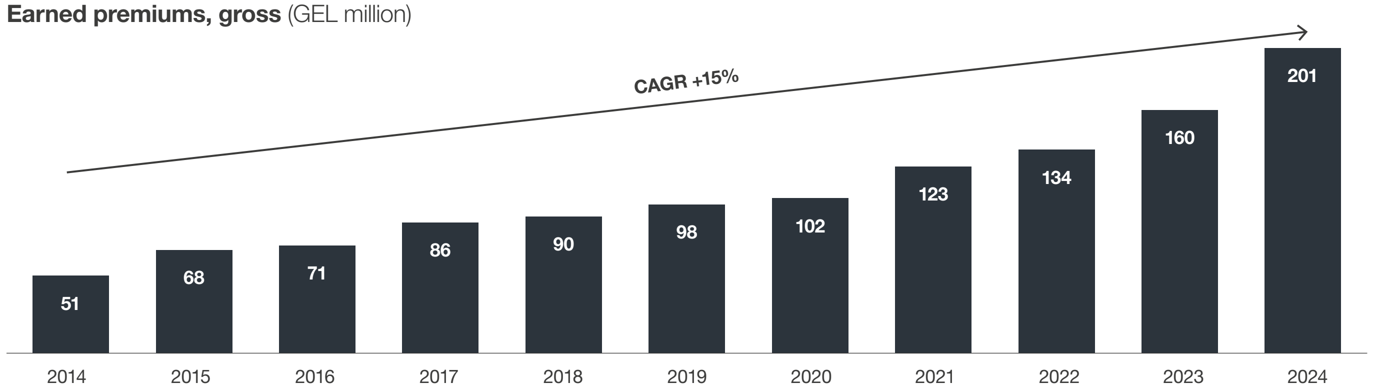
Performance and strategy
2024 was a robust year in terms of revenue growth for the P&C insurance business, up by 27.5%, mainly reflecting the growth in the motor, agricultural and credit insurance lines. Likewise, loss and combined ratios were down by 0.5 ppts and 2.0 ppts, respectively, mainly resulting from an improved loss ratio following a high base in 2023, which saw several abnormal events, including an unprecedented landslide, an unusually high number of hailstorms, and a large property insurance claim. These events together translated into an 31.7% y-o-y increase in the pre-tax profit of the business in 2024.

Aldagi's medium-term strategic focus remains unchanged. The business targets to gain a strategic edge by focusing on underwriting excellence and portfolio profitability backed by five key pillars: 1. Strengthening customer retention; 2. Introducing new digital insurance products; 3. Improving customer experience; Advancing employee recognition; and 5. Getting ready for local MTPL insurance launch.

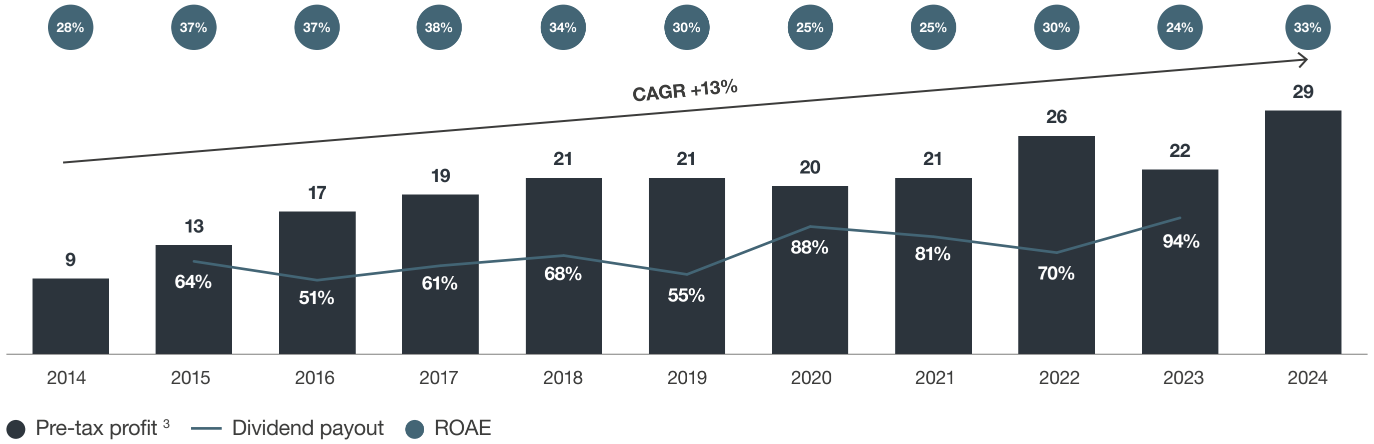
As part of the strategy, Aldagi has the following financial targets through 2025-2028:
- Market share of 25%-30%.
- ROAE of 25%-30%.
- Dividend payout of 50%-80%.
- Combined ratio of 80%-85%.
- Solvency ratio of 170%+.
- Retail concentration of 60%+.

Performance track record[1]

Earned premiums, gross (GEL million)



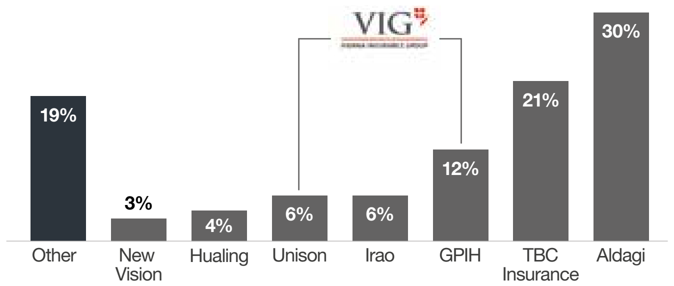
Pre-tax profit and dividend payout ratio[2] (GEL million)



1 Numbers are derived from the business' unaudited IFRS accounts.
2 Calculated based on net income, adjusted for non-recurring items and average equity, adjusted for preferred shares where applicable.
3 Adjusted for non-recurring items.

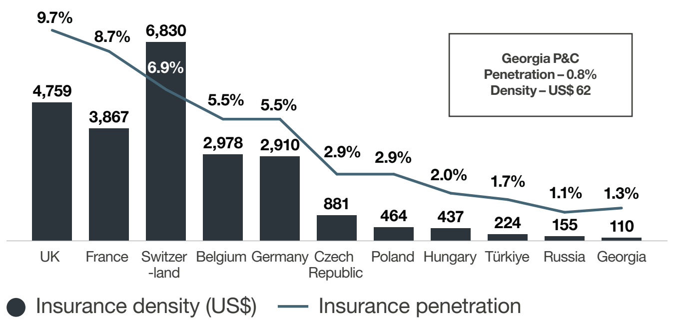
Market opportunity

Market share, YTD Sep-24 gross premiums written



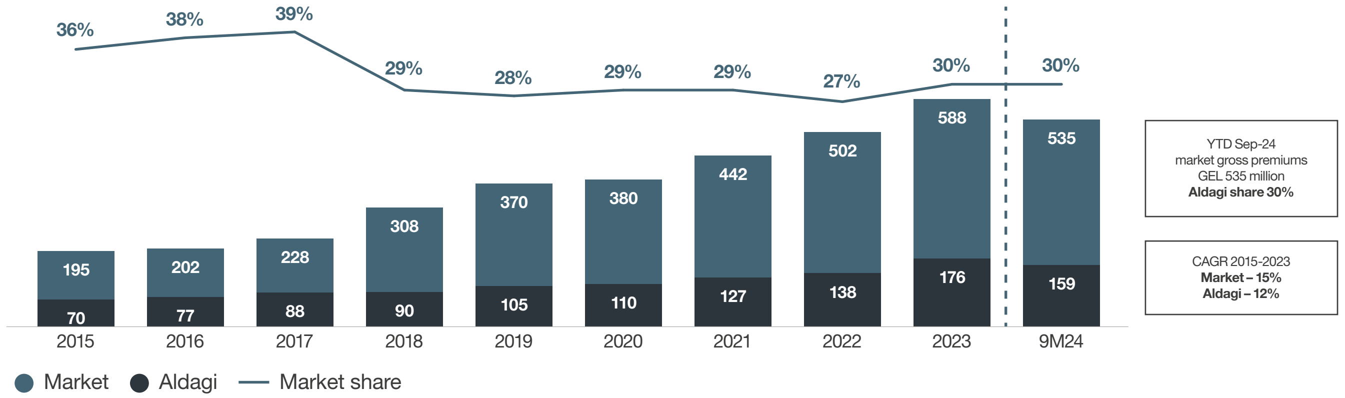
Source: ISSSG

Insurance penetration and density[1]



Source: Swiss Re Institute

Market and Aldagi gross written premiums[2] (GEL million)



Source: ISSSG

Financial metrics[3]

Earned premium, gross (GEL million)
200.9
+25.2% y-o-y

Pre-tax profit (GEL million)
29.0
+31.7% y-o-y

Combined ratio
87.5%
-2.0 ppts y-o-y

Dividend paid to GCAP (GEL million)
18.0
+20.8% y-o-y

ROAE[4]
33.3%
+8.9 ppts y-o-y

Operating metrics

Number of policies written (corporate)
114,620
+0.2% y-o-y

Number of policies written (retail)
248,563
+17.8% y-o-y

Number of claims reported
24,892
-4.0% y-o-y

1 Penetration and density are stated including healthcare insurance (as of latest available data).
2 Calculated in line with the market approach.
3 Numbers are derived from the business' unaudited IFRS accounts.
4 Calculated based on average equity, adjusted for preferred shares.

Our Portfolio Overview continued

Private large portfolio companies continued

Medical insurance

Overview

Our medical insurance business is the largest private health insurer in Georgia, holding a 35% market share based on gross premiums as of September 2024. With a comprehensive distribution network, we offer a diverse range of medical insurance products tailored to Georgian corporates, state entities and retail clients. The business operates under two distinct brands: Imedi L and Ardi. Imedi L serves as a mass-market health insurance provider, while Ardi focuses on the upscale segment, enabling further diversification of our insurance portfolio and unlocking significant financial and strategic synergies.

The Georgian health insurance market remains underpenetrated, with a penetration rate of just 0.5% and insurance density at US$ 48 – substantially lower than in neighbouring countries. Currently, only 20% of the Georgian population holds private medical insurance, highlighting significant growth opportunities and untapped market potential.

Performance and strategy

The significant growth achieved in 2024 reflects a combination of increased insurance policy prices and the positive impact of acquiring the Ardi insurance portfolio in April 2024.

Looking ahead, Ardi will continue to prioritise retail health insurance, with growth driven by higher policy issuance and stable premium adjustments. Enhanced underwriting practices, operational efficiency, and disciplined expense management will further support this momentum.

Imedi L's primary focus will be on increasing brand awareness and introducing new products, strengthening customer relationship management to establish a robust market presence and enhance service quality. A key medium and long-term priority will be the launch of new retail health insurance products to expand the retail portfolio. Additionally, developing multiple distribution channels in health insurance remains a strategic priority for Imedi L.

Strategic investments in technology and branding will play a pivotal role in sustaining growth and enhancing the customer experience across our medical insurance business.

Investment rationale

- Being present in whole healthcare ecosystem for any further potential market structural changes.
- High ROAE-generating business with ample room for the market share growth.

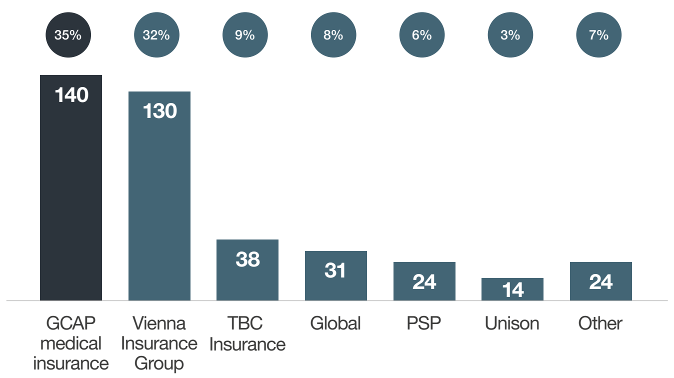
Ownership

The medical insurance business is 100% owned by Georgia Capital.

Value creation potential

- The potential to leverage the significantly increased scale to deliver growth and extract synergies.

Competitive landscape, market share by gross premium[1] (GEL million)



Key focus areas in medium and long term

1 ISSSG as of 30 September 2024.

Performance track record[1]

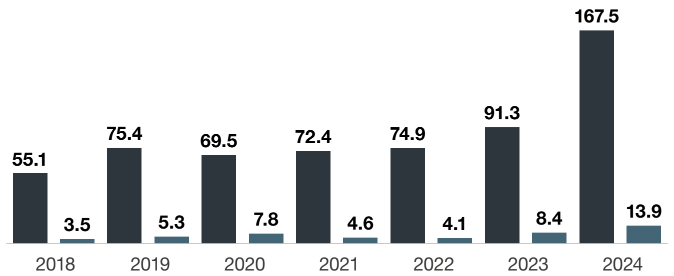
Financial metrics

Metric	Value	Change
Net premiums earned (GEL million)	167.5	+83.4% y-o-y
Combined ratio	93.1%	-1.7 ppts y-o-y
Dividend paid to GCAP (GEL million)	7.4	+47.0% y-o-y
Loss ratio	76.3%	-1.9 ppts y-o-y
Pre-tax profit (GEL million)	13.9	+65.8% y-o-y

Operating metrics

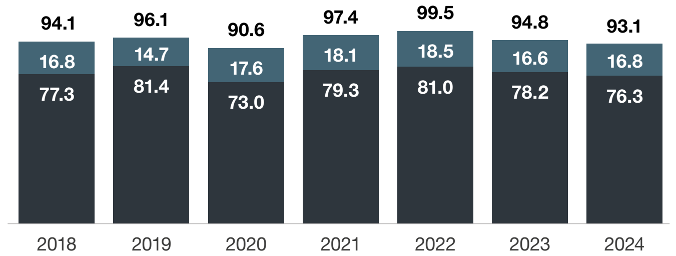
Metric	Value	Change
Number of insured	366,446	+2.2x y-o-y
Renewal rate	83.5%	+1.7 ppts y-o-y

Revenue and pre-tax profit (GEL million)



Revenue Pre-tax profit

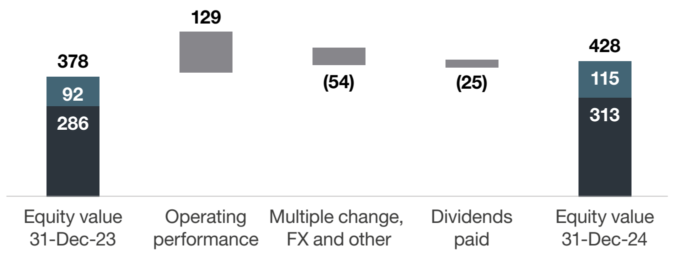
Combined ratio (%)



Loss ratio Expense ratio

Valuation highlights[2]

Value development overview at 31-Dec-24 (GEL million)



P&C Insurance Medical Insurance

Net debt to EBITDA

P&C business peer companies

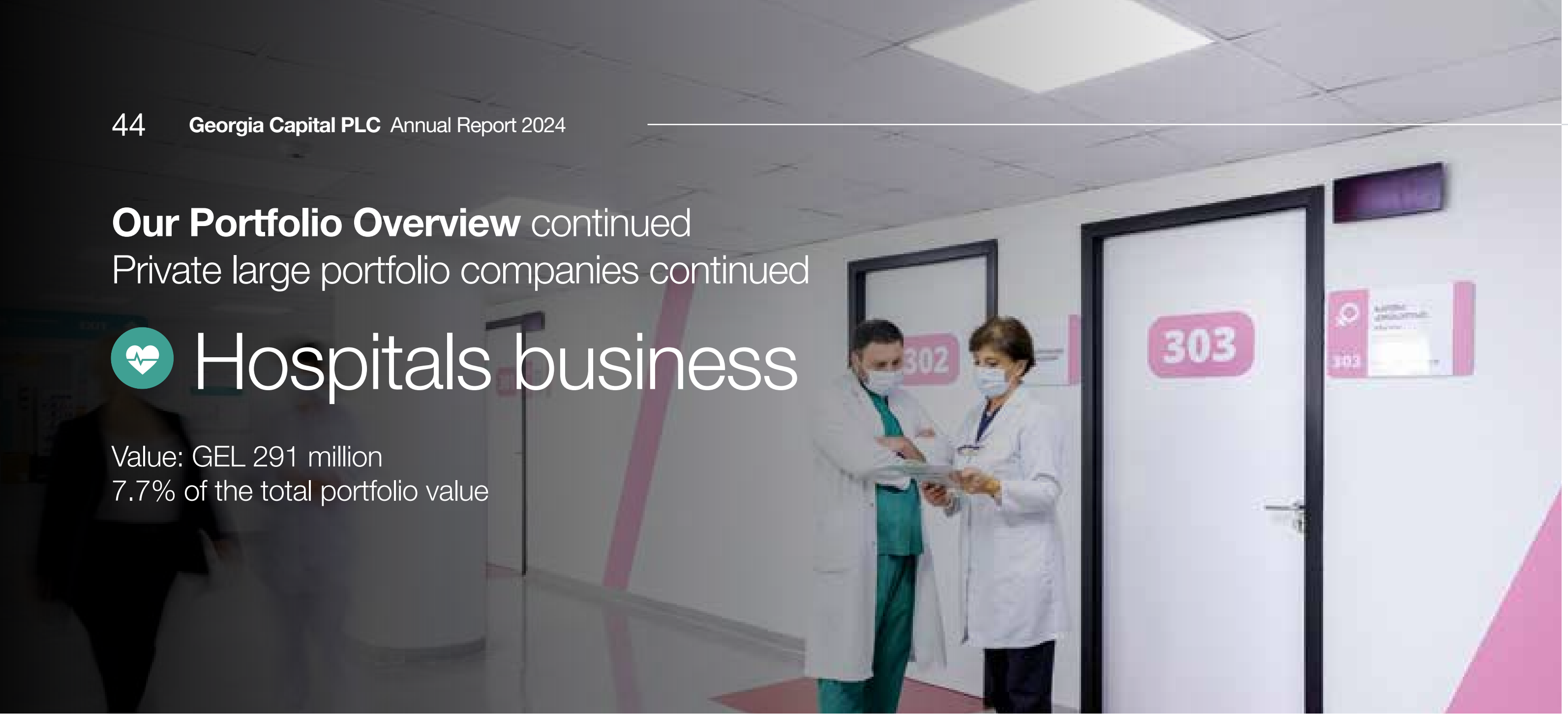
- Dhipaya Insurance | Thailand
- Zavarovalnica Triglav | Slovenia
- Pozavarovalnica Sava | Slovenia
- Aksigorta | Türkiye
- Anadolu Sigorta | Türkiye
- Bao Minh Insurance | Vietnam
- Turkiye Sigorta | Türkiye

Medical insurance business peer companies

- Powszechny Zaklad Ubezpieczen SA | Poland
- Allianz SE | Germany
- UNIQA Insurance Group AG | Austria
- Ageas SA/NV | Belgium

1 Numbers are derived from the business' unaudited IFRS accounts.

2 The detailed valuation overview and related drivers are described on pages 100-117 of this report.



Our Portfolio Overview continued
Private large portfolio companies continued

Hospitals business

Value: GEL 291 million
7.7% of the total portfolio value

Overview
Our hospitals business is the single largest healthcare market participant in Georgia accounting for around 14% of the country's total hospital bed capacity as of 31 December 2024. The business operates 34 healthcare facilities in Tbilisi and regional cities and provides secondary or tertiary-level outpatient and inpatient diagnostic, surgical and treatment services. In order to improve efficiency and seize emerging opportunities stemming from new Georgian Government regulations introduced in 2023, as detailed below, our healthcare business underwent a strategic restructuring in December 2023. The business is now organised into two sub-segments: "Large and Specialty Hospitals", which includes seven healthcare facilities, and "Regional and Community Hospitals", comprising 27 healthcare facilities. Large and Specialty Hospitals and Regional and Community Hospitals represent approximately 75% and 25%, respectively, of the consolidated hospitals business' EBITDA.

Performance and strategy
Despite being impacted by a number of regulatory changes in the healthcare sector, the performance of our hospitals businesses in 2024 was strong. The business demonstrated a 6.0% and 19.6% y-o-y revenue and EBITDA growth, respectively, indicating its gradual return to normal operational levels following the completion of mandatory renovations across all hospitals, alongside increased demand for high-margin outpatient services.

To address the oversupply of beds and enhance the quality of the healthcare industry in Georgia, the Georgian Government introduced a new facility regulation, effective from September 2023. This regulation established upgraded standards for healthcare facilities and imposed minimum requirements for space allotted per hospital bed. In order to adapt to the new standards, our hospitals business initiated a number of renovation projects in all of its facilities in 2023 and 2024. This resulted in certain sections of our healthcare facilities being temporarily closed and unable to accept patients. The capex investment for the renovation projects amounted to GEL 11.3 million in 2023 and GEL 10.2 million in 2024.

In 2024, the Georgian Government introduced changes to the Diagnosis Related Group (DRG) financing system by incorporating a co-payment component into the universal healthcare programme. This adjustment allows patients to pay out-of-pocket for additional services not covered within the existing pricing framework. These changes are expected to enhance both profitability and the quality of healthcare services beginning in 2025.

From an operational performance perspective, the business is focusing on improving the capacity utilisation of hospitals, increasing patient and employee satisfaction across the chain, and driving efficiency through digitalisation of clinical processes.

These, together with the improved cash flow generation, the introduction of co-payments to the DRG system and allocating resources to high ROIC-generating investments, will help the business to achieve its goal to generate mid-teens CAGR in EBITDA over the coming five years that is expected to support a 13%+ ROIC in the medium to long term.

From a clinical perspective, the business continues to grow a new generation of doctors and nurses, while building robust clinical quality management processes. The medium-term goals remain knowledge and expertise advancement through education and professional development of our physicians and nurses.

Investment rationale
- Very low base: healthcare services spending per capita only c.US$ 300 (EU average is c.US$ 3,300).
- Growing market: healthcare spending growth estimated at 8% CAGR 2018-2024.
- In-depth knowledge of the local market: strong business management team with proven track record.

Ownership
Georgia Capital owns 100% of the hospitals business as at 31 December 2024 (31 December 2023: 100%).

Value creation potential
- Increase in revenue from elective care and outpatient services, which have higher margins and faster cash collection periods.
- Extracting efficiencies and enhancing operational flexibility through a more concentrated strategy post-restructuring.

Quality assurance through the introduction and improvement of various activities and processes at hospitals remains a top priority for us so that the business delivers better care to its patients.

Going forward, the business strategy and key focus will be on increasing revenues from elective care and outpatient services, which are not subject to the state funding. These services have higher margins and considerably faster cash collection periods. Considering that Large and Specialty Hospitals are located in Tbilisi and major regional cities, they are strategically placed for and have positive prospects of increasing the flow of out-of-pocket as well as privately insured patients. Elective care and outpatient services tend to have a considerably higher share of such patients.

Key focus areas in medium and long term

1	Adding new services and strategic projects	• Elective care services, outpatient services, oncology centre, transplantology centre and clinical trials
2	Quality projects	• Nursing reform • Quality education programmes
3	Digitalisation of clinical processes	• Automation of clinical processes • Digitalisation of clinical KPIs • Use of statistical methods
4	Improve key operational data	• Inpatient • Outpatient • Clinical • Employee and customer satisfaction

Five-year financial targets

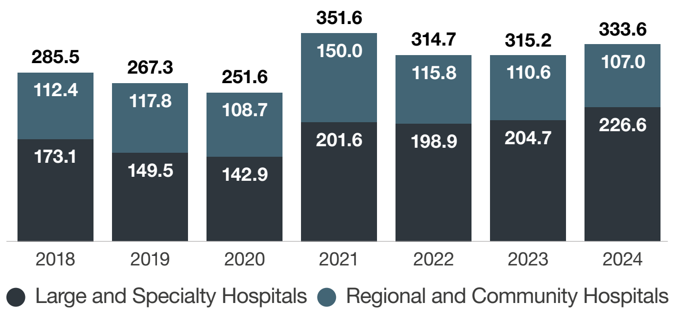
EBITDA CAGR 10%+

EBITDA to operating cash c.85%+

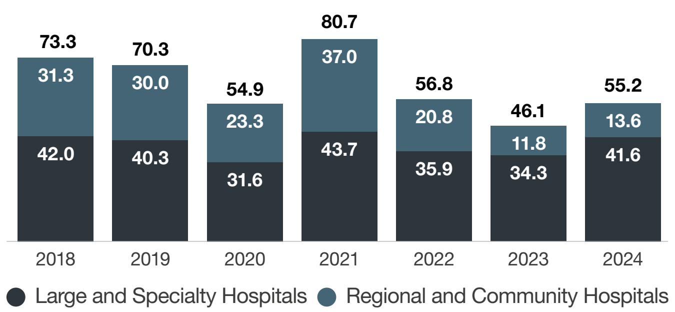
ROIC c.13%+

Performance track record[1]

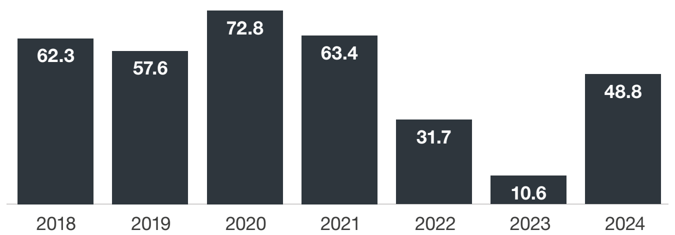
Net revenue[2] (GEL million)



EBITDA (excl. IFRS 16) (GEL million)



Operating cash flow (excl. IFRS 16) (GEL million)

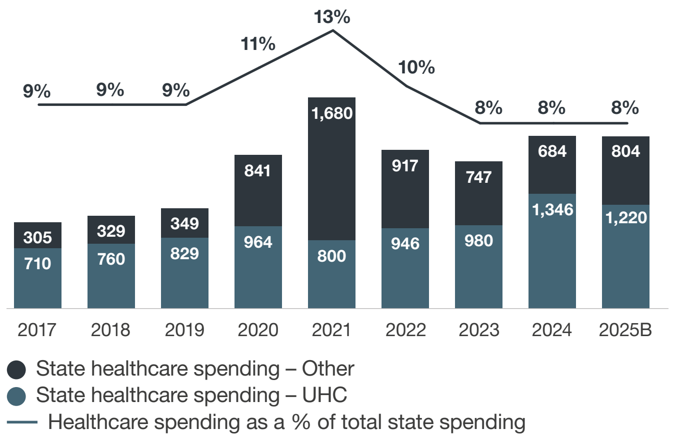


1 Numbers are derived from the business' unaudited IFRS accounts.
2 Total revenue excludes eliminations between Large and Specialty Hospitals and Regional and Community Hospitals.

Our Portfolio Overview continued
Private large portfolio companies continued

Market opportunity

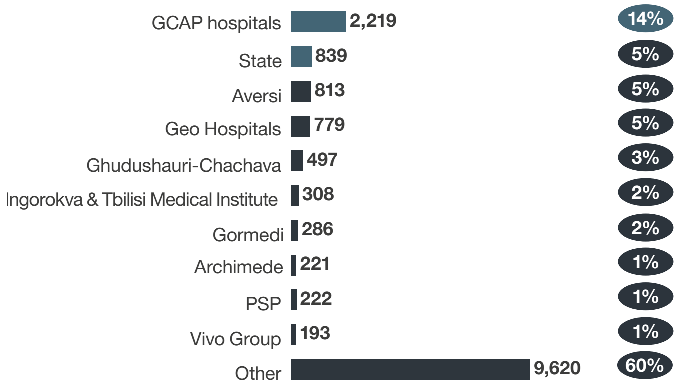
State healthcare spending dynamics (GEL million)



Source: Ministry of Finance Georgia

- Georgian Government spending on healthcare accounts to c.8% of total budget in 2025.

State healthcare spending dynamics (GEL million)

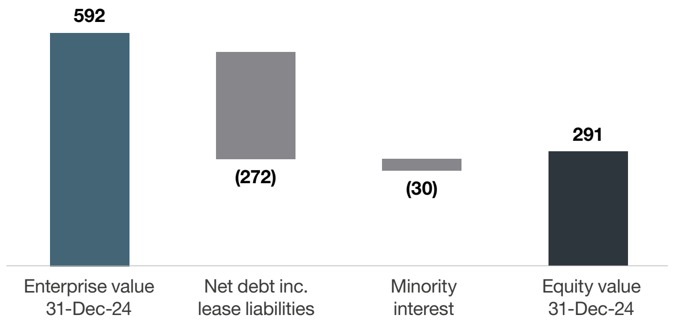


Source: Ministry of Finance Georgia

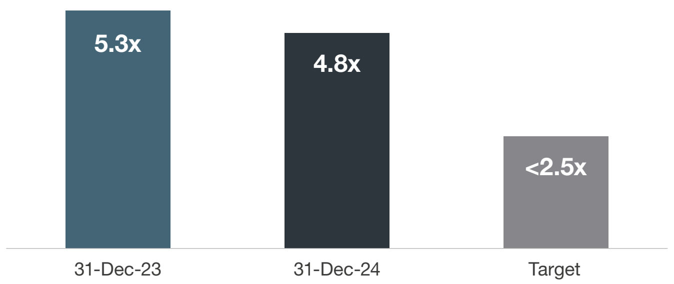
- The largest healthcare service provider in Georgia: 14% market share by number of hospital beds.
- Covering three-quarters of Georgia's population.

Valuation highlights[1]

Value development overview at 31-Dec-24 (GEL million)



Net debt to EBITDA (excl. IFRS 16)



Implied multiple highlights at 31-Dec-24

LTM EV/EBITDA

10.5x

-3.3x y-o-y

Peer companies
- Medicover AB | Sweden
- EMC Instytut Medyczny SAEMC SA | Poland
- Med Life S.A. | Romania
- Netcare Limited | South Africa
- MLP Saglik Hizmetleri A.S. | Türkiye
- Life Healthcare Group Holdings Limited | South Africa

1 The detailed valuation overview and related drivers are described on pages 100-117 of this report.

Financial metrics[1]

Net revenue (GEL million)	EBITDA excluding IFRS 16 (GEL million)	EBITDA margin excluding IFRS 16	Net debt excluding IFRS 16 (GEL million)
332.7	55.2	16.3%	263.2
+6.0% y-o-y	+19.6% y-o-y	+1.8 ppts y-o-y	+13.4% y-o-y

Operating cash flow excluding IFRS 16 (GEL million)	EBITDA to cash conversion excluding IFRS 16	Free cash flow excluding IFRS 16 (GEL million)
48.8	88.5%	25.5
NMF	+65.5 ppts y-o-y	NMF

Operating metrics

Large and Specialty Hospitals

Number of facilities	Number of beds	Revenue per bed (GEL)	Occupancy rate
7	1,165	194.5	66.5%
			+13.0 ppts y-o-y

Regional and Community Hospitals

Number of facilities	Number of beds	Number of registered patients	Occupancy rate
27	1,054	370,528	58.1%
		+5.8% y-o-y	+13.8 ppts y-o-y

1 Numbers are derived from the business' unaudited IFRS accounts.

Our Portfolio Overview continued
Private investment stage portfolio companies

Renewable energy

Value: GEL 253 million
6.7% of the total portfolio value

Overview
Our renewable energy business represents a leading platform for developing and operating HPPs and wind power plants (WPPs) across the country. The business operates commissioned renewable assets with 71MW installed capacity in aggregate and with average capacity factors of more than 40%: 30MW Mestiachala HPP, 20MW Hydrolea HPPs and 21MW Qartli WPP. 30MW Mestiachala HPP was developed and constructed by the renewable energy business, while the latter two assets represent successful acquisitions made by the business at the end of 2019. 83% of the installed capacity of our power plants (all but 12.3MW of our Hydrolea HPPs) benefit from long-term power purchase agreements (PPAs) formed with the Georgian Government-backed entity, resulting in predictable dollar-linked cash flows, as PPAs, as well as market sales, are denominated in US Dollars. The renewable energy business is wholly-owned by Georgia Capital.

The renewable energy business aims to capitalise on favourable electricity market conditions in Georgia, on the back of the ongoing reforms, leading to a more liquid, competitive and transparent market. Following the electricity market deregulation in 2019, the Government of Georgia adopted a new electricity market model concept in 2020, creating the path towards launching DAM and IDM trading markets in the coming years. As a part of reforms, the first stage of the IDM and DAM was launched in July 2024. Overall, the renewable energy business expects planned reforms in the Georgian electricity market to have a further positive impact on electricity sales prices.

Performance and strategy
Revenue from electricity sales increased (up 11.3% y-o-y) and stood at US$ 16.1 million, reflecting the combination of a) the resumption of operations of two power-generating units of Hydrolea HPPs, which were taken offline between November 2022 to June 2023 due to previously planned phased rehabilitation works and b) a 0.3% y-o-y increase in the average selling price of 57.0 US$/MWh. The operating expenses were well-controlled, down 1.5% y-o-y in FY24. Consequently, EBITDA increased by 16.4% y-o-y to US$ 12.1 million. During the year, the business made US$ 4.5 million dividend distribution to Georgia Capital.

The renewable energy business plans to develop 194MW installed capacity power plants in the medium term: Zoti HPP (46MW), Tbilisi and Kaspi WPPs (130MW) and Darchi HPP (18MW). The business aims to establish a renewable energy platform with growing dollar-linked cash flows and solid profitability, expected to enable it to sponsor steadily increasing dividend payouts while progressing against its medium-term strategic priorities:
- Robust profitability with ~80% EBITDA margin.
- ~100% EBITDA to cash-conversion rate.

Investment rationale
- Favourable supply-demand dynamics pushing the power prices up.
- Ongoing gradual electricity market reforms leading to a liquid, competitive and transparent market.
- Favourable mix of merchant sales and Georgian Government PPAs, providing high visibility and significant upsides in cash flows.
- Natural cash flow hedge with fully dollarised revenues.
- Inherently green projects aligned with the international best practices of environmental and social standards.

Ownership
The renewable energy business is 100% owned by Georgia Capital.

Value creation potential
- Opportunity to establish a renewable energy platform with up to ~270MW installed capacity over the medium term and capitalise on favourable electricity market conditions.
- Diversified portfolio of HPPs and WPPs with c.40%+ capacity factors, benefiting from long-term fixed price PPAs formed with the Georgian Government-backed entity.
- Availability of competitive green funding from both international and local financial markets.
- High margins and dollar-linked cash flows.
- Stable dividend provider capacity in the medium term.

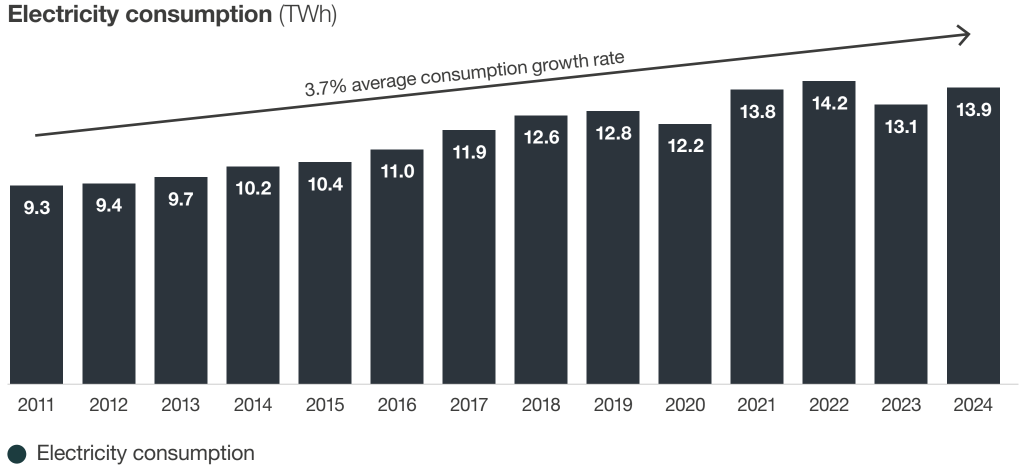
Renewable energy projects overview

Commissioned/acquired projects	Installed capacity, MW	Capacity factor	PPA expiration	PPA tariff, US¢/kWh
Mestiachala HPP	30.0	40%	1H34	5.5
Hydrolea HPPs	20.4	70%	2H28	5.7
Qartli Wind Farm	20.7	47%	2H29	6.5
Total operating	**71.1**			
Pipeline projects				
Zoti HPP	46.0	43%	TBD	5.1
Darchi HPP	18.0	60%	TBD	5.7
Tbilisi Wind Farm	50.0	39%	TBD	TBD
Kaspi Wind Farm	80.0	38%	TBD	TBD
Total pipeline	**194.0**			
Total	**265.1**			

Note 1: Mestiachala HPP was commissioned in 1H19; Qartli Wind Farm and Hydrolea HPPs were acquired in 2H19 by GCAP.
Note 2: PPA terms for Tbilisi and Kaspi Wind Farms are under the discussion with the Government of Georgia.
Note 3: Only one out of three Hydrolea HPPs has an active PPA contract.

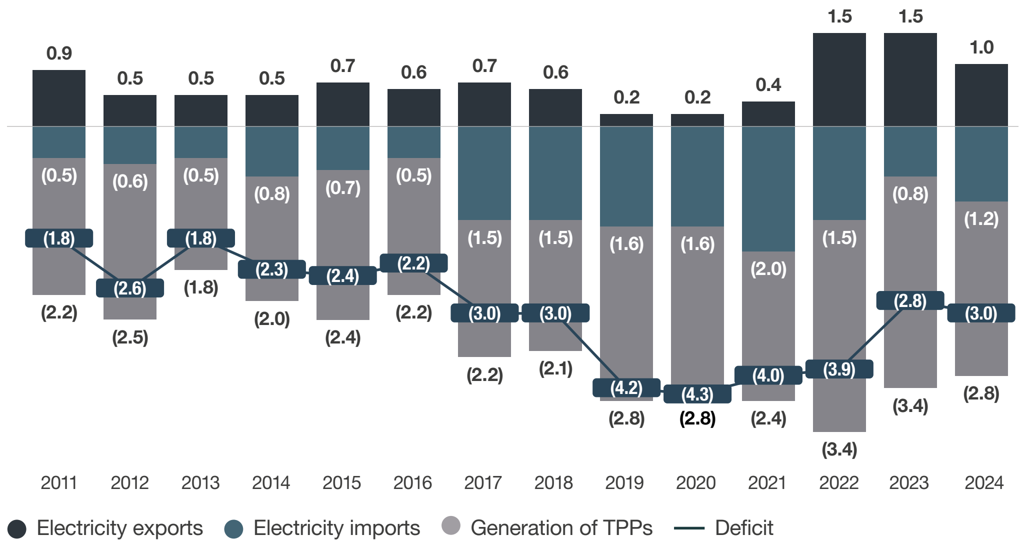
Market opportunity

Electricity consumption (TWh)



- 20.3% of total consumption produced by gas-fired thermal power plants (TPPs), 8.9% imported.
- In 2024 weighted average ESCO balancing price reached US$ 55.7/MWh, up by 5.1% y-o-y.

Electricity import and export dynamics (TWh)



- 2024 net electricity deficit stood at 3.0TWh, whereas in 2010, electricity surplus was at 0.6TWh.
- Renewable energy business managed to capitalise on the opportunity and directly exported 38GWh of electricity to Türkiye.

Our Portfolio Overview continued

Private investment stage portfolio companies continued

Financial metrics[1]

Revenue (US$ million)
16.1
+11.3% y-o-y

EBITDA margin
75.1%
+3.3 ppts y-o-y

Dividend paid to GCAP (US$ million)
4.5
+2.3x y-o-y

EBITDA (US$ million)
12.1
+16.4% y-o-y

Operating cash flow (US$ million)
12.3
+24.7% y-o-y

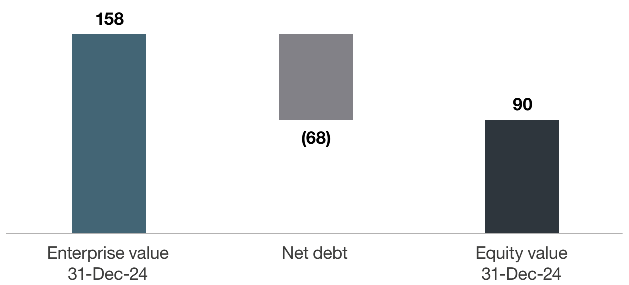
Operating metrics

Electricity generation (kWh million)
282.0
+11.0% y-o-y

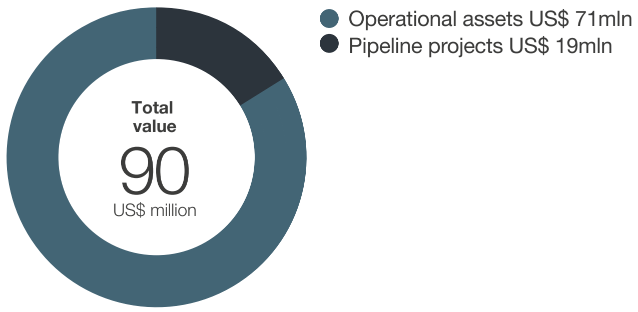
Average electricity sales (price per USc/MWh)
57.0
+0.3% y-o-y

Valuation highlights[2]

Value development overview at 31-Dec-24 (US$ million)

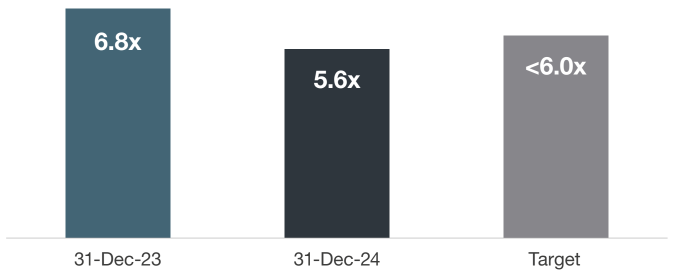


Equity fair value composition at 31-Dec-24



US$ million, unless otherwise noted	31-Dec-24	31-Dec-23	Change
Enterprise value (EV)	158.2	169.6	(11.4)
LTM EBITDA	12.4	12.0	0.4
Implied EV/EBITDA[3] multiple	11.3x	12.6x	(1.3x)
Investments at cost (EV)[4]	18.1	19.5	(1.4)
Net debt	(68.2)	(70.5)	2.3
Equity fair value	90.0	99.1	(9.1)

Net debt to EBITDA[5]



Peer companies

- BCPG Public Company Limited | Thailand
- ERG S.p.A | Italy
- Polenergia S.A. | Poland
- Terna Energy Societe Anonyme | Greece

1 Numbers are derived from the business' unaudited IFRS accounts.
2 The detailed valuation overview and related drivers are described on pages 100-117 of this report.
3 Implied EV/EBITDA is calculated based on normalised LTM EBITDA.
4 Investments at cost include the pipeline projects.
5 Ratio is calculated in US$ terms.

Education business

Value: GEL 182 million
4.8% of the total portfolio value

Overview

Georgia Capital's education business is the largest player in the private K-12 market in Georgia with 9.4% market share. Our business is managed with a partnership model and combines majority stakes in four private school brands operating across seven campuses, acquired in 2019-2023: British-Georgian Academy (the leading school in the premium segment), British International School of Tbilisi (the leading school in the international segment), Buckswood International School (well-positioned in the mid-scale segment) and Green School (the leading school brand in the affordable segment). The schools have a comprehensive offering of academic programmes, including the Georgian National Curriculum, the International Baccalaureate and Cambridge International programmes. The annual tuition fees for these programmes range from US$ 2,500 to US$ 19,900 across all four segments and grades.

Our education business has expanded from the capacity in 2019 of 2,810 learners to 8,095 learners in 2024 through 1) expansion of existing campuses (1,660 learner capacity), 2) acquisition of operating schools and real estate (3,000 learner capacity) and 3) greenfield projects (625 learner capacity). Currently, there are 6,549 learners at all seven campuses.

The private education market's revenues across kindergarten to 12th grade in Georgia have grown at 10% CAGR over the decade. Currently, there are c.70,300 learners in private schools in Georgia, representing 11% of the total general education market. The private general education market enjoys growth in enrolments with a CAGR of 3% over the last ten years and rising average tuition fees with a CAGR of 7% over the same period.

Management expects that the private general education market will continue to increase in value in short to medium-term, driven by factors such as the large gap in quality in public schools as compared to private schools, growing household income and a decreasing unemployment rate. Georgia has a relatively low average annual spending per K-12 learner, creating further room for growth together with globally trending demand for private K-12 education. The private education sector, previously impacted by reduced demand during the COVID-19 pandemic, is now experiencing a notable rebound, offering an additional boost to market growth.
The private general education market in Georgia is currently very fragmented with an increasing average school size and 13% fewer schools over the last decade. Currently, Georgia Capital is the largest player on the market with a 9.4% market share in terms of learners, while the second largest player holds 2.3%. Only 5% of private schools have 1,000+ learners, while 64% have less than 300 learners.

Our business, as the leading private K-12 education institution in Georgia, is ideally positioned to leverage the expanding and consolidating private education market.

Performance and strategy

The business has expanded in 2024 through 1) the increase in learner capacity by 225 learners in the mid-scale segment as a result of the expansion of the new campus launched in 2023 and 2) the capacity expansion of two campuses in the affordable segment with 420 and 180 learners, respectively (600 learner capacity in total).

All seven campuses have a combined utilisation rate of 80.9% compared to 80.2% last year, taking into account the new capacity addition of 825 learners in mid-scale and affordable segments in 2024. We expect the utilisation rate to stabilise at 85%+ in the following years.

1st grader enrolments in the 2024-2025 academic year have remained strong at 887 learners with 2% growth y-o-y from 873 learners translating into 96.5% utilisation rate.

Investment rationale

- Highly fragmented general education market with consolidation opportunity.
- Market with strong growth potential.
- Low dependency on the Georgian Government.
- High resilience to crisis.
- Predictable and sticky revenue.
- Strong profitability.
- Capex efficient business.
- High trading multiples.
- Positive ESG impact.

Ownership

Majority stakes (70%-90%) across different schools.

Value creation potential

- Scaling up to the capacity of 22,000 learners through expansion plans in existing schools, greenfield projects and M&As in short to medium-term.
- Strong organic growth at existing schools is expected to drive solid growth in run-rate EBITDA, on top of expansion plans and M&As.
- Stable dividend provider capacity in the medium term.

Our Portfolio Overview continued
Private investment stage portfolio companies continued

Strong intakes and ramp-up of utilisation in existing campuses, facilitated 22.9% growth in revenue. However, expansion of the business in mid-scale and affordable segments, that are in early ramp-up period, translated in lower EBITDA margin. On the other hand, EBITDA saw growth by generating GEL 16.6 million in FY24.

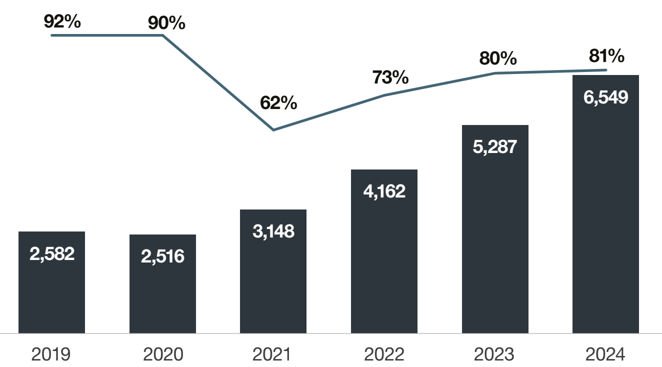
Average cash collection rates remained at last year's levels and were in line with the schools' cash collection policies. This combined with enhanced revenue streams, resulted in operating cash flow generation in the business being up by 29.6% y-o-y in FY24.

The business has a strong platform to facilitate growth, strengthen its position as the leading integrated education player and scale up the capacity to 22,000 learners in short to medium-term. To achieve this objective, GCAP plans to make a new equity investment of US$ 18 million over the next few years.

	Short to medium-term targets	Currently
EBITDA (GEL million)	50	17
EBITDA margin	40%+	24%
Equity value	GEL 500 million	GEL 182 million
ROIC	20%+	13%+
Built learner capacity	22,000	8,095

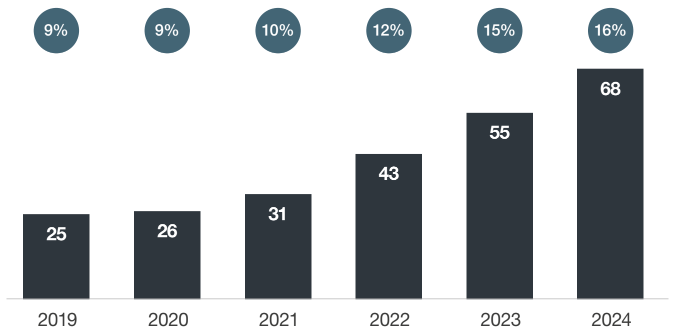
Performance track record[1]

Number of learners and utilisation rate



Number of learners — Utilisation rate

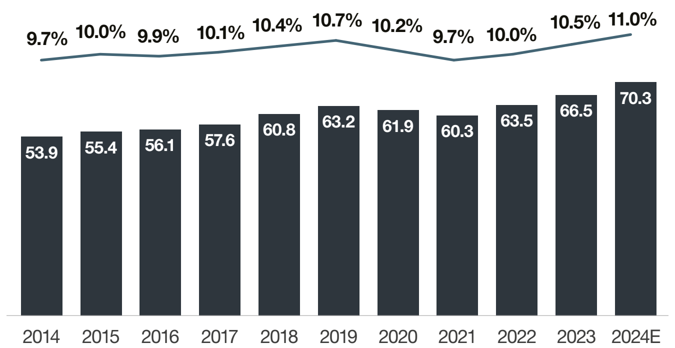
Total revenue generated by GCAP's education business and market share by revenue



Revenue (GEL million) Market share by revenue

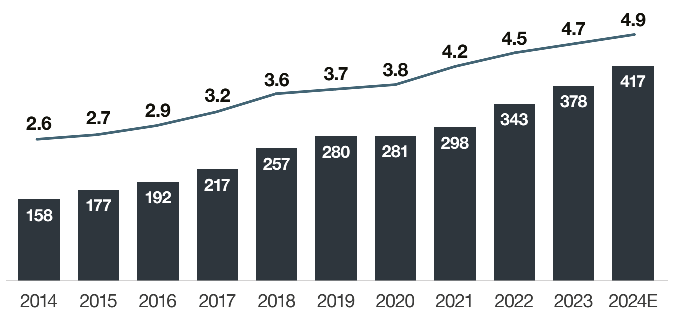
Market opportunity

Number of learners in private K-12 market



Number of private learners (thousands)
— % of total number of learners

Turnover of private K-12 market



Total revenue (GEL million)
— Revenue per learner (GEL thousands)

1 Numbers are derived from the business' unaudited IFRS accounts.

Financial metrics[1]

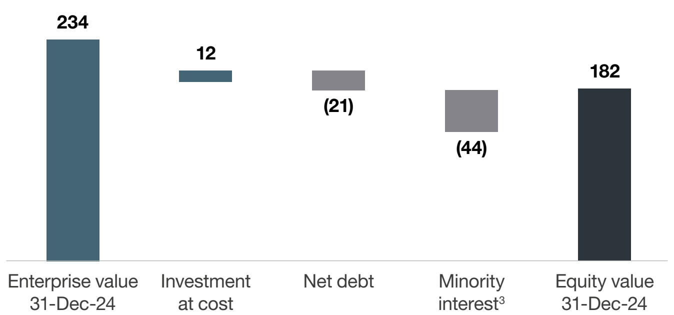
Revenue (GEL million)	EBITDA (GEL million)	EBITDA margin	Operating cash flow (GEL million)
68.2	16.6	24.4%	22.5
+22.9% y-o-y	+15.1% y-o-y	-1.6 ppts y-o-y	+29.6% y-o-y

Operating metrics

Capacity utilisation	Number of learners	Learner to teacher ratio
80.9%	6,549	7.9x
+0.7 ppts y-o-y	+12.4% y-o-y	NMF

Valuation highlights[2]

Value development overview at 31-Dec-24 (GEL million)



Net debt to EBITDA

GEL million, unless otherwise noted	31-Dec-24	31-Dec-23	Change
Enterprise value (EV)	234.4	228.8	5.6
LTM EBITDA[4]	18.4	13.7	4.7
Implied EV/EBITDA multiple	12.8x	16.7x	(3.9x)
Net debt	(20.7)	(16.5)	(4.2)
Investments at cost	12.3	30.5	(18.2)
Total equity value of GCAP's share	181.6	189.2	(7.6)

Peer companies

- SISB Public Company Limited | Thailand
- Curro Holdings Limited | South Africa
- Overseas Education Limited | Singapore
- Cairo For Investment & Real Estate Development S.A.E | Egypt
- Cogna Educação S.A. | Brazil
- ADvTECH Limited | South Africa

1 Numbers are derived from the business' unaudited IFRS accounts.
2 The detailed valuation overview and related drivers are described on pages 100-117 of this report.
3 GCAP has different ownership stakes across schools (70%-90%).
4 LTM EBITDA used for valuation purposes includes functional currency adjustment in schools where applicable.

Our Portfolio Overview continued
Private investment stage portfolio companies continued

Clinics and diagnostics

Value: GEL 123 million
3.3% of the total portfolio value

Overview
Following the strategic restructuring of our healthcare businesses, as detailed in the hospitals business overview on page 44, our clinics and diagnostics business currently comprises two segments: clinics (16 polyclinics) and diagnostics (one diagnostic centre). Polyclinics are located in Tbilisi and major regional cities and provide basic and full-scale outpatient diagnostic and treatment services. The business is the leader in the outpatient market with a 13% market share by number of registered patients.

The diagnostics business was launched in 2018 by opening the largest laboratory in the entire Caucasus region – "Mega Lab". The multi-disciplinary laboratory, equipped with the latest infrastructure and state-of-the-art technology, covers 7,500 square metres. In addition to basic laboratory tests, Mega Lab offers complex tests for oncology and molecular lab, some of which have never been available in Georgia and for which blood samples used to be sent abroad. In July 2022, Mega Lab received the Joint Commission International ("JCI") accreditation. JCI, the highest healthcare accreditation body in the US, ensures the correct management of clinical processes. Its goal is to continuously improve the quality and safety of patient care. Mega Lab is the first laboratory in the Caucasus region with JCI accreditation and 38th worldwide.

Performance and strategy
The clinics business has been growing rapidly with 23%+ revenue CAGR and 24%+ EBITDA CAGR over 2019-2024, despite a growth slowdown during the COVID-19 pandemic in 2020. The business has a solid track record of scaling its operations and gaining market share through profitable growth and margin increase.

Our diagnostics business has also been growing rapidly, with 34%+ revenue CAGR over 2019-2024. The business added two new blood collection points in 2024 and invested in marketing and brand image to capitalise on significantly increased brand awareness during the COVID-19 pandemic.

The share of state-funded revenues in clinics is c.25%. The business strategy is centred on acquiring patients to enhance the utilisation of existing facilities. Additionally, considering ample space for additional facilities, the business aims to inaugurate new clinics annually and targets a 15%+ EBITDA CAGR over the next three to five years. Moving forward, the clinics business will continue to expand its base of registered customers, extend the availability of medical and personal care services, and develop remote channels such as a call centre, while refining the existing app to offer greater customer convenience and an improved user experience.

The diagnostics business will focus on increasing its utilisation (currently at c.60%) through expansion of its retail chain, attracting more B2B contracts and adding new services and technologies such as next generation sequencing, while from a clinical perspective, the business will continue to provide the highest standards of clinical processes, and in the long term become a platform for education through an accredited training centre, residency programme and scientific research and studies centre.

The business targets to deliver a combined EBITDA of c.GEL 25-30 million over the coming five years.

Investment rationale
- Very low base: Georgia still lags most of the developed countries in terms of the number of outpatients visits per capita – at 4.0 (c.6.0 in Europe).
- Low healthcare expenditure by the population on primary healthcare: GDP growth will result in higher expenditure on primary healthcare.

Ownership
Georgia Capital owns 100% of the clinics and diagnostics business as of 31 December 2024 (100% as of 31 December 2023).

Value creation potential
- The single largest participant with 13% by number of registered patients (next competitor has 11% market share) with a cost advantage due to the scale of operations.
- High-growth potential is driven by an increase in patient awareness of the importance of primary healthcare.
- High-growth potential is driven by market consolidation through chain expansion, adding new services and increasing the customer base.

Key focus areas in medium and long term

Clinics

1. Adding new services
   - Expansion of medical and personal care service presence
2. Geographic expansion
   - Adding new polyclinics and lab retail points
3. Developing distance channels
   - Best user experience
4. Adding customer base
   - Increased convenience and quality, increasing number of registered patients; increasing provider insurance companies and corporate client base

Diagnostics

1. Expansion of retail
   - Number of retail branches: c.15 in Georgia; tapping neighbouring countries
2. Attract B2B contacts
   - Total number of tests performed: c.5 million annually
3. Digitalisation

Five-year financial targets

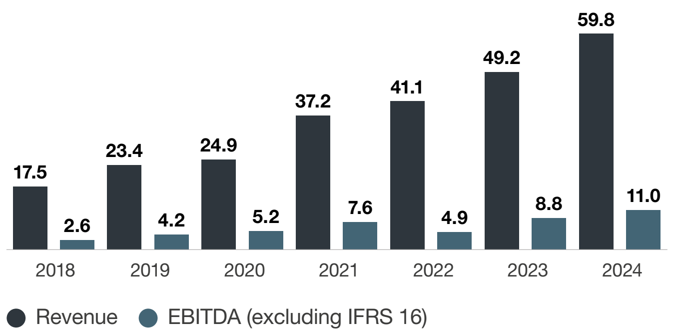
Clinics:
- Double-digit revenue CAGR
- EBITDA c.GEL 30+ million
- ROIC c.13%+

Diagnostics:
- Double-digit revenue and EBITDA CAGR
- ROIC c.20.0%+

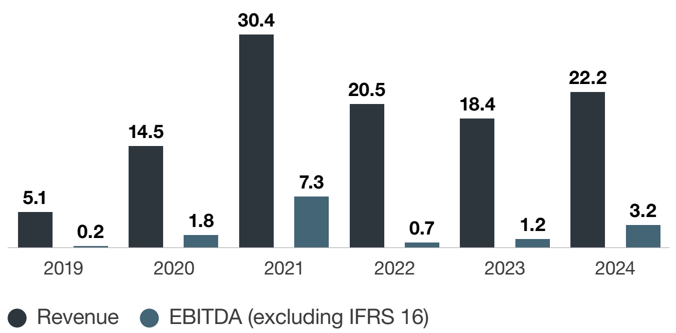
Combined:
- Double-digit revenue CAGR
- EBITDA c.GEL 25+ million

Performance track record[1]

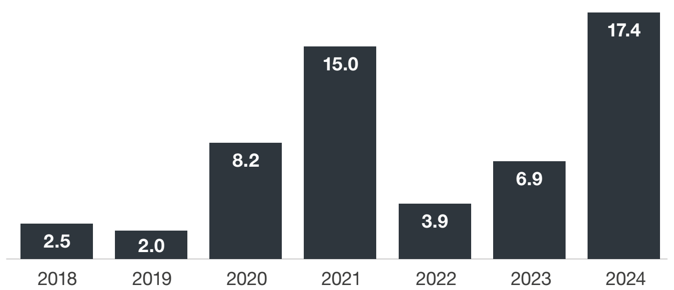
Net revenue and EBITDA (excl. IFRS 16) – clinics[2] (GEL million)



Net revenue and EBITDA (excl. IFRS 16) – diagnostics (GEL million)



Operating cash flow (excl. IFRS 16) – clinics and diagnostics (GEL million)



1 Numbers are derived from the business' unaudited IFRS accounts.
2 2023 EBITDA excludes the gain of GEL 2.9 million from the sale of one of the polyclinics buildings in 2023.

Our Portfolio Overview continued

Private investment stage portfolio companies continued

Financial metrics[1]

Net revenue (GEL million)	EBITDA excluding IFRS 16 (GEL million)	EBITDA margin excluding IFRS 16	Net debt excluding IFRS 16 (GEL million)
74.5	14.2	19.0%	32.1
+20.7% y-o-y	+41.8% y-o-y	+2.9 ppts y-o-y	-10.2% y-o-y

Operating cash flow excluding IFRS 16 (GEL million)	EBITDA to cash conversion excluding IFRS 16	Free cash flow excluding IFRS 16 (GEL million)
17.4	122.7%	7.7
NMF	+53.7 ppts y-o-y	-26.5% y-o-y

Operating metrics – clinics

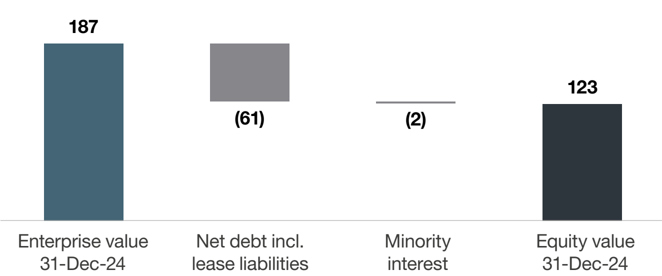
Number of facilities	Number of registered patients
16	394,294
NMF	-2.9% y-o-y

Operating metrics – diagnostics

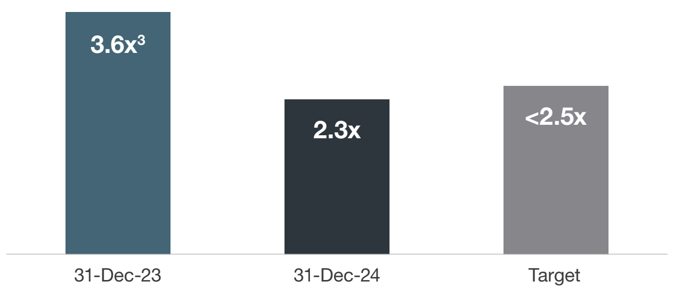
Number of patients served (thousands)	Number of tests performed (thousands)	Average revenue per test (GEL)	Average number of tests per patient
808	2,712	8.2	3.4
+3.7% y-o-y	+9.3% y-o-y	+10.3% y-o-y	+5.4% y-o-y

Valuation highlights[2]

Value development overview at 31-Dec-24 (GEL million)



Net debt to EBITDA (excl. IFRS 16)



LTM EV/EBITDA[3]

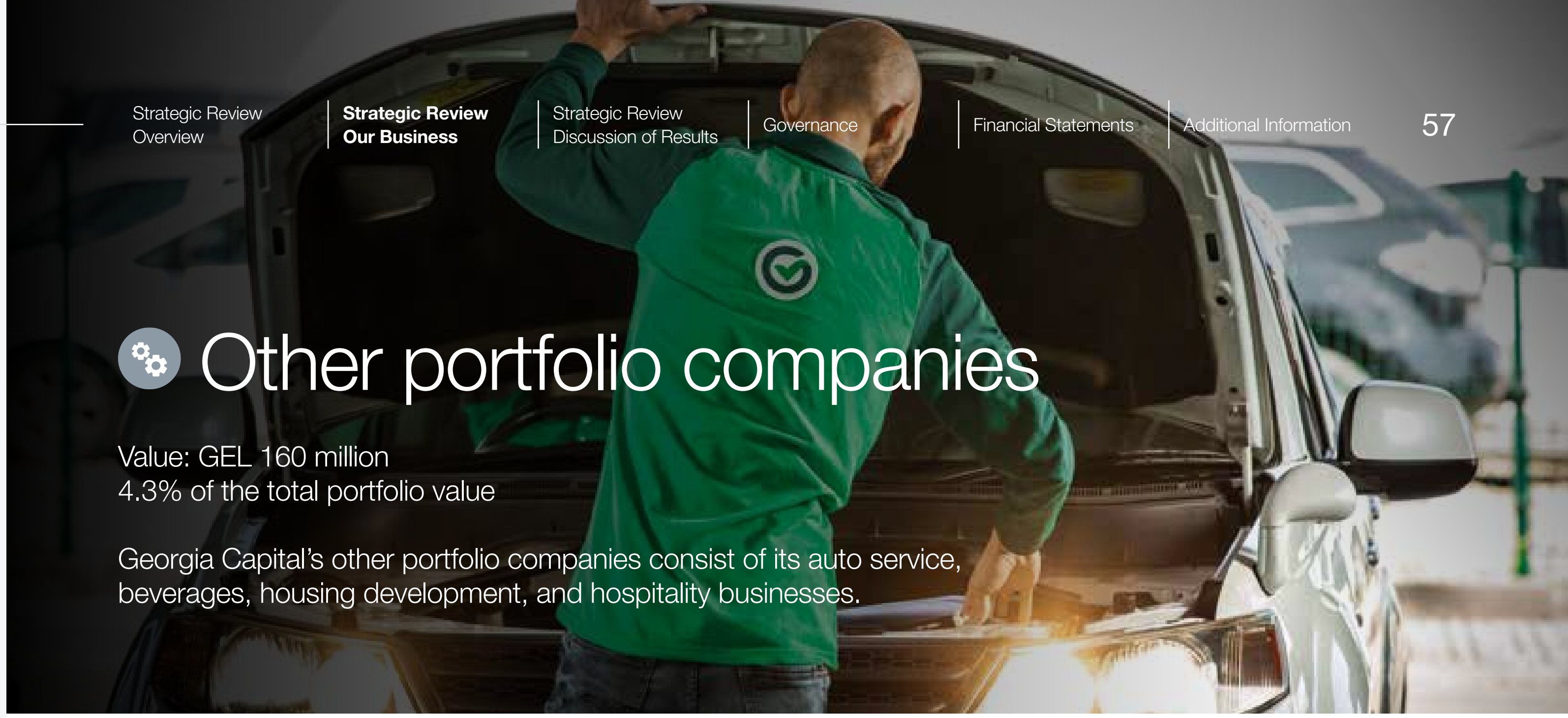
10.6x

-3.9x y-o-y

Peer companies

- EMC Instytut Medyczny SA | Poland
- Med Life S.A. | Romania
- Medicover AB | Sweden
- Fleury S.A. | Brazil

1 Numbers are derived from the business' unaudited IFRS accounts.
2 The detailed valuation overview and related drivers are described on pages 100-117 of this report.
3 LTM EBITDA excludes the gain of GEL 2.9 million from the sale of one of the polyclinics buildings in 2023.



Other portfolio companies

Value: GEL 160 million
4.3% of the total portfolio value

Georgia Capital's other portfolio companies consist of its auto service, beverages, housing development, and hospitality businesses.

Auto service

The Group's auto service business includes a car services and parts business under the Amboli brand and a periodic technical inspection (PTI) business. Georgia Capital acquired an 80% interest in Amboli at the end of June 2019, increasing its shareholding to 90% in February 2020. Amboli is an importer, distributor, wholesaler and retailer of car consumables and spare parts with a c.9% share in the target market, making it the second largest player in a highly fragmented market. The PTI business commenced the construction of PTI centres in the first half of 2018 and launched the PTI business in March 2019 under the name Greenway Georgia ("GWG"). As part of the Georgia-EU Association Agreement, Georgia commenced the implementation of a mandatory vehicle inspection programme in several phases, starting from January 2018. In July 2018, GWG won a state tender to launch and operate 51 PTI lines across Georgia with a ten-year licence. GWG is the only player on the market with support from an international partner, Applus+, a Spanish headquartered worldwide leader in testing, inspection and certification services with a market presence in more than 70 countries. GWG serviced 448,827 cars (of which, 393,580 were primary checks) in 2024, giving it a market share of 40%.

Beverages

The beverages business combines three business lines: a beer business, a distribution business and a wine business. The wine business produces and sells wine locally and exports it to 29 countries. The wine business owns three top-class wineries across Kakheti's three wine-making regions and is in the top five wine producers by vineyard base in Georgia. The vast majority of the vineyards grow Georgia's flagship red wine grape, Saperavi. The wine business sold 11.2 million bottles of wine in 2024, with approximately 84% of sales coming from exports. The business has a market share of 7.6% in the Georgian wine export market. The beer business produces beer and lemonade and holds an exclusive ten-year license from Heineken to produce and distribute Heineken beer brands in Georgia. In 2024, the beer business achieved a market share of approximately 22.4%. The portfolio includes globally recognised brands such as Heineken, as well as a range of local and international favourites: Black Lion, Georgia's leading craft beer brand acquired by the Group in 2018; ICY, its flagship mainstream beer brand; Kazbegi, acquired in 2019; and Amstel and Krusovice, both introduced under licenses obtained in 2019. Additionally, the Group developed its own light beer brand, Kayaki. In 2019, the business began brewing Heineken beer locally, with commercial batches hitting the shelves in August of that year. During the second half of 2019, the company relaunched its brand portfolio and optimised its product mix, driving an increase in market share. These efforts led to break-even EBITDA by the end of 2019 and consistent positive EBITDA performance ever since. The business has also expanded its horizons by exporting its beer and lemonade brands to international markets, further establishing its presence beyond Georgia. In 2024, GCAP completed the sale of an 80% interest in the beer and distribution business for a total consideration of c. US$ 63 million as set out on page 8 of this report.

Housing development

The Group's housing development business is a leading real estate developer in the Georgian real estate market, targeting mainly mass-market customers by offering affordable, high-quality and comfortable housing. The business is wholly owned through Georgia Real Estate, previously known as m². The housing development business has five ongoing projects: m³ Saburtalo, m² Mtatsminda Park, Nutsubidze, Mirtskhulava and Chkondideli (Sveti projects). In connection with the m³ Saburtalo project, the business has sold 158,742 square metres with US$ 194 million sales value as of 31 December 2024. For the m² Mtatsminda Park, a total area of 9,131 square meters with a sales value of US$ 17.6 million was sold as of 31 December 2024. Regarding the three other projects, the business took on the responsibility to support the completion of three suspended projects of the Sveti construction company, adding 178,993 square metres of the sellable area to its inventory. The projects are ongoing in three locations in Tbilisi and the construction and development will continue for approximately a year. The business started construction and sales for the Sveti project in April 2020 and has sold 163,022 square metres with a US$ 135 million sales value as of 31 December 2024.

