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BGEO announces proposed placing of shares in Georgia Healthcare Group PLC

BGEO Group PLC (the “**Group**” or “**BGEO**”), announces today its intention to sell a minimum of 7 million shares (the “**Placing Shares**”) in Georgia Healthcare Group PLC (“**GHG**”) (the “**Placing**”).

The Placing reflects BGEO’s Investment Business strategy to invest in and manage high quality companies in certain sectors in Georgia, promoting them by allocating and developing top management talent, eliminating unnecessary costs, growing the investee companies as market leaders in order to achieve scale-driven cost advantage, and subsequently crystallise value. Prior to this proposed Placing, BGEO’s wholly owned subsidiary JSC BGEO Investments owned 64.26% of GHG. The proceeds of the Placing will be used for general corporate purposes.

The Placing Shares are being offered to institutional shareholders by way of an accelerated bookbuild, which will be launched immediately following this announcement. The Placing Shares will be offered to qualifying institutional investors only, and the Placing does not and will not constitute, nor is it intended to constitute, an offer to the public to purchase or subscribe for any Placing Shares. Investec Bank plc, Numis Securities Limited, Renaissance Securities (Cyprus) Limited, and Jefferies International Limited are acting as Joint Bookrunners in connection with the Placing (together the “**Banks**”).

The final number of Placing Shares to be placed and the price at which the Placing Shares are to be placed will be agreed by BGEO and the Banks at the close of the bookbuilding process. The result of the Placing will be announced as soon as possible after the close of the bookbuilding process. The timings for the close of the bookbuild process are at the discretion of the Banks and BGEO.

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

This announcement contains inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014 (“MAR”). Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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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.

Investec Bank plc ("Investec") which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority and Jefferies International Limited

(“Jefferies”), Numis Securities Limited (“Numis”) and Renaissance Securities (Cyprus) Limited (Renaissance”), each of which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, are each acting exclusively for BGEO Group PLC and JSC BGEO Investments and no-one else in connection with the proposed Placing and will not be responsible to anyone other than BGEO Group PLC and JSC BGEO Investments for providing the regulatory protections afforded to their respective clients. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by the Company, Investec, Numis, Renaissance, Jefferies or by any of their respective affiliates or agents as to or in relation to the accuracy, completeness or sufficiency of this announcement or any other written or oral information made available to or publicly available to any interested party or its advisers in connection with the Company, the Placing Shares or the Placing and any liability is therefore expressly disclaimed.

Forward-looking statements:

Certain statements in this announcement are forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial consequences of the plans and events described herein. No one undertakes any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Readers should not place any undue reliance on forward-looking statements which speak only as of the date of this announcement. Statements contained in this announcement regarding past trends or events should not be taken as representation that such trends or events will continue in the future.

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:

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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