

JSC “Georgian Beer Company”



**Presentation for XVI CIS, Baltic States and
Caucasus Bond Congress**

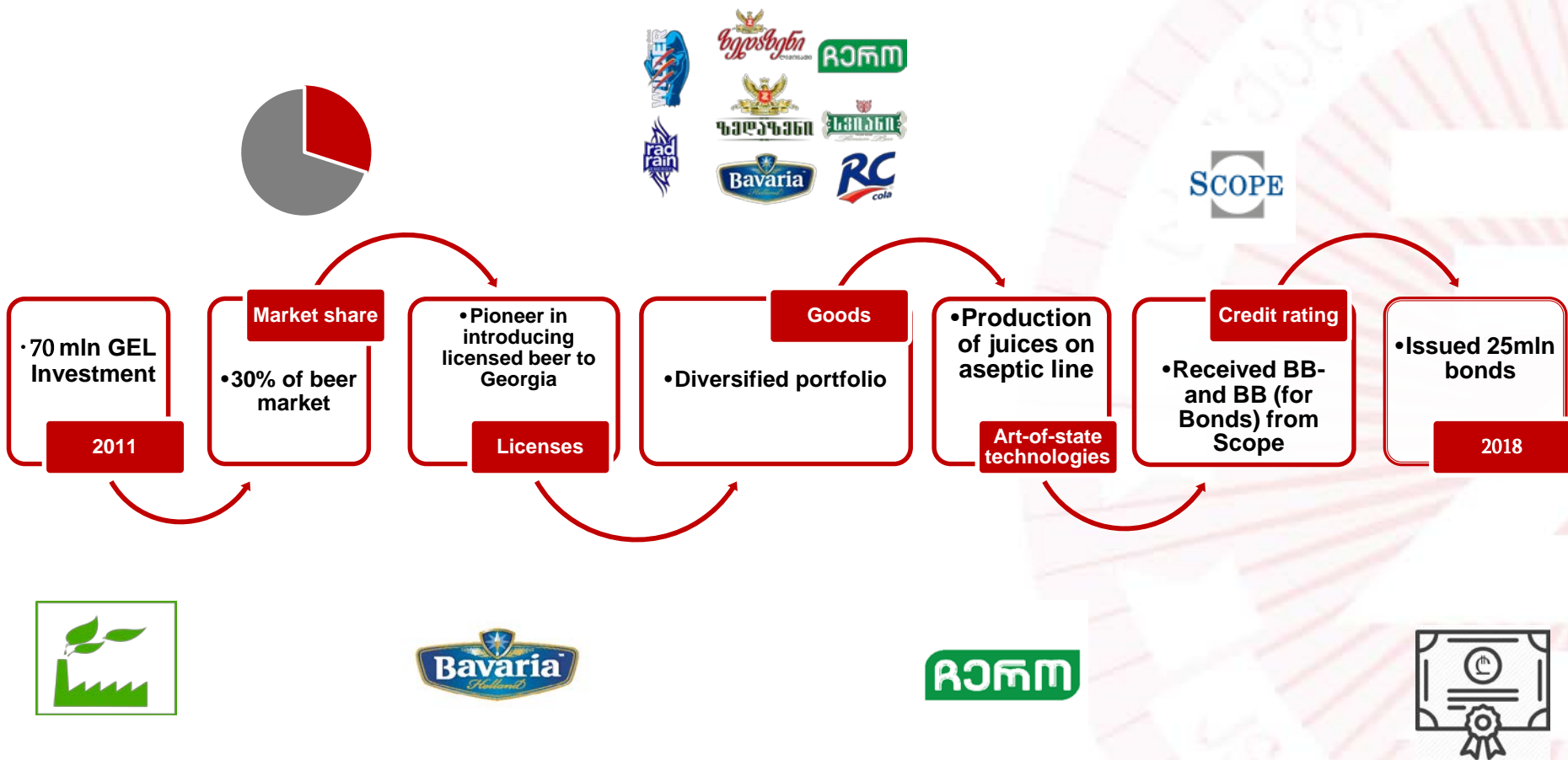
Company Description



Company profile

Year of company establishment:	June 2011
Company's principal activity:	Production of beer and non-alcoholic beverages;
Production area:	20,500 sq.m
Office area:	3,820 sq.m
Land plot:	25 ha

