IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE (1) QUALIFIED INSTITUTIONAL BUYERS ("QIBs") AS DEFINED IN, AND IN RELIANCE ON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") PROVIDED BY, RULE 144A UNDER THE SECURITIES ACT OR ANOTHER EXEMPTION THEREFROM OR (2) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT.

IMPORTANT: You must read the following before continuing. The following applies to the listing particulars following this page (the "**Listing Particulars**") and you are therefore advised to read this page carefully before reading, accessing or making any other use of the Listing Particulars. In accessing the Listing Particulars, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from Silk Road Group Holding LLC (the "**Issuer**"), Silk Real Estate LLC, Georgian Hotel Management LLC, Medea Operating Company LLC, Limoni 2009 LLC, Silk Road Business Centre LLC and Tsinandali Estates LLC (the "**Initial Guarantors**") and by Joint Stock Company Silknet (the "**Subsequent Guarantor**" and, together with the Initial Guarantors and any other Restricted Subsidiary (as defined below) appointed and not released as a guarantor subsequent to the Issue Date, the "**Guarantors**"), or any of J.P. Morgan Securities plc, UBS AG London Branch, JSC Galt & Taggart, Oppenheimer Europe Ltd. or TBC Capital LLC (together, the "**Joint Lead Managers**") as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. ANY SECURITIES TO BE ISSUED HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE LISTING PARTICULARS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE LISTING PARTICULARS IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE NOTES DESCRIBED IN THE LISTING PARTICULARS.

Confirmation of your representations: You have accessed the Listing Particulars on the basis that you have confirmed your representation to the Issuer and the Joint Lead Managers that (1) you are either (i) a QIB, or (ii) outside the United States, as defined in Regulation S under the Securities Act, not acting on behalf of a United States person and, to the extent you purchase the securities described in the Listing Particulars (the "**Notes**"), you will be doing so pursuant to Regulation S under the Securities Act, and the electronic mail address to which the Listing Particulars have been delivered is not located in the United States, as defined in Regulation S under the Securities Act; (2) if you are located in Georgia, you are (or the person you represent is) a sophisticated investor for the purpose of the Law of Georgia on Securities Market (the "**Securities Market Law**") and its implementing regulations; and (3) (in any case) you consent to delivery of the Listing Particulars and any amendments or supplements thereto by electronic transmission.

You are reminded that the Listing Particulars have been delivered to you on the basis that you are a person into whose possession the Listing Particulars may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver the Listing Particulars to any other person.

The materials relating to this offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer, and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in the relevant jurisdiction, the offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer and the Guarantors in such jurisdiction.

In the United Kingdom, the Listing Particulars are being distributed only to and directed only at (i) persons who have professional experience in matters relating to investments and fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Order**"), (ii) high net worth entities, and other

persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order, and (iii) those persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (as amended, the "**FSMA**")) in connection with the issue or sale of any securities may otherwise lawfully be communicated or be caused to be communicated (all such persons together being referred to as "**relevant persons**"). Any person who is not a relevant person should not act or rely on the Listing Particulars or any of their contents and should return the Listing Particulars as soon as possible and take no other action. Any investment or investment activity to which the Listing Particulars relate is only available to, and the Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons.

UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK PRIIPs Regulation / Prohibition of sales to United Kingdom retail investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive 2016/97/EU, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR. Consequently, no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and, therefore, offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

PRIIPs Regulation / Prohibition of sales to EEA retail investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and, therefore, offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Securities Market Law / Offering and sale to sophisticated investors only – The Listing Particulars have not been approved by the National Bank of Georgia (the "**NBG**"). No notification has been made to, and no consent has been sought or obtained from, the NBG for a public offering of the Notes in Georgia. The Notes are not intended to and should not be advertised, marketed, offered, sold or otherwise made available in a public offering in Georgia, unless and to the extent permitted under Georgian law. The Notes may be offered and sold in Georgia only to sophisticated investors within the meaning of the Securities Market Law and its implementing regulations.

The Listing Particulars have been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Guarantors or the Joint Lead Managers or any person who controls them or any of their directors, officers, employees or agents, or any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Listing Particulars distributed to you in electronic format and the hard copy version available to you on request from the Joint Lead Managers.

SILK ROAD GROUP HOLDING LLC

(incorporated as a limited liability company under the laws of Georgia)

U.S.$400,000,000 7.500 per cent. Guaranteed Notes due 2030

Guaranteed by Silk Real Estate LLC, Georgian Hotel Management LLC, Medea Operating Company LLC, Limoni 2009 LLC, Silk Road Business Centre LLC and Tsinandali Estates LLC and to be Guaranteed by Joint Stock Company Silknet

Issue Price: 100.000 %

The U.S.$400,000,000 7.500 per cent. Guaranteed Notes due 2030 (the "**Notes**") will be issued by Silk Road Group Holding LLC (the "**Issuer**" or the "**Company**" and, together with its subsidiaries, "**Silk Road**" or the "**Group**") and payment of all amounts payable by the Issuer in respect of the Notes will be fully, unconditionally and irrevocably guaranteed (the "**Guarantees**" and each a "**Guarantee**") by Silk Real Estate LLC ("**Silk Real Estate**"), Georgian Hotel Management LLC ("**Georgian Hotel Management**"), Medea Operating Company LLC ("**Medea Operating Company**"), Limoni 2009 LLC ("**Limoni**"), Silk Road Business Centre LLC ("**Silk Road Business Centre**") and Tsinandali Estates LLC ("**Tsinandali Estates**" and, together with Silk Real Estate, Georgian Hotel Management, Medea Operating Company, Limoni and Silk Road Business Centre, the "**Initial Guarantors**" and each an "**Initial Guarantor**") and (subsequent to the Issue Date) by Joint Stock Company Silknet ("**Silknet**" or the "**Subsequent Guarantor**" and, together with the Initial Guarantors and any other Restricted Subsidiary (as defined below) appointed and not released as a guarantor subsequent to the Issue Date, the "**Guarantors**" and each a "**Guarantor**"). The Notes will bear interest from (and including) 15 September 2025 at a rate of 7.500 per cent. per annum, payable semi-annually in arrear on 15 March and 15 September in each year, commencing on 15 March 2026.

The Guarantees by the Initial Guarantors will be effective on the Issue Date. The Guarantee by the Subsequent Guarantor will become effective no later than 60 days following the Issue Date.

The Notes constitute direct, unconditional, unsubordinated and (subject to Condition 4(b) (*Limitation on Liens*) of the terms and conditions of the Notes (the "**Conditions**")), unsecured obligations of the Issuer. The Guarantee of each Guarantor will constitute direct, unconditional, unsubordinated and (subject as provided in *"Terms and Conditions of the Notes—Covenants—Limitation on Liens"*), unsecured obligations of such Guarantor. The Notes and the payment obligations of each Guarantor under its Guarantee will at all times rank *pari passu* in right of payment with all other present and future unsecured and unsubordinated obligations of the Issuer or such Guarantor, as the case may be, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. The Notes and the payment obligations of each Guarantor under its Guarantee will be effectively subordinated to all of the Issuer's or such Guarantor's existing and future secured debt to the extent of the value of the assets securing such debt and to all existing and future debt of all the Issuer's subsidiaries that are not that Guarantor's.

Unless previously redeemed or cancelled, the Notes will be redeemed at their principal amount on 15 September 2030. The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (subject to certain conditions), at their principal amount (together with interest accrued to (but excluding) the date fixed for redemption) if, as a result of any change in, or amendment to, the laws or regulations of Georgia, or any change in the application or official interpretation of the laws or regulations of Georgia, the Issuer would be required to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) if the Issuer cannot avoid the requirement by taking reasonable measures available to it. In addition, on the occurrence of a Change of Control (as defined in the Conditions), each Noteholder shall have the right to require the Issuer to repurchase all or any part of that Noteholder's Notes at a purchase price in cash equal to 101 per cent. of the principal amount thereof on the date of purchase, plus accrued and unpaid interest, if any, to (but excluding) the date of purchase (subject to certain conditions). See *"Terms and Conditions of the Notes—Redemption and Purchase—Redemption at the Option of the Noteholders upon a Change of Control"*.

At any time prior to 15 September 2027, the Issuer may at its option on one or more occasions redeem the Notes in whole or in part at a redemption price equal to 100 per cent. of the principal amount of the Notes plus the Applicable Premium (as defined in the Conditions), and accrued and unpaid interest, and Additional Amounts (as defined in the Conditions) as set forth in the Conditions. At any time on or after 15 September 2027, the Issuer may at its option redeem the Notes in whole or in part at the redemption price specified in the Conditions. See *"Terms and Conditions of the Notes—Redemption and Purchase—Optional Redemption by the Issuer"*. In addition, at any time prior to 15 September 2027, the Issuer may redeem up to 35 per cent. of the aggregate principal amount of the Notes at a redemption price equal to 107.500 per cent. with the net proceeds from one or more equity offerings. See *"Terms and Conditions of the Notes—Redemption and Purchase—Optional Redemption by the Issuer"*.

The Notes and the Guarantees (together the "**Securities**") have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Securities are being offered and sold by the joint lead managers named under *"Subscription and Sale"* (the "**Joint Lead Managers**") outside the United States (the "**Regulation S Notes**") in reliance on Regulation S under the Securities Act ("**Regulation S**") and within the United States (the "**Rule 144A Notes**") to qualified institutional buyers ("**QIBs**") (as defined in Rule 144A under the Securities Act ("**Rule 144A**")) in reliance on and in compliance with Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of the Notes and distribution of these Listing Particulars, see *"Transfer Restrictions"* and *"Subscription and Sale"*. Prospective purchasers are hereby notified that sellers may be relying on the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A.

Application has been made to the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**"), for the Notes to be admitted to the official list of Euronext Dublin (the "**Official List**") and to trading on its Global Exchange Market (the "**GEM**"), which is the exchange regulated market of Euronext Dublin. These Listing Particulars constitute listing particulars for the purposes of this application and have been approved by Euronext Dublin. References in these Listing Particulars to the Notes being "listed" (and all related references) shall mean that the Notes have been admitted to the Official List and to trading on the GEM. The GEM is neither a regulated market for the purposes of Directive 2014/65/EU (as amended, "**MiFID II**") nor a regulated market for the purposes of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") ("**UK MiFIR**"). There is no assurance that a trading market in the Notes will develop or be maintained.

The Notes will be issued on 15 September 2025 (the "**Issue Date**") in registered form in denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. The Rule 144A Notes will be represented by a global note certificate (the "**Rule 144A Global Certificate**") in registered form, without interest coupons attached, which will be deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, The Depository Trust Company ("**DTC**"). The Regulation S Notes will be represented by a global note certificate (the "**Regulation S Global Certificate**" and, together with the Rule 144A Global Certificate, the "**Global Certificates**") in registered form, without interest coupons attached, which will be deposited with, and registered in the name of a nominee of, the common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). The Global Certificates will be exchangeable for Notes in definitive form ("**Definitive Certificates**") only in certain limited circumstances described in *"Summary of Provisions relating to the Notes in Global Form"*. Interests in the Global Certificates will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear, Clearstream, Luxembourg and DTC.

The Notes are expected to be rated "BB-" by Fitch Ratings Limited ("**Fitch**") and "B1" by Moody's Investors Service Ltd ("**Moody's**"). Fitch and Moody's are established in the United Kingdom and registered under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). The ratings of the Notes given by Fitch and Moody's have been endorsed by Fitch Ratings Ireland Limited and Moody's Deutschland GmbH, respectively, which are established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended, the "**CRA Regulation**"), and are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website, in accordance with the CRA Regulation. **A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.**

The Issuer will use a portion of the proceeds received from the issue and sale of the Notes to finance the purchase of any or all of the 8.375 per cent. Notes due 2027 issued by Silknet (the "**Silknet 2027 Notes**") tendered and accepted for purchase in accordance with the terms and conditions of the Tender Offer (as defined herein) and the redemption of the Silknet 2027 Notes remaining outstanding after the Tender Offer upon the approval of the Mandatory Early Redemption (as defined herein), as well as the payment of any early consent and transaction fees in connection therewith, all pursuant to the Tender Offer and Consent Solicitation (as defined herein) launched by the Issuer on 1 September 2025. Investing in the Notes involves risks. Please refer to *"Risk Factors"*.

Joint Bookrunners and Joint Lead Managers

J.P. Morgan **UBS Investment Bank**

Joint Lead Managers

Galt & Taggart **Oppenheimer** **TBC Capital**

The date of these Listing Particulars is 11 September 2025.

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IMPORTANT INFORMATION

These Listing Particulars do not constitute a prospectus for the purposes of Regulation (EU) 2017/1129 (as amended) or Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA, and have been prepared for the purpose of giving information with regard to the Issuer and the Notes which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Group (as defined herein).

The Issuer and the Guarantors each accept responsibility for the information contained in these Listing Particulars and declare that, having taken all reasonable care to ensure that such is the case, the information contained in these Listing Particulars to the best of its knowledge is in accordance with the facts and contains no omission likely to affect its import.

The Issuer and the Guarantors have confirmed to the Joint Lead Managers that (i) these Listing Particulars contain all information regarding the Issuer, the Guarantors, the Group and the Notes which is (in the context of the issue, offering and sale of the Notes) material; (ii) such information is true and accurate in all material respects and is not misleading; (iii) any opinions, predictions or intentions expressed in these Listing Particulars on the part of the Issuer are honestly held or made and are not misleading; (iv) these Listing Particulars do not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading; and (v) all proper enquiries have been made to ascertain and to verify the foregoing.

Neither the Issuer nor the Guarantors have authorized the making or provision of any representation or information regarding the Issuer, the Guarantors, the Guarantees, the Group or the Notes other than as contained in these Listing Particulars or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorized by the Issuer, the Guarantors or the Joint Lead Managers.

Neither the Joint Lead Managers, GLAS Trustees Limited (the "**Trustee**") GLAS Trust Company LLC (the "**Principal Paying Agent**", "**Transfer Agent**" and "**Registrar**"), nor any of their respective affiliates has authorized the whole or any part of these Listing Particulars and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in these Listing Particulars or takes any responsibility for any acts or omissions of the Issuer, the Guarantors or any other person in connection with these Listing Particulars or the issue and offering of the Notes. Neither the delivery of these Listing Particulars nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer, the Guarantors or the Group since the date of these Listing Particulars. The Joint Lead Managers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer, the Guarantors or the Group during the life of the Notes or to advise any investor in the Notes of any information coming to their attention.

Neither these Listing Particulars nor any other information supplied in connection with the offering of the Notes (a) are intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, any of the Joint Lead Managers or the Trustee that any recipient of these Listing Particulars or any other information supplied in connection with the offering of the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, the Guarantors and the Group. Neither these Listing Particulars nor any other information supplied in connection with the offering of the Notes constitute an offer or invitation by or on behalf of the Issuer, the Guarantors, any of the Joint Lead Managers or the Trustee to any person to subscribe for or to purchase any Notes.

The distribution of these Listing Particulars and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession these Listing Particulars come are required by the Issuer, the Guarantors and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of these Listing Particulars and other offering material relating to the Notes, see *"Transfer Restrictions"* and *"Subscription and Sale"*.

These Listing Particulars do not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of these Listing Particulars and the offer or sale of the Notes may be restricted by law in certain jurisdictions. None of the Issuer, the Guarantors, the Joint Lead Managers or the Trustee represents that these Listing Particulars may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such

distribution or offering. In particular, no action has been taken by the Issuer, the Guarantors, the Joint Lead Managers or the Trustee which is intended to permit a public offering of the Notes or the distribution of these Listing Particulars in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither these Listing Particulars nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession these Listing Particulars or any Notes may come must inform themselves about and observe any such restrictions on the distribution of these Listing Particulars and the offering and sale of Notes. In particular, there are restrictions on the distribution of these Listing Particulars and the offer or sale of the Securities in the United States, the European Economic Area (the "**EEA**"), the United Kingdom and Georgia. See "*Transfer Restrictions*" and "*Subscription and Sale*".

In particular, the Securities have not been and will not be registered under the Securities Act, and the Notes may not be offered or sold within the United States except pursuant to an exemption from registration under the Securities Act. The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "**SEC**") or any other state securities commission or regulatory authority in the United States, nor has any such commission or regulatory authority passed upon the accuracy or adequacy of these Listing Particulars. Any representation to the contrary is a criminal offence in the United States.

Each purchaser or holder of interests in the Notes will be deemed, by its acceptance or purchase of any such Notes, to have made certain representations and agreements as set out in "Transfer Restrictions" and "Subscription and Sale".

The language of these Listing Particulars is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

THE NOTES MAY NOT BE A SUITABLE INVESTMENT FOR ALL INVESTORS

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in these Listing Particulars or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behavior of any relevant financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate-related and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

UK MiFIR product governance / Professional investors and ECPs only target market - Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in UK MiFIR; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment;

however, a distributor subject to the FCA Handbook Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK PRIIPs Regulation / Prohibition of sales to United Kingdom retail investors - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**"), and any rules or regulations made under the FSMA to implement Directive 2016/97/EU, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR. Consequently, no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and, therefore, offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

PRIIPs Regulation / Prohibition of sales to EEA retail investors - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and, therefore, offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

NOTICE TO PROSPECTIVE U.S. INVESTORS

The offering of the Securities is being made in the United States in reliance upon an exemption from registration under the Securities Act for an offer and sale of the Securities which does not involve a public offering. In making your purchase, you will be deemed to have made certain acknowledgements, representations, warranties and agreements that are described in these Listing Particulars.

These Listing Particulars are being provided (1) to a limited number of U.S. investors that the Issuer reasonably believes to be QIBs under Rule 144A for informational use solely in connection with their consideration of the purchase of the Securities and (2) to investors outside the United States in reliance on Regulation S. Prospective investors are hereby notified that sellers may be relying on the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A.

The Securities described in these Listing Particulars have not been registered with, recommended by or approved by, the SEC, any state securities commission in the United States or any other securities commission or regulatory authority, nor has the SEC, any state securities commission in the United States or any such securities commission or authority passed upon the accuracy or adequacy of these Listing Particulars. Any representation to the contrary is a criminal offence in the United States.

NOTICE TO UNITED KINGDOM RESIDENTS

In the United Kingdom, these Listing Particulars are only being distributed to and is only directed at: (i) persons who have professional experience in matters relating to investments and fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Order**"); (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order; and (iii) persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or be caused to be communicated (all such persons together being referred to as "**relevant persons**"). Any investment or investment activity to which these Listing Particulars relate is only available to, and the Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on these Listing Particulars or any of their contents.

NOTICE TO INVESTORS IN GEORGIA

The Listing Particulars have not been approved by the National Bank of Georgia (the "**NBG**"). No notification has been made to, and no consent has been sought or obtained from, the NBG for a public offering of the Notes in Georgia. The Notes are not intended to and should not be advertised, marketed, offered, sold or otherwise made available in a public offering in Georgia, unless and to the extent permitted under Georgian law. The Notes may be offered and sold in Georgia only to sophisticated investors within the meaning of the Law of Georgia on Securities Market (the "**Securities Market Law**") and its implementing regulations.

STABILIZATION

In connection with the issue of the Notes, J.P. Morgan Securities plc (the "**Stabilization Manager**") (or persons acting on behalf of the Stabilization Manager) may over allot Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilization Manager (or persons acting on behalf of the Stabilization Manager) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilization action or over-allotment shall be conducted by the Stabilization Manager (or persons acting on behalf of the Stabilization Manager) in accordance with all applicable laws and rules.

ADDITIONAL INFORMATION

The Issuer has agreed that, so long as any Securities are "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act, the Issuer will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), nor exempt from reporting thereunder pursuant to Rule 12g3-2(b) under the Exchange Act, provide to any holder or beneficial owner of any such "restricted security", or to any prospective purchaser of such restricted security designated by such holder or beneficial owner, the information specified in, and meeting the requirements of, Rule 144A(d)(4) of the Securities Act upon the request of such holder or beneficial owner.

FORWARD-LOOKING STATEMENTS

Certain statements in these Listing Particulars may be deemed to be "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Forward-looking statements provide the Issuer's current expectations or forecasts of future events. Forward-looking statements include statements about the Issuer's expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not historical facts. Words or phrases such as "anticipate", "believe", "continue", "estimate", "expect", "intend", "may", "on-going", "plan", "potential", "predict", "project", "will" or similar words or phrases, or the negatives of those words or phrases, may identify forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking. Examples of forward-looking statements in these Listing Particulars include, but are not limited to, statements regarding the Issuer's disclosure concerning its operations, cash flows, capital expenditures and financial position.

In addition, all statements (other than statements of historical facts) included in these Listing Particulars, including, but without limitation, those regarding the financial position, business strategy, prospects, capital expenditures and investment plans of the Issuer and Guarantors and the plans and objectives of the Issuer and the Guarantors for their future operations (including development plans and objectives relating to the Issuer's and the Guarantors' operations), are forward-looking statements.

Forward-looking statements appear in a number of places in these Listing Particulars, including, without limitation, in the "Risk Factors", "Business Description of the Group" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of these Listing Particulars.

Investors are cautioned that forward-looking statements are not guarantees of future performance. Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in these Listing Particulars speak only as at the date of these Listing Particulars, reflect the Issuer's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Issuer's and the Guarantor's operations, results of operations, growth strategy and liquidity. Investors should specifically consider the factors identified in these Listing Particulars which could cause actual results to differ before making an investment decision. All of the forward-looking statements made in these Listing Particulars are qualified by these cautionary statements. The Issuer and the Guarantors do not undertake any obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Issuer or individuals acting on behalf of the Issuer and the Guarantors are expressly qualified in their entirety by this paragraph.

ENFORCEABILITY OF JUDGEMENTS AND FOREIGN ARBITRAL AWARDS

The Issuer and each Guarantor other than Silknet are limited liability companies incorporated under the laws of Georgia. Silknet is a joint stock company incorporated under the laws of Georgia. A substantial portion of the assets of the Issuer and the Guarantors, and most of the Issuer's and the Guarantors' executive management team and executive officers, reside outside of the United Kingdom and the United States and a substantial portion of the assets of the Group and of such persons are located outside of the United Kingdom and the United States. Neither the Issuer nor any of the Guarantors has submitted to the jurisdiction of any courts but rather have agreed to resolve disputes by arbitration in accordance with the rules and procedures of the LCIA. Georgia is a party to the New York Convention. Therefore, an arbitration award obtained in a country which is also a party to the New York Convention, such as the United Kingdom, would be enforceable in Georgia, subject to compliance with the terms of the New York Convention and Georgian law.

Pursuant to Article 45.1 of the Arbitration Law, arbitral awards against the Issuer or the Guarantors, irrespective of the country in which they are rendered, may not be recognized and enforceable in Georgia if:

(a) the party against whom the award is made proves before Georgian courts that:

  (i) a party to the arbitration at the time of entering into an arbitration agreement lacked legal authorization or was a beneficiary of support (a person lacking legal capacity) who had an appointed supporter in relation to issues under the arbitration agreement but did not receive relevant support, or the arbitration agreement is void or set aside pursuant to the law specified by the parties in the arbitration agreement or, in the absence of such, based on the laws of the place where the award was made;

  (ii) a party was not duly informed about the appointment of the arbitrator or the arbitration proceedings, or was not otherwise able to present its position or defend its interests;

  (iii) the arbitral tribunal issued the award on a subject matter which was not submitted to arbitration by the parties or the arbitral award goes beyond the scope of the claim of the parties in the arbitration, provided that if the decisions on matters submitted to arbitration can be separated from those not so submitted, only that part of the award which contains decisions on matters submitted to arbitration may be recognized and enforced;

  (iv) the composition of the arbitral tribunal or the procedure of the arbitration was not in accordance with the arbitration agreement, or, in the absence of such agreement, the arbitration was conducted in violation of the laws of the place of arbitration; or

  (v) the arbitral award has not yet become binding and/or has been set aside or suspended by the courts of the state in which, or under the laws of which, the award was made; or

(b) the court establishes that:

  (i) the subject matter of the dispute is not subject to arbitration under Georgian law; or

  (ii) the recognition and enforcement of the award is contrary to public order.

It may be difficult, however, to enforce arbitral awards in Georgia due to a number of factors, including the lack of experience of Georgian courts in international commercial transactions, certain procedural irregularities and Georgian courts' inability to enforce such orders, all of which could introduce delay and unpredictability into the process of enforcing any foreign arbitral award in Georgia.

The Issuer and the Guarantors have appointed an agent for service of process in England; however, it may not be possible for investors to effect service of process within the United Kingdom or the United States on the Issuer or the Guarantors. See *"Risk Factors—Risks Related to the Notes and the Guarantees—Noteholders may face difficulties enforcing foreign arbitral awards in respect of the Notes and the Guarantees and against the Issuer and the Guarantors"*.

PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

Financial Information

The financial information included in these Listing Particulars consists of:

(a) the Group's unaudited condensed consolidated interim financial information as at 30 June 2025 and for the six months ended 30 June 2025 and 30 June 2024 (the "**Unaudited Condensed Consolidated Interim Financial Statements**"); and

(b) the Group's audited consolidated financial statements as at and for the year ended 31 December 2024 (the "**2024 Audited Consolidated Financial Statements**") and the Group's audited consolidated financial statements as at and for the year ended 31 December 2023 (the "**2023 Audited Consolidated Financial Statements**", and together with the 2024 Audited Consolidated Financial Statements, the "**Audited Consolidated Financial Statements**", and the Audited Consolidated Financial Statements together with the Unaudited Condensed Consolidated Interim Financial Statements, the "**Consolidated Financial Statements**").

The Consolidated Financial Statements consolidate the results of operations of both Guarantors and non-Guarantors and are set out on pages F-2 to F-179 of these Listing Particulars.

The Audited Consolidated Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IFRS**"). The Unaudited Condensed Consolidated Interim Financial Statements have been prepared in accordance with the IAS 34 (Interim Financial Reporting).

Unless otherwise indicated:

(a) the Group's financial information as at and for the six months ended 30 June 2025 and set forth herein has been extracted from the Unaudited Condensed Consolidated Interim Financial Statements;

(b) the Group's financial information for the six months ended 30 June 2024 set forth herein has been extracted from the comparative information for the six months ended 30 June 2024 included in the Unaudited Condensed Consolidated Interim Financial Statements;

(c) the Group's financial information as at and for the year ended 31 December 2024 set forth herein has been extracted from the 2024 Audited Consolidated Financial Statements;

(d) the Group's financial information as at and for the year ended 31 December 2023 set forth herein has been extracted from the comparative information for the year ended 31 December 2023 included in the 2024 Audited Consolidated Financial Statements; immaterial adjustments were made to the Group's consolidated financial information as at and for the year ended 31 December 2023 as originally presented in the 2023 Audited Consolidated Financial Statements to reflect reclassifications and corrections identified during the preparation of the 2024 Audited Consolidated Financial Statements, which are not considered material and have been made to ensure consistency and comparability of the financial information presented; and

(e) the Group's financial information as at and for the year ended 31 December 2022 set forth herein has been extracted from the comparative information for the year ended 31 December 2022 included in the 2023 Audited Consolidated Financial Statements.

The Lari (GEL) is the functional and presentation currency for the Consolidated Financial Statements. The Consolidated Financial Statements and financial information included elsewhere in this document have, unless otherwise noted, been presented in Lari (GEL).

For convenience purposes only, certain amounts in GEL as at and for the six months ended 30 June 2025 and as at and for the year ended 31 December 2024 have been translated to USD using an exchange rate of GEL 2.7236 per USD 1.00 and GEL 2.8068 per 1.00 USD, being the exchange rates as reported by the NBG at 30 June 2025 and 31 December 2024, respectively. The USD equivalent amounts presented in these Listing Particulars are provided solely for the convenience of the reader and should not be considered representations that any such amounts have been, could have been or could be converted into USD at that or any other exchange rate. These convenience translations are neither audited nor prepared in accordance with IFRS. These convenience translations do not form part of the Group's consolidated financial statements included elsewhere in these Listing Particulars.

Alternative Performance Measures

These Listing Particulars include certain financial measures that are not measures of performance specifically defined by IFRS. The non-IFRS measures described below are alternative performance measures ("**APMs**") as defined in the European Securities and Market Authority Guidelines on Alternative Performance Measures dated 5 October 2015. Where used, the relevant metrics are identified as APMs and accompanied by an explanation of each such metric's components and calculation method.

APM	Definition of APM	Rationale for inclusion
"**Adjusted EBITDA**"	Adjusted EBITDA means profit/(loss) and total comprehensive income/(loss) for the period/year: (a) Plus depreciation and amortization; (b) Minus amortization of casino permit; (c) Plus net foreign exchange loss/(gain) (d) Plus finance costs less finance income; (e) Plus income tax expense/(benefit) (f) Plus specific items (as set out below) which have non-recurring and/or non-operating nature, presented in the Adjusted EBITDA reconciliation tables below. Specific items are identified by virtue of their size, nature, or incidence. Specific items represent: (a) (Gain) / loss on disposal of property and equipment (included in other income / other expenses); (b) Allowances for impairment of prepayment, trade and other receivables and loans receivable; (c) Write-down of slow moving inventory, property and equipment and other non-current assets; (d) Key management one-time benefit; (e) Professional fees and one-time consulting expenses; (f) Charity; (g) Other income/expenses; (h) Impairment loss on non-financial assets; and (i) Share of (profit)/loss of equity accounted investee.	The Group believes that the presentation of Adjusted EBITDA and Adjusted EBITDA Margin enhances an investor's understanding of the Group's financial performance. The Group's management uses Adjusted EBITDA and Adjusted EBITDA Margin to assess the operating performance because it believes that Adjusted EBITDA and Adjusted EBITDA margin are important supplemental measures of the operating performance and because Adjusted EBITDA is a measure incorporated into certain debt instruments. In addition, the Group believes that Adjusted EBITDA and Adjusted EBITDA Margin are frequently used by securities analysts, investors and other interested parties in the evaluation of companies that operate in the industries in which the Group operates. Adjusted EBITDA and Adjusted EBITDA Margin are not presentations made in accordance with IFRS and the Group's use of the terms Adjusted EBITDA and Adjusted EBITDA Margin may vary from others in the Group's industry due to differences in accounting policies or differences in the calculation methodology of Adjusted EBITDA and Adjusted EBITDA Margin by others the industries in which the Group operates.
"**Adjusted EBITDA Margin**"	Adjusted EBITDA Margin is calculated by dividing Adjusted EBITDA by Total Consolidated Revenue.	See above.
"**Adjusted EBITDAaL**"	Adjusted EBITDAaL means Adjusted EBITDA less interest expense accrued under lease liabilities and depreciation charge on right of use assets. "**Consolidated Adjusted EBITDAaL**" means the Group's consolidated Adjusted EBITDAaL. "**Telecom Adjusted EBITDAaL**" means the Adjusted EBITDAaL of the Telecom segment.	The Group believes that the presentation of Adjusted EBITDAaL and Adjusted EBITDAaL Margin enhances an investor's understanding of the Group's financial performance. Adjusted EBITDAaL excludes significant rent-related cash expenses which are included in Adjusted EBITDAaL. Adjusted EBITDAaL also helps investors compare the Group's performance with historical data. The Group's management uses Adjusted EBITDAaL to assess the operating performance because it believes that Adjusted EBITDAaL are important supplemental

		measures of the operating performance and because Adjusted EBITDAaL is a measure incorporated into certain debt instruments. In addition, the Group believes that Adjusted EBITDAaL is frequently used by securities analysts, investors and other interested parties in the evaluation of companies that operate in the telecommunications industry. Adjusted EBITDAaL is not a presentation made in accordance with IFRS and the Group's use of the terms Adjusted EBITDAaL may vary from others in the Issuer's industry due to differences in accounting policies or differences in the calculation methodology of Adjusted EBITDAaL by companies operating in the telecommunications industry
"**Adjusted Free Cash Flow**"	Adjusted Free Cash Flow means cash flows from operations before income tax paid less income tax paid, interest paid and cash paid for the acquisition of property and equipment, intangible assets and investment property.	The Group believes Adjusted Free Cash Flow is an important liquidity measure because it allows investors and others to evaluate and compare the amount of cash generated by the Group's business and financing activities to undertake growth investments, to fund acquisitions, to reduce outstanding financial debt, and to provide a return to shareholders in the form of dividends and/or share repurchases, among others.
"**Consolidated Net Financial Indebtedness**"	Consolidated Net Financial Indebtedness means current and non-current loans and borrowings plus put option liability, less cash and cash equivalents and certificate of deposits.	The Group believes that the presentation of Consolidated Net Financial Indebtedness and Consolidated Net Financial Indebtedness to Adjusted EBITDAaL enhances the Group's management's and investors' understanding of the Group's financial leverage. Moreover, the Group believes that Consolidated Net Financial Indebtedness and Consolidated Net Financial Indebtedness to Adjusted EBITDAaL is frequently used by securities analysts, investors and other interested parties in the evaluation of the financial leverage of companies that operate in the industries in which the Group operates. The calculation of Net Financial Indebtedness may differ from Indebtedness calculated in accordance with the Conditions (as defined below).
"**Consolidated Net Financial Indebtedness to Adjusted EBITDAaL**"	Consolidated Net Financial Indebtedness to Adjusted EBITDAaL is calculated by dividing Consolidated Net Financial Indebtedness by Consolidated Adjusted EBITDAaL.	See above.
"**Fixed Charge Coverage Ratio**"	Fixed Charge Coverage Ratio means Adjusted EBITDA divided by finance cost.	The Group believes that the presentation of the Fixed Charge Coverage Ratio enhances an investor's understanding of the Group's ability to meet its financing obligations from its operating performance. The Group believes that the Fixed Charge Coverage Ratio is frequently used by securities analysts, investors and other interested parties in the evaluation of companies with significant financing obligations. The Fixed Charge Coverage Ratio is not a presentation made in accordance with IFRS, and the Group's use of the term may differ from similar measures used by other companies due to differences in accounting policies or calculation methodologies.
"**Telecom Net Financial Indebtedness**"	Telecom Net Financial Indebtedness equals current and non-current loans and borrowings,	The Group believes that the presentation of Telecom Net Financial Indebtedness and Telecom Net Financial Indebtedness to

	less cash and cash equivalents and certificate of deposit, of the Telecom segment.	Adjusted EBITDAaL enhances the Group's management's and investors' understanding of the Group's financial leverage for its Telecom segment. Moreover, the Group believes that Telecom Net Financial Indebtedness and Telecom Net Financial Indebtedness to Adjusted EBITDAaL is frequently used by securities analysts, investors and other interested parties in the evaluation of the financial leverage of companies that operate in the telecommunications industry.
"**Telecom Net Financial Indebtedness to Adjusted EBITDAaL**"	Telecom Net Financial Indebtedness to Adjusted EBITDAaL is calculated by dividing Telecom Net Financial Indebtedness by Telecom Adjusted EBITDAaL	See above.
"**Telecom Capital Expenditures Excluding Telecom Operating Licenses** "	Telecom Capital Expenditures Excluding Telecom Operating Licenses means the Telecom segment's additions of property and equipment, plus additions of intangible assets, less telecom operating licenses.	This measure is included herein as an APM as the Group believes it enhances investors' understanding of the Group's financial position and future trends in the assets base. Further, the Group uses Telecom Capital Expenditures Excluding Telecom Operating Licenses disclosed in the Listing Particulars to, among other things, evaluate the Group's capital expenditures level, develop budgets and measure the Group's historical Capital Expenditures Excluding Telecom Operating Licenses against those budgets for its Telecom segment. In addition, the Group believes that Capital Expenditures Excluding Telecom Operating Licenses are frequently used by securities analysts, investors and other interested parties in the evaluation of comparable companies that operate in the telecommunications industry.
"**Telecom Capital Expenditures Excluding Telecom Operating Licenses Margin**"	Telecom Capital Expenditures Excluding Telecom Operating Licenses Margin is calculated by dividing Telecom Capital Expenditures Excluding Telecom Operating Licenses by Telecom segment revenue.	See above.
"**Telecom Recurring Capital Expenditures**"	Telecom Recurring Capital Expenditures means Telecom Capital Expenditures Excluding Telecom Operating Licenses, less non-recurring items of the Telecom segment consisting of Euronews license and IT transformation.	The Group believes that Telecom Recurring Capital Expenditures enhances an investor's understanding of the Group's financial position and future trends in the assets base. Further, the Group uses Telecom Recurring Capital Expenditures and Telecom Recurring Capital Expenditures Margin disclosed in the Listing Particulars to, among other things, evaluate the Group's Telecom Recurring Capital Expenditures level, develop budgets and measure the Group's historical Telecom Recurring Capital Expenditures against those budgets. In addition, the Group believes that Telecom Recurring Capital Expenditures and Telecom Recurring Capital Expenditures Margin are frequently used by securities analysts, investors and other interested parties in the evaluation of comparable companies that operate in the telecommunication industry.
"**Telecom Recurring Capital Expenditures Margin**"	Telecom Recurring Capital Expenditures Margin means Telecom Recurring Capital Expenditures divided by Telecom segment revenue.	See above.
"**Telecom Adjusted EBITDAaL less Telecom Recurring Capital Expenditures**"	Telecom Adjusted EBITDAaL less Telecom Recurring Capital Expenditures is calculated by subtracting Telecom Recurring Capital	The Group believes Telecom Adjusted EBITDAaL less Telecom Recurring Capital Expenditures is an important measure because it allows investors and others to evaluate and

	Expenditures from Telecom Adjusted EBITDAaL.	compare the amount of cash generated by the Group's Telecom business after capital expenditures and available to undertake growth investments, to fund acquisitions, to reduce outstanding financial debt, and to provide a return to shareholders in the form of dividends and/or share repurchases, among others.

The APMs disclosed in these Listing Particulars are unaudited supplementary measures of the Group's performance and liquidity that are not required by, or presented in accordance with, IFRS. The APMs disclosed in these Listing Particulars should not, however, be considered as an alternative to, in isolation from or as substitutes for financial information reported under IFRS. The APMs disclosed in these Listing Particulars are not measures specifically defined by IFRS and the Group's use of these measures may vary from other companies in its industry due to differences in accounting policies or differences in the calculation methodology of similar measures by other companies in its industry

For the reconciliation of the APMs defined above, see "*Selected Financial and Operating Information—Selected APMs*".

Market, Industry and Economic Information

The Issuer extracted the market data used in these Listing Particulars from the Georgian National Communications Commission ("**ComCom**"), the NBG, the National Statistics Office of Georgia ("**Geostat**"), the National Agency of Public Registry ("**NAPR**"), the Ministry of Finance of Georgia ("**MoF**"), Tbilisi Architecture Service ("**TAS**"), the Statistical Office of the European Union ("**Eurostat**"), internal surveys, other industry sources and third-party sources that the Issuer believes to be reliable and public information currently available. The main sources for market information used in these Listing Particulars are ComCom, NBG, Geostat, NAPR, MoF, TAS and Eurostat and the main source for foreign exchange data used in these Listing Particulars is the NBG. The Issuer obtained Georgian macroeconomic data principally from Geostat and the Government.

Where information has been sourced from a third party, the Issuer confirms that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Colliers

At the Company's request, Colliers Georgia ("**Colliers**"), external independent real estate appraiser whose business address is Freedom Square Business Center Tabidze N1 2 G. Leonidze Street Second floor, Tbilisi 0105, Georgia, has prepared a valuation letter dated 29 August 2025 setting out the fair value of a group of properties listed therein (the "**Valued Property Portfolio**") as at 31 December 2024 (the "**Valuation Letter**") included in these Listing Particulars on pages A-1. The purpose of the Valuation Letter is its inclusion in these Listing Particulars in connection with the Offering. Colliers has approved the contents of the Valuation Letter, consented to its form and context and authorized its inclusion in these Listing Particulars and accepted responsibility for its content exclusively to its addressees. Colliers have no conflict of interest to act as external valuer for the Group.

The determination of the total fair value of the Valued Property Portfolio was based on the underlying valuation reports prepared by Colliers in March 2025. See the Valuation Letter included in these Listing Particulars for the full list of properties, names, types, specific dates of the underlying report, valuation approach and fair value of each property of the Valued Property Portfolio. The underlying reports are not included, or form part of, either the Listing Particulars or the Valuation Letter.

The valuations conducted for the underlying valuation reports as summarized in the Valuation Letter were carried out in accordance with International Valuation Standards ("**IVS**") standards issued by the International Valuation Standards Council ("**IVSC**") and the Royal Institute of Chartered Surveyors ("**RICS**") Valuation – Professional Standards issued by the RICS. The valuations were based on Colliers' estimate of the market prices that could be obtained for the assets comprising the Valued Property Portfolio as at 31 December 2024.

According to such methodology set out above and the Valuation Letter, the aggregate market value of the Valued Property Portfolio as at 31 December 2024 amounted to USD 387.6 million.

Any data relating to the value of the Valuated Property Portfolio presented separately to the Valuation Letter shall be read and understood with the entire Valuation Letter.

Currency

In these Listing Particulars, unless otherwise specified, references to "Lari" and "GEL" are to the lawful currency of Georgia, references to a "Member State" are references to a Member State of the EEA and references to "EUR", "€" or "euro" are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, and references to "U.S. Dollar", "$", "USD" and "U.S.$" are to the lawful currency of the United States.

Rounding

Certain figures included in these Listing Particulars have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as total in certain tables may not be an arithmetic aggregation of the figures which precede them.

OVERVIEW

The Company is a diversified holding company operating (through its consolidated subsidiaries, the "**Group entities**") across a diverse range of sectors. The Group's principal business lines are Telecom, Hotels, Casinos, Development and Other businesses (as defined below). As at 31 December 2024, the Group was one of the largest conglomerates in Georgia in terms of total assets with a total value of GEL 1,746.2 million across all of its businesses based on the Group's internal estimates.

The Company's largest subsidiary in terms of revenue is JSC Silknet ("**Silknet**"), which operates the Group's Telecom business. The Company's second largest subsidiary in terms of revenue is Silk Real Estate LLC ("**Silk Real Estate**"), which operates the Group's Hotels business and Casinos business (managed by Silk Hospitality) and the Group's Development business (under its brand name Silk Development).

The Company is a holding company that operates in the following business areas:

- **Telecom business**: The Group's telecom business (the "**Telecom business**") provides telecommunication services, including mobile, fixed-line, internet, media and related services, as well as leasing infrastructure to third parties or other parts of the Group; the Group's Telecom business is operated by Silknet and its subsidiaries; the Telecom business is presented as the "Telecom" segment in the Unaudited Condensed Consolidated Interim Financial Statements and the 2024 Audited Consolidated Financial Statements;

- **Hotels business**: The Group's hotels business ("**Hotels business**") owns and operates full-service hotels that earn most of their revenue from providing accommodation, food and beverage services, and related hospitality activities. The Group has six hotels, which include two Radisson Blu Hotels in Tbilisi and Batumi, Georgia, a Radisson Collection Hotel and the Park Hotel in Tsinandali, Georgia, the Telegraph Hotel in Tbilisi, Georgia (with effect from June 2025), and the recently-acquired Kokhta Bakuriani Hotel (formerly the Rooms Kokhta Bakuriani Hotel) (not reflected in the Audited Consolidated Financial Statements), which are all are managed by Silk Hospitality; the Hotels business is presented as the "Hotels" segment in the Unaudited Condensed Consolidated Interim Financial Statements and the 2024 Audited Consolidated Financial Statements;

- **Casinos business**: The Group's casinos business ("**Casinos business**") operates licensed land-based casinos that generate most of their revenue from gaming operations, such as gaming tables and slot machines; the Group has two land-based casinos, which are located within the Group's Radisson Blu Hotels in Tbilisi and Batumi, Georgia, both of which are managed by Silk Hospitality; the Casino business is presented as the "Casinos" segment in the Unaudited Condensed Consolidated Interim Financial Statements and the 2024 Audited Consolidated Financial Statements;

- **Development business**: The Group's development business ("**Development business**") owns and develops land plots or properties and transforms them into hotels, casinos, commercial or residential properties, other hospitality businesses, and similar projects; the Group's main development projects include Silk Towers in Batumi, Georgia, and the Sakanela Complex in Tbilisi, Georgia, both of which are being developed by Silk Development; the Development business is presented as "Development" within the "Unallocated" caption in the Group's Unaudited Condensed Consolidated Interim Financial Statements and the 2024 Audited Consolidated Financial Statements and

- **Other business**: The Group's other business ("**Other business**") consists of operations in other areas, which are ancillary to, or in some instances unrelated to, the aforementioned businesses, as well as companies that provide corporate, administrative, or support services to other parts of the Group. The Group's Other business includes (i) other hospitality businesses, such as the operation of Complex Republic (which features the Republic Event Hall, Republic Rooftop-Bar-Terrace, and Restaurant Republic 24) in Tbilisi, Iveria Beach Club in Batumi, and Club Noble Savage in Tbilisi, and (ii) the energy business, principally the Bakhvi hydroelectric power station; the Other business is presented as "Other" within the "Unallocated" caption in the Unaudited Condensed Consolidated Interim Financial Statements and the 2024 Audited Consolidated Financial Statements.

See "*Business Description of the Group—Businesses*" for more detailed descriptions of these Group's businesses.

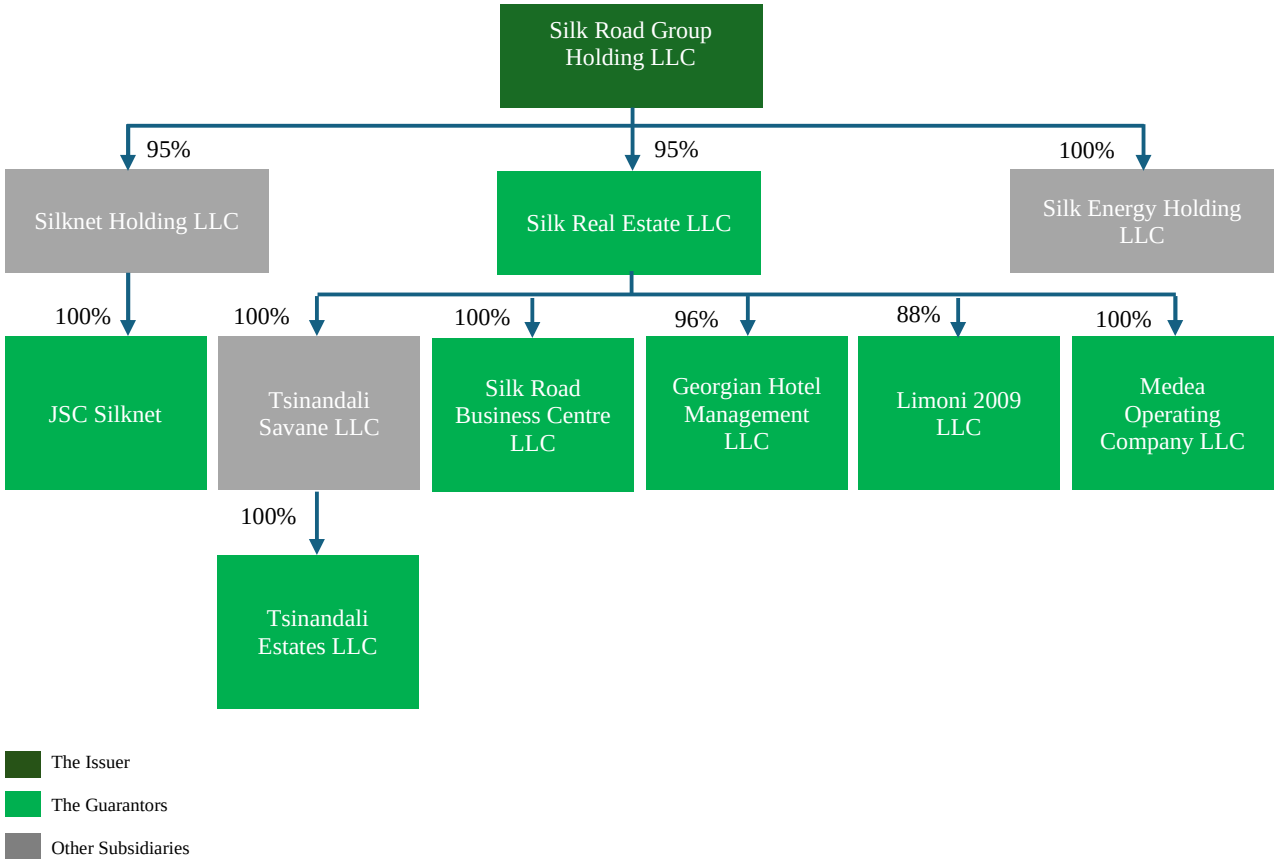
The following table sets forth the Group's profit and total comprehensive income and Adjusted EBITDA for the last twelve months ("**LTM**") ended 30 June 2025 and for the year ended 31 December 2024:

	For the LTM for the six months ended 30 June 2025[(1)]		For the six months ended 30 June 2025		For the year ended 31 December 2024	
Profit and total comprehensive income for the period/year			(*GEL thousands, except for percentages*)			
Telecom segment	230,399	108.7%	116,396	107.2%	188,693	108.8%
Hotels segment	(14,442)	(6.8)%	(19,845)	(18.3)%	7,625	4.4%
Casinos segment	40,094	18.9%	21,041	19.4%	34,105	19.7%
Development within Unallocated caption	(5,726)	(2.7)%	(2,330)	(2.1)%	(6,058)	(3.5)%
Other within Unallocated caption	(38,365)	(18.1)%	(7,215)	(6.6)%	(48,799)	(28.1)%
Reconciling items	24	0.0%	502	0.5%	(2,075)	(1.2)%
Total	**211,984**	**100.0%**	**108,549**	**100.0%**	**173,491**	**100.0%**
Adjusted EBITDA						
Telecom segment	382,046	89.4%	193,041	89.9%	369,872	89.8%
Hotels segment	19,053	4.5%	4,497	2.1%	25,816	6.3%
Casinos segment	39,734	9.3%	21,896	10.2%	30,465	7.4%
Development within Unallocated caption	(4,110)	(1.0)%	(2,293)	(1.1)%	(2,320)	(0.6)%
Other within Unallocated caption	(7,893)	(1.8)%	(1,468)	(0.7)%	(11,285)	(2.7)%
Reconciling Items	(1,349)	(0.3)%	(987)	(0.5)%	(655)	(0.2)%
Total	**427,481**	**100.0%**	**214,686**	**100.0%**	**411,893**	**100.0%**

Note:

(1) Represents the amount for the six months ended 30 June 2025, plus the amount for the year ended 31 December 2024, less the amount for the six months ended 30 June 2024.

The condensed diagram below sets forth the Issuer and Guarantor entities within the Group's structure:



The Issuer and the Guarantors, collectively, represented 103%, 101% and 78% of the Group's consolidated Adjusted EBITDA ("**Consolidated Adjusted EBITDA**"), consolidated revenue and consolidated total assets as at and for the six months ended 30 June 2025 and 102%, 98% and 78% of the Group's Consolidated Adjusted EBITDA, revenue and total assets as at and for the year ended 31 December 2024. See "*Business Description of the Guarantors*" for more information about each Guarantor's business, Adjusted EBITDA, total assets and revenue.

The following table provides a brief description of each Guarantor's business, along with the percentage of the Group's consolidated revenue, Adjusted EBITDA and total assets attributable to each Guarantor as at and for the six months ended 30 June 2025:

		As at and for six months ended 30 June 2025		
		Share of Total of the Group's Consolidated		
Guarantor	**Brief Description of Business**	**Revenue**	**Adjusted EBITDA**	**Total Assets**
			(%)	
Silk Road Group Holding LLC	The Issuer and the holding company of the Group	-	-	-
Silknet JSC	The operator of the Telecom business.	69	92	50
Silk Real Estate LLC	The intermediate holding company and operator of the Hotels and Casinos businesses, and other hospitality businesses.	-	-	3
Georgian Hotel Management LLC	The operator of Radisson Blu Iveria Hotel, Tbilisi.	5	3	1
Limoni 2009 LLC	The operator of Iveria Casinos in Batumi and Tbilisi and Complex Republic in Tbilisi.	24	10	3
Medea Operating Company LLC	The holding company of a hotel in Batumi.	-	-	3
Silk Road Business Centre LLC	The owner of The Telegraph Hotel.	1	-2	13
Tsinandali Estates LLC	The operator of the Radisson Collection Hotel, Tsinandali Estates.	2	1	4

See "*Business Description of the Guarantors* " for more detailed descriptions of these Group's businesses.

Competitive Strengths

The Group's business is characterized by the following key competitive strengths:

Leading Private Investment Group in Georgia

The Group is one of Georgia's leading private investment groups, with roots dating back to the 1990s. Since its founding in 1997, the Group has played a pivotal role in Georgia's transformation from a post-Soviet to a modern, market-oriented economy (see "*History*" for more information). Over the past two decades, it has invested more than USD 1 billion into the Georgian economy, contributing significantly to the country's economic and social development.

Today, the Group employs over 5,000 people across Georgia and holds investments in telecommunications, real estate development, hospitality (hotels, casinos, restaurants, clubs), and other sectors. Reflecting Georgia's real GDP growth, of 9.4% in 2024, 7.8% in 2023 and 11.0% in 2022, the Group's revenue has increased at a compound annual growth rate ("**CAGR**") of 7.9% between 2022 and 2024, reaching GEL 841.4 million for the year ended 31 December 2024, and continued to grow at 7.6% year-on-year for the six months ended 30 June 2025.

Leveraging the strong performance of its Telecom business, the Group is growing telecommunications adjacent services and is expanding further into commercial real estate and hospitality, aiming to capitalize on future economic growth and secure stable cash flows, including from hospitality. As revenues from the hospitality businesses are largely denominated in foreign currency, the hospitality businesses are less exposed to exchange rate risk, reducing foreign exchange sensitivity at Group level compared to the Telecom business.

The Group applies high standards of corporate governance, including the involvement of independent non-executive directors across its businesses, including the Issuer. The Group has a solid track record in fundraising in the local and international capital markets. Silknet successfully entered the international markets with Eurobond issuances of USD 200 million in 2019 and USD 300 million in 2022, while the real estate business raised USD 40 million and EUR 7 million in local markets in 2023 and 2024, respectively. and the energy business secured USD 1.3 million locally in 2017. The Group also maintains long-standing relationships with leading Georgian banks for project financing.

The Group's diversified, high-quality asset base underpins its resilience and growth potential within Georgia's dynamic economy, where real GDP growth of 7.2% is expected in 2025 (Source: G&T). With assets positioned across key sectors and strategic locations, the Group is well placed to capture emerging opportunities, manage risks, and sustain its leadership in Georgia's dynamic business environment.

Leading Telecom Operator Silknet

Growing market position and cash generation

Silknet, the Group's largest subsidiary, is a leading Georgian convergent telecommunication operator. Silknet (representing the Group's Telecom segment), offers a range of services, including mobile, fixed broadband, Pay TV, and fixed telephone. For the six months ended 30 June 2025, mobile services accounted for 54%, fixed broadband for 25%, Pay TV for 10%, and fixed telephone for 2% of the Telecom segment's revenue, respectively. It is at the core of the Group's financial performance.

Silknet is Georgia's second-largest mobile operator, with a 35.6% subscriber market share as at 30 June 2025 and a 35.2% revenue market share for the six months ended 30 June 2025. It is the second largest provider of both fixed broadband (31.8% and 33.6% subscriber share and revenue share, respectively) and Pay TV services, excluding mobile streaming applications (35.1% and 37.9% subscriber share and revenue share, respectively) and maintains a dominant position in fixed telephone services (58.0% and 42.1% subscriber share and revenue share, respectively) as at the same date and for the same period (Source: ComCom).

Since 2023, Silknet has steadily gained market share in both subscribers and revenues across key segments. In the six months ended 30 June 2025, mobile subscribers grew 5.7% year-on-year versus 3.1% for the overall market, while fixed broadband subscribers grew 6.8% versus 4.6%. Comparable figures for 2024 were 6.2% vs. 3.2% for mobile and 6.9% vs. 4.6% for broadband; in 2023, 3.6% vs. 1.5% for mobile and 6.4% vs. 5.0% for broadband. Higher growth than the competitors was mainly fueled by technological improvements and network extension, increase of sales channels, both physical and digital, resulting in higher customer satisfaction, increase in data volumes and flexible pricing policy, as further discussed below in "*—Drivers of Sustained and Resilient Market Leadership of Silknet*".

