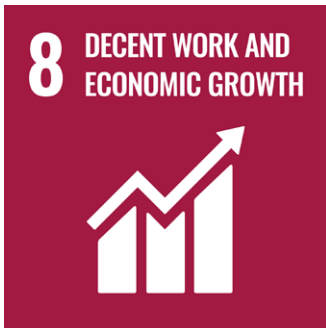


**MANAGEMENT
REPORTING**

2023

SINCE 2017, "GPI HOLDING" HAS PROUDLY BEEN A MEMBER OF THE UN GLOBAL COMPACT NETWORK, DEMONSTRATING OUR COMMITMENT TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGS). OUT OF THE 17 GOALS, FOUR ARE PARTICULARLY RELEVANT TO OUR OPERATIONS. EACH YEAR, WE ACTIVELY CONTRIBUTE TO THESE GOALS THROUGH VARIOUS PROJECTS, REINFORCING OUR DEDICATION TO SUSTAINABLE DEVELOPMENT.

THESE GOALS ARE:



This report highlights the projects implemented by our company in 2023 to achieve the Sustainable Development Goals.

8 DECENT WORK AND
ECONOMIC GROWTH



PERSONNEL

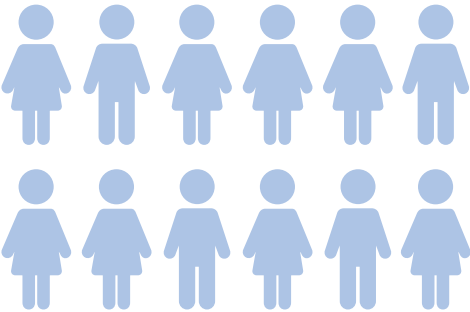
“GPI Holding” is one of the largest employers in the country, with a workforce of 653 loyal individuals. We prioritize the well-being, development, and safety of our employees, recognizing that their satisfaction is crucial to our company’s success. We believe that with our loyal employees, our business will achieve even greater success. **For this reason, we are committed to providing a safe, equitable, and tailored work environment that meets the needs of all our employees.**

All our employees benefit from the best health insurance package, fully funded by the company. Additionally, our sales staff benefit from a one-year unlimited passenger card and free chat time. In response to the challenges posed by COVID-19, we have adopted a hybrid work model, allowing employees to work from home. This flexible approach has proven to enhance productivity, as it empowers employees to plan their workdays according to their preferences and needs, choosing to work from home or from the office.

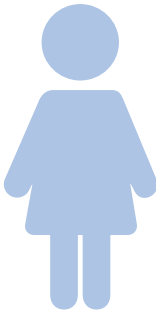
GENDER BALANCE

Over 70% of GPI employees are women. We are also committed to ensuring gender balance in management positions.

658
EMPLOYEES



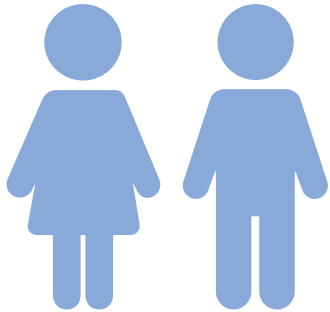
502
WOMEN



151
MEN



51% **49%**
MANAGEMENT POSITION



CAREER DEVELOPMENT PROGRAM

Since 2022, GPI has implemented a new career development system. This program includes opportunities for professional training, positional promotion, and access to indirect material benefits defined by the company.



SALES TEAM CAREER PROGRESSION

Employees in retail and corporate roles at GPI have the opportunity to advance their careers and improve their working conditions by meeting clear and predefined criteria.

The career development pathway consists of 4 key steps: Specialist | Manager | Expert | Partner.

The highest level Sales Partner, allows employees to independently manage high-level tasks with the following responsibilities and benefits:

- Reporting directly to the Deputy Director of Sales or the Head of the Department.
- Managing an annual budget for non-standard client reimbursements within their portfolio.
- Access to exclusive benefits such as enhanced working conditions:
 - Comprehensive health insurance for the individual and their family members with a high coverage limit.
 - Annual Fitpass voucher.
 - Co-financing of training courses.
 - Co-financing of relaxation tours at Georgian resorts during working hours.
 - High-limit internet and talk time package.
 - Technical assistance.
 - Permanent membership of the Master's Club.

