


20 March 2025

**JSC Georgia Capital  
Statement of Responsible Persons**

We confirm that the audited consolidated financial statements prepared in accordance with relevant International Financial Reporting Standards (IFRS) and with the disclosure requirements of the Law of Georgia on Accounting, Reporting and Auditing fully, correctly and fairly reflect the assets, liabilities, financial position and profit and loss of JSC Georgia Capital and the management report fairly and comprehensively reviews the development, results and condition of the activities as well as a description of the main existing risks for the year ended 31 December 2024.

**Irakli Gilauri**

JSC Georgia Capital  
Chief Executive Officer



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**David Morrison**

JSC Georgia Capital  
Chairperson of Supervisory Board



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**JSC Georgia Capital and Subsidiaries  
Consolidated Financial Statements**

*31 December 2024*

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## Independent Auditor's Report

To the Shareholder and the Supervisory Board of JSC Georgia Capital

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### Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of JSC Georgia Capital (the "Company") and its subsidiaries (together – the "Group") as at 31 December 2024, and the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and with the disclosure requirements of the Law of Georgia on Accounting, Reporting and Auditing.

### What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

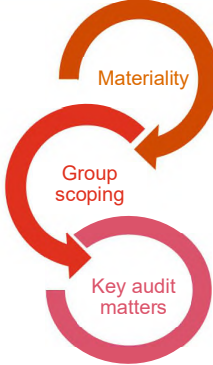
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

## Our audit approach

### Overview

	<ul style="list-style-type: none"> <li>Overall Group materiality: GEL 35,650 thousand, which represents 1% of Group's net assets.</li> <li>We conducted audit work at JSC Georgia Capital level. Consolidated subsidiaries were assessed as non-significant components.</li> <li>Matter which was of most significance in the audit of the consolidated financial statements is: Valuation of equity investments using unobservable inputs.</li> </ul>
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As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the consolidated financial statements as a whole.

<b>Overall Group materiality</b>	GEL 35,650 thousand
<b>How we determined it</b>	1% of net assets
<b>Rationale for the materiality benchmark applied</b>	We chose net assets as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users of the consolidated financial statements, given that JSC Georgia Capital meets the investment entity definition under IFRS 10 and therefore measures its investments at fair value. We chose 1% which is consistent with quantitative materiality thresholds used for companies where net assets is considered as a benchmark.



**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Valuation of equity investments using unobservable inputs</b></p> <p>The equity investments at fair value balance presented in the Consolidated Statement of Financial Position includes equity investments valued using unobservable inputs. The accounting policy for this balance is included in note 3 and note 4 to the consolidated financial statements. The breakdown of the balance is disclosed in note 10 and the details on fair value measurements are disclosed in note 17 to the consolidated financial statements.</p> <p>In valuing the investment portfolio using unobservable inputs, key assumptions include discount rates, future growth projections, control premia, illiquidity discounts and the application of weighted averages to different valuation approaches.</p> <p>The inputs in the earnings multiples models include 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.</p> <p>The valuation of equity investments using unobservable inputs 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.</p>	<p>We obtained an understanding of management's processes and controls for determining the fair value of equity investments, including understanding management's interactions with management's external experts. We performed the following procedures over the valuation of equity investments using unobservable inputs as at 31 December 2024:</p> <ul style="list-style-type: none"> <li>• Assessed the competences and capabilities of management's expert and verified their qualifications;</li> <li>• Assessed the objectivity and independence of management's expert, by discussing the scope of their work and reviewing the terms of their engagement for unusual terms or fee arrangements;</li> <li>• Held discussions with management and third party valuers to challenge their assumptions and validate inputs used;</li> <li>• Validated the appropriateness of the fair valuation policies to assess whether they are in accordance with applicable accounting requirements;</li> <li>• Tested the classification of Level 3 investments to assess whether they were classified appropriately;</li> <li>• Reviewed valuation methodologies to confirm they are in line with the Group's valuation policies and applicable accounting requirements;</li> <li>• Recalculated the valuation models from their Excel formulas to assess mathematical accuracy;</li> <li>• 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</li> </ul>



Key audit matter	How our audit addressed the key audit matter
<p>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.</p>	<ul style="list-style-type: none"> <li>• Validated ownership and other interests held through regulatory data, sale and purchase agreements or other third-party reports.</li> </ul> <p>In addition, given the inherent subjectivity involved in the valuation of the equity investments using unobservable inputs, and therefore the need for specialised market knowledge when determining the most appropriate assumptions and the technicalities of valuation methodology, we engaged our internal valuation experts to assist us in our audit of this area.</p> <p>Our internal valuation experts performed the following procedures on a sample of investments:</p> <ul style="list-style-type: none"> <li>• Obtained and read the valuation reports drafted by management’s external experts for each asset in the sample;</li> <li>• Discussed with management’s external experts and management their rationale for the valuations;</li> <li>• Reviewed and assessed the reasonableness of the valuation approaches and methodologies for compliance with the relevant industry best practice and applicable accounting;</li> <li>• 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</li> <li>• Reported their findings to the audit team for overall considerations and conclusions.</li> </ul> <p>We also considered the appropriateness and adequacy of the disclosures around the estimation uncertainty and sensitivities on the accounting estimates.</p>

**How we tailored our Group audit scope**

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group’s activities are primarily carried out in Georgia. The Group’s business activities comprise of 5 segments for which it manages and reports its operating results and financial position, namely listed and observable portfolio companies, private large portfolio companies, private investment stage portfolio companies, private other portfolio companies, and corporate centre.

JSC Georgia Capital is the largest and the only significant component of the Group. Its main operations are buying, developing and selling businesses in Georgia and it identifies itself as an investment entity. It comprises over 99% of the Group’s net assets. Other components of the Group do not represent investment entities and provide excess liquidity and share based payments scheme management services related to the Group’s investment activities.



Our audit approach and team were also designed to reflect the structure of the Group. Based on the procedures we performed over the single material component our audit scoping/coverage accounted for over 99% of the net assets of the Group.

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### Other information

Management is responsible for the other information. The other information comprises the Management Report (but does not include the consolidated financial statements and our auditor's report thereon).

Our opinion on the consolidated financial statements does not cover the Management Report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether the Management Report is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report in this regard.

In addition, we are required by the Law of Georgia on Accounting, Reporting and Auditing to express an opinion whether certain parts of the Management Report comply with respective regulatory normative acts and to consider whether the Management Report includes the information required by the Law of Georgia on Accounting, Reporting and Auditing.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the Management Report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements;
- the information given in the Management Report complies with the requirements of paragraph 6 and paragraph 7 (c), (g) of article 7 of the Law of Georgia on Accounting, Reporting and Auditing;
- the information given in the Management Report includes the information required by paragraph 7 (a), (b), (d) – (f) of article 7 of the Law of Georgia on Accounting, Reporting and Auditing.

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### Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and with the disclosure requirements of the Law of Georgia on Accounting, Reporting and Auditing, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.





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## Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lasha Janelidze.

A handwritten signature in blue ink that reads "PricewaterhouseCoopers Georgia LLC" followed by a stylized signature.

PricewaterhouseCoopers Georgia LLC (Reg.# SARAS-F-775813)

Lasha Janelidze (Reg.#SARAS/A-562091)

20 March 2025  
Tbilisi, Georgia

A handwritten signature in blue ink, consisting of a stylized initial 'L' and a circular flourish.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****As at 31 December 2024***(Thousands of Georgian Lari)*

	<i>Note</i>	<i>31 December 2024</i>	<i>31 December 2023</i>
<b>Assets</b>			
Cash and cash equivalents	6	167,801	51,138
Amounts due from credit institutions	7	98,844	8,678
Marketable securities	8	7,869	18,203
Investment in redeemable securities	8	-	14,068
Accounts receivable	14	2,777	3,274
Prepayments		959	923
Loans issued	9	-	9,212
Property and equipment		258	340
Intangible assets		25	67
Other assets		998	456
Equity investments at fair value	10	3,720,071	3,671,945
<b>Total assets</b>		<b>3,999,602</b>	<b>3,778,304</b>
<b>Liabilities</b>			
Accounts payable		1,586	888
Debt securities issued	11	432,460	413,930
Other liabilities		575	75
<b>Total liabilities</b>		<b>434,621</b>	<b>414,893</b>
<b>Equity</b>			
Share capital	12	12,735	12,877
Additional paid-in capital		487,460	516,806
Treasury shares	12	(961)	(980)
Other reserves		(681)	(311)
Retained earnings		3,066,428	2,835,019
<b>Total equity</b>		<b>3,564,981</b>	<b>3,363,411</b>
<b>Total liabilities and equity</b>		<b>3,999,602</b>	<b>3,778,304</b>

Signed and authorised for release on behalf of the Supervisory Board and Management by:

David Morrison

Chairperson of Supervisory Board



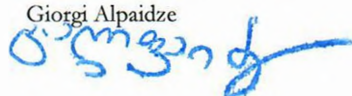
Irakli Gilauri

Chief Executive Officer



Giorgi Alpaidze

Chief Financial Officer



20 March 2025

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****As at 31 December 2024***(Thousands of Georgian Lari)*

	<i>Note</i>	<i>31 December 2024</i>	<i>31 December 2023</i>
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**Signed and authorised for release on behalf of the Supervisory Board and Management by:**

David Morrison

Chairperson of Supervisory Board

Irakli Gilauri

Chief Executive Officer

Giorgi Alpaidze

Chief Financial Officer

20 March 2025

*The accompanying notes on pages 6 to 46 are an integral part of these consolidated financial statements.*

**CONSOLIDATED INCOME STATEMENT****For the year ended 31 December 2024***(Thousands of Georgian Lari)*

	<u>Note</u>	<u>2024</u>	<u>2023</u>
Gains on investments at fair value	10	306,121	517,988
<i>Listed and Observable Investments</i>		296,739	472,740
<i>Of which:</i>			
<i>Sale consideration from disposal of listed shares</i>	5	72,551	73,356
<i>Carrying amount of disposed listed shares</i>	5	(64,598)	(65,766)
<i>Private Investments</i>		9,382	45,248
Dividend income	10	129,201	162,527
Interest income at effective interest rate method		5,340	5,953
Other interest income		2,297	3,119
Loss on derecognition of liability	11	(72)	(3,111)
Net (losses)/gains from investment securities measured at FVPL		(269)	1,446
Net realised gains/(losses) from investment securities measured at FVOCI		28	(162)
Other income		30	8
<b>Gross investment profit</b>		<b>442,676</b>	<b>687,768</b>
Salaries and other employee benefits	13	(22,903)	(23,783)
Depreciation and amortisation		(536)	(545)
Other administrative expenses	13	(6,122)	(5,894)
Interest expense	11	(35,575)	(39,660)
<b>Profit before provisions, foreign exchange and non-recurring items</b>		<b>377,540</b>	<b>617,886</b>
Expected credit loss charge	14	(3,562)	(75)
Net foreign currency (loss)/gain		(16,539)	6,954
Gain/(loss) on derivative financial assets		1,227	(11)
Non-recurring expense		(2,148)	(1,898)
<b>Profit before income taxes</b>		<b>356,518</b>	<b>622,856</b>
Income tax		-	-
<b>Profit for the year</b>		<b>356,518</b>	<b>622,856</b>

*The accompanying notes on pages 6 to 46 are an integral part of these consolidated financial statements.*

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****For the year ended 31 December 2024***(Thousands of Georgian Lari)*

	<u>Note</u>	<u>2024</u>	<u>2023</u>
<b>Profit for the year</b>		<u>356,518</u>	<u>622,856</u>
<b>Other comprehensive (loss)/income</b>			
<i>Other comprehensive income/ (loss) to be reclassified to profit or loss in subsequent periods:</i>			
Changes in the fair value of debt instruments at FVOCI		(342)	(34)
Realised (gain)/loss on financial assets measured at FVOCI reclassified to the consolidated income statement		(28)	162
<b>Net other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods</b>		<u>(370)</u>	<u>128</u>
<b>Other comprehensive (loss)/income for the year, net of tax</b>		<u>(370)</u>	<u>128</u>
<b>Total comprehensive income for the year</b>		<u><u>356,148</u></u>	<u><u>622,984</u></u>

*The accompanying notes on pages 6 to 46 are an integral part of these consolidated financial statements.*

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****For the year ended 31 December 2024***(Thousands of Georgian Lari)*

	<i>Share capital</i>	<i>Additional paid-in capital</i>	<i>Treasury shares</i>	<i>Other reserves</i>	<i>Retained earnings</i>	<i>Total</i>
<b>1 January 2024</b>	<u>12,877</u>	<u>516,806</u>	<u>(980)</u>	<u>(311)</u>	<u>2,835,019</u>	<u>3,363,411</u>
Profit for the year	-	-	-	-	356,518	356,518
Other comprehensive income for the year	-	-	-	(370)	-	(370)
<b>Total comprehensive income for the year</b>	-	-	-	<b>(370)</b>	<b>356,518</b>	<b>356,148</b>
Increase in equity arising from share-based payments (Note 15)	-	21,278	-	-	-	21,278
Capital reduction (Note 12)**	(142)	(41,277)	-	-	-	(41,419)
Dividend paid to the shareholder*	-	-	-	-	(125,109)	(125,109)
Acquisition of treasury shares under share-based payment plan (Note 12)	-	(9,347)	19	-	-	(9,328)
<b>31 December 2024</b>	<u>12,735</u>	<u>487,460</u>	<u>(961)</u>	<u>(681)</u>	<u>3,066,428</u>	<u>3,564,981</u>

	<i>Share capital</i>	<i>Additional paid-in capital</i>	<i>Treasury shares</i>	<i>Other reserves</i>	<i>Retained earnings</i>	<i>Total</i>
<b>1 January 2023</b>	<u>12,877</u>	<u>523,760</u>	<u>(960)</u>	<u>(439)</u>	<u>2,259,822</u>	<u>2,795,060</u>
Profit for the year	-	-	-	-	622,856	622,856
Other comprehensive income for the year	-	-	-	128	-	128
<b>Total comprehensive income for the year</b>	-	-	-	<b>128</b>	<b>622,856</b>	<b>622,984</b>
Increase in equity arising from share-based payments (Note 15)	-	25,249	-	-	-	25,249
Capital reduction	-	-	-	-	-	-
Dividend paid to the shareholder*	-	-	-	-	(47,659)	(47,659)
Acquisition of treasury shares under share-based payment plan (Note 12)	-	(32,203)	(20)	-	-	(32,223)
<b>31 December 2023</b>	<u>12,877</u>	<u>516,806</u>	<u>(980)</u>	<u>(311)</u>	<u>2,835,019</u>	<u>3,363,411</u>

\* During 2024 JSC Georgia Capital paid dividend of GEL 125,109 thousand (GEL 10.3904 per share, in nominal value) to its 100% shareholder, GCAP PLC (2023: GEL 47,659 thousand, (GEL 3.9581 per share, in nominal value)).

\*\* During 2024 the parent company, GCAP PLC, received GEL 41,419 thousand in the form of non-cash capital redemption from JSC GCAP.

*The accompanying notes on pages 6 to 46 are an integral part of these consolidated financial statements.*

**CONSOLIDATED STATEMENT OF CASH FLOWS****For the year ended 31 December 2024***(Thousands of Georgian Lari)*

	<u>Note</u>	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities</b>			
Dividends received	10	129,201	162,527
Salaries and other employee benefits paid		(9,724)	(9,481)
Other administrative expenses paid		(6,122)	(5,894)
Interest income received		9,244	8,293
Net change in operating assets and liabilities		80	(441)
<b>Net cash flows from operating activities before income tax</b>		<b>122,679</b>	<b>155,004</b>
Income tax paid		-	-
<b>Net Cash flow from operating activities</b>		<b>122,679</b>	<b>155,004</b>
<b>Cash flows from investing activities</b>			
Net (placement)/withdrawal of amounts due from credit institutions		(90,858)	7,253
Loans issued	9	(17,805)	(58,113)
Loans repaid		25,545	75,503
Proceeds from sale of shares in portfolio companies	10	237,988	75,058
Increase of equity investments		(16,933)	(22,588)
Purchase of marketable securities		(18,658)	(15,889)
Proceeds from sale and redemption of marketable securities and redeemable securities		43,167	22,114
Purchase of property and equipment		(22)	(94)
Other investing activities		(641)	(868)
<b>Net cash flows from investing activities</b>		<b>161,783</b>	<b>82,376</b>
<b>Cash flows from financing activities</b>			
Dividend paid to the shareholder		(125,109)	(47,659)
Proceeds from debt securities issued	11	2,382	389,024
Redemption and buyback of debt securities issued	11	(2,636)	(652,206)
Interest paid		(34,365)	(34,835)
Acquisition of treasury shares under share-based payment plan	12	(9,328)	(32,223)
Cash payments for principal portion of lease liability	11	(419)	(304)
Cash payments for interest portion of the lease liability	11	(44)	(15)
<b>Net cash used in financing activities</b>		<b>(169,519)</b>	<b>(378,218)</b>
Effect of exchange rates changes on cash and cash equivalents		1,720	(7,796)
Effect of change in expected credit losses for cash and cash equivalents		-	1
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>116,663</b>	<b>(148,633)</b>
<b>Cash and cash equivalents, beginning of the year</b>	6	<b>51,138</b>	<b>199,771</b>
<b>Cash and cash equivalents, end of the year</b>	6	<b>167,801</b>	<b>51,138</b>

*The significant non-cash transactions are disclosed in Note 12.*

*The accompanying notes on pages 6 to 46 are an integral part of these consolidated financial statements.*



(Thousands of Georgian Lari)

## 1. Principal Activities

JSC Georgia Capital (“Georgia Capital”, “JSC GCAP”, “GCAP”, “Company”) makes up a group of companies (the “Group”), focused on buying, building and developing businesses in Georgia and monetising investments as they mature. The Group currently has the following portfolio businesses (i) a retail (pharmacy) business, (ii) a hospitals business (consisting of a. large and specialty hospitals and b. regional and community hospitals), (iii) an insurance business (P&C and medical insurance); (iv) a clinics and diagnostics business, (v) a renewable energy business (hydro and wind assets) and (vi) an education business; Georgia Capital also holds other small private businesses across different industries in Georgia; a 20% equity stake in the water utility business and a 19.2% (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.