Silknet is at the core of the Group's financial performance. For the year ended 31 December 2024, the Telecom business generated GEL 582.0 million in revenue (69.2% of the Group's consolidated revenue), up by 9% from GEL 536.4 million (68.2% of the Group's consolidated revenue) in 2023.

Silknet competes in locations where it faces direct competition. In the ten largest cities in Georgia, where Silknet is most focused and all of the main players are competing, the increase in the company's residential FTTH subscriber base has been significantly higher than the rest of the market. It also leads the market in bundled services, such as bundling fixed broadband and IPTV, with a bundling rate of 79% (calculated as IPTV subscribers divided by residential FTTH subscribers), which is higher than that of its peers. The combination of Silknet's unique, self-developed IPTV infrastructure and its exclusive content rights constitutes a substantial barrier to entry for potential competitors. This infrastructure advantage is a key enabler of Silknet's sustainable market leadership and is central to its ongoing competitive strength. Silknet's ability to control both the platform and the content it delivers ensures a high degree of operational flexibility and customer responsiveness, further entrenching its leadership position in the Georgian telecommunications sector.

Telecom Adjusted EBITDA was GEL 369.9 million (representing 89.8% of Consolidated Adjusted EBITDA) in 2024, compared to GEL 337.9 million (representing 84.1% of Consolidated Adjusted EBITDA) in 2023 and GEL 284.1 million (representing 77.1% of Consolidated Adjusted EBITDA) in 2022. For the six months ended 30 June 2025, Telecom Adjusted EBITDA was GEL 193.0 million (representing 89.9% of Consolidated Adjusted EBITDA). For the six months ended 30 June 2024, Telecom Adjusted EBITDA was GEL 180.9 million (representing 90.8% of Consolidated Adjusted EBITDA).

Drivers of Sustained and Resilient Market Leadership of Silknet

As outlined in the previous section, Silknet's strong performance has been mainly supported by ongoing technological advancements, enhanced customer experience, as well as higher data consumption and successful monetization through effective pricing.

The Group believes that it has unparalleled and resilient telecommunication infrastructure. As at 30 June 2025, Silknet operated around 1,400 macro and 500 micro base stations, providing 99% population coverage for 4G/LTE. Its fixed broadband network reached more than 79% of homes, supported by over 4,000 kilometers of fiber backbone and 48 retail shops nationwide. Silknet has developed a backbone network connecting Tbilisi with other major cities, with the highest number of cross-border connections in Georgia.

Currently, Silknet is in the process and has recently completed the following technical upgrade projects: continued improvement of mobile coverage and capacity; continued increase in fiber network coverage and penetration, mostly in urban areas; modernization of fixed IP MPLS network; refarming of part of its 2G and 3G spectrum holdings to 4G; pioneering gigabit-LTE (4.9G) in Georgia in 2020 and 5G with its existing spectrum in 2023; full-scale development of 5G, which is currently underway, having commenced following the acquisition of new spectrum in June 2025.

Silknet has also completed a number of IT projects in the last few years, including a large-scale transformation of its IT infrastructure. This transformation included a full renewal of the business support system (BSS) and operations support system (OSS) stack with automated provisioning and real-time charging, the deployment of advanced self-service platforms, the modernization of the existing hosting and network infrastructure, the migration to a virtualized environment, endpoint base standardization, and the implementation of next-generation cybersecurity and fraud prevention systems (such as SIEM, EDR, WAF and DLP) and more on the control side the real-time fraud detection and prevention. The IT roadmap is centered around investments in enhancement of BSS/OSS, revenue control and assurance, big data, artificial intelligence, and cloud migration. The network investment projects will further improve Silknet's network performance and resilience and will also allow Silknet to back up and diversify potential suppliers, further reducing sourcing risk, while the objective of IT projects is to continue modernization of the systems, enhancing operational resilience and efficiency, and improving customer experience.

Silknet acquired additional spectrum mainly for full-scale 5G development and has a large spectrum portfolio of 233.4 MHz across multiple bands. The initial stage of 5G development is targeted at Georgia's main cities and seaside and other tourist locations. Most seaside areas have already been covered in the period from July to August 2025, with 80 mobile sites equipped with 5G, while deployment in Tbilisi is already underway.

Silknet's increase in market share is supported by the continued expansion of its digital distribution channels, highlighted by the launch of the MySilknet app in 2023. Between June 2024 and June 2025, Monthly Active Users ("**MAUs**") rose 54% to more than 422 thousand, while transactions increased 151%, driven by an improved customer experience and enhanced payment features, including credit card linking and automatic top-ups in the largely pre-paid market.

Silknet is the only telecommunications provider in Georgia that has developed its own IPTV platform, which it believes to be "best in class". Silknet also directly acquires rights to film, documentary entertainment and sports content for its channels and provides Georgian language programs to its subscribers. It also has a highly competitive content portfolio. Its premium sports content includes Champions League, Europe League, Conference League, and La Liga football, NBA basketball, ATP tennis and other competitions, mostly via exclusive, IPTV exclusive or co-exclusive contracts.

High levels of customer satisfaction are evidenced by an improving Net Promoter Score ("**NPS**"), which exceeds that of Silknet's competitors. According to independent research, with the latest having been conducted in May 2025, Silknet's NPS was 60, and was higher than that of its competitors (Source: Anova). Silknet also conducts internal research using the same methodology, which since 2024, has consistently shown a score above 60 and has continued to outperform competitors.

Silknet employs a flexible pricing approach, periodically introducing non-standard offers, that are well received by its subscribers and contribute to revenue generation. At the same time, Silknet has managed to increase ARPU. Silknet's mobile ARPU and fixed broadband ARPU have increased from GEL 9.6 and GEL 28.7 in 2021 to GEL 13.1 and GEL 33.6 in 2024. The growth in mobile was driven by an increase in data consumption (which grew at a CAGR of 36% over the same period), while growth in both segments was also fueled by pricing adjustments that Silknet made throughout 2022 (Source: ComCom).

The Group believes that it can successfully employ the strengths of Silknet in the still growing Georgian market. There is potential for further increases in mobile data penetration due to increasing smartphone penetration and mobile data usage. In the fixed segment, further growth potential remains in newly built residential homes, particularly in Georgia's major cities. In the primary residential markets of Tbilisi and Batumi, annual apartment sales have consistently exceeded 25 thousand since 2022 (Source: NAPR). The growing economy and increasing urbanization in Georgia are driving further demand for telecommunications services.

The Group believes that its strong brand and reputation, customer-oriented marketing approach, sophisticated sales channels, effective use of customer data, and intra-group loyalty programs place it in a strong position to benefit from current market trends and maintain sustainable growth.

Prime Real Estate Asset Portfolio and Thriving Hospitality Businesses

Silk Real Estate, the Group's second-largest subsidiary, is a fully integrated owner-operator platform comprising two divisions: Silk Development and Silk Hospitality. It combines hospitality excellence with strategic ownership and development of commercial and hospitality assets across Georgia.

The Group has played a leading role in the development of Georgia's hospitality and real estate sectors. Its entry into the hospitality sector began with the opening of the Radisson Blu Iveria Hotel in Tbilisi in 2009, which set new standards for international accommodation in the capital city. Since its opening, it has consistently ranked among the best-performing Radisson Blu hotels in EMEA, at times reaching gross operating profit (GOP) margins above 60% alongside strong guest satisfaction (source: Business Media Georgia).

Building on this success, the Group expanded its footprint to key Georgian destinations including Batumi, Tsinandali, and most recently Bakuriani. This diversification enables Silk Hospitality to capture varied demand across seaside resorts, winery destinations, a mountain resort, and the corporate/event space business. Growth has been managed with discipline through sequential project delivery and staggered capital expenditures, avoiding simultaneous large commitments and thereby preserving liquidity, reducing execution risk, and optimizing returns. Projects are consistently delivered on budget and on time. Most recently, The Telegraph Hotel was completed with a total construction budget of EUR 63 million.

Silk Development manages the full project lifecycle, from concept and design to construction supervision. Its projects are recognized for architectural distinction, collaborations with world-renowned architects, innovative use of space, and a commitment to sustainability and superior customer experience. This track record has strengthened the Group's reputation as a preferred partner for international brands such as Radisson Collection and Leading Hotels of the World ("**LHW**").

As of 31 December 2024, Silk Real Estate's portfolio was independently valued by Colliers at USD 387.6 million (fair value), about half of which consists of developed, income-generating assets operated by Silk Hospitality. Revenues for the Hotels and Casinos' segments for the year ended 31 December 2024 reached an aggregate of GEL 276.1 million, up 3.8% year-on-year, following decline of 1.3% in 2023 and 77.0% in 2022. Revenues continued to grow by 11.4% year-on-year in the six months ended 30 June 2025.

The developed portfolio includes premium properties in prime locations such as The Telegraph Hotel, Radisson Blu Hotel and Casino Iveria in central Tbilisi; the Radisson Blu Hotel and Casino Iveria in Batumi on the Black Sea; and the Radisson Collection Hotel in Tsinandali, in Georgia's historic wine region. Silk Real Estate also owns a smaller hotel nearby in Kakheti. This geographic spread attracts both business and leisure travelers while balancing seasonal demand cycles.

Highly Experienced and Dedicated Management and Personnel

The Company operates with a lean management structure of fewer than ten full-time staff, led by Alexsi Topuria, one of the Group's founders and shareholders. Nona Oniani, fulfilling the role of CFO of the Company, joined the Group in 2022 having previously worked at JSC TBC Bank as a Senior Corporate Banker, covering the hospitality and leisure industry. The Company is overseen by a Supervisory Board chaired by George Ramishvili, founder and controlling shareholder, and including shareholder David Borger and independent non-executive member, Yulia Boyle. By the end of 2025, the Company expects to appoint three additional members to its Supervisory Board: Yerkin Tatishev (member and beneficial shareholder), Berna Ulman (independent member) and Wolfgang Neumann (independent member), which would result in Supervisory Board having six members in total (three of whom will be independent members).

Each operating company is led by a seasoned management team, while the Company focuses on consolidated strategy for the Group (see below). Silknet is headed by CEO David Mamulaishvili (since 2016), supported by executives including Levan Buchukuri, CCO (formerly CEO of a main competitor, with Silknet since 2009), and Baia Pshavlishvili, CFO (formerly with Bank of Georgia, joined in 2010). The Supervisory Board of JSC Silknet, continuing its work separately from the Supervisory Board of the Company, includes seasoned industry experts as independent non-executive members such as Stella Handler who was CEO of Bezeq, an Israeli Public Telecommunications Company and Martin Ross was the CEO of Cable and Wireless Caribbean and Altice in the Dominican Republic (integrating Orange with Tricom) and held various leadership positions at Ericsson.

Silk Hospitality is led by David Rapava, who joined the Group in 1999 and has previously served as CFO of several key business lines. He is supported by COO Elene Machavariani, who joined in 2021 from a major competitor. Silk Development is managed by Mamuka Shurgaia, who joined from a "Big Four" audit firm in 2011. His team includes long-serving professionals such as Lika Dolidze, head of project management, who has been with the Group since 2007. The hospitality team is further supported by Steve Weitmann who was formerly the president of Wynn Las Vegas and Encore, and is an independent non-executive member of the Supervisory Board of Silk Real Estate LLC.

The Group places strong emphasis on human capital development, actively investing in the professional growth of its employees and fostering local management talent. A notable proportion of C-level managers are women. Initiatives such as the Silk Academy provide ongoing training and development opportunities, supporting long-term career progression. In addition, the Group is introducing Objectives and Key Results (OKR) methodologies in selected business units. These initiatives, together with a strong commitment to staff development, support high standards of service, enhance employee satisfaction, and drive superior performance across the Group.

Outstanding Operating Performance

The Group's operating performance is anchored by the strength of its Telecom business. Supported by strong mobile and fixed telephone network infrastructure and its focus on efficiency, Silknet's strong revenue has enabled the Telecom business to achieve Adjusted EBITDA Margins of 65%, 64%, 63% and 60% for the six months ended 30 June 2025 and the years ended 31 December 2024, 2023 and 2022, respectively.

The hospitality businesses continue to distinguish themselves through customer satisfaction and quality of service, with flagship properties such as the Radisson Blu in Tbilisi and Batumi consistently outperforming peers in the hospitality sector. This market leadership is quantitatively demonstrated by key industry metrics from STR, particularly Revenue Per Available Room ("**RevPAR**"). The Radisson Blu Iveria Hotel in Tbilisi maintained a significant premium over its competitive set (see "*Business Description of the Group—Competition—Real Estate Competitors*" for a list of competitors in this set), recording a RevPAR of GEL 253 against GEL 213 for 2024, GEL 262 against GEL 218 for 2023, and GEL 232 against GEL 211 for 2022. A similar trend of outperformance is evident at the Radisson Blu Hotel in Batumi, which achieved a RevPAR of GEL 245 compared to its competitive set's GEL 185 for 2024, following robust results of GEL 202 against GEL 179 for 2023 and GEL 208 against GEL 203 for 2022, confirming the premium market positioning of these key assets.

The Group's profit and total comprehensive income for the year ended 31 December 2024 was GEL 173.5 million, compared to GEL 157.2 million for the year ended 31 December 2023. For the year ended 31 December 2024, the Group's Adjusted EBITDA was GEL 411.9 million, compared to GEL 401.6 million in 2023 (an increase of 2.6%). For the six

months ended 30 June 2025, the Group's profit and total comprehensive income reached GEL 108.5 million, compared to GEL 70.1 million in the in the six months ended 30 June 2024 (an increase of 54.8%), with the profit and comprehensive income to consolidated revenue margin improving to 25.2% and Adjusted EBITDA Margin improving to 49.9%.

Robust cash generation enables the Group to fund both recurring and non-recurring capital expenditures, including network modernization, 5G coverage expansion following the additional spectrum acquisition in June 2025, and hospitality investments. After completing its capital expenditures, debt service, and dividends, the Group has consistently strengthened and maintained a very robust cash position, with cash and cash equivalents of GEL 277.2 million, GEL 263.9 million, GEL 216.3 million, and GEL 139.8 million as at 30 June 2025 and as at 31 December 2024, 2023, and 2022, respectively.

The Group expects continued revenue growth and improved Adjusted EBITDA Margins to enhance cash generation and liquidity.

Prudent Financial Policy

The Group is committed to a prudent and disciplined financial policy aimed at ensuring long-term stability and growth. By centralizing treasury, liquidity, and leverage management at the holding level, the Group maintains a robust financial position while retaining flexibility to respond to opportunities and risks across its businesses. This approach underpins a conservative leverage profile, with medium-term targets including Consolidated Net Leverage Ratio below 2.0x and Fixed Charge Coverage Ratio above 3.5x.

Centralized financial control enhances visibility of cash flows and risk exposures across the Group and allows proactive management of debt maturities, interest-rate risks, and liquidity needs. Regular reviews of subsidiary capital structures and financial policies ensure the Group can adapt swiftly to changing market conditions and strategic priorities (see below the "*Strategy*" section for further discussion of the Group's financial policy going forward).

The Group's robust financial discipline and sustained cash generation, further supported by a relatively stable local currency environment, has enabled it to strengthen its balance sheet and enhance its financial flexibility. The Group's total outstanding loans and borrowings were GEL 901.4 million as at 31 December 2024, compared to GEL 834.2 million and GEL 836.6 million as at 31 December 2023 and 2022, respectively. The Group's Consolidated Net Financial Indebtedness was GEL 686.9 million as at 31 December 2024, compared to GEL 668.6 million and GEL 782.6 million as at 31 December 2023 and 2022, respectively. The Group's liquidity position, representing the sum of cash and cash equivalents and certificates of deposit, was GEL 282.2 million as at 31 December 2024, GEL 216.3 million as at 31 December 2023, and GEL 139.8 million as at 31 December 2022

As a result of its prudent financial policy, the Group's ratio of its outstanding loans and borrowings to profit and total comprehensive income increased from 4.6x in 2022 to 5.2x in 2024 and decreased to 4.4x for the LTM ended 30 June 2025 and the Consolidated Net Financial Indebtedness to Adjusted EBITDAaL ratio decreased from 2.2x in 2022 to 1.7x in 2024, remaining at 1.7x for the LTM ended 30 June 2025. During the latter period, the Group has pursued strategic investments, including 5G spectrum and new hospitality assets, supporting future performance growth and delivering shareholder returns.

The Group retains most of its liquidity in hard currencies, principally U.S. dollars and euros, providing a natural hedge against its U.S. dollar-denominated debt exposure and reducing volatility arising from its local currency revenues. As part of the Group's liquidity policy, in the Trust Deed governing these Notes it has committed to maintain liquidity at least equal to the next twelve months of interest payments on the Notes. In addition, Silknet has proactively hedged its foreign-currency outflows from October 2024 to December 2025 through forward agreements with local banks, further insulating its financial position from adverse exchange-rate movements.

Furthermore, there is no obligation to distribute dividends to shareholders. Any dividend distribution will remain subject to compliance with the Group's medium-term financial targets of Consolidated Net Financial Indebtedness to Adjusted EBITDA below 2.0x and Fixed Charge Coverage Ratio above 3.5x. The Group has continued to deleverage even while completing its strategic capex program, and, at this stage, the business is very well-invested, providing significantly greater flexibility with respect to future capital expenditure.

Strategy

Each of the Group's business units pursues a clearly defined strategy under the leadership of experienced management teams. The holding company provides the framework for disciplined growth by ensuring strong corporate governance and prudent financial policy. It also drives initiatives that benefit the portfolio as a whole, such as streamlining the capital

structure, allocating capital efficiently, fostering cross-business synergies, and advancing ESG and data governance. This balance of robust oversight at the holding level with operational autonomy at the subsidiary level enables both agility and strategic alignment, while allowing the Telecom and Real Estate businesses to execute their sector-specific strategies.

Further Growing the Telecom Business

The Group's main strategic focus is the continued growth of its Telecom business, operated by Silknet, which remains the strongest cash generator and a key driver of financial stability. Silknet's current strategy, developed jointly with the Boston Consulting Group and approved by its shareholders and Supervisory Board in 2024, is designed to strengthen both the core telecommunications business and B2B segments, including adjacent business.

In the core telecommunications business, Silknet aims to deliver an improved, innovative, and increasingly personalized customer experience. This involves managing customer value through data-driven analysis and digital interfaces. Additional adjacent digital services, enhanced by loyalty features, are expected to further increase engagement and reduce churn, reinforcing Silknet's strong growth in the digital space.

The Group intends to continue to roll out its fiber networks, increasing penetration in the areas which are economically feasible for Silknet, mostly in major cities in Georgia. Silknet plans a pragmatic, phased rollout of 5G, after acquiring additional spectrum for nationwide 5G deployment. Silknet plans to build its 5G network on its 4.9G technology, which established its reputation for superior infrastructure quality and user experience, as attested to by independent third parties. Going forward, network development will be continuously validated to maintain network competitiveness, while delivering strong returns on investment, supported by a communication strategy that positions Silknet as a technology leader. Some investments in 5G have already been completed and Silknet is already well on track.

In May 2025, Silk Cloud signed a strategic cooperation agreement with Integrated Solutions, a subsidiary of Orange Polska. The partnership aims to strengthen Silk Cloud's capabilities in building a strong integrator position in Georgia's IT market — from product consulting and broad infrastructure advisory, cloud solutions, data centers, and cybersecurity, to support in project execution, supply chain management, and the development of a partner ecosystem. Thanks to the partnership, both Silk Cloud and Silknet will gain the opportunity to expand their portfolio of digital services for businesses.

Silk Cloud will cater to large enterprises, hyperscalers and public administration entities. To facilitate the offering and cover growing market needs, Silknet started the development of a state-of-art Data Center located in Tbilisi which is planned to be the first commercial Uptime Institute TIER III certified facility in Georgia.

Silknet also plans to build a modular Data Center facility that can support current and emerging technologies for self-use, hyperscalers, the co-location business and datacenter as a service. The ultimate maximum IT load is planned to be 2 MW launched in three phases over the medium term. This project is currently in the final stages of the tender process.

Together, these initiatives position Silknet to maintain its market leadership in telecommunications while capitalizing on new growth opportunities.

Hospitality Excellence

The Group's primary focus in its Hotels business is to maintain and grow RevPAR through a strong sales force and advanced rate analytics. RevPAR is benchmarked against a competitive set of hotels (see "*Business Description of the Group—Competition—Real Estate Competitors*" for the list of competitors in this set), with city properties such as the Radisson Blu Iveria Hotel Tbilisi and Radisson Blu Batumi demonstrating strong comparative performance business (see "*—Business Description of the Group—Businesses—Real Estate Business—Hospitality Businesses—Hotels Business* ").

In addition to RevPAR, Silk Hospitality is focused on non-room revenues, including food and beverage, meetings and events, and other services, which enhance total returns for each hotel asset. Since assuming management of the two Radisson Blu hotels under franchise agreements in 2022, Silk Hospitality increased the share of non-room revenues from 43.2% in 2019 to 61.3% in 2024. In 2020, the Group converted all Radisson-branded properties in its portfolio from management contracts to franchise agreements. This transition was undertaken to enhance quality, management efficiency, and service standards across the Group's hospitality assets.

Another strategic priority is the alignment of operations of the Casinos and Hotels businesses, particularly at the two Radisson Blu properties. Casinos are a significant demand driver, especially at Radisson Blu Batumi, where Iveria Casino accounts for nearly 49% of annual room nights. While adhering to regulatory restrictions on advertising and customer age and the international "responsible gambling" standards, Silk Hospitality pursues initiatives such as cross-selling, welcome

"lucky chips," and other measures that drive traffic between hotel and casino, boost revenues, and reduce costs through shared operations.

Through pooled purchasing to secure better pricing and data-driven optimization of staff allocation across all properties, particularly those with different seasonal occupancy, Silk Hospitality further enhances efficiency. As a result, it continues to operate with some of the most competitive cost ratios in the Georgian hospitality market.

The Group also places strong emphasis on service quality, supported by comprehensive staff training and consistent motivational targets. As a result, all hotels under Silk Hospitality consistently outperform competitors in customer satisfaction metrics, such as the Competitive Quality Index (CQI) scores assessed by ReviewPro, a leading provider of guest-intelligence solutions.

Selective Investment in Hotels, Casinos and Residential Real Estate

Across its development projects, the Group remains focused on the timely and cost-effective delivery of high quality real estate. The Group holds undeveloped sites at primary locations for future growth. Current projects include Silk Towers in Batumi, a six hectare prime seafront development with luxury residences, international hotels, and a casino, and the Sakanela Complex in Tbilisi, a two hectare mixed-use development adjacent to Republic Square, combining residential, commercial, office, and public spaces with landscaped urban design.

In August 2025, the Group further strengthened its hospitality portfolio by acquiring the Kokhta Bakuriani Hotel, a mountain resort catering to both winter and summer leisure demand. Planned enhancements, limited in cost to the Group, include an international-standard spa and upgraded amenities tailored to sports and wellness tourism.

As with previous projects, these developments are designed to generate long-term, recurring cash flows. Hotels and Casino business operations will be managed by Silk Hospitality. Residential real estate will also be managed by Silk Hospitality, not only through condominium services but also by renting and operating investor-owned apartments that are placed into a rental pool, thereby generating returns for owners. In addition, Silk Hospitality outlets located near residential and office developments benefit from the additional demand created by occupants, further reinforcing long-term revenue streams.

Ongoing Simplification of Capital Structure

By issuing the Notes at the holding company level, the Group is simplifying and streamlining its capital structure to enhance financial flexibility and transparency, centralizing funding activities at the top. Following the Offering, the Group expects to meet future financing requirements primarily at the holding company level, thereby eliminating the need for separate borrowings at operating subsidiaries and further reducing structural complexity.

In this structure, free cash flows from subsidiaries are up-streamed to the holding company level, either through dividends or intercompany loans. Cash-generating subsidiaries also provide guarantees, granting investors direct access to entities that account for more than 100% of the Group's Consolidated Adjusted EBITDA as the companies other than guarantors generated negative adjusted EBITDA. As a result, the Notes benefit from improved transparency and security, preempt potential structural subordination concerns of the creditors and enhance the attractiveness of the Group's financing arrangements.

Optimizing Capital Allocation

The proceeds of the Offering will allow the Group to upgrade and streamline its capital structure. The balance of the proceeds will support the execution of the Group's balanced capital expenditures program, including the 5G rollout and its real estate development pipeline. These projects will be implemented selectively, sequentially, and in line with the Group's conservative financial policy. This disciplined approach allows for efficient capital allocation, supports long-term growth initiatives, and strengthens the Group's risk management framework (see "*Use of Proceeds*").

Capital allocation decisions are guided by a detailed assessment of each segment's operating performance, growth prospects, capital requirements, and risk profile to ensure resources are directed to the most attractive and strategically aligned projects. Decisions are led by senior management and supported by robust governance, including the management teams of operating entities. An Investment Committee, part of the Supervisory Board of the Company and including shareholder participation, will be added to provide additional oversight over the capital allocation process.

Leveraging Portfolio Synergies

The Group actively pursues synergies across its businesses to enhance performance and profitability. Initiatives include joint loyalty programs, cross-selling of services, and coordinated marketing efforts, particularly across Casinos, Hotels, and Telecom, to drive visitation, length of stay, and customer spending.

In 2023, the Group launched Silk Rewards, the first cross-business loyalty application in Georgia's hospitality industry, which already counts over 30 thousand registered users. The app offers exclusive deals, discounts, and perks, including a direct booking platform for hotels and restaurants. Users earn rewards such as cashbacks, room upgrades, and free parking. For example, Silknet subscribers who register for Silk Rewards via the MySilknet app are automatically granted silver membership, entitling them to 7% cashback at the Group's hotels and restaurants (compared to 5% for standard members).

Given restrictions on casino advertising in Georgia, the Group also launched Club Iveria in 2017, a casino loyalty program that directs traffic to other Group businesses, which currently has nearly 600 thousand members. Members earn points at the Group's casinos and can redeem them across hotels, restaurants, pools, spas, events, and entertainment venues.

The Group further promotes the sharing of best practices, technology platforms, and operational expertise across its businesses. Employees are encouraged to rotate between units, supporting skill development and knowledge transfer. Synergy opportunities are regularly reviewed as part of strategic planning, ensuring that cross-business initiatives remain aligned and continue to create value.

Establishing Uniform ESG Reporting and Data Governance Framework

As part of its commitment to sustainability and long-term value creation, the Group intends to develop a comprehensive ESG reporting framework at the holding level. In collaboration with leading international ESG consultants, the framework will be designed to align with global best practices and recognized reporting standards. Its objectives are to improve transparency, enable performance benchmarking, and support the Group in securing credible ESG ratings from recognized agencies. The Group expects to adopt the group-wide ESG framework in 2026.

In parallel, the Group is implementing a group-wide data governance framework to support digital transformation and data-driven decision-making. The framework will establish clear policies and procedures for data quality, security, privacy, and lifecycle management, ensuring compliance with evolving regulations and industry standards. To this end, the Group is investing in modern data infrastructure and advanced analytics, including artificial intelligence, to enhance operational efficiency and innovation. Adoption of the data governance framework is expected in the course of 2026.

OVERVIEW OF THE OFFERING

The following overview of the offering of the Notes is derived from, and should be read in conjunction with, the full text of the terms and conditions of the Notes (the "**Conditions**") and the Trust Deed (as defined therein), which shall prevail to the extent of any inconsistency with this overview. Capitalized terms used but not otherwise defined herein have the respective meanings given to such terms in the relevant Conditions.

Issuer	Silk Road Group Holding LLC, a limited liability company incorporated on 4 June 2019 under the laws of Georgia and registered with the National Agency of Public Registry of Georgia (the "**NAPR**") under identification number: 404579354, with its registered office at Republic Square, Mtatsminda District, Tbilisi Georgia.
Guarantors	Silk Real Estate LLC, a limited liability company incorporated on 7 April 2017 under the laws of Georgia and registered with the NAPR under identification number: 404535240, with its registered office at Republic Square, Mtatsminda District, Tbilisi Georgia. Georgian Hotel Management LLC, a limited liability company incorporated on 9 August 2010 under the laws of Georgia and registered with the NAPR under identification number: 404385722, with its registered office at Republic Square, Mtatsminda District, Tbilisi Georgia. Medea Operating Company LLC, a limited liability company incorporated on 5 November 2010 under the laws of Georgia and registered with the NAPR under identification number: 445390817, with its registered office at 39 Ninoshvili Street, Batumi, Georgia Limoni 2009 LLC, a limited liability company incorporated on 11 August 2009 under the laws of Georgia and registered with the Tbilisi Tax Inspection under identification number: 204571490, with its registered office at Republic Square, Mtatsminda District, Tbilisi Georgia. Silk Road Business Centre LLC, a limited liability company incorporated on 27 August 1997 under the laws of Georgia and registered with the Mtatsminda District Court under identification number: 203825851, with its registered office at 31 Rustaveli Avenue, Tbilisi, Georgia. Tsinandali Estates LLC, a limited liability company incorporated on 27 June 2008 under the laws of Georgia and registered with the Tbilisi Tax Inspection under identification number: 204557372, with its registered office at 37 Rustaveli Avenue, Tbilisi, Georgia. The above entities are referred to as the "**Initial Guarantors**" and each an "**Initial Guarantor**". The Guarantees of the Initial Guarantors will be effective on the Issue Date. Joint Stock Company Silknet, a joint stock company incorporated under the laws of Georgia and registered with the Tbilisi Tax Inspection on 2 April 2009 under number 204566978, with its registered office at 95 Tsinamdzghvrishvili Street, Tbilisi 0112, Georgia.

	The above entity is referred to as the "**Subsequent Guarantor**", and, together with the Initial Guarantors and any other Restricted Subsidiary appointed and not released as a guarantor subsequent to the Issue Date, the "**Guarantors**" and each a "**Guarantor**". The Guarantee of the Subsequent Guarantor will become effective no later than 60 days following the Issue Date. The Guarantees by the Initial Guarantors will be effective on the Issue Date. The Guarantee by the Subsequent Guarantor will be effective no later than 60 days following the Issue Date.
Joint Lead Managers	J.P. Morgan Securities plc, UBS AG London Branch, JSC Galt & Taggart, Oppenheimer Europe Ltd. and TBC Capital LLC.
Joint Bookrunners and Lead Managers	J.P. Morgan Securities plc and UBS AG London Branch.
Trustee	GLAS Trustees Limited.
Principal Paying Agent, Transfer Agent and Registrar	GLAS Trust Company LLC
Notes offered	U.S.$400,000,000 7.500 per cent. Guaranteed Notes due 2030.
Issue Price	100.000 per cent. of the principal amount of the Notes.
Issue Date	15 September 2025.
Maturity Date	15 September 2030.
Tender Offer and Consent Solicitation	On 1 September 2025, pursuant to a tender offer and consent solicitation memorandum dated 1 September (the "**Tender Offer and Consent Solicitation Memorandum**"): • the Issuer invited holders of the Silknet 2027 Notes to tender, or to deliver consents, in respect of any or all of their Silknet 2027 Notes for purchase by the Issuer for cash (the "**Tender Offer**"); and • Silknet concurrently invited holders of the Silknet 2027 Notes to consent by way of electronic consent to (i) waive any breach of Condition 4(d) (Transactions with Affiliates) of the Silknet 2027 Notes that may arise from, or in relation to, (A) the Issuer agreeing with Silknet to forward for cancellation any Silknet 2027 Notes purchased pursuant to the Tender Offer and (B) the Issuer onward lending any cash or net proceeds from the issue of the Notes to Silknet for Silknet to use in meeting its obligations pursuant to the Silknet 2027 Notes and the Consent Solicitation (as defined below) and (ii) consent to modify the terms and conditions of the 2027 Silknet Notes to provide for the mandatory early redemption by Silknet of all, but not some only, of the Silknet 2027 Notes remaining (if any) on completion of the Tender Offer (the "**Mandatory Early Redemption**"), all on the terms and subject to the conditions set forth in the Tender Offer and Consent Solicitation Memorandum (the "**Consent Solicitation"** and together with the Tender Offer, the "**Tender Offer and Consent Solicitation**"). JPMorgan and UBS will be acting as Dealer Managers and Solicitation

Agents on the Tender Offer and Consent Solicitation (the "**Dealer Managers**").

The Tender Offer is subject to the Consent Solicitation being implemented and the other terms and conditions set forth in the Tender Offer and Consent Solicitation Memorandum. Holders of the Silknet 2027 Notes who wish to tender, or deliver consent, in respect of their Silknet 2027 Notes and subscribe for the Notes should (i) confirm their holdings to the Dealer Managers and (ii) either note their intention to tender or to consent, in respect of their Silknet 2027 Notes or provide confirmation of their tender or consent instruction prior to the pricing of the Notes. The Issuer may give priority in connection with the allocation of Notes to those investors participating or stating their intention to participate in the Tender Offer or has delivered consents in respect of the Notes. However, no assurances can be given that any holder of the Silknet 2027 Notes that tenders or has delivered consents in respect of the Silknet 2027 Notes will be given an allocation of Notes at the levels it may subscribe for, or at all.

The aggregate principal amount of Notes for which an investor may receive priority in allocation may be up to the aggregate principal amount of the Silknet 2027 Notes validly tendered or the subject of a consent by such investor, as applicable, or the amount for which the investor has indicated its firm intention to tender or deliver consent. However, the Issuer is not obliged to allocate the Notes to any investor who has validly tendered or delivered consents or indicated a firm intention to do so, and even if Notes are allocated, the principal amount thereof may be less (or more) than the aggregate principal amount of the Silknet 2027 Notes validly tendered or the subject of a consent. All allocations of the Notes, while being considered by the Issuer as set out above, will be made in accordance with customary new issue allocation processes and procedures. Participation in the Tender Offer or Consent Solicitation is not an application for the purchase of the Notes.

Silk Real Estate Redemption

On 1 September 2025, Silk Real Estate intends to issue a redemption notice (the "**Silk Real Estate Redemption Notice**") in respect of the following tranches of local bonds:

- USD 20 million bonds issued on 13 April 2023 (ISIN: GE2700604301); and
- USD 20 million bonds issued on 14 September 2023 (ISIN: GE2700604525) (together, the "**Silk Real Estate Bonds**").

A portion of the proceeds of the Offering will be applied to redeem the Silk Real Estate Bonds, as described under "*Use of Proceeds*".

Holders of the Silk Real Estate Bonds who wish to subscribe for the Notes should confirm their holdings and their intention to subscribe for the Notes to TBC Capital, Galt & Taggart and/or the other nominee holders of the Silk Real Estate Bonds. The Issuer may give priority in connection with the allocation of Notes to investors that have indicated such an intention (subject to the sale restrictions in "*Subscription and Sale –Selling Restrictions–Georgia*"). However, no assurances can be given that any holder of the Silk Real Estate Bonds that has indicated an intention to subscribe for the Notes will be given an allocation of Notes at the levels it may subscribe for, or at all.

	The aggregate principal amount of Notes for which an investor may receive priority in allocation may be up to the aggregate principal amount of the Silk Real Estate Bonds redeemed pursuant to the Silk Real Estate Redemption Notice. However, the Issuer is not obliged to allocate the Notes to any investor whose Silk Real Estate Bonds are subject to redemption, and even if Notes are allocated, the principal amount thereof may be less (or more) than the aggregate principal amount of the Silk Real Estate Bonds redeemed. All allocations of the Notes, while being considered by the Issuer as set out above, will be made in accordance with customary new issue allocation processes and procedures.
Use of Proceeds	The gross proceeds of the issue of the Notes (the "**Offering**") will be approximately U.S.$400,000,000 before deducting the estimated costs and expenses relating to the Offering. These gross proceeds will be used by the Issuer for the following purposes: • the repayment of the Silknet 2027 Notes; • the repayment of certain commercial bank loans and outstanding bonds of Silk Real Estate and other loans of the Group; • costs and expenses, including the payment of (i) fees and expenses in connection with the issuance of the Notes and the Tender Offer and Consent Solicitation, including, amongst others, underwriting fees, discounts and commissions, fees and expenses of legal counsel, rating agency expenses and listing expenses, as well as certain expenses of the Joint Lead Managers that the Issuer has agreed to reimburse in connection with the issuance, (ii) total consideration, including premium, payable in connection with the Tender Offer and Consent Solicitation in respect of the Silknet 2027 Notes, and (iii) refinancing costs of commercial bank loans and outstanding bonds of Silk Real Estate and other loans of the Group that are being refinanced; with any remaining proceeds to be used for general corporate purposes. For more detail, see "*Use of Proceeds*".
Interest	The Notes will bear interest from (and including) 15 September 2025 at a rate of 7.500 per cent. per annum payable semi-annually in arrear on 15 March and 15 September in each year, commencing on 15 March 2026.
Status of the Notes	The Notes constitute direct, unconditional, unsubordinated and (subject to Condition 4(b) (*Limitation on Liens*)) unsecured obligations of the Issuer. The Notes will at all times rank *pari passu* in right of payment with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Status of the Guarantees	The Guarantee of each Guarantor will constitute direct, unconditional, unsubordinated and (subject as provided in *"Terms and Conditions of the Notes—Covenants—Limitation on Liens"*) unsecured obligations

	of such Guarantor. The payment obligations of the Guarantors under the Guarantees will at all times rank *pari passu* in right of payment with all other present and future unsecured and unsubordinated obligations of such Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. The Issuer and the Guarantors, collectively, represented 103%, 101% and 78% of the Group's consolidated Adjusted EBITDA, revenue and total assets as at and for the six months ended 30 June 2025 and 102%, 98% and 78% of the Group's consolidated Adjusted EBITDA, revenue and total assets as at and for the year ended 31 December 2024. The Guarantees may be released without the consent of the holders of the Notes under certain circumstances. See *"Terms and Conditions of the Notes—Guarantees"*. Not all of the Issuer's subsidiaries will guarantee the Notes (such subsidiaries being referred to as the "**Non-Guarantor Subsidiaries**"). In the event of a bankruptcy, liquidation or reorganization of any of the Non-Guarantor Subsidiaries, the Non-Guarantor Subsidiaries will pay the holders of their debt and their trade creditors, if at any time of the event, before they will be able to distribute any of their assets to their parent entity. The Guarantees are subject to the limitations as set forth under *"Terms and Conditions of the Notes—Guarantees"*.
Additional Guarantees	If any Restricted Subsidiary that is not a Guarantor becomes a Material Subsidiary, the Issuer shall within 90 days cause such Restricted Subsidiary to unconditionally and irrevocably guarantee the due payment of all moneys payable by the Issuer and any other Guarantors under the Notes, as detailed in *"Terms and Conditions of the Notes—Covenants—Additional Guarantees and Limitations on Guarantees"* and *"Terms and Conditions of the Notes—Guarantee and Status—Addition of Guarantees; Release of Guarantees"*.
Form and Denomination	The Notes will be issued in registered form in denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. The Notes will be represented on issue by the Regulation S Global Certificate and the Rule 144A Global Certificate, each in registered form, without coupons attached. The Regulation S Global Certificate will be deposited with, and registered in the name of a nominee of, the common depositary for Euroclear and Clearstream, Luxembourg. The Rule 144A Global Certificate will be deposited with a custodian for, and registered in the name of Cede &Co. as nominee of, DTC. See *"Summary of Provisions Relating to the Notes in Global Form"*.
Cash Liquidity Cushion	The Issuer has undertaken to maintain a minimum liquidity (in the form of deposits in international cash accounts and amounts available for drawing under certain credit facilities) to pay interest and amortizing principal on the Notes and any other third-party indebtedness.
Change of Control	On the occurrence of a Change of Control, each Noteholder shall have the right to require the Issuer to repurchase all or any part of that Noteholder's Notes (in integral multiples of U.S.$1,000; provided that Notes of U.S.$200,000 or less may only be redeemed in whole and not in part) at a purchase price in cash equal to 101 per cent. of the principal amount thereof on the date of purchase, plus accrued and unpaid

interest, if any, to (but excluding) the date of purchase (subject to certain conditions). See *"Terms and Conditions of the Notes—Redemption at the Option of the Noteholders upon a Change of Control"*.

Tax Redemption

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (subject to certain conditions), at their principal amount (together with interest accrued to (but excluding) the date fixed for redemption) if, as a result of any change in, or amendment to, the laws or regulations of Georgia, or any change in the application or official interpretation of the laws or regulations of Georgia, the Issuer would be required to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) and the Issuer cannot avoid the requirement by taking reasonable measures available to the Issuer. See *"Terms and Conditions of the Notes—Redemption and Purchase—Redemption for Taxation Reasons"*.

Optional Redemption

At any time prior to 15 September 2027, the Issuer may at its option on one or more occasions redeem the Notes in whole or in part at a redemption price equal to 100 per cent. of the principal amount of the Notes plus the Applicable Premium, and accrued and unpaid interest, and Additional Amounts as set forth in the Conditions. At any time on or after 15 September 2027, the Issuer may at its option redeem the Notes in whole or in part at the redemption price specified in the Conditions. See *"Terms and Conditions of the Notes—Redemption and Purchase—Optional Redemption by the Issuer"*.

Period	**Percentage**
From, and including, 15 September 2027 to, but excluding, 15 September 2028	100 + 3.750 per cent.
From, and including, 15 September 2028 to, but excluding, 15 September 2029	100 + 1.875 per cent.
From, and including, 15 September 2029 to, but excluding, the Maturity Date	100 per cent.

In addition, at any time prior to 15 September 2027, the Issuer may redeem up to 35 per cent. of the aggregate principal amount of the Notes at a redemption price equal to 107.500 per cent. with the net proceeds from one or more equity offerings. See *"Terms and Conditions of the Notes—Redemption and Purchase—Optional Redemption by the Issuer"*.

Covenants

The Conditions contain restrictions on, or impose requirements to be complied with when conducting certain activities of, the Issuer and its subsidiaries, including, without limitation, to:

- incur or guarantee additional debt and issue preferred stock;
- create or incur certain liens;

- make certain restricted payments and investments, including dividends or other distributions;
- transfer or sell certain assets;
- merge or consolidate with other entities;
- enter into certain transactions with affiliates; and
- enter into agreements that restrict the ability of Restricted Subsidiaries (as defined in the Terms and Conditions) to pay dividends.

These covenants are subject to important exceptions and qualifications. See *"Terms and Conditions of the Notes-Covenants"*.

Cross Acceleration

The Notes will have the benefit of a cross-acceleration clause. See *"Terms and Conditions of the Notes—Events of Default—Cross-Acceleration"*.

Ratings

It is expected that the Notes will be rated "BB-" by Fitch and "B1" by Moody's. Fitch and Moody's are established in the United Kingdom and registered under the UK CRA Regulation. The ratings of the Notes given by Fitch and Moody's have been endorsed by Fitch Ratings Ireland Limited and Moody's Deutschland GmbH, respectively, which are established in the European Union and registered under the CRA Regulation and are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website, in accordance with the CRA Regulation.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Withholding Tax

All payments of principal and interest payable by or on behalf of the Issuer under or with respect to the Notes will be made free and clear of, and without withholding or deduction for or on account of Taxes imposed or levied by or on behalf of the Relevant Taxing Jurisdiction, unless such withholding or deduction is required by law. In that event, the Issuer will (subject as provided in *"Terms and Conditions of the Notes—Taxation"*) pay such additional amounts as will result in the Noteholder receiving such amounts as it would have received if such Taxes had not been withheld or deducted.

Meetings of Noteholders

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the required majority.

Governing Law

The Notes, the Guarantees, the Trust Deed and the Agency Agreement, and any non-contractual obligations arising out of or in connection therewith, will be governed by and construed in accordance with English law.

Listing and Trading

Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and trading on the GEM. The GEM is neither a regulated market for the purposes of MiFID II nor a regulated

	market for the purposes of UK MiFIR. The Notes are expected to be listed and admitted to trading on or around 15 September 2025. Following the Issue Date, the Issuer may seek a listing of the Notes on a local stock exchange in Georgia.
Clearing Systems	Euroclear, Clearstream, Luxembourg and DTC.
Selling Restrictions	The Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Securities may be sold in other jurisdictions (including the EEA, the United Kingdom and Georgia) only in compliance with applicable laws and regulations. See *"Subscription and Sale"*.
Risk Factors	Investing in the Notes involves risks. See *"Risk Factors"*.
Financial Information	See *"Index to Financial Statements"*, *"Selected Financial and Operating Information"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations"*.
Security Codes	*Regulation S Notes:* ISIN: XS3171699146 Common Code: 317169914 FISN: SILK ROAD GROUP/8EUR NT 20300915 RE CFI Code: DBFNFR *Rule 144A Notes:* ISIN: US82710NAA63 Common Code: 317845804 CUSIP: 82710N AA6 FISN: SILK RD GRP HLD/7.5 GTD NT 20300915 CFI Code: DBFGGR
Legal Entity Identifier of the Issuer	254900J9KTY8FE4C8227

RISK FACTORS

An investment in the Notes involves certain risks. Prior to making a decision, prospective purchasers of the Notes should carefully read these Listing Particulars. In addition to the other information in these Listing Particulars, prospective investors should carefully consider, in light of their own financial circumstances and investment objectives, the risks described below before making an investment in the Notes. Any of the risks described below and in other parts of the Listing Particulars could have a material adverse effect on the Group's business, financial condition, results of operations or prospects as well as on the market value of the Notes. Factors that are material for the purpose of assessing the market risks associated with the Notes are also described below. The Group believes that the risk factors described below represent principal risks inherent in investing in the Notes, but there may be additional risks and uncertainties that the Group currently considers immaterial or of which the Group is currently unaware. Any such risks or uncertainties could have a similar or more severe adverse effect. Accordingly, the below statements regarding the risks associated with holding of the Notes are not exhaustive.

Risks relating to the Group's business generally

All of the Group's business is in Georgia, and its results of operations depend on economic and political conditions in Georgia.

All of the Group's operations are located in, and all of its revenue is sourced from, Georgia. As a result, the Group's results of operations are, and are expected to continue to be, significantly affected by economic and political developments in or affecting Georgia. In particular, by the level of economic activity in Georgia and the wider region. Factors such as GDP, inflation, interest and currency exchange rates, levels of unemployment, personal income, tourism activity and the financial position of Georgian corporates can have a material impact on customer demand for the Group's products and services.

Any deterioration or instability in the Georgian economy will adversely affect the Group's business. The Georgian economy may be more vulnerable to external shocks due to its persistent current account deficits, large negative net international investment position and high (albeit declining) level of dollarization. The current account deficit narrowed slightly in 2024, supported by resilient service exports and reduced imports. While external capital inflows remained below their elevated 2022 levels, they were relatively stable compared to 2023. There can be no assurance that the current account deficit will continue to be lower than it has been historically. Furthermore, the high level of dollarization across the Georgian economy hinders the effectiveness of the NBG's monetary and exchange rate policies, which the NBG may employ to address instability or external shocks.

Since the beginning of 2020, the Georgian economy has been affected by successive external shocks caused by the COVID-19 pandemic and Russia's war in Ukraine. Georgia's economic activity recovered in 2021 and gained additional momentum in 2022 due to inbound migration and inflows of capital as a result of the war in Ukraine. In 2023, economic growth remained strong, supported by robust private consumption, a continued recovery in tourism, and sustained inflows from migrants and services exports, although external capital inflows moderated compared to 2022. In 2024, growth accelerated further, driven by increased investment, resilient export performance, and a stable macroeconomic environment, despite tighter global financial conditions. In the first half of 2025, the economy continued to grow at a solid pace, supported by strong domestic demand and steady revenues from tourism and services. According to Geostat, real GDP growth was 8.8%, 9.4%, 7.8% and 11.0% for the six months ended 30 June 2025, and the years ended 31 December 2024, 2023 and 2022, respectively.

Georgia continues to face significant risks to its growth prospects, including risks associated with the exchange rate, financial stability, inflation, fiscal pressures and capital flight, as well as domestic political unrest and deterioration of political and economic relations with the European Union, United Kingdom and United States. Market turmoil and economic deterioration in Georgia may cause consumer spending to decline and have a material adverse effect on the liquidity and financial condition of customers in Georgia. Due to the high degree of dollarization of the Georgian economy (as measured by dollarization of bank deposits, which stood at 49.7% as at 30 June 2025 (54.0% excluding government deposits), the purchasing power of Georgian companies, including the Group, and individuals may be affected by currency fluctuations and, in particular, the depreciation of the Lari against the U.S. Dollar and the Euro. Uncertain and volatile global and regional economic conditions, such as the unpredictability of the U.S. regulatory and fiscal policies, general increasing global inflation rates, the potential adoption of trade restrictions, and heightened geopolitical risk could have substantial political and macroeconomic ramifications globally, which could, in turn, have a significant impact on the Georgian economy.

The Georgian economy is also dependent upon the economies of other countries in the region, in particular, Türkiye, Russia, Azerbaijan and Armenia. In recent years economic growth has been slow across the region, including Georgia, for several reasons according to the International Monetary Fund ("**IMF**"). These include a number of geopolitical developments, such as: (i) low oil prices (a consequence of reduced import demand from Russia); (ii) the armed conflict between Russia and Ukraine; (ii) Russia being subject to international sanctions; (iii) the armed conflict between Azerbaijan and Armenia; and (iv) the volatility of the Russian Ruble, Turkish Lira and other currencies in the region. Any continuing or further economic disruptions or crises in Georgia's neighboring markets may have a material adverse effect on Georgia's economy, which in turn could adversely affect the Group's business, financial condition, results of operations or prospects. For further risks in relation to Georgia see also "*—Macroeconomic risks and political risks related to Georgia*".

The growth of the Group's revenue and profit in the future depends on the development of the markets in which it operates in Georgia. Economic factors such as inflation, exchange rate, unemployment, interest rates and others have a significant impact on the Group's income. Deterioration of the economic situation in Georgia or in any of its regions where the Group has a significant number of customers, business or assets could reduce demand for the Group's services. The Group tries to assess the demands of its target audience and competitive environment when determining product or real estate development and tariff policy. However, in case of major economic turmoil such calculations may turn out to be inaccurate and the Group may not be in the position to respond to the changed circumstances, which in a highly competitive environment could have a negative effect on the size of its subscriber or customer base and its income. For more information see "*Risk Factors —Macroeconomic Risks and Political Risks Related Georgia —Political and consequently governmental instability in Georgia could have a material adverse effect on the local economy and the Group's business*" and "*—The Group may face increased competition from new entrants or existing competitors in the markets in which it operates*".

Worsening global financial conditions and lower capital flows to emerging market economies, weakness in global trade due to geopolitical fragmentation, elevated geopolitical risks, high volatility and large and sustained declines in commodity prices, wide-ranging spillovers from Russia's invasion of Ukraine and the slowdown of the global economy due to, among other things, high interest rates and slower productivity growth may have an adverse effect on Georgia's economy. Any further deterioration of the economic situation in Georgia could have a negative effect on the disposable income of individuals and revenue of companies in Georgia, which in turn, will affect the ability of customers to pay for the services of the Group's businesses.

Emerging markets may have higher volatility, more limited liquidity and a narrower export base than more mature markets and are subject to more frequent changes in the political, economic, social, legal and regulatory environment. They are subject to rapid change and are particularly vulnerable to market conditions and economic downturns elsewhere in the world. In addition, international investors may react to events, disfavoring an entire region or class of investment, a phenomenon known as the "contagion effect". If such a contagion effect occurs, Georgia could be adversely affected by negative economic or financial developments in other emerging market countries, as has happened in the past.

Any factors that could adversely affect the Group's large corporate customers or the income of the population in general could result in the inability of consumers to promptly and completely pay bills, which will negatively affect the Group's profitability and financial performance.

The Group's businesses require substantial capital investment, and the Group may not be able to attract or generate sufficient capital to fund its future capital expenditures and other investments as management deems necessary or desirable.

The Group operates in capital-intensive industries that require substantial capital and other long-term expenditure, including those relating to the development and acquisition of new networks and the expansion or improvement of existing networks (*e.g.*, 5G) for its Telecom business and the acquisition, construction, renovation, and maintenance of real estate properties (*e.g.*, Silk Towers and Sakanela Complex projects) for its Hotels, Casinos and Development businesses. Real estate development, in particular, involves large upfront costs, long timelines, and exposure to fluctuations in property values, construction costs, and market demand. In addition, when acquiring land from the Government, the Group may be subject to investment obligations requiring the Group to develop such land within a specified period. The failure to fulfil these obligations could result in the reversion of the land to the Government. As at 31 December 2024, the Group had a commitment to invest USD 19.9 million in its properties, with USD 15.0 million due to invest by 2029. Failure to meet these capital expenditures requirements or investment obligations, or any inability to secure deferrals or amendments, could result in the Group losing ownership of the relevant properties acquired from the Government. Continued customer demand for the Group's fixed broadband or mobile data services may require the Group to incur further capital expenditures to expand its network in order to accommodate such usage. The Group may require significant amounts of capital to obtain such spectrum licenses or invest in improvements to its network capabilities or further its development projects. The Group may also consider further acquisition or growth opportunities.

The Group's Capital Expenditures in the year ended 31 December 2024 was GEL 229.6 million, compared to GEL 134.8 million and GEL 108.1 million in the years ended 31 December 2023 and 2022, respectively. In the past, the Group has financed these capital expenditures through internally generated cash flows, bank financing, bond issuances and shareholder equity or loan. The Group expects to incur capital expenditures for the continued enhancement of its network and systems, including its 5G network deployment, and the expansion of its hospitality portfolios, particularly the development of Silk Towers (a mixed-use development comprising a residential complex, a casino, and a hotel), and Sakanela Complex (a mixed-use complex, incorporating residential units, office spaces, and retail areas). The Group expects to finance its recurring capital expenditures through cash generated from operating activities, and to finance the Capital Expenditures (such as the Silk Tower and Sakanela Complex projects) through a combination of presales of the residential units, the proceeds of the Notes, and the Group's operating cash flows. However, there can be no assurance that the Group will obtain favorable payment terms from lenders in the future. The Group's ability to attract external financing, and the cost of such financing, depend on numerous factors, including the Group's future financial condition, general economic and capital markets conditions, interest rates, credit availability from banks or other lenders, investor confidence in the Group, applicable provisions of tax and securities laws, and political and economic conditions in Georgia or other relevant jurisdictions.

In addition, covenants contained in the financing arrangements of the Group (each as defined in the "*Management's Discussion and Analysis of Financial Condition and Results of Operation— Financing Arrangements*") and the Notes, may restrict the Group from undertaking capital expenditures in amounts and at times that it deems necessary or desirable. If the Group is unable to generate or obtain funds sufficient to make, or is otherwise restricted from making, necessary or desirable capital expenditures and other investments, it may be unable to grow its business, which may have a material adverse effect on its business, financial condition, results of operations or prospects. Moreover, there is no assurance that undertaking such capital expenditures will result in business growth or improved financial performance.

The Group's leverage may make it difficult for it to service its debt and operate its business, and any additional debt, could further exacerbate the risks associated with its existing indebtedness.

The Group's indebtedness and debt service requirements could have important consequences for how it operates its business. Debt covenants set out in the Conditions, which include leverage ratios and other financial condition tests, such as the Fixed Charge Coverage Ratio and Consolidated Net Leverage Ratio (each as defined in the Conditions), could limit the Group's flexibility in planning for, and reacting to, competitive pressures and changes in its business, industry and general economic conditions. For example, under Condition 4(a) (*Incurrence of Indebtedness and Issuance of Preferred Stock*) of the Notes, subject to certain exceptions, no further indebtedness may be incurred by the Issuer or any subsidiaries unless both the Fixed Charge Coverage Ratio is greater than 2.5x and the Consolidated Net Leverage does not exceed 3.0x. For more information, see "*Terms and Conditions of the Notes*". Such covenants could:

- require the Group to dedicate a substantial portion of its cash flow from operations to payments on its debt, thus reducing the availability of its cash flow to fund internal growth through working capital and capital expenditures and for other general corporate purposes;
- make it more difficult for the Group to satisfy its obligations with respect to existing or future debt and liabilities;
- increase the Group's vulnerability to a downturn in its business or in economic or industry conditions;
- place the Group at a competitive disadvantage compared to its competitors which have lower debt to Adjusted EBITDA ratios;
- limit the Group's flexibility in planning for, or reacting to, changes in its business and industry;
- restrict the Group from investing in customer acquisitions, growing its business, pursuing strategic acquisitions and exploiting certain business opportunities;
- limit, among other things, the Issuer and its subsidiaries' ability to borrow additional funds or raise equity capital in the future and increase the costs of such additional financings; and
- subject the Group to a greater risk of non-compliance with financial and other restrictive covenants in its Notes.