In addition to offering remote work options for new employees, we provide comprehensive health insurance and the full range of benefits available to all GPI employees.

In 2023, under our career development scheme, 16 sales employees successfully advanced to the position of Partner.

SALES MARATHON

GPI EMPLOYEES' VISIT TO THE "VIENNA INSURANCE GROUP" OFFICE



At "GPI Holding," we believe that the success of our company relies on professional and loyal employees. To support and motivate our team, we strive to create special conditions and offer various incentives. As part of our efforts, the winners of the 2022 Sales Marathon were rewarded with a visit to Vienna in 2023.

The marathon was attended by both retail and corporate sales managers, with winners selected from different categories. Sales managers who demonstrated the best results by selling various insurance products over a three-month period earned the prize - a trip to Vienna. A total of 16 employees emerged as winners in the marathon.

While in Vienna, the winners were hosted at the main office of the Vienna Insurance Group, located in the historic Ringturm building, the first skyscraper in Vienna, on the 20th floor, they enjoyed a distinctive view of the city's sights. Employees of the Vienna Insurance Group welcomed the GPI team, offering a historic tour and presenting symbolic gifts to their Georgian colleagues.

In 2023, 60 successful sales staff were included in our Sales Masters Club. Throughout the year, we organized numerous engaging training sessions and exciting activities for our masters. Several meetings of the Masters Club were held in Tbilisi, with one meeting taking place outside the city.

MASTER OF SALES



In 2023, 60 successful sales staff were inducted into the Sales Masters Club. Throughout the year, we organized numerous enjoyable and engaging activities. Several meetings of the main club took place in Tbilisi, with one meeting held outside the city.

VIG KIDS CAMP 2023

The year 2023 was filled with diverse competitions and activities for the children of GPI Holding employees. As part of the “Vienna Insurance Group” initiative, children aged 9-14 from group member employees were given the chance to participate in a competition and spend two weeks at an international camp in Vienna.

To qualify for the camp, children were asked to submit a photo on the theme: “How I Want to Change the World for the Better.” A jury selected 25 winning photos from GPI Holding, and the chosen children enjoyed an enriching two-week experience in Vienna. They joined peers from 25 different countries, all children of employees from other VIG member companies.

During their time at the international camp, the children visited Vienna’s sights and museums and took part in numerous exciting activities. They also had the opportunity to make new friends from around the world, creating unforgettable memories.



GLOBAL PEACE PHOTO AWARD

We are proud to announce that Barbara Chikviladze, daughter of a coworker at GPI Holding, won one of the most significant photo competition, the prestigious Global Peace Photo Award, in 2023.

The Vienna Insurance Group is one of the main sponsor of this competition and annually allows the children of employees from member companies to participate from around the world.

The jury selects one of the best and we are specifically proud of that this year winner is the Georgian participant the daughter of our employee!

As a prize, she received 1,000 euros. Additionally, Barbara and her family were invited to Vienna, where she was honored at a specially arranged award ceremony in the presence of other participants.

Barbara's photo was showcased in Vienna alongside other selected works.



EYFON VIG YOUTH DAYS



Another exciting opportunity for the children of GPI employees was their participation in the European Youth Forum Neumarkt (EYFON). To secure a spot at the camp, participants submitted a short video, photo collage, or essay on the theme: "How My Ideas Will Change the World".

Children of our employees aged 14-17 were invited to participate in the competition. The jury selected two winners who had the opportunity to spend a week in Austria, engaging with participants from various countries.



POSITIVE PARENTING WEEK



In honor of the International Day for the Protection of Children, we celebrated Positive Parenting Week. During this week, experts and psychologists from UNICEF conducted seminars for the children of our employees, providing valuable insights and guidance.

The Positive Parenting Week workshops were conducted in three stages, with participants divided into age-specific groups. The sessions were tailored for parents of children in the following age ranges: 0-5 years, 6-11 years, and 11-18 years.