JSC Georgia Capital’s (Company ID: 404549690) registered legal address is Petre Melikishvili Avenue N8a / Erekle Tatishvili Street N1, Tbilisi Georgia.

JSC Georgia Capital was established on 6 August 2015 as a joint stock company (JSC) under the laws of Georgia. As of 31 December 2024 and 31 December 2023, the Group’s ultimate 100% owner was Georgia Capital PLC (“GCAP PLC”), a company incorporated in England and listed on the London Stock Exchange.

## 2. Basis of Preparation

### General

The consolidated financial statements of JSC Georgia Capital have been prepared in accordance with International Financial Reporting Standards (‘IFRS’) as issued by the International Accounting Standards Board (IASB) and with the disclosure requirements of the Law of Georgia on Accounting, Reporting and Auditing.

These financial statements are prepared under the historical cost convention except for financial assets measured at fair value and 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 or 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.

Further details on financial impact of the application of investment entity status and the underlying significant judgments are provided in notes 3, 4 and 17 respectively.

*(Thousands of Georgian Lari)*

## 2. Basis of Preparation (continued)

### Going concern

The Supervisory Board 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 Supervisory Board 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.

On 24 December 2024 the Group received GEL 174 million cash consideration for disposal of controlling interest in Beer and Distribution business (GEL 9 million was in the form of loan repayment).

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 business, insurance 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 USD 150 million sustainability-linked local bonds in Georgia, with an 8.5% coupon rate, payable in August 2028. The proceeds from the transaction, together with GCAP's existing liquid funds, were fully used to redeem GCAP's USD 300 million Eurobonds. Following these transactions, GCAP's gross debt balance decreased from USD 300 million to USD 150 million. The Supervisory Board 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 for the Group and portfolio companies that would materially impact their ability to generate sufficient cash and continue as going concern.

Based on the considerations outlined above, management of Georgia Capital concluded that 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 Supervisory Board concluded that the Group remains solvent with solid financial position and has sufficient cash and liquid investment securities to withstand the distressed scenario.

*(Thousands of Georgian Lari)***2. Basis of Preparation (continued)****Subsidiaries and associates**

The direct and indirect subsidiaries and associates of JSC Georgia Capital as at 31 December 2024 and 31 December 2023 are as follows:

Subsidiaries Consolidated	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					
⇒ GCMF, LLC	100.00%	100.00%	Georgia	8a Petre Melikishvili Ave, Tbilisi, 0179	Excess liquidity management company	2/5/2019	–

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					
⇒ 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 Natsubidze 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	–
LLC ⇒ Georgia Real Estate Management Group,	100.00%	100.00%	Georgia	10 Givi Kartozia st., Tbilisi	Hospitality	17/8/2015	–
⇒ Gudauri Lodge, LLC <sup>(1)</sup>	0.00%	100.00%	Georgia	80 Aghmashenebeli ave., Tbilisi, 0102	Hospitality	24/04/2018	–
Group, LLC <sup>(1)</sup> ⇒ Georgia Property Management	0.00%	100.00%	Georgia	10 Givi Kartozia st., Tbilisi	Commercial assets	4/10/2018	–
⇒ m2, LLC <sup>(1)</sup>	0.00%	100.00%	Georgia	29 Ila chavchavadze Ave., Tbilisi, 0105	Hospitality / Real estate	12/2/2014	–
⇒ m2 Kutaisi, LLC <sup>(1)</sup>	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	–

*(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					
⇒ 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	–
⇒ Svneti 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
⇒ 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 <sup>(2)</sup>	100.00%	100.00%	Georgia	1, Berbuki str., Saburatalo, 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
⇒ Alliance, 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 <sup>(3)</sup>	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 Pharamlogistics, 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	–
⇒ 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

*(Thousands of Georgian Lari)***2. Basis of Preparation (continued)****Subsidiaries and associates (continued)**

Subsidiaries at FV	<i>Proportion of voting rights and ordinary share capital held*</i>		<i>Country of incorporation</i>	<i>Address</i>	<i>Industry</i>	<i>Date of incorporation</i>	<i>Date of acquisition</i>
	<i>31 December 2024</i>	<i>31 December 2023</i>					
⇒ JSC Georgia Healthcare Group <sup>(3)</sup>	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
Treatment-Diagnostic Centre	66.70%	66.70%	Georgia	Djavakishvili str. 85, Kutaisi, Georgia	Healthcare	5/5/2003	29/11/2011
⇒ West Georgia Medical Center, LLC	66.70%	66.70%	Georgia	A Djavakishvili str. 83A, Kutaisi, Georgia	Healthcare	9/12/2011	29/11/2011
⇒ N(N)E Blood Center	100.00%	0.00%	Georgia	Javakishvili str. N85/ Javakishvili str. N83A, Kutaisi, Georgia	Healthcare	31/05/2024	–
Development Training Center N(N)E	100.00%	100.00%	Georgia	Javakishvili str. N85/ Javakishvili str. N83A, Kutaisi, Georgia	Healthcare	23/12/2021	–
⇒ Vian LLC	100.00%	100.00%	Georgia	142, A. Belashvili 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. Belashvili str, Tbilisi	Healthcare	3/1/2017	20/7/2017
⇒ JSC Pediatrics	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, Javakishvili 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
⇒ Georgian Clinics LLC	100.00%	100.00%	Georgia	142, A. Belashvili 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 <sup>(4)</sup>	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 Alliance Med <sup>(4)</sup>	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
N(N)LE	100.00%	100.00%	Georgia	Petre Kavtaradze str. 23, Tbilisi	Healthcare	25/5/2021	–

*(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					
⇒ 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. Belashvili 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
⇒ 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
LLC ⇒ Teliani Trading (Ukraine),	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
LLC ⇒ Alcoholic Drinks Company Alaverdi	100.00%	100.00%	Georgia	Chumlaki, Gurjaani Region, Georgia	Winery	8/4/2008	19/8/2019
⇒ Global Beer Georgia, LLC <sup>(5)</sup>	0.00%	100.00%	Georgia	Tsilikani, Mtskheta Region, Georgia	Beer Production	30/6/2000	28/2/2007
⇒ Genuine Brewing Company, LLC <sup>(5)</sup>	0.00%	100.00%	Georgia	Tsilikani, Mtskheta Region, Georgia	Beer Production and Distribution	7/6/2011	7/2/2018
⇒ Craf and Draft, LLC <sup>(5)</sup>	0.00%	100.00%	Georgia	Tsilikani, Mtskheta Region, Georgia	Beer Production	20/2/2019	–
⇒ Global Coffee Georgia, LLC <sup>(5)</sup>	0.00%	100.00%	Georgia	29a Gagarini street, Tbilisi	Coffee Distribution	26/12/2016	–
⇒ New Coffee Company, LLC <sup>(5)</sup>	0.00%	100.00%	Georgia	Isakiani cul-de-sac 2, Gldani-Nadzaladevi District, Tbilisi	Coffee Distribution	23/9/2009	15/2/2017
LLC <sup>(5)</sup> ⇒ Georgia Logistics and Distribution,	0.00%	100.00%	Georgia	2 Marshal Gelovani St, Tbilisi	Distribution	10/1/2006	27/3/2007
⇒ 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 Belashvili 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	–
LLC ⇒ Green School - Didi Dighomi,	100.00%	100.00%	Georgia	D. Tavdadebuli str. 6, Tbilisi, Georgia	Education	27/9/1995	20/8/2021
LLC ⇒ Green School - Forest Campus	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	–
⇒ 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-Chugureti / 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	–
Gelovani LLC ⇒ Buckswood School at	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
School of Tbilisi ⇒ NNLE British International	100.00%	100.00%	Georgia	17, Leo Kvachadze str, Tbilisi	Education	3/2/2015	–
Tbilisi LLC ⇒ British International School of	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	–

*(Thousands of Georgian Lari)***2. Basis of Preparation (continued)****Subsidiaries and associates (continued)**

Associates	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					
N(NL)E Georgian Medical Tourism Council	28.57%	28.57%	Georgia	I-II floor, house N10, N 13, b. N1 almond Gardens Street, tskneti, Vake district, Tbilisi	Healthcare	16/5/2019	–
JSC Diflex	40.00%	40.00%	Georgia	Shalikashvili str. 8, Tbilisi, Georgia	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	–

\*The table displays effective percentages of holding in the companies

(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) The company, 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 through a capital reduction from JSC Georgia Capital. Companies owned by Swinkels Georgia N.V. were, in the previous year, under the ownership of JSC Georgian Beverages Holding

*(Thousands of Georgian Lari)*

### 3. Material Accounting Policies

The following are the material accounting policies applied by the Group in preparing its consolidated financial statements:

#### **Fair value measurement**

The Group measures investments in subsidiaries, 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 17.

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 Group. 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 Group 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 consolidated financial statements are categorized 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 consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (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 Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group 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 Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.



*(Thousands of Georgian Lari)*

### 3. Material Accounting Policies (continued)

#### Financial assets (continued)

##### *Initial recognition (continued)*

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 Group'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.

##### *Date of recognition*

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group 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, financial assets are classified in three categories under IFRS 9:

- Financial assets at amortised cost (cash and cash equivalents, amounts due from credit institutions, accounts receivables)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets at fair value through profit or loss (equity investments at fair value, perpetual debt instruments)

##### *Financial assets at amortised cost*

The Group 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 Group's financial assets at amortised cost includes cash and cash equivalents and amounts due from credit institutions.

##### *Financial assets at fair value through OCI (debt instruments)*

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling

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

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments included under marketable securities.

*(Thousands of Georgian Lari)*

### 3. Material Accounting Policies (continued)

#### Financial assets (continued)

##### *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.

Loans to subsidiaries are measured at FVPL in accordance with IFRS 9 as the loans are held within a business model with the objective other than held to collect contractual cash flows or held both to collect contractual cash flows and to sell financial assets.

#### Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in three stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition (stage 2) or for which there is objective evidence of impairment as at the reporting date (stage 3), a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Subsequent recoveries of amounts previously written off decrease the charge for impairment of financial assets in the consolidated profit or loss.

#### 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 Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired

Or

- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

*(Thousands of Georgian Lari)*

### 3. Material Accounting Policies (continued)

#### **Derecognition of financial assets and liabilities (continued)**

##### *Financial assets (continued)*

When the Group 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 Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

##### *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 consolidated 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, including financial guarantees, are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

##### *Debt securities issued*

Debt securities issued are initially recognised at fair value of the consideration received less directly attributable transaction costs. After initial recognition, debt securities issued are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the consolidated income statement when borrowings are derecognised as well as through the amortisation process.

#### **Offsetting**

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **Provisions**

Provisions are recognised when the Group 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 consolidated statement of financial position but are disclosed unless the possibility of any outflow in settlement is remote. A contingent asset is not recognized in the consolidated statement of financial position but disclosed when an inflow of economic benefits is probable.

*(Thousands of Georgian Lari)*

### 3. Material Accounting Policies (continued)

#### Share-based payment transactions

Employees (including senior executives) of the Group receive share-based remuneration, whereby they render services and receive equity instruments of Georgia Capital PLC ('equity settled transactions') as consideration for the services provided.

##### *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 Group's best estimate of the number of equity instruments that will ultimately vest. The consolidated 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 Group purchases the shares of Georgia Capital PLC, 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 additional paid in capital.

#### 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 consolidated 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 Group'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.

*(Thousands of Georgian Lari)***3. Material Accounting Policies (continued)****Non-recurring items**

The Group separately classifies and discloses those income and expenses that are non-recurring by nature. The Group defines non-recurring income or expense as an income or expense triggered by or originated from an economic, business or financial event that is not inherent to the regular and ordinary business course of the Group and is caused by uncertain or unpredictable external factors that cannot be reasonably expected to occur in the future and thus they should not be taken into account when making projections of the future results.

**Taxation**

The current income tax expense is calculated in accordance with the regulations in force in the respective territories in which the Group and its subsidiaries operate.

The annual profit earned by entities is not taxed in Georgia, except for insurance companies and banks. Corporate income tax is paid on dividends, donations, abnormal losses, non-business related disbursements, etc. The corporate income tax arising from the payment of dividends is accounted for as a liability and expensed in the period in which dividends are declared, regardless of the actual payment date or the period for which the dividends are paid. The corporate income tax rate is 15% in Georgia.

Georgia also has various operating taxes that are assessed on the Group's activities. These taxes are included as a component of general and administrative expenses.

**Functional, presentation currencies and foreign currency translation**

The consolidated financial statements are presented in Georgian Lari, which is GCAP's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency. 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 consolidated 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:

	<i>Lari to GBP</i>	<i>Lari to USD</i>	<i>Lari to EUR</i>
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 Group'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*

(Thousands of Georgian Lari)

### 3. Material Accounting Policies (continued)

#### Adoption of new or revised standards and interpretations (continued)

The following standards that are issued but not yet effective are also expected to have no material impact on the Group'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*

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 Group's accounting policies, the management board use their judgment and make estimates in determining the amounts recognised in the consolidated financial statements. The most significant judgments 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 GCAP PLC's 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 Group reports to its investors on a fair value basis. All investments are reported at fair value in the Group's annual reports.

Georgia Capital PLC (an investment entity on its own) holds an investment in JSC Georgia Capital, which 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 Georgia Capital 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, Georgia Capital continues to meet the definition of investment entity. In making this assessment, the Group considered each criteria and characteristic described above as well as developments during the year.

The Group continues to consolidate GCMF LLC, which is not itself an investment entity and whose main purpose and activities are providing excess liquidity management services that relate to the Group's investment activities.

#### *Fair valuation of the investment portfolio*

The investment portfolio, a material asset of the Group, is held at fair value. Details of valuation methodologies used and the associated sensitivities are disclosed in note 17. 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 17.

#### *Shares of the parent company*

Under the Group's Executives' Equity Compensation Plan ("EECP") senior executives of JSC Georgia Capital are awarded ordinary shares of Georgia Capital PLC, its parent company. Georgia Capital PLC holds an investment in JSC Georgia Capital, which in turn owns a portfolio of investments, each measured at fair value. Georgia Capital PLC has no significant operations of its own and has no material assets and liabilities other than its 100% investment in JSC Georgia Capital. Management concluded that effectively PLC and JSC Georgia Capital represent the same company, therefore PLC Georgia Capital's shares are treated as treasury shares in JSC Georgia Capital's financial statements. Shares awarded to senior executives under EECP are classified as equity-settled share-based payment in the financial statements of JSC Georgia Capital.

(Thousands of Georgian Lari)

## 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 20% equity stake in the Water Utility business, following the disposal of 80% of its shares during 2021. Water Utility is a regulated monopoly in Tbilisi and the surrounding area, where it provides water and wastewater services.

### *Private portfolio companies*

#### *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.

Hospitals 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, 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 assets. In addition, a pipeline of renewable energy projects is under 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 comprising of 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.

*(Thousands of Georgian Lari)*

## 5. Segment Information (continued)

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 & diagnostics business, alongside the renewable energy and education businesses, is presented under the investment stage portfolio.

