

Regulator sets new tariffs for the water utility business

Georgia Capital PLC (the “Group” or “Georgia Capital”), announces that Georgian National Energy and Water Supply Regulatory Commission (“GNERC”), the independent body that regulates the Group’s water utility business, has approved new tariffs for water supply and sanitation (“WSS”) services:

- The WSS tariffs¹ in Tbilisi have increased compared to the previous regulatory period of 2018-2020:
 - o from GEL 0.3 to GEL 0.5 for residential customers; and
 - o from GEL 4.4 to GEL 6.5 for legal entities.
- The tariff increase translates into a 38% growth in allowed water revenues in the upcoming three year regulatory period, effective from 1 January 2021.
- The return on investment (WACC) is set at 14.98% (15.99% in the previous regulatory period).

The tariffs have been updated according to the methodology adopted by GNERC in August 2017, which is based on international best practice and represents a hybrid method of “cost plus” and “incentive based” methodologies, where revenue is determined based on a company’s Regulatory Asset Base (RAB). The new tariffs reflect extensive capital expenditures made during the previous regulatory period combined with increased scale of operations.

Irakli Gilauri, Georgia Capital Chairman and CEO commented: “I am pleased to see that GNERC continues to support the water utility business’s capital investment plans and has increased WSS tariffs. The tariff revision contributes to the healthy growth of water supply revenues as well as demonstrates the transparency of Georgian regulatory framework and its alignment with EU principles.”

1. Tariffs are set per m³ of WSS services supplied.

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

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. Georgia Capital currently has the following portfolio businesses: (i) a healthcare services business; (ii) a water utility business; (iii) a retail (pharmacy) business, (iv) an insurance business (P&C and medical insurance); (v) a renewable energy business (hydro and wind assets) and (vi) an education business; We also hold other small private businesses across different industries in Georgia and a 19.9% equity stake 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	B2/CFR & B2/PDR

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