

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. THIS DOCUMENT IS A CIRCULAR FOR THE PURPOSES OF LISTING RULE 13. IF YOU ARE IN ANY DOUBT AS TO 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 INDEPENDENT FINANCIAL ADVISER 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.

If you have sold or otherwise transferred all of your GCAP Shares, please send this document and the accompanying documents (other than documents or forms personalised to you) at once to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, these documents must not be forwarded, distributed or transmitted in, into or from any jurisdiction where to do so would violate the laws of that jurisdiction. If you have sold or otherwise transferred only part of your holding of GCAP Shares you should retain these documents and contact the bank, stockbroker or other agent through whom the sale or transfer was effected.

This document is not a prospectus and it does not constitute or form part of any offer or invitation to purchase, acquire, subscribe for, sell, dispose of or issue, or any solicitation of any offer to sell, dispose of, purchase, acquire or subscribe for, any security, including any GCAP Shares to be issued in connection with the proposed Transaction.

This document (including any documents incorporated into it by reference) should be read as a whole and in conjunction with the accompanying Form of Proxy. Georgia Capital PLC (*GCAP* or the *Company* and together with its subsidiaries and subsidiary undertakings from time to time, the *Georgia Capital Group*) has also published the Prospectus in relation to the New GCAP Shares and the Offer Document in relation to the Transaction on the same date as this Document.

The distribution of this document and/or the accompanying documents (in whole or in part) in jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.



Georgia Capital PLC

(registered in England and Wales under the Companies Act 2006 with registered number 10852406)

RECOMMENDED FINAL SHARE EXCHANGE OFFER

for

GEORGIA HEALTHCARE GROUP PLC

by

GEORGIA CAPITAL PLC

Circular to Shareholders

and

Notice of General Meeting

Your attention is drawn to the letter from the Chairman of Georgia Capital PLC in Part I (*Letter from the Chairman of Georgia Capital PLC*) of this document, which contains the unanimous recommendation of the GCAP Board that you vote in favour of the GCAP Resolutions to be proposed at the GCAP General Meeting. You should read the whole of this document and, in particular, the risk factors in Part II (*Risk Factors*).

Notice of the GCAP General Meeting, which will be held at 84 Brook Street, London W1K 5EH at 11 a.m. on 6 July 2020, is set out in Part VII (*Notice of General Meeting*) of this document.

The action to be taken by GCAP Shareholders in relation to the GCAP General Meeting is set out on pages 6 to 8 of this document. GCAP Shareholders will find enclosed with this document a Form of Proxy for use in connection with the GCAP General Meeting. Whether or not you intend to be present at the meeting in person, please complete and sign the enclosed Form of Proxy (or appoint a proxy electronically, as referred to below) in accordance with the instructions printed on it and return it to GCAP's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible and, in any event, so as to be received by 11 a.m. on 2 July 2020. Unless the Form of Proxy is returned by the time mentioned in the instructions printed on it, it will be invalid. The completion and return of a Form of Proxy will not prevent any GCAP Shareholder from attending and voting in person at the GCAP General Meeting, or any adjournment thereof, if you so wish and are so entitled.

As an alternative to completing and returning the Forms of Proxy, GCAP Shareholders may submit their Forms of Proxy electronically at www.investorcentre.co.uk/eproxy. For security purposes, GCAP Shareholders will need the Control Number, PIN and shareholder reference number which are given on their respective Forms of Proxy. Electronic proxies must be received no later than 11:00 a.m. on 2 July 2020.

GCAP Shareholders should note GCAP's update in relation to the COVID-19 situation on page 8 of this document. In particular, GCAP Shareholders should note that they may be prohibited from attending the GCAP General Meeting in person depending on the UK Government's restrictions on social gatherings in place at the time of the GCAP General Meeting.

Applications will be made to the UK Listing Authority for the New GCAP Shares to be admitted to listing on the premium listing segment of the Official List and to the London Stock Exchange for the New GCAP Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. Shareholders are also advised to read the Prospectus, which has been published on the same date as this Document, which contains information relating to the GCAP Shares.

If you have any questions about this document, the Prospectus, the GCAP General Meeting or on the completion and return of the Form of Proxy, please call the Shareholder Helpline between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding English and Welsh public holidays) on +44 (0)370 702 0176 from within the UK or on +44 (0)370 702 0176 (from outside the UK, international rates apply). Please note that calls may be monitored or recorded and the Shareholder Helpline cannot provide financial, legal or tax advice or advice on the merits of the Transaction.

Certain terms used in this document are defined in Part VI (*Definitions*).

Investec Bank PLC, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority, is acting for Georgia Healthcare Group PLC ("**GHG**") and together with its subsidiaries and subsidiary undertakings from time to time the "**GHG Group**") and no one else in connection with the above and will not be responsible to anyone other than GHG for providing the protections offered to clients of Investec nor for giving advice in relation to the subject matter of this Document or any other matters referred to in this Document.

Numis Securities Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting as Financial Adviser exclusively for GCAP and no one else in connection with the matters set out in this document and will not regard any other person as its client in relation to the matters in this Document and will not be responsible to anyone other than GCAP for providing the protections afforded to clients of Numis, nor for providing advice in relation to any matter referred to herein.

The date of publication of this document is 11 June 2020.

IMPORTANT NOTICES

Forward-looking statements

This document (including information incorporated by reference in this document), oral statements made regarding the Transaction, and other information published in connection with the Transaction 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 Transaction on GCAP, the expected timing and scope of the Transaction 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 satisfaction of the Conditions, 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; 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.

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 statements in this document will actually occur. You are cautioned not to place undue reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations (including under the Listing Rules, the Disclosure and Transparency Rules and the Prospectus Regulation Rules of the FCA, GCAP is not under any obligation, and GCAP expressly disclaims any intention or obligation, to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

No profit forecasts or estimates

No statement in this document, or incorporated by reference into this document, is intended to be or is to be construed as a profit forecast or estimate for any period and no other statement in this document should be interpreted to mean that earnings or earnings per share for GCAP for the current or future financial years, or those of the Combined Group, would necessarily match or exceed the historical published earnings or earnings per share for GCAP.

Publication on website and availability of hard copies

A copy of this document and all information incorporated into this document by reference to another source, will be available for inspection on GCAP’s website at: www.georgiacapital.ge. For the avoidance of doubt, the contents of the websites referred to in this document, other than those parts incorporated by reference at Part IV (*Historical Financial Information of GCAP*) and Paragraph 8 (*Information incorporated by reference*) of Part VI (*Additional Information*) of this document, are not incorporated into and do not form part of this document.

If you have received this document in electronic form, you may request a hard copy of this document and/or any information incorporated into this document by reference to another source by contacting GCAP’s registrars, Computershare, at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, or, between 8.30 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding English and Welsh public holidays), on +44 (0)370 702 0176 from within the UK or on +44(0)370 702 0176 if calling from outside the UK (calls from outside the UK will be charged at the applicable international rate), with

your full name and the full address to which the hard copy may be sent (calls may be recorded and monitored for training and security purposes). You may also request that all future documents, announcements and information to be sent to you in relation to the Transaction should be in hard copy form.

Rounding

Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Relevant Documentation

A prospectus in connection with the issue of the New GCAP Shares and an offer document setting out the terms and conditions of the Transaction have been published by GCAP on the same date as this Document and are on its website at www.georgiacapital.ge.

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TO VOTE ON THE TRANSACTION

This page should be read in conjunction with the section entitled ACTION TO BE TAKEN, set out on pages 7 to 8 of this document, and the rest of the document, in particular, the notice of the GCAP General Meeting on pages 34 to 35.

Whether or not you plan to attend the meeting, you should complete, sign and return the accompanying Form of Proxy for use at the GCAP General Meeting, so as to be received by no later than 11:00 a.m. on 2 July 2020, or, in the case of adjournment, by no later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any day that is not a Business Day).

If you require assistance, please telephone Computershare on +44 (0)370 702 0176 from within the UK or on +44(0)370 702 0176 between 8.30 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding English and Welsh public holidays). Calls to the helpline from outside the UK will be charged at applicable international rates. Calls will be recorded and monitored for security and training purposes.

Please note that, for legal reasons, Computershare cannot provide advice on the merits of the Transaction or give any legal, tax or financial advice.

Copies of any information incorporated into this document by reference to another source sent to persons in electronic form or by means of being published on GCAP's websites and all future documents, announcements and information required to be sent to persons in relation to the Transaction may be requested to be received by such persons in hard copy form by writing to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, or by calling Computershare at the numbers provided above. A hard copy of any such documents will not be sent unless so requested.

The completion and return of the Form of Proxy will not prevent you from attending and voting at the GCAP General Meeting, or any adjournments thereof, in person should you wish to do so and should you be so entitled.

GCAP Shareholders should note GCAP's update in relation to the COVID-19 situation on page 8 of this document. In particular, GCAP Shareholders should note that they may be prohibited from attending the GCAP General Meeting in person depending on the UK Government's restrictions on social gatherings in place at the time of the GCAP General Meeting.

ACTION TO BE TAKEN

For the reasons set out in this document, the GCAP Board unanimously recommends that GCAP Shareholders vote in favour of the GCAP Resolutions relating to the Transaction to be proposed at the GCAP General Meeting, as the GCAP Directors intend to do in respect of their own beneficial holdings of GCAP Shares, and that you take the action described below.

The GCAP General Meeting will be held at 84 Brook Street, London W1K 5EH on 6 July 2020 at 11:00 a.m. The Transaction requires approval of GCAP Shareholders at the GCAP General Meeting.

1. The Documents

Please check that you have received the following with this document:

- a Form of Proxy for use in respect of the GCAP General Meeting; and
- a reply-paid envelope for use in the UK only for the return of the Form of Proxy.

If you have not received all of these documents, please contact the Shareholder Helpline on the number indicated below.

GCAP has also published the Offer Document and the Prospectus in connection with the Transaction on the same date as this Document.

2. Voting at the GCAP General Meeting

The Transaction will require approval at a meeting of GCAP Shareholders to be held at 84 Brook Street, London W1K 5EH at 11:00 a.m. (London time) on 6 July 2020. The Transaction constitutes a “Class 1 Transaction” for GCAP under the Listing Rules and will require the passing by GCAP Shareholders of the GCAP Resolutions to be proposed at the GCAP General Meeting.

