

Georgia Capital hosts Investor Day in London

Georgia Capital PLC (the “Group” or “Georgia Capital”) is today hosting an Investor Day for analysts and investors. As part of the investor presentations, the Group will update investors and analysts on its strategic goals and priorities as summarised below.

Progress on strategic priorities announced in November 2020

The Group has made strong progress on the strategic priorities announced at its last Investor Day in November 2020.

- In December 2021, the Group announced the sale of an 80% equity interest in its water utility business to FCC Aqualia for a cash consideration of US\$ 180 million.
- The Group has successfully completed the sale of selected commercial real estate assets for US\$ 45 million with an 11.3% premium to book value as of 31 March 2021

In addition, the Group commenced a US\$ 10 million share buyback and cancellation programme in August 2021, which was subsequently increased by a further US\$ 10 million in the first quarter of 2022; Georgia Healthcare Group signed an SPA to acquire the remaining 33% minority interest in its retail (pharmacy) business, at a 5.25x EV/EBITDA multiple; the Education business has continued to expand via several investment projects in the affordable segment; and. In March 2021 JSC Georgia Capital priced a US\$ 65 million Eurobond Tap Issue.

Enhanced strategy for 2022 onwards

The Group has introduced an updated strategy, where Georgia Capital will focus on: Investing in capital-light opportunities only; adapting its capital management framework; and, putting ESG at the core of its strategy.

Implementing the Capital-Light Investment Strategy

Georgia Capital will continue to invest in Georgia in sectors not requiring intensive capital commitments. Georgia Capital will also enable its large and capital-light portfolio companies to explore regional growth opportunities, such as the recent expansion of the Retail (Pharmacy) business into Armenia. In capital heavy industries, Georgia Capital will seek to manage third-party money and/or establish partnerships going forward.

The Group’s capital commitments to its existing portfolio companies are US\$ c30 million in the Renewable Energy business, and US\$ c24 million in the Education business.

In addition, the minimum potential exit threshold required for business investment is being reduced from GEL 500+ million, to GEL 300+ million. Since our last Investor Day in 2020, we have received significant incoming interest from various international strategic and financial buyers, and our experience has demonstrated that businesses with a GEL 300+ million equity value in Georgia are very attractive to potential investors.

Updating our capital management framework

Deleveraging the Group's balance sheet, at a time of significant potential economic and regional instabilities, is a key priority to safeguard our portfolio, and enable the Group to take advantage of attractive investment opportunities that may arise as a result of those instabilities. In addition, all of the Group's private portfolio companies will have individual leverage targets.

The Group has recently significantly reduced its leverage and net capital commitment (NCC) profile. NCC represents the aggregated total of all confirmed, agreed and potential capital outflows at the Georgia Capital level. At 31 March 2022, the Group's NCC as a percentage of the Total Portfolio Value (NCC Ratio) stood at 28%, compared to a recent year peak of 57% at 30 June 2020. The Group has introduced an NCC Ratio Navigation Tool, which will drive the Group's share buyback and investment policy; An NCC Ratio between 15-40% will lead to tactical share buybacks/investments, whilst an NCC ratio below 15% is expected to generate more meaningful share buybacks/investments.

Over US\$ 50 million has been returned to shareholders over the last 4 years, since Georgia Capital's initial listing in 2018. More recently 2.1 million shares (c4% of issued share capital), with a total value of US\$ 17.3 million have been repurchased since 10 August 2021. The Group has today announced an additional US\$ 10 million to repurchase shares – US\$ 5 million will be allocated to the ongoing share buyback and cancellation programme, and US\$ 5 million will be allocated to purchase shares for the management trust.

Putting ESG principles at the core of our strategy

Environmental, Social and Governance principles lie at the heart of our business. Our portfolio is concentrated across structurally important industries in Georgia, connecting Georgia Capital to the country's sustainable development, through our significant investments in positive impact businesses.

- Our businesses owned through Georgia Healthcare Group contribute significantly to the development of the Georgian healthcare system
- Our Education business makes a significant contribution to Georgia's education system and the development of the country's younger generation
- Through a number of green projects, our renewable energy business supports climate change mitigation, natural resources conservation, and pollution prevention
- Our Auto Service business is directly engaged in the reduction of greenhouse gas emissions

In addition, the Group has aligned our ESG disclosures with TCFD recommendations; Georgia Capital has become a signatory of the UN Global Compact; the Board, in February 2022, adopted a Responsible Investment Policy; and, the Group has recently published its first separate Sustainability Report. Looking forward, we will continue to enhance our ESG monitoring and reporting framework, in line with internationally accepted standards, and will continue to ensure the incorporation of relevant ESG practices and measurable ESG targets into our portfolio company operations.

The Group has also today separately announced an important Governance update – the separation of the Chairman and CEO roles, with effect from May 2023. Irakli Gilauri will remain Chairman of the Board, and continues to hold a significant equity stake in Georgia Capital. Nikoloz (Nick) Gamkrelidze will become the CEO of Georgia Capital. The one-year transition period will enable a smooth handover of executive management at both Georgia Capital and Georgia Healthcare. The separate announcement is available at www.georgiacapital.ge.

A full set of the presentation slides, which include a series of business presentations focused on the significant growth opportunities available over the next few years, will be available on the Georgia Capital website at www.georgiacapital.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 retail (pharmacy) business, (iii) an insurance business (P&C and medical insurance); (iv) a renewable energy business (hydro and wind assets) and (v) an education business; Georgia Capital also holds other small private businesses across different industries in Georgia; a 20% equity stake in the water utility business and a 19.9% equity stake in LSE premium-listed Bank of Georgia Group PLC ("BoG"), 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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