

**THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the Letter or the action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial advisers authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

This letter is addressed to holders of options granted under the JSC GHG Executive Incentive Plan 2015 and the JSC Georgia Healthcare Executive Incentive Plan 2019 (the **GHG Share Schemes**). It should be read only in conjunction with the offer document, which was sent to GHG Shareholders and to holders of options on 11 June 2020 (the **Offer Document**). The Offer Document contains a proposal which, if implemented, will result in the cancellation of the listing of GHG Shares on the Official List and of trading of GHG Shares on the London Stock Exchange.

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## **Letter to holders of options under the GHG Share Schemes relating to the Recommended Final Share Exchange Offer**

by

**GEORGIA CAPITAL PLC**

for

**GEORGIA HEALTHCARE GROUP PLC**

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The release, publication or distribution of this letter and/or the accompanying documents (in whole or in part) in or into certain jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Offer is not being made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction (a "**Restricted Jurisdiction**") and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any such jurisdiction.

Investec Bank plc ("**Investec**"), which is authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority in the UK, is acting for Georgia Healthcare Group PLC and no one else in connection with the Offer and will not be responsible to anyone other than Georgia Healthcare Group PLC for providing the protections afforded to its clients, or for giving advice in connection with the Offer or any matter referred to herein.

Numis Securities Limited ("**Numis**"), which is authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority in the UK, is acting exclusively for Georgia Capital PLC and no one else in connection with the Offer and will not be responsible to anyone other than Georgia Capital PLC for providing the protections afforded to its clients or for providing advice in relation to the Offer or any other matters referred to herein.

**Georgia Healthcare Group PLC**

*Registered address:*

84 Brook Street  
London  
United Kingdom  
W1K 5EH

**Georgia Capital PLC**

*Registered office:*

84 Brook Street  
London  
United Kingdom  
W1K 5EH

11 June 2020

Dear Award Holder,

**Proposals relating to the Recommended Final Share Exchange Offer by Georgia Capital PLC (GCAP) for Georgia Healthcare Group PLC (GHG)**

**1. Introduction**

On 19 May 2020, the board of directors of GCAP and the Independent Directors of GHG announced that they have reached agreement on the terms of a recommended share exchange offer for GHG, to be made by GCAP for the entire issued or to be issued share capital of GHG not already directly or indirectly owned by GCAP.

I am writing to you on behalf of the Independent Directors to explain in detail the effect the Offer will have on your outstanding options under the GHG Share Schemes and the courses of action which are available to you in relation to those options. Please refer to the Offer Document for the position regarding any GHG Shares that you already hold, including those pursuant to the GHG Share Schemes.

**2. Offer Document**

A copy of this letter and the Offer Document, together with all information incorporated into the Offer Document by reference to another source is, and will be available, subject to certain restrictions relating to persons resident in the US and any other Restricted Jurisdictions, on GCAP's website at [www.georgiacapital.ge](http://www.georgiacapital.ge) and GHG's website at [www.ghg.com.ge](http://www.ghg.com.ge) following the release of the Offer Document until the end of the Offer Period. For the avoidance of doubt, the contents of those websites are not incorporated into and do not form part of this letter.

Subject to certain restrictions relating to persons in the US and any other Restricted Jurisdictions, you may request a hard copy of the Offer Document by contacting Computershare between 9.00 a.m. and 5.30 p.m. on +44 (0) 370 702 0000 (for GHG Shareholders) or by submitting a request in writing to Registrar at Computershare Investor Services, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ. If you have received this document in electronic form, copies of this document and any document or information incorporated by reference into this document will not be provided unless such a request is made.

Terms defined in the Offer Document have the same meanings in this letter, unless the context otherwise requires.

**3. The Offer**

Under the terms of the Offer, which is subject to the Conditions and further terms set out in the Offer Document GHG Shareholders are entitled to receive:

**For every 5 GHG Shares**

**One New GCAP Share**

The Independent Directors note that the Offer represents a premium of approximately:

- (a) 10.01% to the volume weighted average price of GHG Shares, based on the volume weighted average prices of GHG and GCAP for the three-month period ended on 5 June 2020 (being the latest practicable date prior to the publication of this document);
- (b) 14.28% to the volume weighted average price of GHG Shares, based on the volume weighted average prices of GHG and GCAP for the six-month period ended on 5 June 2020 (being the latest practicable date prior to the publication of this document); and
- (c) 16.24% based on the Closing Price of 85 pence per GHG Share and 494 pence per GCAP Share on 5 June 2020 (being the latest practicable date prior to the publication of this document).