The Group's ability to service its indebtedness will depend on the Group's future performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors. Many of these factors are beyond the

Group's control. If the Group cannot service its indebtedness and meet its other obligations and commitments, it might be required to refinance its debt or to dispose of assets to obtain funds for such purpose. There cannot be any assurance that refinancing or asset dispositions could be effected on a timely basis or on satisfactory terms, if at all, or would be permitted by the terms of the Group's debt instruments.

The Group may be able to incur substantial additional indebtedness in the future. The inability to manage existing and future debt, and to retain flexibility to operate the Group's business, could have a material adverse effect on the Group's business, financial condition, results of operations or prospects. A breach of the terms of the Group's indebtedness, including financial covenants, could result in the Group's creditors being entitled to require the Group to accelerate repayment, which may trigger a cross default, and could lead to termination of existing commitments and declaration by creditors that all amounts borrowed under the Group's relevant indebtedness are due and payable, together with accrued and unpaid interest.

Although existing debt agreements contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and under certain circumstances the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. If such additional debt were secured on assets of the Group, such debt would be structurally senior to the Notes. In addition, current debt agreements will not prevent the Group from incurring obligations that do not constitute indebtedness under those agreements.

The interruption, inadequacy or other failure of the Group's internal systems, including its internal controls over financial reporting and information technology systems, could have a material and adverse effect on the Group.

The Group maintains and regularly reviews internal controls over its financial reporting. However, internal control over financial reporting has inherent limitations. It is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. In addition, it can be circumvented by collusion or overriding any form of proper management. It is possible to design safeguards to mitigate, although not eliminate, this risk. A failure to detect or correct deficiencies and weaknesses in a timely manner could have an adverse effect on the accuracy of financial reporting.

In addition, the Group is subject to the risk of interruption or loss of its computer and information system capabilities, including certain technologically sophisticated management information systems and other systems, such as its customer billing system, the failure of computer equipment or software systems, failure of the Group's website, telecommunications failure or other disruption, whether due to system failures, computer viruses, software errors, cyber-attacks (including "phishing"), theft of or physical damage to IT hardware or otherwise. The Group's information and technology systems are designed to enable the Group to use its infrastructure resources as effectively as possible and to monitor and control all aspects of its operations. Due to the nature of its business, the Group faces risks related to network and information security, including the integrity, confidentiality and availability of information, arising from cyber-attack or other vulnerabilities across its networks and systems. Any failure or breakdown in these systems could interrupt normal business operations and result in a significant slowdown in operational and management efficiency for the duration of such failure or breakdown, and a prolonged failure or breakdown could dramatically impact the Group's ability to offer services to its customers. In November 2024, Silknet experienced an attempted ransomware attack and resolved the incident without loss of data, material disruption or financial loss. There can be no assurance that the Group's security systems will be effective under all circumstances, and the Group may remain vulnerable to the loss of information. Additionally, the Group does not maintain an offsite data recovery center. In the event that there is an interruption or loss of its computer and information systems, this could interrupt normal business operations, lead to loss of revenue and loss of subscribers and damage the Group's brands.

Failures in employee relations, such as strike action or employee misconduct, may adversely affect the Group.

As at 30 June 2025, the Group employed over 5,000 full-time equivalents ("**FTEs**") across all of its business, including approximately 2,200 FTEs at Silknet and 1,700 FTEs at Silk Hospitality. While neither the Company nor Silk Real Estate has any labor union or has signed any collective bargaining agreement ("**CBA**") with their respective employees, Silknet signed a CBA with the Georgian Communication Workers Trade Union ("**GCWTU**") in 2010. The CBA was renewed in December 2023 and is valid until January 2027 with no obligation of further extension. As at 30 June 2025, 246 FTEs of Silknet were members of the GCWTU. In practice, Silknet from time to time consults with the GCWTU during the development and update of the Silknet's human resources policy, and invite GCWTU's representatives to discuss matters in relation to human resources optimization and personnel restructuring. While this process allows for dialogue, it may also require additional time for negotiations. Silknet's business may be obstructed by a strike or lockout of employees, which could lead to increased expenses. Any redundancies or salary reductions could cause discontent among employees, which could have a negative effect on Silknet's, and therefore the Group's, business, financial condition, results of operations or prospects.

The Group is also susceptible to, among other things, fraud by employees or outsiders, including unauthorized transactions and operational errors, loss of customer or employee data, theft of sensitive business or operational information, clerical or record-keeping errors and errors resulting from faulty computer or telecommunications systems. Employee misconduct, misrepresentation or fraud could subject the Group to financial losses, regulatory sanctions and serious harm to its reputation.

It is not always possible to deter or prevent employee misconduct and precautions the Group takes to prevent and detect misconduct may not be effective in all cases. Employee errors in recording or executing transactions for customers can cause the Group to enter into transactions that customers may disavow and refuse to settle. Given the Group's high volume of transactions, fraud or errors may be repeated or compounded before they are discovered and rectified. Failure by the Group to identify, prevent or manage employee misconduct, or any inadequacy of the Group's internal processes or systems in detecting or containing such risks, could result in unauthorized transactions and errors and expose it to risk of loss, which could have a material adverse effect on its business, financial condition, results of operations or prospects.

Any deterioration in the reputation of the Group's own brands or franchised brands or of the Group's ultimate beneficial shareholders may have a negative effect on its financial position.

Any deterioration of the Group's brand reputation and the reputation of its subsidiaries or businesses could affect the number of subscribers for its Telecom services, or customers for its Hotels, Casinos and Development businesses and reduce the prospects of attracting new subscribers or customers, which could adversely affect the Group's revenues. The Group periodically conducts customer opinion and market research across its business segments and aims to improve the quality of the products and customer services on the basis of feedback provided by customers. The Group's reputation may be damaged if it fails to maintain the quality of its services, offer competitive products, promptly introduce new technologies, or by marketing campaigns that are poorly received by the public. For its Hotels business, the Group partners with internationally recognized brands, such as Radisson and the LHW, which exposes it to reputational risks beyond its control. For example, any perceived downgrade or negative publicity affecting these partner brands could adversely impact the performance of the Group’s hotels. Should any of these events occur, they could have a material adverse effect on the Group's business, financial condition, results of operations or prospects. See "*—Risks related to the Hotels, Casinos and Development Businesses—The Group’s reliance on the Radisson brand exposes it to risks associated with brand reputation, franchise or management arrangements, and contractual obligations*".

Any deterioration in the reputation of the ultimate beneficial shareholders (for more information, see "*Business Description of the Group—Structure of the Group*"), could have a material adverse effect on the Group's business, financial condition, results or prospects and in particular on the ability of the Group to raise funds in the future.

Omissions and unforeseen setbacks related to the transformation of its IT infrastructure may adversely affect the Group.

Any unforeseen IT setbacks may increase the Group's operational risks and expenses and inconvenience its customers in the short term. In addition, the optimization of the Group's IT infrastructure may result in temporary technical disruptions. The failure or breakdown of key components of the Group's infrastructure in the future, including its IT system and its susceptibility to fraud, could have a material adverse effect on Group's business, financial condition, results of operations or prospects.

During the period under review, Silknet has undertaken a large-scale transformation of its IT infrastructure to modernize its systems, enhance operational resilience, and improve customer experience. This transformation included a full renewal of its business support system ("**BSS**") and operations support system ("**OSS**") stack with automated provisioning and real-time charging, the deployment of advanced self-service platforms, the migration to a virtualized environment, endpoint standardization, and the implementation of next-generation cybersecurity and fraud prevention systems. While these initiatives have strengthened the Group’s IT capabilities, large-scale digital transformations are inherently complex and can give rise to temporary operational challenges, technical disruptions, or increased operational risk. For example, during the migration to the new BSS platform, Silknet experienced a temporary decline in call center performance metrics, despite being promptly mitigated through proactive customer communication, increased staffing, and accelerated training.

Although Silknet has implemented measures such as active-active redundancy for critical systems, regular failover testing, phased deployment approaches, and proactive customer communication to reduce the risk and impact of IT-related disruptions, there can be no assurance that future transformation efforts or ongoing IT operations will not result in unforeseen setbacks, technical failures, or vulnerabilities. Any failure or breakdown of key components of the Group’s IT infrastructure, or its susceptibility to fraud or cyberattacks, could have a material adverse effect on the Group’s business, financial condition, results of operations, or prospects.

The Group's licenses, permits and frequency allocations are subject to finite terms, ongoing review and/or periodic renewal, each of which may result in modification or early termination and any inability to obtain new licenses and permits or to renew existing licenses and permits could adversely affect its business.

The terms of the Group's licenses, permits and (in relation to its Telecom business) its frequency allocations are subject to finite terms, ongoing review and/or periodic renewal and, in some cases, are subject to modification or early termination or may require renewal with the applicable government authorities. For the Group's Telecom business, Silknet currently holds a total of eight licenses for mobile and fixed telephone services across various frequency bands, three of which are expected to expire between May 2026 and January 2027. In addition, Silknet holds two licenses related to its "Global TV" services, which are expected to expire by December 2026 and are not anticipated to be renewed due to declining subscriber numbers resulting from ongoing migration from wireless TV technology to fiber-optic IPTV services, as well as the limited viability of the existing technology. The Group operates casinos and slot machines located within its hotels in Tbilisi and Batumi under licenses expiring between 2026 and 2027. Each casino and slot machine license is issued for a five-year term and requires annual payments to maintain its validity. The Development business of the Group is required to obtain various permits, licenses, and approvals from municipal as well as national authorities in connection with its construction and operational activities. The Group may be at risk of delays in the process of approving projects and obtaining related permits, which could result in a delayed start to the relevant project and/or partial or full postponement of its completion. In addition, state agencies may not permit the Company to implement the project as originally planned, thereby reducing the profitability of the project. These licenses and permits may also result in modification or early termination and any inability to obtain new licenses and permits or to renew existing licenses and permits could adversely affect its business. For more information, see "*Business Description of the Group—Licenses*".

While the Company does not expect that it or any of its subsidiaries or associated companies will be required to cease operations at the end of the term of these licenses, there can be no assurance that these business arrangements or licenses will be renewed at similar prices or terms, or (although unlikely) at all, or whether the Group will be required to adhere to certain investment requirements in order to renew such arrangements and licenses.

In addition to expiry and non-renewal, the licenses may be terminated early in certain circumstances, including if the Group fails to fulfill its obligations under the respective license or if this is deemed to be in the public interest. Similarly, a change in licensing terms or conditions could raise the costs incurred by the Group to provide telecommunications services in Georgia or have an adverse effect on the quality of the network available to carry the Group's services.

Failure to obtain or renew licenses on satisfactory terms or at all may have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group may face increased competition from new entrants or existing competitors in the markets in which it operates.

The Group faces increasing competition, especially from new and existing players in the real estate development and hospitality sectors, where barriers to entry are lower than in the telecommunications industry. While new entrants are generally less likely in the telecommunications industry, new Mobile Virtual Network Operators ("**MVNOs**") may still enter some sub-segments of the industry, thereby increasing competitive pressures and potentially resulting in lower prices, reduced market share, or increased customer churn of the Group in those sub-segments. In addition, competitive pressures from established telecom network operators persist and the Group's results may be adversely affected by the actions of its competitors in a number of ways, including (i) lower prices or higher quality services, features or content, (ii) more rapid development and deployment of new or improved products and services or (iii) more rapid enhancement of their networks. For more information, please see "*Business Description – Competition*". If the Group does not continue to provide products and services that are useful and attractive to customers, it may erode profitability in these markets. If the Group is slow to respond to the actions of its competitors or does not adequately invest in new offerings and services demanded by customers at competitive prices, it could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

Increased competition may lead to a decrease in the Group's market share. In the Telecom business, the competitive focus in certain of the Group's markets, particularly in the fixed broadband and mobile markets in Georgia, continues to shift from customer acquisition to customer retention as a result of increased market penetration. There can be no assurance that Silknet will not experience an increase in the attrition rate of customers (known in the industry as "**churn rates**"), measured by an increased number of customer deactivations (at least for its Telecom business), particularly as competition for existing customers intensifies. An increase in churn rates may result in lower revenue and higher costs due to increased marketing expenses due to the need to replace customers or lower prices to remain competitive, which may consequently have a material adverse effect on the Group's business, financial condition, results of operations or prospects. The Group

monitors international trends through different types of partnerships and tries to develop connections and new services. However, the Group's efforts may not be sufficient for adequate competition with other operators, which could lead to a decrease in revenues and the number of subscribers of the Group's Telecoms business.

Customer retention is also a key focus in the Group's Hotels, Casinos and Development businesses. In the Hotels and Casinos businesses, the Group employs customer relationship management ("**CRM**") systems, guest feedback mechanisms, loyalty programs, and repeat booking metrics to monitor and enhance guest satisfaction. Guest satisfaction scores are regularly reviewed to identify and address service gaps, and the Group maintains a strong emphasis on personalized service and high-quality guest experiences. Notwithstanding these efforts, the hospitality sector remains highly competitive, and there can be no assurance that the Group will be able to retain customers or maintain occupancy rates and revenue at current levels. In the Development business, the Group monitors customer sentiment and sales conversion metrics through CRM systems, pre-sale campaigns, and ongoing engagement with agents and buyers. Despite these measures, increased competition, shifts in market demand, or changes in customer preferences could adversely affect the Group's ability to achieve targeted sales or maintain project profitability.

In addition, there is no guarantee that future marketing efforts will result in increased revenue, or that the services and offerings provided by the Group will maintain their current revenue levels or generate significant additional revenue. Limited expansion in the local market may hinder the ability to maintain stable revenue levels.

If the Group is unable to retain customers effectively or if its customer retention strategies do not adequately address the challenges posed by intensifying competition in any of its core businesses, the Group's business, financial condition, results of operations, and prospects could be materially and adversely affected.

Real estate valuations with respect to the Group's Valued Property Portfolio may not reflect the current market values of the portfolio and such valuations are not reflected in the Group's Consolidated Financial Statements.

Colliers has prepared the Valuation Letter (See "*Presentation of Financial and Certain Other Information—Colliers*") on the basis of certain valuation methodologies regarding the Valued Property Portfolio as at 31 December 2024. The valuation of real estate properties, including those listed in the Valuation Letter, is inherently subjective and subject to uncertainty, in part because land and property valuations are made on the basis of assumptions which may not prove to be accurate, and in part because of the individual nature of each land and property. The Group's Consolidated Financial Statements were prepared to reflect the Group's assets, including the Valued Property Portfolio, at historical carrying values, which are not the basis of valuations used for the Valuation Letter Therefore, land and property valuations might not accurately reflect the market value of any of the properties valuated at a given date. In addition, the valuations contained in the Valuation Letter are stated as at 31 December 2024; while the Group believes that there has been no material negative change to the aggregate market value of the Valued Property Portfolio, there can be no assurance that these figures accurately reflect the market value of the Valued Property Portfolio as of any other date. The market value of the Valued Property Portfolio may decline significantly over time due to various factors. In addition, the values ascribed by Colliers should not be taken as an indication of the amounts that could be obtained upon disposal of such properties, whether in the context of the sale of individual properties or the Valued Property Portfolio as a whole.

The Group may be unable to successfully manage the growth of its businesses.

The Group's ability to manage its existing businesses and its future growth depends upon a number of factors, including its ability: (i) to increase effectively the scope of its operational and financial systems and controls to accommodate the increasing complexity and expanding geographical area of its operations; (ii) to recruit, train and retain qualified staff to manage and operate its growing business; (iii) to obtain necessary permits, licenses, spectrum allocation or approvals from governmental authorities and agencies; and (iv) to explore new markets and establish new businesses and services. If the Group is unable to successfully manage sustainable growth this could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

A failure to retain and attract qualified and experienced management, and other qualified personnel could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The success of the Group depends, in part, on the Group's ability to continue to attract, retain and motivate qualified and skilled personnel across its businesses. The Group relies on its senior management for the implementation of its strategy and its day-to-day operations.

If the Group is unable to retain experienced, capable and reliable personnel, especially senior and middle management with appropriate professional qualifications, or fails to determine or predict and recruit the required number of skilled

professional and technical staff at a pace consistent with its growth, then its financial condition, business, results of operations or prospects may be adversely affected. Experienced and capable personnel in the industries in which the Group operates remain in high demand and there is strong competition for their talents.

The loss of some members of the Group's senior management team or any significant number of its mid-level managers/skilled professionals may result in: (i) a loss of organizational focus; (ii) poor execution of operations and corporate strategy; and/or (iii) an inability to identify and execute potential strategic initiatives such as the expansion of capacity or acquisitions. These adverse consequences could, among other things, reduce potential revenue and expose the Group to downturns in the markets in which it operates, all of which, both in the aggregate and individually, could materially and adversely affect the Group's business, financial condition, results of operations or prospects.

The Group may be, from time to time, involved in disputes and litigation with regulators, competitors and other parties.

The Group is subject to the risk of legal claims, judicial proceedings and regulatory enforcement actions in the ordinary course of its business. These matters may arise from any review by ComCom and/or Revenue Service of Ministry of Finance of Georgia into the Group's compliance with the terms of its licenses and applicable regulation. For example, in June 2025, Silknet obtained a new 5G frequency license via an auction organized by ComCom. While Silknet is committed to paying the license price (and as at July 2025 has already paid 30% of the license price), Silknet has challenged the pricing of the 5G license on the grounds that the frequency resource prices were inflated due to misuse of the price calculation methodology and breach of applicable legislation by ComCom. Silknet is seeking an adjustment of the price in line with the methodology used in the first 5G auction conducted in 2023 and the return of any excessively paid amount, up to GEL 42.3 million. The claim is not expected to have any negative financial impact on Silknet, and if successful, Silknet would receive the price difference up to the claimed amount. For more information, see "*Business Description of the Group—Litigation*" for a detailed description of the litigation proceedings of the Group pending as at the date of these Listing Particulars.

In addition to risks that arise under the Group's regulatory obligations, it may also from time to time become subject to contractual disputes with third parties, including suppliers and customers. Although the Group is not currently subject to any material proceedings, or aware of any circumstances that may give rise to material claims in the future, there can be no assurance that it will not become subject to such claims in the ordinary course of its business, or that the Group will be successful in these matters.

The Group's involvement in litigation and regulatory proceedings may be costly and/or adversely affect its reputation or relationships with its business partners or regulators, even if such litigation or regulatory proceedings were successful. Furthermore, litigation and regulatory proceedings (or settlements thereof) are inherently unpredictable. If the Group is unsuccessful in any future claims, or its reputation suffers as a result of any such claims, it could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

A downgrade in the credit ratings of the Group or any of the Guarantors could limit its ability to negotiate new loan facilities or to access the debt capital markets and may increase its borrowing costs and/or adversely affect its relationship with creditors.

The Group's credit ratings are an important factor in determining the Group's cost of borrowing funds. As at the date of these Listing Particulars, the Issuer has been assigned a long-term issuer default rating of "BB-" (stable outlook) by Fitch and a long-term issuer rating of "B1" (Stable outlook) by Moody's. Any downgrade of the Group's credit ratings, or being placed on a "negative ratings" watch, may increase its cost of borrowing or limit the Group's ability to raise capital and materially adversely affect its ability to implement its capital expenditures programs or fund operations, which in turn could have a material adverse effect on its business, financial condition, results of operations or prospects.

A significant event that exceeds the coverage limits of the Group's insurance could result in substantial losses.

The Group maintains insurance policies against certain losses, including property damage, key personnel, third party liability, business interruption on its hotels' operations and others, in accordance with the Group's policies. For more information, see "*Business Description of the Group—Insurance*". The Group cannot, however, give any assurance that this insurance will be adequate to protect it from all expenses related to potential future claims for personal injury and property damage or that these levels of insurance will be available in the future at commercially reasonable prices. The Group does not fully insure against certain risks to the extent that such risks may not be fully insurable or related coverage is unavailable at what it considers to be appropriate price levels. To the extent any loss is not covered by the Group's insurance policies, or exceeds the coverage limits specified therein, the Group would not be able to obtain compensation for its losses from the insurer and may have to incur expenses to remedy the damage caused by relevant disruptions. In addition, depending on the

severity of the property damage, it may not be able to rebuild damaged property in a timely manner or at all. The Group does not maintain separate funds or otherwise set aside reserves for these types of events or other insurable losses Any such losses or third-party claims for damages not covered by insurance may have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Company's sole shareholder or its controlling ultimate beneficial owner has the ability to take actions that may conflict with the interests of other holders of its securities.

The Company is wholly owned by Comodon Holding (Malta) Limited, which in turn is wholly owned by Prometheus Holdings (Malta) Limited, which is in turn majority owned by and under control of SRGH (Malta) Limited, which is in turn majority owned by and under the control of George Ramishvili (see "*Shareholders*"). Therefore, George Ramishvili is the Issuer's controlling ultimate beneficial owner and thereby through the Company's sole shareholder has the power to control the outcome of most matters, including the appointment of and removal of the Company's general director/directors and members of the Company's supervisory board (the "**Supervisory Board**"), amendments to the Company's charter, proposed reorganizations and substantial asset sales and other major corporate transactions, among other things. Therefore, George Ramishvili and Comodon Holding (Malta) Limited can take actions that may conflict with the interests of other creditors and securities holders.

The Group may incur additional costs or face difficulties in assessing risks or achieving synergies in connection with acquiring and integrating new businesses.

The Group actively seeks to leverage synergies across its businesses, particularly between Hotels and Casinos businesses, to enhance profitability such as implementing loyalty initiatives and coordinated marketing efforts. In addition, the Group may, in future, acquire other businesses and integrate them with its existing portfolios. Any potential business acquisition considered by the Group could pose a number of risks to the Group during its integration. While the Group seeks to conduct appropriate due diligence process, there can be no assurance that all relevant information will be fully presented and analyzed or that all relevant aspects and risks of any acquired entity's activities were, at the time, properly assessed. There may be risks and unforeseen circumstances related to the potential acquisition that the Group is not aware of or that were not considered material by the Group, or regulatory authorities may conclude that the Group failed to obtain all appropriate authorizations or permissions or to make necessary filings. Any expected revenue and cost synergies, operational efficiencies, business growth and other benefits, based on which the Group determined to proceed with any acquisition, may not materialize because those assumptions might be incorrect or the economic environment, or the competition landscape, might have changed since the acquisition.

Difficulties in integration within the Group's businesses or with any newly acquired entity, or the imposition of fines or penalties, could result in additional and unanticipated costs for the Group. In addition, any inability of the Group's IT systems to adequately support migration of acquired businesses to the Group's technological platform may impair the Groups' access to information and ability to realize the expected benefits of the acquisition. The occurrence of any such circumstances may have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group's operations could be adversely affected by natural disasters or other catastrophic events beyond the Group's control.

The Group's business operations, technical infrastructure (including its network infrastructure) and development projects could be adversely affected or disrupted by natural disasters (such as earthquakes, floods, and fires) or other catastrophic or otherwise disruptive events, including, but not limited to:

- changes to weather, the hydrologic cycle (involving the movement and distribution of water resources) and climatic patterns;
- major accidents, including chemical or other material environmental contamination; and
- power loss.

The occurrence of any of these events, or events of a similar nature, or if they were to occur at an increasing frequency due to any effects of climate change, at one or more of the Group's facilities may cause disruptions to the Group's operations in part or in whole, may increase costs associated with remedial work (which the Group may not be able to pass on to its customers), may subject the Group's to liability or impact the Group's brands and reputation and may otherwise hinder the

normal operation of the Group's business, which could materially adversely affect its business, financial condition, results of operations or prospects.

Any failure to protect the Group's trademarks and intellectual property could reduce the value of its brand and harm its business.

The reputation and perception of the Group's brand is critical to its success in the business in which it operates. If its trademarks, intellectual property or know-how are copied or used without authorization, the value of its brand, reputation, competitive advantage and goodwill could be harmed. The Group has registered its trademarks in Georgia; however, those trademark registrations may not be granted or the steps it takes to protect its trademarks, intellectual property or know-how in Georgia may not be adequate to prevent others, including third parties or former employees, from copying or using its trademarks, intellectual property or know-how without authorization.

As it has done in the past, the Group may need to resort to litigation to enforce its intellectual property rights. Litigation of this type could be costly, force the Group's to divert its resources, lead to counterclaims or other claims against it or otherwise harm its business. Any failure to maintain and protect the Group's trademarks and other intellectual property and know-how could reduce the value of its brand and harm its business.

Risks related to the Telecom Business (Silknet)

Silknet relies on third party service providers for its operations

Silknet's operations depend on a range of third-party service providers, including suppliers of transmission and distribution rights for television channels, providers of intellectual property, and licensors of content. Disputes may arise regarding the scope of rights exercised (including copyright and related rights, such as limitations on content availability for certain customer segments), which could adversely affect Silknet's reputation and financial condition.

Silknet entered into a series of sublicense agreements for audiovisual rights with Broadcasting Enterprise Limited, with effect from 1 August 2023 to provide the right to transmit La Liga content in Georgia, including live matches, highlights, and support programs, with ancillary promotional and clips rights for Spanish football matches. The cost of acquiring and renewing rights to premium and live content, especially for popular sporting events, has increased in recent years due to heightened competition among broadcasters and streaming platforms, content owners raising prices, and higher production and technology costs. Along with changes in video content consumption trends (such as the shift from traditional linear TV to on-demand and streaming platforms, increased use of mobile devices for viewing, and a growing demand for exclusive and live content), so-called "live content" has been increasingly valuable for attracting and retaining subscribers. As a result, Silknet may be required to pay increased costs to maintain or acquire such rights or may lose access to certain content if competitors secure exclusive rights. The inability to secure or renew rights to key live broadcasts or media content on commercially reasonable terms could negatively impact Silknet's ability to attract and retain subscribers.

Silknet has also expanded its digital media content offering to include music, TV shows, and documentaries. The process of renewing broadcasting and content rights may involve negotiations with direct content owners or regional distributors, and there is a risk that prices may increase or that competitors may acquire exclusive rights, further increasing costs or limiting Silknet's content offering.

Costs related to access to global internet resources represent a portion of Silknet's operating expenses. These include payments for internet protocols and data transport from wholesale providers in Frankfurt, Sofia, Ankara, and Istanbul. While Silknet manages these costs by diversifying suppliers, expanding its backbone network, and locally caching content from major providers, a significant increase in global internet capacity prices or the loss of caching capabilities could adversely affect Silknet's service quality, business, and financial results.

Should any of these risks materialize, Silknet could be adversely affected by operational disruptions, increased costs, or the loss of key third-party relationships, any of which could have a material adverse effect on its business, financial condition, results of operations, or prospects.

Silknet's revenue and profit could be adversely affected if growth in the Georgian telecommunications market slows.

Silknet's growth in revenue and profit is dependent on the growth of the market for telecommunications services and the evolution of average telecommunications spending by customers in Georgia. Penetration of telecommunications has increased during the past several years. According to the calculations based on ComCom and Geostat data, as at 30 April 2025, in the residential market, fixed-line penetration was approximately 19%, compared to 25% as at 31 December 2021,

fixed broadband penetration was approximately 97% as at 30 April 2025, compared to 85% as at 31 December 2021 and mobile penetration was approximately 151% of the population of Georgia as at 30 April 2025, compared to 138% as at 31 December 2021. Penetration in the fixed-line business is calculated as one activity of a specific service in the relevant month divided by the number of households, while penetration in the mobile segments is calculated as one activity of a specific service in the relevant month divided by the population. The penetration of the fixed-line segment is calculated based on the 2014 General Population Census Results, and therefore may understate actual penetration. To the extent that penetration levels remain high and/or increase, it may become more difficult for Silknet to expand its fixed and mobile services subscriber base. As a result, its future revenue growth may be dependent upon growth in spending per customer rather than an increase in the number of customers, and such growth may not occur as anticipated. A slowdown in the growth of the Georgian telecommunications market could have a material adverse effect on Silknet's business, financial condition, results of operations or prospects.

Silknet's service delivery critically depends on the uninterrupted operation of its networks, technical infrastructure, and supplier relationships, all of which face various vulnerabilities. Despite significant investment in network maintenance, Silknet remains exposed to risks including technical failures, cyberattacks, property registration inaccuracies, permit deficiencies, and interconnection dependencies with other telecommunications operators. Silknet relies heavily on key partners like Qarva LLC (for IP television software) and Service Net Group LLC and GC Service LLC (for infrastructure maintenance), creating operational vulnerabilities should these relationships deteriorate. Additionally, Silknet depends on a limited number of technical equipment providers including Huawei, Cisco, Juniper, Ericsson, and Whale Cloud, with any disruption in these supply chains potentially causing service interruptions. While Silknet implements mitigation strategies, these various operational and supplier dependencies could materially impact its business continuity, financial condition, and long-term prospects if realized.

Any interruption of Silknet's operations or of the provision of any service, whether from operational disruption or otherwise, could damage Silknet's ability to attract and retain customers, cause significant customer dissatisfaction and have a material adverse effect on its business, financial condition, results of operations or prospects.

Silknet's telecommunications services depend on the performance of networks, technical equipment, specific suppliers and licenses.

Silknet depends to a significant degree on the uninterrupted operation of its networks to provide its telecommunication services. Silknet invests heavily to ensure that its network provides a variety of advanced services for customers within Georgia and seeking access to Georgia. Silknet launched 5G services in the center of Tbilisi in December 2023 and acquired new spectrum license in June 2025 to expand its 5G coverage by initially targeting main cities, seaside and other tourist locations. However, there can be no assurance that Silknet will be able to continue to invest heavily in its existing or new networks, including 5G coverage. In addition, Silknet has challenged the pricing of the 5G frequency fees imposed by ComCom on Silknet for the new 5G spectrums acquired in June 2025 (for more details, see "*Business Description of the Group—Litigation*"). Any failure by Silknet to upgrade or maintain its networks current levels could affect its profitability and have a material adverse effect on its business, financial condition, results of operations or prospects. Moreover, Silknet's technical infrastructure is vulnerable to damage or interruption from acts of war, terrorism, intentional wrongdoing, human error and similar events. Unanticipated problems at Silknet's facilities, system failures, hardware or software failures, computer viruses or hacker attacks could affect the quality of its services and cause service interruptions. See "*—Risks relating to the Group's business generally—The interruption, inadequacy or other failure of the Group's internal systems, including its internal controls over financial reporting and information technology systems, could have a material and adverse effect on the Group*" for more information regarding a ransomware attack on Silknet in November 2024. Although Silknet has undertaken steps to ensure it could continue operating in the event of a disruption, there can be no assurance that these efforts would be successful. As such, any of these occurrences could result in reduced user traffic and reduced revenues and could harm Silknet's operations.

Silknet's network, including its information systems, information technology and infrastructure, relies to a certain extent on its interconnection to the networks of other telecommunications operators to carry calls and data from its customers to the customers of fixed telephone operators, broadband and other mobile operators, both within Georgia and internationally. Silknet cannot be assured that it can continue to rely on its interconnection to the networks of other operators, or that the networks of other operators with whom its customers interconnect will not be affected by interruptions caused by events such as equipment failure, network software flaws or transmission cable disruption.

In addition to the new electronic communication networks and linear structures designed and developed recently, Silknet owns or uses formerly state-owned electronic communication networks and linear structures. Silknet's property is frequently registered with inaccurate or materially incorrect data. Silknet is regularly correcting the flaws in the registration data and frequently the interests of new owners of real property are revealed in the locations where Silknet's communication networks

and linear structures exist. Lack of consistent practice of the law, local self-governance registries and the court in some cases lead to the need to relocate electronic communication networks and linear structures and Silknet incurs additional expenses. Similar incurred expenses in the future may adversely affect Silknet's business, financial condition, results of operations or prospects.

Additionally, a number of Silknet's mobile operating sites do not have the required building permits or sanitary permits. At the time these sites were acquired, it was impractical to obtain such permits. Additionally, appropriate lease agreements or other rights of use for some of Silknet's operating sites may not be in place as the owners of these sites (both state and private) did not enter into appropriate lease or other rights of use agreements on certain occasions historically. Silknet could incur costs, including fines, penalties and other sanctions or lose access to the relevant sites and incur additional costs if the regulators or the landowners, as applicable, decide to bring an action against Silknet for failing to hold such permits or leases or other rights of use. It is not certain exactly how many sites do not have such permits as local authorities did not maintain accurate records at the time. However, Silknet estimates that such costs would not be more than GEL 3 to 5 million and, accordingly, would not be material to Silknet. For more information see "*Business Description of the Group—Environmental Matters*".

Silknet's fixed and mobile voice businesses are in relative decline as more customers move to data-based communications services.

Market-wide movements towards data-based communications continue to impact traditional telecommunications revenue streams, such as fixed and mobile voice services. The Group may be exposed to significant disruption as the telecommunications market continues to shift away from fixed and mobile voice services. The industry has been characterized by periods of marked fixed-to-mobile substitution and subsequently, as a result of rapid advances in mobile data services, significant declines in demand for mobile voice services in recent years. A variety of factors have contributed to these trends, including the introduction of new services by mobile operators, increasing high-speed mobile penetration, which permits elevated usage of data connectivity, improvement in mobile networks and an expanding operational environment of connected devices and e-businesses and e-marketing relying on mobile data communication services. These developments have affected the fixed and, increasingly in recent years, mobile voice markets, including Silknet, resulting in periods of decline in Silknet's fixed and mobile voice performance. The Group's revenue from fixed telephone services, declined to GEL 10.6 million for the year ended 31 December 2024 from GEL 12.7 million for the year ended 31 December 2022, while mobile blended (including mobile broadband and excluding interconnect revenue) Average Revenue Per User ("**ARPU**") increased to GEL 13.1 for the year ended 31 December 2024 from GEL 11.4 for the year ended 31 December 2022. As a result, data services have become the key driver of Silknet's revenue growth and, there remains significant room for further expansion as per-user mobile data consumption in Georgia is still low compared to regional peers. Therefore, Silknet will need to continue to develop new competitive services, including value-added, 3G, 4G/ LTE, 5G, and others, as well as consider vertical integration opportunities in relation to ICT services in order to provide the Group with sources of revenue in addition to standard voice services. If Silknet fails to compete in the mobile and data services business effectively or loses its market share in data-based or mobile communications services, this could have a material adverse effect on Silknet business, financial condition, results of operations or prospects.

Spectrum limitations may adversely affect Silknet's ability to provide services to its customers.

The number of customers that can be accommodated on a mobile network is constrained by the amount of spectrum allocated to the operator of the network and is also affected by customer usage patterns and network infrastructure. The spectrum is a continuous range of frequencies within which waves have certain specific characteristics. As Silknet's customer base grows, new technologies are introduced and it offers a broader range of services, it may require additional capacity for mobile data.

In addition, Silknet is actively pursuing its 5G deployment strategy and aims to expand its 5G service offerings, which may require the acquisition of additional spectrum to support higher data volumes and future growth. In Georgia, spectrum rights are allocated through competitive auctions conducted by ComCom, and there is no assurance that Silknet will be successful in securing the necessary spectrum in future auctions. Silknet did not participate in the first two ComCom 5G spectrum auctions held in 2023 and 2024, with the 2024 absence resulting from an appeal against ComCom's price methodology, which remains pending before the court. Although Silknet acquired new spectrum license in June 2025, it has partially appealed the decision, again challenging ComCom's price methodology (see "*—The Group may be, from time to time, involved in disputes and litigation with regulators, competitors and other parties*"). The sufficiency of the acquired spectrum will depend on future customer demand, technological developments, and competitive dynamics. If Silknet is unable to secure additional spectrum in future auctions, or if the spectrum acquired proves insufficient to support its planned expansion, Silknet may face capacity constraints, reduced quality of service, or delays in rolling out new technologies and services.

The currently available spectrum may further be limited by competition, regulation or financial constraints, and Silknet may face a bottleneck, especially in metropolitan areas. Furthermore, ComCom may increase, reduce or change the frequency bands allocated to operators, although in the case of a reduction or change in frequency bands, ComCom would presumably grant the relevant operator adequate time to take measures to ensure continuity of service.

Changes in video content consumption habits may reduce Silknet's share in the electronic communications market.

Silknet's revenue and number of subscribers partly depend on its IPTV offering, the demand for which may be reduced in case of a decline in TV channel viewers. Similar trends have been observed in some developed countries; the video content consumption habits of some customers, mainly young people, is changing and they are more likely to view content on various devices, at different times and locations, including on-demand content, short-format content and user-generated content. Such video content is supplied to customers mainly by social networks and so-called OTT (Over-The-Top) services (for example, YouTube, Facebook, Netflix and Amazon Prime). Silknet is constantly developing its technological platforms in order to offer the customers the opportunity to view the content on home devices, as well as through internet and mobile applications. However, competing for customers, particularly young customers, with global platforms such as YouTube, Facebook, Netflix and Amazon Prime may be challenging, which could have an adverse effect on Silknet's number of IPTV subscribers and revenues.

Silknet competes in part by offering converged and bundled products, and it may not succeed in further developing such products or may be unsuccessful in marketing such products.

Although the Georgian telecommunications market has traditionally been characterized by mostly single-product offerings, in recent years the offering of multi-product packages has become increasingly popular amongst consumers, influenced by providers offering customers products and services bundles such as multi-play packages. In many cases, bundled services are offered to customers at a discount from the amount each service would have cost the consumer had it been purchased individually. The bundling of services has driven down the original pricing level, thereby reducing the service revenue received on an individual service basis. Silknet believes that its ability to offer new converged and bundled products, either by enhancing existing products or by developing new products, will continue to be an important factor in its business, contributing to reduced churn rates and stabilizing Silknet's customer base. Currently, Silknet offers mobile/fixed bundle services on a limited scale. While bundling is not yet a material part of Silknet’s business, the Group may consider expanding such offerings if market demand increases. However, the offering of bundled products can be complex due to the technological, logistical and pricing challenges of combining two or more services in a competitively priced single offering. Furthermore, Silknet may face limitations in its ability to offer bundled products, or the price at which such products can be offered, under applicable competition law and consumer protection regulation. A failure to offer attractive new bundled products in the future, or to successfully market such offerings to customers, or regulatory challenges or objections to creating such bundles could adversely affect Silknet's ability to leverage its multi-play platform to attract and retain customers. Any failure to attract and retain customers may materially and adversely affect Silknet's business, financial position and results of operations or prospects.

Silknet's business activities are highly regulated and Silknet may be required under applicable regulations to offer certain wholesale services to its competitors on terms that may increase their ability to compete with Silknet in the future.

Silknet's activities in the telecommunications sector are subject to sector-specific *ex ante* competition regulations. ComCom is authorized to identify operators having significant market power ("**SMP**") in the relevant segments of the service market and impose one or more specific obligations (including, for example, relating to mandatory access to networks or services or tariff controls) on them to address identified competition problems on the relevant segments of the service market. As part of *ex ante* competition regulations, ComCom has designated Silknet as an authorized person having SMP in relation to certain segments of the service market (such as access to global and local internet resources and access to leased lines) and imposed one or more specific obligations (as well as specific terms for the fulfillment thereof) on Silknet. Consequently, Silknet is required under applicable regulations to offer certain wholesale services to other telecommunication providers that compete with Silknet and may be required to offer other services which are currently not regulated by ComCom. While Silknet seeks to offer wholesale services on market terms where it is permitted to do so, it is in certain instances required pursuant to applicable regulations to offer access to services on regulated tariffs, access to backhaul and backbone optical lines and leased capacity. Key terms of such wholesale agreements, including pricing, could become subject to regulation or regulatory intervention. For further information, see "*—Risks relating to the Group’s business generally—the Group may be, from time to time, involved in disputes and litigation with regulators, competitors and other parties*" and "*Regulation—Regulation of Electronic Communications—Competition Regulations*". If ComCom sets unfavorable regulations with respect to some of the above-mentioned services, this could have an adverse effect on Silknet's business, financial condition, results of operations or prospects.

In December 2019, ComCom also designated all three of the country's mobile network operators ("**MNOs**"), including Silknet, as having SMP on the relevant market for wholesale mobile network services (voice, SMS and data) and imposed specific SMP obligations aimed at facilitating access for MVNOs. However, following a comprehensive market review initiated in 2022 applying a new methodology aligned with EU regulatory framework, ComCom issued a final decision in 2024 concluding that only Magticom (Silknet's largest competitor) holds SMP in the wholesale markets of mobile network access. As a result, Silknet is no longer subject to MVNO-related *ex ante* obligations. Magticom, on the other hand, has been designated as a holder of SMP in the wholesale market for local and central access provided at a fixed location, as well as in the wholesale market of mobile network access, and a full set of regulatory remedies, including cost accounting and price control obligations, have been imposed on it. Although this decision does not directly concern Silknet, the imposition of such regulatory remedies may increase competition in the relevant telecommunications markets, potentially affecting prevailing prices and, consequently, Silknet's revenues and profitability. For further information, see "*—Risks relating to the Group's business generally— the Group may face increased competition from new entrants or existing competitors in the markets in which it operates*".

During 2025, ComCom plans to conduct in-depth reviews of several telecommunications markets, including the retail market for high-quality broadband access, passive infrastructure access (including duct access), the wholesale IP transit market, and the wholesale call origination and termination markets. Of the markets identified by ComCom for potential review in 2025, Silknet is currently designated as having SMP in the passive infrastructure access, wholesale IP transit, and wholesale call origination and termination markets, and is therefore subject to regulatory obligations in these areas. There is no guarantee that review will not result in any changes to the regulatory framework or the imposition of additional obligations that may increase Silknet's compliance burden or adversely affect its operations, financial condition, or results of operations. In addition, while there have been discussions regarding the introduction of universal service obligations, no draft regulation or legislation has been published to date. The potential impact of such obligations on Silknet cannot be assessed at this time, and any future requirements may impose additional costs or operational constraints.

Silknet's ability to provide commercially viable telecommunications services depends in part upon various intellectual property rights it owns, and Silknet may be subject to claims from third parties for infringement of intellectual property rights.

Silknet relies on third party licenses and other intellectual property arrangements to conduct its business. Intellectual property rights owned by Silknet or its subsidiaries or licensed to any of them may be challenged or circumvented by competitors or other third parties. In addition, the relevant intellectual property rights may be or may become invalid, unenforceable or may not be broad enough to protect the interests of Silknet or may not provide it with any competitive advantage. For example, Silknet's rights to broadcast exclusive content may be subject to infringement. Any loss or withdrawal of those intellectual property rights could adversely affect Silknet's ability to provide services and could adversely affect its business, financial condition, results of operations and prospects.

In addition, Silknet may be subject to claims for copyright or trademark infringement in connection with content that it distributes through its broadband, mobile data, Pay TV services and other services such as its internet portals, video-on-demand and digital archiving services and broadcasting services. Any such claims or lawsuits could be time consuming, result in costly litigation and diversion of technical and management personnel, require payment of royalties or license fees in respect of future periods and, potentially, for past violations, require Silknet to develop non-infringing technology or to cease broadcasting or distribution of the infringing content or services and/or enter into royalty or licensing agreements.

Silknet may be required to make payments under a guarantee agreement with its shareholder, which could negatively impact on its liquidity and financial condition.

On 30 June 2021, Silknet provided a guarantee under an agreement (the "**Option Agreement**"), *inter alia*, with its sole direct shareholder, Silknet Holding LLC ("**Silknet Holding**"), which is 95% owned by the Company and 5% owned by Silknet CEO Mr. David Mamulaishvili. Under the Option Agreement, Mr. David Mamulaishvili has the right, for a two-year period commencing 1 May 2024, to require Silknet Holding to purchase his equity interest in Silknet Holding at a price determined by a pre-agreed formula. Payment of the option price may be made in up to six annual instalments. Silknet has jointly and irrevocably guaranteed Silknet Holding's obligations under the Option Agreement, up to a maximum amount of U.S.$18,000,000. The put option price will be calculated based on the methods set forth in the Option Agreement. See "*Related Party Transaction*" for more information. If Silknet Holding is unable to meet its obligations under the Option Agreement and Silknet is required to make payments under the guarantee, this could result in a significant outflow of cash from Silknet. Such an event could adversely affect Silknet's liquidity, financial condition, and results of operations.

Risks related to the Hotels, Casinos and Development Businesses (Silk Real Estate)

Demand for the Group's hotel rooms and other products and services is subject to seasonal fluctuations in customer demand.

Revenue from the Group's Hotels business is primarily affected by occupancy and average daily rate ("**ADR**"). Occupancy is the quotient of the total number of room nights sold during a specified period divided by the total number of hotel rooms available for each day during that period, while ADR is the quotient of total room revenues for a specified period divided by total room nights sold during that period. Both occupancy and ADR are affected by general economic conditions, the strength of the travel industry, and the supply and demand of hotel accommodation in Georgia, including the occupancy and ADR of the Group's competitors.

Occupancy and ADR are also affected by seasonality, depending upon the location and category of hotels. The number of tourist arrivals in Georgia changes significantly depending upon the season, and the majority of hotel stays in the region are concentrated in the second and third quarters of the calendar year. In Tbilisi, being a capital city and corporate-focused destination, demand is relatively stable year-round but nevertheless peaks during the spring and summer months, with net turnover generally highest from April through June and from September through October. Batumi, as a coastal resort city, experiences strongly seasonal demand, with occupancy and revenues concentrated in the summer period and significantly lower levels during the off-season. During these low seasons, hotels in Batumi, including the Group's, rely heavily on casino guests to occupy rooms, and typically, nearly all occupied rooms are occupied by casino guests. Tsinandali, a wine and countryside destination, is highly variable and driven by holidays and events, resulting in fluctuating demand throughout the year.

Though generally to a lesser extent than the Hotels business, the Group's results of operations in its Casinos business are also subject to seasonal trends. In Batumi, seasonality is a significant factor, with visitor volumes and gaming activity rising during peak travel and holiday seasons. Tbilisi’s casino business is less sensitive to seasonality, with local clientele helping to stabilize revenues during off-peak times.

However, a significant proportion of the Group's expenses is incurred more evenly throughout the year. Therefore, its profitability fluctuates during the year, and the Group may record losses during the first quarter of the year when demand is low. Any adverse changes in seasonal travel patterns, weather conditions, economic factors, or the timing of major events could further exacerbate these fluctuations and have a material adverse effect on the Group’s business, financial condition, results of operations, or prospects.

The Group’s reliance on the Radisson and the LHW brands exposes it to risks associated with brand reputation, franchise or management arrangements, and contractual obligations.

A significant portion of the Group’s hospitality operations are conducted under the Radisson brand pursuant to franchise agreements with Radisson Hotel Group ("**Radisson**"), which are expected to expire on 31 December 2036, 31 December 2036 and 31 December 2035 for the Group's hotel in Tbilisi, Batumi and Tsinandali, respectively. In addition, the Group operates the Telegraph Hotel in Tbilisi under a hotel membership agreement with the LHW, expected to expire on 31 July 2029. The strength and reputation of the Radisson and the LHW brands are critical to the Group’s ability to attract and retain guests, command premium pricing, and maintain competitive positioning in its markets. Any deterioration in the Radisson or the LHW brands’ reputation, whether as a result of negative publicity, declining service standards, or adverse events affecting Radisson or the LHW brands or its other franchisees globally, could have a material adverse effect on the Group’s business, financial condition, and results of operations.

The Group’s continued use of the brands is subject to compliance with the terms and conditions of the relevant agreements, including adherence to brand standards, quality assurance requirements, operational requirements, and payment of fees. Under the franchise agreements with Radisson, the Group is required to pay Radisson various fees, such as licensing fees, sales, marketing and advertising contributions, variable channel booking, and Radisson loyalty fees. Similarly, under the hotel membership agreement with the LHW, such fees include membership dues, inspection and quality assurance fees, connectivity and technology fees, and contributions towards marketing and reputation management programs (see "*Business Description of the Group—Real Estate Business—Hospitality—Hotels Business*"). Failure to comply with these obligations could result in penalties, increased costs, or, in extreme cases, termination of the right to use the Radisson brand. Additionally, there is no guarantee that the brands will renew the agreements upon expiry.

Should the Group lose the right to operate under the Radisson or the LHW brands, whether upon expiration or early termination of the agreements, it may face significant costs and operational challenges associated with rebranding its hotels. The loss of the Radisson or the LHW brands could result in a potential loss of customer loyalty and trust, as guests may

associate the quality and reputation of the hotels with the Radisson or LHW name. This could lead to a negative impact on occupancy rates, average daily rates ("**ADR**"), and overall revenues. In addition, the process of transitioning to a new brand or operating the hotels independently under the Group's own brands would likely require substantial investment in marketing, signage, staff retraining, and other rebranding activities. There is no assurance that a new brand, or an independent operation, would achieve the same level of market recognition, customer preference, or competitive positioning as the Radisson or the LHW brands. The Group may also experience disruption to its business operations during the transition period, which could further affect financial performance. Furthermore, the loss of access to Radisson's global reservation system, loyalty programs, and brand standards or loss of access to similar systems provided by LHW may adversely impact the Group's ability to attract and retain guests, resulting in a further negative effect on the Group's business, financial condition, results of operations, and prospects.

Should any of the above risks occurs, it could have a material adverse effect on the Group's business, financial condition, results of operations, and prospects.

The Group's operations are exposed to the risk of events that adversely affect domestic or international travel.

The results of the Group's hospitality businesses, particularly its Hotels and Casinos businesses, are significantly influenced by factors beyond the Group's control that impact global travel and business activity. These include, but are not limited to, public health crises (such as pandemics and epidemics), geopolitical tensions, acts of terrorism, war, political instability (including protests and civil unrest), and other catastrophic events, whether occurring locally, regionally, or internationally. For example, the escalation of military conflict between Iran and Israel in June 2025 led to a temporary decline in customer and guest numbers at the Group's hotels and casinos. While demand subsequently recovered quickly, there can be no assurance that future events of a similar nature, whether geopolitical, security-related, or otherwise, would not result in more prolonged or severe declines in occupancy, customer activity, or revenue. The impact of such events is inherently unpredictable and may vary in duration and severity depending on the circumstances. In addition, disruptions to the Group's business operations as a result of political or economic instability or other adverse conditions in its core markets, particularly during peak periods, could negatively affect its profitability. For example, the terrorist attacks in Paris in 2015 and Brussels in 2016 and the political instability in Catalonia in 2017 and 2018 also had a negative impact on the hotel industry in these cities. During the periods under review, the Group's Radisson Blu Hotel Tbilisi's revenue decreased by GEL 1.4 million to GEL 47.8 million for the year ended 31 December 2024 compared to GEL 49.2 million the year ended 31 December 2023 due to political unrest and extensive international media coverage of the protests, with cancellations of group bookings and events at the hotel following the first protest in May 2024 as corporations and government entities adopted a cautious approach to travel to Georgia. This trend persisted throughout 2024, affecting holiday events and travel in December 2024 and January 2025. While business travel has now largely returned to pre-unrest levels, group bookings at the hotel have not fully recovered. The occurrence and consequences of such events are unpredictable, and further attacks, political or economic instability, disease outbreaks or military action could have an adverse effect on the travel, hospitality and leisure industries in general, affecting the locations in which the Group operates and the Group results of operations.

In addition, casinos in Batumi are particularly exposed to cross-border risks, including changes in border policies, visa requirements, or diplomatic relations with neighboring countries, especially Türkiye. More than half the total visitors to the Group's casino in Batumi are from Türkiye. Any tightening of border controls, imposition of new visa restrictions, or deterioration in diplomatic relations could significantly reduce the number of international visitors, particularly from Türkiye, and could adversely affect the Group's revenues and profitability.

The Group's results are also affected by periods of abnormal, severe or unseasonal weather conditions, including natural disasters, such as hurricanes, floods, earthquakes and other adverse weather and climate conditions. While the Group is insured against certain losses resulting from some of these events, its insurance claims are subject to caps and deductibles, which vary depending on the hotel. See "*—Risks relating to the Group's business generally—A significant event that exceeds the coverage limits of the Group's insurance could result in substantial losses.*"

The hotel, casino and real estate development industries may be materially affected by general economic conditions and other factors outside the Group's control, and declines or disruptions in these industries could adversely affect its business, results of operations, financial condition or prospects.

Hotels: Consumer demand for the Group's products and services is closely linked to the performance of the general economy and is sensitive to business and personal discretionary spending levels. Declines in consumer demand due to adverse general economic conditions, epidemics or pandemics, changes in travel patterns, lower consumer confidence or adverse political conditions can lower the revenues and profitability of the Group's Hotels business. In order to remain competitive, the Group incurs significant capital investment to increase its hotel room portfolio. In addition, if future

demand for the Group's hotels does not match the growth in its hotel room portfolio it may experience lower occupancy than expected or be required to lower its room rates in a particular hotel to attract customers, which could have an adverse effect on the profitability of its investments and results of operations.

Casinos: In the years ended 31 December 2024 and 2023, the Group generated GEL 30.5 million and GEL 39.8 million, respectively, of Adjusted EBITDA from its Casinos business. The decline in the Casinos business's Adjusted EBITDA was partly due to changes in tax regulations, including the extension of the gross gaming revenue ("**GGR**") tax application to slot machines in 2024. The GGR tax on games organized in a system electronic form, excluding slot machines, was introduced at a rate of 10% effective from 1 January 2022, and increased to 15% from 1 January 2024. The GGR tax was extended to cover slot machines with effect from 1 June 2024, and the rate is set to increase to 20% from 1 January 2025. The GGR tax is levied on the difference between bets received from players and winnings paid out and is payable in addition to the Group's corporate income tax on distributed profits. As a result, the GGR tax on slot machines applies regardless of the Group's cost base or overall profitability, leading to a higher effective tax burden and a material reduction in the Group's Adjusted EBITDA and Adjusted EBITDA Margin. In addition, withholding tax on player withdrawals, known as the "cash-out tax" was increased from 2% to 5%, effective 1 January 2024. Further adverse changes in tax laws or regulatory requirements applicable to the gambling sector could negatively impact the profitability of the Group's Casinos business through increased operating costs, reduced margins, or decreased customer demand, which could have a material adverse effect on the Group's business, financial condition, and results of operations. While Georgia's casinos have historically benefited from restrictive gambling laws in neighboring countries, which has limited direct competition from other casinos in the region, changes in gambling laws and policy of the neighboring countries could erode this competitive advantage. For example, while casino operations remain illegal in Azerbaijan, its parliament is considering allowing casinos operations in special zones such as artificial islands and coastal areas. Additionally, regulatory liberalization in the United Arab Emirates may further intensify competitive pressures in the regional gambling market. In addition, although the Group's casinos have had limited direct competition from other casinos due to the relatively limited number of licensed casinos in Georgia and adjacent geographic areas, the Group may face competition from other forms of gaming, such as gaming halls (also referred to as "electronic casinos"), lotteries and online gaming. Should the number of licensed casinos either in Georgia or neighboring countries increase, or should alternative gaming options become more prevalent or attractive, the Group could experience increased competitive pressures. The principal competitive factors in the industry include the quality and location of the facility, the nature and quality of the amenities offered and the implementation of successful marketing programs. Increased competition may negatively impact the Group's market share, profitability, and ability to attract and retain customers, which could have a material adverse effect on the Group's business, financial condition, and results of operations. The Group's casino operations may also be negatively affected by existing negative perceptions surrounding the gaming industry, such as gambling addiction and the attractiveness of gambling to minors and vulnerable players. Damage to the industry's reputation could also result in a lack of support for the industry from Government, legislative bodies, and the public, all of which could have a material adverse effect on the Group's business.