GCAP Shareholders entitled to attend and vote at the GCAP General Meeting are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote at the GCAP General Meeting. A proxy need not be a GCAP Shareholder.

(a) *Sending Forms of Proxy by post*

Please complete and sign the enclosed Form of Proxy in accordance with the instructions printed on it and return it by post to GCAP’s registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, so as to be received as soon as possible and in any event not later than 11:00 a.m. (London time) on 2 July 2020, or, if the GCAP General Meeting is adjourned, the Form of Proxy should be received not later than 48 hours (excluding non-working days) before the time fixed for the adjourned GCAP General Meeting.

The Form of Proxy must be returned by the time mentioned above, or it will be invalid.

GCAP Shareholders are entitled to appoint a proxy in respect of some or all of their GCAP Shares and may also appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. GCAP Shareholders who wish to appoint more than one proxy in respect of their holding of GCAP Shares should contact Computershare for further Forms of Proxy.

Completion and return of a Form of Proxy, or the appointment of a proxy electronically using CREST (or any other procedure described below), will not prevent you from attending, speaking and voting in person at the GCAP General Meeting, or any adjournment thereof, if you wish and are entitled to do so.

(b) *Online appointment of proxies*

GCAP Shareholders entitled to attend and vote at the GCAP General Meeting may appoint a proxy electronically by logging on to the following website: www.investorcentre.co.uk/eproxy and using the Control Number, unique PIN and Shareholder Reference Number (SRN) printed on the Form of Proxy. For an electronic proxy appointment to be valid, the appointment must be received by GCAP’s registrar, Computershare no later than 11:00 a.m. (London time) on 2 July 2020 (or, in the case of adjournment(s), not later than 48 hours (excluding non-working days) before the time fixed for the adjourned meeting). Full details of the procedure to be followed to appoint a proxy electronically are given on the website.

(c) *Electronic appointment of proxies through CREST*

If you hold GCAP Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the meeting (or any adjourned meeting) by using the CREST electronic proxy appointment service, you may

do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a **CREST Proxy Instruction**) must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instructions as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy), must, in order to be valid, be transmitted so as to be received by GCAP's registrar, Computershare not later than 11:00 a.m. London time on 2 July 2020 (or, in the case of adjournment(s), not later than 48 hours (excluding non-working days) before the time fixed for the adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which Computershare is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

GCAP may treat as invalid a CREST Proxy Instruction in the circumstances set out in the CREST Regulations.

3. COVID-19 update

GCAP is closely monitoring the impact of COVID-19. It is currently GCAP's intention to hold the GCAP General Meeting as planned. However, GCAP notes the guidance issued by the UK government restricting social gatherings in view of the COVID-19 pandemic, and the fact that if such guidance remains in place on the date of the GCAP General Meeting, shareholders and their proxies (other than the Chairman of the meeting) will be prohibited from attending the GCAP General Meeting.

Given the current guidance and the general uncertainty on what additional and/or alternative measures may be put in place, the Board requests that shareholders do not attend the GCAP General Meeting but instead submit the Form of Proxy in advance of the GCAP General Meeting, in accordance with the instructions in this Document. Shareholders are strongly encouraged to appoint the Chairman of the meeting as their proxy. If someone other than the Chairman of the meeting is appointed as a proxy, it is likely that they will not be able to attend or vote at the meeting because of the restrictions currently in place.

If the Board believes that it becomes necessary or appropriate to make alternative arrangements for the holding of the General Meeting due to COVID-19, we will ensure that shareholders are given as much notice as possible. Further information will be made available through an announcement to the London Stock Exchange and through an upload to <https://georgiacapital.ge/ir/offer-ghg>

4. Shareholder Helpline

If you have any questions about this document or the GCAP General Meeting, or are in any doubt as to how to complete the Form of Proxy, please contact GCAP's registrars, Computershare, on +44 (0)370 702 0176 from within the UK or on +44(0)370 702 0176 between 8.30 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding English and Welsh public holidays). Calls to the helpline from outside the UK will be charged at applicable international rates. Calls may be recorded and monitored for security and training purposes. Please note that, for legal reasons, the helpline cannot provide advice on the merits of the Transaction or give any legal, tax or financial advice.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

All times shown are London times unless otherwise stated. All dates and times are based on the current expectations of GCAP and are subject to change, which will depend, among other things, on the date on which the Conditions to the Transaction are satisfied or, where applicable, waived. If any of the dates and/or times in this expected timetable change, the revised dates and/or times will be notified to GCAP Shareholders by announcement through the Regulatory Information Service of the London Stock Exchange.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event	Time and Date
Prospectus and Circular published	11 June 2020
Date of circulation of Offer Document	11 June 2020
First Closing Date	2 July 2020
Latest time and date for receipt of proxy appointment and voting instructions for GCAP General Meeting	11:00 a.m. on 2 July 2020 ⁽²⁾
GCAP General Meeting held	11:00 a.m. on 6 July 2020
Last date on which Offer may be declared or become wholly unconditional (unless extended)	23 July 2020
Admission and commencement of dealings of New GCAP Shares on the London Stock Exchange	30 July 2020 ⁽⁴⁾
Delisting of GHG Shares	30 July 2020 ⁽⁴⁾
CREST accounts of Offer Shareholders credited with New GCAP Shares.	As soon as possible after Admission ⁽⁴⁾
Latest date for CREST accounts to be credited with any cash due in relation to sale of fractional entitlements	14 days after Admission ⁽⁴⁾
Latest date for despatch of share certificates for New GCAP Shares and cheques for the cash due in relation to the sale of fractional entitlements for those Offer Shareholders who do not hold their GHG Shares in CREST	14 days after Admission ⁽⁴⁾

All times are UK times. Each of the times and dates in the above timetable is subject to change without further notice.

Notes:

- (1) The dates and times given are indicative only and are based on current expectations and may be subject to change.
- (2) Only persons entered in the register of members of GCAP at 6:00 p.m. on 2 July 2020 or, in the event that the meeting is adjourned, 6.00 p.m. on the date which is two working days prior to the reconvened meeting, shall be entitled to attend, speak and vote at the meeting. Changes to entries on the register after this time shall be disregarded in determining the rights of any person to attend, speak and vote at the meeting or adjourned meeting.
- (3) To commence at the time fixed.
- (4) The date 30 July 2020 and each of the subsequent dates set out in the timetable will depend, among other things, on the date on which the Conditions to the Transaction are satisfied or, if capable of waiver, waived. Delisting of GHG Shares will become effective no earlier than the date that is 20 business days after GCAP has announced that it has received sufficient acceptances from independent shareholders of GHG that represent a majority of the voting rights attaching to the GHG Shares held by independent shareholders on 19 May 2020, being more than 19,181,285 GHG Shares held by independent shareholders of GHG.

DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors of the Company:	Irakli Gilauri David Morrison Kim Bradley Caroline Anne Brown Massimo Gesua'sive Salvadori Jyriki Talvitie Maria Chatti-Gautier	Chairman and Chief Executive Senior Independent Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director
Group Company Secretary of the Company:	Link Company Matters Limited	
Registered Office of the Company:	84 Brook Street, London, W1K 5EH	
Financial Adviser, Corporate Broker and Sponsor to the Company:	Numis Securities Limited 10 Paternoster Square, London, EC4M 7LT	
Corporate Broker to the Company:	Investec Bank PLC 30 Gresham Street, London, EC2V 7QP	
Legal Advisers to the Company as to English and US law:	Freshfields Bruckhaus Deringer LLP 65 Fleet Street, London EC4Y 1HS	
Legal Advisers to the Sponsor as to English and US law:	Norton Rose Fulbright LLP 3 More London Riverside, London SE1 2AQ	
Reporting Accountants to the Company:	Ernst & Young LLP 1 More London Place, London SE1 2A	
Auditors to the Company:	Ernst & Young LLP 1 More London Place, London SE1 2A	
GCAP Registrars:	Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY	

GENERAL INFORMATION

Presentation of financial information

Unless otherwise stated:

- (a) financial information relating to the Georgia Capital Group has been extracted without material adjustment from the documents incorporated by reference described in Part III Historical Financial Information Relating to the Georgia Capital PLC of this document; and
- (c) all prices quoted for GCAP Shares and GHG Shares are closing prices in sterling as at the date specified as provided by the London Stock Exchange.

Where information has been extracted from the audited consolidated financial statements of the Georgia Capital Group, the information is audited unless otherwise stated. Where the information has been extracted from the trading statements, the information is unaudited.

Where the information has been extracted from the trading statements of GHG, the information is unaudited.

Unless otherwise indicated, financial information in this document relating to the Georgia Capital Group and GHG Group has been prepared in accordance with IFRS.

GCAP's holding in GHG

For the periods prior to 31 December 2019 and in the income statement for the year ended 31 December 2019, GHG was consolidated into GCAP with an appropriate non-controlling interest recognised. As noted in GCAP's Annual Report and Accounts 2019, GCAP determined that it met the criteria for exception to consolidation under IFRS 10 on 31 December 2019 and accordingly prospectively applied this exception. GCAP deconsolidated all of its subsidiaries and instead recognised them at their fair value as at 31 December 2019. From 31 December 2019 onwards, GCAP's investment in GHG is measured at fair value through profit or loss.

Pro Forma Financial Information

In this document, any reference to "*pro forma*" financial information is to information which has been extracted without material adjustments from the unaudited *pro forma* financial information contained in Part IV – Unaudited *Pro Forma* Financial Information for the Combined Group of this document.

The unaudited *pro forma* statement of net assets has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and does not, therefore, represent GCAP's or the Combined Group's actual financial position or results. The *pro forma* financial information has been prepared using the IFRS accounting policies adopted in the Georgia Capital Group's consolidated financial statements for the year ended 31 December 2019 and on the basis set out in this Circular and in accordance with the requirements of sections 1 and 2 of Annex 20 to the Prospectus Regulation Rules. The *pro forma* financial information is stated on the basis of the accounting policies of GCAP. The unaudited *pro forma* income statement has not been prepared because the Transaction would have no material impact on the *pro forma* income statement of Georgia Capital Group, since the income statement of GHG is already fully consolidated into the Georgia Capital Group's consolidated income statement for the year ended 31 December 2019 and the professional fees and expenses related to the Transaction are accounted for as a deduction from equity.

In addition to the matters noted above, the unaudited *pro forma* financial information does not reflect the effect of anticipated synergies and efficiencies associated with the Transaction.