Hospitality

The hospitality business has only one operational hotel, Gudauri Lodge, with 121 rooms. The business is wholly-owned through Georgia Real Estate.

S172 Statement

Statement by the Directors on their duties under Section 172 of the UK Companies Act 2006 (the "Act")
In accordance with the requirements of section 172 of the Act, the Directors consider that, during the financial year ended 31 December 2024, they have acted in good faith and in a manner most likely to promote the success of the Company for the benefit of its shareholders, having regard to the likely consequences of any decision in the long term and the broader interests of other stakeholders, as required by the Act. Some examples of the Board's engagement with stakeholders during 2024 are set out below.

The Directors have identified the following key stakeholders as essential to the success of the Company: investors; employees; the wider community; government and regulators; and the environment. The key stakeholders and the primary ways which the Board engages with them are set out on pages 128 to 131. Stakeholder issues are an integral part of the Board's decision-making process and, therefore, the Board embeds these as part of overseeing the management of the Company and the portfolio companies. The Company endeavours to balance any conflicting shareholder needs to ensure all are treated consistently and fairly.

Other steps the Board has taken to meet its Section 172 responsibilities can be seen in this report:

Section 172 factor	Examples	Page
The likely consequences of any decision in the long term	Corporate Governance Framework	124
Interests of employees	Corporate Governance Framework	124
Fostering the Group's business relationships with suppliers, customers and others	Corporate Governance Framework	124
Impact of operations on the community and the environment	Resources and Responsibilities Sustainability Report 2024	76 (see separate document)
Maintaining a reputation for high standards of business conduct	Resources and Responsibilities Sustainability Report 2024	76 (see separate document)
Acting fairly between members of the Company	Georgia Capital Strategy	14

The framework detailing the authority for decision-making, where the Board delegates to management, is discussed in the Company's Corporate Governance Framework on pages 124-133. It mandates consideration of these stakeholder responsibility factors as a critical part of delegated authorities.

The Board engages with the relevant stakeholders directly on certain issues, and their feedback is considered when the Board discusses and makes decisions relating to those reserved for it, such as financial and operational performance, investment and exit decisions and strategic matters. This information is usually fed back through presentations and reports to the Board, within Committee or Board meetings. This process is described in the Directors' Governance Statement on pages 120 and 121.

Principal decisions
There are processes in place to capture and consider stakeholders' views (including the matters contained in section 172 of the Act) and feed them into Board decision-making.

Material business decisions considered by the Board include an analysis of stakeholder considerations, anticipated impact and the risk controls. This is a rigorous process, which helps the Board to perform the duties outlined in section 172 of the Act and provides assurance to the Board that potential impacts on stakeholders have been considered in the development of the proposal.

Set out below are some case studies of principal decisions that have been taken by the Board:

Sale of 80% of the Group's holding in the beer and distribution business

In December 2024, the Group completed the sale of 80% of its holding in the beer and distribution business to a high-quality international investor and strategic purchaser, Royal Swinkels. The sale created significant value for shareholders, realising significant net cash proceeds of c.US$ 63 million. For more details on the transaction please see page 8 of this report.

Key stakeholder interests considered:
- **Equity investors:** Georgia Capital has continued to make significant progress on its core strategic priority of disposing of non-core businesses. The sale is consistent with the Group's capital light investment strategy, and represents a significant uplift to the businesses' investment value.
- **Employees:** the purchaser of the business, Royal Swinkels, is an international investor with an established presence in Georgia's beer industry. Their commitment to sustainable growth ensures that the new management will uphold high-quality employment standards and job security for existing employees.
- **Governments and regulators:** the Company devoted time and resources to ensure regulatory compliance and competition authority approvals relating to the transaction.

Georgia Capital share buyback and cancellation programme

In line with the Company's capital allocation strategy, and reflecting the Company's robust liquidity levels and elevated discount to NAV, during 2024, the Company launched a number of share buyback and cancellation programmes under which it bought back 3.7 million shares (US$ 48.1 million, GEL 131.9 million value). For more details on the share buyback and cancellation programmes, please see page 9 of this report.

Key stakeholder interests considered:
- **Investors:** offering immediate returns to shareholders seeking them and an increased share in the business to shareholders who do not participate, all the while balancing the Company's need to preserve liquidity and ensure the sustainability of the business.

Completion of the acquisition of the "Ardi" brand and its portfolio of medical insurance contracts

In April 2024, the Group completed the acquisition of GEL 87 million portfolio of insurance contracts and the brand name from "Ardi". 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 amounted to GEL 26.4 million and was fully financed by funds already available in the medical insurance business.

Key stakeholder interests considered:
- **Investors:** the acquisition provides a significant value creation opportunity for our investors.
- **Customers:** seek to maintain high insurance standards to end users in the supply chain.
- **Governments and regulators:** the Company devoted time and resources to ensure regulatory compliance and competition authority approvals relating to the transaction.

The Board and its Committees monitor the effectiveness of engagement with stakeholders through various methods.

The Board continues to believe that the operation of the designated Non-Executive Director for workforce engagement has been, and continues to be, an effective means of engaging with the workforce, to help the Board understand the matters that concern the workforce and their specific interests, whilst having regard to these in the decisions that are made at Board level.

Similarly, the informal and formal channels in which the Group has adopted to engage with its investors, the local communities and the environment, through a variety of media platforms, have performed well and flexibly. The Board's Responsible Investment Policy ensures the Group's commitment to conducting business in an environmentally, socially responsible and sustainable manner, in order to reduce the environmental harm of the Group's operations, while improving social impact to enhance long-term returns to shareholders.

The Board and Committees' evaluation process gives Directors the opportunity to comment on the engagement mechanisms in place with our different stakeholder groups and invites them to make recommendations for improvement. Through the adoption of our Code of Conduct and Ethics we ensure high standards of business conduct for all our stakeholders and seek to promote a culture where transparency and fairness are the norm.

For the coming year, the Board will continue to ensure effective stakeholder engagement, ensuring the frequency of interaction is maintained and reviewed (where appropriate) over matters that are considered material to the Group.

Risk Management

We believe that effective risk management underpins the successful delivery of our strategy. We identify, evaluate, manage and monitor the risks that we face through an integrated control framework supported by formal policies and procedures, clearly delegated authority levels and comprehensive reporting. The Board confirms that our framework has been in place throughout the year under review and to the date of approval of this Annual Report and is integrated into both our business planning and viability assessment processes.

Overview

Our Board, supported by our Audit and Valuation Committee and executive management, is ultimately responsible for the Group's risk management and internal controls with a view to maintaining ongoing sustainability.

As an investor, Georgia Capital is in the business of taking risks in order to achieve its targeted returns for investors and shareholders. The Board approves the strategic objectives that determine the level and types of risk that Georgia Capital is prepared to accept and reviews the Group's strategic objectives and risk appetite at least annually. We believe that, in order to have an effective risk management framework, there needs to be a strong risk management culture within the Group. We have worked to ensure that managing risk is ingrained in our everyday business activities. We seek to create an environment where there is openness and transparency in how we make decisions and manage risks and where business managers are accountable for the risk management and internal control processes associated with their activities. Our culture also aims to ensure that risk management is responsive, forward-looking and consistent. Georgia Capital's risk culture is built on rigorous and comprehensive investment procedures and disciplined capital management.

Risk appetite

Our risk appetite is defined by our strategic objectives. We invest capital and develop businesses that will have strong capital returns. Georgia Capital applies the following investment criteria:

- Geographic focus: investing in and developing businesses in Georgia, the country we know – a diversified, resilient, fast-growing economy across the last decade.
- Focus on liquidity: the Group predominantly invests in capital-light, larger-scale investment opportunities in Georgia, which have the potential to reach at least GEL 300 million equity value over the next three to five years. The Group believes a larger size will provide improved liquidity and superior exit opportunities, to support the Group's desire to reduce the current discount to reported NAV per share.
- Sector focus: investing mostly in fragmented and underdeveloped markets, particularly targeting high-multiple service industries.
- Return target: combination of the ROIC, MOIC, IRR and GCAP share price value versus investments return is the key decision-making matrix used in the investment decision-making process:
  - MOIC and IRR are determined at the Group level, as we evaluate achievable money multiples with all acquisitions and analyse them in combination with the expected IRR.
  - ROIC is evaluated for financing projects and reinvestment at each portfolio company level. Different yields are appropriate for different industries. ROIC is at the core of decision-making when the portfolio companies are investing or divesting assets or businesses. ROIC should be more than WACC for new investments. As part of ROIC enhancement initiatives across our portfolio, our businesses are aiming to continue divestment of low ROIC and/or non-core assets and businesses.
  - GCAP share price is at the core of decision-making when it comes to new investments. The Group performs 360-degree analysis each time GCAP makes a capital allocation decision and compares: a) the investment opportunity versus buyback opportunity; and b) the sale opportunity versus buyback opportunity. The Group intends to buy assets/companies at a higher discount to their listed peers than GCAP's fair value discount. Georgia Capital is targeting to invest in opportunities which produce greater returns than returns offered by buying back GCAP shares.

Capital management

Georgia Capital adopts a highly disciplined approach to managing its capital resources as follows:

- 360-degree analysis, when evaluating capital returns, new investment opportunities or divestments.
- Georgia Capital allocates capital such that it does not depend on premature sales of listed portfolio investments. Georgia Capital does not have capital commitments or a primary mandate to deploy funds or divest assets within a specific time frame. As such, it focuses on shareholder returns and on opportunities which meet its investment return and growth criteria.
- The Board regularly reviews any major investment and divestment opportunities.

Our framework and approach to risk governance

The Board is responsible for setting the right tone and encouraging characteristics and behaviours which support a strong risk culture and effective risk management process across the Group. The Board's mandate includes determining the Group's risk appetite and risk tolerance as well as monitoring risk exposures to ensure that the nature and extent of the main risks we face are consistent with our overall goals and strategic objectives. Non-executive oversight is also exercised through the Audit and Valuation Committee which focuses on upholding standards of integrity, financial reporting and valuation framework, risk management systems, going concern, internal control and assurance frameworks. The Audit and Valuation Committee's activities are discussed further on pages 134 to 141. The Board ensures a centralised process-led approach to investment and the overriding priority is to protect the Group's long-term viability and reputation and produce sustainable, medium to long-term cash-to-cash returns. The Board's activities are discussed further on pages 124 to 128.

At the Board, Committee and executive management levels, we develop formal policies and procedures which set out the way in which risks are systematically identified, assessed, quantified, managed and monitored. The Board, which has oversight of the investment pipeline development and approves new investments, significant portfolio changes and divestments, is integral to embedding our institutional approach across the business.

It ensures consistency and compliance with Georgia Capital's financial and strategic requirements, cultural values and appropriate investment behaviours. Each business participates in the risk management process by identifying the key risks applicable to its business. The principal risks and uncertainties faced by the Group are identified through this process, as are the emerging risks.

On a day-to-day basis, management is responsible for the implementation of the Group's risk management and other internal control policies and procedures. Based on our risk culture, managers "own" the risks relevant to their respective function. For each risk identified at any level of the business, the risk is measured and mitigated (if possible) in accordance with our policies and procedures. Middle level managers, both at each portfolio company and Georgia Capital level, are required to report on identified risks and responses to such risks on a consistent and frequent basis. Executive and senior management regularly review the output from the bottom-up process by providing independent challenge and assessing the implementation of the risk management and internal control policies and procedures.

Our reporting process enables key risks and emerging risks to be escalated to the appropriate level of authority and provides assurance to the Committees and the Board. Key developments affecting our principal risks and associated mitigating actions are reviewed quarterly (or more often if necessary, on an ad hoc basis, outside of the regular reporting process) by the Audit and Valuation Committee, as well as the Board.

A description of emerging and principal risks and uncertainties, including recent trends and outlook, as well as mitigation efforts, can be found on pages 65 to 74 of the Strategic Review.

Risk governance structure

BOARD

- Determines the Group's risk appetite as part of strategy setting.
- Overall responsibility for maintaining a system of internal controls that ensures an effective risk management and oversight process across the Group.
- Assisted by the Board Committees with specific responsibility for key risk management areas.
- Safeguards the Group's long-term viability and reputation, and generates sustainable, medium to long-term cash-to-cash returns. This includes evaluating risks in relation to the entire investment entity portfolio, reviewing each step of the investment lifecycle, approving all investment and divestment decisions, monitoring investments against the original case, and ensuring alignment with the Group's investment policy and risk appetite. For the private portfolio companies, it oversees management of their most material risks.

Audit and Valuation Committee

- Responsible for managing financial reporting risk and internal control and the relationship with the external auditor.
- Reviews and challenges risk management reports from Group Finance and Internal Audit.
- Specific and primary responsibility for the Valuation Policy and valuation of the investment entity subsidiaries.
- Provides oversight and challenge of underlying assumptions on the valuation of the private portfolio companies (57.2% of portfolio value at 31 December 2024). All private large and investment stage portfolio companies (52.9% of the total portfolio) are valued externally by an independent valuation company on a semi-annual basis.
- Direct engagement with the external auditors, who involve their specialist valuations team.

Remuneration Committee

- Reviews and recommends to the Board the Directors' Remuneration Policy to ensure that remuneration is designed to promote the long-term success of Georgia Capital (and see that management is appropriately rewarded for their contribution to the Group's performance in the context of wider market conditions and shareholder views).
- Approves variable compensation schemes for our investment professionals that are in line with market practice and enable the Group to attract and retain the best talent.
- Ensures that remuneration is aligned with shareholder returns.

Nomination Committee

- Responsible for ensuring that the Board has the necessary skills, experience and knowledge to enable the Group to deliver its strategic objectives.
- Leads the process for appointing Directors and senior management positions.

MANAGEMENT BOARD

The Management Board is led by the Chief Executive Officer and has:

- Delegated responsibility for management of the Group.
- Delegated responsibility for investment decisions.
- Delegated responsibility for risk management.

Risk Management continued

Bodies implementing the risk management system
As mentioned on page 61, our Board is responsible for reviewing and approving the Group's system of internal controls and its adequacy and effectiveness. Controls are reviewed to ensure effective management of strategic, financial, market and operational risks, amongst others. Certain matters, including but not limited to the approval of major capital expenditure, significant acquisitions or disposals and major contracts, are reserved exclusively for the Board. The full schedule of matters specifically reserved for the Board can be found on our website at: **https://georgiacapital.ge/governance/cgf/schedule**. With respect to other matters, the Board is often assisted by the Audit and Valuation Committee.

The Management Board has overall responsibility for the Group's assets, liabilities, risk management activities, respective policies and procedures. In order to effectively implement the risk management system, the Management Board delegates individual risk management functions to each of the various decision-making and execution bodies within the Group, as described below.

Internal Audit department
The Group has an established Internal Audit department, which is responsible for the regular review/audit of the Group's operations, activities, systems and processes, in order to evaluate and provide reasonable, independent and objective assurance and consulting services designed to add value and improve the Group's operations.

The Group's Internal Audit department is independent of the Management Board. The Head of the Group's Internal Audit department is appointed by, and has a direct reporting line to the Chairman of the Audit and Valuation Committee. The Group's Internal Audit department discusses the results of all assessments with the Group's Management Board and reports its findings and recommendations to the Group's Audit and Valuation Committee.

The purpose of the Internal Audit department is to determine whether the Group's risk management, internal controls and corporate governance processes, which are designed and implemented by the Management Board, are adequate such that:

- material risks including strategic, market, liquidity and operational risks, are appropriately identified, measured, assessed and managed across the Group, including its outsourced activities;
- interaction with the various internal governance groups occurs appropriately;
- significant financial, managerial and operating information is accurate, reliable and timely;
- the Group and its employees act with integrity and their actions are in compliance with the policies, standards, procedures and applicable laws and regulations;
- resources are acquired economically, used efficiently and protected adequately;
- programmes, plans and objectives are achieved; and
- significant legislative or regulatory issues that impact the organisation are recognised and addressed in a timely and proper manner.

In order to fulfil its function, the Group's Internal Audit department has unrestricted access to all the Group's functions, records, property and personnel.

Investment team
The Group's investment team has formalised procedures of risk analysis. As part of the procedures, qualitative and quantitative downside risks are identified and measured and risk adjusted returns are assessed for the investment opportunity.

For each capital allocation decision an independent risk team is formed and no member of the risk team is involved in developing the investment thesis. The risk team identifies major risk areas of the proposed investment, assesses potential impact if the risks materialise and estimates returns based on stress test scenarios and sensitivity analysis.

The team also evaluates the fit of the investment within the Group's investment policy and challenges the executability of the proposed business plan.

The risk analysis process involves desktop research as well as field work, including interviewing sector experts and senior executives. ROIC and equity IRR are the most common return metrics which are stressed in the risk analysis. For every capital allocation decision, the risk team issues a written capital allocation recommendation based on the risk reward profile of the proposed investment.

Together with the investment thesis, the risk analysis is reviewed by the Capital Allocation and Strategy committee, consisting of members of the Group's management team, which is responsible for recommending investment decisions to the Board.

Legal department
The Legal department's principal purpose is to ensure that the Group's activities conform to applicable legislation and to minimise losses from the materialisation of legal risks. The Legal department is responsible for 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 Legal department is also responsible for providing legal support to structural units of the Group.

Finance department
The Group's risk management system is implemented primarily by the Finance department, which is supervised by the Chief Financial Officer and is responsible for the Financial Risks Management function. It implements the Group's financial and tax risks policies by ensuring compliance with: liquidity management thresholds; limits on possible losses from the foreign currency risks; tax legislation; and all financial policies and procedures set by the Management Board. The Finance department, which reports to the Management Board, also focuses on the Group's relationship with the tax authorities, provides practical advice and tax optimisation plans for the Group and assesses the entire Group's tax risks and exposures.

The Finance department also manages foreign currency exchange, money market and derivatives operations. The Finance department is also responsible for the management of the long-term and short-term liquidity and cash flow and monitors the volumes of cash on the Group's accounts for the purposes of sufficiency. Further, the Finance department actively monitors performance of portfolio companies on a regular basis and delivers daily NAV development reports, weekly liquidity reports and monthly management reports to the Management Board.

The Management Board reviews the performance of each portfolio business company on a monthly basis and takes actions, as necessary.

IFRS technical accounting group
The IFRS technical accounting group, part of the Finance department, is responsible for monitoring the Group's compliance with relevant IFRS. The IFRS technical accounting group is involved in the development process of the Group's accounting policies by leading new accounting standards implementation projects, monitoring new IFRS developments, and preparing an impact assessment on reporting, systems and processes across the Group.

In order to increase the understanding of IFRS, the IFRS technical accounting group delivers training on new IFRS standards, issues Group accounting policies, produces general guidance memos on the application of IFRS and memoranda on complex, one-off transactions and also prepares quarterly reports to the Audit and Valuation Committee summarising material transactions across the Group, with respective financial impact.

Valuation workgroup
The Group has established a valuation workgroup, consisting of members of the Finance department, which is responsible for the development and oversight of fair value assessment of the Group's private portfolio companies at each reporting date. The workgroup engages third-party professionals to assist with the fair value determination of large and investment stage investments (38.1% and 14.8% of total portfolio value at 31 December 2024, respectively) in order to provide more transparency of Georgia Capital's portfolio valuations.

The oversight of the third-party professionals is within the scope of the valuation workgroup. The valuation workgroup also estimates fair values of other portfolio companies (4.3% of total portfolio value at 31 December 2024) in-house by applying an appropriate valuation technique in compliance with IFRS 13. The workgroup reports to the Management Board. In order to ensure compliance with IFRS 13 requirements, increase the transparency of valuation and to ensure that a consistent approach is applied in similar facts and circumstances, the workgroup developed a Valuation Policy and monitors compliance across all investments. The applied valuation methodology makes use of market-based information, is consistent with models generally used by market participants and is applied consistently from period to period, except where a change would result in a better estimation of fair value. The workgroup recommends fair values of private portfolio investments at each reporting date and prepares quarterly valuation reports for the Management Board and the Audit and Valuation Committee, describing valuation techniques applied and inputs used, with particular focus on the assumptions supporting the unquoted investments, any valuation uncertainties and the proposed disclosure in the financial statements. The valuation workgroup applies care in exercising judgement and making necessary estimates due to uncertainties inherent in estimating fair value for private companies.

Internal control
Georgia Capital's internal control over financial reporting is focused primarily on ensuring efficient and reliable control of valuation of private portfolio companies. With respect to internal control over financial reporting, our financial procedures include a range of system, transactional and management oversight controls. The board and management of each private portfolio company is responsible for ensuring the efficiency of the private portfolio company's internal control structures, risk management and financial reporting. The private portfolio companies' boards ensure that Georgia Capital's Board receives information on any issues that could affect Georgia Capital's business or financial reporting. Our businesses prepare detailed monthly management reports that include analyses of their results along with comparisons, relevant strategic plans, budgets, forecasts and prior results.

These are presented to and reviewed by executive management. Each quarter, the CFO of the Group and other members of the Finance department discuss financial reporting, valuations and associated internal controls with the Audit and Valuation Committee, which reports significant findings to the Board. The Audit and Valuation Committee also reviews the quarterly, half-year and full-year financial statements and corresponding press releases and provides feedback to the Board. The external and internal auditors attend each Audit and Valuation Committee meeting and the Audit and Valuation Committee meets regularly both with and without management present.

Going Concern Statement
The Group's business activities, objectives and strategy, principal risks and uncertainties in achieving its objectives and performance are set out on pages 4 to 117. Comprehensive going concern assessment analysis is disclosed in Note 2 within the IFRS financial statements. The Directors have made an assessment of the Group's ability to continue as a going concern and are satisfied that Georgia Capital has the resources to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue, i.e. the period ending 31 March 2026. After making enquiries, the Directors confirm that they have a reasonable expectation that the Group has adequate resources to continue in operational existence and, therefore, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Viability Statement
In accordance with the Corporate Governance Code, the Directors are required to assess the prospects of the Company to meet its liabilities by taking into account its current position and principal risks. Georgia Capital runs an in-depth annual business planning process, involving both the management of portfolio companies and Group management with Board input and oversight. In line with the UK Corporate Governance Code, the

Risk Management continued

process includes a viability assessment conducted by the Board over a three-year period beginning 1 January 2025, being the first day after the end of the financial year to which this report relates. In determining the appropriate period over which to make their assessment, the Directors considered: the duration of strategic plans and financial forecasts; the diverse nature of the Group's activities; the evolving nature of the regulatory environment in which the Group's businesses operate; the inherent uncertainty surrounding future capital allocation projections; and the Group's objective, in line with its updated strategy. A period of three years beyond the balance sheet date was therefore considered the most appropriate viability period for the Group.

In order to consider the Group's viability, the Board considered a number of key factors, including:
- the Board's risk appetite;
- the Group's business model and strategy as set out on pages 8 to 30;
- the Group's principal and emerging risks and uncertainties, principally those related to regional instability, portfolio company strategic and execution risk, investment risk, adverse economic conditions, the depreciation of the Lari, lack of liquidity, and climate change-related risk, and how these risks and uncertainties are managed, as set out on pages 65 to 74; and
- the effectiveness of our risk management framework and internal control processes; and stress testing, as described on this page.

The key factors above have been reviewed in the context of our current position and strategic plan. Since there are no legal guarantees or constructive commitments in place for Georgia Capital to fund losses or activities at portfolio companies' level, a stress test analysis was prepared on a holding company level.

The viability assessment involved a risk identification process which included recognition of the principal risks to viability (risks that could impair the Group's business model, future performance, solvency or liquidity), excluding risks not sufficiently severe over the period of assessment for the Group. The principal risks and uncertainties identified by the Group are regional instability, regulatory, investment, liquidity, portfolio company strategic and execution, and currency and macroeconomic environment-related risks. Further, the Group has identified climate change-related risk as an emerging risk.

We also identified other risks which, while not necessarily severe in themselves, could escalate when combined with others.

For those risks considered sufficiently severe to affect our viability, we performed stress testing for the assessment period, which involved modelling the impact of a combination of severe and plausible risks in separate and combined adverse scenarios. The stress test scenario was then reviewed against the Group's current and projected liquidity position.

The Group prepared a reasonable worst case scenario which assumes the inability of private portfolio companies to pay dividends or meet any other obligations towards the holding company, the reason for which could be economic consequences of regional instability, GEL depreciation against the US dollar, market competition and/or operational underperformance. Supported by strong operating performance, starting from 2021 Lion Finance Group restored payment of dividends to shareholders and announced a dividend policy providing for a 30%–50% payout ratio. In 2025, Lion Finance Group announced that it intends to recommend a final dividend of GEL 5.62 per share, which together with the interim dividend of GEL 3.38 per share paid would make a total of GEL 9.0 per share for 2024. On that basis, the stress case scenario includes dividend payments from the listed asset.

Group also analysed stressed case scenario assuming no buybacks were made and no dividends were received from Lion Finance Group, to reflect the risk of changes in the Bank's strategic plans, including its capital distribution policy.

In 2023, the Group issued US$ 150 million SLB In Georgia, with 8.5% interest rate, payable in August 2028. The proceeds from the transaction, together with the existing liquid funds were fully used to redeem GCAP's US$ 300 million Eurobonds. Following these transactions, GCAP's gross debt balance decreased from US$ 300 million to US$ 150 million.

In 2024, GCAP announced the sale of 80% of its holding (an effective 73.9% equity stake) in its beer and distribution business to Royal Swinkels, a strategic and international purchaser, for net cash proceeds of c.US$ 63 million. Completion of the transaction and the receipt of full sales proceeds occurred on 23 December 2024.

The Directors have also satisfied themselves that existing cash and highly liquid debt and equity investment securities will be sufficient to cover the expected cash outflows of the holding companies for the viability assessment period. They have also collected necessary evidence to support the statement below in terms of the effectiveness of the Group's risk management framework and internal control processes in place to mitigate risk. As at 31 December 2024, Georgia Capital holds GEL 278 million assets across cash and marketable debt securities. Additionally, the Group also holds GEL 1,421 million equity securities of London Stock Exchange listed Lion Finance Group PLC as at 31 December 2024. Therefore, in a worst-case scenario, with risks modelled to materialise simultaneously and for a sustained period of time, the likelihood of the Group having insufficient resources to meet its financial obligations is very low. Based on the analysis described above, the Directors confirm that they have a reasonable expectation that the Group will be able to continue operations and meet its liabilities as they fall due over the three-year period from 1 January 2025 to 31 December 2027.

Risk Overview

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. Georgia is also located in close proximity to other regional conflicts. In addition to strong political and geographic influences, regional countries are highly linked to the Georgian economy, representing its significant historical trading partners. Russian troops invaded Ukraine on 24 February 2022, escalating the situation into a full-scale war. The ongoing conflict has caused severe humanitarian and economic costs for Ukraine, Russia and the global economy. Casualties persist as the war's duration and outcome remain uncertain. As time progresses, the conflict's adverse effects may intensify, further eroding market confidence and impacting the region. Georgia itself has a fraught history with Russia, including a brief war in 2008, which resulted in Russia taking control of two breakaway territories. There has also been ongoing geopolitical tension, political and economic instability and military conflict between other regional countries. For example, Armenia and Azerbaijan have been in on/off conflict since 2020, with an escalation in late 2023 resulting in approximately 110,000 ethnic Armenians fleeing Azerbaijan to Armenia. While negotiations regarding the peace treaty between Armenia and Azerbaijan continue, tensions remain. These developments have implications for Georgia, which shares borders with both Armenia and Azerbaijan. On 7 October 2023, Hamas launched a surprise assault on Israeli territory, prompting Israel to declare a state of war and initiate a large-scale ground invasion of the Gaza Strip. This conflict is ongoing with the risk of the conflict spreading further into the Middle East remaining high, including potential escalations with Iran (as have already been seen during 2024). This conflict and the ongoing peace negotiations involving the United States have drawn widespread international condemnation. Given Georgia's proximity to the Middle East, any further escalations, and a continuing conflict in Gaza, have the potential to adversely affect the Group. The regional instability described above poses potential risks to Georgia's economic and political environment, potentially affecting trade routes, investment flows and overall regional security. Georgia's strategic location as a transit hub underscores the importance of stability in neighbouring countries for its own economic and security interests. On 14 May 2024, Georgia's ruling party passed the contentious foreign agents law. The legislation has been widely criticised in certain media. In the parliamentary elections on 26 October 2024, the ruling Georgian Dream party secured 53.93% of the vote, winning 89 mandates. On 28 November 2024, protests erupted in Georgia after Prime Minister Irakli Kobakhidze announced the suspension of EU accession talks until 2028. In response, the EU suspended visa-free travel for Georgian officials, while the US, UK, and Baltic states imposed sanctions on senior government figures.

Risk Overview continued

REGIONAL INSTABILITY RISK CONTINUED

PRINCIPAL RISK / UNCERTAINTY CONTINUED

On 27 December 2024, the US sanctioned Bidzina Ivanishvili, the founder and honorary chairman of Georgia's ruling Georgian Dream party, accusing him of obstructing Georgia's Euro-Atlantic aspirations. Despite mounting diplomatic pressure, the Georgian Government introduced harsher penalties for protesters, deepening fears of political repression.

Domestic political instability, social unrest or a further escalation of regional conflicts could undermine Georgia's economic stability. These challenges may have a negative impact on our business, putting pressure on our operating model, revenue streams, financial position and the valuations of both our listed and private portfolio companies.

KEY DRIVERS / TRENDS

The Russian invasion of Ukraine has led to profound economic disruption, marked by a sharp decline in market confidence, the imposition of unprecedented sanctions on the Russian economy, and heightened spillover risks. As the situation remains uncertain, further economic repercussions are expected. Ongoing peace negotiations involving the United Status and countries in Europe have not yet, as at the date of this report, delivered lasting peace for Ukraine. These developments have introduced new uncertainties into global markets, with potential implications for economic stability and international relations.

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, the Armenia and Azerbaijan conflict is yet to result in mutually acceptable terms for a conclusive peace treaty, although negotiations are ongoing.

Long-term geopolitical implications of the Israel-Hamas war for 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 2024, Georgia's merchandise exports to Israel totalled US$ 37 million (0.6% of the total), while remittances from Israel made up US$ 249 million (7.4% of the total) in 2024 and tourism receipts equalled US$ 436 million in 2024 (9.9% 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. There have been a series of events over the years which have further strained the relationship between the two countries.

On 14 May 2024, Georgia's ruling party passed the aforementioned foreign agents' law. This occurred amid widespread local protests and strong opposition from Western countries. Protests erupted across Georgia, driven by a pro-EU populace and concerns over the law's potential to curb civil liberties. Western partners criticised the law for failing to align with EU standards. Despite a presidential veto, the parliament overrode it on 28 May 2024, escalating political tensions. The law jeopardises Georgia's relationships with Western allies and poses a significant obstacle to its Euro-Atlantic integration ambitions. In response to the Government's actions, the European Union suspended visa-free travel for Georgian diplomats and government officials. The United States and the United Kingdom imposed sanctions on several senior officials for their roles in violent crackdowns against protesters and journalists. The US Treasury's Office of Foreign Assets Control also designated two officials from Georgia's Ministry of Internal Affairs under the Global Magnitsky Act for human rights abuses, while some countries, including the Baltic states, imposed national sanctions on individuals responsible for suppressing the protests. On 27 December 2024, the US further sanctioned Bidzina Ivanishvili, the founder and honorary chairman of Georgia's ruling Georgian Dream party, accusing him of undermining Georgia's democratic and Euro-Atlantic aspirations for the benefit of Russia.

Despite growing diplomatic pressure, the Georgian Government advanced legislation imposing stricter penalties on protesters, including prolonged prison sentences for those involved in anti-government activities. The volatility surrounding this event led to depreciation of the Georgian Lari (GEL) by 8.0% 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.

REGIONAL INSTABILITY RISK CONTINUED

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 2024, Russia accounted for 10.4% 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 19% y-o-y in 2024, reflecting a 65% y-o-y decline from Russia. Moreover, while international travel receipts increased substantially from the three countries directly after the start of the war, tourism revenues from those countries have been declining since 1H23 on the back of the fading impact of war-related migration. In 2024, tourism revenues from the rest of the world were the driving factor behind a 7.3% y-o-y growth in travel receipts. In contrast, receipts from Russia, Ukraine and Belarus fell by 9%, 19% and 6% 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. 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% in 2024.

Merchandise exports also remain diversified, although CIS share in export surged after Russia's invasion of Ukraine, as the "middle corridor" gained importance. Kyrgyzstan and Kazakhstan became the top destination countries for Georgian exports in 2024, accounting for 20% and 13% of total exports respectively (1.7% and 4.3% in 2022), followed by Azerbaijan with 11% and Russia with 10% (12.1% and 11.5% in 2022, respectively). Russia was the largest destination country for domestically produced Georgian exports with a 22% share in 2024 (20% in 2023), followed by the Republic of Türkiye with 13% (12% 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. 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.

The 2024 European Commission Enlargement Report on Georgia highlights significant challenges in the country's progress toward EU membership, particularly regarding democratic reforms and rule of law. The Report notes that the granting of candidate status to Georgia has not been followed by sufficient political commitment of the authorities to implement the necessary reforms for the country's progress on the EU path. As a consequence, Georgia's accession process has de facto been halted.

While Georgia has strengthened its ties with the EU over the past decade, the recent developments have severely impacted its trajectory. The adoption of the controversial "transparency of foreign influence" law, strongly opposed by Western nations, and the decision to halt EU accession talks until 2028 have strained Georgia's relationship with the EU.

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 9.5% in 2024. Foreign exchange inflows maintained their positive trend, and loan growth remained robust, contributing to economic stability. The GEL experienced fluctuations in 2024 due to domestic political tensions and election-related uncertainties. The Georgian Lari depreciated as negative sentiment increased demand for hard currency. In response, the NBG actively intervened in the foreign exchange market to manage expectations. While it was a net buyer of US$ 287 million from January to April, it became a net seller, offloading US$ 874 million between May and October. Overall, the GEL depreciated by 4.2% y-o-y in 2024, despite strong economic fundamentals and solid FX inflows.

Risk Overview continued

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. GEL strengthened in the first quarter of 2024 on the back of strong FX inflows as well as robust economic activity. Currency market has become volatile since May 2024, as introduction of the 'transparency of foreign influence' law increased uncertainty and led street protests. GEL experienced another wave of sell-off during October (particularly around the parliamentary election on 26 October), when NBG sold record high US$ 591 million in one month to curb negative expectations. Overall, GEL depreciated by 4.2% y-o-y in 2024 on the back of increasing country risk premium and surging negative expectations. Looking at the trading partners' currencies and overall GEL position, Real Effective Exchange Rate (REER) depreciated by 5.9% y-o-y in December 2024, while nominal effective exchange rate (NEER) appreciated by 2.1% on the back of the weakening trading partner currencies against the US Dollar after the US election. 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. Inflation has been below the 3% target since April 2023, reaching 2.4% y-o-y in February 2025 and averaging 1.1% for 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 the first five months of 2024 to 8.0% as of January 2025. NBG remains committed to adjusting the policy rate depending on the macroeconomic developments. According to the latest projections from the Ministry of Finance, public debt is expected to decrease to 36% of GDP in 2024, while the fiscal deficit will remain steady at 2.5% of GDP, in line with fiscal rule bounds. Real GDP continued its strong performance in 2024, growing by 9.5% y-o-y, despite increased uncertainty. Georgia has been among the top performers in the world according to the IMF and the World Bank. In the first half of 2024, economic growth was primarily driven by strong domestic demand, supported by robust investment, continued credit expansion, and favourable fiscal policies. By the third quarter, the growth rate further accelerated due to rising external demand. The current account deficit remained low at 3.5% of GDP in 9M24, down from 4.8% in 9M23, supported by a 3.5% y-o-y increase in current transfers and a 11.4% rise in the service balance. Total FDI for 2024 stood at US$ 1.3 billion (4% of GDP), marking a 30% y-o-y decline following record highs in 2022 and 2023 (US$ 2.3 billion and US$ 1.9 billion, respectively). This decline was mainly due to reduced inflows in the manufacturing and trade sectors, where FDI fell by US$ 131 million and US$ 234 million y-o-y, respectively.

CURRENCY AND MACROECONOMIC ENVIRONMENT RISKS CONTINUED	
KEY DRIVERS / TRENDS CONTINUED	Due to the recent political developments and the introduction of the "transparency of foreign influence" law, Fitch downgraded the outlook to stable from positive in June 2024 and negative from previously updated stable outlook in December 2024, citing increased political uncertainty and weakened public trust. Although political risks and uncertainties remain high, Fitch expects 2025 real GDP growth to be at 5.3%, while inflation to be 2.1% on average.
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 5.6% of GDP in 2023 and stood at 3.5% of GDP in 9M24, down from 4.8% of GDP in 9M23. This positive shift in 9M24 was supported by a 3.5% y-o-y increase in current transfers and a 11.4% rise in the service balance. NBG continued to increase buffers during the first four months of 2024, purchasing a net total of US$ 287 million. However, it sold US$ 220 million between May and June 2024 to address negative expectations arising from the introduction and approval of the "transparency of foreign influence" law, followed by an additional US$ 698 million during the pre-election period. As a result, official reserve assets fell to US$ 4.4 billion by the end of December 2024, marking a 11% year-over-year decline. 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, manages short-term liquidity of the Group across different currencies and engages in currency risk mitigation agreements, such as currency hedges, forwards and swaps. 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.

Risk Overview continued

REGULATORY AND LEGAL RISKS CONTINUED	
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 retail (pharmacy) business. While we expect that the multi-year regulatory reset in healthcare is now coming to a close, there are 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. **Imedi L litigation** As at 31 December 2024, several portfolio companies (hospitals, clinics and P&C insurance, together the "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 the Defendants under duress at a price below market value in 2012. Since the outset, the 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 US$ 12.7 million principal amount plus an annual 5% interest charge as lost income (c.US$ 21 million in total) should be paid by the Defendants. The Defendants appealed the decision of the First Instance Court. Several hearings have taken place at the Appellate Court and as of 31 December 2024, the case is still at the stage of consideration at the Appellate Court. No date for the next hearing date has been set. The Defendants are confident that they will prevail and accordingly no provision of potential liability in the financial statements has been made. Management shares the Defendants' assessment of the merits of the case and considers that the probability of incurring losses on this claim is low, and accordingly, fair values of portfolio companies do not take into account the potential liability in relation to this litigation. **BGA Litigation** As at 31 December 2024, Georgia Education Group, LLC ("GEG") was involved in litigation with the minority partner of the British Georgian Academy, LLC ("BGA"). The minority partner initially was claiming the annulment of the memorandum of understanding ("MoU") under which Georgia Capital acquired a 70% shareholding in BGA in 2019, alleging GEG's failure to invest in the development of BGA. However, the minority partner later withdrew the lawsuit and submitted a new claim to the court, seeking GEL 0.3 million in damages, once again alleging that GEG failed to invest in BGA's development. On 6 February 2025, the minority partner filed an amended claim with the court, seeking damages in the amount of US$ 15.5 million, termination of the MoU, and the consequent return of 70% of BGA's stake in the minority partner's ownership. GEG's assessment of the claim is that the claimant's allegations are based on false factual grounds and are without any legal merit. In particular, GEG's position is that it is the minority partner who failed to honour investment commitments under the MoU. Management shares GEG's assessment of the merits of the case and considers that the probability of incurring losses on this claim is low. The case is currently pending before the court of first instance, and the date of the preliminary hearing has not been set yet.

REGULATORY AND LEGAL RISKS CONTINUED	
KEY DRIVERS / TRENDS CONTINUED	**Retail (pharmacy) 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 million derived by utilising the single rate across all the alleged participants. The retail (pharmacy) business 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.

Risk Overview continued

	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 (SLB). 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 12.8% at 31 December 2024. The Group aims to maintain the NCC ratio below 15%. 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". In 2024, 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 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 sales, 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 (52.9% 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 as set out on page 12 of the Group's 2022 Annual Report. In 2024, as part of our continued strategic execution, we divested from our beer and distribution business, which was sold to a strategic international investor. Details of this transaction are provided on page 8 of this report.

Risk Overview continued

Emerging risks

The Group's risks are continually reassessed and reviewed through a horizon scanning process, with escalation and reporting to the Board. The horizon scanning process fully considers all relevant internal and external factors, and is designed to consider and capture the following risks: current risks which have not yet fully crystallised and which the Group do not have previous known experience of against which they can be assessed, and risks which are expected to crystallise in future periods, typically beyond one year.

Since 2021, the Group has identified climate change as an emerging risk. Since the Group's businesses are very much dependent on such climate elements as precipitation, wind speed and air temperature, the Group's development will be affected by climate change. This is critical to protecting and enhancing the value of our assets and we monitor our governance and risk management framework to ensure that sustainability-related risks in our portfolio remain an important part of our agenda and are treated as a priority by our portfolio company management teams.

Risks and opportunities of our portfolio companies from climate change are discussed on pages 87 to 89 of this report. Our portfolio companies' approach and the mitigants to climate risk are discussed further in the Resources and Responsibilities section on pages 76 to 92 and pages 41 to 48 of the Sustainability Report.

Potential UK regulatory changes affecting UK listed companies and other UK public interest entities is identified as a possible emerging risk. This may include changes in UK corporate governance requirements, adding additional responsibilities to our existing legal and regulatory compliance risk.

The Group has also identified cyber security as an emerging risk, due to the increasing sophistication of hackers and in turn, the likelihood of a data security breach occurring. A cyber security incident can result in unauthorised access to, or misuse of, our information systems, technology or data. This could lead to leakage of sensitive information, disruption of operations and reputational damage.

Location: Poti, Georgia

Resources and Responsibilities

ESG principles lie at the heart of our business

In order to effectively manage the Group's direct and indirect impact on society and the environment, the Board of Directors have adopted a Code of Conduct and Ethics, as well as policies that relate to environmental and social matters, responsible investing, employees, anti-corruption and anti-bribery. We invite you to read more about these initiatives in the sections below and in conjunction with our Sustainability Report and the rest of the Annual Report. The non-financial information and sustainability statement as required by section 414CB of the Companies Act 2006, which aims to provide material and relevant information on the commitment to, management of and developments in Georgia Capital's ESG practices for the financial year ending 31 December 2024, is also cross referenced below.

With a portfolio valued at GEL 3.8 billion, we recognise the significant impact our decisions have on a broad range of stakeholders, particularly within Georgia. As the largest employer in the Georgian private sector, with over 20,200 employees as of December 2024, Georgia Capital is committed to creating value not only for investors but also for society. We invest in the development of our employees and contribute to the economic and social well-being of local communities, while managing our environmental footprint responsibly.

To reinforce our commitment to responsible corporate governance, we adhere to our Environmental and Social Policy. Georgia Capital is dedicated to conducting business in a socially and environmentally responsible manner, reducing our environmental impact, and enhancing social performance to maximise long-term shareholder returns. We remain committed to achieving our strategic and investment objectives while upholding our responsibilities as both an employer and global corporate citizen.

Task Force on Climate-related Financial Disclosures ("TCFD")
The Group has complied with the requirements of UKLR 22.2 and the requirements under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 by including climate-related disclosures consistent with the TCFD recommendations and recommended disclosures.

TCFD disclosures on pages 85 to 92 present the Company's perspective on four core pillars of governance, strategy, risk management, and metrics and targets related to climate change mitigation.

Further detailed information can be found in our Sustainability Report, a supplement to our Annual Report which enables the Group to provide more detailed and comprehensive reporting of our ESG operations in alignment with the TCFD recommendations and recommended disclosures.

Our Sustainability Report is available on our website: **https://georgiacapital.ge/ir/sustainability-reports**.

Non-Financial and Sustainability Information Statement
The Company is required to disclose certain information on the way we operate and manage social and environmental challenges. The following table summarises where you can find further information on each of the key areas of disclosure. Information on our policies can be found on our website at: **https://georgiacapital.ge/governance/cgf/policies**.

Reporting requirement	Further details	Annual Report page reference	Sustainability Report page reference	Relevant policies
Social matters	Promoting local community	Page 78	Page 15	Environmental and Social Policy
	Sponsorship and charity	Page 78	Page 14	Responsible Investment Policy
	Promoting and enhancing a healthy lifestyle	Page 78	Page 13	
	Sustainable procurement	Page 78	Page 15	
Employee matters	Our employees	Page 79	Page 11	Code of Conduct and Ethics
	Talent attraction, training and development	Page 79	Page 12	Responsible Investment Policy
	Diversity	Page 80	Page 10	Diversity Policy
	Human Rights Policy	Page 80	Page 14	Whistleblowing Policy
	Code of Conduct and Ethics	Page 80	Page 11	Human Rights Policy
	Modern Slavery	Page 81	Page 14	Anti-Bribery and Anti-Corruption Policy
Environmental matters	Emission disclosure and calculation methodology	Page 82	Page 5	Environmental and Social Policy
	Measures undertaken to improve the energy efficiency	Page 84	Page 9	Responsible Investment Policy

Investing in socially and environmentally oriented industries
As the largest employer in the Georgian private sector, we believe that our Group and portfolio companies have a responsibility to improve the future of our community by building sustainable businesses for tomorrow.

We have a strong track record of investing and managing our portfolio responsibly, facilitated by operating according to our clear and proven governance model and an extensive network of top-quality talent. Our approach to ESG matters is reflected in the strategy and management principles of our portfolio companies, all of which adhere to sound ESG standards, as well as local policies and regulations.

Our recent ESG developments

1. Participation in COP29 roundtable discussion
In 2024, Azerbaijan hosted the United Nations Climate Change Conference (COP29), during which Georgia Capital was invited by the Asian Development Bank to join the soft launch of a transition finance research paper in Baku. The event was followed by a closed-door roundtable discussion, where representatives from leading financial sector players, including GCAP, addressed the challenges and opportunities surrounding transition finance. The event provided GCAP with an opportunity to share insights on the key barriers the financial sector faces in supporting the transition to a low-carbon economy and to discuss strategies for encouraging smaller firms to embrace decarbonisation.

2. Strengthening ESG risk assessment and management processes
In 2024, Georgia Capital took significant steps to enhance its internal ESG risk assessment and management framework. Key initiatives included the development and formalisation of GCAP's ESG risk assessment and management process across the investment cycle, the introduction of sector-specific initial investment appraisal procedures, and the implementation of periodic information checklists. These advancements were supported by a Georgia-based external ESG specialist, ensuring alignment with best practices.

3. Formalising a stakeholder engagement plan
In addition to enhancing its ESG risk assessment and management, Georgia Capital established a formal stakeholder engagement plan to strengthen trust, collaboration and alignment with its stakeholders.

4. ADB impact award
In 2024, Georgia Capital was honoured with an Impact Award by the ADB's Central and West Asia Department in recognition of its issuance of the largest corporate SLB listed on the Georgian Stock Exchange.

Governance
Georgia Capital recognises the importance of maintaining sound corporate governance practices and supports high standards of corporate governance in delivering value to our stakeholders. For full details of our governance structure and processes, please see the Corporate Governance section of this Annual Report.

Our Responsible Investment Policy is integrated into the investment and portfolio management processes and procedures and is supported by enhanced due diligence questionnaires. The policy covers Georgia Capital's responsible investment approach and ongoing monitoring of ESG reassessments of the portfolio companies. Georgia Capital monitors the portfolio companies' ESG performance and uses its resources to encourage the adoption of ESG best practices. It is supplemented with an Environmental and Social Policy. Through the Responsible Investment Policy, ESG considerations are embedded into the deal process, from the initial investment stage to active ownership. Details on how we implement the Responsible Investment Policy can be found in our Sustainability Report.

In 2023, the Board revised the schedule of matters reserved for the Board, including to explicitly cover any duties previously reserved to the Investment Committee, and further to make it clear that the Board had primary responsibility for overseeing environmental and social risks and that the Company's strategic direction is regularly informed by material environmental and social issues. Given the small size of the Board and the importance of these matters, including climate change, the Board believes that it is appropriate for the whole Board to be responsible for these issues.

For the updated schedule of matters reserved for the Board please refer to: **https://georgiacapital.ge/governance/cgf/schedule**.

To reinforce its commitment to continuous improvement, Georgia Capital periodically engages Amandla UK Limited ("Amandla") to evaluate the Board's effectiveness.
In 2023, a comprehensive review was conducted using a multi-faceted approach, including online interviews with Directors, individual feedback assessments, group coaching sessions, and direct observation of Board meetings. The evaluation confirmed the Board's effectiveness in governance, supervision and oversight, highlighting its capacity to drive sustainable impact across operations.

Resources and Responsibilities continued

Social matters

Promoting local community

The Group considers the interests of its main stakeholders, including local communities and the broader Georgian community, when developing strategies and processes to enhance its operations. We adhere to our Environmental and Social Policy, striving to contribute to society through our business activities. This includes the development and investment in socially-oriented products and services, as well as the implementation of responsible approaches in our business operations, sponsorship and charitable activities.

Georgia Capital and its portfolio investments are committed to playing a positive role in our local community, as shown in the case studies in the Sustainability Report.

Sponsorship and charity

In 2024, the Group and its portfolio companies spent a total of GEL 1.6 million in financing sponsorship and charitable activities. As part of the sponsorship and charitable activities, the Group continues to focus on promoting and enhancing access to education, conserving nature, supporting people with disabilities and special needs, and facilitating innovative projects that focus on social good. The sponsorship and charity activities encourage partnerships with various foundations and non-governmental organisations to deliver sustainable results and bring positive change. In doing so, we follow our undertakings in respect of social and community matters as set out in our Environmental and Social Policy.

In 2024, Georgia Capital continued the sponsorship programme to support the Caucasus Nature Fund, whose purpose is nature protection in the South Caucasus. The fund helps to support the effective long-term management of nature in the biologically rich, protected territories of Armenia, Azerbaijan and Georgia. In 2024, Georgia Capital also supported the Fulbright programme and covered the education and travel expenses of one high-achieving student.

Total sponsorship and charitable expenditure of the Group and portfolio companies in 2024

1.6
GEL million

- Charity: GEL 1.0mln
- Sponsorship: GEL 0.6mln

Promoting and enhancing a healthy lifestyle

Ensuring the safety of the workplace and providing healthy working conditions are amongst the Group's fundamental HR management principles. The Group pays particular attention to preventative measures, such as conducting regular staff training and medical check-ups, certifying workplaces and promoting a healthy lifestyle. Consistent with these principles, Georgia Capital has engaged a safety consultancy company that provides a dedicated safety inspector. The inspector conducted a safety audit, offered recommendations and conducted staff training. Our safety consultant ensures systematic monitoring to guarantee compliance with globally accepted standards.

Georgia Capital is aware of the damaging impact of stress and anxiety on an individual. It is Company practice to hold workshops to check on employees' mental health and to offer face-to-face counselling. Employees are encouraged to express their mental health concerns in an open manner and seek assistance. We provide the opportunity for a flexible work schedule and remote and hybrid working arrangements. Respective teams at GCAP track the workload of the employees to identify if hiring additional staff is required.

Sustainable procurement

Georgia Capital seeks to engage with suppliers whose ESG practices align with our commitment to sustainability and responsible business conduct. A large majority of GCAP's suppliers are professional advisors and consultants, predominantly blue-chip, reputable international organisations with sound ESG policies and procedures, which, therefore, have lower exposure to ESG-related risks. However, our existing policies and procedures ensure that an appropriate level of due diligence is conducted on prospective suppliers before they are appointed, or any expenditure is committed. The nature of due diligence is determined on a case-by-case basis, however, as a general rule, the procedure safeguards the assessment of risks associated with bribery and corruption, information and data security, human rights and employment practices, and other material aspects as determined during the assessment.

In 2024, significant items for Georgia Capital procurement expenditures were audit, valuation and compliance services, as well as services sourced from professional consultations and investor relations services. The breakdown of expenditures by type of suppliers is provided in the graph.

Expenses by type of suppliers at Georgia Capital level (FY24)

- Audit, valuation and compliance services: 38%
- Professional consultations and investor relations services: 27%
- Insurance and other services: 21%
- Legal advisors: 13%

Employee matters

Our employees

Recruiting, developing and retaining talent are among our most important priorities. We work towards that objective by communicating openly with our employees, providing training and opportunities for career advancement, rewarding our employees fairly and encouraging employees to give direct feedback to senior management. We recognise the importance of providing a supportive working environment with a healthy work-life balance for all our employees, both at the holding company level and across our portfolio companies. A key factor in our success is a cohesive and professional team, capable of accomplishing the Group's objectives. We are committed to attracting and identifying the best professionals, caring and planning for their needs, investing in their development and fostering their commitment. The Group developed and implemented HR policies and procedures which promote the key principles, areas, approaches and methods that are crucial for building human capital management systems at each business level and at Georgia Capital level in line with the above-mentioned policies.

We maintain a Group-wide Code of Conduct and Ethics for our employees and other effective HR policies and procedures covering matters such as:

- Staff administration, compensation and benefits.
- Recruitment, development and training.
- Diversity and anti-nepotism.
- Succession planning, departure and dismissal.
- Grievances and whistleblowing.

We are committed to employee engagement and we believe that effective communication is key. We strive to provide our employees with a continuous flow of information, which includes our corporate culture, the Group's strategy and performance, risks relating to its performance, such as financial and economic factors, and our policies and procedures. We provide information in a number of ways, including via managers, presentations, email, Group intranet and regular off-site meetings. There are feedback systems, such as employee satisfaction surveys and a designated Non-Executive Director for workforce engagement at the Board level, which ensures that the opinions of our employees are taken into account when making decisions that are likely to affect their interests.

Employee satisfaction surveys are regularly conducted at the holding company level. These surveys allow employees to provide anonymous feedback regarding their overall experience at Georgia Capital, their perceptions of being valued for their contributions, and their satisfaction with work-life balance. Additionally, participants offer recommendations for enhancing the organisational environment. The results of these surveys are compiled and communicated to management for further analysis and consideration.

Talent attraction, training and development

Sustained development of the Group's businesses requires the strengthening of the teams, both by using the Group's own significant internal resources through staff development and rotation and by attracting external candidates. Our Recruitment Policy and relevant control procedures ensure an unbiased hiring process that provides equal employment opportunities for all candidates. All employees at Georgia Capital are engaged under an employment contract and we do not use zero hours contracts.

To attract young talent, we actively partner with leading Georgian business schools and universities, participate in job fairs and run extensive internships locally and internationally. Georgia Capital continues its talent acquisition project for its Investment Officer positions which was launched in 2016.

To manage our employees in a way that best supports our business strategy and their professional growth, we seek to help them contribute to business performance through personal and professional development.

In recent years we created a programme for the Investment department which helped participants to grasp new developments in the field and refresh their knowledge. To help the newcomers adapt to the new working environment, respective teams organise comprehensive introductory and cross-department meetings.

In addition to specific training courses, regular workshops are held in the Company which are linked to more complex matters, such as business approaches and the best practices in related fields. Besides in-house training, Georgia Capital provides designated training and certification programmes for various departments through third-party resources.

Georgia Capital values the exchange of upward, downward and peer feedback when it comes to performance management. Through the performance evaluation and talent management process, several staff members were identified and promoted in 2024.

For details on how our portfolio companies train and enable the continuous development of their employees, please read our Sustainability Report.

Resources and Responsibilities continued

Diversity

Georgia Capital is fully committed to providing equal opportunities as an employer and prohibits unlawful and unfair discrimination. We believe that there are great benefits to be gained from having a diverse workforce. We seek to ensure that our corporate culture and policies, particularly our HR policies, create an inclusive work environment that helps to bring out the best in our employees.

Georgia Capital's Diversity Policy establishes a commitment to eliminating unlawful and unfair discrimination and values the differences that a diverse workforce brings to the organisation.

The Board embraces diversity in all its forms. In line with Georgia Capital's Diversity Policy, diversity of gender, social and ethnic backgrounds, age, disability, race, religion or belief, sex or sexual orientation, cognitive and personal strengths and balance in terms of skills, experience, independence and knowledge, amongst other factors, will be taken into consideration when seeking to make any new appointment within the business, whether an employee, client, supplier or contractor. On 31 December 2024, Georgia Capital, had a total of 45 employees, of which 25 are female, and 20 are male.

We are supportive of the ambition shown in recent reviews on diversity, including the Parker Review regarding ethnic diversity. The Board is in alignment with recommendations for ethnic minorities on UK boards. For details on the Board diversity please refer to page 171 of the Nomination Committee Report. Similarly, we endorse the FTSE Women Leaders Review, which primarily targets FTSE 350 companies.

We are committed to exploring ways to increase female and ethnic representation at both Board and senior management levels. Moreover, the Board recognises the significance of all forms of diversity and remains steadfast in its commitment to continuous progress in this domain.

Human Rights Policy

The Human Resources Policy is an integral part of the employee on-boarding package at each business level with updates communicated electronically.

The Human Rights Policy is part of the Human Resources Policy and covers the following:

- Equal opportunities and anti-discrimination.
- Work environment free of harassment.
- Grievance Policy.

We recognise the importance of observing human rights and are committed to implementing socially responsible business practices. Our Human Rights Policy establishes priorities and puts control procedures in place to provide equal opportunities and prevent discrimination or harassment on any grounds, including disabilities. The policy applies to all employees and includes procedures in relation to employment processes, training and development, recruitment and on the continuity of employment of employees who become disabled during their employment.

Code of Conduct and Ethics, and Anti-Bribery and Anti-Corruption Policy

The Group has a Code of Conduct and Ethics, as well as an Anti-Bribery and Anti-Corruption Policy, which are applicable to the Group companies. As an organisation that is fully committed to the prevention of bribery and corruption, the Group ensures that appropriate internal controls are in place and operating effectively.

Anti-Bribery and Anti-Corruption Policy enforcement processes include:

- an anonymous whistleblowing hotline;
- an internal whistleblowing process;
- disclosure of gifts or other benefits, including hospitality offered to, or received by, the Group's personnel;
- voluntary disclosure of corrupt conduct;
- third-party screening to identify the level of risk third parties might pose;
- informing the banks/partners/counterparties about anti-corruption and anti-bribery principles before commencement of business relations;
- ensuring that anti-bribery and anti-corruption clauses are incorporated in the agreements with customers and third parties;
- ensuring that anti-bribery and anti-corruption matters are included in contractual agreements with partners/counterparties; and
- online training programme aiming to raise awareness of corruption and bribery issues among employees.

As part of the Group's third-party screening to identify the level of risk which third parties might pose, the Group carries out due diligence such as indirect investigations, which include general research of the activities undertaken by the proposed business partners, research into their reputation and information on whether the company is a related party. The Compliance Officer (the General Counsel) has the authority to conduct periodic compliance checks of the operations of the Group. We are pleased to confirm that there have been no instances of violation of the Anti-Bribery and Anti-Corruption Policy in 2024.

Modern slavery

The Group has zero tolerance against modern slavery and human trafficking. We believe in doing business ethically, transparently and in full compliance with all applicable laws and regulations. Even though we are an investment holding company and the risk of modern slavery and human trafficking within our own business operations is low, we recognise that our supply chain could potentially pose such risks. A large majority of GCAP's suppliers are professional advisors and consultants, predominantly blue-chip, reputable international organisations with sound ESG policies and procedures, which therefore, have lower exposure to ESG-related risks. Our existing policies and procedures ensure that an appropriate level of due diligence is conducted on prospective suppliers before they are appointed, or any expenditure is committed.

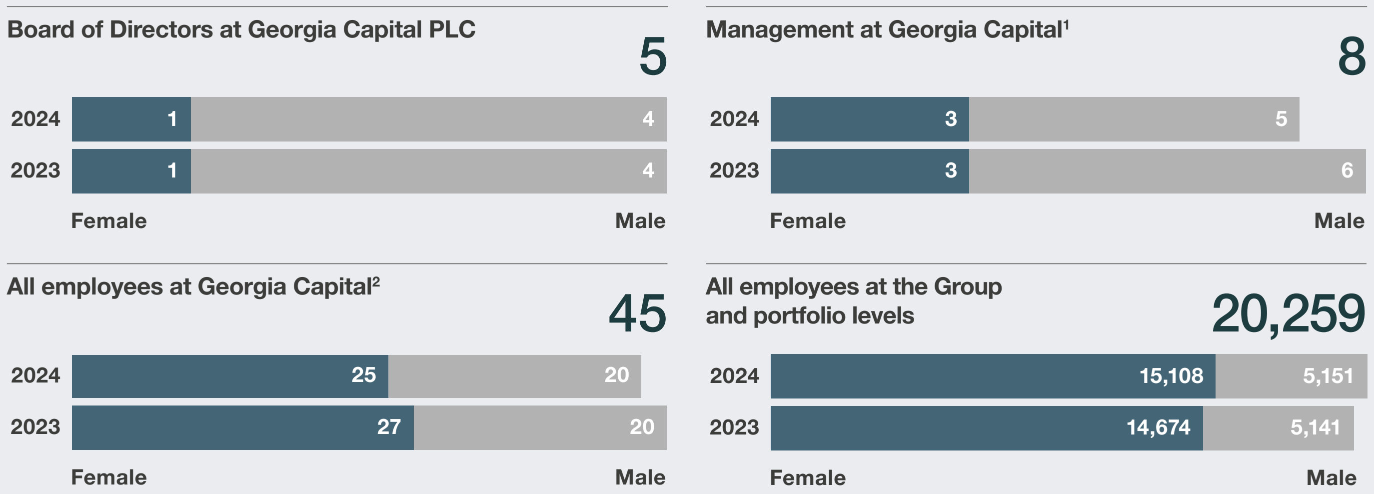
We note that in accordance with our Responsible Investment Policy, we expressly do not invest in businesses which have activities involving forced or child labour. Evaluation of risk is carried out at the pre-investment or pre-engagement stage through due diligence and controls, and with post-investment implementation and management of risk through monitoring and reporting predominantly by the Legal and Finance departments who report to the Management Board and ultimately the Board of Directors.

Environmental matters

Committing to the Principles of the UN Global Compact

Since February 2022, we have been a signatory of the UN Global Compact and have officially expressed our commitment to its ten Principles, which are then sub-divided into 17 Sustainable Development Goals (SDGs). Georgia Capital introduced an initiative to align the portfolio companies' performance with the UN SDGs, which required our portfolio companies to determine relevant SDGs and implement respective procedures to track their progress towards the identified goals.

Gender diversity progress to date



1 The Chairman and CEO is included in both categories: "Board of Directors at Georgia Capital PLC" and "Management at Georgia Capital".
2 Employee numbers are presented at JSC Georgia Capital and Georgia Capital PLC levels.

Resources and Responsibilities continued

Emission disclosure and calculation methodology

Reporting methodology

In preparing our emissions data, we have used the World Resources Institute/World Business Council for Sustainable Development, Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition 2016) as a reference source. We have also used the most recent Georgian electricity conversion factor taken from the JRC Guidebook – "How to Develop a Sustainable Energy and Climate Action Plan in the Eastern Partnership Countries", European Commission, Ispra, 2018, JRC113659. Further conversion factors have been taken from the UK Government's "Greenhouse Gas Conversion Factors for Company Reporting 2024". Energy consumption is disclosed in line with the UK Government's Streamlined Energy and Carbon Reporting (SECR) requirements. The emissions disclosures are also prepared in accordance with the TCFD requirements and the requirements of section 414 of the Companies Act.

Overview of organisation

The operations of Georgia Capital in London and Tbilisi itself have relatively low energy consumption. However, we recognise the evolving significance of emissions disclosures in the investment community and in line with our commitment to increasing transparency, we voluntarily disclose emissions for JSC Georgia Capital (intermediate Georgian holding company) and its portfolio investments. We have reported on all the emission sources listed under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (Scopes 1 and 2).

Additionally, we have reported on those emissions under Scope 3 that are applicable to our businesses' direct operations. All reported sources fall within our financial statements. We do not have responsibility for any emission sources that are not included in our financial statements.

What we report: The Group's "central" operations

Our reported data is collected in respect of the Group. Data on emissions resulting from travel is reported for business-related travel only but excludes commuting. As we do not have any joint ventures, sub-leased properties or offshore emissions, these have not been included within the reported figures.

The data has been obtained from the Group's locations using both invoices and site meter readings. In April 2024, Georgia Capital PLC relocated its registered address to Leeds, UK. The company now employs a single individual who works remotely, resulting in no GHG emissions from the UK office for the remaining eight months of 2024. In 2024, the UK office's four-month electricity consumption was 1.4MWh, and 3.3MWh for the full year 2023, with no other recorded sources of emissions. These costs were included within the lease fees. The electricity consumption of the UK office is included in the Scope 2 emissions calculation. As the UK office's consumption was immaterial, its emissions are not reported separately for SECR disclosure purposes.

The Group's portfolio

Data from our portfolio companies' Scope 1, 2 and 3[1] emissions have been aggregated and presented as a separate line item under Scope 3 emissions in accordance with the Greenhouse Gas Protocol. GCAP adheres to the control approach when determining the greenhouse gas (GHG) inventory boundaries. Under this approach, we report the GHG emissions of all our private investments where the Group holds a controlling stake. Therefore, the GHG emissions of Lion Finance Group (19.23% shareholding as of 31 December 2024) and the water utility business (20% interest stake as of 31 December 2024) have not been included in the calculations. As Georgia Capital maintained operational control of the beer and distribution business until the end of 2024, despite its sale during the year, the business' GHG emissions have been included in our calculations.

Lion Finance Group, as a UK listed company discloses Scope 1, 2 and 3 emissions in its annual filings, available at: **https://lionfinancegroup.uk/annual-reports/latest-annual-report/**.

1 Portfolio company Scope 3 emissions reported for business travel and employee commuting.

Summary of GHG disclosure

The table below summarises the various elements of our disclosure and details the particular GHG emissions and whether they are included or excluded.

Element	Description	Included/Excluded
Scope 1 – Static fossil fuel	Combustion of fossil fuels, e.g. natural gas, fuel oils, diesel and petrol in stationary equipment at owned and controlled sites	Excluded – No such processes/equipment owned or operated by the Group.
Scope 1 – Mobile fossil fuel	Combustion of petrol, diesel and aviation fuel in owned/operated vehicles	Business travel has been included.
Scope 1 – Other emissions	Process emissions and refrigerant leakage	Excluded – No such processes/equipment owned or operated by the Group.
Scope 2 – Consumption of electricity	Consumption of electricity	Included – Used electricity at owned and controlled sites using the most recent Georgia electricity conversion factor taken from the JRC Guidebook – How to Develop a Sustainable Energy and Climate Action Plan in the Eastern Partnership Countries, European Commission, Ispra, 2018, JRC113659.
Scope 2 – Consumption of thermal energy	Direct consumption of heat, steam or cooling generated by others	Excluded – No such thermal energy supplies are consumed by the Group.
Scope 3	Combustion of petrol, diesel and aviation fuel in vehicles owned and operated by others	Included – Air business travel (short-haul and long-haul); information on the class of travel is unavailable, hence, we used an "average passenger" conversion factor, with radiative forcing. Included – Ground transportation, including taxis, coaches, trains, etc., owned and operated by others. Excluded – Emissions from staff commuting at GCAP HoldCo level.
	Investments	Included – Scope 1, 2 and 3[1] of our portfolio companies where we have a majority stake.

Emissions

Total GHG emissions (tonnes CO_2e)

Data for the period beginning 1 January 2022 and ending 31 December 2024	2022[2]	2023	2024
Scope 1	**66**	**73**	**70**
Static fossil fuel (emissions fuel combustion and facility operations)	–	–	–
Mobile fossil fuel	66	73	70
Scope 2	**4**	**4**	**4**
Emissions from electricity, heat, steam and cooling purchased for own use	4	4	4
Scope 3	**29,057**	**26,723**	**27,659**
Air travel and ground transportation provided by third parties plus electricity, heat/steam, cooling provided within lease and service agreements	78	35	60
Investment portfolio emissions[3]	28,979	26,688	27,600
of which, Scope 1	*18,643*	*17,460*	*17,561*
of which, Scope 2	*5,064*	*4,993*	*5,434*
of which, Scope 3 (voluntary disclosure)	*5,272*	*4,234*	*4,605*
Total GHG emissions	**29,127**	**26,800**	**27,734**
FTEs[4] at GCAP HoldCo level	48	47	45
Total GHG emissions per FTE (GCAP HoldCo)	606.8	570.2	616.3
FTEs at GCAP HoldCo and portfolio company levels	19,114	19,815	20,259
Total GHG emissions per FTE (GCAP HoldCo and portfolio company levels)	**1.52**	**1.35**	**1.37**

1 Portfolio company Scope 3 emissions reported for business travel and employee commuting.
2 The 2022 GHG emissions have been retrospectively adjusted, incorporating the calculation methodology agreed upon with our external verification provider. The total GHG emissions for 2022 were assessed at 29,127 tCO_2e, compared to the previously disclosed 28,179 tCO_2e. Specifically, GHG emissions under the SLB Framework, following the retrospective application of the relevant methodology, amount to 23,776 tCO_2e, as opposed to the previously disclosed 22,829 tCO_2e, representing an updated baseline for GHG emission reduction targets/SPTs.
3 Investment portfolio companies' total Scope 1 and 2 emissions are: 23,706 tCO_2e in 2022, 22,454 tCO_2e in 2023 and 22,995 tCO_2e in 2024.
4 FTE ("full time employee") is stated excluding temporary employees.

Resources and Responsibilities continued

SECR Report

This report has been produced in accordance with the UK Government's policy on SECR. As determined by the Greenhouse Gas Protocol, the scope and boundary of the GHG emissions herein relate to those where we have operational control, i.e. those relating to our corporate offices in both London and Tbilisi. As stated on page 82, in 2024, GCAP reports the energy consumption of the London office only for the first four months.

