

London, 20 March 2017

BGEO Group announces a sale of shares in Georgia Healthcare Group PLC

BGEO Group PLC (“**BGEO**” or the “**Group**”), announces that it sold 833,160 shares (representing approximately 0.7% of GHG’s issued share capital) in Georgia Healthcare Group PLC (“**GHG**”) on 17 March 2017. These shares were sold at a price of GBP 3.60 (USD 4.45) per share – the closing price per share on the London Stock Exchange the day before the transaction. The shares were acquired by former shareholders of JSC ABC Pharmacia, a chain of pharmacies purchased by GHG in January 2017, and are subject to three-year lock-up period. Given the volume of the shares involved, a private sale on an arms-length and commercial basis was selected as the most appropriate form for the transaction by both parties. Following the sale, BGEO continues to hold 64.3% of GHG’s issued share capital.

The sale resulted in the total gross proceeds of GEL 9.2 million (US\$3.7 million) to the Group. As a result of the sale, BGEO realized a gain of GEL 6.1 million (US\$2.4 million), which will be recorded through an increase in the shareholders’ equity in 1Q2017.

Name of authorised official of issuer responsible for making notification: Giorgi Alpaidze, Head of Investor Relations

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:

Fitch Ratings ‘BB-/B’
Moody’s B1/NP (FC) & B1/NP (LC)

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

Fitch Ratings ‘BB-/B’
Moody’s ‘B1/NP’ (FC) & ‘Ba3/NP’ (LC)

For further information, please visit www.bgeo.com or contact:

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