

BGEO Group's real estate subsidiary acquires a hotel in Gudauri

BGEO Group PLC (the "Group" or "BGEO"), announces that the Group's real estate subsidiary, m² Real Estate ("m²" or the "Company"), has acquired an under construction hotel in Gudauri ("the Gudauri Hotel") for a total cash consideration of US\$7.2 million (including VAT). The Gudauri Hotel is expected to add at least 134 rooms to m²'s portfolio, conveniently located on the slope with ski-in and ski-out facilities in Gudauri – a leading ski resort in the Caucasus region. The skeleton of the building is already finished and remaining construction works will be carried out by m²'s construction arm. The Company expects to open its doors to its first visitors in December 2018.

Irakli Gilauri, BGEO CEO commented: "I am delighted to announce that m² successfully continues to make progress towards its targeted 1,000 hotel room portfolio, over the next three years. With this acquisition, m² has now reached approximately 760 rooms in its portfolio, of which 152 are operational and 608 are in the pipeline. The Gudauri Hotel, located in Georgia's most popular ski resort, is expected to attract a growing number of international and local tourists interested in skiing and mountain resort experiences."

Name of authorised official of issuer responsible for making notification: Giorgi Alpaidze, Group CFO

About BGEO Group PLC

The Group: BGEO Group PLC ("BGEO" – LSE: BGEO LN) is a UK incorporated holding company of a Georgia-focused investment platform. BGEO invests, via its subsidiaries, in the banking and non-banking sectors in Georgia (BGEO and its subsidiaries, together the "Group"). BGEO aims to deliver on its strategy of: (1) at least 20% ROAE from its Banking Business; (2) 15%-20% growth of its Banking Business loan book; (3) at least 25% IRR; and (4) up to 20% of the Group's profit from its Investment Business. On 3 July 2017 BGEO announced its intention to demerge BGEO Group PLC into a London-listed banking business (the "Banking Business") and a London-listed investment business (the "Investment Business") by the end of the first half of 2018.

Banking Business: Currently comprises: a) retail banking and payment services, b) corporate investment banking and wealth management operations and c) banking operations in Belarus ("BNB"). JSC Bank of Georgia ("BOG" or the "Bank") is the core entity of the Group's Banking Business. The Banking Business will continue to target to benefit from the underpenetrated banking sector in Georgia primarily through its retail banking services.

Investment Business: Currently comprises the Group's stakes in Georgia Healthcare Group PLC ("Healthcare Business" or "GHG") – an LSE (a London Stock Exchange) premium-listed company, Georgia Global Utilities ("Utility and Energy Business" or "GGU"), m² Real Estate ("Real Estate Business" or "m²"), Teliani Valley ("Beverage Business" or "Teliani"), Aldagi ("Property and Casualty Insurance Business" or "Aldagi") and Bank of Georgia Group ("Banking Business" or "BoG"). Georgia's fast-growing economy provides opportunities in a number of underdeveloped local markets and the Investment Business will target to capture growth opportunities in the Georgian corporate sector.

JSC BGEO Group has, as of the date hereof, the following credit ratings:

Fitch Ratings
Moody's

'BB-/B'
B1/NP (FC) & B1/NP (LC)

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

Fitch Ratings
Moody's

'BB-/B'
'Ba3/NP' (FC) & 'Ba2/NP' (LC)

For further information, please visit www.bgeo.com or contact:

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