Psychologist Zanda Chechelashvili shared his knowledge and experience with the employees of "GPI." The discussion centered on crucial topics such as effective communication with children, positive parenting techniques, and methods for establishing healthy relationships.

The training program included both theoretical and practical components, providing a well-rounded learning experience for our employees. Tinatin Stambolishvili, Director of Strategic Communications at GPI Holding, emphasized the significance of this initiative: "UNICEF's role is invaluable to the well-being of our country's future generation. GPI Holding has a long-standing partnership with UNICEF, particularly in educational campaigns. Corporate responsibility is a priority for our company, and a key aspect of this is caring for the well-being of our employees."

We recognize that supporting positive parenting and children's education is an integral part of caring for our

employees. By equipping our staff with knowledge about positive upbringing methods, we not only enhance their well-being but also contribute to a healthier society. Many societal issues originate in childhood, making it crucial to address these early on. This is why we have prioritized providing our employees with opportunities to learn effective parenting techniques.

The training program included both theoretical and practical components, providing a well-rounded learning experience for our employees. Tinatin Stambolishvili, Director of Strategic Communications at GPI Holding, emphasized the significance of this initiative: "UNICEF's role is invaluable to the well-being of our country's future generation. GPI Holding has a long-standing partnership with UNICEF, particularly in educational campaigns. Corporate responsibility is a top priority for our company, with a key focus on the well-being of our employees. We are dedicated to creating a supportive and nurturing environment that promotes their overall health and happiness.

When it comes to positive parenting and child raising, supporting our employees has a proportionate impact on society, as many problems often stem from childhood.

At GPI Holding, we prioritize providing our employees with opportunities to learn about positive upbringing. Our extensive experience in cooperating with UNICEF highlights our commitment to this cause. Since 2022, we have been a member of the "Business Advisory Board for Children," established by the United Nations Children's Fund. This partnership's primary goal is to protect children's rights and ensure their active participation in the business process.

LEARNING AND ADVANCEMENT

In line with the company's strategy, our training and development efforts in 2023 focused on three main areas:

- 1) Management Capability Building
- 2) Expert Resource Training
(Expert roles primarily refer to positions that require specialized insurance knowledge and professional competence)
- 3) Basic business units:
Enhancing Digital, Sales, and Service Teams Capabilities;



Unlike the previous year, our primary focus in 2023 was on enhancing sales skills, as well as developing service and support capabilities. An exclusive training program was designed to strengthen support teams, integrating empathy and emotional intelligence with the highest level of professionalism. Training was provided to both front-line and mid-level representatives.

Our training and development initiatives included a combination of internal and external trainings, working meetings, and master classes. Internal training sessions were conducted by GPI employees, while external events were led by invited experts.

In 2023, we also launched an expanded training platform, "Masterplan," offered by the Vienna Insurance Group to its subsidiaries. This platform addresses key topics relevant to both managerial and expert roles.

ACADEMIC SECTOR COLLABORATION

In 2023, GPI continued its cooperation with the University of Georgia by offering an internship program to students.

Additionally, as in previous years, all employees underwent mandatory training in information security and anti-money laundering (AML) procedures.



9 **INDUSTRY, INNOVATION
AND INFRASTRUCTURE**



CONFERENCE

REGIONAL TRANSPORT INDUSTRY SUSTAINABILITY



On June 6, 2023, GPI Holding organized a conference in cooperation with the European Union and the European Business Association, titled “Regional Transport Industry Sustainability: Challenges and Opportunities”.

The conference primarily focused on Georgia’s transit potential, investment environment, and the increase in cargo turnover. It also addressed various challenges and their solutions, highlighting the role of insurance as a pillar of the transport industry.

During the conference, participants explored the opportunities the transit corridor offers to Georgia. They gained a deeper understanding of the EU’s vision and the importance of enhancing EU-Georgia collaboration. A report from the European Business Association on transit potential and the investment climate was presented. Additionally, delegates received remarks from the representative of APM Terminal in Poti.

The President of the European Business Association, John Braekeveldt, opened the event, providing a platform for delegates to explore the EU-funded research titled “Feasibility of Regular Shipping on the Black Sea.” The study was presented by European Commission member Khalid Bichou.