The terms of the Offer are final and therefore, in accordance with the Code, GCAP will not be permitted to increase the terms of the Offer.

The Offer, if accepted in full, will result in GHG Shareholders owning approximately 16.15% of GCAP's enlarged issued share capital post-completion of the Offer (based on the issued ordinary share capital of GHG and the issued share capital of GCAP). Should the Offer be declared wholly unconditional but the squeeze out threshold (as further described below) not be reached, GCAP has no intention to acquire any interest in, or make a second offer for, any GHG shares on more favourable terms than the Offer for a period of 12 months from the date on which the Offer is declared wholly unconditional. The New GCAP Shares will be issued credited as fully paid and will rank *pari passu* in all respects with GCAP Shares in issue at the time the New GCAP Shares are issued pursuant to the Offer, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling on or after the date of completion of the Offer. Application will be made to the FCA and to the London Stock Exchange for the New GCAP Shares to be admitted to the premium segment of the Official List of the FCA and to trading on London Stock Exchange's main market for listed securities.

The First Closing Date of the Offer is 1.00 p.m. London time on 2 July 2020.

#### **4. Options under the GHG Share Schemes**

In the event that the Offer is declared wholly unconditional, any outstanding options under the GHG Share Schemes will be automatically exchanged for options over GCAP shares in the ratio 5:1 (i.e. the same as the Offer for GHG Shareholders). All other terms of the options will remain the same. Any options exercised after this point will be satisfied by the delivery of GCAP Shares.

##### ***Vested Options***

Vested options are already exercisable and can be exercised at any time. If you exercise any vested options before the Offer is declared wholly unconditional, you may accept the Offer in relation to the GHG Shares acquired upon exercise.

If you do not exercise any vested options by the time the Offer is declared wholly unconditional, the outstanding options will be automatically exchanged for options over GCAP Shares on the basis described above and so you will receive GCAP Shares if you exercise after this date.

##### ***Unvested Options***

In the event that the squeeze out threshold is met, being the point where, pursuant to the Companies Act 2006, GCAP has acquired 90% of the GHG Shares to which the Offer relates and is capable of issuing squeeze out notices for the mandatory purchase of the remaining GHG Shares not held by it, all outstanding options under the GHG Share Schemes will vest and become exercisable. Given GCAP's approximate 70% holding as at the date of this letter, this would mean GCAP would need to hold, in aggregate, approximately 97% of GHG to meet the squeeze out threshold. Upon exercise of any options, the Trustee will deliver GCAP Shares following the exchange of options as set out above.

If the squeeze out threshold (as described above) is not met, outstanding options will continue with their current vesting schedule. To the extent they become exercisable at a later date, the Trustee will deliver GCAP Shares following the exchange of options as set out above.

## **5. Courses of Action**

If you hold options that are already exercisable, you may exercise them before the Offer is declared wholly unconditional and accept the Offer. If you wish to do this, please complete the Exercise Notice at Appendix 1 and return it to Keely Brassington at [Keely.Brassington@sannegroup.com](mailto:Keely.Brassington@sannegroup.com) by 5.00 p.m. London time on 30 June 2020.

If the Offer is declared wholly unconditional, any outstanding options will be automatically exchanged for options over GCAP shares. You do not need to do anything. This will occur automatically and the Trustee will inform you of the number of GCAP Shares subject to your new options.

To the extent that your options vest as part of the Offer, you may exercise your options by submitting the Exercise Notice, which will be provided by the Trustee when the Trustee notifies you of the details of your new options, to the Trustee with your instructions on how to deal with the resulting shares. These will be GCAP Shares following the exchange of options if the Offer is declared wholly unconditional.

If you have GHG Shares that you have already acquired, including pursuant to the GHG Share Schemes, please refer to the Offer Document for your potential courses of action in relation to those GHG Shares.

## **6. Taxation**

If you are tax resident in Georgia, the exchange of options over GHG Shares for options over GCAP Shares is not a taxable event. If you exercise your outstanding options, you will be subject to tax in the usual manner.

