

London, 2 January 2018

**BGEO Group's real estate subsidiary acquires controlling stake in a lifestyle boutique hotel**

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 acquired a 50% stake from a third-party in an upcoming lifestyle boutique hotel (the “Hotel”) in Tbilisi for a total cash consideration of US\$4.1 million. Additionally, m<sup>2</sup> has an option to increase its shareholding to 60% stake by injecting US\$1.9 million into the Hotel’s capital. The Hotel, which is expected to add at least 100 rooms to m<sup>2</sup>’s portfolio, is conveniently located on Mtatsminda hill - a neighbourhood with one of the most spectacular panoramic views of the capital.

The Hotel construction works are being carried out by the Company’s construction subsidiary. The skeleton of the building is already finished and completion is expected in the first quarter of 2019. The Hotel, with its boutique style intertwined with a focus on the concept of wine and fine dining, is expected to attract a growing number of tourists, as well as the affluent local population.

**Irakli Gilauri**, BGEO CEO commented: “I am delighted to see that m<sup>2</sup> Real Estate continues to demonstrate an impressive advance in the hospitality business – one of the core pillars of its strategy. With the tourism growing 27% in 2017, we believe this sector has high growth potential in future. m<sup>2</sup> continues to seize the right momentum to capitalise on the very attractive business environment and extend its hotel portfolio.”

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:

**Irakli Gilauri**  
Group CEO  
+995 322 444 109  
[igilauri@bgeo.com](mailto:igilauri@bgeo.com)

**Michael Oliver**  
Adviser to the CEO  
+44 203 178 4034  
[moliver@bgeo.com](mailto:moliver@bgeo.com)

**Giorgi Alpaidze**  
Group CFO  
+995 322 444 190  
[g.alpaidze@bgeo.com](mailto:g.alpaidze@bgeo.com)