The research confirms Georgia’s significant transit potential while also highlighting several barriers that need to be addressed. These challenges include tariffs, the logistics system, infrastructure, and customs services. The EU anticipates that Georgia will take steps to resolve these issues to fully capitalize on its transit capabilities.

For the proper functioning of the transit corridor, it is essential to minimize natural and other risks. Insurance serves as the only mechanism to mitigate financial losses for transport companies. The second part of the event focused on this critical aspect, with speakers discussing the key role of the insurance industry in ensuring the smooth operation of the transit corridor.



GPI presented its vision on addressing challenges within the transport industry to conference participants. Additionally, participants received specialized brochures containing detailed information on cargo insurance.

More than 120 delegates participated in the conference, including members of the EU delegation, representatives from the diplomatic corps accredited in Georgia, and individuals from international financial organizations, as well as the transit and insurance industries. The event garnered significant media attention, with coverage by both business and news programs.

General Director of GPI Holding, Paata Lomadze: the role of the ‘Middle Corridor’ has significantly increased, and statistics confirm this trend. However, to fully capitalize on this opportunity, it is essential to address the escalating challenges. One of the primary issues is the financial risks faced by transport operators, for which the only protection mechanism is insurance.

With the increased significance of the Middle Corridor, many new actors have entered the market without the necessary awareness and experience. Additionally, we frequently encounter issues such as incomplete protection and expired or inactive policies. These challenges pose problems not only for carrier and forwarder companies but also hinder the overall functioning of the transit corridor.

We are constantly seeking solutions to these problems. The primary goal of the conference was to provide a platform for exchanging knowledge and experience on critical issues for the country. We have already explored some of the most promising solutions and discussed these matters in detail. We are committed to this path, leveraging the experience and expertise of our shareholder, Vienna Insurance Group, along with our deep understanding of the local market.

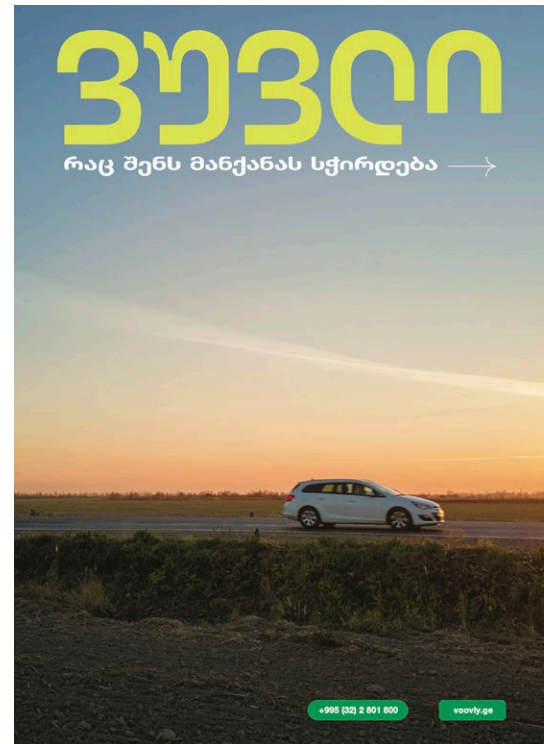
VOOVLY

ALL YOUR CAR NEEDS

With the joint investment of Vienna Insurance Group and GPI Holding, a new brand has emerged in the Georgian market. The platform, voovly.ge, enables customers to remotely access all services related to car maintenance and repair.

The modern ecosystem of auto services provides customers with highly professional, reliable, and expert services. The brand's uniqueness lies in its comprehensive digital platform, ensuring fast, comfortable, and convenient service.

Voovly brings together various types of businesses to deliver seamless and efficient services, eliminating the unpleasant and inconvenient aspects of car maintenance and operation. Car owners no longer need to communicate with craftsmen, visit multiple service centers, or search for auto parts. Professional car experts take full responsibility for the vehicle's repair, overseeing the entire process personally. Car owners receive continuous updates, ensuring they are always informed about the status of their vehicle.