GHG emissions and energy data

The following table reports upon GHG and energy data for the period December 2023 to December 2024. The prior reporting year has been included for comparative purposes.

Energy consumption (in kilowatt hours, kWh)	Prior reporting year (2023)		Current reporting year (2024)	
Purchased electricity		41,053		40,769
Gas combustion		–		–
Transport fuel		237,031		228,850
Refrigerants		–		–
Total energy consumption (kWh)[1]		**278,084**		**269,619**
Emissions (per metric tonne of CO_2 equivalent, tCO_2e)	Total	Scope	Total	Scope
Purchased electricity	4.3	2	4.0	2
Gas combustion	–	1	–	1
Transport[2]	32.5	3	56.8	3
Refrigerant emissions	–	2	–	2
Total gross emissions	**36.7**	**–**	**60.9**	**–**
Intensity ratio (tCO_2e per FTE)		Total		Total
Intensity ratio		**2.39**		**2.98**

Quantification and reporting methodology

The GHG and energy data presented above has been collated, calculated and presented using methodology following the Greenhouse Gas Reporting Protocol, and uses the 2024 Government Emission Conversion Factors for Company Reporting.

Intensity ratio

The intensity ratio used in the table above displays total gross emissions (tCO_2e) per FTE.

Our environmental activities

Measures undertaken to improve energy efficiency

Over the last periods, Georgia Capital has introduced and implemented energy-efficient solutions to further reduce energy consumption by conducting various activities across the Group and portfolio companies.

Our portfolio companies continue to implement energy-saving solutions, such as LED lights and other energy-efficient equipment, such as boilers and heating ventilation and air conditioning systems. Our housing development business pioneered the introduction of energy-efficient construction materials. In our education business, five of our school campuses successfully introduced solar panels and our other educational infrastructures will follow in due course. Our beverages business reduced energy consumption and carbon footprint through its CO_2 recovery plant, alongside the wastewater treatment plant. The company also introduced the Green Fridge Policy which reduces the carbon footprint of cooling bottled and canned products. Additionally, our PTI business adheres to green standards, exemplified by the planting of trees in every Tbilisi branch, contributing to a green space that encompasses 20% of the total territory.

Details of environmental activities of our portfolio companies are reported in our Sustainability Report at **https://georgiacapital.ge/ir/sustainability-reports**.

1 Scope 1 and Scope 2 consumption data is converted in kWh. For the distance (km) conversion into kWh, we used a conversion factor for an average size car.
2 Transport emissions represent 1) business travel in employee-owned vehicles where the firm is responsible for purchasing the fuel, and 2) business travel in company owned vehicles.

Task Force on Climate-related Financial Disclosures

The following section reflects Georgia Capital's response to the TCFD recommendations and the mandatory reporting requirements set out in the Companies Act 2006 related to Climate-related Financial Disclosures. The disclosures have been prepared in line with the all-sector guidance and, where applicable, reflect the supplementary recommendations for the asset managers. In this section, we present the Company's perspective on four core pillars of governance, strategy, risk management, and metrics and targets related to climate change mitigation.

Governance

Board oversight

The Board is entrusted with providing oversight of climate-related risks and opportunities, aided by the Audit and Valuation Committee. The Audit and Valuation Committee and the Board have responsibility for assessing and managing climate-related risks and opportunities in relation to GCAP's direct operations and to our portfolio companies, as they affect matters within their remit.

Current, future and emerging risks are included within the standing item, "Discussion of risks", of the Audit and Valuation Committee and Board agendas. Risks, including those relating to climate change, are discussed, and implications for future strategy are considered, semi-annually, in line with the annual and semi-annual reports.

In 2022, the Board supported the initiative of incorporating ESG as one of the core pillars of GCAP's strategy. The Board also reviewed the alignment of GCAP's portfolio operations with the UN SDGs and supported the enhancement of ESG transparency. Georgia Capital submits the climate change questionnaire to the CDP annually for additional transparency.

The Board is responsible for the approval of the climate-related metrics and targets that have been established by GCAP in 2022. It is also responsible for ensuring progress against agreed metrics and targets.

In 2023, the Board revised the schedule of matters reserved for the Board, including explicitly stating that it now covered any duties previously reserved to the Investment Committee, and further to make it clear that the Board had primary responsibility for overseeing environmental and social risks and that the Company's strategic direction is regularly informed by material environmental and social issues. Given the small size of the Board and the importance of these matters, including climate change, the Board believes that it is appropriate for the whole Board to be responsible for these issues.

Management oversight

Within the management team, the Chief Financial Officer, supported by the finance team, is responsible for identifying risks, including climate change risks, in relation to the investment portfolio and including these in the valuation process. The Director of Investments, supported by the Investment Officers, is responsible for identifying specific risks and opportunities at the initial investment stage.

The Chief Financial Officer and Director of Investments report on monitoring of identified financial and climate-related risks and significant changes through their regular reports to the Management Board. Risks are escalated to the Audit and Valuation Committee.

The Board and management work together to develop and review the GCAP investment strategy and consider, among other aspects, climate-related issues. They are also responsible for setting a wide range of corporate policies and objectives, among them environmental and social policies, and for monitoring performance against objectives and targets.

Resources and Responsibilities continued

Strategy

In support of the evaluation of climate-related risks and opportunities that may be present, a review of GCAP's direct operations and a macro-level review of the portfolio companies' operations were completed. The process was followed by a comprehensive quantitative assessment, specifically on GHG inventory management.

It is considered that indirect climate-related risks within the portfolio companies will be more significant than those present within the Group's operations. An early-stage scenario analysis was completed as part of the process towards understanding how the climate impacts identified in the qualitative assessment could present as financial risks to GCAP under different plausible future scenarios. The findings and potential risk implications of such findings are provided below in the section "Scenario analysis of plausible futures".

GCAP's strategy incorporates strong consideration of climate change aspects (e.g. GCAP's focus upon renewable energy, 6.7% share of the portfolio at 31 December 2024, the issuance of the SLB in 2023, and increased focus on sustainability both at GCAP and portfolio company levels).

Scenario analysis of plausible futures
Network for Greening the Financial System ("NGFS"[1]) climate scenarios were chosen for their relevance to the finance sector and to allow for comparability.

Climate change scenarios for the Republic of Georgia were explored as follows:
- Current Policies (policy ambition of 3°C).
- Delayed Transition (policy ambition of 1.7°C).
- Net Zero 2050 (policy ambition of 1.4°C).

GCAP invests over a five-to-ten-year horizon. With this in mind, scenario outputs were considered by GCAP in the short term (year 2027), medium term (year 2030) and long term (year 2050).

Table 1: Shadow carbon price, global (US$2010/tonnes CO2)

NGFS modelled scenario	Projected carbon price Year 2025	Year 2027	Year 2030	Year 2035	Year 2050
Current Policies	10.7	10.5	10.3	10.2	11.1
Delayed Transition 1.7°C	10.7	10.5	10.3	98.9	320.4
Net Zero 2050	98.4	140.8	183.3	294.9	748.8

Each NGFS scenario explores a different set of assumptions for how climate policy, emissions and temperatures evolve. The scenario descriptions using the REMIND-MAgPIE 3.3-4.8 model are as follows:
- **Current Policies** assumes that only currently implemented policies are preserved, leading to high physical risks. Emissions grow until 2080 leading to about 3°C of warming. This scenario is dominated by physical risks due to the resulting climate and weather pattern changes. Transition risks are muted as regulators and technology are not being driven to change beyond current plans. Georgia will experience a reduction in the overall volume of precipitation across the country, including a reduction in the volume of snowfall. Gradual snow melt will be replaced by more intense rainfall run-off. This will result in landscape instability and heightened flood risk with the potential for infrastructure to be overwhelmed. In addition, there is an expectation of an increasing frequency of heat waves.
- **Delayed Transition 1.7°C** assumes that global annual emissions do not decrease until 2030, necessitating the implementation of stringent policies to limit warming to below 2°C. The availability of negative emissions technologies is restricted, further complicating mitigation efforts. Under this scenario, no new climate policies are introduced before 2030, and the scale of action varies across countries and regions based on existing policies. This trajectory results in heightened transition and physical risks compared to the Net Zero 2050 scenario.
- **Net Zero 2050** limits global warming to 1.5°C through stringent climate policies and technological innovation, achieving global net-zero emissions around mid-century. This scenario assumes the immediate implementation of ambitious climate policies. Net CO_2 emissions reach zero around 2050, ensuring at least a 50% probability of keeping global warming below 1.5°C by the end of the century, with only a limited temporary overshoot in earlier years. While physical risks remain relatively low, transition risks are significant due to the rapid policy and economic shifts required.

Carbon prices (including taxation measures) are a key policy instrument for incentivising carbon emissions reduction. There is a direct relationship between the ambition (and stringency) of policies and the cost of emissions. The cost of emissions is also sensitive to the timing and implementation of the policies, the distribution of policies across all industrial sectors and the available technology, for example for CO_2 removal.

The carbon price in Georgia is a key variable in determining the future climate-related financial risk for GCAP. The projected carbon price over the short, medium and long term under the three plausible scenarios is shown in Table 1. Under Current Policies, there is little change in the carbon price. However, there is a sharp increase in the carbon price occurring in about 2030-2035 under the Delayed Transition 1.7°C scenario. Under the Net Zero 2050 scenario, a global carbon price of 183.3 US$2010/tonne CO_2 by 2030 is projected.

1 www.ngfs.net. Network for Greening the Financial System Climate Scenarios for Central Banks and Supervisors, November 2024.

Based on the early-stage scenario modelling initial tables of potential climate-related financial risks and opportunities for each scenario were prepared.

As an example, a summary table of a Delayed Transition 1.7°C scenario is presented at Table 2. In this example scenario, the increasing carbon price is likely to be relevant to each of the portfolio companies either directly or through their supply chains. In addition, potential financial impacts under this scenario may also arise associated with:
- acute physical events, for example, from increased flooding or land instability due to intense rainfall on operations or physical assets;
- chronic physical changes to climate, such as increased average temperatures affecting the condition or habitability of real estate assets, the physical condition of distribution networks, and/or community health; and
- adaptation of operations or assets to mitigate the effect of physical or transition risks. In this example, transition risks and, in particular, opportunities for the GCAP investment strategy and portfolio may be driven by the Georgian Nationally Determined Contributions and the Georgian 2030 Climate Change Strategy and Action Plan (CCSAP).

It is noted that under the plausible scenario analysis, there will be little difference in the physical outcomes between Current Policies and Delayed Transition 1.7°C before 2050. But under the Delayed Transition 1.7°C scenario, there is significant potential for variation in near-term policy action which will introduce great uncertainty for businesses.

A narrative summary of qualitatively identified macro-level risks and opportunities under the Delayed Transition 1.7°C scenario and the potential impact of these risks is provided in Table 2. For each portfolio company, examples are given which are considered to have a potential impact on the portfolio company, if not to the portfolio as a whole. The percentage value of the portfolio company within the portfolio is provided as a broad indicator of likely weighting.

Lion Finance Group (37.8% of total portfolio)
- **Risks** – Within the medium term, the rapid implementation of climate policy and regulation may result in sharply increasing direct regulatory expenses in relation to fixed assets such as the Bank's retail outlets.
- **Opportunities** – In the short term, and in mitigation, the Bank is already in the advanced stages of implementing energy efficiency programmes within its real estate (retail, office and data centres). By anticipating compliance with regulations relating to fuel efficiency standards, emissions-reducing regulations and building efficiency compliance, the Bank will minimise costs in relation to

Table 2: Portfolio 2024: Qualitative presence of potential climate-related physical or transition risks under Delayed Transition 1.7°C

	Physical risks[1]				Transition risks[2]							
	Acute		Chronic		Legal/regulation		Market		Reputation		Technology/digital	
Portfolio company	Risk	Opp.	Risk	Opp.	Risk	Opp.	Risk	Opp.	Risk	Opp.	Risk	Opp.
Lion Finance Group	(!)		(!)		(!)	●		●		●		●
Water utility	(!)		(!)	●	(!)	●		●		●		●
Renewable energy	(!)	●	(!)	●		●		●		●		●
Healthcare businesses: hospitals and clinics and diagnostics	(!)		(!)	●	(!)	●		●				●
Retail (pharmacy)	(!)		(!)	●	(!)	●		●				●
Medical insurance	(!)		(!)	●	(!)	●		●				●
P&C insurance	(!)		(!)		(!)	●	(!)	●				
Education	(!)		(!)							●		
Auto service	(!)	●	(!)	●	(!)	●		●		●		
Beverages	(!)		(!)		(!)							
Housing development and hospitality	(!)		(!)		(!)	●						

Key:
(!) Potentially material risk areas
● Potentially material opportunities for each of the portfolio companies
Blank areas indicate that neither material risks nor material opportunities are anticipated

1 Physical risks and opportunities are those that occur due to the physical manifestation of climate change – as chronic long-term climate changes or as acute episodic weather events.
2 Transition risks and opportunities are those related to the transition to a low-carbon economy including legal/regulatory risks such as carbon prices, market supply and demand, reputation and technology (e.g. disrupters, improvements and replacement of technology that support the transition to a low-carbon economy).

Resources and Responsibilities continued

regulations. In addition, it will lower energy expenditure and generate a financial benefit, especially where renewable energy is utilised. Additionally, the Bank has adopted digital technology to enable all forms of digital banking, potentially further reducing the need for fixed assets.

Since 2021, Lion Finance Group PLC completes its own TCFD assessment. The results are available publicly in Lion Finance Group PLC's Annual Report and Accounts which can be viewed or downloaded at: **https://lionfinancegroup.uk/annual-reports/latest-annual-report/**.

Water utility (5.0% of total portfolio)

- **Risks** – Acute physical risks may impact utility assets. For example, in the short to medium term, extreme rain events may overwhelm infrastructure, causing damaged water treatment and sewage treatment plants. Pipelines are also at risk from such events, as the overall integrity is placed under pressure. These will require increased maintenance and repair costs. Landslides in more remote locations could cause further damage and may block access in some areas.
- **Opportunities** – In the medium term, decarbonisation of operations will enable the water utility operations to limit the cost consequences of carbon pricing and provide an advantage over more carbon-intensive competition.

Retail (pharmacy) (19.0% of total portfolio)

- **Risks** – The principal risks arise from physical aspects of climate change and may impact the physical assets. Transition risks are considered to mainly relate to carbon pricing and the effect this will have on the supply chain, for example, the purchase of drugs and medicines. As the carbon price rapidly increases post-2030 (medium term) the prices of goods will increase. While this will be felt across the market and will not be unique to the portfolio, given the leading market share, this could result in reputational risk arising from consumer perception.
- **Opportunities** – There is a regulation opportunity for the retail (pharmacy) business. Being an early adopter of fuel efficiency standards, emissions-reducing regulations and building efficiency compliance will reduce overall running costs in the medium term. Good energy management and the use of renewable energy will not only lower energy expenditure and generate a financial benefit but will also reduce the carbon footprint of the operations.

P&C insurance (8.3% of total portfolio)

- **Risks** – Carbon pricing is a fundamental component of the EU's climate change agenda. Under the Delayed Transition 1.7°C scenario, carbon pricing is expected to rise sharply after 2030 (medium term). This will see a progressive rise in the cost of carbon-intensive products and services, logistics, distribution and any other operations within the supply chain associated with high-carbon emissions. This will have implications for the cost of insurance, which may be passed on to the customer. Beginning with transition risks, some lines of business may see changes in claims patterns as Georgian Government policy and regulation relating to carbon emissions evolve. This might result in fluctuating loss ratios and profitability. The steep rise in carbon prices can lead to reduced profitability, obsolete assets and impairments in sectors that are difficult to decarbonise and where additional costs cannot be passed on to customers. The transition will shift demand toward low-carbon technologies and create new opportunities for companies that provide innovative solutions and are able to reduce their emissions more efficiently than competitors. Failure to manage potentially detrimental impacts will result in damage to a company's reputation.
- **Opportunities** – Opportunities will likely arise from energy efficiency regulation which will force customers to upgrade their homes and vehicles and may require new product offerings. Commercial opportunities are also likely to arise by creating targeted products that address climate change and energy transition.

Medical insurance (3.1% of total portfolio)

- **Risks** – An increase in medical insurance claims may arise from both acute short-term weather conditions (flooding and, in some regions, landslides and heatwaves) and long-term chronic changes in weather such as increased average temperatures, impacting health. Failure of infrastructure may cause longer-term ill health from waterborne diseases. There is also a risk that the Georgian Government introduces a policy for insurers to maintain policy cover for the "uninsurable", the costs of which may not be possible to pass on to the insured.
- **Opportunities** – Encouraging customers to prepare to be resilient with respect to climate risks, for example through premium incentives to have healthy lifestyles, may contribute positively to the business reputation and customer base.

Healthcare businesses – hospitals and clinics and diagnostics (11.0% of total portfolio)

- **Risks** – under the delayed Transition, it is anticipated that in the medium-term carbon prices will remain low. After 2030, carbon prices may rise quickly y-o-y towards 2050. The implications of this will be financially more severe for carbon-intensive products, services and operations. This will result in increased costs of purchases relating to medical equipment and supplies, particularly those originating out-of-country.
- **Opportunities** – In the short to medium term, commitment to a low-carbon portfolio (for example, low-carbon hospitals) could have certain benefits. A reduction in the portfolio's carbon intensity will mitigate future costs associated with increasing carbon prices.

Renewable energy (6.7% of total portfolio)

- **Risks** – In the short to medium term, the infrastructure and transmission lines are clearly at risk from physical risks such as landslides, or extreme heat impacting the integrity of lines or pipes. However, for each of the HPPs and WPPs, the business has taken steps to improve the resilience of infrastructure to changes in climate.
- **Opportunities** – The renewable energy business generates electricity using renewable sources, and there are a number of policy and Georgian Government incentives for solar wind and hydropower generation in Georgia as part of the Georgian 2030 CCSAP. Renewable energy sources are considered to be the future of energy and are valued higher than traditional electricity generation companies.

Education (4.8% of total portfolio)

- **Risks** – The potential risks relate to transition type risks, in particular energy and air quality regulations, that may be introduced under this scenario at short notice in the medium term. Schools may be expected to retrofit heating and cooling measures/equipment to meet regulations. In addition, energy requirements may arise in response to air conditioner use during prolonged heatwaves for example. These risks are expected for all real estate.

Auto service

- **Risks** – Currently, vehicles on the market and in use in Georgia are mainly diesel and petrol-fuelled. Initially, in the short term, there will be a gradual switch to electric vehicles. After 2030, there will likely be a significant increase in the use of electric vehicles, abruptly reducing the need for emissions checks. Additionally, the anticipated rise of carbon pricing and adoption of border adjustment mechanisms after 2030 will affect Amboli's (the auto service business' car services and parts business) supply chain and trade of car consumables and parts. There will likely be an abrupt rise in distribution and retail costs as a result of increases in carbon pricing.
- **Opportunities** – In the short to medium term, it may be that there will be stricter emissions requirements. This may mean that more vehicles will need to be emissions-checked more regularly or be modified, causing demand at PTI centres.

Beverages

- **Risks** – In addition to physical risks (reduced rain, high intensity events, prolonged heatwaves) affecting hops and grape production, the main identified risk relates to regulatory transition risk. In particular, carbon prices and border taxes such as the EU Carbon Border Adjustment Mechanism will adversely affect the prices of both incoming goods and exported products in medium term (post-2030).

Housing development and hospitality

- **Risks** – Physical risks to property will occur. These include deterioration of asset integrity due to flooding or extreme heat. In the medium term (post-2030) assets that are not energy efficient will be hit by energy efficiency regulation for retrofitting and increased energy costs due to carbon pricing. Additionally, as green building technologies advance, failing to adopt sustainable or energy-efficient solutions may render developments less competitive and result in higher operational costs.
- **Opportunities** – Early adoption of fuel efficiency standards, emissions-reducing regulations and building efficiency compliance will reduce longer-term costs relating to regulations including a reduction in potential declines.

The Group's strategy is to focus predominantly on capital-light, larger-scale investment opportunities in Georgia and it normally seeks to monetise its investment through appropriate exit options, typically within five to ten years from initial investment. Considering this strategic focus, the holding periods of our investments fall in much shorter time horizons (short to medium term) than the timeframe in which the impacts of climate change, especially of physical risks, may manifest themselves in Georgia. The exposure of GCAP's portfolio on certain industries (presented as a percentage of the investment in the total portfolio value) as well as the investment holding period are essential when defining the different time horizons for the analysis and when assessing the materiality of climate-related risks for different investments.

Management takes climate change risk into consideration when determining its investment strategy. This is described further in the Risk management section on page 90. Climate change is also reflected in the valuation assessments of the portfolio companies, as described in the Risk management section on page 90. In 2024, we developed and formalised our ESG risk assessment and management process across the investment cycle, introducing sector-specific initial investment appraisal procedures, alongside periodic information checklists. Going forward we will be exploring how to further incorporate climate change risk into our portfolio valuations. This may include an assessment of the influence of the projected carbon price under different scenarios on the valuation of the portfolio. In addition, the use of shadow carbon pricing might be reviewed.

Other identified potential risks and opportunities are evaluated by the investment and finance teams in discussion with the portfolio companies to determine their financial materiality (impact on financial performance including revenues and expenditures, and impact on the financial position, assets and liabilities, capital and financing).

Resources and Responsibilities continued

Risk management

Climate change risk has been recognised by GCAP as an emerging risk. The risk management approaches for the initial investment stage and the existing portfolio companies are provided below.

Investment stage
The investment risk management process includes consideration of climate-related risks, in line with the implementation of the Responsible Investment Policy. Procedures for identifying, describing and managing environmental and social risks and impacts (including those associated with climate change) have been incorporated into the investment process from the initial investment, through to the holding period.

GCAP has a staged approach to investment appraisal which becomes progressively more detailed. At the early stages of appraisal, the potential investment is screened against the GCAP Exclusion List. This list excludes businesses that generate more than 10% of their revenues from fossil fuels. Subsequent appraisal stages include evaluation of the carbon and energy emissions, as well as business strategy and plan elements in relation to carbon and energy management. These plan elements will consider alignment with the Georgian Government Climate Goals and incorporate the shadow carbon price.

Current portfolio
Climate change, and the risks relating to climate change, is reflected in the valuation assessments of the portfolio companies. Equity investments in Georgia Capital's portfolio companies are measured at fair values at each reporting date in accordance with IFRS 13, Fair Value Measurement.

Private large and investment stage portfolio companies are valued by applying a combination of an income approach (DCF) and a market approach (listed peer multiples and, in some cases, precedent transactions) in line with International Private Equity Valuation (IPEV) guidelines and methodology. Under the 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, which consequently reflects the climate change-related considerations of the business.

Market approach valuation 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. GCAP identifies the 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 (including the climate change risk). Valuation assessments of the large and investment stage portfolio companies are performed by an independent valuation firm on a semi-annual basis. Climate change risk is factored in the valuation assessments. Climate change risk is also embedded in the valuation of the other portfolio companies as set out in the Valuation Methodology on page 98 of this Annual Report.

Understanding the relationship and potential impact of climate change and its associated risks across different risk categories was a priority for GCAP risk management during 2024 as climate risk continued to be integrated into the risk management framework.

Evaluating macro-level risks
For each of the portfolio companies, a macro-level review has been completed within the scenarios and time horizons (short, medium and long). The process included among other activities:
- review of the scenarios selection and identified risks and opportunities with the portfolio companies;
- application of the carbon prices to investee emission profiles to establish the impact; and

- further discussion with the portfolio companies on how carbon price may be used to influence their strategy and impact on their business plans going forward – including the cost of supplied materials, ability to pass through costs and potential capex among other aspects.

The NGFS modelling scenarios will be re-run annually to assess changes if any, that may occur in response to global or Republic of Georgia commitments and policies towards climate change.

Monitoring and reporting
Environmental (including climate) and social risks and opportunities are managed through regular semi-annual engagements with the portfolio companies. Topics cover a range of aspects under the headings of Governance, Policies, Social, Environment, Carbon and Energy Management, and Suppliers.

Capacity building
Where appropriate, GCAP will support portfolio companies in training and upskilling Investment Managers with respect to climate change terminology, risks and opportunities during 2025 and beyond.

Metrics and targets

Georgia Capital has committed to the Net-Zero Initiative and expressed its willingness to reach Net-Zero across Scope 1 and 2 emissions at both GCAP HoldCo and portfolio company levels by 2050.

In May 2022, GCAP commenced the ESG target-setting initiative with the goal of setting GHG emission reduction targets. Over a four-month period, GCAP conducted comprehensive research on relevant ESG standards, frameworks and guidelines, and engaged in discussions with global experts on different environmental platforms.

In September 2022, GCAP, with its portfolio companies, engaged in comprehensive individual and group workshops where the ESG frameworks were discussed and participants shared their progress towards setting individual environmental targets. Some of the portfolio companies also engaged local third-party experts in the target-setting initiative to ensure the effectiveness of the process.

In 2023, in parallel with the SLB issuance, the targets were revisited.

The primary driver for GCAP's commitment to achieving Net-Zero emissions by 2050 is the recognition that the majority of its GHG emissions originate from portfolio companies and through this target, the Group can actively promote climate change mitigation, natural resource conservation, and pollution prevention. This commitment reflects GCAP's dedication to fostering a transition toward a more sustainable and lower-carbon economy in Georgia. The progress toward this target is rigorously monitored on an annual basis. Furthermore, following the successful issuance of the US$ 150 million SLB, the verification of GHG emissions will be conducted regularly at least while the bond remains outstanding.

GHG inventory
Measuring GHGs is the initial step in preventing global warming. GCAP has collated Scope 1, 2 and limited Scope 3 GHG emissions over the past few years. In 2020 we focused on emissions derived from GCAP operations (Scope 1, 2 and limited 3). We reported on the emission sources listed under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (Scopes 1 and 2).

All sources reported in 2020 fell within our consolidated financial statements.

Since 2021, in accordance with the Greenhouse Gas Protocol and aligning with TCFD recommendations, we have taken the opportunity to present elements of the emissions derived from our portfolio companies (outside our consolidated financial statements). We aggregate and present portfolio companies' Scope 1, 2 and 3 emissions under our Scope 3 emissions.

GCAP considers that all material categories of Scope 3 have been included in our emissions calculation. For further details, please refer to the emission disclosure and calculation methodology on page 82.

GHG reduction targets
Georgia Capital commits to reducing total Scope 1 and Scope 2 emissions by 30% by 2030 compared to the base year, 2022, and by 95% by 2050, ultimately becoming Net-Zero.

Resources and Responsibilities continued

In 2023, JSC GCAP issued a US$ 150 million SLB and established an SLB Framework, under which GCAP committed to decrease its GHG emissions[1] by 20% by 2027 compared to a 2022 baseline. The SLB target is in line with GCAP's overarching commitment to reaching Net-Zero across the Group by 2050.

2022 has been chosen as a base year for two major reasons:
- In 2022, the disposal of the majority equity stake in the water utility business was completed, which significantly changed the GHG emission composition.
- The 2022 year reflects the normalisation of economic activities compared to the abnormal environment in 2020-2021 years due to COVID-19-related implications.

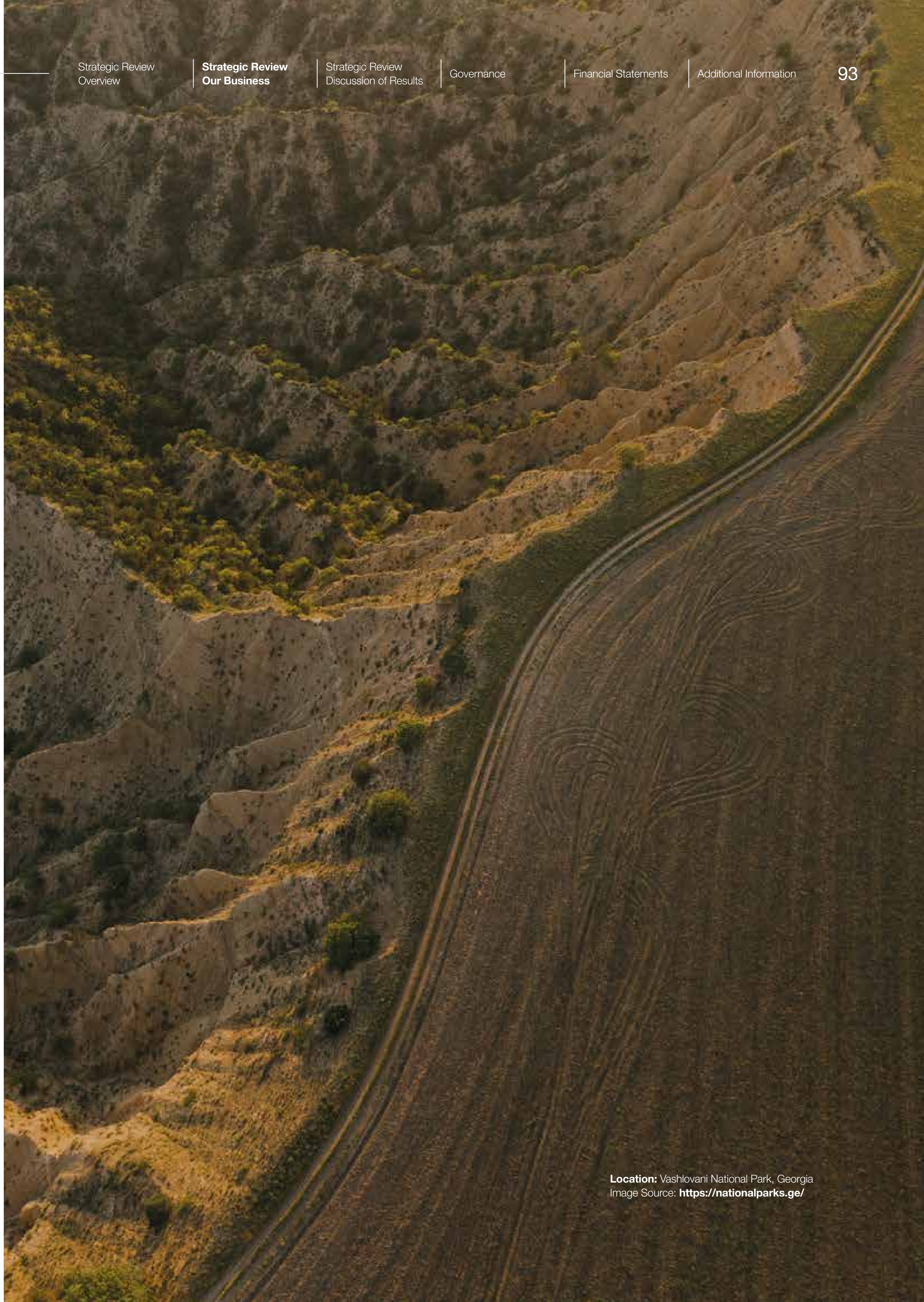
In 2022, the full GHG inventory analysis revealed that the portfolio companies' GHG emissions accounted for 99.5% of the Group and portfolio companies' aggregated emissions, which were derived from the following sources:
- Combustion of natural gas (Scope 1) – 33% of the total GHG emissions.
- Combustion of petrol and diesel (Scope 1) – 25% of the total GHG emissions.
- Consumption of electricity (Scope 2) – 23% of the total GHG emissions.
- Other emissions (Scope 3) – 19% of the total GHG emissions.

GHG emissions reduction roadmaps were developed at both the GCAP HoldCo and portfolio businesses' levels to support GCAP in transferring to a low-carbon economy, and consequently lowering its environmental footprint.

The roadmap captures the fundamental activities to minimise any adverse impact on the environment, whilst simultaneously highlighting benefits for the Group and its portfolio companies:
- c.80% of Georgian electricity is sourced from renewable energy power, having a relatively modest adverse impact on the environment.
- GCAP's updated strategy of having considerable exposure to capital-light portfolio companies provides a chance to progressively transition to a low-carbon economy.

Target[2]	KPIs	Base year 2022	Target by 2030	Target by 2050
Reach Net-Zero across Scope 1 and 2 emissions at both GCAP HoldCo and portfolio companies' level by 2050	**GHG emissions reduction targets**			
	Reduce GCAP HoldCo Scope 1 and 2 emissions[3]	70 tCO_2e	30%	95%
	Reduce GCAP's Scope 3 emissions:			
	* Reduce portfolio companies' Scope 1 and 2 emissions[3]	23,706 tCO_2e	30%	95%
	* Offset GCAP HoldCo's direct Scope 3 emissions[4] that cannot be avoided or reduced further, starting from 2030	78 tCO_2e	Yes	Yes
	Georgia Capital plans to reduce its direct GHG emissions by: • implementing Net-Zero awareness campaigns across the Group and portfolio companies; • organising annual ESG workshops with the portfolio companies; • replacing the natural gas heating systems with efficient electric heating solutions; • promoting electric vehicle deployment in order to reduce the consumption of petrol and diesel; and • gradually transferring electricity consumption to 100% renewable energy, either by installing renewable energy solutions at our facilities or purchasing electricity from renewable energy providers.			

1 Represents GCAP's absolute Scope 1, 2 and 3 emissions (the latter reflecting the aggregated Scope 1 and 2 emissions of the portfolio companies).
2 Since GCAP's portfolio is subject to regular asset rotation, the targets may be recalibrated in the future.
3 The 2022 GHG emissions have been retrospectively adjusted, incorporating the calculation methodology agreed upon with our external verification provider. Specifically, GHG emissions under the SLB Framework, following the retrospective application of the relevant methodology, amount to 23,776 tCO_2e, as opposed to the previously disclosed 22,829 tCO_2e, representing an updated baseline for GHG emission reduction targets/SPTs.
4 Emissions related to air travel and ground transportation provided by third parties and electricity, heat/steam, cooling provided within leased and service agreements.



Location: Vashlovani National Park, Georgia
Image Source: **https://nationalparks.ge/**

Alternative Performance Measures

APMs overview

Management assesses the Group's performance using a variety of measures that are not specifically defined under IFRS and are, therefore, referred to as APMs internally and throughout this document. Management monitors the Group's performance on a regular basis based on developments in the Income Statement and NAV Statement prepared under the methodologies described below. Management believes that such statements provide an important view on Georgia Capital's strategy and helpful insights into management's decision-making. Management dedicates time to ensuring that the Group's APMs are reported in a consistent and transparent way in accordance with the European Securities and Markets Authority ("ESMA") published guidelines.

Under IFRS 10, Georgia Capital PLC meets the "investment entity" definition and does not consolidate its portfolio companies, instead the investments are measured at fair value.

Our Group level discussion is, therefore, based on the IFRS 10 investment entity accounts.

The NAV Statement, as included in the notes to the IFRS financial statements, summarises the Group's equity value and drivers of related changes between the reporting periods. Georgia Capital holds an investment – in JSC Georgia Capital (an investment entity on its own) – which in turn owns a portfolio of investments, each measured at fair value. Georgia Capital measures its investment in JSC Georgia Capital at fair value through profit and loss, estimated with reference to JSC Georgia Capital's own portfolio value as offset against its net debt.

The Income Statement presents the Group's results of operations for the reporting period. As we conduct most of our operations through JSC Georgia Capital, through which we hold our portfolio companies, the IFRS results provide little transparency on the underlying trends. To enable a comprehensive view of the combined operations of Georgia Capital PLC and JSC Georgia Capital (together referred to herein as "GCAP") as if it were one holding company, we adjust the accounts ("adjusted IFRS 10 Income Statement"). A full reconciliation of the adjusted Income Statement to the IFRS Income Statement is provided on page 97.

Additionally, for the majority of our portfolio companies the fair value of our equity investment is determined by the application of a market approach (listed peer multiples and precedent transactions) and an income approach (DCF). Under the market approach, listed peer group earnings multiples are applied to the trailing 12-month (LTM) stand-alone IFRS earnings of the relevant business. Under the DCF valuation method, fair value is estimated by deriving the present value of the business using reasonable assumptions of expected future cash flows and the terminal value, and the appropriate risk-adjusted discount rate that quantifies the risk inherent to the business. As such, the stand-alone IFRS results and developments behind IFRS earnings of our portfolio companies are key drivers in their valuations. Following the Group discussion, we therefore also present unaudited IFRS financial statements for each portfolio company and a related brief results discussion.

Our adjusted IFRS 10 Income Statement and the stand-alone IFRS results for our portfolio companies may be viewed as APMs.

NAV Statement

The Group mainly makes indirect investments in portfolio companies, held through intermediate Georgian holding company, JSC Georgia Capital, which is the principal subsidiary of Georgia Capital PLC. The application of IFRS 10 requires us to fair value the intermediate holding company JSC Georgia Capital. This fair value approach, applied at the intermediate holding company level, effectively obscures the performance of our equity capital investments and associated transactions occurring in the intermediate holding company. The financial effect from the valuation of the underlying portfolio companies are aggregated into a single value. The breakdown of the value of JSC Georgia Capital is presented in Note 12 within the IFRS financial statements. To maintain transparency in our report and aid understanding we present a NAV Statement and respective reconciliation to the IFRS Balance Sheet in Note 5 (Segment information) of the IFRS financial statements. NAV disclosed under the NAV Statement is the same as IFRS equity value as at 31 December 2024. The NAV Statement is simply a "look through" of the IFRS 10 Balance Sheet to present the underlying performance.

The NAV Statement breaks down NAV into its components and provides roll-forward of the related changes between the reporting periods, including a snapshot of the Group's financial position at the opening and closing dates. The NAV Statement provides a value of Georgia Capital that management uses as a tool for measuring its investment performance. Management closely monitors NAV in connection with capital allocation decisions. The following methodology underlies the presentation of the NAV for period-end dates:

- NAV is calculated at stand-alone GCAP level, which represents the aggregation of the stand-alone assets and liabilities of Georgia Capital PLC and JSC Georgia Capital.
- Holdings in listed, observable and private portfolio companies are carried based on the following methodology:
  - Listed portfolio companies are carried at the period-end market values based on closing share prices on respective stock exchanges.
  - Observable portfolio companies are carried at valuation using put and/or call options at pre-agreed multiples, where there is a clear exit path from the business.
  - Private portfolio companies are carried at fair value based on a valuation technique believed to be most appropriate to that investment as described in the Valuation Methodology on page 98.
  - NAV per share represents total NAV divided by the number of outstanding shares at the end of the period, i.e. the number of issued shares at the end of the period less unawarded shares in GCAP's management trust.

Management Income Statement

The Income Statement is an aggregation of GCAP's stand-alone Profit and Loss Statement and fair value change of portfolio companies during the reporting period. The following methodology underlies the preparation of the Income Statement:

- The top part of the Income Statement (GCAP net operating income) represents the aggregation of the two stand-alone holding company accounts, which we call GCAP (i.e. the UK holding company Georgia Capital PLC and the Georgian holding company JSC Georgia Capital), the performance of which reflects the net result of a) dividend income accrual based on distributed or declared annual dividend proceeds from portfolio companies during the reporting period, b) interest income on liquid funds and loans issued, c) interest expenses on debt incurred at GCAP level (which consists of the bonds issued), d) realised/unrealised gains or losses on liquid assets and e) expenses incurred at GCAP level.
- Fair value change of portfolio companies (total investment return) represents fair value changes in the value of portfolio companies during the reporting period, as valued in the period-end NAV Statement. A detailed Valuation Methodology is described on page 98. We view fair value changes of portfolio companies as a metric to measure the total investment return of Georgia Capital's holdings, which itself reflects value creation for shareholders.
- Following the aggregation of GCAP net operating income and total investment return, we arrive at management income before foreign exchange movements for the period.
- Below the income before foreign exchange movements line, to arrive at management net income, we present GCAP gains or losses from foreign exchange movements and other costs such as non-recurring or transactions costs if there are any in a reportable period.

APM summary

In October 2015, ESMA published guidelines about the use of APMs. These are financial measures such as key performance indicators (KPIs) that are not defined under IFRS. In the Strategic Review section of the Annual Report on pages 4 to 117, Georgia Capital describes its financial performance under the adjusted IFRS 10 Income Statement and also discloses the stand-alone IFRS results for the portfolio companies, which themselves can be viewed as APMs. A number of other measures are used which are also APMs, since they are derived from the management accounts. The applicable reconciliations to the IFRS equivalent where appropriate, is provided below and should be read alongside the adjusted IFRS 10 Income Statement to IFRS reconciliation.

The table below lists all the APMs used within the Annual Report.

Read more on **financial performance** in the **Strategic Review** on pages **100** to **117**.

Read more on about the **use of APMs** in the **Discussion of Results** on pages **94** to **96**.

APM	Purpose	Calculation	Reconciliation to IFRS
NAV per share	The measure of per-share value of Georgia Capital.	NAV per share is calculated as NAV divided by the number of outstanding shares at the end of the period, i.e. issued shares at the end of the period less unawarded shares in management trust.	N/A
GCAP net operating income	A measure to reflect performance of the stand-alone GCAP and evaluate cash generating capacity on a holding company level.	GCAP net operating income reflects the net result of: a) dividend income accrual based on paid or declared annual dividend proceeds from portfolio companies to be collected during the year; b) interest income on liquid funds and senior loans issued; c) interest expenses on debt incurred at GCAP level; d) realised/unrealised gains or losses on liquid assets; and e) operating expenses incurred at GCAP level.	The equivalent balance under IFRS and respective reconciliation are shown in the reconciliation of the Income Statement.
Total investment return	A metric to measure the value creation power of Georgia Capital from its investments.	Fair value change of portfolio companies (total investment return) represents fair value changes in the value of portfolio companies during the reporting period, as valued in the period-end NAV Statement.	The equivalent balance under IFRS and respective reconciliation are shown in the reconciliation of the Income Statement.
Net income	A performance metric to measure the value creation power of Georgia Capital during the period.	Aggregation of GCAP net operating income and total investment return less GCAP gains or losses from foreign exchange movements and other non-recurring gain or losses.	The equivalent balance under IFRS and respective reconciliation are shown in the reconciliation of the Income Statement.

Alternative Performance Measures continued

APM	Purpose	Calculation	Reconciliation to IFRS
EBITDA	Management uses EBITDA as a tool to measure the portfolio companies' operational performance and the profitability of those companies' operations. The Company considers EBITDA to be an important indicator of representative recurring operations.	Earnings before interest, taxes, non-recurring items, FX gain or losses, depreciation and amortisation.	N/A
GCAP net debt	A measure of the available cash to invest in the business and an indicator of the financial risk at GCAP level.	Net debt is calculated at GCAP level as follows: cash and liquid funds plus loans issued less gross debt; loans issued does not include investment type mezzanine loans (if any).	N/A
Net capital commitment (NCC) ratio	A metric to measure Georgia Capital's balance sheet leverage.	NCC ratio is calculated at the GCAP HoldCo level by dividing NCC by total portfolio value. NCC represents an aggregated view of all confirmed, agreed, and expected capital outflows at the GCAP holding company level.	N/A
Internal rate of return (IRR)	A metric to evaluate the historical track record of investments.	IRR for investments is calculated based on: a) historical contributions to the investment; less b) dividends received; and c) market value of the investment.	N/A
Multiple of invested capital (MOIC)	A measure to evaluate Georgia Capital's efficiency in allocating capital.	MOIC is calculated as follows: the numerator is the cash and non-cash inflows from dividends and sell-downs plus fair value of investment at reporting date; and the denominator is the gross investment amount.	N/A
Return on invested capital (ROIC)	To evaluate a company's efficiency at allocating the capital under its control to profitable investments.	ROIC is calculated as EBITDA less depreciation, divided by aggregate amount of total equity and borrowed funds.	N/A
Return on average total equity (ROAE)	To measure the performance of a company based on its average shareholders' equity outstanding.	ROAE equals profit for the period attributable to shareholders divided by monthly average equity attributable to shareholders for the same period.	N/A
Value creation/investment return	To measure the annual shareholder return on each portfolio company for Georgia Capital.	Aggregation of: a) change in beginning and ending fair values; b) gains from realised sales (if any); and c) 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.	N/A
GCAP's liquid funds	A measure to evaluate the Company's liquidity.	Includes marketable debt securities and issued loans.	N/A

Reconciliation of Adjusted IFRS Measures to IFRS Figures

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 income/(loss) in IFRS Income Statement of Georgia Capital PLC.

GEL thousands, unless otherwise noted (Unaudited)	IFRS income statement	Adjustment	IFRS income statement
Dividend income	201,752	(76,643)	125,109
Interest income	7,477	(7,477)	–
Realised/unrealised loss on liquid funds	(796)	796	–
Interest expense	(35,589)	35,589	–
Gross operating income	**172,844**	**(47,735)**	**125,109**
Operating expenses (administrative, salaries and other employee benefits)	(35,280)	35,280	–
GCAP net operating income	**137,564**	**(12,455)**	**125,109**
Total investment return/gain on investments at fair value	**233,570**	**9,419**	**242,989**
Administrative expenses, salaries and other employee benefits	–	(5,749)	(5,749)
Income before foreign exchange movements and non-recurring expenses	**371,134**	**(8,785)**	**362,349**
Net foreign currency (loss)/gain	(18,662)	18,699	37
Non-recurring expenses	(2,148)	2,148	–
Net losses from investments measured at fair value through profit or loss	–	(112)	(112)
Net income	**350,324**	**11,950**	**362,274**

Subtotals in the "Adjustment" columns may not add up as they provide a reconciliation to the statements with different structures and subtotals.

Valuation Methodology

Equity investments in Georgia Capital's portfolio companies are measured at fair values at each reporting date in accordance with IFRS 13 Fair Value Measurement. Fair value, as defined in IFRS, is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

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 private 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 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 DCF 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 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 DCF 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 using one of the valuation methods 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 judgements and in making the necessary estimates.

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. Peer group is identified 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, LTM earnings will be used for the purposes of valuation. 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 the listed peer group multiple (EV/EBITDA) for the appropriate period. The measures of earnings generally used in the calculation is recurring/adjusted 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 using the 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 FX 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 the financial sector (e.g. insurance companies).

Discounted cash flow

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

Price of recent investment

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

Exit price

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

Validation

Fair value of investments estimated using 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 and dividend yield are applied to 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 the fair value estimated above falls within this range.
- DCF – DCF valuation method is used to determine fair value of equity investment. Based on DCF, the Company might make the upward or downward adjustment to the value of the valuation target as derived from the primary valuation method. If fair value estimated using DCF analysis significantly differs from the fair value estimate derived using the primary valuation method, the difference is examined thoroughly, and judgement is applied in estimating fair value at the measurement date.
- In line with GCAP's strategy, from time to time, we may receive offers from interested buyers for the private portfolio companies, which would be considered in the overall valuation assessment, where appropriate.

Valuation of equity investments in private portfolio companies
The table below summarises fair valuation of equity investments in our private portfolio companies as at 31 December 2024.

GEL thousands	Valuation performed externally or internally	Valuation method	Multiple applied	Fair value
Large portfolio companies	**Externally**			**1,434,749**
Retail (pharmacy)	Externally	DCF and EV/EBITDA	8.4x	716,130
Insurance	Externally	DCF and P/E	11.1x	427,945
Hospitals	Externally	DCF and EV/EBITDA	10.5x	290,674
Investment stage portfolio companies	**Externally**			**557,392**
Renewable energy	Externally	DCF and EV/EBITDA	11.3x[1]	252,606
Education	Externally	DCF and EV/EBITDA	12.8x	181,584
Clinics and diagnostics	Externally	DCF and EV/EBITDA	10.6x[2]	123,202
Other portfolio companies	**Internally**	**EV/EBITDA, NAV, DCF and exit price**		**160,314**

1 11.3x is the blended multiple for Hydrolea HPPs, Mestiachala HPP and Qartli WPP.
2 10.6x is the blended multiple for clinics and diagnostics businesses.

Financial Review

Financial Performance Highlights (IFRS)[1]

GEL thousands, unless otherwise noted (Unaudited)

Georgia Capital NAV overview	**Dec-24**	**Dec-23**	**Change**
NAV per share, GEL	95.95	82.94	15.7%
NAV per share, GBP	27.14	24.23	12.0%
NAV[2]	3,609,013	3,378,512	6.8%
Shares outstanding[3]	37,612,488	40,736,528	-7.7%
Cash and liquid funds	278,237	107,910	NMF
NCC ratio[3]	12.8%	15.6%	-2.8 ppts
Georgia Capital performance	**FY24**	**FY23**	**Change**
Total portfolio value creation	435,322	680,515	-36.0%
of which, listed and observable portfolio	*368,985*	*553,255*	*-33.3%*
of which, private portfolio	*66,337*	*127,260*	*-47.9%*
Investments	16,933	22,588	-25.0%
Divestments	(168,037)	(4,168)	NMF
Buybacks[4]	136,523	76,477	78.5%
Dividend income	201,752	235,883	-14.5%
of which, recurring dividend income[5]	*179,156*	*179,822*	*-0.4%*
of which, one-off dividend income	*22,596*	*56,061*	*-59.7%*
Net income	350,324	615,589	-43.1%
Private portfolio companies' performance[1,6]	**FY24**	**FY23**	**Change**
Large portfolio companies			
Revenue	1,499,308	1,337,010	12.1%
EBITDA	180,733	153,868	17.5%
Net operating cash flow	196,045	96,671	NMF
Investment stage portfolio companies			
Revenue	186,667	155,280	20.2%
EBITDA	64,419	51,995	23.9%
Net operating cash flow	74,321	50,609	46.9%
Total portfolio[7]			
Revenue	2,250,715	2,067,648	8.9%
EBITDA	310,903	248,647	25.0%
Net operating cash flow	298,519	139,391	NMF

Key points

- NAV per share (GEL) increased 15.7% in FY24, reflecting the excellent operating performance of our portfolio companies.
- Outstanding results across our private portfolio with a 8.9% and 25.0% y-o-y increase in aggregated revenues and EBITDA in FY24, respectively, leading to a more than doubling of net operating cash flow.
- NCC ratio improved by 2.8 ppts y-o-y to 12.8% as at 31-Dec-24, despite the launch of the US$ 25 million share buyback programme in December 2024, reflecting the receipt of c.US$ 63 million net proceeds from the beer and distribution business disposal and an 2.4% y-o-y increase in portfolio value.
- GEL 179.2 million recurring dividend income from the portfolio companies in FY24.
- 3.7 million shares with a total value of US$ 48.1 million (GEL 131.9 million) repurchased under GCAP's buyback and cancellation programmes during FY24.

1 Please read more about APMs on pages 94-96. 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 See page 208 for the reconciliation of NAV to IFRS financial statements as at 31 December 2024.
3 Please see definition in glossary on page 227.
4 Includes both the buybacks under the share buyback and cancellation programme and for the management trust.
5 Includes regular cash and buyback dividends.
6 Private portfolio companies' performance highlights are presented excluding the water utility business. Aggregated numbers are presented like-for-like basis.
7 The results of our four smaller businesses included in other portfolio companies (described on page 57) 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).

Discussion of Group results

The 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 full year (31 December 2023 and 31 December 2024). The NAV Statement below breaks down NAV into its components and provides a roll-forward of the related changes between the reporting periods.

GEL thousands, unless otherwise noted (Unaudited)	**Dec–23**	**1. Value creation[1]**	**2a. Investment and Divestments**	**2b. Buyback**	**2c. Dividend**	**3.Operating expenses**	**4. Liquidity/ FX/Other**	**Dec–24**	**Change %**
Listed and observable portfolio companies									
Lion Finance Group	*1,225,847*	*339,985*	–	–	*(144,797)*	–	–	*1,421,035*	*15.9%*
Water Utility	*159,000*	*29,000*	–	–	–	–	–	*188,000*	*18.2%*
Total listed and observable portfolio value	**1,384,847**	**368,985**	**–**	**–**	**(144,797)**	**–**	**–**	**1,609,035**	**16.2%**
Listed and observable portfolio value change %		***26.6%***	***0.0%***	***0.0%***	***-10.5%***	***0.0%***	***0.0%***	***16.2%***	
Private portfolio companies									
Large companies	**1,436,231**	**30,237**	**–**	**–**	**(35,408)**	**–**	**3,689**	**1,434,749**	**-0.1%**
Retail (pharmacy)	*714,001*	*10,739*	–	–	*(10,048)*	–	*1,438*	*716,130*	*0.3%*
Insurance (P&C and medical)	*377,874*	*74,617*	–	–	*(25,360)*	–	*814*	*427,945*	*13.3%*
of which, P&C insurance	*285,566*	*44,746*	–	–	*(17,986)*	–	*814*	*313,140*	*9.7%*
of which, medical insurance	*92,308*	*29,871*	–	–	*(7,374)*	–	–	*114,805*	*24.4%*
Hospitals	*344,356*	*(55,119)*	–	–	–	–	*1,437*	*290,674*	*-15.6%*
Investment stage companies	***566,614***	***(10,501)***	***11,933***	**–**	***(12,258)***	**–**	***1,604***	***557,392***	***-1.6%***
Renewable energy	*266,627*	*(13,770)*	*11,333*	–	*(12,258)*	–	*674*	*252,606*	*-5.3%*
Education	*189,226*	*(8,853)*	*600*	–	–	–	*611*	*181,584*	*-4.0%*
Clinics and diagnostics	*110,761*	*12,122*	–	–	–	–	*319*	*123,202*	*11.2%*
Other companies	**284,253**	**46,601**	**(163,037)**	**–**	**(9,289)**	**–**	**1,786**	**160,314**	**-43.6%**
Total private portfolio value	**2,287,098**	**66,337**	**(151,104)**	**–**	**(56,955)**	**–**	**7,079**	**2,152,455**	**-5.9%**
Private portfolio value change %		***2.9%***	***-6.6%***	***0.0%***	***-2.5%***	***0.0%***	***0.3%***	***-5.9%***	
Total portfolio value (1)	**3,671,945**	**435,322**	**(151,104)**	**–**	**(201,752)**	**–**	**7,079**	**3,761,490**	**2.4%**
Total portfolio value change %		***11.9%***	***-4.1%***	***0.0%***	***-5.5%***	***0.0%***	***0.2%***	***2.4%***	
Net debt (2)	**(296,808)**	**–**	**148,504**	**(135,718)**	**201,752**	**(21,379)**	**(50,776)**	**(154,425)**	**-48.0%**
of which, cash and liquid funds	*107,910*	–	*157,371*	*(135,718)*	*201,752*	*(21,379)*	*(31,699)*	*278,237*	*NMF*
of which, loans issued	*9,212*	–	*(8,867)*	–	–	–	*(345)*	–	*NMF*
of which, accrued dividend income	–	–	–	–	–	–	–	–	*NMF*
of which, gross debt	*(413,930)*	–	–	–	–	–	*(18,732)*	*(432,662)*	*4.5%*
Net other assets/(liabilities) (3)	**3,375**	**–**	**2,600**	**(805)**	**–**	**(13,900)**	**10,678**	**1,948**	**-42.3%**
of which, share-based comp.	–	–	–	–	–	*(13,900)*	*13,900*	–	*NMF*
Net asset value (1)+(2)+(3)	**3,378,512**	**435,322**	**–**	**(136,523)**	**–**	**(35,279)**	**(33,019)**	**3,609,013**	**6.8%**
NAV change %		***12.9%***	***0.0%***	***-4.0%***	***0.0%***	***-1.0%***	***-1.0%***	***6.8%***	
Shares outstanding[1]	40,736,528	–	–	(3,790,417)	–	–	666,377	37,612,488	-7.7%
Net asset value per share, GEL	**82.94**	**10.68**	**(0.00)**	**4.81**	**(0.00)**	**(0.87)**	**(1.60)**	**95.95**	**15.7%**
NAV per share, GEL change %		***12.9%***	***0.0%***	***5.8%***	***0.0%***	***-1.0%***	***-1.9%***	***15.7%***	

NAV per share (GEL) was up by 15.7% in FY24, reflecting a GEL 435.3 million value creation across our portfolio companies with a positive 12.9 ppts impact and share buybacks (+5.8 ppts impact). The NAV per share growth was slightly offset by a) management platform-related costs and net interest expense with a negative 1.9 ppts impact and b) GEL's depreciation against US$, resulting in a foreign currency loss of GEL 15.1 million on GCAP net debt (-0.5 ppts impact).

1 Please see definition in glossary on page 227.

Financial Review continued

Portfolio overview

Total portfolio value increased by GEL 89.5 million (up 2.4%) in FY24:

- The value of GCAP's holding in Lion Finance Group was up by GEL 195.2 million, reflecting the net impact of GEL 340.0 million value creation and GEL 144.8 million cash and buyback dividend income from the Bank in FY24.
- The value of the water utility business increased by GEL 29.0 million, reflecting its strong operating performance during the year.
- The value of the private portfolio decreased by GEL 134.6 million in FY24, mainly reflecting the divestment of an 80% holding in the beer and distribution business and the collection of GEL 57.0 million dividends from the private portfolio companies. The decrease was partially offset by GEL 66.3 million value creation and GEL 16.9 million investments in the portfolio companies.

1) Value creation

Total portfolio value creation amounted to GEL 435.3 million in FY24.

- An 18.5% increase in Lion Finance Group's share price, supported by a 3.3% appreciation of GBP against GEL in FY24, led to a GEL 340.0 million value creation.
- GEL 29.0 million value was created in our water utility business.
- The value creation in the private portfolio amounted to GEL 66.3 million in FY24, reflecting a net impact of:
  - GEL 671.5 million operating performance-related increase in the value of our private assets.
  - GEL 605.1 million value reduction from changes in valuation inputs, including the negative impact from the increased country risk premium in FY24.

The table below summarises value creation drivers in our businesses in FY24:

Portfolio Businesses	Operating Performance[1]	Multiple Change and FX[2]	Value Creation
GEL thousands, unless otherwise noted (Unaudited)	**(1)**	**(2)**	**(1)+(2)**
Listed and observable			**368,985**
Lion Finance Group			339,985
Water Utility			29,000
Private	**671,481**	**(605,144)**	**66,337**
Large portfolio companies	**434,148**	**(403,911)**	**30,237**
Retail (pharmacy)	*170,146*	*(159,407)*	*10,739*
Insurance (P&C and medical)	*129,373*	*(54,756)*	*74,617*
of which, P&C insurance	*111,728*	*(66,982)*	*44,746*
of which, medical insurance	*17,645*	*12,226*	*29,871*
Hospitals	*134,629*	*(189,748)*	*(55,119)*
Investment stage portfolio companies	**152,279**	**(162,780)**	**(10,501)**
Renewable energy	*37,205*	*(50,975)*	*(13,770)*
Education	*49,255*	*(58,108)*	*(8,853)*
Clinics and diagnostics	*65,819*	*(53,697)*	*12,122*
Other	**85,054**	**(38,453)**	**46,601**
Total portfolio	**671,481**	**(605,144)**	**435,322**

1 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.
2 Change in the fair value attributable to the change in valuation multiples and the effect of exchange rate movement on net debt.

The enterprise value and equity value development of our businesses in FY24 is summarised in the following table:

GEL '000, unless otherwise noted (Unaudited)	Enterprise Value (EV) 31-Dec-24	Enterprise Value (EV) 31-Dec-23	Enterprise Value (EV) Change %	Equity Value 31-Dec-24	Equity Value 31-Dec-23	Equity Value Change %	% share in total portfolio
Listed and observable portfolio				**1,609,035**	**1,384,847**	**16.2%**	**42.8%**
Lion Finance Group				1,421,035	1,225,847	15.9%	37.8%
Water Utility				188,000	159,000	18.2%	5.0%
Private portfolio	**3,613,737**	**3,463,259**	**4.3%**	**2,152,455**	**2,287,098**	**-5.9%**	**57.2%**
Large portfolio companies	**2,076,069**	**2,021,278**	**2.7%**	**1,434,749**	**1,436,231**	**-0.1%**	**38.1%**
Retail (pharmacy)	1,021,000	1,043,800	-2.2%	716,130	714,001	0.3%	19.0%
Insurance (P&C and medical)	463,144	358,566	29.2%	427,945	377,874	13.3%	11.4%
of which, P&C insurance	*313,000*	*285,566*	*9.6%*	*313,140*	*285,566*	*9.7%*	*8.3%*
of which, medical insurance	*150,144*	*73,000*	*NMF*	*114,805*	*92,308*	*24.4%*	*3.1%*
Hospitals	591,925	618,912	-4.4%	290,674	344,356	-15.6%	7.7%
Investment stage portfolio companies	**865,238**	**856,787**	**1.0%**	**557,392**	**566,614**	**-1.6%**	**14.8%**
Renewable energy	444,158	456,236	-2.6%	252,606	266,627	-5.3%	6.7%
Education[1]	234,405	228,799	2.5%	181,584	189,226	-4.0%	4.8%
Clinics and diagnostics	186,675	171,752	8.7%	123,202	110,761	11.2%	3.3%
Other	**672,430**	**585,194**	**14.9%**	**160,314**	**284,253**	**-43.6%**	**4.3%**
Total portfolio				**3,761,490**	**3,671,945**	**2.4%**	**100.0%**

Private large portfolio companies (38.1% of total portfolio value)

Retail (pharmacy) (19.0% of total portfolio value) – EV of retail (pharmacy) was down by 2.2% to GEL 1.0 billion in FY24, reflecting the market movements in the valuation inputs. Substantial ramp-up of the pharmacy stores launched in late 2023 and enhanced sales and profitability of higher-margin para-pharmacy products led to a 4.3% y-o-y revenue increase in FY24. Gross profit margin improved by 2.0 ppts to 30.7%, further supported by successful renegotiations of trading terms with key suppliers across major product categories. Operating expenses were up by 15.3% y-o-y in FY24, due to increased rent and salary costs related to the chain expansion and the launch of a new warehouse in late 2023. Consequently, FY24 EBITDA increased by 4.6% y-o-y to GEL 80.9. See page 108 for details. LTM EBITDA (incl. IFRS16) was up by 12.4% y-o-y to GEL 121.0 million in FY24. Net debt (incl. IFRS 16) decreased by 7.5% to GEL 297.9 million as at 31 December 2024, resulting from robust cash flow generation during the year. As a result, the fair value of GCAP's 97.8% holding remained largely flat, up by 0.3% y-o-y. The implied LTM EV/EBITDA valuation multiple (incl. IFRS 16) decreased to 8.4x as at 31 December 2024, down from 9.7x as at 31 December 2023.

Insurance (P&C and medical) (11.4% of total portfolio value) – The insurance business combines a) P&C insurance valued at GEL 313.1 million and b) medical insurance valued at GEL 114.8 million.

P&C insurance revenues were up by 27.5% to GEL 149.0 million in FY24, driven by the growth in the motor, credit life and agricultural insurance claims. The revenue of the medical insurance business increased by 83.4% y-o-y and amounted to GEL 167.5 million in FY24, reflecting organic growth of the portfolio, c.10% increase in insurance policy prices and the positive impact of the acquisition of Ardi insurance portfolio in April 2024, the latter contributing GEL 59.6 million to the FY24 y-o-y revenue growth. The combined ratio for P&C insurance was improved by 2.0 ppts to 87.5% in FY24, mainly resulting from the improved expense ratio on the back of strong revenue growth. The combined ratio for medical insurance improved by 1.7 ppts to 93.1% in FY24, reflecting consolidation of Ardi's portfolio and increased revenues, due to higher insurance tariffs. As a result, the pre-tax profit of the combined insurance business increased by 41.1% y-o-y to GEL 42.9 million in FY24. See page 110 for details. The equity value of the combined insurance business was up by 13.3% to GEL 427.9 million in FY24 (Ardi's equity value is measured at the price of recent investment). This translated into an implied LTM P/E valuation multiple of 11.1x at 31 December 2024 (down from 12.4x as at 31 December 2023).

Hospitals (7.7% of total portfolio value) – Hospitals' EV decreased by 4.4% y-o-y to GEL 591.9 million in FY24, reflecting the market movements in the valuation inputs. The total revenues increased by 6.0% to GEL 332.7 million in FY24, reflecting the business' gradual return to its normal operational levels following mandatory regulatory renovations across all hospitals, most of which occurred between the second half of 2023 and the first half of 2024. These renovations led to the phased closure of certain sections of our healthcare facilities, resulting in reduced patient intake during that period. The gross profit margin also increased by 1.1 ppts y-o-y to 33.9% in FY24, further reflecting enhanced offerings of high-margin outpatient services and the improved cost efficiencies achieved by the business. Operating expenses (ex. IFRS 16) were up by 1.7% y-o-y due to higher salary, material and utility costs in line with overall business growth. This translated into a 19.6% y-o-y EBITDA (ex. IFRS 16) increase in FY24. See page 111 for details. Consequently, LTM EBITDA (incl. IFRS 16) was up by 26.2% y-o-y to GEL 56.6 million in FY24. Net debt increased by 12.7% y-o-y to GEL 271.6 million as at 31 December 2024, due to increased borrowings to finance the capex investments. As a result, the equity value of

1 Enterprise value is presented excluding the non-operational assets, added to the equity value of the education business at cost.

Financial Review continued

Hospitals was assessed at GEL 290.7 million in FY24 (down 15.6% y-o-y), translating into an implied LTM EV/EBITDA multiple (incl. IFRS 16) of 10.5x at 31 December 2024 (down from 13.8x as at 31 December 2023).

Private investment stage portfolio companies (14.8% of total portfolio value)

Renewable energy (6.7% of total portfolio value) – The EV of the business decreased by 6.7% to US$ 158.2 million in FY24, due to the market movements in the valuation inputs. In US$ terms, the FY24 revenue increased by 11.3% y-o-y to US$ 16.1 million, reflecting the resumption of operations of two power-generating units of Hydrolea HPPs, which were taken offline between November 2022 to June 2023 due to previously planned phased rehabilitation works. Operating expenses were well-controlled, down 1.5% y-o-y. These developments translated into a 16.4% y-o-y increase in EBITDA in FY24. See page 113 for details. The pipeline renewable energy projects continued to be measured at an equity investment cost and stood at US$ 19.3 million in aggregate as at 31 December 2024, down 7.7% y-o-y, reflecting the remeasurement of the costs to completion. Net debt decreased by 3.3% y-o-y to US$ 68.2 million, resulting from robust cash flow generation during the year. As a result, the equity value of the business was assessed at GEL 252.6 million in FY24 (down by 5.3% y-o-y), (down by 9.2% y-o-y to US$ 90.0 million in US$ terms). The blended EV/EBITDA implied valuation multiple of the operational assets was 11.3x as at 31 December 2024 (down from 12.6x as at 31 December 2023).

Education (4.8% of total portfolio value) – The EV of education business was up by 2.5% y-o-y to GEL 234.4 million in FY24, reflecting the strong operating performance of the business, while taking into account the first-time valuation of two campuses launched in 2023, which were previously measured at an equity investment cost. The FY24 revenue increased by 22.9% y-o-y to GEL 68.2 million, reflecting a) organic growth through strong intakes and a ramp-up of the utilisation, b) an expansion of the business through the launch and acquisition of two new campuses in 2023. The expansion of the business also led to a 25.6% y-o-y increase in operating expenses. Consequently, the FY24 EBITDA grew by 15.1% y-o-y. See page 114 for details. LTM EBITDA was up by 33.9% y-o-y to GEL 18.4 million in FY24. Net debt was up by 25.6% y-o-y to GEL 20.7 million, mainly reflecting the investments related to the expansion of existing campuses in the midscale and affordable segments, as well as the first-time valuation of the new campuses, as outlined above. As a result, GCAP's stake in the education business was valued at GEL 181.6 million at 31 December 2024 (down 4.0% y-o-y). The implied valuation multiple decreased to 12.8x as at 31 December 2024, down from 16.7x as at 31 December 2023.

Clinics and diagnostics business (3.3% of total portfolio value) – The EV of the business increased by 8.7% y-o-y to GEL 186.7 million in FY24, resulting from its strong operating performance. The revenue and EBITDA (ex. IFRS 16) of the combined clinics and diagnostics business were up by 20.7% y-o-y and up by 41.8% y-o-y, respectively. This growth reflects a) the increased demand for high revenue-generating services driven by the business' proactive approach to customer acquisition and service enhancements, and b) the ramp-up of the two new ambulatory centres launched in 2023. Operating expenses (ex. IFRS 16) were up by 22.9% y-o-y in FY24, reflecting a) increased salary and rent expenses in line with the expansion of the business, b) the sale of one of the polyclinic buildings in FY23 and its leaseback in FY24. See page 115 for details. The LTM EBITDA (incl. IFRS 16) of the business increased by 48.7% y-o-y to GEL 17.6 million in FY24. The net debt increased by 4.3% y-o-y to GEL 61.0 million, primarily due to the increased lease liabilities in line with the expansion of the business. As a result, the equity value of clinics and diagnostics was assessed at GEL 123.2 million (up 11.2% y-o-y), translating into an implied LTM EV/EBITDA multiple (incl. IFRS 16) of 10.6x at 31 December 2024, down from 14.5x as at 31 December 2023[1].

Other businesses (4.3% of total portfolio value)

Of the "other" private portfolio businesses, auto service business is valued based on LTM EV/EBITDA. Wine and housing development are valued based on DCF, hospitality business is valued based on NAV. Following its disposal, the beer and distribution business, previously valued using the LTM EV/EBITDA multiple, is now assessed based on the recent transaction price. See performance highlights of other businesses on page 117. The portfolio value of other businesses decreased by 43.6% y-o-y to GEL 160.3 million in FY24, primarily due to the divestment of an 80% holding in the beer and distribution business in FY24.

1 LTM EBITDA excludes the gain of GEL 2.9 million from the sale of one of the polyclinics buildings in 2023.

Listed and observable portfolio companies (42.8% of total portfolio value)

Lion Finance Group (37.8% of total portfolio value) – In FY24, Lion Finance Group delivered an annualised ROAE of 30.0% and a y-o-y loan book growth of 21.4%[1] on a constant currency basis. In FY24, Lion Finance Group's share price was up by 18.5% y-o-y to GBP 47.1 at 31 December 2024, which led to a 15.9% y-o-y increase in the value of GCAP's stake in Lion Finance Group to 1.4 billion as at 31 December 2024. The LTM P/E valuation multiple was at 4.0x as at 31 December 2024. On 25 February 2025, the Bank announced its Board's intention to recommend a final dividend for 2024 of GEL 5.62 per ordinary share at the Bank's 2025 Annual General Meeting. This will make a total dividend paid in respect of the Bank's 2024 earnings of GEL 9.00 per share (a 12.5% increase compared to 2023). Lion Finance Group's Annual Report 2024 is available on **Lion Finance Group's website**.