Development: Developing new properties typically involves lengthy development periods during which significant amounts of capital must be funded before the properties can begin to operate. If the cost of funding the developments or renovations exceeds budgeted amounts, profits could be reduced. Moreover, the Group may not be able to satisfy its capital commitments under certain of its agreements and may be subject to monetary penalties or other losses as a result. If the Group is not able to begin operating properties as scheduled, or if investments adversely affect or fail to improve performance or its ability to compete effectively, its net turnover and cash flow could be reduced. As the Group expands its real estate portfolio into the residential-for-sale sector, it is exposed to risks arising from adverse economic conditions and potential oversupply of newly constructed residential apartments in the markets where its projects are located. Any such developments could significantly reduce demand for the Group's properties, potentially requiring the Group to lower selling prices or accept less favorable terms, which could have a material adverse effect on its sales, financial condition, results of operations, or prospects.

An extended period of economic weakness would likely have a further adverse effect on the Group's results of operations, financial condition and prospects. Furthermore, global economic conditions have significantly affected consumer confidence and behavior and, as a result, historical performance information may be less effective as a means of predicting future demand and operating results.

The Group is exposed to risks resulting from significant investments in owned real estate, which could increase costs, reduce its profits, limit its ability to respond to market conditions or restrict its growth strategy.

Real estate ownership is subject to risks, including:

- governmental laws and regulations relating to real estate ownership;

- the ongoing need for capital improvements and expenditures to maintain or upgrade properties;
- fluctuations in real estate values or potential impairments in the value of assets; and
- the relative illiquidity associated with real estate compared to other assets.

The Group needs to maintain, renovate or refurbish its properties, which can be challenging during periods in which its cash generated from operations has declined. As a result, The Group may not be able to offset further net turnover reductions through cost-cutting, which could further reduce its margins. The Group's future growth of its hospitability businesses involves the development of real estate, and so such effects could be exacerbated in the future.

In addition, the Group is exposed to project execution and delivery risks inherent in real estate development and renovation activities. These risks include construction delays, cost overruns, and contractor or subcontractor underperformance. Delays in completion may result from adverse weather, supply chain disruptions, shortages of materials or skilled labor, unforeseen site conditions, changes in project scope, or regulatory and permitting delays. Cost overruns may arise due to increases in the price of materials or labor, changes to project specifications, or inefficiencies in project management. The Group’s reliance on third-party contractors and service providers exposes it to the risk that such parties may fail to perform their obligations as agreed, resulting in further delays, increased costs, or substandard work requiring remediation. Any significant delay in the completion of development or refurbishment projects, material cost overruns, or contractor underperformance could adversely affect the Group’s ability to generate expected returns from its real estate assets, delay the realization of revenue, or result in increased financing costs. Such events could have a material adverse effect on the Group’s business, financial condition, results of operations, or prospects

The Group is currently undertaking a comprehensive renovation of its Radisson Blu Batumi Hotel and Casino, with a total planned investment of USD 8.0 million, of which USD 6.0 million has already been deployed. The remaining USD 2.0 million is scheduled to be invested through May 2026. As a result of the renovation works, the Group experienced a 50% reduction in the number of rooms available from November 2024 through June 2025, and anticipates experiencing the same reduction from November 2025 until May 2026. There can be no assurance that the renovation will be completed on schedule or within the allocated budget. Any delays in completion or cost overruns could further disrupt operations, reduce available capacity, and adversely affect the Group’s business, financial condition, results of operations, or prospects.

The assumptions or projections used, estimates made or procedures followed in preparing the valuations of the Group's properties and assets may not be correct, accurate or complete. Other appraisers may reach different valuations of the Group's properties and assets. In addition, each valuation speaks only as at the valuation date and actual results may differ materially from the assumptions and projections used and estimates made in the valuations. For example, the Group's results could differ from the projections made in the valuations as a result of a new economic downturn, renewed financial turmoil or market volatility, its inability to attract and retain qualified personnel or greater than expected environmental liabilities or planning requirements, among other factors. This is particularly relevant in periods of volatility or when there is limited real estate transactional data against which such a property or asset valuation can be benchmarked. Furthermore, there can be no assurance that any valuation will be reflected in any actual transaction prices. The amount obtained from the actual sale of the Group's property portfolio and assets may be significantly lower than any valuation thereof, even where any such transaction occurs shortly after the relevant valuation date, and the estimated cash flows projected in the valuation may not be attainable, especially in a distressed or liquidation scenario. Failure to achieve successful sales of properties and assets in the future at commercially reasonable prices could have an adverse effect on the Group's business, results of operations, financial condition or prospects.

The development of new hotels and the expansion of existing hotels are subject to a number of risks beyond the Group's control, including insufficient growth in demand for hotel rooms.

In order to remain competitive, the Group incurs significant capital investment to increase its hotel room portfolio. It typically takes several months or years from the commencement of a project to completion of a new hotel, and demand for hotel rooms in particular locations may change significantly between the time it makes the decision to enter a particular market or region and the time at which a hotel commences operations. If future demand for the Group's hotels does not match the growth in its hotel room portfolio, it may experience lower occupancy rates than expected or be required to lower its room rates in a particular hotel to attract customers, which could have an adverse effect on the profitability of its investments and results of operations.

Outcomes of gaming tables are inherently unpredictable and subject the Group to greater risk of unexpected significant losses in the short term.

The Group's casino operations primarily comprise slot machines and gaming tables. The Group operates two land-based casinos in Tbilisi and Batumi, with a total of 355 slot machines and 41 gaming tables. While slot machines can be programmed to ensure a house advantage over time, outcomes from gaming tables are inherently more unpredictable. The results at gaming tables, such as those involving card games (e.g., Poker and Blackjack) or roulette, are determined by chance and player behavior, making them less predictable than slot machines. As a result, the Group is exposed to greater variability in its financial results from operating gaming tables. In particular, the Group may experience unexpected significant losses within a short period if players win large sums or if there are clusters of high payouts. Such volatility can adversely affect the Group's cash flow and profitability in the short term, even though the odds may favor the house over the long term. Any failure of the Group's risk management processes may further adversely affect the Group's results of operations.

Changes in consumer preferences towards casinos could harm the Group's business.

Changes in consumer preferences and the Group's inability to adapt could result in reduced demand for its offerings, eroding its competitive position and financial performance. For the years ended 31 December 2024, 2023 and 2022, its Casinos segment accounted for 20.5%, 21.1%, 24.3% of the Group's consolidated revenues and 7.4%, 9.9% and 16.8% of its Consolidated Adjusted EBITDA. During the years ended 31 December 2024, 2023 and 2022, the Group's Capital Expenditures in its Casinos business amounted to GEL 10.0 million, GEL 11.9 million and GEL 8.4 million, respectively.

The Group may be subject to the application of existing or potential laws and regulations, and fees or levies in in Georgia given recent reports that the Georgian Government (the "**Government**") is considering tightening restrictions on the gaming industry. Any such laws, regulations, fees or levies may have an adverse effect on its business, financial condition and results of operations.

The Group's information technology systems, slot machines and on gaming operations are subject to technical problems, damage and interruption and may be vulnerable to hacker intrusion, distributed denial of service attack, malicious viruses, fraudulent activities and other cybercrime attacks.

The betting and gaming activities at the Group's casinos, as well as the operation of its slot machines and hotel systems, are highly dependent on the reliability and security of information technology infrastructure, including software, hardware, and networks. These systems are vulnerable to disruption or damage resulting from human error, telecommunications failures, software malfunctions, natural disasters, sabotage, fraudulent manipulation, cyber-attacks, viruses, and other unforeseen events.

In addition, the Group relies on external software and payment providers to deliver and maintain critical products and services. Delays or failures by these providers to introduce timely updates or new features may adversely affect the Group's casino operations. The inability to source adequate alternative solutions on reasonable terms, or at all, could further exacerbate these risks. A failure to regularly procure or implement new and improved technology may also result in a loss of market share. Any significant failure, interruption, or security breach affecting the technology or systems underpinning the Group's Casinos business could have a material adverse effect on its financial condition, results of operations, or prospects.

Other risks related to regulation

The Group is subject to various laws and regulations. Failure to comply with the applicable laws and regulations could result in regulatory actions which may have material adverse effect on the Group's business, operations and profitability.

The Group's operations and activities in electronic communications and broadcasting sectors in Georgia are regulated under the industry specific laws and regulations which restrict and affect the manner in which the Group operates and conducts its business. For further information please see *"Regulation of the Group's Businesses"*.

ComCom implements supervision and control over the compliance by the Silknet with the laws and regulations in the electronic communications and broadcasting sector, as well as over the observance of the license and authorization conditions. Non-compliance by Silknet with the laws and regulations, including with specific obligations imposed on it by ComCom, and/or breach of the conditions of license(s) in electronic communications or broadcasting sectors could result in imposition of administrative sanctions and penalties, and in certain cases revocation of Silknet's license(s) or

authorization. Further, as a result of widely contested legislative amendments to the Law of Georgia on Electronic Communications (the "**Telecom Law**"), ComCom has been empowered to appoint to a telecom operator a special manager who will take over the management and control over the relevant telecom operator in order to ensure the enforcement of ComCom's decision in respect of certain violations committed by the operator. The special manager can be appointed only in case of certain types of breaches by the telecom operator, provided that the additional preconditions laid down in the law are satisfied. For further information please see "*Regulation of the Group's Businesses—Extraordinary Measures for Enforcement of ComCom's Decision*".

In 2025 Georgia adopted amendments to the Law of Georgia on Broadcasting, prohibiting broadcasters from receiving direct or indirect funding from "foreign power", with the exception of commercial advertising, teleshopping, sponsorship, and product placement within programming. The restriction also applies to procurement of services from a broadcaster by a "foreign power", as well as the direct or indirect financing or co-financing of program production or transmission. Due to the broad wording of these restrictions, there remains some uncertainty regarding their practical application to the Group's broadcasting activities, which include several thematic television channels (sports, entertainment, and educational programming), as well as an international news channel licensed from Euronews. These amendments also empower ComCom to request confidential financial information from broadcasters and, if necessary, seek court orders to obtain such data directly from commercial banks servicing the respective broadcasters. The Group is currently engaged in discussions with ComCom to clarify the scope and application of these new rules. ComCom has indicated its willingness to work constructively with market participants to help navigate the amended framework. Failure to comply with this requirement could subject broadcasters, including the Group's subsidiaries Silknet and Silk Media LLC to warning, followed by an administrative fine and in case of continued non-compliance, suspension of a broadcasting authorization by ComCom.

In addition to industry specific telecom and broadcasting laws and regulations, the Group's operations are also subject to various other laws and regulations that affect its businesses, such as those related to the Casinos and its operations, employment, health and safety, information security, construction permits, competition, environmental protection and personal data protection. See further "*—Changes in laws and policies may negatively affect the Group*" and "*There may be challenges associated with legislative harmonization of the Georgian regulatory environment with the EU driven by the DCFTA.*" Failure to comply with such laws, rules and regulations could result in the imposition of substantial sanctions and penalties, subject the Group to civil, administrative or criminal enforcement actions, any of which could have a material adverse effect on the Group's reputation, business and financial condition.

Changes in laws and policies may negatively affect the Group.

Georgia is still developing an adequate legal framework with several fundamental civil, criminal, tax, administrative and commercial laws recently becoming effective. The relatively recent introduction of this legislation and the rapid evolution of the Georgian legal system has resulted in ambiguities and inconsistencies in their application, including their enforceability. Changes in regulatory norms and policies are often unpredictable. Any such change is beyond the Group's control and may adversely affect its business. The process of adaptation with the changed environment may obstruct the Group's growth, limit a possibility to introduce new products in the market, impose additional tax burdens, resulting in loss of interest from potential customers to acquire various electronic communications services and others.

One recent example of such regulatory change is the 2025 amendments to the Law of Georgia on Broadcasting, which introduced broadly framed restrictions prohibiting broadcasters from receiving direct or indirect funding from a "foreign power," with limited exceptions. See further "*—The Group is subject to various laws and regulations. Failure to comply with the applicable laws and regulations could result in regulatory actions which may have material adverse effect on the Group's business, operations and profitability*." ComCom also continues efforts to harmonize the Georgian telecommunications regulatory framework with European Union, and legislative amendments are anticipated to further align Georgian telecom regulations with the EU directives. For more information, see "*—There may be challenges associated with legislative harmonization of the Georgian regulatory environment with the EU driven by the DCFTA.* "

In addition, Georgia has recently implemented significant changes to its gambling tax regime, affecting both the rates and scope of applicable taxes. Effective from 1 January 2024, the GGR tax rate for systemic-electronic games increased from 10% to 15%, and the withholding tax on player withdrawals (cash-out tax) rose from 2% to 5%. From 1 June 2024, the GGR tax was extended to cover slot machines. The GGR tax is calculated as the difference between bets received from players and winnings paid out and is payable in addition to the Group's corporate income tax on distributed profits generated from its operations other than slot machines. This tax applies regardless of the Group's cost base or overall profitability.

Further amendments, adopted on 27 June 2024 and 13 December 2024 (effective from 1 December 2024 and 1 January 2025, respectively), increased the standard GGR tax rate from 15% to 20%. However, GGR tax on systemic-electronic games derived from foreign players will benefit from a reduced tax rate of 5%, and withdrawals by foreign players will be exempt from the

5% withholding tax. These changes are intended to incentivize operators to attract foreign players in online gaming in Georgia by offering a significantly lower tax rate and exemption from the cash-out tax. However, this low-rate tax incentive does not apply to slot machines.

The Group cannot predict the impact of any proposed or future changes in the regulatory environment in which it operates. Any future changes in regulation may have an adverse impact on the Group's revenues and require it to make additional expenditures and otherwise have a material adverse effect on Group's business and profitability. The Group may also have to change its policies and procedures in order to bring them into compliance with the applicable legislation, incurring relevant expenses. In addition, monitoring of updated procedures may incur additional expenses, which could adversely affect the Group's profitability.

Failure to maintain and protect customer and employee information.

The Group processes personal data (including names, addresses, age and, through third parties, bank details) of its customers, business contacts and employees as part of its business and therefore must comply with applicable personal data protection regulations. The personal data protection laws and standards in Georgia impose certain requirements on the Group in respect of data processing, which includes the collection, use, modification, distribution, depersonalization, blocking, destruction and storage of personal data. Failure to operate effective data protection controls in respect of the processing of personal data, as prescribed by applicable law, could potentially lead to administrative fines. In March 2024, Silknet experienced unauthorized access resulting in the acquisition of identity card information for up to 1,700 subscribers. While the Georgian authorities apprehended the perpetrator and curtailed further dissemination of the compromised data, there can be no assurance that future attempts to access personal data relating to Silknet’s customers, business contacts, or employees will not occur, or that any such attempts will always be effectively prevented.

In June 2023, the Georgian Parliament passed a new Law of Georgia on Personal Data Protection (the "**PDR Law**") as part of the efforts to align Georgian legislation with EU standards. This law, heavily influenced by and aligned with the EU General Data Protection Regulation ((Regulation (EU) 2016/67) GDPR), aims to harmonize the Georgian data protection regulations and practices with European norms. The PDR Law came into effect on 1 March 2024 (with certain provisions coming into effect gradually) and it will be fully enforceable from 1 January 2027. The PDR Law regulates in detail the bases and principles of personal data processing.

The PDR Law, amongst others, requires that companies, such as banks, telecom operators and entities who process large amounts of personal data have internal governance structures in place for protection of personal data. Compared to the previous data protection legislation, the PDR Law envisages stricter sanctions for breach of its requirements.

The Law of Georgia on Information Security, initially adopted in 2012, underwent significant amendments in 2021 to enhance and strengthen cybersecurity measures in both public and private sectors. Based on its importance for the national defense and economic security, the law classifies certain public and private entities as "critical information system subjects". Silknet, along with other telecommunications companies, has been placed in the "second category" of critical information system subjects which means that the Operational-Technical Agency ("**OTA**") under the State Security Service of Georgia, in addition to the Personal Data Protection Service of Georgia, supervises these companies regarding information security.

Critical information system subjects, such as Silknet, are required to adopt and implement information security policies consistent with international practices, conduct information asset management, undergo regular information security audits and penetration testing. To implement and comply with the minimum information security standards, Silknet is subject to a two-phase transitional period: a 48-month phase (starting from its designation as a critical information subject at the end of December 2021) to establish an information security management system, followed by a 12-month phase for its monitoring, auditing, and improvement. Entities that do not meet the regulatory requirements may become subject to fines. These factors may, in turn, have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

There may be challenges associated with legislative harmonization of the Georgian regulatory environment with the EU driven by the DCFTA.

In August 2021, the Parliament adopted a new Law on Entrepreneurs transposing EU company law directives in line with Georgia's commitments under the Association Agreement between Georgia and the EU, the European Atomic Energy Community and their Member States, dated 27 June 2014 (the "**Association Agreement**"). The Law on Entrepreneurs reforms the existing Georgian company law in many respects, including corporate consents and approvals, protection of minority shareholders and creditors, conflict of interest rules in joint stock companies, introduction of detailed rules and

preconditions for dividend payment and it also introduces minimum capital requirement for joint stock companies, and, in certain cases, the need to maintain reserve capital. The new Law on Entrepreneurs entered into force on 1 January 2022 Further, the recent amendments also strengthened the competition laws in Georgia, which could restrict the Group's ability to make further acquisitions in line with its growth strategy.

In the telecommunications sector, harmonization efforts are ongoing. In February 2024, ComCom adopted a revised methodology and procedural framework for market analysis, introducing EU-aligned principles such as the “modified greenfield” approach and a preference for wholesale regulation. The new rules formalize the three-criteria test used to identify relevant markets for *ex ante* regulation, designate undertakings with significant market power (including joint SMP), and impose proportionate regulatory obligations.

ComCom, together with the Ministry of Economy and Sustainable Development of Georgia, continue to engage in efforts to harmonize Georgia’s telecommunications regulatory framework with European Union standards. This includes ongoing work related to potential alignment with the EU’s single roaming area framework (also known as the Roam Like at Home (RLAH) regime) and the legislative amendments aimed at strengthening the alignment with the European Electronic Communications Code (Directive (EU) 2018/1972), including its provisions on universal service obligations. While legislative amendments are anticipated, details remain limited, and the scope and timing of any such changes are currently uncertain.

The Law of Georgia on Broadcasting (the "**Broadcasting Law**"), adopted on 23 December 2004, has also undergone significant amendments over the past three years to align with the EU Audiovisual Media Services Directive (AVMSD). These 2022 amendments expanded the scope beyond traditional television and radio broadcasting to explicitly cover and regulate new categories of media services, including on-demand audiovisual media services and video-sharing platform services.

Other changes may be expected in governmental policy, including changes in the implementation or approach of previously announced government initiatives. In addition, the implementation of the Association Agreement may place a significant burden on regulatory bodies, divert their resources from ongoing reforms and slow their efficiency. While these reforms aim to align Georgia’s business framework with EU standards, and the Group continues to monitor further legal developments, the Group cannot accurately identify the full impact of these changes to its operations.

As a result of expected regulatory amendments to achieve harmonization with EU legislation, the Group may be required to adjust its policies and procedures to comply with any resulting changes in laws and regulations. For example, the Group has made changes to its labor contracts and its internal labor regulations to reflect changes to the labor code described above. The Group expects that there will be further changes, although it cannot predict the extent to which it might be affected by, or able to comply with, any such changes.

Competition laws in Georgia may increase competition, reduce barriers to entry, impose restrictions and limit the Group's growth and subject it to antitrust and other investigations or legal proceedings.

Regulatory policies in Georgia may restrict the Group from making further domestic acquisitions, from expanding its network or from continuing to engage in particular practices in lines of business where it is a leading market player and continues to hold a significant market share in Georgia. Such laws or policies may also restrict the Group's growth, revenue and/or profitability. In addition, violations of such laws and policies could expose the Group to administrative penalties and other sanctions, and/or civil lawsuits.

The Group cannot predict the effect that antitrust lawsuits, appeals, investigations or any future investigations by antitrust regulatory bodies or by any third party in Georgia will have on its business, results of operations or prospects. In addition, any fines or other penalties imposed on the Group by the relevant antitrust or competition authority as a result of any such investigation, or any prohibition on the Group preventing it from engaging in certain types of business in one or more of the regions in which it operates, could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group is subject to the Law of Georgia on Competition that apply to all undertakings, including the economic agents operating in the industry of electronic communications and limit their activities. In September 2020, the Parliament adopted amendments to the Law of Georgia on Competition strengthening application and enforcement of the Law of Georgia on Competition in the regulated sectors, including electronic communications and broadcasting. Also, pursuant to these amendments, the Competition and Consumer Protection Agency of Georgia (the "**Competition Agency**") and the respective sector regulator (such as ComCom in electronic communications and broadcasting sector) shall cooperate with each other for the investigation and prevention of distortion of competition in the regulated sectors of economy in accordance with the

provisions of the Law of Georgia on Competition. The foregoing legislative amendments could lead to stricter control of performance of the competition regulations. In addition to general competition law, the Group's Telecom business is also subject to sector specific *ex ante* competition regulations. For further information, see "*—Risks related to the Telecom Business (Silknet)—Silknet is required under applicable regulations to offer certain wholesale services to its competitors on terms that may increase their ability to compete with Silknet in the future*." and "*Regulation of the Group's Businesses—Regulation of Electronic Communications*". Any changes in the regulatory regime could become a significant burden for the Group and may adversely affect the Group's operations, profitability and future development prospects.

The uncertainties of the judicial system in Georgia, or any arbitrary or inconsistent state action taken in Georgia in the future, may have a material adverse effect on the local economy, which could, in turn, have an adverse effect on the Group's business.

Georgia is still developing an adequate legal framework with several fundamental civil, criminal, tax, administrative and commercial laws relatively recently becoming effective. The recent introduction of this legislation and the rapid evolution of the Georgian legal system have resulted in ambiguities and inconsistencies in their application, including their enforceability. In addition, the court system in Georgia is understaffed and has been undergoing significant reform. Judges and courts in Georgia are generally less experienced in commercial and corporate law than in certain other countries, particularly in the EU and the United States. The uncertainties of the Georgian judicial system, and any decision made by the Georgian courts, could have a negative effect on the Georgian economy, which could, in turn, have a material adverse effect on the Group.

Uncertainties in the tax system in Georgia may result in increased costs, imposition of tax adjustments or fines against the Group and there may be changes in current tax laws and policies.

Tax laws have not been in force in Georgia for significant periods of time compared to more developed market economies. This creates challenges in complying with tax laws, to the extent that such tax laws are unclear or subject to differing interpretations, and subjects companies to the risk that their attempted compliance could be challenged by the authorities. Tax law enforcement can also be unpredictable, such as the imposition of liens over the Group's assets.

Moreover, such tax laws are subject to changes and amendments, which can result in unusual complexities for businesses. The current tax code (the "**Tax Code**") came into effect on 1 January 2011. In 2011, the Parliament passed the Organic Law on Economic Liberty prohibiting the introduction of new state-wide taxes or increases in the existing tax rates (other than excise) without a public referendum initiated by the Government (except in certain limited circumstances). This prohibition will remain in force until 16 December 2030. On 13 May 2016, the Parliament of Georgia passed a bill on corporate income tax reform (also known as the Estonian model of corporate taxation), with effect from 1 January 2017, which mainly shifts the moment of taxation from when taxable profits are earned to when they are distributed. The law entered into force in 2016 and is effective for tax periods starting after 1 January 2017. The new system of corporate income taxation, however, does not imply exemption from corporate income tax, rather the corporate income tax is shifted from the moment of earning the profits to the moment of their distribution. The Tax Code defines distributed earnings to mean profit distributed to shareholder as a dividend. However, some other transactions are also considered as distributed earnings for example non-arm's length cross-border transactions with related parties and/or with persons exempted from tax are also considered as distributed earning for corporate income tax purposes. There is no assurance that this regime, its definitions or administrative practice will not change or be applied more broadly, including by expanding deemed-distribution categories or reintroducing accrual-basis taxation.

Differing opinions regarding the interpretation of various provisions of the Tax Code exist both among and within governmental ministries and organizations, including the tax authorities, creating uncertainties, inconsistencies and areas of conflict. However, the Tax Code does provide for the Georgian tax authorities to give advance tax rulings on tax issues raised by taxpayers. While management believes that the Group and members of the Group operating in Georgia are currently in compliance with the tax laws, it is possible that the relevant authorities could take differing positions with regard to their interpretation, which may result in tax adjustments or fines and, depending on the circumstances, criminal liability.

Payments of interest on Notes will be exempt from withholding tax and such payments of interest shall not be included in the gross taxable income of Noteholders (whether they are residents or non-residents, individuals (physical persons) or legal entities), so long as the Notes are issued by the Georgian resident and listed and admitted to trading on a "recognized stock exchange of the foreign country". For these purposes, Euronext Dublin is a "recognized stock exchange of the foreign country" under Georgian law. See "*Taxation—Georgian Taxation*".

In addition, tax laws and government tax policies may be subject to change in the future, including changes resulting from a change of the Government. See "*—Political and consequently governmental instability in Georgia could have a material adverse effect on the local economy and the Group's business*". Such changes could include the introduction of new taxes or an increase in the tax rates applicable to the Group or its customers, which may, in turn, have a material adverse effect on its business.

Macroeconomic Risks and Political Risks Related to Georgia

Difficult global economic conditions have an adverse effect on the Group.

The Group operates primarily in Georgia and its assets are located primarily in Georgia; nevertheless, the Group's business profitability and its financial condition are affected by global macroeconomic and market conditions.

The unpredictability of US regulatory and fiscal policies, the potential adoption of trade restrictions, economic and political instability in the region more broadly and heightened geopolitical risk, could have substantial political and macroeconomic ramifications globally, which could, in turn, have a significant impact on the Georgian economy. Uncertain and volatile global and regional instability, such as further unpredictable developments in Ukraine, unstable global financial conditions, the armed conflict between Israel and Hamas, and the Houthi attacks on Red Sea ships could have substantial political and macroeconomic ramifications globally, which could, in turn, have a significant impact on the Georgian economy. In the event of a further escalation in the regional geopolitical situation, there may be a reassessment of the country risks leading to sizable capital outflows. In this scenario, the Georgian Lari could depreciate significantly.

The Georgian economy may also suffer from the adverse effects of increased instability in global financial markets and decreased capital inflow in emerging market economies worldwide, as well as of global trade weakening, increased geopolitical risks, instability/decline of consumer goods prices, the external effects of the deterioration of Russia's economy and a slowdown of China's economic growth. Financial or political instability in emerging market economies could also have a material adverse effect on capital markets and the economy in general, since investors usually prefer to invest in more developed markets, as those markets are considered to be more stable.

There can be no assurance that the economic performance of Georgia can or will be sustained. To the extent that economic growth or performance in Georgia slows or begins to decline or there is a return to high or sustained inflation, the Group's business, financial condition, results of operations and prospects may be adversely affected.

Instability in the domestic foreign exchange market may have an adverse effect on the development of Georgia's economy and the Group's activities.

Although the Lari is a fully convertible currency, there is generally no market outside Georgia for the exchange of Lari, and the Lari conversion market in Georgia is limited in size. According to the NBG, the volume of trading in the Lari-U.S. Dollar and Lari-Euro markets (including activities of the NBG) amounted to USD 45.5 billion and EUR 12.9 billion in 2024, respectively, as compared to USD 39.5 billion and EUR 13.5 billion, respectively, in 2023, and USD 33.9 billion and EUR 6.8 billion, respectively, in 2022. Excluding activities of the NBG, the total volume of trading turnover in the Lari-U.S. Dollar market amounted to USD 45.0 billion in 2024, as compared to USD 40.8 billion in 2023 and USD 34.1 billion in 2022. According to NBG, it had USD 5.0 billion in gross official reserves as at 30 June 2025 as compared to USD 4.4 billion, USD 5.0 billion and USD 4.9 billion as at December 2024, 2023 and 2022, respectively. While the Government stated that these reserves will be sufficient to sustain the domestic currency market in the short term, the foreign exchange market instability could slow down the development of Georgia's economy, which could have a material adverse effect on the business of the Group's corporate customers and, in turn, on the Group.

In addition, a lack of stability in the currency market may adversely affect Georgia's economy. The Lari/U.S. Dollar exchange rate was 2.70 as at 31 December 2022, 2.69 as at 31 December 2023, 2.81 as at 30 June 2024 and 2.81 as at 31 December 2024. The ability of the Government and the NBG to limit any volatility of the Lari will depend on a number of political and economic factors, including the NBG's and the Government's ability to control inflation, the availability of foreign currency reserves and foreign direct investment (the "**FDI**") and other currency inflows. Any failure to do so, or a major depreciation or further depreciation of the Lari, could adversely affect Georgia's economy. For example, high credit dollarization increases the risk of high debt service burden and eventually so-called balance sheet recession in case of a substantial GEL depreciation. At the same time, despite the gradual trend of Larization, there remains relatively low confidence in national currency, which results in noticeable volatility of deposits' currency composition. Such were the episodes of deposits shifting from the GEL to the foreign currency *en masse*, accompanied by an opposite development on credit side. The switch was driven by worsening expectations throughout 2024, underscoring the Lari's vulnerability to domestic political shocks. In May and June 2024, following the adoption of the Law on Transparency of Foreign Influence,

the Lari depreciated from approximately GEL 2.65 per U.S. Dollar to around GEL 2.81 per U.S. Dollar within a brief period. The NBG intervened by selling USD 168.7 million, surpassing the total amount sold in the entirety of 2023, to stabilize the exchange rate. Despite these efforts, international reserves diminished further during the pre-election period. In September and October 2024, the NBG executed a record foreign exchange intervention of approximately USD 700.0 million, contributing to a sharp monthly reserve decline of around USD 627.0 million in October alone, reaching the lowest level since July 2022. As domestic tensions relatively eased, the NBG has turned to an active reserve replenishment, purchasing around USD 153.0 million in November and December 2024, which has been scaled up substantially since March with the purchase of USD 880.0 million in March and June 2025. For more information, see *"—Macroeconomic risks and political risks related to Georgia— Difficult global economic conditions have an adverse effect on the Group*".

The Group incurs a significant portion of its capital and operating expenditures in U.S. Dollars and Euro, respectively. In 2024, approximately 74% of the Group's capital expenditures was denominated in U.S. Dollars or Euros and approximately 25% of its operating expenditure was denominated in U.S. Dollars or Euros. Accordingly, a depreciation of the Lari against the U.S. Dollar or Euro could also increase the Group's capital and operating expenditures. For more information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operation—Factors Affecting Financial Condition and Results of Operation—Factors Affecting Financial Condition and Results of Operation Generally—Currency exchange fluctuations*". Any such increase in interest expenses, capital expenditures or operating expenditure could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

Foreign exchange rate risks could significantly affect the Group's results of operation and financial position in future periods as the availability of hedging tools is limited.

The Group primarily derives its revenues in Georgian Lari. However, following the issue of Notes, approximately 100% of the Group's debt will be denominated in U.S. Dollars. Accordingly, a depreciation of the Lari against the U.S. Dollar or Euro could increase the Group's interest expense and capital and operating expenditures, which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group is exposed to foreign exchange rate risks because certain operational and capital expenditures are denominated in foreign currencies, including U.S. Dollars and Euros. Fluctuations of Lari versus U.S. Dollars and Euros have had and may have an unfavorable impact on the Group. In particular, approximately 74% of the Group's capital expenditures are currently, and are expected to continue to be, denominated in U.S. Dollars, while the revenues generated by its activities are denominated in Lari. As at 30 June 2025, the Group's total debt (face value of non-current plus current loans and borrowings) was GEL 947.6 million, of which GEL 61.5 million was denominated in GEL. The Group may partially hedge its foreign-currency liabilities against depreciation of the Lari, such as investing funds in USD-denominated instruments (*e.g.*, deposits and swaps), or using forward agreements to mitigate the impact of foreign currency exchange rate fluctuations on operations. In 2024, the Group entered into forward contracts totaling USD 70.5 million. However, such instruments may not be available for the duration of the financing, be satisfactory for the Group's requirements and/or impractical to employ due to their high costs. In such events the Group's liabilities may remain unhedged.

Also, the financing of infrastructure investments, license fee payments and any other potential investment opportunities could lead to an increase in the Group's U.S. Dollar and/or Euro debt, further increasing its currency exposure. See Note 22 to the 2024 Audited Consolidated Financial Statements and Note 21 to the 2023 Audited Consolidated Financial Statements. In addition, for the Group's Telecom business, it is also exposed to currency exchange rates on the prices of the smart phones that it relies on for the promotion of its digital and data services. Depreciation in the value of the Lari makes smartphones that are procured in hard currencies more expensive for the Group's customers, thus potentially reducing new sales of such devices and curbing the market for the services. There are no or few tools to effectively hedge foreign exchange rate risks in Georgia. For more information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operation—Key Factors Affecting Financial Condition and Results of Operation—Key Factors Affecting Financial Condition and Results of Operation Generally—Currency Exchange Fluctuations*".

Investments in emerging markets such as Georgia are subject to greater levels of risk than in more developed markets

Emerging markets may have higher volatility, more limited liquidity, narrower export base and they are subject to more frequent changes in the political, economic, social, legal and regulatory environment than the developed markets. Emerging markets are subject to rapid change and are particularly vulnerable to market conditions and economic downturns elsewhere in the world. In addition, international investors may react to events, disfavoring an entire region or class of investment, a phenomenon known as the ‘‘contagion effect’’. If such a contagion effect occurs, Georgia could be adversely affected by negative economic or financial developments in other emerging market countries. Georgia has been adversely affected by contagion effects in the past, including following the 1998 financial crisis in Russia and later global financial crisis and may be affected by similar events in the future. Moreover, a financial and political instability may also adversely affect the

country’s economy. If this happens, the outflow of capital will ensue which may seriously damage the financial system and eventually lead the economy to stagnation. As at the date of these Listing Particulars, the following ratings have been assigned to Georgia by international rating agencies:

- Fitch Ratings – BB (Negative Outlook), as at 30 May 2025;
- Moody’s – Ba2 (Negative Outlook), as at 24 March 2025; and
- S&P Global Ratings – BB/B (Stable Outlook), as at 8 August 2025.

Regional tensions and disruptions in neighboring markets could have a negative effect on Georgia's economy.

Georgia shares borders with Russia, Azerbaijan, Armenia and Türkiye and has two breakaway territories within its borders, Abkhazia and the Tskhinvali Region. Ongoing political tensions in the region have led to strained diplomatic relations between Georgia and its neighbors, and armed conflict in the neighboring region. Russia imposed sanctions on Georgia in 2006, and conflict between the countries escalated in 2008 when Russian forces crossed the international border and a state of war was declared. Although an EU-brokered ceasefire was signed, calling for the withdrawal of Russian troops, Russia recognized the independence of the breakaway regions and tensions persist. Russia is opposed to the eastward enlargement of the North Atlantic Treaty Organization (the "**NATO**"), including former Soviet republics such as Georgia. Therefore, Georgia's continued progression towards closer economic and political ties with the EU and NATO may exacerbate tensions between Georgia and Russia. In July 2019, Russia imposed a ban on direct flights from Russia to Georgia as part of the Russian state response to mass anti-occupation demonstrations in Tbilisi in June 2019.

In February 2022, Russia invaded Ukraine causing a humanitarian crisis in Eastern Europe. The invasion was preceded by strained relationship between the two nations since 2013. The war has changed the global security and economic landscape with major implications for the region. Western sanctions against Russia led to re-routing of trade flows, while migration of the Russian labor force affected the labor markets of the regional economies. Uncertainty regarding the duration of the war and the evolution of Western sanctions against Russia remains elevated.

The civil unrest, which took place in Türkiye during 2016, has placed significant doubt over Türkiye's ability to function as a stable regional trading partner for Georgia. In June 2018, as a result of early parliamentary and presidential elections, the amendments to Turkish constitution granting the president wider powers transformed Türkiye's system of government from a parliamentary system into an executive presidential system. Following the constitutional amendments, President Erdoğan was re-elected as the chairperson of the AKP and was re-elected as the President of Türkiye in snap elections held on 24 June 2018. President Erdoğan won a third five-year term as president on 28 May 2023.

Further geopolitical disharmony in the region, most notably between Azerbaijan and Armenia, may also affect Georgia. After two decades of relative stability, the territorial conflict between Armenia and Azerbaijan over Nagorno-Karabakh region escalated first in April 2016 and then again in late 2020. In August 2025, Armenia and Azerbaijan issued a joint declaration for a potential peace agreement at the U.S. White House, pledging to respect each other’s territorial integrity and formally end nearly four decades of conflict. The agreement includes provisions for a new transit corridor and mutual non-aggression, but has not yet been fully implemented, as certain constitutional and border issues remain unresolved. While this development has improved the outlook for regional stability, the situation remains fragile and the risk of renewed instability persists. Any escalation of conflict or deterioration in regional relations could have adverse effects on Georgia’s political and economic environment, which in turn may negatively impact the Group’s operations and prospects.

An increase in regional tensions and disruptions in Georgia's neighboring markets could have a material adverse effect on the Georgian economy, which in turn, particularly as a Group primarily operating in Georgia, could have a material adverse effect on the business environment in which the Group operates and, accordingly, on its business, financial condition, results of operations and prospects.

Fluctuations in interest rates could increase the Group's finance costs and/or make it difficult to meet its obligations under finance facilities.

The Group's finance costs are sensitive to interest rate fluctuations beyond its control. As at 30 June 2025, the total carrying amount of the Group's current and non-current loans and borrowings was GEL 938.9 million. Interest rates for GEL denominated borrowing tends to be higher than USD denominated borrowing. GEL 717.8 million of the total carrying amount of the Group's current and non-current loans and borrowings. consisted of financing obligations paying interest at fixed rates. The remainder of its debt portfolio pays interest at floating rates. The floating rate portion of its loans and borrowings is subject to interest rate risk resulting from fluctuations in the relevant reference rates underlying such debt.

The Group has not hedged the interest rate risk with respect to its floating rate debt. Consequently, any increase in such reference rates will result in an increase in the Group's interest rate expense which, in turn, may have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

Political and consequently governmental instability in Georgia could have a material adverse effect on the local economy and the Group's business.

Since regaining its independence from the former USSR in 1991, Georgia has experienced an ongoing and substantial political transformation from a constituent republic in a federal socialist state to an independent sovereign democracy.

Georgia faces several challenges, one of which is the need to implement further economic and political reforms. However, business and investor friendly reforms may not continue or may be reversed. Such reforms and economic growth may be hindered as a result of any policy changes or as a result of a rejection of reform policies by the President of Georgia (the "**President**"), the Parliament or others.

Georgia is generally seen to be business and investor-friendly and, to date, has remained committed, in principle, to major economic and fiscal policies designed to liberalize and improve the Georgian economy. More recently, however, political instability has been escalating in Georgia after the reintroduction of the Foreign Influence Transparency Law to the Georgian Parliament in April 2024 (having been previously withdrawn following mass protests against the bill in 2023). On 6 June 2024, the U.S. State Department implemented the first tranche of sanctions, imposing visa restrictions, against Georgian individuals responsible for or complicit in, or immediate family members of those responsible for or complicit in, undermining democracy in Georgia, including members of the ruling Georgian Dream party, the Georgian Parliament, law enforcement and private citizens. On 9 July 2024, it was announced that Georgia's EU accession process was suspended after the decision of the leaders of the EU member states during the European Council summit in June 2024.

Following the announcement of Georgia's parliamentary election results in October 2024, a string of protests against the election outcome reemerged and later escalated when the Georgian Prime Minister announced in November 2024 the Government’s decision to postpone Georgia's EU accession negotiations until 2028 and to reject EU financial assistance until that date. The 2024 parliamentary elections were highly criticized both domestically and internationally, with the Organization for Security and Cooperation in Europe ("**OSCE**") Office for Democratic Institutions and Human Rights ("**ODIHR**") reiterating, in the Election Observation Mission Final Report of December 2024, its grave concerns about the election process, handling of post-election complaints, forcible suppression of protests and numerous arrests, raising grave concerns about Georgia's compliance with international commitments to freedom of peaceful assembly.

Since December 2024, a number of ruling Georgian Dream party leaders and their associates, including high-ranking officials, judges, prosecutors and law enforcement officers allegedly responsible for police violence, and their family members, have been sanctioned by various member states of the EU and the UK. In July 2025, the European Commission issued a number of recommendations (including for the reversal of repressive legislation) to the members of the Government and informed that, in case of persisting non-compliance, the European Commission could take appropriate measures to activate the visa-free suspension mechanism, in addition to the previously suspended visa-free travel for Georgian diplomatic and service passport holders in January 2025. Various international organizations and EU member states have also called for the release of political prisoners, including activists, media representatives and political opponents, arrested during the months following the 2024 parliamentary elections. The next local municipal elections in Georgia are scheduled to be held on 4 October 2025, with the majority of opposition parties boycotting the elections.

Risks relating to the Notes and the Guarantees

The Issuer is a holding company and there is a risk that the Notes will be structurally subordinated to any debt incurred by Non-Guarantor Subsidiaries.

The Issuer is a holding company and conducts the vast majority of its operations through subsidiaries. The Issuer holds no significant assets other than shares of its subsidiaries and is therefore dependent upon the receipt of dividends from its subsidiaries and the divesting of its shareholdings, to meet its obligations. Generally, holders of indebtedness of, and trade creditors of, Non-Guarantor Subsidiaries of the Issuer, including lenders under bank financing agreements, are entitled to payments of their claims from the assets of such subsidiaries before these assets are made available for distribution to the Issuer or any Guarantor, as a direct or indirect shareholder. As such, the Notes and each Guarantee will be structurally subordinated to the creditors (including trade creditors) and any preferred stockholders of the Non-Guarantor Subsidiaries. Noteholders will be structurally subordinated to the creditors of the Non-Guarantor Subsidiaries, in that the Issuer’s ability to benefit from the distribution of any assets upon the liquidation of any of the non-Guarantor subsidiaries will be subject to the prior claims of such Non-Guarantor Subsidiaries' direct creditors. Accordingly, (a) the creditors of the Issuer

(including the holders of the Notes) and the Guarantors will have no right to proceed against the assets of such Non-Guarantor Subsidiary; and (b) creditors of such Non-Guarantor Subsidiary, including trade creditors, will generally be entitled to payment in full from the sale or other disposal of the assets of such subsidiary before the Issuer or any Guarantors, as direct or indirect shareholders, will be entitled to receive any distributions from such subsidiary.

If any of the subsidiaries of the Issuer that do not guarantee the Notes incurs additional indebtedness, the holders of that debt will be entitled to share in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of such non-Guarantor subsidiaries ahead of the holders of the relevant Notes.

The Conditions will impose limitations on the ability of the Issuer and its Restricted Subsidiaries (as defined in the Conditions), including any Restricted Subsidiaries that are Non-Guarantor Subsidiaries (the "**Non-Guarantor Restricted Subsidiaries**"), to incur indebtedness; however such restrictions are subject to certain permissive carveouts ("**debt baskets**") specified in the Conditions and would, furthermore, not limit the incurrence of obligations that do not qualify as indebtedness under the Conditions. The Notes will be structurally subordinated to any indebtedness so incurred by such Non-Guarantor Restricted Subsidiaries.

The Group is subject to restrictive debt covenants and its failure to comply with these covenants, including as a result of events beyond its control, could result in an event of default that could materially and adversely affect the Group's financial condition and results of operations.

The Issuer and the Guarantors will be party to the Trust Deed governing the Notes and therefore will be subject to the restrictive covenants thereunder. A breach of any of those covenants, ratios, tests or restrictions (even by non-Guarantor subsidiaries), including as a result of events beyond the Group's control, could result in an event of default that could materially and adversely affect the Group's business, financial condition and results of operations.

The Notes will contain covenants restricting, among other things, the Group's ability to:

- incur or guarantee additional debt or issue preferred stock;
- pay dividends and make other restricted payments;
- prepay or redeem subordinated debt or equity;
- create or incur liens;
- make certain investments;
- agree to limitations on the ability of the Group's subsidiaries to make distributions;
- engage in sales of assets and subsidiary stock;
- guarantee debt of the Issuer or any Guarantor without also guaranteeing the Notes;
- enter into transactions with affiliates; and
- transfer all or substantially all of the Group's assets or enter into merger or consolidation transactions.

The restrictions contained in the Trust Deed (including the Conditions) and the Group's other debt instruments could affect its ability to operate its business and may limit the Group's ability to react to market conditions or take advantage of potential business opportunities as they arise. For example, these restrictions could adversely affect the Group's ability to finance its operations, make strategic acquisitions, investments or alliances, restructure its organization or finance its capital needs.

Additionally, the Group's ability to comply with these covenants and restrictions may be affected by events beyond its control. These include prevailing economic, financial and industry conditions. See the other risks discussed in this section *"Risk Factors"*.

The Notes constitute unsecured obligations of the Issuer and the Guarantors.

The Issuer's and the Guarantors' obligations under the Notes and the Guarantees will constitute unsecured obligations of the Issuer and the Guarantors, respectively, and are effectively subordinated to any secured indebtedness of the Issuer or its subsidiaries (including the Guarantors) to the extent of the value of the assets constituting collateral. The Trust Deed governing the Notes permits the Issuer and its subsidiaries to secure certain indebtedness and other obligations without ratably securing the Notes. Accordingly, any claims against the Issuer or the Guarantors under the Notes or the Guarantees would be unsecured claims, which would be satisfied only after any secured creditors, if at all. In the event of a bankruptcy, liquidation or dissolution of the Issuer or a Guarantor, the assets that serve as collateral for any secured indebtedness of the Issuer or that Guarantor would be available to satisfy the obligations under the secured indebtedness before any payments are made on the Notes or under the Guarantee, as the case may be. The ability of the Issuer and/or the Guarantors to pay any claims will depend upon, among other factors, its liquidity, overall financial strength and ability to generate cash flows. See *"The Issuer is a holding company and there is a risk that the Notes will be structurally subordinated to any debt incurred by Non-Guarantor Subsidiaries"*.

The Subsequent Guarantor will not guarantee the Notes on the Issue Date.

As at the Issue Date, the Issuer's obligations under the Notes will be guaranteed by the Initial Guarantors. As further described in *"Terms and Conditions of the Notes— Status and Guarantee"*, the Issuer has undertaken to procure that the Subsequent Guarantor will fully, unconditionally and irrevocably on a joint and several basis guarantee the due and punctual payment of all sums from time to time payable by Issuer in respect of the Notes within 60 days from the Issue Date. There can, however, be no assurance that the Subsequent Guarantor will provide its Guarantee, although failure to do so would result in an Event of Default under the Trust Deed.

Noteholders may face difficulties enforcing foreign arbitral awards in respect of the Notes and the Guarantees and against the Issuer and the Guarantors.

None of the Issuer or the Guarantors has submitted to the jurisdiction of any courts but rather they have agreed to resolve disputes by arbitration in accordance with the rules and procedures of the London Court of International Arbitration (the "**LCIA**"). Georgia is a party to the United Nations (New York) Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "**New York Convention**"). Therefore, an arbitration award obtained in a country which is also a party to the New York Convention, such as the United Kingdom, would be enforceable in Georgia, subject to compliance with the terms of the New York Convention and Georgian law. Pursuant to Article 45.1 of the Law of Georgia on Arbitration (the "**Arbitration Law**"), arbitral awards against the Issuer or the Guarantors, irrespective of the country in which they are rendered, may not be recognized and enforceable in Georgia if: (i) the party against whom the award is made proves before Georgian courts that: (a) a party to the arbitration at the time of entering into an arbitration agreement lacked legal authorization or was a beneficiary of support (a person lacking legal capacity) who had an appointed supporter in relation to issues under the arbitration agreement but did not receive relevant support, or the arbitration agreement is void or set aside pursuant to the law specified by the parties in the arbitration agreement or, in the absence of such, based on the laws of the place where the award was made; (b) a party was not duly informed about the appointment of the arbitrator or the arbitration proceedings, or was not otherwise able to present its position or defend its interests; (c) the arbitral tribunal issued the award on a subject matter which was not submitted to arbitration by the parties or the arbitral award goes beyond the scope of the claim of the parties in the arbitration, provided that if the decisions on matters submitted to arbitration can be separated from those not so submitted, only that part of the award which contains decisions on matters submitted to arbitration may be recognized and enforced; (d) the composition of the arbitral tribunal or the procedure of the arbitration was not in accordance with the arbitration agreement, or, in the absence of such agreement, the arbitration was conducted in violation of the laws of the place of arbitration; or (e) the arbitral award has not yet become binding and/or has been set aside or suspended by the courts of the state in which, or under the laws of which, the award was made; or (ii) the court establishes that: (a) the subject matter of the dispute is not subject to arbitration under Georgian law; or (b) the recognition and enforcement of the award is contrary to public order. It may be difficult, however, to enforce arbitral awards in Georgia due to a number of factors, including the lack of experience of Georgian courts in international commercial transactions, certain procedural irregularities and Georgian courts' inability to enforce such orders, all of which could introduce delay and unpredictability into the process of enforcing any foreign arbitral award in Georgia.

Furthermore, the choice of English law as the governing law of the Conditions and the transaction documents may not be given effect, and the recognition or enforcement of foreign arbitral awards may be limited, by application of the Georgian law principle requiring compliance with mandatory provisions of the law of the country most closely connected to the transaction, including mandatory provisions of Georgian law. The nature and scope of such mandatory provisions are subject to a considerable degree of discretionary authority of the court in which recognition and enforcement of the arbitral award is being sought.

The uncertainties of the Georgian tax system could have a material adverse effect on the taxation of the Notes.

The Tax Code provides that withholding tax exemption applies to payments of interest on the securities which are listed on a "recognized stock exchange of the foreign country". Euronext Dublin, where the Notes are to be admitted to trading, is a "recognized stock exchange of the foreign country" for the purposes of the laws of Georgia. However, it is not clear what kind of evidence the Georgian tax authorities might require by way of proof that the Notes are admitted to the official list of Euronext Dublin and admitted to trading on the GEM. The ambiguities noted above concerning the application of the Tax Code, combined with the absence of established practices relating to the introduction of debt securities to the Georgian market generally may result in varying interpretations of the applicable provisions of the Tax Code by the tax authorities. See *"Taxation— Georgian Taxation"*.

Since the Notes bear interest at a fixed interest rate, movements in market interest rates can adversely affect the value of the Notes.

The Notes bear interest on their outstanding principal amount at a fixed interest rate. A holder of a security with a fixed interest rate is exposed to the risk that the value of such security could fall as a result of changes in the market interest rate. While the nominal compensation rate of a security with a fixed interest rate is fixed during the life of such security or during a certain period of time, the current interest rate on the capital market (market interest rate) typically changes on a daily basis. If the market interest rate increases, the value of such a security typically falls, until the yield of such security is approximately equal to the market interest. Consequently, Noteholders should be aware that movements of the market interest rate can adversely affect the value of the Notes and can lead to losses for the Noteholders if they sell their Notes.

The Issuer may redeem the Notes prior to maturity.

The Issuer may redeem all outstanding Notes in accordance with the Conditions in the event that the Issuer has been or would become obligated to pay additional amounts in respect of the Notes as a result of certain changes in the application or official interpretation of tax laws or regulations in Georgia and such obligation cannot be avoided by the Issuer taking reasonable measures available to it. On any such redemption, Noteholders would receive the principal amount of the Notes that they hold, together with interest accrued on those Notes up to (but excluding) the date fixed for redemption.

The Notes are also redeemable at the Issuer's option (as more fully set out in Condition 7(b) (*Optional Redemption by the Issuer*)). Such optional redemption features may affect the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. In addition, it may not be possible to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes. Potential investors should consider reinvestment risk in light of other investments available at that time. See *"Terms and Conditions of the Notes—Redemption and Purchase-Redemption for Taxation Reasons"*.

The Issuer may not be able to finance certain mandatory redemptions required by the Conditions.

Upon the occurrence of a Change of Control (as defined in the Conditions), the Issuer will be required to offer to repurchase all outstanding Notes at a purchase price in cash equal to 101 per cent. of the principal amount of the Notes plus any accrued and unpaid interest plus additional amounts, if any, to the date of the repurchase. If any such Change of Control were to occur, there can be no assurance that the Issuer would have sufficient funds available at the time to pay the price of the outstanding Notes or that restrictions in agreements governing other indebtedness would not restrict or prohibit such repurchases. The Change of Control may cause the acceleration of other indebtedness that may be senior to the Notes or rank equally with the Notes. In any case, the Issuer expects that it would require third party financing to finance an offer to repurchase Notes upon a Change of Control. There can be no assurance that the Issuer would be able to obtain this financing on acceptable terms or at all.

The Conditions provide significant flexibility for value to leave the Group.

The Conditions include a covenant restricting the declaration or payment of dividends, and the making of other distributions, in respect of the Issuer's and the Guarantors' capital. This covenant does not, however, prohibit a variety of investments and distributions by the Issuer and its subsidiaries, which, if made or paid, could reduce amounts that would otherwise be available to the Issuer to make payments in respect of the Notes or the Guarantors to make payments in respect of the Guarantees (see Condition 4(c) (*Limitation on Restricted Payments*)).

The Trustee may request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction.

In certain circumstances (including, without limitation, pursuant to Condition 14 (*Trustee*)), the Trustee may (at its sole discretion) request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes action on behalf of Noteholders. The Trustee shall not be obliged to take any such action if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing an indemnity and/or security and/or prefunding can be a lengthy process and may impact when such action can be taken. The Trustee may not be able to take action, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and applicable law, it will be for the Noteholders to take such action directly.

Because the Global Certificates are held by or on behalf of Clearstream, Luxembourg, Euroclear and DTC, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

Notes may be represented by one or more Global Certificates. Such Global Certificates will be deposited with either (a) a custodian for, and registered in the name of a nominee of, DTC or (b) a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Certificate, investors will not be entitled to receive Definitive Certificates. Each of DTC, Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in the Global Certificates. While the Notes are represented by the Global Certificates, investors will be able to trade their beneficial interests only through Euroclear, Clearstream, Luxembourg and DTC.

The Issuer will discharge its payment obligations under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in the Global Certificates must rely on the procedures of Euroclear, Clearstream, Luxembourg and DTC to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificates. In addition, the Issuer has no responsibility for the proper performance by Euroclear, Clearstream, Luxembourg and DTC or their participants of their obligations under their respective rules and operating procedures.

Further, holders of beneficial interests in the Global Certificates will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear, Clearstream, Luxembourg and DTC to appoint appropriate proxies.

Laws and practices applicable to the Notes and the Guarantees may change.

The Notes and the Guarantees are issued under the laws of England in force on the issue date. Any new statutes, ordinances and regulations, amendments to the legislation or changes in application of the law (including any amendments to or changes in application of tax laws or regulations) after the issue date may affect the Notes and the Guarantees and/or have a material adverse effect on the Group's business, financial condition, results of operations and future prospects, and, thereby, on the Issuer's and the Guarantor's ability to fulfil its obligations under the Notes and Guarantees respectively, as well as the market price and value of the Notes. No assurance can be given as to the impact of any possible judicial decision or change to laws or administrative practices of these jurisdictions after the date of these Listing Particulars.

The Issuer may create and issue further Notes.

The Issuer may create and issue further Notes. The Issuer may from time to time without the consent of the Noteholders create and issue further Notes, having terms and conditions that are the same as those of the Notes, or the same except for the amount of the first payment of interest, which new Notes may be consolidated and form a single series with the outstanding Notes; provided that the issuance of such further notes is a "**qualified reopening**" under US Treasury Regulation §1.1275-2(k). To the extent that the Issuer issues such further notes, the existing Noteholders' share of the total issuance (for purposes such as voting) will be diluted.

Risks Relating to the Market Generally

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell its Notes.