The operating model of Voovly not only simplifies the car maintenance process but also makes it more cost-effective. The expert approach eliminates unnecessary expenses and minimizes mistakes, ensuring efficiency and affordability for customers. Voovly's auto experts assist with routine services, repairs, inspections, and technical checks. Our roadside assistance service ensures that if a vehicle breaks down or runs out of fuel, an expert will promptly arrive to address the issue on the spot, providing quick and effective solutions.

An application and web page were developed, allowing users to call an expert from any location and access comprehensive information on services and offers. In 2023, thousands of users registered on the Voovly platform, with approximately 5,500 car owners utilizing the services.

The year 2023 was marked by the expansion of our partner network. We collaborated with the largest companies in the Georgian auto industry, offering gifts and discounts to our customers throughout the year.

Voovly collaborates exclusively with partners possessing many years of experience, ensuring the effectiveness of our services. The calmness and peace of mind our customers experience is a direct result of the expertise and reliability of our professional auto experts. Customers can easily call an auto expert and receive any service with just a few clicks via our website, www.voovly.ge, or the Voovly mobile application. Payments can be made seamlessly, either as a single transaction or through a monthly membership, offering unlimited access to services.

SIDE-BY-SIDE INNOVATIVE SERVICE SYSTEM FOR THE INSURED



In the wake of the coronavirus pandemic, people's reliance on insurance companies has increased as they became more attentive to their health. However, it became evident that customers were not receiving the quality and benefits from the existing insurance system that they had anticipated.

Following the pandemic, a significant challenge for the company has been the functioning of the call center. There was an increased staff turnover in this department, leading to a rise in unanswered calls and, consequently, higher levels of consumer dissatisfaction. Standard approaches to solving this problem proved ineffective, indicating a need for fundamental changes. These changes were essential to improve the working processes within the department, reduce staff turnover, and most importantly, enhance customer satisfaction.

The preparation period spanned one year, during which we conducted extensive research and actively listened to customer feedback. Additionally, we evaluated our services. As part of this research, we studied the experiences of international companies, including the Vienna Insurance Group.

As a result of our comprehensive research and feedback process, we established a new standard of insurance service: the support team. This new approach systematically integrates standard service, empathy, and improved management practices.

Previously, the role of the call center manager was limited to providing information to the insured. Now, our practice ensures the customer and the operator work closely together until the process is complete.

Our insurance services, both medical and other, involve multiple stages. It is essential for customers to have a single point of contact who can assist them throughout the entire process. This dedicated individual provides expert advice, resolves issues, and handles planning, ensuring a seamless experience for the customer.

The support system focuses on resolving issues by providing personalized assistance to the insured, ensuring solutions are aligned with their needs and preferences.

The Support Manager, an expert in the relevant field, is responsible for the entire service cycle—from planning treatment to monitoring, or from case management to payment of remuneration and they maintain constant communication with the insured. From the first call, Support Managers are involved in resolving issues and, if necessary, they will visit the insured to provide on-site assistance.

For example, in cases requiring urgent medical services, the Support Manager may personally arrive at the clinic to resolve all insurance-related issues directly with the clinic's administration. In the event of a major car accident, a car expert will arrive on-site. This service process has been completely transformed, ensuring seamless support from the first communication with the insurance company through to the payment stage. To fundamentally transform the system, numerous changes have been implemented across all levels of service. Previously, call center employees handled both medical and non-medical cases, but this is no longer the case. The support team is now divided into two specialized sections: Medical Services and Non-Medical Services. Each team is staffed by experts in their respective fields—those with experience in the medical field for medical services and those with in-depth knowledge of the auto industry for non-medical services. These changes have necessitated the growth of our human resources. We have tripled the number of employees in both teams to meet the demands, as handling each case requires significant effort and time from our side.

Additionally, we have developed enhanced training mechanisms for our employees. Beyond the standard training conducted by the support team, we introduced supplementary training modules. These modules were created in collaboration with both invited and internal psychologists, ensuring comprehensive preparation not only in insurance specifics but also in addressing psychological aspects of customer interactions. This training module fully integrates principles of empathy and care in employee interactions. We

are dedicated to supporting our support team, ensuring they build effective and comfortable relationships with our customers.