Water utility (5.0% of total portfolio value) – The equity value of the business increased by GEL 29.0 million to GEL 188.0 million in FY24. 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 strong operating performance of the business in 2024.

2) Investments[2]

In FY24, GCAP invested GEL 16.9 million in private portfolio companies.
- GEL 11.3 million was invested in the renewable energy business for the development of the pipeline projects.
- GEL 5.0 million was invested in the other businesses.
- GEL 0.6 million was allocated to the education business.

3) Share buybacks

During FY24, 3,790,417 shares were bought back for a total consideration of GEL 136.5 million.
- 3,669,889 shares with a total value of US$ 48.1 million (GEL 131.9 million) were repurchased under GCAP's buyback and cancellation programmes during FY24.
- 120,528 shares (GEL 4.6 million in value) represent the tax-related statutory buybacks as part of the share exercises from the management trust, where the average cost of unawarded shares is GBP 7.9 per share as of 31 December 2024.

In FY24, Georgia Capital recorded GEL 201.8 million dividend income from its portfolio companies:

Dividend income GEL million (Unaudited)[3]	Recurring	One-off	Total
Lion Finance Group	**122.2**	**22.6**	**144.8**
of which, cash dividends	*72.2*	–	*72.2*
of which, buyback dividends	*50.0*	*22.6*	*72.6*
Insurance business	**25.4**	**–**	**25.4**
of which, P&C insurance	*18.0*	–	*18.0*
of which, medical insurance	*7.4*	–	*7.4*
Renewable energy	**12.3**	**–**	**12.3**
Retail (pharmacy)	**10.0**	**–**	**10.0**
Beer business	**8.3**	**–**	**8.3**
Auto service	**1.0**	**–**	**1.0**
Total	**179.2**	**22.6**	**201.8**

A one-off dividend of GEL 22.6 million from Lion Finance Group, represents the advanced participation in their share buyback programme, which decreased our stake in Lion Finance Group to 19.23% as at 31 December 2024 (31 December 2023: 19.71%). GCAP's targeted holding level in the Group remains at 19.5%.

1 December 2024 y-o-y loan growth in constant currency is calculated using exchange rates as of 31 December 2023. Since CJSC Ameribank was consolidated in March 2024 following its acquisition, its constant currency loan growth was measured from March to December. For Bank of Georgia and other businesses, the standard December-to-December approach applies.
2 Investments are made and dividends are received at JSC Georgia Capital level, the Georgian holding company.
3 Dividends are received at JSC Georgia Capital level, the Georgian holding company.

Financial Review continued

Net Capital Commitment (NCC) overview

Below we describe the components of NCC as of 31 December 2024 and 31 December 2023. NCC represents an aggregated view of all confirmed, agreed and expected capital outflows (including a buffer for contingencies) at Georgia Capital HoldCo level.

Components of NCC

GEL thousands, unless otherwise noted (Unaudited)	31-Dec-24	31-Dec-23	Change
Total cash and liquid funds	**278,237**	**107,910**	**NMF**
Loans issued	–	9,212	NMF
Gross debt	(432,662)	(413,930)	4.5%
Net debt (1)	**(154,425)**	**(296,808)**	**-48.0%**
Guarantees issued (2)	**–**	**–**	**NMF**
Net debt and guarantees issued (3)=(1)+(2)	(154,425)	(296,808)	-48.0%
Planned investments (4)	**(118,480)**	**(125,143)**	**-5.3%**
of which, planned investments in Renewable Energy	*(69,518)*	*(77,637)*	*-10.5%*
of which, planned investments in Education	*(48,962)*	*(47,506)*	*3.1%*
Announced buybacks (5)	**(67,421)**	**(18,087)**	**NMF**
Contingency/liquidity buffer (6)	**(140,340)**	**(134,470)**	**4.4%**
Total planned investments, announced buybacks and contingency/liquidity buffer (7)=(4)+(5)+(6)	(326,241)	(277,700)	17.5%
Net capital commitment (3)+(7)	**(480,666)**	**(574,508)**	**-16.3%**
Portfolio value	**3,761,490**	**3,671,945**	**2.4%**
NCC ratio	**12.8%**	**15.6%**	**-2.8 ppts**

Cash and liquid funds. Total cash and liquid funds' balance increased 2.6x times y-o-y to GEL 278.2 million in FY24, primarily reflecting the collection of net proceeds from the sale of an 80% holding in the beer and distribution business for c.US$ 63 million (GEL 174 million).

Loans issued. Issued loans' balance primarily refers to loans issued to our private portfolio companies and are lent at market terms. The FY24 balance of loans issued was reduced to nil, reflecting the complete repayment of loans by the portfolio companies.

Gross debt. In US$ terms, the FY24 gross debt balance remained largely flat, up by 0.2%. In GEL terms, the FY24 balance was up by 4.5%, further reflecting the foreign exchange rate movements during the year.

Planned investments. Planned investments' balance represents expected investments in renewable energy and education businesses over the next two to three years. The balance in US$ terms decreased by 9.3% in FY24, due to investments made in these businesses as described above (the balance in GEL terms was down 5.3% in FY24).

Announced buybacks. The balance of the announced buybacks at 31 December 2024 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 31 December 2024.

As a result of the movements described above, NCC was down by 16.3% to GEL 480.7 million (US$ 171.3 million) which, together with the 2.4% increase in the portfolio value translated into a 12.8% NCC ratio as at 31 December 2024 (improved by 2.8 ppts y-o-y).

Income Statement (Adjusted IFRS / APM)

Net income under IFRS was GEL 362.3 million in FY24 (GEL 608.6 million net income in FY23). The IFRS income statement is prepared on the Georgia Capital PLC level and the results of all operations of the Georgian holding company JSC Georgia Capital are presented as one line item. As we conduct almost all of our operations through JSC Georgia Capital, through which we hold all of our portfolio companies, the IFRS results provide little transparency on the underlying trends.

Accordingly, to enable a more granular analysis of those trends, the following adjusted income statement presents the Group's results of operations for the period ending December 31 as an aggregation of (i) the results of GCAP (the two holding companies Georgia Capital PLC and JSC Georgia Capital, taken together) and (ii) the fair value change in the value of portfolio companies during the reporting period. For details on the methodology underlying the preparation of the adjusted Income Statement, please refer to pages 94-96 of this report. A full reconciliation of the adjusted Income Statement to the IFRS Income Statement is provided on page 97.

GEL thousands, unless otherwise noted (Unaudited)	FY24	FY23	Change
Dividend income	201,752	235,883	-14.5%
of which, regular dividend income	*129,201*	*162,527*	*-20.5%*
of which, buyback dividend income	*72,551*	*73,356*	*-1.1%*
Interest income	7,477	16,642	-55.1%
Realised/unrealised loss on liquid funds/Loss on GCAP Eurobond buybacks	(796)	(1,574)	-49.4%
Interest expense	(35,589)	(47,808)	-25.6%
Gross operating income	**172,844**	**203,143**	**-14.9%**
Operating expenses	(35,280)	(36,779)	-4.1%
GCAP net operating income	**137,564**	**166,364**	**-17.3%**
Fair value changes of portfolio companies			
Listed and observable portfolio companies	**224,188**	**399,384**	**-43.9%**
of which, Lion Finance Group	*195,188*	*395,384*	*-50.6%*
of which, Water Utility	*29,000*	*4,000*	*NMF*
Private portfolio companies	**9,382**	**45,248**	**-79.3%**
Large portfolio companies	**(5,171)**	**(2,039)**	**NMF**
of which, retail (pharmacy)	*691*	*(11,507)*	*NMF*
of which, insurance (P&C and medical)	*49,257*	*97,012*	*-49.2%*
of which, hospitals	*(55,119)*	*(87,544)*	*-37.0%*
Investment stage portfolio companies	**(22,759)**	**41,857**	**NMF**
of which, renewable energy	*(26,028)*	*33,497*	*NMF*
of which, education	*(8,853)*	*12,282*	*NMF*
of which, clinics and diagnostics	*12,122*	*(3,922)*	*NMF*
Other businesses	**37,312**	**5,430**	**NMF**
Total investment return	**233,570**	**444,632**	**-47.5%**
Income before foreign exchange movements and non-recurring expenses	**371,134**	**610,996**	**-39.3%**
Net foreign currency (loss)/gain/impairment	(18,662)	6,491	NMF
Non-recurring expenses	(2,148)	(1,898)	13.2%
Net income	**350,324**	**615,589**	**-43.1%**

The gross operating income in FY24 was down by 14.9% to GEL 172.8 million, mainly reflecting the y-o-y decrease in dividend income.

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

GCAP Operating Expenses Components

GEL thousands, unless otherwise noted (Unaudited)	FY24	FY23	Change
Administrative expenses[1]	(10,586)	(10,909)	-3.0%
Management expenses – cash-based[2]	(10,794)	(10,877)	-0.8%
Management expenses – share-based[3]	(13,900)	(14,993)	-7.3%
Total operating expenses	**(35,280)**	**(36,779)**	**-4.1%**
of which, fund type expense[4]	*(9,258)*	*(9,667)*	*-4.2%*
of which, management fee type expenses[5]	*(26,022)*	*(27,112)*	*-4.0%*

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 stood at 0.72% as at 31 December 2024 (0.80% as at 31 December 2023).

Total investment return represents the increase (decrease) in the fair value of our portfolio. Total investment return was GEL 233.6 million in FY24, mostly reflecting changes in the value of our portfolio companies. We discuss valuation drivers for our businesses on pages 103-105. The performance of each of our private large and investment stage portfolio companies is discussed on pages 108-117.

GCAP's net foreign currency liability balance amounted to US$ 60 million (GEL 170 million) at 31 December 2024. As a result of the movements described above, GCAP's adjusted IFRS net income was GEL 350.3 million in FY24.

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

Financial Review continued

Discussion of the Statement of Cash Flows

The 2024 IFRS Statement of Cash Flows is prepared at the Georgia Capital PLC level and does not include JSC Georgia Capital's cash flows, since JSC Georgia Capital is measured at fair value under IFRS 10. Net cash flow used in operating activities was GEL 6.4 million in 2024 (GEL 6.2 million in 2023), reflecting salaries and general and administrative expenses paid at the Georgia Capital PLC level. Net cash flow from investing activities was GEL 128.5 million in 2024 (GEL 44.3 million in 2023), mainly reflecting dividends received. Net cash flow used in financing activities was GEL 131.1 million in 2024 (GEL 48.0 million in 2023), mainly reflecting the purchases of treasury shares. The IFRS Statement of Cash Flows is included on page 189 of this report.

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 2024 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 pages 94-99 for more background.

Large portfolio companies

Discussion of retail (pharmacy) business results

The retail (pharmacy) business, where GCAP owns a 97.8% equity interest, is the largest pharmaceuticals retailer and wholesaler in Georgia, with a 35.8% market share in the organised retail market based on 2023 revenues. The business consists of a retail pharmacy chain operating under two brands (GPC and Pharmadepot) and a wholesale business that sells pharmaceuticals and medical supplies to hospitals and other pharmacies. The business operates a total of 410 pharmacies (of which 395 are in Georgia and 15 in Armenia) and 19 franchise stores (of which, 12 are in Georgia, two in Armenia and five in Azerbaijan).

FY24 performance (GEL thousands), retail (pharmacy)[1] (Unaudited)

Income Statement highlights	FY24	FY23	Change
Revenue, net	**850,115**	**815,020**	**4.3%**
of which, retail	*681,213*	*646,402*	*5.4%*
of which, wholesale	*168,902*	*168,618*	*0.2%*
Gross profit	**261,266**	**233,796**	**11.7%**
Gross profit margin	*30.7%*	*28.7%*	*2.0 ppts*
Operating expenses (ex. IFRS 16)	(180,339)	(156,453)	15.3%
EBITDA (ex. IFRS 16)	**80,927**	**77,343**	**4.6%**
EBITDA margin, (ex. IFRS 16)	*9.5%*	*9.5%*	*NMF*
Net profit (ex. IFRS 16)	**38,282**	**45,614**	**-16.1%**
Cash flow highlights			
Cash flow from operating activities (ex. IFRS 16)	**78,249**	**52,361**	**49.4%**
EBITDA to cash conversion	*96.7%*	*67.7%*	*29.0 ppts*
Cash flow used in investing activities[2]	**(41,278)**	**(84,130)**	**-50.9%**
Free cash flow, (ex. IFRS 16)[3]	**54,751**	**(56,130)**	**NMF**
Cash flow (used in)/from financing activities (ex. IFRS 16)	**(77,722)**	**17,686**	**NMF**
Balance sheet highlights	31-Dec-24	31-Dec-23	Change
Total assets	**608,576**	**660,243**	**-7.8%**
of which, cash and bank deposits	*19,154*	*60,383*	*-68.3%*
of which, securities and loans issued	*19,087*	*2,623*	*NMF*
Total liabilities	**521,341**	**597,611**	**-12.8%**
of which, borrowings	*181,833*	*228,261*	*-20.3%*
of which, lease liabilities	*149,348*	*151,916*	*-1.7%*
Total equity	**87,235**	**62,632**	**39.3%**

1 The detailed IFRS financial statements are included in supplementary excel file, available at **https://georgiacapital.ge/ir/financial-results**. In 2024, 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 FY23 period has been adjusted retrospectively.

2 Of which – cash outflow on capex of GEL 24.7 million in FY24 (GEL 33.9 million in FY23); proceeds from sale of PPE of GEL 2.2 million in FY24 (GEL 14.6 million in FY23); cash outflow on minority acquisition of GEL 1.0 million in FY24 (GEL 89.1 million in FY23).

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

Income Statement highlights

- A 4.3% increase in FY24 total revenue of retail (pharmacy) mainly reflects a 5.4% y-o-y increase in FY24 retail revenue, driven by a substantial ramp-up in the performance of pharmacy stores launched in late 2023 and the business' continued efforts to enhance sales and profitability of para-pharmacy products. The total revenue growth was dampened 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 14.5 million in FY24.
- The business' initiative to renegotiate trading terms with key suppliers across major product categories positively impacted gross profit margins in FY24. This was particularly evident in the para-pharmacy retail segment, which saw y-o-y improvement of 6.4 ppts in FY24.
- The y-o-y increase in operating expenses (excl. IFRS 16) in FY24 was driven by higher rent and salary costs, reflecting the significant expansion of the retail chain and the opening of the new warehouse at the end of 2023. The increase in salary expenses (up 13.9% y-o-y in FY24) further reflects higher staff compensation aligned with market trends and the implementation of new incentive schemes aimed at improving the gross profit margin.
- As a result, the business achieved y-o-y EBITDA (excl. IFRS 16) growth of 4.6% y-o-y in FY24.
- Net interest expense (excl. IFRS 16) was up by 48.6% y-o-y to GEL 20.1 million in FY24, attributable to the higher average net debt balance, utilised to finance the minority shareholder buyout transaction in June 2023.
- The developments described above translated into a 16.1% y-o-y decrease in net profit (ex. IFRS 16) in FY24.

Cash flow and balance sheet highlights

- The net debt balance was down by GEL 21.7 million y-o-y to GEL 143.6 million as at 31 December 2024, mostly reflecting robust cash flow generation in FY24.
- Strong cash flow from operating activities with a 96.7% EBITDA to cash conversion ratio in FY24, reflecting the sale of a significant portion of the inventory stock and the low base effect resulting from significant working capital investments in 2023.
- GEL 10.0 million dividends were paid to GCAP in FY24.

Other valuation drivers and operating highlights

- In 2024, the business divested from its textile franchise brands "Carters" and "Triumph" with 6 operating stores in Georgia. The total consideration (ex. VAT) amounted to GEL 3.7 million.
- The number of pharmacies and franchise stores is provided below:

(Unaudited)	Dec-24	Dec-23	Change (y-o-y)
Number of pharmacies	**410**	**412**	**(2)**
of which, Georgia	*395*	*397*	*(2)*
of which, Armenia	*15*	*15*	*–*
Number of franchise stores	**19**	**23**	**(4)**
of which, Georgia	*12*	*17*	*(5)*
of which, Armenia	*2*	*2*	*–*
of which, Azerbaijan	*5*	*4*	*1*

- Retail (pharmacy)'s key operating performance highlights for FY24 are noted below:

Key metrics (Unaudited)	FY24	FY23	Change
Same store revenue growth	-1.7%	-0.1%	-1.6 ppts
Number of bills issued (million)	31.6	31.3	0.9%
Average bill size (GEL)	20.4	19.6	4.1%

Financial Review continued

Discussion of insurance (P&C and medical) business results

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 30% market share in property and casualty insurance based on gross premiums as of 30 September 2023. 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 35% market share based on gross insurance premiums as of 30 September 2024, 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.

FY24 performance (GEL thousands), insurance (P&C and medical)[1] (Unaudited)

Income Statement highlights	FY24	FY23	Change
Insurance revenue	**316,483**	**208,242**	**52.0%**
of which, P&C insurance	*149,021*	*116,911*	*27.5%*
of which, medical insurance	*167,462*	*91,331*	*83.4%*
Net underwriting profit	79,823	53,828	48.3%
Net investment profit	16,178	14,272	13.4%
Pre-tax profit	**42,895**	**30,393**	**41.1%**
of which, P&C insurance	*28,952*	*21,982*	*31.7%*
of which, medical insurance	*13,943*	*8,411*	*65.8%*
Cash flow highlights			
Net cash flows from operating activities	69,140	33,687	NMF
Free cash flow	**64,917**	**29,358**	**NMF**
Balance sheet highlights	**31-Dec-24**	**31-Dec-23**	**Change**
Total assets	**300,510**	**248,902**	**20.7%**
Total equity	**128,614**	**130,684**	**-1.6%**

Income Statement highlights

The y-o-y increase in FY24 insurance revenue reflects a combination of factors:

- The revenue of the P&C insurance business was up by 27.5% y-o-y in FY24, resulting from:
  - A GEL 19.5 million y-o-y increase in Motor Insurance revenues in FY24, mainly attributable to the expansion of both retail and corporate client portfolios.
  - A GEL 5.7 million y-o-y increase in Credit Life Insurance revenues in FY24, resulting from the growth of partner banks' portfolios in the mortgage, consumer loan and other sectors.
  - A GEL 4.0 million y-o-y increase in Agricultural Insurance revenues in FY24, driven by a growing client base as well as increased tariffs on certain crops and regions.
  - A GEL 2.9 million y-o-y increase in the revenues from other insurance lines in FY24.
  - The revenue of the medical insurance business increased by 83.4% y-o-y in FY24, reflecting organic growth of the portfolio, c.10% increase in insurance policy prices and the positive impact of the acquisition of Ardi insurance portfolio in April 2024, the latter contributing GEL 59.6 million to the FY24 y-o-y revenue growth.
- The insurance business' key performance ratios for FY24 are noted below:

	P&C Insurance			Medical Insurance		
Key ratios (Unaudited)	**FY24**	**FY23**	**Change**	**FY24**	**FY23**	**Change**
Combined ratio	87.5%	89.5%	-2.0 ppts	93.1%	94.8%	-1.7 ppts
Expense ratio	34.1%	35.8%	-1.7 ppts	16.8%	16.6%	0.2 ppts
Loss ratio	53.3%	53.8%	-0.5 ppts	76.3%	78.2%	-1.9 ppts
FX ratio	0.1%	-0.1%	0.2 ppts	–	–	–
ROAE[2]	33.2%	24.4%	8.8 ppts	35.6%	17.1%	18.5 ppts

- The combined ratio of P&C Insurance improved by 2.0 ppts y-o-y to 87.5% in FY24, mainly resulting from the improved expense ratio on the back of strong revenue growth.
- A 1.7 ppts y-o-y improvement in the FY24 combined ratio reflects consolidation of Ardi's portfolio and increased revenues, due to higher insurance tariffs, as described above.
- The net investment profit was up by 13.4% y-o-y in FY24, attributable to the higher average liquid funds balance as well as the consolidation of Ardi's insurance portfolio.
- The developments described above translated into a 41.1% y-o-y increase in combined insurance business' FY24 pre-tax profit.

1 The detailed IFRS financial statements are included in supplementary excel file, available at **https://georgiacapital.ge/ir/financial-results**.
2 Calculated based on average equity, adjusted for preferred shares.

Cash flow and balance sheet highlights

- The solvency ratio of P&C and medical insurance businesses stood at 173% and 157% respectively as at 31 December 2024, well above the required threshold 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 as compared to 2023 coupled with the positive impact of the consolidation of Ardi's portfolio.
- GEL 25.4 million dividends were paid to GCAP in FY24.

Discussion of Hospitals Business Results[1]

The hospitals business, where GCAP owns 100% equity, is the largest healthcare market participant in Georgia, comprised of seven 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.

FY24 performance (GEL thousands), hospitals[2] (Unaudited)

Income Statement highlights	FY24	FY23	Change
Revenue, net[3]	**332,710**	**313,748**	**6.0%**
Gross profit	**114,627**	**104,616**	**9.6%**
Gross profit margin	*33.9%*	*32.8%*	*1.1 ppts*
Operating expenses (ex. IFRS 16)	*(59,461)*	*(58,487)*	*1.7%*
EBITDA (ex. IFRS 16)	**55,166**	**46,129**	**19.6%**
EBITDA margin (ex. IFRS 16)	*16.3%*	*14.5%*	*1.8 ppts*
Net loss (ex. IFRS 16)	**(13,132)**	**(36,615)**	**-64.1%**
Cash flow highlights			
Cash flow from operating activities (ex. IFRS 16)	**48,828**	**10,621**	**NMF**
EBITDA to cash conversion (ex. IFRS 16)	*88.5%*	*23.0%*	*65.5 ppts*
Cash flow used in investing activities[4]	**(25,166)**	**(44,746)**	**-43.8%**
Free cash flow (ex. IFRS 16)[5]	**25,462**	**(35,069)**	**NMF**
Cash flow (used in)/from financing activities (ex. IFRS 16)	**(5,307)**	**22,362**	**NMF**
Balance sheet highlights	**31-Dec-24**	**31-Dec-23**	**Change**
Total assets	**705,367**	**707,614**	**-0.3%**
of which, cash balance and bank deposits	*27,600*	*9,753*	*NMF*
of which, securities and loans issued	*5,995*	*9,557*	*-37.3%*
Total liabilities	**366,432**	**357,658**	**2.5%**
of which, borrowings	*296,770*	*281,352*	*5.5%*
Total equity	**338,935**	**349,956**	**-3.1%**

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 (Unaudited)	FY24	FY23	Change
Total revenue, net	**332,710**	**313,748**	**6.0%**
of which, Large and Specialty Hospitals	*226,648*	*204,690*	*10.7%*
of which, Regional and Community Hospitals	*106,962*	*110,551*	*-3.2%*

- The total revenue growth in FY24 was primarily driven by the rebound to normal operational levels following mandatory regulatory renovations across all our hospitals, most of which occurred between the second half of 2023 and the first half of 2024. These renovations led to the phased closure of certain sections of our healthcare facilities, resulting in reduced patient intake during that period. As of 31 December 2024, all 34 hospitals have completed the required renovations and fully meet regulatory requirements. The revenue growth was further supported by the Large and Specialty Hospitals' effort to expand its range of high-margin outpatient services. In FY24, these services accounted for 34.2% of the revenue of Large and Specialty Hospitals, marking a 3.0 ppts y-o-y increase. As a result, the combined revenue of the hospitals business was up by 6.0% y-o-y in FY24. Adjusted for the sale of "Batumi Hospital", one of the regional hospitals divested in 2023, the combined revenue was up by 11.9% y-o-y in FY24.

1 The numbers were adjusted retrospectively to account for the strategic reorganisation in the healthcare businesses that occurred in December 2023.
2 The detailed IFRS financial statements are included in supplementary excel file, available at **https://georgiacapital.ge/ir/financial-results**.
3 Net revenue – Gross revenue less corrections and rebates. Margins are calculated from gross revenue.
4 Of which – capex of GEL 53.0 million in FY24 (GEL 48.5 million in FY23); proceeds from the sale of property of GEL 30.1 million in FY24 (GEL 2.9 million in FY23).
5 Operating cash flows less capex, plus net proceeds from the sale of Batumi Hospital.

Financial Review continued

- The changes in the gross profit margin, apart from the revenue developments described above, reflect the following trends in direct salary and materials rates[1] and utility costs:
  - Approximately 50% of direct salaries are fixed. This, coupled with significantly increased revenue, led to a 0.8 ppts y-o-y increase in the direct salary rate to 40.4% in FY24.
  - The materials rate improved by 0.9 ppts y-o-y to 16.3% in FY24, reflecting significant optimisations achieved in tender participation processes and overall improvement in inventory management across the hospitals network.
  - Utilities and other costs were down by 9.5% y-o-y in FY24.
- Operating expenses (excl. IFRS 16) increased modestly, up by 1.7% y-o-y in FY24, mainly due to higher salary costs associated with an increased headcount to support the expansion of the services and the development of the Regional and Community hospitals' head-office following the strategic reorganisation in late 2023.
- Consequently, EBITDA (excluding IFRS 16) was up by 19.6% y-o-y in FY24. Adjusted for the sale of the "Batumi Hospital", the combined EBITDA (excluding IFRS 16) was up by 25.1% in FY24.

(Unaudited)	FY24	FY23	Change
Total EBITDA (ex. IFRS 16), breakdown	**55,166**	**46,129**	**19.6%**
of which, Large and Specialty Hospitals	*41,580*	*34,339*	*21.1%*
of which, Regional and Community Hospitals	*13,586*	*11,791*	*15.2%*

Cash flow and balance sheet highlights

- Capex investment amounted to GEL 53.0 million in FY24, comprising: a) development capex of GEL 14.8 million to expand service offerings and upgrade medical equipment, b) capex related to the new regulations and obtaining required accreditations in the amount of GEL 10.2 million, and c) maintenance capex of GEL 26.0 million.
- The EBITDA to cash conversion ratio was at 88.5% in FY24, reflecting the receipt of the delayed receivables from the State.

Other valuation drivers and operating highlights

- The business' key operating highlights for FY24 are noted below:

Key metrics (Unaudited)	FY24	FY23	Change
Number of admissions (thousands):	**1,568.4**	**1,527.2**	**2.7%**
of which, Large and Specialty Hospitals	*729.0*	*599.9*	*21.5%*
of which, Regional and Community Hospitals[2]	*839.4*	*927.3*	*-9.5%*
Occupancy rates:			
of which, Large and Specialty Hospitals	*66.5%*	*53.5%*	*13.0 ppts*
of which, Regional and Community Hospitals	*58.1%*	*44.3%*	*13.8 ppts*

- The decrease in admissions at Regional and Community Hospitals reflects a favourable shift in the revenue mix, which resulted in a significant improvement at the EBITDA level, as outlined above.

1 The respective costs divided by gross revenues.
2 Adjusted for the sale of Batumi Hospital, the number of admissions in Regional and Community Hospitals was 879.2 thousand in FY23 (down 4.5% y-o-y in FY24).

Investment stage portfolio companies
Discussion of renewable energy business results

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

FY24 performance (US$ thousands), renewable energy[1] (Unaudited)

Income Statement highlights	FY24	FY23	Change
Revenue	**16,086**	**14,449**	**11.3%**
of which, PPA[2]	*7,562*	*8,529*	*-11.3%*
of which, Non-PPA	*8,524*	*5,920*	*44.0%*
Operating expenses	(4,006)	(4,068)	-1.5%
EBITDA	**12,080**	**10,381**	**16.4%**
EBITDA margin	*75.1%*	*71.8%*	*3.3 ppts*
Net loss	**(1,185)**	**(666)**	**-77.9%**
Cash flow highlights			
Cash flow from operating activities	**12,320**	**9,877**	**24.7%**
Cash flow used in investing activities	**(3,570)**	**(3,561)**	**0.3%**
Cash flow used in financing activities	**(13,094)**	**(5,170)**	**NMF**
Repayment of borrowings	*(7,440)*	*(13)*	*NMF*
Dividends paid out	*(4,500)*	*(2,000)*	*NMF*
Balance sheet highlights	**31-Dec-24**	**31-Dec-23**	**Change**
Total assets	**116,620**	**122,579**	**-4.9%**
of which, cash balance	*5,880*	*10,525*	*-44.1%*
Total liabilities	**79,123**	**83,911**	**-5.7%**
of which, borrowings	*73,644*	*80,935*	*-9.0%*
Total equity	**37,497**	**38,667**	**-3.0%**
Income Statement highlights (GEL)	**FY24**	**FY23**	**Change**
Revenue	**43,977**	**38,065**	**15.5%**
EBITDA	**33,001**	**27,357**	**20.6%**

Income Statement highlights

The FY24 revenue was up by 11.3% y-o-y, reflecting the resumption of operations of two power-generating units of Hydrolea HPPs, which were taken offline between November 2022 to June 2023 due to previously planned phased rehabilitation works. The average electricity selling price stood at 57.0 US$/MWh in FY24 (up 0.3% y-o-y).

	FY24			
US$ thousands, unless otherwise noted (Unaudited)	Revenue from electricity sales	Change y-o-y	Electricity generation (MWh)	Change y-o-y
30MW Mestiachala HPP	5,605	2.1%	100,885	1.2%
20MW Hydrolea HPPs	5,444	61.7%	103,655	51.7%
21MW Qartli wind farm	5,037	-9.9%	77,500	-9.9%
Total	**16,086**	**11.3%**	**282,040**	**11.0%**

- The operating expenses were well-controlled, down 1.5% y-o-y in FY24.
- The developments described above led to a 16.4% increase in EBITDA in FY24.

Cash flow and balance sheet highlights

- In FY24, the business repurchased and cancelled US$ 7.0 million of its green bonds. As a result, the gross debt balance of the business currently stands at US$ 73.0, leading to a 6.1% y-o-y decrease in net interest expense in FY24.
- The business paid US$ 4.5 dividends to GCAP in FY24.

1 The detailed IFRS financial statements (in both US$ and GEL) are included in supplementary excel file, available at **https://georgiacapital.ge/ir/financial-results**.
2 Please see definition in glossary on page 227.

Financial Review continued

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.

FY24 performance (GEL thousands), education[1] (Unaudited)

Income Statement highlights	FY24	FY23	Change
Revenue	**68,174**	**55,491**	**22.9%**
Operating expenses	(51,559)	(41,053)	25.6%
EBITDA	**16,615**	**14,438**	**15.1%**
EBITDA margin	*24.4%*	*26.0%*	*-1.6 ppts*
Net profit	**12,708**	**13,263**	**-4.2%**
Cash flow highlights			
Net cash flows from operating activities	22,496	17,363	29.6%
Net cash flows used in investing activities	(22,367)	(31,254)	-28.4%
Net cash flows from financing activities	4,366	15,897	-72.5%
Balance sheet highlights	31-Dec-24	31-Dec-23	Change
Total assets	**217,380**	**191,723**	**13.4%**
of which, cash	*12,081*	*7,535*	*60.3%*
Total liabilities	**72,432**	**62,149**	**16.5%**
of which, borrowings	*32,757*	*27,750*	*18.0%*
Total equity	**144,948**	**129,574**	**11.9%**

Income Statement highlights

- The 22.9% y-o-y increase in FY24 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.
- Operating expenses were up by 25.6% y-o-y in FY24, mainly reflecting increased salary, catering and utility expenses, in line with the expansion of the business.
- Consequently, EBITDA was up by 15.1% in FY24.
- Net income was down 4.2% y-o-y in FY24, mainly reflecting the absence of a one-off gain recorded in FY23.

Cash flow and balance sheet highlights

- Cash collection rate for 2024-2025 academic year stood at 77.1% as at 31 December 2024, in line with last year's level.
- Investing cash outflow of GEL 22.4 million in FY24, reflects the investments related to the expansion of the existing campuses in the midscale and affordable segments.

Other valuation drivers and operating highlights

- In 2024, the total learner capacity increased by 825 learners to 8,095 learners, of which the capacity of the midscale segment expanded to 1,645 learners (up by 225 learners) and the capacity of the affordable segment increased to 5,300 learners (up by 600 learners).
- The total number of learners increased by 722 learners y-o-y to 6,549 learners at 31 December 2024.
- The utilisation rate for the total 8,095 learner capacity was up by 0.7 ppts y-o-y to 80.9% as at 31 December 2024.
  - The utilisation rate for the pre-expansion 2,810 learners capacity was 100%.
  - The utilisation rate for the newly added capacity of 5,285 learners was 70.7%.
- The number of campuses across the different segments is noted below:

(Unaudited)	Dec-24	Dec-23	Change (y-o-y)
Total number of campuses	**7**	**7**	**–**
Premium and International segment	*1*	*1*	–
Mid-scale segment	*2*	*2*	–
Affordable segment	*4*	*4*	–

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

Discussion of Clinics and Diagnostics Business Results[1]

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) 16 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".

FY24 performance (GEL thousands), clinics and diagnostics[2] (Unaudited)

Income Statement highlights	FY24	FY23	Change
Revenue, net[3]	**74,517**	**61,723**	**20.7%**
of which, clinics	*59,762*	*49,170*	*21.5%*
of which, diagnostics	*22,181*	*18,435*	*20.3%*
of which, inter-business eliminations	*(7,426)*	*(5,882)*	*26.2%*
Gross profit	**37,832**	**29,240**	**29.4%**
Gross profit margin	*50.7%*	*47.2%*	*3.5 ppts*
Operating expenses (ex. IFRS 16)	(23,661)	(19,245)	22.9%
EBITDA (ex. IFRS 16)	**14,171**	**9,995**	**41.8%**
EBITDA margin (ex. IFRS 16)	*19.0%*	*16.1%*	*2.9 ppts*
Net profit/(loss) (ex. IFRS 16)	**3,513**	**(593)**	**NMF**
Cash flow highlights			
Cash flow from operating activities (ex. IFRS 16)	**17,381**	**6,901**	**NMF**
EBITDA to cash conversion (ex. IFRS 16)	*122.7%*	*69.0%*	*53.7 ppts*
Cash flow used in investing activities	**(9,820)**	**(1,451)**	**NMF**
Free cash flow (ex. IFRS 16)[4]	**7,719**	**10,508**	**-26.5%**
Cash flow used in financing activities (ex. IFRS 16)	**(7,786)**	**(5,982)**	**30.2%**
Balance sheet highlights	31-Dec-24	31-Dec-23	Change
Total assets	**135,999**	**135,848**	**0.1%**
of which, cash balance and bank deposits	*4,294*	*4,500*	*-4.6%*
of which, securities and loans issued	*2,000*	*8,357*	*-76.1%*
Total liabilities	**82,450**	**83,901**	**-1.7%**
of which, borrowings	*38,416*	*48,630*	*-21.0%*
Total equity	**53,549**	**51,947**	**3.1%**

Discussion of results, clinics (GEL thousands) (Unaudited)

Income Statement highlights	FY24	FY23	Change
Revenue, net	**59,762**	**49,170**	**21.5%**
Gross profit	**30,550**	**24,550**	**24.4%**
Gross profit margin	*51.0%*	*49.7%*	*1.3 ppts*
Operating expenses (ex. IFRS 16)	(19,571)	(15,745)	24.3%
EBITDA (ex. IFRS 16)	**10,979**	**8,805**	**24.7%**
EBITDA margin (ex. IFRS 16)	*18.3%*	*17.8%*	*0.5 ppts*
Net profit (ex. IFRS 16)	**2,165**	**127**	**NMF**
Cash flow highlights			
Cash flow from operating activities (ex. IFRS 16)	**17,178**	**8,214**	**109.1%**
EBITDA to cash conversion (ex. IFRS 16)	*156.5%*	*93.3%*	*63.2 ppts*
Cash flow used in investing activities[5]	**(10,682)**	**(194)**	**NMF**
Free cash flow (ex. IFRS 16)	**8,081**	**13,094**	**-38.3%**
Cash flow used in financing activities (ex. IFRS 16)	**(6,683)**	**(7,649)**	**-12.6%**
Balance sheet highlights	31-Dec-24	31-Dec-23	Change
Total assets	**105,290**	**105,789**	**-0.5%**
of which, cash balance and bank deposits	*4,094*	*4,261*	*-3.9%*
of which, securities and loans issued	*3,465*	*8,357*	*-58.5%*
Total liabilities	**71,033**	**71,840**	**-1.1%**
of which, borrowings	*32,495*	*42,340*	*-23.3%*
Total equity	**34,257**	**33,949**	**0.9%**

1 The numbers were adjusted retrospectively to account for the recent strategic reorganisation in the healthcare businesses. The FY23 amounts reflect the retrospective adjustment for GEL 2.9 million gain recorded from the sale of one of the polyclinics buildings in 2023.
2 The detailed IFRS financial statements are included in supplementary excel file, available at **https://georgiacapital.ge/ir/financial-results**.
3 Net revenue – Gross revenue less corrections and rebates. Margins are calculated from Gross revenue.
4 Operating cash flows less capex.
5 Of which capex of GEL 8.7 million in FY24 (GEL 11.2 million in FY23).

Financial Review continued

Income Statement highlights
- The 21.5% y-o-y increase in FY24 revenue reflects:
  - The increased demand for high revenue-generating services as well as the growth in the number of registered patients, driven by the business' proactive approach to customer acquisition and service enhancements.
  - Ramp-up of two new ambulatory centres launched in 2023.
  - The acquisition of a portfolio of c.27,000 new customers in June 2024, further contributing to the overall top-line growth in FY24.
- The gross profit margin improved by 1.3 ppts y-o-y in FY24, reflecting strong revenue growth, while a significant portion of costs remained fixed.
- Operating expenses (ex. IFRS 16) in FY24 were up by 24.3% y-o-y, reflecting increased salary and rent expenses in line with the expansion of the business and the sale of one of the polyclinic buildings in FY23 and its leaseback in FY24.
- The developments described above translated into a 24.7% y-o-y increase in FY24 EBITDA.

Cash flow and balance sheet highlights
- The EBITDA to cash conversion ratio stood at 156.5% for FY24, reflecting the strong business performance as well as the collection of delayed receivables from the State.
- In FY24, the business spent GEL 8.7 million on capex, primarily related to the expansion of services and polyclinics chain.

Other valuation drivers and operating highlights
- The business key operating performance highlights are noted below:

(Unaudited)	FY24	FY23	Change (y-o-y)
Number of admissions (thousands)	1,763	1,583	11.4%

(Unaudited)	Dec-24	Dec-23	Change (y-o-y)
Number of polyclinics[1]	16	16	–
Number of registered patients in polyclinics in Tbilisi	c.340,000	c.301,000	12.8%

Discussion of results, diagnostics (GEL thousands)

Income Statement highlights	FY24	FY23	Change
Revenue, net[2]	**22,181**	**18,435**	**20.3%**
Gross profit	**7,282**	**4,690**	**55.3%**
Gross profit margin	*32.8%*	*25.4%*	*7.4 ppts*
Operating expenses (ex. IFRS 16)	(4,090)	(3,500)	16.9%
EBITDA (ex. IFRS 16)	**3,192**	**1,190**	**NMF**
EBITDA margin (ex. IFRS 16)	*14.4%*	*6.5%*	*7.9 ppts*
Net profit/(loss) (ex. IFRS 16)	**1,348**	**(1,172)**	**NMF**

Income Statement highlights
- The 20.3% y-o-y increase in FY24 revenue reflects the increased revenues from both retail and business-to-business (B2B) clients, up 27.4% and 11.0%, respectively. This is driven by the business' enhanced efforts on customer acquisition and service diversification, particularly in the high-margin category.
- Materials and direct salary rates improved by 3.6 ppts and 3.1 ppts y-o-y in FY24, respectively, which along with increased revenues, reflects significant inventory management optimisations.
- As a result of the developments described above, the business recorded a 55.3% y-o-y increase in gross profit and a 2.7x y-o-y increase in EBITDA in FY24.

Other valuation drivers and operating highlights
The key operating performance highlights for FY24 are noted below:

(Unaudited)	FY24	FY23	Change (y-o-y)
Number of patients served (thousands)	*808*	*779*	*3.7%*
Number of tests performed (thousands)	*2,712*	*2,481*	*9.3%*
Average revenue per test GEL	*8.2*	*7.4*	*10.3%*
Average number of tests per patient	*3.4*	*3.2*	*5.4%*

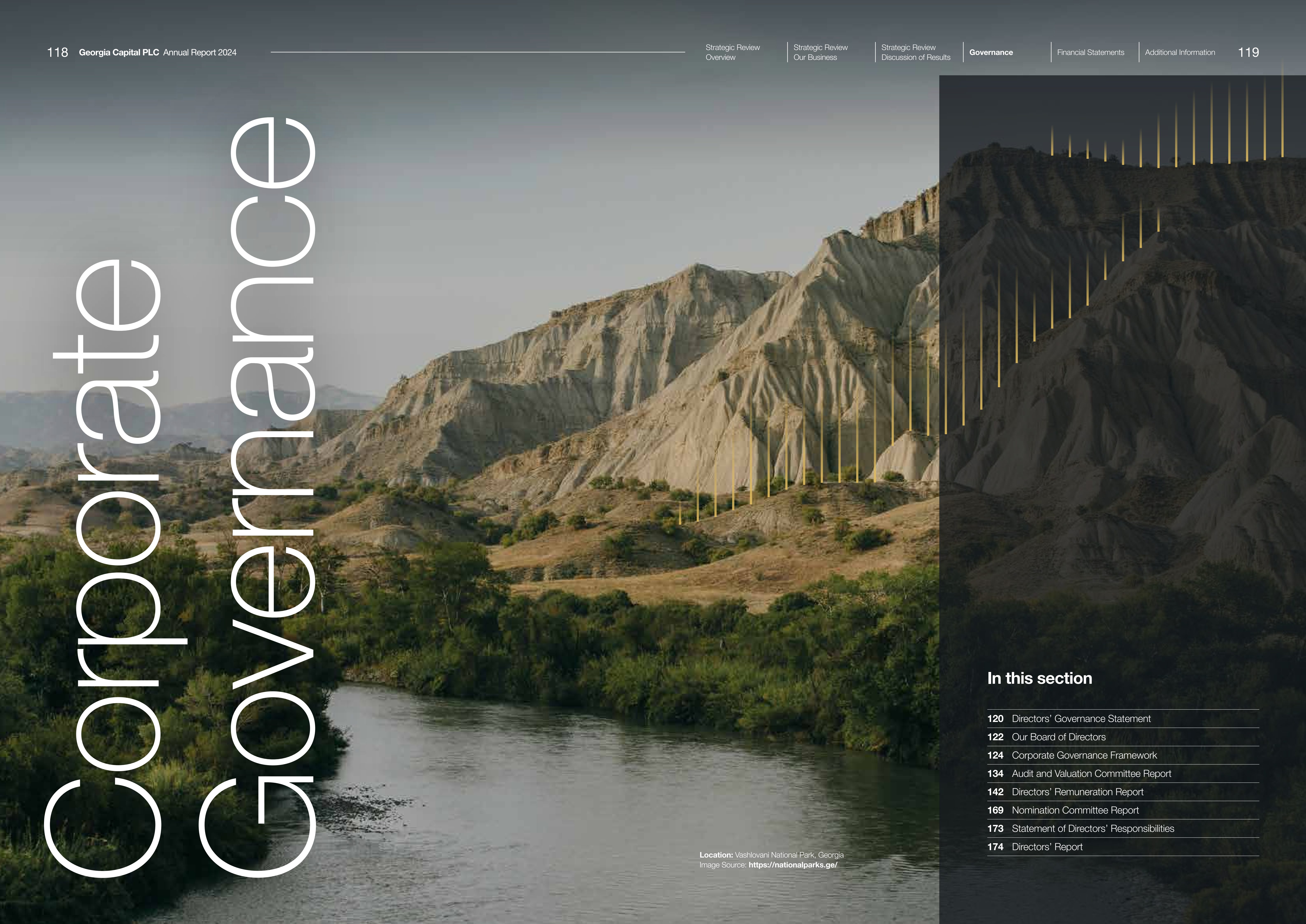
1 In 2024, two polyclinics located in rural areas of Georgia were reclassified under the Regional and Community Hospitals. The comparative 2023 data has been adjusted retrospectively.
2 Net revenue – Gross revenue less corrections and rebates. Margins are calculated from Gross revenue.

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 160.3 million at 31 December 2024, which represents 4.3% of our total portfolio.

FY24 aggregated performance highlights (GEL thousands), other portfolio

(Unaudited)	FY24	FY23	Change (y-o-y)
Revenue	564,740	575,358	-1.8%
EBITDA	65,751	42,785	53.7%
Net cash flows from operating activities	28,153	(7,890)	NMF

- **Auto service** – The auto service business includes a car services and parts business, and a periodic technical inspection (PTI) business.
  - **Periodic technical inspection (PTI) business** – The PTI business' revenue was up by 12.3% y-o-y to GEL 23.4 million in FY24. Revenue growth was driven by an 11.7% y-o-y increase in the number of total cars serviced in FY24. EBITDA was up by 18.8% y-o-y in FY24, reflecting enhancements in cost efficiency. In 2024 the business paid its first dividend to GCAP, since inception in 2018, totalling GEL 1.0 million.
  - **Car services and parts business** – In FY24, revenue was up by 11.3% y-o-y to GEL 70.5 million in FY24, reflecting an increase in the wholesale, retail and corporate segments. Similarly, the gross profit was up by 12.8% y-o-y to GEL 18.4 million in FY24. In FY24, operating expenses increased by 19.5% y-o-y, attributable to the business growth. As a result, the business posted a GEL 4.0 million EBITDA in FY24, down 6.1% y-o-y.
- **Beverages** – The beverages business combines beer and distribution and wine business. At the end of 2024, GCAP sold 80% of its holding in its beer and distribution business to Royal Swinkles, an international strategic investor, for net cash proceeds of c.US$ 63 million. Completion of the transaction and the receipt of full sales proceeds occurred on 23 December 2024. Net revenue of the wine business decreased by 2.5% y-o-y to GEL 56.7 million in FY24, reflecting a 3.5% y-o-y decrease in the number of bottles sold in FY24, primarily driven by drop in exports in FY24 (share of exports in total sales was down by 1.1 ppts y-o-y). Operating expenses decreased by 7.7% y-o-y in FY24, due to the business' cost-saving initiatives. Consequently, EBITDA was up by 15.0% y-o-y to GEL 5.0 million in FY24.
- **Real estate businesses** – The FY24 EBITDA increased by GEL 20.7 million to GEL 13.5 million, mainly resulting from the reassessment of the construction progress for ongoing residential projects at our housing development business and strong operating performance of the hospitality business.



Corporate Governance

Location: Vashlovani National Park, Georgia
Image Source: **https://nationalparks.ge/**

In this section

Directors' Governance Statement

Irakli Gilauri
Chairman and
Chief Executive Officer

David Morrison
Senior Independent
Non-Executive Director

Dear Shareholders
We are pleased to present this year's Governance Statement for the year ended 31 December 2024. The Board voluntarily continues to apply the UK Corporate Governance Code 2018 ("the Code") in its entirety, except for the combined roles of Chairman and CEO. This has consistently been approved by our shareholders over the last six years, and the Nomination Committee and the Board continue to monitor the appropriateness of this structure as discussed in the report of the Nomination Committee on pages 169 to 172, which shareholders are encouraged to read for further context.

In addition, the Company continues to voluntarily comply with:

- the provisions of the Listing Rules relating to pre-emption rights; and
- the requirements of Listing Rule 11 relating to related party transactions.

The provisions of the Takeover Code also continue to apply to GCAP.

Combined Chairman and CEO role
We acknowledge that our decision for the roles of Chairman and CEO to be exercised by one individual is not compliant with provision 9 of the Code. This matter continues to be reviewed by the Nomination Committee and the Board as part of Board effectiveness evaluation exercises. On page 172 you will find the results of the Board evaluation conducted in 2023, which inherently considers how the current structure of the combined Chairman/CEO role contributes to the effectiveness of the operation of the Board and more widely to the Company. The Board continues to believe that, at present, this structure best serves the Company and its stakeholders. The basis for this conclusion is summarised in this section.

Georgia Capital is a holding company focused on investing in and developing businesses, with the result that we hold and operate a highly diversified group of companies.

- Our central Group management structure is quite small, with 45 employees in the head office. It is principally at the level of the central management team at which the Board provides challenge, most importantly, on investment/divestment decisions.
- The businesses of our portfolio companies are highly diverse and decentralised. Each has its own CEO and management team and a strong measure of operational independence.
- In these circumstances, at the small central office an independent chair would be a bureaucratic overlay; and at the level of the portfolio companies he or she would struggle to add value. The position would also come with an additional cost which, given these circumstances and the additional considerations below, the Board considers to be unwarranted.

The Board is highly experienced and almost entirely independent.

- All Board members other than the Chairman and CEO are Independent Non-Executive Directors. Each Non-Executive Director approaches the Company with true independence. Our decisions at the Board level and at the Nomination Committee (on which the CEO sits) level are typically reached through consensus – meaning that ultimately all the independent Directors and the Chairman and CEO agree on a final position. They are majority decisions: the Chairman and CEO does not have a veto and is outnumbered four to one by Independent Non-Executive Directors.

- The Independent Non-Executive Directors are experienced business people of particular high quality for a FTSE Small/MidCap company and we would invite shareholders to consider their biographies and note the degree of real expertise and experience they bring to the Board. They have a diverse range of backgrounds and nationalities, and each brings a fresh view and particular expertise to Board discussions. The Senior Independent Non-Executive Director, a former partner at a major US law firm, is highly experienced in the region and is the governance lead for the Board and the Non-Executive Directors. He also chairs the Audit and Valuation Committee. Previous roles for the other Non-Executive Directors (as detailed in the biographies later in this section) include:
  - investment officer at a major investment fund;
  - experienced non-executive director of Georgian groups listed on the LSE; and
  - extensive management consulting and private equity experience.

All the Non-Executive Directors engage directly and regularly with the team outside the boardroom.

- The Non-Executive Directors engage directly with senior management and the workforce in Georgia (central team), ensuring unfiltered channels of access. This typically occurs around the Board meetings and often includes informal contacts in various settings.
- While the Directors delegate regular monitoring of our portfolio companies and ongoing strategic advice to the Group Chairman and CEO and his central team, the entire Board scrutinises, challenges and ultimately approves or disapproves investment and divestment proposals and initiatives, including significant add-on investment for existing portfolio companies. It also considers the commercial terms of major transactions (i.e. over GBP 2.5 million). As such, the Non-Executive Directors exercise key secondary oversight of the private portfolio businesses, engaging with the private portfolio companies' CEOs and top management on their most important decisions. During 2024, two of the regular quarterly meetings were held in Georgia, providing the Non-Executive Directors with opportunities to meet with a number of the portfolio companies' CEOs/executive management.

The Group's NAV is set by the Audit and Valuation Committee.

- The Group's key financial and investor communications metric is its NAV as approved by the Audit and Valuation Committee, a committee comprised of Independent Non-Executive Directors on which the Chairman and CEO does not sit.

Given the structure of the Group and the key role that Irakli Gilauri plays in it, the Board continues to believe the current combined Chairman/CEO structure best suits the Group. As mentioned in the introduction to this statement, this structure has been supported by a significant majority of shareholders at each AGM since the formation of the Company through their re-election of Irakli Gilauri. Ongoing dialogue with our shareholders confirms that they fully understand and support this approach.

The Board continues to develop its approach to ESG under the auspices of the Responsible Investment Policy. Further information is included in the Resources and Responsibilities section on page 76. Details of our ESG activities are set out in our Sustainability Report. The Board remains committed to the view that the Company's strong focus on good ESG processes is fundamental to the Company's ongoing success.

Irakli Gilauri
Chairman and Chief Executive Officer
20 March 2025

David Morrison
Senior Independent Non-Executive Director
20 March 2025

Statement of Compliance with the UK Corporate Governance Code
The Board continues to commit to high standards of corporate governance that enhance performance, reduce risks and promote the protection of our shareholders' interests.

The Board has overall responsibility for governance and is accountable to its shareholders. This Governance Report describes how the Board has applied the Main Principles and complied with the relevant provisions of the Code during 2024. The Code is publicly available on the website of the Financial Reporting Council ("FRC") at **www.frc.org.uk**.

We also continue to monitor our governance framework and underlying governance structures to ensure that they meet the needs of the business.

Throughout 2024, the Board considers that the Company has complied in full with the provisions of the Code with the exception of provision 9, which states that the roles of Chair and Chief Executive should not be exercised by the same individual.

The Company's Chairman, Irakli Gilauri, also serves as the Company's Chief Executive Officer and is not considered by the Board to be independent. We set out above why we regard the joint Chairman and Chief Executive Officer position to be appropriate for our Company and we also explain some of the measures we have put in place to ensure that no one individual is able to dominate the Board's decision-making. For more information on CEO succession planning, please see the Nomination Committee report on pages 169 to 172.

This statement, and the reports from the Board Committees, set out how we applied the Main Principles of the Code. The Directors' Report also contains information required to be disclosed under the Financial Conduct Authority ("FCA") UK Listing Rules (UKLR) and Disclosure Guidance and Transparency Rules (DTR). Following the FCA's reforms to the UK listing regime, the Company is now listed on the FCA's Equity Shares (Transition) Category and will voluntarily prepare to apply the revised UK Corporate Governance Code 2024 in its entirety for accounting periods beginning on or after 1 January 2025. To the extent necessary, certain information is incorporated into this Governance Report by reference.

Our Board of Directors

Board of Directors

Irakli Gilauri
Chairman and Chief Executive Officer

Irakli Gilauri was appointed as Chairman and CEO on 24 February 2018. He also serves as a member of the Nomination Committee. He sits on the Supervisory Board of JSC Georgia Capital.

Skills and experience:
Irakli Gilauri formerly served as the CEO of BGEO Group from 2011 to May 2018. He joined as CFO of Bank of Georgia in 2004 and was appointed as Chairman of the Bank in September 2015, having previously served as CEO of the Bank since May 2006. Prior, he was an EBRD banker. Mr Gilauri has more than 20 years of experience in banking, investment and finance. He also served from 2015 as a Director of Georgia Healthcare Group PLC (which delisted in 2020). Mr Gilauri is also Non-Executive Director and Chairman of the Audit Committee of Consilium Acquisition Corp I, LTD (SPAC).

Education:
Mr Gilauri received his undergraduate degree in Business Studies, Economics and Finance from the University of Limerick, Ireland, in 1998. He was later awarded the Chevening Scholarship, granted by the British Council, to study at the Cass Business School of City University, London, where he obtained his MSc in Banking and International Finance. Mr Gilauri holds a Certificate in Winemaking from the University of California, Davis.

Reasons for appointment:
Irakli Gilauri brings significant insight of local and international strategic and commercial issues to the Board and has a distinguished career in corporate banking. Over the last decade, Mr Gilauri's leadership has been instrumental in creating major players in a number of Georgian industries, including banking, healthcare, utilities and energy, real estate, insurance and beverages. Mr Gilauri's local expertise and business experience, in working previously with both Georgia Healthcare Group PLC and BGEO Group PLC, alongside his strong understanding of the Georgian political, economic and cultural context, is invaluable to the Board.

David Morrison
Senior Independent Non-Executive Director

David Morrison was appointed as the Senior Independent Non-Executive Director of the Company on 24 February 2018. He also serves as the Chairman of the Company's Audit and Valuation Committee and as a member of the Remuneration Committee. He sits on the Supervisory Board of JSC Georgia Capital.

Skills and experience:
Mr Morrison spent most of his career (28 years) at Sullivan & Cromwell LLP where he served as Managing Partner of the firm's Continental European offices. His practice focused on advising public companies in a transactional context, including capital raisings, IPOs, and mergers and acquisitions. The author of several publications on securities law-related topics, Mr Morrison was recognised as a leader of his profession in Germany and France. Since withdrawing from his law firm in 2008, Mr Morrison has focused on his roles as a non-executive director on corporate boards and his charitable work. Mr Morrison previously served as the Senior Independent Non-Executive Director of both BGEO Group PLC (from October 2011 until May 2018) and Georgia Healthcare Group PLC (from September 2015 until their delisting in August 2020) and served as Chairman of the Audit Committee (amongst other Committee roles) for both companies. In his charitable work, Mr Morrison has focused on conservation finance. In 2008, he became the Founding CEO of the Caucasus Nature Fund ("CNF"), a charitable trust dedicated to wilderness protection in Georgia, Armenia, and Azerbaijan. Following the departure of CNF's Executive Director last year, Mr. Morrison stepped into that role on an interim, voluntary basis and stepped down from his role as Chair of CNF's supervisory board. He also serves on the board of, or as an advisor to, three other conservation trusts he helped to create. A principal focus of his role for all four of these charities is the investment of a portfolio of over US$ 500 million in endowment capital. Mr Morrison also served as Georgia's first Environmental Ombudsman in 2019 and 2020.

Education:
Mr Morrison received his undergraduate degree from Yale College and his law degree from the University of California, Los Angeles. He was also a Fulbright scholar at the University of Frankfurt.

Reasons for appointment:
With his background as a corporate finance and securities lawyer advising dozens of clients, including a large number of publicly held companies, David Morrison brings to the Board vast experience in corporate governance and compliance as well as a strong understanding of legal and regulatory issues. His work since 2008 has given him extensive regional experience, which includes in-depth knowledge of ESG matters in Georgia. As an experienced chairman of audit committees of Premium-listed companies, Mr Morrison has significant direct experience of ensuring integrity in financial reporting and adequate risk management and internal control procedures. This has been enhanced by his primary responsibility as CEO or CFO of the four conservation trusts with which he is involved, where he was responsible for developing the accounting and controlling systems and being the principal management counterparty for the external auditors. With its significant focus on financial disclosure and reporting, his career has prepared him well for his Audit and Valuation Committee duties.

Neil Janin
Independent Non-Executive Director

Neil Janin was appointed as an Independent Non-Executive Director of the Company on 17 October 2022. He also serves as the Chairman of the Company's Nomination and Remuneration Committees and sits on the Supervisory Board of JSC Georgia Capital.

Skills and experience:
Mr Janin has extensive experience as a non-executive director of Georgian groups that are listed on the Premium Listing segment of the LSE. He was Chair and Non-Executive Director of BGEO Group PLC from October 2011 until 21 May 2018 and of Bank of Georgia Group PLC from February 2018 until March 2022, and he served as Non-Executive Director of Georgia Capital PLC's (then listed) subsidiary Georgia Healthcare Group PLC from September 2015 until April 2018. He serves as counsel to CEOs of both for-profit and non-profit organisations and continues to provide consulting services to McKinsey & Company. Mr Janin was a Director of McKinsey & Company, based in its Paris office, for over 27 years, from 1982 until his retirement. At McKinsey & Company, he conducted engagements in the retail, asset management and corporate banking sectors, and was actively involved in every aspect of organisational practice, including design, leadership, governance, performance enhancement and transformation. Before joining McKinsey & Company, Mr Janin worked for Chase Manhattan Bank (now JP Morgan Chase) in New York and Paris, and Procter & Gamble in Toronto. Mr Janin has practised in Europe, Asia and North America. He is also a Director of Neil Janin Limited, a company through which he provides his ongoing consulting services.

Education:
Mr Janin holds an MBA from York University, Toronto, and a joint honours degree in Economics and Accounting from McGill University, Montreal.

Reasons for appointment:
Neil Janin has extensive experience of serving as a non-executive director of Georgian groups that are also listed on the LSE. His career spans Europe, Asia and North America, across the retail, asset management and corporate banking industries, and all areas of organisational practice, including governance, culture, design, leadership, performance enhancement, change and transformation. Mr Janin brings his considerable insight of international strategic and commercial practices, in addition to significant experience of governance and the Georgian investment climate, to the Group's future development.

Massimo Gesua' sive Salvadori
Independent Non-Executive Director

Massimo Gesua' sive Salvadori was appointed as an Independent Non-Executive Director of the Company on 24 February 2018. He also serves as a member of the Audit and Valuation and Nomination Committees and is a member of the Supervisory Board of JSC Georgia Capital.

Skills and experience:
Dr Gesua' sive Salvadori is an analyst covering banking and other financial stocks globally. He works for Lancaster Asset Management, a London-based hedge fund, which he joined in 2011. He is responsible for generating investment ideas and understanding broad trends. Dr Gesua' sive Salvadori worked as a management consultant at the London office of McKinsey & Company, between 2002 and 2011, specialising in financial services, and served clients across different geographies in developed and emerging markets as part of the banking strategy practice.

Education:
Dr Gesua' sive Salvadori, a native of Venice, obtained an M.Phil. and a Ph.D from Oxford University, where he attended St. Antony's College. He graduated with a B.Sc in Economics from Warwick University. He attended the United World College of the Adriatic in Duino. His postgraduate studies were funded through scholarships by the Foreign and Commonwealth Office, the Economic Research council, the Fondazione Einaudi and the Ente Einaudi.

Reasons for appointment:
Massimo Gesua' sive Salvadori's background in investment and his experience as a professional investor with financial markets, strategic issues and valuation techniques brings a breadth of knowledge to and makes him an important asset to the Board and the Nomination and Audit and Valuation Committees, of which he is a member. His extensive experience of valuations and value drivers are particularly valuable to the Audit and Valuation Committee since the private portfolio companies' valuation is the key area of focus in Georgia Capital's financial accounting and reporting. His background as a management consultant is also valued in Board discussions.

Maria Chatti-Gautier
Independent Non-Executive Director

Maria Chatti-Gautier was appointed as an Independent Non-Executive Director of the Company on 19 March 2020. She also serves as a member of the Remuneration and Audit and Valuation Committees and is a member of the Supervisory Board of JSC Georgia Capital.

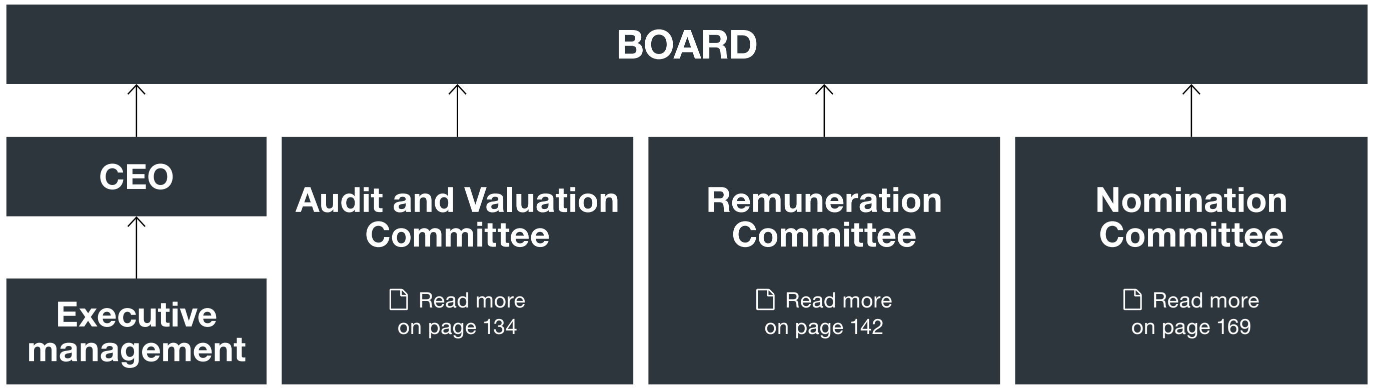
Skills and experience:
Ms Chatti-Gautier is a senior investment manager with over 25 years of experience in private equity in prominent financial institutions and has sat on the board of directors of over 30 companies. She currently serves as Senior Advisor of Trail Management, an independent private equity investment firm that invests in European midcap companies to develop them in China. Ms Chatti-Gautier started her career at Chase Manhattan Bank in Paris before joining BAII (Banque Arabe et Internationale d'Investissement). She spent most of her career (15 years) at Natixis Private Equity, before moving to Oddo Private Equity. Her activities included sourcing, analysing, managing and monitoring a large number of investments and exits. Through her own consulting firm, Ms Chatti-Gautier has also advised various investment and fundraising programmes in Europe, Lebanon and the MENA region, including Drake Star Partners (previously known as LDA Jupiter). Ms Chatti-Gautier currently serves as a board member and member of the Audit Committee of Groupe Pizzorno Environnement, a leading French operator in the waste management business listed on Euronext. She is also a Director of Buffet Crampon Group, a major producer of wind musical instruments and of Thés de La Pagode, producer and distributor of high-end organic teas.

Education:
Ms Chatti-Gautier holds an MBA with major in Finance from Ecole des Hautes Etudes Commerciales-HEC, with joint MBA programmes from London Business School and NYU Stern.

Reasons for appointment:
Maria Chatti-Gautier has extensive experience in all types of private equity transactions with a hands-on approach and leadership role in investment execution, build-up and exit strategies. Ms Chatti-Gautier's background in private equity and understanding of investment strategies, alongside her board experience, makes her well suited to her role on the Board.

Corporate Governance Framework

Our governance structure



Board size, composition and independence
The Board is comprised of five Directors, four of whom are Independent Non-Executive Directors, and one executive Chairman – Irakli Gilauri, who also acts as the Company CEO. The responsibilities of the Board are set out on page 125.

Director biographies can also be found here: **https://georgiacapital.ge/governance/board**.

The Board of Directors considers the five-member Board well-suited to carrying out its duties of overseeing the Company's continuing obligations and leading the Company's success in an optimal and cost-effective way. Both the Audit and Valuation and Remuneration Committees continue to have three Independent Non-Executive Directors who have the requisite level and breadth of expertise. The Nomination Committee comprises two Independent Non-Executive Directors (one of which is the Committee Chair) and Mr Gilauri.

The Board continues to be of the view that a diversity of skills, backgrounds, knowledge, experience, geographic location, nationalities, age and gender is important to effectively govern the business. The Board and its Nomination Committee work to ensure that the Board continues to have the right balance of skills, experience, independence and knowledge necessary to discharge its responsibilities in accordance with the highest standards of governance.

Board appointments are made based on recommendations received from the Nomination Committee. In making these appointments, the Nomination Committee ensures that appointments and succession plans are made based on merit as well as other objective criteria, whilst ensuring the Board maintains the right balance of skills and knowledge needed to address its specific needs. Due consideration is also given to diversity in the wider sense, and the benefits that stem from having a diverse Board.

Each of our Non-Executive Directors occupies, and/or has previously occupied, senior positions in a broad range of relevant associated industries, bringing valuable external perspective to the Board's deliberations through their experience and insight from other sectors enabling them to contribute significantly to decision-making.

Some of these skills include:
- Banking, investment and finance sector experience.
- Leadership knowledge.
- Understanding of local and international strategic and commercial issues.
- Investor market knowledge.
- Experience of stakeholder engagement.
- Understanding of governance practices and regulatory framework.
- Familiarity with Georgian political, economic and cultural context.
- Experience of investment execution, exit strategies and private equity.

The relationship between Directors ensures that no individual, or group of individuals, is able to dominate the decision-making process, independence of thought is maintained, and no undue reliance is placed on any individual.

At the time of this report, we have assessed the independence of each of the Non-Executive Directors and are of the opinion that each act in an independent and objective manner. We consider that, in line with the Code, all of our Non-Executive Directors are independent and free from any relationship that could impair their judgement.

Our governance structure
We understand our responsibility to shareholders and stakeholders. We are dedicated to delivering shareholder value over the long term and promoting the success of the Company for the benefit of all shareholders through the management of the Group's business. The Board is focused on shareholder returns and on opportunities which meet its investment return and growth criteria.

The Georgia Capital Board is assisted in fulfilling its responsibilities by three Committees: Audit and Valuation, Remuneration and Nomination. The Terms of Reference are reviewed annually, approved by each Committee and the Board, and can be found at: **https://georgiacapital.ge/governance/cgf/terms**.

For further information about the Committees, including membership, see the Audit and Valuation Committee report on page 134, the Remuneration Committee report on page 142 and the Nomination Committee report on page 169.

The Board is responsible to shareholders for creating and delivering shareholder value over the long term through the oversight of the Group's operations. Our responsibilities include setting and overseeing the execution of the Group's strategy within a framework of effective risk management and internal controls, demonstrating ethical leadership and upholding best practice corporate governance.

All decisions are made through Directors exercising independent objective judgement, and following open and rigorous challenge. While our ultimate focus is long-term growth, the Company also needs to deliver on short-term objectives, and we seek to ensure that management strikes the right balance between the two.

Each Director also recognises their statutory duty to consider and represent the Company's various stakeholders in its deliberations and decision-making. You can read more about how Directors had regard to their duties under section 172 (1) of the Companies Act 2006 and how Directors performed these duties on page 58 of the Strategic Report.

Matters reserved for the Board
In order to ensure that we meet our responsibilities, specific key decisions have been reserved for approval by the Board.

The key matters reserved for the Board are:
- The Group's long-term objectives and strategy.
- Shareholder engagement and general meetings.
- Overall corporate governance arrangements including Board and Committee composition, Committee Terms of Reference, Directors' independence and conflicts of interest.
- Internal controls, governance and risk management frameworks.
- Changes to the corporate or capital structure of the Company.
- Annual Report and Accounts, and financial and regulatory announcements.
- Significant changes in accounting policies or practices.
- Annual budgets and financial expenditure.
- Oversight of risk management and performance, and of environmental and social risks.
- Allocation of capital, including dividends and buybacks, significant investments and divestments, consideration of material environmental and social issues in respect of potential investments.

A full formal schedule of matters specifically reserved for the Board can be found on our website at: **https://georgiacapital.ge/governance/cgf/schedule**.

The Board has primary responsibility for overseeing environmental and social risks and that the Company's strategic direction is regularly informed by material environmental and social issues. Given the small size of the Board and the importance of these matters, including climate change, the Board believes that it is appropriate for the whole Board to be responsible for these issues.