Currencies

Unless otherwise indicated, all references in this document to "sterling", "GBP", "£", "pence" or "p" are to the lawful currency of the United Kingdom; references to "EUR", "Euro" or "€" are to the official currency of the Eurozone; references to "GEL" are to the official currency of Georgia and references to "US Dollars", "USD" or "US\$" are to the lawful currency of the US.

Market and Industry Information

Unless the source is otherwise stated, the market, economic and industry data in this document constitute the Directors' estimates, using underlying data from independent third parties. GCAP obtained market data

and certain industry forecasts used in this document from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications.

GCAP confirms that all third-party data contained in this document has been accurately reproduced and, so far as GCAP is aware and able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. While the Directors believe the third-party information included herein to be reliable, neither GCAP nor GCAP's financial adviser, Numis, has independently verified such third-party information. Where third-party information has been used in this document, the source of such information has been identified.

Time of day

Unless otherwise indicated, all references in this document to time of day are references to London time.

Enforceability of Judgments

GCAP is a public limited company incorporated under the laws of England and Wales and all of the assets of GCAP are located outside the United States. Since GCAP is located in a country other than the United States, and some or all of its officers and directors may be residents of countries other than the United States, it may not be possible for investors to effect service of process within the United States upon GCAP or such persons or to enforce outside the United States judgments obtained against GCAP or such persons in the United States courts, including, without limitation, judgments based upon the civil liability provisions of the United States federal securities laws or the laws of any state or territory within the United States. In addition, awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in the United Kingdom. Investors may also have difficulties enforcing, in original actions brought in courts in jurisdictions outside the United States, liabilities under US securities laws.

PART I

LETTER FROM THE CHAIRMAN OF GEORGIA CAPITAL PLC

Directors:

Irakli Gilauri

David Morrison

Kim Bradley

Caroline Anne Brown

Massimo Gesua'sive Salvadori

Jyriki Talvitie

Maria Chatti-Gautier

Registered Office:

84 Brook Street, London,

W1K 5EH

11 June 2020

To all GCAP Shareholders, and, for information only, to participants in the GCAP Share Plans and persons with information rights

Dear Shareholder,

RECOMMEND FINAL SHARE EXCHANGE OFFER FOR GEORGIA HEALTHCARE GROUP PLC

1. Introduction

The board of directors of Georgia Capital PLC and the Independent Directors of Georgia Healthcare Group PLC announced on 19 May 2020 that they have reached agreement on the terms of a recommended final share exchange offer for the entire issued or to be issued share capital of GHG not already owned by GCAP.

The Transaction constitutes a Class 1 transaction for GCAP for the purposes of the Listing Rules. Accordingly, the Transaction will be conditional on the approval of GCAP's shareholders at the GCAP General Meeting.

The board of directors of GCAP is writing to provide GCAP Shareholders with an explanation of the background to and reasons for the Transaction and to explain further why the directors of GCAP consider the Transaction to be in the best interests of its shareholders as a whole and unanimously recommend that GCAP Shareholders vote in favour of the GCAP Resolutions, as the directors of GCAP have irrevocably undertaken to do in respect of their own individual holdings.

2. Summary of the terms of the Transaction

Under the terms of the Transaction, which is subject to the conditions and further terms set out in the Offer Document, GHG shareholders will be entitled to receive one New GCAP Share for every 5 GHG Shares.

The Transaction represents:

- a premium of approximately 10.01% 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 publication of this document); and
- a premium of approximately 14.28% 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 publication of this document).

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

The Transaction, if accepted in full, will result in GHG Shareholders owning approximately 16.15% of GCAP's enlarged issued share capital post-completion of the Transaction (based on the existing issued ordinary share capital of GHG and the issued share capital of GCAP).

Should the Transaction be declared wholly unconditional but the squeeze out threshold 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 Transaction for a period of 12 months from the date on which the Transaction 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 Transaction, 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 Transaction. Application will be made to the UK Listing Authority and to the London Stock Exchange for the New GCAP Shares to be admitted to the premium segment of the Official List of the UK Listing Authority and to trading on London Stock Exchange's main market for listed securities.

The New GCAP Shares will be issued in registered form and will be capable of being held in certificated and uncertificated form.

The Transaction remains subject to the full terms and conditions set out in the Offer Document, including, amongst other things: (a) valid acceptances being received (and not, where permitted, withdrawn) by not later than 1.00 p.m. (London time) on the first closing date of the Transaction (or such later time(s) and/or date(s) as GCAP may, subject to the rules of the Code, decide) in respect of more than 50% in nominal value of the GHG Shares held by independent shareholders of GHG on 19 May 2020, being more than 19,181,285 GHG Shares held by the independent shareholders of GHG on that date, (b) the passing of all resolutions required to approve the Transaction, and (c) the FCA and the London Stock Exchange having acknowledged that Admission will become effective.

Fractions of New GCAP Shares will not be issued to persons accepting the Transaction. Fractional entitlements to New GCAP Shares will be aggregated and sold in the market as soon as practicable following completion of the Transaction 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.

GCAP reserves the right to elect, with the consent of the Panel, to implement the acquisition of the GHG Shares by way of a scheme of arrangement under Part 26 of the Companies Act. In such event, the scheme of arrangement will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Transaction, subject to appropriate amendments (including to statutory voting requirements) to reflect the change in method of implementing the Transaction.

The Offer Document, which contains further details on the terms and conditions of the Transaction and the Prospectus, which contains further details on the issue of the New GCAP Shares have been published on the same date as this Document and are available on GCAP's website at www.georgiacapital.ge.

3. Background to and reasons for the Transaction

Since its initial stock market listing in November 2015, GHG has made significant progress in institutionalising a significant nationwide healthcare business across the entire Georgian healthcare market. GHG has a clear strategy, and a very strong management team that has executed that strategy consistently well over the last few years. There has been a significant investment programme in people, assets and capabilities across all areas of the business which has created unparalleled franchise strength in the hospitals and clinics businesses; the pharmacy and distribution business; and the medical insurance business.

During 2019, the major part of GHG's recent capital investment programme was completed and the GHG Group delivered good progress in each business segment to deliver earnings momentum, strong cash generation and an improved return on capital invested. Investment requirements have reduced and the GHG Group has started to reduce debt levels. Dividend payments were initiated in 2019, reflecting the confidence in the GHG Group's free cash generation. As a result, the Independent Directors believe that GHG has substantially delivered on the GHG Group's growth and profitability ambitions.

On 17 December 2019 GCAP acquired 17,892,911 GHG Shares as a result of GCAP's exchange offer of one GCAP share for every 5.22 GHG shares held at that time (the *Exchange Offer*). Shareholders in GHG holding in aggregate 40,894,166 GHG Shares submitted their shares for exchange in the Exchange Offer but were scaled back by 56.25% in order to avoid an adverse impact on GHG's public listing and index eligibility.

As a result of the Exchange Offer, and GCAP's prior holding of GHG Shares, GCAP currently holds 93,011,414 GHG Shares representing approximately 70.63% of the existing issued ordinary share capital of GHG.

GHG's shares suffer from limited free float and share liquidity, which has been exacerbated following the significantly oversubscribed Exchange Offer. Since the Exchange offer, the GHG share price has declined by 48% which has had a material impact on the GCAP share price. The Board believe that the uncertainty as to whether there was likely to be a follow on transaction, given the significant oversubscription of the Exchange Offer, has acted as an overhang on the GCAP share price. The Board believes that the completion of the Transaction will help remove any uncertainty as to the future of a significant portfolio holding and reduce volatility in the GCAP share price. Following completion of the Transaction and delisting of GHG, GCAP will value GHG in accordance with GCAP's valuation methodology for private portfolio companies, which is disclosed on page 95 of GCAP's 2019 Annual Report and Accounts. The Transaction further diversifies GCAP's private portfolio and sources for dividend inflows by adding at least three new businesses (hospitals, retail pharmacy and medical insurance and outpatient) to its portfolio of private assets, and is expected to result in savings in operating expenses for GHG, stemming from annual premium market listing related expenses, while also further enhancing management's focus on business activities.

The Transaction would allow the enlarged group to explore potential economies of scale and cross selling synergies across GHG's and GCAP's insurance businesses and brings a management team with a proven track record in delivering attractive returns, continued revenue growth and demonstrated ability to execute to the enlarged group.

If successful, the Transaction is expected to be credit positive for GCAP driven by the increase of its stake in one of its strongest, free cash-flow generative, portfolio assets and to lead to decreased leverage against GCAP's portfolio value. The addition of GHG's strong, highly predictable free cash flows will support further investments and source of dividends for GCAP while the greater financial flexibility and firepower of an enlarged GCAP increases the ability of the Georgia Capital Group to capitalise on and expand the pipeline of new investment opportunities.

GHG has a clear strategy, and continues to make good progress, the Directors believe that the proposed acquisition by GCAP represents a good opportunity to eradicate the mismatch between the current equity value of GHG and its intrinsic valuation potential, with benefits expected to be felt predominantly by existing GCAP shareholders who will represent 83.85% of the Combined Group.

Assuming full acceptance of the Transaction, GHG is expected to be approximately 30% of GCAP's business value (calculated on the basis of *pro forma* net asset value as at 31 December 2019) following the completion of the Transaction.

4. Irrevocable Undertakings

GCAP has received irrevocable undertakings to accept the Transaction (including from the Independent Directors of GHG) in respect of 4,155,200 GHG Shares, representing approximately 3.16% of the existing issued ordinary share capital of GHG.

The undertakings include undertakings to accept the Transaction from:

- the Independent Directors of GHG are in respect of their entire holdings amounting to 518,170 GHG Shares representing approximately 0.39% of GHG's existing issued ordinary share capital;
- the other directors of GHG: Irakli Gilauri and David Morrison, in respect of 297,149 GHG Shares, representing approximately 0.23% of the existing issued ordinary share capital of GHG; and
- the following members of GHG's senior management: Irakli Gogia, Giorgi Mindiashvili, Enriko Beridze and Misha Abramidze in respect of 1,128,432 GHG Shares, representing approximately 0.86% of the existing issued ordinary share capital of GHG.

These undertakings will cease to be binding only if the Transaction lapses or is withdrawn or the Transaction Document is not posted in accordance with the Code and remain binding in the event that a higher competing offer for GHG is made.

