

Aldagi wins tender to provide vehicle inspection services

Georgia Capital PLC (the **Group** or **Georgia Capital**), announces that the Group's property and casualty insurance portfolio company, Aldagi (the "Company"), has won the state tender, through its wholly-owned subsidiary, to launch and operate 51 periodic technical inspection lines across Georgia. As part of the Georgia-EU Association Agreement, Georgia will implement a mandatory vehicle inspection program in several phases starting from January 2018. An initial inspection of all vehicles is expected to take approximately two years through the end of 2019 and pricing for each inspection check is set at GEL 100 for heavy vehicles and at GEL 60 for light vehicles. Aldagi estimates that investment of approximately GEL 35-40 million will be required to build the inspection lines, which will be fully funded by borrowings.

Aldagi has partnered with Applus+, a Spain headquartered worldwide leader in testing, inspection and certification with a market presence in more than 70 countries, to provide the vehicle inspection services. Subject to the successful completion of an accreditation process, Aldagi is expected to start operations by the end of 2018.

Irakli Gilauri, Georgia Capital Chairman and CEO commented: "We find service industries very attractive in Georgia and I am delighted to see Aldagi expanding into mandatory vehicle inspection services business. Due to the new regulations, this industry is expected to become an approximately GEL 55-65 million annual market, with the Company achieving approximately 36% market share. This expansion will also allow Aldagi, the largest motor insurance provider in Georgia, to develop a unique platform with significant synergy potential across its businesses."

Name of authorised official of issuer responsible for making notification: Nino Rekhviashvili, Head of Investor relations

About Georgia Capital PLC

Georgia Capital is the holding company of a diversified group focused on investing in and developing businesses in Georgia with holdings in sectors that are expected to benefit from the continued growth and further diversification of the Georgian economy, the opening of the Georgian economy to Europe and economic development in the wider region. The Group seeks to capture growth in the sectors in which it currently operates and drive the development of new high-growth businesses in Georgia, which it intends to add either by acquiring businesses in their early development stage or by establishing greenfield businesses, often consolidating fragmented or underdeveloped markets. The Group currently has four key portfolio companies: (i) GGU, a water utility and renewable energy business; (ii) m², a residential and commercial property developer; (iii) Aldagi, the foremost provider of property and casualty insurance products in Georgia; and (iv) Teliani, a leading wine and beer producer in Georgia.

In addition to its portfolio companies, the Group holds investments in two London Stock Exchange premium-listed Georgian businesses: GHG, (57% stake), the parent company of the largest and diversified healthcare provider in Georgia, which operates in the healthcare services, pharmacy and medical insurance sectors; and Bank of Georgia Group PLC, (19.9% stake), a leading universal bank in Georgia.

JSC Georgia Capital has, as of the date hereof, the following credit ratings:

S&P Global
Moody's

'B+'/'FC & 'B+'/'LC
B2/CFR & B2/PDR

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