

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 Georgia Capital PLC 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 Georgia Capital PLC 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.

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 portfolio companies and portfolio undertakings from time to time, the *Group*).

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)

PROPOSED DISPOSAL OF WATER UTILITY BUSINESS

By

JSC Georgia Capital

A 100% subsidiary of 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 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 100 New Bridge Street, London, EC4V 6JA at 11 a.m. on 31 January 2022, 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 page 7 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 11:00 am on 27 January 2022. 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 am on 27 January 2022.

GCAP Shareholders should note GCAP's update in relation to the COVID-19 situation on page 8-9 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.

If you have any questions about this document, 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*).

Numis Securities Limited ("Numis"), which is authorised and regulated in the United Kingdom by the FCA, is acting as Financial Adviser and Sponsor exclusively for GCAP and no one else in connection with the matters set out in this document and neither Numis nor any of its affiliates will regard any other person as its client in relation to the matters in this document and neither Numis nor any of its affiliates will 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.

Apart from the responsibilities and liabilities, if any, which may be imposed upon Numis by FSMA or the regulatory regime established thereunder in connection with its role as Sponsor for GCAP in relation to the matters set out in this document, neither Numis nor any of its affiliates accepts any responsibility whatsoever and makes no representation or warranty, express or implied, for or in respect of the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with GCAP, and nothing in this document is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or future. Numis accordingly disclaim, to the fullest extent permitted by law, all and any responsibility and liability whatsoever arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this document or any such statement.

The date of publication of this document is 6 January 2022.

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 statement 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 UK Disclosure and Transparency Rules and the UK 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 Continuing 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: <https://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 Relating to Georgia Capital PLC*) and Paragraph 15 (*Information incorporated by reference*) of Part V (*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.

TABLE OF CONTENTS

Important Notices	3
To Vote on the Transaction	6
Action to be Taken	7
Expected Timetable of Principal Events	10
Company Directors, Company Secretary, Registered Office and Advisers	11
General Information	12
Part I Letter from the Chairman of Georgia Capital PLC	13
Part II Risk Factors	21
Part III Principal Terms and Conditions of the Transaction	26
Part IV Historical Financial information Relating to Georgia Capital PLC	32
Part V Additional Information	36
Part VI Definitions	46
Part VII Notice of General Meeting	51

TO VOTE ON THE TRANSACTION

This page should be read in conjunction with the section entitled ACTION TO BE TAKEN, set out on page 7 of this document, and the rest of the document, in particular, the notice of the GCAP General Meeting on pages 56-60.

Whether or not you plan to attend the meeting, you should appoint a proxy to exercise your rights to attend, speak and vote at the GCAP General Meeting by sending a Form of Proxy by post, appointing a proxy online, or appointing a proxy through CREST.

If you require assistance, please telephone Computershare on +44 (0) 370 702 0176 from within the UK or on +44 (0) 370 702 0176 from outside the UK 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 8-9 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 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 100 New Bridge Street, London, EC4V 6JA, United Kingdom at 11 a.m. on 31 January 2022. 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.

2. Voting at the GCAP General Meeting

The Transaction will require approval at a meeting of GCAP Shareholders to be held at 100 New Bridge Street, London, EC4V 6JA at 11 a.m. on 31 January 2022. The Transaction constitutes a “Class 1 Transaction” for GCAP under the Listing Rules and will require the passing by GCAP Shareholders of the Transaction Resolution to be proposed at the GCAP General Meeting. Additionally, due to its size, the Seller Break Fee, which is payable by JSC GCAP if JSC GCAP fails to transfer the ordinary shares in GGU required to give effect to First Completion, is a Class 1 Transaction and therefore the Break Fee Resolution shall also require the approval of the GCAP Shareholders.

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 27 January 2022, 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 27 January 2022 (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 27 January 2022 (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, given the evolving nature of the situation and the possibility for circumstances to change before the date of the GCAP General Meeting such that larger gatherings are no longer permissible, the GCAP Board requests that GCAP 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. GCAP Shareholders are strongly encouraged to appoint the Chairman of the meeting as their proxy to ensure that their vote is able to be cast in accordance with their wishes at the GCAP General Meeting. If someone other than the Chairman of the meeting is appointed as a proxy, they may not be able to attend or vote at the meeting because of the restrictions currently in place.

If the GCAP Board believes that it becomes necessary or appropriate to make alternative arrangements for the holding of the GCAP General Meeting due to COVID-19, it will ensure that GCAP 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/water-utility-disposal>. GCAP Shareholders should therefore continue to monitor the Company's website and announcements via a regulatory information service for any updates in relation to the arrangements for the GCAP General Meeting that may need to be provided.

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 (from outside the UK, international rates apply) 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 materially, the revised dates and/or times will be notified to GCAP Shareholders by announcement through the Regulatory Information Service of the London Stock Exchange.

Event	Time and Date
Publication of this document and the Notice of General Meeting	6 January 2022
Latest time and date for receipt of Form of Proxy, CREST Proxy Instructions and electronic registration of proxy appointment	11:00 a.m. on 27 January 2022
Record Time for entitlement to vote at the GCAP General Meeting	6:00 p.m. on 28 January 2022
General Meeting	11:00 a.m. on 31 January 2022
First Completion: Expected date (subject to GCAP Shareholder approval)	On or around 3 February 2022
First Long Stop Date	31 March 2022
Earliest date for GGU Bond Redemption (Bond Redemption Date)	1 August 2022
Second Completion: GGU to demerge Renewable Energy Business to JSC GCAP	as soon as practicable after the Bond Redemption Date
Earliest date for Second Long Stop Date	1 May 2023
Earliest date for exercise of Put Option	On or around 1 April 2025
Latest date for exercise of Put Option	On or around 30 September 2026
Earliest date for exercise of Call Option	On or around 1 October 2026
Latest date for exercise of Call Option	On or around 31 March 2028

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

**COMPANY DIRECTORS, COMPANY SECRETARY,
REGISTERED OFFICE AND ADVISERS**

Directors:	Irakli Gilauri David Morrison Kim Bradley Caroline Anne Brown Massimo Gesua'sive Salvadori Jyrki 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:	Link Company Matters Limited	
Registered Office:	42 Brook Street, London, W1K 5DB	
Financial Adviser, Corporate Broker and Sponsor to the Company:	Numis, 45 Gresham Street, London, EC2V 7BF	
Legal Advisers to the Company as to English law:	Baker & McKenzie LLP, 100 New Bridge Street, London, EC4V 6JA	
Reporting Accountants to the Company:	Ernst & Young LLP, 1 More London Place, London, SE1 2AF	
Auditors to the Company:	Ernst & Young LLP, 1 More London Place, London, SE1 2AF	
GCAP Registrars:	Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY	

GENERAL INFORMATION

Presentation of financial information

Unless otherwise stated financial information relating to the Group has been extracted without material adjustment from the documents incorporated by reference described in Part IV (*Historical Financial information Relating to Georgia Capital PLC*).

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

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

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 GCAP 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 GCAP 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

Maria Chatti-Gautier

Massimo Gesua'sive Salvadori

Jyrki Talvitie

Registered Office:

42 Brook Street, London,

W1K 5DB

6 January 2022

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

Dear Shareholder,

PROPOSED DISPOSAL OF WATER UTILITY BUSINESS

1. Introduction

JSC Georgia Capital (“**JSC GCAP**”), a 100% subsidiary of Georgia Capital PLC (“**GCAP**”, or the “**Company**”), is currently the owner of Georgia Global Utilities JSC (“**GGU**”), a holding company for the Group’s water utility business (the “**Water Utility Business**”) and the operational assets pertaining to its renewable energy business (the “**Renewable Energy Business**”).

On 31 December 2021, GCAP announced that, in line with its strategic objective of realising the value of one of its large portfolio companies through a trade sale, JSC GCAP had agreed to a disposal of up to 100% of its interest in the Water Utility Business to Aqualia by way of a two-staged transaction.

The proposed disposal will be implemented pursuant to a share purchase agreement (the “**Sale Agreement**”) and a shareholders’ agreement (the “**Shareholders’ Agreement**”). Under the Sale Agreement, Aqualia will acquire the Class A Shares, which represent an 80% interest in the economics of the Water Utility Business (the “**Majority Stake**”), at First Completion for USD 180 million. Under the Shareholders’ Agreement, each of Aqualia, and JSC GCAP has granted the other respectively a put option and a call option over JSC GCAP’s Class B Shares in GGU, which represent the remaining 20% interest in the economics of the Water Utility Business (the “**Minority Stake**”, together with the sale of the Majority Stake, being the “**Disposal**”).

In addition to the Disposal, JSC GCAP and Aqualia have agreed to procure that GGU transfer its Renewable Energy Business to JSC GCAP by way of statutory demerger, pursuant to Georgian law (the “**Renewable Energy Demerger**” and, together with the Disposal, the “**Transaction**”).

The Disposal:

- represents a milestone achievement for GCAP, given that the Group will have completed the full investment cycle of its current strategy, namely to invest, grow and monetise a significant investment via a cash exit;
- realises material cash proceeds which management intends to deploy into a combination of share buybacks, deleveraging, further potential business investments, other lending to our portfolio companies and investments in marketable securities;
- creates significant value for GCAP Shareholders, translating into a 13% premium to the Water Utility Business investment value and a 2.2% uplift to GCAP’s net asset value, as at 30 September 2021 (30% premium to the investment value and a 5.5% uplift to GCAP’s net asset value, as at 30 June 2021);

- will have a positive impact on the Group’s leverage profile, reducing the market value leverage from 25.4% as at 30 September 2021 to circa 19.6%, assuming cash settlement as at 30 September 2021, and a USD 95,400,000 shareholder loan to GGU for the Renewable Energy Bond Redemption Financing;
- will bring an important international investment and industry expertise into Georgia that will strengthen the Water Utility business to the benefit of its customers, employees and other stakeholders; and
- forms a strategic partnership between JSC GCAP and Aqualia from the date of First Completion, until such time as either the Put Option or Call Option is exercised.

This document describes the background to and reasons for the Transaction, explains why the GCAP Board unanimously considers the Transaction to be in the best interests of the Company and the GCAP Shareholders as a whole and recommends that GCAP Shareholders vote in favour of both the Transaction Resolution and the Break Fee Resolution (the “**Resolutions**”). Specific details regarding the principal terms of the Transaction, including the timing of First Completion and Second Completion, are set out in Part III (*Principal Terms and Conditions of the Transaction*).

In accordance with the Listing Rules, due to the size of the Transaction relative to the size of the Company, the Transaction itself and the Seller Break Fee each constitute a Class 1 transaction (as defined in the Listing Rules) and are therefore subject to GCAP Shareholder approval. The Transaction is conditional upon the approval of the Resolutions at the GCAP General Meeting. A notice convening the GCAP General Meeting, at which the Resolutions will be proposed, is set out in Part VII (*Notice of General Meeting*) of this document.

The GCAP General Meeting is to be held at 100 New Bridge Street, London, EC4V 6JA at 11 a.m. on 31 January 2022 for the purpose of seeking your approval of the Transaction as a whole and the Seller Break Fee. GCAP Shareholders should read the whole of this document and not just rely on the summarised information set out in this letter. GCAP Shareholders will find definitions for capitalised terms used in this letter and the rest of the document in Part VI (*Definitions*) of this document.

2. Background to and reasons for the Transaction

The Group’s primary strategic focus is to invest in, develop and grow Georgian businesses with a view to subsequently, over a five to ten year period, realising the value of such investments through exits at accretive prices, after the businesses have matured. In particular, the GCAP Board believes that the Group’s existing large portfolio companies are mature and highly attractive for international strategic and financial buyers. In achieving monetisation via exit, the Group seeks to validate the value of its investment portfolio.

In November 2020, the Group announced three new strategic priorities: (a) to realise the value of one of the large portfolio companies through a trade sale during the 18-24 months thereafter; (b) to resume the Group’s ongoing share buyback programme; and (c) to divest over the next two to three years the subscale “other” portfolio companies, that do not offer scalable growth potential. The Disposal marks strategic priority (a) as complete.

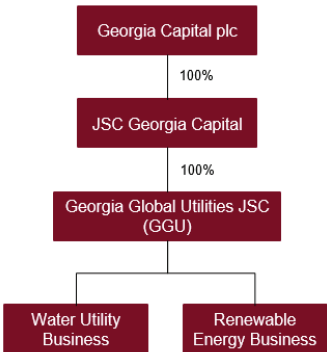
Following First Completion, the Group will have sold an 80% economic interest in the Water Utility Business at an attractive valuation, being significantly in excess of its investment value, as set out in the Company’s net asset value statement as at 30 June 2021. In addition, following the monetisation of the Water Utility Business, the Group will have demonstrated a successful completion of the full investment cycle of its strategy: to invest, grow and monetise via a cash exit.

The Disposal creates both substantial value for GCAP Shareholders and significant cash proceeds. For full details of how management intends to deploy the proceeds of the Disposal, in the context of the Group’s three strategic priorities set out above, please refer to section 7 (*Use of proceeds, financial effects of the Disposal and strategy of the Continuing Group*). On this basis, the GCAP Board unanimously believes that the Transaction is in the best interests of GCAP and therefore recommends that GCAP Shareholders vote in favour of the Resolutions.

3. Structure and key features of the Transaction

The Transaction shall be implemented pursuant to the terms of the Sale Agreement and the Shareholders’ Agreement.

Structure prior to Transaction



Sale Agreement

Under the Sale Agreement two stages of the Transaction are provided for, being First Completion and Second Completion. At First Completion, JSC GCAP shall sell the Majority Stake to Aqualia, being the Class A Shares which represent an 80% economic interest in the Water Utility Business. Following First Completion, JSC GCAP shall hold the Class B Shares and the Class C Shares in GGU, which respectively represent a 20% economic interest in the Water Utility Business and a 100% economic interest in the Renewable Energy Business. At Second Completion, GGU will implement the Renewable Energy Demerger (described further below), pursuant to which the Renewable Energy Business will be demerged, by operation of Georgian law, from GGU and transferred to a wholly owned subsidiary of JSC GCAP, in consideration for which JSC GCAP’s Class C Shares shall be forfeited. Following Second Completion, Aqualia will own 80% and JSC GCAP will own 20% of GGU.

The parties have agreed to structure the Transaction in a two-staged process due to the restrictions under the terms and conditions of the GGU Bond, which matures in 2025. Aqualia wishes to acquire a majority interest in the Water Utility Business but does not want to acquire the Renewable Energy Business, both of which are owned and controlled by GGU. The GGU Bond restricts GGU, as issuer, from (among other things) making material changes to the nature of GGU’s business for the lifetime of the GGU Bond, and from making disposals, such as the spin-off of the Renewable Energy Business from GGU. The parties have decided to redeem the GGU Bond in full prior to Second Completion so that these restrictions no longer apply and the Renewable Energy Business can be demerged from GGU and transferred to GCAP. The parties have determined that the most cost-effective way to redeem the GGU Bond would be to provide GGU with the necessary funds to exercise its right to redeem on or as soon as reasonably practicable after the expiry of the non-call period under the terms of that instrument, i.e. on or after 30 July 2022.