These undertakings also include undertakings to accept the Transaction should it become wholly unconditional from the Trustee in respect of 2,211,449 GHG Shares held by the Trust (as adjusted under the ordinary course of operation of the Trust) representing approximately 1.68% of GHG's existing issued ordinary share capital as at the date of this document. These undertakings will cease to be binding only if

the Transaction lapses or is withdrawn or the Offer Document is not posted in accordance with the Code and remain binding in the event that a higher competing offer for GHG is made.

In total therefore, GCAP has received irrevocable undertakings to accept the Transaction in respect of 4,155,200 GHG Shares representing approximately 3.16% of GHG's issued ordinary share capital.

If the Transaction becomes wholly unconditional one of the Independent Directors, Nikoloz Gamkrelidze's participation in the Transaction, when aggregated with his prior participation in the Exchange Offer, will constitute a smaller related party transaction to which Listing Rule 11.1.10R applies. In accordance with Listing Rule 11.1.10R(c), GCAP has made an announcement today setting out the details of this smaller related party transaction.

5. Information relating to GCAP

GCAP is a platform for buying, building, developing and selling businesses in Georgia. GCAP capitalises on the fast-growing Georgian economy over the last decade through its robust corporate governance, having access to capital and strong management. GCAP seeks to capture growth opportunities in the sectors in which it currently operates and drive the development of new structurally attractive, 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. GCAP actively manages its portfolio companies to maturity, setting the strategy and business plan of each business and driving its execution. Once GCAP has successfully developed a business, the Georgia Capital Group acts as an advisor for the management of mature companies and actively manages its portfolio to determine each company's optimal owner. GCAP will normally seek to monetise its investment either through trade sale, initial public offering or fund structure over a five to 10 year period from initial investment. GCAP manages its portfolio companies individually and does not focus on achieving intergroup synergies. GCAP 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.

GCAP currently manages nine private businesses:

Private Late Stage Portfolio

- Water Utility (24.0% of portfolio as of 31 March 2020) is a regulated monopoly in Tbilisi and the surrounding area, where it provides water and wastewater services to up to 1.4 million residents representing more than one-third of Georgia's population and up to 36,000 legal entities. Water Utility also operates hydro power plants (*HPPs*) with total installed capacity of 149 megawatts (*MW*). On average, half of generated power is used by the business for water supply purposes at regulated electricity tariff, while the excess amount is sold to third parties.
- Housing Development (2.2% of portfolio as of 31 March 2020) is a leading real estate developer in the US\$1.6 billion Georgian real estate market with three business lines: a) a residential development arm targeting mass-market customers by offering affordable, high-quality and comfortable housing; b) a construction arm engaging in construction contracts for other businesses as well as third parties and c) franchise platform for development of third-party land plots with fee sharing arrangements. The business has also recently started a new distressed asset management arm in order to develop distressed development projects.
- Property and Casualty Insurance (P&C Insurance) (7.8% of portfolio as of 31 March 2020) is a leading player in the local property and casualty insurance market with a 29% market share based on gross earned premiums as of 31 December 2019. P&C Insurance offers a wide range of insurance products to Georgian corporates and retail through five business lines: motor, property, credit life, liability and other insurance services.

Private Early Stage Portfolio

- Renewable Energy (8.4% of portfolio as of 31 March 2020) is a platform for development of hydro power plants and wind power plants across Georgia. Following the buyout of the 34.4% minority shareholder on 25 February 2020, GCAP's renewable energy business consists of its wholly-owned 50 MW Mestiachala HPPs and wholly-owned Hydrolea HPPs and Qartli wind farm (with 41 MW installed capacity in aggregate). In addition, the business has a pipeline of approximately 350 MW renewable energy projects in the medium term.

- Hospitality and Commercial Real Estate (12.1% of portfolio as of 31 March 2020) is comprised of: a) rent-earning commercial assets with targeted 10% yield and b) a hotel development business across Georgia targeting more than 1,000 rooms. The hotel development business has confirmed 1,222 rooms, of which 273 are operational and 949 are in the pipeline. The targeted hotel portfolio comprises approximately 630 internationally branded hotel rooms and approximately 592 hotels rooms under the business's own brands developed by Amber Group. However, in light of the COVID-19 outbreak, the two operational hotels are closed and rented to the government for quarantine, and construction of new hotels have been put on hold until there is more certainty regarding the effects of COVID-19 on the business landscape and the Georgian economy.
- Beverages (4.2% of portfolio as of 31 March 2020) combines three business lines: a wine business, a beer business and a distribution business. The wine business produces and sells wine locally and exports to 17 countries. The beer business produces and sells beer and carbonated soft drinks mainly locally and owns a 10-year exclusive license from Heineken (effective from 2015) to produce and sell Heineken beer brands in Georgia. The beer business has the leading beer portfolio in terms of brand equity in Georgia.
- Education (3.1% of portfolio as of 31 March 2020) – GCAP has identified opportunities in what is currently a very fragmented private K-12 (from kindergarten to 12th grade) school education market and plans to build a diversified business model combining premium, mid-level and affordable school segments. The education business currently combines three school partnerships across premium, mid-level and affordable segments that provide a pathway to the targeted 27,000 learners by 2025.

Pipeline Portfolio

- Auto Service (0.8% of portfolio as of 31 March 2020) – The auto services industry is currently a very fragmented market with approximately GEL2.8 billion annual revenues. GCAP aims to build a diversified business model with a digital platform combining different auto-related services: car services and parts, secondary car trading, car insurance and periodic technical inspection (PTI).
- Digital Services (0.5% of portfolio as of 31 March 2020) – GCAP has entered the digital sector by acquiring a 60% equity stake in Redberry, a leading Georgian digital marketing agency. The acquisition of this attractive service business complements the Georgia Capital Group's existing portfolio as well as provides an opportunity to enhance digital capabilities across its portfolio companies.

In addition to the private businesses, GCAP has two public investments (London Stock Exchange premium-listed Georgian companies): (i) Georgia Healthcare Group PLC, (70.6% equity stake, prior to the Transaction), a UK incorporated holding company of the largest healthcare services provider, the largest pharmaceuticals retailer and wholesaler and the largest medical insurance provider in Georgia and (ii) Bank of Georgia Group PLC, (19.9% equity stake), a leading universal bank in Georgia. The stake in Bank of Georgia Group PLC is held as a listed investment and is considered by Management to be a liquid, tradeable asset on the Georgia Capital Group's balance sheet that could be readily converted into cash as and when the Company decides to monetise the asset. The holding does not form part of the Georgia Capital Group's long-term revenue-generating business portfolio. Following completion of the Transaction, the Company's stake in GHG will be categorised under its Private Late Stage Portfolio companies.

6. Information relating to GHG

GHG is the largest and the only fully integrated healthcare services provider in the fast-growing, predominantly privately-owned Georgian healthcare ecosystem with an aggregate annual market value of approximately GEL3.8 billion. GHG comprises five business lines: hospitals, clinics, pharmacy and distribution, medical insurance and diagnostics. Each business line has its own chief operating officer reporting to the GHG CEO, pursuing value creation through revenue growth, EPS growth and asset productivity (ROIC). GHG targets the population of the entire country and beyond through its vertically integrated network of 18 referral hospitals, 34 clinics, 296 pharmacies and the largest diagnostics laboratory in Georgia, as at 31 December 2019. GHG is the market leader in the country on each operating segment as at 31 December 2019: the largest healthcare services provider accounting for more than 23% of total hospital bed capacity; the largest pharmaceuticals retailer and wholesaler in terms of both, revenue (approximately 32% market share) and number of bills issued (28.8 million); the largest medical insurer with a 32% market share based on the third quarter of 2019 net insurance premiums and with approximately 236,000 insured individuals, according to the Insurance State Supervision Service of Georgia.

Hospitals

GHG is the largest healthcare services provider in Georgia, with 21% market share by referral beds. The business operates 18 referral hospitals, 16 of which are general hospitals and two are speciality hospitals, with a total of 2,967 beds. These hospitals are located in Tbilisi and major regional cities and provide secondary or tertiary-level outpatient and inpatient diagnostic, surgical and treatment services. Hospitals generated GEL289 million net revenue in the year ended 31 December 2019, comprising 28% of GHG's total revenue and 49% of GHG's total EBITDA. Of this amount, 32% was generated from private medical insurance companies and out-of-pocket payments by individual customers and 68% was generated from state-funded healthcare programmes.

Clinics

GHG's clinics business incorporates 15 polyclinics and 19 community clinics. Community clinics are located in regional towns and municipalities, and provide outpatient and inpatient diagnostic, basic surgical and treatment services to the local population. Polyclinics are located in Tbilisi and major regional cities and provide basic and full-scale outpatient diagnostic and treatment services. By adding approximately 47,000 patients in 2019, the business became the market leader by number of registered patients in Tbilisi. At the end of 2018, GHG also entered the dental market and started to launch dental clinics within its polyclinics. Clinics generated GEL44 million net revenue in the year ended 31 December 2019, comprising 4% of GHG's total revenue and 6% of GHG's total EBITDA.

Pharmacy and distribution

GHG is the largest pharmaceuticals retailer and wholesaler in Georgia, with approximately 32% market share by revenue as of 31 December 2019. GHG has two pharmacy brands: GPC for the higher-end customer segment and Pharmadepot for the mass retail segment. GHG's 296 pharmacies are located in Tbilisi and other major regional cities. Pharmaceutical products generated GEL615 million revenue in the year ended 31 December 2019, comprising 59% of GHG's total revenue and 42% of GHG's total EBITDA.

Medical insurance

GHG is the largest medical insurance provider in Georgia offering a variety of medical insurance products via a wide distribution network. GHG had approximately 236,000 medical insurance customers as at 31 December 2019. Medical insurance generated GEL75 million of total revenue in the year ended 31 December 2019 comprising 8% of GHG's total revenue and an insignificant percentage of GHG's EBITDA. All of this revenue was generated by private medical insurance customers.

Diagnostics

GHG operates largest diagnostics laboratory in Georgia and Caucasus region. In addition to basic laboratory tests, the new laboratory allows GHG to offer complex tests for oncology and molecular lab, some of which have never been available in Georgia. Diagnostics generated GEL5 million of total revenue in the year ended 31 December 2019 (first year of its operations) comprising 1% of GHG's total revenue and an insignificant percentage of GHG's EBITDA.

