

*Investment in the leading affordable school in Georgia – Green School*

Georgia Capital PLC (the "**Group**" or "**Georgia Capital**") announces that it has signed a share purchase agreement ("SPA") to acquire an 80% equity interest in Green School LLC ("Green School" or the "School"), subject to regulatory approvals.

- The transaction values Green School at 5.8x EV/EBITDA 2020 based on initial consideration payable by Georgia Capital upon transaction completion.
  - An additional earn-out may apply if the existing school campus annual earnings reach GEL 2 million EBITDA within the next three academic years.
  - The cumulative EV paid will not exceed 5.6x EV/EBITDA of the respective year (including performance-related deferred consideration).
- The acquisition of Green School is in line with Georgia Capital's strategy to secure the leading private school education platform for its affordable segment.
- Both existing shareholders of Green School will remain as partners and they will have a 20% shareholding (10% each) in the existing school. However, only one of the existing shareholders, Bakur Sulakauri, will become a partner, with 10% shareholding, in the three new schools expected to be developed under the Green School brand name within the affordable segment.
- The existing shareholders and Georgia Capital will have put and call options, respectively, on the remaining minority stakes in 2025.

Green School is a well-managed and affordable school with strong brand equity and a great location near a densely populated area of Tbilisi. The School was established in 2011 following the privatization of a public school and is today regarded as one of the best value-for-money schools in the country. Green School currently provides education for 1,050 learners in Kindergarten to Year 12 (K-12), where approximately 200 learners study for free in line with the privatization obligation. The number of the non-paying learners will decrease gradually over the next few years.

Green School will represent the affordable segment school in the Group's private school portfolio. As part of the deal, the School will expand its capacity on the existing land plot from a current 1,250 learners to 1,500 learners by 2020, and 1,700 learners by 2021. Following the acquisition, Green School will also expand and operate three new schools with total targeted capacity of 4,000 learners by 2024. The Group expects that GEL 33.4 million capital expenditure will be required to finance the expansion projects, of which, approximately GEL 16.7 million will be equity capital contributed by shareholders on a pro-rata basis (Georgia Capital's share will be GEL 14.9 million) and the rest will be debt-financed.

*Irakli Gilauri*, Georgia Capital Chairman and CEO commented: "I am delighted to announce Georgia Capital's third partnership agreement in the education sector with one of the leading schools in the country. With this partnership, we are entering the affordable segment of private school education, where we see attractive opportunities for a scaled player. Green School provides high quality, affordable education through well-regarded teaching practices and great school facilities. It is our pleasure to work with management team and to make Green School's top-class educational services accessible on a larger scale.

With this partnership agreement, we now have three high quality school partnerships across premium, mid-level and affordable education segments that, when combined, already provide a clear pathway to approximately 11,750 learners, more than one-third of our targeted 30,000 learners by 2025."

**Bakur Sulakauri**, Green School shareholder commented: “By combining our experience in the field of private education and Georgia Capital’s expertise in successfully deploying capital, we expect to substantially scale-up our affordable and high quality K-12 education in Georgia. We are excited to partner with Georgia Capital and start delivering on our mutual goals and to make Green School’s teaching methodologies, values and facilities widely represented and more accessible to the market.”

For more information about Green School, please visit their website at <http://www.greenschool.ge/>

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) m<sup>2</sup>, 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

For further information, please visit [www.georgiacapital.ge](http://www.georgiacapital.ge) or contact:

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