At the same time, the parties do not wish to delay the first stage in the acquisition. Accordingly, on First Completion, Aqualia will acquire a controlling stake in GGU amounting to 65% of the total issued shares, which the parties have agreed represents an economic interest in 80% of the Water Utility Business and will enter into the Shareholders’ Agreement to regulate their respective rights and obligations as joint owners of the business and to ensure it can continue to operate as usual. At this stage, no assets will be transferred. For the avoidance of doubt, this transfer of GGU shares relates only to the Water Utility Business and the terms of the Sale Agreement and Shareholders’ Agreement serve to ensure that JSC GCAP shall maintain full control over the Renewable Energy Business in the period prior to Second Completion. Upon completion of the Bond Redemption, the parties will then proceed to Second Completion and the independent Renewable Energy Business will be spun off and transferred back to GCAP, leaving Aqualia as the 80% shareholder of GGU which will then be a pure Water Utility Business.

First Completion

Subject to the passing of the Resolutions at the GCAP General Meeting, completion of the Share Capital Reorganisation (described below) and the absence of any material adverse change, First Completion will occur, and Aqualia will pay USD 180 million for the 80% interest in the Water Utility Business (the “**Consideration**”), subject to any leakage adjustment. For the avoidance of doubt, the Consideration is

payable in connection with the Water Utility Business only and not in any way attributable to the Renewable Energy Business.

First Completion is expected to occur on or around 3 February 2022. The agreement to sell an 80% interest in the Water Utility Business and the subsequent retention of the Minority Stake is driven in part by an agreement between the parties that it would be more beneficial for the overall success of GGU for JSC GCAP, with its in-depth knowledge of the Georgian market, to retain an interest in GGU for a period until such time as either the Put Option or Call Option is exercised.

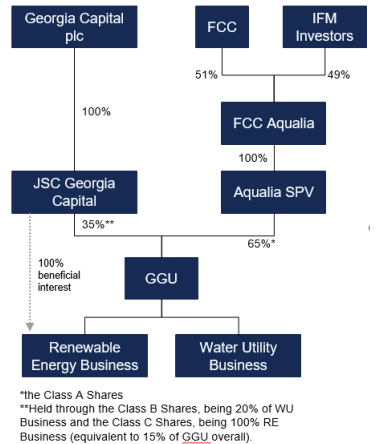
Prior to First Completion, the share capital of GGU, which currently consists of a single class of ordinary shares, shall be reorganised to create Class A, Class B and Class C Shares (the “**Share Capital Reorganisation**”). The Class A and B Shares shall rank *pari passu* and will entitle the holder to vote on all matters, and receive all dividends, relating to the Water Utility Business. The Class C Shares will entitle the holder to vote on all matters, and receive all dividends, relating to the Renewable Energy Business. The Class A shares will be transferred to Aqualia at First Completion and will represent 65% of the total issued share capital of GGU. JSC GCAP will continue to hold the Class B Shares and the Class C Shares, which together will represent 35% of the total issued share capital of GGU.

Break Fee Arrangements

One of the following potential break fees could apply during the period prior to First Completion:

- (a) a USD 3,750,000 break fee, being less than one per cent of the market capitalisation of GCAP on the Business Day immediately prior to the announcement of the Transaction, payable by GCAP, if the GCAP Board: (a) cancels the GCAP General Meeting, (b) withdraws, suspends, qualifies or adversely modifies its recommendation that Shareholders vote in favour of the Transaction; or (c) withdraws its recommendation that Shareholders vote in favour of the Transaction and recommends an alternative transaction concerning the Group to GCAP Shareholders, and then the Resolutions are not passed at the GCAP General Meeting (the “**Withdrawal Break Fee**”);
- (b) a USD 20,000,000 break fee payable by Aqualia in the event Aqualia fails to pay the Consideration for First Completion when required (the “**Purchaser Break Fee**”); and
- (c) subject to Shareholder approval, a reciprocal USD 20,000,000 break fee payable by JSC GCAP, if JSC GCAP fails to transfer the Class A Shares to Aqualia when required to do so in order to give effect to First Completion (the “**Seller Break Fee**”).

Structure after First Completion



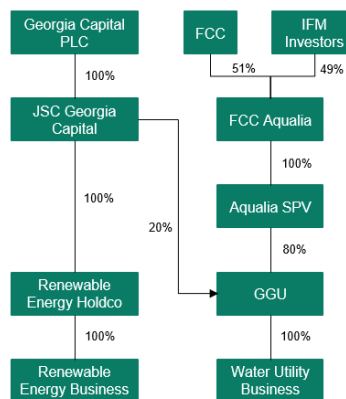
Second Completion

Second Completion is conditional on receiving the Antitrust Clearance and Bond Redemption having occurred.

Under the Sale Agreement, the parties have agreed, following First Completion, to use commercially reasonable endeavours to: (a) obtain the Antitrust Clearance; (b) redeem the GGU Bond on the Bond Redemption Date; and to then (c) undertake the Renewable Energy Demerger, being the subsequent demerger and transfer of the Renewable Energy Business to JSC GCAP by operation of Georgian law, the implementation of which shall constitute “Second Completion”, so that immediately after Second Completion:

- (a) GGU's sole asset will be the Water Utility Business;
- (b) JSC GCAP, through its wholly subsidiary formed for these purposes, will own the Renewable Energy Business;
- (c) JSC GCAP will no longer hold any Class C Shares, which shall be forfeited pursuant to the Renewable Energy Demerger;
- (d) JSC GCAP will hold the Minority Stake, being 20% of the entire issued share capital of GGU, through its ownership of the Class B Shares;
- (e) Aqualia will hold 80% of the entire issued share capital of GGU, through its ownership of the Class A Shares; and
- (f) the Put Option and the Call Option shall be in place in respect of the Minority Stake.

Structure after Second Completion



Shareholders' Agreement

During the period between First Completion and Second Completion, the Shareholders' Agreement will govern the relationship between the shareholders in respect of both the Water Utility Business and the Renewable Energy Business. Following Second Completion, the Shareholders' Agreement will govern the relationship between the shareholders in respect of the Water Utility Business only, being GGU's sole asset after Second Completion.

In respect of the Renewable Energy Business, amongst other things, Aqualia has agreed that JSC GCAP shall be entitled to appoint all members of the boards of each Renewable Energy Subsidiary. Further, where matters concerning the Renewable Energy Business are considered at the GGU Supervisory Board, Aqualia has agreed that the Aqualia appointees to the GGU Board shall vote in accordance with JSC GCAP's instructions.

In addition, Aqualia grants JSC GCAP certain minority protections in respect of rights to appoint members to the Supervisory Board of GGU and veto rights in respect of certain Supervisory Board and shareholder matters, in each case relating to the Water Utility Business.

Put Option and Call Option over the Minority Stake

Further, the Shareholders' Agreement sets out the terms of the Put Option and Call Option over the Minority Stake, the former being a right (but not an obligation) in favour of JSC GCAP to sell to Aqualia the Minority Stake and the latter being a right (but not an obligation) in favour of Aqualia to require JSC GCAP to sell the Minority Stake to Aqualia, each at a price based on a pre-determined formula.

The Put Option may be exercised by JSC GCAP during two six-month periods in 2025 and 2026 and the price of the Put Option shall be calculated by applying an 8.25 EV/EBITDA multiple based on the normalised EBITDA and net debt of the Water Utility Business at the time it is exercised. In the event that JSC GCAP elects not to exercise the Put Option, Aqualia shall have the right to exercise the Call Option during a six-month period, commencing from the date that the window available for JSC GCAP to exercise the Put Option elapses. The Call Option shall be calculated using a formula similar to that of the Put Option described above, but with a 8.9 EV/EBITDA multiple.

For further details regarding the structure of the Transaction as a whole, see Part III (*Principal Terms and Conditions of the Transaction*).

4. Information on Aqualia

Aqualia is the Spanish leader in water management, being the fourth European water operator and the 9th in the world, based on the population served according to Global Water intelligence (March 2021). Its main activity is the management of water utility services (collection, purification, sewerage, waste water treatment and reuse), providing these services in more than 1,100 municipalities in Spain, France, Portugal, Italy, the Czech Republic, Colombia, México and Saudi Arabia among others.

Additionally, it is a world leader in the design, construction and operation of water infrastructures and currently having important projects underway such as the Wastewater Treatment Plants of Salitre (Bogotá), Glina (Bucharest), Abu Rawash (Cairo) as well as the desalination plants of El Alamein (Egypt) or Guaymas (Mexico), Mar de Alboran (Spain), among others. Its presence reaches 17 countries in Europe, America, the Middle East and North Africa.

Aqualia belongs to the FCC, Services and Construction Group, with more than 120 years of history in providing urban services, and is 49% also owned by the IFM infrastructure ethical fund. The acquisition made by Aqualia pursuant to the Transaction is fully integrated into the strategy of growing by long term concessions or by the acquisition of water assets owned in regulated markets and represents an important milestone in the development plan approved by its Governing Bodies.

5. Information on the Group

Georgia Capital is a platform for buying, building and developing businesses in Georgia. The Group's primary business is to develop or buy businesses, help them institutionalise their management and grow them into mature businesses that can further develop largely on their own, either with continued oversight or independently. The Group's focus is typically on larger-scale investment opportunities in Georgia, which have the potential to reach at least GEL 0.5 billion equity value over three to five years from the initial investment and to monetise them through exits, as they mature. The Group manages its portfolio companies individually and does not focus on achieving intra-group synergies. The Group 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.

The Group currently categorises its portfolio companies as follows (with the percentages of the total portfolio value being as reflected in the financial statements as equity investments at fair value as at 30 September 2021):

- *Listed businesses (18.5% of total portfolio value)*: The Group holds a 19.9% equity stake in Bank of Georgia Group plc (“**BoGG**”), a holding company of a leading universal bank in Georgia, listed on the premium segment of the London Stock Exchange;
- *Private portfolio businesses (81.5% of total portfolio value)*: The Group's private portfolio businesses comprise large portfolio companies, investment stage portfolio companies and other portfolio companies:
- *Large portfolio companies (64.7% of total portfolio value)*:
 - *Healthcare services (20.9% of total portfolio value)*: The healthcare services business, owned through Georgia Healthcare Group (“**GHG**”), comprises three segments: hospitals, clinics and diagnostics;
 - *Retail pharmacy (17.8% of total portfolio value)*: The retail pharmacy business, owned through GHG, consists of a retail pharmacy chain and a wholesale business, selling pharmaceuticals and medical supplies, where the Group holds 67% equity interests;
 - *Water utility (17.9% of total portfolio value)*: The Water Utility Business (to be sold pursuant to the Transaction) is owned through GGU and supplies potable water and provides wastewater collection and processing services to almost 1.4 million people in Georgia; and
 - *Insurance (Property & Casualty and Medical) (8.2% of total portfolio value)*: The insurance business combines: a property and casualty insurance business, owned through Aldagi and a medical insurance business, owned through GHG.

- *Investment stage portfolio companies (9.7% of total portfolio value):*
 - *Combined Renewable energy (6.0% of total portfolio value):* The combined renewable energy business consists of both the operational assets, namely the Mestiachala Hydro Power Plants (“HPPs”), Hydrolea HPPs and the Qartli Wind Farm, which are owned through GGU and are referred to as Renewable Energy Business throughout this document, as well as an additional pipeline of up to 172 MW of renewable energy projects in the advanced stage of development currently held under the umbrella of the wider Group and outside of GGU;
 - *Education (3.7% of total portfolio value):* The education business combines three high quality school partnerships across the premium, mid-level and affordable education segments; and
- *Other portfolio companies (7.1% of total portfolio value):* Other portfolio companies include five businesses: housing development; hospitality and commercial real estate; beverages; auto services; and digital services.

6. Summary of the Water Utility Business

The Water Utility Business is a regulated natural monopoly in Tbilisi and the surrounding area, providing water and wastewater supply services to approximately 1.4 million residents and approximately 38,000 legal entities. The Water Utility Business also operates hydro power plants with total installed capacity of 149MW. The Water Utility Business uses a portion of the power generated by its HPPs associated with the water infrastructure for internal consumption at regulated electricity tariffs to power its water distribution network, while the remaining electricity is sold on the market. Revenues come from two main streams (water and electricity sales), where the business benefits from both earning fair regulatory returns on invested capital made in upgrading the water utility network and average electricity sales price growth due to electricity market deregulation in 2019.

7. Use of proceeds, financial effects of the Disposal and strategy of the Continuing Group

After adjustment for estimated costs of the Transaction, net cash proceeds arising from the Disposal are expected to be USD 173 million, which management intends to deploy via a combination of: (a) a USD 95,400,000 loan to GGU for the Renewable Energy Bond Redemption Financing (which following Second Completion will become a shareholder loan to the Renewable Energy Business), (b) share buybacks, (c) deleveraging, (d) consideration for further potential business investments, (e) other lending to our portfolio companies and (f) increased cash balance and investments in marketable securities. Immediately after First Completion, surplus proceeds will be held in cash and cash equivalents, and yield-bearing marketable securities, pending a review by the GCAP Board to determine the appropriate investment/deleveraging/capital return policies in the light of the prevailing economic outlook, the share price and discount to net asset value, and investment opportunities available at the time. This GCAP Board review is expected to take place in the first quarter of 2022, when a further announcement with regard to the specific deployment of the Disposal proceeds will be made.

The GCAP Board believes that the price for the Disposal represents a strong valuation for the Water Utility Business, as it translates into a 13% premium to the Water Utility Business investment value and a 2.2% uplift to GCAP’s net asset value, as at 30 September 2021 (30% premium to the investment value and a 5.5% uplift to GCAP’s net asset value as at 30 June 2021). The Disposal is also expected to have a positive impact on the Group’s leverage profile by reducing the market value leverage from 25.4% as at 30 September 2021 to circa 19.6%, assuming cash settlement as at 30 September 2021, and a USD 95,400,000 shareholder loan to GGU for the Renewable Energy Bond Redemption Financing.

As described at section 2 above, the Disposal marks the first of the Group’s strategic priorities announced in November 2020 as complete. Going forward, the Continuing Group will maintain its already announced share buyback programme, and will remain focused on the outstanding strategic priority.

8. Current trading, trends and future prospects of the Continuing Group

The Georgian economy continues to demonstrate remarkable progress from a macroeconomic perspective, notwithstanding the ongoing impact of COVID-19 related infection waves. January-November 2021 real GDP grew by 10.7% y-o-y, surpassing even the most optimistic expectations set at the beginning of 2021. Positive developments in the epidemiological environment were achieved in the second half of 2021, as 40.0% of the adult population have now been fully vaccinated, up from 3.5% at 30 June 2021. To further increase the vaccination rate across the country, the Georgian Government has recently introduced the internationally accepted “Green Pass” programme.

