

Publication of Circular and Notice of General Meeting

Georgia Capital PLC ("**GCAP**" or the "**Company**") announces that the Financial Conduct Authority has approved the Company's shareholder circular (the "**Circular**") in relation to the proposed transfer of the Company's listing status from the Premium to the Standard listing category of the London Stock Exchange (the "**Proposed Transfer**").

The Company has therefore published the Circular today, and it will be made available or sent to the Company's shareholders shortly. The Circular contains further information on the Proposed Transfer, including the rationale for the proposal and its expected effect on the Company's continuing obligations. An extract from Part I of the Circular (Letter from the Chairman of Georgia Capital PLC) is included below.

Completion of the Proposed Transfer is conditional upon receiving the approval of the Company's shareholders. The Circular therefore contains a notice of general meeting which will be held at 11:00 am on 14 March 2023 at the offices of Baker & McKenzie LLP, 100 New Bridge Street, London, EC4V 6BJ (the "**General Meeting**"). The Proposed Transfer requires the approval of a majority of not less than 75% of the votes attaching to the GCAP Shares which are voted at the General Meeting. Should the Proposed Transfer be approved at the General Meeting, it is expected to become effective on 13 April 2023.

The Company will release its preliminary results on Monday 20 February 2023. Details of an investor call to discuss the preliminary results and the Proposed Transfer will be included in the preliminary results announcement.

All references are to London time unless otherwise stated.

A copy of the Circular has been submitted to the National Storage Mechanism and will be shortly available at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>

Copies of the Notice of General Meeting and the Circular are available to view on the Company's website at www.georgiacapital.ge from the date of this announcement up to the date of the General Meeting and for the duration of the General Meeting.

Extract from Part I of the Circular (Letter from the Chairman of Georgia Capital PLC)

Dear Shareholder,

PROPOSED TRANSFER FROM PREMIUM TO STANDARD LISTING

Introduction and background

Georgia Capital PLC ("**GCAP**", or the "**Company**") is currently listed on the London Stock Exchange (the "**LSE**") under the Premium Listing segment. GCAP intends to seek the approval of the Company's shareholders to transfer the Company's listing from the Premium Listing segment to the Standard Listing segment of the LSE (the "**Proposed Transfer**").

Under the Listing Rules the Proposed Transfer requires GCAP to first obtain the prior approval of the Company's shareholders. GCAP Shareholders will therefore be asked to vote on a special resolution relating to the Proposed Transfer (the "**Resolution**"), with respect to which the Company must obtain the approval of a majority of not less than 75% of the votes attaching to the GCAP Shares which are voted on the Resolution at the GCAP General Meeting.

If the Proposed Transfer does not occur because GCAP Shareholders do not vote in favour of the Resolution, GCAP's Premium Listing will continue.

Under the Listing Rules, the date of the Proposed Transfer must not be less than 20 business days after the passing of the Resolution. GCAP intends to implement the Proposed Transfer according to the most efficient timeline possible. Therefore, subject to obtaining the relevant approval in relation to the Resolution, GCAP intends to apply on 14 March for the Proposed Transfer. The Company anticipates that the effective date of the Proposed Transfer will be 13 April 2023, being 20 business days after the date of the proposed GCAP General Meeting.

The GCAP General Meeting is to be held at 100 New Bridge Street, London, EC4V 6JA at 11.00 am on 14 March 2023 for the purpose of seeking your approval of the Proposed Transfer. GCAP Shareholders should read the whole of the Circular and not just rely on the summarised information set out in this letter. GCAP Shareholders who are unsure about the Proposed Transfer are advised to seek independent advice regarding the Resolution.

If you have any questions in relation to the Proposed Transfer, this document or any information contained within it, the Company's management will be available to respond to these questions during the Preliminary results discussion call which will be held on 21 February 2023.

Background to and reasons for the Proposed Transfer

Georgia Capital PLC is a platform for buying, building and developing businesses in Georgia and monetising investments, as they mature. The Group's primary business is to develop or buy businesses, help them develop their management and institutionalise their businesses that can further develop mainly on their own, either with continued oversight or independently. The Group's focus is typically on capital-light, 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. GCAP manages its portfolio companies individually and does not focus on achieving intergroup synergies. The Group does not have capital commitments or a primary mandate to deploy funds or divest assets within a specific time frame. As such, it focuses on shareholder returns and on opportunities which meet its investment return and growth criteria.

