

JSC Georgia Capital launches a US\$ 150 million bond offering

Georgia Capital PLC (the “**Company**” or “**GCAP**”) announces that JSC Georgia Capital (“**JSC GCAP**”), the Georgian holding company of GCAP’s businesses, has today launched a US\$ 150 million sustainability-linked bond offering (the “**Notes**”) on the Georgian market. The Notes are US\$-denominated with 5-year bullet maturity (callable after two years) and are rated BB- by S&P, a one notch upgrade compared to the existing Eurobond. At the same time, JSC GCAP has today launched an invitation to purchase all of its outstanding \$300 million Eurobonds for cash (excluding the \$84 million existing Eurobonds that have already been re-purchased and are held in treasury), subject to successful completion of the planned local market Notes issuance. The Eurobond repurchases will be funded by the proceeds generated from the issuance of the local sustainability-linked bonds together with the existing liquid funds of GCAP, which have benefited from a significant increase in dividend inflows in 2023.

The book-building process for the Notes is expected to last until the close of business on 1 August 2023, while the preliminary range for the coupon to be paid has been set at 8.0% to 8.5%. The Notes are expected to be accepted on Clearstream shortly after their issuance. The Notes have already received substantial interest from international financial institutions (“**IFIs**”), who may acquire up to \$100 million of the Notes at completion.

The issuance of the proposed sustainability-linked bonds will represent a key strategic milestone for GCAP, which will:

- **Significantly reduce GCAP’s leverage.** Georgia Capital has continued to make significant progress on its core strategic priority of deleveraging the balance sheet. Out of the existing US\$ 300 million Eurobond, a total of US\$ 84 million has already been repurchased and is currently held in GCAP’s treasury. The Company also announced today the launch of a Eurobond Tender Offer, which will facilitate the transition of current Eurobond holders into the Notes. Following the issuance of the Notes and completion of the Tender Offer, GCAP intends to exercise its right to redeem any Eurobond not acquired in the Tender Offer according to the optional redemption at make whole. As a result, GCAP’s gross debt balance is expected to decrease from the current US\$ 300 million to US\$ 150 million. This reduction has been supported by the substantial growth in cash dividend income from the portfolio companies.
- **Contribute to climate change mitigation.** Georgia Capital has established a Sustainability-Linked Bond Framework, under which GCAP intends to decrease its Greenhouse Gas Emissions by 20% by 2027 compared to a 2022 baseline. Through this target, GCAP will support climate change mitigation, natural resources conservation and pollution prevention, thereby contributing to the transition towards a more sustainable and lower carbon economy in Georgia. GCAP has also obtained a second-party opinion from Sustainalytics, a leading provider of environmental, social and governance (“**ESG**”) research and analysis, for its Sustainability-Linked Bond Framework.
- **Support the development of the local capital market.** By being the largest corporate bond issuance on the Georgian capital market, the transaction will make a valuable contribution to the development of the local capital market.

Irakli Gilauri, Georgia Capital Chairman and CEO commented: “I am delighted to announce the launch of the largest ever corporate bond offering in Georgia. The issuance of sustainability-linked bonds will make a substantial contribution to the development of the local capital market and support the transition towards a more sustainable and lower carbon economy in Georgia. The transaction, once completed, will significantly enhance GCAP’s financial flexibility and provide an opportunity to continue the substantial de-leveraging progress towards our targeted NCC ratio of 15%.”

Galt and Taggart JSC and TBC Capital LLC will act as placement agents for the issuance of the Notes. Potential investors may express interest in purchasing the Notes by submitting a notice to any of the placement agents before the expiration of the offering at the following email addresses: JSC Galt & Taggart: sales@gt.ge; TBC Capital LLC: brokerage@tbccapital.ge.

The preliminary prospectus, rating materials and other documents are available on the Company's website at: <https://georgiacapital.ge/ir/sustainability-linked-bonds>.

The details on the tender offer are available on the Company's website at: <https://georgiacapital.ge/ir/eurobonds>.

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 19.9% equity stake (at 5-May-23) 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

For further information, please visit www.georgiacapital.ge or contact:

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