

London, 3 May 2018

Georgia Capital acquires leading Georgian wine producer

BGEO Group PLC (the “Group” or “BGEO”), announces that its investment business holding company, JSC Georgia Capital (“Georgia Capital”), has acquired a 60% indirect controlling interest in Kindzmarauli Marani, LLC (“Kindzmarauli”) through a locally established special-purpose vehicle for a total consideration of US\$7.25 million (representing a cash payment for an equity stake and the buyout of an existing shareholder loan).

Kindzmarauli is a producer of exquisite Georgian wines and spirits, which owns 350 hectares of vineyards in Georgia’s Kakheti region. Georgia Capital will consolidate the results of Kindzmarauli’s operations from the acquisition date, and expects that the acquisition will complement and strengthen its existing beverage business with an increased presence in the growing domestic and international markets for Georgian wine.

Irakli Gilauri, BGEO CEO commented: “I am delighted to announce that our beverage business has made a major step towards its wine business development strategy to reach a vineyard base of 1,000 hectares over the next three years. With this acquisition, we have now reached 436 hectares of vineyards to support our wine production, which has been supported by significant growth opportunities on international markets provided by Georgia’s various free trade agreements, including those with China and the European Union.”

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:

Irakli Gilauri
Group CEO
+995 322 444 109
igilauri@bgeo.com

Michael Oliver
Adviser to the CEO
+44 203 178 4034
moliver@bgeo.com

Giorgi Alpaidze
Group CFO
+995 322 444 190
g.alpaidze@bgeo.com