Starting from the first half of 2024, the insurance business operates under three distinct brand names: Aldagi, specializing in P&C insurance, and Imedi L and Ardi, both specializing in medical insurance. 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 PLC 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 20% stake held by GCAP PLC was transferred through a capital reduction from JSC Georgia Capital. Companies owned by Swinkels Georgia N.V. were, in the previous year, under the ownership of JSC GCAP. 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.USD 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.



*(Thousands of Georgian Lari)***5. Segment Information (continued)**

The following table presents the net asset value (NAV) statement of the Group's operating segments at 31 December 2024 and the roll-forward from 1 January 2024:

	<i>1 January 2024</i>	<i>1. Value Creation</i>	<i>2a. Investments and Divestments</i>	<i>2b. Buybacks</i>	<i>2c. Dividends</i>	<i>3. Operating Expenses</i>	<i>4. Liquidity Management / FX / Other</i>	<i>31 December 2024</i>
<b>Listed and Observable Portfolio Companies</b>	<b>1,384,847</b>	<b>368,985</b>	-	-	<b>(144,797)</b>	-	-	<b>1,609,035</b>
<i>Lion Finance Group</i>	<i>1,225,847</i>	<i>339,985</i>	-	-	<i>(144,797)*</i>	-	-	<i>1,421,035</i>
<i>Water Utility</i>	<i>159,000</i>	<i>29,000</i>	-	-	-	-	-	<i>188,000</i>
<b>Private Portfolio Companies</b>	<b>2,287,098</b>	<b>66,337</b>	<b>(192,523)</b>	-	<b>(56,955)</b>	-	<b>7,079</b>	<b>2,111,036</b>
<b>Large Portfolio Companies</b>	<b>1,436,231</b>	<b>30,237</b>	-	-	<b>(35,408)</b>	-	<b>3,689</b>	<b>1,434,749</b>
<i>Retail (Pharmacy)</i>	<i>714,001</i>	<i>10,739</i>	-	-	<i>(10,048)</i>	-	<i>1,438</i>	<i>716,130</i>
<i>Insurance (P&amp;C and Medical)</i>	<i>377,874</i>	<i>74,617</i>	-	-	<i>(25,360)</i>	-	<i>814</i>	<i>427,945</i>
<i>Of which, P&amp;C Insurance</i>	<i>285,566</i>	<i>44,746</i>	-	-	<i>(17,986)</i>	-	<i>814</i>	<i>313,140</i>
<i>Of which, Medical Insurance</i>	<i>92,308</i>	<i>29,871</i>	-	-	<i>(7,374)</i>	-	-	<i>114,805</i>
<i>Hospitals</i>	<i>344,356</i>	<i>(55,119)</i>	-	-	-	-	<i>1,437</i>	<i>290,674</i>
<b>Investment Stage Portfolio Companies</b>	<b>566,614</b>	<b>(10,501)</b>	<b>11,933</b>	-	<b>(12,258)</b>	-	<b>1,604</b>	<b>557,392</b>
<i>Renewable energy</i>	<i>266,627</i>	<i>(13,770)</i>	<i>11,333</i>	-	<i>(12,258)</i>	-	<i>674</i>	<i>252,606</i>
<i>Education</i>	<i>189,226</i>	<i>(8,853)</i>	<i>600</i>	-	-	-	<i>611</i>	<i>181,584</i>
<i>Clinics and diagnostics</i>	<i>110,761</i>	<i>12,122</i>	-	-	-	-	<i>319</i>	<i>123,202</i>
<b>Other Portfolio Companies</b>	<b>284,253</b>	<b>46,601</b>	<b>(204,456)</b>	-	<b>(9,289)</b>	-	<b>1,786</b>	<b>118,895</b>
<b>Total Portfolio Value</b>	<b>3,671,945</b>	<b>435,322</b>	<b>(192,523)</b>	-	<b>(201,752)</b>	-	<b>7,079</b>	<b>3,720,071</b>
<b>Net Debt</b>	<b>(308,534)</b>	-	<b>151,104</b>	<b>(45,715)</b>	<b>201,752</b>	<b>(29,561)</b>	<b>(124,136)</b>	<b>(155,090)</b>
<b>Net Asset Value</b>	<b>3,363,411</b>	<b>435,322</b>	<b>(41,419)</b>	<b>(45,715)</b>	-	<b>(29,561)</b>	<b>(117,057)</b>	<b>3,564,981</b>

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

*(Thousands of Georgian Lari)***5. Segment Information (continued)**

The following table presents the NAV statement of the Group's operating segments at 31 December 2023 and the roll forward from 1 January 2023:

	<b>1 January 2023</b>	<b>1. Value Creation</b>	<b>2a. Investments and Divestments</b>	<b>2b. Buybacks</b>	<b>2c. Dividends</b>	<b>3. Operating Expenses</b>	<b>4. Liquidity Management / FX / Other</b>	<b>31 December 2023</b>
<b>Listed and Observable Portfolio Companies</b>	<b>985,463</b>	<b>553,255</b>	-	-	<b>(153,871)</b>	-	-	<b>1,384,847</b>
<i>Lion Finance Group</i>	<i>830,463</i>	<i>549,255</i>	-	-	<i>(153,871)*</i>	-	-	<i>1,225,847</i>
<i>Water Utility</i>	<i>155,000</i>	<i>4,000</i>	-	-	-	-	-	<i>159,000</i>
<b>Private Portfolio Companies</b>	<b>2,213,164</b>	<b>127,260</b>	<b>18,420</b>	-	<b>(82,012)</b>	-	<b>10,266</b>	<b>2,287,098</b>
<b>Large Portfolio Companies</b>	<b>1,437,610</b>	<b>74,786</b>	-	-	<b>(76,825)</b>	-	<b>660</b>	<b>1,436,231</b>
<i>Retail (Pharmacy)</i>	<i>724,517</i>	<i>39,397</i>	-	-	<i>(50,904)</i>	-	<i>991</i>	<i>714,001</i>
<i>Insurance (P&amp;C and Medical)</i>	<i>279,900</i>	<i>116,915</i>	-	-	<i>(19,903)</i>	-	<i>962</i>	<i>377,874</i>
<i>Of which, P&amp;C Insurance</i>	<i>228,045</i>	<i>71,447</i>	-	-	<i>(14,888)</i>	-	<i>962</i>	<i>285,566</i>
<i>Of which, Medical Insurance</i>	<i>51,855</i>	<i>45,468</i>	-	-	<i>(5,015)</i>	-	-	<i>92,308</i>
<i>Hospitals</i>	<i>433,193</i>	<i>(81,526)</i>	-	-	<i>(6,018)</i>	-	<i>(1,293)**</i>	<i>344,356</i>
<b>Investment Stage Portfolio Companies</b>	<b>501,407</b>	<b>47,044</b>	<b>18,388</b>	-	<b>(5,187)</b>	-	<b>4,962</b>	<b>566,614</b>
<i>Renewable energy</i>	<i>224,987</i>	<i>38,684</i>	<i>6,218</i>	-	<i>(5,187)</i>	-	<i>1,925</i>	<i>266,627</i>
<i>Education</i>	<i>164,242</i>	<i>12,282</i>	<i>12,170</i>	-	-	-	<i>532</i>	<i>189,226</i>
<i>Clinics and diagnostics</i>	<i>112,178</i>	<i>(3,922)</i>	-	-	-	-	<i>2,505**</i>	<i>110,761</i>
<b>Other Portfolio Companies</b>	<b>274,147</b>	<b>5,430</b>	<b>32</b>	-	-	-	<b>4,644</b>	<b>284,253</b>
<b>Total Portfolio Value</b>	<b>3,198,627</b>	<b>680,515</b>	<b>18,420</b>	-	<b>(235,883)</b>	-	<b>10,266</b>	<b>3,671,945</b>
<b>Net Debt</b>	<b>(403,567)</b>	-	<b>(18,420)</b>	<b>(28,440)</b>	<b>235,883</b>	<b>(30,222)</b>	<b>(63,768)</b>	<b>(308,534)</b>
<b>Net Asset Value</b>	<b>2,795,060</b>	<b>680,515</b>	-	<b>(28,440)</b>	-	<b>(30,222)</b>	<b>(53,502)</b>	<b>3,363,411</b>

\* In segment information, dividend income includes consideration received as a result of participation in Lion Finance Group buyback programme, amounting to GEL 72,551 in 2024, with a carrying amount of GEL 64,598 representing the beginning value of the disposed shares (2023: consideration of GEL 73,356 with a carrying amount of GEL 65,766 representing the beginning value of the disposed shares). The sales consideration amount is disclosed under Investment and Divestments in Note 10.

In 2021 Lion Finance Group PLC incorporated capital distribution policy which combines ordinary cash dividend and share repurchases. It is the Lion Finance Group PLC's overall capital distribution policy to target a dividend/share buyback payout ratio in the range of 30-50% of annual profits. Starting from 2022 Lion Finance Group announced Share Buybacks and cancellation program in line with its Capital Distribution Policy mentioned above. As a result, GCAP has sold GEL 72,551 worth shares through participating in the share buyback program announced by Lion Finance Group in 2024 (2023: GEL 73,356). Participating in Lion Finance Group share buyback program enables shareholders maintain effective ownership interest in the business while increasing shareholders' return. The sales consideration received through the program along with ordinary dividend distribution, is regarded as dividend income by the GCAP's management, as it reflects capital distribution by listed portfolio company, and does not result in a change in effective ownership interest.

\*\* Includes the transfer of community clinics from the Clinics and diagnostics sub-segment to Hospitals in 2023.

*(Thousands of Georgian Lari)***5. Segment Information (continued)**

Reconciliation of IFRS financial statements to NAV:

	<b>31 December 2024</b>		
	<i>JSC Georgia Capital</i>	<i>Reclassifications*</i>	<i>NAV Statement</i>
Cash and cash equivalents	167,801	(167,801)	-
Amounts due from credit institutions	98,844	(98,844)	-
Marketable securities	7,869	(7,869)	-
Accounts receivable	2,777	(2,777)	-
Prepayments	959	(959)	-
Property and equipment	258	(258)	-
Intangible assets	25	(25)	-
Other assets, net	998	(998)	-
Equity investments at fair value	3,720,071	-	3,720,071
<b>Total assets</b>	<b>3,999,602</b>	<b>(279,531)</b>	<b>3,720,071</b>
Accounts payable	1,586	(1,586)	-
Debt securities issued	432,460	(432,460)	-
Other liabilities	575	(575)	-
<b>Total liabilities</b>	<b>434,621</b>	<b>(434,621)</b>	<b>-</b>
Net Debt	-	(155,090)	(155,090)
<b>Total equity/NAV</b>	<b>3,564,981</b>	<b>-</b>	<b>3,564,981</b>

	<b>31 December 2023</b>		
	<i>JSC Georgia Capital</i>	<i>Reclassifications*</i>	<i>NAV Statement</i>
Cash and cash equivalents	51,138	(51,138)	-
Amounts due from credit institutions	8,678	(8,678)	-
Marketable securities	18,203	(18,203)	-
Investment in redeemable securities	14,068	(14,068)	-
Accounts receivable	3,274	(3,274)	-
Prepayments	923	(923)	-
Loans issued	9,212	(9,212)	-
Property and equipment	340	(340)	-
Intangible assets	67	(67)	-
Other assets, net	456	(456)	-
Equity investments at fair value	3,671,945	-	3,671,945
<b>Total assets</b>	<b>3,778,304</b>	<b>(106,359)</b>	<b>3,671,945</b>
Accounts payable	888	(888)	-
Debt securities issued	413,930	(413,930)	-
Other liabilities	75	(75)	-
<b>Total liabilities</b>	<b>414,893</b>	<b>(414,893)</b>	<b>-</b>
Net Debt	-	(308,534)	(308,534)
<b>Total equity/NAV</b>	<b>3,363,411</b>	<b>-</b>	<b>3,363,411</b>

\* *Reclassifications to aggregated balances to arrive at NAV specific presentation, such as aggregating GCAP net debt*

*(Thousands of Georgian Lari)***5. Segment Information (continued)**

The following table presents income statement information of the Group's operating segments for the year ended 31 December 2024:

	<i>Private Portfolio Companies</i>					<i>Total</i>
	<i>Listed and Observable Portfolio Companies</i>	<i>Large</i>	<i>Investment Stage</i>	<i>Other</i>	<i>Corporate Center</i>	
Gains/(losses) on investments at fair value	224,188	(5,171)	(22,759)	37,312	-	233,570
<i>Listed and Observable Investments</i>	224,188	-	-	-	-	224,188
<i>Private Investments</i>	-	(5,171)	(22,759)	37,312	-	9,382
Dividend income	144,797	35,408	12,258	9,289	-	201,752
Interest income	-	-	-	-	7,637	7,637
Loss on derecognition of liability	-	-	-	-	(72)	(72)
Net losses from investment securities measured at FVPL	-	-	-	-	(269)	(269)
Net realised gains from investment securities measured at FVOCI	-	-	-	-	28	28
Other income	-	-	-	-	30	30
<b>Gross investment profit/(loss)</b>	<b>368,985</b>	<b>30,237</b>	<b>(10,501)</b>	<b>46,601</b>	<b>7,354</b>	<b>442,676</b>
Administrative expenses	-	-	-	-	(6,122)	(6,122)
Salaries and other employee benefits	-	-	-	-	(22,903)	(22,903)
Depreciation and amortisation	-	-	-	-	(536)	(536)
Interest expense	-	-	-	-	(35,575)	(35,575)
<b>Profit/(loss) before provisions, foreign exchange and non-recurring items</b>	<b>368,985</b>	<b>30,237</b>	<b>(10,501)</b>	<b>46,601</b>	<b>(57,782)</b>	<b>377,540</b>
Expected credit loss charge	-	-	-	-	(3,562)	(3,562)
Net foreign currency gain	-	-	-	-	(16,539)	(16,539)
Gain on derivative financial assets	-	-	-	-	1,227	1,227
Non-recurring expense	-	-	-	-	(2,148)	(2,148)
<b>Profit/(loss) before income taxes</b>	<b>368,985</b>	<b>30,237</b>	<b>(10,501)</b>	<b>46,601</b>	<b>(78,804)</b>	<b>356,518</b>
Income tax	-	-	-	-	-	-
<b>Profit/(loss) for the period</b>	<b>368,985</b>	<b>30,237</b>	<b>(10,501)</b>	<b>46,601</b>	<b>(78,804)</b>	<b>356,518</b>

*(Thousands of Georgian Lari)***5. Segment Information (continued)**

The following table presents income statement information of the Group's operating segments for the year ended 31 December 2023:

	<i>Private Portfolio Companies</i>					<i>Total</i>
	<i>Listed and Observable Portfolio Companies</i>	<i>Large</i>	<i>Investment Stage</i>	<i>Other</i>	<i>Corporate Center</i>	
Gains/(losses) on investments at fair value	399,384	(2,039)	41,857	5,430	-	444,632
<i>Listed and Observable Investments</i>	399,384	-	-	-	-	399,384
<i>Private Investments</i>	-	(2,039)	41,857	5,430	-	45,248
Dividend income	153,871	76,825	5,187	-	-	235,883
Interest income	-	-	-	-	9,072	9,072
Loss on derecognition of liability	-	-	-	-	(3,111)	(3,111)
Net gains from investment securities measured at FVPL	-	-	-	-	1,446	1,446
Net realised losses from investment securities measured at FVOCI	-	-	-	-	(162)	(162)
Other income	-	-	-	-	8	8
<b>Gross investment profit/(loss)</b>	<b>553,255</b>	<b>74,786</b>	<b>47,044</b>	<b>5,430</b>	<b>7,253</b>	<b>687,768</b>
Administrative expenses	-	-	-	-	(5,894)	(5,894)
Salaries and other employee benefits	-	-	-	-	(23,783)	(23,783)
Depreciation and amortisation	-	-	-	-	(545)	(545)
Interest expense	-	-	-	-	(39,660)	(39,660)
<b>Profit/(loss) before provisions, foreign exchange and non-recurring items</b>	<b>553,255</b>	<b>74,786</b>	<b>47,044</b>	<b>5,430</b>	<b>(62,629)</b>	<b>617,886</b>
Expected credit loss charge	-	-	-	-	(75)	(75)
Net foreign currency gain	-	-	-	-	6,954	6,954
Loss on derivative financial assets	-	-	-	-	(11)	(11)
Non-recurring expense	-	-	-	-	(1,898)	(1,898)
<b>Profit/(loss) before income taxes</b>	<b>553,255</b>	<b>74,786</b>	<b>47,044</b>	<b>5,430</b>	<b>(57,659)</b>	<b>622,856</b>
Income tax	-	-	-	-	-	-
<b>Profit/(loss) for the period</b>	<b>553,255</b>	<b>74,786</b>	<b>47,044</b>	<b>5,430</b>	<b>(57,659)</b>	<b>622,856</b>

## 6. Cash and Cash Equivalents

	<i>31 December</i> <i>2024</i>	<i>31 December</i> <i>2023</i>
Current accounts with financial institutions*	167,802	51,139
<b>Cash and cash equivalents</b>	<b>167,802</b>	<b>51,139</b>
Allowance (Note 14)	(1)	(1)
<b>Cash and cash equivalents, Net</b>	<b>167,801</b>	<b>51,138</b>

The carrying value of cash and cash equivalents approximates fair value of the asset.

