

Acquisition of Alaverdi winery

Georgia Capital PLC (the "**Group**" or "**Georgia Capital**") announces that the Group's wine business (the "**Wine Business**") has acquired a 100% equity interest in Alaverdi LTD ("**Alaverdi**" or the "**Company**").

- Alaverdi owns 244 hectares of vineyards in the Kakheti region, the vast majority of which grow Georgia's flagship red wine grapes, Saperavi.
- The acquisition of Alaverdi also provides the Wine Business with access to 135 hectares of free land, available for immediate vineyard development.
- The acquisition will triple the Wine Business's production capacity from the current 9.4 million wine bottles to 28.4 million wine bottles per annum, which provides substantial relief in planned capital expenditures for the next few years.
- Following the acquisition, the Wine Business will have 695 hectares of vineyards with additional 180 hectares of free land available for immediate vineyard development, in line with its target to reach a vineyard base of 1,000 hectares.
- Based on Alaverdi's unaudited management estimates for the first half of 2019, the Company's revenues and EBITDA were US\$ 2.2 million and US\$ 0.9 million, respectively.

Alaverdi is a producer of exquisite Georgian wines and spirits. The highly valued micro-zones, where Alaverdi harvests Georgia's most demanded wine categories on the domestic and international markets, occupy 82 hectares of the Company's vineyards. Alaverdi also adds sizable existing wine inventory materials available for immediate sale.

The Wine Business will consolidate the results of Alaverdi's operations from the acquisition date and expects that the acquisition will provide a significant cost advantage to produce red wines with mostly self-harvested grapes. Georgia is in the top 20 global wine exporters and growing demand for Georgian wine over the last few years has resulted in increased grape prices. The prices are expected to further increase as Georgia continues to tap new export markets, supported by the implementation of various free trade agreements, including those with China and the European Union.

Irakli Gilauri, Georgia Capital Chairman and CEO commented: "I am pleased to announce that our wine business continues to successfully progress towards its strategic priorities. The acquisition of Alaverdi is a truly compelling opportunity, which provides a clear and attractive value creation potential through cost synergies and the addition of a substantial base of high quality vineyards. Following the acquisition, the Wine Business will have three top class wineries across Kakheti's three wine-making regions with significantly enhanced production capacity. This footprint should allow the Wine Business to access a bigger share of export markets, while also capitalising on the growing wine tourism in Georgia."

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

About Georgia Capital PLC

Georgia Capital is a platform for buying, building 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 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 six private company holdings: (i) a water utility business (GGU), (ii) a renewable energy business (GGU); (iii) a housing development business (m²) (iv) a hospitality and commercial real estate business (m²); (v) a property and casualty insurance business (Aldagi) and (vi) a beverages business (Georgia Beverages). In addition Georgia Capital has two public company holdings (London Stock Exchange premium-listed Georgian companies): (i) Georgia Healthcare Group PLC ("**GHG**"), (57% equity stake), a UK incorporated holding company of the largest healthcare services provider in Georgia, which is also the largest pharmaceuticals retailer and wholesaler in

the country; and (ii) Bank of Georgia Group PLC (“BoG”), (19.9% equity stake), a leading universal bank in Georgia. Additionally, Georgia Capital has three businesses in the pipeline: Education, Auto Service and Digital Services.

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 |

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