On 16 November 2021, GCAP announced its results for the third quarter and nine months of 2021. GCAP's portfolio value increased by 6.8% to GEL 3.47 billion in 3Q21, reflecting an 5.8% and 11.5% growth in the value of private and listed businesses, respectively. At 30 September 2021, the private portfolio value was GEL 2.83 billion (81.5% of total portfolio value), and the listed portfolio value was GEL 641.6 million (18.5% of total). The private portfolio value growth of GEL 155.9 million mainly reflects the net impact of a) GEL 178.4 million value creation, b) investments of GEL 6.5 million predominantly in Education and Renewable Energy, and c) a decrease of GEL 30.0 million due to dividends paid to GCAP.

The value creation on the listed asset was GEL 66.2 million in 3Q21, reflecting a 15.6% increase in BoG's share price. The value creation on the private portfolio was GEL 178.4 million, which mainly reflects a) a GEL 236.4 million operating performance-related increase in the value of the private assets, which delivered substantially higher aggregated revenues (up 24.6% in 3Q21 and 25.8% in 9M21, y-o-y) and EBITDA (up 27.4% in 3Q21 and 45.4% in 9M21, y-o-y), slightly offset by b) a GEL 59.2 million negative net impact from changes in valuation multiples and foreign currency exchange rates.

In 3Q21, GCAP invested GEL 6.5 million predominantly in the investment stage businesses, in line with its capital allocation programme. The company repurchased and cancelled 354,000 shares with a total value of US\$ 3.0 million in 3Q21 under the ongoing US\$ 10 million share buyback and cancellation programme. GCAP collected GEL 30.0 million dividends in aggregate from the private portfolio companies during the third quarter of 2021. Total cash and liquid funds remained high at GEL 414.9 million as of 30 September 2021.

As a part of its strategic priority of divesting the sub-scale "other" portfolio, during September-November 2021, GCAP sold US\$ 10.3 million commercial real estate properties leading to a total of US\$ 45.0 million divestment with an 11.3% (US\$ 4.6 million) premium over NAV since June 2021. The company also announced the buyout of the minority shareholders in Retail (Pharmacy), which will be executed over the next six years at renegotiated terms.

Looking ahead, Georgia Capital will focus on emerging opportunities in Georgia and capturing business growth opportunities across its private portfolio. At the same time, the Company will continue to progress with its strategic priorities.

9. Risk factors

For a discussion of the risks and uncertainties which you should take into account when considering whether to vote in favour of the Resolutions, please refer to Part II (*Risk Factors*) of this document.

10. General Meeting

You will find set out at the end of this document a Notice of General Meeting convening a General Meeting to be held at 100 New Bridge Street, London, EC4V 6JA at 11 a.m. on 31 January 2022. At the GCAP General Meeting, the Resolutions will be proposed which, if passed, will approve the Transaction substantially on the terms and subject to the conditions summarised in Part III (*Principal Terms and Conditions of the Transaction*) of this document and will authorise the GCAP Directors to give effect to the Transaction. The full text of the Resolutions is included in the Notice of General Meeting, which is set out in Part VII (*Notice of General Meeting*) of this document.

11. Additional information

Your attention is drawn to the additional information set out in Part V (*Additional Information*) of this document. You are advised to read the whole of this document and not just rely on the key summarised information in this letter.

12. Recommendation to GCAP Shareholders

The GCAP Board considers that the Transaction and the passing of the Resolutions are in the best interests of Shareholders as a whole. Accordingly, the GCAP Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the GCAP General Meeting.

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, the Transaction and the Continuing 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 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 and the Continuing 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 deciding to vote in favour of the Resolutions. 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.

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.

1. Risks relating to the Transaction

1.1 The Transaction may not proceed to First Completion

First Completion as set out in the Sale Agreement is subject to the satisfaction or waiver of a number of conditions, some of which are outside of the control of JSC GCAP, including:

- the approval of the Resolutions by the requisite percentage of GCAP Shareholders at the GCAP General Meeting;
- there having been no material adverse change to the Water Utility Business during the period from the signing of the Sale Agreement to First Completion; and
- Aqualia taking the steps necessary to implement First Completion, rather than paying the Purchaser Break Fee.

If First Completion does not occur due to any one of the events above taking place, then neither First Completion nor the exercise of the Put Option will proceed and JSC GCAP will not receive the cash proceeds from the Transaction and will forego the other benefits of the Transaction. A failure to proceed to First Completion could result in a material adverse effect on the business, results of operations and future prospects of the Group. Further, some transaction, restructuring and other costs incurred by the Group in connection with the Transaction would be incurred without the receipt of the proceeds from the Transaction.

In addition, if the Transaction does not proceed to First Completion there can be no assurance that the Group would be able to dispose of the Water Utility Business at a later date, leading to a delay in the achievement by the Group of its strategic objectives and potentially a significant negative impact upon the Group's reputation.

1.2 The Transaction may not proceed to Second Completion

Second Completion, being the implementation of the Renewable Energy Demerger, is subject to the receipt of the Antitrust Clearance and the completion of the Bond Redemption.

Antitrust Clearance

Under the Sale Agreement, JSC GCAP has agreed to obtain the Antitrust Clearance as soon as practicable following the date of signing of the Sale Agreement and in any event prior to the Bond Redemption Date. The Georgian law which determines the requirements for the Antitrust Clearance is relatively recent and a consistent market practice is yet to be established in Georgia. Further, in the event that Second Completion is delayed or does not take place solely as a result of JSC GCAP's

failure to take the requisite steps to obtain the Antitrust Clearance by the Second Long Stop Date, JSC GCAP shall be obliged to procure the sale of the Renewable Energy Business to a third party within two years of such date.

No assurance can be given that JSC GCAP shall obtain the required consents, approvals and/or waivers in connection with the Antitrust Clearance. Even if all the required consents, approvals and/or waivers are obtained and the Antitrust Clearance condition is satisfied, no assurance can be given there will not be conditions or requirements attached to such Antitrust Clearance.

Renewable Energy Bond Redemption Financing

The GGU Bond (among other things) contains covenants to maintain the corporate existence and business of GGU and each material subsidiary and not to make any material change to the nature of their business, restrictions on mergers and consolidations, assets sales, transactions with affiliates and on the payment of dividends and other distributions (with certain permitted exceptions). The GGU Bond also contains a put option, whereby bondholders have the right to require GGU to redeem all or any part of their GGU Bonds at 101% of their principal amount (plus accrued and unpaid interest) in the event of a change of control, and a call option whereby GGU may redeem all or part of the bonds at a certain redemption price on or after 30 July 2022 following the expiry of the non-call period.

First Completion will constitute a “change of control” of GGU. In the event that holders of the GGU Bond elect to exercise their put option prior to the Bond Redemption Date, each of Aqualia and JSC GCAP undertake to pay their pro-rata portion of sums due pursuant to the put option within three Business Days of the Company requesting the same and Aqualia undertakes to pay the 1% premium payable on the exercise of the put option. There is no certainty as to whether, and to what extent, bondholders may exercise such right. To the extent that holders of the GGU Bond do not exercise their put option prior to the Bond Redemption Date and therefore the GGU Bond remains outstanding, financing by way of initial shareholder loan will be required to redeem the GGU Bond. Under the terms of the Sale Agreement, as soon as reasonably practicable after First Completion and in any event prior to the Second Long Stop Date: (a) JSC GCAP undertakes to use all commercially reasonable endeavours to ensure that the Company has been provided with the amount of the Renewable Energy Bond Redemption Financing and (b) Aqualia undertakes to use all commercially reasonable endeavours to ensure that the Company has been provided with the Water Utility Bond Redemption Financing and the Company Bond Redemption Financing amounts, each by way of initial shareholder loan.

If either (a) Aqualia is unable to provide the Water Utility Bond Redemption Financing and the Company Bond Redemption Financing amounts, or (b) JSC GCAP is unable to provide the Renewable Energy Bond Redemption Financing amount, GGU would not be able to complete the Bond Redemption on the Bond Redemption Date and either the Seller Non-Performance Fee or Purchaser Non-Performance Fee (as applicable), would be triggered until such time as the Bond Redemption Financing has been provided. Further, in the event that Second Completion is delayed or does not take place as a result of JSC GCAP’s failure to obtain the Renewable Energy Bond Redemption Financing by the Second Long Stop Date, an obligation upon JSC GCAP to procure the sale of the Renewable Energy Business to a third party within two years of such date shall be triggered.

As Second Completion is conditional upon the occurrence of the Bond Redemption, any failure by JSC GCAP to take the steps necessary to obtain the Antitrust Clearance or the Renewable Energy Bond Redemption financing amount by the Second Long Stop Date may delay or ultimately prevent Second Completion and there can be no assurance that JSC GCAP would be able to procure the sale of the Renewable Energy Business on terms favourable to JSC GCAP. In addition, if Second Completion is delayed or ultimately prevented for any reason other than a failure by JSC GCAP described above, JSC GCAP shall remain a minority shareholder in GGU.

1.3 Exposure to liabilities under the Sale Agreement

The Sale Agreement contains undertakings, warranties (including in relation to tax) and indemnities from JSC GCAP in favour of Aqualia. JSC GCAP has taken steps to minimise the risk of liability under these provisions, which are customary, including requiring Aqualia to obtain warranty and indemnity insurance in respect of the warranties given by JSC GCAP, subject to certain exclusions. Although the warranty and indemnity insurance policy limits the liability of JSC GCAP to USD 1 under the majority of the commercial and business warranties any liability to make a payment arising

from a successful claim by Aqualia under the undertakings, indemnities or the warranties (where such claim is not covered by the terms of the warranty and indemnity insurance) could have an adverse effect on JSC GCAP's business, financial condition and results of operations.

1.4 The Seller Break Fee would be payable by JSC GCAP if JSC GCAP fails to transfer the ordinary shares in GGU at First Completion

In the event that JSC GCAP fails to transfer the shares required to complete First Completion and does not remedy such failure within three Business Days, the Sale Agreement could be terminated by Aqualia and JSC GCAP would be obliged to pay the USD 20,000,000 Seller Break Fee to Aqualia, by way of liquidated damages, a Class 1 transaction under the Listing Rules which requires the Break Fee Resolution. In the event that JSC GCAP fails to take such required steps to transfer the shares and the requirement to pay the Seller Break Fee is triggered, the Transaction would not complete and the Seller Break Fee would represent a significant transaction cost, whilst at the same time the Group would not have realised any of the proceeds of the Disposal or other benefits associated with completion of the Transaction.

1.5 Warranties and Indemnities given by Aqualia

The Sale Agreement and Shareholders' Agreement contain certain undertakings, warranties and indemnities given by Aqualia in favour of JSC GCAP. The extent to which Aqualia will be required, if at all, to make payments in respect of these warranties and indemnities is unpredictable. If, however, Aqualia suffers financial distress, any payments due to the Company in respect of such undertakings, warranties and indemnities may be put at risk.

1.6 The Transaction may have a disruptive effect on the Water Utility Business

The Sale Agreement requires the Company to continue operating the Water Utility Business in the ordinary and usual course until First Completion. As a result of the announcement of the Transaction, key persons in management and/or operating functions may choose to leave the Water Utility Business Group prior to First Completion. The announcement of the Transaction, and in particular the Disposal, may create uncertainty for certain employees of the Water Utility Business in respect of their continued employment by the Water Utility Business Group following First Completion. To maintain the performance of the Water Utility Business Group between signing and First Completion, the Company may need to take additional actions to enable it to continue operating the Water Utility Business in the ordinary and usual course.

1.7 Rights under the Shareholders' Agreement

The rights of JSC GCAP under the Shareholders' Agreement will reflect JSC GCAP's minority interest in the Water Utility Business. In particular, Aqualia will have control of the Supervisory Board of GGU and the right to appoint all of the Management Board, subject to those reserved matters in respect of the operation of GGU which will require the consent of the JSC GCAP. As such, JSC GCAP may be unable to prevent Aqualia from engaging in activities or pursuing strategic objectives that may conflict with JSC GCAP's views as to the optimal strategy for the Water Utility Business. Aqualia may experience financial, operational or other difficulties, any of which may adversely affect the success of GGU and subsequently JSC GCAP's ability to realise returns from the Minority Stake. In addition, JSC GCAP will be restricted from transferring the Minority Stake (except to affiliates), other than pursuant to the Put Option or Call Option until at least 2025 (unless an event of default occurs), after which JSC GCAP will only be able to sell the Minority Stake by first offering Aqualia the possibility of buying it at a price to be agreed between the parties.

In addition, the price of the Put Option and Call Option is linked to the financial performance of GGU, control over which will ultimately rest with Aqualia. Circumstances may therefore arise whereby JSC GCAP is required to exit its investment in GGU at a price less favourable than JSC GCAP could obtain from a third party sale, due to restrictions under the Shareholders' Agreement.

2. Risks relating to the Transaction not proceeding

2.1 Inability to realise value if the Transaction does not complete and adverse impact upon the Group's financial results and operations

The GCAP Board believes that the Transaction is in the best interests of GCAP Shareholders taken as a whole and that the Transaction represents good value for the Water Utility Business and provides the best opportunity to realise the value of the Renewable Energy Business. If the Disposal (and as a consequence the Transaction as a whole) does not complete the Company will not have the benefit of

the Disposal proceeds, which management intends to deploy via a combination of (a) share buybacks, (b) investments in marketable securities, (c) increased cash balance, (d) consideration for further potential business investments, and (e) lending to its portfolio companies.

2.2 Potential inability to dispose of the Water Utility Business in future in favourable or equivalent market circumstances at an improved or equivalent valuation, or at all

If the Disposal is not approved by GCAP Shareholders, no stage of the Transaction will be capable of completion. If this were to occur, there would be no assurance that the Company would be able to dispose of the Water Utility Business at a later date, in favourable or equivalent market circumstances.

2.3 Potentially disruptive effect on the Group

If the Transaction does not proceed, this may lead to management, employee, customer and supplier distraction and concern due to perceived uncertainty as regards the future ownership of the GGU which may have an adverse effect on the performance of GGU and therefore its value to the Group. To maintain GCAP Shareholder value, the GGU's management may be required to allocate additional time and cost to the ongoing supervision and development of GGU.

2.4 There may be an adverse impact upon the Company's Reputation if the Transaction does not proceed

If the Transaction does not proceed, there may be an adverse impact on the reputation of the Company as a result of increased publicity and media scrutiny arising in connection with the attempted Transaction. This may be the case even where the failure to implement the Transaction is due to factors outside the control of the Group. Any such reputational risk could adversely affect the Group's business, financial condition and results of operations.

2.5 There may be adverse tax consequences from the Renewable Energy Demerger

Tax laws have been in force in Georgia for a relatively short period of time compared to more developed market economies. This creates challenges in complying with tax laws, to the extent that such tax laws are unclear or subject to differing interpretations, and subjects companies to the risk that their attempted compliance could be challenged by the authorities. Tax law enforcement can also be unpredictable.