\*As of 31 December 2024, cash and cash equivalents amounting to GEL 16.8 million were placed under a forward agreement (31 December 2023: GEL 8 million was signed under a currency swap agreement.)

## 7. Amounts Due from Credit Institutions

	<i>31 December</i> <i>2024</i>	<i>31 December</i> <i>2023</i>
Time deposits with maturities of more than 90 days	99,050	8,721
<b>Amounts due from credit institutions, Gross</b>	<b>99,050</b>	<b>8,721</b>
Allowance (Note 14)	(206)	(43)
<b>Amounts due from credit institutions, Net</b>	<b>98,844</b>	<b>8,678</b>

## 8. Marketable Securities and Investment in Redeemable Shares

	<i>31 December</i> <i>2024</i>	<i>31 December</i> <i>2023</i>
Internationally listed marketable securities (FVPL)	7,553	-
Internationally listed marketable securities (FVOCI)*	316	669
Locally listed marketable securities (FVOCI)*	-	17,534
<b>Marketable securities</b>	<b>7,869</b>	<b>18,203</b>

\* During 2024 GCAP recorded foreign exchange gain of GEL 184 (2023 gain: GEL 14) on marketable securities presented through FVOCI.

As of 31 December 2023, locally listed marketable securities in the amount of GEL 9 million were pledged as a collateral under loan arrangement of one of JSC GCAP's portfolio companies. There are no pledged securities as of 31 December 2024.

### Investment in redeemable shares

In August 2021 a 100% owned portfolio company of Georgia Capital, JSC Insurance Company Aldagi (P&C Insurance), issued 6 million preference shares. 100% of preference shares were subscribed by Georgia Capital at the price of USD 6 million (GEL 18.6 million). The proceeds from preference shares were invested by JSC Insurance Company Aldagi in a fund that invest in fixed income securities. Preference shares were mandatorily redeemable by JSC Insurance Company Aldagi upon redemption of the underlying fund shares. The redemption was executed during the first half of 2024, with a total redemption amount of USD 5.1 million. As at 31 December 2023 the fair value of the investment was GEL 14,068 presented as investment in redeemable shares in the consolidated statement of financial position. Investment in redeemable shares were accounted at fair value through profit or loss at net asset value of underlying fund shares.

## 9. Loans Issued

	<i>31 December</i> <i>2024</i>	<i>31 December</i> <i>2023</i>
Loans to equity investments (FVPL)	-	9,212
<b>Loans issued</b>	<b>-</b>	<b>9,212</b>

As of 31 December 2024, the loans issued have been fully repaid.

10. Equity Investments at Fair Value

	1 January 2024	Value Change	Dividends	Total gains / (Losses) on investments at fair value	Investments /(Divestments) *	Other	31 December 2024
<b>Listed and Observable Portfolio Companies</b>	<b>1,384,847</b>	<b>368,985</b>	<b>(72,246)</b>	<b>296,739</b>	<b>(72,551)</b>	-	<b>1,609,035</b>
<i>Lion Finance Group</i>	1,225,847	339,985	(72,246)	267,739	(72,551)	-	1,421,035
<i>Water utility</i>	159,000	29,000	-	29,000	-	-	188,000
<b>Private Portfolio Companies</b>	<b>2,287,098</b>	<b>66,337</b>	<b>(56,955)</b>	<b>9,382</b>	<b>(192,523)</b>	<b>7,079</b>	<b>2,111,036</b>
<b>Large Portfolio Companies</b>	<b>1,436,231</b>	<b>30,237</b>	<b>(35,408)</b>	<b>(5,171)</b>	-	<b>3,689</b>	<b>1,434,749</b>
<i>Retail (Pharmacy)</i>	714,001	10,739	(10,048)	691	-	1,438	716,130
<i>Insurance (P&amp;C and Medical)</i>	377,874	74,617	(25,360)	49,257	-	814	427,945
<i>Of which, P&amp;C Insurance</i>	285,566	44,746	(17,986)	26,760	-	814	313,140
<i>Of which, Medical Insurance</i>	92,308	29,871	(7,374)	22,497	-	-	114,805
<i>Hospitals</i>	344,356	(55,119)	-	(55,119)	-	1,437	290,674
<b>Investment Stage Portfolio Companies</b>	<b>566,614</b>	<b>(10,501)</b>	<b>(12,258)</b>	<b>(22,759)</b>	<b>11,933</b>	<b>1,604</b>	<b>557,392</b>
<i>Renewable Energy</i>	266,627	(13,770)	(12,258)	(26,028)	11,333	674	252,606
<i>Education</i>	189,226	(8,853)	-	(8,853)	600	611	181,584
<i>Clinics and diagnostics</i>	110,761	12,122	-	12,122	-	319	123,202
<b>Other Portfolio Companies</b>	<b>284,253</b>	<b>46,601</b>	<b>(9,289)</b>	<b>37,312</b>	<b>(204,456)</b>	<b>1,786</b>	<b>118,895</b>
<b>Equity investments at fair value</b>	<b>3,671,945</b>	<b>435,322</b>	<b>(129,201)</b>	<b>306,121</b>	<b>(265,074)</b>	<b>7,079</b>	<b>3,720,071</b>

	1 January 2023	Value Change	Dividends	Total gains / (Losses) on investments at fair value	Investments /(Divestments) *	Other **	31 December 2023
<b>Listed and Observable Portfolio Companies</b>	<b>985,463</b>	<b>553,255</b>	<b>(80,515)</b>	<b>472,740</b>	<b>(73,356)</b>	-	<b>1,384,847</b>
<i>Lion Finance Group</i>	830,463	549,255	(80,515)	468,740	(73,356)	-	1,225,847
<i>Water utility</i>	155,000	4,000	-	4,000	-	-	159,000
<b>Private Portfolio Companies</b>	<b>2,213,164</b>	<b>127,260</b>	<b>(82,012)</b>	<b>45,248</b>	<b>18,420</b>	<b>10,266</b>	<b>2,287,098</b>
<b>Large Portfolio Companies</b>	<b>1,437,610</b>	<b>74,786</b>	<b>(76,825)</b>	<b>(2,039)</b>	-	<b>660</b>	<b>1,436,231</b>
<i>Retail (Pharmacy)</i>	724,517	39,397	(50,904)	(11,507)	-	991	714,001
<i>Insurance (P&amp;C and Medical)</i>	279,900	116,915	(19,903)	97,012	-	962	377,874
<i>Of which, P&amp;C Insurance</i>	228,045	71,447	(14,888)	56,559	-	962	285,566
<i>Of which, Medical Insurance</i>	51,855	45,468	(5,015)	40,453	-	-	92,308
<i>Hospitals</i>	433,193	(81,526)	(6,018)	(87,544)	-	(1,293)	344,356
<b>Investment Stage Portfolio Companies</b>	<b>501,407</b>	<b>47,044</b>	<b>(5,187)</b>	<b>41,857</b>	<b>18,388</b>	<b>4,962</b>	<b>566,614</b>
<i>Renewable Energy</i>	224,987	38,684	(5,187)	33,497	6,218	1,925	266,627
<i>Education</i>	164,242	12,282	-	12,282	12,170	532	189,226
<i>Clinics and diagnostics</i>	112,178	(3,922)	-	(3,922)	-	2,505	110,761
<b>Other Portfolio Companies</b>	<b>274,147</b>	<b>5,430</b>	-	<b>5,430</b>	<b>32</b>	<b>4,644</b>	<b>284,253</b>
<b>Equity investments at fair value</b>	<b>3,198,627</b>	<b>680,515</b>	<b>(162,527)</b>	<b>517,988</b>	<b>(54,936)</b>	<b>10,266</b>	<b>3,671,945</b>

\* Capital injections in portfolio companies made by JSC GCAP (cash contribution of GEL 16,933 for the year ended 2024, GEL 22,588 in 2023).

During 2024, divestments represent sale of shares in Lion Finance Group (cash consideration of GEL 72,551) and the disposal of beer and distribution business (cash consideration of GEL 165,437 and non-cash consideration of GEL 44,019). Refer to Note 5 for a presentation of Lion Finance Group share sales in the segment information. During 2023, divestments represent sale of shares in Lion Finance Group and the sale of other portfolio company.

\*\* Other investments in portfolio companies and the transfer of community clinics from the Clinics and diagnostics sub-segment to Hospitals in 2023.

*(Thousands of Georgian Lari)***11. Debt Securities Issued**

Debt securities issued comprise:

	<i>31 December</i> <i>2024</i>	<i>31 December</i> <i>2023</i>
USD denominated local sustainability-linked bonds	432,460	413,930
<b>Debt securities issued</b>	<b>432,460</b>	<b>413,930</b>

On 3 August 2023 JSC Georgia Capital has successfully issued a USD 150 million sustainability-linked bond on the Georgian market. The Notes are USD-denominated with 5-year bullet maturity (callable after two years), carry an 8.50% fixed coupon and were issued at par. The proceeds from the Notes, together with the existing liquid funds of GCAP were used to fully redeem USD 300 million Eurobond. As a result, GCAP's gross debt balance decreased from the current USD 300 million to USD 150 million.

In March 2018 JSC Georgia Capital issued a USD 300 million (GEL 734 million) 6.125% notes due in March 2024 denominated in US Dollars which were admitted to the official list of the Irish Stock Exchange and to trading on the Global Exchange Market (the "Notes"). Notes were sold at the price of 98.770% of par value at the initial offering. On 16 March 2021, Georgia Capital placed USD 65,000 (GEL 215,826) tap issue, which was consolidated and forms a single series with the Notes. From the tap issue, notes with par value of USD 4,154 (GEL 13,809) were repurchased by Georgia Capital at the issue date. Cash proceeds from the tap issue, net of fees paid, was GEL 212,725. In 2022 GCAP cancelled USD 65,000 notes (GEL 180,427).

On 12 July 2023 JSC Georgia Capital launched an invitation to holders of its outstanding USD 300 million, to tender their notes for purchase by the Issuer for cash. On 10 August 2023 JSC Georgia Capital cancelled USD 176.5 million principal amount of the Notes purchased as a result of Tender offer and USD 106.9 million principal amount of Notes owned by the GCAP in treasury. On 4 September 2023 JSC Georgia capital repaid remaining outstanding principal amount of USD 16.6 million notes.

**Changes in liabilities arising from financing activities**

	<u>Debt securities</u>	<u>Lease liabilities</u>
<b>Carrying amount at 31 December 2022</b>	<b>681,067</b>	<b>385</b>
Proceeds from debt securities issued	389,024	-
Redemption and buyback/Cash repayments	(652,206)	(319)
Gain on foreign currency translation	(11,875)	(9)
Loss on Eurobonds repurchases	3,111	-
Other*	4,809	15
<b>Carrying amount at 31 December 2023</b>	<b>413,930</b>	<b>72</b>
Proceeds from debt securities issued	2,382	-
Redemption and buyback/Cash repayments	(2,636)	(463)
Loss on foreign currency translation	17,546	24
Loss on Eurobonds repurchases	72	-
Other*	1,166	872
<b>Carrying amount at 31 December 2024</b>	<b>432,460</b>	<b>505</b>

\* Other movement for debt securities represents difference between interest accrued of GEL 35,531 in 2024 (GEL 39,644 in 2023) and interest paid of GEL 34,365 in 2024 (GEL 34,835 in 2023).



## 12. Equity

### Share capital

As at 31 December 2024 issued share capital comprised 12,734,659 authorised common shares (2023: 12,876,582), of which 12,734,659 were fully paid (2023: 12,876,582). Each share has a nominal value of one Georgian Lari. Shares issued and outstanding as at 31 December 2024 and 2023 are described below:

	<i>Number of ordinary shares</i>	<i>Amount</i>
1 January 2023	12,876,582	12,877
31 December 2023	12,876,582	12,877
Capital Reduction	(141,923)	(142)
31 December 2024	<u>12,734,659</u>	<u>12,735</u>

### Capital Reduction

In 2024 JSC GCAP made a non-cash capital reduction (Note 2) to its 100% shareholder with total consideration of GEL 41,419 (2023: GEL nil), representing fair value of effective 18.5% stake in the Beer and Distribution business. GEL 41,277 difference between GEL 142 par value of the shares and the total consideration was recognized as a deduction from additional paid-in capital. The capital reduction of shares, as noted in the resolution, is set to be registered in the Shares Registry by April 2025.

### Treasury Shares

Treasury shares consist of GEL 837 (2023: 837) JSC Georgia Capital shares and GEL 124 (2023: 143) shares of Georgia Capital PLC (shareholder) repurchased as a result of management compensation scheme, which are considered as treasury shares for the Group.

In 2024, the Group acquired treasury shares in connection to its share-based compensation plans for total consideration of GEL 9,328 (2023: GEL 32,223).

## 13. Salaries and Other Employee Benefits, and General and Administrative Expenses

	<i>2024</i>	<i>2023</i>
Equity compensation plan costs	(13,352)	(14,386)
Salaries and bonuses	(9,551)	(9,397)
<b>Salaries and other employee benefits</b>	<u>(22,903)</u>	<u>(23,783)</u>

### General and administrative expenses

	<i>2024</i>	<i>2023</i>
Legal and other professional services	(2,470)	(1,966)
Insurance	(981)	(1,066)
Travel expenses	(723)	(831)
Corporate hospitality and entertainment	(671)	(503)
Operating taxes	(365)	(354)
Repair and maintenance	(226)	(184)
Personnel training and recruitment	(91)	(224)
Office supplies	(88)	(104)
Communication	(77)	(81)
Security	(39)	(33)
Occupancy and rent	(39)	(38)
Banking services	(38)	(38)
Other	(314)	(472)
<b>General and administrative expenses</b>	<u>(6,122)</u>	<u>(5,894)</u>

### 13. Salaries and Other Employee Benefits, and General and Administrative Expenses (continued)

#### Auditors' remuneration

Auditors' remuneration is included within legal and other professional services expenses above and comprises:

	<u>2024</u>	<u>2023</u>
Fees for the audit of the Company's annual financial statements for the year ended 31 December	324	308
Fees for the review of the Company's interim accounts	108	103
Expenditures for other professional services	-	-
	<u>432</u>	<u>411</u>

### 14. Impairment and Provisions

The movements in the allowance for financial assets according to IFRS 9 are as follows:

	<i>Cash and cash equivalents 2024</i>	<i>Amounts due from credit institutions 2024</i>	<i>Marketable Securities 2024</i>	<i>Accounts Receivable 2024</i>	<i>Total 2024</i>
At 1 January	1	43	91	-	135
(Reversal) Charge	-	163	(59)	3,458	3,562
At 31 December	<u>1</u>	<u>206</u>	<u>32</u>	<u>3,458</u>	<u>3,697</u>

	<i>Cash and cash equivalents 2023</i>	<i>Amounts due from credit institutions 2023</i>	<i>Marketable Securities 2023</i>	<i>Accounts Receivable 2023</i>	<i>Total 2023</i>
At 1 January	2	21	37	-	60
(Reversal) Charge	(1)	22	54	-	75
At 31 December	<u>1</u>	<u>43</u>	<u>91</u>	<u>-</u>	<u>135</u>

For debt financial assets, the ECL is based on the 12-month ECL since there has not been a significant increase in credit risk since origination.

\*In 2024, the company recognized a 100% impairment reserve of GEL 3,458 million for its receivable, as it remained outstanding for over 360 days due to non-payment. After the reporting year, the company successfully renegotiated the payment terms with the counterparty, however, the impairment assessment continues to reflect a 100% allowance as of 31 December 2024. Below is a breakdown of the accounts receivable balance as of 31 December 2024:

	<u>31 December 2024</u>	<u>31 December 2023</u>
Accounts Receivable, Gross	6,235	3,274
Less: Allowance	(3,458)	-
Accounts Receivable, Net	<u>2,777</u>	<u>3,274</u>

## 15. 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 parent. In July 2018, the executives signed new five-year fixed contingent share-based compensation agreements with a total of 1,650,000 ordinary shares of Georgia Capital PLC. The total amount of shares fixed to each executive will be awarded in five equal instalments during the five consecutive years starting January 2019, of which each award will be subject to a six-year vesting period subject to continued employment within the Group during such vesting period. In 2022, newly appointed executives signed five-year fixed contingent share-based compensation agreements with a total of 215,000 ordinary shares of Georgia Capital PLC. 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.

