

Update on divestments from subscale businesses

Georgia Capital PLC (the “Company” or “GCAP”) announces the sale of three assets of its hospitality business: (1) two operational hotels in Tbilisi, currently managed under the Ramada Encore brand and (2) a vacant land plot. The aggregate consideration received from the transactions amounted to US\$ 28 million and will be utilised to delever the hospitality business’s balance sheet. Accordingly, the net debt of the business will decrease by 76%, from US\$ 37 million as at 31 December 2022 to US\$ 9 million. The sales have no impact on GCAP’s last reported NAV.

Following the sales, the hospitality business will retain various assets, including one operational hotel managed under the brand name “Gudauri Lodge” and three hotels at different stages of construction progress in addition to several land plots in Georgia. Coincidentally Gudauri Lodge has been mentioned in a recent [New York Times article](#)¹.

Irakli Gilauri, Georgia Capital Chairman and CEO commented: "I am pleased to announce the successful completion of these disposals from our hospitality business. The transactions mark further progress towards our strategic priority to divest, over the next few years, subscale portfolio companies. At the same time, the significant cash proceeds from the sales will improve the hospitality business’s leverage profile, in line with Georgia Capital’s wider deleveraging strategy."

Name of authorised official of issuer responsible for making notification: Shalva Bukia, Head of Investor Relations and Funding

About Georgia Capital PLC

Georgia Capital (LEI: 213800Q65T5GNBOW7H65) 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 300 million 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 retail (pharmacy) business, (ii) a hospitals business, (iii) an insurance business (P&C and medical insurance); (iv) a clinics and diagnostics business, (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; a 20.0% equity stake in the water utility business and a 20.6% equity stake (at 31-Dec-22) 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	B1/CFR & B1/PDR

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¹ <https://www.nytimes.com/2023/03/30/travel/georgia-former-soviet-republic-family-vacation.html?smid=nytcore-ios-share&referringSource=articleShare>