Progress of the Company



Products

Beer:

Beer “Zedazeni” is the flagship brand of JSC “Georgian Beer Company”. It certainly implies special efforts to secure permanently brilliant quality. Beer “ZEDAZENI” is brewed from the highest quality German raw materials, using Zedazeni spring water. The production process is designed according to the most recent developments in the foods and beverages technology.

GBC was the first Georgian company to hold international license by world known Bitburger brewery and now also a world class premium beer Bavaria is the official franchised brand of GBC and is brewed and bottled in Georgia since 2016.

Zedazeni has wide portfolio of local and licensed beers. Company offers new long-term and short-term local and licensed products in every season according to the strategy.



New Products

Beer – new for 2019:

Company started production of non-alcoholic beer Ragnar. This is new to Georgian market and will be another trend settler.

Company recently introduced two new brands: Harp and Ninkasi.



Products (cont.)

Non-Alcoholic Beverages:

The second main product under brand name Zedazeni is **lemonade**, which is local national CSD product.

GBC is producer of **natural juices** under local brands CHERO and GRAFFINI using its state of art Aseptic line technology.

Soft drinks portfolio is enriched by **Ice Tea** BAIHO and **Energy Drinks** local Wilder and licensed RAD RAIN as well. In 2019, the Company introduced new energy drink **Dino**.

Cola direction is quite successful. GBC has license to produce American brand RC Cola in Georgia from Royal Crown Cola.



Sales Channels

GBC has one of the strongest distribution through the country and cover 98% of all outlets.

We cooperate and are represented through branded refrigerators in every retail chain and with exclusive terms in some of Key Accounts (KA).

KA's represent about 40% of GBC sales.

Traditional trade holds about 55% and

HoReCa about 5% of total sales.



Production Capacity of the plant

PRODUCTION CAPACITY OF THE BREWERY: 90 M liters/Year

ANNUAL CAPACITY OF BEER & SOFT DRINKS FILLING LINES: 300 M liters/Year

We are cooperating with the following Equipment Manufacturers companies:

- KHS Gmbh –Leading German manufacturer of filling lines.
- ZVU POTEZ A.S. (CZECH REPUBLIC) Manufacturer of Brewhouse
- MI Consulting leading Swiss Company in Beer Filtration
- NATE