The GCAP Board considers that the Proposed Transfer of GCAP to the Standard Listing segment will help the Company better achieve its strategic goals and produce greater value for shareholders. In particular, the

proposed Standard Listing will mean that the Company will not be required to comply with the super-equivalent provisions of the Listing Rules that apply to companies with securities admitted to the Premium Listing segment. The Board considers that certain of these super-equivalent provisions impose onerous obligations on the Company that are affecting its ability to efficiently pursue its strategy.

In particular, the requirement pursuant to Listing Rule 10 to obtain prior shareholder approval for significant transactions (acquisitions and disposals), creates material impediments to the Company's pursuit of its goal to monetise its investments. The delay and uncertainty associated with the need for GCAP to obtain shareholder approval for significant transactions discourages potential buyers and reduces their willingness to engage in the sales process, including familiarizing themselves with the targeted portfolio company and the Georgian economy, performing due diligence and the like. During the sale of 80% equity stake of the water utility business, we observed that international buyers were especially surprised to learn of a shareholder approval requirement given the relatively modest size of the transactions in absolute terms in relation to any number of larger transactions in the international markets where no shareholder approval is required.

GCAP's current market capitalization, which is one of the significant inputs against which a proposed disposition is measured under the Listing Rule 10, effectively means that any sale of one of its portfolio companies may require prior shareholder approval. Accordingly, GCAP Board believes that Listing Rule 10 adversely impacts GCAP's ability to move quickly to execute its strategy and to realise the value for shareholders through exits and disposals. The Proposed Transfer would allow the Company to pursue strategic options to allow it to execute exits without concern that potential buyers will be put off by the need to obtain prior shareholder approval.

Another consideration that supports the importance of moving away from the Listing Rule 10 significant transaction regime is cost. Transition to Standard Listing would also enable GCAP to benefit from significant reduction in transaction related costs for affected transactions. These can add up to approximately USD 1.2 million per each individual transaction.

In addition to the considerations relating to Listing Rule 10, Listing Rule 12 (another of the above-mentioned super-equivalent provisions of the Listing Rules applicable to premium listed companies), imposes various restrictions on share buybacks, including the restriction that a company cannot repurchase 15% or more of its equity shares pursuant to a general shareholder authority unless a tender offer is made to all shareholders of that class. These restrictions make the implementation of GCAP's 360-degree capital allocation framework significantly more difficult. This framework, coupled with the net capital commitments (NCC) ratio navigation tool (as announced at the capital markets day on 9 May 2022), encourages GCAP to execute meaningful buybacks when shares trade at material discount to NAV, as is currently the case (c.60%+). The Proposed Transfer would provide the Company with greater flexibility to implement future share buybacks as the above rules do not apply to a company with a Standard Listing. It would also enable GCAP to benefit from a reduction in the costs (being up to USD 1 million in sponsor, legal and accounting fees) associated with implementing buybacks in accordance with Listing Rule 12.

There is also a last advantage that is independent of the super-equivalent provisions of the Listing Rules. Should the Proposed Transfer proceed, it is expected to reduce the Company's annual listing costs by up to USD 1 million per year starting from 2024.

In light of the above, the GCAP Board considers that the additional flexibility described above will assist in the successful execution of the Group's strategy, that the likely cost savings are material, and that therefore a Standard Listing is more suited to the Company's size and strategy.

Impact of the Proposed Transfer on continuing obligations and GCAP business

If the Resolution is passed, GCAP will effect the Proposed Transfer as described above and transfer admission of the Company's shares to the Standard Listing segment of the Official List. Pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for a Standard Listing, the Company will no longer

be required to comply with the super-equivalent provisions of the Listing Rules that apply to companies with securities admitted to trading on the Premium Listing segment of the Official List.

Voluntary Compliance

Following the Proposed Transfer, the GCAP Board will remain committed to the highest standards of corporate governance. Therefore, the GCAP Board does not intend for there to be any material reduction in the standards of reporting and corporate governance which GCAP currently maintains, and intends for GCAP to continue to voluntarily comply with:

- the UK Corporate Governance Code (except for the combined Chairman & CEO structure);
- the provisions of the Listing Rules relating to pre-emption rights; and
- the requirements of Listing Rule 11 relating to related party transactions.