To implement the system change, we recognized the need for software that would support the new processes effectively. Consequently, we decided to completely replace the old system. The new system empowers support managers by providing access to multiple programs, allowing them to independently find necessary insurance information, assist insured individuals with visit appointments, and operate with increased delegation authority.

1. We have acquired new software (for our contact and call centers), featuring comprehensive functionalities including call reception, queue and priority management, reporting, a CRM module with analytics, customer identification, and an outgoing call module.

2. We developed the Support Service Dashboard (an internal software), which allows support managers to view all user-related information in one window (This includes details on policies, losses, announced remunerations, referrals, and more). The dashboard also enables support managers to perform all necessary actions (such as submitting referrals and communicating with doctors).

3. We introduced the first unified administrative panel (basic version) for loss management. This panel consolidates requirements from all channels into a single system, allowing for the prioritization of applications and eliminating the need to work across multiple programs.

The most significant difference between the old and new systems is that the process now revolves around a single individual. This person is responsible for the quality of communication, operational involvement, decision-making, information delivery, and explanations. Most importantly, their goal is to achieve the desired result for the customer.

Thanks to the new system, our call response rate has significantly improved, with unanswered calls reaching a historic minimum. While the international standard for unanswered calls is between 5 and 7%, we have reduced this to about 3-4%. In critical situations, we have a delay phase of only 40 seconds. Additionally, no calls remain unanswered, as we ensure to follow up with all customers later.

UPDATED RESIDENTIAL INSURANCE COVERAGE FOR PRIVATE HOMES AND COTTAGES

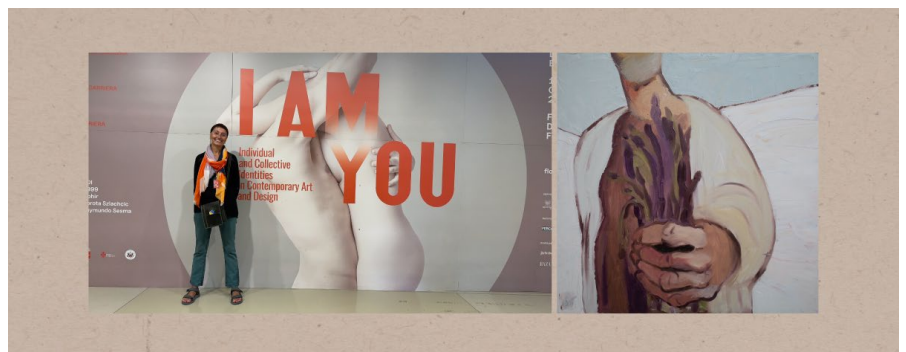
In 2023, we introduced a new product in the property insurance sector, offering coverage for private houses, apartments, and cottages. This comprehensive policy covers not only the buildings themselves but also internal renovations, repairs, communication equipment, wiring, and fixtures. Additionally, it includes protection for both interior and exterior elements such as solar panels, irrigation systems, and swimming pools. This represents a completely new concept in property insurance, with features that have not been previously available.

The need for a new product development has evolved since the pandemic. Studies indicate an increased demand for private houses post-pandemic, with many families relocating to private homes near Tbilisi.

Consequently, our products are primarily tailored to the needs of private house and cottage owners. During our development process, we identified the necessity to increase insurance limits and expand coverage beyond repairs to include additional elements, which we have incorporated into our new policy.

We offer customers the flexibility to choose their insurance limits and pricing for insuring their homes, with limits ranging from \$25,000 to \$250,000. Our new policy is introduced with the slogan "A roof over your head". We assure our policyholders of our unwavering commitment to support them in times of need. Our dedicated team is prepared to act as craftsmen, firefighters, rescuers, and police officers to protect their homes from potential damage.

NATA BUACHIDZE'S EXHIBITION AT THE BIENNALE



The Florence Biennale is one of the most authoritative events in the art world, bringing together artists from around the globe.

