

Update on Hospitality & Commercial Real Estate Business Developments

Georgia Capital PLC (the Group or Georgia Capital) today announces the buyout of the remaining 40% equity stake in an upcoming luxury hotel (the “Hotel”) by the Group’s Hospitality & Commercial Real Estate Business, owned through m² Real Estate (“m²” or the “Company”). Following its initial acquisition in December 2017, m² held a 60% stake in the Hotel, which is located on Mtatsminda hill - a neighborhood with one of the most spectacular panoramic views of Tbilisi. The total consideration for the buyout is US\$ 5.2 million, where US\$ 0.3 million is paid in cash and US\$ 4.9 million is settled through bonds issued by the Commercial Real Estate Business. The placement of US\$ 30 million local bonds with a 3-year tenor, which are backed by the rental income stream from commercial properties and carry an annual coupon rate of 7.5%, was launched in December 2018. The remaining proceeds from the bond issuance are earmarked to finance the development of hotels already in the pipeline.

Irakli Gilauri, Georgia Capital’s Chairman and CEO commented: “I am pleased to announce that our hospitality & commercial real estate business has become the 100% owner of our upcoming luxury hotel with a premium location and stunning views, which is expected to add high quality revenues to our hospitality business. The Hotel will be the only luxury hotel within m²’s hospitality business portfolio. At the same time, I am delighted to see that m² continues to successfully leverage access to local capital markets and secure the funding for the construction of the remaining hotels in the targeted 1,000 hotel room portfolio.”

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:

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| S&P Global | ‘B+’/FC & ‘B+’/LC |
| Moody’s | B2/CFR & B2/PDR |

For further information, please visit www.georgiacapital.ge or contact:

Irakli Gilauri
Chairman and Chief Executive

Giorgi Alpaidze
Chief Financial Officer
+995 322 005 000
giorgi.alpaidze@gcap.ge

Nino Rekhviashvili
Head of Investor Relations
+ 995 322 005 045
ir@gcap.ge