At the sole discretion of the Board, executives are also awarded additional ordinary shares of Georgia Capital PLC (discretionary securities). Each award is subject to a four-year or five-year vesting period subject to continued employment within the Group during such vesting period.

In 2018 the Group set up Executive Equity Compensation Trustee – Sanne Fiduciary Services Limited (the "Trustee") which acts as the trustee of the Group's Executives' Equity Compensation Plan ("EECP"). In 2024 the Trustee has repurchased 120,528 (2023: 1,151,848) shares. Trustee is considered as an extension of the Company rather than as a separate entity.

The following table illustrates the number and weighted average prices of, and movements in, shares awards granted to the senior executives of the Group during the year:

	<i>2024</i>	<i>2023</i>
<b>Shares outstanding at 1 January</b>	<b>2,258,126</b>	<b>2,624,988</b>
Granted during the year	306,313	615,881
Vested during the year	(372,436)	(982,743)
<b>Shares outstanding at 31 December</b>	<b>2,192,003</b>	<b>2,258,126</b>

In addition to Executives' Equity Compensation Plan, the Group grants shares of the parent to the employees of the Group. Number of shares granted and vested during 2024 amounted to 134,124 (2023: 141,603) and 172,220 (2023: 160,596) respectively.

The weighted average remaining contractual life for the share awards outstanding as at 31 December 2024 was 1.5 years (2023: 2.3 years).

The weighted average fair value of shares granted during the year was GEL 33.95 per share, in nominal value (2023: GEL 24.24 per share, in nominal value). The weighted average fair value of shares vested was GEL 35.05 per share, in nominal value (2023: 23.78 per share, in nominal value).

### Expense recognition:

The expense recognised for employee services received during the year and the respective increase in equity arising from equity-settled share-based payments is shown in the following table:

	<i>2024</i>	<i>2023</i>
Increase in equity arising from equity-settled share-based payments	21,278	25,249
Expense arising from equity-settled transactions	15,020	16,284

The difference between the increase in equity and the expense from equity-settled transactions represents non-recurring and equity settled transactions allocated to investment in subsidiaries.

(Thousands of Georgian Lari)

## 16. 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.

All non-executive Board members of Georgia Capital PLC are also members of Supervisory Board of JSC Georgia Capital. JSC Georgia Capital established Audit and Valuation, Investment and Remuneration Committees with the same terms of reference and the same members as those of Georgia Capital PLC. As such, all relevant decisions of Audit and Valuation, Investment and Remuneration Committees of Georgia Capital PLC apply to the Group.

### *Risk management structure*

#### Audit and Valuation Committee

The Audit and Valuation Committee of Georgia Capital assists the Management Board of the Group 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 assessed the effectiveness of the risk management and internal control framework.

#### Audit and Valuation Committee (continued)

It is responsible for reviewing and approving half-yearly and annual valuations of the Company'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 comprises of senior manager of GCAP PLC and JSC GCAP. In order to effectively implement the risk management system, the Board of Directors delegate individual risk management functions to the Management Board, which in turn assigns specific functions to the various decision-making and execution bodies within the portfolio entities of JSC Georgia Capital.

#### Internal Audit

The Internal Audit Department of Georgia Capital 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.

### *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.

## 16. Risk Management (continued)

### Introduction (continued)

#### *Risk mitigation*

As part of its overall risk management, the Group 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 Group 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 Group's treasury department in accordance with the Group'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 Group's financial assets credit risk profile by external rating grades:

	<b>31 December 2024</b>			
	<b>BB+ to BB-</b>	<b>B+ to B-</b>	<b>CC+ to CC-</b>	<b>Not graded</b>
Cash and cash equivalents	167,663	138	-	-
Amounts due from credit institutions	70,874	27,970	-	-
Marketable securities	-	7,553	316	-
<b>Total</b>	<b>238,537</b>	<b>35,661</b>	<b>316</b>	<b>-</b>

	<b>31 December 2023</b>			
	<b>BB+ to BB-</b>	<b>B+ to B-</b>	<b>CC+ to CC-</b>	<b>Not graded</b>
Cash and cash equivalents	32,635	18,503	-	-
Amounts due from credit institutions	-	8,678	-	-
Marketable securities	17,534	-	669	-
Investment in redeemable securities (note 8)	-	-	-	14,068
Loans issued (note 9)	-	-	-	9,212
<b>Total</b>	<b>50,169</b>	<b>27,181</b>	<b>669</b>	<b>23,280</b>

#### *Credit quality per class of financial assets*

The credit quality of financial assets is also managed by the Group based on the number of overdue days. None of the Group's financial assets are past due as at 31 December 2024 and 2023.

No significant increase in credit risk since initial recognition occurred in respect of the Group's financial assets as at 31 December 2024 and 2023.

#### **Liquidity risk**

Liquidity risk is the risk that the Group 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 JSC Georgia Capital and each portfolio entities 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.

*(Thousands of Georgian Lari)***16. Risk Management (continued)****Liquidity risk (continued)**

During 2024, JSC GCAP opened USD 10 million credit line in the local bank. The purpose of the credit line is to service currency forward agreements' guarantees. As of 31 December 2024, USD 0.6 million was frozen from the credit line. The guarantee amount frozen from the credit line does not constitute an additional loan. Subsequent to the reporting period, the guarantee amount has been fully released.

Georgia Capital does not have any formal capital or debt commitments to its portfolio companies.

The table below summarises the maturity profile of the Group'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.

<b>Financial liabilities</b>	<b><i>Less than</i></b>	<b><i>3 to 12</i></b>	<b><i>1 to 5</i></b>	<b><i>Total</i></b>
<b>31 December 2024</b>	<b><i>3 months</i></b>	<b><i>months</i></b>	<b><i>years</i></b>	
Debt securities issued	17,893	17,893	528,380	564,166
Accounts payable	1,586	-	-	1,586
Other financial liabilities	165	304	106	575
<b>Total undiscounted financial liabilities</b>	<b>19,644</b>	<b>18,197</b>	<b>528,486</b>	<b>566,327</b>

<b>Financial liabilities</b>	<b><i>Less than</i></b>	<b><i>3 to 12</i></b>	<b><i>1 to 5</i></b>	<b><i>Total</i></b>
<b>31 December 2023</b>	<b><i>3 months</i></b>	<b><i>months</i></b>	<b><i>years</i></b>	
Debt securities issued	17,145	17,145	540,569	574,859
Accounts payable	888	-	-	888
Other financial liabilities	76	-	-	76
<b>Total undiscounted financial liabilities</b>	<b>18,109</b>	<b>17,145</b>	<b>540,569</b>	<b>575,823</b>

**Market risk**

Market risk is the risk that the value of financial instruments will fluctuate due to changes in market variables such as interest rates and foreign exchange rates. The Group has exposure to market risks. The Group structures the levels of market risk it accepts through a Group market risk policy that determines what constitutes market risk for the Group.

Interest rate risk affects fair values of assets measured at fair value through profit or loss. For sensitivities of fair value please, refer to note 17.

*Price risk*

Equity securities price risk arises from investment 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%) 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%) GCAP's profit for the year and NAV would have decreased by GEL 142,104 (2023: GEL 122,585). As a result, GCAP's NAV would have increased by 4% (2023: 4%) or decreased by 4% (2023: 4%).

Sensitivity analysis of private portfolio companies is presented in note 17.

*(Thousands of Georgian Lari)***16. Risk Management (continued)****Market risk (continued)***Currency risk*

The Group is 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 US Dollar.

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. The Finance department monitors weekly currency positions for GCAP JSC, manages short-term liquidity of the Group across different currencies and engages in currency risk mitigation agreements, such as currency hedges, forwards and swaps. In 2024, the group entered into currency forward agreements to hedge the company's currency exposure. The transactions include a USD 6 million and a USD 100 million non-deliverable foreign exchange forwards, the latter was exercised on 31 December 2024 and recorded GEL 1.2 million gain.

The tables below indicate the currencies to which the Group had significant exposure at 31 December 2024 and 31 December 2023 on its monetary assets and liabilities. The analysis calculates the effect of a reasonably possible movement of the currency rate against the Georgian Lari, with all other variables held constant on the income statement (due to the fair value of currency sensitive non-trading monetary assets and liabilities). The reasonably possible movement of the currency rate against the Georgian Lari is calculated as a standard deviation of daily changes in exchange rates over the twelve months. A negative amount in the table reflects a potential net reduction in income statement or equity, while a positive amount reflects a net potential increase.

<i>Currency</i>	<i>Change in currency rate in %</i>	<i>Effect on profit before tax</i>	<i>Change in currency rate in %</i>	<i>Effect on profit before tax</i>
	<i>2024</i>		<i>2023</i>	
EUR	+8.7%	2	+8.8%	5
GBP	+9.2%	656	+10.1%	57
USD	+6.8%	(12,217)	+4.9%	(17,676)

**Operating environment**

Most of the Group's portfolio investments is concentrated in Georgia. As an emerging market, Georgia does not possess a well-developed business and regulatory infrastructure that 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 made a number of developments 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 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 largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the Government. However, the Georgian economy is vulnerable to market downturns and economic slowdowns elsewhere in the world.

Georgia has elaborated 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.

In 2024, political developments led to public demonstrations, international reactions, and concerns over regional and local stability. Domestic political vulnerabilities present potential risks to Georgia's fast-growing and emerging economy. The Group actively monitors regional developments and political vulnerabilities, including government responses, and implements appropriate strategies to mitigate any potential impacts. Management continues to assess the ongoing environment and update valuation inputs accordingly.

## 16. 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, same as equity attributable to the shareholder of JSC Georgia Capital as at 31 December 2024 in the amount of GEL 3,564,981 (2023: GEL 3,363,411). Net Asset Value (NAV) statement, which 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. 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 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 shareholder's requirements.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants if any. To maintain or adjust the capital structure, the Group may adjust the amount of outstanding equity.

## 17. Fair Value Measurements

### Fair value hierarchy

For the purpose of fair value disclosures, the Group 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
<b>Assets measured at fair value</b>				
Marketable securities	7,553	316	-	7,869
Equity investments at fair value	1,421,035	188,000	2,111,036	3,720,071
Listed portfolio companies	1,421,035	-	-	1,421,035
Observable portfolio companies	-	188,000	-	188,000
Private portfolio companies	-	-	2,111,036	2,111,036
<b>Assets for which fair values are disclosed</b>				
Cash and cash equivalents	-	167,801	-	167,801
Amounts due from credit institutions	-	98,844	-	98,844
Accounts receivable	-	-	2,777	2,777
<b>Liabilities for which fair values are disclosed</b>				
Debt securities issued	-	415,712	-	415,712
31 December 2023	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Marketable securities	250	17,953	-	18,203
Investment in redeemable securities	-	-	14,068	14,068
Equity investments at fair value	1,225,847	159,000	2,287,098	3,671,945
Listed portfolio companies	1,225,847	-	-	1,225,847
Observable portfolio companies	-	159,000	-	159,000
Private portfolio companies	-	-	2,287,098	2,287,098
Loans issued	-	-	9,212	9,212
<b>Assets for which fair values are disclosed</b>				
Cash and cash equivalents	-	51,138	-	51,138
Amounts due from credit institutions	-	8,678	-	8,678
Accounts receivable	-	-	3,274	3,274
<b>Liabilities for which fair values are disclosed</b>				
Debt securities issued	-	331,358	-	331,358

\*There were no transfers between levels of the fair value hierarchy during the year.



(Thousands of Georgian Lari)

## 17. Fair Value Measurement (continued)

### 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 Group'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.

#### *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. Listed and observable portfolio also includes instruments for which there is a clear exit path from the business, e.g. through a put and/or call options at pre-agreed multiples. In such cases, pre-agreed terms are used for valuing the company.

#### *Equity Investments in Private Portfolio Companies*

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

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

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

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

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

## 17. Fair Value Measurement (continued)

### Valuation techniques (continued)

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

#### Listed Peer Group Multiples

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

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

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

#### a. Valuation based on enterprise value

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

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

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

- Net financial debt appearing in the most recent financial statements is subtracted from the enterprise value. If net debt exceeds enterprise value, the value of shareholders' equity remains at zero (assuming the debt is without recourse to Georgia Capital).
- The resulting fair value of equity is apportioned between Georgia Capital and other shareholders of the company being valued, if applicable.

Valuation based on enterprise value using peer multiples is used for businesses within non-financial industries.

#### b. Equity fair value valuation

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

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

#### Discounted cash flow

Under the discounted cash flow (DCF) valuation method, fair value is estimated by deriving the present value of the business using reasonable assumptions of expected future cash flows and the terminal value, and the appropriate risk-adjusted discount rate that quantifies the risk inherent to the business. The discount rate is estimated with reference to the market risk-free rate, a risk adjusted premium and information specific to the business or market sector. Under the discounted cash flow analysis unobservable inputs are used, such as estimates of probable future cash flows and an internally-developed discounting rate of return.

#### Net Asset Value

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

(Thousands of Georgian Lari)

## 17. Fair Value Measurement (continued)

### Valuation techniques (continued)

#### 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.

### 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 (consisting of a. large and specialty hospitals and b. regional and community hospitals), P&C insurance, Retail (Pharmacy), Medical Insurance, Clinics & Diagnostics, Renewable energy, Education. The valuation is performed by applying several valuation methods that are weighted to derive fair value range, with the income approach being more heavily weighted than market approach. Management selects most appropriate point in the provided fair value range at the reporting date. Fair values of investments in other private portfolio companies are assessed internally in accordance with Georgia Capital's valuation methodology by the Valuation Workgroup.

Georgia Capital's Management Board proposes fair value to be placed at each reporting date to the Audit and Valuation Committee. 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 Group'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.

(Thousands of Georgian Lari)

**17. Fair Value Measurement (continued)****Description of significant unobservable inputs to level 3 valuations (continued)**

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

31 December 2024

<i>Description</i>	<i>Valuation technique</i>	<i>Unobservable input</i>	<i>Range* [implied multiple**]</i>	<i>Fair value</i>
<b>Loans Issued</b>	DCF	Discount rate	-	-
<b>Equity investments at fair value</b>				
<i>Large portfolio</i>				1,434,749
<i>Retail (Pharmacy)</i>	DCF, EV/EBITDA	EV/EBITDA multiple	5.4x-15.6x [8.4x]	716,130
<i>P&amp;C insurance</i>	DCF, P/E	P/E multiple	5.6x-12.0x [10.7x]	313,140
<i>Medical insurance</i>	DCF, P/E	P/E multiple	9.4x-14.1x [12.3x]	114,805
<i>Hospitals</i>	DCF, EV/EBITDA	EV/EBITDA multiple	6.4x-12.9x [10.5x]	290,674
<i>Investment stage</i>				557,392
<i>Renewable energy</i>	DCF, EV/EBITDA	EV/EBITDA multiple	4.3x-17.5x [11.3x]	252,606
<i>Education</i>	DCF, EV/EBITDA	EV/EBITDA multiple	4.9x-25.4x [12.8x]	181,584
<i>Clinics and diagnostics</i>	DCF, EV/EBITDA	EV/EBITDA multiple	4.8x-12.9x [10.6x]	123,202
<i>Other</i>	Sum of the parts	EV/EBITDA multiples Cashflow probability NAV multiple	5.5x-24.9x [8.0x-12.2x] [90%-100%] [0.85x]	118,895

31 December 2023

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

\*For equity investments at fair value the range refers to LTM multiples of listed peer group companies, prior to any adjustments.

\*\*Implied multiples are derived by dividing selected value of the company by respective LTM earnings measure.

## 17. Fair Value Measurement (continued)

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

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 P&C insurance, Hospitals (consisting of a. large and specialty hospitals and b. regional and community hospitals), Retail (Pharmacy), Medical Insurance and Clinics and Diagnostics. Starting from 30 June 2022, fair value assessment for Renewable Energy and Education businesses are performed by third-party valuation professionals as well. The valuation is performed by applying several valuation methods that are weighted to derive fair value range, with the income approach being more heavily weighted than market approach. Management selects most appropriate point in the provided fair value range at the reporting date.

On 31 December 2021, Georgia Capital signed SPA to dispose 80% interest in Water Utility business, which was previously included within the large private portfolio companies. As at 31 December 2024, the remaining 20% interest in Water Utility business was valued using the pre-agreed put option multiple in reference to the signed contract with the buyer as GCAP has a clear exit path from the business through a put and call structure at pre-agreed EBITDA multiples.

In April 2024, Georgia Capital signed an agreement to acquire a portfolio of insurance contracts and the brand name from "Ardi". 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 PLC 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 20% stake held by GCAP PLC was transferred through a capital reduction from JSC Georgia Capital. Companies owned by Swinkels Georgia N.V. were, in the previous year, under the ownership of JSC GCAP. 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.USD 63.0 million has been received by 31 December 2024.