7. GCAP's current trading, trends and prospects

Georgia has, so far, managed to effectively deal with the COVID-19 pandemic. The Government of Georgia's (GoG) steps resulted in the lowest number of confirmed cases and deaths per capita in the region. International Monetary Fund (IMF) estimates Georgia's GDP growth to contract by 4% in 2020 and to rebound to 4% in 2021. Strong pre-COVID-19 macroeconomic fundamentals and the effective anti-crisis measures were reflected in the country's 1Q20 GDP growth, which was positive 1.5% despite the pandemic.

On 19 May 2020, GCAP issued its trading update for the first quarter of 2020. The impact and magnitude of the COVID-19 is still very difficult to estimate. Most of GCAP's portfolio, however, is largely concentrated in structurally important, defensive sectors. GCAP's equity (GEL) was down 35.2% in 1Q20 (1.1 billion GEL as at 31 March 2020 as compared to 1.8 billion GEL as at 31 December 2019), mainly impacted by reduced share prices of BOG and GHG (reduction of GEL 368 million in fair value of listed investments). Despite solid operating performance in 1Q20, valuations also decreased across GCAP's private businesses by GEL 85 million. GCAP's equity was further impacted by GEL depreciation against USD by 14.5%, resulting in foreign exchange loss of GEL 92 million on GCAP's net debt.

In 1Q20 GCAP's portfolio generated strong operating cash flow, up almost three times year on year growth to GEL 92.3 million in 1Q20. Negative value creation in GCAP's private portfolio comprised

GEL 137 million, primarily reflecting contractions in the multiples across the peer group companies that drive most of the valuations. Decrease in the value of private business excluding multiple change and currency exchange rate effect was GEL 63 million, of which, GEL 56 million was related to the hospitality business.

Prior to the COVID-19 outbreak, GCAP allocated GEL 56 million capital across its private portfolio in 1Q20, of which, GEL 38.7 million was for the buyout of the minority shareholder in Renewable Energy. In 1Q20 Renewable Energy already paid GEL 5 million dividend, reflecting the strong performance of recently acquired Qartli Wind farm. Following the 1Q20 capital allocations, GCAP's liquidity remained high at GEL 306 million at 31 March 2020.

Looking ahead, GCAP's businesses that are most exposed to a slow re-opening of economy are hospitality, auto service and possibly beer business, however the range of possible outcomes remains wide. GCAP's portfolio companies are optimising operating expenditures and capital investments with the key focus on preserving cash. Similarly, GCAP has put on hold capital allocations and expects to make only limited investments until the end of 2020. Having focused on financial discipline well before COVID-19, GCAP's companies entered this crisis well prepared and remain well positioned to emerge stronger.

8. GHG's current trading, trends and prospects

As the largest healthcare provider in the country, GHG has risen to the challenge of supporting the Government's efforts against COVID-19 while, at the same time, developing significant group-wide action plans to cater for its patients' and customers' needs, as well as to ensure the health and well-being of all of its employees. In close co-ordination with the Government, GHG has made six of its hospitals (c.600 beds) available across the country, for COVID-19 patients. These facilities are already prepared with properly trained medical teams, isolation wards, and fully equipped intensive and critical care units. In May, two of them already officially started to engage and receive the patients.

The start of the lockdown restrictions has impacted GHG's first quarter performance, and April was particularly challenging. Nevertheless, each main business remained EBITDA positive throughout this period. GHG's balance sheet is strong and it has increased cash and liquidity to maintain this strength to be well prepared for the post recovery opportunities. As the situation improves in the country, the Government has started gradually to lift the restrictions, which will also help the rebound trend.

The impact of COVID-19 has been different in each of the GHG Group's businesses. In the Hospitals and Clinics businesses the most significant impact has been a meaningful reduction in patient footfall, both in terms of lower emergency treatment requirements, and the cancellation and/or postponement of many elective procedures during the lockdown. This reduction led to utilisation levels falling to between 35% and 40% during April, although there have been some early signs of a pick-up in treatments and utilisation rates in May, as the country started gradually to lift lock-down restrictions. The Pharmacy and Distribution business has been more resilient throughout the pandemic, as GHG's pharmacies remained open throughout Georgia's initial economic lockdown and delivered a small increase in quarter on quarter sales. In the Medical Insurance business, the main impact of the last few months has been a reduction in loss ratios. As a result, in the first quarter of 2020, GHG's equity (GEL) was down 2.7% (GEL588 million as at 31 March 2020 as compared to GEL602 million as at 31 December 2019). Profit / (loss) before income tax expense was down GEL25 million as compared to the first quarter of 2019, with GHG reporting a loss of GEL8 million in the first quarter of 2020 and a profit of GEL17 million in the first quarter of 2019.

In 1Q20 GHG reported 10.6% year on year growth in gross revenues (before corrections and rebates) to GEL 260.1 million. Excluding the impact of IFRS 16, GHG delivered EBITDA of GEL 36.3 million, 3% lower than in the first quarter of last year and posted near break-even profit of GEL 0.1 million in, excluding the IFRS 16 lease accounting impact. The GHG Group's adjusted profit and EPS in 1Q20 totalled GEL 14.3 million and GEL 0.07 respectively, both excluding IFRS 16 impact. GHG's balance sheet remains robust and, during the quarter, net debt continued to fall as a result of continued strong operating cash flows. Net cash flows from operating activities increased in 1Q20 by 65% to GEL 43.2 million, with an EBITDA to cash conversion ratio of 119%, reflecting strong cash collections in the Hospitals and Clinics businesses. The GHG Group's return on invested capital reduced slightly, from 12.3% to 11.8%.

During the quarter GEL depreciation led to foreign exchange losses, largely attributable to the revaluation of foreign currency denominated payable in the Pharmacy and Distribution business, which created a net loss from foreign currencies, excluding the impact of IFRS 16, of GEL 13.5 million. So far, this impact has partially reversed in the second quarter.

Given the significant level of uncertainty with regard to the global impact of COVID-19, and the potential length of time of that impact, GHG has reconsidered its planned levels of capital expenditure and for the moment is prioritising those projects that are important to current business operations. As a result, the level of expected capital expenditure for 2020 has been reduced from the previously anticipated GEL c.40 million, to GEL c.25 million. In addition, on 18 March 2020, the GHG Board announced that it had decided not to recommend a dividend to shareholders at the 2020 Annual General Meeting, pending a greater understanding of the full economic impact of the COVID-19 pandemic. As a result of the ongoing uncertainties, the GHG Board has confirmed that the GHG Group will not distribute a 2019 dividend to shareholders. The GHG Group continues to generate positive cash flows and the GHG Board plans to return to its targeted payout ratio range of 20%-30% of annual profit attributable to shareholders as soon as practically possible.

9. Delisting and compulsory acquisition

If the Transaction becomes or is declared unconditional in all respects, with sufficient acceptances having been received, GCAP intends to make an application for the cancellation of the listing of the GHG Shares on the Official List and for the cancellation of trading of the GHG Shares on the London Stock Exchange's main market for listed securities.

Cancellation of listing on the Official List and admission to trading on the London Stock Exchange will become effective no earlier than the date that is 20 business days after GCAP has announced that it has received sufficient acceptances from independent shareholders of GHG that represent a majority of the voting rights attaching to the GHG Shares held by independent shareholders on 19 May 2020, being more than 19,181,285 GHG Shares held by independent shareholders of GHG.

The Offer Document will set out details of the expected last day of dealings in GHG Shares on the main market of the London Stock Exchange.

The cancellation of the listing would significantly reduce the liquidity and marketability of any GHG Shares not assented to the Transaction at that time.

If GCAP receives acceptances under the Transaction in respect of, or otherwise acquires, 90% or more of the GHG Shares to which the Transaction relates, GCAP will exercise its rights pursuant to the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining GHG Shares in respect of which the Transaction has not been accepted.

It is also intended that, following the Transaction becoming or being declared unconditional in all respects and GHG having been delisted, GHG will be re-registered as a private company under the relevant provisions of the Companies Act.

For the avoidance of doubt, in respect of the Transaction, GHG has agreed to waive the restriction under the Relationship Agreement on GCAP taking any action that is likely to result in the cancellation of GHG's listing on the premium listing segment of the Official List or trading on the London Stock Exchange's main market for listed securities.

14. GCAP General Meeting and GCAP Resolutions

As described in paragraph 1 of this letter, the Transaction is conditional on GCAP Shareholders passing the GCAP Resolutions at the GCAP General Meeting, which will be held at 84 Brook Street, London W1K 5EH on 6 July 2020 at 11:00 a.m., which (a) approves the Transaction and authorises GCAP Directors to implement the Transaction, (b) and, authorises GCAP Directors to allot the New GCAP Shares up to an aggregate nominal amount of £77,341 pursuant to the Transaction.

The authority to allot the New GCAP Shares represents approximately 19.25% of the total issued ordinary share capital of GCAP as at 5 June 2020.

The passing of the GCAP Resolutions requires more than 50% of the votes cast in respect of the GCAP Resolutions to be in favour of them. The full text of the GCAP Resolutions and other matters is set out in the Notice of the General Meeting attached to this Document. If the GCAP Resolutions are not passed, the Transaction will not proceed.

GCAP Shareholders should note GCAP's update in relation to the COVID-19 situation on page 8 of this document. In particular, GCAP Shareholders should note that they may be prohibited from attending the GCAP General Meeting in person depending on the UK Government's restrictions on social gatherings in place at the time of the GCAP General Meeting.

15. Further information

Your attention is drawn to the further information set out in Part II to Part V of this Document, together with the Prospectus and the Offer Document. In particular, GCAP Shareholders should consider fully and carefully the risk factors associated with the Transaction, which are set out in Part II (*Risk Factors*). **Shareholders are advised to read the whole of this document and not merely rely on the summarised information set out in this letter.**

16. Financial advice

GCAP's directors have received financial advice from Numis in relation to the Transaction. In providing its advice, Numis has relied upon the commercial assessments of GCAP's directors.

Numis has given and not withdrawn its consent to the inclusion in this document of reference to its advice to GCAP's directors in the form and context in which they appear.

17. Recommendation

GCAP's board of directors consider the Transaction to be in the best interests of GCAP and its shareholders as a whole and unanimously recommend that GCAP's shareholders vote in favour of the GCAP Resolutions to be proposed at the GCAP General Meeting, as all GCAP directors who hold GCAP shares have irrevocably undertaken to do in respect of their own holdings of, in aggregate, 818,963 GCAP Shares representing approximately 2.04% of the existing issued ordinary share capital of GCAP on 5 June 2020, being the latest practicable date before the date of this Document.

