

London, 3 April 2018

BGEO Group's real estate subsidiary acquires land plot in Telavi for hotel development

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 8,512 square metre land plot in Telavi, Kakheti for a total cash consideration of US\$1.5 million. The Company intends to develop a hotel on the acquired land plot with approximately 130 rooms (the “**Hotel**”) over the next two years. Telavi is the largest city in eastern Georgia and a major tourist destination, known as a major wine region in Georgia. The Hotel construction works will be carried out by the Company’s construction arm.

Irakli Gilauri, BGEO CEO commented: “I am pleased to see that m² Real Estate has made yet another step towards its hotel development strategy to reach a capacity of 1,000 hotel rooms over the next three years. The Hotel, located in the heart of Georgia’s wine region, will attract a growing number of tourists interested in Georgian wine, cuisine and hiking.”

Name of authorised official of issuer responsible for making notification: Natia Kalandarishvili, Head of Investor Relations and Funding

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”) and Aldagi (“Property and Casualty Insurance Business” or Aldagi”). 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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