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. In particular, a single investor may purchase a significant portion of the Notes, thereby reducing the liquidity of the Notes. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon

prevailing interest rates, the market for similar securities, general economic conditions and the Group's results of operations. Although application has been made to Euronext Dublin for the Notes to be admitted to the Official List and to trading on the GEM, there is no assurance that an active trading market will develop. Investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a material adverse effect on the market value of the Notes. Moreover, the Issuer may fail to maintain a listing of the Notes, which in turn may have a material effect on a Noteholder's ability to resell the Notes on the secondary market.

If an investor holds Notes which are not denominated in the investor's home currency, that investor will be exposed to movements in exchange rates adversely affecting the value of such investor's holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

The Issuer will pay principal and interest on the Notes in U.S. Dollars. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than U.S. Dollars. These include the risk that exchange rates may significantly change (including changes due to depreciation of the U.S. Dollar or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the U.S. Dollar would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The market price of the Notes may be volatile.

The market price of the Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Group's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Notes, as well as other factors. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Notes without regard to the Group's results of operations, prospects or financial condition. Factors including increased competition, fluctuations in the Group's operating results, the regulatory environment, availability of reserves, general market conditions, natural disasters and armed conflict may have an adverse effect on the market price of the Notes.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Any credit ratings assigned to the Issuer or the Notes may not reflect all the risks of an investment in the Notes.

In addition to the ratings on the Notes to be provided by Fitch and Moody's, one or more other independent credit rating agencies may assign credit ratings to the Notes. The credit ratings assigned to the Notes may not reflect the potential impact of all risks related to the structure, market, additional factors discussed above and other factors that may affect the value of the Notes. Credit ratings assigned to the Notes do not necessarily mean that they are a suitable investment. A credit rating is not a recommendation to buy, sell or hold Notes and may be revised, suspended or withdrawn by the rating agency at any time. Similar ratings on different types of notes do not necessarily mean the same thing. The initial ratings by Fitch and Moody's will not address the likelihood that the principal on the Notes will be prepaid or paid on the scheduled maturity date. Such ratings will also not address the marketability of investments in the Notes or any market price. Any change in the credit ratings of the Notes could adversely affect the price that a subsequent purchaser will be willing to pay for investments in the Notes. The significance of each rating should be analyzed independently from any other rating.

In general, European regulated investors are restricted under Regulation (EU) No 1060/2009, as amended, on credit rating agencies (the "**EU CRA Regulation**") from using credit ratings for regulatory purposes in the EEA, unless such ratings

are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency being included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the United Kingdom (the "**UK**") are subject to similar restrictions under Regulation (EC) No.1060/2009 as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. This is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied. If the status of the rating agency rating the Notes changes for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of these Listing Particulars.

USE OF PROCEEDS

The gross proceeds of the Offering will be approximately U.S.$400,000,000 before deducting the estimated costs and expenses relating to the Offering.

These gross proceeds will be used by the Issuer for the following purposes:

- the repayment of the Silknet 2027 Notes;
- the repayment of certain commercial bank loans and outstanding bonds of Silk Real Estate and other loans of the Group;
- costs and expenses, including the payment of (i) fees and expenses in connection with the issuance of the Notes and the Tender Offer and Consent Solicitation, including, amongst others, underwriting fees, discounts and commissions, fees and expenses of legal counsel, rating agency expenses and listing expenses, as well as certain expenses of the Joint Lead Managers that the Issuer has agreed to reimburse in connection with the issuance, (ii) total consideration, including premium, payable in connection with the Tender Offer and Consent Solicitation in respect of the Silknet 2027 Notes, and (iii) refinancing costs of commercial bank loans and outstanding bonds of Silk Real Estate and other loans of the Group that are being refinanced,

with any remaining proceeds to be used for general corporate purposes.

The following table sets forth the estimated sources and uses of funds for the Offering as at the expected Issue Date, assuming gross proceeds from the Offering of U.S.$ 400 million. Actual amounts may vary from these estimated amounts depending on several factors, including differences from the Group's estimates of fees, discounts and commissions and changes in exchange rates. Any changes in these amounts may be reflected as an increase or decrease of cash on balance sheet used to fund transactions related to the Offering. This table should be read in conjunction with "*Capitalization and Indebtedness*".

Sources of Funds		**Uses of Funds**[(1)]	
	(USD millions)		*(USD millions)*
Notes offered hereby	400	Refinancing of Silknet 2027 Notes	200
		Repayment of Silk Real Estate's bank loans	91
		Repayment of Silk Real Estate's bonds	40
		Repayment of other loans	11
		Costs and expenses (as set out above)	13
		General corporate purposes, liquidity maintenance purposes, capital expenditures	45
Total sources of funds	**400**	**Total uses of funds**	**400**

Note:

(1) Amounts denominated in GEL have been translated into USD at a rate of GEL 2.7236 per USD 1.00, which was the rate on 30 June 2025.

On 1 September 2025, pursuant to the Tender Offer and Consent Solicitation Memorandum, (i) the Issuer invited holders of the Silknet 2027 Notes to tender any or all of the Silknet 2027 Notes held by them for purchase by the Issuer for cash; and (ii) Silknet invited holders of the Silknet 2027 Notes concurrently to consent to amend the terms and conditions of the 2027 Silknet Notes to, among other things, provide for mandatory early redemption of all (but not some only) of the Silknet 2027 Notes remaining (if any) on completion of the Tender Offer, all on the terms and subject to the conditions set forth in the Tender Offer and Consent Solicitation Memorandum.

CAPITALIZATION AND INDEBTEDNESS

The following table sets forth the Group's cash and cash equivalents, indebtedness and total capitalization as at 30 June 2025, on an actual basis and as adjusted for the Offering. Potential investors should consider this table in conjunction with the information contained in "*Use of Proceeds*", "*Selected Financial and Operating Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*".

	Actual as at 30 June 2025	Adjustment[1]	As Adjusted as at 30 June 2025	Actual as at 30 June 2025	Adjustment[1]	As Adjusted as at 30 June 2025
	(GEL million)			*(USD million)*[2]		
Cash and cash equivalents	**277.2**	**150.5**	**427.7**	**101.8**	**55.3**	**157.0**
Certificate of deposit	**40.6**	**-**	**40.6**	**14.9**	**-**	**14.9**
Indebtedness						
Company						
Notes offered hereby[3]	-	1,089.4	1,089.4	-	400	400
Other debt[4]	20.0	(20.0)	-	7.3	(7.3)	-
Silknet						
Silknet 2027 Notes	557.5	(557.5)	-	204.7	(204.7)	-
Silk Real Estate						
Silk Real Estate bonds	133.9	(133.9)	-	49.2	(49.2)	-
Silk Real Estate loans	216.7	(216.7)	-	79.6	(79.6)	-
Other debt[5]	10.8	(10.8)	-	4.0	(4.0)	-
Silknet Holding's put option obligations	71.2	-	71.2	26.1	-	26.1
Total Indebtedness	**1,010.1**	**150.5**	**1,160.6**	**370.9**	**55.3**	**426.1**
Non-Current Indebtedness	**868.5**	**292.1**	**1,160.6**	318.9	**107.2**	**426.1**
Total Equity	**653.5**	**-**	**653.5**	**239.9**	**-**	**239.9**
Total Capitalization[6]	**1,522.0**	**292.1**	**1,814.1**	**558.8**	**107.2**	**666.1**

Notes:

(1) The adjustments reflects the intended use of proceeds, where net proceeds will be used by the Issuer for repayment of the Silknet 2027 Notes; the repayment of certain commercial bank and other loans and outstanding bonds of Silk Real Estate and other debt of the Group; and the payment of any premium and fees payable in connection with the Tender Offer and Consent Solicitation announced in respect of the Silknet 2027 Notes. See "*Use of Proceeds*".

(2) For the purposes of the U.S. Dollar amounts shown in the table above, such amounts have been translated at the rate of USD 1.00 = GEL 2.7236 as at 30 June 2025 as published by the NBG.

(3) The amount is equivalent to an assumed offering size of USD 400.0 million and is provided solely for illustrative purposes. This amount reflects the aggregate principal amount of the Notes and does not take account of fees and expenses. See "*Use of Proceeds*". For the purposes of the GEL amount shown in this table for the proceeds from the Notes offered hereby, such amount have been translated at the rate of USD 1.00 = GEL 2.7236 as at 30 June 2025 as published by the NBG.

(4) Other debt represents the sum of non-current and current unsecured related party loan of the Issuer.

(5) Other debt represents the sum of non-current and current loan for the energy business (Bakhvi Hydro Power).

(6) Total Capitalization equals the sum of non-current portion of Indebtedness and Total Equity.

SELECTED FINANCIAL AND OPERATING INFORMATION

The financial information of the Group set forth below as at 30 June 2025 and for the six months ended 30 June 2025 and 2024, and as at and for the years ended 31 December 2024, 2023 and 2022, as applicable, has been extracted from the Consolidated Financial Statements in these Listing Particulars set out in F-2 to F-179. Prospective investors should read the selected financial and operating information in conjunction with the information contained in the following sections of these Listing Particulars: "Risk Factors", "Capitalization and Indebtedness", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Consolidated Financial Statements including the related notes.

Consolidated Statement of Financial Position Information

The following table sets forth the Group's consolidated statement of financial position information as at the dates indicated.

	As at 30 June	As at 31 December	As at 30 June	As at 31 December		
	2025	2024	2025	2024	2023	2022
	(USD thousands)			*(GEL thousands)*		
ASSETS						
Non-current assets						
Property and equipment	317,832	286,951	865,647	805,415	723,164	719,884
Investment property	91,888	86,591	250,266	243,044	274,587	270,626
Intangible assets	73,110	58,749	199,123	164,896	185,872	198,067
Right-of-use assets	2,942	4,845	8,012	13,600	22,422	27,375
Loans receivable	8,329	5,636	22,686	15,818	23,339	230,662
Prepayments related to IRU contracts	2,491	2,574	6,784	7,225	8,013	8,702
Other non-current assets	18,648	20,277	50,791	56,914	62,255	32,212
Investments in equity accounted investee	18	850	49	2,387	642	-
Total non-current assets	**515,258**	**466,474**	**1,403,358**	**1,309,299**	**1,300,294**	**1,487,528**
Current assets						
Inventories	28,814	25,089	78,477	70,421	19,714	16,783
Loans receivable	4,710	5,796	12,829	16,267	5,184	990
Financial instruments at FVTPL	-	953	-	2,674	-	-
Trade and other receivables	15,724	15,627	42,827	43,863	43,984	40,750
Certificate of deposit	14,910	6,542	40,610	18,362	-	-
Cash and cash equivalents	101,765	94,008	277,166	263,862	216,255	139,793
Prepayments and other assets	12,822	7,639	34,922	21,440	16,222	13,516
Total current assets	**178,745**	**155,654**	**486,831**	**436,889**	**301,359**	**211,832**
TOTAL ASSETS	**694,004**	**622,128**	**1,890,189**	**1,746,188**	**1,601,653**	**1,699,360**
EQUITY AND LIABILITIES						
Equity						
Capital	321,104	318,711	874,559	894,559	960,559	1,167,407
Merger reserve	(441,899)	-	(1,203,556)	-	-	-
Retained earnings / (accumulated losses)	339,738	(133,295)	925,310	(374,133)	(507,666)	(630,349)
Equity attributable to owner of the Company	**218,943**	**185,416**	**596,313**	**520,426**	**452,893**	**537,058**
Non-controlling interests	20,981	18,999	57,143	53,327	48,830	43,858
TOTAL EQUITY	**239,924**	**204,415**	**653,456**	**573,753**	**501,723**	**580,916**
LIABILITIES						
Non-current liabilities						
Loans and borrowings	292,752	298,685	797,339	838,348	793,949	782,512
Lease liability	887	1,192	2,416	3,345	14,950	21,332
Advances received from IRU contracts and subscribers	4,092	4,090	11,145	11,480	11,946	12,465
Trade and other payables	15,100	13,861	41,125	38,906	39,601	27,041
Put option liabilities	26,124	24,142	71,150	67,762	50,635	85,741
Total non-current liabilities	**338,954**	**341,970**	**923,175**	**959,841**	**911,081**	**929,091**
Current liabilities						
Loans and borrowings	51,981	22,459	141,576	63,039	40,261	54,120
Lease liability	3,284	5,289	8,944	14,845	13,445	12,193
Financial instruments at FVTPL	639	-	1,741	-	-	-
Advances received from IRU contracts and subscribers	9,649	9,787	26,281	27,470	26,399	26,245
Trade and other payables	49,573	38,207	135,016	107,240	108,744	96,795
Total current liabilities	**115,126**	**75,742**	**313,558**	**212,594**	**188,849**	**189,353**
TOTAL LIABILITIES	**454,080**	**417,712**	**1,236,733**	**1,172,435**	**1,099,930**	**1,118,444**
TOTAL EQUITY AND LIABILITIES	**694,004**	**622,128**	**1,890,189**	**1,746,188**	**1,601,653**	**1,699,360**

Consolidated Statement of Profit or Loss and Other Comprehensive Income Information

The following table sets forth the Group's consolidated statement of profit or loss and other comprehensive income information for the periods indicated.

	For the six months ended 30 June	For the year ended 31 December	For the six months ended 30 June		For the year ended 31 December		
	2025	2024	2025	2024	2024	2023	2022
	(USD thousands)				*(GEL thousands)*		
Revenue	158,060	299,765	430,492	400,054	841,380	786,963	722,857
Operating costs	(46,575)	(89,394)	(126,851)	(120,944)	(250,912)	(232,273)	(211,327)
Wages and other employee benefits	(35,272)	(69,883)	(96,066)	(94,267)	(196,149)	(190,152)	(158,294)
Depreciation and amortization	(25,172)	(50,793)	(68,558)	(70,332)	(142,565)	(146,828)	(146,989)
Impairment loss of non-financial assets	-	(5,002)	-	-	(14,039)	-	-
Impairment gain / (loss) of trade and other receivables and loans receivable	(308)	(628)	(840)	(816)	(1,764)	699	(637)
Modification loss on financial liabilities	-	-	-	-	-	(2,503)	-
Other income	3,167	6,013	8,625	8,720	16,878	18,044	17,255
Other expenses	(583)	(1,731)	(1,589)	(1,545)	(4,858)	(5,309)	(3,543)
Results from operating activities	**53,317**	**88,347**	**145,213**	**120,870**	**247,971**	**228,641**	**219,322**
Finance income	4,043	8,328	11,012	12,329	23,375	21,910	24,357
Finance cost	(14,290)	(28,467)	(38,919)	(40,080)	(79,900)	(83,864)	(148,046)
Net change in fair value of financial instruments at FVTPL	-	-	-	-	-	-	(3,862)
Net foreign exchange (loss)/gain	(2,176)	(6,705)	(5,927)	(27,607)	(18,820)	(8,302)	90,393
Net finance costs	**(12,423)**	**(26,844)**	**(33,834)**	**(55,358)**	**(75,345)**	**(70,256)**	**(37,158)**
Share of (loss) / profit of equity accounted investee	(858)	850	(2,338)	5,041	2,387	-	-
Profit before income tax	**40,036**	**62,353**	**109,041**	**70,553**	**175,013**	**158,385**	**182,164**
Income tax	(181)	(542)	(492)	(497)	(1,522)	(1,173)	(340)
Profit and total comprehensive income for the period/year	**39,855**	**61,811**	**108,549**	**70,056**	**173,491**	**157,212**	**181,824**
Profit and total comprehensive income attributable to:							
Owner of the Company	36,541	56,564	99,523	62,838	158,764	140,405	164,754
Non-controlling interests	3,314	5,247	9,026	7,218	14,727	16,807	17,070

Consolidated Statement of Cash Flows Information

The following table sets forth the Group's consolidated statement of cash flows information for the periods indicated.

	For the six months ended 30 June	For the year ended 31 December	For the six months ended 30 June		For the years ended 31 December		
Cash flows from operating activities	**2025**	**2024**	**2025**	**2024**	**2024**	**2023**	**2022**
	(USD thousands)			*(GEL thousands)*			
Profit before income tax	40,036	62,353	109,041	70,553	175,013	158,385	182,164
Adjustments for:							
Depreciation and amortization	25,172	50,793	68,558	70,332	142,565	146,828	146,989
Impairment of non-financial assets	-	5,002	-	-	14,039	-	-
Net finance costs	12,423	26,844	33,834	55,358	75,345	70,256	37,158
Impairment loss /(gain) of trade and other receivables and loan receivables	308	628	840	816	1,764	(699)	637
Modification loss on financial liabilities	-	-	-	-	-	2,503	-
Share of profit of equity accounted investee	858	(850)	2,338	(5,041)	(2,387)	-	-
Gain/(loss) on disposal/write-off of property and equipment, investment property and intangible assets	79	(103)	215	44	(288)	1,554	918
Changes in:							
Inventories	(2,257)	408	(6,146)	1,225	1,145	(3,482)	(1,851)
Trade and other receivables	(6,042)	(9,176)	(16,457)	(11,312)	(25,756)	(27,826)	(25,276)
Prepayments and other assets	(3,829)	(1,555)	(10,430)	(2,644)	(4,365)	(2,437)	(1,315)
Trade and other payables	4,634	5,512	12,620	651	15,472	62,372	27,068
Cash flows from operations before income taxes paid	**71,381**	**139,856**	**194,413**	**179,982**	**392,547**	**407,454**	**366,492**
Income tax paid	(181)	(542)	(492)	(497)	(1,522)	(1,173)	-
Net cash from operating activities	**71,200**	**139,313**	**193,921**	**179,485**	**391,025**	**406,281**	**366,492**
Cash flows from investing activities							
Acquisition of property and equipment, intangible assets and investment property	(40,764)	(80,862)	(111,025)	(91,561)	(226,964)	(170,095)	(122,874)
Proceeds from disposals of property and equipment and investment property	726	822	1,978	628	2,306	503	1,500
Issue of loans	(1,444)	(4,004)	(3,932)	(5,613)	(11,238)	(10,409)	(7,141)
Acquisition of assets through acquisition of subsidiary	(330)	-	(900)	-	-	(1,021)	-
Acquisition of investment securities	-	-	-	-	-	(32,052)	-
Proceeds from sale of investment securities	-	-	-	-	-	33,518	-
Interest received	2,933	6,497	7,987	8,856	18,235	12,711	3,109
Repayments of issued loans	529	1,541	1,440	-	4,324	4,511	278
Acquisition of certificate of deposit	(8,252)	(6,345)	(22,476)	-	(17,808)	-	-
Consideration paid for business acquisition	-	-	-	-	-	-	(2,137)
Acquisition of subsidiary's equity instruments	-		-	-	-	(7,700)	-
Net cash used in investing activities	**(46,603)**	**(82,352)**	**(126,928)**	**(87,690)**	**(231,145)**	**(170,034)**	**(127,265)**
Cash flows from financing activities							
Interest paid	(16,583)	(28,262)	(45,166)	(36,852)	(79,326)	(84,369)	(67,553)
Repayment of borrowings	(2,386)	(20,828)	(6,498)	(9,174)	(58,460)	(184,626)	(571,827)
Proceeds from borrowings	18,642	34,132	50,773	20,532	95,803	176,131	469,488
Lease payments	(2,406)	(4,589)	(6,553)	(6,237)	(12,880)	(10,312)	(9,804)
Acquisition of non-controlling interests	-	(736)	-	(924)	(2,067)	(44,882)	-
Net payments of financial instruments at FVTPL	-	-	-	-	-	-	2,721
Transaction fees related to New Eurobond issuance	-	-	-	-	-	-	(6,035)
Premium and commission on the early redemption of issued bonds	-	-	-	-	-	-	(7,403)
Capital decrease of Group entities	(13,942)	(17,304)	(37,973)	(3,000)	(48,568)	-	-
Costs incurred on Eurobond covenant modification	-	(1,386)	-	(2,122)	(3,889)	-	-
Transaction costs related to bonds	-	-	-	-	-	(1,417)	-
Dividends paid by the Group entities	(819)	(2,622)	(2,230)	(2,384)	(7,360)	(4,865)	(208)
Net cash used in financing activities	**(17,494)**	**(41,594)**	**(47,647)**	**(40,161)**	**(116,747)**	**(154,340)**	**(190,621)**
Effect of exchange rate changes on cash and cash equivalents	(2,218)	1,594	(6,042)	4,342	4,474	(5,445)	(17,146)
Net increase in cash and cash equivalents	**4,885**	**16,961**	**13,304**	**55,976**	**47,607**	**76,462**	**31,460**

Cash and equivalents at the beginning of the period/year	96,880	77,047	263,862	216,255	216,255	139,793	108,333
Cash and cash equivalents at the end of the period/year	**101,765**	**94,008**	**277,166**	**272,231**	**263,862**	**216,255**	**139,793**

Selected APMs

The following table sets forth the Group's APMs as at the dates or for the periods indicated:

	As at or for the LTM Ended 30 June 2025[1]	As at or for the Six Months Ended 30 June 2025	As at or for the Year Ended 31 December 2024	As at or for the LTM Ended 30 June 2025[1]	As at or for the Six Months Ended 30 June		As at or for the Year Ended 30 December		
					2025	2024	2024	2023	2022
	(in USD thousands unless otherwise indicated)				*(in GEL thousands unless otherwise indicated)*				
Consolidated Adjusted EBITDA	156,954	78,824	146,748	427,481	214,686	199,098	411,893	401,572	368,435
Consolidated Adjusted EBITDA Margin	47.5%	48.3%	47.3%	47.5%	48.3%	47.9%	47.3%	49.1%	48.7%
Telecom Adjusted EBITDA	140,272	70,877	131,777	382,046	193,041	180,867	369,872	337,893	284,124
Telecom Adjusted EBITDA Margin	63.8%	64.9%	63.6%	63.8%	64.9%	64.4%	63.6%	63.0%	60.1%
Casinos Adjusted EBITDA	14,589	8,039	10,854	39,734	21,896	12,627	30,465	39,810	61,807
Casinos Adjusted EBITDA Margin	20.8%	22.4%	17.1%	20.8%	22.4%	14.9%	17.1%	23.0%	33.7%
Hotels Adjusted EBITDA	6,996	1,651	9,198	19,053	4,497	11,260	25,816	27,173	23,765
Hotels Adjusted EBITDA Margin	19.1%	9.7%	26.5%	19.1%	9.7%	25.5%	26.5%	29.1%	27.6%
Development Adjusted EBITDA	(1,509)	(842)	(827)	(4,110)	(2,293)	(503)	(2,320)	(1,133)	(597)
Other Adjusted EBITDA	(2,898)	(539)	(4,021)	(7,893)	(1,468)	(4,860)	(11,285)	(1,721)	157
Consolidated Net Financial Indebtedness	254,182	254,182	244,736	692,289	692,289	N/A	686,925	668,590	782,580
Consolidated Adjusted EBITDAaL	152,475	76,538	142,436	415,282	208,458	192,966	399,790	388,566	355,203
Telecom Adjusted EBITDAaL	135,793	N/A	127,465	369,847	N/A	N/A	357,769	324,887	270,892
Consolidated Net Financial Indebtedness to Adjusted EBITDAaL	1.7x	N/A	1.7x	1.7x	N/A	N/A	1.7x	1.7x	2.2x
Telecom Net Financial Indebtedness	121,202	121,202	140,400	330,106	330,106	N/A	394,075	406,220	467,156
Telecom Net Financial Indebtedness to Adjusted EBITDAaL	0.9x	N/A	1.1x	0.9x	N/A	N/A	1.1x	1.3x	1.7x
Fixed Charge Coverage Ratio	5.4x	5.5x	5.2x	5.4x	5.5x	5.0x	5.2x	4.8x	2.5x
Consolidated Capital Expenditures	110,702	59,233	81,798	301,509	161,326	89,408	229,591	134,757	108,138
Telecom Capital Expenditures Excluding Telecom Operating Licenses	23,634	10,295	22,837	64,370	28,039	27,768	64,099	50,214	81,018
Telecom Recurring Capital Expenditures	23,040	9,720	22,252	62,752	26,474	26,180	62,458	50,214	79,806
Telecom Recurring Capital Expenditures Margin	10%	9%	11%	10%	9%	9%	11%	9%	17%
Adjusted Free Cash Flow	26,215	13,842	30,177	71,400	37,700	51,000	84,700	151,800	176,000

Note:

(1) Represents the amount for the six months ended 30 June 2025, plus the amount for the year ended 31 December 2024, less the amount for the six months ended 30 June 2024.

Adjusted EBITDA and Adjusted EBITDA Margin

The following table sets forth the reconciliation of the Group's Adjusted EBITDA for the six months ended 30 June 2025:

	For the Six Months Ended 30 June 2025						
	Segments			Unallocated			
	Telecom	Casinos	Hotels	Development	Other Unallocated	Reconciling Items	Total
	(in GEL thousands)						
Profit and total comprehensive income for the period	**116,396**	**21,041**	**(19,845)**	**(2,330)**	**(7,215)**	**502**	**108,549**
Depreciation and amortization	53,728	4,613	8,418	812	987	-	68,558
Amortization of casino permit	-	(2,775)	-	-	-	-	(2,775)
Net foreign exchange gain/loss	(3,312)	927	14,029	(923)	(3,576)	(1,218)	5,927
Finance costs	29,842	-	2,167	968	17,814	(11,872)	38,919
Finance income	(7,142)	(1,910)	(272)	(820)	(12,469)	11,601	(11,012)
Income tax	117	-	-	-	375	-	492
Specific items (see below)	3,412	-	-	-	2,616	-	6,028
Adjusted EBITDA	**193,041**	**21,896**	**4,497**	**(2,293)**	**(1,468)**	**(987)**	**214,686**

The following table sets forth the reconciliation of the Group's Adjusted EBITDA for the six months ended 30 June 2024:

	For the Six Months Ended 30 June 2024						
	Segments			Unallocated			
	Telecom	Casinos	Hotels	Development	Other Unallocated	Reconciling Items	Total
	(in GEL thousands)						
Profit and total comprehensive income for the period	**74,690**	**15,052**	**2,222**	**(2,662)**	**(17,649)**	**(1,597)**	**70,056**
Depreciation and amortization	57,312	4,529	6,720	810	961	-	70,332
Amortization of casino permit	-	(2,775)	-	-	-	-	(2,775)
Net foreign exchange gain/loss	18,511	(1,170)	1,096	1,344	8,976	(1,150)	27,607
Finance costs	28,469	-	1,700	1,316	16,417	(7,822)	40,080
Finance income	(8,899)	(3,009)	(478)	(1,311)	(8,908)	10,276	(12,329)
Income tax	113	-	-	-	384	-	497
Specific items (see below)	10,671	-	-	-	(5,041)	-	5,630
Adjusted EBITDA	**180,867**	**12,627**	**11,260**	**(503)**	**(4,860)**	**(293)**	**199,098**

The following table sets forth the reconciliation of the Group's Adjusted EBITDA for the year ended 31 December 2024:

	For the Year Ended 31 December 2024						
	Segments			Unallocated			
	Telecom	Casinos	Hotels	Development	Other Unallocated	Reconciling Items	Total
	(in GEL thousands)						
Profit and total comprehensive income for the year	**188,693**	**34,105**	**7,625**	**(6,058)**	**(48,799)**	**(2,075)**	**173,491**
Depreciation and amortization	114,822	9,246	14,663	1,603	2,231	-	142,565
Amortization of casino permit	-	(5,550)	-	-	-	-	(5,550)
Net foreign exchange loss	12,990	(1,115)	1,092	1,276	5,655	(1,078)	18,820
Finance costs	57,890	-	3,486	2,867	42,166	(26,509)	79,900
Finance income	(17,172)	(6,221)	(1,082)	(2,628)	(25,279)	29,007	(23,375)
Income tax expense	216	-	-	-	1,306	-	1,522
Specific items (see below)	12,433	-	32	620	11,435	-	24,520
Adjusted EBITDA	**369,872**	**30,465**	**25,816**	**(2,320)**	**(11,285)**	**(655)**	**411,893**

The following table sets forth the reconciliation of the Group's Adjusted EBITDA for the year ended 31 December 2023:

	For the Year Ended 31 December 2023						
	Segments			Unallocated			
	Telecom	Casinos	Hotels	Development	Other Unallocated	Reconciling Items	Total
	(in GEL thousands)						
Profit and total comprehensive income for the year	**147,373**	**44,460**	**9,724**	**(2,244)**	**(37,707)**	**(4,394)**	**157,212**
Depreciation and amortization	118,737	9,120	15,472	1,437	1,983	-	146,749
Amortization of casino permit	-	(5,632)	-	-	-	-	(5,632)
Net foreign exchange loss	(357)	212	593	64	6,999	791	8,302

Finance costs	54,072	-	3,840	2,250	40,911	(17,209)	83,864
Finance income	(12,144)	(8,350)	(1,570)	(2,640)	(17,568)	20,362	(21,910)
Income tax expense	258	-	-	-	915	-	1,173
Specific items (see below)	29,954	-	(886)	-	2,746	-	31,814
Adjusted EBITDA	**337,893**	**39,810**	**27,173**	**(1,133)**	**(1,721)**	**(450)**	**401,572**

The following table sets forth the reconciliation of the Group's Adjusted EBITDA for the year ended 31 December 2022:

	For the Year Ended 31 December 2022						
	Segments			Unallocated			
	Telecom	Casinos	Hotels	Development	Other Unallocated	Reconciling Items	Total
	(in GEL thousands)						
Profit and total comprehensive income for the year	**124,702**	**60,057**	**7,848**	**4,334**	**(21,833)**	**6,716**	**181,824**
Depreciation and amortization	119,505	7,755	15,926	986	2,817	-	146,989
Amortization of casino permit	-	(4,237)	-	-	-	-	(4,237)
Net foreign exchange loss	(82,461)	3,566	(1,545)	(4,782)	2,239	(7,410)	(90,393)
Finance costs	115,963	6	4,065	1,722	39,038	(12,748)	148,046
Finance income	(4,798)	(5,340)	(2,529)	(2,857)	(21,454)	12,621	(24,357)
Income tax expense	340	-	-	-	-	-	340
Financial instrument at FVTPL – net change in fair value	3,862	-	-	-	-	-	3,862
Specific items (see below)	7,011	-	-	-	(650)	-	6,361
Adjusted EBITDA	**284,124**	**61,807**	**23,765**	**(597)**	**157**	**(821)**	**368,435**

The following table sets forth the specific items for the reconciliation of the Group's Adjusted EBITDA for the six months ended 30 June 2025 above:

	For the Six Months Ended 30 June 2025						
	Segments			Unallocated			
	Telecom	Casinos	Hotels	Development	Other Unallocated	Reconciling Items	Total
	(in GEL thousands)						
(Gain) / loss on disposal of property and equipment (included in other income / other expenses)	(63)	-	-	-	278	-	215
Write-down of slow moving inventory, property and equipment and other non-current assets	353	-	-	-	-	-	353
Key management one-time benefit	401	-	-	-	-	-	401
Professional fees and one-time consulting expenses	2,039	-	-	-	-	-	2,039
Charity	689	-	-	-	-	-	689
Other income/expenses	(7)	-	-	-	-	-	(7)
Share of profit of equity accounted investee	-	-	-	-	2,338	-	2,338
Total specific items	**3,412**	**-**	**-**	**-**	**2,616**	**-**	**6,028**

The following table sets forth the specific items for the reconciliation of the Group's Adjusted EBITDA for the six months ended 30 June 2024 above:

	For the Six Months Ended 30 June 2024						
	Segments			Unallocated			
	Telecom	Casinos	Hotels	Development	Other Unallocated	Reconciling Items	Total
	(in GEL thousands)						
(Gain) / loss on disposal of property and equipment (included in other income / other expenses)	44	-	-	-	-	-	44
Write-down of slow moving inventory, property and equipment and other non-current assets	65	-	-	-	-	-	65
Key management one-time benefit	3,575	-	-	-	-	-	3,575
Professional fees and one-time consulting expenses	5,644	-	-	-	-	-	5,644
Charity	666	-	-	-	-	-	666
Other income/expenses	677	-	-	-	-	-	677
Share of profit of equity accounted investee	-	-	-	-	(5,041)	-	(5,041)

Total specific items	**10,671**	**-**	**-**	**-**	**(5,041)**	**-**	**5,630**

The following table sets forth the specific items for the reconciliation of the Group's Adjusted EBITDA for the year ended 31 December 2024 above:

	For the Year Ended 31 December 2024						
	Segments			Unallocated			
	Telecom	Casinos	Hotels	Development	Other Unallocated	Reconciling Items	Total
	(in GEL thousands)						
(Gain) / loss on disposal of property and equipment (included in other income / other expenses)	(920)	-	-	-	-	-	(920)
Allowances for impairment of prepayment, trade and other receivables	-	-	32	620	(217)	-	435
Write-down of slow moving inventory, property and equipment and other non-current assets	1,159	-	-	-	-	-	1,159
Key management one-time benefit	3,546	-	-	-	-	-	3,546
Professional fees and one-time consulting expenses	7,244	-	-	-	-	-	7,244
Charity	1,650	-	-	-	-	-	1,650
Other income/expenses	(246)	-	-	-	-	-	(246)
Impairment loss on non-financial assets	-	-	-	-	14,039	-	14,039
Share of profit of equity accounted investee	-	-	-	-	(2,387)	-	(2,387)
Total specific items	**12,433**	**-**	**32**	**620**	**11,435**	**-**	**24,520**

The following table sets forth the specific items for the reconciliation of the Group's Adjusted EBITDA for the year ended 31 December 2023 above:

	For the Year Ended 31 December 2023						
	Segments			Unallocated			
	Telecom	Casino	Hotels	Development	Other Unallocated	Reconciling Items	Total
	(in GEL thousands)						
(Gain) / loss on disposal of property and equipment (included in other income / other expenses)	1,410	-	-	-	-	-	1,410
Allowances for impairment of prepayment, trade and other receivables	-	-	(886)	-	(1,332)	-	(2,218)
Write-down of slow moving inventory, property and equipment and other non-current assets	592	-	-	-	-	-	592
Key management one-time benefit	17,318	-	-	-	-	-	17,318
Professional fees and one-time consulting expenses	13,257	-	-	-	-	-	13,257
Charity	1,400	-	-	-	-	-	1,400
Other income/expenses	(4,023)	-	-	-	4,078	-	55
Total specific items	**29,954**	**-**	**(886)**	**-**	**2,746**	**-**	**31,814**

The following table sets forth the specific items for the reconciliation of the Group's Adjusted EBITDA for the year ended 31 December 2022 above:

	For the Year Ended 31 December 2022						
	Segments			Unallocated			
	Telecom	Casino	Hotels	Development	Other Unallocated	Reconciling Items	Total
	(in GEL thousands)						
(Gain) / loss on disposal of property and equipment (included in other income / other expenses)	815	-	-	-	-	-	815
Allowances for impairment of prepayment, trade and other receivables	-	-	-	-	(650)	-	(650)

Write-down of slow moving inventory, property and equipment and other non-current assets	706	-	-	-	-	-	706
Key management one-time benefit	1,489	-	-	-	-	-	1,489
Professional fees and one-time consulting expenses	3,821	-	-	-	-	-	3,821
Charity	1,350	-	-	-	-	-	1,350
Other income/expenses	(1,170)	-	-	-	-	-	(1,170)
Share of profit of equity accounted investee	-	-	-	-	-	-	-
Total specific items	**7,011**	**-**	**-**	**-**	**(650)**	**-**	**6,361**

The following table sets forth the reconciliation of the Group's Adjusted EBITDA Margin for the six months ended 30 June 2025 and 2024 and the years ended 31 December 2024, 2023 and 2022.

	For the six months ended 30 June	For the year ended 31 December	For the six months ended 30 June		For the Year ended 31 December		
	2025	2024	2025	2024	2024	2023	2022
	(USD thousands)		*(GEL thousands)*				
The Group							
Consolidated Adjusted EBITDA	78,824	146,748	214,686	199,098	411,893	401,572	368,435
Consolidated revenue	158,060	299,765	430,492	400,054	841,380	786,963	722,857
Consolidated Adjusted EBITDA Margin%	**50%**	**49%**	**50%**	**50%**	**49%**	**51%**	**51%**
Telecom							
Telecom Adjusted EBITDA	70,877	131,777	193,041	180,867	369,872	337,893	284,124
Telecom segment revenue	109,277	207,343	297,626	280,665	581,970	536,433	472,965
Telecom Adjusted EBITDA Margin%	**65%**	**64%**	**65%**	**64%**	**64%**	**63%**	**60%**
Casinos							
Casinos Adjusted EBITDA	8,039	10,854	21,896	12,627	30,465	39,810	61,807
Casinos segment revenue	35,864	63,604	97,678	85,000	178,524	172,754	183,536
Casinos Adjusted EBITDA Margin%	**22%**	**17%**	**22%**	**15%**	**17%**	**23%**	**34%**
Hotels							
Hotels Adjusted EBITDA	1,651	9,198	4,497	11,260	25,816	27,173	23,765
Hotels segment revenue	16,955	34,755	46,179	44,149	97,549	93,301	86,016
Hotels Adjusted EBITDA Margin%	**10%**	**26%**	**10%**	**26%**	**26%**	**29%**	**28%**

Consolidated Net Financial Indebtedness and Consolidated Net Financial Indebtedness to Adjusted EBITDAaL

The following table sets forth the reconciliation of the Group's Consolidated Net Financial Indebtedness and Consolidated Net Financial Indebtedness to Adjusted EBITDAaL for the six months ended 30 June 2025 and for the years ended 31 December 2024, 2023 and 2022.

	As at or for the LTM ended 30 June[(1)]	As at or for the year ended 31 December	As at or for the LTM 30 June[(1)]	As at or for the Year ended 31 December		
	2025	2024	2025	2024	2023	2022
	(USD thousands)		*(GEL thousands)*			
Loans and borrowings (current)	51,981	22,459	141,576	63,039	40,261	54,120
Loans and borrowings (non-current)	292,752	298,685	797,339	838,348	793,949	782,512
Total loans and borrowings	**344,733**	**321,144**	**938,915**	**901,387**	**834,210**	**836,632**
Plus put option liability	26,124	24,142	71,150	67,762	50,635	85,741
Less cash and cash equivalents	101,765	94,008	277,166	263,862	216,255	139,793
Less certificate of deposit	14,910	6,542	40,610	18,362	-	-

Consolidated Net Financial Indebtedness	**254,182**	**244,736**	**692,289**	**686,925**	**668,590**	**782,580**
Consolidated Adjusted EBITDA	156,954	146,748	427,481	411,893	401,572	368,435
Interest expense accrued under lease liabilities	486	551	1,324	1,546	3,084	3,896
Depreciation charge on right of use assets	3,993	3,761	10,875	10,557	9,922	9,336
Consolidated Adjusted EBITDAaL	**152,475**	**142,436**	**415,282**	**399,790**	**388,566**	**355,203**
Consolidated Net Financial Indebtedness to Adjusted EBITDAaL	**1.7x**	**1.7x**	**1.7x**	**1.7x**	**1.7x**	**2.2x**

Note:

(1) This amount represents the sum of the Group's relevant item for the six months ended 30 June 2025 plus the corresponding item for the year ended 31 December 2024, less the relevant amount for the six months ended 30 June 2024.

Telecom Net Financial Indebtedness and Telecom Net Financial Indebtedness to Adjusted EBITDAaL

The following table sets forth the reconciliation of the Telecom Net Financial Indebtedness to Adjusted EBITDAaL for the six months ended 30 June 2025 and for the years ended 31 December 2024, 2023 and 2022.

	As at or for the LTM ended 30 June[(1)]	**As at or for the Year ended 31 December**	**As at or for the LTM ended 30 June[(1)]**	**As at or for the Year ended 31 December**		
	2025	**2024**	**2025**	**2024**	**2023**	**2022**
	(USD thousands)			*(GEL thousands)*		
Loans and borrowings (current)	6,971	6,971	18,985	19,566	21,176	19,925
Loans and borrowings (non-current)	197,731	197,255	538,539	553,655	529,658	532,139
Total Loans and Borrowings	**204,701**	**204,226**	**557,524**	**573,221**	**550,834**	**552,064**
Less cash and cash equivalents	68,589	57,284	186,808	160,784	144,614	84,908
Less certificate of deposit	14,910	6,542	40,610	18,362	-	-
Telecom Net Financial Indebtedness	**121,202**	**140,400**	**330,106**	**394,075**	**406,220**	**467,156**
Telecom Adjusted EBITDA	140,272	131,777	382,046	369,872	337,893	284,124
Interest expense accrued under lease liabilities	486	551	1,324	1,546	3,084	3,896
Depreciation charge on right of use assets	3,993	3,761	10,875	10,557	9,922	9,336
Telecom Adjusted EBITDAaL	**135,793**	**127,465**	**369,847**	**357,769**	**324,887**	**270,892**
Telecom Net Financial Indebtedness to Adjusted EBITDAaL	**0.9x**	**1.1x**	**0.9x**	**1.1x**	**1.3x**	**1.7x**

Note:

(1) This amount represents the sum of the Telecom segment's relevant item for the six months ended 30 June 2025 plus the corresponding item for the year ended 31 December 2024, less the relevant amount for the six months ended 30 June 2024.

Capital Expenditures, Telecom Capital Expenditures Excluding Telecom Operating Licenses, Telecom Recurring Capital Expenditures, and Telecom Recurring Capital Expenditures Margin

The following table sets forth the reconciliation of the Group's Capital Expenditures for the six months ended 30 June 2025 and 2024 and for the years ended 31 December 2024, 2023 and 2022.

	For the Six months ended 30 June	**For the Year ended 31 December**	**For the Six months ended 30 June**		**For the Year ended 31 December**		
	2025	**2024**	**2025**	**2024**	**2024**	**2023**	**2022**
	(USD thousands, unless otherwise indicated)		*(GEL thousands, unless otherwise indicated)*				
Property and equipment additions	35,444	62,473	96,535	73,168	175,349	89,779	64,058
Investment property additions	2,962	7,909	8,066	8,636	22,200	6,177	8,727
Intangible assets additions	20,827	11,416	56,725	7,604	32,042	38,801	35,353
Capital Expenditures	**59,233**	**81,798**	**161,326**	**89,408**	**229,591**	**134,757**	**108,138**

The following table sets forth the reconciliation of the Telecom Recurring Capital Expenditures for the six months ended 30 June 2025 and 2024 and for the years ended 31 December 2024, 2023 and 2022.

	For the LTM ended 30 June[(1)]	For the Six months ended 30 June	For the Year ended 31 December	For the LTM ended 30 June[(1)]	For the Six months ended 30 June		For the Year ended 31 December		
	2025	2025	2024	2025	2025	2024	2024	2023	2022
	(USD millions, unless otherwise indicated)				*(GEL millions, unless otherwise indicated)*				
Telecom Capital Expenditures	41.20	27.60	23.20	112.20	75.30	28.20	65.10	52.10	81.90
Telecom Operating Licenses	17.60	17.40	0.40	47.90	47.30	0.40	1.00	1.80	0.90
Telecom Capital Expenditures Excluding Telecom Operating Licenses	**23.60**	**10.20**	**22.80**	**64.30**	**28.00**	**27.80**	**64.10**	**50.30**	**81.00**
Non-recurring items	**0.60**	**0.60**	**0.60**	**1.60**	**1.60**	**1.60**	**1.60**	**-**	**1.20**
Euronews license	0.60	0.60	0.60	1.60	1.60	1.60	1.60	-	-
IT transformation	-	-	-	-	-	-	-	-	1.20
Telecom Recurring Capital Expenditures	**23.00**	**9.60**	**22.20**	**62.70**	**26.40**	**26.20**	**62.50**	**50.30**	**79.80**
Telecom segment revenue	219.89	109.27	207.35	598.90	297.60	280.70	582.00	536.40	473.00
Telecom Capital Expenditures Excluding Telecom Operating Licenses Margin	**11%**	**9%**	**11%**	**11%**	**9%**	**10%**	**11%**	**9%**	**17%**
Telecom Recurring Capital Expenditures Margin	**10%**	**9%**	**11%**	**10%**	**9%**	**9%**	**11%**	**9%**	**17%**

Note:

(1) This amount represents the sum of the Telecom segment's relevant item for the six months ended 30 June 2025 plus the corresponding item for the year ended 31 December 2024, less the relevant amount for the six months ended 30 June 2024.

Telecom Adjusted EBITDAaL less Telecom Recurring Capital Expenditures

The following table sets forth the reconciliation of the Telecom Adjusted EBITDAaL less Telecom Recurring Capital Expenditures for the six months ended 30 June 2025 and for the years ended 31 December 2024, 2023 and 2022.

	For the LTM ended 30 June [(1)]	For the Year ended 31 December	For the LTM ended 30 June [(1)]	For the Year ended 31 December		
	2025	2024	2025	2024	2023	2022
		(USD millions)			*(GEL millions)*	
Telecom Adjusted EBITDAaL	135.8	127.5	369.8	357.8	324.9	270.9
less Telecom Recurring Capital Expenditures	23.0	22.3	62.7	62.5	50.3	79.8
Telecom Adjusted EBITDAaL less Telecom Recurring Capital Expenditures	**112.8**	**105.2**	**307.1**	**295.3**	**274.6**	**191.1**

Note:

(1) This amount represents the sum of the Telecom segment's relevant item for the six months ended 30 June 2025 plus the corresponding item for the year ended 31 December 2024, less the relevant amount for the six months ended 30 June 2024.

Fixed Charge Coverage Ratio

The following table sets forth the reconciliation of the Group's consolidated Fixed Charge Coverage Ratio for the six months ended 30 June 2025 and 2024 and for the years ended 31 December 2024, 2023 and 2022.

	For the LTM ended 30 June[(1)]	For the Year ended 31 December	For the LTM ended 30 June[(1)]	For the Six months ended 30 June		For the Six months ended 30 June		
	2025	**2024**	**2025**	**2025**	**2024**	**2024**	**2023**	**2022**
	(USD thousands)			*(GEL thousands)*				
Adjusted EBITDA	156,954	146,748	427,481	214,686	199,098	411,893	401,572	368,435
Finance cost	28,910	28,467	78,739	38,919	40,080	79,900	83,864	148,046
Fixed Charge Coverage Ratio	**5.4x**	**5.2x**	**5.4x**	**5.5x**	**5.0x**	**5.2x**	**4.8x**	**2.5x**

Note:

(1) This amount represents the sum of the Group's relevant item for the six months ended 30 June 2025 plus the corresponding item for the year ended 31 December 2024, less the relevant amount for the six months ended 30 June 2024.

Adjusted Free Cash Flow

The following table sets forth the reconciliation of the Group's Adjusted Free Cash Flow for the six months ended 30 June 2025 and 2024 and for the years ended 31 December 2024, 2023 and 2022.

	For the Six months ended 30 June		For the Year ended 31 December		
	2025	**2024**	**2024**	**2023**	**2022**
			(GEL millions)		
Cash flow from operations before income taxes paid	**194.4**	**180.0**	**392.5**	**407.5**	**366.5**
Income tax paid	0.5	0.5	1.5	1.2	-
Interest paid	45.2	36.9	79.3	84.4	67.6
Cash paid for Acquisition of property and equipment, intangible assets and investment property	111.0	91.6	227.0	170.1	122.9
Adjusted Free Cash Flow	**37.7**	**51.0**	**84.7**	**151.8**	**176.0**

INDUSTRY OVERVIEW

Telecom Sector

Electronic Communications and Broadcasting Sectors in Georgia

The electronic communications sector in Georgia encompasses four main segments: mobile services, fixed broadband services, Pay TV services and fixed telephone services. According to ComCom, the electronic communications sector increased at a compound annual growth rate ("**CAGR**") of 12.3% over 2020-24, reaching GEL 1,458 million in 2024. The positive trend persisted for the six months ended 30 June 2025, with sector revenue rising 6.1% year-on-year to GEL 746.4 million. The mobile segment has been the leading driver of revenue growth since 2020, supported by rising mobile data usage, an expanding subscriber base, and pricing adjustments. Fixed broadband and Pay TV services - the second and third largest revenue sources, also recorded notable revenue growth over 2020-24, increasing at CAGRs of 11.0% and 5.7%, respectively. The growth in Pay TV and fixed broadband revenues was driven by a growing subscriber base as well as pricing adjustments since 2020. Meanwhile, the traditional fixed telephony segment is rapidly declining, with revenues decreasing at a CAGR of 5.8% over 2020–24, reflecting the global shift towards more efficient alternatives such as mobile services and the internet.

The table below sets forth electronic communications sector revenue by segments for the periods indicated:

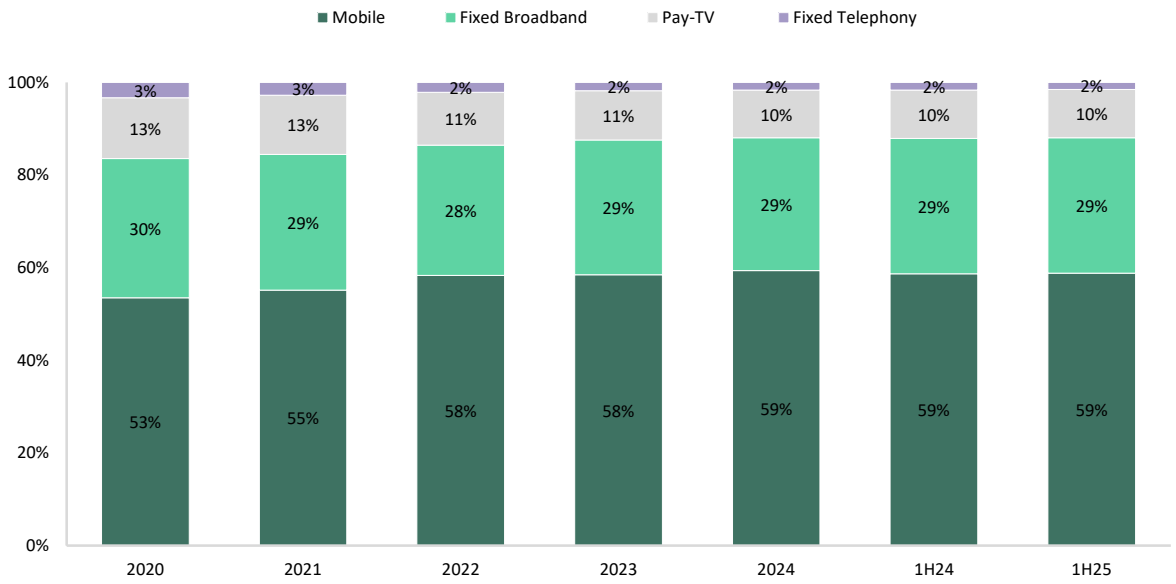
	For the Six Months Ended 30 June		For the Year Ended				
	2025	**2024**	**2024**	**2023**	**2022**	**2021**	**2020**
			(*GEL millions*)				
Mobile	438.6	412.6	865.2	787.7	696.2	554.5	489.8
Fixed Broadband	218.4	205.6	418.9	392.2	335.9	294.4	275.9
Pay TV	78.0	73.6	150.4	143.7	135.8	128.8	120.4
Fixed Telephone	11.4	11.7	23.9	24.3	25.8	28.0	30.4
Total	**746.4**	**703.5**	**1,458.4**	**1,347.9**	**1,193.7**	**1,005.7**	**916.6**

Source: ComCom

The varying growth rates across segments have led to shifts in their revenue market shares since 2020, specifically:

- The mobile segment strengthened its position, increasing its share of total sector revenue from 53% in 2020 to 59% in 2024;
- The share of the fixed broadband service has largely been stable, declining slightly from 30% of total sector revenue in 2020 to 29% in 2024;
- Despite steady revenue growth, Pay TV's proportion of total revenue contracted from 13% in 2020 to 10% in 2024, as faster growth in other segments reshaped the sector's revenue distribution;
- Fixed telephony's market share mirrored its declining revenue, reducing from 3% in 2020 to 2% in 2024.

The graph below shows revenue market shares of the electronic communications segments:



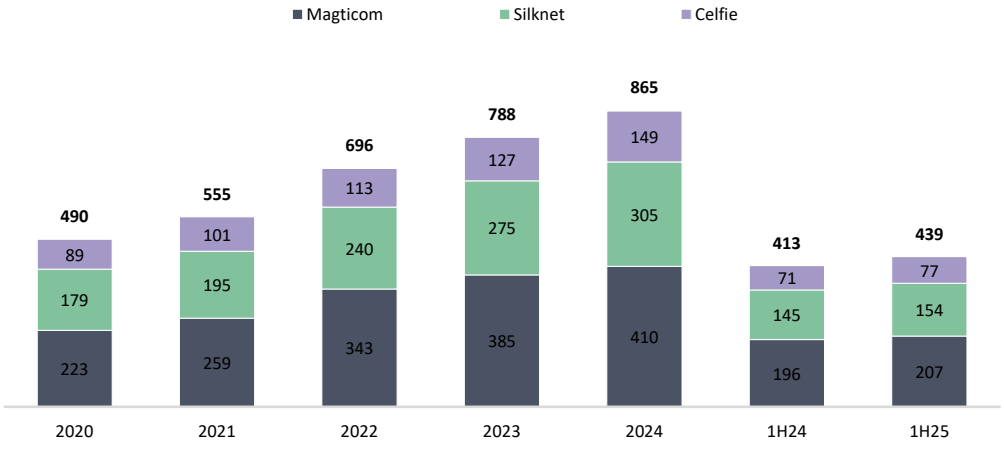
Source: ComCom

The electronic communications market in Georgia is highly concentrated, with Silknet and Magticom holding a strong presence across all business segments. High concentration is common in the telecom sector, with typically three to four companies serving the market in neighboring and many Eastern European countries. Silknet and Magticom operate as full-service telecom providers, while Cellfie, formerly known as Veon Georgia or Beeline, focuses exclusively on the mobile industry and ranks as the third-largest mobile operator in Georgia. The three main mobile operators – MagtiCom, Silknet and Cellfie Mobile – provide voice, data and other services with GSM/UMTS/LTE/5G technologies.

Mobile Service Segment

The mobile segment mainly includes voice and data services, with mobile data serving as the key driver of growth in recent years. In 2024, mobile service revenue reached GEL 865 million, reflecting a 15.3% CAGR over 2020-24. This upward trend continued for the six months ended 30 June 2025, with revenue increasing 6.3% y/y to GEL 438.6 million. Magticom and Silknet held 47% and 35% of the revenue market share, respectively, while Cellfie accounted for 18% for the six months ended 30 June 2025.

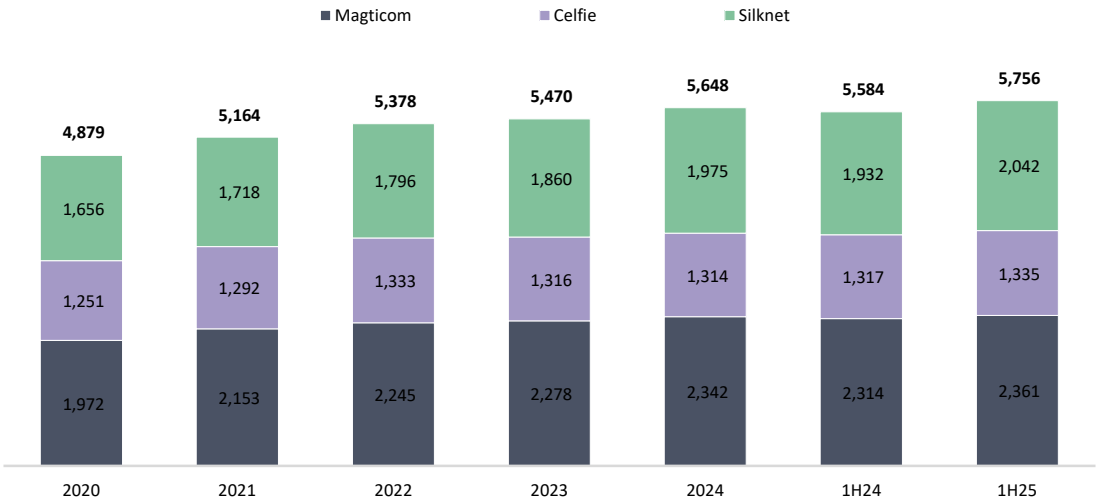
The graph below shows mobile revenues by operators in GEL millions:



Source: ComCom

Mobile penetration in Georgia is already high, driven by widespread dual-SIM ownership and the popularity of eSIMs, resulting in a mostly stable subscriber base, which totaled 5.6 million in 2024. As of Jun-30, 2025, the number of mobile subscribers reached approximately 5.8 million, representing about 153% penetration of the population, above the European average of 125% in 2024, based on ITU estimates.