The Tax Code of Georgia contains an element of uncertainty with respect to the possible implications of the Renewable Energy Demerger from a tax perspective. This uncertainty is the result of a lack of definitive guidelines and past practices with respect to demergers in Georgia. Should the Georgian tax authorities interpret the Renewable Energy Demerger in a certain manner, there could be adverse tax consequences for the Group as a consequence.

2.6 Prior to Second Completion, the Renewable Energy Business will remain within GGU, which may limit GCAP's ability to successfully operate and preserve its value

In the period between First Completion and Second Completion, the Renewable Energy Business will remain part of GGU, which will be subject to majority control by Aqualia. Although JSC GCAP has taken steps, subject to fiduciary duties, to retain full control of the Renewable Energy Business by imposing governance and contractual control pursuant to the terms of the Shareholders' Agreement, there can be no guarantee that Aqualia will adhere to the relevant provisions of the Shareholders' Agreement. This may limit JSC GCAP's ability to exert control over the management and operation of the Renewable Energy Business prior to Second Completion, which may, in turn, have material adverse implications on the business, results of operations, financial condition and prospects of the Continuing Group.

3. Risks relating to the Continuing Group

3.1 The market price of the GCAP Shares may go down as well as up and may be subject to greater volatility and less liquidity following the Transaction

GCAP Shareholders should be aware that the value of an investment in the Continuing Group may go down as well as up and can be volatile. The price at which the GCAP Shares may be quoted and the price which investors may realise for their GCAP Shares will be influenced by a large number of factors, some specific to the Continuing Group and its operations, and some which may affect the industry as a whole, other comparable companies or publicly traded companies as a whole. The sentiments of the stock market regarding the Disposal will be one such factor and, although management believes the proposed share buybacks (to be undertaken with the proceeds of the

Disposal) may mitigate this risk, market fluctuations or fluctuations in the performance of the Continuing group, legislative or regulatory changes in the sectors in which the Continuing Group operates could lead to the market price of GCAP Shares going up or down.

3.2 The Group's operations will be less diversified and more susceptible to specific risks

Following the Transaction, the Continuing Group's business will be less diversified, and its overall financial performance will depend on the performance of the Continuing Group. Weak performance in this business, or in any particular part of this business, will have a proportionately greater adverse impact on the financial impact of the Continuing Group and a greater risk of share price volatility following Second Completion.

3.3 A failure by the Continuing Group to deploy the net cash proceeds effectively could have a material adverse effect on the financial condition of the Continuing Group.

At First Completion, JSC GCAP will receive the proceeds from First Completion. The benefit and value to GCAP Shareholders from the receipt by JSC GCAP of the proceeds will be dependent on the ability of JSC GCAP to deploy effectively the proceeds remaining after the repayment of transaction costs. There is a risk that some or all of the expected benefits of the Transaction may not be realised by the Continuing Group or the Continuing Group may not realise such benefits within the timeframe desired by the GCAP Board. The realisation of these benefits could also be affected by a number of possible factors beyond the control of the GCAP Board, including unexpected adverse changes to market conditions. Failure to deploy the proceeds of the Transaction and fully realise its benefits may impact the financial performance of the Continuing Group and the price of the GCAP shares.

3.4 The Continuing Group's financial performance and prospects may be adversely affected by COVID19, the long-term impact of which is currently unknown.

The outbreak of COVID-19 has resulted in a global pandemic and has adversely affected the global economy, resulting in a substantial decline in financial markets. While the Group withstood the impact of COVID-19 to date, some of the longer term impacts of the outbreak remain unknown and may affect the Continuing Group's financial stability and future growth. The extent to which the Continuing Group's operating results will be affected by the COVID-19 pandemic will largely depend on future developments, which remain uncertain and cannot be accurately predicted, including the duration, scope and severity of the pandemic, future actions taken by the Georgian government to contain or mitigate its impact, and the direct and indirect economic effects of the pandemic and related containment measures. As a result, the future impact of COVID-19 may lead to an adverse effect upon the Continuing Group's financial performance and prospects.

Part III

Principal Terms and Conditions of the Transaction

1. Summary of Transaction structure

On 31 December 2021, the Transaction Parties announced that they had entered into the Sale Agreement, pursuant to which the First Completion and Second Completion is to be effected and, the Sale Agreement appends the agreed the Shareholders' Agreement, which shall be entered into at First Completion and govern the relationship between the Transaction Parties thereafter.

The Sale Agreement provides for First Completion, where Aqualia shall purchase the Majority Stake from JSC GCAP, subject to the satisfaction of certain conditions described in further detail below.

Following First Completion and as soon as practicable after the Bond Redemption in 2022, GGU will implement the Renewable Energy Demerger whereby the Renewable Energy Business will be transferred to JSC GCAP at Second Completion. Following Second Completion, Aqualia shall hold 80% and JSC GCAP 20% of the entire issued share capital of GGU. The Shareholders' Agreement (amongst other agreed provisions) provides for the Put Option and the Call Option, the exercise of either of which shall complete the Disposal.

2. Timing, conditions and termination

First Completion

2.1 Conditions to First Completion

First Completion is conditional upon: (a) the approval of the Resolutions; (b) the Share Capital Reorganisation having been completed; and (c) no material adverse change having occurred prior to First Completion (the "**First Completion Conditions**").

(a) Approval of the Resolutions

First Completion is Conditional upon the passing of the Resolutions at the GCAP General Meeting.

(b) Share Capital Reorganisation

JSC GCAP has agreed that, prior to First Completion, the share capital of GGU will be reorganised to create Class A, Class B and Class C Shares. The Class A and B Shares shall rank *pari passu* and will entitle the holder to vote on all matters, and receive all dividends, relating to the Water Utility Business. The Class C Shares will entitle the holder to vote on all matters, and receive all dividends, relating to the Renewable Energy Business.

(c) No material adverse change

First Completion is conditional upon no material adverse change having occurred in the Water Utility Business from the date of the Sale Agreement and, if so occurred, not remedied or resolved on or before the First Long Stop Date. A material adverse change includes: (a) the winding up or administration of JSC GCAP or a Water Utility subsidiary; (b) petition for the winding up of GGU; (c) GGU or any Water Utility Business Group company having ceased its operations as a result of the direction or action of any governmental or regulatory authority; (d) the loss of a material Water Utility Business consent, licence or permit which has a material adverse effect upon the functioning of the Water Utility Business; (e) a national emergency or outbreak of war in Georgia; or (f) the material the destruction or damage of one or more of Zhinvali HPP, the Water Utility Business' water and wastewater infrastructure, the Gardabani sewage treatment plant, or water treatment plant at Grmagele as a result of an extraordinary natural event or terrorist act.

First Completion shall occur at 9:00 am (UK time) on the third Business Day after the satisfaction of First Completion Conditions, or such other time as the Transaction Parties may agree in writing.

2.2 Consideration

The Consideration of USD 180 million, subject to any locked-box leakage adjustment and the deduction of a contribution of up to USD 250,000 in connection with the warranty and indemnity insurance policy, for First Completion is payable in full and in cash by Aqualia on the date of First Completion. If First Completion does not occur on or before 3 February 2022, under certain prescribed circumstances, an interest accrual fee equal to 10% per annum of the Consideration will accrue from 4 February 2022 (inclusive) up to and including the date of First Completion.

The Consideration is based upon locked-box accounts for the Water Utility Business dated 31 December 2020 and, for the avoidance of doubt, is payable in connection with the Water Utility Business only and not in any way attributable to the Renewable Energy Business.

2.3 Period between signing and First Completion

In addition to undertaking the Share Capital Reorganisation, JSC GCAP shall comply with certain customary obligations to operate the Water Utility Business, subject to certain agreed-upon exceptions, in the ordinary course from the date of the Sale Agreement to First Completion.

2.4 Break Fees

(a) Withdrawal Break Fee

The Sale Agreement provides that JSC GCAP shall be liable to pay the Withdrawal Break Fee to Aqualia in the event that the GCAP Board exercises its right to: (a) cancel the GCAP General Meeting, (b) withdraw, suspend, qualify or adversely modify its recommendation that Shareholders vote in favour of the Transaction; or (c) withdraw its recommendation that Shareholders vote in favour of the Transaction and recommend an alternative transaction concerning the Group to GCAP Shareholders, and then the Resolutions are not passed at the GCAP General Meeting.

(b) First Completion Break Fees

In the event that Aqualia fails to pay the Consideration when required, it shall be obliged to pay to JSC GCAP the Purchaser Break Fee by way of liquidated damages, and any tax payable thereon.

In the event that JSC GCAP fails to take the steps necessary to transfer the Class B Shares to Aqualia when required to do so under the Sale Agreement, it shall be obliged to pay to Aqualia the reciprocal Seller Break Fee by way of liquidated damages, and any tax payable thereon. Due to its size, the agreement to pay the Seller Break Fee is classified as a Class 1 transaction under the Listing Rules and is therefore subject to the Break Fee Resolution being approved at the GCAP General Meeting.

2.5 GGU Bond Change of Control Put Option

First Completion will trigger a put option in favour of the holders of the GGU Bond, to put their bonds back on GGU at 101% of their principal amount (plus accrued and unpaid interest). To the extent any GGU Bond holders exercise their put rights then Aqualia and JSC GCAP have each agreed to provide the necessary funds to GGU to enable GGU to meet its obligations in relation to the same, in each case, as provided for in the Sale Agreement. Aqualia and JSC GCAP confirm pursuant to the Sale Agreement that they each have sufficient, readily-available funds to provide their pro-rata funding obligations in the event that holders of the GGU Bond exercise their put option at 101% of their principal amount.

2.6 Warranties

The Sale Agreement contains warranties and indemnities (subject to customary limitations) granted by JSC GCAP that are customary for a transaction of this nature. The warranties given by JSC GCAP relate to, *inter alia*:

- (a) the capacity, power and authority to enter into and perform its obligations under the Sale Agreement and all agreements and documents to be entered into by or on behalf of the GGU pursuant to the Sale Agreement;
- (b) title and ownership of the share capital of GGU and the right to transfer or to procure the transfer of the full legal and beneficial interest in the share capital of GGU to Aqualia on the terms set out in the Sale Agreement;
- (c) the business, assets, liabilities and financial affairs of the Water Utility Business;
- (d) the absence of anti-money laundering, corruption and bribery activity within the Water Utility Business during JSC GCAP's period of ownership of GGU (and to the best of JSC GCAP's knowledge, in prior periods); and
- (e) compliance with regulatory and environmental laws and the obtaining of necessary regulatory and environmental permits.

In addition, the Sale Agreement contains warranties granted by Aqualia that are customary for this type of transaction in relation to, amongst other things, its existence, its authority, power and right to enter into and execute the Sale Agreement, and to consummate the transactions contemplated by the Sale Agreement.

2.7 Indemnities

(a) Indemnity in respect of the Renewable Energy Business

Given that JSC GCAP shall maintain full control over the operational assets of the Renewable Energy Business, JSC GCAP shall indemnify and hold harmless GGU in respect of, and undertakes to pay to GGU an amount equal to, all losses incurred or suffered by GGU relating to and/or resulting or arising from, any third party claim relating to the Renewable Energy Business arising on or before Second Completion.

(b) Indemnity in respect of the Water Utility Business

Aqualia shall indemnify and hold harmless JSC GCAP for certain losses incurred and/or suffered by GGU and/or JSC GCAP relating to and/or resulting or arising from, any third party claim relating to the Water Utility Business between First Completion and Second Completion.

2.8 Limitations on liability

Aqualia has received an offer from an established, global insurance firm for a buy-side warranty and indemnity insurance policy, in respect of most of the business and commercial warranties given by JSC GCAP in the Sale Agreement (the “**W&I Policy**”). As a result of the W&I Policy, the liability of JSC GCAP under the Sale Agreement for breach of warranty is limited to USD 1 save in relation to the Seller Recourse Warranties.

The Seller Recourse Warranties in the Sale Agreement relate to: (a) fundamental matters concerning the valid incorporation of the Water Utility Business Group, ownership of the GGU shares, ownership and ability to operate the assets of GGU and the capacity of JSC GCAP to enter into the Transaction (together the “**Fundamental Warranties**”); (b) material regulatory violations in Georgia; (b) anti-bribery, anti-corruption, anti-money laundering and terrorist financing laws; or (c) compliance with environmental laws and the obtaining of the necessary environmental permits in Georgia. Other than in respect of the Fundamental Warranties, JSC GCAP’s liability for the Seller Recourse Warranties is capped at USD 5 million. JSC GCAP’s liability for the Fundamental Warranties is capped at USD 150 million and Aqualia is required to seek recovery for any losses for breach of the Fundamental Warranties under the W&I Policy before submitting any claim to JSC GCAP for any excess liability. JSC GCAP’s liability for breach of any other provision, when aggregated with any other liabilities under the Sale Agreement, is capped at an amount equal to the Consideration. The period during which Aqualia may bring claims under the Sale Agreement is 12 months in the case of Seller Recourse Warranties and three years in the case of the Fundamental Warranties.

Second Completion

At Second Completion GGU will undertake the Renewable Energy Demerger and transfer, by operation of Georgian law, the Renewable Energy Business to JSC GCAP and JSC GCAP’s Class C Shares shall be forfeited.

2.9 Second Completion Conditions

Second Completion is conditional on (a) redemption of the GGU Bond on the Bond Redemption Date; and (b) the Antitrust Clearance being obtained (the “**Second Completion Conditions**”).

(a) GGU Bond Redemption

The parties have agreed to redeem the GGU Bond on or around 1 August 2022 (“**Bond Redemption Date**”). In order to give effect to the Bond Redemption, each of Aqualia and JSC GCAP has agreed to initially provide certain shareholder loans to GGU in order to enable GGU to redeem the GGU Bond on the Bond Redemption Date. Therefore:

(i) Aqualia is obliged to loan GGU:

- (A) the Water Utility Bond Redemption Financing, being a sum of up to USD 154,600,000, which is required in order to satisfy 100% of the Water Utility Business’ pro-rata share of the GGU Bond, being the Water Utility Bond Redemption Financing; and

- (B) the Company Bond Redemption Financing, being a sum of up to USD 9,700,000, which is required in order to satisfy the redemption premium payable by GGU to bondholders on the early redemption of the GGU Bond.
- (ii) JSC GCAP is obliged to loan the Renewable Energy Business the Renewable Energy Bond Redemption Financing, being a sum of up to USD 95,400,000 obtained from the Consideration, which shall in turn be provided to GGU in order to enable GGU to satisfy 100% of the Renewable Energy Business' *pro rata* share of the GGU Bond.

(b) **Antitrust Clearance**

In the period between First Completion and Second Completion, JSC GCAP shall be responsible for making any filings and obtaining any consents or approvals required of the Georgian National Competition Agency or GNERC required by it in order for GGU to implement the Renewable Energy Demerger (the “**Antitrust Clearance**”).