## **7. GHG Directors' Recommendation**

The Independent Directors, who have been so advised by Investec as to the financial terms of the Offer, consider the terms of the proposals set out in this letter to be fair and reasonable. In providing their advice to the Independent Directors, Investec has taken into account the commercial assessments of the Independent Directors.

The Independent Directors consider the Offer to be in the best interests of the GHG Shareholders taken as a whole. Accordingly, the Independent Directors unanimously recommend that GHG Shareholders accept the Offer, as the Independent Directors who are GHG Shareholders have irrevocably undertaken to do in respect of their entire beneficial holdings of 518,170 GHG Shares representing, in aggregate, approximately, 0.39 per cent. of GHG's issued share capital on 5 June 2020, being the latest practicable date prior to publication of this letter.

## **8. Further Information**

If you are in any doubt as to what action you should take or in relation to your tax position, you should consult your own professional adviser or other financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) immediately.

Yours faithfully

**William Huyett**  
Chair  
Georgia Healthcare Group PLC

**Irakli Gilauri**  
Chairman and Chief Executive Officer  
Georgia Capital PLC

## Notes

- (i) Unless the context otherwise requires, words and expressions defined in the Offer Document have the same meanings in this letter. In the event of any conflict between this letter the rules of the GHG Share Schemes and the relevant legislation, the rules of the GHG Share Schemes and the relevant legislation will prevail.
- (ii) The GHG Directors, whose names are set out in paragraph 2(b) of Appendix III of the Offer Document, accept responsibility for the information contained in this letter (including any expressions of opinion, other than, as applicable, for expressions of opinion given by others pursuant to (iii) below) relating to the GHG Group and the GHG Directors, their close relatives, related trusts and other connected persons and persons acting in concert with them (as such term is used in the Code). To the best of the knowledge and belief of the GHG Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this letter for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (iii) The Independent Directors (as such term is defined in the Offer Document) accept responsibility for views and opinions on the Offer (being any opinion attributable to the Independent Directors relating to the recommendation of the Offer and the recommendation itself). To the best of the knowledge and belief of the Independent Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this letter for which they accept responsibility in accordance with this paragraph (iii) is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (iv) The GCAP Directors, whose names are set out in paragraph 2(a) of Appendix III of the Offer Document, each accept responsibility for the information contained in this letter (including any expressions of opinion), other than the information for which the Directors of GHG accept responsibility in accordance with paragraphs (ii) and (iii) above. To the best of the knowledge and belief of the GCAP Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this letter for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (v) Fractions of New GCAP Shares will not be issued to persons accepting the Offer. Fractional entitlements to New GCAP Shares will be aggregated and sold in the market as soon as practicable following completion of the Offer and the net proceeds of such sale will then be paid in cash to the relevant GHG shareholder in accordance with their fractional entitlements (rounded down to the nearest penny). However, individual entitlements of less than GBP5.00 will not be paid to persons accepting the Transaction but will be retained for the benefit of GCAP.
- (vi) The release, publication or distribution of this document in or into jurisdictions other than the UK, including the US, may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction.
- (vii) This letter is for individuals that hold options under the GHG Share Schemes.
- (viii) Investec has given and not withdrawn its written consent to the issue of this letter with the references to its name in the form and context in which they appear.

- (ix) Numis has given and not withdrawn its written consent to the issue of this letter with the references to its name in the form and context in which they appear.
- (x) This letter does not constitute the giving of investment advice, nor a part of any advice on investment decisions. If you are in any doubt about the contents of this letter or what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or another appropriately authorised independent financial adviser if you are taking advice in a territory outside the United Kingdom.
- (xi) Please note, neither GHG nor GCAP, nor any of their directors or advisers are providing you with legal advice in connection with this letter, the Offer or the Transaction. If you feel that you need legal advice you should seek your own personal advice immediately from an independent solicitor.
- (xii) Accidental omission to despatch this letter or any failure to receive the same by, any person to whom the proposal contained in this letter is made or should be made, will not invalidate the proposal in this letter in any way.

## APPENDIX 1

### EXERCISE NOTICE OVER GHG SHARES

#### THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This exercise notice (the **Exercise Notice**) should be read in conjunction with the Offer Document addressed to the holders of GHG Shares dated 11 June 2020 and the letter to holders of options granted under the GHG Share Schemes dated 11 June 2020 (the **Letter**). The definitions used in the Offer Document and the Letter apply in this Exercise Notice save where the context otherwise requires.