Yours faithfully,

Irakli Gilauri
Chairman and CEO

PART II

RISK FACTORS

The attention of GCAP Shareholders is drawn to certain risks that could materially affect GCAP, GHG, the Transaction and the Combined Group. GCAP Shareholders should carefully consider all of the information in this Document and, in particular, the risks described below before deciding to vote in favour of the GCAP Resolutions. Additionally, some risks may be unknown to GCAP and other risks, currently believed to be immaterial, could turn out to be material. All of these could materially and adversely affect GCAP's, GHG's and the Combined Group's business, financial condition, results of operations and prospects. The market price of the GCAP Shares could decline due to any of these risks and GCAP Shareholders may lose all or part of their investment. This Document also contains forward-looking statements that involve risks and uncertainties, including those described under "Forward-Looking Statements" elsewhere in this Document. GCAP's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by GCAP described below and elsewhere in this Document.

The risks described below are not an exhaustive list or explanation of all risks that investors may face when making an investment in the GCAP Shares. To the extent the description in this section relates to government or macroeconomic data, such information has been extracted from official government publications or other third-party sources and has not been independently verified by GCAP.

While the Transaction remains subject to the fulfilment or waiver of certain conditions and there is no assurance that the Transaction will be completed, certain of the risk factors below have been drafted on the basis of the Combined Group as it will be in existence following the Transaction (unless expressly stated or the context otherwise requires).

You should consult a legal adviser, an independent financial adviser or a tax adviser for legal, financial or tax advice if you do not understand this document.

Risks and other considerations relating to the Transaction

The implementation of the Transaction is subject to the satisfaction or waiver, where applicable, of a number of conditions.

Implementation of the Transaction is subject to, among other things, the approval of the Transaction by GCAP Shareholders, approvals being obtained from the FCA and the London Stock Exchange in relation to Admission.

Whilst GCAP is confident that all conditions to the Transaction can be satisfied or waived, as applicable, there can be no guarantee that the conditions will be met in a timely way or waived, as applicable, on terms acceptable to both GCAP and GHG, or at all or can be met only after undue diversion of financial resources or management time and attention. If this were the case, the Transaction may be delayed (which would prolong the period of uncertainty for both GCAP and GHG and may result in additional costs to their businesses), or may not complete, each of which could have a material adverse effect on the business, results of operations, financial condition, or prospects of GCAP or GHG.

In certain circumstances, GCAP may not be able to invoke the conditions and terminate the Transaction

GCAP will only be permitted by the Panel to invoke a condition to terminate the Transaction if the Panel is satisfied that the underlying circumstances which GCAP is relying on to terminate the Transaction are considered to be of material significance to GCAP in the context of the Transaction, and this is a high threshold to satisfy. In some cases, invoking a condition will require the relevant circumstances to be of very considerable significance and strike at the heart and purpose of the Transaction. This test may not align with GCAP's commercial interests. There is, therefore, a risk that GCAP will be required to proceed with the Transaction at a time when circumstances have arisen which make, or may make, completion of the Transaction commercially undesirable for GCAP. This could have a material adverse effect on GCAP's business, results of operations, financial condition and prospects.

The GCAP Shares may be subject to market price volatility and the market price of the GCAP Shares may fluctuate significantly

The market price of GCAP Shares may be volatile and subject to wide fluctuations. Fluctuations may occur as a result of a variety of factors, including, but not limited to, those factors referred to in these Risk

Factors, as well as period to period variations in operating results or changes in revenue or profit estimates by the GCAP, industry participants or financial analysts. The market price could also be adversely affected by developments unrelated to GCAP's operating performance, such as the operating and share price performance of other companies that investors may consider comparable to GCAP, speculation about GCAP in the press or the investment community, unfavourable press (including in relation to the GCAP), an unfavourable view of the stock market in respect of the GCAP, strategic actions by competitors (including acquisitions and restructurings), changes in market conditions, regulatory changes and broader market volatility and movements.

Existing Material Risks Relating to the Combined Group which will be impacted by the Transaction

The Combined Group is further exposed to the risks of doing business in Georgia.

Each of the Georgia Capital Group's and the GHG Group's operations are primarily located in, and most of its revenue is sourced from, Georgia. The Combined Group's results of operations are, and are expected to continue to be, significantly affected by political, financial and economic developments in or affecting Georgia and, in particular, by the level of economic activity in Georgia and the wider region. Factors such as gross domestic product, inflation, interest and currency exchange rates, as well as unemployment, personal income, tourist numbers and the financial situation of companies, can have a material impact on customer demand for its products and services. Any existing or further economic disruptions or crises which have a material adverse effect on Georgia's economy could adversely affect the Combined Group's business, financial condition, results of operations or prospects.

PART III

HISTORICAL FINANCIAL INFORMATION RELATING TO GEORGIA CAPITAL PLC

The following documents, which have been filed with the FCA and are available for inspection in accordance with paragraph 11 of Part V (Additional Information) of this Document, contain financial information which is relevant to the Transaction:

- GCAP's 2019 Annual Report and Financial Statements, which include GCAP 's audited financial statements for the year ended 31 December 2019 (*GCAP's 2019 Annual Report and Financial Statements*);

Information incorporated by reference

The information set out in the table below is incorporated by reference into, and forms part of, this Document. Only those parts of the documents identified below which are specifically referred to below are incorporated by reference into, and form part of, this Document.

GCAP's 2019 Annual Report and Financial Statements

([https://georgiacapital.ge/sites/default/files/2020-04/GCAP Annual Report 2019.pdf](https://georgiacapital.ge/sites/default/files/2020-04/GCAP%20Annual%20Report%202019.pdf))

Information incorporated by reference into this Document	Page number in reference document
Independent Auditor's Report to the members of Georgia Capital PLC only.....	169 – 178
Consolidated Statement of Financial Position.....	179
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PART IV

**UNAUDITED PRO FORMA FINANCIAL INFORMATION
FOR THE COMBINED GROUP**

Part A – Unaudited pro forma financial information

The unaudited pro forma financial information set out below has been prepared to illustrate the effect of the proposed Transaction on the net assets of GCAP as if it had occurred on 31 December 2019. The Transaction has no material impact on the *pro forma* income statement of GCAP, since the income statement of GHG is already fully consolidated into the Georgia Capital Group’s consolidated income statement for the year ended 31 December 2019 and the professional fees and expenses related to the Transaction are accounted for as a deduction from equity. The unaudited *pro forma* statement of net assets have been prepared on the basis of, and should be read in conjunction with, the notes set out below.

This pro forma financial information is unaudited and is produced for illustrative purposes only; by its nature it addresses a hypothetical situation and therefore does not represent GCAP’s actual financial position or the results of the Transaction nor is it indicative of the results that may, or may not, be expected to be achieved in the future. It has been prepared in accordance with IFRS accounting policies adopted in the Georgia Capital Group’s consolidated financial statements for the year ended 31 December 2019, on the basis of the notes below and in accordance with the requirements of sections 1 and 2 of Annex 20 to the Prospectus Regulation Rules.

The Pro Forma Financial Information does not constitute financial statements within the meaning of section 434 of the Companies Act 2006.

GCAP Shareholders should read the whole of this document and not rely solely on the unaudited pro forma financial information in this Part IV (*Unaudited Pro Forma Financial Information for the Combined Group*). Ernst & Young’s report on the unaudited consolidated pro forma financial information is set out in Section B of this Part IV (*Unaudited Pro Forma Financial Information for the Combined Group*).

In GEL thousand

	Adjustments			
	GCAP as at 31 December 2019 (note 1)	Acquisition of GHG shares as at 31 December 2019 (note 2)	Fees (note 3)	Pro-forma as at 31 December 2019 (note 4)
Cash and cash equivalents	1,243	—	—	1,243
Prepayments.....	234	—	—	234
Equity investments at fair value.....	1,758,197	122,913	—	1,881,110
Total assets.....	1,759,674	122,913	—	1,882,587
Other liabilities	7,653	—	7,916	15,569
Total liabilities.....	7,653	—	7,916	15,569
Net Assets	1,752,021	122,913	(7,916)	1,867,018

Notes:

- (1) GCAP’s net assets information as at 31 December 2019 has been extracted, without material adjustment, from GCAP’s audited financial statements for the year ended 31 December 2019, set out in GCAP’s 2019 Annual Report and Financial Statements.
- (2) This *pro forma* adjustment reflects the acquisition of 38,670,406 GHG shares as a result of GCAP’s recommended final exchange offer of one GCAP share for every 5 GHG shares. The adjustment of GEL 122,913 thousand to *Equity investments at fair value* represents the fair value of the stake in GHG valued at the Latest Practicable Date.
- (3) This *pro forma* adjustment reflects the impact of the estimated professional fees and expenses related to the Transaction of GEL 7,916 thousands on the 31 December 2019 net assets.
- (4) No adjustment has been made to reflect the changes in the financial position or trading results of GCAP since 31 December 2019 and GHG since 31 December 2019.

Part B – Accountants’ Report on the Unaudited Pro Forma Financial Information

The Directors
Georgia Capital PLC
84 Brook Street
London W1K 5EH

11 June 2020

Dear Sirs

We report on the pro forma financial information (the *Pro Forma Financial Information*) set out in Part A of Part IV of the circular dated 11 June 2020 (the *Circular*), which has been prepared on the basis described in the notes 1 to 4, for illustrative purposes only, to provide information about how the acquisition of share capital of Georgia Healthcare Group PLC not already owned by Georgia Capital PLC (*GCAP*) might have affected the financial information presented on the basis of the accounting policies adopted by GCAP in preparing the financial statements for the period ended 31 December 2019. This report is required by Listing Rule 13.3.3R and is given for the purpose of complying with that rule and for no other purpose.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to ordinary shareholders as a result of the inclusion of this report in the Circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.4.1R (6), consenting to its inclusion in the Circular.

Responsibilities

It is the responsibility of the directors of GCAP to prepare the Pro Forma Financial Information in accordance with Listing Rule 13.3.3R.

It is our responsibility to form an opinion, as required by Listing Rule 13.3.3R, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of GCAP.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of GCAP.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- the Pro Forma Financial Information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of GCAP.