Second Completion shall take place within three Business Days of satisfaction or waiver of the Second Completion Conditions.

2.10 Delay in Bond Redemption

In the event that the Bond Redemption has not occurred by the Bond Redemption Date as a result of failure by:

- (a) Aqualia to provide the Water Utility Bond Redemption Financing and the Company Bond Redemption Financing in accordance with the provisions of the Sale Agreement and/or the Bond Redemption does not occur for any other reason attributable to Aqualia and/or GGU, Aqualia shall pay to JSC GCAP the sum of USD 500,000 per month, together with any tax payable thereon, or any part thereof until such time as the Bond Redemption occurs (the “**Purchaser Non-Performance Fee**”); or
- (b) JSC GCAP to provide the Renewable Energy Bond Redemption Financing in accordance with the provisions of the Sale Agreement, JSC GCAP, subject to the Listing Rules, shall pay to the Aqualia the sum of USD 300,000, together with any tax payable thereon, per month or any part thereof until such time as it provides the Renewable Energy Bond Redemption Financing (the “**Seller Non-Performance Fee**”).

2.11 Antitrust Clearance is not obtained

If JSC GCAP fails to obtain the Antitrust Clearance on or before the Second Long Stop Date, it has agreed to procure the sale of all or some of the Renewable Energy Business to a third party purchaser within two years of such date. All proceeds of sale from the Renewable Energy Business shall be for the account of JSC GCAP.

2.12 Termination

The Sale Agreement shall terminate if (i) the Resolutions are not passed at the GCAP General Meeting or (ii) if either the Purchaser Break Fee or the Seller Break Fee (as applicable) described at section 2.4 above are triggered or (iii) a material adverse change has occurred that has not been remedied by the First Long Stop Date.

2.13 Governing law and jurisdiction

The Sale Agreement is governed by the laws of England and Wales. The parties have agreed to resolve all disputes arising out of the Sale Agreement under the Rules of Arbitration of the International Chamber of Commerce. The seat of arbitration shall be London, England.

3. Key provisions of the Shareholders' Agreement

3.1 Parties and Term

The Shareholders' Agreement will govern the relationship between JSC GCAP and Aqualia in respect of the Water Utility Business during both the period from First Completion until Second Completion and from Second Completion until such time as either the Put Option or the Call Option has been exercised.

3.2 Board Representation

Following First Completion the Supervisory Board of GGU shall be made up of 5 members of whom 3 shall be appointed by Aqualia and 2 by JSC GCAP. Following Second Completion, the Supervisory Board of GGU shall be made up of 8 members of whom 6 shall be appointed by Aqualia and 2 by JSC GCAP.

Aqualia shall have the right to appoint each of the directors of the Management Board of GGU at all times following First Completion.

3.3 Guarantee by FCC Aqualia

FCC Aqualia has agreed to guarantee payment of either the Put Option or Call Option by Aqualia SPV under the Shareholders' Agreement in certain circumstances.

3.4 Warranties

The Shareholders' Agreement contains warranties (subject to customary limitations) granted by JSC GCAP and Aqualia that are customary for a Shareholders' Agreement of this nature, including capacity and authority to enter into the Shareholders' Agreement, conflict with constitutional documents and insolvency.

3.5 Governance and Reserved Matters

Until such time as the Renewable Energy Demerger is complete, the Shareholders' Agreement provides that JSC GCAP shall maintain full control over the operational assets of the Renewable Energy Business and the members of the Supervisory Board and directors of the Management Board appointed by Aqualia shall conduct themselves in such a way as to not interfere with JSC GCAP's ability to exercise full control over the Renewable Energy Business.

A number of reserved matters in respect of the operation of GGU will require the consent of all shareholders in order to seek to protect the value of JSC GCAP's Minority Stake. Such reserved matters include capital expenditure and operational expenditure over a certain agreed level, future issuances of GGU shares and material transactions.

3.6 Put Option and Call Option in respect of retained Minority Stake

During two specific six-month windows during each of 2025 and 2026, JSC GCAP shall have the Put Option in respect of the Minority Stake, being the right to put the Minority Stake upon Aqualia. However, in the event that GNERC fails for whatever reason to set the water supply tariff for the years 2024-2026 on or before 31 December 2023 as expected, the specific six-month window referred to above will be delayed until 2026 and 2027 respectively. The price of the Put Option shall be calculated by reference to the latest available annual audited accounts of the Company by applying an 8.25 EV/EBITDA multiple based on the normalised EBITDA and net debt of the Water Utility Business at the time the Put Option is exercised.

In the event that JSC GCAP elects not to exercise the Put Option, Aqualia shall have the right to exercise the Call Option to require JSC GCAP to sell the Minority Stake to Aqualia during the six-month window following the elapsing of the window available for JSC GCAP to exercise the Put Option. The price of the Call Option shall be calculated using a formula similar to that of the Put Option described above, but with a 8.9 EV/EBITDA multiple.

3.7 Lock-Up Period and Exit Provisions

Other than transfers to affiliates or pursuant to the Put Option or Call Option, neither JSC GCAP nor Aqualia shall be entitled to transfer its GGU shares prior to the expiry of the Call Option window described at paragraph 3.6 above (the "**Lock-Up Period**").

After expiry of the Lock-Up Period, the Shareholders' Agreement includes a customary:

- (a) drag along right in favour of Aqualia, permitting Aqualia to require JSC GCAP to sell the Minority Stake to a *bona fide* third party purchaser of Aqualia's 80% equity ownership in GGU;
- (b) tag along right in favour of JSC GCAP, permitting JSC GCAP to require a *bona fide* third party purchaser of Aqualia's 80% equity ownership in GGU to purchase the Minority Stake; and
- (c) a right of first offer in favour of Aqualia, should JSC GCAP desire to sell the Minority Stake to a *bona fide* third party.

3.8 Step-in Right

In the event that:

- (a) neither Aqualia SPV nor FCC Aqualia, in its capacity as guarantor under the Shareholders' Agreement, provide the Water Utility Bond Redemption Financing and the Company Bond Redemption Financing; or
- (b) JSC GCAP does not provide the Renewable Energy Bond Redemption Financing,

in each case required as a condition to the Renewable Energy Demerger (and therefore Second Completion), either JSC GCAP or Aqualia (as applicable) shall maintain a step-in right to arrange such financing on behalf of the defaulting party under (a) or (b) above, in order to obtain such financing and facilitate the completion of the Renewable Energy Demerger.

3.9 Governing law and jurisdiction

The Shareholders' Agreement is governed by the laws of England and Wales. The parties have agreed to resolve all disputes arising out of the Shareholders' Agreement under the Rules of Arbitration of the International Chamber of Commerce. The seat of arbitration shall be London, England.

Part IV

Historical Financial information Relating to Georgia Capital PLC

Equity Investment at Fair Value

The table below summarises the fair value development of the Group's investment in the Water Utility Business.

GEL '000	As at			
	31 December 2019	31 December 2020	30 June 2021	30 September 2021
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Water Utility	483,970	471,148	548,230	619,739
Source of financial information	GCAP's Annual Report 2019	GCAP's Annual Report 2020	GCAP's second quarter and first half of 2021 financial results announcement	GCAP's third quarter and nine months of 2021 financial results announcement

(Note 14 to GCAP's 2020 Consolidated Financial Statements, note 7 to GCAP's HY interim Financial Statements, GCAP's 3Q21 and 9M21 results announcement)

Dividends Paid

The table below summarises information on the dividends collected from the Water Utility Business.

GEL '000	For the year ended 31 December 2018	For the year ended 31 December 2019	For the year ended 31 December 2020	For the six months ended 30 June 2021	For the three months ended 30 September 2021
		<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Water Utility	28,840	22,000	15,000	—	—
Source of financial information	GCAP's Annual Report 2019	GCAP's Annual Report 2019	GCAP's Annual Report 2020	GCAP's second quarter and first half of 2021 financial results announcement	GCAP's third quarter and nine months of 2021 financial results announcement

Valuation and Financial Highlights of the Water Utility Business¹

The independent valuation assessments, which serve as the basis for GCAP's estimate of fair value of its large portfolio companies, are performed by applying a combination of an income approach (DCF) and a market approach (listed peer multiples and, in some cases, precedent transactions). The independent valuations are intended to provide additional transparency to our private large portfolio valuations and are performed on a semi-annual basis. Valuation assessments of the Water Utility Business at 30 June 2021 and 31 December 2020 were performed by a third-party independent valuation firm based on the International Private Equity Valuation ("IPEV") guidelines. For more details about the valuation methodology, please refer to page 101 in Georgia Capital PLC 2020 Annual report.

¹ Valuation and financial highlights of the Water Utility Business for the year ended and as at 31 December 2019 and 31 December 2020 are set out in GCAP's 2019 and 2020 Annual Reports, respectively. Information for the six months ended and as at 30 June 2021 is available in GCAP's second quarter and first half of 2021 financial results announcement. Information for the three months ended and as at 30 September 2021 is available in GCAP's financial results announcement for the third quarter and nine months of 2021.

Water Utility Business valuation highlights

GEL '000, unless otherwise noted	As at			
	31 December 2019	31 December 2020	30 June 2021	30 September 2021
Source of financial information	(audited) GCAP's Annual Report 2019	(audited) GCAP's Annual Report 2020	(unaudited) GCAP's second quarter and first half of 2021 financial results announcement	(unaudited) GCAP's third quarter and nine months of 2021 financial results announcement
<i>Valuation source</i> ²	<i>Internal</i>	<i>Independent</i>	<i>Independent</i>	<i>Internal</i>
LTM EBITDA (a)	95,092	98,716 ³	108,235 ⁴	117,445 ⁵
EV/EBITDA multiple (b)	8.8x	9.4x	9.3x	9.0x
Enterprise value (c) = (a x b)	836,813	930,892	1,011,491	1,057,001
Net debt (d)	(352,843)	(459,744)	(463,261)	(437,262)
Fair value (e) = (c + d)	483,970	471,148	548,230	619,739

Water Utility Business financial highlights, unaudited

(GEL '000, unless otherwise noted)

INCOME STATEMENT HIGHLIGHTS	For the year ended	For the year ended	For the six months ended	For the three months ended
	31 December 2019	31 December 2020	30 June 2021	30 September 2021
Source of financial information	(unaudited) GCAP's Annual Report 2019	(unaudited) GCAP's Annual Report 2020	(unaudited) GCAP's second quarter and first half of 2021 financial results announcement	(unaudited) GCAP's third quarter and nine months of 2021 financial results announcement
Revenue (Water Utility Business)	163,454	130,548	91,957	60,085
Of which, water supply revenue	143,237	124,651	83,005	55,210
Of which, energy revenue	20,217	5,897	8,952	4,875
Operating expenses	(61,053)	(61,733)	(32,501)	(17,856)
EBITDA	95,076	62,546	56,247	40,487
<i>EBITDA margin</i>	58.2%	47.9%	61.2%	67.4%
Net profit/(loss)	33,221	(61,082)	34,858	28,120
CASH FLOW HIGHLIGHTS				
Cash flow from operating activities	76,394	55,822	26,967	41,972
Cash flow used in investing activities	(59,561)	(51,702)	(28,373)	(11,783)
Free cash flow	15,937	4,120	(1,406)	30,189
Cash flow from financing activities	(3,315)	21,861	(14,839)	(18,463)
Dividends paid (to GCAP)	(22,000)	(15,000)	—	—

² "Internal" refers to the valuation performed by GCAP's in-house valuation team, in line with International Private Equity Valuation ("IPEV") guidelines. "Independent" refers to the valuation performed by a reputable, internationally recognized, independent third-party valuation firm.

³ LTM adjusted EBITDA as at 31 December 2020, reflects the retrospective application of new tariffs on 2020 performance, set by the regulator in December 2020 for the 2021-2023 regulatory period

⁴ LTM Adjusted EBITDA as at 30-Jun-21 combines Water Utility's actual performance in 1H21 and the retrospective application of new tariffs on the 2H20 numbers.

⁵ LTM Adjusted EBITDA as at 30-Sep-21 combines Water Utility's actual performance in 9M21 and the retrospective application of new tariffs on the 4Q20 numbers.

As at

BALANCE SHEET HIGHLIGHTS	31 December 2019	31 December 2020	30 June 2021	30 September 2021
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Source of financial information	GCAP's Annual Report 2019	GCAP's Annual Report 2020	GCAP's second quarter and first half of 2021 financial results announcement	GCAP's third quarter and nine months of 2021 financial results announcement
Total assets	591,036	653,201	675,493	700,440
Of which, cash balance	26,581	55,577	38,744	49,777
Total liabilities	432,741	574,179	558,901	555,279
Of which, long-term borrowings	353,021	498,555	485,862	480,451
Total equity	158,295	79,022	116,592	145,161

Valuation overview for the year ended 31 December 2020 (FY20). Water Utility's FY20 performance reflects decreased consumption of water due to lower economic activity during the COVID-19 outbreak, leading to a 13.0% y-o-y decline in FY20 water supply revenues to GEL 124.7 million. However, according to the tariff setting methodology, volume risk does not stay with the company, and unearned revenues in the 2018-2020 regulatory period are reimbursed, using time value of money, through new tariffs set for the 2021-2023 regulatory period, approved by the regulator in December 2020. Consequently, Water Utility's multiple-based and DCF valuation at 31 December 2020 implies a 9.4x multiple on LTM Adjusted EBITDA of GEL 98.7 million, where the adjusted EBITDA was calculated based on the retrospective impact of new tariffs on 2020 performance. This led to a 3.8% increase in the LTM EBITDA from 31 December 2019. In addition, the business paid GEL 15.0 million dividends in 2020. As a result, in light of the increased tariffs and allowed revenue prospects in the three-year regulatory period, the fair value of the business was assessed at GEL 471.1 million at 31 December 2020, down by 2.6% y-o-y.

Valuation overview for the six months ended 30 June 2021 (1H21). Water Utility EV in 1H21 increased by GEL 80.6 million to GEL 1,011.5 million. Revised water utility tariffs effective from January 2021 and increased water consumption levels by corporate clients led to a 42.1% y-o-y increase in water supply revenue. Similarly, revenue from electricity sales increased in 1H21, up 3.8x y-o-y, reflecting high water volume in Zhinvali reservoir due to favourable hydrological conditions throughout the year. As a result, the total revenue of the Water Utility Business increased by 51.3% y-o-y in 1H21, leading to a 90.0% increase in EBITDA. LTM Adjusted EBITDA, used in Water Utility's multiple-based and DCF valuation, amounted to GEL 108.2 million as at 30 June 2021. LTM Adjusted EBITDA combines Water Utility's actual performance in 1H21 and the retrospective application of new tariffs on the 2H20 numbers. Net debt remained largely flat at GEL 463.3 million in 1H21. As a result, the fair value of the business was assessed at GEL 548.2 million at 30 June 2021, up by 16.4% in 1H21, translating into the implied LTM EV/EBITDA multiple of 9.3x at 30 June 2021 (down from 9.4x at 31 December 2021).

