

London, 27 February 2018

BGEO Group's real estate subsidiary opens its first hotel in Tbilisi

BGEO Group PLC (the “**Group**” or “**BGEO**”), announces that the Group’s real estate subsidiary, m² Real Estate (“**m²**” or the “**Company**”), has opened a Ramada Encore hotel (the “**Hotel**”) in Tbilisi - the Company’s first hotel under an Exclusive Development Agreement with Wyndham. The Hotel has a capacity of 152 rooms, a restaurant, offers conferencing and fitness facilities, and will cater the needs of the rapidly growing market for budget travelers in Georgia. The average daily rate of the Hotel in the stabilisation year is projected at US\$ 110, with 70% expected occupancy rate. The Company’s investment in the Hotel, including the land value, totalled US\$ 14 million.

Irakli Burdiladze, m² Real Estate CEO commented: “I am delighted that m² has developed its first hotel under the Ramada Encore brand, which allows the Company to specifically target the very lucrative budget travelers’ segment in Georgia. This is a significantly underserved and, more importantly, very rapidly growing segment of Georgia’s tourism sector, and m² is successfully taking advantage of this opportunity.”

Irakli Gilauri, BGEO CEO commented: “I would like to congratulate m² on achieving the first milestone in its hotel development strategy. The Company has made a significant step towards reaching its goal of creating a portfolio of 1,000 rooms throughout Georgia within the next two to three years. Tourism remains the engine of Georgia’s economic growth and m² is fully equipped to meet the growing demand generated by the increasing number of international visitors.”

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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