Outside these matters, the Board delegates authority for the day-to-day management of the business to the CEO. The CEO delegates aspects of his own authority, as permitted under the corporate governance framework, to the Management Board.

Operation of the Board
We maintain a corporate calendar, which sets out rolling agenda items that must be considered during the year. This annual schedule of items ensures that all matters are given due consideration and are reviewed at the appropriate point in the financial and regulatory cycle.

The Chairman receives regular input from the Non-Executive Directors ahead of each Board meeting in order to ensure that any matters they have raised are on the agenda to be discussed at the meeting. The Senior Independent Non-Executive Director supports the Chairman in his role, acts as an intermediary for other Non-Executive Directors when necessary and liaises with the Non-Executive Directors outside of the Board and Committee meetings. The Senior Independent Non-Executive Director met with the Non-Executive Directors without the Chairman present at least once during the year to appraise the Chairman's performance.

Corporate Governance Framework continued

Board activities during 2024

Details of the areas that the Board considered this year are set out below and comprise:

Strategy	• Ongoing consideration and monitoring of the Company's progress in meeting its strategic goals including transitioning to a capital-light investment business. • Approved capital allocations to and discussed the capital allocation outlook for portfolio companies. • Approved the sale of 80% of the Group's beer and distribution business for c.US$ 63 million. • Reviewed Group and portfolio company performance against strategy. • Regularly reviewed the Georgian, regional and global political and economic climate, particularly in light of the ongoing war between Russia and Ukraine, and the 2024 Georgian Parliamentary elections. • Continued with share buyback and cancellation programmes totalling US$ 65 million, announced in 2024. • Reviewed a number of ESG matters, TCFD reporting and ESG target-setting implementation processes.
Governance, assurance and risk management	• Focused on high-level governance issues and developments that may affect the Company strategy. • Received reports from different Committees. • Considered the proxy voting agency approaches and the impact on the Company. • Reviewed and approved governance documents, including the schedule of matters reserved for the Board, Terms of Reference for the Audit and Valuation Committee, Remuneration Committee and Nomination Committee, and Group-level policies. • Embedded ESG considerations into the governance framework.
Financial reporting	• Received reports on the financial performance of the Group. • On the recommendation of the Audit and Valuation Committee, reviewed and approved financial reporting including approval of accounts, Notice of AGM, half-year and full-year announcements, and trading updates to the market.
ESG	• See separate Sustainability Report.
Succession	• Board and Committee succession planning. • CEO succession plan.
Stakeholders	• Considered and implemented s172 duties: – Re-confirmed identity of key stakeholder groups. – Considered how Board decisions impact the interests and priorities of each group. – Actively engaged with different stakeholders.
Investment matters	• Reviewed investment and exit strategy.
Standing items	Each quarter the following topics are usually discussed at the Board meeting: • Financial update (with formal financial results announcements and trading updates to the market typically being approved at separate phone meetings). • Monitoring of financial performance against budget. • Macroeconomic developments, including a focus on both the Georgian and regional markets. • An assessment of current and potential future risks to the Company. • Regulatory and legislative updates, including corporate governance as appropriate. • Updates from the Committee meetings, typically including at least an Audit and Valuation Committee report on accounting issues and valuations and Internal Audit. • Business updates from selected portfolio companies. The Board reviews the capital allocation pipeline and takes action as necessary on new investments or divestments.

Board and Committee meeting attendance

Details of Board and Committee meeting attendance in 2024 are as follows:

Members	Board	Audit and Valuation Committee	Nomination Committee	Remuneration Committee
Irakli Gilauri	4/4 Scheduled 8/8 Ad hoc	n/a	2/2	n/a
David Morrison	4/4 Scheduled 8/8 Ad hoc	5/5 Scheduled 7/7 Ad hoc	n/a	4/4
Massimo Gesua' sive Salvadori	4/4 Scheduled 8/8 Ad hoc	5/5 Scheduled 7/7 Ad hoc	2/2	n/a
Neil Janin	4/4 Scheduled 6/8 Ad hoc	n/a	2/2	4/4
Maria Chatti-Gautier	4/4 Scheduled 8/8 Ad hoc	5/5 Scheduled 7/7 Ad hoc	n/a	4/4

For Board and Committee meetings, Directors' attendance is expressed as the number of meetings attended out of the number that each Director was eligible to attend.

Purpose, culture and values

The Board has responsibility for the overall purpose, culture and values of the Company, and their pursuit and development are at the core of each Board meeting.

The Board believes that there are three features in particular that will allow the Company to capitalise on the fast-growing Georgian economy: access to capital, access to management and strong corporate governance. Our culture and values are designed to strengthen all of these.

Purpose

Georgia Capital's purpose is to provide investors with an opportunity to invest in the historically fast-growing Georgian economy by giving them access to attractive investments with long-term growth potential. The Company then seeks to develop these into viable independent businesses on which value can be realised through sale or otherwise. By investing in Georgia to create multiple strong private companies/institutions, we will foster Georgia's development and help it succeed.

Culture

The Board continued to focus on developing, monitoring and assessing corporate culture and thinking about the ways in which our culture might serve as a long-term differentiator, both in terms of strategy and of recruitment and retention. We are proud of the culture that we built at Georgia Capital and recognise it is important to clearly articulate this culture, drive it and ensure that it permeates the entire business.

Helping Georgia to succeed is at the heart of Georgia Capital. During the year the Board looked closely at our mission, vision and values and how we could reinforce through shaping the Company's long-term strategy. The Board is of the view that this will benefit all of the Company's stakeholders.

In order to create strong private business institutions, we will continue with our plan to develop our leaders so that they become future entrepreneurs of Georgia, through personal and professional development. The Chairman and CEO met regularly with key management personnel at Georgia Capital to share this vision and coordinate the Group's actions and priorities. The Chairman and CEO and Georgia Capital's key management personnel monitored portfolio companies' performance on at least a monthly basis, also reinforcing key messages. These messages are cascaded down from the management team to the wider employees.

Values

Being entrepreneurial

Our current culture is entrepreneurial in nature, and this is something that is grounded in our ability to see and seize opportunities and to develop business strategies whilst remaining disciplined and rational. All of our portfolio companies have been founded or substantially developed by entrepreneurs, and this is at the core of what we do. Our objective moving forward is to empower our people, continue to develop this spirit and pursue the excellence of execution within our businesses.

Having a learning mindset

We seek to develop a learning mindset as part of our wider culture and we recognise the need to improve the ways in which we communicate, provide feedback and help our people to develop. We approach this by looking at ways we can mentor and coach people throughout the organisation, and we aim to create an environment where independent thinking and curiosity are encouraged.

Maintaining the high standard of ethics

This has been an aspect of our culture that we have maintained since our inception, and it is a priority of ours to ensure it stays this way. In order to maintain high ethical standards, we will draw on principles of transparency and accountability and seek to sustain high standards of corporate governance.

Creating a culture relies on the participation and leadership of our Board of Directors, as this vision can then be communicated through executive management and onward to the wider businesses. By setting the tone at the top, establishing the core values of the Company and demonstrating our leadership, we are creating a culture that clearly sets an expectation that every employee acts ethically and transparently in all of their dealings. This, in turn, fosters an environment where business and compliance are interlinked.

Corporate Governance Framework continued

The process for evaluating the Chairman's performance
In light of his role as Chairman and CEO, Irakli Gilauri's performance was evaluated. In addition, the full Board met to consider the Remuneration Committee's recommendations and Mr Gilauri's performance as Board Chairman. David Morrison as the Senior Independent Non-Executive Director led the overall review. The CEO was not present during the full Board's discussions around his own performance. The Board also reached consensus on his performance as Chairman as reflected in the favourable Board self-evaluation and the decision to recommend the maintenance of the current combined role of Chairman/CEO as discussed above.

The Board's objectives for 2025 are:
- monitoring the implementation of the strategy and continuing to adjust as necessary, with particular focus on capital allocation and divestments;
- addressing the uncertainties created by Georgian and regional political/geopolitical tensions;
- keeping ESG at the forefront of our decision-making, and monitoring and enhancing KPIs relating to climate change risks and opportunities;
- maintaining focus on succession planning;
- monitoring and assessing culture and how this aligns with our purpose, values and strategy; and
- ensuring continued active shareholder and stakeholder engagement.

Succession planning
Board appointments and senior management
We continue to believe that effective succession planning mitigates the risks associated with the departure or absence of well-qualified and experienced individuals. Our aim is to ensure that the Board and management are always well resourced with the right people in terms of skills and experience, in order to effectively and successfully deliver our strategy. We also recognise that continued tenure brings a depth of Company-specific knowledge that is important to retain.

The Board's Nomination Committee is responsible for both Director and senior management succession planning. There is a formal, rigorous and transparent procedure for the appointment of new Directors to the Board, including a review of other significant commitments Directors may have and, typically, a period of service in a Board advisory role.

More details on the role and performance of the Nomination Committee is on pages 169 to 172.

Non-Executive Directors' terms of appointment
On appointment, our Non-Executive Directors are provided with a letter, which sets out the terms and conditions of their directorship, including the fees payable and the expected time commitment. Each Non-Executive Director is expected to commit approximately 25-35 days per year to the role. An additional time commitment is required to fulfil their roles as Board Committee members and/or Board Committee Chairs, as applicable. Having reviewed all Directors' current time commitments, we are confident that all Non-Executive Directors are sufficiently able to dedicate the amount of time necessary to contribute effectively to the Board.

The letters of appointment for our Non-Executive Directors are available for inspection at our Company's registered office address during normal business hours.

Prior to accepting any external appointments, Directors are required to seek the Board's approval. The Board believes that the other external directorships/positions held provide the Directors with valuable expertise, which enhances their ability to act as a Non-Executive Director of the Company. Despite our Non-Executive Directors holding external directorships and other external positions, the Board believes they still have sufficient time to devote to their duties as a Director of the Company. In order to form a view of this, we conduct an annual review of individual Director's conflicts, which is recorded in the Conflicts of Interest Register, and as part of the review we consider other appointments held by each Director.

Stakeholder engagement
The Code reinforces and expands the requirements of the UK Companies Act for directors to remain mindful of their duties to consider the interests of key stakeholders. The Board understands the importance of effective engagement with stakeholders to gain an understanding of the issues that relate to each stakeholder and those that impact the Company so that the Board can appropriately consider these views and their concerns when having Board discussions, and when considering the long-term success of the Company.

The Board has structured its meeting agendas to take account of each of the provisions in s172 of the Companies Act 2006, and focuses on long-term value generation opportunities, considering political and macroeconomic circumstances and stakeholder considerations. Shareholders' considerations are sought out and incorporated into our discussions and decisions. For example, members of the Board and management participated in more than 500 virtual and/or physical investor meetings. The Company participated in a number of investor conferences, and several investor roadshows during the year.

The Company maintains a Stakeholder Engagement Plan which describes, informs and guides the stakeholder engagement process of the Group. The Plan seeks to define a technically and culturally appropriate approach to consultation and disclosure. The goals are to ensure that adequate and timely information is provided to stakeholders, that these groups are given sufficient opportunity to voice their opinions and concerns, and that these concerns influence the Group and its various decision-making processes.

The table on pages 129 to 131 sets out our key relationships with stakeholders and how we have engaged with them over the financial year. The table also shows examples of how we have considered our stakeholders when making key decisions and how this has influenced certain decisions.

More information about how the Directors have discharged their duty under s172 of the Companies Act 2006 is available in the Strategic Report, on pages 58 to 59.

Key stakeholders	Activities undertaken throughout year	How this stakeholder group influenced the Committee/Board agenda and decision-making
Investors	**Types of engagement:** • Meetings with the Chairman and CEO • Meetings and calls with the CFO and Advisor to the CEO • Investor relations team • LSE announcements • Investor conferences • Investor roadshows • Investor Days • Corporate website with investor section • AGM and General Meeting • Quarterly results • Senior Independent Non-Executive Director as an intermediary • Meeting with Committee Chairs and other Non-Executive Directors • Annual Report • Sustainability Report **How the Board engages with investors:** We will engage with shareholders through the Company's forthcoming AGM to be held in May 2025 but will also continue to communicate with shareholders on important developments throughout the year. Our quarterly results are supported by a combination of presentations and conference call briefings, as was the preliminary announcement of our annual results in February 2025. The Company has established a comprehensive shareholder engagement programme and encourages an open and transparent dialogue with existing and potential shareholders. For example, our Company Secretary also has an ongoing dialogue with shareholder advisory groups and proxy voting agencies. The Company participated in several investor conferences and roadshows during the year.	• The Board receives feedback from investors at our Investor Days and during meetings about how they view Georgia Capital within the wider market. Raised matters of interest are then discussed at Board meetings. • The Board receives feedback from investors via the Chairman and CEO and the CFO who are in regular contact with the Company's major shareholders. This feedback informs the Board's decision-making. • The Chairman and CEO, the CFO, the Advisor to the CEO and the Head of Investor Relations each provide a standing invitation to shareholders to meet and discuss any matters they wish to raise. • The Senior Independent Non-Executive Director acts as an intermediary for shareholders. • Committee Chairs also make themselves available to answer questions from investors. The Non-Executive Directors attend regular Investor Days and are available to answer questions. • The Chairman has overall responsibility for ensuring that the Board understands the views of major shareholders. The Board is regularly kept informed of these views by the Chairman as well as executive management and the investor relations team and, to the extent deemed appropriate, the Company has taken active steps to adopt different ways of working in response to feedback received from shareholders and other stakeholders. Informal feedback from analysts and the Company's corporate advisors is also shared with the Board. • We hold regular meetings with JSC Georgia Capital's existing bondholders and actively engage with potential lenders to discuss our funding strategy. The Chairman and CEO, Senior Independent Non-Executive Director and members of the Board make themselves available to meet with institutional investors when requested. • Our comprehensive investor website **https://georgiacapital.ge** is updated and reviewed on a regular basis to ensure that information, including matters relating to sustainability, is up to date. It provides shareholders with access to the Company's results, press releases, investor presentations, analyst reports, details on our corporate governance and corporate and social responsibility framework and our leadership, as well as other information relevant to our shareholders. We also ensure that shareholders can access details of the Company's results and other news releases through the LSE Regulatory News Service.

Corporate Governance Framework continued

Key stakeholders	Activities undertaken throughout year	How this stakeholder group influenced the Committee/Board agenda and decision-making
Investors continued		• Topics of discussion during 2024 reflected both the external political and macroeconomic environment in which Georgia Capital operates and how the Company adapts to changes in this environment. From a company-specific perspective, investors have particularly focused on the Company's plans for capital repatriation to shareholders over the next few years, the prioritisation given by the Board to balance sheet deleveraging compared to capital repatriation, and the specific methods used to return excess cash to shareholders. In addition to direct contact with our shareholders, the Company's corporate brokers and advisers also attended a Board meeting to provide further specific feedback from a wider range of shareholders. This feedback and engagement were instrumental in supporting the Board's decisions regarding the evolution of the capital repatriation programme announced during the year, which reflected a mixture of capital returns via share buybacks and further ongoing deleveraging of the Company's balance sheet. • Please refer to the Resources and Responsibilities section on page 76 of this report and the Sustainability Report for further details on investor-led engagement activities carried out throughout the year and the output of that engagement.
Employees	**Types of engagement:** • Nominated Non-Executive Director • Regular town halls • Off-site and on-site meetings • Feedback systems, e.g. employee satisfaction surveys at our businesses **How the Board engages with employees:** The Board is encouraged to engage with employees outside of formal channels. Workforce engagement includes both formal and informal meetings, not only with the central staff but also, when important strategic or capital allocation questions arise in the portfolio companies, with the management of those companies. We believe that communicating with our employees is vital and we provide information in a number of ways, including via managers, presentations, email, intranet and regular off-site meetings. We communicate information about our corporate culture, the Company's strategy and performance, risks relating to its performance, such as financial and economic factors, and our policies and procedures. The Board has oversight of whistleblowing and routinely receives reports arising from its operation.	• Employee surveys are conducted at the holding company level as well as across the portfolio companies. • Management has been instructed to ensure that proposals to the Board are made in line with stakeholders' interests. • The Nomination Committee continues to look at succession planning and are conscious of ensuring a diverse pipeline for the future. • Please refer to the Resources and Responsibilities section on page 76 of this report and the Sustainability Report for further details on workforce engagement activities carried out throughout the year, and the output of that engagement.

Key stakeholders	Activities undertaken throughout year	How this stakeholder group influenced the Committee/Board agenda and decision-making
Suppliers, customers, the wider community and the environment	**Types of engagement:** • Investments to support diversified economy • Engagement with suppliers, customers and the local communities • Education • Corporate website • Volunteering **How the Board engages with suppliers, customers and the local communities:** The Group considers the interests of its main stakeholders when developing the strategy and the processes to improve its operations. Investing in local businesses helps us to diversify and modernise the Georgian economy, and this can be seen in the development of our different portfolio companies. Our hospitals and clinics and diagnostics businesses are driving the modernisation and improvement of healthcare in the country. Our renewable energy business is involved in infrastructure programmes and ongoing structural market reforms. Our auto service business contributes to overall cleaner air and improved vehicle safety. The Company believes that educating young people is extremely important for the development of the community as a whole. Georgia Capital is investing in schools to give more learners access to high-quality education and facilities. As part of our sponsorship and charitable activities, the Group acts to conserve nature, promote and enhance access to education and supports people with disabilities and special needs. Our Senior Independent Non-Executive Director volunteers as Chairman of the CNF, a charitable foundation providing financial and technical support to Georgia's national parks.	• Board agendas from time to time consider governmental issues that influence the wider Georgian market, which can influence key investment decisions. • Investments are made in local businesses that will be beneficial to the Georgian economy. This is evidenced in the Company's Responsible Investment Policy. • Please refer to the Resources and Responsibilities section on page 76 of this report and the Sustainability Report for further details on community engagement activities carried out throughout the year, and the output of that engagement.

Corporate Governance Framework continued

Directors' responsibilities
Statements explaining the responsibilities of the Directors for preparing the Annual Report and financial statements can be found on page 173 of this Annual Report.

A further statement is provided confirming that the Board considers the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Division of responsibilities
The Board has adopted written statements setting out the respective responsibilities of the Chairman, Senior Independent Non-Executive Director and Non-Executive Directors. Biographies for the Board members are set out on pages 122 and 123. A summary of the responsibilities of the Directors is set out below.

Chairman
- Guardian of the Board's decision-making process.
- Ensures the Board as a whole plays a full and constructive part in strategic decision-making.
- Sets the Board agenda.
- Ensures the Board receives accurate, timely and clear information.
- Shapes the boardroom culture and sets clear expectations.
- Ensures a formal and rigorous evaluation of the Board takes place each year.
- Develops the Group's strategy and commercial objectives.
- Leads communication with stakeholders.
- As CEO, is responsible for the operational and strategic management of the Group and for running the Group's business.

Senior Independent Non-Executive Director
- Provides a sounding board for the Chair and serves as a trusted intermediary for the other Directors.
- Responsibility for an orderly succession process for the Chairman.
- Available to Non-Executive Directors and shareholders if they have concerns which normal channels fail to resolve.
- Meets with other Non-Executive Directors for an annual appraisal of the Chairman's performance.

Non-Executive Directors
- Provide constructive challenge and specialist advice.
- Provide strategic guidance.
- Take into account the views of shareholders and other stakeholders.
- Scrutinise the performance of management.

Internal controls and risk management
The Company has a comprehensive system of internal controls in place, designed to ensure that risks are mitigated and that the Company's objectives are attained. The Board is accountable for reviewing and approving the effectiveness of internal controls operated by the Company, including financial, operational and compliance controls, and risk management. The Board recognises its responsibility in respect of the Company's risk management process and system of internal control and oversees the activities of the Company's external auditors and the Group's risk management function (supported by the Audit and Valuation Committee), and accordingly the Board's reviews its internal controls and risk management framework on an annual basis (including once in the current year of reporting).
A review of the Company's risk management approach is further discussed in the Strategic Report on pages 60 to 64.

For details on the management and mitigation of each principal risk see pages 65 to 74.

The Group's Viability Statement is detailed on pages 63 to 64.

Please refer to pages 134 to 141 for further detail in relation to the role of the Audit and Valuation Committee.

The Group's governance structure for risk management is illustrated on pages 60 to 64.

Board induction, ongoing training, professional development and independent advice
Board members are advised by the Company Secretary of the legal and regulatory obligations of a Director of a company listed on the LSE. All Directors have access to the advice of the Company Secretary, as well as independent professional advice at the Company's expense, on any matter relating to their responsibilities. Details on induction, ongoing training and professional development for Board members are provided in the report of the Nomination Committee, see pages 169 to 172.

Company Secretary
The Board has appointed Michael Oliver to act as Company Secretary to Georgia Capital PLC. MUFG Corporate Governance Limited, one of the UK's largest professional services secretarial teams, provides Company Secretarial Support.

Re-election of Directors
All Directors are required under the Code to be elected or re-elected by shareholders at the Company's AGM in May 2025. The Board has set out in its Notice of Annual General Meeting the qualifications of each Director and support for election as applicable.

Workforce engagement
As Georgia Capital is a relatively small holding company with a diverse number of portfolio companies, and given the relative independence of these companies, the steps and tools used to encourage employee engagement are developed within the companies themselves, and shared with other portfolio companies as deemed useful, rather than following a "top-down" approach directed by Georgia Capital. While formal intragroup exchanges occur (e.g. head office staff and staff from the portfolio companies coming together to celebrate the Company's anniversary), it is the exception rather than the rule. Regular monitoring of our portfolio companies and ongoing strategic advice is the responsibility of the Group Chairman and CEO and his central team. In light of the above, for workforce engagement purposes, the Board has determined that the relevant workforce is the central team.

The Board is mindful that attracting and retaining talent in a highly competitive sector is crucial to the success of the Group. As such, we are keen to understand the employee voice on an ongoing basis. GCAP has a small number of employees, which enables regular formal and informal access to Board Directors, irrespective of seniority. Maria Chatti-Gautier, as the Non-Executive Director responsible for leading employee engagement, promotes informal discussions – such as over coffee, at dinners and during walk-arounds of the office – and also hosts more formal discussion groups. This creates channels of communication between the Board and the workforce and allows the team to offer their views, ensuring the Board understands employee motivations and concerns. Constructive conversations were held on workforce matters, morale, turnover and the engagement of senior management with the rest of the team.

Ms Chatti-Gautier regularly reports back to the Board for discussion, and this feedback forms an important part of our consideration of the Group's culture and operations.

Furthermore, site visits and management presentations that occur in connection with important strategic or investment decisions provide the Board access to the management teams of the portfolio companies.

These meetings are occasions for the Board to test firsthand how well the Group's culture is being transmitted.

Please refer to the Resources and Responsibilities section on page 76 of this report and the Sustainability Report for further details on workforce engagement activities carried out throughout the year, and the output of that engagement.

Georgia Capital: As our people are our main asset, we invest significantly in engaging and motivating our staff. The Company has a small head office (45 people) and we encourage an open-door policy – staff can approach management at any time with any concern.

In 2024, attendance at the office was voluntary. Distance and hybrid working environments facilitated staff engagement through online platforms. Regular meetings organised by the Chairman and CEO were held with senior and middle management. Messages from these meetings were cascaded down to all employees.

At our regular Board and Committee meetings, interaction with a number of GCAP holding company personnel occurs naturally as part of the meeting where they present to the Board and/or participate in the discussion. The designated Non-Executive Director for workforce engagement, the Senior Independent Non-Executive Director and other Non-Executive Directors also "walk the halls" during their visits and engage informally with the team.

Annual General Meeting
The Notice of Annual General Meeting is circulated to all shareholders at least 20 working days prior to such meeting. All shareholders are invited to attend the AGM, where there is an opportunity for individual shareholders to question the Chairman and the Chairs of the principal Board Committees.

After the AGM, shareholders can talk informally with the Directors.

As recommended by the Code, all resolutions proposed at the 2025 AGM will be voted on separately and the voting results will be announced to the LSE and made available on the Company's website as soon as practicable after the meeting. These will include all votes cast for and against and those withheld, together with all proxies lodged prior to the meeting. In the event that 20% or more of the votes are cast against a resolution, an explanation will be provided in the announcement to the LSE of the actions the Company will be taking to address shareholders' concerns. A follow up announcement would then be made within six months of the AGM regarding feedback received from shareholders and the subsequent actions taken by the Company.

See page 228 for further shareholder information and page 129 for further information on shareholder engagement.

Diversity Policy
The Board and senior leadership's gender identity and ethnicity data presented in accordance with UKLR 22.2 can be found on pages 171 and 172.

For further information, please see the Company Diversity Policy, which incorporates the Board's Diversity Policy, at: **https://georgiacapital.ge/governance/cgf/policies**.

For a breakdown of the gender diversity figures for the Company, please refer to the Resources and Responsibilities section on page 76 of this report.

Audit and Valuation Committee Report

David Morrison
Chairman of the Audit and Valuation Committee

"Commitment to comprehensive and transparent reporting."

Committee membership	**Meeting attendance[1]**
David Morrison (Chairman)	5/5 Scheduled 7/7 Ad hoc
Maria Chatti-Gautier	5/5 Scheduled 7/7 Ad hoc
Massimo Gesua' sive Salvador	5/5 Scheduled 7/7 Ad hoc

Dear Shareholders
I am pleased to present the Audit and Valuation Committee's ("the Committee") report for the year ended 31 December 2024.

During the year, the Committee has kept its focus on its key responsibilities: oversight of financial reporting matters, monitoring the effectiveness of risk management and internal control systems, reviewing and providing constructive challenge to the detailed investment valuation process, and overseeing the relationship with the external auditors.

One of the Committee's primary responsibilities is to assist the Board in ensuring the robustness of the Group's investment and valuation processes including monitoring compliance with the Valuation Policy and the fair value measurements under IFRS 13. The Committee has spent considerable time providing independent challenge to management when considering the specific performance and valuations of individual investments and of the portfolio. The Committee concluded that management's approach was appropriate and was satisfied with the fair value recognised throughout the year and as at 31 December 2024.

The Committee continues to review the provision of external audit and audit-related services provided by PricewaterhouseCoopers LLP ("PwC"). The Committee reviewed the external auditors' independence, and, through its evaluation of the external audit, is satisfied that the external auditor continues to be independent and provides an effective audit service, which is described later in this report. We are pleased to recommend to shareholders that PwC be re-appointed as the Company's auditors at the forthcoming AGM.

Through the Head of Internal Audit, the Committee, along with management, oversees the Internal Audit functions of the Group's portfolio businesses. The Head of Internal Audit and the Committee continue to work together to further develop the Internal Audit function.

Other important areas of focus in 2024 included a review of dividend income from portfolio companies, regulatory changes and the continued progress in the management of the Group's share buyback programme and the strategic priority of deleveraging the Company. The Georgian economy demonstrated further significant growth throughout 2024, although tensions in the region and following the Georgian Parliamentary Elections continue to present challenges. In addition, the Group completed the sale of 80% of its holding in the beer and distribution business to an international buyer, as detailed elsewhere in this Annual Report.

The Committee held a mixture of in-person and virtual meetings throughout the year. Further details about our work are set out on the following pages.

David Morrison
Chairman of the Audit and Valuation Committee
20 March 2025

1 The number of meetings of the Committee attended by each member during the year, together with the number of meetings they were entitled to attend.

Introduction and key purposes and responsibilities
This report outlines the functioning and activities of the Committee during the reporting period, including an overview of the key areas of activity and principal topics covered at each Committee meeting.

The Committee's role is to recommend the financial statements to the Board and review the Group's financial reporting and accounting policies, including formal announcements and trading statements relating to the Company's financial performance, ensuring the integrity of the Company's published financial information, and reviewing the judgements made by management, along with the underlying assumptions and estimates on which they were based. In addition, the Committee oversees the role of the Internal Audit function (internal control environment), risk management and the relationship with the external auditor. The Committee also received reports and held regular discussions regarding the ongoing viability of the Company and its liquidity status. The Committee continued to focus on the key issues relevant to the Group's financial reporting, and worked with management, and PwC, to review any changes required in response to the introduction of new accounting or regulatory guidance.

On behalf of the Board, the Committee monitors the integrity of the valuation process. The Company is an investment entity as defined in IFRS 10 and, as a result, measures its investments in portfolio companies at fair value (through profit or loss) instead of consolidating them.

The Chairman of the Committee reports to the Board on how it has discharged its responsibilities at a subsequent Board meeting and makes recommendations to the Board. Details of the Committee's roles and responsibilities are outlined in the Committee's Terms of Reference and can be found on the Company's website at:
https://georgiacapital.ge/governance/cgf/terms.

Composition and operations of the Committee
The Committee members – David Morrison (Chairman), Massimo Gesua' sive Salvadori, and Maria Chatti-Gautier – are all Independent Non-Executive Directors.

For the purposes of the Code and of DTR 7.1, the Board is satisfied that all members of the Committee have recent and relevant financial experience and the Committee as a whole has competence relevant to the sector in which the Company operates. Please refer to the detailed biographies of the Committee members on pages 122 and 123, which include their financial experience and reasons for appointment to the Board and the Committee.

The meeting attendance of the Audit and Valuation Committee can be seen on page 127. The Company Secretary is Secretary to the Committee and attends all meetings. Meetings are also attended by the Chief Financial Officer, the Head of Technical Accounting and Valuation, and the Head of Internal Audit.

In addition, representatives of PwC, the Company's external auditor, are invited to attend several meetings of the Committee each year. On some occasions, invitations to attend are extended to other members of the Board and management where necessary, to provide a deeper level of insight into key issues and developments. The Committee also met with the external auditor, without management present, to allow discussion of any issues or concerns in greater detail. The external auditor confirmed it was satisfied with the communication between all the stakeholders. In addition, the Chair of the Committee has maintained regular dialogue with the lead partner of the external auditor during the period.

Activities of the Committee in 2024
The table below summarises the Committee's activity during 2024.

Area of focus	Core activities
Financial reporting and sustainability	• Reviewed the appropriateness and disclosure of accounting policies and practices. • Reviewed the Annual Report and Accounts content and advised the Board on whether the Annual Report and Accounts was fair, balanced and understandable. • Reviewed the Company's annual and interim financial statements and quarterly accounts relating to the Company's financial performance, including the significant financial reporting policies and judgements contained in them and, in particular, the valuation of portfolio companies (see below). • Reviewed and recommended to the Board for its approval the Going Concern and Viability Statements. • Reviewed overall presentation of APMs, evaluated clarity of reconciliations and challenged the nature of adjusting items. • Reviewed the Company's Sustainability Report and TCFD disclosures and referred it to the Board for approval.
Valuation	• Ensured that the Valuation Policy is consistently applied and complies with IFRS 13, Fair Value Measurement, and with the obligations within any agreements in place, legislation, regulations, guidance and other policies of the Company. • Reviewed quarterly valuations of the Company's portfolio investments considering recent market developments and the future business plans of portfolio companies prepared and presented to it by management based in part on reports by an independent valuation firm. • Received updates and reports from the Group's IFRS technical accounting group and valuation workgroup. • Considered the extent of valuation disclosure in the Company's annual and interim reports.

Audit and Valuation Committee Report continued

Area of focus	Core activities
Risk and control Environment	• Reviewed and assessed the effectiveness of the Company's internal controls and risk management processes. • Reviewed IFRS 10 requirements and ensured that the Company continues to meet the definition of investment entity. • Reviewed the results of risk identification and assessment work performed by management. • Reviewed the Board's approach to assessing the Company's long-term viability. • Reviewed reports from the external auditor where they have looked at internal controls as part of the annual audit process. • Reviewed the Company's principal risks and uncertainties statement included in the Annual Report and Accounts and supporting stress test scenarios. • Regularly monitored the internal and external environment to ensure that any new or emerging risk is identified in a timely manner and responded to appropriately. • Reviewed compliance with regulatory rules and monitored findings.
Internal audit	• Reviewed reports of internal audits, monitored action points and addressed actions arising from audit visits. • Reviewed, approved and oversaw the implementation of the 2024 Internal Audit Plan and budget. The plan is designed using a risk-based approach aligned with the overall strategy of the Group. • Monitored and reviewed (i) the effectiveness of the Company's Internal Audit function via a quality assessment report; and (ii) implementation of the enhanced Internal Audit function agreed with Internal Audit. • Reviewed the Group Internal Audit Charter. • Monitored the scope and effectiveness of the Group's Internal Audit function.
External audit	• Monitored the effectiveness and performance of the external auditor. • Oversaw the audit engagement, including the degree to which the external auditor was able to assess key accounting and audit judgements. • Reviewed the annual audit plan including the approach, scope, level of materiality and risk assessments and significant audit risks. • Reviewed the audit results report, including the results from testing key audit matters, judgements, level of errors and underlying reasoning. • Reviewed and confirmed the objectivity and independence of the external auditor and compliance with ethical, professional and regulatory requirements. • Reviewed the qualifications, expertise and resources of the external auditor. • Agreed the terms of the external auditor's engagement and fees. • Approved the policy for non-audit fees. • Recommended the re-appointment of the external auditor. • Conducted an annual evaluation of external audit effectiveness. • Monitored management's responsiveness to the external auditor's findings and recommendations.
Governance	• Reviewed governance processes in place to oversee the valuation of portfolio companies. • Reviewed and approved the Committee's Terms of Reference. • Reviewed and recommended to the Board for approval: the Whistleblowing, Anti-Bribery and Anti-Corruption and Non-Audit Services Policies. • Evaluated the effectiveness of the Committee. • Received information and regulatory updates that could impact the work of the Committee, including briefing on IFRS S1 and IFRS S2.

Significant accounting and financial judgement matters considered	How the Committee addressed the matter
Portfolio company fair value estimation and disclosure	Reviewed quarterly valuations of the Company's portfolio investments presented to it by management. Reviewed and challenged assumptions and judgements applied by management and third-party valuation experts and the appropriateness of their scope of work. The Committee considered and challenged whether management followed appropriate valuation standards as reflected in the Valuation Policy and used appropriate judgement. The Committee considered in discussions with the external auditor the methods used to account for valuations. The Committee also challenged the implications relating to climate change and global and national macroeconomic trends in the valuations of the Company's portfolio investments. Earnings and multiple assumptions: Earnings data, received from portfolio companies and closely monitored by management, was presented at the Committee meetings. Subsequently, actual earnings might have been adjusted in management's proposed valuations. Any material adjustments were highlighted to the Committee for review and approval. All multiples used by management, including those that have been adjusted, were presented to the Committee quarterly. Assets valued using a DCF basis: For assets valued using a DCF basis, material assumptions in the DCF valuations and any changes to these assumptions are reviewed by the Committee. Sensitivity to assumptions is also noted, and any material changes are reviewed by the Committee. The Committee reviewed and challenged the cash flow projections, terminal values and discount rates selected by management with reference to market transactions, WACC calculations and other public data. Any material changes are reviewed by the Committee. As a result, the Committee was satisfied with the appropriateness of valuation methods used and the reasonableness of assumptions and judgements applied in valuation.
Going concern and viability	On an annual basis the Committee reviews and approves the long-term viability report prepared by management and satisfies itself that the going concern basis for the preparation of the Group's results remains appropriate. The long-term viability report was based on the Group's three-year strategic plan, including forecast investment, realisations, overheads, financing cash flows and dividends. The Committee considered management's assessment of the Company's ability to continue as a going concern and its long-term viability, taking into consideration the ongoing impact of global and national macroeconomic trends. The result was the Committee's recommendation of the Viability and Going Concern statements to the Board for approval. You can read more about the Going Concern assessment and Viability Statement on pages 63 to 64.
Investment entity status	The Committee continued assessing the Company's compliance with IFRS 10 criteria for meeting investment entity status. In making this assessment, the Committee considered each criteria and characteristic described in IFRS 10, as well as developments during the year, and is satisfied that the Company continues to meet the definition of an investment entity as of 31 December 2024.
Alternative performance measures	The Committee considers it important to take into account both the statutory measures and the APMs when reviewing the financial statements. In particular, items excluded from adjusted profit before tax were reviewed by the Committee. As part of that review, the Committee considered the prominence of APMs used by the Company in the reporting and challenged management where appropriate. The Committee is satisfied that the requirements of DTRs and the mandatory guidelines issued by the European Securities and Markets Authority on APMs were met and the reconciliation between the APMs and the IFRS and presentation of these items is clear, applied consistently across years and that the level of disclosure is appropriate. You can read more about APMs, including the applicable IFRS reconciliations, on pages 94-97 of the Annual Report and Accounts.

Audit and Valuation Committee Report continued

Fair, balanced and understandable reporting	Under the UK Corporate Governance Code, the Board should establish arrangements to ensure the Annual Report presents a fair, balanced and understandable assessment of the Group's position and prospects. It has asked the Committee to support it in coming to that conclusion. In making this assessment, the Committee: • satisfied itself that there was a robust process of review and challenge at different levels within the Group to ensure balance and consistency; • reviewed several drafts of the 2024 Annual Report and Accounts and directly reviewed the overall messages and tone of the Annual Report and Accounts with the Chairman and CEO, and the CFO; and • considered the reporting of the Group's performance, business model and strategy, the competitive landscape in which it operates, the significant risks it faces, the progress made against its strategic objectives and the progress made by, and changes in fair value of, its portfolio companies during the period, both from management and the external auditor. After consideration of all this information, we are satisfied that, when taken as a whole, the Annual Report and Accounts is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

Key activity highlights

Financial reporting and valuation

The principal responsibility of the Committee is to consider significant areas of complexity, judgement and estimation that have been applied in the preparation of the financial statements. The valuation of investments remains the most material area of judgement in the financial statements and is a key audit risk for the Group. The Committee assists in the formalisation and documentation of management's valuation judgements in line with the Group's accounting policies and industry valuation guidance from IPEV. This includes ensuring that the Annual Report and Accounts and half-year reporting, taken as a whole, are fair, balanced and understandable and comply with disclosure requirements as discussed in greater detail below.

The Committee's responsibilities include monitoring the integrity of narrative and non-financial reporting, including sustainability and reporting on related significant issues (a concept that has gained greater emphasis in recent years due to additional ESG reporting through disclosure frameworks such as TCFD).

During 2024, the Committee received detailed reports from the external auditor in respect of the main areas of audit focus and these were, in some instances, discussed without management present. In addition, regular reports were received from the CFO on the financials and internal controls.

As most of the investment portfolio is comprised of private companies, the Committee and external auditors spent a significant amount of time reviewing and challenging management's valuations. The assessment of fair value is subjective and requires the consideration of significant and complex judgements to be made by management. In 2024, the Committee oversaw the independent valuations, performed by third-party valuation experts, establishing fair value ranges for all large and investment stage private portfolio companies. The appointment of third-party valuation experts increases the integrity of the process which includes consideration of how other market participants approach valuations for year-end reporting. The valuation methodology applied by the independent experts was reviewed in detail by the Committee, as well as key assumptions used and the most appropriate point in the established range was selected for each business.

The Committee is responsible for the review and approval of the fair value of investments at the end of each reporting period proposed by Georgia Capital's Management Board. With the external auditors, the Committee reviewed in detail both (i) the auditors' assessment of the methodologies applied by the independent valuation company for the large and investment stage private portfolio companies and by management for "other" assets, and (ii) the basis for their independent assessment of the valuations. The Group continued to apply its Valuation Policy consistently across investments at the year end and the Committee also ensured that the valuations reflected climate change, global and regional economic trends, as well as the future business plans of portfolio companies.

Full details on our valuation policies and procedures which are overseen by the Committee can be found on page 63 (please see valuation workgroup) and page 98 (please see valuation methodology). For the value drivers within the Group's portfolio in the year, please see pages 103-105.

The Committee also considers whether the external valuation expert provides meaningful additional scrutiny and challenge to the valuation process. The Committee is satisfied with the current level of scrutiny and challenge by the external valuation expert, this Committee, management and the external auditors.

Management, under the supervision of the Committee, considers the suitability of the accounting policies which have been adopted, ensuring that key reporting estimates and judgements were appropriate, including the assessment of appropriateness of continuing the investment entity accounting, and ensuring that the external auditors were afforded timely and full access to relevant information. In this context, the Committee also consider the suitability of the accounting for acquisitions and dispositions, including, in 2024, the sale of 80% of holding in the Group's beer and distribution business to an international buyer, as detailed elsewhere in this Annual Report.

Using the Committee's own independent knowledge of the Company and its portfolio investments, but also considering the external auditor's assessment of risk, the Committee has, where necessary, challenged the actions, estimates and judgements of management in relation to the preparation of the financial statements. When considering financial reporting, the Committee assesses compliance with relevant accounting standards, regulations and governance codes. In particular, the Committee continues its robust review of going concern and viability assessments under a number of scenarios. In this regard, the Committee closely followed the progress of the Group's deleveraging process and the positive developments in the NCC ratio during the year.

Risk management and control environment

The Committee assists the Board in fulfilling its responsibility to review the adequacy and effectiveness of the controls over reporting and risk. It reviews the effectiveness of the policies, procedures and systems in place related to operational risks, compliance, information technology and information systems and assesses the effectiveness of the risk management and internal control framework. Where areas for improvement are identified, the Committee ensures that there are the correct processes in place to take effective action to address them. Key developments affecting our principal risks and associated mitigating actions are reviewed by the Committee. Further information on risk management and internal controls can be found on pages 60 to 64. Principal risks the Group faces are set out on pages 65 to 74.

The Committee is supported by several sources of internal assurance within the Group to discharge its responsibilities. As part of the regular reporting from the Chief Financial Officer and the finance team regarding the operating performance of the portfolio companies, the strength of the internal control environment is considered. Management also provides updates on how risks, for example, bribery and information security, are managed within business areas, and updates are presented to the Board or the Committee as appropriate. Further, during the year, the Internal Audit function continued to assist management to perform certain risk identification and assessment activities at the private portfolio companies, the results of which were presented and discussed at the Committee meetings.

Internal Audit

The Head of Internal Audit has direct access to the Committee and the opportunity to discuss matters with the Committee without other members of management present. The Committee also monitors the resources dedicated to Internal Audit as well as the relevant qualifications and experience of the team.

Throughout the year, the Committee received regular reports from Internal Audit on the progress against the approved Internal Audit Plan and on the audits themselves, including significant findings as well as the corrective measures recommended to management. The Committee also reviewed and monitored management's responsiveness to the corrective measures and found that, in general, management agreed to the recommendations where control deficiencies were identified, and used them as a basis to improve processes. Implementation of the remedial actions is reviewed by Internal Audit and reported to the Committee. The Committee was pleased to review reports from Internal Audit outlining actions being taken by management in the portfolio businesses to maintain and enhance the control environment within the Group. The Committee also reviewed the Head of Internal Audit's proposals to enhance the effectiveness of the Internal Audit function and to raise its profile across the Group.

The processes described above ensure that the effectiveness of the controls is reviewed on an ongoing basis, and the Committee are pleased to report that no significant weaknesses in our risk management processes or internal controls were identified this year.

Internal Audit effectiveness

The Committee fulfils its responsibility to review the effectiveness of the Internal Audit department by considering, challenging and agreeing the proposed annual audit plan. In doing so, it ensures that the plan takes appropriate account of the Committee's and management's assessment of areas the present significant risk or where business processes might be improved, updates to Group strategy, and changes in the Group's business and the external environment, and findings of the previous year. At is regular meetings, the Committee monitors progress against the agreed plan, reviewing the outcomes of the Internal Audit reports and recommendations, management's implementation of recommendations and closure of the audits. On the basis of this process, the Committee believes that the Internal Audit function is effective and respected by management, and that it conforms to the standards set by the Institute of Internal Auditors ("IIA"), the "International Standards for the Professional Practice of Internal Auditing" ("Standards") contained in the International Professional Practices Framework (IPPF) issued by the IIA. Adherence to the professional Standards is regularly assessed by the Group Head of Internal Audit. The Head of Internal Audit is a Certified Internal Auditor accredited by the IIA. The Committee has endorsed a plan proposed by the Head of Internal Audit to conduct both internal and external assessments of the Internal Audit function, aiming to ensure the quality and professionalism of the Group's internal audit services.

External auditor

Oversight of the relationship between the Group and the external auditor is one of the Committee's key responsibilities. PwC was appointed by the Board as the statutory auditor in 2022, following a competitive tender process, and was re-appointed by shareholders at the 2024 AGM.

Auditor effectiveness

The Committee has an established framework for assessing the effectiveness of the external audit process. This includes:
- considering reports from the auditor on the process they have adopted to identify financial statements risks and key areas of audit focus;
- regular communications with the external auditor (without management present) and management (without the external auditor present);
- a review of the final audit report, noting key areas of auditor judgement and the reasoning behind the conclusions reached;
- a review of the annual FRC Audit Quality Inspection Report of the external auditor;
- use of a questionnaire completed by all the necessary stakeholders; and
- review of the audit plan.

The Committee concurred with management's view that there had been appropriate focus and challenge of the primary areas of audit risk and the Committee concluded that the substantive and detailed approach taken by the auditor was entirely appropriate and effective.

Audit and Valuation Committee Report continued

The Committee was able to see first-hand how the auditor challenged management on their assumptions used when determining valuations at the relevant half-year and year-end Committee meetings, when PwC was in attendance. PwC utilised in-house specialisms to support its audit work of the Group and, overall, the auditors' risk-based approach drew on both their knowledge of the business and the wider economic and business environment.

The Chairman engages directly with the relevant PwC audit Lead Partner, Allan McGrath.

Auditor independence
The Committee has undertaken a formal assessment of PwC's independence, which included a review of a report from PwC describing their arrangements to identify, report and manage any conflicts of interest, and their policies and procedures for maintaining independence and monitoring compliance with relevant requirements; and the value of non-audit services provided by PwC. PwC has reviewed its own independence in line with the FRC's Ethical Standards for auditors, other professional standards, and its own ethical guideline standards. PwC has confirmed that they believe they remained independent throughout the year from the date of their re-appointment at the May 2024 AGM, within the meaning of the regulations on this matter and in accordance with their professional standards. PwC has provided the Committee with details of the safeguards in place which include a culture of regular training, internal accountability, and independent review controls. Having considered the safeguards, the level of non-audit services provided in the year and a formal statement of independence, the Committee is satisfied that the independence of the auditor has been maintained.

Non-Audit Services Policy
The Group's Non-Audit Services Policy safeguards the external auditor's independence and objectivity. The provision of non-audit services by our external auditors aligns with the Revised Ethical Standard. Any work other than for audit or review of interim statements to be undertaken by the external auditor now requires authorisation by the Committee except in very narrow circumstances. The Group's Non-Audit Services Policy is available on our website at:
https://georgiacapital.ge/governance/cgf/policies.

The ratio of non-audit fees to audit fees for 2024 is 0:1. As indicated in Note 9 to the financial statements, the total fees paid to the external auditor for the year ended 31 December 2024 was GEL 1.6 million. The Committee is of the view that there are occasions when engaging PwC for non-audit services will be the most efficient method of having those particular services delivered to the Company. In such cases, the Committee considers whether the proposed work would compromise the independence of the external auditor and makes the determination that it would not. Where PwC has been chosen in such cases in the past, they have demonstrated the relevant skills and experience, making them an appropriate supplier to undertake the work in a cost-effective and time-efficient manner, with appropriate safeguards in place.

Governance
The Committee received regular updates from the Company Secretary and PwC on the progress of UK audit and governance reforms and specifically reviewed the Department for Business, Energy and Industrial Strategy's Response Statement following its consultation on reforms aimed at restoring trust in audit and corporate governance and a timetable on the key areas of significance to the Group arising from the Response Statement. Additionally, while the Group will not be required to comply with the FRC's Minimum Standard for Audit Committees which is mandatory for FTSE 350 entities, the Committee has considered the Standard (described elsewhere in this report), accepting that it forms part of good governance principles.

Compliance
Ensuring regulatory compliance remains a priority from the perspective of the Committee. The Committee conducts an annual review of the Company's Whistleblowing and Non-Audit Services Policies and their impact in its remit, and it is the responsibility of the Committee to ensure that there is a robust governance framework and that effective procedures are in place.

PwC carried out fraud risk assessment and determined that there was a low risk of fraud occurring undetected.

For the audit of the financial statements in this Annual Report, the Company complied with the Code and mandatory audit processes, including The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 ("CMA Order"), and the Committee complied with the responsibility provisions set out in the CMA Order relating to: (a) putting the audit services engagement on tender every ten years; and (b) strengthening the accountability of the external auditors to the Committee, including: requiring that only the Committee is permitted to agree to the external auditors' fees and scope of services; influence the appointment of the audit engagement partner; make recommendations regarding the appointment of auditors; and authorise the auditors to carry out non-audit services. Audit services were last tendered in 2022, resulting in the appointment of PwC as the Group's statutory auditor for a three-year period spanning 2022, 2023 and 2024. As outlined in the 2023 Annual Report and Accounts, the Company was considering the possibility of re-tendering for external audit services beginning with the review of financial statements for six months ending 30 June 2025. Following the comprehensive analysis in 2024, considering factors such as auditor knowledge of controls and risks, audit quality, independence, objectivity, and value for money, the Committee concluded to recommend that PwC be re-appointed as the Company's statutory auditor for the 2025 financial year.

Committee effectiveness review
An internal effectiveness review of the Committee was facilitated by the Company Secretary. The effectiveness evaluation concluded that the composition of the Committee was appropriate, there was the right level of stakeholder engagement and debate (acknowledging the technical and detailed nature of the Committee's discussions), it provided an effective and appropriate level of challenge and oversight of the areas within its remit, and its Chair continued to perform effectively with no significant concerns, noting that sufficient time is allocated at Board meetings for the Chair to report to the Board on the work of the Committee.

Priorities for 2025
Our priorities for 2025 include continued focus on:
- working with management to position the Group prudently in response to the changing macroeconomic conditions, remaining cognisant of, and ready to respond to, any new areas of emerging risk;
- monitoring compliance with the Group's Valuation Policy, individual portfolio company valuations and the effectiveness of external valuations;
- monitoring the financial reporting implications of strategic actions taken by the Group, including dispositions and acquisitions;
- ensuring continued integrity and balance in the Group's financial reporting;
- monitoring the control environment and its appropriate roll-out at the various portfolio companies;
- continued development of the Internal Audit function around the Head of Internal Audit;
- compliance with TCFD requirements and referring these matters to the Board and other sustainability-related reporting requirements;
- following developments on the planned enactment of legislation in the UK around audit and corporate governance reform; and
- maintaining the already strong working relationship with PwC.

David Morrison
Chairman of the Audit and Valuation Committee
20 March 2025

Directors' Remuneration Report

Neil Janin
Chairman of the Remuneration Committee

"Innovative alignment of remuneration with shareholders' interests and experience."

Committee membership	Meeting attendance[1]
Neil Janin (Chairman)	4/4 Ad hoc
David Morrison	4/4 Ad hoc
Maria Chatti-Gautier	4/4 Ad hoc

What's in this report
This Directors' Remuneration Report includes the Annual Statement by the Chair of the Remuneration Committee, the Annual Report on Remuneration and the new Directors Remuneration Policy for approval at the 2025 AGM.

The report complies with the provisions of the Companies Act 2006 and Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. The report has been prepared in line with the recommendations of the UK Corporate Governance Code and the requirements of the FCA Listing Rules.

Dear Shareholders,
I am pleased to present the Directors' Remuneration Report for the year ended 31 December 2024.

At the 2024 AGM, the Directors' Remuneration Report received 98% approval. The Committee continues to be strongly encouraged by this level of shareholder support, which has been continued through the shareholder consultation ahead of our submission of a largely similar proposed 2025 Remuneration Policy to shareholders at the 2025 AGM.

Overview of remuneration structure
We believe that our Executive Director's compensation is closely aligned with both the short-term and long-term shareholder experience and are pleased with the strength of support at the 2024 AGM. This reinforces the Committee's view that our innovative shareholder-aligned approach to remuneration should be retained.

Our Executive Director Irakli Gilauri's salary, as well as his performance-based remuneration, is currently comprised entirely of deferred shares. There is no cash component to his remuneration. Salary and the maximum opportunity for the performance-based remuneration (discretionary deferred shares) are set in a number of shares. By setting a fixed number of shares (rather than a cash figure) our Executive Director's salary is aligned with the share price performance of the Company and ensures that, throughout the duration of a contract, the Executive Director will not receive a windfall gain by receiving a higher number of shares when awarded at a lower share price.

When renewed in 2022, the Remuneration Policy (the "Policy") retained the same number of shares for the salary and for the maximum opportunity of the Executive Director as presented to shareholders for their approval three years previously. Indeed, there has been no increase in salary or incentive since 2018 when the Company listed. Our proposed 2025 Remuneration Policy is consistent with this approach, and looking forward, we are not proposing any increase in the number of shares for our Executive Director – for either his salary or for the discretionary share bonus. The Committee is cognisant that there is very strong shareholder support for the entirely shares component of Mr Gilauri's total remuneration package and, on that basis, the Committee is proposing that the 2025 Policy is structured to maintain this approach.

1 The number of meetings of the Committee attended by each member during the year, together with the number of meetings they were entitled to attend.

Mr Gilauri's current contract ends on 31 December 2025. The Remuneration Committee plans to agree the terms of a new contract with Mr Gilauri based on the current number of contracted shares (i.e. 200,000 deferred salary shares, and a maximum of 200,000 deferred discretionary shares awarded based on Mr Gilauri's performance) and the 2025 Policy provides for Executive Director compensation based on these figures. However, the Committee will have discretion to lower (or raise) the number of shares in the event of a significant rise (or fall) in the Group's share price, when the new contract is signed, from its levels in February/March 2025. This will enable the Remuneration Committee, when considering the terms of the new contract, to adjust the number of shares awarded, thus avoiding the potential for significant windfall gains.

The number of shares in Mr Gilauri's contract was fixed at its current (200,000 shares) level in 2018 when the Group listed and the share price was GBP 10.32. This level was not changed in 2022 when the Policy was last approved by shareholders and the Group share price was GBP 6.00. Inflation in Georgia since 2018 has been in excess of 40%. The Group has funded the purchase of shares to satisfy management share awards for the years 2025-2027 – including those to Mr Gilauri – at an average price of GBP 7.90.

The structure of the new Policy follows and maintains relevant guidance including:
- Executive pension contributed by the Company will be the same as for employees (although our Executive Director Irakli Gilauri has waived his pension entitlement entirely).
- Shareholding guidelines with an equivalent of 200% of salary (as compensation vests in tranches, the shareholding is built up organically). Shareholding requirements are to be maintained for two years post-employment.
- Both fixed salary shares and variable share compensation vest over several years and Irakli Gilauri currently has no cash salary and no cash bonus.
- Malus and clawback provisions are significant, and consistent with best practice. Unusually, malus may also be triggered in certain circumstances over the salary shares.

Our Group's purpose is to provide investors with an opportunity to invest in the historically fast-growing Georgian economy by giving them access to attractive investments with long-term growth potential. Through our structure, our Executive Director is also similarly invested in the Georgian economy and our investment companies. Shareholder interests and experience are strongly aligned with those of Mr Gilauri. The proposed 2025 Policy continues to have this 100% level of deferred shares relating to both salary and discretionary remuneration, and the Committee believes that the strong management/shareholder alignment will continue going forward.

Our values are being entrepreneurial, having a learning mindset and maintaining the highest standard of ethics, including by setting the tone at the top. The structure encourages the Executive Director to be entrepreneurial and to grow the Group according to high standards (on the basis that a short-term view negatively impacts share price in the medium to long term), so that the value of his long-vesting remuneration increases or decreases in line with that of the Company share price over time.

The Committee retains discretion under the Policy, including to override formulaic outcomes in accordance with the UK Corporate Governance Code. In response to stakeholder feedback, however, we note that since 2020, we have disclosed (i) threshold, target and outperformance targets alongside (ii) the weighting, for each key performance indicator (KPI), and we continue that practice this year.

In line with increasing market practice, we also disclose our mechanisms for the enforcement of malus and clawback. The malus and clawback triggers are set out in the Executive Director's contract. Furthermore, under the rules of the share plan, the trustee may cause shares to lapse (malus) or to be recovered (clawback) including in accordance with the provisions of the Executive Director's contract. Lastly, as part of each grant process, the Executive Director signs a confirmation that they agree to be bound by the terms and conditions set out in the rules of the share plan, including its malus and clawback provisions.

Similarly, the Committee also confirms that the 200% shareholding requirement, to be built up and held for two years' post-employment, is included as an express provision in Irakli Gilauri's contract, and further that all unvested shares (his remuneration vests in tranches) are held in the employee benefit trust (EBT).

At the most recent vote on the Directors' Remuneration Report, which was the 2024 AGM, 98% of shareholders supported the Report.

2024 performance outcomes
The Committee considered the CEO's performance during 2024, a period of significant political uncertainty in Georgia and the surrounding region, which created substantial operational challenges. Against this background, under Mr Gilauri's leadership, during 2024 Georgia Capital's portfolio companies delivered their best ever combined operating performance, with the Group delivering value creation from the operating performance of GEL 672 million – an excellent achievement which is the highest performance from the operating businesses that the Group has ever achieved. In addition, 80% of the Beer and Distribution business was sold to a high quality international investor at a significant premium to its independently verified carrying value. This significantly reduced our net debt at the Holding Company level. The Net Capital Commitment Ratio reduced from 15.6% in 2023, to a record low level of 12.8% in 2024.

We continued to make disciplined capital allocations in 2024, supporting our strategy to focus on capital light investments and businesses, and consolidated the Health Insurance market by acquiring Ardi in May 2024. Further examples of Mr Gilauri's performance are highlighted throughout this report.

We noted the excellent performance of the Company over 2024, which was reflected in both the Group's results and the stakeholder experience. The share price increased from GBP 10.22 at 31 December 2023 to GBP 12.00 at 31 December 2024. Our ongoing share buyback and cancellation programme

Directors' Remuneration Report continued

benefitted shareholders, under which the Group repurchased shares for a total consideration of US$ 48.1 million during the year.

In accordance with his performance in financial year 2024, taking into account the overperformance against most of the KPIs and the wider stakeholder experience, the Remuneration Committee determined to award Irakli Gilauri 190,000 deferred shares (95% of maximum opportunity) with vesting and holding periods of up to six years from the beginning of the work year. The Committee is satisfied that the overall number of deferred discretionary shares awarded to Mr Gilauri for FY24 was fair and appropriate in the circumstances.

You can read the KPI calculations and disclosures in the section "Basis for determining Mr Gilauri's discretionary share compensation in respect of 2024" below.

Non-Executive Directors' fees

There were no changes to the Board structure or Board members during 2024. The Board continues to review the appropriate level of fees, particularly following its reformulation of the Board Committees in May 2023, which was fully discussed in the 2023 Annual Report. Under the Company's Remuneration Policy, the amount of remuneration for Board fees and Committee fees may be reviewed from time to time, which may take into account time commitment, responsibilities and technical skills. Given the recent review of all Non-Executive Directors' fees, however, no change has taken place to the fee structure over the last twelve months.

For each Non-Executive Director, their overall fees paid in 2024 took into account their Board and Committee memberships during the year as covered in the Governance section on page 154. Overall, in 2024 there was again a reduction in total Non-Executive Directors' fees.

Remuneration Committee activities and workforce engagement

During 2024, the Committee received insights into topics which were the most pertinent to our investors and an overall view of remuneration practices and investor response for the FTSE Small Cap market. The Committee continued to be updated with regard the changes in the guidelines of proxy agencies, and on proxy agency reports on the Company. The Committee noted the 98% shareholder support of the 2024 Directors' Remuneration Report.

The Committee considered benchmarking against the FTSE Small Cap and peers, alongside possible bonus projections. It was noted that Georgia Capital's structure remained unusual, with no cash salary or bonus for the Executive Director and long deferral periods for salary shares and discretionary deferred shares, and therefore comparison was made more difficult, especially as Georgia Capital itself is an unusual company. The most comparable peers were the other UK listed companies in Georgia, Lion Finance Group PLC and TBC Bank Group PLC.

The Committee determined the bonus pool on aggregate level and rewards on individual level for senior management. The Committee considered each manager's performance and discussed the level of differentiation appropriate to distinguish between individual performance.

While the portfolio companies do not form part of the workforce of the holding companies, the Committee considered the wider workforce policies in 2024 and employee compensation. This covered salaries (cash, share and phantom shares), pension contributions (which is set by Georgian legislation at 0%-2%), benefits, leave and working hours, training and development, and number of staff by salary band. This was covered at the holding company level and the Committee considered the same for the main portfolio businesses including real estate, renewables, beer, wine, distribution, healthcare, insurance and the largest schools.

Maria Chatti-Gautier is the Company's designated Non-Executive Director for workforce engagement, and a member of the Remuneration Committee. Employees were able to raise matters relating to the workforce (including remuneration) through Ms Chatti-Gautier. Further details on how the Board engages with its workforce can be found on page 133 in the Corporate Governance Framework section.

There are only 45 employees at the holding company level. Adjusting for the departure of one senior executive, cash salaries increased by 3.0% and share salaries increased by 10.4% y-o-y. Employee average bonuses increased by 21.1% y-o-y.

An external evaluation of the effectiveness of the Board was undertaken by Amandla UK Limited ("Amandla") in 2023 which encompassed the Remuneration Committee. The Board and its members also underwent in-depth evaluations. The Board further expects to undertake a similar external effectiveness review during 2026.

Neil Janin
Chair of the Remuneration Committee
20 March 2025

How the Remuneration Committee addressed the factors in provision 40 of the Code

The Remuneration Committee considered the requirements of the Code in determining the remuneration structure and Policy, taking each of the factors of provision 40 of the Code in turn:

Principle	Approach
Clarity	Remuneration arrangements are transparent and competitive. The Remuneration Policy describes the purpose, operation and maximum potential of each remuneration element and illustrates a range of potential outcomes for the Executive Director. There are currently only two main components of remuneration for Irakli Gilauri; the deferred share salary and the discretionary deferred share incentive remuneration. There is no LTIP and salary is currently paid in a fixed number of shares.
Simplicity	The rationale is simple – this structure focuses the Executive Director and senior management on sustainable, long-term performance of the Company by remunerating them in deferred shares.
Risk **Predictability** **Proportionality**	By its nature, setting the CEO's remuneration in shares which are deferred for up to six years from the start of the work year means the remuneration structure drives the CEO and senior management to mitigate reputational, behavioural and undue strategic risks as the outcome of such would be likely to affect the share price over the years. It also helps to avoid conflicts of interest. Further, the Executive Director's salary and bonus is calculated by reference to a fixed maximum number of shares. By including a fixed number of shares in both the salary and performance based components, the structure aligns our Executive Director's compensation with the share price performance of the Company and ensures that the Executive Director will not (unlike in other companies) receive a windfall gain by receiving a higher number of shares when awarded at a lower share price.
	The range of possible values is set out in the Policy voluntarily, including the impact of share price appreciation and depreciation, to aid predictability. Further, by calculating the maximum opportunity to a fixed number of shares, the Company and its shareholders have certainty regarding the Executive Director's and senior management's remuneration.
	Outcomes reward performance proportionately by reference to performance target ranges (threshold, target and outperformance) and weightings. Further, to allow appropriate adjustment, the Committee retains discretion over the bonus. For further considerations on proportionality, see section "Chief Executive's pay and comparators" on pages 154 to 155.
Alignment to culture	The current Executive Director's remuneration, is comprised of deferred shares rather than cash, promoting alignment with the long-term success of the Company. Alignment with culture is supported by the inclusion of mentorship and development, as well as personal development, within the CEO's performance KPIs. Further information on alignment with the Company's purpose and values is set out in the Annual Statement of the Chairman on page 142.

Shareholder context

The Directors' Remuneration Policy applicable to this section of the Annual Report on Remuneration was approved by shareholders at our AGM on 20 May 2022 (the "2022 Policy" or the "Policy"). The Policy received the following votes from shareholders.

Resolution	Votes for	%	Votes against	%	Total votes cast	Votes withheld
Approval of the Directors' Remuneration Policy	26,599,621	93.68	1,795,458	6.32	28,395,079	590

Set out below are the shareholder voting figures for the Directors' Remuneration Report (including the Annual Statement of the Chairman of the Remuneration Committee) presented at our 20 May 2024 AGM.

Resolution	Votes for	%	Votes against	%	Total votes cast	Votes withheld
Approval of the Directors' Remuneration Report	28,266,394	98.27	498,861	1.73	28,765,255	913

The Remuneration Committee and its advisers

The Remuneration Committee is principally responsible to the Board for establishing a remuneration policy for the Executive Directors, the Chairman and designated members of the executive management team that rewards fairly and responsibly, and is designed to support the Company's strategy and promote its long-term sustainable success. The Remuneration Committee ensures that performance-related elements of Executive Directors' remuneration are transparent, stretching and rigorously applied. The Remuneration Committee's full Terms of Reference are available on our website: **https://georgiacapital.ge/governance/cgf/terms**.

Directors' Remuneration Report continued

The Remuneration Committee is comprised of three Independent Non-Executive Directors: Neil Janin, who serves as Chairman, Maria Chatti-Gautier (designated Non-Executive Director for workforce engagement) and David Morrison. Each member's attendance during 2024 was 100%, as shown in the Board and Committee meetings attendance table on page 127. No changes to the composition of the Remuneration Committee were made in 2024.

In addition to the formal meetings held during the year, the Remuneration Committee participated in various discussions by videoconference outside of these meetings. Other attendees at the Remuneration Committee meetings who provided advice or assistance to the Remuneration Committee on remuneration matters from time to time included the CEO, the other Board members and the Company Secretary. Attendees at the Remuneration Committee meetings do not participate in discussions or decisions related to their own remuneration, which ensures the avoidance of any conflicts of interest.

The Remuneration Committee did not use remuneration consultants in 2024 (or 2025 to date). The Remuneration Committee received advice on compliance from Baker & McKenzie LLP, the Company's legal advisers. The Remuneration Committee is of the view that the advice received from Baker & McKenzie LLP is objective and independent.

Directors' remuneration

Single total figure of remuneration for the Executive Director (audited)

The table below sets out the remuneration earned by Georgia Capital PLC's sole Executive Director, Irakli Gilauri, in respect of his employment for the years ended 31 December 2024 and 31 December 2023. Mr Gilauri's compensation as set out in the table below is in the form of deferred shares that vest in tranches with a vesting and holding period of up to six years from the beginning of the work year. The values shown in the table are calculated at a fixed share price as described in footnotes 2 and 4 to the table. The actual value of the compensation as it is received over time will fluctuate with increases and decreases in the value of the share price as illustrated in the graph on page 154.

The decrease in US Dollar equivalent for the deferred share salary between 2023 and 2024 reflects the decrease in the share price between the award date under Mr Gilauri's original Service Agreement and his prolonged agreement signed in October 2022 (which extended the contract beyond May 2023) as described in footnotes 2 to 3 to the table.

The increase in US Dollar equivalent for the discretionary deferred shares between 2023 and 2024 reflects both the higher percentage of the maximum opportunity awarded for performance (80% in 2023 compared to 95% in 2024) but also the increase in share price between 2023 and 2024 award decision dates as described in footnote 4 to the table, illustrating the rationale behind the Policy of alignment between Mr Gilauri's and the shareholders' experiences. The maximum discretionary opportunity remains constant at 200,000 deferred shares.

	Cash salary[1] (US$)	Deferred share salary[2] (US$)	Taxable benefits[3] (US$)	Pension benefits[3] (US$)	Total fixed pay (US$)	Deferred shares[4] (US$)	Total variable pay (US$)	Single total figure (US$)
2024	**–**	**1,380,000**	**–**	**–**	**1,380,000**	**2,741,700**	**2,741,700**	**4,121,700**
2023	–	1,931,097	–	–	1,931,097	2,038,400	2,038,400	3,969,497

Notes:
1. Mr Gilauri does not receive a cash salary.
2. Deferred share salary. The figures show the Georgia Capital PLC shares underlying nil-cost options granted in respect of the relevant year. 200,000 deferred salary shares were awarded for the work year 2024 and for the work year 2023 for his role as CEO of Georgia Capital PLC (20,000 shares) and his role as CEO of JSC Georgia Capital and its subsidiaries (180,000 shares). Deferred share salary in respect of a work year will vest over six years (from the beginning of the work year) with 20% vesting in each of the second, third, fourth, fifth and sixth years following the end of the work year. Mr Gilauri does not receive any remuneration with respect to his role as Chairman of the Group. To discharge the UK income tax and employee National Insurance contributions arising upon the grant of the salary shares, Georgia Capital PLC and the Executive Director agreed to waive his entitlement to such number of the salary shares as needed for the payment of the Executive Director's UK income tax and employee National Insurance contributions by the Company. Under this arrangement, the Executive Director waived his entitlement to 8,610 deferred salary shares with respect to work year 2024 and 8,601 deferred salary shares with respect to work year 2023. Calculation of dollar value: US$ 1,380,000 value of deferred share salary in 2024 consist of 200,000 shares granted under the prolonged Service Agreement signed in October 2022. The value of 200,000 shares granted for the work year 2024 and 118,356 granted for 2023 is calculated under the prolonged employment agreement and is calculated by reference to the share price on the effective date of prolongation of service agreement. The share price on 24 October 2022 was US$ 6.90 (the official share price of GBP 6.10 converted into US Dollars using an exchange rate of 1.131, being the official exchange rate published by the Bank of England on the same date). The value of 81,644 shares granted for the work year 2023 is calculated by reference to share price on 12 July 2018, being the date of the Committee meeting at which the deferred share salary was determined. The share price on 12 July 2018 was US$ 13.65 per share (the official share price of GBP 10.324 converted into US Dollars using an exchange rate of 1.322, being the official exchange rate published by the Bank of England on the same date).
3. There are no taxable benefits or pension benefits for 2024 and 2023. Mr Gilauri has agreed for all pension contributions to be waived. Mr Gilauri was reimbursed for reasonable business expenses, on the provision of valid receipts in line with the approved Policy. No money or other assets have been received or are receivable by Mr Gilauri in respect of a period of more than one financial year.
4. Discretionary deferred share remuneration. The figures show the value of Georgia Capital PLC shares underlying nil-cost options granted in respect of the bonus award for the year. For 2024, awards were granted over 190,000 shares. The value is calculated by reference to the share price on 19 December 2024, which is the date of the Remuneration Committee meeting which determined the discretionary deferred share award, being US$ 14.43 per share (the official share price of GBP 11.50 converted into US Dollars using an exchange rate of 1.2551 being the official exchange rate published by the Bank of England on the same date). For 2023, awards were granted over 160,000 shares. The value is calculated by reference to the share price on 19 December 2023, which is the last working day prior to the date of the Remuneration Committee meeting which determined the discretionary deferred share award on 20 December 2023, being US$ 12.74 per share (the official share price of GBP 10.00 converted into US Dollars using an exchange rate of 1.2739 being the official exchange rate published by the Bank of England on the same date). Discretionary deferred shares vest 25% in each of the second, third, fourth and fifth years following the end of the work year and are subject to a further holding period of a year. The basis for determining Mr Gilauri's discretionary deferred share remuneration is set out below.
5. The number of shares awarded pursuant to the deferred share salary and discretionary deferred share remuneration is fixed at grant. No discretion has been exercised as a result of share price appreciation or depreciation. Discretionary deferred shares are subject to one-year targets which are satisfied pre-grant and the Company does not operate an LTIP. No amount of the remuneration in 2024 is attributable to share price remuneration. No amounts were recovered or withheld in 2024. No dividend equivalents have been received.