Valuation overview for the three months ended 30 September 2021 (3Q21). Water Utility EV increased by GEL 45.5 million to GEL 1,057.0 million in 3Q21. Revised water utility tariffs effective from January 2021 and increased water consumption levels by corporate clients led to a 54.9% y-o-y increase in water supply revenue. Similarly, revenue from electricity sales increased in 3Q21, up 108.9% y-o-y, reflecting high water volume in Zhinvali reservoir due to favourable hydrological conditions throughout the year. As a result, the total revenue of the Water Utility Business increased by 58.2% y-o-y in 3Q21, leading to a 94.6% increase in EBITDA. LTM Adjusted EBITDA, used in Water Utility's multiple-based and DCF valuation, amounted to GEL 117.4 million as at 30-Sep-21 (up 8.5% q-o-q). LTM Adjusted EBITDA combines Water Utility's actual performance in 9M21 and the retrospective application of new tariffs on the 4Q20 numbers. Net debt decreased by 5.6% to GEL 437.3 million in 3Q21, mainly reflecting an increased cash balance on the back of the strong revenue generation of the business. As a result, the fair value of Water Utility was assessed at GEL 619.7 million at 30-Sep-21, up by 13.0% in 3Q21, translating into the implied LTM EV/EBITDA multiple of 9.0x at 30-Sep-21 (down from 9.3x at 30-Jun-21).

Proposed offer price compared to the Water Utility Business cost. The initial acquisition of the Water Utility Business was executed in two stages: a 25% equity stake in the business was acquired in 2014,

while the remaining 75% in 2016. The total investment cost for 100% acquisition amounted to GEL 214 million. The sale price of USD 180 million for an 80% interest in the Water Utility Business Group results in USD 225 million (GEL 703 million) valuation for a 100% stake of the Water Utility Business. This valuation translates into a 228% premium to the Water Utility Business' initial investment cost notwithstanding the GEL 97 million dividends to GCAP by the business since the original acquisition (274% premium when including the dividends received). Similarly, the proposed offer price also translates into a 13% and 30% premium over the Water Utility Business fair values as at 30 September 2021 and 30 June 2021, respectively.

Documents available for inspection

The following documents, which have been filed with the FCA and are available for inspection in accordance with paragraph 14 of Part V (*Additional Information*) of this document, contain financial information which is relevant to the Transaction:

GCAP's 2020 Annual Report and Financial Statements, which include GCAP's audited financial statements for the year ended 31 December 2020 (*GCAP's 2020 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 2020 Annual Report and Financial Statements

<https://georgiacapital.ge/sites/default/files/2021-03/Georgia Capital PLC Annual Report 2020.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.	168
Consolidated Statement of Financial Position.	176
Consolidated Income Statement	178
Consolidated Statement of Comprehensive Income	179
Consolidated Statement of Changes in Equity.	180
Consolidated Statement of Cash Flows	182
Notes to the Group Financial Statements	185

Part V

Additional Information

1. Responsibility

- 1.1 GCAP and the GCAP Directors, whose names are set out in paragraph 4 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 Companies Act 2006, 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 42 Brook Street, London, W1K 5DB, 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 Relating to Georgia Capital PLC*).
- 2.3 The principal legislation under which the Company operates is the Companies Act 2006.

3. Resolutions

- 3.1 As described in 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 and are set out in the Notice of General Meeting in Part VII (*Notice of General Meeting*) of this document.

Transaction Resolution

Conditional upon the passing of the Break Fee Resolution, the Transaction Resolution 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.

The Transaction will not proceed unless the Transaction Resolution is passed.

Break Fee Resolution

Conditional upon the passing of the Transaction Resolution, the Break Fee Resolution proposes that the Shareholder approve the payment of the Seller Break Fee if JSC GCAP fails to transfer the ordinary shares in GGU required to give effect to First Completion.

4. Directors

4.1 The GCAP Directors, each of whom are deemed to be key individuals for the Transaction, and their respective functions are as follows:

Director	Function	Date of Birth
Irakli Gilauri	Chairman and Chief Executive	05/12/1976
David Morrison	Senior Independent Director	08/05/1952
Kim Bradley	Non-Executive Director	23/02/1955
Caroline Anne Brown	Non-Executive Director	14/06/1962
Maria Chatti-Gautier	Non-Executive Director	07/10/1958
Massimo Gesua'sive Salvadori	Non-Executive Director	16/02/1975
Jyrki Talvitie	Non-Executive Director	04/02/1966

5. Directors Service Agreements and arrangements

Mr Gilauri is the sole Executive Director of the Group. Mr Gilauri has a service contract effective from 29 May 2018 with the Company for an indefinite term (subject to re-election at the AGM) which is terminable by either party on four months' notice unless for cause where notice is served by the Group shall have immediate effect. Mr Gilauri also has a service agreement with JSC GCAP effective from 29 May 2018 for an employment term of five years which is terminable by the Company with immediate effect (with or without cause) and by the Executive Director on not less than three months' notice.

GCAP has entered into letters of appointment with each Non-Executive Director. The letters of appointment require Non-Executive Directors to provide one month's notice prior to termination. The letters of appointment for the majority of current Non-Executive Directors are effective from 24 February 2018. Each Non-Executive Director is put forward for election at each Annual General Meeting following his or her appointment. Continuation of a Non-Executive Director's employment is conditional on his or her continued satisfactory performance and re-election by shareholders at each Annual General Meeting.

6. Directors Interests in the Company

As at the latest practicable date prior to the publication of this document, the interests of the GCAP Directors and any persons connected with them, within the meaning of Part 22 of the Companies Act 2006, in GCAP Shares were as follows:

Director	Number of Shares	Percentage of existing issued share capital (%)
Irakli Gilauri	1,373,300	2.9
David Morrison	66,368	0.1
Kim Bradley	35,383	0.1
Caroline Anne Brown	—	—
Maria Chatti-Gautier	6,860	—
Massimo Gesua'sive Salvadori	13,739	—
Jyrki Talvitie	12,585	—

7. No Significant change

7.1 There has been no significant change in the financial performance or financial position of the Continuing Group since 30 June 2021, being the date to which the last published unaudited financial information for GCAP was published.

7.2 There has been no significant change in the financial performance or financial position of the Water Utility Business since 30 June 2021, being the date to which the historical financial information relating to the Water Utility Business included in Part IV (*Historical Financial information Relating to Georgia Capital PLC*) of this document was published.

8. Working capital statement

GCAP is of the opinion that, taking into account the net proceeds from First Completion, the Continuing Group has sufficient working capital for its present requirements, that is for at least the next 12 months following the date of this document.

9. Consents

- 9.1 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.

10. Material Contracts

The Continuing Group

No contracts have been entered into by the Continuing Group (other than contracts entered into in the ordinary course of business): (i) within two years immediately preceding the date of this document that are, or may be, material to the Continuing Group, or (ii) that contain provisions under which any member of the Continuing Group has an obligation or entitlement that is, or may be, material to the Continuing Group as at the latest practicable date, save as disclosed below.

10.1 The Sale Agreement

A summary of the principal terms and conditions of the Sale Agreement is set out in Part III (*Principal Terms and Conditions of the Transaction*) of this document.

10.2 The Shareholders' Agreement

A summary of the principal terms and conditions of the Shareholders' Agreement is set out in Part III (*Principal Terms and Conditions of the Transaction*) of this document.

10.3 Sponsor's Agreement with Numis

On 6 January 2022, GCAP and Numis entered into a sponsor's agreement (the Sponsor's Agreement). Pursuant to the Sponsor's Agreement, GCAP has appointed Numis as sole sponsor, as required under the Listing Rules, in connection with the Transaction, and Numis has accepted such appointment, subject to and in accordance with the terms and conditions of the Sponsor's Agreement.

Pursuant to the Sponsor's Agreement, GCAP has also given certain undertakings, representations and warranties to Numis in its capacity as sponsor, including, among other things, certain representations and warranties in relation to the Group and customary undertakings.

Numis has the right to terminate the Sponsor's Agreement prior to Admission in certain circumstances, including if there is a material adverse change in the business of the Group, the occurrence of certain force majeure events or where certain customary conditions are not met. Under the Sponsor's Agreement, GCAP has agreed to indemnify Numis on customary terms in connection with any losses it may sustain in connection with, the Transaction or its role as sponsor, and agreed to pay certain fees to Numis and to reimburse Numis in connection with costs, charges and expenses that Numis may incur in connection with the Transaction.

10.4 Darchi LLC's Memorandum of Understanding with the Government of Georgia

On 17 February 2014, Hydrolea LLC and Darchi LLC signed a Memoranda of Understanding with the Government of Georgia and state-owned electricity companies – JSC Electricity System Commercial Operator and Energotrans LLC, as amended from time to time. Darchi LLC and Hydrolea LLC are granted the right to build and develop Darchi hydro power plant of 16.9 MW capacity to be located in Mestia municipality, village Lukhi. The Memorandum of Understanding includes several technical and investment obligations that are to be completed by Hydrolea and Darchi by specific dates. The Memorandum of Understanding also sets out Darchi LLC's obligation to sell electricity exclusively to JSC Electricity System Commercial Operator during the eight months between September and April of each year, for the first ten years of operation, at a fixed price.

10.5 Svaneti Hydro JSC's Memorandum of Understanding with the Government of Georgia

On 31 October 2014 and 25 December 2015, Svaneti Hydro JSC signed two Memorandums of Understanding with the Government of Georgia and state-owned electricity companies – Georgian State Electrosystem JSC, United Energy System Sakrusenergo JSC, Electricity System Commercial Operator JSC and Energotrans LLC, as amended from time to time. Svaneti Hydro JSC has built a

cascade of two hydro power plants: 20 MW (Mestiachala 1) and 30 MW (Mestiachala 2) on the Mestiachala river located in Svaneti region of Georgia that was commissioned in the first half of 2019. The Memorandum of Understanding also sets out Svaneti Hydro JSC's obligation to sell electricity exclusively to Electricity System Commercial Operator JSC during the eight months between September and April of each year at a fixed price.

10.6 Zoti Hydro JSC's Memorandum of Understanding with the Government of Georgia

On 25 December 2015 a Memorandum of Understanding was signed between the Government of Georgia, Zoti Hydro JSC, Galt & Taggart JSC and the state-owned electricity companies Georgian State Electrosystem JSC, United Energy System Sakrusenergo JSC, Electricity System Commercial Operator JSC and Energotrans LLC, as amended from time to time. According to the Memorandum of Understanding, Zoti Hydro JSC is under an obligation to build a cascade of two power plants, 21 MW and 25 MW each, in village of Zoti, in the Guria region of Western Georgia. The Memorandum of Understanding includes several technical and investment obligations that are to be completed by Zoti Hydro JSC by specific dates. The Government and the state-owned entities have an obligation to support and facilitate the construction of the project as well as secure construction of a high voltage line for enabling the connection of the HPPs to the power grid. Further, the Memorandum of Understanding prescribes Zoti Hydro JSC's obligation to sell electricity exclusively to Electricity System Commercial Operator JSC during winter months at a fixed price. Due to the COVID-19 outbreak the Company has re-scheduled the commissioning of the HPPs to the fourth quarter of 2024 and is currently in negotiations with the Government to make the amendments to the Memorandum of Understanding.

10.7 Zoti Hydro JSC's Civil Works Contract with Energy Zoti LLC

Zoti Hydro JSC and Energy Zoti LLC have entered into the Civil Works Contract for the construction of the Zoti HPP on 13 November 2019, as amended from time to time. The Contractor is the direct subsidiary of Energy JSC, local civil contractor experienced in energy projects. The contract is based on FIDIC Conditions of Contract for Construction for Building and Engineering Works Designed by Employer (Red Book, 1999). The contract price is US\$31.5 million. Due to the COVID-19 pandemic outbreak, currently major construction works are suspended, and before the end of 2021 the Parties will discuss and negotiate further steps, including the terms of resumption of major works and resetting the schedule and key dates.

10.8 Qartli Wind Farm LLC's Memorandum of Understanding with the Government of Georgia

On 16 November 2015, Qartli Wind Farm LLC signed the Memorandum of Understanding with the Government of Georgia and state-owned electricity companies – Georgian State Electrosystem JSC and Electricity System Commercial Operator JSC, as amended from time to time. Qartli Wind Farm LLC has built a 20.7 MW wind farm consisting of six wind turbine generators located in the Gori Municipality, Shida Qartli Region of Georgia, and commissioned in December 2016. The Memorandum of Understanding also sets out Qartli Wind Farm LLC's obligation to sell electricity exclusively to Electricity System Commercial Operator JSC during the eight months between September and April of each year at a fixed price. Further, the wind farm's full power output throughout the year must be sold exclusively for the purposes of meeting the internal demand of Georgia.

10.9 Caucasian Wind Company JSC's Memoranda of Understanding with the Government of Georgia

On 15 March 2017 and 4 May 2017, Caucasian Wind Company JSC has entered into the prefeasibility Memoranda of Understanding for the development of the Tbilisi and Kaspi Wind Farms respectively (as amended from time to time), each with 54 MW of installed capacity. In December 2019, pursuant to the recently introduced legislation on public private partnerships, the Government of Georgia has approved the Concept Notes for both projects on the following terms: (a) the term of the power purchase agreement is ten years; (b) the purchase period is nine months; and (c) the tariff is US\$65 per MWh. Currently, the parties are negotiating the terms for the execution of the implementation agreement for construction of the wind farms which is expected to take place at or about mid-2022.

10.10 GHG Share Purchase Agreement on the Buyout of Minority Interest

On 12 October 2021, GHG signed a share purchase agreement (“SPA”) to acquire a 33% minority interest in its retail (pharmacy) business (JSC Georgian Pharmacy (“GEPHA”)), which will be spread out over the next six years. Under the SPA, the minority buyout transaction will be executed in six

tranches at 5.25x EV/EBITDA multiple. The value of each tranche will be determined based on the financial results of the preceding twelve months at the time of execution and will be paid in cash consideration in Lari. The timeline of the transaction is as follows:

- 10.0% of the shares to be acquired in 2022;
- 11.0% of the shares to be acquired in 2023;
- 0.5% of the shares to be acquired in 2024;
- 0.5% of the shares to be acquired in 2025;
- 0.5% of the shares to be acquired in 2026; and
- 10.5% of the shares to be acquired in 2027.

Financing Arrangements

10.11 JSC GCAP's USD 365 million Notes due in 2024

On 9 March 2018, JSC Georgia Capital issued US\$300 million 6.125% notes due 9 March 2024 which were admitted to the official list of the Irish Stock Exchange and to trading on the Global Exchange Market (the “Notes”). The Notes were sold at the price of 98.770% of par value in the initial offering. On 16 March 2021, JSC Georgia Capital issued US\$65 million 6.125% notes due 2024, which were admitted to the official list of the Irish Stock Exchange and to trading on the Global Exchange Market (the “New Notes”). The New Notes were consolidated and formed a single series with the Notes. The Notes and the New Notes constitute unsecured and unsubordinated obligations of JSC GCAP and shall at all times rank *pari passu* and without preference amongst themselves.