Yours faithfully

Ernst and Young LLP

PART V

ADDITIONAL INFORMATION

1. Responsibility

- 1.1 GCAP and the GCAP Directors, whose names are set out in paragraph 4.1 of this Part V (*Additional Information*), accept responsibility for the information contained in this document. To the best of the knowledge and belief of GCAP and the GCAP Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. GCAP Information

- 2.1 GCAP was incorporated on 5 July 2017 as BGEO Investments Limited. GCAP subsequently changed its name on 13 December 2017 to Georgia Capital Limited. On 8 February 2018 GCAP was re-registered as a public company limited by shares and renamed to Georgia Capital PLC on 8 February 2018. It was incorporated with limited liability in England and Wales, and operates as a public limited company under the Act, with registered number 10852406. GCAP is a resident of the UK for UK tax purposes.
- 2.2 GCAP's registered office and principal place of business is at 84 Brook Street, London, W1K 5EH, its telephone number is +44 (0) 203 178 4052, its LEI number is 213800Q65T5GNBOW7H65 and its website is <https://georgiacapital.ge/>. The contents of GCAP's website do not form part of this Document, other than those parts incorporated by reference at Part IV (*Historical Financial Information of GCAP*) and Paragraph 8 (*Information incorporated by reference*) of this Part VI (*Additional Information*) of this document.
- 2.3 The principal legislation under which the Company operates is the Companies Act 2006.

3. Resolutions

- 3.1 As described in Paragraph 14 of Part I (*Letter from the Chairman of Georgia Capital PLC*) of this document, the following ordinary resolutions will be proposed at the GCAP General Meeting:

Transaction Resolution

The Transaction Resolution, set out as Resolution 1 in the Notice of General Meeting in Part VII (*Notice of General Meeting*) of this document, proposes that: (i) the Transaction be approved and (ii) the GCAP Directors be authorised to take all steps as may be necessary, expedient or desirable to implement the Transaction.

Allotment Resolution

The Allotment Resolution, set out as Resolution 2 in the Notice of General Meeting in Part VII (*Notice of General Meeting*) of this document, proposes that the GCAP Directors be given authority to allot GCAP Shares up to an aggregate nominal amount of £77,341 in connection with the Transaction.

- 3.2 The Transaction will not proceed unless the GCAP Resolutions are passed.

4. Directors

- 4.1 The GCAP Directors and their respective functions are as follows:

Director	Function
Irakli Gilauri.....	Chairman and Chief Executive
David Morrison.....	Senior Independent Director
Kim Bradley.....	Non-Executive Director
Caroline Anne Brown.....	Non-Executive Director
Massimo Gesua'sive Salvadori.....	Non-Executive Director
Jyriki Talvitie	Non-Executive Director
Maria Chatti-Gautier	Non-Executive Director

5. No Significant change

- 5.1 Save as described in the second paragraph of Paragraph 7 of Part I (*GCAP's current trading, trends and prospects*) of this document, there has been no significant change in the financial position or performance of the Georgia Capital Group since 31 December 2019 being the date to which the Georgia Capital Group's latest audited consolidated accounts were published.
- 5.2 Save as described in the third paragraph of Paragraph 8 of Part I (*GHG's current trading, trends and prospects*) of this document, there has been no significant change in the financial position or performance of the GHG Group since 31 December 2019, being the date to which the GHG Group's latest audited consolidated accounts were published.

6. Working capital statement

GCAP is of the opinion that, taking into account bank and other facilities available to the Combined Group, the Combined Group has sufficient working capital for its present requirements, that is for at least the next 12 months following the date of this Document.

7. Consents

- 7.1 Ernst & Young LLP has given and not withdrawn its consent to the inclusion of the report on the unaudited pro forma financial information set out in Part B of Part IV (*Unaudited Pro Forma Financial Information For the Combined Group*) of this Circular, in the form and context in which it appears.
- 7.2 Numis Securities Limited has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which they appear.

8. Information incorporated by reference

The following sections of the Prospectus are incorporated by reference into this Document. Where the information described below itself incorporates further information by reference to another document, that further information is not intended to form part of this Circular for any purpose.

The Prospectus has been published by GCAP and can be viewed on its website: www.georgiacapital.ge. The Prospectus contains information regarding, among other things, the reasons for the Transaction, further details concerning GCAP, GHG, the Combined Group and the New GCAP Shares.

Information incorporated by reference into this Document	Page number in Prospectus
Taxation.....	136
Georgia Capital Directors' and Senior Managers' interests in Georgia Capital.....	153
Georgia Capital Director's terms of employment.....	154
Employee Share Plans.....	156
Principal Shareholders.....	156
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9. GHG's dividends and distributions paid

Details of the amount of dividends and distributions paid by GHG in the past three years are as follows:

Year	Dividend / Distribution (GEL thousand)
2019.....	6,952
2018.....	—
2017.....	—

10. Price per GHG Share

Details of the price per GHG Share and the imputed value of the holding of GHG Shares being acquired are as follows:

Date	Price per GHG Share as at close of business⁽¹⁾ (£)	Value of Acquisition (£)
10 June 2020	0.889	34,377,991
5 June 2020	0.850	32,869,845
29 May 2020	0.840	32,483,141
18 May 2020	0.887	34,300,650
30 April 2020	0.878	33,952,616
31 March 2020	0.780	30,162,917
28 February 2020	1.160	44,857,671
31 January 2020	1.230	47,564,599
31 December 2019	1.230	47,564,599

(1) Prices are derived from data provided by Thomson Reuters Datastream and refer to trading on the London Stock Exchange only.

11. Documents available for inspection

Until and including the Completion Date (or the date on which the Transaction terminates, if earlier) copies of the following documents will be available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at GCAP's registered offices, via the link on GCAP's website at: www.georgiacapital.ge, and will also be available for inspection at the GCAP General Meeting for at least 15 minutes prior to and during the GCAP General Meeting until it ends:

11.1 the GCAP Articles;

11.2 the accountant's report on the unaudited pro forma financial information of the Combined Group set out in Part B of Part IV of this Circular;

11.3 the consent letters referred to in paragraph 7 of this Part V (*Additional Information*);

11.4 the Offer Document;

11.5 the Prospectus and

11.6 this document and the Form of Proxy; and

11.7 GCAP's 2019 Annual Report and Financial Statements.

GCAP Shareholders should note GCAP's update in relation to the COVID-19 situation on page 8 of this document. In particular, GCAP Shareholders may not be permitted to inspect these documents at GCAP's registered offices or the GCAP General Meeting in person as a result of the UK Government's restrictions in place until such time as the UK Government's restrictions are lifted.

PART VI

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise.

Admission	admission to trading on the London Stock Exchange
Allotment Resolution	the resolution numbered 2 set out in the Notice of General Meeting
Announcement	the announcement made by GCAP on 19 May 2020 in relation to the Transaction
Business Day	a day (other than a Saturday, Sunday, public or bank holiday) on which banks are generally open for normal business in London and New York
certificated or in certificated form	shares not recorded as being in uncertificated form
Code	the City Code on Takeovers and Transactions as from time to time amended and interpreted by the Panel
Closing Price	the closing middle market quotations of a share derived from the Daily Official List of the London Stock Exchange
Combined Group	GCAP and GHG following Completion
Companies Act	the Companies Act 2006, as amended from time to time
Completion	completion of the Transaction
Conditions	the conditions to the Transaction as set out in the Offer Document, and “Condition” shall mean any one of them
CREST	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 / 3755)) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in such Regulations) in accordance with which securities may be held and transferred in uncertificated form
CREST Manual	the CREST Manual published by Euroclear, as amended from time to time
CREST Proxy Instruction	a proxy appointment or instruction made using the CREST service
Computershare	Computershare Investor Services PLC
Daily Official List	the daily official list of the FCA
EBITDA	earnings before interest, taxes, depreciation and amortisation
EEA	the EU Member States together with Norway, Iceland and Liechtenstein
Exchange Act	U.S. Securities Exchange Act of 1934
Exchange Offer	the share exchange offer by GCAP of one GCAP share for every 5.22 GHG Shares which was announced on 18 November 2019 and closed on 17 December 2019
FCA	the UK Financial Conduct Authority
Form(s) of Proxy	the Form of Proxy for use at the GCAP General Meeting, which are being sent to GCAP Shareholders with this document
GDPR	the General Data Protection Regulation
GCAP or the Company	Georgia Capital PLC
GCAP Articles	the articles of association of GCAP as amended from time to time
GCAP Board	the board of directors of GCAP as at the date of this document

GCAP Directors	the directors of GCAP as at the date of this document or, where the context so requires, the directors of GCAP from time to time
GCAP General Meeting	the general meeting (or any adjournment thereof) of the GCAP Shareholders to be convened in connection with the Transaction, to consider and, if thought fit, pass the GCAP Resolutions
GCAP Resolutions	the Transaction Resolution and the Allotment Resolution
GCAP Shareholders	the registered holders of GCAP Shares from time to time
GCAP Shares	the ordinary shares of 1 penny each in the capital of GCAP
Georgia Capital Group	GCAP, its subsidiaries and its subsidiary undertakings from time to time
GHG	Georgia Healthcare Group PLC
GHG Group	GHG, its subsidiaries and its subsidiary undertakings from time to time
GHG Shareholders	the registered holders of GHG Shares from time to time
GHG Shares	the ordinary shares of 1 penny each in the capital of GHG
Independent Directors	means Bill Huyett, Nick Gamkrelidze, Fabian Blank, Mike Anderson, Tim Elsigood, Ingeborg Øie and Jacques Richer, each of whom is a director of GHG
independent shareholders	shall be construed in accordance with the Listing Rules and shall mean independent shareholders as at 19 May 2020
ISIN	International Securities Identification Number
Latest Practicable Date	means 5 June 2020, being the latest practicable date prior to the publication of this document
LIBOR	the London interbank offer rate
Listing Rules	the rules and regulations made by the FCA in its capacity as the UK Listing Authority under the Financial Services and Markets Act 2000, and contained in the UK Listing Authority's publication of the same name
MAR	the Market Abuse Regulation
MiFID II	the revised Markets in Financial Instruments Directive
New GCAP Shares	the GCAP Shares which are to be issued pursuant to the Transaction, the terms of which are set out in the Prospectus
Notice of General Meeting	means the notice of the GCAP General Meeting included at Part VII (<i>Notice of General Meeting</i>) of this document
Offer Document	the Offer Document published by GCAP in connection with this Transaction
Official List	the official list maintained by the UK Listing Authority
Options	options and/or awards over GCAP Shares granted under the GCAP Share Plans
Panel	the UK Panel on Takeovers and Mergers
PD Regulation	Commission Regulation (EC) No.809/2004
Prospectus	the prospectus published by GCAP in connection with this Transaction
Regulatory Information Service	any of the services authorised by the FCA from time to time for the purpose of disseminating regulatory announcements
Reporting Accountant(s)	Ernst & Young LLP