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 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 USD 12.7 million principal amount plus an annual 5% interest charge as lost income (c.USD 21 million in total) should be paid by Defendants. The Defendants appealed the decision of the First Instance Court. 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.

(Thousands of Georgian Lari)

## 17. Fair Value Measurement (continued)

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

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 USD 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 Group adjusted key unobservable model inputs. The Group adjusted the inputs used in valuation by increasing and decreasing them within a range, which is considered by the Group to be reasonable. All sensitivities disclosed below (except for loans issued) refer to sensitivity of private portfolio company valuations as neither listed, nor observe portfolio valuations are within level 3.

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%).

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.

## 17. Fair Value Measurement (continued)

### Sensitivity analysis to significant changes in unobservable inputs within Level 3 hierarchy (continued)

Set out below is a comparison by class of the carrying amounts and fair values of the Group's financial instruments that are carried in the consolidated statement of financial position at amortised cost. The table does not include the fair values of non-financial assets and non-financial liabilities, or fair values of other smaller financial assets and financial liabilities, fair values of which are materially close to their carrying values.

	<i>Carrying value 31 December 2024</i>	<i>Fair value 31 December 2024</i>	<i>Unrecognised gain (loss) 31 December 2024</i>	<i>Carrying value 31 December 2023</i>	<i>Fair value 31 December 2023</i>	<i>Unrecognised gain (loss) 31 December 2023</i>
<b>Financial assets</b>						
Cash and cash equivalents	167,801	167,801	-	51,138	51,138	-
Amounts due from credit institutions	98,844	98,844	-	8,678	8,678	-
<b>Financial liabilities</b>						
Debt securities issued	432,460	415,712	16,748	413,930	331,358	82,572
<b>Total unrecognised change in unrealised fair value</b>			<b>16,748</b>			<b>82,572</b>

### 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:

	<i>At 1 January 2024</i>	<i>PL movement*</i>		<i>Investments and Divestments</i>	<i>Other changes**</i>	<i>Loans issued</i>	<i>Loans repaid</i>	<i>At 31 December 2024</i>
		<i>realized</i>	<i>unrealized</i>					
<b>Level 3 financial assets</b>								
Loans issued	9,212	1,441	-	-	(2,913)	17,805	(25,545)	-
Equity investments at fair value - Private Portfolio	2,287,098	56,955	9,382	(192,523)	(49,876)	-	-	2,111,036

	<i>At 1 January 2023</i>	<i>PL movement*</i>		<i>Investments and Divestments</i>	<i>Other changes**</i>	<i>Loans issued</i>	<i>Loans repaid</i>	<i>At 31 December 2023</i>
		<i>realized</i>	<i>unrealized</i>					
<b>Level 3 financial assets</b>								
Loans issued	26,830	976	(851)	-	(353)	58,113	(75,503)	9,212
Equity investments at fair value - Private Portfolio	2,213,164	82,012	45,248	18,420	(71,746)	-	-	2,287,098

\* PL movement represents gain on revaluation of call option, interest income and foreign exchange gain on loans issued and fair value loss and dividend income on investments at fair value.

\*\* Other changes for loans issued represent interest repayment and loans conversion into the equity of private portfolio companies (if any) and for equity investments at fair value – dividends and other investments (note 10).

(Thousands of Georgian Lari)

**18. Maturity Analysis**

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

	<i>31 December 2024</i>			<i>31 December 2023</i>		
	<i>Less than 1 Year</i>	<i>More than 1 Year</i>	<i>Total</i>	<i>Less than 1 Year</i>	<i>More than 1 Year</i>	<i>Total</i>
Cash and cash equivalents	167,801	-	167,801	51,138	-	51,138
Amounts due from credit institutions	98,844	-	98,844	8,678	-	8,678
Marketable securities*	7,869	-	7,869	18,203	-	18,203
Investment in redeemable securities	-	-	-	14,068	-	14,068
Accounts receivable	2,777	-	2,777	842	2,432	3,274
Prepayments	959	-	959	923	-	923
Loans issued	-	-	-	9,212	-	9,212
Property and equipment	-	258	258	-	340	340
Intangible assets	-	25	25	-	67	67
Other assets	998	-	998	456	-	456
Equity investments at fair value	-	3,720,071	3,720,071	-	3,671,945	3,671,945
<b>Total assets</b>	<b>279,248</b>	<b>3,720,354</b>	<b>3,999,602</b>	<b>103,520</b>	<b>3,674,784</b>	<b>3,778,304</b>
Accounts payable	1,586	-	1,586	888	-	888
Debt securities issued	14,920	417,540	432,460	14,271	399,659	413,930
Other liabilities	575	-	575	75	-	75
<b>Total liabilities</b>	<b>17,081</b>	<b>417,540</b>	<b>434,621</b>	<b>15,234</b>	<b>399,659</b>	<b>414,893</b>
<b>Net</b>	<b>262,167</b>	<b>3,302,814</b>	<b>3,564,981</b>	<b>88,286</b>	<b>3,275,125</b>	<b>3,363,411</b>

\*Internationally and locally listed debt and equity investments and investment in redeemable shares are allocated to "less than 1 year" rather than based on contractual maturity.

**19. 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 affected 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.

The volumes of related party transactions, outstanding balances year end, and related expenses and income for the period are as follows:

	<i>31 December 2024</i>		<i>31 December 2023</i>	
	<i>Management*</i>	<i>Equity Investments**</i>	<i>Management*</i>	<i>Equity Investments**</i>
<b>Assets</b>				
Marketable securities	-	-	-	16,958
Investment in redeemable securities (note 8)	-	-	-	14,068
Prepayments	-	403	-	387
Loans issued (note 9)	-	-	-	9,212
Accounts receivable	-	2,594	-	-
	-	<b>2,997</b>	-	<b>40,625</b>
<b>Liabilities</b>				
Debt securities issued	3,785	5,810	7,802	-
Financial guarantees provided (notional value)	-	-	-	-
Other liabilities	-	-	-	-
	<b>3,785</b>	<b>5,810</b>	<b>7,802</b>	-



## 19. Related Party Disclosures (continued)

	2024		2023	
	Management*	Equity Investments**	Management*	Equity Investments**
<b>Income and expenses</b>				
Dividend income	-	56,955	-	82,012
Administrative expenses	-	(981)	-	(1,066)
Interest income at EIR method	-	2,481	-	3,041
Other interest income	-	-	-	127
Interest expense	(311)	(477)	(263)	-
	<b>(311)</b>	<b>57,978</b>	<b>(263)</b>	<b>84,114</b>

\* Management of JSC Georgia Capital consist of 4 executives and 4 members of supervisory board (2023: 5 executives and 4 members of supervisory board).

\*\* Equity investments comprise of investees of JSC Georgia Capital. Private portfolio companies as at 31 December 2024 and 31 December 2023 also represent balances with related parties (note 10).

Compensation of key management personnel comprised the following:

	2024	2023
Salaries and other benefits	(2,394)	(3,431)
Share-based payments compensation	(16,615)	(21,159)
<b>Total key management compensation</b>	<b>(19,009)</b>	<b>(24,590)</b>

Key management personnel do not receive cash settled compensation, except for fixed salaries. The major part of the total compensation is share-based. The number of key management personnel at 31 December 2024 was 8 (2023: 9).

## 20. Events after Reporting Period

### Capital Redemption and Dividend Distribution

As of 14 March 2025, GCAP PLC resolved to decrease the share capital of JSC GCAP in exchange for a cash consideration of GEL 40.8 million and distributed a dividend of GEL 37.6 million.

### 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.



**JSC Georgia Capital and Subsidiaries**  
**The Group's Management Report**

2024

# The Group's Management Report

## Introduction

This document incorporates the essential components related to JSC Georgia Capital (“Georgia Capital”, “GCAP”) such as the review of the activities, achievements based on factual indicators, development outlooks, vision and future plans. It also describes the established standards of corporate ethics and the business risks that might impact the Group’s performance.

## Business Overview

### About Us

JSC Georgia Capital (“Georgia Capital”, “GCAP”) makes up a group of companies (the “Group”) whose primary business is to develop or buy businesses, help them develop their management and institutionalise their businesses that 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 3-5 years from the initial investment and to monetise them through exits, as investments mature. Georgia Capital manages its portfolio companies individually and does not focus on achieving intergroup synergies. 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.

JSC Georgia Capital was established on 6 August 2015 as a joint stock company (“JSC”) under the laws of Georgia. Company ID – 404549690, registration authority – LEPL National Agency of Public Registry. Georgia Capital’s registered legal address is Petre Melikishvili Avenue N8a / Erekle Tatishvili Street N1, Tbilisi Georgia. The Group does not have any branches.

All amounts in the management report are presented in thousands of Georgian Lari (GEL), except for per share amounts or unless otherwise indicated.

## Portfolio and segments

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% (31 December 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.

### *Listed and Observable Portfolio*

#### *Lion Finance Group*

Georgia Capital owns 19.2% (31 December 2023: 19.7%) of Lion Finance Group PLC (“Lion Finance Group”), formerly known as Bank of Georgia Group PLC, a UK incorporated holding company, comprising: 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 the Georgian and Armenian markets. 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.

#### *Water Utility*

The Group’s Water Utility business, 20% (31 December 2023: 20%) owned through Georgia Global Utilities (GGU), is a regulated natural monopoly in Tbilisi and the surrounding area, where it provides water and wastewater services to c.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 USD 180 million (GEL 548 million).

## **Business Overview (continued)**

### **Portfolio and segments (continued)**

#### ***Private Large Portfolio Companies***

##### *Retail (Pharmacy)*

The Group's Retail (Pharmacy) business, owned by 97.8%, 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 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).

##### *Insurance*

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 Group owns a 100% stake of the insurance business.

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 2024. P&C insurance also offers a variety of non-property and casualty products, such as life insurance.

GCAP's 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.

##### *Hospitals*

The Group's Hospitals business, where GCAP owns 100% equity, is the largest healthcare market participant in Georgia. The hospitals business comprises 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.

#### ***Private Investment Stage Portfolio Companies***

##### *Renewable Energy*

The Group's Renewable Energy business is 100% owned. The 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.

##### *Education*

The 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 mid-scale segment and Green School (80%-90% ownership), well-positioned in the affordable segment.

##### *Clinics and Diagnostics*

The Group's Clinics and Diagnostics business, where GCAP owns a 100% equity interest, is the second largest healthcare market participant in Georgia after The Group's hospitals business. The clinics and diagnostics 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".

## Business Overview (continued)

### Portfolio and segments (continued)

#### *Private Other Portfolio Companies*

Other portfolio companies include the following businesses: Housing Development (100% owned through Georgia Real Estate), Hospitality (100% owned through Georgia Real Estate), Beverages (owned by 92%) and Auto Service (owned by 90-100%).

### Short Financial Overview

The Group is 100% owned by Georgia Capital PLC, which is listed on the London Stock Exchange. Consequently, according to the founder's demand, the accounting policy of the Group has been compliant with the IFRS since its establishment.

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.

The Group's audit services were provided by PricewaterhouseCoopers Georgia LLC. The published report includes the financial standing for the last two years. The condensed consolidated financial information of the Group is given below.

### Consolidated Statement of Financial Position

	<i>31 December</i> <i>2024</i>	<i>31 December</i> <i>2023</i>
<b>Total Assets</b>	<u>3,999,602</u>	<u>3,778,304</u>
<b>Total Liabilities</b>	<u>434,621</u>	<u>414,893</u>
<b>Total Equity</b>	<u>3,564,981</u>	<u>3,363,411</u>

## Business Overview (continued)

### Short Financial Overview (continued)

Statement of Comprehensive Income, for the year ended 31 December 2024	2024	2023
Gains on investments at fair value	306,121	517,988
<i>Listed and Observable Investments</i>	296,739	472,740
<i>Of which:</i>		
<i>Sale consideration from disposal of listed shares</i>	72,551	73,356
<i>Carrying amount of disposed listed shares</i>	(64,598)	(65,766)
<i>Private Investments</i>	9,382	45,248
Dividend income	129,201	162,527
Interest income at effective interest rate method	5,340	5,953
Other interest income	2,297	3,119
Loss on derecognition of liability	(72)	(3,111)
Net (losses)/gains from investment securities measured at FVPL	(269)	1,446
Net realised gains/(losses) from investment securities measured at FVOCI	28	(162)
Other income	30	8
<b>Gross investment profit</b>	<b>442,676</b>	<b>687,768</b>
Salaries and other employee benefits	(22,903)	(23,783)
Depreciation and amortisation	(536)	(545)
Other administrative expenses	(6,122)	(5,894)
Interest expense	(35,575)	(39,660)
<b>Profit before provisions, foreign exchange and non-recurring items</b>	<b>377,540</b>	<b>617,886</b>
Expected credit loss charge	(3,562)	(75)
Net foreign currency (loss)/gain	(16,539)	6,954
Gain/(loss) on derivative financial assets	1,227	(11)
Non-recurring expense	(2,148)	(1,898)
<b>Profit before income taxes</b>	<b>356,518</b>	<b>622,856</b>
Income tax	-	-
<b>Profit for the year</b>	<b>356,518</b>	<b>622,856</b>
Other comprehensive (loss)/income for the year, net of tax	(370)	128
<b>Total comprehensive income for the year</b>	<b>356,148</b>	<b>622,984</b>

In the year ended 31 December 2024 the Group recorded a gain on investments at fair of value of GEL 306,121 (31 December 2023: gain of GEL 517,988).

## Business Overview (continued)

### Short Financial Overview (continued)

The following table sets forth a breakdown of portfolio development during the year including gains (losses) on investments at fair value:

	<i>1 January 2024</i>	<i>Value Change</i>	<i>Dividends</i>	<i>Total gains / (Losses) on investments at fair value</i>	<i>Investments /(Divestments)</i>	<i>Other</i>	<i>31 December 2024</i>
<b>Listed and Observable Portfolio Companies</b>	<b>1,384,847</b>	<b>368,985</b>	<b>(72,246)</b>	<b>296,739</b>	<b>(72,551)</b>	-	<b>1,609,035</b>
<i>Lion Finance Group</i>	<i>1,225,847</i>	<i>339,985</i>	<i>(72,246)</i>	<i>267,739</i>	<i>(72,551)</i>	-	<i>1,421,035</i>
<i>Water utility</i>	<i>159,000</i>	<i>29,000</i>	-	<i>29,000</i>	-	-	<i>188,000</i>
<b>Private Portfolio Companies</b>	<b>2,287,098</b>	<b>66,337</b>	<b>(56,955)</b>	<b>9,382</b>	<b>(192,523)</b>	<b>7,079</b>	<b>2,111,036</b>
<b>Large Portfolio Companies</b>	<b>1,436,231</b>	<b>30,237</b>	<b>(35,408)</b>	<b>(5,171)</b>	-	<b>3,689</b>	<b>1,434,749</b>
<i>Retail (Pharmacy)</i>	<i>714,001</i>	<i>10,739</i>	<i>(10,048)</i>	<i>691</i>	-	<i>1,438</i>	<i>716,130</i>
<i>Insurance (P&amp;C and Medical)</i>	<i>377,874</i>	<i>74,617</i>	<i>(25,360)</i>	<i>49,257</i>	-	<i>814</i>	<i>427,945</i>
<i>Of which, P&amp;C Insurance</i>	<i>285,566</i>	<i>44,746</i>	<i>(17,986)</i>	<i>26,760</i>	-	<i>814</i>	<i>313,140</i>
<i>Of which, Medical Insurance</i>	<i>92,308</i>	<i>29,871</i>	<i>(7,374)</i>	<i>22,497</i>	-	-	<i>114,805</i>
<i>Hospitals</i>	<i>344,356</i>	<i>(55,119)</i>	-	<i>(55,119)</i>	-	<i>1,437</i>	<i>290,674</i>
<b>Investment Stage Portfolio Companies</b>	<b>566,614</b>	<b>(10,501)</b>	<b>(12,258)</b>	<b>(22,759)</b>	<b>11,933</b>	<b>1,604</b>	<b>557,392</b>
<i>Renewable Energy</i>	<i>266,627</i>	<i>(13,770)</i>	<i>(12,258)</i>	<i>(26,028)</i>	<i>11,333</i>	<i>674</i>	<i>252,606</i>
<i>Education</i>	<i>189,226</i>	<i>(8,853)</i>	-	<i>(8,853)</i>	<i>600</i>	<i>611</i>	<i>181,584</i>
<i>Clinics and diagnostics</i>	<i>110,761</i>	<i>12,122</i>	-	<i>12,122</i>	-	<i>319</i>	<i>123,202</i>
<b>Other Portfolio Companies</b>	<b>284,253</b>	<b>46,601</b>	<b>(9,289)</b>	<b>37,312</b>	<b>(204,456)</b>	<b>1,786</b>	<b>118,895</b>
<b>Equity investments at fair value</b>	<b>3,671,945</b>	<b>435,322</b>	<b>(129,201)</b>	<b>306,121</b>	<b>(265,074)</b>	<b>7,079</b>	<b>3,720,071</b>

