

### *Acquisition of Hydrolea*

Georgia Capital PLC (the "**Group**" or "**Georgia Capital**") announces the acquisition of a 100% equity stake in Hydrolea LTD ("Hydrolea" or the "Company") through its wholly-owned subsidiary.

- Hydrolea operates three Hydro Power Plants ("HPP") with an aggregate 21MW installed capacity, and has a greenfield HPP project with a 19MW targeted installed capacity.
- All Hydrolea HPPs have high capacity factors - averaging 54% - making the investment per annual GWh generation an attractive alternative to a construction option.
- All three operational HPPs are expected to add approximately US\$ 4.1 million to US\$ 4.4 million EBITDA in aggregate to the Renewable Energy Business's income statement in 2020 on the back of c. 105 GWh net annual generation.
- All Hydrolea HPPs benefit from guaranteed prices via their Purchase Power Agreements ("PPA") with the Government of Georgia for the next 4-8 years. The PPAs cover 8 months out of 12, while the PPA prices range from 5.54 USc/kWh to 5.66 USc/kWh.
- Following the acquisition, the Renewable Energy Business will have 71MW installed capacity and a pipeline of 350MW in the medium term.

The pipeline project, 19MW run-of-river type HPP, is expected to be commissioned by the end of 2022. The project is currently at the development stage with expected net annual generation of c. 88.8 GWh and an expected EBITDA of approximately US\$ 3.8 million at commencement. The construction works are expected to commence in 2020, subject to the finalization of the construction permit. Total project cost is estimated at US\$ 27 million, of which US\$ 8 million will be capital allocation by Georgia Capital.

**Irakli Gilauri**, Georgia Capital Chairman and CEO commented: "I am pleased to announce that our Renewable Energy Business has secured these high-quality assets with existing strong dollar-linked cash flows and high growth prospects. Georgia has gradually become a net electricity importer over the last two years, with growing internal electricity demand pointing to a record high 1.4TWh deficit by 2019, which is expected to grow significantly in the coming years. With this acquisition, our Renewable Energy Business continues to progress towards achieving its medium-term goal to become a dominant player in the fast-growing Georgian electricity market, which has benefited from recent market deregulation."

*The Transaction constitutes a class 2 transaction for the purposes of UK Listing Rules. For the purposes of LR 10.4.1 R (Notification of class 2 transactions), the value of gross assets of the Company was US\$ 18.5 million at 31 December 2018. Based on the audited financial statements, the Company generated EBITDA of US\$ 2.7 million in 2018, which was the first incomplete year of 8MW HPP's operations.*

*Hydrolea has two selling shareholders: Crosscountry Georgia LLC and Ioseb Natroshvili. The transaction values Hydrolea's enterprise value at US\$ 38.5 million, which includes three operational HPPs with an aggregate 21MW installed capacity and the greenfield 19MW HPP project. The Group will provide up to US\$ 10 million equity capital for the acquisition and up to US\$ 13.3 million short-term bridge facility to fund the transaction. The bridge loan will be refinanced by the Company by the end of 2019.*

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

**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 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 six private company holdings: (i) a water utility business (GGU), (ii) a renewable energy business (GGU); (iii) a housing development business (m<sup>2</sup>) (iv) a hospitality and commercial real estate business (m<sup>2</sup>); (v) a property and casualty insurance business (Aldagi) and (vi) a beverages business (Georgia Beverages). In addition Georgia Capital has two public company holdings (London Stock Exchange premium-listed Georgian companies): (i) Georgia Healthcare Group PLC (“GHG”), (57% equity stake), a UK incorporated holding company of the largest healthcare services provider in Georgia, which is also the largest pharmaceuticals retailer and wholesaler in the country; and (ii) Bank of Georgia Group PLC (“BoG”), (19.9% equity stake), a leading universal bank in Georgia. Additionally, Georgia Capital has three businesses in the pipeline: Education, Auto Service and Digital Services.

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](http://www.georgiacapital.ge) or contact:

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