Restricted Jurisdiction	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Transaction is sent or made available to GCAP Shareholders in that jurisdiction
RNS	Regulatory News Service
Subsidiary	has the meaning given in section 1159 of the Companies Act 2006
subsidiary undertaking	has the meaning given in section 1162 of the Companies Act 2006
TD II	the Transparency Directive
Third Party	any central bank, government, government department or governmental, quasi governmental, supranational, statutory, regulatory, environmental or investigative body, authority (including any national or supranational anti trust or merger control authority), court, trade agency, association, institution or professional or environmental body or any other person or body whatsoever in any relevant jurisdiction, including, for the avoidance of doubt, the Panel
Transaction	the recommended final share exchange offer by GCAP for GHG announced on 19 May 2020
Transaction Resolution	the resolution numbered 1 set out in the Notice of General Meeting
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
UKLA or UK Listing Authority	the FCA acting in its capacity as the competent authority for listing under the Financial Services and Markets Act 2000
Unaudited Pro Forma Financial Information	the unaudited <i>pro forma</i> statement of net assets of the Combined Group
uncertificated or in uncertificated form	recorded on the relevant register of members as being held in uncertificated form and title to which may, by virtue of the CREST Regulations, be transferred by means of CREST
United States or US	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
VAT	value added tax

All times referred to are London time unless otherwise stated.

All references to “**GBP**”, “**pence**”, “**sterling**”, “**£**” or “**p**” are to the lawful currency of the United Kingdom.

All references to “**EUR**”, “**Euro**” or “**€**” are to the single currency established for members of the European Economic and Monetary Union from 1 January 1999.

All references to “**GEL**” are to the lawful currency of Georgia.

All references to “**US dollar**”, “**USD**”, “**US\$**” or “**cents**”, are to the lawful currency of the United States.

All references to statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.

PART VII

NOTICE OF GENERAL MEETING

NOTICE OF GENERAL MEETING OF GEORGIA CAPITAL PLC

Notice is hereby given that a general meeting of GCAP (the “**Company**”) will be held at 84 Brook Street, London W1K 5EH on 6 July 2020 at 11:00 a.m. (London time) for the purpose of considering and, if thought fit, passing the following resolutions.

Capitalised terms used in this Notice of General Meeting (the “**Notice**”) which are not defined herein shall have the meanings ascribed to them in this document of which this Notice forms part.

The resolutions are being proposed as ordinary resolutions.

ORDINARY RESOLUTIONS

1. **THAT:**

- (a) the recommended final share exchange offer by the Company for Georgia Healthcare Group PLC (the **Transaction**) substantially on the terms and subject to the conditions as described in:
 - (i) the Offer Document dated 11 June 2020,
 - (ii) the prospectus dated 11 June 2020, and
 - (iii) the circular to shareholders of the Company dated 11 June 2020, of which this Notice forms part,

be and is hereby approved; and

- (b) the directors of the Company (the **Directors**) (or any duly constituted committee thereof) be and are hereby authorised to take all necessary or appropriate steps and to do all necessary or appropriate things to implement, complete or procure the implementation or completion of the Transaction and give effect thereto with such modifications, variations, revisions, waivers or amendments (not being modifications, variations, revisions, waivers or amendments of a material nature) as the Directors (or any duly authorised committee thereof) may deem necessary, expedient or appropriate in connection with the Transaction.

2. **THAT**, subject to and conditional upon:

- (a) the passing of Resolution 1 above and without prejudice to all existing authorities (which will remain in full force and effect), and
- (b) the Transaction becoming or being declared wholly unconditional, except for Admission,

the Directors be and hereby are generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (in addition, to the extent unutilised, to the authority granted to the Directors at the general meeting of the Company held on 22 May 2019, which remains in full force and effect and without prejudice to the continuing authority of the directors to allot equity securities pursuant to an offer or agreement made by the Company before the expiry of the authority pursuant to which such offer or agreement was made) to exercise all the powers of the Company to allot the New GCAP Shares and grant rights to subscribe for or to convert any security into shares in the Company, up to an aggregate nominal amount of £77,341, in each case, credited as fully paid, with authority to deal with fractional entitlements arising out of such allotment as they think fit, subject always to the terms of the Transaction and to take all such other steps as they may in their absolute discretion deem necessary, expedient or appropriate to implement such allotments in connection with the Transaction, and which authority shall expire at the close of business on 31 December 2020 (unless previously revoked, renewed or varied by the Company in a general meeting), save that the Company may before such expiry make an offer or enter into an agreement that would or might require shares to be allotted, or rights to subscribe for or to convert securities into shares to be granted, after such expiry and the Directors may allot shares or grant such rights in pursuance of such an offer or agreement as if the authority conferred by this resolution had not expired.

By order of the board of directors of the Company

Link Company Matters Limited

Company Secretary

11 June 2020

Registered office:

Georgia Capital PLC

84 Brook Street,

London W1K 5EH

Registered in England & Wales No. 10852406

Notes to the Notice of General Meeting

1. Entitlement to Attend and Vote

Shareholders registered in the Register of Members of the Company as at 6:00 pm (London time) on 2 July 2020 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting excluding non-working days) shall be entitled to attend or vote at the GCAP General Meeting in respect of the Ordinary Shares registered in their name at that time. Changes to entries on the Register of Members after 6:00 pm (London time) on 2 June 2020 will be disregarded in determining the rights of any person to attend or vote at the GCAP General Meeting.

2. Proxies

Members are entitled to appoint a proxy (who need not be a member of the Company) to exercise all or any of their rights to attend, speak and vote on their behalf at the GCAP General Meeting. Given the current guidance around COVID-19 and the general uncertainty on what additional and/or alternative measures may be put in place, the Board requests that shareholders do not attend the GCAP General Meeting but instead appoint a proxy and provide voting instructions in advance of the GCAP General Meeting. Shareholders are strongly encouraged to appoint the Chairman of the meeting as their proxy. If someone other than the Chairman of the meeting is appointed as a proxy, it is likely that they will not be able to attend or vote at the meeting because of the restrictions currently in place.

A member may appoint more than one proxy in relation to the GCAP General Meeting provided that each proxy is appointed to exercise the rights attached to different Ordinary Shares held by that member. Members who wish to appoint more than one proxy in respect of their holding may obtain additional Forms of Proxy by contacting the Company's Registrars, Computershare on +44 (0370) 702 0176 or may photocopy the Form of Proxy provided with this document indicating on each copy the name of the proxy appointed and the number of Ordinary Shares in respect of which that proxy is appointed. All Forms of Proxy should be returned together in the same envelope.

Completion of the Form of Proxy will not prevent a member from subsequently attending and voting at the GCAP General Meeting in person if they so wish. The Form of Proxy, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must be received by post at the offices of the Company's Registrars, Computershare Investor Services PLC (*Computershare*) at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY no later than 11:00 am (London time) on 2 July 2020.

Members may submit their proxies electronically at www.investorcentre.co.uk/eproxy using the Control Number, their unique PIN and Shareholder Reference Number (SRN) printed on your Form of Proxy.

3. Information Rights and Nominated Persons

Persons who have been nominated under section 146 of the Companies Act 2006 (a *Nominated Person*) to enjoy information rights do not have a right to vote or appoint a proxy at the GCAP General Meeting and the statements of the rights of members in relation to the appointment of proxies in note 2 above does not apply to Nominated Persons. The rights described in that note can only be exercised by members of the Company.

However, a Nominated Person may have the right (under an agreement with the member by whom they were nominated) to be appointed, or to have someone else appointed, as a proxy for the GCAP General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise that right, they may have a right to give voting instructions to the registered shareholder under any such agreement.

4. Corporate Representatives

A corporate shareholder may appoint a person or persons to act as its representative(s) at the GCAP General Meeting. Each such representative may exercise (on behalf of the corporate shareholder) the same powers as the corporate shareholder could exercise if they were an individual shareholder in the Company, provided that they do not do so in relation to the same Ordinary Shares.

5. CREST Proxy Instructions

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the GCAP General Meeting to be held on 6 July 2020 and any adjournment thereof

by following the procedures described in the CREST Manual. CREST Personal Members or other CREST Sponsored Members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID Number 3RA50) no later than 11am (London time) on 2 July 2020. No message received through the CREST network after this time will be accepted. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The CREST Manual is available at www.euroclear.com/CREST.

CREST members and, where applicable, their CREST sponsors or voting service provider should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member or Sponsored Member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company will treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

6. Issued Share Capital and Total Voting Rights

Holders of Ordinary Shares are entitled to attend and vote at general meetings of the Company. Each Ordinary Share entitles the holder to one vote on a poll. As at 5 June 2020, being the last practicable date prior to the publication of this Notice, the Company's issued share capital consisted of 40,169,775 Ordinary Shares.

The Company does not hold any Ordinary Shares in treasury within the meaning of the Act.

Therefore, the total voting rights in the Company as at 5 June 2020 are 40,169,775.

7. Voting at the GCAP General Meeting

Each of the resolutions to be put to the GCAP General Meeting will be voted on by way of a poll and not by a show of hands. In this way, the voting preferences of all shareholders are taken into account not only those who are able to physically attend the GCAP General Meeting. The results of the poll will be notified to the market in the usual way and published on the Company's website after the meeting.

8. Questions

Any member attending the GCAP General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the GCAP General Meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the GCAP General Meeting that the question be answered.

9. Display Documents

Copies of the service contract for the Executive Director, the letters of appointment for the Non-Executive Directors and the Company's Articles of Association are available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) and also at the place of the GCAP General Meeting from 11:00 a.m. (London time) on the day of the GCAP General Meeting until the conclusion thereof.

10. Information available on the website

A copy of this Notice and other information required by section 311A of the Companies Act 2006 can be found at www.georgiacapital.ge.

11. Electronic address

Please note that shareholders may not use any electronic address provided in this Notice or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.