This year, four paintings by Georgian artist Nata Buachidze were showcased at the XIV Biennale of Florence. From October 14 to October 22, her masterpieces were exhibited alongside that of contemporary artists, designers, and architects such as David LaChapelle and Santiago Calatrava. Participation in international exhibitions or biennials is associated with significant financial costs, including the transportation of artworks and various organizational expenses.

This circumstance poses a significant challenge for individual artists, as securing financing is a difficult and time-consuming process. Consequently, we have been working on a year-long project to build a successful brand for our company to better support artists in overcoming these financial hurdles. Consequently, as part of our commitment to social responsibility, we sponsored the trip expenses for the talented artist Nata Buachidze to participate in the Biennale.

Supporting international art projects is a key aspect of our social responsibility. This initiative not only contributes to the success of individual artists but also promotes Georgian art as a whole, raising awareness on the international stage.

Xprimm INTERNATIONAL INSURANCE CONFERENCE



On May 4-5, 2023, an international insurance conference was held in Tbilisi, with “GPI Holding” as the general sponsor. This large-scale event, organized by Xprimm for the fourth time, focused on several key topics, including increasing liability insurance coverage against third parties for automakers.

On the first day of the conference, Irakli Dvali, the Director of Non-Life Insurance at GPI, addressed the participants. His speech focused on the prospects of introducing mandatory third-party liability insurance. He discussed the potential impact of compulsory insurance on the country’s investment climate, economic development, and social well-being.



On the first day of the Xprimm International Conference, delegates reviewed the Georgian insurance market, discussing the industry’s achievements and potential. Foreign speakers shared technological advancements and other updates in the insurance sector, drawing from European and global experiences. These insights were based on the 2022 report of the Insurance Market. The discussions covered nearly all aspects of the industry, including trends and challenges in car insurance and technological innovations.



The second part of the conference focused on property insurance issues. Participants discussed the increased threats posed by climate change, agricultural insurance, and strategies to address existing challenges. On the second day of the conference, May 5, the main topic was the transition to Solvency II. This significant change in the Georgian insurance market was introduced in accordance with the Association Agreement with the European Union.

The aim of the Xprimm International Conference is to develop the Georgian insurance market and create new opportunities for companies. About 150 delegates attended the event, including representatives from local and foreign insurance companies, brokers, IT providers, the public sector, financial institutions, and other organizations.

AGILE SUMMIT

The first-ever AGILE Summit in Georgia was conducted by Agile Mentor, with “GPI Holding” being one of the sponsors.

Invited speakers shared new international approaches, along with the practical experiences of Georgian business companies and commercial banks. During the 3-hour event, attendees interested in Agile transformation had the opportunity to meet Agile practitioners and experts working in Agile teams. They received essential information about practical cases and participated in panel discussions.

Our company has successfully implemented the Agile approach in our work processes for many years. Therefore, participating in events like this, where we can gain new experiences and share our own, is crucial for us. The event was attended by GPI employees who are involved in Agile teams.



PRO BONO MARATHON

In 2023, Tinatin Gogberashvili, Digital Marketing Manager of “GPI Holding,” participated in the Pro Bono Marathon 2023. This event was organized by Georgia’s Pro Bono Network, with support from the European Union and the Conrad Adenauer Foundation. The Pro Bono Marathon is a one-day event where teams of highly qualified professionals from various companies collaborate with beneficiary civil organizations on specific projects to address and solve their challenges.

As part of the marathon, Tinatin Gogberashvili assisted the civil organization “Let’s Keep Georgia Clean” in creating a video.

FINANCIAL OUTCOMES:

Outcomes (in Thousands)	2023	2022
Insurance Service Outcomes	9,383	6,332
Net Profit for the Period	8,714	5,080
Solvency Margin	143 %	160 %
Minimum Capital Requirement	312 %	337 %

In 2023, the company adopted IFRS 17 in accordance with international financial accounting standards. This led to a more precise presentation of insurance assets, liabilities, profits, and losses in our financial reporting.

By the end of 2022 and into 2023, the company achieved high margins in terms of solvency and minimum capital requirements. This performance highlights the company's stability and financial resilience.

In addition to business risks, the company faces significant financial risks, including interest rate, currency, credit, and liquidity risks. These risks are detailed comprehensively in our financial statements.

