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Completion of placing of existing ordinary shares in Georgia Healthcare Group PLC

Further to the announcement on 16 May 2017, BGEO Group PLC (the “**Group**” or “**BGEO**”) announces today that the Group has sold 9.5 million shares (the “**Placing Shares**”) in Georgia Healthcare Group PLC (“**GHG**”), representing approximately 7.2 per cent of GHG’s existing ordinary issued share capital (the “**Placing**”), at a price of 330 pence per share, raising gross proceeds of £31.4m.

Investec Bank plc, Numis Securities Limited, Renaissance Securities (Cyprus) Limited, and Jefferies International Limited acted as Joint Bookrunners in connection with the Placing.

BGEO has agreed that for a period of at least 90 days following completion of the Placing, it will not make further disposals from its remaining holding in GHG (subject to customary exceptions).

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Information on Georgia Healthcare Group PLC

Georgia Healthcare Group PLC is the UK incorporated holding company of the largest integrated player in the fast-growing, predominantly privately-owned Georgia healthcare ecosystem of GEL 3.4 billion aggregated value. GHG’s leadership position is underpinned by offering the most comprehensive range of inpatient and outpatient services targeting the mass market segment through its vertically integrated network of 35 hospitals and ten ambulatory clusters (consisting of 13 district ambulatory clinics and 28 express ambulatory clinics), as at 31 March 2017. GHG is the single largest market participant, accounting for 23.4% of total hospital bed capacity in the country, as of 31 March 2017. GHG is the largest pharmaceuticals retailer and wholesaler in Georgia with approximately 29% market share based on 2015 year’s revenue figures. GHG is also the largest provider of medical insurance in Georgia with a 35% market share based on net insurance premiums earned and with approximately 135,000 insurance customers as at 31 March 2017. GHG employed a total of c.14,600 people as at 31 March 2017, including c.3,280 physicians.

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This announcement does not contain or constitute an offer of, or the solicitation of an offer to buy, Placing Shares to any person in the United States, Australia, Canada or Japan or in any jurisdiction to whom or in which such offer or solicitation is unlawful. The Placing Shares referred to herein may not be offered or sold in the United States unless registered under the US Securities Act of 1933, as amended (the “Securities Act”) or offered in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and the securities laws of any relevant state or other jurisdiction of the United States. The offer and sale of Placing Shares referred to herein has not been and will not be registered under the Securities Act or under the applicable securities laws of any state or other jurisdiction of the United States or of Australia, Canada or Japan. There will be no public offer of the Placing Shares in the United States, Australia, Canada or Japan or elsewhere.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this announcement. Any representation to the contrary is a criminal offence in the United States.

Members of the general public are not eligible to take part in the Placing. In member states of the European Economic Area (“EEA”) (each, a “Relevant Member State”), this announcement and any offer to which it relates is directed only at persons who are “qualified investors” within the meaning of the Prospectus Directive (“Qualified Investors”). For these purposes, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State. In the United Kingdom this announcement is directed exclusively at Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”) or (ii) who fall within Article 49(2)(A) to (D) of the Order, and (iii) to whom it may otherwise lawfully be communicated, and any investment activity to which it relates will only be engaged in with such persons and it should not be relied on by anyone other than such persons.

This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in Placing Shares. Any purchase of Placing Shares in the proposed Placing should be made solely on the basis of publicly available information disclosed by the Group in connection with the Placing and otherwise. Such information has not been independently verified by the Banks or any of their affiliates. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed by any person for any purpose on the information contained in this announcement or its accuracy, fairness or completeness.

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Name of authorised official of issuer responsible for making notification: Giorgi Alpaidze Head of Finance, Funding and 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 & Energy 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)

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