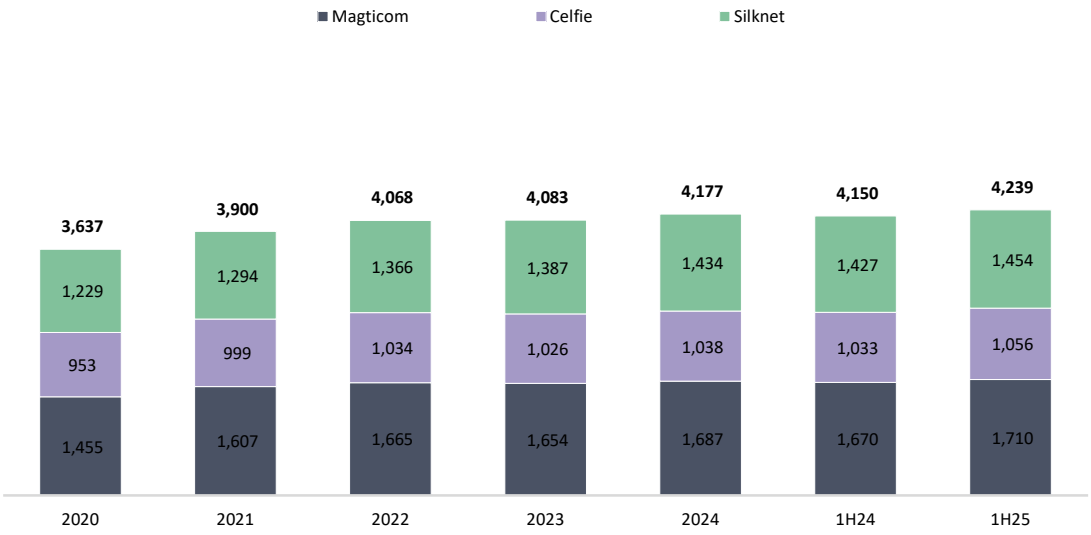
The graph below shows the total number of mobile subscribers by operators in thousands:



Source: ComCom

Retail subscribers make up the vast majority of total mobile subscriptions, reflecting the highly consumer-driven nature of the market. The distribution of retail mobile subscribers broadly aligns with revenue shares, with Magticom leading at 42%, followed by Silknet at 34% and Cellfie at 24% at June 2025. Cellfie's higher subscriber share relative to its revenue share reflects its appeal to more price-sensitive customers and its lower average revenue per user compared to competitors.

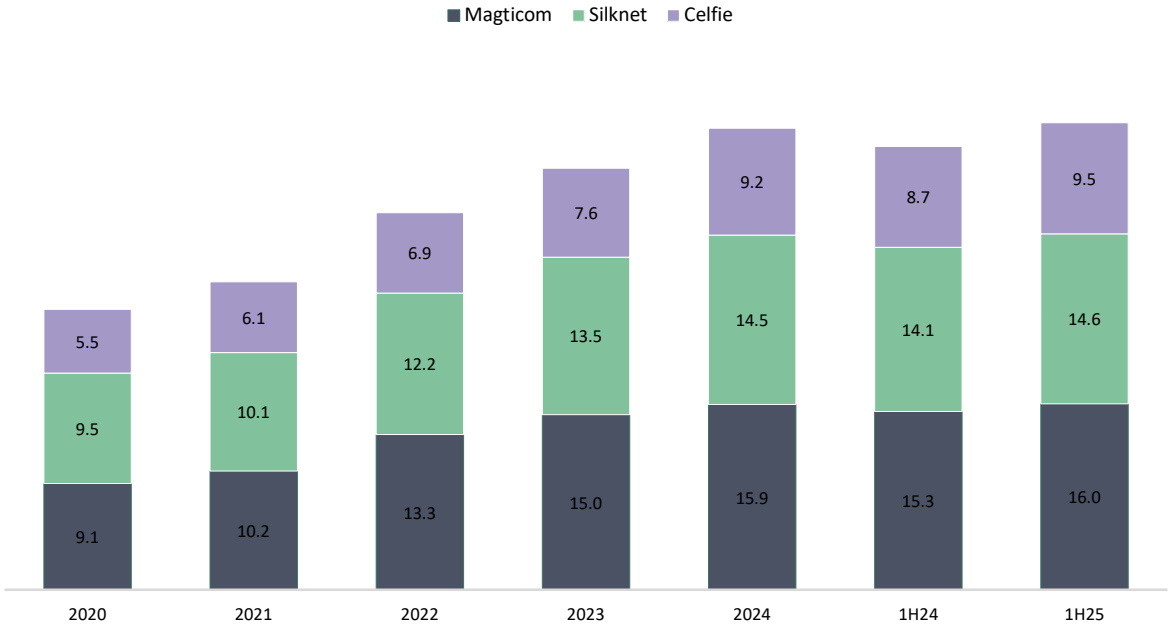
The graph below shows the number of retail mobile subscribers by operators in thousands:



Source: ComCom

Both Silknet and MagtiCom have recorded mobile ARPU growth since 2020, supported by rising mobile data usage and pricing adjustments implemented since 2022, following ComCom's decision to remove retail price regulation. Cellfie has also increased its ARPU, especially since its 2023 rebranding, supported by improved services and infrastructure; however, as the market's most affordable operator, its ARPU still trails behind that of MagtiCom and Silknet.

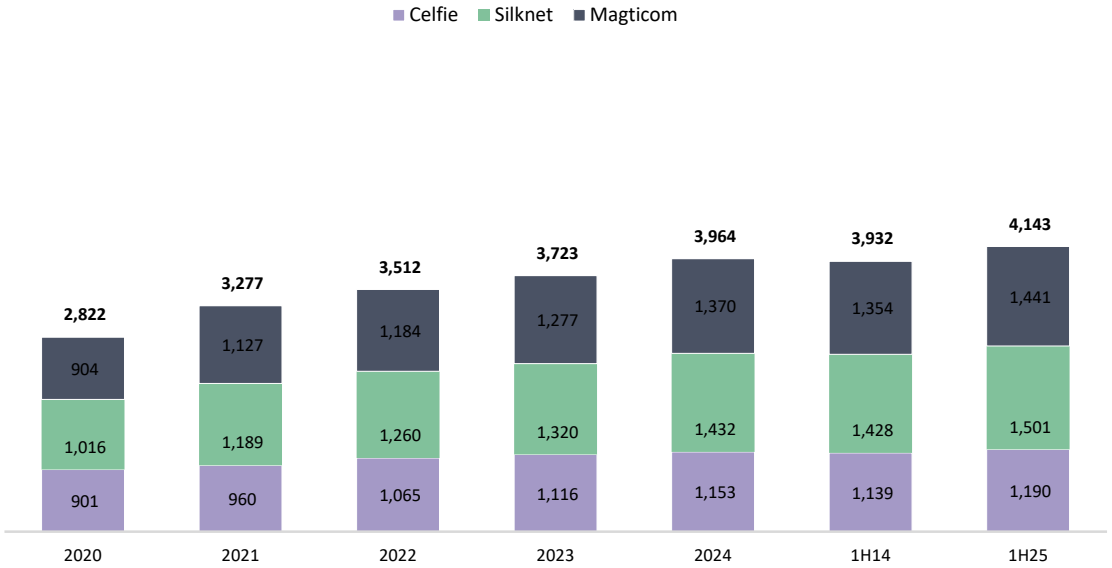
The graph below shows the mobile residential ARPU by operators in GEL:



Source: ComCom

As mentioned above, mobile data has been the primary catalyst for mobile segment growth, with mobile data subscribers up from 2.8 million as at 31 December 2020 to 4.0 million as at 30 June 2025.

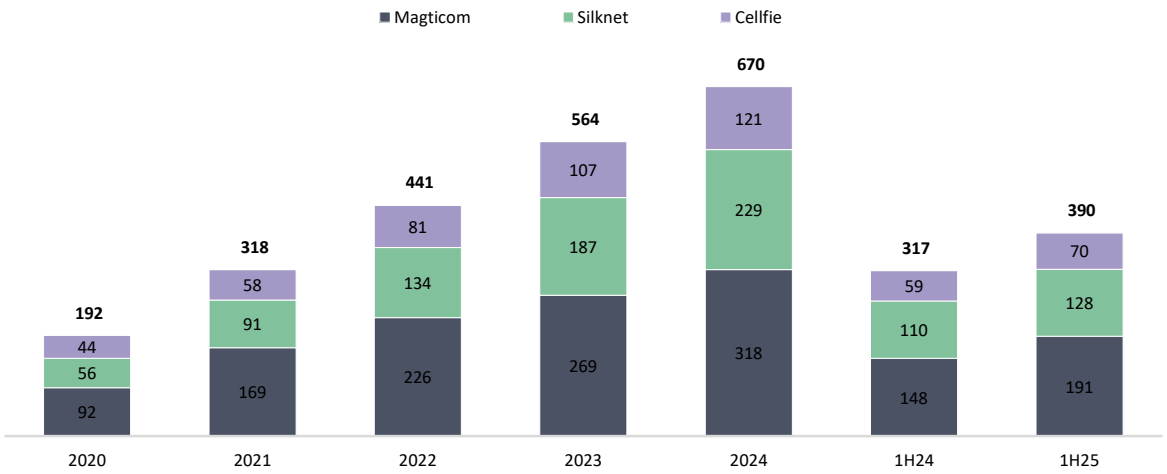
The graph below shows mobile internet users by operators in thousands:



Source: ComCom

The volume of mobile internet traffic in Georgia grew significantly over 2020–24, driven by both an increase in the number of mobile data subscribers and higher data usage per user. This growth was supported by prevailing trends such as the expansion of digital services and e-commerce, the rising popularity of visual social media platforms like Instagram and TikTok, greater reliance on mobile devices for work and remote collaboration, the growth of the tourism industry, and the adoption of 5G technology, which is associated with high data consumption. For comparison, mobile data traffic rose from 192 thousand terabytes in 2020 to 670 thousand terabytes in 2024.

The graph below shows the standard mobile internet traffic in thousand terabytes:

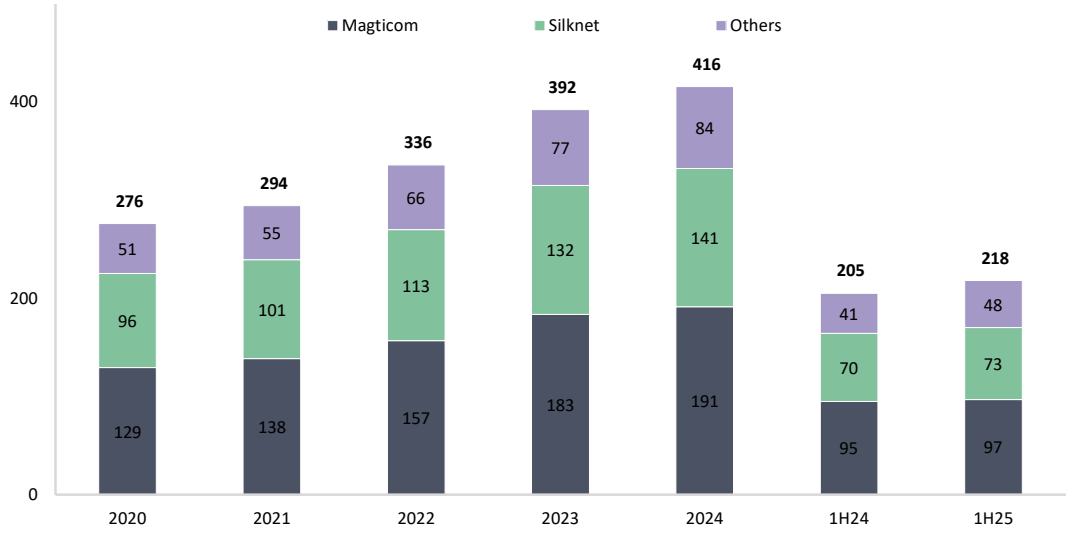


Source: ComCom

Fixed Broadband Service Segment

Fixed broadband revenue reached GEL 416 million in 2024, reflecting a 10.8% CAGR over 2020-24. This positive momentum continued for the six months ended 30 June 2025, with revenue increasing 6.3% y/y to GEL 218 million. The growth was driven by both an expanding subscriber base and pricing adjustments implemented by Silknet and Magticom in 2022. Magticom and Silknet have maintained dominance in this market over the years, with relatively stable revenue market shares of 44% and 34%, respectively, for the six months ended 30 June 2025.

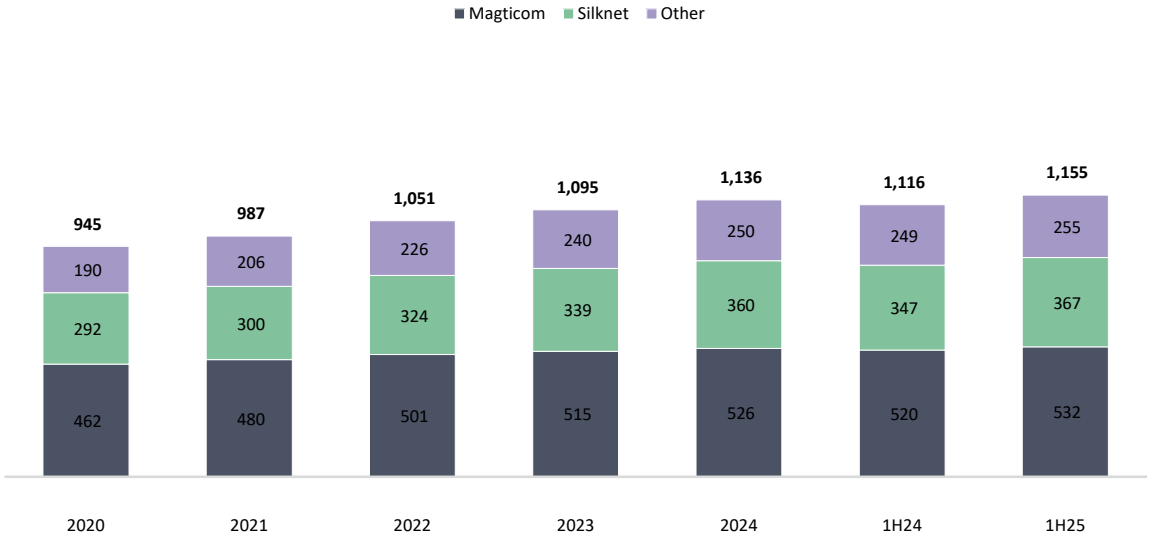
The graph below shows fixed broadband service revenues by operator in GEL millions**:**



Source: ComCom

The number of fixed broadband service subscribers grew from 945 thousand in December 2020 to 1,155 thousand as at 30 June 2025, with 95% being individual subscribers. While subscriber growth has slowed due to high penetration rates in urban areas, underpenetrated regions still provide growth potential supported by urbanization trends, declining household sizes, growing tourism and related real estate investments, and a rising reliance on digital services.

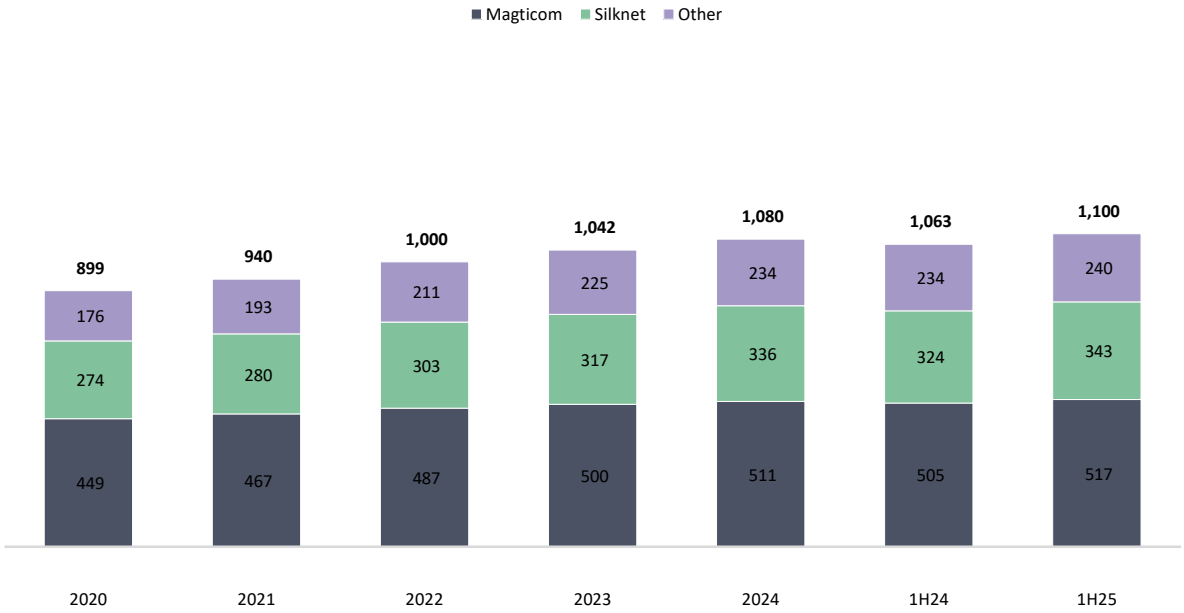
The graph below shows the fixed broadband service subscribers by operators in thousands:



Source: ComCom

As of June 2025, Silknet had 367 thousand fixed broadband service subscribers, representing 32% of the total segment, with 93% of these being individual subscribers.

The graph below shows the retail fixed broadband service subscribers by operators in thousands:



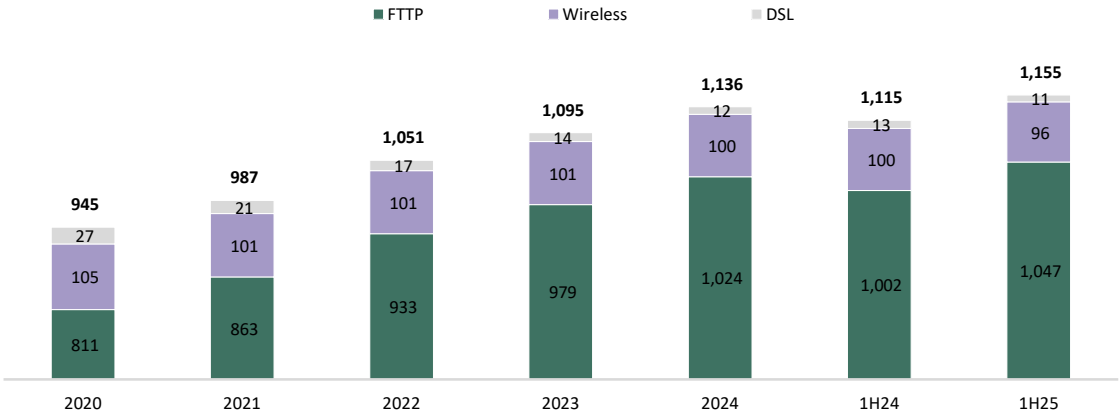
Source: ComCom

Fixed broadband service in Georgia is delivered through the following technologies:

- Fiber-optics, specifically FTTH and FTTB technologies;
- DSL, which provides broadband over copper telephone lines; and
- Wireless technologies, including LTE, Satellite, WiFi, and others.

Fiber technology has emerged as the primary driver for the fixed broadband segment, with approximately 91% of total subscribers opting for fiber connections as at 30 June 2025. Fiber-optics networks were substantially rolled out over existing copper networks and this resulted in a gradual decline in the number of DSL subscribers. Wireless technologies were deployed in rural and suburban areas where wireline networks were historically deficient. Wireless fixed internet subscribers amounted to 8% of total subscribers as at 30 June 2025, the majority of which are served by small operators with WiFi technology.

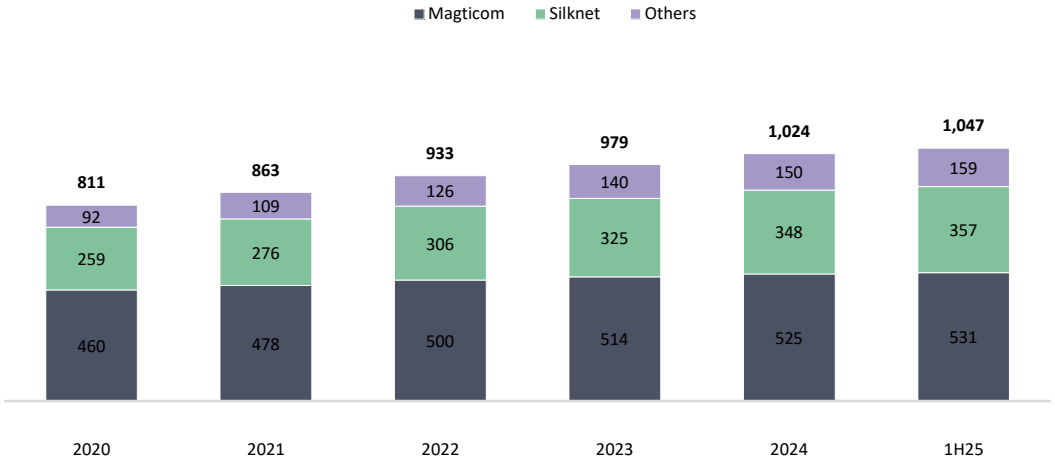
The graph below shows the fixed broadband subscribers by technologies in thousands:



Source: ComCom

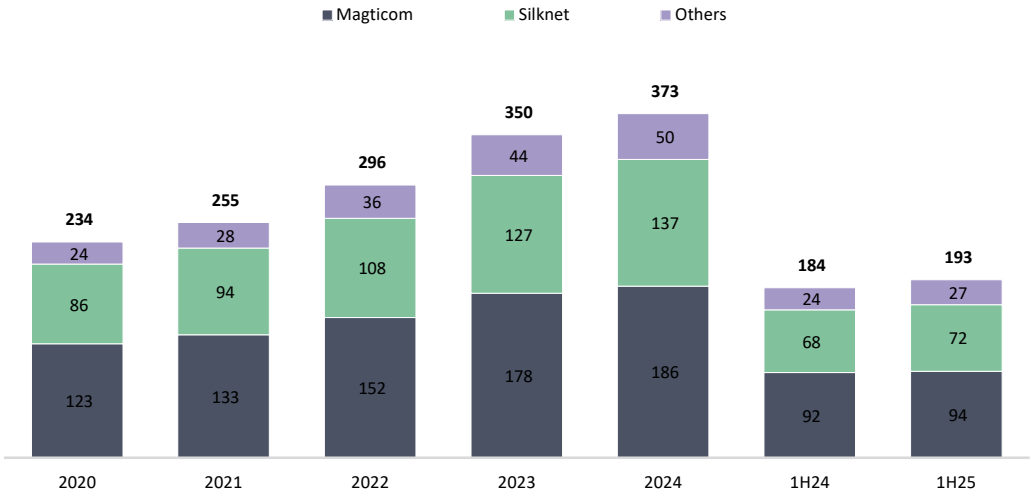
As at 30 June 2025, Silknet had 357 thousand fiber-optics broadband subscribers, which comprised 34% of the total fiber-optics broadband market. For the six months ended 30 June 2025, Silknet's fiber-optics broadband revenue market share comprised 37% of the market.

The graph below shows the fiber-optics broadband service subscribers by operators in thousands:



Source: ComCom

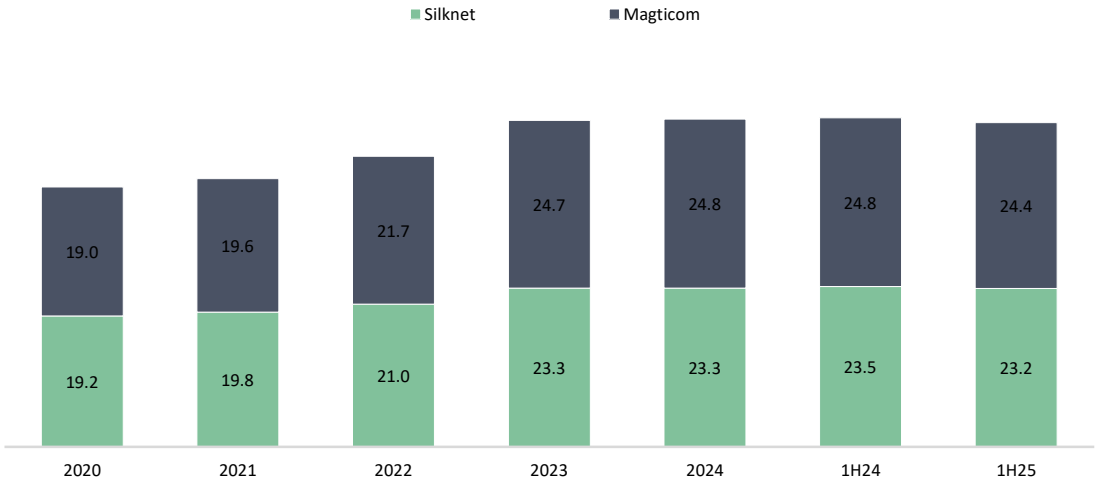
The graph below shows the fiber-optics broadband service revenues by operators in GEL millions:



Source: ComCom

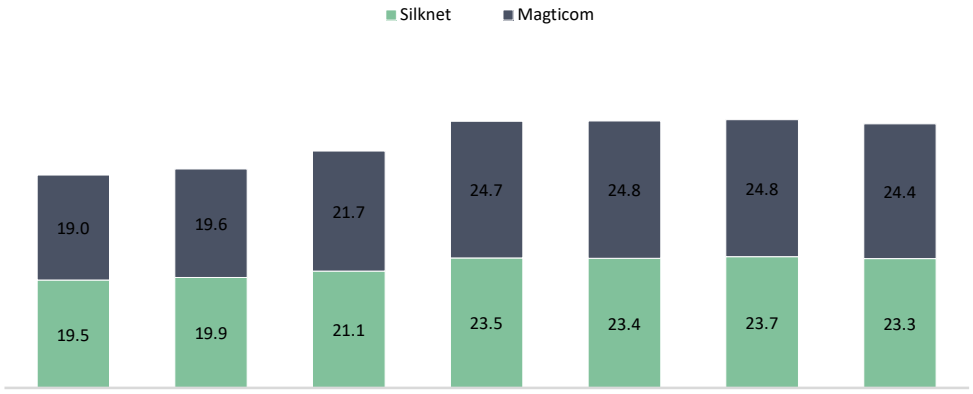
The average revenue per user (ARPU) for fixed broadband showed an upward trend, primarily driven by pricing adjustments implemented by Silknet and Magticom since 2022. This was facilitated by the Georgian Communications Commission's decision to eliminate retail pricing regulation in 2021, granting operators the flexibility to adapt their pricing strategies.

The graph below shows the fixed broadband service residential ARPU in GEL:



Source: ComCom

The graph below shows the fiber-optics broadband service retail ARPUs in GEL:

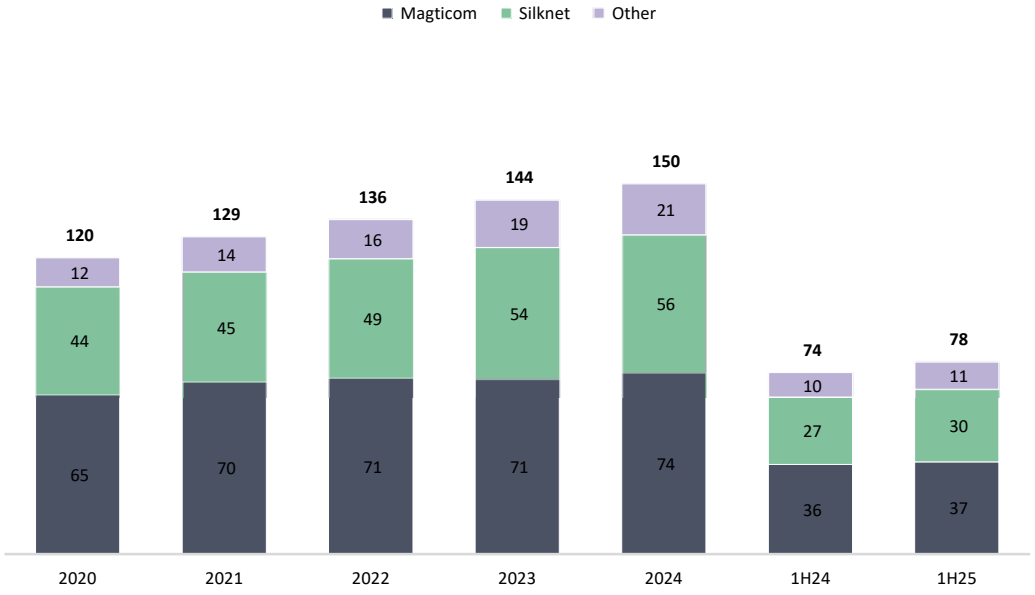


Source: ComCom

Pay TV

Pay TV revenue reached GEL 150 million in 2024, reflecting a 5.7% CAGR over 2020-24, driven by growth in both subscriber numbers and average revenue per user. This positive momentum continued in the six months ended 30 June 2025, with revenue increasing 5.9% y/y to GEL 78 million. Magticom and Silknet have maintained dominance in this market over the years, with relatively stable revenue market shares of 48% and 38%, respectively in six months ended 30 June 2025.

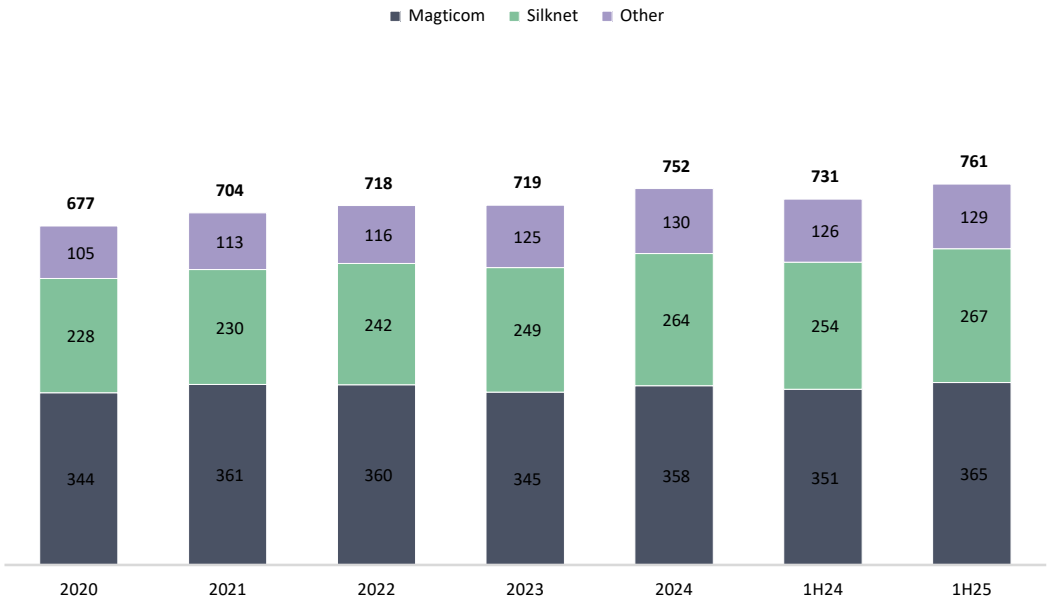
The graph below shows the Pay TV service revenues by companies in GEL millions:



Source: ComCom

The number of Pay TV subscribers grew from 677 thousand as at December 2020 to 761 thousand as at June 2025. In this section, the number of Pay TV subscribers does not include mobile streaming application subscribers.

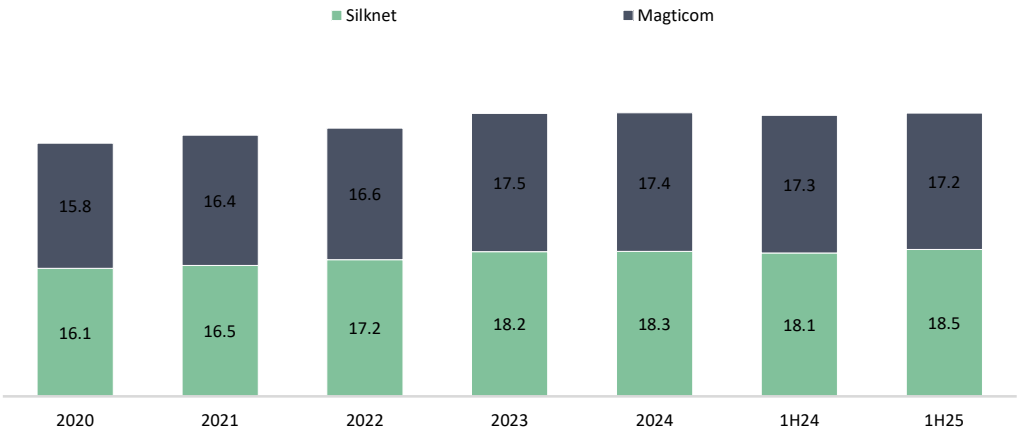
The graph below shows the Pay TV service subscribers by companies in thousands:



Source: ComCom

As at 30 June, 2025, Silknet had 267 thousand Pay TV subscribers or 35% of the total market. Silknet provides Pay TV services with IPTV, DTH and radio frequency technologies. The market share of Silknet by revenue was 38% at 30 June 2025.

The graph below shows the Pay TV service ARPUs by companies in GEL:



Source: ComCom

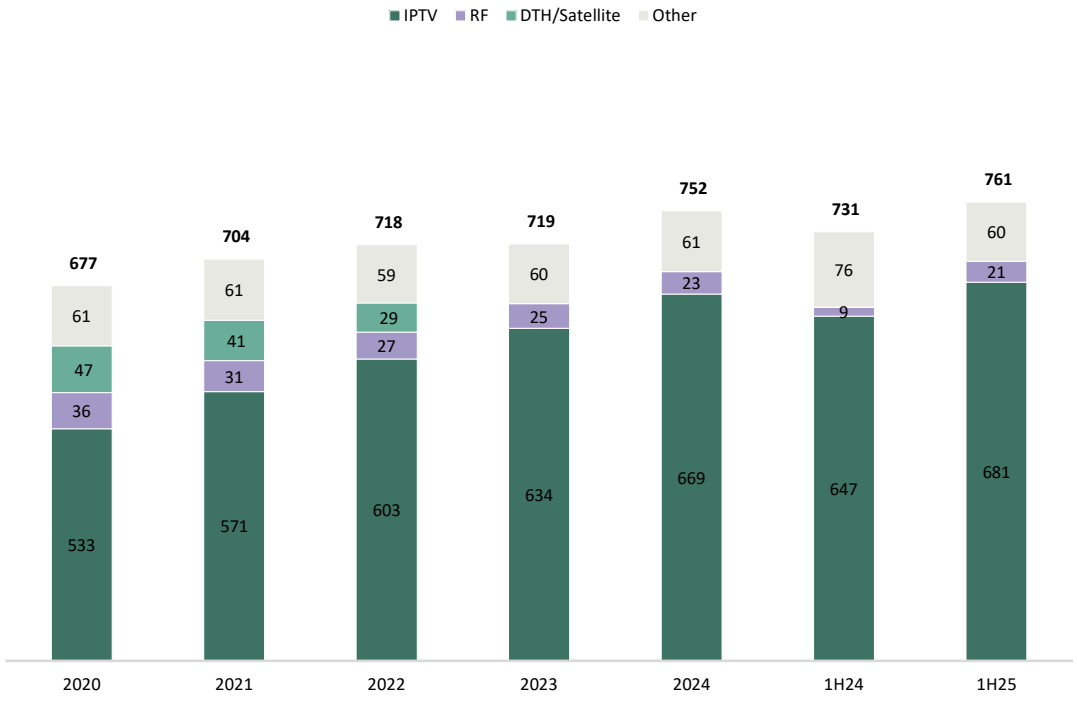
Pay TV is provided in Georgia by the following means:

- IPTV;
- DTH television;
- Radio frequency television; and

- Cable and other.

The share of IPTV technology has reached 90% of total subscribers as at 30 June 2025 in line with the development of the fiber-optics networks. The subscriber share of Silknet in this sub-segment is approximately 38% of the market. IPTV can be provided over fiber-optics lines, as well as over DSL with appropriate line parameters.

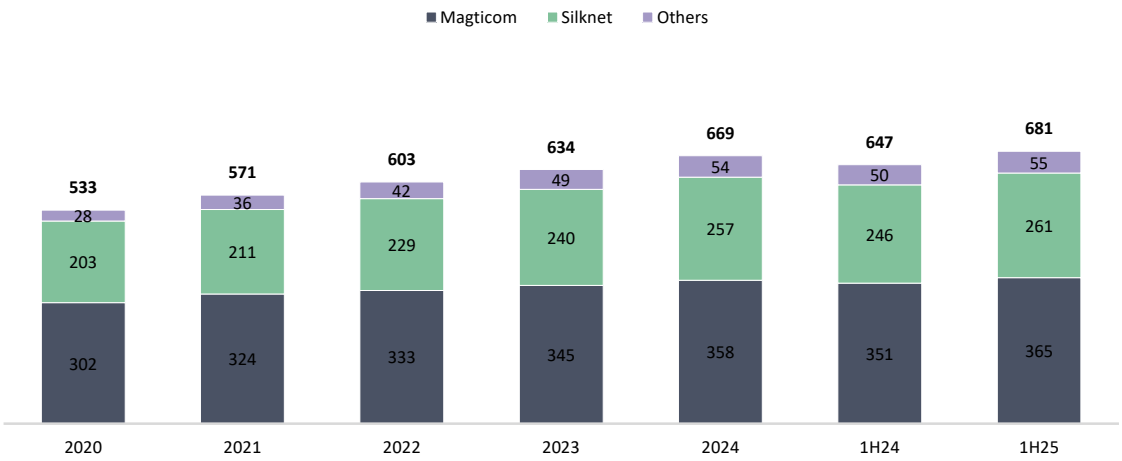
The graph below shows the Pay TV service subscribers by technologies in thousands:



Source: ComCom

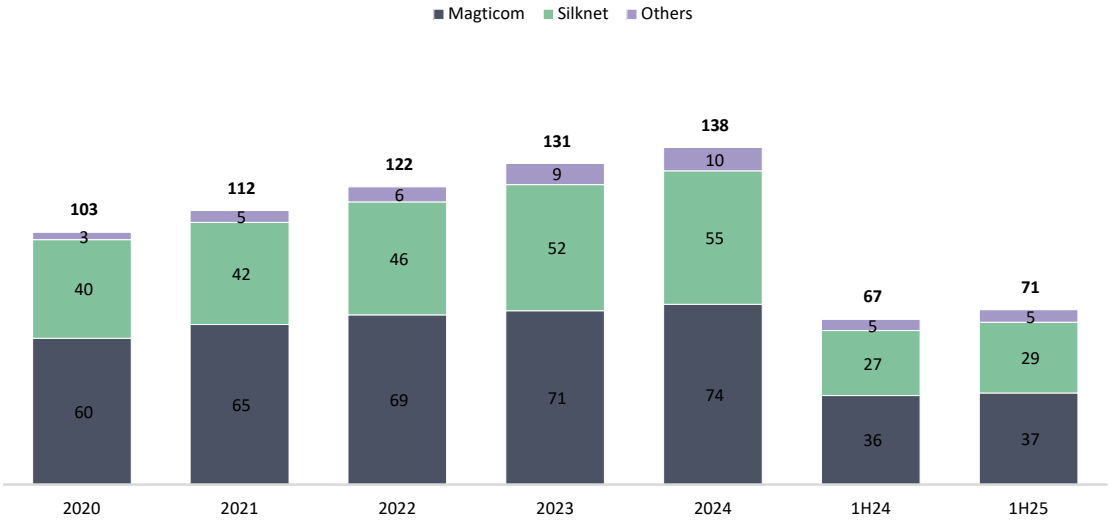
As at 30 June 2025, Silknet had 261 thousand IPTV subscribers, which, as mentioned above, comprised 38% of the total IPTV market. For 1H25, Silknet's IPTV revenue market share comprised 41% of the market.

The graph below shows the IPTV service subscribers by companies in thousands:



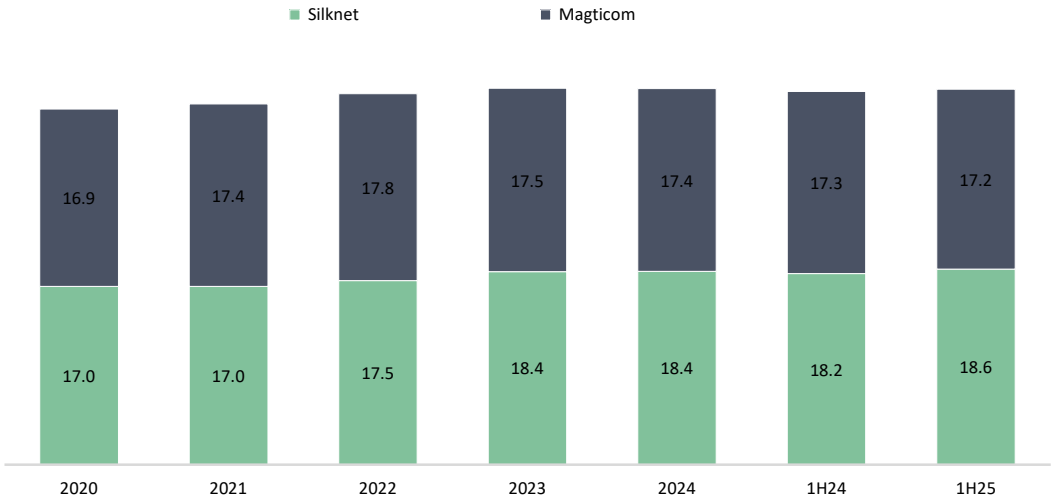
Source: ComCom

The graph below shows the IPTV Service revenues by companies in GEL millions:



Source: ComCom

The graph below shows the IPTV service ARPUs by companies in GEL millions:



Source: ComCom

Fixed Telephony Segment

Historically, fixed telephony service in Georgia was provided by means of Public Switch Telephone Network ("**PSTN**") technology. The PSTN penetration during the Soviet period was not high, especially in low-density settlements. Following the collapse of the Soviet Union, copper networks were not substantially expanded and this resulted in PSTN penetration of no more than 50% of households.

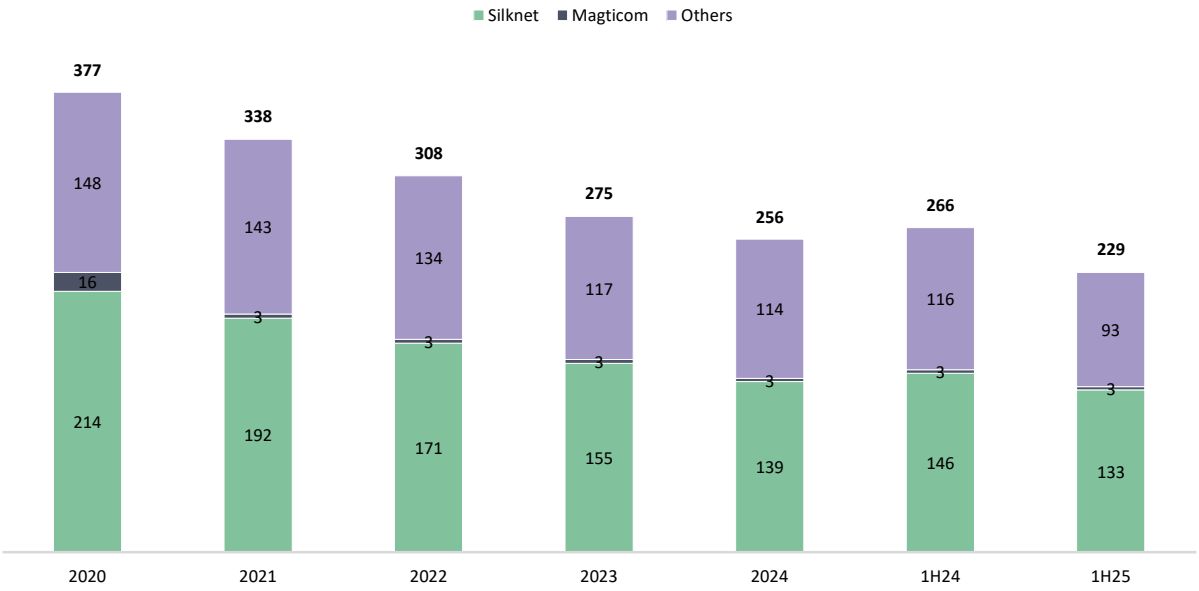
From 2007, Georgian companies began to roll out wireless fixed telephony service based on CDMA technology to satisfy demand in areas with no wireline telephony service. In 2011, the number of CDMA subscribers exceeded the number of

PSTN subscribers. However, the trend has reversed as a result of fixed-mobile substitution ("**FMS**") in line with international trends.

In recent years, the traditional fixed voice segment has been rapidly declining, with both the number of subscribers and revenues reducing at CAGRs of 9.2% and 5.9%, respectively over 2020-24. This contraction reflects the global shift towards more efficient alternatives such as mobile services and internet-based communication.

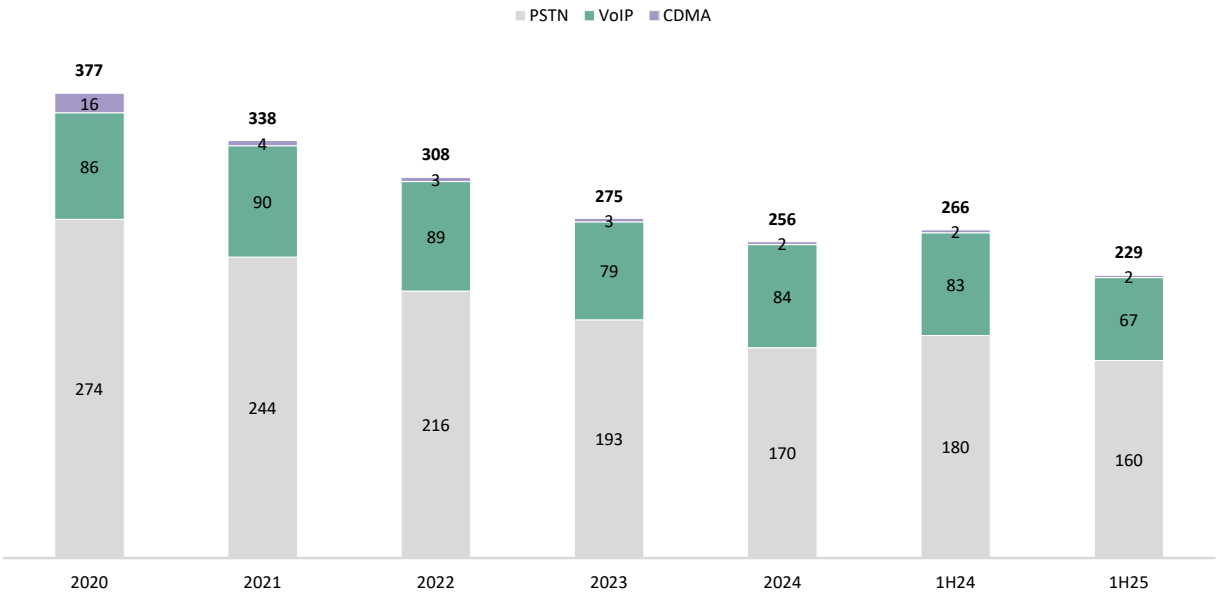
As at 30 June 2025, Silknet remains the largest player in the segment, holding 58% of subscribers and 42% of revenues.

The graph below shows the fixed telephony subscribers by companies in thousands:



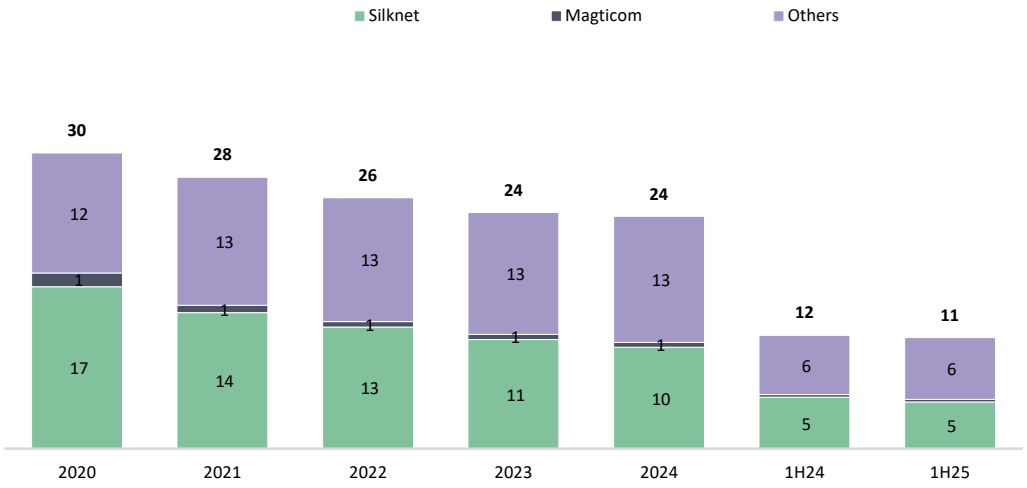
Source: ComCom

The graph below shows the fixed telephony subscribers by technologies in thousands:



Source: ComCom

The graph below shows fixed telephony retail service revenues by companies in GEL millions:



Source: ComCom

Television Broadcasting Sector in Georgia

Advertising is the main source of revenue in the television broadcasting sector in Georgia. Expenditures for advertising and sponsorship, in their turn, largely depend on macroeconomic factors.

The graph below shows the TV broadcasters' revenues (except the public broadcaster) in GEL millions:

	For the year ended 31 December					For the six months ended 30 June	
	2020	**2021**	**2022**	**2023**	**2024**	**2024**	**2025**
				(*GEL millions*)			
Total Revenue*	107	106	91	100	100	41.4	36.5

Source: ComCom

Note:
* Total TV broadcaster's revenues (except the Public Broadcaster) excluding government financing, donations, revenues from the sale of archives, revenues from the sale of content, revenues from technical support and other non-broadcasting related revenues.

The advertising and sponsorship revenue of Teleimedi reached GEL 11.5 million while Mtavari did not earn any revenue for the six months ended 30 June 2025. The corresponding revenue of Silknet reached approximately GEL 0.7 million, or approximately 2% of the total market for the six months ended 30 June 2025. Digital media (websites, social networks, applications) have attained substantial importance on the Georgian media market in recent years in line with global trends. International practice suggests that the growth of digital media is due to the growth of the total media market and at the expense of non-TV media, e.g. print and outdoor.

Hospitality Sector

Overview

Georgia's tourism sector experienced significant growth between 2004 to 2019 and the number of international visitors steadily increased until the COVID-19 pandemic in 2020. This was largely due to a visa-free regime with more than 100 countries, as well as a rich and historic culture, high-quality service levels, and comprehensive Government support. Georgia's seaside resorts, medical and health resorts, winter ski resorts, four-season resorts, wine tourism, cultural attractions and gaming business have made tourism a key aspect of the hospitality sector. After the start of the pandemic,

the tourism sector faced unprecedented challenges, following which, the number of international visitors decreased by 80.4% and the revenues from tourism by 83.4%, compared to pre-pandemic levels.

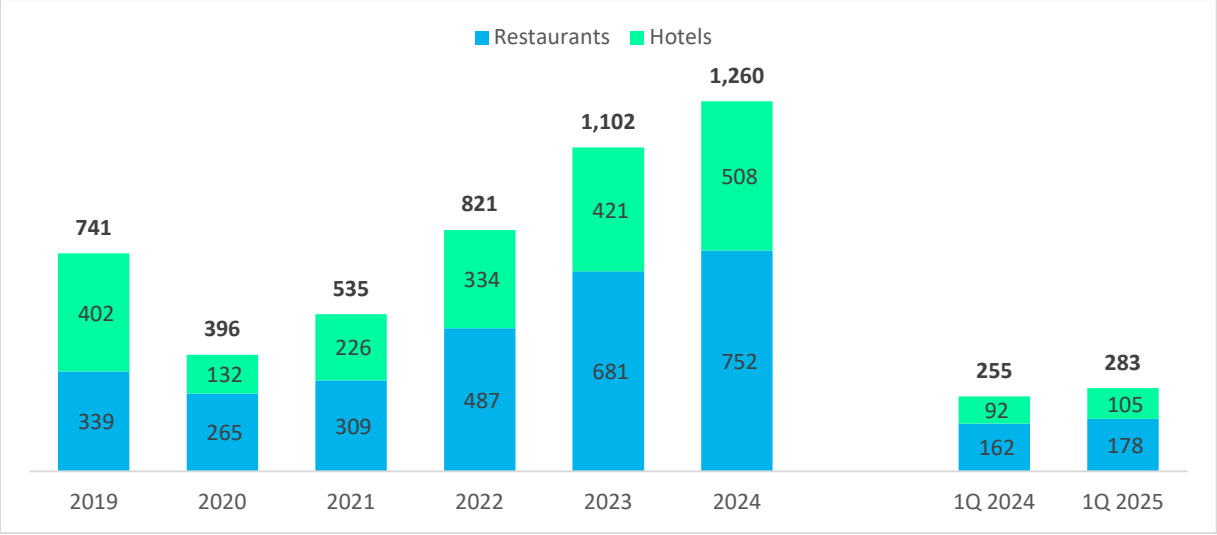
Geographical proximity and ease of travel are important factors for visitors with the majority visiting from neighboring countries. Between 2011 and 2019, the number of international visitors from Armenia, Azerbaijan and Russia increased steadily, while the growth rate of visitors from Türkiye was comparatively sporadic. The flow of visitors from Azerbaijan was hindered by the pandemic, and then by the closure of the land border between Georgia and Azerbaijan, which has remained closed since then. The number of international visitors increased at particularly high rates in the case of Israel, Kazakhstan and Saudi Arabia. Both the European Union and Great Britain have had high growth rates, allowing Georgia to attract more tourists from a more diverse range of countries.

In 2024, international tourist trips to Georgia increased by 0.2% compared to the pre-pandemic level in 2019, and projections suggest that recovery is likely to continue in 2025. The recovery of Georgia's tourist indicators lags behind global indicators, however in the first half of 2025, the number of tourist trips was more than 2.2 million, which is 6.9% higher than for the same period in 2024, and 6.7% higher than for the same period in 2019. (Source: Georgian National Tourism Administration).

Hospitality Industry Evolution

In 2024, the revenue of Georgia's hotels, restaurants and cafes ("HORECA") industry reached USD 1,260 million. Since 2020, the sector has shown strong annual revenue growth, with restaurants rebounding in 2022 (as early as 2021 in GEL terms), while hotels recovered more gradually, only reaching their pre-pandemic levels in 2024 both in USD and GEL terms. The sector's structure has also shifted, with restaurants now comprising a larger share of the industry, while before the pandemic, hotels held a higher share. The sector's structure has also shifted, with restaurants now comprising a larger share of the industry, while before the pandemic, hotels held a higher share. (*Source: Geostat, NBG)*

The bar graph below shows the turnover of the Georgian HORECA industry in USD million (excluding VAT).

