

Update on Georgia Capital's holding in GHG

Georgia Capital PLC (the **Group** or **Georgia Capital**) holds 57% of the equity shares of Georgia Healthcare Group PLC (**GHG**), the parent company of the largest and most diversified healthcare provider in Georgia, which operates in the healthcare services, pharmacy and medical insurance sectors. GHG is a London Stock Exchange listed portfolio company. At the time of the demerger from BGEO Group PLC, Georgia Capital announced that it was highly probable that the Group would own less than a 50% stake in GHG at the end of 2018.

In light of the prevailing market conditions, the board of directors of Georgia Capital believes that the current share price significantly undervalues the performance and prospects of GHG and has, therefore, concluded that a further reduction of the Group's holding in GHG, at this time, will not be in the best interests of its shareholders. As such, it no longer expects to own less than a 50% stake in GHG at the end of 2018. Therefore, starting from the second half of 2018, Georgia Capital will fully consolidate GHG's financials in its IFRS statements.

Irakli Gilauri, Georgia Capital Chairman and CEO commented: "Over the last few months GHG's share price has, in our view, not reflected the company's strong performance and excellent growth prospects. GHG's fundamentals have been steadily improving over the last few quarters, and it delivered 22% EBITDA growth in 1H18. We manage our capital needs such that we do not depend on premature liquidation of our listed investments. Based on our capital allocation outlook, our net investment plans for the next three years of GEL 128 million are comfortably funded through existing liquid funds and short-term loans issued, which currently stand at GEL 604 million."

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

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