Alternative remuneration table showing the Executive Director's 2024 and 2023 remuneration discounted for time value of money (unaudited)

For investor information, the alternative table below sets out the share remuneration earned by Irakli Gilauri in 2024 and 2023 as per the previous table (single total figure of remuneration for the Executive Director) but taking into account the time value of money discounted at 15%, given that both the salary shares and discretionary deferred shares vest over a number of years. Further, the Executive Director may forfeit the shares on cessation of employment in certain circumstances.

	Deferred share salary (US$)	Discretionary deferred shares (US$)	Total salary and discretionary deferred shares remuneration (US$)
2024	**804,111**	**1,700,847**	**2,504,958**
2023	1,125,303	1,264,643	2,389,946

The following table sets out details of total remuneration for the Chairman and Chief Executive Officer, Mr Gilauri, for the years ended 31 December 2018 to 31 December 2024 and his discretionary compensation as a percentage of maximum opportunity.

	2018	2019	2020	2021	2022	2023	2024
Single total figure of remuneration (US$)	4,066,962	3,790,000	3,898,000	4,414,000	3,808,800	3,969,497	4,121,700
Discretionary compensation as a percentage of maximum opportunity (%)	85%	50%	80%	100%	60%	80%	95%

Note: Maximum opportunity is 100% of total number of salary shares in accordance with the approved Policy.

Basis for determining Mr Gilauri's discretionary deferred share compensation in respect of 2024 (audited)

Mr Gilauri's KPIs included financial targets, strategic targets and non-quantifiable components. The financial and strategic elements largely track the Group's KPIs as he is expected to deliver the Group's strategy. The non-quantifiable targets take into account factors such as leadership and mentoring, corporate culture and personal development. The Committee's practice is to set ambitious financial targets and would normally expect to award 70% of the maximum available for meeting the target, depending on the circumstances, including business and wider economic developments during the year. For strategic and development targets, measurement is more difficult, but here again we have high expectations of Mr Gilauri and would typically plan to award 70% of the maximum available for meeting these targets.

The individual KPI weightings are shown in the table below, which sets out the targets for Mr Gilauri's 2024 KPIs as well as a summary of the Committee's assessment of his performance against them. In line with the Policy, the Committee retains the discretion to increase or decrease the amount awarded. More details on performance are provided in the table on the following pages. The maximum award of discretionary deferred share compensation is 200,000 deferred shares.

We specifically link each KPI to the relevant Group priority and disclose ranges of targets for each KPI (threshold, target and maximum). We would typically expect to award 25% for threshold, 70% for target and 100% for outperformance for each KPI, with a sliding scale between categories. In accordance with feedback from shareholders, we continue to provide full information to better explain how the KPIs link to strategic targets and to explain the weightings. The Group is young and non-financial strategic targets are also key. The Group priorities have been cross-referenced against each performance metric chosen in the below KPI table.

Group priorities:

1. NAV per share growth
2. Diversifying access to capital
3. Efficient management structure
4. The right people in management and strong corporate governance
5. Deleveraging
6. Progress towards ESG targets
7. Continued divestiture of subscale portfolio companies
8. Institutionalising portfolio companies and meeting portfolio targets
9. Returning GCAP's excess cash inflows to our shareholders

Directors' Remuneration Report continued

KPI	Weighting	2024 Target and range			Performance and evaluation	Weighted result
Financial targets		**Threshold**	**Target**	**Outperformance**		
NAV per share growth	25% in total: 5% for overall	14.7%	16.7%	18.7%	Overall NAV per share growth: 15.7%. Growth mostly affected by BOG share price in the last quarter of 2024. NAV per share; growth was substantially dampened by the increase in the discount rates/WACC used for valuation.	2.5%
	20% for private portfolio	11%	12%	13%	Private portfolio share growth: 15.4%. Outperformance: private NAV per share growth was 15.4%: 2.4 ppts ahead of maximum.	20%
Achieving budget of GCAP (net income) and portfolio companies (total revenue), including cash flow generation					We divided this overall KPI into five subcomponents:	
	15% in total: 2.5%	GEL mln 127	GEL mln 147	GEL mln 167	GCAP Gross operating income: GEL 173 million. Outperformance: GCAP Gross operating income was 3.6% above the maximum.	2.5%
	2.5%	GEL mln 406	GEL mln 506	GEL mln 606	GCAP standalone net income: GEL 350 million. GCAP's standalone net income was 30.8% lower than target, reflecting the increased discount rates/WACC used for valuation as a result of the volatility in regional geopolitics during 2024. Adjusted GCAP standalone net income based on the previous year's WACC rates (WACC adjusted) was GEL 486 million. The Committee awarded only 1% (40% of the maximum available amount for this component).	1%
	2.5%	GEL mln (51)	GEL mln (31)	GEL mln (11)	GCAP standalone cash flow: GEL 170 million. Outperformance: GCAP produced exceptionally strong net cash flow in 2024, supported by the divestment of an 80% equity stake in the beer and distribution business. Similarly, cash inflow from operating activities, at GEL 153 million, ahead of budget for the year.	2.5%
	2.5%	GEL mln 2,175	GEL mln 2,275	GEL mln 2,375	Portfolio aggregate revenue: GEL 2,251 million. Aggregate revenue in the portfolio companies was up 8.9% y-o-y, but were 1% lower than budget, largely reflecting the impact of ongoing political uncertainty on the real estate business. Organic revenue growth elsewhere was very strong. The Committee awarded 60% of the available amount.	1.5%
	2.5%	GEL mln 276	GEL mln 292	GEL mln 308	Aggregate EBITDA: GEL 311 million. Aggregated EBITDA increased 25.0% y-o-y in 2024, and outperformed the maximum.	2.5%
	2.5%	GEL mln 253	GEL mln 273	GEL mln 293	Aggregate net operating cash flow: GEL 299 million. Aggregated net operating cash flow more than doubled in 2024, and outperformed the maximum.	2.5%
Expense Ratio	7.5%	0.78%	0.75%	0.72%	Expense ratio at 0.72%, was 8 basis points below the prior year, hitting the maximum level.	7.5%

KPI	Weighting	2024 Target and range			Performance and evaluation	Weighted result
Non-financial targets		**Threshold**	**Target**	**Outperformance**		
Broaden access to capital including active seeking of price discovery of assets held (including strategic priority of divestment of subscale portfolio companies)	20%	Non-financial targets			Overall substantial outperformance. GCAP achieved the sale of 80% of the Beer & Distribution business to an international strategic investor at a 40% premium to our NAV valuation, while securing a clear exit path through put/call option structure for the remaining 20% stake. Additionally, the US$ 25 million housing business bonds were refinanced for another 2 years, while also significantly contributing to the US$ 300 million Eurobonds issued by GGU in July 2024. During the 1st half of 2024, management worked very closely with local banks to significantly extend the debt maturities of Pharmacy and Healthcare businesses' borrowings (GEL 200+ million).	
Disciplined pursuit of investment opportunities and asset & capital allocation, including NCC targets	20%	Largely, non-financial targets			Overall outperformance. GCAP continued to make disciplined capital allocations in 2024, supporting its strategy to focus on capital light investments and businesses. GCAP continued to consolidate the Health Insurance market by acquiring Ardi in May 2024, while we divested from the Beer & Distribution business, which significantly reduced our net debt at the GCAP HoldCo level. Successful buyback of US$ 48 million of equity on-market contributes to a 5.8 ppts increase in NAV per share from buybacks. NCC ratio decreased from 15.6% in 2023 to a record low level of 12.8% in 2024 reflecting strong cash flows and successful deleveraging.	20%
Progress towards achieving mid-to-long term strategic priorities in portfolio companies	7.5%	Non-financial targets			Overall outperformance. Ahead or well on-track in insurance, renewables, education, clinics and diagnostics, beverages, real estate and auto services companies to achieve mid to long-term goals. During 2024, GCAP undertook a number of major business restructuring initiatives. We fully replaced the Pharmacy and Hospitals management teams, while we consolidated all of the Group's insurance businesses, including the newly acquired Ardi business, under one structure. Notwithstanding these significant changes, we are firmly on track in all our portfolio companies to achieve our mid to long-term goals. The Pharmacy Business is back on track and growing its business again. The Insurance business has benefited from having one management team and continues to dominate both the P&C and Medical insurance markets (now #1 player in each of these markets).	7.5%

Directors' Remuneration Report continued

KPI	Weighting	2024 Target and range			Performance and evaluation	Weighted result
Non-financial targets		**Threshold**	**Target**	**Outperformance**		
Professional development and mentoring of management including successor(s)	5%	Non-financial targets			Fully met maximum expectations. Considerable progress made at both the Portfolio Companies level and at the GCAP HoldCo level. New senior management appointments have been made in a number of businesses, notably in the Pharmacy business, where the new CEO has transitioned from the Beer business and very successfully led a complete senior management change in the Pharmacy business, and in the restructuring and turnaround of GHG.	5%
Progress towards ESG targets		Non-financial but measurable targets			Fully met maximum expectations. For the first time in Georgia, we have successfully obtained a third-party assurance on our greenhouse gas emissions. In recognition of our longstanding commitment to responsible investment, GCAP was awarded the Impact Award by the Asian Development Bank in April 2024. GCAP also participated in COP29, joining a roundtable discussion of leading international finance sector institutions to help shape the region's green agenda.	
Total KPI Performance Assessment	**100%**					**95%**

The Committee considered the CEO's performance during 2024, during a period of significant political uncertainty in Georgia and the surrounding region, which created substantial operational challenges. Against this background, under Mr Gilauri's leadership, during 2024 Georgia Capital's portfolio companies delivered their best ever combined operating performance.

The Committee noted the excellent performance of the Company over 2024, which was reflected in both the Group's results and the stakeholder experience. The share price increased from GBP 10.22 at 31 December 2023 to GBP 12.00 at 31 December 2024. Our ongoing share buyback and cancellation programme benefitted shareholders, under which the Group repurchased shares for a total consideration of US$ 48.1 million during the year. The Committee also noted that adjusting for the departure of one senior executive, cash salaries increased by 3.0% and share salaries increased by 10.4% y-o-y. Employee average bonuses increased by 21.1% y-o-y.

In accordance with his performance in financial year 2024, taking into account the achievement of the maximum expectation or outperformance against most KPIs and the wider stakeholder experience, the Remuneration Committee determined to award Irakli Gilauri 190,000 deferred shares (95% of maximum opportunity) with vesting and holding periods of up to six years from the beginning of the work year. The Committee is satisfied that the overall number of deferred discretionary shares awarded to Mr Gilauri for FY24 was fair and appropriate in the circumstances.

The Committee notes that there has not been an increase in Irakli Gilauri's salary since the Group listed in 2018 (including when the new Policy was approved in 2022) and that the 2018 salary reflected a decrease from the predecessor company. Similarly, the maximum bonus opportunity remains at 200,000 deferred shares. The Committee did not change its implementation of the Policy in 2024. The monetary value increases or decreases with the share price and significant alignment with shareholders is built into the structure as described extensively in this report. The 2022 Policy reflects no annual cash bonus and no LTIP. The Committee made no exercise of discretion with regard to the 2024 award of 190,000 deferred shares.

Percentage change in remuneration of Directors and employees

The following table sets out details of the percentage change in the remuneration awarded to the Directors, compared with the average percentage change in the per capita remuneration awarded to the employees at the holding companies' level only (45 employees) on a full-time equivalent basis as a whole, in line with the requirements in the Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019.

Given the small number of employees employed by the Georgia Capital PLC entity is less than five and the Company's status as an investment entity under IFRS 10, we considered comparison against the holding companies' employees. See note 8 to the table below for a comparison of the full-time UK employees in compliance with the requirements of the Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019. See the single total figure of remuneration table on pages 145 to 146 for an explanation of deferred share salary, taxable benefits and discretionary deferred remuneration of Mr Gilauri.

From 1 April 2020 to 31 December 2020, the members of the Nomination Committee waived their fees (and only the additional fee received by the Chair of the Committee (as Chair) on top of the normal Committee fees was retained by the Chairman), to show solidarity with the impact of the COVID-19 pandemic. The normal fees were reinstated in January 2021. After a review of the workload of the Nomination Committee, the fees were increased slightly for the Nomination Committee members and Chair from May 2023. The Audit and Valuation Committee's responsibilities were increased from 31 December 2019 when the Audit Committee became the Audit and Valuation Committee. To show solidarity with the impact of the COVID-19 pandemic the Audit and Valuation Committee did not receive an increase for financial year 2020, and instead the fees of the Chair and members were increased from January 2021.

Any further y-o-y movements in Non-Executive Director fees are attributable to a number of factors including the different Committee roles undertaken by each Non-Executive Director over the period.

For Irakli Gilauri, the change in US Dollar equivalent for the discretionary deferred shares between 2023 and 2024 is reflective of both the higher percentage of the maximum opportunity awarded for performance (80% in 2023 compared to 95% in 2024) but also the increase in share price between 2023 and 2024 resulting in a higher monetary equivalent at the decision date. The maximum discretionary opportunity remains constant at 200,000 deferred shares.

Similarly, Irakli Gilauri's salary remained 200,000 deferred shares but the basis of calculation changed, as explained in the notes to and in the paragraphs around the Single total figure of remuneration table earlier in this report.

	Y-o-y change in pay for Directors compared to the employees at the holding companies level as a whole							
		Executive Director	Non-Executive Directors					
2024	Average employees	Irakli Gilauri	David Morrison	Kim Bradley	Jyrki Talvitie	Massimo Gesua' sive Salvadori	Maria Chatti-Gautier	Neil Janin
Total cash salary	1.1%	–	0%	-100%	-100%	0%	2%	0%
Total deferred share salary	-18.3%	-28.5%	–	–	–	–	–	–
Taxable benefits	11.6%	–	–	–	–	–	–	–
Total bonus	12.0%	34.5%	–	–	–	–	–	–

	Y-o-y change in pay for Directors compared to the employees at the holding companies level as a whole							
		Executive Director	Non-Executive Directors					
2023	Average employees	Irakli Gilauri	David Morrison	Kim Bradley	Jyrki Talvitie	Massimo Gesua' sive Salvadori	Maria Chatti-Gautier	Neil Janin
Total cash salary	23.3%	–	0%	-64.2%	-62.1%	0%	3%	NMF
Total deferred share salary	19.7%	-29.3%	–	–	–	–	–	–
Taxable benefits	16.6%	–	–	–	–	–	–	–
Total bonus	33.2%	89.0%	–	–	–	–	–	–

	Y-o-y change in pay for Directors compared to the employees at the holding companies level as a whole								
		Executive Director	Non-Executive Directors						
2022	Average employees	Irakli Gilauri	David Morrison	Kim Bradley	Jyrki Talvitie	Caroline Brown	Massimo Gesua' sive Salvadori	Maria Chatti-Gautier	Neil Janin
Total cash salary	4.1%	–	–	9.7%	–	-61.3%	–	–	100%
Total deferred share salary	20.6%	0%	–	–	–	–	–	–	–
Taxable benefits	3.5%	–	–	–	–	–	–	–	–
Total bonus	-16.6%	-35.9%	–	–	–	–	–	–	–

Directors' Remuneration Report continued

Y-o-y change in pay for Directors compared to the employees at the holding companies level as a whole

2021	Average employees	Executive Director: Irakli Gilauri	Non-Executive Directors: David Morrison	Kim Bradley	Jyrki Talvitie	Caroline Brown	Massimo Gesua' sive Salvadori	Maria Chatti-Gautier
Total cash salary	6.5%	–	3.9%	3.9%	4.7%	5.0%	5.0%	36.2%
Total deferred share salary	-26.0%	0%	–	–	–	–	–	–
Taxable benefits	22.7%	–	–	–	–	–	–	–
Total bonus	23.1%	44.2%	–	–	–	–	–	–

Y-o-y change in pay for Directors compared to the employees at the holding companies level as a whole

2020	Average employees	Executive Director: Irakli Gilauri	Non-Executive Directors: David Morrison	Kim Bradley	Jyrki Talvitie	Caroline Brown	Massimo Gesua' sive Salvadori	Maria Chatti-Gautier
Total cash salary	11.0%	–	-3.7%	7.2%	-3.6%	-4.8%	-4.8%	N/A
Total deferred share salary	0%	0%	–	–	–	–	–	–
Taxable benefits	7.3%	–	–	–	–	–	–	–
Total bonus	20.0%	10.2%	–	–	–	–	–	–

Notes:

1 The Investment Committee was dissolved on 17 May 2023 and its duties were absorbed by the Board. Kim Bradley and Jyrki Talvitie did not seek re-election at the 2023 AGM and therefore ceased to be Directors on 17 May 2023. On 17 May 2023, David Morrison became a member of the Remuneration Committee, Maria Chatti-Gautier stepped down as member of the Nomination Committee and become a member of the Audit and Valuation Committee, Massimo Gesua' sive Salvadori became a member of the Nomination Committee, and Neil Janin became Chair of the Remuneration Committee and Chair of the Nomination Committee. The Nomination Committee member and Chair fees were increased after consideration of their comparative workload.

2 Kim Bradley was appointed as a member of the Audit and Valuation Committee from 20 May 2022, and stepped down as a member of the Nomination Committee and the Remuneration Committee on 20 December 2022. Caroline Brown did not seek re-election at the 2022 AGM and therefore ceased to be a Director on 20 May 2022.

3 Neil Janin was appointed as a member of the Board of Directors of Georgia Capital PLC and to the Supervisory Board of JSC Georgia Capital, and the Nomination Committee and the Remuneration Committee on 17 October 2022, and as a member of the Investment Committee on 20 December 2022.

4 Maria Chatti-Gautier was appointed to the Board of Directors of Georgia Capital PLC and to the Supervisory Board of JSC Georgia Capital, and the Remuneration Committee and Nomination Committee on 19 March 2020.

5 On 19 March 2020, David Morrison, Caroline Brown and Massimo Gesua' sive Salvadori stepped down as members of the Nomination Committee.

6 For the period of 1 April 2020 to 31 December 2020 the members of the Nomination Committee waived their fees, and for the Chairman of the Committee only the difference between the level of fees for the Chair against the member's fees was retained, to show solidarity with the impact of COVID-19.

7 The Audit and Valuation Committee's responsibilities were increased from 31 December 2019; to show solidarity with the impact of the COVID-19 pandemic the Committee did not receive an increased fee for their expanded role for year 2020, but the fees of the Chair and members were instead increased from 1 January 2021.

8 The Company has less than five UK employees and the percentage changes could be considered to be distortive. Y-o-y change on a full-time basis for UK employees from 2019 to 2020 for cash salary is 1.8%; deferred share salary is not applicable; taxable benefits is not applicable; and bonus is 30.1%. Y-o-y change on a full-time basis for UK employees from 2020 to 2021 for cash salary is -2.7%; deferred share salary is not applicable; taxable benefits is not applicable; and bonus is -1.8%. Y-o-y change on a full-time basis for UK employees from 2021 to 2022 for cash salary is 10.5%; deferred share salary is not applicable; taxable benefits is not applicable; and bonus is -5.3%. Y-o-y change on a full-time basis for UK employees from 2022 to 2023 for cash salary is 3.7%; deferred share salary is not applicable; taxable benefits is not applicable; and bonus is 15.3%. Y-o-y change on a full-time basis for UK employees from 2023 to 2024 for cash salary is -45.6%; deferred share salary is not applicable; taxable benefits is not applicable; and bonus is -43.1%.

Details of fixed and discretionary deferred share remuneration granted during 2024

The table below sets out details of the nil-cost options over GCAP shares which have been granted to Mr Gilauri in 2024 in respect of the 2023 work year as reflected on a combined basis in the accounts of Georgia Capital PLC and JSC Georgia Capital. Please note that the information presented in this section relates to Mr Gilauri's performance in the 2023 financial year.

	Deferred share salary	Discretionary deferred share remuneration
Number of underlying shares and basis on which award was made	200,000 granted pursuant to the Policy available at **https://georgiacapital.ge/governance/cgf/policies**	160,000 (with respect to his FY23 bonus) granted pursuant to the Policy available at **https://georgiacapital.ge/governance/cgf/policies**
Type of interest	Nil-cost option	Nil-cost option
Cost to Group (as reflected in accounts)	US$ 1,931,097[1]	US$ 2,038,400[2]
Face value	US$ 1,931,097[1] Cash payments equal to the dividends paid on the underlying shares will be made upon vesting (if applicable).	US$ 2,038,400[2] Cash payments equal to the dividends paid on the underlying shares will be made upon vesting (if applicable).
Percentage of award achievable if minimum performance achieved	100% of the award will be receivable, since the award is part of the Executive Director's salary for 2023 and accordingly is not subject to performance measures or targets over the vesting period.	100% of the award will be receivable, since the award is based on 2023 performance (and is not an LTIP award) and accordingly is not subject to performance measures or targets over the vesting period.
Exercise price	Nil. The options form part of the Executive Director's salary under the Policy and so no payment is required upon exercise. The exercise price has not changed.	Nil. The options make up the entirety of the Executive Director's performance-based remuneration (with respect to his performance in the previous financial year) so no payment is required upon exercise. The exercise price has not changed.
Vesting period	20% in each of 2025, 2026, 2027, 2028 and 2029.	25% in each of 2025, 2026, 2027 and 2028. Holding period of a further one year on each tranche.
Performance measures	None. See the 2022 Policy available at **https://georgiacapital.ge/governance/cgf/policies**	See the 2022 Policy available at **https://georgiacapital.ge/governance/cgf/policies**

1 Deferred share salary. The value is calculated as described in footnote 2 to the table of Single total figure of remuneration for the Executive Director.
2 Discretionary deferred share remuneration. The value is calculated as described in footnote 4 to the table of Single total figure of remuneration for the Executive Director.

CEO pay and comparators

The Group has less than 250 UK employees and therefore is not required to disclose ratios of the CEO pay against the UK employees' pay (and indeed given it has less than five UK employees, to do so would be distortionary).

Our remuneration structure is very unusual with all salary and bonus being in deferred shares (no cash) to create very strong alignment with shareholders. It is difficult to compare our overall remuneration to others in monetary value given the time value of money and the delayed receipt of the Executive Director's remuneration (as the salary and bonus shares are released across several years). It is also difficult to quantify the risk of these salary and bonus shares lapsing (due to malus but also in the event of early termination under certain circumstances). When formulating the Policy, we presented the overall package (without factoring in the time value of money or risk of lapse) to investors.

The Committee also considered the fact that the CEO's salary was less than the CEO salary in our predecessor company, BGEO Group PLC and was also lower than the current salary of the CEO's of the two most comparable peers; the two other UK listed companies in Georgia, Lion Finance Group PLC and TBC Bank Group PLC.

Moreover, the renewed Policy in 2022 retained the same number of shares for salary and for the maximum opportunity as was presented to shareholders for their approval in 2019; there was no increase in salary nor incentive.

Directors' Remuneration Report continued

Single total figure of remuneration for Non-Executive Directors (audited)

The table below sets out the remuneration received by each Non-Executive Director in 2024 and 2023.

The Non-Executive Directors do not receive any variable remuneration or pension contributions.

	Georgia Capital PLC fees (US$)		JSC Georgia Capital fees (US$)		Total fees (US$)	
	2024	2023	2024	2023	2024	2023
David Morrison	**67,890**	67,890	**133,736**	133,736	**201,626**	201,626
Massimo Gesua' sive Salvadori	**61,107**	57,784	**95,849**	99,169	**156,956**	156,953
Maria Chatti-Gautier	**52,341**	54,831	**104,609**	99,407	**156,950**	154,238
Neil Janin	**64,611**	62,451	**86,213**	87,984	**150,824**	150,435
Kim Bradley	**–**	24,929	**–**	51,491	**–**	76,420
Jyrki Talvitie	**–**	24,819	**–**	35,998	**–**	60,817
Total	**245,949**	292,704	**420,407**	507,785	**666,356**	800,489

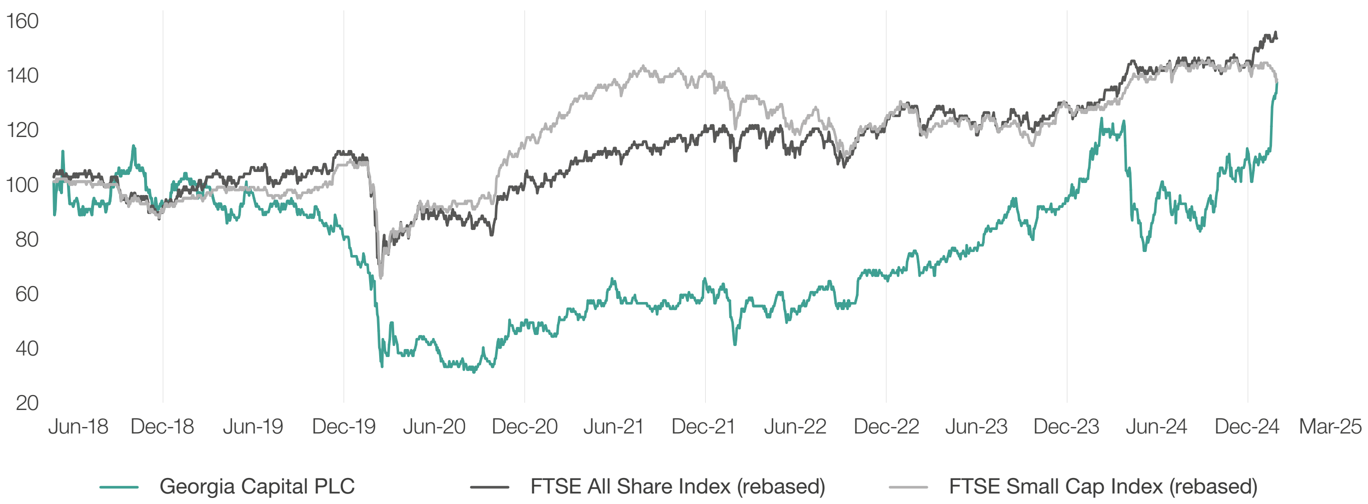
Notes:
1 The Investment Committee was dissolved on 17 May 2023 and its responsibilities were absorbed by the Board.
2 Kim Bradley and Jyrki Talvitie did not seek re-election at the 2023 AGM and therefore ceased to be Directors on 17 May 2023.
3 On 17 May 2023, David Morrison became a member of the Remuneration Committee, Maria Chatti-Gautier stepped down as member of the Nomination Committee and became a member of the Audit and Valuation Committee, Massimo Gesua' sive Salvadori became a member of the Nomination Committee, and Neil Janin became Chair of the Remuneration Committee and Chair of the Nomination Committee.
4 Neil Janin was appointed as a member of the Board of Directors of Georgia Capital PLC and the Supervisory Board of JSC Georgia Capital, and of the Nomination Committee and Remuneration Committee, on 17 October 2022, and as a member of the Investment Committee on 20 December 2022.
5 Kim Bradley was appointed as a member of the Audit and Valuation Committee from 20 May 2022, and stepped down as a member of the Nomination Committee and the Remuneration Committee on 20 December 2022.
6 The Non-Executive Directors do not receive any taxable benefits, pension benefits or variable remuneration.

Payments to former Directors and for loss of office (audited)

No payments were made to former Directors or for loss of office during the year ended 31 December 2024.

Total Shareholder Return

Georgia Capital PLC has been a member of the FTSE All Share Index since its listing on 29 May 2018. The following graph compares the Total Shareholder Return (TSR) of Georgia Capital PLC with the companies comprising the FTSE All Share Index and FTSE Small Cap Index for the period from 29 May 2018 until 31 December 2024.



Relative importance of spend on pay

The following table shows Georgia Capital's actual spend on pay at the holding company's level only (45 employees in total) between 2023 and 2024. We considered comparison against these employees to be the most appropriate given the Company's status as an investment entity under IFRS 10.

	Remuneration paid to all employees of the Group	Distribution to shareholders by way of buyback
Year ended 31 December 2023 (US$ thousands)	13,453	18,242
Year ended 31 December 2024 (US$ thousands)	13,697	48,070
Percentage change	1.8%	2.6x

Notes:
1 There were no dividends in 2023 or 2024. The US Dollar amount is calculated using an average GEL/US$ exchange rate for each of 2023 and 2024.
2 The buyback and cancellation programmes returned value to shareholders.
3 3,669,889 shares with a total value of US$ 48.1 million (GEL 131.9 million) were bought back under GCAP's share buyback and cancellation programmes during 2024 (1,665,222 shares with a total value of US$ 18.3 million (GEL 47.9 million) during 2023).

Share ownership requirement (audited)

Executive Directors are required to build over five years and maintain a shareholding equivalent to 200% of base salary, which is 400,000 shares. Mr Gilauri already holds substantially above this requirement as at 31 December 2024 – see table and table note 2 below. In accordance with the Policy, beneficially owned shares as well as unvested (net of tax) and vested deferred share salary and discretionary deferred shares count towards the requirement, noting that such unvested and vested shares are not subject to performance conditions after their grant.

Directors' interests in shares (audited)

The following table sets forth the respective holdings of GCAP shares of each Director as at 31 December 2023 and 2024.

	As at 31 December 2023				As at 31 December 2024			
	Number of GCAP shares held directly	Number of vested but unexercised GCAP shares held under option through deferred share salary and discretionary deferred share compensation (all nil-cost options with no performance conditions)	Number of unvested and unexercised GCAP shares held under option through deferred share salary and discretionary deferred share compensation (all nil-cost options with no performance conditions)	Total number of interests in GCAP shares	Number of GCAP shares held directly	Number of vested but unexercised GCAP shares held under option through deferred share salary and discretionary deferred share compensation (all nil-cost options with no performance conditions)	Number of unvested and unexercised GCAP shares held under option through deferred share salary and discretionary deferred share compensation (all nil-cost options with no performance conditions)	Total number of interests in GCAP shares
Irakli Gilauri	1,589,028	–	934,766	2,523,794	**1,848,105**	**–**	**965,008**	**2,813,112**
David Morrison	101,368	N/A	N/A	101,368	**101,368**	**N/A**	**N/A**	**101,368**
Kim Bradley	35,383	N/A	N/A	35,383	**N/A**	**N/A**	**N/A**	**N/A**
Jyrki Talvitie	12,585	N/A	N/A	12,585	**N/A**	**N/A**	**N/A**	**N/A**
Massimo Gesua' sive Salvadori	13,739	N/A	N/A	13,739	**17,615**	**N/A**	**N/A**	**17,615**
Maria Chatti-Gautier	6,860	N/A	N/A	6,860	**10,443**	**N/A**	**N/A**	**10,443**
Neil Janin	7,000	N/A	N/A	7,000	**142,103**	**N/A**	**N/A**	**142,773**

Notes:
1 As at 31 December 2024, Mr Gilauri's vested and unvested shareholding was 2,813,112 GCAP shares, representing approximately 7.1% of the Company's share capital. In January 2025, Mr Gilauri received awards of 200,000 nil-cost options over ordinary shares in respect of deferred salary shares for the 2024 work year, out of which 8,610 were waived by Mr Gilauri to discharge the UK income tax and employee National Insurance contributions. These will be reported in the 2025 Annual Report and Accounts and are not included in the table above, which is at 31 December 2024.
2 In January 2024, Mr Gilauri received awards of 200,000 nil-cost options over ordinary shares in respect of deferred salary shares for the 2023 work year, out of which 8,601 were waived by Mr Gilauri to discharge the UK income tax and employee National Insurance contributions. In January 2024 Mr Gilauri exercised 321,157 nil-cost options over ordinary shares, out of which 62,080 shares were withheld to meet tax liabilities. In May 2024, Mr Gilauri received awards of 160,000 nil-cost options over ordinary shares in respect of discretionary deferred shares for the 2023 work year. As of 31 December 2024, all vested nil-cost options of the CEO were exercised. None of Mr Gilauri's connected persons have any interest in the shares of the Company.
3 Kim Bradley and Jyrki Talvitie did not seek re-election at the 2023 AGM and therefore ceased to be Directors on 17 May 2023.

Directors' Remuneration Report continued

Directors' interests in shares (audited) continued

The Remuneration Policy focuses on base salary in deferred salary shares and discretionary compensation in discretionary deferred shares. The long vesting periods naturally result in the Executive Director, Irakli Gilauri, building up large holdings of unvested nil-cost options. The Policy naturally results in Mr Gilauri and our executive management team holding a significant number of unvested shares and achieves a delay between performance and vesting. We believe these results are consistent with the principles of the Investment Association. As at 31 December 2024, Mr Gilauri met the shareholding requirement.

Under the Directors' Remuneration Policy, the Group does not require Non-Executive Directors to hold a specified number of shares in GCAP. Notwithstanding this, some Non-Executive Directors have chosen to become shareholders. The Non-Executive Directors are not awarded incentive shares and are not remunerated in shares.

There have been no changes in the Directors' interests in shares in the Company between the end of the financial year and the last practicable date of 14 March 2025, with exception of Irakli Gilauri who as at 14 March 2025 holds total of 2,936,502 vested and unvested shares, and Neil Janin who sold 136,402 shares on 7 March 2025, 2,000 shares on 10 March 2025, and 4,371 shares on 12 March 2025.

Details of Non-Executive Directors' letters of appointment

Georgia Capital has entered into letters of appointment with each Non-Executive Director. The letters of appointment require Non-Executive Directors to provide one month's notice prior to termination. The letters of appointment for the majority of current Non-Executive Directors are effective from 24 February 2018, with Maria Chatti-Gautier's effective from her appointment on 19 March 2020 and Neil Janin's from his appointment on 17 October 2022. Each Non-Executive Director is put forward for election at each AGM following his or her appointment. Continuation of a Non-Executive Director's employment is conditional on his or her continued satisfactory performance and re-election by shareholders at each AGM.

A succession plan adopted by the Board provides for a tenure of six years on both the Georgia Capital PLC and JSC Georgia Capital Boards. Upon the expiry of such six-year tenure, the appointment of the relevant Non-Executive Director may cease at the next upcoming AGM.

Notwithstanding the foregoing, if the Board determines that, in order to maintain the balance of appropriate skills and experience required for the Board, it is important to retain a Non-Executive Director on the Board beyond the relevant six-year period, the Board may offer the Non-Executive Director a letter of appointment for an additional one-year term. Such a one-year "re-appointment" may be renewed no more than two times, with the effect that the usual six-year tenure may be extended to a maximum of nine years if circumstances were to warrant such extension.

Implementation of Remuneration Policy for 2025

Details of how the Policy will be implemented for the 2025 financial year are set out below. There will be no significant change in the way that the 2022 Policy will be implemented in 2025 and no deviations from the procedure for the implementation of the Policy as set out in the Policy. An updated Policy will be put to shareholders at the 2025 AGM, and shall take effect subject to the approval at the AGM.

For Irakli Gilauri

2025 fixed pay

Total deferred share salary	200,000 Georgia Capital deferred shares underlying nil-cost options per annum pro rata.
Pension benefits	Mr Gilauri has agreed for all pension contributions to be waived. Details of the benefits received by Executive Directors are on page 154.

The circumstances in which unvested deferred shares may lapse, and the narrow circumstances in which such shares may vest immediately, are set out in detail in the 2022 Policy.

2025 discretionary deferred share remuneration

Deferral terms	The Committee will determine whether an award is merited based on an Executive Director's achievement of the KPIs set by the Committee for the work year and the performance of the Group during the work year. If Mr Gilauri is awarded discretionary deferred shares with respect to the 2025 work year, the award will vest 25% in January of each of 2027, 2028, 2029 and 2030. Each tranche will be subject to a further holding period of one year. This decision will be set out in the 2025 Directors' Report. Upon vesting, Mr Gilauri will receive (in addition to the vested shares) cash payments equal to the dividends paid (if any) on the underlying shares between the beginning of the year immediately following the work year and the vesting date.
Performance measures	For 2025, the Remuneration Committee has determined that the performance measures will be based on KPIs (see below). The Remuneration Committee has considered the details of each KPI and ensured that measurable targets are included. The KPIs will be reviewed by the Remuneration Committee throughout the year and by the Board as appropriate. See notes to the Policy for malus and clawback provisions.

2025 CEO KPIs

The 2025 KPIs were selected based on our strategy and ongoing key metrics. Consequently, the 2025 KPIs are as follows:

- NAV per share;
- Achieving budget of GCAP and portfolio companies, including revenue generation, EBITDA performance, and cash flow generation;
- Expense ratio;
- Broaden access to capital including progress on the active seeking of price discovery of assets;
- Disciplined pursuit of investment opportunities and asset and capital allocation, including NCC targets;
- Progress towards achieving mid to long-term strategic priorities in portfolio companies;
- Professional development and mentoring of management; and
- Progress towards ESG targets.

Due to the potential impact on our commercial interests, annual bonus targets are considered commercially sensitive and appropriate detail will therefore be disclosed in the 2025 Remuneration Report following the completion of the financial year. KPIs and targets will be reviewed and may be revised by the Remuneration Committee and the Board as appropriate throughout the year, subject to the terms of the Policy.

Non-Executive Director remuneration

The table below shows the fee structure for Non-Executive Directors for 2025. Non-Executive Directors' fees are determined by the Board.

Component	Purpose and link to strategy	Operation	Opportunity
Base cash fee	The fee for the Board is competitive enough to attract and retain individuals. The Chairman receives a fee which reflects the extra time committed and responsibility. However, no Chairman's fee is received when Chairman and CEO roles are combined. The Senior Independent Non-Executive Director receives a higher base fee which reflects the extra time and responsibility.	Cash payment on quarterly basis.	The amount of remuneration may be reviewed from time to time by the Board. The fees may be amended and varied if there are genuinely unforeseen and exceptional circumstances. Any significant increase shall be the minimum reasonably required. The maximum aggregate for all Non-Executive Directors which may be paid by Georgia Capital PLC for the PLC fees is GBP 750,000 which is consistent with the current limit in the PLC's Articles of Association.
Cash fee for each Committee membership	Additional fee to compensate for additional time spent discharging Committee duties.	Cash payment on quarterly basis.	The amount of remuneration for the membership may be reviewed from time to time by the Board. The Chairman of the PLC does not receive any Committee fee.

Directors' Remuneration Report continued

Directors' Remuneration Policy

This section sets out the Directors' Remuneration Policy (Policy) proposed for shareholders' approval at the 2025 AGM on 20 May 2025. Subject to receiving shareholder approval, the Policy will take effect from the date of the 2025 AGM and will apply until the earlier of (a) three years following that date and (b) the approval by shareholders of a new Policy. The Remuneration Committee is satisfied that the existing 2022 Policy is highly aligned with the shareholder experience and functions as intended, and is proposing to make very limited changes to the 2025 Policy.

It is a provision of the Policy that the Group will honour all pre-existing obligations and commitments that were entered into prior to the Policy taking effect. The terms of those pre-existing obligations and commitments may differ from the terms of the Policy and may include (without limitation) obligations and commitments under service agreements, deferred share remuneration schemes and pension and benefit plans.

The Remuneration Committee retains its discretion under the renewed Policy to make minor amendments to the Policy for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation without obtaining prior shareholder approval.

Executive Directors Remuneration Policy

The Policy provides for an Executive Director's remuneration package to be comprised of the elements set forth below. For the avoidance of doubt, all references to Executive Directors refer to the Executive Directors of Georgia Capital PLC to cover the present Executive Director, Irakli Gilauri, and any future Executive Directors of Georgia Capital PLC whilst the Policy is in force. The compensation structure of executive management (who serve on the Management Board of JSC Georgia Capital, but who are not Executive Directors of Georgia Capital PLC) is set by the Remuneration Committee and is modelled on the Policy (although they may receive a part of their salary in cash), but the Remuneration Committee is not bound by the Policy when setting their remuneration packages. The Remuneration Committee can set different vesting terms and conditions for the executive management team as the Remuneration Committee thinks appropriate.

No Significant Changes to Previous Policy

The Policy carries on the existing Policy which took effect from 22 May 2022, maintaining the unique structure of paying the entire salary and performance-based remuneration of Mr Gilauri only in shares. The Remuneration Committee is proposing that, for the new Policy, the number of shares paid in the performance-based remuneration is not absolutely fixed but can be adjusted if the share price moves significantly prior to the signing of a new contract. Subject to these changes and the ability to pay some parts of the salary of any future Executive Directors in cash, the existing structure of remuneration and limits on remuneration for Mr Gilauri and other Executive Directors under the existing Policy will continue to be applied.

The Policy of paying salary and performance-based remuneration only in shares creates a very high alignment with the shareholder experience. The Remuneration Committee continues to consider that it is important that there is a high level of share-based remuneration for Mr Gilauri and any future Executive Directors.

Mr Gilauri's current contract ends on 31 December 2025. The Remuneration Committee plans to agree the terms of a new contract with Mr Gilauri based on the current number of contracted shares (i.e. 200,000 deferred salary shares, and a maximum of 200,000 deferred discretionary shares awarded based on Mr Gilauri's performance) and the 2025 Policy provides for Executive Director compensation based on these figures. However, the Committee will have discretion to lower (or raise) the number of shares in the event of a significant rise (or fall) in the Group's share price, when the new contract is signed, from its levels in February/March 2025. This will enable the Remuneration Committee, when considering the terms of the new contract, to adjust the number of shares awarded, thus avoiding the potential for significant windfall gains.

The number of shares in Mr Gilauri's contract was fixed at its current (200,000 shares) level in 2018 when the Group listed and the share price was GBP 10.32. This level was not changed in 2022 when the Policy was last approved by shareholders and the Group share price was GBP 6.00. Inflation in Georgia since 2018 has been in excess of 40%. The Group has funded the purchase of shares to fund management share awards for the years 2025-2027 – including those to Mr Gilauri – at an average price of GBP 7.90.

Salary in the form of long-term deferred shares

Purpose and link to strategy	Opportunity	Operation
• To reflect the role and required duties, skills, experience and individual contribution to the Group whilst promoting long-term value creation and share price growth.	• The number of deferred share salary shares is 200,000 per annum for Irakli Gilauri, of which 10% are for his work as the CEO of Georgia Capital PLC and 90% are for his work as a CEO of JSC Georgia Capital and its subsidiaries, provided that the Remuneration Committee has the discretion to vary the number of shares awarded in a new contract in the event of a significant change in the Group share price between February/ March 2025 and the time at which the contract is entered into. • The number of deferred share salary shares is fixed for the duration of the employment contracts with Georgia Capital PLC and JSC Georgia Capital. • The maximum number of deferred share salary set for an Executive Director will be no more than the Remuneration Committee considers reasonable based on his/ her duties, skills and experience, at the time when his/her salary is set, which will normally be at the time at which his/ her service agreement(s) are entered into.	• The Remuneration Committee determines the deferred salary share compensation to be awarded to the Executive Director at the time the employment contract is entered into. There is no cash salary payable to Mr Gilauri. If the Remuneration Committee so determines, up to 50% of the salary of any other future Executive Directors compensation may be paid in cash. The base salary for an Executive Director is fixed in his or her service agreement(s). The level of the salary is reviewed by the Remuneration Committee when a service agreement is up for renewal. • For Mr Gilauri, salary is comprised entirely of long-term deferred shares ("deferred share salary") which take the form of nil-cost options granted annually in respect of the work year, and is usually expected to be awarded within one month of the end of the work year, although the Remuneration Committee retains the discretion to determine the timing of the award and (for future Executive Directors) that some cash salary is payable. • Deferred share salary in respect of a work year will vest over five years with 20% vesting in each of the second, third, fourth, fifth and sixth years following the end of the work year. At vesting, the Executive Director will receive (in addition to the deferred share salary) cash payments equal to the dividends paid on the underlying shares between the beginning of the year immediately following the work year and the vesting date. • Lapse provisions (natural malus) are built into the deferred share salary as set out in the "Service agreements and policy on payments for loss of office for our Directors" section below. Extended malus and clawback provisions do not apply to deferred share salary as the Remuneration Committee considers that the discretionary deferred shares provide a sufficiently large pool from which to draw extended malus or clawback repayments, if necessary in the circumstances to do so.

Directors' Remuneration Report continued

Performance-based remuneration – discretionary deferred shares

Purpose and link to strategy	Opportunity	Operation
• To motivate and reward an Executive Director who meets or exceeds the KPIs set for him or her by the Remuneration Committee for the relevant period. • Performance-based remuneration in order to: - Closely align the interests of an Executive Director with shareholders. - Minimise risk taking for short-term gain. - Encourage long-term commitment to the Group.	• For Mr Gilauri, performance based remuneration will be awarded in the form of discretionary deferred shares, and the maximum number of discretionary deferred shares that may be awarded is currently 200,000 shares. • For all Executive Directors, the maximum performance-based award is 100% of the base salary. For Executive Directors other than Mr. Gilauri, at least 50% of the performance-based remuneration will be awarded in the form of discretionary deferred shares, with any balance awarded in cash.	• The Remuneration Committee will determine annually whether an award is merited based on an Executive Director's achievement of the KPIs set for the work year and the performance of the Group during the work year. If appropriate, where a strategic change or change in business circumstances has made one or more of the KPIs an inaccurate gauge of an Executive Director's performance, the Remuneration Committee may decide to base its assessment on alternative measures. The outcome of an Executive Director's performance and the Remuneration Committee's determination will be reported in the Directors' Remuneration Report for the work year in consideration. • Any discretionary deferred shares are expected to be granted following the end of the work year and vest 25% in each of the second, third, fourth and fifth years following the end of the work year, although the Remuneration Committee retains the discretion to determine the timing of the award. Any cash will also be awarded following the end of the work year. • Each tranche of vested discretionary deferred shares must then be held for a further one year. • At vesting, an Executive Director receives cash payments equal to the dividends paid on the underlying shares between beginning of the year immediately following the work year and the vesting date. • KPIs for an Executive Director are set towards the beginning of each work year and reflect each Executive Director's targeted contribution to the Group's overall key strategic and financial objectives for the coming work year. KPIs may also include non-tangible factors such as self-development, mentoring and social responsibility. • There is no contractual right to performance-based compensation and the Remuneration Committee reserves the right to award no discretionary remuneration if the Group's performance is unsatisfactory. • Lapse provisions (natural malus) and extended clawback and malus applies to discretionary deferred shares under the circumstances as set out in the notes to this Policy table.

Pension

Purpose and link to strategy	Opportunity	Operation
• The Group is required to comply with pension requirements set by the Georgian Government. • Pension provision is the same for all employees in the Group in Georgia.	• Pension provision will be in line with Georgian pension legislation, which may change from time to time. • There is no provision for the recovery or withholding of pension payments.	• The same arrangement applies to employees across the Group in Georgia. • In line with current Georgian legislation, an Executive Director and the Group each contribute 0-2% of total remuneration from JSC Georgia Capital and the Georgian Government contributes a further small amount currently 0-2% depending on income levels. However, Irakli Gilauri has agreed for pension contributions to be waived. • Pension contributors will only increase above the level if mandated by Georgian legislation or if mandated by any other applicable legislation in any jurisdiction.

Benefits

Purpose and link to strategy	Opportunity	Operation
• Non-cash benefits are in line with Georgian market practice and are designed to be sufficient to attract and retain high-calibre talent.	• There is no prescribed maximum amount payable. The maximum amount payable depends on the cost of providing such benefits to an employee in the location at which the Executive Director is based. • Shareholders should note that the cost of providing comparable benefits in different jurisdictions may vary widely. • Disclosure of amounts paid will be provided in the implementation report and will be explained where the cost of benefit is significant.	• Benefits consist of: life insurance; health insurance; incapacity/ disability insurance; Directors' and Officers' liability insurance; physical examinations; tax gross-ups and tax equalisation payments, company car and driver; mobile phone costs; personal security arrangements (if requested by the Executive Director); assistance with completing tax returns (where required); relocation costs for Executive Director and close family; and legal costs.

Other Executive Director policies – shareholding requirements

Purpose and link to strategy	Opportunity
• To further align Executive Directors' interests with shareholders. • To ensure Executive Directors build and then maintain a significant shareholding over the long term. • To ensure departing Executive Directors make long-term decisions and maintain an interest in the ongoing success of the Group post-employment.	• Executive Directors are required to build and then maintain a shareholding equivalent to 200% of salary. Such amount to be built up within a five-year period from appointment as an Executive Director (the "Required Shareholding"). • For these purposes all beneficially owned shares as well as unvested (net of tax) and vested deferred share salary and discretionary deferred shares will count towards the Required Shareholding (as such awards are not subject to any performance conditions). • Executive Directors are to retain the lower of (i) the Required Shareholding or (ii) the shareholding at the time employment ceases, for a period of two years from the date on which employment ceases unless the Remuneration Committee determines otherwise. • In very exceptional circumstances, for example, in the event of a serious conflict of interest, the Remuneration Committee has the discretion to vary or waive the Required Shareholding but must explain any exercise of the discretion in the Group's next Remuneration Report. It should be emphasised that there is no present intention to use the discretion.

Directors' Remuneration Report continued

Notes to the Policy table – Executive Directors

Deferred share salary

At present there is no cash salary. The Remuneration Committee may determine that some cash salary is appropriate for a future Executive Director (see "Approach to recruitment remuneration").

The deferred share salary comprises the most important element of the Executive Director's fixed annual remuneration and is commensurate with the Executive Director's role within the Group. Paying the salary as deferred share compensation rather than as cash means that the Executive Director's day-to-day actions are geared towards sustained Group performance over the long term. The deferred share salary is neither a bonus nor an LTIP, it is salary fixed at the outset of each Executive Director's service contract and is therefore not subject to performance targets or measures. The salary increases or declines in value depending on Group performance, aligning an Executive Director's interests directly and naturally with those of the Group's shareholders.

The opportunity for Mr. Gilauri's salary will be fixed on the basis of the number of shares in his current employment contract (i.e. 200,000 shares). This amount has not increased since the previous Policy was approved by shareholders in May 2022. Nor has the number of shares increased since the original contract approved by shareholders in 2018. Illustrations of the application of the Policy are shown later in this Policy on page 164.

Performance-based remuneration

Performance is measured entirely through the discretionary compensation plan (see "Discretionary deferred remuneration", below), which measures performance over the financial year. A significant proportion of remuneration is inherently linked to performance and shareholder value as all or a significant proportion of remuneration is in the form of deferred share salary and discretionary deferred shares. The Group does not operate an LTIP because it believes that there is sufficient long-term incentive built into its deferred share salary and discretionary deferred share remuneration.

Discretionary deferred remuneration

Performance is measured over the course of the financial year, and is paid at least 50% (100% in the case of Mr Gilauri) in nil-cost options, which are granted following the financial year and vest 25% in each of the second, third, fourth and fifth years following the end of the work year. A further one year holding period from the date of vesting applies to the vested discretionary deferred shares. For example, any discretionary deferred remuneration in respect of 2025 will be granted in 2026 and the vesting schedule will be 25% in each of January 2027, January 2028, January 2029 and January 2030, and are subject to a further holding period of one year on each tranche. Therefore, the total maximum vesting and holding period is five years from the end of the work year.

Performance measures are chosen to reflect strategic priorities for the Group and are chosen by the Remuneration Committee annually towards the start of the relevant performance year. The aggregate pool of shares and cash (where applicable) available for each year for awards of discretionary deferred shares for the Executive Directors and the executive management team as a whole is determined annually by the Remuneration Committee in its absolute discretion, based on a number of factors including:

- financial objectives;
- strategic objectives; and
- people and culture objectives.

The Remuneration Committee does not utilise strict weighting of performance measures to ensure that flexibility is encouraged if, for example, strategic objectives evolve as the Group does or business circumstances change during the year. The Remuneration Committee believes that this flexibility ensures that the Board can work with an Executive Director so that he/she does not take excessive risk to achieve KPIs when, for example, markets have turned. The Remuneration Committee has the discretion to reduce awards, including to zero, when performance outcomes do not align to the shareholder experience. The precise measures will be determined by the Remuneration Committee and disclosed retrospectively in the Remuneration Report following the year of the Remuneration Committee's determination.

As mentioned in the Policy table, the maximum value of discretionary deferred shares that the current CEO, Mr Gilauri, may be awarded in a given year for the remainder of his current service contract with the Group is capped at the same number of shares as his total deferred share salary. In the event that it does introduce cash salary for a new Executive Director, the Remuneration Committee retains the discretion to determine how total salary is measured for the purposes of the cap in the Policy table.

The discretionary deferred shares are underpinned by the robust clawback and malus provisions described below, including in the incidence of significant financial losses.

Clawback and malus

Discretionary deferred shares are subject to malus, and clawback for up to two years from vesting, in the following circumstances:

- misconduct in the performance or substantial failure to perform duties;
- significant financial losses, serious failure of risk management or serious damage to the reputation of Georgia Capital PLC or JSC Georgia Capital, caused by misconduct or gross negligence (including inaction in performance of his/her duties by the Executive Director);
- material misstatement or material errors in the Financial Statements that relates to the area of responsibility of the Executive Director or can be attributed to their action (or inaction in performance of his/her duties);
- deliberately misleading Georgia Capital PLC or JSC Georgia Capital in relation to financial performance; and
- an award being made on the basis of erroneous or misleading data, provided that for payments based on erroneous or misleading data (other than where such error has been caused by fraud, wilful misconduct, deliberate action/inaction and/or gross negligence of the Executive Director), malus and clawback applies to discretionary deferred remuneration awarded for the year in question.

The above provisions form part of Mr Gilauri's current service contract and are planned to be retained in his future contract. Further, the Executive Equity Compensation Plan allows shares to lapse, including to zero, or be clawed back in accordance with the provisions in the Executive Director's contract.

Mr Gilauri's current contract also has unusually strong malus provisions where all unvested shares (deferred share salary and discretionary deferred shares) lapse when the service contract is terminated under certain circumstances, including for cause such as gross misconduct, substantial and repeated failure to perform duties, fraud or conviction of a felony. This may be several years of salary deferred shares and discretionary deferred shares. Please see the "Termination of the JSC Georgia Capital service agreement" in the table below for more information. These provisions are planned to be retained in any new contract for an Executive Director, including Mr Gilauri.

It is also planned that the above provisions will apply to any cash payments made to any incoming Executive Director in lieu of discretionary deferred shares.

Discretion

The Remuneration Committee retains a substantial degree of discretion in relation to the Policy. This includes:

- the determination of discretionary deferred shares, if any;
- selection of KPIs that will determine the discretionary deferred remuneration, which may vary from year to year in order to align with strategy and financial objectives;
- any adjustments required to an Executive Director's KPIs during the work year when, for example, there has been a change in strategy or business circumstances which results in one or more of KPIs becoming an inaccurate gauge of performance; and
- the discretion to override any formulaic outcomes when it considers it reasonable in the circumstances to do so.

Equity compensation trust and dilution limits

An equity compensation trust ("Trust") was established by JSC Georgia Capital for the purposes of satisfying deferred share salary and discretionary deferred share compensation in the form of nil-cost options awarded to Executive Directors and eligible members of the executive management team. The Trust was established in 2018.

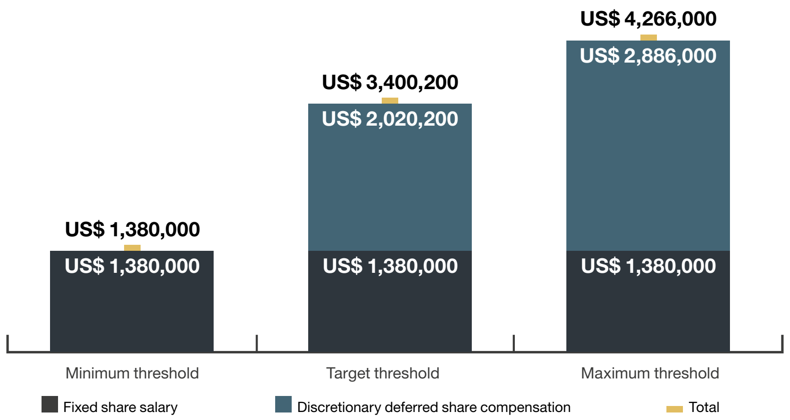
Business expenses

Executive Directors are reimbursed for reasonable business expenses incurred in the course of carrying out duties under their service contract, on provision of valid receipts.

Directors' Remuneration Report continued

Illustration of application of Remuneration Policy

The chart below shows an estimate of the remuneration that could be received by Mr Gilauri, the Group's sole Executive Director and CEO, in respect of 2025 under the Policy at three different performance levels.



Notes:

1 Salary is comprised of deferred share salary and benefits. Mr Gilauri does not receive a cash salary and has waived all pension contributions. For illustration purposes, the value of deferred share salary would be US$ 1,380,000 calculated by reference to the 200,000 shares granted under the prolonged Service Agreement signed in October 2022. The share price on 24 October 2022 was US$ 6.90 (the official share price of GBP 6.10 converted into US Dollars using and exchange rate of 1.131, being the official exchange rate published by the Bank of England on the same date), for illustration purposes.

2. For the purpose of calculating the value of discretionary deferred shares for illustration in this chart a share price of US$ 14.43 per share was used which was the share price on 19 December 2024 being the date of the Remuneration Committee which determined the discretionary deferred shares award (the official share price of GBP 11.50 converted into US$ using an exchange rate of 1.255 being the official exchange rate published by the Bank of England on the same date). The actual value of the discretionary deferred share award in respect of the performance of the 2025 work year will be reported in the 2025 Annual Report and Accounts as at the latest closing share price before the Remuneration Committee meeting at which the award is decided.

3. Minimum opportunity reflects a scenario whereby Mr Gilauri receives only fixed remuneration which is deferred share salary and benefits. No share price growth assumptions have been made.

4. On-target opportunity reflects a scenario whereby Mr Gilauri receives fixed remuneration (as described in 1 above) and 140,000 discretionary deferred shares, being 70% of the maximum opportunity. No share price growth assumptions have been made.

5. Maximum opportunity reflects a scenario whereby Mr Gilauri receives fixed remuneration (as described in 1 above) and discretionary deferred shares compensation award of 100% being the number of shares granted under the deferred share salary. No share price growth assumptions have been made.

6. For long-term incentive awards, disclosure of the value of the award in the event of a 50% share price appreciation is required by the Companies (Miscellaneous Reporting) Regulations 2018. Such disclosure is not required for short-term incentive awards, such as those made by the Group, where performance measures are limited to one year, nor is it required for salary compensation in the form of shares. The reason for this is that an increase in the value of the deferred shares resulting from share price appreciation in the period through to the vesting date is not considered to constitute remuneration for the purposes of the regulations.

Approach to recruitment remuneration

Any new Executive Director appointed to the Board would be paid no more than the Remuneration Committee considers reasonably necessary to attract a candidate with the relevant skills and experience. His or her maximum remuneration package would comprise the components described in the Policy table above. The Remuneration Committee may, at its sole discretion and taking into account the role assumed by the new Executive Director, vary the amount of any component in the package up to the limits set out in the Policy table above in relation to new Executive Directors. In particular, the Remuneration Committee may determine it is appropriate to pay a cash salary to a newly-appointed Director. The remuneration of any new Executive Director will be subject to the maximums set out in the Policy table above. In the event that it does introduce cash salary for a new Executive Director, the Remuneration Committee retains the discretion to determine how total salary is measured for the purposes of the cap in the Policy table.

In addition to the components and outside the limits set out in the Policy table, the Remuneration Committee may also decide to provide to an incoming Executive Director:

- Relocation support, tax support and legal fees depending on the individual's circumstances, including, where relevant, to his or her family. The Group has not set a maximum aggregate amount that may be paid in respect of any individual's relocation support, but it will aim to provide support of an appropriate level and quality on the best terms that can reasonably be obtained.
- Upon the recommendation of the Remuneration Committee, a "buyout" incentive award intended to compensate the incoming Executive Director for any awards granted to an incoming Executive Director by a previous employer and which have been foregone as a result of the individual's employment with the Group. In these circumstances, the Group's approach will be to match the estimated current value of the foregone awards by granting awards of deferred share compensation which vest over a similar period to the awards being bought out or longer. The application of performance conditions and/or clawback provisions may also be considered, where appropriate. Such new awards may be granted in addition to any deferred share salary and discretionary deferred share compensation.

Consideration of shareholder views shareholder consultation process was undertaken to gather key investor feedback on the new 2025 Remuneration Policy, which also took into account the strong 93.7% investor support in 2022 of the current Policy and support for the implementation of the Policy described in recent Remuneration Reports. At the 2024 AGM the Remuneration Report was supported by 98.3% of voting shareholders. For the 2025 Policy (in which there are no substantial changes from the 2022 Policy), a shareholder consultation process was undertaken to gauge investor feedback on the proposed policy. Shareholders were generally supportive of the proposals and their feedback was taken into account during the development of the proposed 2025 Policy. Shareholders welcomed the absence of an increase in the expected contracted number of salary shares, and the Remuneration Committee discretion to vary the specific number of shares upon contract renewal, in the event of a significant change in the share price, to avoid the potential for windfall gains. Positive feedback was also received regarding recent increases in the disclosure of more detail on KPIs and weightings.

Service agreements and policy on payments for loss of office for our Directors

The Group's policy towards exit payments allows for a variety of circumstances whereby an Executive Director may leave the Group.

The Remuneration Committee reserves the right to determine exit payments other than those set out below where appropriate and reasonable in the circumstances to do so, including where an Executive Director leaves by mutual agreement. The Remuneration Committee may decide to pay some or all of the Executive Director's legal fees in relation to the termination. In all circumstances, the Remuneration Committee does not intend to reward failure and will make decisions based on individual circumstances. The Remuneration Committee's objective is that any such agreements are determined on an individual basis and are in the best interests of the Group and shareholders at the time.

The following sections (1) and (2) summarise the termination and payments for loss of office provisions pursuant to Mr Gilauri's service agreement with Georgia Capital PLC and JSC Georgia Capital, respectively. The Remuneration Committee retains the discretion to apply different notice, termination and payment for loss of office provisions to incoming Executive Directors. The termination provisions of Non-Executive Director letters of appointment are described in section (3). The Executive Directors' service agreements and letters of appointment are kept for inspection by shareholders at the Group's registered office.

Notice periods

At the date of this Annual Report, Mr Gilauri is the sole Executive Director of the Group. Mr Gilauri has a service contract effective 29 May 2018 with Georgia Capital PLC for an indefinite term which is terminable by either party on not less than four months' notice unless for cause where notice served by the Group shall have immediate effect.

Mr Gilauri also has a service agreement with JSC Georgia Capital effective from 29 May 2018 for an employment term of five years from 29 May 2018, which was extended until 31 December 2025, which is terminable by the Executive Director on not less than three months' notice. Both documents with their amendments are available for inspection by shareholders at the Group's registered office.

Directors' Remuneration Report continued

(1) Termination of Georgia Capital PLC service agreement
In the event that an Executive Director's service agreement is terminated on notice, Georgia Capital PLC may put Mr Gilauri on garden leave for some or all of the notice period during or after which period he will receive a pro-rata portion of the deferred salary.

Georgia Capital PLC may terminate Mr Gilauri's employment early with immediate effect without notice or pay in lieu of notice in the case of, among other circumstances, his dishonesty, gross misconduct, conviction of an offence (other than traffic-related where a non-custodial penalty is imposed) or becoming of unsound mind.

The Company may also terminate the service agreement with immediate effect by payment in lieu of notice, in which case the payment in lieu of notice shall be solely in respect of deferred share salary payable for the unworked portion of the notice period.

The vesting and lapse provisions of the deferred share salary under the service agreement with the Company follow the provisions in the service agreement with JSC Georgia Capital mutatis mutandis (which are set out in the third column of the table below).

(2) Termination of JSC Georgia Capital (the "JSC") service agreement
This table sets out the default vesting and lapse provisions, but the Remuneration Committee retains the discretion to determine different treatment upon agreement with the Executive Director.

Termination reason	Separation payments	Vesting and lapse of awards
• Termination by the JSC for cause (e.g. gross misconduct, substantial and repeated failure to perform duties, fraud or conviction of a felony).	• Vested deferred share salary (including dividend equivalents) to termination date and holiday pay, unpaid business expenses and benefits.	• Any unvested awarded deferred share salary and discretionary deferred share compensation as at the date when the Executive Director ceases to be an Executive Director shall lapse.
• Termination by the JSC without cause.	• Six month's deferred share salary plus deferred share salary to termination date and any awarded but unpaid discretionary deferred shares (all awards including dividend equivalents), holiday pay, unpaid business expenses and benefits.	• Any unvested awarded deferred share salary and discretionary deferred share compensation shall vest immediately.
• Termination by the Chief Executive Officer for Good Reason.	• As above for Termination by the JSC without cause.	• As above for Termination by the JSC without cause.
• Termination by the Chief Executive Officer without Good Reason.	• Vested deferred share salary (including dividend equivalents) to termination date and any holiday pay, unpaid business expenses and benefits.	• Any unvested awarded deferred share salary and discretionary deferred share compensation as at the date when the Executive Director ceases to be an Executive Director shall lapse.

In the event of termination for cause, in accordance with the Malus and Clawback section above the Group may also look to clawback vested discretionary deferred shares.

In addition to the vesting and lapse provisions above, in certain other circumstances including if the Executive Director terminates by reason of death, disability, redundancy or retirement, there is a change of control or, at the end of the term of the service agreement, the Executive Director is not offered a new service contract upon substantially similar terms or continued Board membership, unvested awarded deferred share salary and discretionary deferred shares will vest immediately.

The service contracts also permit the Group to put the Executive Director on garden leave for a period of up to four months from the intended date of termination, and during such time the Executive Director will receive a pro-rata portion of deferred share salary. The Executive Director is also subject to non-compete provisions for up to six months after the termination of his/her employment, which might be extended to two years in certain circumstances.

(3) Termination of Non-Executive Directors' appointments
Each Non-Executive Director is required to submit himself or herself for annual re-election at the AGM.

The letters of appointment for Non-Executive Directors provide for a one-month notice period although the Group may terminate the appointment with immediate effect without notice or pay in lieu of notice if the Non-Executive Director has committed any material breach or non-observance of his or her obligations to the Group is guilty of fraud or dishonesty, brings the Group or him/herself into disrepute or is disqualified as acting as a Director, among other circumstances. Upon termination, the only remuneration a Non-Executive Director is entitled to is accrued fees as at the date of termination together with reimbursement of properly incurred expenses incurred prior to the termination date.

Consideration of employment conditions elsewhere in the Group
The Remuneration Committee does not formally consult employees when drawing up Directors' Remuneration Policy but in determining an Executive Director's remuneration, the Remuneration Committee considers:
(i) the pay and employment conditions of senior management including executive management;
(ii) any changes in pay and employment conditions across the Group as a whole;
(iii) whether employees across the Group are personally satisfied with the way they are remunerated; and
(iv) any feedback received during the year from the Human Resources department, executive management and other employees on the executive remuneration structure.

Differences in the remuneration policy for executives relative to the broader employee population
For a London Stock Exchange listed company of our size and depth making a meaningful impact on the Georgian economy, our Executive Directors must have the skills, experience, work ethic and attitude required to successfully execute our strategy, manage evolving public policy demands, meet our objectives and create value for shareholders over the long term. In order to recruit and retain this talent, we assess the value of remuneration against other FTSE companies of similar size and sector listed in the UK.

The principles of remuneration for the Executive Directors and executive management are aligned; remuneration is designed to align remuneration with the performance of the Group and shareholder experience. In particular, the remuneration structure of the highest executive manager is close to that of the Executive Directors' (although among other matters, the vesting pattern may vary and a modest cash salary is included for some).

Further, the majority of compensation delivered to executive management is also in shares or phantom shares; however, most are also entitled to a modest cash salary.

The compensation of employees in the Group, other than Executive Directors and executive management is benchmarked against the Georgian labour market, as this is the most relevant comparator. Our employees are offered competitive remuneration packages, which include benefits and the opportunity to participate in the pension scheme on the same terms as applicable to Executive Directors and executive management. Bonuses are usually paid in cash. The Remuneration Committee are regularly updated by the Human Resources department in respect to pay and conditions of the wider workforce.

Directors' Remuneration Report continued

Non-Executive Directors' remuneration policy

The table below sets out our Policy for the operation of Non-Executive Directors' fees and benefits of Georgia Capital PLC. Each Non-Executive Director also serves as a member of the Supervisory Board of JSC Georgia Capital. The fees for Non-Executive Directors are currently the same as those disclosed in the prospectus of the Group. The Non-Executive Director fees stated below will apply in each year that the Policy operates from the date of approval of the Policy.

