



London, 3 February 2022

FOR IMMEDIATE RELEASE

## GEORGIA CAPITAL PLC

### COMPLETION OF FIRST STAGE OF DISPOSAL OF WATER UTILITY BUSINESS

Further to the announcement by Georgia Capital PLC ("**GCAP**") on 31 December 2021 of the proposed disposal by its wholly-owned subsidiary JSC Georgia Capital ("**JSC GCAP**") of a controlling interest in Georgia Global Utilities JSC ("**GGU**") to FCC Aqualia for USD 180 million (the "**Disposal**") and the proposed demerger by GGU of its renewable energy business to JSC GCAP (the "**Demerger**"), GCAP is pleased to announce that the Disposal, the first stage in the proposed two-stage transaction, has completed today, and the full sale proceeds have now been received.

This first stage represents the initial disposal of a 65% equity interest in GGU to Aqualia for US\$ 180 million, representing an 80% economic interest in the water utility business. JSC GCAP now holds a 35% equity interest in GGU, representing a 20% economic interest in the water utility business and a 100% economic interest in the renewable energy business. The completion of this stage follows (a) the approval obtained from the GCAP shareholders at the general meeting on 31 January 2022, (b) entry into the shareholders' agreement between FCC Aqualia, JSC GCAP and GGU to regulate their respective rights and obligations as joint owners of GGU and (c) the satisfaction of the other conditions precedent to First Completion, as outlined in the circular to GCAP shareholders published on 6 January 2022.

The second stage of the transaction, the Demerger, is expected to occur in July/August 2022 and will be conditional on receiving antitrust clearance and the redemption of GGU's existing Eurobond. Upon completion of this second stage of the transaction, JSC GCAP will own 100% of GGU's renewable energy assets and a 20% interest in GGU.

**Irakli Gilauri, Chairman and CEO of GCAP** commented: "I am delighted to have successfully completed the sale of the Group's water utility business to such a high quality international investor and strategic purchaser, Aqualia. We look forward to working closely with Aqualia as their minority partner in GGU over the next few years.

Completion of this disposal represents a key strategic milestone that realises material cash proceeds for GCAP, at a substantial premium to GGU's latest independent investment value. We intend to deploy the net cash proceeds via a combination of: share buybacks, investments in marketable securities, increased cash balances, consideration for further potential business investments, and lending to our portfolio companies, including USD 95.4 million towards the refinancing of the outstanding GGU green bond, payable in respect of the renewable energy business.

In the short-term, the net cash proceeds will be held in cash and cash equivalents, and yield-bearing marketable debt securities, pending a review by our Board to determine the appropriate investment, deleveraging and capital return policies in the light of the prevailing economic outlook, our share price and discount to net asset value, and any available investment opportunities. This Board review will be completed over the next few months, at which point a further announcement will be made with regard to our updated strategic priorities."

## **Enquiries**

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### ***No profit forecasts or quantified benefits statement***

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**About Georgia Capital PLC**

**Georgia Capital** is a platform for buying, building and developing businesses in Georgia with holdings in sectors that are expected to benefit from the continued growth and further diversification of the Georgian economy. The Group'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 3-5 years from the initial investment and to monetise them through exits, as investments mature. Georgia Capital currently has the following portfolio businesses: (i) a healthcare services business; (ii) a water utility business; (iii) a retail (pharmacy) business, (iv) an insurance business (P&C and medical insurance); (v) a renewable energy business (hydro and wind assets) and (vi) an education business; Georgia Capital also holds other small private businesses across different industries in Georgia and a 19.9% equity stake in LSE premium-listed Bank of Georgia Group PLC ("BoG"), a leading universal bank in Georgia.

JSC Georgia Capital has, as of the date hereof, the following credit ratings:

S&P Global 'B'/FC & 'B'/LC

Moody's B2/CFR & B2/PDR

For further information, please visit [www.georgiacapital.ge](http://www.georgiacapital.ge) or contact:

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