	<i>1 January 2023</i>	<i>Value Change</i>	<i>Dividends</i>	<i>Total gains / (Losses) on investments at fair value</i>	<i>Investments /(Divestments)</i>	<i>Other</i>	<i>31 December 2023</i>
<b>Listed and Observable Portfolio Companies</b>	<b>985,463</b>	<b>553,255</b>	<b>(80,515)</b>	<b>472,740</b>	<b>(73,356)</b>	-	<b>1,384,847</b>
<i>Lion Finance Group</i>	<i>830,463</i>	<i>549,255</i>	<i>(80,515)</i>	<i>468,740</i>	<i>(73,356)</i>	-	<i>1,225,847</i>
<i>Water utility</i>	<i>155,000</i>	<i>4,000</i>	-	<i>4,000</i>	-	-	<i>159,000</i>
<b>Private Portfolio Companies</b>	<b>2,213,164</b>	<b>127,260</b>	<b>(82,012)</b>	<b>45,248</b>	<b>18,420</b>	<b>10,266</b>	<b>2,287,098</b>
<b>Large Portfolio Companies</b>	<b>1,437,610</b>	<b>74,786</b>	<b>(76,825)</b>	<b>(2,039)</b>	-	<b>660</b>	<b>1,436,231</b>
<i>Retail (Pharmacy)</i>	<i>724,517</i>	<i>39,397</i>	<i>(50,904)</i>	<i>(11,507)</i>	-	<i>991</i>	<i>714,001</i>
<i>Insurance (P&amp;C and Medical)</i>	<i>279,900</i>	<i>116,915</i>	<i>(19,903)</i>	<i>97,012</i>	-	<i>962</i>	<i>377,874</i>
<i>Of which, P&amp;C Insurance</i>	<i>228,045</i>	<i>71,447</i>	<i>(14,888)</i>	<i>56,559</i>	-	<i>962</i>	<i>285,566</i>
<i>Of which, Medical Insurance</i>	<i>51,855</i>	<i>45,468</i>	<i>(5,015)</i>	<i>40,453</i>	-	-	<i>92,308</i>
<i>Hospitals</i>	<i>433,193</i>	<i>(81,526)</i>	<i>(6,018)</i>	<i>(87,544)</i>	-	<i>(1,293)</i>	<i>344,356</i>
<b>Investment Stage Portfolio Companies</b>	<b>501,407</b>	<b>47,044</b>	<b>(5,187)</b>	<b>41,857</b>	<b>18,388</b>	<b>4,962</b>	<b>566,614</b>
<i>Renewable Energy</i>	<i>224,987</i>	<i>38,684</i>	<i>(5,187)</i>	<i>33,497</i>	<i>6,218</i>	<i>1,925</i>	<i>266,627</i>
<i>Education</i>	<i>164,242</i>	<i>12,282</i>	-	<i>12,282</i>	<i>12,170</i>	<i>532</i>	<i>189,226</i>
<i>Clinics and diagnostics</i>	<i>112,178</i>	<i>(3,922)</i>	-	<i>(3,922)</i>	-	<i>2,505</i>	<i>110,761</i>
<b>Other Portfolio Companies</b>	<b>274,147</b>	<b>5,430</b>	-	<b>5,430</b>	<b>32</b>	<b>4,644</b>	<b>284,253</b>
<b>Equity investments at fair value</b>	<b>3,198,627</b>	<b>680,515</b>	<b>(162,527)</b>	<b>517,988</b>	<b>(54,936)</b>	<b>10,266</b>	<b>3,671,945</b>

The Group recorded a gain on listed and observable investments of GEL 296,739 in the year ended 31 December 2024. Reflecting an 18.5% increase in Lion Finance Group's share price to GBP 47.10, which was supported by a 3.3% appreciation of GBP against GEL in FY24 and the application of the put option valuation to GCAP's remaining 20% holding, along with the strong operating performance of the water utility business. In addition, GEL 72,246 cash dividend and GEL 72,551 buyback dividend income (consideration received as a result of participation in Lion Finance Group's buyback programme) was recorded from Lion Finance Group in FY24.

The Group recorded a gain on private investments of GEL 9,382 in the year ended 31 December 2024. Valuation assessments of the Group's large and investment stage portfolio companies at year-end were performed by a third-party independent valuation firm.

## Business Overview (continued)

### Short Financial Overview (continued)

Further detail regarding the gain on private investments is disclosed below:

- *Retail (Pharmacy):* The Group recorded a gain on private investments in relation to its retail pharmacy business in the amount of GEL 691. The performance reflected the substantial ramp-up of the pharmacy stores launched in late 2023 and enhanced sales and profitability of higher-margin para-pharmacy products. As a result, LTM EBITDA (incl. IFRS 16) was up by 12.4% year-over-year to GEL 120,997 in FY24. Despite the positive operating performance, the overall results were negatively impacted by changes in valuation inputs, driven by an increase in the country risk premium resulting from geopolitical instability during the year. The business paid GEL 10,048 dividend in FY24.
- *Insurance (Property & Casualty and Medical Insurance):* The Group recorded a gain on private investments in relation to its medical insurance business in the amount of GEL 22,497. Medical Insurance pre-tax LTM net income was up by 77.9% year-over-year to GEL 14,960 in FY24, reflecting increase in insurance policy prices as well as the positive impact of the acquisition of Ardi insurance portfolio. The business paid GEL 7,374 dividend in FY24. On private investment in P&C insurance business the group recorded gain of GEL 26,760. Mainly reflecting the growth in the motor and agricultural insurance claims. Pre-tax LTM net income stood at GEL 29,263 in FY4. The business paid GEL 17,986 dividend in FY24.
- *Hospitals:* The Group recorded a loss on private investments in relation to its hospitals business in the amount of GEL 55,119, mainly impacted by changes in valuation inputs driven by an increase in the country risk premium, as mentioned above. The revenue of Large and Specialty Hospitals was up by 10.7% year-over-year in FY24, which underscores the positive results of the business's efforts to expand its range of outpatient services, while Regional and Community Hospitals revenue was down 3.2% year-over-year in FY24, affected by the new facility regulations in Georgia. LTM EBITDA (incl. IFRS 16) stood at GEL 56,564 in FY24.
- *Renewable energy:* The Group recorded a loss on private investments in relation to its renewable energy business in the amount of GEL 26,028, impacted by changes in valuation inputs driven by an increase in the country risk premium, as mentioned above. The revenue of Renewable energy business was up by 15.5% year-over-year, reflecting by the resumption of two Hydrolea HPP units, which were previously closed for rehabilitation from November 2022 to June 2023. The business paid GEL 12,258 dividend in FY24.
- *Education:* The Group recorded a loss on private investments in relation to its education business in the amount of GEL 8,853. The FY24 revenue increased by 22.9% y-o-y to 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. Despite the positive operating performance, the overall results were negatively impacted by changes in valuation inputs, driven by an increase in the country risk premium, as mentioned above. LTM EBITDA was up by 33.9% year-over-year to GEL 18,378 in FY24.
- *Clinics and diagnostics:* The Group recorded a gain on private investment in relation to clinics and diagnostics business in the amount of GEL 12,122, reflecting the increased demand for high revenue-generating services driven by the business's proactive approach to customer acquisition and service enhancements and the ramp-up of the two new ambulatory centres launched in 2023. The overall results were also impacted by changes in valuation inputs driven by an increase in the country risk premium, as mentioned above. The revenue of the combined clinics and diagnostics business was up by 20.7% year-over-year in FY24. The LTM EBITDA (incl. IFRS 16) of the business was GEL 17,598 in FY24.
- *Other portfolio companies:* The Group recorded a gain on other private investments in the amount of GEL 37,312, primarily due to the divestment of an 80% holding in the beer and distribution business in FY24. Other portfolio companies paid GEL 9,289 dividend in FY24.

The Group recorded interest income of GEL 7,637 in the year ended 31 December 2024 on an average balance of liquid assets and issued loans. Interest income represents the sum of other interest income and interest income using the EIR method.

The Group recorded a net loss from investment securities measured at FVPL in the amount of GEL 269 and net realised gain from investments securities measured at FVOCI in the amount of GEL 28 in the year ended 31 December 2024, which related to its marketable securities.

The Group recorded other administrative expenses in the amount of GEL 6,122 in the year ended 31 December 2024, incurred at GCAP level.



## **Business Overview (continued)**

### **Short Financial Overview (continued)**

The Group recorded expenses for salaries and other employee benefits in the amount of GEL 22,903 in the year ended 31 December 2024, incurred at GCAP level.

The Group recorded interest expense in the amount of GEL 35,575 in the year ended 31 December 2024, which represented interest accrued in respect of the bonds issued by JSC Georgia Capital.

The Group recorded a net foreign currency loss in the amount of GEL 16,539 in the year ended 31 December 2024, which is related to the impact of currency fluctuations on the foreign currency denominated financial assets and liabilities of GCAP.

There were no R&D activities during 2024.

### **Future Plans**

Georgia Capital'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. 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. Another core principle of the Group's investment philosophy is to be mindful about the size of the 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.

In 2022, the Group introduced an NCC (Net Capital Commitment) Ratio Navigation Tool, which is an integral part of the 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 GCAP 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 to the implementation of a cash preservation strategy.

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 3-5 years and to be monetised through exits as they mature.

The Group aims to have two potential liquidity events for each of its assets: 1st exit - when entering a new industry Georgia Capital intends to develop and grow portfolio companies. The Group's key focus areas at the portfolio company level are the ability to grow operating cash and to make efficient capex investments. Once the business reaches its late stage of development, the Group expects to pursue its first exit route, which envisages dividend flows for GCAP; 2nd 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 Group is also focused on cash generation at both GCAP and portfolio company level as well as management development – adding value for the Company's shareholders by developing top talent within the Group.

As the largest employer in the Georgian private sector, the Group and its portfolio companies have a responsibility to improve the future of its community by building the sustainable businesses of tomorrow. GCAP has a strong track record of investing and managing its portfolio responsibly, facilitated by operating according to its clear and proven governance model and an extensive network of top-quality talent. Georgia Capital's approach to environmental, social and governance (ESG) matters is reflected in the strategy and management principles of the Group's portfolio companies, all of which adhere to sound ESG standards, as well as local policies and regulations.

## **Business Overview (continued)**

### **Future Plans (continued)**

On 3 August 2023, JSC Georgia Capital successfully issued a USD 150 million sustainability-linked bond with a 5-year bullet maturity on the Georgian market. Through the issuance of sustainability linked bonds, GCAP targets to decrease the group's greenhouse gas emissions by 20% by 2027, compared to a 2022 baseline. The SLB target is in line with GCAP's overarching commitment to reaching Net-Zero at the Group level by 2050. GCAP has obtained second party opinion from Sustainalytics on its sustainability-linked bond framework, affirming the alignment with core components of the sustainability-linked bond principles.

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.

### **Corporate Governance**

Georgia Capital recognizes the importance of maintaining sound corporate governance practices and supports high standards of corporate governance in delivering value to the Group's stakeholders.

The Corporate Governance Code for Issuers of Public Securities (№172/04 of December 7, 2021) is mandatory for all the issues of public securities in Georgia, including Georgia Capital. Georgia Capital (as a subsidiary of Public Limited Company) also complies with the standards of reporting and corporate governance under: the UK Corporate Governance Code (except for the combined Chairman & CEO structure); the provisions of the Listing Rules relating to pre-emption rights; and the requirements of Listing Rule 11 relating to related party transactions.

### **Internal controls and risk management systems related to the financial reporting process**

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and with the requirements of the Law of Georgia on Accounting, Reporting and Auditing. Financial reporting procedures of the Group are managed and monitored by the Group's Finance department. A dedicated financial reporting team, comprised of professionals with accounting and reporting backgrounds, prepare financial statements for Georgia Capital on a daily, monthly, quarterly and annual basis. Overall monitoring of the process is performed by the Group's Chief Financial Officer.

The management has established a range of procedures that enable the Directors to discharge their responsibilities with respect to financial reporting process and an appropriate internal control environment has been established to support the integrity and accuracy of financial and management reporting as well as compliance with regulatory matters:

- The Group has established an internal control environment that supports accurate and timely management and financial reporting. Internal controls supporting financial and management reporting include but are not limited to (i) delegations of authority (approvals); (ii) balance sheet reconciliations; (iii) income statement and balance sheet reviews including budget versus actual reviews; (iv) journal reviews and approvals; and (v) the adoption of segregation of duties with respect to cash inflows/outflows.
- The Internal Audit Department is an assurance function within the Group and is independent from the Group's Management Board and reports directly to the Group's Audit and Valuation Committee at least quarterly. The Internal Audit report covers its activities in accordance with the pre-approved annual Internal Audit plan and any other significant matters that may arise during the reporting period.
- The principal risk management bodies of the Group are: The Supervisory Board, the Management Board, the Audit and Valuation Committee, Internal Audit, the Finance Department, Legal Department, IFRS technical accounting group and Valuation Workgroup.
- The Group's risk management system is implemented primarily by the Finance department, which is supervised by the Chief Financial Officer and is in charge of the Financial Risks Management function.

## Corporate Governance (continued)

### Authority of shareholders and shareholders' general meeting

#### *Overview*

The corporate bodies of the Group comprise the General Meeting of Shareholders (GMS), the Supervisory Board, and the Management Board, each possessing distinct responsibilities and powers as per the Georgian legislation and the Group's Charter. The Company adheres to the legal framework of Georgia in its operations.

As of the issue date, the Group's equity share capital is entirely held by Georgia Capital PLC.

#### *The Group's GMS*

All shareholders registered on the share register on the record date of the GMS have the right to attend and vote (if applicable) at the meeting. Georgian law provides that holders of preferred shares are not entitled to voting rights at the GMS, unless the Charter or any relevant share issue prospectus allocates voting rights to preferred shareholders. According to the Charter, holders of preferred shares are not entitled to voting rights at the GMS. As of the date of the prospectus, the Group has not issued any preferred shares. Shareholders may be represented at the GMS by a proxy.

Under Georgian law and the Charter, shareholders are authorised to pass resolutions, inter alia, on the following issues at a GMS:

- approval of amendments to the Charter;
- change of the share capital of the Group;
- liquidation of the Group;
- any merger, division or transformation of the Group into another legal entity;
- full or partial cancellation of pre-emptive rights during an increase of share capital;
- distributions of profits;
- appointment and dismissal of the members of the Supervisory Board and determination of their terms of service and remuneration;
- approval of the reports of the Supervisory Board and the Management Board and control of the activities of their members;
- selection of auditors;
- approval of participation in litigation against the Supervisory Board and the Management Board members, including the appointment of a representative in such litigation;
- acquisition, sale, transfer, exchange (or such related transactions) or encumbrance of the Group's assets, with the value exceeding 25.0% of the total assets of the Group;
- approval of the annual accounts of the Group;
- approval of related party transactions, with a value exceeding 2% of the Group's assets; and
- other issues provided by Georgian law and the Charter.

According to the Charter, decisions on all other issues are made by the Supervisory Board and the Management Board within their capacities.

### The composition and operation of the management and supervision bodies

#### *Supervisory Board*

As per the Charter, the Supervisory Board is responsible for overseeing the Management Board's activities. The Supervisory Board comprises a minimum of three and a maximum of 15 members, who are appointed by the GMS. It is mandatory for the Supervisory Board members to act in the best interests of the Group and its business while executing their duties.

## Corporate Governance (continued)

### The composition and operation of the management and supervision bodies (continued)

#### *Supervisory Board (continued)*

The Supervisory Board is responsible for various duties, which include:

- supervising the activities of the Management Board;
- appointing and dismissing the CEO and other directors, concluding and terminating service contracts with them, as well as establishing a code of conduct for the members of the Management Board;
- approving and amending the Group's policy and other regulatory requirements;
- inspecting the Group's accounts and property, including inspection of conditions of cash desk, securities and assets, personally or with the help of invited experts;
- requesting reports of the Group's activities from the Management Board (including information concerning associated companies and subsidiaries) and reviewing the information provided by internal audit or external inspections;
- convening extraordinary general meetings, if necessary;
- reviewing annual reports and the proposals of the Management Board on profit distribution;
- representing the Group in proceedings against the Group's CEO and other directors;
- approving the annual budget; and
- making decisions in other cases provided by applicable laws.