The provisions of the Takeover Code will also continue to apply to GCAP.

As GCAP is choosing to voluntarily comply with Listing Rule 11 post-Transfer, the FCA would not approve the contents of any circular prepared for the purpose of such transactions nor will a sponsor be required to be appointed in respect of any of these transactions pursuant to Listing Rule 8.

If GCAP's intention to voluntarily comply with any of the above should change in the future (which GCAP, as a company with a Standard listing, would be able to do at any time post-Transfer without shareholder approval), the Company would be able to undertake related party transactions without the prior shareholder approval that would otherwise be required if the Company maintained its current Premium Listing or voluntarily complied with Listing Rule 11.

Summary of the impact on continuing obligations

A more detailed overview of the impact on the continuing obligations and Listing Rule requirements of the Company following the Proposed Transfer can be found in the Transfer Circular. Following the Proposed Transfer, the Company intends to maintain its Standard Listing for as long as it remains in the best interests of the Company and the Company's shareholders as a whole. Shareholders are advised to read the entirety of this document and not just rely on the summary information presented in this letter.

Impact on size of GCAP's Board

Following the Proposed Transfer, the Company is considering implementing a reduction in the size of its Board from 7 to 5 members, such that the Board would be composed of one executive director and four Independent Non-Executive Directors. Any such reduction in the size of the Board is not intended to impact appropriate standards of reporting and/or GCAP's corporate governance and each of the Audit, Nomination and Remuneration committees will continue to be made up of at least 3 Independent Non-Executive Directors who have the requisite level and breadth of expertise.

The Board believes that, as a result of the Proposed Transfer, the 5 member Board would be well suited to discharge its duties of overseeing the Company's continuing obligations and leading the Company's success in the most optimal and cost-effective way. Therefore, at the GCAP AGM, which is anticipated to take place shortly following implementation of the Proposed Transfer, it is intended that two of the current GCAP Board members will not stand for re-election.

The Board has not made, and does not anticipate or intend to make, any changes to GCAP's business in connection with the Proposed Transfer. The Proposed Transfer will not affect the way in which GCAP shareholders buy or sell shares in the Company. A company with a Standard Listing is still required to maintain a minimum of 10% of its issued shares in public hands and will continue to be obliged to publish a prospectus when issuing new shares to the public unless such issuance falls within one of the permitted exemptions. Companies with a Standard Listing are also required to disclose inside information to the market and to comply with the provisions of the DTRs including to make notifications of dealings in shares.

They must also prepare annual audited financial reports, half yearly financial reports and interim management reports. The Company expects to be fully compliant with the eligibility requirements for the Standard Listing.

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 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 20.3% equity stake (at 30-Sep-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

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

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Forward-looking statements

This document (including information incorporated by reference in this document), oral statements made regarding the Proposed Transfer, and other information published in connection with the Proposed Transfer contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. The forward-looking statements contained in this document include statements relating to the expected effects of the Proposed Transfer on GCAP, the expected timing and scope of the Proposed Transfer and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved.

Although GCAP believes that the expectations reflected in such forward-looking statements are reasonable, GCAP can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include the timely implementation of the Proposed Transfer, as well as additional factors, such as fluctuations in the capital markets; fluctuations in interest and exchange rates; increased regulation or regulatory scrutiny; the occurrence of unforeseen disasters or catastrophes; political or economic instability in principal markets; adverse outcomes in litigation; unsuccessful execution of the Group's strategic objectives; and general, local and global economic, political, business and market conditions. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors.

No part of this announcement constitutes, or shall be taken to constitute, an invitation or inducement to invest in the Company or any other entity. Neither GCAP or any of its associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed

or implied in any forward-looking statement in this document will actually occur and shareholders of the Company are cautioned not to place undue reliance on the forward-looking statements. Additionally, forward-looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Other than in accordance with our legal or regulatory obligations, we undertake no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Information in this document will be updated as required by the Listing Rules, the DTRs and the UK Market Abuse Regulation, as appropriate.