To: Sanne Fiduciary Services Limited, Georgia Healthcare Group PLC and Georgia Capital PLC

Deadline: In order for this Exercise Notice to be effective, it must be received by Keely Brassington at [Keely.Brassington@sannegroup.com](mailto:Keely.Brassington@sannegroup.com) by 5.00 p.m. London time on 30 June 2020.

#### 1. Exercise of your Option

By placing a cross [X] in the Exercise Box below, I, being the holder of options granted under the GHG Share Schemes, hereby agree to exercise all the vested options held by me.

Box:

Exercise (by placing a cross [X])

#### 2. Declaration

By completing and signing this irrevocable Exercise Notice, I confirm that I have read and understood the Letter and irrevocably make the choices indicated in section 1 above and I:

- (i) exercise all the vested options held in my name;
- (ii) acknowledge that none of Sanne Fiduciary Services Limited, GHG nor GCAP will be responsible for any consequential loss in the event of this Exercise Notice being completed incorrectly and that none of Sanne Fiduciary Services Limited, GHG nor GCAP is obliged to obtain clarification of my instructions;
- (iii) agree that this Exercise Notice will be of no effect unless it is duly completed and received (whether by hand or by post or by email) by Sanne Fiduciary Services Limited by the time the Offer is declared wholly unconditional and understand that Sanne Fiduciary Services Limited and GCAP reserve the right, at their discretion, to accept any Exercise Notices which are incorrectly completed and/or received after this time;
- (iv) confirm that the vested options which I am exercising are valid and have not lapsed and are free from all mortgages and any third party interests. I acknowledge that any option certificate in respect of my options shall become void once the vested options have been exercised;
- (v) confirm that the decisions which I have made in this Exercise Notice cannot be withdrawn or altered;

- (vi) confirm that I have read, understood and agree to these terms and conditions and that I am aware of the terms of the Offer Document and have read the accompanying Letter;
- (vii) accept that documents or payments sent by, to or from me in connection with my vested options will be sent at my own risk;
- (viii) agree and direct that, subject to the terms of the Letter and the Offer Document, my GHG Shares will be transferred following the exercise of my vested options to GHG for New GCAP Shares;
- (ix) note that pursuant to the rules of the GHG Share Schemes, in order to comply with Georgian tax requirements, the number of GHG Shares that are subject to this exercise and the instructions below, shall be reduced by 19.6% (net of non-taxable portion of pension as described in paragraph (x) below); and
- (x) note that, in addition to the above tax requirements at (ix), for the options made to me for my performance starting of 1 January 2019 in order to comply with the requirements of Georgian law on accumulative pension, the number of GHG Shares that are subject to this exercise and the instructions below, shall be reduced by an additional 2%.

### 3. Instructions for New GCAP Shares

Following the transfer of my GHG Shares, I would ask that you satisfy the New GCAP Shares by (please select one):

	Please indicate your choice by placing an 'X' in the relevant box
1. Transferring the New GCAP Shares to me in certificated format at the address stated above.	
2. Selling or procuring the sale as my agent of the New GCAP Shares at the best price which can reasonably be expected to be obtained at the time of the sale and sending the net proceeds of sale (after deduction of all fees, commissions and expenses incurred in relation to such sale) to the bank account detailed in the attached annexure.	
3. Transferring the New GCAP Shares to my Galt & Taggart Account.	
4. Transferring the New GCAP Shares to my custody account (not held with Galt & Taggart).	

Signed .....

By:.....

Date:.....

**Bank Account Details (if you have selected option 2):**

Bank: .....

Address: .....

.....

.....

..... A/C

Name: .....

A/C

Number: .....

SWIFT

Code: .....

IBAN

Number: .....

**Galt & Taggart Custody Account Details (if you have selected option 3):**

Galt & Taggart

Sub-Account Name: .....

Sub-Account Number: .....

**Custody Account Details (if you have selected option 4):**

Name of Custodian: .....

CREST ID: .....

Account Name: .....

Account Number: .....

Contact Details at Custodian

Name: .....

Telephone Number: .....

Email address: .....