

London, 19 December 2016

BGEO Group's real estate subsidiary issues US\$ 25 million bonds locally

BGEO Group PLC (the “**Group**” or “**BGEO**”), announces that the Group’s wholly owned real estate subsidiary m² Real Estate (“**m²**”) has successfully placed US\$ 25 million bonds into the local market. The bonds were issued at par with a 3-year tenor and an annual coupon rate of 7.5%, payable semiannually. The Group’s investment banking and brokerage subsidiary, Galt & Taggart, acted as a placement agent. The proceeds are to be used for refinancing m²’s existing bonds and financing planned real estate development projects.

Irakli Gilauri, Group CEO commented: “I am pleased to see that m² Real Estate continues to diversify its funding sources through local capital market transactions. This is the fourth local bond placement for m² Real Estate in the last two years. I am also glad that Galt & Taggart, our investment banking and brokerage subsidiary, continues to lead local capital market transactions and has acted as a placement agent for this transaction. I want to congratulate the teams of both, m² and Galt & Taggart, with this successful placement.”

Name of authorised official of issuer responsible for making notification: Ekaterina Shavgulidze, Head of Investor Relations and Funding.

About BGEO Group PLC

The Group: BGEO Group PLC (“BGEO” or the “Group” – LSE: BGEO LN) is a UK incorporated holding company of a Georgia-focused investment platform. BGEO invests in the banking and non-banking sectors in Georgia (BGEO and its subsidiaries, the “Group”). BGEO aims to deliver on a 4x20 strategy: at least 20% ROAE and at least 20% growth of retail loan book in Banking Business, and at least 20% IRR and up to 20% of the Group’s profit from Investment Business.

Banking Business: Our Banking Business comprises at least 80% of the Group’s profit and consists of Retail Banking, Corporate Banking and Investment Management businesses at its core and other banking businesses such as P&C Insurance, Leasing, Payment Services and Banking operations in Belarus (“BNB”). The Group strives to benefit from the underpenetrated banking sector in Georgia especially through its Retail Banking services. JSC Bank of Georgia (“BOG” or the “Bank”) is the main entity in the Group’s Banking Business.

Investment Business: Our Investment Business comprises up to 20% of the Group’s profit and consists of Georgia Healthcare Group (Healthcare Business) – an LSE (London Stock Exchange PLC) premium listed company, m² Real Estate (Real Estate Business), Georgia Global Utilities (Utility Business or GGU) and Teliani Valley (Beverage Business). Georgia’s fast-growing economy provides opportunities in a number of underdeveloped markets and the Group is well positioned to capture growth opportunities in the Georgian corporate sector.

JSC BGEO Group has, as of the date hereof, the following credit ratings:

Bank of Georgia has, as of the date hereof, the following credit ratings:

Fitch Ratings
Moody’s

‘BB-/B’
B1/NP (FC) & B1/NP (LC)

Fitch Ratings
Moody’s

‘BB-/B’
‘B1/NP’ (FC) & ‘Ba3/NP’ (LC)

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