

Acquisition of the leading Georgian digital marketing agency

Georgia Capital PLC (the “**Group**” or “**Georgia Capital**”) announces the acquisition of a 60% equity stake in Redberry LLC (“Redberry” or the “Company”), a leading Georgian digital marketing agency. Redberry is fully owned and managed by two young Georgian entrepreneurs. The total cash consideration for the acquisition is US\$ 3.2 million, of which US\$ 0.4 million is used to acquire the equity stake from the existing shareholders and US\$ 2.8 million capital will be injected to fund business growth. New capital will enable Redberry to further institutionalise digital transformational services, while also continuing its digital marketing business operations. Redberry will launch and operate a new platform of digital start-up developments (“start-up studio”). The start-up studio, a unique concept within the Georgian market, will be launched and operated to generate cash flows from two main directions: 1) creating digital start-ups and 2) developing digital sales channels/business lines for corporates through joint venture partnerships. Additionally, Georgia Capital will further earmark seed capital of US\$ 2.4 million for future capital allocations into the successfully developed digital start-ups.

Founded in 2014, Redberry is one of the most successful and well-known Georgian digital marketing agencies. The company provides tech-based marketing solutions to large Georgian corporates and various government agencies. Redberry’s revenues grew by more than 50% in 2018, while the net profit margin was approximately 25%. Following the transaction, each of the two existing shareholders will own a 20% equity stake.

Irakli Gilauri, Georgia Capital Chairman and CEO commented: “I am very pleased to announce that Georgia Capital has successfully entered the high growth digital sector. The acquisition of the attractive service business complements our existing portfolio as well as provides an opportunity to enhance digital capabilities across our portfolio businesses. Lastly, acquisition of Redberry enables us to have a platform for investments in the digital business. I look forward to working with the existing management team to deliver on an agreed strategy and build a diversified business model combining different digital services.”

Name of authorised official of issuer responsible for making notification: Nino Rekhviashvili, Head of Investor relations

About Georgia Capital PLC

Georgia Capital is the holding company of a diversified group focused on investing in 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 opening of the Georgian economy to Europe and economic development in the wider region. The Group seeks to capture growth in the sectors in which it currently operates and drive the development of new high-growth businesses in Georgia, which it intends to add either by acquiring businesses in their early development stage or by establishing greenfield businesses, often consolidating fragmented or underdeveloped markets. The Group currently has four key portfolio companies: (i) GGU, a water utility and renewable energy business; (ii) m², a residential and commercial property developer; (iii) Aldagi, the foremost provider of property and casualty insurance products in Georgia; and (iv) Teliani, a leading wine and beer producer in Georgia. In addition to its portfolio companies, the Group holds investments in two London Stock Exchange premium-listed Georgian businesses: GHG, (57% stake), the parent company of the largest and diversified healthcare provider in Georgia, which operates in the healthcare services, pharmacy and medical insurance sectors; and Bank of Georgia Group PLC, (19.9% stake), 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

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

Irakli Gilauri
Chairman and Chief Executive
ir@gcap.ge

Giorgi Alpaidze
Chief Financial Officer
+995 322 005 000
ir@gcap.ge

Nino Rekhviashvili
Head of Investor Relations
+ 995 322 005 045
ir@gcap.ge