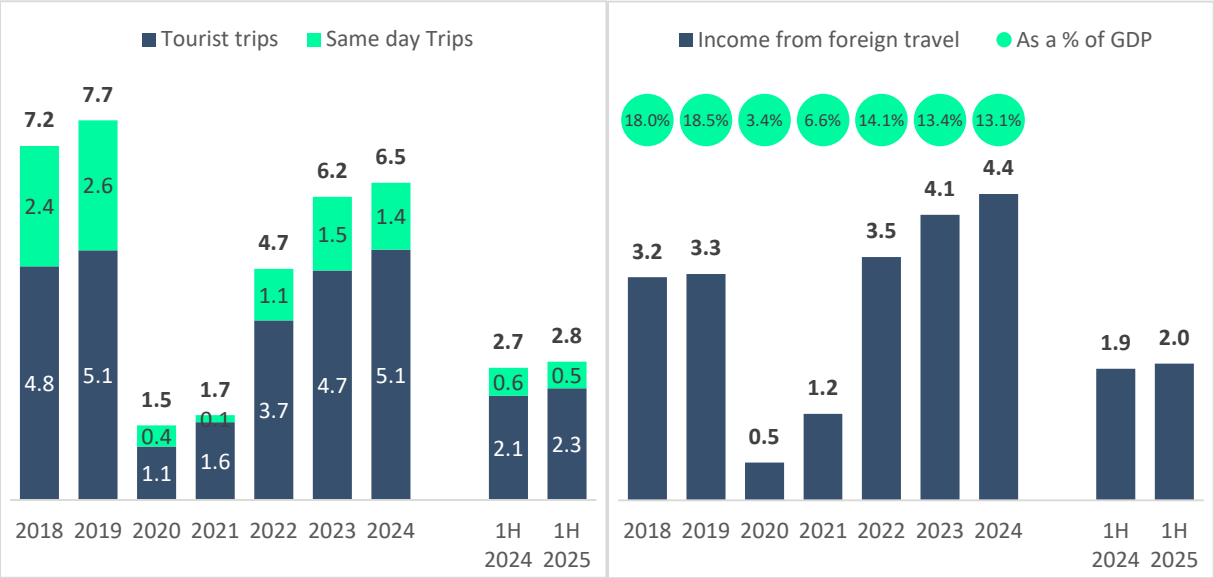


Source: Geostat

Key Hospitality Industry Drivers

Macroeconomic trends

The graphs below show international visitor trips (million) and income from foreign travel (USD million):



Source: Geostat, NBG, GNTA,

A full recovery in international travel from several countries is still delayed, including three out of four neighbouring countries, Armenia, Azerbaijan, and Russia, from which the recovery of the number of visitors in 2024 compared to pre-COVID 2019 stood at 69%, 14%, and 97% respectively. In the first half of 2025, the number of international visitor trips from Russia still lagged the first half of 2019 by 16%, Armenia by 26% and Azerbaijan by 78%, while international visitor trips from Türkiye have recovered by 107% *(Source: GNTA)*.

The number of one-day visits for the first half of 2025 was 0.5 million, a decrease of 51% since the same period in 2019, mainly due to the continued border regulation from Azerbaijan.

In 2024, the largest number of visitors came from Russia, Türkiye and Armenia, being 22%, 21% and 15% of the total respectively (Source: GNTA).

Revenues from international travel have increased, and in the first half of 2025, international travel revenues exceeded 2019 levels by 35%. The overall share of neighboring countries in international travel revenues decreased to 37%, which is 18 percentage points lower than the pre-pandemic level.

In the first half of 2025, the total income received from Armenian visitors amounted to USD 66 million. It should be noted that this indicator exceeded the total revenues received from Armenia in the first half of 2024 by 3%. However, it was still 9% below the amount for the same period in 2019.

The share of international travel revenues from Ukraine is slightly below the pre-pandemic level. As for Israel, the share of income from tourists has doubled compared to 2019.

The share of the European Union (the "**EU**") in international travel revenues decreased to 13% in 2024, compared to 15% in 2019. However, the total amount of travel income from the EU exceeded the 2019 figure by 20% in 2024.

In the last quarter of 2024, the Israeli-Palestinian conflict slightly reduced revenue from Israel, however, travel revenue in the first half of 2025 exceeded 2019 levels by 178%.

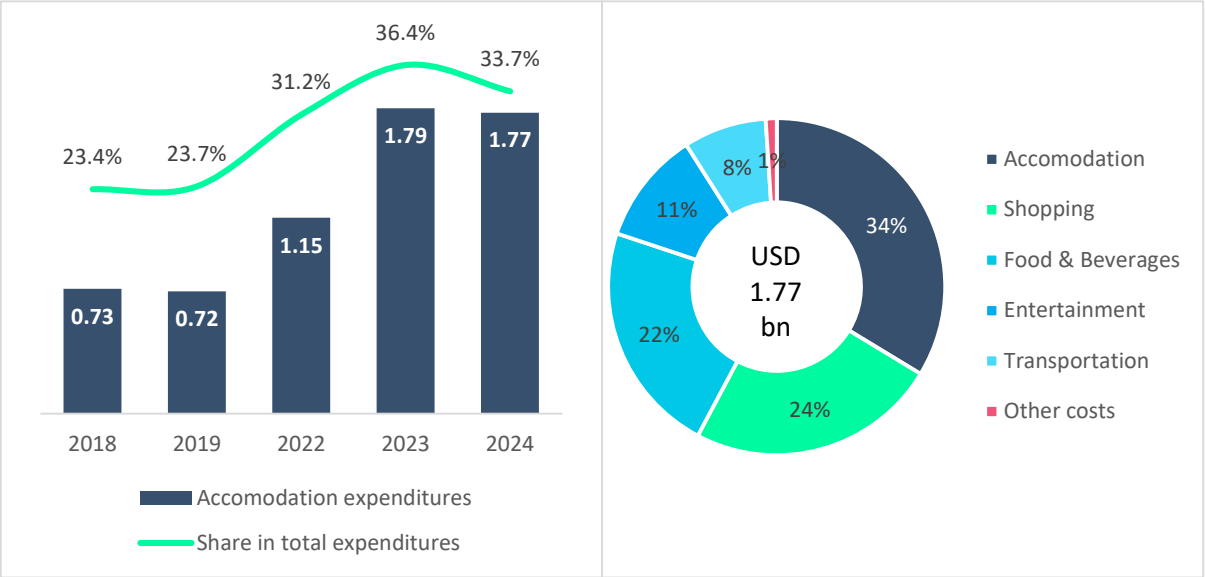
One of the expected consequences of the Israeli-Palestinian conflict was a decrease in the flow of tourists from Israel. In the third quarter of 2024, the recovery rate of international travelers from Israel fell below the level of previous quarters (87% and 52% respectively in the first and the second quarters) and amounted to 40% compared to the corresponding

quarter of 2019. In the first half of 2025, the number of visitors from Israel exceeded 2019 levels by 122% and 2024 levels by 36%.

Another important indicator to consider is income from international travel, in which Israel has a significant share. In the third quarter of 2024, travel revenue from Israel increased by 65% from the same period in 2019. In the first half of 2025, travel revenues from Israel increased to USD 242 million compared to USD 175 million in the first half of 2024 (Source: NBG).

Travel and tourism activity

The graphs below show international visitor expenditures on accommodation (USD billion) and total expenditure breakdown (%)



Source: data in GEL from GNTA and converted to USD using official exchange of NBG by TBC Capital

Visitor spending on accommodation stood at USD 1.77 billion in 2024, which accounted for 33.7% of total spending. Spending on accommodation in 2024 decreased by 1.5% compared to the previous year (a 2.0% increase in GEL terms). After placement, the largest category is shopping, accounting for 24% of total spending, followed by food and beverages with a 22% share.

In 2024, total visitor spending was USD 5.2 billion, which is 74% higher than spending compared to 2019. As for the first half of 2025, visitor expenses amounted to USD 2.1 billion, which is 0.9% higher than the figure in the same period in 2024 and 3.6% higher in GEL terms.

Foreign Direct Investment in hotels and restaurants

Foreign direct investment in hotels and restaurants amounted to USD 54.9 million in 2024, which is 3.5% of total foreign direct investment in Georgia in 2024. In 2019, the volume of foreign direct investment amounted to USD 122.7 million, being 9.0% of total investments. Successive investments have led to an increase in the supply of accommodation facilities. *Source: Geostat*

Supply dynamics

By the first quarter of 2025 the total number of hotels in Georgia amounted to 2,559 units with a total of 53,476 number of rooms. In recent years, since 2016, Tbilisi and Adjara have been two of the most active cities/regions in Georgia for investments in terms of new accommodation facilities. By the first quarter of 2025, in accommodations opened in the past decade, Tbilisi had the largest share of rooms in accommodation facilities (28% of total rooms), followed by the Adjara region (20% of total rooms). Kakheti and Mtskheta-Mtianeti also have large number of accommodation facilities (11% of total rooms, each). *Source: Geostat*

Hotel operating models

Hotel operating models fall into several categories. International brand hotels operate under well-known global chains, often through management contracts or franchise agreements. Local brand hotels are domestically established chains that cater to regional preferences, offering competitive pricing and localized guest experiences while maintaining consistent branding within the country. Beyond the two widespread models, the market also includes independent hotels, boutique properties, and family-run establishments, which operate without formal brand affiliation.

Types of hotels

International brand hotels have a significant presence in the Georgian market, with around 40 international branded hotels operating in the country as at 31 March 2025, most of which are located in Tbilisi and Batumi. The number of international branded hotels will increase further, as 16 more international branded hotels are planned to open between 2025 and 2028, with a total of 2,186 rooms.

After competition intensified in Tbilisi, investors shifted their attention partially to the development of regional hotels. Accordingly, out of the planned hotels, only 4 out of the 16 planned international brand hotels will be built by 2025 and 2028 in Tbilisi. Out of the planned 16 hotels, 4 are planned to be built in Samtskhe-Javakheti, 2 in the Samegrelo-Zemo Svaneti region, and 2 in Adjara.

Casino Sector

Overview

Gambling is prohibited either completely or partially in most countries in the Caucasus region. In Georgia, gambling is fully legalized and regulated by the Ministry of Finance. Current regulations allow for both online gambling activities and land-based gambling activities. As of July 2025, 119 permits were active for the establishment of gambling facilities at physical locations in different regions of Georgia, with more than half held by slot-machine parlors. There are currently 28 active licenses for casinos, most of which are located in Batumi. As of 2024, the number of gaming tables in casinos of Batumi was 197 and number of slot machines was 1,380. In Adjara, the total number of visitors in casinos in the year ended 2024 were 820,976, 93% of which were internationals (Source: Ministry of Finance and Economics of Ajara and the Revenue Service).

Recent Industry Trends on Land Based Gambling Sector in Georgia

Land-based gambling is legal in Georgia and includes casinos, gaming machine salons, sportsbooks, lotteries, and bingo. Georgia stands out in the region for its permissive approach to land-based gambling, especially compared to neighboring countries where the sector is either heavily restricted or underdeveloped. As a result, the country has positioned itself as a regional gambling hub.

The industry is primarily concentrated in two cities: Tbilisi and Batumi. While some local residents participate, the majority of gambling revenues come from foreign visitors, especially from Türkiye and Israel. Georgian casinos are heavily focused on attracting these international clients.

Despite a relatively strict regulatory framework, the gambling sector in Georgia continues to grow steadily. Operators are subject to a combination of annual licensing fees, quarterly payments based on the number of tables and slot machines, a 20% tax on GGR from slot machines and a 5% tax on player withdrawals. This structured approach ensures both revenue generation and oversight.

Georgia's main competitor in the region is Northern Cyprus, which remains a strong draw for Turkish gamblers. Still, Georgia’s strategic location, tourism appeal, and stable regulatory regime make it a competitive and increasingly attractive market for land-based gambling investment.

Key Industry Drivers

Land-based gambling permits

As at 9 July 2025, there were 119 active land-based gambling permits issued in Georgia. The majority of these (63 permits) were for slot machine salons.

Trends vary by region. In Tbilisi, the number of licensed casinos has declined slightly, from eight in 2023 to seven as at 30 July 2024, while slot machine salons dropped from 19 in 2023 to 15 as at July 2025. In contrast, Adjara has seen growth in casino activity as the number of active casino permits increased from 13 in 2023 to 16 as at July 2025, although the number of slot machine salons there declined by two in the same period to 26.

These shifts reflect a broader trend of regional repositioning, with Batumi (in Adjara) strengthening its role as a gambling hub, particularly for foreign visitors.

The increase in land-based gambling permits outside Tbilisi and Batumi is partly driven by targeted tax incentives. Specific regions such as Tskaltubo, Sighnaghi, Gudauri and Bakuriani offer tax exemptions for land-based gambling operations.

The table below shows the active gambling permits in Georgia as at July 2025.

	Active gambling permits July 2025			
	Tbilisi	**Adjara**	**Others**	**Total**
Casinos	7	16	5	28
Slot machine salon	16	26	5	63
Sportsbook	4	4	17	25
Lotto	1	0	0	1
Bingo	0	2	0	2

Source: Revenue Service

As at 31 December 2024, the total number of casino tables in Batumi was 214, and the number of slot machines was 1,397.

Revenues from Tourism

As at 31 December 2024, the Group's casinos had a large proportion of foreign visitors compared to the total number of visitors, with 83% of the total visitors being internationals In Tbilisi and Batumi, the percentage of international visitors was 76% and 93% respectively. Similar trends can be observed in terms of revenues, with a large portion being generated from foreign visitors.

Tourism plays a major role in the income of the casino sector. In 2024, international visitor numbers totaled 6.45 million, an 83.5% recovery from pre-pandemic levels. In the first half of 2025, the number of international visitors was more than 2.8 million, which is 25% less than the second half of 2024. The distribution of the top 5 countries by number of visitors in 2024 was as follows: Russia (22%), Türkiye (21%), Armenia (15%), the EU and United Kingdom (7%), Israel (5%).

The revenues received from tourism in the first half of 2025 exceeded pre-pandemic figures of the same period for 2019, by 35.4%.

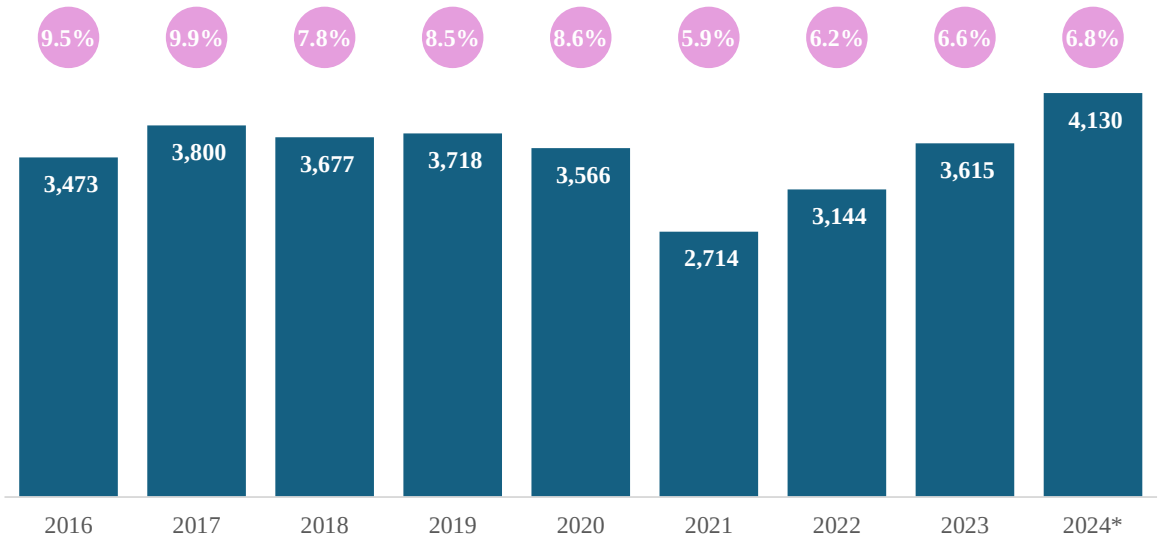
Construction Sector

Overview

Since 2022, the construction sector in Georgia has been on a steady upward trajectory, supported by a surge in demand for residential real estate. This increase was primarily driven by both the direct and indirect impact of migration, which fueled strong housing demand for both rental and purchase demand. At the same time, strong domestic demand driven by rising incomes and post-pandemic recovery in consumer confidence further stimulated residential development and created favorable conditions for construction activity, especially in Tbilisi and Batumi. Accordingly, real GDP in the construction sector grew by 15.9% in 2022, followed by 15.0% in 2023 and an estimated 14.2% in 2024, reflecting a strong and sustained activity in construction sector *(Source: Geostat).*

As of 2024, the value added by the construction sector accounted for approximately 6.8% of Georgia’s total real GDP. Considering that a significant portion of construction-related activity is reflected under the category of real estate activities, which include leasing, rental services, real estate agency operations, and development-related services, the value added by the construction sector together with real estate activities accounted for around 15% of Georgia's total real GDP.

The graph below shows the construction sector GDP at 2019 prices (GEL millions) and share in total GDP:



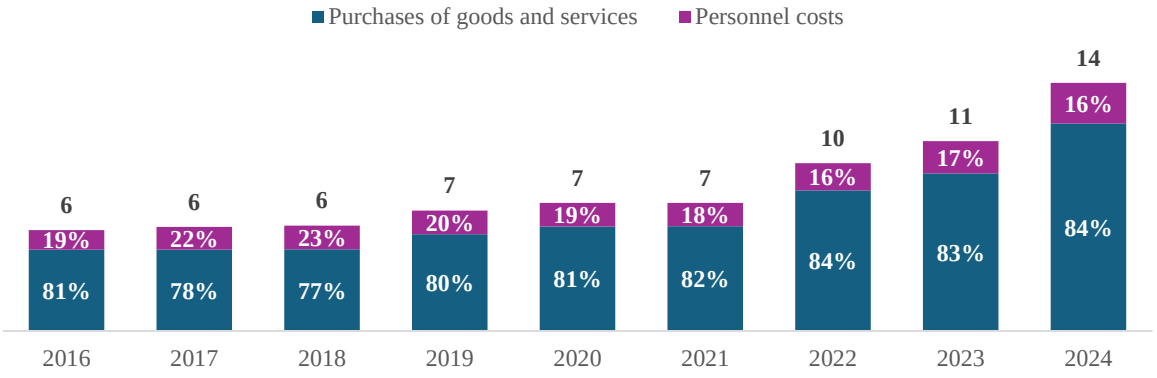
Source: Geostat

** Preliminary data*

Meanwhile, turnover in Georgia's construction sector has shown a steady upward trend over the past decade, reaching an estimated GEL 14.3 billion in 2024, up from GEL 6.9 billion in 2016, more than doubling in nominal terms. The highest contributions come from residential and non-residential building construction (on average 52%), followed by road and railway infrastructure projects (on average 29%), both of which saw significant growth in recent years. Among subcategories, the most notable increases were recorded in electrical, plumbing and other construction installation activities, reflecting strong demand for housing, commercial space, and modern utility infrastructure.

In terms of costs between 2016 and 2024, the major expenses of construction companies, which comprise of purchases of goods and services and personnel costs, more than doubled, from GEL 5.7 billion to GEL 14.1 billion, highlighting a substantial expansion in both operational scale and input costs. The majority of expenditure is consistently directed toward the purchase of goods and services, accounting for approximately 80 to 85% of total costs, reflecting the material and subcontractor-intensive nature of construction. Meanwhile, personnel costs have also risen steadily, increasing from GEL 1.1 billion in 2016 to GEL 2.3 billion in 2024, signaling stronger demand for labor and rising wage pressures in the sector. Notably, the sharpest increase in costs occurred between 2021 and 2024 with expenses rising by nearly 94% over just three years. This trend is driven by increased construction activity and increased prices for materials.

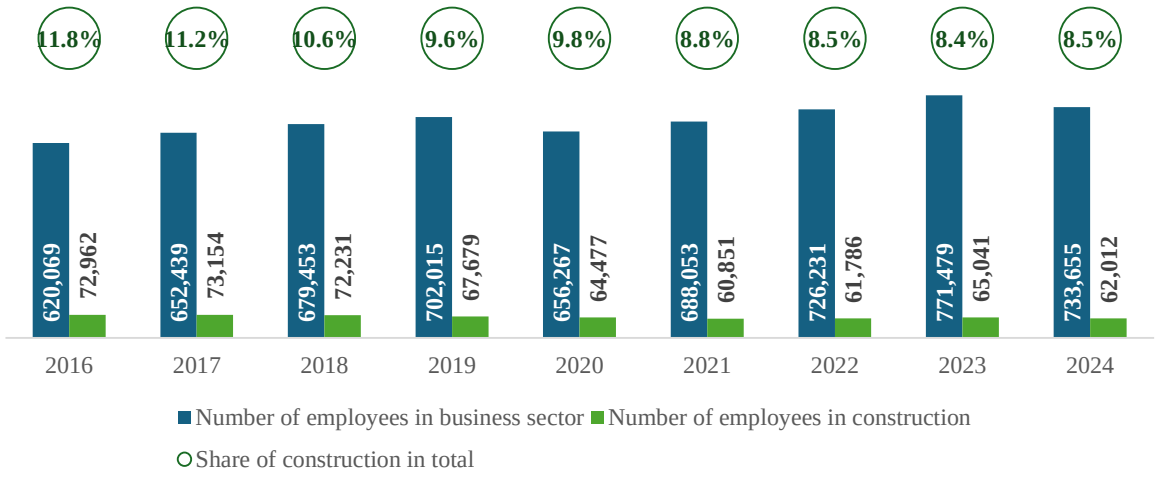
The graph below shows expenses of businesses in the construction sector in GEL billions:



Source: Geostat

Between 2016 and 2024, employment in Georgia's construction sector experienced a gradual downward trend, both in absolute terms and as a share of total business sector employment. While the number of employees in the business sector increased from 620,069 in 2016 to 733,655 in 2024, the number of employees in construction declined from 72,962 to 62,012, marking a 15% decrease over the period. Consequently, the construction sector's share in Georgia's total business employment fell from 11.8% in 2016 to 8.5% in 2024.

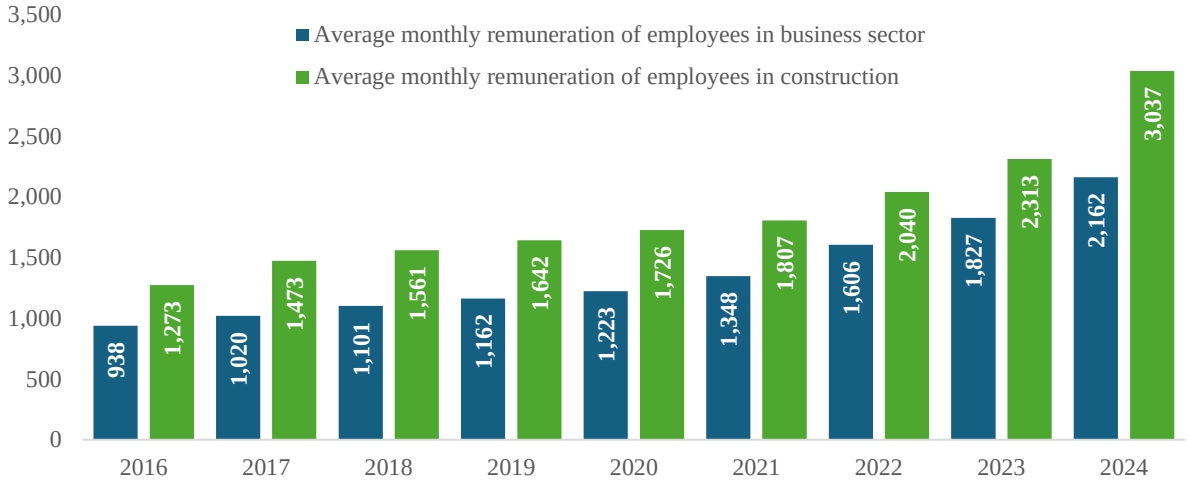
The graph below shows number of employees in the business sector compared to the construction sector



Source: Geostat

Between 2016 and 2024, the average monthly remuneration in Georgia's construction sector more than doubled, rising from GEL 1,273 to GEL 3,037, outpacing the countrywide average, which grew from GEL 938 to GEL 2,162 over the same period. Construction workers consistently earned above the national average, with the wage gap widening in recent years. This trend might reflect the heightened competition for skilled workers and rising compensation pressures amid labour shortages due to persistent labour outflows and unfavourable demographic trends.

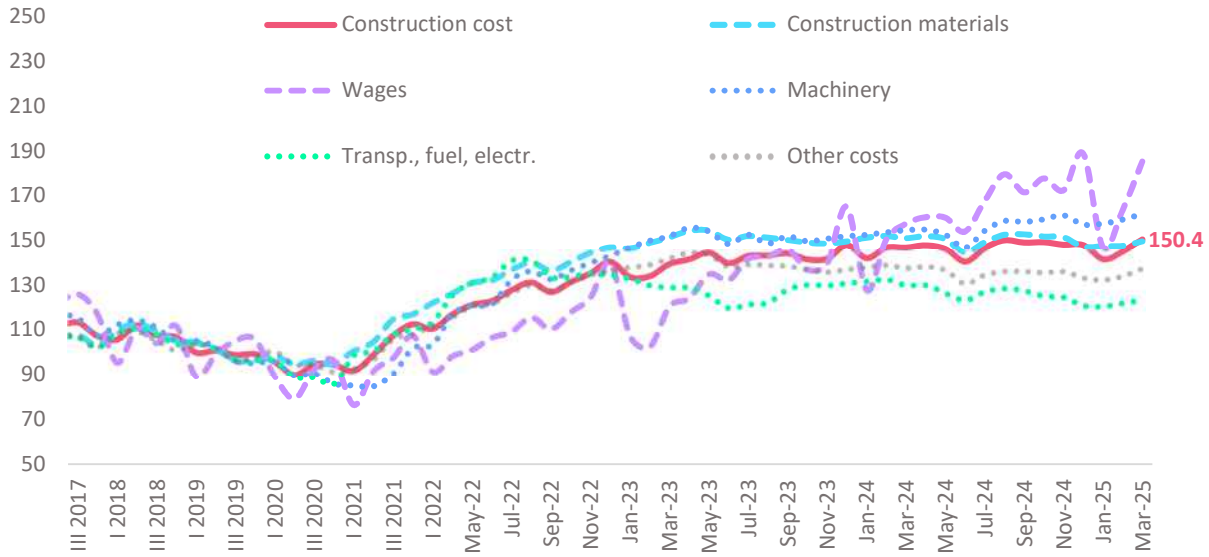
The graph below shows average monthly remuneration of employees (GEL) in construction and country average:



Source: Geostat

Along with increased activity in the sector, construction input costs have increased significantly in recent years. Cost levels began accelerating after 2021, following the post-pandemic rebound in market activity. In 2024, the Construction Cost Index ("**CCI**") rose at a modest pace throughout most of the year, with annual year-on-year growth reaching 4%. In the first half of 2025, costs were marginally higher, up by 1.4% compared to the same period of the previous year. The increase was primarily driven by labor costs, with wages rising by 15% year-on-year.

The graph below shows construction cost index (2019 average = 100, $):

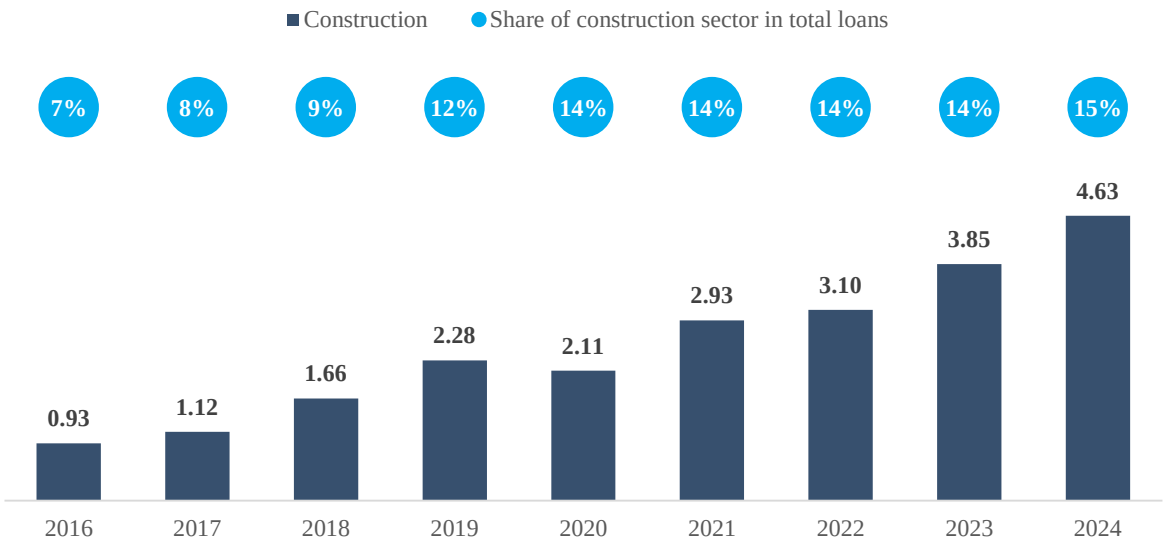


Source: data from Geostat indexed by TBC Capital

Investment in construction

Increased activities are mirrored in statistics of commercial bank lending to the construction sector. Loans to construction companies rose from GEL 0.93 billion in 2016 to GEL 4.63 billion in 2024, marking a fivefold increase over eight years. In 2024, construction accounted for approximately 15% of total business loans, a notable rise from just 7% in 2016. This reflects the sector's heightened capital needs due to growing real estate development, infrastructure expansion, and rising construction costs.

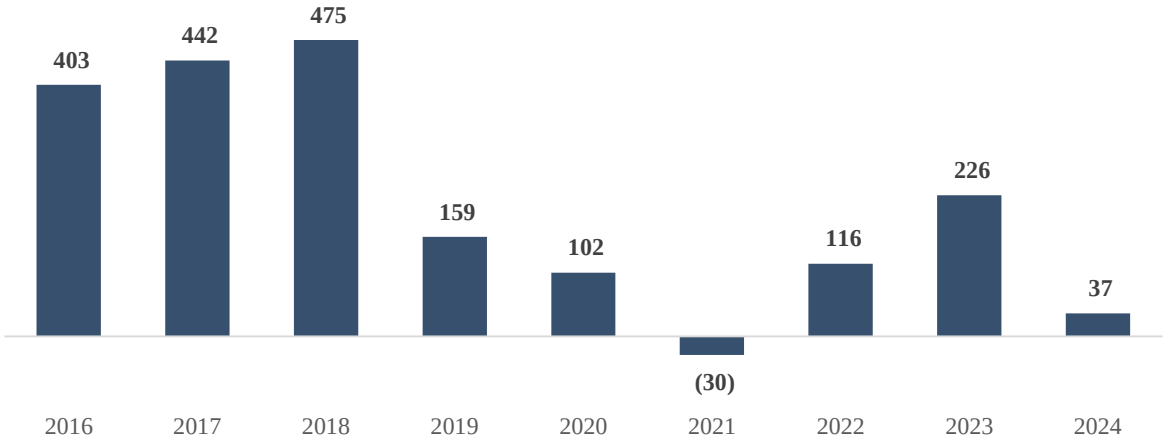
Business loans issued by commercial banks in the construction sector (GEL billions):



Source: NBG

Between 2016 and 2024, FDI inflows have been inconsistent and relatively modest. Between 2016 and 2018, construction attracted between GEL 403 million and GEL 475 million in investment, but investment declined sharply afterward, bottoming out at GEL 102 million in 2020 and entering negative territory in 2021, when FDI was recorded at negative GEL 30 million, likely due to outflows of investments in foreign countries exceeding inflows or closure of businesses. A moderate recovery began in 2022 with GEL 116 million, followed by GEL 226 million in 2023, indicating a renewed interest in development-related projects. However, in 2024, FDI in construction fell sharply to just GEL 37 million.

The graph below shows FDI in the construction sector in Georgia (GEL million):



Source: Geostat

Public expenditure on capital (infrastructure) projects in Georgia has grown steadily over the past decade, rising from GEL 1.15 billion in 2016 to an estimated GEL 4.29 billion in 2024, marking an almost fourfold increase. This expansion reflects the continued emphasis on upgrading national infrastructure, particularly in roads, utilities, and education facilities. The largest share of public capital spending consistently goes to road and bridge infrastructure, which accounted for GEL 1.89 billion in 2024, representing approximately 44% of total capital expenditures that year. Following roads, utility infrastructure, including water, sanitation, and waste management, received GEL 747 million in 2024, making up 17% of the total. This segment saw a significant increase in recent years, driven by urban expansion and modernization needs in both large cities and municipalities.

Residential Real Estate Sector

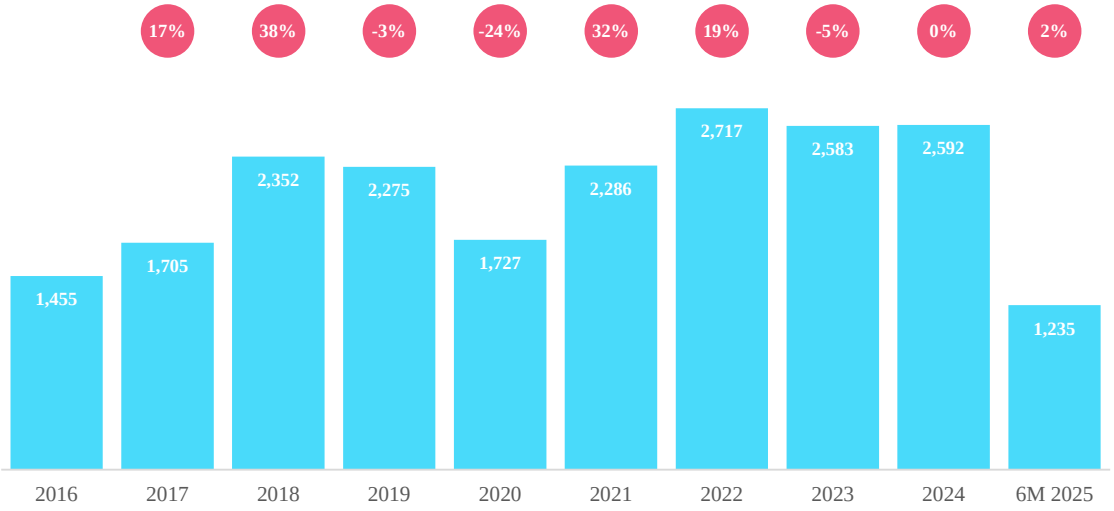
Since the mid-2000s, the residential real estate sector has been a major driving force behind Georgia's economy. Between 2014 and 2024, GDP per capita in USD increased by an average of 7% annually, which had a positive impact on the purchasing power of the Georgian population (Source: Geostat). As a result, the combination of rising average incomes and the availability of real estate has led to a surge in demand for residential properties, particularly in Tbilisi and Batumi. It should be noted that the effect of migration was added to all this, which significantly increased the investment attractiveness of residential real estate compared to 2022.

There are several factors that positively influence demand. Of these, some of the need-based demand drivers include increasing urbanization, shrinking family size, income growth, mortgage affordability, housing improvements and migration, while the investment attractiveness-based factors are rental yields, capital gains and lack of investment alternatives.

In 2020, amid the pandemic, the real estate market suffered a significant hit. However, due to a state-initiated interest subsidy scheme, sales were relatively maintained. Within the framework of the scheme, in 2020 the state subsidized 4 percentage points of the interest rate on mortgage loans denominated in GEL. After the recovery in 2021, real estate sales in 2022 reached a record high with 40,796 apartments sold (17.9% increase year-on-year), as a result of pent-up demand and migrant inflows. *Source: data from NAPR compiled by TBC Capital.*

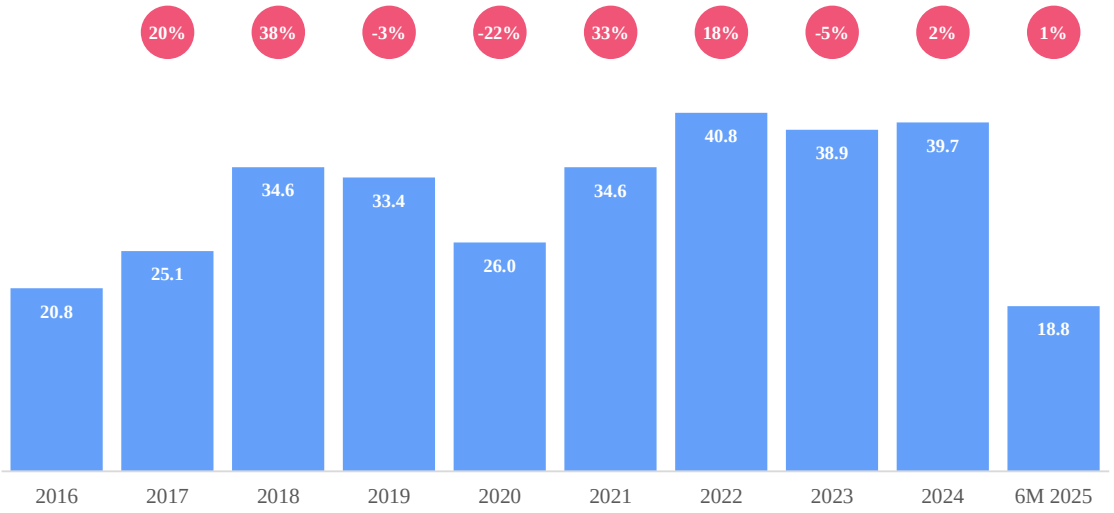
There were 18,778 apartments sold in the first half of 2025, which is a 1.3% increase compared to the same period year before. It is worth noting that 21% of sales (3,939 apartments) come from primary market transactions. *Source: data from NAPR compiled by TBC Capital*

The graph below shows sold area ('000 sqm) and YoY change (%), Tbilisi:



Source: data from NAPR compiled and indexed by TBC Capital

The graph below shows number of transactions ('000 units) and YoY change (%), Tbilisi:



Source: data from NAPR compiled and indexed by TBC Capital

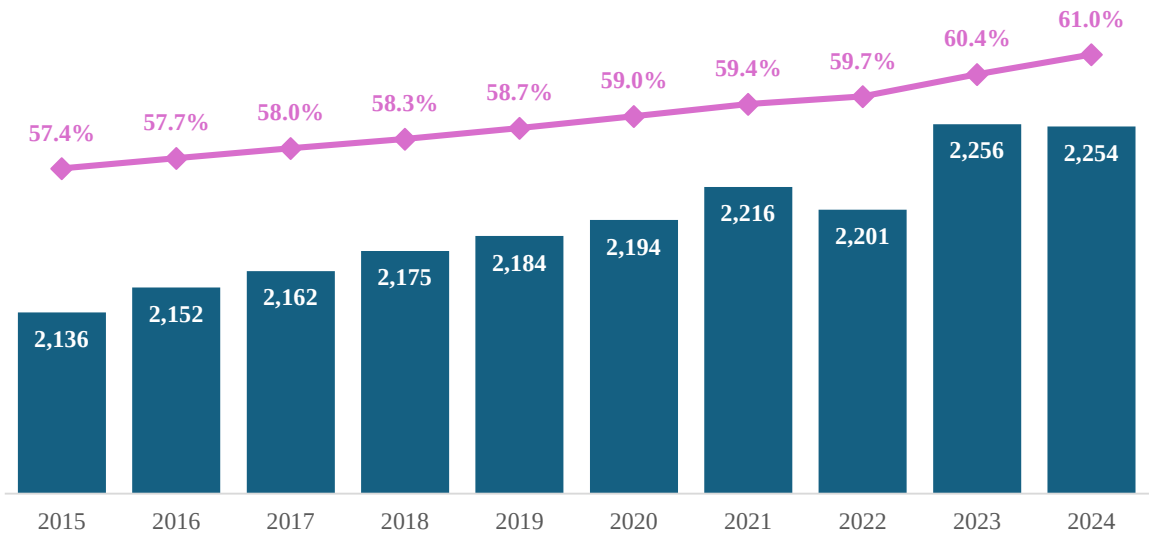
It should be noted that the sold area in the real estate market of Tbilisi and sales of apartments both increased by 20% from 2021 to 2025 (Source: data from NAPR compiled by TBC Capital. Interestingly, the average apartment size has not changed noticeably throughout the years. It was around 65 sqm in 2021 and the same figure persisted in 2025 as well.

The residential real estate market in Georgia has experienced additional demand due to population migration from rural to urban areas. Urbanization in the country increased to 61.0% in 2024, compared to 57.4% in 2015. Despite the growth, the urbanization rate in Georgia is still lower than the EU average 75.9% in 2024. The trend towards urbanization is expected to continue due to the population shift from less productive agricultural sectors to more productive ones.

Increasing incomes have also contributed to the demand for residential real estate, as Georgians now have the means to live independently. In recent years, young people in particular have started to separate from their families, leading to increased demand for housing. This trend is not unique to Georgia, as it has also been observed in European countries. The

average household size in Georgia decreased to 3.2 people in 2024, compared to 3.6 in 2015 (Source: Geostat). This figure is also significantly higher than the EU average, which stood at 2.3 in 2023 (Source: Eurostat).

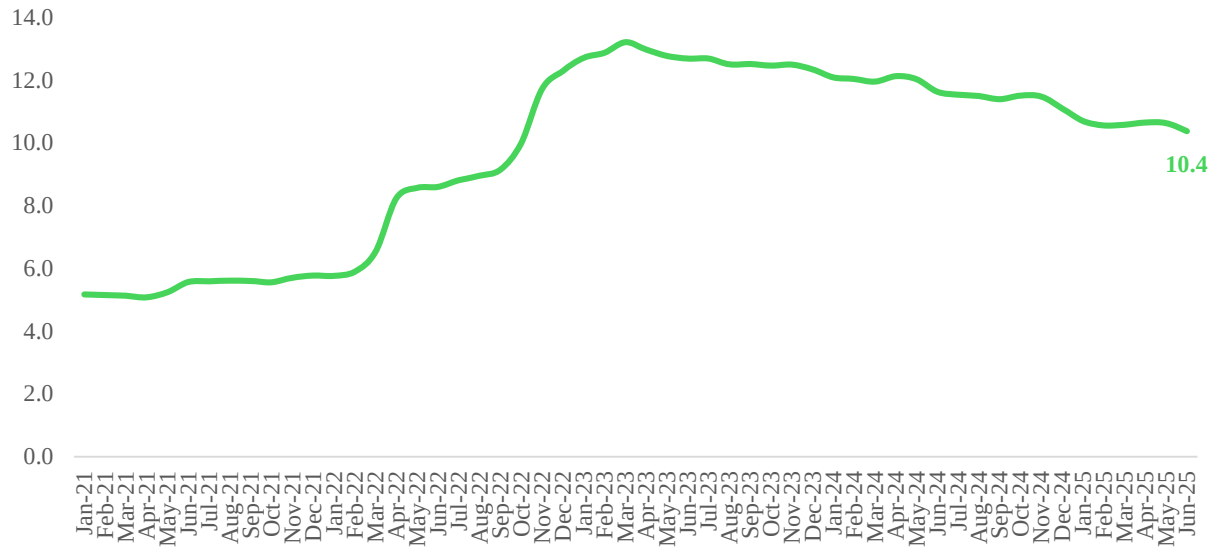
Urban population as at January 1 (‘000) and urbanization level (%), Georgia



Source: Geostat.

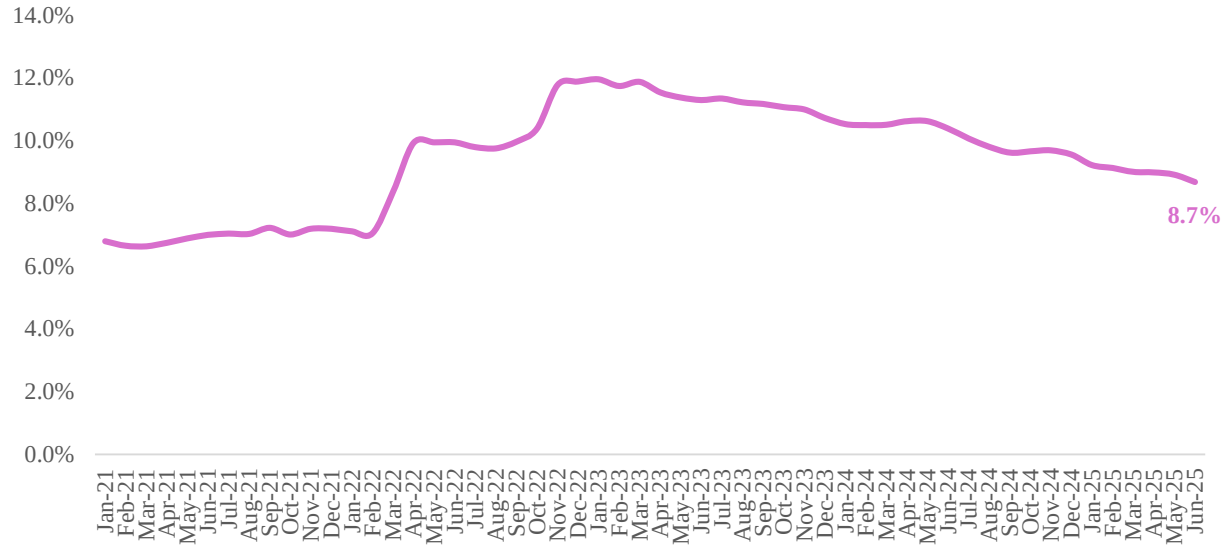
Migration and investment opportunities are one of the main drivers of demand. As a result of the Russia-Ukraine war that started in February 2022, migrants entered Georgia in large numbers, which had a direct effect on the rental markets in Tbilisi and Batumi, and the increased rental yield, which in turn, made the residential real estate market even more attractive for investment. Since January 2021 to June 2025, rental prices in Tbilisi have increased by 101% in USD, however, since March 2023, rental prices have been on a downward trend and have decreased by 21%. Despite this, the rental yield still remains attractive to investors.

The graph below shows average rent price ($/sqm), Tbilisi



Source: data from NBG converted to USD and indexed by TBC Capital

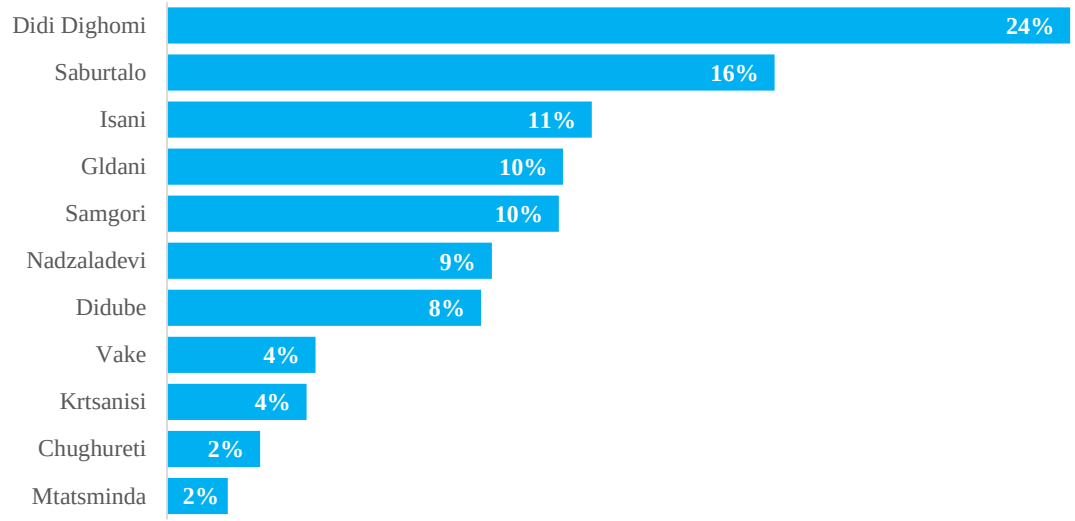
The graph below shows rental yield (%), Tbilisi:



Source: data from NBG converted to USD and indexed by TBC Capital

The largest proportion of real estate sales in 2024 took place in the Didi Digomi and Saburtalo districts, which made up 40% of total sales, which reflects the trend from previous years. Other districts with higher volume of sales were Isani, Gldani and Samgori, partially due to affordability. Real estate sales in central districts like Vake and Mtatsminda remained small due to the higher price and limited supply.

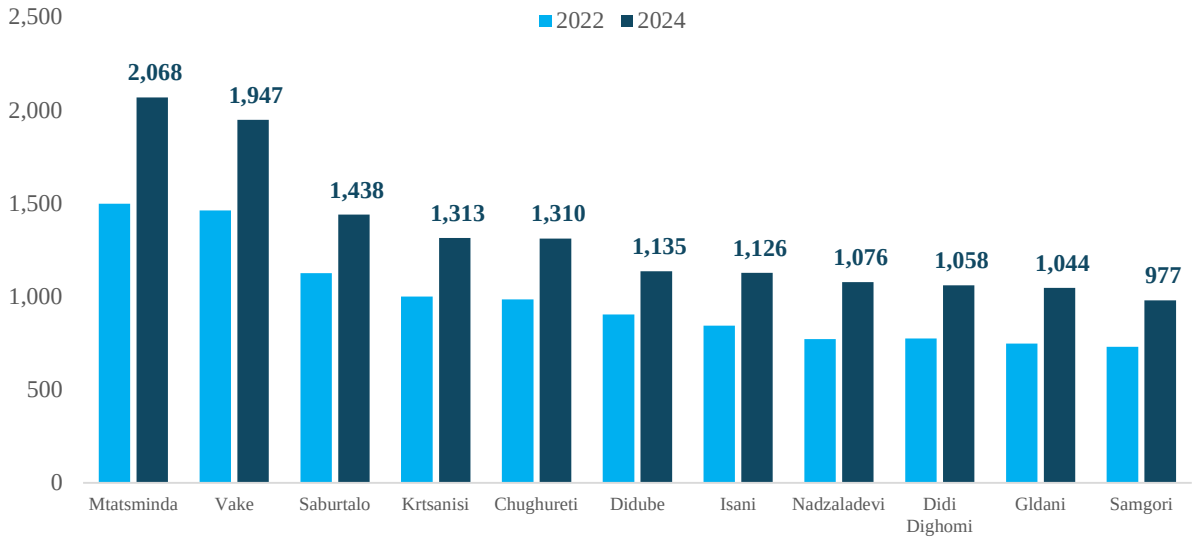
The graph below shows sales distribution by district (%) 2024, Tbilisi:



Source: data from NAPR compiled and indexed by TBC Capital

Real estate prices in all districts of Tbilisi increased noticeably between 2022 and 2024. In 2024, the annual price increase in Tbilisi was 4% and the most expensive districts continue to be the central districts (Mtatsminda, Vake and Saburtalo). This trend in price increase started in 2021 in conjunction with the increase in the prices of construction materials, in combination with the excess demand in the real estate market in 2022, which was caused by the influx of migrants.

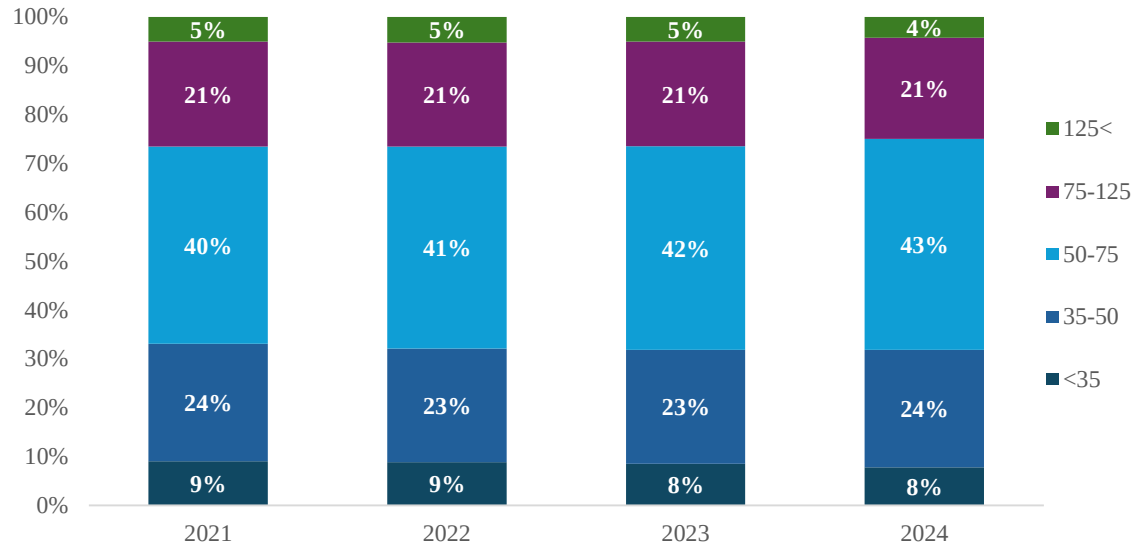
The graph below shows average sale price ($/sqm), Tbilisi:



Source: data from NAPR compiled and indexed by TBC Capital

Small and medium-sized apartments (35-75 sqm) account for the largest proportion of sales, most likely due to affordability, high liquidity and ease of renting. They account for 67% of total sales in 2024. The distribution is mostly consistent throughout the years, not changing noticeably.

The graph below shows sales distribution by apartment size (sqm), Tbilisi:



Source: data from NAPR compiled and indexed by TBC Capital

The proportion of middle-high class apartments (USD 900 – USD 2,000 per sqm) in apartment sales is increasing every year and demand is shifting from budget apartments to more premium residences. The reason is both the increase in average prices and the improved infrastructure of new projects. In 2024, the share of middle-high class apartments in total sales was 61%, which is 10 percentage points higher than in 2023.

In 2024, the volume of residential space of the issued permits totaled 1.2 million sqm. amounting to a 7% annual decrease. The number of permits issued decreased similarly by around 7% as well.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

The Company is a diversified holding company operating across a diverse range of sectors. The Group's principal business lines are Telecom, Hotels, Casinos, Development and Other businesses. As at 31 December 2024, the Group was one of the largest conglomerates in Georgia in terms of total assets with a total value of GEL 1,746.2 million across all of its businesses based on the Group's internal estimates.

The Company's largest subsidiary in terms of revenue is Silknet, which operates the Group's Telecom business. The Company's second largest subsidiary in terms of revenue is Silk Real Estate, which operates the Group's Hotels business and Casinos business (managed by Silk Hospitality) and the Group's Development business (under its brand name Silk Development).

The Company is a holding company that operates in the following business areas:

- **Telecom business**: The Group's Telecom business provides telecommunication services, including mobile, fixed-line, internet, media and related services, as well as leasing infrastructure to third parties or other parts of the Group; the Group's Telecom business is operated by Silknet and its subsidiaries; the Telecom business is presented as the "Telecom" segment in the Unaudited Condensed Consolidated Interim Financial Statements and the 2024 Audited Consolidated Financial Statements;

- **Hotels business**: The Group's Hotels business owns and operates full-service hotels that earn most of their revenue from providing accommodation, food and beverage services, and related hospitality activities. The Group has six hotels, which include two Radisson Blu Hotels in Tbilisi and Batumi, Georgia, a Radisson Collection Hotel and the Park Hotel in Tsinandali, Georgia, the Telegraph Hotel in Tbilisi, Georgia (with effect from June 2025), and the recently-acquired Kokhta Bakuriani Hotel (formerly the Rooms Kokhta Bakuriani Hotel) (not reflected in the Audited Consolidated Financial Statements), which are all are managed by Silk Hospitality; the Hotels business is presented as the "Hotels" segment in the Unaudited Condensed Consolidated Interim Financial Statements and the 2024 Audited Consolidated Financial Statements;

- **Casinos business**: The Group's Casinos business operates licensed land-based casinos that generate most of their revenue from gaming operations, such as gaming tables and slot machines; the Group has two land-based casinos, which are located within the Group's Radisson Blu Hotels in Tbilisi and Batumi, Georgia, both of which are managed by Silk Hospitality; the Casino business is presented as the "Casinos" segment in the Unaudited Condensed Consolidated Interim Financial Statements and the 2024 Audited Consolidated Financial Statements;

- **Development business**: The Group's Development business owns and develops land plots or properties and transforms them into hotels, casinos, commercial or residential properties, other hospitality businesses, and similar projects; the Group's main development projects include Silk Towers in Batumi, Georgia, and the Sakanela Complex in Tbilisi, Georgia, both of which are being developed by Silk Development; the Development business is presented as "Development" within the "Unallocated" caption in the Group's Unaudited Condensed Consolidated Interim Financial Statements and the 2024 Audited Consolidated Financial Statements and

- **Other business**: The Group's Other business consists of operations in other areas, which are ancillary to, or in some instances unrelated to, the aforementioned businesses, as well as companies that provide corporate, administrative, or support services to other parts of the Group. The Group's Other business includes (i) other hospitality businesses, such as the operation of Complex Republic (which features the Republic Event Hall, Republic Rooftop-Bar-Terrace, and Restaurant Republic 24) in Tbilisi, Iveria Beach Club in Batumi, and Club Noble Savage in Tbilisi, and (ii) the energy business, principally the Bakhvi hydroelectric power station; the Other business is presented as "Other" within the "Unallocated" caption in the Unaudited Condensed Consolidated Interim Financial Statements and the 2024 Audited Consolidated Financial Statements.