The Supervisory Board members are: Irakli Gilauri, David Morrison, Massimo Gesua' sive Salvadori, Maria Chatti-Gautier, Neil Janin.

#### *Management Board*

The Management Board is an executive body that is responsible for the day-to-day management of the Group (with the exception of those functions reserved to the GMS and the Supervisory Board) and consists of the CEO and not less than two directors. The Management Board is accountable to the shareholders and the Supervisory Board and its members are appointed and dismissed by the Supervisory Board. The Supervisory Board approves the remuneration and other conditions of employment for each member of the Management Board. Certain resolutions of the Management Board are subject to the prior approval of the Supervisory Board.

The Management Board is managed by the CEO, who, together with the Supervisory Board, allocates the responsibilities of the Management Board among its members.

The responsibilities of the Management Board include:

- conducting the Group's day-to-day activities;
- reviewing agenda items for the Group's GMS or Supervisory Board meetings, obtaining all the necessary information, preparing proposals and draft resolutions;
- drafting and presenting to the Supervisory Board for approval the business plan for the following year (such business plan to include the budget, profit and loss forecast and the Group's investments plan);
- ensuring the fulfilment of resolutions passed at the Group's GMS and the Supervisory Board;
- developing policies, by-laws and other regulatory documents which are approved by the Supervisory Board and ensure compliance with such policies, by-laws and regulatory documents;
- deciding on the appointment, dismissal, training and remuneration of staff;
- convening extraordinary general meetings; and
- any other issues which may be assigned to the Management Board by the Supervisory Board and/or the Group's GMS.

## Corporate Governance (continued)

### The composition and operation of the management and supervision bodies (continued)

#### *Management Board (continued)*

The following activities may be carried out by the Management Board only with the prior approval of the Supervisory Board:

- the acquisition and disposal of shares in other companies (other than in the companies at least 50% of which is directly or indirectly by the Group (the Subsidiary)) if value of the transaction exceeds 2.5% of the Group's equity value as at the end of the previous calendar month;
- except for the transactions with the Subsidiaries, the acquisition, transfer and encumbrance of real estate and related ownership rights, if such transaction falls outside the scope of routine economic activity of the Group and the value of such transaction exceeds 2.5% of the Group's equity value as at the end of the previous calendar month;
- except for the investments in the Subsidiaries, investments, the partial or total amount of which exceeds 2.5% of the Group's equity value as at the end of the previous calendar month;
- securing credits and loans, if they fall outside the scope of routine economic activity and are in excess of 2.5% of the Group's equity value as at the end of the previous calendar month;
- borrowing funds in excess of 2.5% of the Group's equity value as at the end of the previous calendar month;
- the establishment and liquidation of branches;
- launching a new type of activity or terminating or suspending the existing type of activity;
- adopting general principles of business strategy and the business plan of the Group and approving the annual budget and incurrence of long-term liabilities;
- determination of the remuneration and/or additional benefits for the Group's senior management (CEO, other members of the Management Board and any other senior managers so selected by the Supervisory Board);
- the appointment and dismissal of trade representatives;
- except for the contracts and agreements with the Subsidiaries) the approval of an agreement or contract pursuant to which the expenditure of the Group (payable by single or several tranches) exceeds 1.0% of the Group's equity value as at the end of the previous calendar month;
- the determination and approval of internal policies and procedures for lending, investing, foreign exchange, assets and liabilities management, asset valuation, their classification and adequate provisioning; and
- other activities that may be prescribed by applicable laws.

The Management Board currently consists of the members: Irakli Gilauri, Avtandil Namicheishvili, Giorgi Alpaidze.

### Shares owned by members of those charged with governance

As of 31 December 2024, no shares of JSC Georgia Capital are owned by the members of those charged with governance.

## Corporate Governance (continued)

### The diversity policy

JSC Georgia Capital complies and is subject to the diversity policy<sup>1</sup> of Georgia Capital PLC. Georgia Capital, according to the Policy, is fully committed to the elimination of unlawful and unfair discrimination and values the differences that a diverse workforce brings to the organisation. The Company embraces diversity in all its forms. Diversity of skills, social and ethnic background, nationality, experience, cognitive and personal strengths, knowledge, outlook, approach and gender, 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. Diversity is not always an easily measured characteristic, such as gender. Diversity of outlook and approach is hard to measure but may be equally as important. Employees and job applicants will receive equal treatment regardless of age, disability, gender reassignment, marital or registered civil partner status, pregnancy or maternity, race (including colour, nationality, ethnic or national origin), religion or belief, sex or sexual orientation. All employees are responsible for the promotion and advancement of, and compliance with, the Diversity Policy. Behaviour, actions or words that transgress the Policy will not be tolerated and will be dealt with in line with the disciplinary policy.

### Mandatory tender offer

During 2024, there were no mandatory tender offers made defined in Article 532 of the Law of Georgia on Entrepreneurs.

## Risk Overview

### Risk Factors

#### *Regional Instability*

The Georgian economy and the Group's business may be adversely affected by regional tensions. Georgia shares borders with Russia, Azerbaijan, Armenia and the Republic of Türkiye and has two breakaway territories, Abkhazia and the Tskhinvali/South Ossetia regions. In addition to strong political and geographic influences, regional countries are highly linked to the Georgian economy, representing its significant historical trading partners.

On May 14 2024, Georgia's ruling party passed the controversial foreign agents' law in its third and final reading, with 84 votes in favour and 30 against. The adoption of the "transparency of foreign influence" law in Georgia, may pose considerable risks of political instability and uncertainty. Despite elevated uncertainty, Georgia's economy demonstrated robust growth. Preliminary data indicates that the economy continued to expand. 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.

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.

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<sup>1</sup> The policy is available at the following link: <https://georgiacapital.ge/governance/cgf/policies>

## **Risk Overview (continued)**

### **Risk Factors (continued)**

#### *Currency Risk and Macroeconomic Environment*

Unfavourable dynamics of major macroeconomic variables, including depreciation of the Georgian Lari against the US Dollar, may have a material impact on the Group's performance.

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 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 respective overall currency strategies; the Finance department monitors the weekly currency position for stand-alone Georgia Capital and 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 Risk*

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. The Group, however, cannot predict what additional regulatory changes will be introduced in the future or the impact they may have on the Group's operations.

Georgia Capital and its businesses may be adversely affected by risks related to litigations arising from time to time in the ordinary course of business.

Georgia Capitals's continued investment in the people and processes is enabling the Group to meet current regulatory requirements, meaning that the Group is well placed to respond to any future changes in regulation. Further, investment portfolio of Georgia Capital is well diversified, limiting exposure to particular industry-specific regulatory risks.

Georgia Capital's 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 planning and implementation of all necessary actions for the elimination of identified legal risks.

#### *Investment Risk*

The Group may be adversely affected by risks in respect of specific investment decisions.

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)**

### **Risk Factors (continued)**

#### *Liquidity Risk*

Liquidity risk implies 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.

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 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.

JSC Georgia Capital successfully issued USD 300 million bonds in March 2018, which was followed by a USD 65 million tap issuance on 16 March 2021. On 3 August 2023, JSC Georgia Capital has successfully issued a USD 150 million sustainability-linked bond with a 5-year bullet maturity. The proceeds from the transaction, together with existing liquid funds of GCAP, were utilised to fully redeem USD 300 million Eurobonds.

Since the adaption 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. Since the introduction of the NCC concept, the NCC ratio has decreased significantly. Going forward, The Group aims to maintain the NCC ratio below 15%. The deleveraging strategy was also implemented across the Group's private portfolio companies, where individual leverage targets have been developed.

As mentioned above, proceeds from USD 150 million bond issuance, together with the existing liquid funds of GCAP have been used to fully redeem the existing Eurobond and as a result, gross debt balance decreased from USD 300 million to USD 150 million, which further supports GCAP's deleveraging strategy.

#### *Portfolio Companies Strategic and Execution Risks*

Market conditions may adversely impact the strategy of Georgia Capital and all Group's businesses have their own risks specific to their industry. The businesses have growth and expansion strategies and Georgia Capital faces execution risk in implementing these strategies. The Group will normally seek to monetise its investments, primarily through strategic sale, typically within five to ten years from acquisition and the Group faces market and execution risk in connection with exists at reasonable prices.

For each business, Georgia Capital focuses on building a strong management team and has 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 the Group's businesses. Georgia Capital holds management accountable for meeting targets.

For each industry in which the Group operates, industry trends, market conditions and the regulatory environment are closely monitored. Georgia Capital has also sought and continues to seek advice from professionals with global experience in relevant industries. Georgia Capital measures its private portfolio companies at fair value. 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.



## **Risk Overview (continued)**

### **Risk Factors (continued)**

#### *Portfolio Companies Strategic and Execution Risks (continued)*

The Group has a strong track record of growth and has accessed the capital markets on multiple. The acquisition history of Georgia Capital has also been successful and the Group has been able to integrate businesses due to strong management with integration experience.

In 2022, GCAP successfully completed the water utility business disposal, which represents Georgia Capital's most significant monetization event to date and marks the completion of the full investment cycle for one of the Group's large portfolio businesses.

In 2024, as part of Georgia Capital's continued strategic execution, GCAP divested from the beer and distribution business, which was sold to a strategic international investor.

#### *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 does 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 the Group's assets and therefore Georgia Capital monitors its governance and risk management framework to ensure that sustainability-related risks in GCAP's portfolio remain an important part of the Group's agenda and are treated as a priority by GCAP's portfolio company management teams. The environmental activities of the Group's portfolio companies are discussed in the 'Environmental Matters' section of this report.

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. 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 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, the Group's information systems, technology or data. This could lead to leakage of sensitive information, disruption of operations and reputational damage.

## Employee Matters

Recruiting, developing and retaining talent within the Group are among one of the most important priorities. Key factor for working towards that objective is communicating openly with the employees, providing training and opportunities for career advancement, rewarding employees fairly and encouraging them to give direct feedback to senior management. The Group recognises the importance of providing a supportive working environment and a healthy work-life balance for all the employees both in Georgia Capital and in the Group's portfolio companies.

A key factor in the Group's success is a cohesive and professional team, capable of accomplishing the Group's objectives. The Group is 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 Human Resource (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. GCAP maintains a Group-wide Code of Conduct and Ethics for its 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;

The Group is committed to employee engagement by providing them with a continuous flow of information, which includes information about corporate culture, the Group's strategy and performance, risks relating to its performance, such as financial and economic factors, and the Group's policies and procedures. The Group provides information to its employees in a number of ways, including via managers, presentations, email, intranet and regular off-site meetings. There are feedback systems, such as employee satisfaction surveys, which ensure that the opinions of the Group's employees are taken into account when making decisions which are likely to affect their interests.

Georgia Capital is fully committed to providing equal opportunities as an employer and prohibits unlawful and unfair discrimination. The Group believes that there are great benefits to be gained from having a diverse workforce. At 31 December 2024, Georgia Capital, as an investment holding company, had a total of c. 45 employees and 20,259 employees at Group level.

## Environmental Matters

The operations of Georgia Capital have relatively low energy consumption. However, it recognises the evolving significance of emissions disclosures in the investment community and in line with the commitment to increasing transparency, the Group voluntarily discloses emissions for JSC Georgia Capital and its portfolio investments.

To be more environmentally responsible, the Group's 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. GCAP's housing development business pioneered the introduction of energy efficient construction materials. In the Group's education business, five of the school campuses successfully introduced solar panels, and other educational infrastructures will follow in due course. GCAP's beverages business reduced its energy consumption and carbon footprint through its CO<sub>2</sub> recovery plant, alongside with the wastewater treatment plant. The company also introduced the Green Fridge policy which reduces the carbon footprint of cooling bottled and canned products. Additionally, the Group's 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.

Within the management team, the Chief Financial Officer (CFO), 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 (DoI), supported by the Investment Officers, is responsible for identifying specific risks and opportunities at the initial investment stage.

## Environmental Matters (continued)

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. 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.

### *Environmental activities of the Group's portfolio companies*

#### Lion Finance Group 37.8% share of the portfolio at 31 December 2024

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.

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 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.

#### Retail (pharmacy) 19.0% share of the portfolio at 31 December 2024

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.

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 the energy expenditure and generate a financial benefit but will also reduce the carbon footprint of the operations.

#### Healthcare Business – Hospitals and Clinics and Diagnostics 11.0% share of the portfolio at 31 December 2024

Under the delayed transition 1.7°C scenario, it is anticipated that in the medium-term carbon prices will remain low. After 2030, carbon prices may rise quickly year-on-year 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 purchase relating to medical equipment and supplies, particularly those originating out-of-country.

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.

#### Medical Insurance 3.1% share of the portfolio at 31 December 2024

An increase in medical insurance claims may arise from both acute short-term weather conditions (flooding and, in some regions landslides, 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 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.

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.

## Environmental Matters (continued)

### *Environmental activities of the Group's portfolio companies (continued)*

#### P&C Insurance 8.3% share of the portfolio at 31 December 2024

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 government policy and regulation relating to carbon emissions evolve. This might result in fluctuating loss ratios and profitability.

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.

#### Water Utility 5.0% share of the portfolio at 31 December 2024

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.

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.

#### Renewable Energy 6.7% share of the portfolio at 31 December 2024

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.

The renewable energy business generates electricity using renewable sources, and there are a number of policy and Government incentives for solar wind and hydropower generation in Georgia as part of the Georgian 2030 Climate Change Strategy and Action Plan (CCSAP). Renewable energy sources are considered to be the future of energy and are valued higher than traditional electricity generation companies.

#### Education 4.8% share of the portfolio at 31 December 2024

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

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.

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.

## Environmental Matters (continued)

*Environmental activities of the Group's portfolio companies (continued)*

### Beverages

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

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.

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 GCAP's 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. Management takes climate change risk into consideration when determining its investment strategy. Climate change is also reflected in the valuation assessments of the portfolio companies.

### *GCAP's commitment to a Net-Zero future*

Enhanced integration of ESG issues into the Group's core operations became one of the three strategic priorities of GCAP's overall strategy in 2022. In 2022, Georgia Capital committed to the Net-Zero Initiative and expressed its willingness to reach Net-Zero across Scope 1 and 2 emissions at both the Group and portfolio company levels by 2050. The Group 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.

### *Sustainability-linked Bond Framework*

In 2023 GCAP has developed a Framework that outlines the key principles to be followed when issuing Sustainability Linked Bonds. This Framework has been established in alignment with the International Capital Market Association's (ICMA) 2020 Sustainability-Linked Bond Principles (SLBP). The SLBPs are a set of voluntary guidelines that establish industry best practices for financial instruments to incorporate sustainability-related outcomes in the future. By defining the approach to issuing SLBs, these principles serve to facilitate the growth and development of the SLB market.

GCAP's Sustainability-Linked Bond Framework is designed in accordance with the five key components of the Sustainability-Linked Bond Principles (SLBP): 1) Selection of Key Performance Indicators (KPIs); 2) Calibration of Sustainability Performance Targets (SPTs) 3) Bond Characteristics 4) Reporting 5) Verification. GCAP's key performance indicator (KPI) is the total amount of greenhouse gas (GHG) emissions from Scope 1, 2, and 3 sources across its value chain, measured in tons of carbon dioxide equivalent (tCO<sub>2</sub>e). Scope 1 emissions are from sources owned or controlled by GCAP, Scope 2 emissions are from the consumption of purchased electricity, heat, steam, and cooling, and Scope 3 emissions represent Scope 1 and 2 emissions of GCAP's portfolio companies. This KPI is aligned with GCAP's wider strategy of the Net-Zero initiative. GCAP aims to reduce Absolute Scope 1, 2 and 3 GHG emissions by 20% by 2027 compared to a 2022 baseline. The KPI is material and relevant as it helps measure the company's and portfolio companies' GHG emissions, identify carbon-related risks and support decarbonization targets.

## **Environmental Matters (continued)**

### *Sustainability-linked Bond Framework (continued)*

GCAP has commissioned Sustainalytics, an internationally recognized firm with environmental and social expertise, to conduct a Second Party Opinion (SPO) evaluating the sustainability benefits and alignment of its Sustainability-Linked Bond Framework with the SLBP 2020. Sustainalytics confirmed the framework's compliance with the SLBP 2020 and rated it as ambitious.

For the year ending 31 December 2024, GCAP prepared and published on its website a Sustainability Report.<sup>2</sup>

## **Buyback of own shares**

During 2024 Group has repurchased own shares from 100% shareholder with total non-cash consideration of GEL 41,419. Number of shares repurchased were 141,923 which, as noted in the resolution, is set to be registered in the Shares Registry by April 2025.

Irakli Gilauri

Chief Executive Officer

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<sup>2</sup> The report is available at the following link: <https://georgiacapital.ge/ir/sustainability-reports>

## **Environmental Matters (continued)**

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