Component	Purpose and link to strategy	Operation	Opportunity
Base cash fee	• Attract and retain high-performing Non-Executive Directors with the requisite skills, knowledge, experience, independence and other attributes to add value to the Group.	• Cash payment on a quarterly basis. • The fee for the Chairman will be determined by the Remuneration Committee. Fees for Non-Executive Directors will be determined by the Board. • The amount of remuneration may be reviewed from time to time by the above, which may take into account the time commitment, responsibilities and the technical skills required to make a valuable contribution to the Board, and by reference to comparators, benchmarking, results of the annual review and other guidance. The Board also reserves the right, in their discretion, to amend and vary the fees if there are genuinely unforeseen and exceptional circumstances which necessitate such review and in such circumstances any significant increase shall be the minimum reasonably required. The Board reserves the right to structure the Non-Executive Directors' fee differently in its absolute discretion. • Non-Executive Directors are reimbursed for reasonable business expenses, including travel and accommodation, which are incurred in the course of carrying out duties.	• The maximum aggregate Georgia Capital PLC fees for all Non-Executive Directors which can be paid under Georgia Capital PLC's Articles of Association is GBP 750,000. • A specific maximum has not been set for the individual base cash fee. • The Senior Independent Non-Executive Director receives a higher base fee which reflects the extra time, commitment and responsibility. • The Chairman receives a fee which reflects the extra time commitment and responsibility. However, no Chairman's fee is received when the Chairman and CEO roles are combined. • The fees paid to each Non-Executive Director will be disclosed in the relevant year's Annual Report.
Committee fees	• Compensate for additional time spent discharging Committee duties.	• Cash payment on a quarterly basis. • The amount of remuneration for Committee membership is reviewed as above.	• The Chairman does not receive Committee fees.

The service agreements and letters of appointment are available for inspection at the Company's registered office.

Signed on behalf of the Remuneration Committee and the Board of Directors.

Neil Janin
Chair of the Remuneration Committee
20 March 2025

Nomination Committee Report

Dear Shareholders

I am delighted to present the Nomination Committee's ("the Committee") report for the year ended 31 December 2024. The Committee's focus during the year was on ensuring that following the reduction in the size of the Board, the three Board Committees were properly and effectively constituted and that a replacement designated Non-Executive Director for employee engagement was identified.

The Committee's principal responsibility is to lead the process of appointing Directors to the Board and recruiting into other senior management positions. The Committee is satisfied that the composition of the Board and all Board Committees overall remains appropriate with regard to the successful delivery of the Company's strategic and financial objectives.

The Committee continues to regularly monitor the ongoing combination of the roles of Chairman and CEO and is satisfied that this remains the best structure for the Company for the time being. Mr Gilauri recuses himself from any discussion on this subject. A key consideration of the Committee is ensuring that significant attention is consistently given to succession planning for the roles of Chairman and CEO, as well as for all the other senior management positions throughout the Group.

Last year, the Board carried out an in-depth evaluation, discussed further later in this report, and is satisfied that the size and composition of the Board is appropriate for the Group and that it comprises the right combination of skills, experience and knowledge. The Committee considers that we continue to be able to attract and retain strong leaders across our portfolio companies. Succession planning, aligned to the Group's strategy, is an ongoing priority for the Committee at both Board and senior management level.

More details on the matters above are set out later in this report.

Neil Janin
Chairman of the Nomination Committee
20 March 2025

Neil Janin
Chairman of the Nomination Committee

"Developing and recruiting the talent pipeline for a unique group."

Committee membership	Meeting attendance[1]
Neil Janin (Chairman)	2/2
Massimo Gesua' sive Salvadori	2/2
Irakli Gilauri	2/2

1 The number of meetings of the Committee attended by each member during the year, together with the number of meetings they were entitled to attend.

Nomination Committee Report continued

The role of the Nomination Committee

The role of the Nomination Committee is to ensure that the Board is comprised of individuals best able to discharge the responsibilities of Directors, having regard to the highest standards of governance, the strategic direction of the Company and the Board's Diversity Policy.

The Committee also helps to ensure that the Company appoints excellent executive managers within our portfolio of companies, and who are capable of successfully executing our strategic objectives.

In summary, the key responsibilities of the Nomination Committee include:

- regular review of the composition of the Board and its Committees to ensure they are appropriately constituted and balanced in terms of diversity of gender, social and ethnic backgrounds, cognitive and personal strengths, and balance in terms of skills, experience, independence and knowledge;
- responsibility for identifying and nominating candidates for the approval by the Board to fill Board vacancies as and when they arise;
- giving full consideration to succession planning for Directors, including the Chairman and CEO and other senior management, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future;
- keeping under review the Group's leadership needs, both executive and non-executive, and ensuring plans are in place for senior management succession, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace; and
- making recommendations to the Board concerning the re-election by shareholders of Directors under the annual re-election provisions of the UK Corporate Governance Code ("the Code"), having due regard to their performance and ability to continue to contribute to the Board in light of the knowledge, skills and experience required and their independence, bearing in mind the need for progressive refreshing of the Board.

The Committee regularly reviews its Terms of Reference, and the Committee remains satisfied that these continue to be aligned to the Code and best practice, and appropriate for the Company. The full Terms of Reference of the Committee can be found on our website here: **https://georgiacapital.ge/governance/cgf/terms**.

Composition and meeting attendance

The composition of the Committee and the members' meeting attendance for the year 2024 are set out in the Board and Committee meeting attendance table on page 127, and the skills and experience each member contributes can be found on pages 122 to 123. The Committee is comprised of Massimo Gesua' sive Salvadori, Irakli Gilauri and myself, as Committee Chair. There have been no changes to the composition of the Committee during the last 12 months. From time-to-time members of management may be invited to meetings to provide a fuller picture and deeper level of insight into key issues and developments.

The Committee also reviewed the time commitment of the Non-Executive Directors, and considered any external directorships, length of service as well as independence of character and integrity. Alongside these factors the Committee took into account the Company's strategic direction and the required skills and competencies required of the Board as a whole. The Committee concluded that it was happy to recommend that each Non-Executive Director and the Executive Director be re-elected at the 2025 AGM.

With the continuing service of David Morrison (Chair), Massimo Gesua' sive Salvadori and Maria Chatti-Gautier (see pages 122 to 123 for a description of their experience and reason for appointment), the Committee continues to consider that the financial expertise of the Audit and Valuation Committee's members is recent and relevant.

The tenure for David Morrison and Massimo Gesua' sive Salvadori is seven years as at the date of this report (appointed in February 2018), Maria Chatti-Gautier's tenure is five years (appointed in March 2020) and my tenure is two years (appointed in October 2022). As part of a wider assessment, the Committee noted that David Morrison and I previously held roles as Directors of BGEO Group PLC. The business of Georgia Capital demerged from BGEO Group PLC, into a new group which listed in May 2018. Georgia Capital is a platform for buying, developing and selling businesses in Georgia. Importantly therefore, the nature of the business of Georgia Capital is substantially different to that of BGEO Group PLC at the date of the demerger, which primarily consisted of the regulated bank. I recused myself from the Committee's consideration of this matter but I can report that the Committee concluded that from our previous long careers, Mr Morrison and I have very strong experience, knowledge and authority to demonstrate objective judgement and provide constructive challenge among the Board members for this Company's business as an investment platform. The Committee has also noted the continuing contribution of all Board members in Board meetings and outside the meetings. Taking all the foregoing into consideration, the Committee determines that all Board members are independent in character and judgement.

You can read more on the balance of the Board in the section on "Board size, composition, tenure and independence" on page 124.

Role of the Chairman of the Board

The Committee keeps the current practice of combining the roles of Chairman and CEO and remains satisfied that, notwithstanding this is not compliant with provision 9 of the Code, the continuing combination of the two roles (i.e. the current structure) best serves our Company and recommends that it should continue for the time being. Mr Gilauri did not participate in these discussions. The Committee and the Board will keep the structure under review, and will ensure succession planning is always a key consideration of ongoing reviews. Shareholders have, for the last six years, been extremely supportive of this structure and from our regular discussions with shareholders, we believe this continues to be the case. The basis for this conclusion, and our shareholder engagement on this matter, is set out in the Directors' Governance Statement on page 120.

Inclusion and diversity

Our Board embraces diversity in all its forms and the Board understands the importance of developing a diverse pipeline for succession to senior management and the Board.

The Committee and the Board recognise the role that diversity plays in promoting balanced decision-making, which aligns with our values and strategy. Diversity of skills, background, experience, knowledge, outlook, approach, gender, nationality and ethnicity, amongst other factors, are taken into consideration when seeking to appoint a new director to the Board. Above all, any Board appointment will always be based on merit.

Equally, we are clear that diversity of outlook and approach, while inevitably difficult to measure, is a key determinant in maintaining an effective Board. We are supportive of the ambition shown in recent reviews on diversity, including the Parker Review regarding ethnic diversity, and the Board is aligned with recommendations for ethnic minorities on UK boards, with the inclusion of Board members Maria Chatti-Gautier, of Syrian (Middle Eastern) heritage and Irakli Gilauri, an ethnic Georgian. The Committees and individual members of the Board wish to note that, given that the Board also consists of Massimo Gesua' sive Salvadori, who is Jewish and Italian, David Morrison, a US National, and Neil Janin, a Canadian, the Board's diversity extends substantially beyond ethnicity alone.

It is recognised that ethnic heritage draws upon a number of factors in tandem, and that the Group is primarily based in Georgia, where the Georgian majority ethnic group may not always fit neatly into UK-centric diversity metrics. Georgian (Kartuli) is the only prominent language of the Kartvelian language family, and has its own script, and the majority religion in Georgia is the Orthodox Church of Georgia. Georgia sits geographically and culturally at the intersection of Europe, Asia and the Middle East, and Georgians tend to identify themselves as a distinct indigenous group of the Caucasus.

Diversity is a core feature of the Committee's work and as such, is an integral part of the Board recruitment process as described in more detail elsewhere in this report, and is part of the search specification agreed with external agents.

We remain committed to having a Board that is diverse in all respects and the Committee will continue to examine ways in which we can build on its current diversity. We support the FTSE Women Leaders Review regarding gender diversity, and the Committee is working to improve the gender balance of those in senior management positions and their direct reports, as described in the Resources and Responsibilities section on page 76 and in the Sustainability Report.

Georgia Capital recognises that it does not currently satisfy the UKLR 22.2 target, given that less than 40% of the individuals on our Board are women and no woman occupies the position of Chair, SID or CEO.

Over the last few years, we have made a concerted effort to reduce the number of non-executive directors on our Board and have succeeded in meaningfully reducing the cost of the Board without compromising on its quality. Given these recent changes, we believe it to be in our shareholders' best interests to proceed on further Board changes with caution. We strongly believe that diversity targets are not just an end goal, but a continuous journey. Our long-term ambition is to increase diversity on our Board, in all its forms, to ensure a wider representation of both gender and the society in which we operate. With David Morrison's and Massimo Gesua' sive Salvadori's tenures as Independent Non-Executive Directors expiring in two years, the Committee will continue to ensure that diversity is always considered when drawing up candidate shortlists, with the aim of increasing the representation of women on the Board, and in senior Board positions, and achieving the targets under the UK Listing Rules.

On 31 December 2024, Georgia Capital, as an investment holding company, had a total of 45 employees, of which 25 are female, and 20 are male. You can view our detailed gender diversity statistics on page 76 in the Resources and Responsibilities section and in the Sustainability Report.

Our gender identity and ethnicity data in accordance with UKLR 22.2 at 31 December 2024 was as follows. The data was collected through self-reporting by the Directors and management:

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	4	80%	3	6	66.66%
Women	1	20%	–	3	33.33%
Non-binary	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

Notes:

- The CFO is a member of the management team but not a member of the Board.
- The role of the Chair and CEO is combined.

Nomination Committee Report continued

Table for reporting on ethnic background:

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	3	60%	1	–	–
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	–	–	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	2	40%	1	9	100%
Not specified/prefer not to say	–	–	–	–	–

The Committee is responsible for maintaining and assessing the effectiveness of the Company's Diversity Policy and reviews this on an ongoing basis. You can read more about the established diverse culture and related activities during 2024 in the Resources and Responsibilities section on pages 76 to 92 and in the Sustainability Report.

Succession planning and talent development
Succession planning at both the Board and senior management levels remained a key areas of focus for the Committee during the year. We have previously reported on the creation of opportunities to develop high-performing individuals and to build diversity in senior roles across the business. We continue to build on this initiative and have developed a talented pool of employees within Georgia Capital that we believe is the best way to ensure a healthy and diverse pipeline of future leaders of the Company in line with the Group's strategy.

In addition, the Company pursues initiatives aimed at developing the entrepreneurial business leaders that Georgia Capital will require as it grows.

Training and Director induction
We are committed to the continuing development of our Directors in order that they may build on their expertise and maintain a detailed understanding of the business and the markets in which our investments operate. All of our Directors participated in development sessions and presentations. The Group Corporate Secretary provided briefings as appropriate on regulatory and governance developments, including on changes in the UK Listing Rules and on stakeholder views on diversity.

Each Director, upon appointment, receives a tailored induction to the Company and its various investments over the first six months of appointment, with the purpose of:
- building an understanding of the nature of the Company, its business and its markets;
- building a link with the Company's people;
- building an understanding of the Company's main relationships; and
- understanding the obligations and responsibilities of a Director of a UK main market-listed company.

As part of the induction programme, each Director meets members of executive management and receives information about the role of the Board and individual Directors, each Board Committee and the powers delegated to these Committees. The new Director is also advised of the legal and other duties and obligations of a Director of a listed company.

Board and Committee evaluation
In 2023, the Company engaged Amandla to conduct an in-depth evaluation of Georgia Capital's Board comprising a multi-faceted approach. A further Board evaluation is planned during 2026. Last year's evaluation included online interviews with the entire Board, feedback reports, individual assessments for each Board member, in-person group coaching and observation of Board meetings. Amandla considers that the Board is functioning adeptly in terms of governance, supervision and oversight. Amandla observed that the Board is intrinsically tied to the commitment and longevity of its members, reflecting a profound dedication to the Company's mission. With the transformation into a more streamlined Board, Amandla reported the focus on maintenance of a rich diversity of experiences, a profound respect among members, and a commitment to progressive, assertive debate. Amandla concluded that the Board is currently operating effectively. Its potential could be maximised by affording Board members an uninterrupted period of collaboration and avoiding a revolving door of further changes. The Board's members respect one another and are keen to steer the necessary transformations essential for creating value in a challenging region.

The Chairmanship was described as commendable, and Amandla commented that last year's reduction in Board size augured well for agile decision-making. The Board reflects diverse thoughts and experiences in line with industry standards. In terms of oversight, Amandla stated that the Board is fit for purpose. Amandla had previously worked with the Chairman and other senior executives within Georgia Capital. The assessment included a series of qualitative diagnostic interviews designed to ascertain from each of the Board members several different components:
1. The individual strengths of each member.
2. The areas which other Board members felt there could be a greater contribution.
3. The dynamics in the team that allowed for healthy challenge and debate.
4. The areas that might need attention.

Given his role as Chairman and CEO, Irakli Gilauri's performance was also reviewed by the Remuneration Committee and the Senior Independent Director. In addition, the full Board considers the Remuneration Committee's recommendations.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the financial statements in accordance with the applicable UK-adopted international accounting standards.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period.

In preparing the financial statements, the Directors are required to:
- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We confirm that to the best of our knowledge:
- the Company financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and loss of the Company; and
- the Annual Report, including the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

We consider the Annual Report and Accounts, taken as a whole, to be fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

By order of the Board

Irakli Gilauri
Chairman and CEO
20 March 2025

Directors' Report

The Directors present their Annual Report and the audited financial statements for the year ended 31 December 2024.

Please refer to the Corporate Governance Statement for further information on how we applied the UK Corporate Governance Code.

Strategic Report
The Strategic Report on pages 4 to 117 was approved by the Board of Directors on 20 March 2025 and signed on its behalf by Irakli Gilauri, Chairman and Chief Executive Officer.

Management Report
This Directors' Report together with the Strategic Report on pages 4 to 117 form the Management Report for the basis of DTR 4.1.8 R.

Directors
The names and biographies of the current Directors of the Company are shown on pages 122 to 123 and include their relevant experience. In accordance with the UK Corporate Governance Code, all Directors will retire and stand for re-election at the AGM.

The Directors' beneficial interests in ordinary shares of Georgia Capital as at 31 December 2024 are shown on page 154 together with any changes in those interests between the financial year end and the date on which this Directors' Report was approved by the Board.

Powers of Directors
The Directors may exercise all powers of the Company subject to applicable legislation and regulations and Georgia Capital's Articles of Association.

Information contained elsewhere in the Annual Report
Information required to be included in this Directors' Report can be found elsewhere in the Annual Report as indicated in the table below and is incorporated into this report by reference:

Information	Location in Annual Report
Future developments	Pages 4-117
Going Concern Statement	Page 63
Viability Statement	Pages 63-64
Risk management	Pages 60-64
Principal risks and uncertainties	Pages 65-74
Directors' Governance Statement	Pages 120-121
The Board of Directors	Pages 122-123
Audit and Valuation Committee report	Pages 134-141
Remuneration Committee report	Pages 142-168
Summary of Remuneration Policy	Page 158
Nomination Committee report	Pages 169-172
Related party disclosures	Page 224
Greenhouse gas emissions	Page 83
Employee matters	Pages 79-81
Environmental matters	Pages 81-84
Share capital	Page 211
Engagement with suppliers, customers and others in a business relationship with the Company	Page 128
Information on the Group's financial risk management objectives and policies, and its exposure to credit risk, foreign currency risk and financial instruments	Pages 213-216
Research and development	As an investment holding company, GCAP does not engage in research and development activities comparable with, for example, manufacturing companies. Instead, research and development activities are carried out separately by each of our portfolio companies. This sub-report is therefore omitted.

Articles of Association
Georgia Capital PLC's (the "Company") Articles of Association may only be amended by a special resolution at a general meeting of the shareholders. The process for the appointment and removal of Directors is included in the Company's Articles of Association. Georgia Capital PLC's Articles of Association are available on the Company's website: **https://georgiacapital.ge/governance/cgf/articles**.

Share capital and rights attaching to the shares
Details of the movements in share capital during the year are provided in Note 8 to the financial statements on page 211 of this Annual Report. As at the last practicable date of 14 March 2025, there was a single class of 37,980,419 ordinary shares of 1 pence each in issue, each with one vote. The rights and obligations attaching to the Company's ordinary shares are set out in its Articles of Association. Holders of ordinary shares are entitled, subject to any applicable law and the Company's Articles of Association, to:

- have shareholder documents made available to them including notice of any general meetings;
- attend, speak and exercise voting rights at general meetings, either in person or by proxy; and
- participate in any distribution of income or capital.

The Company is permitted to make market purchases of its own shares provided it is duly authorised by its members in a general meeting and subject to and in accordance with section 701 of the Companies Act 2006.

Authority was given at the AGM of the Company on 20 May 2024 for the Company to purchase up to 6,396,832 shares (approximately 14.99% of Georgia Capital's issued ordinary share capital excluding treasury shares as at 21 March 2024) on-market. This authority will expire at the conclusion of the Company's AGM in 2025 or, if earlier, the close of business on 20 June 2025.

A renewal of the authority to make market purchases will be sought from shareholders at each AGM of the Company. Purchases of ordinary shares will be made within guidelines established from time to time by the Board. Any purchase of ordinary shares would be made only out of the available cash resources of the Company. Ordinary shares purchased by the Company may be held in treasury or cancelled.

Authority was given at the AGM of the Company on 20 May 2024 for the Company to purchase up to 14,935,899 shares (approximately one-third of Georgia Capital's issued ordinary share capital excluding treasury shares as at 21 March 2024) off-market. This authority will expire at the conclusion of the Company's AGM in 2025 or, if earlier, the close of business on 20 June 2025.

A renewal of the authority to make off-market purchases may be sought from shareholders at future AGMs of the Company. Purchases of ordinary shares will be made within guidelines established from time to time by the Board. Any purchase of ordinary shares would be made only out of the available cash resources of the Company. Ordinary shares purchased by the Company may be held in treasury or cancelled.

At the AGM of the Company on 20 May 2024, the Directors were given the power a) to allot shares up to a maximum nominal amount of GBP 142,246.66 (representing 14,224,666 ordinary shares, approximately one-third of the Company's issued share capital as at 21 March 2024), and b) to allot equity securities up to a further aggregate nominal amount of GBP 142,246.66 in connection with an offer by way of a rights issue: (i) to holders of shares in proportion (as nearly as may be practicable) to their existing holdings; and (ii) to holders of other equity securities as required by the rights of those securities or, if the Board consider it necessary, as permitted by the rights of those securities, such amount to be reduced by the aggregate nominal amount of shares allotted or rights to subscribe for or to convert any securities into shares granted under paragraph (a), and subject to the Board having the right to make such exclusions or other arrangements as they may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory. These authorities will expire at the conclusion of the 2025 AGM (or, if earlier, at the close of business on 20 August 2025) and approval will be sought at that meeting to renew a similar authority for a further year.

The Directors did not allot any shares during 2024.

Under the US$ 15 million share buyback and cancellation programme announced in October 2023, the Company purchased 0.5 million shares, corresponding to US$ 6.7 million, during the first quarter of 2024. In May 2024, GCAP launched a US$ 25 million share buyback and cancellation programme, which was subsequently increased by an additional US$ 15 million in August 2024. In December 2024, the Company launched another US$ 25 million share buyback and cancellation programme. Under the above programmes in total, the Company repurchased 3.7 million of its own shares during the financial year ended 31 December 2024, representing a nominal value of US$ 48.1 million and an aggregate consideration paid by Georgia Capital PLC of GBP 37.3 million on the UK trading market. The shares cancelled represent 9.2% of the shares in issue and 9.3% of the shares in issue, excluding treasury shares.

The purpose of both buyback programmes was to reduce Georgia Capital PLC's number of outstanding ordinary shares.

None of the ordinary shares carry any special rights with regard to control of Georgia Capital. There are no restrictions on transfers of shares other than:

- certain restrictions, which may from time to time be imposed by laws or regulations such as those relating to insider dealing or pursuant to the Group's Inside Information Disclosure Policy;
- pursuant to the Company's Securities Dealing Policy and Code, whereby the Directors and designated employees require approval to deal in Georgia Capital's shares or cannot deal in certain periods; and
- where a person with an interest in the Company's shares has been served with a disclosure notice and has failed to provide the Company with information concerning interests in those shares.

Directors' Report continued

There are no restrictions on exercising voting rights save in situations where Georgia Capital is legally entitled to impose such restriction (for example, under the Articles of Association where amounts remain unpaid in the shares after request, or the holder is otherwise in default of an obligation to Georgia Capital). Georgia Capital is not aware of any arrangements between shareholders that may result in restrictions on the transfer of securities or voting rights.

Results and dividends
The Company made a profit before taxation of GEL 362.3 million. The Company's profit after taxation for the year was GEL 362.3 million.

The Company may by ordinary resolution declare dividends provided that no such dividend shall exceed the amount recommended by the Company's Directors. The Directors may also pay such interim dividends as appear to be justified by the profits of the Company available for distribution.

As the Company is a holding company, Georgia Capital relies primarily on dividends and other statutorily (if any) and contractually permissible payments from its subsidiaries to generate the funds necessary to meet its obligations and pay dividends to its shareholders.

The Company expects to be a cash-generative business with the opportunity for attractive capital investment to enhance its growth prospects, both through organic investments and acquisitions. The Board intends to pursue a capital returns policy that reflects this strategy whilst also delivering shareholders high-quality, long-term dividend growth, through share buybacks or other potential exits. However, the Board may periodically reassess the Company's dividend policy and the payment of dividends (or quantum of the same) will depend on the Group's existing and future financial condition, results of operations, capital requirements, investment and divestment cycles, liquidity needs and other matters the Board considers relevant from time to time.

AGM
The arrangements for the Company's next AGM and details of the resolutions to be proposed, together with explanatory notes will, be set out in the Notice of AGM to be published on the Company's website: **https://georgiacapital.ge/**.

Equity Settled Option Plan (ESOP)
The Company operates an EBT (the "ESOP"), which holds ordinary shares in trust for the benefit of employees and former employees of the Group, and their dependents, and which is used in conjunction with the Group's employee share schemes. Whilst ordinary shares are held in the EBT, the voting rights in respect of these ordinary shares are exercised by the trustees of the EBT.

In accordance with the ESOP documentation, Apex Group Fiduciary Services Limited has waived its right to receive any dividends. This waiver will remain in place indefinitely, unless otherwise instructed by Georgia Capital. New shares issued in satisfaction of deferred share compensation from the time of the Company's listing on the LSE will not exceed 10% of the Company's ordinary share capital over any ten-year period.

Conflicts of interest
In accordance with the Companies Act 2006, the Directors have adopted a policy and procedure for disclosure and authorisation (if appropriate) of conflicts of interest, and these have been followed during 2024. The Company's Articles of Association also contain provisions to allow the Directors to authorise potential conflicts of interest so that a Director is not in breach of his or her duty under company law.

Directors' remuneration
Directors' fees are determined by the Remuneration Committee from time to time. The remuneration of Directors must be in accordance with the Directors' Remuneration Policy. The Remuneration Policy was put to the shareholders for approval at the 2024 AGM and remuneration is determined in accordance with that Policy.

The fees paid to the Non-Executive Directors in 2024 pursuant to their letters of appointment are shown on page 154. The fees paid to our sole Executive Director in 2024 pursuant to his service agreements with Georgia Capital are shown on pages 145 to 146.

Indemnity
Subject to applicable legislation, every current and former Director or other officer of the Company (other than any person engaged by the Company as auditor) shall be indemnified by the Company against (broadly) any liability in relation to the Company, other than (broadly) any liability to the Company or a member of the Company, or any criminal or regulatory fine. In addition, the Company has put in place Directors' and Officers' liability insurance. Such indemnities were in force throughout the financial period and will remain in force as at the date of this Annual Report.

Related party disclosures
Details of related party disclosures are set out in Note 14 to the financial statements on page 224 of this Annual Report.

Significant agreements
The Company is not party to any significant agreements that take effect, alter or terminate upon a change of control of the Company. The Company is not aware of any agreements between holders of its ordinary shares that may result in restrictions on the transfer of its ordinary shares or on voting rights.

Presence outside Georgia
The Company has a registered office in the United Kingdom: see page 228.

Employee disclosures
Our disclosures relating to the number of women in senior management, employee engagement and our policies on human rights, including employees with a disability, are included in the section "Employee matters" on pages 79 to 81.

Political donations
The Company did not make any political donations or expenditure during 2024. Authority to make political donations and incur political expenditure will be put to shareholder vote at the 2025 AGM.

Code of Conduct and Ethics
The Board has adopted a Code of Conduct and Ethics relating to the lawful and ethical conduct of the business, supported by the Company's core values. The Code of Conduct and Ethics has been communicated to all Directors and employees, all of whom are expected to observe high standards of integrity and fair dealing in relation to customers, staff and regulators in the communities in which the Company operates. Our Code of Conduct and Ethics is available on our website: **https://georgiacapital.ge/governance/cgf/policies**.

Independent auditors
A resolution to re-appoint PricewaterhouseCoopers LLP as auditors of Georgia Capital will be put to shareholders at the upcoming AGM.

Major interests in shares
The table below lists shareholders with voting rights of more than 3% as of 31 December 2024.

Shareholder	Number of voting rights	% of voting rights
JSC Georgia Capital Executive Equity Compensation Trust	4,002,519	10.13%
Allan Gray Proprietary Ltd	3,237,056	8.19%
Gemsstock Ltd[1]	3,195,075	8.08%
Lazard Asset Management LLC	2,825,749	7.15%
Eaton Vance Management	1,925,244	4.87%
Coeli Frontier Markets AB	1,875,345	4.75%
Irakli Gilauri	1,848,104	4.68%
Firebird Management LLC	1,190,178	3.01%

For the period 1 January 2025 up to and including 14 March 2025 (the latest practicable date for inclusion in this report), the Company has received the following notifications pursuant to Rule 5 of the DTRs:

- Allan Gray Proprietary Ltd held a total of 3,087,487 ordinary shares in the Company, representing approximately 7.99% of the Georgia Capital's issued ordinary share capital.
- The JSC Georgia Capital Executive Equity Compensation Trust holds 3,315,734 number of voting rights, representing 8.66% of the Company's issued ordinary share capital. Additionally, the Company had received notification, that Mr Irakli Gilauri directly held a total of 2,131,709 ordinary shares in the Company, representing approximately 5.60% of Georgia Capital's issued ordinary share capital.

It should be noted that these holdings are likely to have changed since the Company was notified. However, notification of any change is not required until the next notifiable threshold is crossed. The respective regulatory filings by shareholders are available on the Company's website and the LSE website.

Post-balance sheet events
Please see Note 15 to the financial statements, for any post-balance sheet activities.

1 Omits holdings through certain financial instruments.

Statement of disclosure of information to the auditor
We, the Directors confirm that, so far as we are aware, there is no relevant audit information of which the Company's auditors are unaware and we have taken all steps that we reasonably believe should be taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the Company's statutory auditors are aware of such information.

The Directors' Report on pages 174 to 177 was approved by the Board of Directors on 20 March 2025 and signed on its behalf by:

Michael Oliver
Company Secretary
20 March 2025

Financial Statements

In this section

Location: Kolkheti National Park, Georgia
Image Source: **https://nationalparks.ge/**

Independent Auditors' Report
to the members of Georgia Capital PLC

Report on the audit of the financial statements
Opinion
In our opinion, Georgia Capital PLC's financial statements:
- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: Statement of Financial Position as at 31 December 2024; the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit and Valuation Committee.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 9 – Auditors' remuneration, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach
Context

Georgia Capital PLC is a company listed on the London Stock Exchange which invests in and develops businesses within Georgia. It holds 100% of the share capital of JSC Georgia Capital. Its primary operations are in Georgia. In planning for our audit, we met with the Audit and Valuation Committee and members of management to discuss and understand significant changes to the business during the year, and to understand their perspectives on associated business risks. We used this insight when forming our views regarding the business, as part of developing our audit plan and when scoping and performing our audit procedures.

Overview
Audit scope
- The Annual Report and financial statements are prepared as an investment entity under IFRS 10. We have audited 100% of the investment portfolio held by Georgia Capital PLC through JSC Georgia Capital and Georgia Beverage Holding Limited. This represents 96% of the equity investments at fair value balance.
- We instructed PwC Georgia to perform audit procedures on inputs to the valuation models of the investment portfolio. We performed audit procedures over the assumptions and methodologies applied in developing the valuation of the investment portfolio.
- We instructed PwC Georgia to perform audit procedures over valuation model inputs and other balances pertaining to the equity investments at fair value balance.

Key audit matters
- Valuation of equity investments at fair value.

Materiality
- Overall materiality: 36,090,130 (2023: 33,785,000) based on 1% of net assets.
- Performance materiality: 27,067,598 (2023: 25,338,000).

The scope of our audit
As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters
Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit. The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Valuation of equity investments at fair value The equity investments at fair value balance presented in the Statement of Financial Position is the Company's investment in its subsidiaries, predominantly comprised of the fair value of the investment portfolio. The investment portfolio includes unquoted investments. The accounting policy for this balance is included in note 3 to the financial statements. The breakdown of the balance is disclosed in note 5 to the financial statements. In valuing the investment portfolio, key assumptions include discount rates, future growth projections, control premia, illiquidity discounts and the application of weighted averages to different valuation approaches. The inputs in the earnings multiples models include observable data, such as the earnings multiples of comparable companies to the relevant investment, and unobservable data, such as forecast earnings for the investments. In discounted cash flow models, unobservable inputs are the projected cash flows of the relevant investments and the discount rates applied. The valuation of equity investments at fair value was identified as a key audit matter given the valuation is inherently subjective due to, among other factors, the individual nature of each investment and the expected future cash flows. The significance of the estimates and judgements involved, coupled with the fact that only a small percentage difference in individual investment valuations, when aggregated, could result in a material misstatement, warranted specific audit focus in this area.	We obtained an understanding of management's processes and controls for determining the fair value of equity investments, including understanding management's interactions with Kroll as management's external experts. We performed the following procedures over the valuation of equity investments at fair value as at 31 December 2024: • We assessed the competence and capabilities of management's expertise and verified their qualifications. • We also assessed their objectivity and independence by discussing the scope of their work and reviewing the terms of their engagement for unusual terms or fee arrangements. Based on this work, we are satisfied that Kroll were independent and competent, and the scope of their work was appropriate. • In conjunction with our auditor's valuation experts, the engagement team held discussions with management and Kroll to challenge their assumptions and validate inputs used; • Validated the appropriateness of the fair valuation policies to assess whether they are in accordance with applicable accounting requirements; • Tested the classification of Level 3 investments to assess whether they were classified appropriately; • Reviewed valuation methodologies to confirm they are in line with Georgia Capital Valuation Policies and applicable accounting requirements; • Recalculated the valuation models from their Excel formula to assess mathematical accuracy; • Supported by the PwC Georgia team, assessed the appropriateness of any unobservable inputs or significant estimates used in valuations, including benchmarking against publicly available information where available, and obtained corroborative evidence; and • Validated ownership and other interests held through regulatory data, sale and purchase agreements or other third party reports. In addition, given the inherent subjectivity involved in the valuation of the investments, and therefore the need for specialised market knowledge to determine the most appropriate assumptions and the technicalities of the valuation methodology, we engaged our internal valuation experts to assist us in our audit of this area. The experts performed the following procedures on a sample of investments: • Obtained and read the valuation report drafted by Kroll for each asset in the sample; • Discussed with Kroll and management their rationale for the valuations; • Reviewed and assessed the reasonableness of the valuation approaches and methodologies for compliance with the relevant industry best practice and applicable accounting requirements; • Reviewed certain key inputs and assumptions, including discount rates, future growth projections, control premia, illiquidity discounts and the applicable of weighted averages as at 31 December 2024; and • Reported their findings to the audit team for overall considerations and conclusions. We considered the appropriateness and adequacy of the disclosures around the estimation uncertainty and sensitivities on the accounting estimates. Our testing did not identify any evidence of material misstatement.

How we tailored the audit scope
We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

Independent Auditors' Report continued

Georgia Capital PLC is an investment entity as defined by IFRS 10. It recognises its 100% holding in JSC Georgia Capital and its 92.35% holding in Georgia Beverage Holding Limited under the Equity investments at fair value account. 96% of the balance is comprised of equity investments held at fair value through JSC Georgia Capital and Georgia Beverage Holding Limited. The audit work over this balance was performed by the UK and Georgia engagement teams in conjunction with PwC UK valuation experts.

The Senior Statutory Auditor is based in the UK, along with the PwC UK engagement team. As the Company's management and operations are located in Georgia, the PwC UK engagement team have instructed the PwC Georgia engagement team for JSC Georgia Capital to report to PwC UK on special purpose financial information as it pertains to the equity investments at fair value balance.

The PwC Georgia engagement team have carried out audit procedures over certain balances included within equity investments at fair value along with testing of inputs into the investment valuation models. The PwC UK engagement team, together with the PwC UK valuations experts, performed audit procedures over the judgemental assumptions and methodologies employed in determining a fair value.

The PwC UK engagement team held regular calls with the PwC Georgia engagement team to understand the audit approach, findings from the results of audit procedures and any issues arising from our work. The PwC UK engagement team performed a remote review of working papers through use of our audit software and were responsible for the direction, review and oversight of the audit process.

The impact of climate risk on our audit

In planning and executing our audit, we have considered the potential impacts of climate change on the Company's business and its financial statements, based on our knowledge of the Company's operations and its strategy in relation to climate change.

In 2024, the Company has continued to develop its assessment of the potential impacts of climate change as outlined in the TCFD report. As part of our audit, we have obtained management's and the Audit and Valuation Committee's climate-related risk assessment to understand the process of identifying climate-related risks, the determination of mitigating actions and the impact on the Company's financial statements.

We have performed our own qualitative risk assessment of the potential impact of climate change on the Company's key account balances and classes of transactions, namely the assumptions embedded in discounted cash flows models for growth rates, operating expenses and capital expenditure, and have not identified any additional risks of material misstatement.

We also considered the consistency of the disclosures in relation to climate change in the financial statements with the disclosures in the Task Force on Climate-related Financial Disclosures (TCFD) section and more broadly within the Responsibility section of the Strategic Report.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall company materiality	36,090,130 (2023: 33,785,000).
How we determined it	1% of net assets
Rationale for benchmark applied	Based on the benchmarks used in the Annual Report, net assets is the primary measure used by shareholders in assessing the performance of the Company and is a generally accepted auditing benchmark.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 75%) of overall materiality, amounting to 27,067,598 (2023: 25,338,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit and Valuation Committee that we would report to them misstatements identified during our audit above 1,804,510 (2023: 1,689,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing management's going concern assessment memorandum which included a base case cash flow and severe but plausible scenario analysis covering the period to 31 March 2026.
- Holding discussions with the CFO, Head of Finance and AVC to understand economic developments in Georgia in the face of ongoing global instability and performing independent research on expected economic impacts of such scenarios along with predicted future performance of the Georgian economy.
- Assessing the liquidity of the portfolio and the Company's ability to realise any holdings if needed.
- Understanding and assessing the appropriateness of the key assumptions used in the cash flow forecasts, including assessing whether we considered the downside sensitivities to be appropriately severe, the availability of committed finance and covenant compliance during the forecast period.
- Corroborating key assumptions in the cash flow forecasts to other evidence including external research and historical performance, and ensuring this was consistent with our audit work in these and other areas.
- Reviewing the disclosures in the financial statements relating to the going concern basis of preparation, and evaluating that these provided an explanation of the Directors' assessment that was consistent with the audit evidence we obtained;
- Reviewing Board meeting minutes, and met with members of the Audit and Valuation Committee and those charged with governance to understand their view on the future of the Company and its ability to continue as a going concern; and
- Performing a stand back procedure in line with ISA 570 (Revised) to consider all of the evidence obtained, whether corroborative or contradictory, and drawing conclusions on going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Independent Auditors' Report continued

Directors' Remuneration
In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement
The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:
- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the company and its environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:
- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit and Valuation Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit
Responsibilities of the directors for the financial statements
As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non- compliance with laws and regulations related to breaches of the UK regulatory principles, such as the Listing Rules, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to potential management bias in accounting estimates, in particular in relation to the valuation of equity investments at fair value and posting inappropriate journal entries. Audit procedures performed by the engagement team included:
- Discussions with management, and review of relevant meeting minutes (including those of the Board of Directors and the Audit and Valuation Committee), including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- Challenging assumptions made by management in their significant accounting estimates, in particular in relation to the valuation of equity investments at fair value; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditors' report.

Use of this report
This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting
Companies Act 2006 exception reporting
Under the Companies Act 2006 we are required to report to you if, in our opinion:
- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment
Following the recommendation of the Audit and Valuation Committee, we were appointed by the members on 2 May 2022 to audit the financial statements for the year ended 31 December 2022 and subsequent financial periods. The period of total uninterrupted engagement is three years, covering the years ended 31 December 2022 to 31 December 2024.

Other matter
The company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R – 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

Allan McGrath (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 March 2025

Statement of Financial Position
As at 31 December 2024 (Thousands of Georgian Lari)

	Note	31 December 2024	31 December 2023
Assets			
Cash and cash equivalents*		**3,521**	12,319
Investment in redeemable securities		**–**	3,517
Prepayments		**1,396**	976
Equity investments at fair value	6	**3,606,400**	3,363,411
Total assets		**3,611,317**	3,380,223
Liabilities			
Other liabilities		**2,304**	1,711
Total liabilities		**2,304**	1,711
Equity			
Share capital	8	**1,300**	1,420
Additional paid-in capital and merger reserve		**238,311**	238,311
Treasury shares		**(2)**	(2)
Retained earnings		**3,369,404**	3,138,783
Total equity		**3,609,013**	3,378,512
Total liabilities and equity		**3,611,317**	3,380,223

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

The financial statements on page 186 to 189 were approved by the Board of Directors on 20 March 2025 and signed on its behalf by:

Irakli Gilauri
Chief Executive Officer

Georgia Capital PLC
Registered No. 10852406

The accompanying notes on pages 190 to 224 are an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2024 (Thousands of Georgian Lari)

	Note	2024	2023
Gains on investments at fair value	6	**242,989**	568,351
Dividend income	6	**125,109**	47,659
Gross investment profit		**368,098**	**616,010**
General and Administrative expenses	9	**(3,958)**	(4,476)
Salaries and other employee benefits	9	**(1,791)**	(2,087)
Profit before foreign exchange and non-recurring items		**362,349**	**609,447**
Net foreign currency gain/(loss)		**37**	(955)
Net (losses)/gains from investment securities measured at FVPL		**(112)**	125
Profit before income taxes		**362,274**	**608,617**
Income tax	7	**–**	–
Profit for the year		**362,274**	**608,617**
Other comprehensive income		**–**	–
Total comprehensive income for the year		**362,274**	**608,617**
Earnings per share (GEL):	8		
– basic		**9.7017**	15.4102
– diluted		**9.2987**	14.9311

The accompanying notes on pages 190 to 224 are an integral part of these financial statements.

Statement of Changes in Equity
For the year ended 31 December 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**
Profit for the year	**–**	**–**	**–**	**362,274**	**362,274**
Total comprehensive income for the year	**–**	**–**	**–**	**362,274**	**362,274**
Increase in equity arising from share-based payments (Note 10)	**–**	**–**	**–**	**457**	**457**
Cancellation of shares (Note 8)	**(120)**	**–**	**120**	**–**	**–**
Purchase of treasury shares (Note 8)	**–**	**–**	**(120)**	**(132,110)**	**(132,230)**
31 December 2024	**1,300**	**238,311**	**(2)**	**3,369,404**	**3,609,013**

	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 year	–	–	–	608,617	608,617
Total comprehensive income for the year	–	–	–	608,617	608,617
Increase in equity arising from share-based payments (Note 10)	–	–	–	541	541
Cancellation of shares (Note 8)	(53)	–	53	–	–
Purchase of treasury shares (Note 8)	–	–	(55)	(47,982)	(48,037)
31 December 2023	1,420	238,311	(2)	3,138,783	3,378,512

The accompanying notes on pages 190 to 224 are an integral part of these financial statements.

Statement of Cash Flows
For the year ended 31 December 2024 (Thousands of Georgian Lari)

	Note	2024	2023
Cash flows from operating activities			
Salaries and other employee benefits paid		**(1,334)**	(1,546)
General, administrative and operating expenses paid		**(5,066)**	(4,685)
Net cash flows used in operating activities before income tax		**(6,400)**	(6,231)
Income tax paid		**–**	–
Net cash flow used in operating activities		**(6,400)**	(6,231)
Cash flows from investing activities			
Purchase of redeemable securities		**–**	(3,382)
Proceeds from redemption of redeemable securities		**3,379**	–
Dividends received	6	**125,109**	47,659
Cash flows from investing activities		**128,488**	44,277
Cash flows from financing activities			
Other purchases of treasury shares	8	**(130,821)**	(47,834)
Acquisition of treasury shares under share-based payment plan	8	**(304)**	(203)
Net cash used in financing activities		**(131,125)**	(48,037)
Effect of exchange rates changes on cash and cash equivalents		**239**	(1,051)
Net decrease in cash and cash equivalents		**(8,798)**	(11,042)
Cash and cash equivalents, beginning of the year		**12,319**	23,361
Cash and cash equivalents, end of the year		**3,521**	12,319

The accompanying notes on pages 190 to 224 are an integral part of these financial statements.

Notes to Financial Statements
Georgia Capital PLC (Thousands of Georgian Lari)

1. Principal Activities
Georgia Capital PLC ('Georgia Capital', 'GCAP' or the 'Company') is a public limited liability company incorporated and domiciled in United Kingdom with registered number 10852406. Georgia Capital PLC holds 100% of the share capital of the JSC Georgia Capital ('JSC GCAP') and 92.4% of the share capital of Georgian Beverages Holding Limited ('GBH Limited'), which together form 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 19.2% (2023: 19.7%) equity stake in LSE premium-listed Lion Finance Group PLC ('Lion Finance Group', formerly Bank of Georgia Group PLC or '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 and Wales, United Kingdom.

As at 31 December 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	31 December 2024	31 December 2023
Gemsstock Ltd**	**8%**	11%
Allan Gray Ltd	**8%**	7%
Lazard Asset Management LLC	**7%**	6%
Others	**77%**	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.

** Omits holdings through certain financial instruments.

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 financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

These financial statements are prepared under the historical cost convention except for equity investments held at fair value through profit or loss (FVPL).

The financial statements are presented in thousands of Georgian Lari ('GEL'), except per-share amounts and unless otherwise indicated.

Investment entity status
On 31 December 2019 Georgia Capital concluded that it met the definition of investment entity as defined in IFRS 10 Consolidated Financial Statements. As per IFRS 10 an investment entity is an entity that:
a) obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
b) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

As of 31 December 2024, the Company continues to meet the definition of investment entity. Further details on the investment entity status and the underlying significant judgements are provided in notes 3, 4, 6 and 12 respectively.

2. Basis of Preparation continued
Going concern
The Board of Directors of Georgia Capital has made an assessment of the Company's ability to continue as a going concern and is satisfied that it has the resources to continue in business for a period of at least 12 months from the date of approval of the financial statements, i.e. the period ending 31 March 2026. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern for the foreseeable future. Therefore, the financial statements continue to be prepared on a going concern basis.

The Directors have made an assessment of the appropriateness of the going concern basis of preparation and reviewed Georgia Capital's liquidity outlook for the period ending 31 March 2026.

The main source of cash inflow for GCAP PLC is capital redemption and dividend income from JSC GCAP, which holds the liquid assets to support the liquidity needs of the Company as well. As at 31 December 2024, JSC GCAP holds cash in the amount of GEL 167,801, amounts due from credit institutions in the amount of GEL 98,844 and marketable debt securities in the amount of GEL 7,869 (refer to Note 12). Securities are considered to be highly liquid, as they are debt instruments listed on international and local markets.

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

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

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

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

The Group performed stress testing for the assessment period, which involved modelling the impact of a combination of severe and plausible risks. Based on the results of the stress tests, the directors concluded that the Group remains solvent with solid financial position and has sufficient cash and liquid investment securities to withstand the distressed scenario.

Notes to Financial Statements continued

Georgia Capital PLC (Thousands of Georgian Lari)

2. Basis of Preparation continued

Subsidiaries and associates

The total amount of investment in subsidiaries in the Company's statement of financial position as at 31 December 2024 was GEL 3,606,400 (as at 31 December 2023: 3,363,411) represented by direct investments in JSC Georgia Capital and Georgian Beverages Holding Limited (2023: investment in JSC Georgia Capital). As at 31 December 2024 investments in JSC Georgia Capital and Georgian Beverages Holding Limited (as of 31 December 2023: investment in JSC Georgia Capital) (Note 12) is measured at fair value. As at 31 December 2024 and 31 December 2023, equity investments of JSC Georgia Capital and Georgian Beverages Holding Limited include the following subsidiaries and associates:

	Proportion of voting rights and ordinary share capital held*						
Subsidiaries Consolidated	31 December 2024	31 December 2023	Country of incorporation	Address	Industry	Date of incorporation	Date of acquisition
GCMF, LLC	**100.00%**	100.00%	Georgia	8a Petre Melikishvili Ave, Tbilisi, 0179	Excess liquidity management company	2/5/2019	–

	Proportion of voting rights and ordinary share capital held*						
Subsidiaries at FV	31 December 2024	31 December 2023	Country of incorporation	Address	Industry	Date of incorporation	Date of acquisition
JSC Georgia Capital	**100.00%**	100.00%	Georgia	8a Petre Melikishvili Ave, Tbilisi, 0179	Investment	6/8/2015	–
JSC Georgia Real Estate	**100.00%**	100.00%	Georgia	10 G. Kartozia street, Tbilisi, Georgia	Real estate	27/9/2006	–
m2 group, LLC	**100.00%**	100.00%	Georgia	10 G. Kartozia street, Tbilisi, Georgia	Real estate	17/8/2015	–
M Square Park, LLC	**100.00%**	100.00%	Georgia	1 Marshal Gelovani ave., Tbilisi	Real estate	15/9/2015	–
M square Park 3, LLC	**100.00%**	100.00%	Georgia	1 Marshal Gelovani ave., Tbilisi	Real estate	25/5/2022	–
M square Park 4, LLC	**100.00%**	100.00%	Georgia	1 Marshal Gelovani ave., Tbilisi	Real estate	25/5/2022	–
M square Park X, LLC	**100.00%**	100.00%	Georgia	1 Marshal Gelovani ave., Tbilisi	Real estate	23/06/2022	–
Optima Saburtalo, LLC	**100.00%**	100.00%	Georgia	10 G. Kartozia street, Tbilisi, Georgia	Real estate	15/9/2015	–
Land, LLC	**100.00%**	100.00%	Georgia	10 G. Kartozia street, Tbilisi, Georgia	Real estate	3/10/2014	–
m2 at Nutsubidze 2, LLC	**100.00%**	100.00%	Georgia	10 G. Kartozia street, Tbilisi, Georgia	Real estate	24/1/2020	–
m2 at Hippodrome, LLC	**100.00%**	100.00%	Georgia	10 Givi Kartozia st., Tbilisi	Real estate	6/7/2015	–
Optima, LLC	**100.00%**	100.00%	Georgia	10 Givi Kartozia st., Tbilisi	Real estate	3/8/2016	–
m2 Maintenance, LLC	**100.00%**	100.00%	Georgia	10 Givi Kartozia st., Tbilisi	Real estate	20/7/2021	–
m2 at Mtatsminda Park, LLC	**100.00%**	100.00%	Georgia	10 Givi Kartozia st., Tbilisi	Real estate	31/12/2021	–
m2 Care Fund N(N)LE	**100.00%**	100.00%	Georgia	10 Givi Kartozia st., Tbilisi	Real estate	16/01/2023	–
M square Park 5, LLC	**100.00%**	100.00%	Georgia	10 Givi Kartozia st., Tbilisi	Real estate	11/10/2023	–
Georgia Real Estate Management Group, LLC	**100.00%**	100.00%	Georgia	10 Givi Kartozia st., Tbilisi	Hospitality	17/8/2015	–
Gudauri Lodge, LLC(1)	**0.00%**	100.00%	Georgia	80 Aghmashenebeli ave., Tbilisi, 0102	Hospitality	24/04/2018	–
Georgia Property Management Group, LLC(1)	**0.00%**	100.00%	Georgia	10 Givi Kartozia st., Tbilisi	Commercial assets	4/10/2018	–

2. Basis of Preparation continued

Subsidiaries and associates continued

	Proportion of voting rights and ordinary share capital held*						
Subsidiaries at FV	31 December 2024	31 December 2023	Country of incorporation	Address	Industry	Date of incorporation	Date of acquisition
m2, LLC(1)	**0.00%**	100.00%	Georgia	29 Ilia chavchavadze Ave., Tbilisi, 0105	Hospitality/ Real estate	12/2/2014	–
m2 Kutaisi, LLC(1)	**0.00%**	100.00%	Georgia	10 Melikishvili ave., Tbilisi	Hospitality	17/5/2017	–
Georgia Hospitality Management Group, LLC	**100.00%**	100.00%	Georgia	Givi Kartozia street 10, Saburtalo, Tbilisi	Hospitality	22/8/2018	–
Georgia Hospitality Management Group Gudauri, LLC	**100.00%**	100.00%	Georgia	Georgia, Dusheti region, village Seturebi	Hospitality	5/12/2019	–
Melikishvili Hotel Management, LLC	**100.00%**	100.00%	Georgia	10 Melikishvili ave., Tbilisi	Hospitality	8/4/2022	–
JSC Georgian Renewable Power Holding	**100.00%**	100.00%	Georgia	10 Medea (Mzia) Jugheli st, Tbilisi, 0179	Renewable Energy	23/8/2022	–
JSC Georgian Renewable Power Company	**100.00%**	100.00%	Georgia	10 Medea (Mzia) Jugheli st, Tbilisi, 0179	Renewable Energy	15/9/2015	–
JSC Zoti Hydro	**100.00%**	100.00%	Georgia	10 Medea (Mzia) Jugheli st, Tbilisi, 0179	Renewable Energy	20/8/2015	–
JSC Caucasus Wind Company	**100.00%**	100.00%	Georgia	10 Medea (Mzia) Jugheli st, Tbilisi, 0179	Renewable Energy	14/9/2016	–
LLC Caucasus Solar Company	**100.00%**	100.00%	Georgia	10 Medea (Mzia) Jugheli st, Tbilisi, 0179	Renewable Energy	27/10/2016	–
Hydro S, LLC	**100.00%**	100.00%	Georgia	10 Medea (Mzia) Jugheli st, Tbilisi, 0179	Renewable Energy	18/1/2019	10/28/2019
Georgia Geothermal Company, LLC	**100.00%**	100.00%	Georgia	10 Medea (Mzia) Jugheli st, Tbilisi, 0179	Renewable Energy	16/12/2019	–
Qartli Solar Farm, LLC	**100.00%**	100.00%	Georgia	10 Medea (Mzia) Jugheli st, Tbilisi, 0179	Renewable Energy	10/3/2023	–
Darchi, LLC	**100.00%**	100.00%	Georgia	10 Medea (Mzia) Jugheli st, Tbilisi, 0179	Renewable Energy	18/11/2013	28/10/2019
Lukhi Hydro, LLC	**100.00%**	0.00%	Georgia	10 Medea (Mzia) Jugheli st, Tbilisi, 0179	Renewable Energy	1/2/2024	–
JSC Georgian Renewable Power Operations	**100.00%**	100.00%	Georgia	10 Medea (Mzia) Jugheli st, Tbilisi, 0179	Renewable Energy	28/6/2022	–
Svaneti Hydro, LLC	**100.00%**	100.00%	Georgia	10 Medea (Mzia) Jugheli st, Tbilisi, 0179	Renewable Energy	6/12/2013	–
Qartli Wind Farm, LLC	**100.00%**	100.00%	Georgia	10 Medea (Mzia) Jugheli st, Tbilisi, 0179	Renewable Energy	10/9/2012	30/12/2019
Hydrolea, LLC	**100.00%**	100.00%	Georgia	10 Medea (Mzia) Jugheli st, Tbilisi, 0179	Renewable Energy	6/7/2012	28/10/2019

Notes to Financial Statements continued
Georgia Capital PLC (Thousands of Georgian Lari)

2. Basis of Preparation continued
Subsidiaries and associates continued

Subsidiaries at FV	Proportion of voting rights and ordinary share capital held*		Country of incorporation	Address	Industry	Date of incorporation	Date of acquisition
	31 December 2024	31 December 2023					
Geoenergy, LLC	**100.00%**	100.00%	Georgia	10 Medea (Mzia) Jugheli st, Tbilisi, 0179	Renewable Energy	26/1/2012	28/10/2019
Hydro Georgia, LLC	**100.00%**	100.00%	Georgia	10 Medea (Mzia) Jugheli st, Tbilisi, 0179	Renewable Energy	8/5/2012	28/10/2019
Kasleti 2, LLC	**100.00%**	100.00%	Georgia	10 Medea (Mzia) Jugheli st, Tbilisi, 0179	Renewable Energy	18/11/2013	28/10/2019
GRPC Trade, LLC	**100.00%**	100.00%	Georgia	10 Medea (Mzia) Jugheli st, Tbilisi, 0179	Renewable Energy	13/5/2022	–
JSC A Group(2)	**100.00%**	100.00%	Georgia	1, Berbuki str., Saburtalo, Tbilisi	Various	20/9/2018	–
JSC Insurance Company Aldagi	**100.00%**	100.00%	Georgia	66A, David Aghmashenebeli Alley, Tbilisi	Insurance	11/8/1998	–
JSC Insurance Company Tao	**100.00%**	100.00%	Georgia	66A, David Aghmashenebeli Alley, Tbilisi	Insurance	22/8/2007	1/5/2015
Aliance, LLC	**100.00%**	100.00%	Georgia	20, Chavchavadze ave., floor 2, Vake-Saburtalo, Tbilisi	Various	1/8/1998	30/4/2012
Auto Way LLC	**100.00%**	100.00%	Georgia	20, Chavchavadze ave., Vake, Tbilisi	Various	27/12/2010	30/4/2012
JSC Carfest	**75.00%**	75.00%	Georgia	20, Chavchavadze ave., Vake, Tbilisi	Leasing	17/11/2017	–
JSC Insurance Company Imedi L	**100.00%**	100.00%	Georgia	9, Anna Politkovskaias Str. Vake-Saburtalo District, Tbilisi	Insurance	22/6/2007	–
L Assistance LLC	**100.00%**	100.00%	Georgia	44, Al. Kazbegi Avenue, Vake, Tbilisi	Insurance	27/10/2022	–
Ardi Insurance JSC	**95.00%**	0.00%	Georgia	3, Vazha-Pshavela avenue, Saburtalo district, Tbilisi	Insurance	3/12/2023	26/04/2024
JSC Greenway Georgia	**100.00%**	100.00%	Georgia	6, University str., Vake, Tbilisi	Vehicle Inspection	9/7/2010	1/5/2012
JSC GreenWash	**75.00%**	75.00%	Georgia	6, University str., Vake, Tbilisi	Car Wash	31/8/2018	–
JSC Georgia Pharmacy Group(3)	**100.00%**	0.00%	Georgia	24a, Sulkhan Tsintsadze street, Tbilisi	Pharmacy and Distribution	29/4/2015	–
JSC GEPHA	**97.80%**	97.56%	Georgia	24a, Sulkhan Tsintsadze street, Tbilisi	Pharmacy and Distribution	19/10/1995	4/5/2016
JSC ABC Pharamcia (Armenia)	**100.00%**	100.00%	Armenia	Kievyan Str. 2/8, Erevan, Armenia	Pharmacy and Distribution	28/12/2013	6/1/2017
ABC Pharmalogistics, LLC	**100.00%**	100.00%	Georgia	E. Tavadze str. 14a, Tbilisi, Georgia	Pharmacy and Distribution	24/2/2004	6/1/2017
JSC Iverta	**100.00%**	100.00%	Georgia	E. Tavadze str. 14a, Tbilisi, Georgia	Pharmacy and Distribution	17/2/2021	–

2. Basis of Preparation continued
Subsidiaries and associates continued

Subsidiaries at FV	Proportion of voting rights and ordinary share capital held*		Country of incorporation	Address	Industry	Date of incorporation	Date of acquisition
	31 December 2024	31 December 2023					
AKG AVELIN QAN DEGHATUN, LLC (Armenia)	**100.00%**	100.00%	Armenia	26/1 Vazgen Sargsyan Street,/ Office 412/ Yerevan 0010, Armenia	Pharmacy and Distribution	28/6/2019	–
JSC Georgian Logistics	**100.00%**	100.00%	Georgia	Peikrebi str. 14a, Tbilisi, Georgia	Other	8/10/2021	–
AZPHA LLC (Azerbaijan)	**100.00%**	100.00%	Azerbaijan	Azerbaijan, Baku, Sabunchu District, Bakikhanovi area, 131, A. Ahgaievi Street, Apartment 43	Pharmacy and Distribution	17/9/2021	–
Euroline LLC	**100.00%**	100.00%	Georgia	Stanislavski str. 5, Tbilisi, Georgia	Other	14/12/2015	24/11/2021
JSC Georgia Healthcare Group(3)	**100.00%**	100.00%	Georgia	24a, Sulkhan Tsintsadze street, Tbilisi	Healthcare	29/4/2015	–
Vian JSC	**100.00%**	100.00%	Georgia	24a, Sulkhan Tsintsadze street, Tbilisi	Healthcare	30/11/2023	–
Vian-Logistics LLC	**100.00%**	100.00%	Georgia	24a, Sulkhan Tsintsadze street, Tbilisi	Healthcare	13/2/2015	–
Caucasus Medical Center, LLC	**99.81%**	99.81%	Georgia	23, P. Kavtaradze Str., Tbilisi	Healthcare	12/1/2012	11/6/2015
JSC Kutaisi Regional Mother and Infant Treatment-Diagnostic Centre	**66.70%**	66.70%	Georgia	Djavakhishvili str. 85, Kutaisi, Georgia	Healthcare	5/5/2003	29/11/2011
West Georgia Medical Center, LLC	**66.70%**	66.70%	Georgia	A Djavakhishvili str. 83A, Kutaisi, Georgia	Healthcare	9/12/2011	29/11/2011
N(NL)E Blood Center	**100.00%**	0.00%	Georgia	Javakhishvili str. N85/ Javakhishvili str. N83A, Kutaisi, Georgia	Healthcare	31/05/2024	–
Personal Administration and Organizational Development Training Center N(NL)E	**100.00%**	100.00%	Georgia	Javakhishvili str. N85/ Javakhishvili str. N83A, Kutaisi, Georgia	Healthcare	23/12/2021	–
Vian LLC	**100.00%**	100.00%	Georgia	142, A. Beliashvili str, Tbilisi	Healthcare	05/09/2022	–
BONO Healthcare LLC	**100.00%**	100.00%	Georgia	24a, Sulkhan Tsintsadze street, Tbilisi	Healthcare	15/06/2023	–
JSC Georgian Clinics	**100.00%**	100.00%	Georgia	24a, Sulkhan Tsintsadze street, Tbilisi	Healthcare	1/8/2014	1/8/2014
New Clinic, LLC	**0.00%**	100.00%	Georgia	142, A. Beliashvili str, Tbilisi	Healthcare	3/1/2017	20/7/2017
JSC Pediatry	**100.00%**	100.00%	Georgia	U. Chkeidze str. 10, Tbilisi, Georgia	Healthcare	5/9/2003	6/7/2016
NCLE Evex Learning Centre	**100.00%**	100.00%	Georgia	83A, Javakhishvili street, Tbilisi	Other	20/12/2013	20/12/2013
JSC Emergency Service	**85.00%**	85.00%	Georgia	6 Building, 13/6 Lubliana str. Tbilisi, Georgia	Healthcare	18/6/2013	8/5/2015

Notes to Financial Statements continued
Georgia Capital PLC (Thousands of Georgian Lari)

2. Basis of Preparation continued
Subsidiaries and associates continued

Subsidiaries at FV	Proportion of voting rights and ordinary share capital held* 31 December 2024	31 December 2023	Country of incorporation	Address	Industry	Date of incorporation	Date of acquisition
Georgian Clinics LLC	**100.00%**	100.00%	Georgia	142, A. Beliashvili str, Tbilisi	Healthcare	29/09/2023	–
Tskaltubo Regional Hospital, LLC	**66.70%**	66.70%	Georgia	16 Eristavi street, Tskhaltubo	Healthcare	29/9/1999	9/12/2011
JSC Evex Clinics[4]	**0.00%**	100.00%	Georgia	40, Vazha-Pshavela Avenue, Tbilisi	Healthcare	1/4/2019	–
JSC Evex	**100.00%**	0.00%	Georgia	24a, Sulkhan Tsintsadze street, Tbilisi	Healthcare	11/1/2024	–
LLC Aliance Med[4]	**0.00%**	100.00%	Georgia	40, Vazha-Pshavela Avenue, Tbilisi	Healthcare	7/7/2015	20/7/2017
JSC Polyclinic Vere	**98.35%**	98.35%	Georgia	24a, Sulkhan Tsintsadze street, Tbilisi	Healthcare	22/11/2015	25/12/2017
New Dent, LLC	**75.00%**	75.00%	Georgia	24a, Sulkhan Tsintsadze street, Tbilisi	Healthcare	24/12/2018	–
Mkurnali 2002, LLC	**100.00%**	100.00%	Georgia	24a, Sulkhan Tsintsadze street, Tbilisi	Healthcare	8/4/2004	1/12/2023
Ekimo App, LLC	**100.00%**	100.00%	Georgia	40, Vazha-Pshavela Avenue, Tbilisi	Other	5/12/2023	–
Krol Medical Corporation Georgia, LLC	**100.00%**	0.00%	Georgia	24a, Sulkhan Tsintsadze street, Tbilisi	Healthcare	29/02/2024	1/5/2024
JSC Mega-Lab	**91.98%**	91.98%	Georgia	Petre Kavtaradze str. 23, Tbilisi	Healthcare	6/6/2017	–
LLC Patgeo-Union of Pathologists	**100.00%**	100.00%	Georgia	Mukhiani, II mcr. District, Building 22, 1a, Tbilisi	Healthcare	13/1/2010	27/9/2016
Scientific-Research Center-Mega-Lab N(N)LE	**100.00%**	100.00%	Georgia	Petre Kavtaradze str. 23, Tbilisi	Healthcare	25/5/2021	–
JSC Vabaco	**100.00%**	67.00%	Georgia	Bochorishvili str. 37, Tbilisi, Georgia	Software Development	9/9/2013	28/9/2018
Vabaco International, LLC	**100.00%**	100.00%	Georgia	A. Tsereteli ave. 123, Tbilisi, Georgia	Software Development	30/3/2022	–
JSC Ekimo	**100.00%**	67.00%	Georgia	A. Tsereteli ave. 123, Tbilisi, Georgia	Other	14/12/2021	–
ITFY LLC	**100.00%**	100.00%	Georgia	A. Beliashvili str. 142, Tbilisi, Georgia	Other	1/2/2023	–
Georgian Beverages LLC	**100.00%**	100.00%	Georgia	8a Petre Melikishvili Ave, Tbilisi, 0179	Beer Production and Distribution	14/11/2016	7/2/2018
Georgian Beverages Holding Limited[5]	**92.42%**	0.00%	United Kingdom	Central Square, 29 Wellington Street, Leeds, England, LS1 4DL	Investment	18/11/2024	–
Swinkels Georgia B.V.	**20.00%**	0.00%	Netherlands	Stater 1, 5737 RV Lieshout, Netherlands	Beer Production and Distribution	–	24/12/2024

2. Basis of Preparation continued
Subsidiaries and associates continued

Subsidiaries at FV	Proportion of voting rights and ordinary share capital held* 31 December 2024	31 December 2023	Country of incorporation	Address	Industry	Date of incorporation	Date of acquisition
Georgian Beer and Beverages Holding LLC	**100.00%**	0.00%	Georgia	71, Vazha-Pshavela avenue, Tbilisi, Georgia	Investment	14/11/2024	–
Global Beer Georgia, LLC	**100.00%**	100.00%	Georgia	Tsilkani, Mtskheta Region, Georgia	Beer Production	30/6/2000	28/2/2007
Genuine Brewing Company, LLC	**100.00%**	100.00%	Georgia	Tsilkani, Mtskheta Region, Georgia	Beer Production and Distribution	7/6/2011	7/2/2018
Craf and Draft, LLC	**100.00%**	100.00%	Georgia	Tsilkani, Mtskheta Region, Georgia	Beer Production	20/2/2019	–
Global Coffee Georgia, LLC	**100.00%**	100.00%	Georgia	29a Gagarini street, Tbilisi	Coffee Distribution	26/12/2016	–
New Coffee Company, LLC	**100.00%**	100.00%	Georgia	Isakiani cul-de-sac 2, Gldani-Nadzaladevi District, Tbilisi	Coffee Distribution	23/9/2009	15/2/2017
Georgia Logistics and Distribution, LLC	**100.00%**	100.00%	Georgia	2 Marshal Gelovani St, Tbilisi	Distribution	10/1/2006	27/3/2007
JSC Georgian Beverages Holding	**91.74%**	92.35%	Georgia	8a Petre Melikishvili Ave, Tbilisi, 0179	Investment	17/12/2019	–
JSC Teliani Valley	**100.00%**	100.00%	Georgia	43 Tbilisi highway, Telavi	Winery	30/6/2000	28/2/2007
Teliani Trading (Ukraine), LLC	**100.00%**	100.00%	Ukraine	18/14 Khvoiki St. Kiev	Distribution	3/10/2006	31/12/2007
Teliani Europe GmbH	**100.00%**	100.00%	Germany	Kurfürstendamm 195 10707 Berlin	Distribution	15/6/2021	–
Le Caucase, LLC	**100.00%**	100.00%	Georgia	2 Marshal Gelovani St, Tbilisi	Cognac Production	23/9/2006	20/3/2007
Kupa, LLC	**70.00%**	70.00%	Georgia	3 Tbilisi highway, Telavi	Oak Barrel Production	12/10/2006	20/3/2007
Kindzmarauli Marani, LLC	**100.00%**	100.00%	Georgia	Gavazi, Kvareli district, Georgia	Winery	18/12/2001	25/4/2018
Alcoholic Drinks Company Alaverdi LLC	**100.00%**	100.00%	Georgia	Chumlaki, Gurjaani Region, Georgia	Winery	8/4/2008	19/8/2019
Artisan Wine and Drinks LLC	**100.00%**	100.00%	Georgia	8a Petre Melikishvili Ave, Tbilisi, 0179	Wine distribution	26/8/2019	–
Amboli, LLC	**90.00%**	90.00%	Georgia	142 Beliashvili str., Didube-Chugureti District, Tbilisi	Car Services	13/8/2004	25/6/2019
N(NL)E Amboli, O2	**100.00%**	0.00%	Georgia	14, Anna Politkovskaias Str. Vake-Saburtalo District, Tbilisi	Other	13/5/2021	–
Georgia Education Group, LLC	**100.00%**	100.00%	Georgia	8a Petre Melikishvili Ave, Tbilisi, 0179	Education	16/7/2019	–
Green School LLC	**90.00%**	90.00%	Georgia	N. Khudadovi str. 1b, Tbilisi, Georgia	Education	18/8/2021	–
Green School-Didi Dighomi, LLC	**100.00%**	100.00%	Georgia	D. Tavdadebuli str. 6, Tbilisi, Georgia	Education	27/9/1995	20/8/2021
Green School-Forest Campus LLC	**100.00%**	100.00%	Georgia	8a Petre Melikishvili Ave, Tbilisi, 0179	Education	21/10/2019	–
Green School Real Estate LLC	**100.00%**	100.00%	Georgia	8a Petre Melikishvili Ave, Tbilisi, 0179	Education	5/1/2019	–
Green School-Saburtalo, LLC	**100.00%**	100.00%	Georgia	37 B. Zhgenti Str., Vake, Tbilisi	Education	29/06/2023	–

Notes to Financial Statements continued
Georgia Capital PLC (Thousands of Georgian Lari)

2. Basis of Preparation continued
Subsidiaries and associates continued

Subsidiaries at FV	Proportion of voting rights and ordinary share capital held* 31 December 2024	31 December 2023	Country of incorporation	Address	Industry	Date of incorporation	Date of acquisition
Green University, LLC	**100.00%**	0.00%	Georgia	N. Khudadovi str. 1b, Tbilisi, Georgia	Education	20/11/2024	–
Green School Dighomi LLC	**80.00%**	80.00%	Georgia	Didube-Chughureti/ Dighomi massive IV, Building 5A, Apartment 35	Education	7/6/2011	22/8/2019
Buckswood International School-Tbilisi, LLC	**80.00%**	80.00%	Georgia	156 Rustaveli Street, Tskneti, Tbilisi	Education	24/8/2005	29/7/2019
Sakhli Tsknetshi, LLC	**100.00%**	100.00%	Georgia	152 Rustaveli Street, Tskneti, Tbilisi	Education	1/5/2005	–
Buckswood School at Gelovani LLC	**100.00%**	0.00%	Georgia	1 Marshal Gelovani ave., Tbilisi	Education	17/06/2024	–
British Georgian Academy, LLC	**70.00%**	70.00%	Georgia	17, Leo Kvachadze str, Tbilisi	Education	3/2/2006	23/7/2019
NNLE British International School of Tbilisi	**100.00%**	100.00%	Georgia	17, Leo Kvachadze str, Tbilisi	Education	3/2/2015	–
British International School of Tbilisi LLC	**100.00%**	100.00%	Georgia	17, Leo Kvachadze str, Tbilisi	Education	5/9/2019	–
British Georgian Academy-Okrokana, LLC	**100.00%**	100.00%	Georgia	17, Leo Kvachadze str, Tbilisi	Education	16/9/2021	–
Oncloud LLC	**100.00%**	100.00%	Georgia	8a Petre Melikishvili Ave, Tbilisi, 0179	Digital Services	28/2/2020	–

2. Basis of Preparation continued
Subsidiaries and associates continued

Associates	Proportion of voting rights and ordinary share capital held* 31 December 2024	31 December 2023	Country of incorporation	Address	Industry	Date of incorporation	Date of acquisition
N(NL)E Georgian Medical Tourism Council	**28.57%**	28.57%	Georgia	Gardens Street, tskneti, Vake district, Tbilisi	Healthcare	16/5/2019	–
JSC Diflex	**40.00%**	40.00%	Georgia	Shalikashvili str. 8, Tbilisi, Geogia	Software Development	29/12/2016	12/11/2021
Healthcare Association N(N)LE	**25.00%**	25.00%	Georgia	Vazha-Pshavela Ave. 27b, Tbilisi, Georgia	Healthcare	25/3/2016	–
Complex-Med-Service, LLC	**0.00%**	20.00%	Georgia	Tsinandali sts. 9, Tbilisi, Georgia	Healthcare	18/11/2008	30/7/2021
Insurance Informational Bureau, LLC	**22.50%**	22.50%	Georgia	Baratashvili bridge underground crossing, Mtkvari Left Bank, Old Tbilisi, Tbilisi	Insurance	23/7/2008	–
JSC Georgian Global Utilities	**20.00%**	20.00%	Georgia	10 Medea (Mzia) Jugheli st, Tbilisi, 0179	Utilities	22/01/2020	31/12/2014
Georgian Water and Power, LLC	**20.00%**	20.00%	Georgia	10 Medea (Mzia) Jugheli st, Tbilisi, 0179	Utilities	25/06/1997	31/12/2014
Gardabani Sewage Treatment, LLC	**20.00%**	20.00%	Georgia	10 Medea (Mzia) Jugheli st, Tbilisi, 0179	Utilities	20/12/1999	31/12/2014
Georgian Engineering and Management Company (GEMC), LLC	**20.00%**	20.00%	Georgia	10 Medea (Mzia) Jugheli st, Tbilisi, 0179	Utilities	20/03/2011	31/12/2014
Saguramo Energy, LLC	**20.00%**	20.00%	Georgia	10 Medea (Mzia) Jugheli st, Tbilisi, 0179	Utilities	11/12/2008	31/12/2014
Georgian Energy Trading Company (GETC), LLC	**20.00%**	20.00%	Georgia	10 Medea (Mzia) Jugheli st, Tbilisi, 0179	Renewable Energy Sales	23/4/2019	–

1 In 2024, merged with Georgia Real Estate Management Group, LLC.
2 In 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.
3 In 2024, JSC Georgia Pharmacy Group separated from JSC Georgia Healthcare Group.
4 In 2024, merged with JSC Georgia Clinics.
5 Georgia Capital PLC, previously the ultimate owner of a 92.4% equity stake in its beer and distribution business, has entered into an agreement with a subsidiary of Royal Swinkels N.V. for the disposal of the business. Following the disposal, the business is now held through a new holding company domiciled in the Netherlands, with GCAP PLC holding a 20% (through 92.4%-owned UK subsidiary of GCAP PLC) stake and Royal Swinkels 80%. The 20% stake held by GCAP PLC was transferred from JSC Georgia Capital. Companies owned by Swinkels Georgia N.V. were, in the previous year, under the ownership of JSC Georgian Beverages Holding.