Bond Issuance highlights

Rationale for issuing bonds

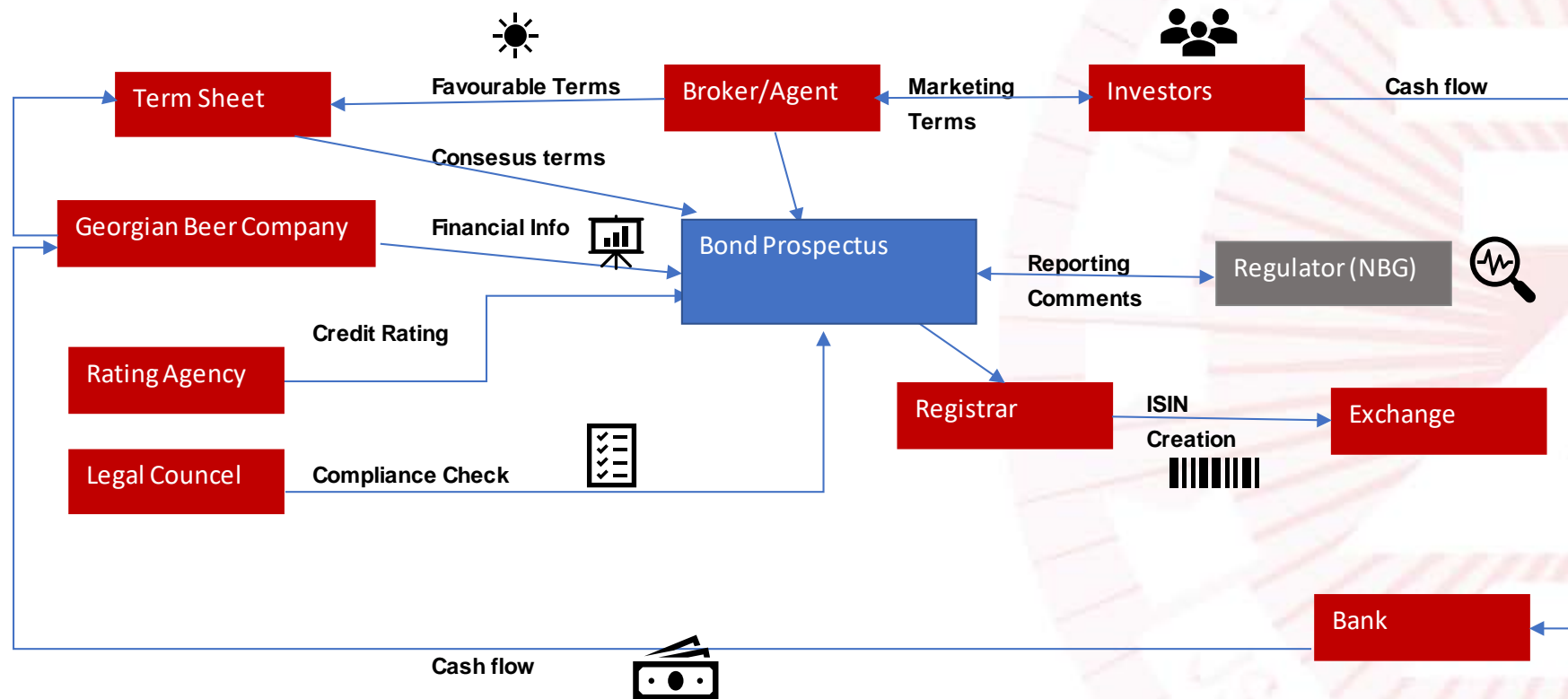
- Mitigating currency risk – as currency rates are volatile, company decided to issue bonds in GEL
- Cash flow management – as bond principal is payable at the end of period, meanwhile cash flow intended for principal settlement can be used for other projects

Key terms of the bond issue are as follows:

Issue size:	25,000,000
Issue currency:	Georgian Lari (GEL)
Issue date:	Q4 2018
Period:	5 years
Coupon type:	Floating
Reference rate:	Refinancing Rate of the National Bank of Georgia
Spread above reference rate:	400 bps
Payment frequency:	Quarterly

Use of Proceeds: capital expenditure and refinancing of existing loans.

Bond issuance process flow



External review – credit rating

Highlights from Scope Ratings' Report

Scope affirmed Georgian Beer Company at BB-, Outlook Stable; new bond rated BB



Issuer Rating

Rating action	affirmed
Rating date	14.03.2019
Outlook	stable
Solicited	yes

BB-

Senior Unsecured Debt Rating

Rating action	affirmed
Rating date	14.03.2019
Outlook	n.a.
Solicited	yes

BB

Rating action

Scope Ratings has affirmed the issuer rating of BB- for Georgian Beer Company JSC (GBC) as well as its Stable Outlook. The agency has also assigned a first-time instrument rating of BB to the senior unsecured corporate bond issued in December 2018. The agency also affirms the senior unsecured debt rating of BB.

Reference: <https://www.scoperatings.com/#search/research/detail/159133EN>

Requirements to be met after becoming Public interest entity

- **Reporting**

- Audited annual financial statements report
- Update of credit rating annually

- Addition of independent board member to the supervisory board

- Registration on public register



zedazeni

3311, Saguramo,
Mtskheta Region, Georgia
e Mail: export@zedazeni.ge
info@zedazeni.ge
www.zedazeni.ge