

London, 28 December 2017

*BGEO Group's real estate subsidiary awarded a major construction contract*

BGEO Group PLC (the “Group” or “BGEO”), announces that the Group’s real estate subsidiary, m<sup>2</sup> Real Estate (“m<sup>2</sup>” or the “Company”), has signed its first major third-party construction contract. m<sup>2</sup> has been awarded the contract to construct the shell and core of a new shopping mall and business centre located in Tbilisi’s Saburtalo district (the “Project”). The Company’s construction arm plans to carry out construction works over the sixteen months following the planned Project commencement in January 2018. The total value of the contract, which covers construction management services and the Project costs, is \$11.6 million.

*Irakli Gilauri*, BGEO CEO commented: “I am pleased to see m<sup>2</sup>’s construction arm has been awarded its first major third-party construction contract since its acquisition by m<sup>2</sup> in June 2017. This award allows m<sup>2</sup> to generate fees income in line with its ‘asset light’ strategy as well as utilise the benefits of its construction arm’s vertical integration into the Company’s business model. I look forward to similar awards in the future.”

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 representing at least 80% of the Group’s profit, will comprise: 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 representing up to 20% of the Group’s profit, will comprise the Group’s stakes in Georgia Healthcare Group PLC (“Healthcare Business” or “GHG”) – an LSE (London Stock Exchange PLC) premium-listed company, Georgia Global Utilities (“Utility and Energy Business” or “GGU”), m<sup>2</sup> Real Estate (“Real Estate Business” or “m<sup>2</sup>”), 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](http://www.bgeo.com) or contact:

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