The terms and conditions of the Notes and the New Notes contain a negative pledge on JSC GCAP as issuer; covenants limiting mergers by JSC GCAP and its material subsidiaries, disposals by JSC GCAP and its material subsidiaries and transactions between JSC GCAP, its material subsidiaries and its affiliates; the payment of dividends and other distributions and payments by JSC GCAP; restrictions on the payment of dividends by material subsidiaries and the incurrence of indebtedness by JSC GCAP, including the debt incurrence covenant which restricts the addition of new debt if the net debt to total equity ratio exceeds 45% of the total equity. JSC GCAP tests its incurrence covenant each time it incurs new debt.

10.12 GGU's US\$250 million notes due in 2025

On 28 July 2020, GGU issued US\$250 million 7.750% notes due 30 July 2025, which were admitted to the official list of the Irish Stock Exchange and to trading on the Global Exchange Market (the “GGU Bond”). The proceeds of the GGU Bond were allocated to the Water Utility Business (US\$155 million) and Renewable Energy Business (US\$95 million).

The GGU Bond is guaranteed Georgian Energy Trading Company LLC, Georgian Water and Power LLC, Hydrolea LLC, Svaneti Hydro JSC, Qartli Wind Farm LLC, Geoenergy LLC, Hydro Georgia LLC and Kasleti 2 LLC and include a call option from 30 July 2022). The terms and conditions of the GGU Bond contain a negative pledge upon GGU and the guarantors; covenants to maintain the corporate existence and business of GGU and each material subsidiary; restrictions on mergers and consolidations, assets sales, transactions with affiliates and on the payment of dividends and other distributions (with certain permitted exceptions); covenants to pay taxes and other claims and comply with applicable laws; a prohibition on restricting the ability of subsidiaries to pay dividends; restrictions on the incurrence of indebtedness except if GGU's consolidated net leverage ratio for the relevant period is less than the stated threshold (with certain permitted exceptions); and financial reporting covenants. GGU tests its financial covenants on 30 June and 31 December each year.

First Completion will constitute a ‘Change of Control Event’ pursuant to Condition 7(d) (*Redemption at the Option of the Noteholders upon a Change of Control or Prohibited Person Event*) of the Terms and Conditions of the GGU Bond and accordingly each Noteholder would have the right to require GGU to purchase such Noteholder's Notes for cash at 101% of the principal amount plus accrued and unpaid interest.

Further, the Transaction Parties have agreed to procure that GGU shall exercise its right pursuant to Condition 7(e) (*Optional Redemption after Non-Call Period*) to redeem all notes outstanding under the GGU Bond for cash at 103.875% of the principal amount (plus accrued and unpaid interest) on or as soon as reasonably practicable after 30 July 2022, subject to certain conditions (the “**Planned Bond Redemption**”).

10.13 Proportional Voting Mechanism with Bank of Georgia Group PLC

Under the terms of the 2018 demerger agreement with BGEO, for so long as the Company, together with anyone acting in concert with the Company for the purposes of the Takeover Code (the Concert Parties), holds greater than 9.99% of the share capital of Bank of Georgia Group PLC (any such shares greater than 9.99% being Proportional Voting Shares):

- (a) each of BGEO Group, the Company and Bank of Georgia Group PLC has agreed that for so long as there are Proportional Voting Shares they will use all reasonable endeavours to procure (so far as they are reasonably able) that the Proportional Voting Shares are voted in general meetings of Bank of Georgia Group PLC in accordance with the Proportional Voting Mechanism;
- (b) Bank of Georgia Group PLC has agreed it will conduct all shareholder votes on a poll in general meetings and the poll will be taken in accordance with the Proportional Voting Mechanism set out in Bank of Georgia Group PLC articles of association; and
- (c) the Company has agreed that it, and its Concert Parties, will: (a) vote the Proportional Voting Shares in general meetings of Bank of Georgia Group PLC in accordance with the Proportional Voting Mechanism; and (b) notify Bank of Georgia Group PLC of any acquisition or disposal of Bank of Georgia Group PLC Shares by them irrespective of whether any such acquisition or disposal would trigger a public disclosure obligation for them.

10.14 Georgia Real Estate’s (GRE) US\$ Bonds (US\$35 million)

In October 2019, GRE has placed US\$35 million bonds into the local market. The bonds were issued at par with a 3-year tenor and an annual coupon rate of 7.5%. The proceeds from placement were used for refinancing of existing US\$25 million local bonds issued in 2016. The remaining proceeds from the bond issuance are remarked to finance the development of ongoing largest ever in-house residential Digomi project, while the sales momentum was negatively affected by delayed construction permit for this project. The issuer of the bonds is not permitted to create, incur, assume or otherwise become liable in respect of any indebtedness given total indebtedness of the group exceeds 70% of the total assets. The bonds will be redeemed on 7 October 2022 at their nominal value together with accrued and unpaid interest (if any).

10.15 GRE’s US\$ Bonds (US\$30 million)

In December 2018, GRE’s Hospitality & Commercial Real Estate subsidiary has placed US\$30 million bonds into the local market backed by rental income stream from commercial properties. The bonds were issued at par with 3-year tenor and annual coupon rate of 7.5%, payable quarterly. The proceeds are to be used to finance hotel developments. The issuer of the bonds was not permitted to create, incur, assume or otherwise become liable in respect of any indebtedness given total indebtedness of the group exceeds 70% of the total assets. The bonds were fully redeemed on 31 December 2021, at their principal/nominal value together with accrued and unpaid interest (if any).

The financial covenants of the bonds remained active at all times whilst the bonds were outstanding – financial information was provided to a bondholders’ representative every six months, or more frequently upon request. The bondholders’ representative was responsible for covenant testing and providing relevant information to the bondholders.

10.16 Loan Agreement with EBRD

Georgia Healthcare Group PLC and the European Bank for Reconstruction and Development entered into a US\$25 million loan on 11 May 2020, with a maturity date of two years. The interest rate of the loan is six months LIBOR increased by 2.5% or 2.75% depending on SCR. This loan was entered into to fund potential working capital and operational expenditure requirements in the context of the GHG Group’s participation in Georgia’s response to the COVID-19 pandemic. The amount outstanding as at the latest practicable date is US\$ 19.5 million. The loan contains customary representations, warranties, covenants (including financial covenants) and events of default. The financial covenants, which require testing on a quarterly basis, include:

- (a) net debt to EBITDA is equal to or less than 3.0x;
- (b) security coverage ratio of at least one hundred and twenty per cent;
- (c) Georgia Healthcare Group plc can make any distribution (including dividends) if no default is continuing or would occur as a result of such payment. Any distribution should not exceed US\$4 million (or the equivalent thereof in other currencies at then current rates of exchange) for Financial Year 2020. For any Financial Year thereafter, such payment, distribution not in excess of the sum (i) US\$1.5 million (ii) up to 30% of the Georgia Healthcare Group plc's consolidated accumulated net profit after any dividends and other distributions to the shareholder in a previous year; and
- (d) Georgia Healthcare Group plc shall not incur any financial debt in excess of US\$60 million at all times and obtaining of such financial debt would not result in a breach of the net financial debt to EBITDA ratio of less than 3.0x.

The agreement includes two principal payment dates, being (a) US\$9.5 million on 25 April 2022 and (b) US\$10 million on 25 October 2022. GHG made an early prepayment on US\$5.5 million on 25 October 2021.

The agreement provides for a repayment grace period of 24 months from the date of signing and the loan is secured over certain of the GHG Group's fixed assets.

The agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

10.17 Loan Agreement with Proparco

GHG healthcare services business subsidiary – JSC Medical Corporation Evex (Evex) and the European Development Financial Institution, Société de Promotion et de Participation pour la Coopération Economique “Proparco” entered into a US\$25 million loan agreement, with a maturity of eight years on 9 August 2016, as amended and restated on 15 October 2019. The interest rate of the loan is six months LIBOR increased by 3.0%. The loan enabled Evex to finance its development programme, which included the expansion of an ambulatory clinics network and the development of new hospitals as well as healthcare services, throughout the country. The loan has the following financial covenants, which require testing on a quarterly basis:

- (a) net debt to equity ratio is equal to or less than 2.0x;
- (b) debt service coverage ratio is equal to or more than 3.0x on 31 December of each year;
- (c) net debt to EBITDA is equal to or less than 3.0x;
- (d) the liquidity ratio is equal to or more than 1.1x;
- (e) foreign currency open exposure ration of not more than 20%;
- (f) the total amount of leases contract under outpatient clinic business shall not exceed the amount of US\$3 million per year;
- (g) security coverage ratio of at least one hundred and twenty per cent;
- (h) JSC Medical Corporation Evex can make any distribution (including dividends) if no default is continuing or would occur as a result of such payment and such payment doesn't exceed of 40% of JSC Medical Corporation Evex consolidated accumulated net profit in each year starting from 2021; and
- (i) JSC Medical Corporation Evex shall not incur any financial indebtedness other than the authorised financial indebtedness (outstanding at any time US\$110 million) without prior consent of Proparco.

The loan included a grace period of two years following the date of signing. Principal amounts are repaid on 31 January and 31 July of each year. The loan matures on 31 July 2024.

As at the latest practicable date prior to the publication of this document, USD 12.5 million remains outstanding under this facility.

10.18 Evex Private Placement Bond

Evex made a private placement of GEL90 million local bonds on 12 July 2017. The bonds mature on 14 July 2022. JSC Galt & Taggart JSC acted as placement agent for the bonds. The bonds were priced at an issue price 100% of their principal amount and carry a floating coupon rate of 350 basis points premium over the National Bank of Georgia Monetary Policy (refinancing) Rate. The proceeds were used to refinance borrowings from local commercial banks, which were a relatively more expensive source of funding, and to fund planned ongoing capital expenditures. The loan contains customary representations, warranties, covenants (including financial covenants) and events of default. The financial covenants, tested on a quarterly basis, are as follows:

- (a) Evex can make distributions (including dividends) only if at the time of such payment no event of default has occurred or will occur and such payment, when aggregated with all other restricted payments previously made since 31 December 2016, exceeds the sum of:
 - (i) 50% of Evex's consolidated net profit aggregated on a cumulative basis during the period beginning on 31 December 2016 and ending on the last day of the immediately preceding fiscal year or semi-annual financial period; and
 - (ii) 100% of the aggregate net cash proceeds received by Evex subsequent to 31 December 2016 from the issuance or sale of its share capital and the conversion or exchange subsequent to 31 December 2016 of any indebtedness of Evex into or for share capital of Evex.
- (b) Evex shall not incur financial indebtedness if an event of default would occur as a result of such incurrence or the ratio of net financial indebtedness to the amount of EBITDA for the most recent annual financial period exceeds 4x until the maturity of bonds.

It has a repayment grace period of five years which commenced on the date of signing and the loan is secured over certain of the GHG Group's fixed assets. The term of the bond is five years. As at the latest practicable date, there is GEL 59.7 million outstanding. The bond and any non-contractual obligations arising out of or in connection with it are governed by the laws of England and Wales.

10.19 Global Beer Georgia Loan Agreements with BOG and TBC

On 19 April 2019, Global Beer Georgia LLC, signed a EUR 18.5 million syndicated loan agreement with the local financial institutions – Bank of Georgia and TBC Bank. The interest rate for the loan is six month EURIBOR increased by 6.3, but in any event not less than 6.3%. The proceeds of the loan were applied to the refinancing of the borrowing of EUR 18.5 million from EBRD and DEG. The loan has a bullet repayment term and matures on 19 April 2026. A two-year grace period for the repayment of the principal was provided for, which on 8 April 2021 was prolonged for one additional year, until May 2022. The loan is secured by a pledge over the property, a mortgage, and a corporate guarantee. JSC Georgia Capital has issued a corporate guarantee with respect to the principal amount of the loan.

The following financial covenants are included within the terms of the loan: (a) a minimum debt service coverage ratio of 1.3x; (b) a minimum debt to EBITDA ratio of 4.22x as at 31 December 2021, 3.01x as at 31 December 2022 and 2.28x as at 31 December 2023; and (c) an interest coverage ratio minimum of 4.0.

As at the latest practicable date prior to the publication of this document, EUR 18.5 million remains outstanding under the Euro facility.

Water Utility Business

No contracts have been entered into by the Water Utility Business (other than contracts entered into in the ordinary course of business): (i) within two years immediately preceding the date of this document that are, or may be, material to the Water Utility Business, or (ii) that contain provisions under which any member of the Water Utility Business has an obligation or entitlement that is, or may be, material to the Water Utility Business as at the latest practicable date, save as disclosed below.

10.20 The Sale Agreement

A summary of the principal terms and conditions of the Sale Agreement is set out in Part III (*Principal Terms and Conditions of the Transaction*) of this document.

10.21 The Shareholders' Agreement

A summary of the principal terms and conditions of the Shareholders' Agreement is set out in Part III (*Principal Terms and Conditions of the Transaction*) of this document.

11. Major Shareholdings

	Number of voting rights	% of voting rights
Allan Gray	2,596,224	5.5%
M&G Investment Management Ltd	2,283,329	4.8%
Schroder Investment Management Ltd	1,885,612	4.0%
Coeli Frontier Markets AB	1,813,120	3.8%
Lazard Asset Management LLC	1,680,987	3.6%
Other shareholders	36,945,931	78.3%
Total	47,205,203	100.0%

12. Litigation

The Continuing Group

Except as disclosed paragraph 12.1 below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which GCAP is aware), during the 12 months preceding the date of this document which may have, or have had in the recent past, significant effects on either GCAP's and/or the Continuing Group's financial position or profitability.

12.1 On 16 April 2015, some of the former shareholders of Insurance Company Imedi L filed a claim in the Tbilisi City Court against Insurance Company Aldagi and GHG's subsidiaries, Insurance Company Imedi L and Evex Medical Corporation, all of which are legal successors of Insurance Company Aldagi BCI. Pursuant to a demerger agreement entered into in 2014, the business and assets and liabilities of Insurance Company Aldagi BCI were spun off into three entities: Insurance Company Imedi L acquired the medical and travel insurance (limited to cover for emergency medical treatment) business; Evex Medical Corporation acquired the healthcare services business, and Insurance Company Aldagi continues to operate the property and casualty and pension business. The claim alleges that the 66.0% stake owned by the claimants in the share capital of Insurance Company Imedi L were sold to Insurance Company Aldagi BCI in 2012 under duress at a price below market value, and the claim seeks damages in the amount of U.S.\$17.1 million. The Tbilisi Appellate Court ordered reconsideration of the case by the court of first instance, where the respondents initially prevailed. The resolution of the Appellate Court was appealed by both parties to the Supreme Court. On 11 November 2021, the Supreme Court of Georgia upheld the decision of the Appellate Court to send the case for reconsideration to the court of first instance. The date of the first instance hearing is not set as of the date of these Listing Particulars.