* The table displays effective percentages of holding in the companies.

Notes to Financial Statements continued
Georgia Capital PLC (Thousands of Georgian Lari)

3. Material Accounting Policies
The following are the material accounting policies applied by the Company in preparing its financial statements.

Fair value measurement
The Company measures investments in subsidiaries and associates and other financial instruments, such as debt securities owned, equity investments and derivatives, if any, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 12.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Cash and cash equivalents
Cash and cash equivalents consist of cash on hand and amounts due from credit institutions that mature within ninety days of the date of contract origination and are free from contractual encumbrances and readily convertible to known amount of cash.

Financial assets
Initial recognition
Financial assets in the scope of IFRS 9 are classified at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

3. Material Accounting Policies continued
Financial assets continued
Date of recognition
All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement
For purposes of subsequent measurement, GCAP's financial assets are classified in two categories under IFRS 9:
- Financial assets at amortised cost (Cash and cash equivalents)
- Financial assets at fair value through profit or loss (equity investments at fair value)

Financial assets at amortised cost
The Company measures financial assets at amortised cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes cash and cash equivalents.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Equity investments are classified at fair value through profit or loss. Derivatives and financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes equity investments.

Derecognition of financial assets and liabilities
Financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:
- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability.
The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Notes to Financial Statements continued
Georgia Capital PLC (Thousands of Georgian Lari)

3. Material Accounting Policies continued
Derecognition of financial assets and liabilities continued
Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement. Modification is substantial if present value of cash flows under new terms discounted at original effective interest rate is at least 10% different from the liability's carrying amount right before the modification, or there is a substantial modification to the terms identified through a qualitative assessment.

Financial liabilities
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities comprise accounts payable.

Provisions
Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made.

Contingencies
Contingent liabilities are not recognised in the statement of financial position but are disclosed unless the possibility of any outflow in settlement is remote. A contingent asset is not recognised in the statement of financial position but disclosed when an inflow of economic benefits is probable.

Share-based payment transactions
Equity-settled transactions
The cost of equity settled transactions with employees is measured by reference to the fair value of shares at the grant date.

The cost of equity settled transactions is recognised together with the corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date when the relevant employee is fully entitled to the award ('the vesting date'). The cumulative expense recognised for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The income statement charge and credit entry to equity for the period represents the movement in cumulative expense recognised as at the beginning and end of that period. No expense is recognised for the awards that do not ultimately vest.

Where the terms of an equity settled award are modified, the minimum expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of the modification.

Where an equity-settled award is cancelled, it is treated as if it has vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as the replacement award on the date that it is granted, the cancelled and the new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Share capital
Share capital
Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares, other than on a business combination, are shown as a deduction from the proceeds in equity. Any excess of the fair value of consideration received over the par value of shares issued is recognised as additional paid-in capital.

Treasury shares
Where the Company purchases Georgia Capital's shares, the consideration paid, including any attributable transaction costs, net of income taxes, is deducted from total equity as treasury shares until they are cancelled or reissued. Where such shares are subsequently sold or reissued, any consideration received is included in equity. Treasury shares are stated at par value, with adjustment of premiums against retained earnings.

3. Material Accounting Policies continued
Dividends
Dividends are recognised as a liability and deducted from equity at the reporting date only if they are declared before or on the reporting date. Dividends are disclosed when they are proposed before the reporting date or proposed or declared after the reporting date but before the financial statements are authorised for issue. All expenses associated with dividend distribution are added to dividend amount and recorded directly through equity.

Dividend income
Dividend revenue is recognised when the Company's right to receive the payment is established. Dividend revenue is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the statement of comprehensive income.

Net gain or loss on financial assets and liabilities at fair value through profit or loss
Net gains or losses on financial assets and liabilities at FVPL represent changes in their fair value, including equity investments at fair value, financial assets and liabilities held for trading, or those designated as FVPL upon initial recognition, and exclude interest and dividend income and expenses, which are recognized separately in profit or loss when earned.

Taxation
The current income tax expense is calculated in accordance with the regulations in force in the respective territories in which the Company operates.

According to UK tax legislation, UK companies pay corporation tax on all its profits. The UK corporate tax rate for 2024 is 25.0 % (2023: blended tax rate 23.5%).

Functional, presentation currencies and foreign currency translation
The financial statements are presented in Georgian Lari, which is the presentation and functional currency of GCAP PLC and JSC GCAP. Transactions in foreign currencies are initially recorded in the functional currency, converted at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into functional currency at functional currency rate of exchange ruling at the reporting date. Gains and losses resulting from the translation of foreign currency transactions are recognised in the income statement as net foreign currency gain (loss). Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Differences between the contractual exchange rate of a certain transaction and the National Bank of Georgia ('NBG') exchange rate on the date of the transaction are included in Net foreign currency gain (loss). The official NBG exchange rates at 31 December 2024 and 31 December 2023 were as follows:

	Lari to GBP	Lari to US$	Lari to EUR
31 December 2024	**3.5349**	**2.8068**	**2.9306**
31 December 2023	3.4228	2.6894	2.9753

Adoption of new or revised standards and interpretations
The following amendments became effective from 1 January 2024 and had no impact on the Company's 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 standards that are issued but not yet effective are also expected to have no material impact on the Company's financial statements:
- Amendments to IFRS 7 Financial Instruments – Disclosures: Classification and Measurement of Financial Instruments
- Amendments to IFRS 9 Financial Instruments: Classification and Measurement of Financial Instruments
- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- Amendments to IAS 21 Lack of Exchangeability-Exchangeable Currency and Determination of Exchange rate

Notes to Financial Statements continued
Georgia Capital PLC (Thousands of Georgian Lari)

3. Material Accounting Policies continued

Adoption of new or revised standards and interpretations continued

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in the financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. Retrospective application of the standard is mandatory for annual reporting periods starting from 1 January 2027 onwards, but earlier application is permitted provided that this fact is disclosed. The Company is currently working to identify all impacts the standard will have on the primary financial statements and notes to the financial statements.

4. Critical Accounting Judgements and Estimates

In the process of applying the Company's accounting policies, the management board use their judgment and make estimates in determining the amounts recognised in the financial statements. The most significant judgements and estimates are as follows:

Assessment of investment entity status

Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries at FVPL rather than consolidate them. The criteria which define an investment entity are, as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment management services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Group invests funds, originally obtained from its investors, in its private portfolio companies, obtains dividend inflows from its mature investments and once the businesses are developed, exits the investment ideally at a higher multiple (vs entry multiple) to monetise on capital appreciation gains. The Company reports to its investors on a fair value basis. All investments are reported at fair value in the Company's annual reports.

Georgia Capital PLC holds an investment in JSC Georgia Capital (an investment entity on its own), which is the most significant asset of the Company. JSC Georgia Capital holds a portfolio of investments; although JSC Georgia Capital is wholly capitalised by Georgia Capital PLC, Georgia Capital PLC is funded by many investors who are unrelated to the entity; and ownership in Georgia Capital PLC is represented by units of equity interests acquired through a capital contribution. Thus, the judgement above refers to both entities in aggregation. The Board has concluded that the Company meets the definition of an investment entity. These conclusions will be reassessed on a continuous basis, if any of these criteria or characteristics change.

Georgia Capital met the investment entity definition on 31 December 2019. As of 31 December 2024, the Company continues to meet the definition of investment entity. In making this assessment, the Company considered each criteria and characteristic described above as well as developments during the year.

Fair valuation of the investment portfolio

The investment portfolio, a material asset of the Company held through 100%-owned subsidiary JSC Georgia Capital and 92% interest in Georgian Beverages Holding Limited, is held at fair value. Details of valuation methodologies used and the associated sensitivities are disclosed in Note 12. Given the importance of this area, the Board has formed a separate Audit and Valuations Committee to review the valuations to be placed on portfolio companies, compliance with the valuation standards and usage of appropriate judgement. The detailed valuation process is disclosed in Note 12.

5. 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

Lion Finance Group – the Group has a significant investment in London Stock Exchange premium listed Lion Finance Group PLC. GCAP does not hold voting rights in the company.

Water Utility – the Group 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.

5. Segment Information continued

Private portfolio companies

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, Wine and Auto Service businesses.

Corporate Centre consists 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.

Starting from 2023, 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 and 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, specialising in P&C insurance, and Imedi L and Ardi, both specialising in medical insurance. In April 2024, a GEL 87 million portfolio of insurance contracts and the brand name from 'Ardi' was acquired. 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 the Company's 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.

In October 2024, Georgia Capital entered into an agreement with a subsidiary of Royal Swinkels N.V. ('Royal Swinkels') for the disposal of the beer and distribution business. Following the disposal, the beer and distribution business is held through a new holding company domiciled in the Netherlands (the 'Dutch Holdco'). GCAP PLC obtained a 20% holding in the Dutch Holdco and Royal Swinkels 80%. The parties have put in place a put/call structure relating to the remaining GCAP PLC 20% holding. The put option granted to GCAP PLC can be exercised at a pre-agreed EV/EBITDA multiple, in each of the twelve-month periods following the approval of the audited consolidated financial statements of the Dutch Holdco by shareholders for each of the financial years ended 31 December 2028, 2029 and 2030. The transaction has been completed and net proceeds of c.US$ 63.0 million has been received by 31 December 2024. The Transaction is in line with GCAP PLC's capital-light investment strategy and represents another successful completion of the full investment cycle of the Company's private assets: to invest, to grow, and finally to monetise the investment via a cash exit. This disposal also marks further progress toward GCAP PLC's key strategic priority of divesting from subscale portfolio companies.

Notes to Financial Statements continued

Georgia Capital PLC (Thousands of Georgian Lari)

5. Segment Information continued

The following table presents the net asset value (NAV) of the Group's operating segments at 31 December 2024 and the roll-forward from 1 January 2024:

NAV Statement	1 January 2024	1.Value Creation	2a. Investments & Divestments	2b. Buybacks	2c. Dividends	3.Operating Expenses	4. Liquidity Management/ FX/Other	31 December 2024
Listed and observable portfolio companies	**1,384,847**	**368,985**	**–**	**–**	**(144,797)**	**–**	**–**	**1,609,035**
Lion Finance Group	*1,225,847*	*339,985*	–	–	*(144,797)**	–	–	*1,421,035*
Water Utility	*159,000*	*29,000*	–	–	–	–	–	*188,000*
Private portfolio companies	**2,287,098**	**66,337**	**(151,104)**	**–**	**(56,955)**	**–**	**7,079**	**2,152,455**
Large portfolio companies	***1,436,231***	***30,237***	**–**	**–**	***(35,408)***	**–**	***3,689***	***1,434,749***
Retail (pharmacy)	*714,001*	*10,739*	–	–	*(10,048)*	–	*1,438*	*716,130*
Insurance (P&C and medical)	*377,874*	*74,617*	–	–	*(25,360)*	–	*814*	*427,945*
Of which, P&C insurance	*285,566*	*44,746*	–	–	*(17,986)*	–	*814*	*313,140*
Of which, medical insurance	*92,308*	*29,871*	–	–	*(7,374)*	–	–	*114,805*
Hospitals	*344,356*	*(55,119)*	–	–	–	–	*1,437*	*290,674*
Investment stage portfolio companies	***566,614***	***(10,501)***	***11,933***	**–**	***(12,258)***	**–**	***1,604***	***557,392***
Renewable energy	*266,627*	*(13,770)*	*11,333*	–	*(12,258)*	–	*674*	*252,606*
Education	*189,226*	*(8,853)*	*600*	–	–	–	*611*	*181,584*
Clinics and diagnostics	*110,761*	*12,122*	–	–	–	–	*319*	*123,202*
Other portfolio companies	***284,253***	***46,601***	***(163,037)***	**–**	***(9,289)***	**–**	***1,786***	***160,314***
Total portfolio value	**3,671,945**	**435,322**	**(151,104)**	**–**	**(201,752)**	**–**	**7,079**	**3,761,490**
Net debt	**(296,808)**	**–**	**148,504**	**(135,718)**	**201,752**	**(21,379)**	**(50,776)**	**(154,425)**
of which, cash and liquid funds	*107,910*	–	*157,371*	*(135,718)*	*201,752*	*(21,379)*	*(31,699)*	*278,237*
of which, loans issued	*9,212*	–	*(8,867)*	–	–	–	*(345)*	–
of which, gross debt	*(413,930)*	–	–	–	–	–	*(18,732)*	*(432,662)*
Net other assets/(liabilities)	3,375	–	2,600	(805)	–	(13,900)	10,678	1,948
Net asset value	**3,378,512**	**435,322**	**–**	**(136,523)**	**–**	**(35,279)**	**(33,019)**	**3,609,013**

5. Segment Information continued

The following table presents the net asset value (NAV) of the Group's operating segments at 31 December 2023 and the roll-forward from 1 January 2023:

NAV Statement	1 January 2023	1.Value Creation	2a Investments & Divestments	2b. Buybacks	2c. Dividends	3.Operating Expenses	4. Liquidity Management/ FX/Other	31 December 2023
Listed and observable portfolio companies	**985,463**	**553,255**	**–**	**–**	**(153,871)**	**–**	**–**	**1,384,847**
Lion Finance Group	*830,463*	*549,255*	–	–	*(153,871)**	–	–	*1,225,847*
Water Utility	*155,000*	*4,000*	–	–	–	–	–	*159,000*
Private portfolio companies	**2,213,164**	**127,260**	**18,420**	**–**	**(82,012)**	**–**	**10,266**	**2,287,098**
Large portfolio companies	***1,437,610***	***74,786***	**–**	**–**	***(76,825)***	**–**	***660***	***1,436,231***
Retail (pharmacy)	*724,517*	*39,397*	–	–	*(50,904)*	–	*991*	*714,001*
Insurance (P&C and medical)	*279,900*	*116,915*	–	–	*(19,903)*	–	*962*	*377,874*
Of which, P&C insurance	*228,045*	*71,447*	–	–	*(14,888)*	–	*962*	*285,566*
Of which, medical insurance	*51,855*	*45,468*	–	–	*(5,015)*	–	–	*92,308*
Hospitals	*433,193*	*(81,526)*	–	–	*(6,018)*	–	*(1,293)***	*344,356*
Investment stage portfolio companies	***501,407***	***47,044***	***18,388***	**–**	***(5,187)***	**–**	***4,962***	***566,614***
Renewable energy	*224,987*	*38,684*	*6,218*	–	*(5,187)*	–	*1,925*	*266,627*
Education	*164,242*	*12,282*	*12,170*	–	–	–	*532*	*189,226*
Clinics and diagnostics	*112,178*	*(3,922)*	–	–	–	–	*2,505***	*110,761*
Other portfolio companies	***274,147***	***5,430***	***32***	**–**	**–**	**–**	***4,644***	***284,253***
Total portfolio value	**3,198,627**	**680,515**	**18,420**	**–**	**(235,883)**	**–**	**10,266**	**3,671,945**
Net debt	**(380,905)**	**–**	**(20,887)**	**(76,190)**	**235,883**	**(21,786)**	**(32,923)**	**(296,808)**
of which, cash and liquid funds	*411,844*	–	*(20,887)*	*(76,190)*	*235,883*	*(21,786)*	*(420,954)*	*107,910*
of which, loans issued	*26,830*	–	–	–	–	–	*(17,618)*	*9,212*
of which, gross debt	*(819,579)*	–	–	–	–	–	*405,649*	*(413,930)*
Net other (liabilities)/assets	(331)	–	2,467	(287)	–	(14,993)	16,519	3,375
Net asset value	**2,817,391**	**680,515**	**–**	**(76,477)**	**–**	**(36,779)**	**(6,138)**	**3,378,512**

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 the year. 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.

* In segment information, dividend income includes consideration received as a result of participation in the Lion Finance Group buyback programme.

** Includes the transfer of community clinics from the Clinics and diagnostics sub-segment to Hospitals.

Notes to Financial Statements continued
Georgia Capital PLC (Thousands of Georgian Lari)

5. Segment Information continued
Reconciliation of IFRS financial statements to NAV:

	31 December 2024					
	Georgia Capital PLC	Aggregation with JSC Georgia Capital*	Elimination of double effect on investments	Aggregated Holding Company	Reclassification**	NAV Statement
Cash and cash equivalents	3,521	167,801	–	171,322	(171,322)	–
Amounts due from credit institutions	–	98,844	–	98,844	(98,844)	–
Marketable securities	–	7,869	–	7,869	(7,869)	–
Prepayments	1,396	–	–	1,396	(1,396)	–
Other assets, net	–	5,017	–	5,017	(5,017)	–
Equity investments at fair value	3,606,400	3,720,071	(3,564,981)	3,761,490	–	3,761,490
Total assets	**3,611,317**	**3,999,602**	**(3,564,981)**	**4,045,938**	**(284,448)**	**3,761,490**
Debt securities issued	–	432,460	–	432,460	(432,460)	–
Other liabilities	2,304	2,161	–	4,465	(4,465)	–
Total liabilities	**2,304**	**434,621**	**–**	**436,925**	**(436,925)**	**–**
Net debt	–	–	–	–	(154,425)	(154,425)
of which, cash and liquid funds	–	–	–	–	*278,237*	*278,237*
of which, gross debt	–	–	–	–	*(432,662)*	*(432,662)*
Net other assets	–	–	–	–	1,948	1,948
Total equity/NAV	**3,609,013**	**3,564,981**	**(3,564,981)**	**3,609,013**	**–**	**3,609,013**

	31 December 2023					
	Georgia Capital PLC	Aggregation with JSC Georgia Capital*	Elimination of double effect on investments	Aggregated Holding Company	Reclassification**	NAV Statement
Cash and cash equivalents	12,319	51,138	–	63,457	(63,457)	–
Amounts due from credit institutions	–	8,678	–	8,678	(8,678)	–
Marketable securities	–	18,203	–	18,203	(18,203)	–
Investment in redeemable securities	3,517	14,068	–	17,585	(17,585)	–
Prepayments	976	–	–	976	(976)	–
Loans issued	–	9,212	–	9,212	(9,212)	–
Other assets, net	–	5,060	–	5,060	(5,060)	–
Equity investments at fair value	3,363,411	3,671,945	(3,363,411)	3,671,945	–	3,671,945
Total assets	3,380,223	3,778,304	(3,363,411)	3,795,116	(123,171)	3,671,945
Debt securities issued	–	413,930	–	413,930	(413,930)	–
Other liabilities	1,711	963	–	2,674	(2,674)	–
Total liabilities	1,711	414,893	–	416,604	(416,604)	–
Net debt	–	–	–	–	(296,808)	(296,808)
of which, cash and liquid funds	–	–	–	–	*107,910*	*107,910*
of which, loans issued	–	–	–	–	*9,212*	*9,212*
of which, gross debt	–	–	–	–	*(413,930)*	*(413,930)*
Net other assets	–	–	–	–	3,375	3,375
Total equity/NAV	**3,378,512**	3,363,411	(3,363,411)	3,378,512	–	3,378,512

* For detailed breakdown of JSC Georgia Capital refer to Note 12.
** Reclassification to aggregated balances to arrive at the NAV specific presentation, such as: aggregating cash, marketable securities, investment in redeemable shares, repurchased GCAP bonds as cash and liquid funds, debt securities issued as gross debt and netting of other assets and liabilities.

5. Segment Information continued
The following table presents income statement information of the Group's operating segments for the year ended 31 December 2024:

		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	224,188	(5,171)	(22,759)	37,312	–	233,570	122,578	(113,159)	242,989
Listed and observable Investments	*224,188*	–	–	–	–	*224,188*	*(224,188)*	–	–
Private Investments	–	*(5,171)*	*(22,759)*	*37,312*	–	*9,382*	*346,766*	*(113,159)*	*242,989*
Dividend income	144,797	35,408	12,258	9,289	–	201,752	(201,752)	125,109	125,109
Interest income	–	–	–	–	7,477	7,477	(7,477)	–	–
Loss on liquid funds	–	–	–	–	(796)	(796)	796	–	–
Gross investment profit/(loss)	**368,985**	**30,237**	**(10,501)**	**46,601**	**6,681**	**442,003**	**(85,855)**	**11,950**	**368,098**
Administrative expenses	–	–	–	–	(10,586)	(10,586)	6,628	–	(3,958)
Salaries and other employee benefits	–	–	–	–	(24,694)	(24,694)	22,903	–	(1,791)
Interest expense	–	–	–	–	(35,589)	(35,589)	35,589	–	–
Profit/(loss) before provisions, foreign exchange and non-recurring items	**368,985**	**30,237**	**(10,501)**	**46,601**	**(64,188)**	**371,134**	**(20,735)**	**11,950**	**362,349**
Expected credit loss charge	–	–	–	–	(3,562)	(3,562)	3,562	–	–
Net foreign currency (loss)/gain	–	–	–	–	(15,100)	(15,100)	15,137	–	37
Non-recurring expense	–	–	–	–	(2,148)	(2,148)	2,148	–	–
Net losses from investment securities measured at FVPL	–	–	–	–	–	–	(112)	–	(112)
Profit/(loss) before income taxes	**368,985**	**30,237**	**(10,501)**	**46,601**	**(84,998)**	**350,324**	**–**	**11,950**	**362,274**
Income tax	–	–	–	–	–	–	–	–	–
Profit/(loss) for the year	**368,985**	**30,237**	**(10,501)**	**46,601**	**(84,998)**	**350,324**	**–**	**11,950**	**362,274**

The following table presents income statement information of the Group's operating segments for the year ended 31 December 2023:

		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	399,384	(2,039)	41,857	5,430	–	444,632	178,350	(54,631)	568,351
Listed and observable Investments	*399,384*	–	–	–	–	*399,384*	*(399,384)*	–	–
Private Investments	–	*(2,039)*	*41,857*	*5,430*	–	*45,248*	*577,734*	*(54,631)*	*568,351*
Dividend income	153,871	76,825	5,187	–	–	235,883	(235,883)	47,659	47,659
Interest income	–	–	–	–	16,642	16,642	(16,642)	–	–
Loss on liquid funds	–	–	–	–	(1,574)	(1,574)	1,574	–	–
Gross investment profit/(loss)	553,255	74,786	47,044	5,430	15,068	695,583	(72,601)	(6,972)	616,010
Administrative expenses	–	–	–	–	(10,909)	(10,909)	6,433	–	(4,476)
Salaries and other employee benefits	–	–	–	–	(25,870)	(25,870)	23,783	–	(2,087)
Interest expense	–	–	–	–	(47,808)	(47,808)	47,808	–	–
Profit/(loss) before provisions, foreign exchange and non-recurring items	553,255	74,786	47,044	5,430	(69,519)	610,996	5,423	(6,972)	609,447
Expected credit loss charge	–	–	–	–	(75)	(75)	75	–	–
Net foreign currency gain/ (loss)	–	–	–	–	6,566	6,566	(7,521)	–	(955)
Non-recurring expense	–	–	–	–	(1,898)	(1,898)	1,898	–	–
Net gains from investment securities measured at FVPL	–	–	–	–	–	–	125	–	125
Profit/(loss) before income taxes	553,255	74,786	47,044	5,430	(64,926)	615,589	–	(6,972)	608,617
Income tax	–	–	–	–	–	–	–	–	–
Profit/(loss) for the year	553,255	74,786	47,044	5,430	(64,926)	615,589	–	(6,972)	608,617

Notes to Financial Statements continued
Georgia Capital PLC (Thousands of Georgian Lari)

6. Equity Investments at Fair Value

	31 December 2024	31 December 2023
Subsidiaries (Note 12)	**3,606,400**	3,363,411
of which JSC GCAP	***3,564,981***	*3,363,411*
of which GBH Limited	***41,419***	–
Equity Investments at Fair Value	**3,606,400**	3,363,411

	2024	2023
At 1 January	**3,363,411**	2,795,060
Fair Value gain and dividend income	**368,098**	616,010
Dividend income*	**(125,109)**	(47,659)
Capital redemption**	**(41,419)**	–
Capital injection***	**41,419**	–
At 31 December	**3,606,400**	3,363,411

* In 2024 JSC Georgia Capital paid a dividend to its 100% shareholder in the amount of GEL 125,109 (2023: GEL 47,659).
** In 2024 JSC Georgia Capital made a non-cash capital reduction to its 100% shareholder with total consideration of GEL 41,419 (2023: GEL nil).
*** In 2024 Georgia Capital PLC established new holding company in UK, GBH Limited with total capital injection of GEL 41,419. GBH Limited holds 20% stake (together with minority shareholders) in the beer and distribution business.

Georgia Capital PLC holds an 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. Starting from December 2024, Georgia Capital PLC also holds an investment in Georgian Beverages Holding Limited which is measured at fair value through profit or loss. Through this entity, Georgia Capital PLC holds its minority interest in the beer and distribution business. For the breakdown and detailed information regarding the equity investments at fair value, refer to Note 12.

7. Income Tax

As at 31 December 2024 GCAP PLC has unrecognised tax asset (tax loss carried forward) in the amount of GEL 9,317 (31 December 2023: GEL 8,145). The Company does not recognise the deferred tax asset since it is not expected to be utilised in the foreseeable future, as the Company's income sources, fair value gains on equity investments and dividend income, are not taxable in the UK, as fair value gains are unrealised and dividend income from controlled company is exempt from taxation under UK tax law.

The aggregate amount of temporary differences associated with investments in subsidiaries is GEL 2,162,946 (2023: GEL 1,919,957). The deferred tax liability has not been recognised as the Company controls the timing of reversal of these temporary differences and considers it probable that the temporary differences will not be reversed in the foreseeable future.

Applicable taxes in Georgia include corporate income tax (profit tax), individuals' withholding taxes, property tax and value added tax, among others. Management believes that the Company is in compliance with the tax laws affecting its operations. However, the risk remains that relevant authorities could take differing positions with regard to interpretative issues.

8. Equity

Share capital

As at 31 December 2024 issued share capital comprised of 39,559,135 authorised common shares (31 December 2023: 43,215,840), of which 39,559,135 were fully paid (2023: 43,215,840). Each share has a nominal value of one British penny. Shares issued and outstanding as at 31 December 2024 and 31 December 2023 are described below:

	Number of shares Ordinary	Amount
1 January 2023	44,827,862	1,473
Cancellation of shares	(1,612,022)	(53)
31 December 2023	43,215,840	1,420
Cancellation of shares	(3,656,705)	(120)
31 December 2024	**39,559,135**	**1,300**

Treasury Shares

In 2024, the Company paid cash consideration of GEL 131,125 (2023: GEL 48,037) for acquisition of treasury shares, of which GEL 304 (2023: GEL 203) was related to shares acquired for settlement of employee share-based payments and GEL 130,821 (2023: GEL 47,834) were other acquisitions made by the Company, including those under the share buyback programme.

During 2024 3,669,889 (2023: 1,665,222) treasury shares bought back under the Buyback Program. 3,656,705 shares were cancelled in 2024 (2023: 1,612,022) and 66,384 (2023: 53,200) are held at treasury.

Earnings per share

	2024	2023
Basic earnings per share		
Profit for the year attributable to ordinary shareholders of the parent	**362,274**	608,617
Weighted average number of ordinary shares outstanding during the year	**37,341,118**	39,494,431
Earnings per share (GEL)	**9.7017**	15.4102
Diluted earnings per share*		
Profit for the year attributable to ordinary shareholders of the parent	**362,274**	608,617
Weighted average number of diluted ordinary shares outstanding during the year	**38,959,750**	40,761,789
Diluted earnings per share (GEL)	**9.2987**	14.9311

* Dilution effect arises from the Group's share-based compensation arrangements.

Notes to Financial Statements continued
Georgia Capital PLC (Thousands of Georgian Lari)

9. Salaries and Other Employee Benefits, and General and Administrative Expenses

	2024	2023
Salaries and bonuses	**(1,243)**	(1,480)
Equity compensation plan costs	**(457)**	(541)
Pension costs	**(91)**	(66)
Salaries and other employee benefits	**(1,791)**	(2,087)

Refer also to the Resources and Responsibilities section on page 76-92 and the Directors' Remuneration Report on page 142-168 in the Group's Annual Report 2024. For total number of employees of Georgia Capital, refer to page 80 of the Resources and Responsibilities section in the Group's Annual Report 2024. For directors' remuneration refer to page 154 of the Directors' Remuneration Report in the Group's Annual Report 2024. The Annual Report Figures comprise of both holding company entities: Georgia Capital PLC and JSC Georgia Capital. The figures in the table above are for standalone Georgia Capital PLC.

General and administrative expenses

	2024	2023
Legal and other professional services	**(3,770)**	(4,205)
Occupancy and rent	**(47)**	(114)
Communication	**(9)**	(14)
Other	**(132)**	(143)
General and administrative expenses	**(3,958)**	(4,476)

Auditors' remuneration
Auditors' remuneration is included within legal and other professional services expenses above and comprises:

	2024	2023
Fees payable for the audit of the Company's current year annual report	**1,119**	1,002
Fees payable for other services:		
Audit of the Company's subsidiaries	**324**	308
Total audit fees	**1,443**	1,310
Audit related assurance services		
Other assurance services	**108**	103
Corporate finance services	**–**	79
Total audit related fees	**108**	182
Non-audit services		
Total other services fees	**–**	–
Total fees	**1,551**	1,492

The figures shown in the above table include audit fees of JSC GCAP and GCAP PLC and do not include other remuneration paid by portfolio companies as it is not required by Companies Act 2006 Part 16. The presented amounts relate to fees paid to PricewaterhouseCoopers LLP and its network firms.

10. Share-based Payments
Executives' Equity Compensation Plan
In 2018, Georgia Capital introduced Group's Executives' Equity Compensation Plan ('EECP'). Under the EECP, shares of the parent are granted to senior executives of the Company. In July 2018, the executives signed new five-year fixed contingent share-based compensation agreements with a total of 1,750,000 ordinary shares of Georgia Capital. The total amount of shares fixed to each executive are being awarded in five equal instalments during the five consecutive years starting January 2019, of which each award is subject to a six-year vesting period subject to continued employment within the Group during such vesting period. In October 2022 CEO contract maturity was extended until 31 December 2025 from May 2023, extending fixed contingent share-based compensation with additional 518,357 ordinary shares of Georgia capital. The fair value of the shares is determined at the grant date using available market quotations.

After Georgia Capital met the definition of investment entity on 31 December 2019, only the small portion of the CEO's share-based compensation which Georgia Capital PLC retains the obligation to settle is within scope of IFRS 2 in Georgia Capital's financial statements.

10. Share-based Payments continued
Executives' Equity Compensation Plan continued
The following table illustrates the number and weighted average prices of, and movements in, shares awards granted to the CEO of Georgia Capital PLC during the year:

	2024	2023
Shares outstanding at 1 January	**118,368**	132,735
Vested during the year	**(18,368)**	(14,367)
Granted during the year	**–**	–
Shares outstanding at 31 December	**100,000**	118,368

The weighted average remaining contractual life for the share awards outstanding as at 31 December 2024 was 2.20 years (2023: 2.71 years).

The weighted average fair value of shares vested was GEL 33.4 per share (2023: GEL 33.4 per share). The weighted average fair value of shares granted was GEL nil (2023: GEL nil).

Expense recognition
The share-based payment expense recognised for employee services received during 2024 and the respective increase in equity arising from equity-settled share-based payments was GEL 457 (2023: GEL 541).

11. Risk Management
Introduction
Risk is inherent in the Group's activities but it is managed through a process of on-going identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to investment risk, credit risk, liquidity risk and market risk. It is also subject to operational risks and insurance risk.

The independent risk control process does not include business risks such as changes in the environment, technology and industry. They are monitored through the Group's strategic planning process.

Risk management structure
Audit and Valuation Committee
The Audit and Valuation Committee of Georgia Capital PLC assists the Management Board of Georgia Capital in relation to the oversight of the Group's financial and reporting processes. It monitors the integrity of the financial statements and is responsible for governance around both the internal audit function and external auditor, reporting back to the Board. It reviews the effectiveness of the policies, procedures and systems in place related to, among other operational risks, compliance, IT and IS (including cyber-security) and assesses the effectiveness of the risk management and internal control framework.

It is responsible for reviewing and approving half-yearly and annual valuations of the Group's portfolio investments prepared and presented to it by the Management Board. The Committee will ensure that the Valuation Policy complies with the obligations within any agreements in place, legislation, regulations, guidance and other policies of the Company.

Management Board
The Management Board of Georgia Capital has overall responsibility for the Group's asset, liability and risk management activities, policies and procedures. The Management Board is comprised of senior managers of GCAP PLC and JSC GCAP. In order to effectively implement the risk management system, the Board of Directors delegates individual risk management functions to the Management Board, which in turn assigns specific functions to the various decision-making and execution bodies within the Group's portfolio entities.

Internal Audit
The Internal Audit Department of Georgia Capital PLC is responsible for the annual audit of the Group's risk management, internal control and corporate governance processes, with the aim of reducing the levels of operational and other risks, auditing the Group's internal control systems and detecting any infringements or errors on the part of the Group's departments and divisions. It examines both the adequacy of and the Group's compliance with those procedures. The Group's Internal Audit Department discusses the results of all assessments with management, and reports its findings and recommendations to the Audit and Valuation Committee.

Notes to Financial Statements continued
Georgia Capital PLC (Thousands of Georgian Lari)

11. Risk Management continued
Introduction continued
Risk measurement and reporting systems
The Group's risks are measured using a method which reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on different forecasting models. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment.

Monitoring and controlling risks is primarily performed based on limits established by the Group. These limits reflect the business strategy and market environment of the Group as well as the level of risk that the Group is willing to accept, with additional emphasis on selected industries and countries. In addition, the Group monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risks types and activities.

Information compiled from all the businesses is examined and processed in order to analyse, control and identify early risks. This information is presented and explained to the Management Board.

Risk mitigation
As part of its overall risk management, GCAP PLC and JSC GCAP may use derivatives and other instruments to manage exposures resulting from changes in interest rates, foreign currencies, equity risks, credit risks, and exposures arising from forecast transactions. Risks at portfolio company level are mitigated by instruments applicable to specific industries they operate in.

Credit risk
Credit risk is the risk that the Company will incur a loss because its customers, clients or counterparties fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and by monitoring exposures in relation to such limits. Credit terms by debtors for various portfolio companies are managed and monitored separately, given industry specifics in which respective entities operate.

Liquid financial instruments
Credit risk from balances with banks and financial institutions is managed by the treasury department of GCAP PLC and JSC GCAP in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The table below demonstrates the Company's financial assets credit risk profile by external rating grades:

	31 December 2024			31 December 2023		
	A+ to A-	BB+ to BB-	Not graded	A+ to A-	BB+ to BB-	Not graded
Cash and cash equivalents	**28**	**3,493**	**–**	11,826	493	–
Investment in redeemable securities	**–**	**–**	**–**	–	–	3,517
Total	**28**	**3,493**	**–**	11,826	493	3,517

Liquidity risk
Liquidity risk is the risk that the Company or any of its portfolio entities will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management has arranged diversified funding sources in addition to its capital, manages assets with liquidity in mind, and monitors future cash flows and liquidity on a regular basis. This incorporates daily monitoring of expected cash flows and liquidity needs.

The Group manages the maturities of its assets and liabilities for better matching, which helps the Group additionally mitigate the liquidity risk. Maturities of assets and liabilities of the Company and each portfolio entity are managed separately. The major liquidity risks confronting the Group are the daily calls on its available cash resources in respect of supplier contracts and the maturity of borrowings.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted repayment obligations. Repayments, which are subject to notice, are treated as if notice were to be given immediately.

Financial liabilities

31 December 2024	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Other financial liabilities	2,304	–	–	–	2,304
Total undiscounted financial liabilities	**2,304**	**–**	**–**	**–**	**2,304**

11. Risk Management continued
Liquidity risk continued

Financial liabilities

31 December 2023	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Other financial liabilities	1,711	–	–	–	1,711
Total undiscounted financial liabilities	**1,711**	**–**	**–**	**–**	**1,711**

Market risk
Market risk is the risk that the value of financial instruments will fluctuate due to changes in market variables. The Group has exposure to market risks. GCAP PLC and JSC GCAP structure the levels of market risk it accepts through a market risk policy that determines what constitutes market risk. Risks associated with changes in fair value of equity investment and its implied fair value components are disclosed in Note 12.

Price risk
In GCAP PLC equity securities price risk arises from investment held through JSC GCAP and GBH limited for which price in the future is uncertain. Where non-monetary financial instruments – for example, equity securities – are denominated in currencies other than the Georgian Lari, the price initially expressed in foreign currency and then converted into Georgian Lari will also fluctuate because of changes in foreign exchange rates. For details on currency risk management, refer to respective paragraph below.

If the price of the listed investment increased by 10% (2023: 10%) JSC GCAP's profit for the year and NAV would have increased by GEL 142,103 (2023: GEL 122,584). If the price of the listed investment decreased by 10% (2023: 10%) JSC GCAP's profit for the year and NAV would have decreased by GEL 142,104 (2023: GEL 122,585). As a result, JSC GCAP's NAV would have increased by 4% (2023: 4%) or decreased by 4% (2023: 4%).

Sensitivity analysis of private portfolio companies are presented in Note 12.

Currency risk
GCAP PLC and JSC GCAP are exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Group's principal transactions are carried out in Georgian Lari and its exposure to foreign exchange risk arises primarily with respect to GBP and US$.

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 timely and efficient elaboration of responsive actions and measures.

Operating environment
Most of the Group's portfolio investments are concentrated in Georgia. As an emerging market, Georgia's business and regulatory infrastructure is less well-developed than that which would generally exist in a more mature market economy. Operations in Georgia may involve risks that are not typically associated with those in developed markets (including the risk that the Georgian Lari is not freely convertible outside the country, and undeveloped debt and equity markets). However, over the last few years the Georgian government has taken a number of steps that positively affect the overall investment climate of the country, specifically implementing the reforms necessary to create banking, judicial, taxation and regulatory systems. This includes the adoption of a new body of legislation (including a new Tax Code and procedural laws). In the view of the Board, these steps contribute to mitigate the risks of doing business in Georgia.

The existing tendency aimed at the overall improvement of the business environment is expected to persist. The future stability of the Georgian economy is, however, largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the Government. In addition, the Georgian economy is vulnerable to market downturns and economic slowdowns elsewhere in the world.

Georgia has published climate change strategy. Georgia's 2030 Climate Change Strategy and Action Plan (Climate Change Strategy and Action Plan-CSAP, Climate Action Plan-CAP) are a planning and implementation mechanism for coordinated effort and planning towards meeting the nationally determined targets for climate change mitigation.

Notes to Financial Statements continued
Georgia Capital PLC (Thousands of Georgian Lari)

11. Risk Management continued

Capital management

Management monitors the Group's capital on a regular basis based on statement of Net Asset Value (NAV) prepared on fair value bases, which corresponds to equity attributable to shareholders of Georgia Capital PLC as at 31 December 2024 in the amount of GEL 3,609,013 (2023: GEL 3,378,512). The Net Asset Value (NAV) statement breaks down NAV into its components, including fair values for the private businesses and follows changes therein, providing management with a snapshot of the Group's financial position at any given time. The NAV statement provides a value of Georgia Capital that management uses as a tool for measuring its investment performance. Management closely monitors NAV in connection with capital allocation decisions. Refer to Note 5.

The capital management objectives are as follows:

- To maintain the required level of stability of the Group thereby providing a degree of security to the shareholders;
- To manage capital needs such that Group does not depend on potentially premature liquidation of its listed investments;
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders; and
- To maintain financial strength to support new business growth and to satisfy the shareholders' requirements.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the applicable financial covenants. To maintain or adjust the capital structure, the Group may adjust the amount of outstanding equity.

12. 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:

31 December 2024	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Equity investments at fair value	**–**	**–**	**3,606,400**	**3,606,400**

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. 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 investments in subsidiaries at fair value through profit or loss representing 100% interest of JSC Georgia Capital and 92% in Georgian Beverages Holding Limited. Georgia Capital PLC holds an 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.

12. Fair Value Measurements continued

Valuation techniques continued

Investment in subsidiaries continued

Starting from December 2024, Georgia Capital PLC also holds an investment in Georgian Beverages Holding Limited which is measured at fair value through profit or loss. Through this entity, Georgia Capital PLC holds its minority interest in the beer and distribution business. JSC Georgia Capital's net asset value as of 31 December 2024 and 31 December 2023 is determined as follows:

	31 December 2024	31 December 2023
Assets		
Cash and cash equivalents	**167,801**	51,138
Amounts due from credit institutions	**98,844**	8,678
Marketable securities	**7,869**	18,203
Investment in redeemable securities	**–**	14,068
Equity investments at fair value	**3,720,071**	3,671,945
Of which listed and observable investments	***1,609,035***	*1,384,847*
Lion Finance Group	***1,421,035***	*1,225,847*
Water utility	***188,000***	*159,000*
Of which private investments:	***2,111,036***	*2,287,098*
Large portfolio companies	***1,434,749***	*1,436,231*
Retail (pharmacy)	***716,130***	*714,001*
P&C insurance	***313,140***	*285,566*
Medical insurance	***114,805***	*92,308*
Hospitals	***290,674***	*344,356*
Investment stage portfolio companies	***557,392***	*566,614*
Renewable energy	***252,606***	*266,627*
Education	***181,584***	*189,226*
Clinics and diagnostics	***123,202***	*110,761*
Other portfolio companies	***118,895***	*284,253*
Loans issued	**–**	9,212
Other assets	**5,017**	5,060
Total assets	**3,999,602**	3,778,304
Liabilities		
Debt securities issued	**432,460**	413,930
Other liabilities	**2,161**	963
Total liabilities	**434,621**	414,893
Net asset value	**3,564,981**	3,363,411

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.

Notes to Financial Statements continued

Georgia Capital PLC (Thousands of Georgian Lari)

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

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

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

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

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

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

The earnings multiple used in valuation is determined by reference to listed peer group multiples appropriate for the period of earnings calculation for the investment being valued.

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

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

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

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

12. Fair Value Measurements continued
Valuation techniques continued
Equity investments in private portfolio companies continued
Listed peer group multiples continued
Valuation based on enterprise value continued
Once the enterprise value is estimated, the following steps are taken:
- Net financial debt appearing in the most recent financial statements is subtracted from the enterprise value. If net debt exceeds enterprise value, the value of shareholders' equity remains at zero (assuming the debt is without recourse to Georgia Capital).
- The resulting fair value of equity is apportioned between Georgia Capital and other shareholders of the company being valued, if applicable.
- Valuation based on enterprise value using peer multiples is used for businesses within non-financial industries.

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

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

Discounted cash flow
Under the discounted cash flow (DCF) valuation method, fair value is estimated by deriving the present value of the business using reasonable assumptions of expected future cash flows and the terminal value, and the appropriate risk-adjusted discount rate that quantifies the risk inherent to the business. The discount rate is estimated with reference to the market risk-free rate, a risk adjusted premium and information specific to the business or market sector. Under the discounted cash flow analysis unobservable inputs are used, such as estimates of probable future cash flows and an internally-developed discounting rate of return.

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

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

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

Validation
Fair value of investments estimated using one of the valuation methods described above is cross-checked using several other valuation methods as follows:
- Listed peer group multiples – peer multiples such as P/E, P/B (price to book) and dividend yield are applied to the respective metrics of the investment being valued depending on the industry of the company. The Company develops fair value range based on these techniques and analyses whether fair value estimated above falls within this range.
- Discounted cash flow (DCF) – the discounted cash flow valuation method is used to determine fair value of equity investment. Based on DCF, the Company might make upward or downward adjustment to the value of valuation target as derived from primary valuation method. If fair value estimated using discounted cash flow analysis significantly differs from the fair value estimate derived using primary valuation method, the difference is examined thoroughly, and judgement is applied in estimating fair value at the measurement date.
- In line with GCAP's strategy, from time to time, we may receive offers from interested buyers for the private portfolio companies, which would be considered in the overall valuation assessment, where appropriate.

Notes to Financial Statements continued
Georgia Capital PLC (Thousands of Georgian Lari)

12. Fair Value Measurements continued
Valuation process for level 3 valuations
Georgia Capital hired third-party valuation professionals to assess fair value of the large private portfolio companies as at 31 December 2021. Starting from 2022 third-party valuation professionals are hired to assess fair value of the investment stage private portfolio companies as well. As of 31 December 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. The Audit and Valuation Committee is responsible for the review and approval of fair values of investments at the end of each reporting period.

Description of significant unobservable inputs to level 3 valuations
The approach to valuations as of 31 December 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 31 December 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.

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

31 December 2024

Description	Valuation technique	Unobservable input	Range* [implied multiple**]	Fair value
Loans issued	DCF	Discount rate	–	–
Equity investments at fair value				
Large portfolio				1,434,749
Retail (pharmacy)	DCF, EV/EBITDA	EV/EBITDA multiple	5.4x–15.6x [8.4x]	716,130
P&C insurance	DCF, P/E	P/E multiple	5.6x–12.0x [10.7x]	313,140
Medical insurance	DCF, P/E	P/E multiple	9.4x–14.1x [12.3x]	114,805
Hospitals	DCF, EV/EBITDA	EV/EBITDA multiple	6.4x–12.9x [10.5x]	290,674
Investment stage				557,392
Renewable energy	DCF, EV/EBITDA	EV/EBITDA multiple	4.3x–17.5x [11.3x]	252,606
Education	DCF, EV/EBITDA	EV/EBITDA multiple	4.9x–25.4x [12.8x]	181,584
Clinics and diagnostics	DCF, EV/EBITDA	EV/EBITDA multiple	4.8x–12.9x [10.6x]	123,202
Other	Sum of the parts	EV/EBITDA multiples	5.5x–24.9x [8.0x–12.2x]	160,314
		Cashflow probability	[90%–100%]	
		NAV multiple	[0.85x]	

12. Fair Value Measurements continued
Description of significant unobservable inputs to level 3 valuations continued

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
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
Hospitals	DCF, EV/EBITDA	EV/EBITDA multiple	7.2x–12.8x [13.8x]	344,356
Investment stage				566,614
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
Clinics and diagnostics	DCF, EV/EBITDA	EV/EBITDA multiple	9.4x–12.8x [11.7x]	110,761
Other	Sum of the parts	EV/EBITDA multiples	2.1x–19.0x [6.7x–14.6x]	284,253
		Cashflow probability	[90%–100%]	
		NAV multiple	[1.0x]	

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

Georgia Capital hired third-party valuation professionals to assess fair value of the large and investment stage private portfolio companies as at 31 December 2024 and 31 December 2023 including Insurance (consisting of a. P&C insurance and b. Medical insurance), Hospitals (Large and Specialty & Regional and Community Hospitals), Retail (Pharmacy) and Clinics and Diagnostics. Starting from 30 June 2022, fair value assessment for Renewable Energy and Education businesses are performed by third-party valuation professionals as well. The valuation is performed by applying several valuation methods that are weighted to derive fair value range, with the income approach being more heavily weighted than market approach. Management selects most appropriate point in the provided fair value range at the reporting date.

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

In April 2024, Georgia Capital signed an agreement to acquire a portfolio of insurance contracts and the brand name from 'Ardi'. The acquisition was fully financed by borrowings within the medical insurance business. As at 31 December 2024, in the valuations of the medical insurance business, Georgia Capital also included the recently acquired Ardi, which was previously valued at cost.

In October 2024, Georgia Capital entered into an agreement with a subsidiary of Royal Swinkels N.V. ('Royal Swinkels') for the disposal of the beer and distribution business. Following the disposal, the beer and distribution business is held through a new holding company domiciled in the Netherlands (the 'Dutch Holdco'). GCAP PLC obtained a 20% holding in the Dutch Holdco and Royal Swinkels 80%. The parties have put in place a put/call structure relating to the remaining GCAP PLC 20% holding. The put option granted to GCAP PLC can be exercised at a pre-agreed EV/EBITDA multiple, in each of the twelve-month periods following the approval of the audited consolidated financial statements of the Dutch Holdco by shareholders for each of the financial years ended 31 December 2028, 2029 and 2030. The transaction has been completed and net proceeds of c.US$ 63.0 million has been received by 31 December 2024.

Notes to Financial Statements continued
Georgia Capital PLC (Thousands of Georgian Lari)

12. Fair Value Measurements continued
Description of significant unobservable inputs to level 3 valuations continued

As at 31 December 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. The initial judgment of the First Instance Court which was in favour of the Defendants was overruled and upon reconsideration the First Instance Court partially satisfied the claim and ruled that US$ 12.7 million principal amount plus an annual 5% interest charge as lost income (c.US$ 21 million in total) should be paid by the Defendants. The Defendants appealed the decision of the First Instance Court. Several hearings have taken place at the Appellate Court and as of 31 December 2024 the case is still at the stage of consideration at the Appellate Court. No date for the next hearing date has been set.

The 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 the 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 31 December 2024, Georgia Education Group, LLC ('GEG') was involved in litigation with the minority partner of the British Georgian Academy, LLC ('BGA'). The minority partner initially was claiming the annulment of the memorandum of understanding ('MoU') under which Georgia Capital acquired a 70% shareholding in BGA in 2019, alleging GEG's failure to invest in the development of BGA. However, the minority partner later withdrew the lawsuit and submitted a new claim to the court, seeking GEL 0.3 million in damages, once again alleging that GEG failed to invest in BGA's development.

On 6 February 2025, the minority partner filed an amended claim with the court, seeking damages in the amount of US$ 15.5 million, termination of the MoU, and the consequent return of 70% of BGA's stake in the minority partner's ownership.

GEG's assessment of the claim is that the claimant's allegations are based on false factual grounds and are without any legal merit. In particular, GEG's position is that it is the minority partner who failed to honour investment commitments under the MoU. Management shares GEG's assessment of the merits of the case and considers that the probability of incurring losses on this claim is low.

The case is currently pending before the court of first instance, and the date of the preliminary hearing has not been set yet.

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 31 December 2024 decreased by 10% (2023: 10%), value of equity investments at fair value would decrease by GEL 58 million or 2% (2023: GEL 59 million or 2%). If the multiple increased by 10% (2023: 10%) then the equity investments at fair value would increase by GEL 58 million or 2% (2023: GEL 59 million or 2%).

If the discount rates used in the income approach to value unquoted investments decreased by 50 basis points (2023: 50 basis points), the value of equity investments at fair value would increase by GEL 74 million or 2% (2023: GEL 82 million or 2%). If the discount rates increased by 50 basis points (2023: 50 basis points) then the equity investments at fair value would decrease by GEL 85 million or 2% (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 162 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 158 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 31 December 2024 decreased by 10% (2023: 10%), value of equity investments at fair value would decrease by GEL 8 million or 0.2% (2023: GEL 10 million or 0.3%). If the multiple increased by 10% then the equity investments at fair value would increase by GEL 8 million or 0.2% (2023: GEL 10 million or 0.3%).

12. Fair Value Measurements continued
Sensitivity analysis to significant changes in unobservable inputs within level 3 hierarchy continued

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 gain	Capital redemption/ injection	Dividend Income	At 31 December 2024
Level 3 financial assets									
Equity investments at fair value (Note 6)	2,795,060	616,010	–	(47,659)	3,363,411	**368,098**	**–**	**(125,109)**	**3,606,400**

13. Maturity Analysis

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

	31 December 2024		
	Less than 1 Year	More than 1 Year	Total
Cash and cash equivalents	3,521	–	3,521
Equity investments at fair value	–	3,606,400	3,606,400
Prepayments	1,396	–	1,396
Total assets	**4,917**	**3,606,400**	**3,611,317**
Other liabilities	2,304	–	2,304
Total liabilities	**2,304**	**–**	**2,304**
Net	**2,613**	**3,606,400**	**3,609,013**

	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**

Notes to Financial Statements continued
Georgia Capital PLC (Thousands of Georgian Lari)

14. 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 disclosed below have been conducted on an arm's length basis.

There were no related party transactions as of 31 December 2024 and as of 31 December 2023, other than dividend income of GEL 125,109 from JSC GCAP in 2024 (31 December 2023: 47,659) and compensation of key management personnel disclosed below.

The compensation of key management personnel for the Company and its 100%-owned subsidiary, JSC GCAP, comprised the following:

	2024	2023
Salaries and other benefits	**(1,916)**	(2,097)
Share-based payments compensation	**(9,093)**	(9,165)
Total key management compensation	**(11,009)**	(11,262)

Key management personnel do not receive cash settled compensation, except for fixed salaries. The number of key management personnel at 31 December 2024 was 5 (31 December 2023: 5).

For more information regarding Groups Directors' remuneration refer to the Directors' Remuneration Report on page 142-168 in the Group's Annual Report 2024.

For the details of related party balances comprising of equity investments at fair value please, refer to Note 6.

15. Events after the Reporting Period
Lion Finance Group PLC Share Price Growth
As of 14 March 2025, the share price of Lion Finance Group PLC has seen a significant increase, rising from GBP 47.10 to GBP 56.30 compared to the end of 2024. This translates to a total value increase by 22% in GEL.

US$ 25 million increase to the share buyback programme
On 11 March 2025, Georgia Capital PLC announced the increase of the current US$ 25 million share buyback and cancellation programme by an additional US$ 25 million, which would be put in place immediately. The shares will be purchased in the open market, and the cancellation of the treasury shares will be executed on a monthly basis.

Additional Information
Abbreviations

AGM	Annual General Meeting
APM	Alternative performance measure
BoG	JSC Bank of Georgia
CAGR	Compounded annual growth rate
COVID-19	The novel coronavirus
DCF	Discounted cash flow
DCFTA	Deep and Comprehensive Free Trade Agreement
EBITDA	Earnings before interest, taxes, non-recurring items, FX gain or losses and depreciation and amortisation
EECP	Executives' Equity Compensation Plan
EFTA	European Free Trade Association
EPS	Earnings per share
ESMS	Environmental and Social Risk Management Procedures
EUR	Euro
EV	Enterprise value
FCF	Free cash flow
FDI	Foreign direct investment
FRC	Financial Reporting Council
FTA	Free Trade Agreement
GBP	Great British Pound, national currency of the UK
GDP	Gross domestic product
GEL	Georgian Lari or Lari, national currency of Georgia
GGU	Georgia Global Utilities
GHG	Georgia Healthcare Group
HPP	Hydro power plant
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFC	International Finance Corporation
IMF	International Monetary Fund
IPO	Initial Public Offering
LTIP	Long-Term Incentive Plan
LTM	Last 12 months
LTV	Loan to value ratio
MDA	Modified Dutch Auction
MOIC	Multiple of invested capital
MoU	Memorandum of Understanding
MTPL	Mandatory third-party liability insurance
MW	Megawatt
NAV	Net asset value
NBG	National Bank of Georgia
NCC	Net Capital Commitment
NGO	Non-governmental organisation
NIM	Net Interest Margin
NMF	Not meaningful to present
NPLs	Non-performing loans
NTM	Next twelve months
OECD	Organisation for Economic Co-operation and Development
OPEX	Operating expenses
P&C	Property and Casualty
PLC	Public limited company
PPA	Power Purchase Agreement
PwC	PricewaterhouseCoopers LLP
RAB	Regulatory Asset Base
ROA	Return on assets
ROAE	Return on average equity
ROE	Return on equity
ROIC	Return on invested capital
SDGs	United Nations' Sustainable Development Goals
SMEs	Small and medium-size enterprises
SOTP	Sum-of-the-parts valuation
TBD	To be determined
TPP	Thermal power plant
TPL	Third-party liability insurance
TSR	Total Shareholder Return
UK	United Kingdom
US$/USD	United States dollar, national currency of the United States
WACC	Weighted average cost of capital
WPP	Wind power plant
WSS	Water supply and sanitation
WWTP	Wastewater treatment plant
y-o-y	Year-on-year
YTD	Year to date

Additional Information
References

BGEO Group PLC	Former parent company of Georgia Capital PLC prior to demerger
The Board	The Board of Directors of Georgia Capital PLC
The Code	The UK Corporate Governance Code published in 2018
The Directors	Members of Georgia Capital PLC Board of Directors
We/Our/Us	References to "we", "our" or "us" are primarily references to the Group throughout this Report. However, the Group is comprised of and operates through its subsidiaries which are legal entities with their own relevant management and governance structure (as set out in relevant parts of this Report).

Additional Information
Glossary

Alternative performance measures (APMs)	In this Annual Report management uses various APMs, which they believe provide additional useful information for understanding the financial performance of the Group. These APMs are not defined by International Financial Reporting Standards, and also may not be directly comparable with other companies who use similar measures. Management believes that these APMs provide the best representation of our financial performance as these measures are used by management to evaluate our operating performance and make day- to-day operating decisions.
Combined ratio	Equals sum of the loss ratio and the expense ratio in the insurance business.
Demerger	Georgia Capital PLC emerged as a separately listed company after demerger from its former Parent Company BGEO Group on 29 May 2018 (the demerger).
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 portfolio companies' operational performance and the profitability of these companies' operations. The Company considers EBITDA to be an important indicator of representative recurring operations.
Expense ratio	Equals sum of acquisition costs and operating expenses divided by net earned premiums in the insurance business.
IRR	IRR for investments is calculated based on: a) historical contributions to the investment; b) dividends received; and c) fair value of the investment as at 31 December 2023.
LTV	Loan to value ratio: net debt divided by the portfolio value.
Liquid assets and Loans issued	Liquid asset and loans issued in Georgia Capital include cash, marketable debt securities and issued short-term loans.
Loss ratio	Equals net insurance claims expense divided by net earned premiums.
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.
NCC	Net Capital Commitment represents an aggregated view of all confirmed, agreed and expected capital outflows at the GCAP holding company level.
NCC ratio	Equals Net Capital Commitment divided by portfolio value.
Net investment	Gross investments less capital returns.
Number of shares outstanding	Number of shares in issue less total unawarded shares in JSC GCAP's management trust.
MOIC	Multiple of invested capital is calculated as follows: i) the numerator is the cash and non-cash inflows from dividends and sell-downs plus fair value of investment at reporting date, and ii) the denominator is the gross investment amount.
P/B multiple	The price-to-book multiple, determined by dividing the current market price of a company's share by its book value per share.
P/E multiple	The price-to-earnings multiple, calculated by dividing the current market price of a company's share by its earnings per share.
Realised MOIC	Realised multiple of invested capital is calculated as follows: i) the numerator is the cash and non- cash inflows from dividends and sell-downs, ii) the denominator is the gross investment amount.
ROAE	Return on average total equity equals profit for the period attributable to shareholders divided by monthly average equity attributable to shareholders for the same period.
ROIC	Return on invested capital is calculated as EBITDA less depreciation, divided by aggregate amount of total equity and borrowed funds.
Value creation	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.

Additional Information
Shareholder Information

Our website
All shareholders and potential shareholders can gain access to the Annual Report, presentations to investors, key financial information, regulatory news, share and dividend data, AGM documentation and other significant information about Georgia Capital at: **https://georgiacapital.ge/**.

Our registered address
Georgia Capital PLC
Central Square
29 Wellington Street
Leeds, LS1 4DL
United Kingdom

Annual General Meeting
The Annual General Meeting of Georgia Capital PLC (the AGM) will be held at the offices of Baker & McKenzie LLP, 280 Bishopsgate, London EC2M 4RB. Details of the date, time and business to be conducted at the AGM is contained in the Notice of AGM, which will be mailed to shareholders who have elected to receive hard copies of shareholder information and will be available on the Company's website: **https://georgiacapital.ge/**.

Shareholder enquiries
Georgia Capital PLC's share register is maintained by Computershare Investor Services PLC. Any queries about the administration of holdings of ordinary shares, such as change of address or change of ownership, should be directed to the address or telephone number immediately below. Holders of ordinary shares may also check details of their shareholding, subject to passing an identity check, by visiting the Registrar's website: **www.investorcentre.co.uk** or by calling the Shareholder Helpline on: +44 (0) 370 873 5866.

Computershare Investor Services PLC
The Pavilions, Bridgwater Road
Bristol BS13 8AE
United Kingdom
+44 (0) 370 873 5866

Contact information
Georgia Capital PLC Investor Relations
E-mail: ir@gcap.ge

Forward-looking statements
Certain statements in this Annual Report and Accounts contain forward- looking statements, including, but not limited to, statements concerning expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position and future operations and development. Although Georgia Capital PLC believes that the expectations and opinions reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations and opinions will prove to have been correct. By their nature, these forward-looking statements are subject to a number of known and unknown risks, uncertainties and contingencies, and actual results and events could differ materially from those currently being anticipated as reflected in such statements. Important factors that could cause actual results to differ materially from those expressed or implied in forward- looking statements, certain of which are beyond our control, include, among other things, those described in "principal risks and uncertainties" included in this Annual Report and Accounts, see pages 65 to 74.

No part of this document constitutes, or shall be taken to constitute, an invitation or inducement to invest in Georgia Capital PLC or any other entity, and must not be relied upon in any way in connection with any investment decision. Georgia Capital PLC and other entities undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required. Nothing in this document should be construed as a profit forecast.

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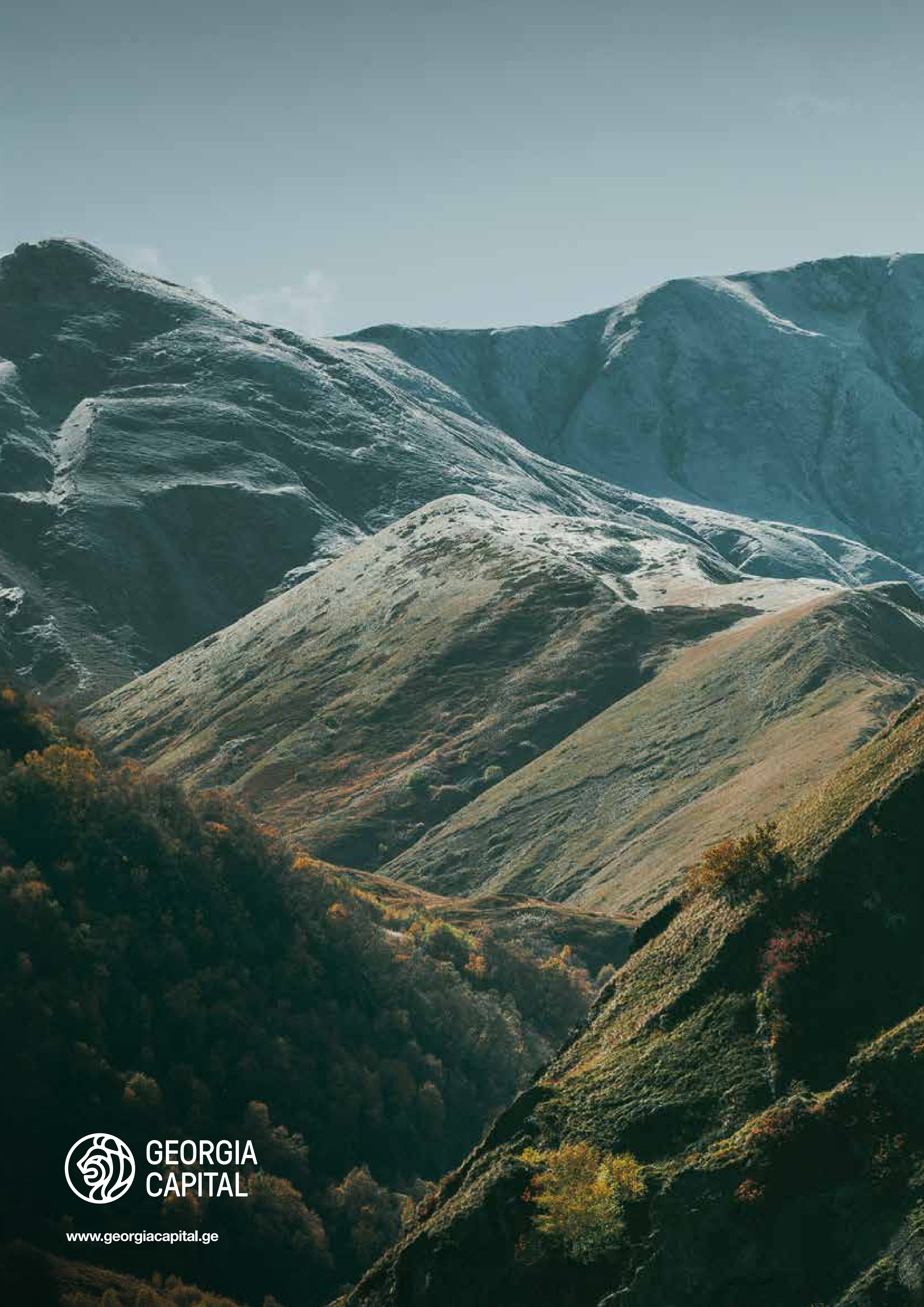

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