

*Education business expands in the affordable segment*

Georgia Capital PLC (the "**Group**" or "**Georgia Capital**") announces the expansion of its K-12 education business in the affordable segment through 2 investment projects: (1) the acquisition of an 81% equity interest in Georgian-Austrian School Pesvebi LLC (the "School" or "Georgian-Austrian School Pesvebi"), and (2) the launch of a new (second) campus under the existing affordable brand in Group's portfolio - Green School LLC ("Green School"), a leading player in the affordable education segment.

- Both projects are in line with Georgia Capital's capital allocation programme as announced at the investor day in November 2020, targeting the expansion of the affordable segment in the education business
- With these investments, the education business will expand from a current capacity of 3,500 learners to 5,300 learners capacity, starting in September 2021
- Mr Bakur Sulakauri, the founder and 10% shareholder of Green School and the Group's managing partner in the affordable education segment, is co-investing with Georgia Capital on a pro-rata basis in both projects. As a managing partner, he will have a 10% shareholding in Green School's second campus and a 9% shareholding in Georgian-Austrian School Pesvebi, where he will co-manage the School together with the existing shareholders.

Georgia Capital has signed a share purchase agreement ("SPA") to acquire an 81% equity interest in Georgian-Austrian School Pesvebi. The existing shareholders of School Pesvebi will continue to hold a 10% stake. Georgia Capital and Mr Bakur Sulakauri will have a call option on the remaining 10%<sup>1</sup> equity stake during the 12 months starting from August 2022, while the existing shareholders will have a put option on the 10% equity stake also during the 12 months starting from August 2022.

Georgian-Austrian School Pesvebi is located in a densely populated urban area in Tbilisi with a considerable residential apartment development pipeline. The School has a capacity of 1,200 learners and is one of the largest private schools in Georgia with recently renovated c.7,400 sq.m. building facilities and a 1.4ha land plot. The School was established in 2011 following the privatisation of a public school. Currently, the School provides education to 450 learners from 1<sup>st</sup> to 12<sup>th</sup> grade, out of which approximately 100 learners study free of charge, in line with the privatisation obligation. The number of learners studying free of charge will decrease gradually over the next few years. The Group expects no additional material capital expenditures to reach the targeted 90%+ capacity utilisation rate from the current level of c.40%.

The new (second) campus of Green School is located in the central district of Tbilisi. Despite its urban location, the school has a unique infrastructure with a 5ha land plot, offering an ecologically friendly environment and areas for outdoor activities. The new campus will provide education to 600 learners, with the potential to expand its capacity to 1,500-2,000 learners over the next few years by utilising the existing premises. The capacity expansion will be implemented in several stages, based on the developments in utilisation rate.

*Irakli Gilauri*, Georgia Capital Chairman and CEO commented: "I am delighted to announce these exciting projects in Georgia Capital's education business. With the acquisition of Georgian-Austrian School Pesvebi and the expansion of Green School, we are further expanding into the affordable segment of private K-12 education, where we see attractive opportunities for a scaled player. I look forward to working with our management teams to

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<sup>1</sup> Subject to pro-rata arrangements

transform Green School and School Pesvebi and make their top-class educational services accessible on a larger scale."

**Bakur Sulakauri**, managing partner in the affordable education segment and Green School shareholder commented: "By combining School Pesvebi's and our experience in the education sector, we expect to substantially scale up our affordable and high-quality K-12 education in Georgia. At the same time, with the launch of a new campus, we are excited to make Green School's teaching methods, 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/>*

*For more information about School Pesvebi, please visit their website at <https://www.fesvebi.edu.ge/>*

Name of authorised official of issuer responsible for making notification: Giorgi Alpaidze, Chief Financial Officer

#### 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's focus is typically on larger-scale investment opportunities in Georgia, which have the potential to reach at least GEL 0.5 billion equity value over 3-5 years from the initial investment and to monetise them through exits, as investments mature. Georgia Capital currently has the following portfolio businesses: (i) a healthcare services business; (ii) a water utility business; (iii) a retail (pharmacy) business, (iv) an insurance business (P&C and medical insurance); (v) a renewable energy business (hydro and wind assets) and (vi) an education business; Georgia Capital also holds other small private businesses across different industries in Georgia and a 19.9% equity stake in LSE premium-listed Bank of Georgia Group PLC ("the Bank"), 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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