The GCAP Board believes, based on its internal assessment, that the claim is without merit and that the shares in Insurance Company Imedi L were acquired by Insurance Company Aldagi BCI at a fair price on the basis of *bona fide* agreements. However, if the claim is eventually decided in favour of the claimants, the respondents would be required to pay damages to the claimants in such amount as determined by the court. No reserves have been created for the Imedi L litigation.

Water Utility Business

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which GCAP is aware), during the 12 months preceding the date of this document which may have, or have had in the recent past, significant effects on the financial position or profitability of the Water Utility Business.

13. Related Party Transactions

Save as described below and in Note 16 of GCAP's 2020 Annual Report and Financial Statements as incorporated by reference at paragraph 15 (*Information incorporated by reference*) there are no related party transactions between GCAP and related parties.

14. Documents available for inspection

Until and including the Second Completion (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: <https://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:

14.1 the GCAP Articles;

14.2 this document and the Form of Proxy; and

14.3 GCAP's 2020 Annual Report and Financial Statements.

A copy of the Sale Agreement and the Shareholders' Agreement will be available for inspection, by prior arrangement during normal business hours on any Business Day during the period beginning with (and including) the date of this document and ending on (and including) the date of the GCAP General Meeting at the GCAP registered office.

GCAP Shareholders should note GCAP's update in relation to the COVID-19 situation on page 8-9 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, should the UK Government restrictions be re-instated.

15. Information incorporated by reference

GCAP's 2020 Annual Report and Financial Statements

Part VI

Definitions

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

Antitrust Clearance	means the clearance to be provided by GNERC or the Georgian National Competition Agency prior to Second Completion
Aqualia	means FCC Aqualia, or, following its incorporation as soon as possible after First Completion, Aqualia SPV, unless the context requires otherwise
Aqualia SPV	a wholly owned Georgian special purpose acquisition vehicle to be incorporated by FCC Aqualia
Bond Redemption	the redemption by the Company of the GGU Bond in accordance with its terms on or after 1 August 2022, such redemption being funded by the Renewable Energy Bond Redemption Financing, the Water Utility Bond Redemption Financing and the Company Bond Redemption Financing
Bond Redemption Date	the intended effective date of the Bond Redemption as set out in the Bond Redemption notice, which shall be 1 August 2022 or such later date agreed in writing by the parties to the Sale Agreement
Bond Redemption Financing	collectively, the Company Bond Redemption Financing, the Renewable Energy Bond Redemption Financing and the Water Utility Bond Redemption Financing
Break Fee Resolution	the resolution numbered 2 set out in the Notice of General Meeting
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 Tbilisi
Call Option	the call option in favour of Aqualia, exercisable should JSC GCAP elect not to exercise the Put Option in respect of the Minority Stake
Class A Shares	means the Class A shares in GGU representing an economic interest in 80% of the Water Utility Business, to be transferred to Aqualia at First Completion
Class B Shares	means the Class B shares in GGU representing an economic interest in 20% of the Water Utility Business to be retained by JSC GCAP until such time as the Put Option, Call Option or third party sale is completed
Class C Shares	means the Class C shares in GGU representing an economic interest in 100% of the Renewable Energy Business to be retained by JSC GCAP until Second Completion
Company or GCAP	Georgia Capital PLC
Company Bond Redemption Financing	the financing to be provided by Aqualia, by way of shareholder loan, to GGU, being USD 9,700,000, which is required in order to satisfy the redemption premium payable to noteholders on redemption of the GGU Bond
Computershare	Computershare Investor Services PLC
Conditions	the conditions to First Completion and Second Completion, and “Condition” shall mean any one of them
Consideration	USD 180 million, being the sum payable by Aqualia for the Majority Stake at First Completion
Continuing Group	the Group following each of: (a) First Completion which, for the avoidance of doubt, includes the Renewable Energy Business; and (b) Second Completion, as applicable

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
Disposal	the recommended disposal by JSC GCAP of up to 100% of the Water Utility Business by way of the sale of the Majority Stake to Aqualia at First Completion and the exercise of either the Put Option or Call Option over the Minority Stake
FCA	the UK Financial Conduct Authority
FCC Aqualia	FCC Aqualia
First Long Stop Date	31 March 2022
First Completion	completion of the sale of the Majority Stake to Aqualia
First Completion Conditions	(a) the approval of the Resolutions; (b) the Share Capital Reorganisation having been completed; and (c) no material adverse change having occurred prior to First Completion
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
GCAP Articles	the GCAP Articles of Association
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 Transaction Resolution and the Break Fee 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
GGU	Georgia Global Utilities JSC, a joint stock company incorporated in Georgia, with company number 404549690
GGU Bond	the USD 250,000,000 7.75% notes issued by the Company, with maturity date 30 July 2025 (ISIN: XS2208644059 / US373196AA29)
GHG	Georgia Healthcare Group
GNERC	means the Georgian National Energy and Water Supply Regulatory Commission
Group	the Company and its subsidiaries from time to time
ISIN	International Securities Identification Number
JSC GCAP or Seller	JSC Georgia Capital, a joint stock company incorporated in Georgia, with company number 404498913
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

Majority Stake	the Class A Shares, representing an 80% economic interest in the Water Utility Business, held by Aqualia following First Completion
Minority Stake	the Class B Shares, representing an economic interest in 20% of the Water Utility Business, held by JSC GCAP following First Completion
Notice of General Meeting	the notice of the GCAP General Meeting included at Part VII (<i>Notice of General Meeting</i>) of this document
Numis	Numis Securities Limited
Purchaser Break Fee	the USD 20,000,000 break fee payable by Aqualia in the event Aqualia fails to pay the Consideration when required
Purchaser Non-Performance Fee	the sum of USD 500,000 payable by Aqualia per month if Aqualia does not provide the Water Utility Bond Redemption Financing or the Company Bond Redemption Financing by the Bond Redemption Date until such time as the Bond Redemption occurs
Put Option	the put option in favour of JSC GCAP, exercisable during two pre-agreed windows in each of 2025 and 2026, unless GNERC fails for whatever reason to set the water supply tariff for the years 2024-2026 on or before 31 December 2023, whereupon the windows referred to shall be during 2026 and 2027
Record Time	the record time for entitlement to vote at the GCAP General Meeting, being 6:00 p.m. on 28 January 2022
Renewable Energy Bond Redemption Financing	the financing to be provided by JSC GCAP, by way of shareholder loan, to GGU, being USD 95,400,000 and representing the Renewable Energy Business' pro-rata share of the GGU Bond
Renewable Energy Business	the operational assets of the Group's renewable energy business, specifically (a) the three wholly-owned commissioned renewable assets: a 50MW Mestiachala HPPs, 20MW Hydrolea HPPs and 21MW Qartli wind farm and (b) the pipeline of up to 172MW projects are currently at an advanced stage of development
Renewable Energy Business Group	each Renewable Energy Business Subsidiary
Renewable Energy Business Subsidiary	any of: (i) JSC Svaneti Hydro; (ii) Qartli Wind Farm LLC; (iii) Hydrolea LLC; (iv) Geoenergy LLC; (v) Kasleti 2 LLC; and (vi) Hydro Georgia LLC
Renewable Energy Demerger	the transfer by GGU of the operational assets of the Renewable Energy Business to a new Georgian holding company owned by JSC GCAP, to be effected pursuant to a Georgian law plan of demerger
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
Resolutions	the Transaction Resolution and the Break Fee Resolution
Sale Agreement	the English law governed sale agreement between the Company, JSC GCAP and Aqualia in respect of the transfer of the shares in GGU from JSC GCAP to Aqualia, further details of which are set out in Part III (<i>Principal Terms and Conditions of the Transaction</i>)
Second Completion	completion of the Renewable Energy Demerger, following the obtaining of Antitrust Clearance and completion of the Bond Redemption
Second Completion Conditions	(a) redemption of the GGU Bond on the Bond Redemption Date; and (b) the Antitrust Clearance being obtained
Second Long Stop Date	the day falling nine months after the Bond Redemption Date

Seller Break Fee	the USD 20,000,000 break fee payable by JSC GCAP if JSC GCAP fails to transfer the ordinary shares in GGU, required to give effect to First Completion
Seller Non-Performance Fee	the sum of USD 300,000 payable, subject to the Listing Rules, by JSC GCAP per month if JSC GCAP does not provide the Renewable Energy Bond Redemption Financing by the Bond Redemption Date until such time as the Bond Redemption occurs
Shareholders' Agreement	the English law governed shareholders' agreement between JSC GCAP, GGU, FCC Aqualia and Aqualia SPV, further details of which are set out in Part III (<i>Principal Terms and Conditions of the Transaction</i>)
Share Capital Reorganisation	means the Georgian law reorganisation to be completed prior to First Completion
Transaction	the Disposal and the Renewable Energy Demerger
Transaction Resolution	the resolution numbered 1 set out in the Notice of General Meeting
Transaction Parties	collectively, the GCAP, JSC GCAP, FCC Aqualia and Aqualia SPV
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
UK Listing Authority	the FCA acting in its capacity as the competent authority for listing under the Financial Services and Markets Act 2000
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
Water Utility Bond Redemption Financing	the financing to be provided by Aqualia, by way of shareholder loan, to GGU, being USD 154,600,000 and representing the Water Utility Business' pro-rata share of the GGU Bond
Water Utility Business	the activities related to the provision of potable water and wastewater collection and processing services carried on by the Water Utility Business Group
Water Utility Business Group	GGU's Water Utility Business, comprised of GGU and each of: (i) Georgian Water and Power LLC; (ii) Gardabani Sewage Treatment Plant LLC; (iii) Rustavi Water LLC; (iv) Georgian Energy Trading Company LLC; (v) Saguramo Energy LLC; and (vi) Georgian Engineering and Management Company LLC
Withdrawal Break Fee	the break fee capped at USD 3,750,000 (being less than one per cent of the market capitalisation of GCAP on the Business Day immediately prior to the announcement of the Transaction) payable by GCAP if the GCAP Board (a) cancels the GCAP General Meeting, (b) withdraws, suspends, qualifies or adversely modifies its recommendation that Shareholders vote in favour of the Transaction; or (c) withdraws its recommendation that Shareholders vote in favour of the Transaction and then recommends an alternative transaction concerning the Group to GCAP Shareholders.

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 Georgia Capital PLC (the “**Company**”) will be held at 100 New Bridge Street, London, EC4V 6JA at 11 a.m. on 31 January 2022 (London time) for the purpose of considering and, if thought fit, passing the following resolution.

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 following two resolutions (the “**Resolutions**”) are being proposed as an ordinary resolution.

ORDINARY RESOLUTIONS

1. Approval of the Transaction

THAT subject to and conditional upon the passing of the resolution numbered 2 in the notice, the proposed disposal by JSC Georgia Capital (“**JSC GCAP**”), a wholly-owned subsidiary of the Company, of an interest in up to 100% of the ordinary shares of its wholly-owned subsidiary Georgia Global Utilities JSC (“**GGU**”) representing its Water Utility Business, through a two-staged sale of GGU shares (being an initial disposal of an 80% economic interest in GGU (the “**Majority Stake**”) and a subsequent disposal, through the exercise of a put or call option, of the remaining 20% economic interest in GGU (the “**Minority Stake**”), together, the “**Disposal**”) and a demerger of the renewable energy subsidiaries of GGU to a subsidiary of the Company (the “**Renewable Energy Demerger**”), in each case, on and subject to the terms of a sale agreement between the Company, JSC GCAP, and FCC Aqualia and the associated and ancillary agreements related thereto (including the terms of the shareholders’ agreement between JSC GCAP, GGU, Aqualia and an SPV incorporated by FCC Aqualia (“**Aqualia SPV**”), and as defined and described in the circular sent to GCAP Shareholders dated 6 January 2022 (the “**Circular**”) (together the “**Transaction**”) and which, as described by the Circular, comprises a class 1 transaction under Chapter 10 of the Listing Rules of the Financial Conduct Authority of the United Kingdom, be approved and the directors of the Company (the “**GCAP Board**”) (or a duly authorised committee of the GCAP Board) be authorised to:

- (a) take all such steps as the GCAP Board considers to be necessary or desirable in connection with, and to implement, the Transaction; and
- (b) to agree such modifications variations, revisions, waivers, extensions or amendments to any of the terms and conditions of the Transaction and the associated and ancillary agreements and documents contemplated by the Transaction and/or described in the Circular (provided such modifications, variations, revisions, waivers, extensions or amendments are not of a material nature), as they may in their absolute discretion think fit.

2. Seller Break Fee

That, subject to and conditional upon the passing of the resolution numbered 1 in the Notice, the Seller Break Fee (as defined in the Circular) be and is hereby approved on the terms set out in the Sale Agreement.

By order of the board of directors of the Company

Link Company Matters Limited
Company Secretary
6 January 2022

Registered office:
Georgia Capital PLC
42 Brook Street,
London W1K 5DB

Registered in England & Wales No. 10852406

Notes to the Notice of General Meeting

1. Entitlement to Attend and Vote

GCAP Shareholders registered in the Register of Members of the Company as at 6:00 pm (London time) on 28 January 2022 (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 GCAP Shares registered in their name at that time. Changes to entries on the Register of Members after 6:00 pm (London time) on 28 January 2022 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 GCAP Board requests that GCAP Shareholders do not attend the GCAP General Meeting but instead appoint a proxy and provide voting instructions in advance of the GCAP General Meeting. GCAP 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, they may 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 GCAP 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 (0) 370 702 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 GCAP 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 27 January 2022.

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 GCAP 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 31 January 2022 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 Company's agent (ID Number 3RA50) no later than 11:00 am (London time) on 27 January 2022. 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 Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The CREST Manual is available at <https://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 GCAP Shares are entitled to attend and vote at general meetings of the Company. Each GCAP Share entitles the holder to one vote on a poll. As at 5 January 2022, being the last practicable date prior to the publication of this Notice, the Company's issued share capital consisted of 47,080,203 GCAP Shares. The Company does not hold any GCAP Shares in treasury within the meaning of the Companies Act 2006. Therefore, the total voting rights in the Company as at 5 January 2022 are 47,080,203.

7. Voting at the GCAP General Meeting

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 GCAP 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.

Shareholders, duly appointed proxies or corporate representatives wishing to ask any questions about the business of the GM, can raise the questions by submitting them to ir@gcap.ge in advance of the meeting. Responses to questions in advance of the meeting will be provided directly or placed on Georgia Capital's website (<https://georgiacapital.ge/ir/shareholder-meetings>), where practicable no later than the proxy voting deadline.

9. Display Documents

Copies of the documents listed at paragraph 14 of Part V (*Additional Information*) of this document 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 10:30 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 <https://georgiacapital.ge/>.

11. Electronic address

Please note that GCAP 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.