See "*Business Description of the Group—Businesses*" for more detailed descriptions of these Group's businesses.

Key Factors Affecting Financial Condition and Results of Operations

Key Factors Affecting Financial Condition and Results of Operations Generally

Economic and Political Conditions in Georgia

The Group operates primarily in Georgia with its Georgian operations accounting for up to 100% of the Group's revenue for the six months ended 30 June 2025 and for the year ended 31 December 2024, 2023 and 2022, respectively. Accordingly, the Group's results of operations, growth and development are, and will continue to be, significantly affected by Georgian economic factors, including those in the below table.

	As at and for the six months ended 30 June	As at and for the year ended 31 December		
	2025	2024	2023	2022
Real GDP growth (%)	8.8	9.4	7.8	11.0
Nominal GDP (USD million)	7,747	33,774	30,779	24,989
GDP per capita (USD)	2,091	9,141	8,284	6,731
Current account deficit (USD million)	659	1,530	1,709	1,105
Current account deficit as% of GDP (%)	8.5	4.5	5.6	4.4
Inflation (end of period,%)	4.0	1.9	0.4	9.8
Foreign direct investment (USD million)	183	1,569	1,928	2,224
Foreign direct investment as a% of GDP (%)	2.2	4.6	6.3	8.9
Public debt as a% of GDP (%)	35.7	37.1	38.7	39.2
Budget expenditure as a% of GDP (%)	24.1	22.5	22.1	21.4
Fiscal deficit as a% of GDP (%)	0.7	2.3	2.3	2.4
Tourism revenue (USD million)	1,971	4,425	4,125	3,517
Tourism revenue as a% of GDP (%)	10.7	13.1	13.4	14.1
Goods export (USD million)	3,845	6,559	6,086	5,583
Goods import (USD million)	10,311	16,889	15,611	13,540
Unemployment rate (%)	14.3	13.9	16.4	17.3

Source: Geostat, NBG, GNTA, MoF

The economy of Georgia has significantly relied on tourism, and therefore has continued to recover since 2022 from the negative impact of COVID-19 on Georga's tourism and economy. In early 2022, the influx of migrants and capital triggered by Russia's invasion of Ukraine beginning from February 2022 provided an additional boost to Georgia's tourism revenues, remittances and real estate purchases. However, in 2023, remittances decreased due to a decline in net remittances received from Russia due to the outflux of migrants from Russia and the significant devaluation of the Russian Ruble. Georgia's economic growth began to stabilize from these shifts in the second half of 2023.

Although high foreign currency inflows started to normalize in mid-2023, economic activity remained strong, fueled by robust domestic spending. Real GDP growth was 8.8%, 9.4%, 7.8% and 11.0% for the six months ended 30 June 2025, and the years ended 31 December 2024, 2023 and 2022, respectively. According to the latest forecasts of the IMF real GDP growth in Georgia is expected to be 7.2% in 2025 and 5.3% in 2026. Economic growth during the periods under review mainly reflected a continued recovery in external sector inflows in the aftermath of the COVID-19 pandemic, resilient consumption spending and increased investment expenditure. Foreign direct investment was 4.6% of GDP in 2024, compared to 6.3% in 2023 and 8.9% in 2022. After the full recovery to pre-pandemic (2019) levels in 2022, tourism revenues increased by 7.3% in 2024, amounting to USD 4,425 million. Strong external sector inflows led to improvements in the current account deficit, to 4.5% of GDP in 2024, compared to 5.6% in 2023 and 4.4% in 2022.

Growth during the period under review has been due in part to structural reforms undertaken by the Government, which have been intended to make the economy more resilient by diversifying the economic base and external trade linkages, as well as reforms in the areas at education, pensions, finance and insolvency, which have served to improve the business environment. Despite its reliance on tourism, Georgia's economy is relatively well diversified and is not significantly dependent on commodities. In 2024, trade, manufacturing, real estate, construction and agriculture accounted for 15.2%, 9.3%, 9.9%, 8.4% and 6.2% of GDP, respectively.

Georgia has capped its fiscal deficit at 3% of GDP and its government debt/GDP ratio at 60%. The cap on deficit was breached temporarily during 2020-2021 due to the economic contraction and one-off emergency spending needs during the COVID-19 pandemic. Since 2022, fiscal parameters improved significantly from the temporary breach of the deficit cap during the COVID-19 pandemic in 2020-2021. The improvement has been due to strong economic performance and

the demonstrated fiscal discipline of the Government. Georgia's fiscal deficit was estimated to have been 2.3% of GDP in 2024 and was 2.3% 2023 and 2.4% in 2022. Total public debt was 37.1% of GDP in 2024, compared to 38.7% in 2023 and 39.2% in 2022. The Government remains committed to fiscal consolidation, aiming to reduce the budget deficit and public debt relative to GDP.

The political environment has been relatively stable during the periods under review, with a few key exceptions. In December 2023, Georgia was granted candidate status for EU membership, which was believed to have strengthened its geopolitical position in the region and was viewed as a positive development in terms of Georgia's EU integration strategy. More recently, however, political instability has been escalating in Georgia after the reintroduction of the Foreign Influence Transparency Law in the Georgian Parliament in April 2024 (having been previously withdrawn following mass protests against the bill in 2023), leading to the first tranche of sanctions by the U.S. State Department in June 2024, against Georgian individuals responsible for or complicit in undermining democracy in Georgia. Following the announcement of Georgia's parliamentary election results in October 2024, a string of protests against the election outcome reemerged and later escalated when the Georgian Prime Minister announced in November 2024 the postponement of Georgia's EU accession negotiations until 2028 and the rejection of EU financial assistance until that time. The 2024 parliamentary elections were highly criticized both domestically and internationally. Since December 2024, a number of ruling Georgian Dream party leaders and their associates, including high-ranking officials, judges, prosecutors and law enforcement officers allegedly responsible for police violence, and their family members, have been sanctioned by various member states of the EU and the UK, with the threat of additional measures (including suspension of visa-free regime with the EU) in the case of continuing non-compliance with the recommendations of the European Commission issued in July 2025. The next local municipal elections in Georgia are scheduled to be held on 4 October 2025, with the majority of opposition parties boycotting the elections.

Currency Exchange Rate Fluctuations

The Group is subject to currency exchange rate fluctuations reflecting the business environment and industry sectors in which it operates, principally between the Lari against the U.S. dollar and Euro. Due to the high degree of dollarization of the Georgian economy (as measured by the dollarization of bank deposits and loans, which stood at 49.7% and 43.0%, respectively as at 30 June 2025 (source: NBG), the purchasing power of the Group's customers may be affected by currency fluctuations, in particular the depreciation of the Lari against the U.S. Dollar and the Euro. While the Group seeks to limit the effect of currency exchange rate fluctuations, such fluctuations may affect the Group's results of operations.

In the last quarter of 2024 and the first quarter of 2025, heightened political tensions following the general election on 26 October 2024 negatively affected Georgia’s tourism revenues. However, these tensions also led to lower imports, which significantly improved net currency inflows and eased pressure on the Lari exchange rate. Additionally, the Lari has benefited from a globally weakened USD since the beginning of 2025. As at 30 June 2025, the official Lari/U.S. Dollar rate published by the NBG was GEL 2.72 = USD 1.00 and the official Lari/Euro rate published by the NBG was GEL 3.19 = EUR 1.00. These developments allowed the NBG to renew USD purchases on the foreign exchange market after staying neutral in January-February 2025, purchasing around USD 880 million in March-June 2025 and seemingly continuing the reserve accumulation in July and August as well. Meanwhile, the Lari appreciated to GEL 2.72 per USD 1 at the end of the first half of 2025, compared to the rate of GEL 2.81 per USD 1 at the end of December 2024.

The Group is exposed to foreign exchange rate risks because certain operational and capital expenditures, as well as its finance costs (in the form of the 2027 Silknet Notes and, following the Offering, the Notes) are denominated in foreign currencies, including the U.S. Dollar and Euros. The Group recognizes foreign exchange gain or loss on the translation of amounts denominated in currencies other than GEL, including U.S. dollars and euro, into GEL as at the relevant balance sheet date. The Group incurs a significant portion of its capital and operating expenditures in U.S. Dollars and Euro, respectively. In 2024, approximately 74% of the Group's capital expenditures was denominated in U.S. Dollars or Euros and approximately 25% of its operating expenditure was denominated in U.S. Dollars or Euros. Accordingly, a depreciation of the Lari against the U.S. Dollar or Euro could also increase the Group's capital and operating expenditures. The Lari appreciated by 0.47% in 2023, depreciated by 4.37% in 2024, appreciated by 3.21% in the first half of 2025 against USD. The Lari depreciated by 3.15% in 2023, appreciated by 1.5% in 2024, depreciated by 8.84% in the first half of 2025 against the Euro. A further depreciation of the Lari will increase the interest expenses and other costs of the Group.

However, the Group also generates a portion of its revenue in foreign currency mainly from its Casinos, Hotels and Development businesses (*e.g.*, 22% of the Group's consolidated revenue for the year ended 31 December 2024 was denominated in U.S. Dollars and Euros), and therefore a devaluation of the GEL could increase its revenue. In addition, the Group has used hedging instruments to manage its foreign exchange risk. For example, Silknet uses forward agreements to mitigate the impact of foreign currency exchange rate fluctuations on operations. In 2024, the Group entered into forward contracts totaling USD 70.5 million while Silk Hospitality is hedged through foreign currency income, which historically

exceeds related expenses that are largely in local currency. The Group expects to continue to maintain hedging instruments, such as forward contacts, covering estimated operating, capital, and coupon outflows, and to retain a sufficient buffer in hard currency to cover unhedged exposures and mitigate potential volatility gaps.

Regulation

The Group's Telecom business and Casinos business are highly regulated.

For its Telecom business, Silknet is subject to regulation by ComCom, as well as other regulatory bodies. Generally, Georgia is considered to have stable and well-established telecommunications and broadcasting regulations. Due to this, the Group has benefited from a stable and mostly transparent regulatory environment. The Association Agreement, signed on 27 June 2014, provides for the alignment of Georgia's regulatory environment (including in telecom sector) with that of the EU, a process which remains ongoing. While new legislative amendments to the Telecom Law are reportedly under consideration as part of the broader harmonization efforts, no draft has been circulated yet and the scope and timing of anticipated changes remain uncertain. For more information, see "*Risk Factors—Other risks related to regulation—There may be challenges associated with legislative harmonization of the Georgian regulatory environment with the EU driven by the DCFTA*" and "*Risk Factors—Other risks related to regulation—Changes in laws and policies, including those relating to electronic communications, may negatively affect the Group*".

Regulatory decisions by ComCom have had, and may continue to have, a significant impact on the Group's results. Historically, Silknet has been designated as having SMP in certain telecom segments, such as access to global and local internet resources (wholesale IP transit), leased lines, passive infrastructure access, and call origination and termination. This has required Silknet to provide wholesale services to competitors on regulated terms, which has limited pricing flexibility and could negatively affect margins and profitability. For example, in December 2019, ComCom designated all three MNOs in Georgia, including Silknet, as having SMP in the wholesale mobile network market and imposed obligations to facilitate access for MVNOs. However, after a comprehensive market review in 2024, only Magticom was found to hold SMP in this market, and Silknet was relieved of MVNO-related *ex ante* obligations. This regulatory change may have a positive effect by increasing Silknet's operational flexibility and competitive position in mobile services. However, obligations imposed on Magticom may continue to increase competition in the relevant telecommunications markets, potentially affecting prevailing prices and, consequently, Silknet's revenues and profitability. In addition, ComCom has announced plans to review several key telecommunications markets in 2025, including high-quality broadband access, passive infrastructure access, wholesale IP transit, and call origination and termination. Silknet remains subject to SMP-related obligations in several of these areas, and any changes in regulatory requirements, such as new or revised obligations or the introduction of universal service requirements, could materially affect the Group's revenues, costs, and competitive landscape.

Regulatory conditions also play a role in the performance of the Casinos business. Changes in gaming laws, tax policies, licensing rules, or anti-money laundering requirements can affect both revenues and cost structures. Georgia has recently implemented significant changes to its gambling tax regime, affecting both the rates and scope of applicable taxes. Effective from 1 January 2024, the withholding tax on player withdrawals (cash-out tax) was increased from 2% to 5%. The GGR tax, which initially applied to systemic-electronic games, was extended to cover slot machines with effect from 1 June 2024. The GGR tax is calculated as the difference between bets received from players and winnings paid out, and is payable in addition to the Group's corporate income tax on distributed profits. This tax applies regardless of the Group's cost base or overall profitability. Further amendments, adopted on 27 June 2024 and 13 December 2024 (effective from 1 December 2024 and 1 January 2025, respectively), increased the standard GGR tax rate from 15% to 20%, which could further increase the Group's operating costs (see "*—Consolidated Results of Operations—Operating Costs—Real Estate Operating Costs—Non-Refundable Taxes*"). The GGR tax on systemic-electronic games derived from foreign players will benefit from a reduced tax rate of 5%, and withdrawals by foreign players will be exempt from the 5% cash-out tax to incentivize foreign players in Georgia's online gaming industry, but the same low-tax incentive does not apply to GGR tax on slot machines, which remains at 20%. In addition, increased compliance or reporting obligations may require additional investment in internal controls and staff training.

Capital Expenditures and Investments

For the Group's Telecom business, its ability to provide fixed and mobile telephony, fixed and mobile broadband internet and Pay TV to residential and business customers depends significantly on its ability to provide attractive and competitive product offerings to its customers by upgrading and maintaining its fixed and mobile networks. In light of the growing penetration of smartphones and the increasing demand for data services, upgrading and maintaining the Group's networks is key to the provision of services to its customers and meeting the increasing needs of the customers for high-quality fixed and mobile data services. Perception of network quality and speed are important factors in the Group's ability to attract and

retain its customers, and therefore minimize churn. In particular, in recent years the Group has invested in rolling out a fixed telephone fiber broadband network. For example, the Group has expanded its FTTH coverage to approximately 847,000 homes in 2024, compared to approximately 737,000 homes in 2022. Since the acquisition of Geocell, the Group has heavily invested in its mobile network. The Group upgraded most of its macro sites to 4G, with the 4G population coverage now at 99% compared to 57% in 2017. The Group also pioneered the gigabit-LTE technology in Georgia having equipped 519 sites as at 31 December 2024, or 37% of the Group's macro sites, in major cities of Georgia. In December 2023, Silknet pioneered 5G in Georgia, covering the central part of Tbilisi. To facilitate the full-scale development of 5G, Silknet acquired additional spectrum licenses in June 2025. During the six months ended 30 June 2025, and the years ended 31 December 2024, 2023 and 2022, the Telecom Recurring Capital Expenditure Margin was 9%, 11%, 9% and 17% of revenues, respectively. See "*Risk Factors—Risks relating to the Group's business generally—The Group's business requires substantial capital investment, and the Group may not be able to attract or generate sufficient capital to fund its future capital expenditures and other investments as management deems necessary or desirable*".

In the Group's Hotels and Casinos business, capital expenditures is managed through the maintenance of furniture, fixtures and equipment ("**FF&E**") reserves. The Group aims to maintain FF&E reserves at a level of 4% of total revenue, which are accumulated on a monthly basis and then utilized throughout the year to ensure the ongoing refurbishment, replacement, and enhancement of assets in line with brand standards and guest expectations. For the Group's Development business, capital expenditures or inventories (in the case the property is held for sale) or as period expense, is managed and monitored at the project level. The cost of each project is recognized as capital expenditures, covering land acquisition, construction, design, permitting, and all related development expenses.

Key Factors Affecting Financial Condition and Results of Operations of the Group's Telecom Business

The Group's Telecom segment revenue represented 69.1%, 69.2% and 68.2% and 65.4% of the Group's total consolidated revenue for the six months ended 30 June 2025 and years ended 31 December 2024, 2023 and 2022, respectively.

Underlying Demand for Voice, Broadband Data Connectivity and Value-Added Services

The growth of the Group's Telecom business depends significantly on growing demand for fixed and mobile broadband services.

Demand for mobile broadband in Georgia has been increasing steadily. The penetration of mobile broadband users, which was at 74% at Silknet as at 30 June 2025, is growing due to increased smartphone penetration, as well as the number of other connected devices, predominantly in the B2B business. The rate of smartphone penetration growth is likely to depend on the economic conditions in Georgia, wide availability of instalments-based purchases and price of entry-level smartphones. Consumption per mobile broadband user is growing as well, due to increased video and photo sharing, including through social networks. Total mobile broadband volume in Georgia increased to 668,034 TB in 2024 from 441,296 TB in 2022, equaling approximately 23% compound annual growth rate (Source: ComCom). Despite the surge in mobile broadband usage in recent years, mobile broadband penetration and consumptions per mobile broadband user is still lower in Georgia compared to Europe and North America. Rapid generational shifts in Georgia combined with expected rise of smartphone penetration and increased dependence on digital applications may still increase the demand for the Group's mobile services.

Although Georgia's average fixed broadband penetration was 99% as at 30 June 2025, fixed broadband access is concentrated in urban areas, where penetration rates are significantly higher, while many rural areas have substantially lower access to fixed broadband services. The penetration of fixed broadband is calculated based on the number of households obtained from Geostat, which is based on 2014 General Population Census Results, and are probably low compared to actual figures. The share of the rural population is estimated by Geostat to be approximately 62% of the total population of Georgia in 2024, compared to 60% in 2022. WiFi-technology-based service, rendered on unlicensed spectrum by mostly small operators, is an important part of the fixed broadband service offering in rural areas. The urbanization rate in Georgia is lower than in the EU and the gap is expected to reduce, which may increase the demand for the Group's fixed services.

Availability of long- and short-form video content from local and international resources has been an important factor in the demand for broadband and Pay TV in Georgia. The Group offers diversified content, including via exclusive contracts and shared content arrangements, to its Pay TV subscribers. A portion of such content is available on the Group's video applications, which allows subscribers to watch on a variety of devices with WiFi or mobile broadband connectivity. To improve user experience, the Group is working with leading international digital content providers, such as Google (or Alphabet) and Facebook (or Meta), to cache their data locally.

As in many markets globally, the demand for fixed voice services has been steadily decreasing in Georgia. Retail revenue in the fixed voice segment decreased to GEL 23.9 million in 2024 from GEL 25.8 million in 2022, while the number of subscribers decreased to 256,000 in 2024 from 308,000 in 2022.

The Group intends to further develop digital applications to increase subscriber satisfaction, to offer information and telecommunications solutions for its B2B subscribers, to further expand the utilization of data analytics and to continue offering innovative and flexible products and services to its subscribers, aimed at addressing their broadband, voice and content consumption needs. In addition, educating first-time users and accommodating their needs is likely to be a key factor in growing the subscriber base.

Competition and Pricing Dynamics

Silknet operates in a competitive mobile telecommunications market alongside two other mobile network operators, Magticom and Cellfie, with subscriber market shares of 35.2%, 47.2%, and 17.6%, respectively, as at 30 June 2025. Pricing strategies among Silknet and Magticom remain largely aligned, whereas Cellfie has positioned itself as a discounter, though it has recently made some upward adjustments to its pricing. In 2020, ComCom imposed retail price regulation in the mobile segment, which was subsequently lifted by the end of 2021. Following the removal of this regulation, mobile network operators were able to adjust pricing throughout 2022.

In the fixed services segment, Silknet and Magticom are the two main convergent operators, holding 31.8% and 46.1% subscriber market share in fixed broadband and 35.1% and 47.9% in Pay TV, respectively, as at 30 June 2025 (source: ComCom). ARPU trends in recent years in the fixed services segment have been primarily influenced by pricing adjustments, most notably those introduced by Silknet and Magticom in 2022, and by upselling of products. Silknet seeks to maintain and improve its competitive position by offering products and services that it believes are more appealing to customers than those of its competitors.

Silknet is the second largest operator in Georgia, providing both fixed and mobile services. Bundling of fixed and mobile services has not yet emerged as a key competitive differentiator in the Georgian telecommunications market. However, in the future, convergent operators may increasingly turn to fixed-mobile bundles to enhance customer satisfaction and reduce churn. The Group believes that, supported by its strong infrastructure and systems, it is well positioned to capitalize on these evolving trends. For more information see "*Risk Factors—Risks relating to the Group's business generally—The Group may face increased competition from new entrants or existing competitors in the markets in which it operates* ".

Key Factors Affecting Financial Condition and Results of Operations of the Group's Hotel, Casino and Development Businesses

The Group's Casinos and Hotels segment revenues represented 33.4%, 32.8%, 33.8%, and 37.3% of the Group's total consolidated revenue for the six months ended 30 June 2025 and years ended 31 December 2024, 2023 and 2022, respectively.

Occupancy, Average Daily Rate (ADR) and Revenue per Available Room (RevPAR)

Revenue from the Group's Hotels business is primarily affected by occupancy and ADR. Both occupancy and ADR are strongly correlated to general economic conditions, the strength of the travel industry and the supply and demand of hotel accommodation in Georgia, including the occupancy and ADR of the Group's competitors (see "*— Key Factors Affecting the Group's Financial Condition and Results of Operations Generally—General Economic and Political Conditions in Georgia*"). The geographic distribution of the Group's hotels and the different arrangements under which the Group operates its hotels allow the Group to diversify risks related to specific hotels in the Group's portfolio.

In order to react appropriately to developments in the Group's local markets, the Group regularly monitors ADR, occupancy and revenue per available room ("**RevPAR**") for both its own hotels and those of its competitors. The Group uses platforms, such as STR and CoStar, which provide comparative data on room occupancy, ADR, and RevPAR, as well as broader market analytics by country, region, and city, highlighting supply and demand trends. The Group also uses Seerio to benchmark meeting and events occupancy and revenue. In addition, the Group conducts detailed analyses of occupancy, ADR, and RevPAR across distinct booking methods (such as direct bookings, website channels, online travel agents, corporate clients, leisure free independent traveler, casino guests, and group bookings) and incorporating data on guest nationality, source country, and seasonal patterns to gain a deeper understanding of the underlying drivers of hotel performance. This comprehensive monitoring enables the Group to maximize pricing across segmentation and hotel rooms sales in each category, while adjusting room rates in response to broader economic trends to maintain or grow market share and stabilize RevPAR.

Occupancy is the quotient of the total number of room nights sold during a specified period divided by the total number of hotel rooms available for each day during that period. Occupancy measures the utilization of the Group's hotels' available room capacity. The Group's management uses occupancy to gauge demand at a specific hotel or group of hotels in a given period, which is mainly driven by conferences, trade fairs and other events in the hotel's proximity. Occupancy is also affected by the supply of hotel rooms in the area surrounding each of the Group's hotels, and increases in hotel room supply which can increase competition and make it more difficult to achieve high occupancy. Occupancy also helps the Group determine achievable ADR levels, based upon hotel category and hotel facilities, as demand for the Group's hotel rooms increases or decreases.

ADR is the quotient of total room revenues for a specified period divided by total room nights sold during that period. ADR trends indicate how much customers are willing to pay for accommodation in a specific hotel. It also provides insights regarding the nature of the customer base of a hotel or group of hotels. ADR is a commonly used performance measure in the industry. The Group uses ADR to assess the pricing levels that the Group is able to generate by customer group, as changes in rates have a different effect on overall revenues and incremental profitability than changes in occupancy, as described above.

RevPAR is the product of the ADR and occupancy and the most important tool in evaluating performance for a specified period. RevPAR does not include non-room revenues, which consist of ancillary revenues generated by a hotel property, such as food and beverage, spa services, parking, telephone, and event revenue (including banqueting, conference rooms rental, AV rental for meetings, conventions and other events). The Group's management uses RevPAR to identify trend information with respect to room revenues of comparable properties and to evaluate hotel performance. RevPAR is a commonly used performance measure in the hotel industry. A change in RevPAR is a reliable indicator of a change in revenue from the Group's hotels because RevPAR considers both ADR and occupancy. However, RevPAR changes that are driven predominately by changes in occupancy have different implications for overall revenue levels and incremental profitability than do changes that are driven predominately by changes in ADR. For example, assuming the same room rates and variable operating costs, including housekeeping services, utilities and room amenity costs, increases in occupancy at a hotel would lead to increases in room revenues compared to lower levels of occupancy and such increased occupancy may also result in increased ancillary revenues, including food and beverages. In contrast, changes in ADR typically have a greater effect on margins and profitability, because rates increase while variable operating costs remain relatively stable.

Gaming Volume and Winning Rate

Revenue from the Group's Casinos business is primarily affected by gaming volume and hold percentage. Gaming volume is the total amount wagered by visitors across gaming tables and slot machines, while hold percentage is the percentage of that volume retained by the Group casinos after payouts to visitors. Both metrics are sensitive to broader tourism trends, economic conditions, regulatory changes, and the competitive landscape in Georgia and the wider region (see "*—Key Factors Affecting the Group's Financial Condition and Results of Operations Generally—Economic and Political Conditions in Georgia*".

Gaming volume is directly dependent on the volume and profile of visitors, particularly high-value international and domestic players. Accordingly, factors such as air travel connectivity (particularly direct flights to Georgia), border policies, visa requirements or diplomatic relations with neighboring countries (particularly Türkiye), regional stability, and the strength of the tourism sector are key drivers of the Group's casino performance. The Group’s casino in Batumi, located near the Turkish border, draws more than half of its visitors from Türkiye, with Israeli guests comprising approximately 20% during the period under review. In contrast, the visitor base at the Group’s Tbilisi casino is more diverse, with guests from Israel, Türkiye, and Georgia each accounting for around 15%. The Group’s strategy of situating casinos in these high-traffic tourist areas with complementary leisure facilities helps to mitigate some of the volatility associated with seasonality or localized demand fluctuations.

Gaming volume is also influenced by customer behavior within the casino environment. Factors such as the quality of the gaming experience, service standards, loyalty programs, promotional initiatives, and the overall entertainment offering in a casino can increase both the frequency and duration of customer visits. The Group makes ongoing investments in these areas to attract and retain a broad range of guests, including both casual visitors and high-value players.

The Group's management closely monitors customer behavior, player segmentation, average spending per visitor, and hold percentages by product type (e.g., gaming tables or slot machines) to identify trends and adapt to market developments. Non-gaming revenues, such as food and beverage, entertainment, and hospitality services, also contribute to the Group's profitability, particularly during periods of softer gaming activity.

Short-term variability in hold percentages, especially for table games with high volatility, is inherent in casino operations and can affect reported revenue and profitability. Over the long term, however, hold percentages tend to normalize within predictable ranges. As a result, short-term deviations in hold percentages may affect reported revenue and profitability but do not necessarily indicate changes in underlying business performance.

Seasonality

Seasonality has varying effects across the Group’s different businesses.

Within the Group's Telecom business, seasonal effects have a relatively limited impact on the Group's fixed services, since a substantial proportion of revenue arises from monthly access fees, which are fixed, rather than variable usage payments. The mobile services have historically experienced seasonal fluctuations in revenue with mobile voice, mobile broadband and mobile roaming usage and revenue, typically peaking in the traditional summer vacation months of June, July, August and September.

For the Hotels and Casinos businesses, seasonality is a key factor influencing demand and revenue. Seasonal demand patterns in the Hotel business vary by property and region. Demand in Tbilisi, as a capital city with a strong corporate focus, is relatively stable throughout the year, with peaks during spring, summer, and major holidays. Batumi, as a coastal resort, experiences pronounced seasonality, with demand surging in the summer and during holiday periods, driven primarily by leisure travelers. Tsinandali is a wine and countryside destination with highly variable demand, influenced by holidays and special events. Overall, hotel occupancy and room rates are highest during peak travel seasons, typically the summer months and major holidays, leading to increased ADR and RevPAR. Conversely, off-peak periods, especially late autumn and early spring, tend to see a reduction in tourist inflows and lower demand, impacting both occupancy and pricing ADR. The Group mitigates these effects through dynamic pricing, targeted promotions, and a focus on group bookings during slower periods.

In the Casinos business, the Group's results of operations are also subject to seasonal trends, though generally to a lesser extent than the Hotels business. In Batumi, seasonality is a significant factor, with visitor volumes and gaming activity rising during peak travel and holiday seasons. Tbilisi’s casino business is less sensitive to seasonality, with local clientele helping to stabilize revenues during off-peak times.

The Group analyses seasonal patterns in each booking type (such as direct, website, online travel agent, corporate, Leisure FIT, casino, and group bookings) with customer data (such as guest nationality and source country data) to gain deeper insight into demand drivers. These insights inform targeted pricing, promotional strategies, and marketing campaigns, designed to stimulate demand during low seasons and maximize revenue during peak periods. For example, the Group may launch value-driven campaigns to attract group business in the off-season, while focusing on premium room sales and ancillary revenues during high-demand periods.

Operating Segments

For the Unaudited Condensed Consolidated Interim Financial Statements and the 2024 Audited Consolidated Financial Statements, the Group represented its results of operations in three reportable segments, all of which are the Group's strategic business units. These strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Supervisory Board and shareholders review internal management reports on at least a quarterly basis. These segments are as follows:

- Telecom: all Group entities and operating segments that: (a) are engaged in the provision of telecommunication services, including mobile, fixed-line, internet, media and associated infrastructure; (b) constitute major cash-generating units within the Group’s telecommunication business; or (c) generate mainstream revenues from their core telecom-related activities, including network operation, service provision, or infrastructure leasing to third parties or to other Group entities; this segment reflects the Group's Telecom business;

- Hotels: all Group entities and operating segments that: (a) own and operate full-service hotels; (b) are active cash-generating units from hotel operations; and (c) generate primary revenue from accommodation, food and beverage services, and related hospitality activities; this segment reflects the Group's Hotels business; and

- Casinos: all Group entities and operating segments that: (a) operate licensed gaming and casino facilities; and (b) are active revenue-generating units engaged in gaming operations; this segment reflects the Group's Casinos business.

The Group voluntarily discloses development services separately from the three reportable segments above. Although development services do not qualify as a separate operating segment under IFRS 8 *Operating Segments*, "development" is presented separately in "unallocated" below along with "other unallocated" and in Note 8 to the 2024 Audited Consolidated Financial Statements to demonstrate the financial performance distinctly. "Unallocated" consists of:

- Development: all Group entities and operating units that: (a) primarily hold land or property intended for future development; and (b) are not yet generating material operational revenue from their core assets but are positioned for future real estate, hospitality, or infrastructure projects; "development" within the "Unallocated" caption reflects the Group's Development business and

- Other unallocated: all Group entities and operating units that do not meet the criteria for classification under any of the Telecom, Hotels and Casinos segments and "development" within the "Unallocated" caption above. This includes: (a) entities that primarily hold investments unrelated to other reportable segments; (b) companies that provide corporate, administrative, or support services; (c) businesses that generate incidental or non-core income; and (d) any Group entities with diversified or residual activities that do not qualify as a separate reportable segment; "other unallocated" reflects the Group's Other business.

The majority of the Group's revenue is generated in Georgia, so information regarding geographical areas is not provided. There are no customers in any of the segments that represent more than 10% of revenue. Information related to each reportable segment is set forth below.

Management believes that disclosure of revenues, operating profit, assets and liabilities is the most relevant in evaluating the results of each operating segment. Segment revenue includes all revenues reported by each business segment before deducting intersegment eliminations, as a result of which the sum of segment revenue exceeds the Group's consolidated revenue. Segment operating profit/(loss) for the year is used to measure performance as management believes that such information is most relevant in evaluating the results of certain segments relative to other entities that operate in these industries. Management also uses Adjusted EBITDA as an alternative performance measure for each segment.

Investment property held by the telecom segment is managed on a centralized basis and is presented under "unallocated development" amounts.

The following table sets forth the Group's selected consolidated statement of profit or loss and other comprehensive income data by segments for the year ended 31 December 2024 and 2023.

	For the year ended 31 December 2024						
	Segments			Unallocated			
	Telecom	Casinos	Hotels	Development	Other unallocated	Reconciling Items	Total
				(GEL thousands)			
Segment revenue	581,970	178,524	97,549	2,960	43,952	(34,465)	870,490
Operating expenses (excluding specific items)	(212,098)	(148,059)	(71,733)	(5,280)	(55,237)	33,810	(458,597)
Adjusted EBITDA	369,872	30,465	25,816	(2,320)	(11,285)	(655)	411,893
Adjusted EBITDA Margin	64%	17%	26%				47%
Depreciation and amortization	(114,822)	(3,696)	(14,663)	(1,603)	(2,231)	-	(137,015)
Specific items	(12,433)	-	(32)	(620)	(11,435)	-	(24,520)
Segment operating profit/(loss)	242,617	26,769	11,121	(4,543)	(24,951)	(655)	250,358
Finance income	17,172	6,221	1,082	2,628	25,279	(29,007)	23,375
Finance costs	(57,890)	-	(3,486)	(2,867)	(42,166)	26,509	(79,900)
Net foreign exchange loss	(12,990)	1,115	(1,092)	(1,276)	(5,655)	1,078	(18,820)
Segment profit/(loss) before tax	188,909	34,105	7,625	(6,058)	(47,493)	(2,075)	175,013
Income tax expense	(216)	-	-	-	(1,306)	-	(1,522)
Profit/(loss) for the year	188,693	34,105	7,625	(6,058)	(48,799)	(2,075)	173,491
Capex and other additions	65,056	10,008	12,480	20,705	121,342	-	229,591

	For the year ended 31 December 2023						
	Segments			Unallocated			
	Telecom	Casinos	Hotels	Development	Other unallocated	Reconciling Items	Total
				(GEL thousands)			
Segment revenue	536,433	172,754	93,301	2,279	44,574	(30,766)	818,575
Operating expenses (excluding specific items)	(198,540)	(132,944)	(66,128)	(3,412)	(46,295)	30,316	(417,003)

Adjusted EBITDA	337,893	39,810	27,173	(1,133)	(1,721)	(450)	401,572
Adjusted EBITDA Margin.....	63%	23%	29%				49%
Depreciation and amortization	(118,737)	(3,488)	(15,472)	(1,437)	(1,983)	-	(141,117)
Specific items	(29,954)	-	886	-	(2,746)	-	(31,814)
Segment operating profit/(loss).....	189,202	36,322	12,587	(2,570)	(6,450)	(450)	228,641
Finance income.....	12,144	8,350	1,570	2,640	17,568	(20,362)	21,910
Finance costs.....	(54,072)	-	(3,840)	(2,250)	(40,911)	17,209	(83,864)
Net foreign exchange gain/(loss).....	357	(212)	(593)	(64)	(6,999)	(791)	(8,302)
Segment profit/(loss) before tax.....	147,631	44,460	9,724	(2,244)	(36,792)	(4,394)	158,385
Income tax expense.....	(258)	-	-	-	(915)	-	(1,173)
Profit/(loss) for the year.....	147,373	44,460	9,724	(2,244)	(37,707)	(4,394)	157,212
Capex and other additions.....	52,061	11,910	6,390	7,046	57,350	-	134,757

The following table sets forth the reconciliation of the Group's segment revenues:

	For the year ended 31 December 31 December 2024				
	Segments			Unallocated	
	Telecom	Casinos	Hotels	Other[1]	Total
			(GEL thousands)		
Segment revenue.....	581,970	178,524	97,549	12,447	870.,490
Other income	-	(11,842)	-	(5,036)	(16,878)
Customer promotions and bonuses for Casinos[2]	-	(12,232)	-	-	(12,232)
Revenue from Complex Republic[3].....	-	-	8,000	(8,000)	-
Intra-segment revenue[4] .	-	-	(12,472)	12,472	-
Total revenue	**581,970**	**154,450**	**93,077**	**11,883**	**841,380**

	For the year ended 31 December 31 December 2023				
	Segments			Unallocated	
	Telecom	Casinos	Hotels	Other[1]	Total
			(GEL thousands)		
Segment revenue.....	536,433	172,754	93,301	16,087	818,575
Other income	-	(12,215)	-	(5,829)	(18,044)
Customer promotions and bonuses for Casinos[2]	-	(13,568)	-	-	(13,568)
Revenue from Complex Republic[3]	-	-	8,271	(8,271)	-
Intra-segment revenue[4] .	-	-	(11,592)	11,592	-
Total revenue	**536,433**	**146,971**	**89,980**	**13,579**	**786,963**

Notes:

(1) Other revenue includes revenue presented in Development and Other within Unallocated caption and reconciling items in consolidated statement of profit or loss and other comprehensive income.

(2) Revenue from Casino operation as presented in the Group's consolidated statement of profit or loss and other comprehensive income is reported net of customer promotions and bonuses. Customer promotions and bonuses are netted off between revenue and operating costs in the Group's Consolidated Financial Statements. See "—Consolidated Results of Operations".

(3) Revenue of GEL 8.0 million for the year ended 31 December 2024 and GEL 8.3 million for the year ended 31 December 2023 are mainly related to the operations of Complex Republic and are allocated to revenue from Other within Unallocated caption.

(4) Intra-segment revenue of GEL 12.5 million for the year ended 31 December 2024 and GEL 11.6 million are revenue generated form hotel services provided to other Group entities in other segments, which is eliminated on a consolidated basis.

Consolidated Results of Operations

The following table sets forth selected data from the Group's consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2025 and 2024.

	For the six months ended 30 June	
	2025	2024
	(GEL thousands)	
Revenue	430,492	400,054
Operating costs	(126,851)	(120,944)
Wages and other employee benefits	(96,066)	(94,267)
Depreciation and amortization	(68,558)	(70,332)
Impairment loss of trade and other receivables and loans receivable	(840)	(816)
Other income	8,625	8,720
Other expenses	(1,589)	(1,545)
Results from operating activities	**145,213**	**120,870**
Finance income	11,012	12,329
Finance cost	(38,919)	(40,080)
Net foreign exchange loss	(5,927)	(27,607)
Net finance costs	**(33,834)**	**(55,358)**
Share of profit of equity accounted invested	(2,338)	5,041
Profit before income tax	**109,041**	**70,553**
Income tax	(492)	(497)
Profit and total comprehensive income for the period	**108,549**	**70,056**
Profit and total comprehensive income for the period		
Owner of the Company	99,523	62,838
Non-controlling interests	9,026	7,218

The following table sets forth selected data from the Group's consolidated statement of profit or loss and other comprehensive income for years ended 2024, 2023 and 2022.

	For the years ended 31 December		
	2024	2023	2022
		(GEL thousands)	
Revenue	841,380	786,963	722,857
Operating costs	(250,912)	(232,273)	(211,327)
Wages and other employee benefits	(196,149)	(190,152)	(158,294)
Depreciation and amortization	(142,565)	(146,828)	(146,989)
Impairment loss of non-financial assets	(14,039)	-	-
Impairment gain / (loss) of trade and other receivables and loans receivable	(1,764)	699	(637)
Modification loss on financial liabilities	-	(2,503)	-
Other income	16,878	18,044	17,255
Other expenses	(4,858)	(5,309)	(3,543)
Results from operating activities	**247,971**	**228,641**	**219,322**
Finance income	23,375	21,910	24,357
Finance cost	(79,900)	(83,864)	(148,046)
Net change in fair value of financial instruments at FVTPL	-	-	(3,862)
Net foreign exchange (loss)/gain	(18,820)	(8,302)	90,393
Net finance costs	**(75,345)**	**(70,256)**	**(37,158)**
Share of profit of equity accounted investee	2,387	-	-
Profit before income tax	**175,013**	**158,385**	**182,164**
Income tax	(1,522)	(1,173)	(340)
Profit and total comprehensive income for the year	**173,491**	**157,212**	**181,824**
Profit and total comprehensive income for the year			
Owner of the Company	158,764	140,405	164,754
Non-controlling interests	14,727	16,807	17,070

Revenue

The following tables sets out the breakdown of the Group's revenue for the six months ended 30 June 2025 and 2024.

	For the six months ended 30 June	
	2025	**2024**
	(GEL thousands)	
Telecom revenue	297,626	280,665
Real estate revenue	130,260	116,370
Other revenue	2,606	3,019
Total revenue	**430,492**	**400,054**

The following table sets out the breakdown of the Group's revenue for the years ended 31 December 2024, 2023, and 2022.

	For the year ended 31 December		
	2024	**2023**	**2022**
	(GEL thousands)		
Telecom revenue	581,970	536,433	472,965
Real estate revenue	254,118	243,154	242,496
Other revenue	5,292	7,376	7,396
Total revenue	**841,380**	**786,963**	**722,857**

Telecom Revenue

The following tables sets out the breakdown of the Group's telecom revenue for the six months ended 30 June 2025 and 2024.

	For the six months ended 30 June	
	2025	**2024**
	(GEL thousands)	
Commercial revenue		
Mobile revenue		
Mobile voice, data and SMS	155,117	143,799
Revenue from other services	4,432	4,410
Revenue from phone sales and accessories	833	758
Total mobile revenue	**160,382**	**148,967**
Fixed revenue		
Fixed broadband	74,307	70,291
Pay TV	30,611	28,361
Fixed telephone	4,880	5,375
Revenue from other services	1,286	1,208
Infrastructure capacity rental	1,909	1,691
Total fixed revenue	**112,993**	**106,926**
Total commercial revenue	**273,375**	**255,893**
Carrier and other services		
Interconnect service	9,881	12,049
Infrastructure capacity rental service	7,050	6,985
Roaming revenue	5,790	4,290
Internet wholesale	1,530	1,448
Total carrier and other services	**24,251**	**24,772**
Total telecom revenue	**297,626**	**280,665**

The following table sets out the breakdown of the Group's telecom revenue for the years ended 31 December 2024, 2023, and 2022.

	For the year ended 31 December		
	2024	**2023**	**2022**
		(GEL thousands)	
Commercial revenue			
Mobile revenue			
Mobile voice, data and SMS[(1)]	302,638	273,328	239,078
Revenue from other services	8,836	8,290	5,711
Revenue from phone sales and accessories	1,594	1,790	865
Total mobile revenue	**313,068**	**283,408**	**245,654**
Fixed revenue			
Fixed broadband	142,272	132,624	114,389
Pay TV	58,211	55,855	50,649
Fixed telephone	10,582	11,412	12,685
Infrastructure capacity rental service	3,579	2,944	2,891
Revenue from other services	2,361	1,608	1,820
Total fixed revenue	**217,005**	**204,443**	**182,434**
Total commercial revenue	**530,073**	**487,851**	**428,088**
Carrier and other services			
Interconnect service[(2)]	23,532	25,276	25,884
Infrastructure capacity rental service[(3)]	14,188	11,614	9,714
Internet wholesale	2,962	2,659	2,814
Roaming revenue	11,215	9,033	6,465
Total carrier and other services	**51,897**	**48,582**	**44,877**
Total revenues	**581,970**	**536,433**	**472,965**

Notes:

(1) Presented as "mobile callout", "mobile data" and "revenue from SMS" in the Audited Consolidated Financial Statements.

(2) Revenue from interconnect service is generated by both segments as follows: GEL 21.6 million by the mobile services segment and GEL 1.9 million by the fixed services during the year ended 31 December 2024 (for the year ended 31 December 2023, GEL 23.4 million by mobile services segment and GEL 1.9 million by the fixed services segment).

(3) Revenue from infrastructure capacity rental service include revenue from IRU contracts. Advances received related to IRU contracts relate to the advance consideration received from customers for granting access to certain dark fibers from the Group’s infrastructure.

Mobile Revenue

Mobile Voice, Data, and SMS

Mobile voice, data and SMS revenue for the six months ended 30 June 2025 was GEL 155.1 million, an increase of GEL 11.3 million, or 7.9%, compared to GEL 143.8 million for the six months ended 30 June 2024. This increase was primarily driven by an increase in the mobile subscriber base to 2,042 thousand as at 30 June 2025 from 1,932 thousand as at 30 June 2024.

Mobile voice, data and SMS revenue for the year ended 31 December 2024 was GEL 302.6 million, an increase of GEL 29.3 million, or 10.7% from GEL 273.3 million for the year ended 31 December 2023. This increase was primarily driven by an increase in the mobile subscriber base to 1,975 thousand as at 31 December 2024 from 1,860 thousand as at 31 December 2023, and an increase in mobile data consumption by 22.7%, leading to an increase in ARPU by 4.8% to GEL 13.1 in 2024 from GEL 12.5 in 2023. Additionally, mobile data user penetration reached 72.2% in 2024 compared to 71.4% in 2023.

Mobile voice, data and SMS revenue for the year ended 31 December 2023 was GEL 273.3 million, an increase of GEL 34.2 million, or 14.3%, from GEL 239.1 million for the year ended 31 December 2022. The increase was primarily attributable to (a) an increase in the mobile subscriber base to 1,860 thousand in 2023 from 1,796 thousand in 2022, (b) gradual price increases for its retail services throughout 2022, which therefore only partially impacted 2022 results, with the full effect realised in 2023, and (c) an increase in mobile data consumption by 39.7%, leading to an increase in ARPU by 10.2% to GEL 12.5 in 2023 from GEL 11.4 in 2022.

Other Mobile Services

Revenue from other mobile services for the six months ended 30 June 2025 was GEL 4.4 million, compared to GEL 4.4 million for the six months ended 30 June 2024.

Revenue from other mobile services for the year ended 31 December 2024 was GEL 8.8 million, an increase of GEL 0.5 million, or 6.0%, compared to GEL 8.3 million for the year ended 31 December 2023, which in turn was an increase of GEL 2.6 million, or 45.6%, compared to GEL 5.7 million for the year ended 31 December 2022. The increase for both years was attributable to higher revenue from mobile value-added services.

Fixed Revenue

Fixed Broadband

Fixed broadband revenue for the six months ended 30 June 2025 was GEL 74.3 million, an increase of GEL 4.0 million, or 5.7%, compared to GEL 70.3 million for the six months ended 30 June 2024. The increase was primarily attributable to an increase in subscriber base to 367,000 as at 30 June 2025 from 347,000 as at 30 June 2024.

Fixed broadband revenue for the year ended 31 December 2024 was GEL 142.3 million, an increase of GEL 9.7 million, or 7.3%, compared to GEL 132.6 million for the year ended 31 December 2023. The increase was primarily attributable to an increase in subscriber base to 360,000 as at 31 December 2024 from 339,000 as at 31 December 2023.

Fixed broadband revenue for the year ended 31 December 2023 was GEL 132.6 million, an increase of GEL 18.2 million, or 15.9%, compared to GEL 114.4 million for the year ended 31 December 2022. The increase was primarily attributable to (a) an increase in subscriber base to 339,000 as at 31 December 2023 from 324,000 as at 31 December 2022, (b) an increase in the ARPU by GEL 2.9, or 9.6%, to GEL 33.6 in 2023 from GEL 30.7 in 2022, and (c) gradual price increases for its retail services throughout 2022.

Pay TV

Pay TV service revenue for the six months ended 30 June 2025 was GEL 30.6 million, an increase of GEL 2.2 million, or 7.7%, compared to GEL 28.4 million for the six months ended 30 June 2024. The increase was primarily attributable to an increase in Pay TV subscribers to 267 thousand as at 30 June 2025 from 254 thousand as at 30 June 2024.

Pay TV service revenue for the year ended 31 December 2024 was GEL 58.2 million, an increase of GEL 2.3 million, or 4.1%, compared to GEL 55.9 million for the year ended 31 December 2023. The increase was primarily attributable to an increase in Pay TV subscribers to 264,000 as at 31 December 2024 from 249,000 as at 31 December 2023.

Pay TV service revenue for the year ended 31 December 2023 was GEL 55.9 million, an increase of GEL 5.3 million, or 10.5%, compared to GEL 50.6 million for the year ended 31 December 2022. The increase was primarily attributable to (a) an increase in Pay TV subscribers to 249,000 as at 31 December 2023 from 242,000 as at 31 December 2022, (b) an increase in ARPU by GEL 1.0, or 5.8% to GEL 18.2 in 2023 from GEL 17.2 in 2022 and (c) gradual price increases for its retail services throughout 2022.

Fixed Telephone

Fixed telephone revenue for the six months ended 30 June 2025 was GEL 4.9 million, a decrease of GEL 0.5 million, or 9.3%, compared to GEL 5.4 million for the six months ended 30 June 2024. Fixed telephone revenue for the year ended 31 December 2024 was GEL 10.6 million, a decrease of GEL 0.8 million, or 7.0%, compared to GEL 11.4 million for the year ended 31 December 2023, which in turn was a decrease of GEL 1.3 million, or 10.2%, compared to GEL 12.7 million for the year ended 31 December 2022. The decreases in these periods were attributable to the substitution of fixed voice services with mobile services, in line with global trends.

Carrier and Other Services

Interconnect Service

Interconnect service revenue for the six months ended 30 June 2025 was GEL 9.9 million, a decrease of GEL 2.1 million, or 17.5%, compared to GEL 12.0 million for the six months ended 30 June 2024. Interconnect service revenue for the year ended 31 December 2024 was GEL 23.5 million, a decrease of GEL 1.8 million, or 7.1%, compared to GEL 25.3 million for the year ended 31 December 2023, which was in turn a decrease of GEL 0.6 million, or 2.3%, compared to GEL 25.9 million for the year ended 31 December 2022. The decreases in these periods were primarily attributable to the declining trend in international bulk SMS and voice calls due to the growing use of over-the-top (OTT) services. The decrease in 2023 was partly offset by an increased tariff in international bulk SMS interconnection.

Infrastructure Capacity Rental Services

Revenue from infrastructure capacity rental services in the carrier and other services for the six months ended 30 June 2025 was GEL 7.1 million, a slight increase of GEL 0.1 million, or 1.4%, compared to GEL 7.0 million for the six months ended 30 June 2024. Revenue from infrastructure capacity rental services in the carrier and other services for the year ended 31 December 2024 was GEL 14.2 million, an increase of GEL 2.6 million, or 22.4%, compared to GEL 11.6 million for the year ended 31 December 2023, which was in turn an increase of GEL 1.9 million, or 19.6%, compared to GEL 9.7 million for the year ended 31 December 2022. The increases in these periods were primarily attributable to an overall increase in demand compared to prior periods.

Roaming Revenue

Revenue from roaming services in the carrier and other services for the six months ended 30 June 2025 was GEL 5.8 million, an increase of GEL 1.5 million, or 34.9%, compared to GEL 4.3 million for the six months ended 30 June 2024. Revenue from roaming services in the carrier and other services for the year ended 31 December 2024 was GEL 11.2 million, an increase of GEL 2.2 million, or 24.4%, compared to GEL 9.0 million for the year ended 31 December 2023, which was in turn an increase of GEL 2.5 million, or 38.5%, compared to GEL 6.5 million for the year ended 31 December 2022. The increase in 2023 was predominantly driven by the post-COVID recovery of incoming tourism activity in Georgia, with this growth trend continuing throughout 2024 and into the six months ended 30 June 2025.

Real Estate Revenue

The Group generates real estate revenue primarily from hotel and casino operations. Hotel revenue stream is mainly attributable to sale of hotel rooms and food and beverages in the hotel restaurant facilities. Revenue from casino operations is reported net of customer promotions and bonuses.

The following table sets out the breakdown of the Group's real estate revenue for the six months ended 30 June 2025 and 2024.

	For the six months ended	
	2025	**2024**
	(GEL thousands)	
Revenue from casino operations		
Revenue from casino live games	51,867	42,213
Revenue from slot machines	33,436	29,215
	85,303	**71,428**
Revenue from hotel and Complex Republic operations		
Food and beverage revenue	24,686	22,677
Room revenue	14,971	16,412
Other hotel revenue	3,469	3,587
	43,126	**42,676**
Other revenue	**1,831**	**2,266**
Total real estate revenue	**130,260**	**116,370**

The following table sets out the breakdown of the Group's real estate revenue for the years ended 31 December 2024, 2023 and 2022.

	For the year ended 31 December		
	2024	**2023**	**2022**
		(GEL thousands)	
Revenue from casino operations			
Revenue from casino live games	91,324	83,436	100,702
Revenue from slot machines	63,126	63,535	54,394
	154,450	**146,971**	**155,096**
Revenue from hotel and Complex Republic operations			
Food and beverage revenue	48,899	47,285	41,491
Room revenue	36,063	35,193	34,594
Other hotel revenue	8,115	7,502	6,580
	93,077	**89,980**	**82,665**
Other revenue	**6,591**	**6,203**	**4,735**

Total Real Estate Revenue.....	**254,118**	**243,154**	**242,496**

Revenue from Casino Operations

Revenue from Casino Live Games

Revenue from casino live games for the six months ended 30 June 2025 was GEL 51.9 million, an increase of GEL 9.7 million, or 23%, compared to GEL 42.2 million for the six months ended 30 June 2024. The increase was primarily due to stronger casino operating performance of Casino Iveria in Tbilisi ("**Tbilisi Casino**"), and, to a lesser extent, of Casino Iveria in Batumi ("**Batumi Casino**"), which were driven by an increase in casino visitors, an increase in the amount of money players wagered in gaming tables ("**table drop**"), and an increase in the hold percentage.

Revenue from casino live games for the year ended 31 December 2024 was GEL 91.3 million, an increase of GEL 7.9 million, or 9.5%, compared to GEL 83.4 million for the year ended 31 December 2023. The increase was primarily attributable to stronger casino operating performance of Batumi Casino, and, to a lesser extent, of Tbilisi Casino, which were driven by an increase in casino visitors to both casinos, and an increase in table drop in Tbilisi Casino by 9.0%, while hold percentages stayed stable in both casinos.

Revenue from casino live games for the year ended 31 December 2023 was GEL 83.4 million, a decrease of GEL 17.3 million, or 17.2%, compared to GEL 100.7 million for the year ended 31 December 2022. The decrease was primarily attributable to weaker casino operating performance of Tbilisi Casino, and, to a lesser extent, of Batumi Casino, which were driven by (i) a decrease in casino visitors by 15.0% for Tbilisi Casino and 9.0% for Batumi Casino, which were in turn driven by opening of new casinos in Georgia: Grand Bellagio Casino in December 2022 and Black Opal Casino in February 2023 in Tbilisi and (ii) a decrease in table drop by 17.0% for Tbilisi Casino and 6.0% for Batumi Casino, while hold percentages stayed stable in both casinos. In addition, 2022 benefited from a surge in activity following the reopening of casinos after extended closures due to the COVID-19 global pandemic.

Revenue from Slot Machines

Revenue from slot machines for the six months ended 30 June 2025 was GEL 33.4 million, an increase of GEL 4.2 million, or 14.4%, compared to GEL 29.2 million for the six months ended 30 June 2024. The increase was primarily due to stronger casino operating performance of Tbilisi Casino, which was driven by an increase in casino visitors by 14.0%, and an increase of hold percentage to 10.0% from 9.0%.

Revenue from slot machines for the year ended 31 December 2024 was GEL 63.1 million, a marginal decrease of GEL 0.4 million, or 0.6%, compared to GEL 63.5 million for the year ended 31 December 2023.

Revenue from slot machines for the year ended 31 December 2023 was GEL 63.5 million, an increase of GEL 9.1 million, or 16.7%, compared to GEL 54.4 million for the year ended 31 December 2022. Despite a decrease in the total number of visitors, the increase was primarily attributable to stronger casino operating performance of Tbilisi Casino and Batumi Casino, which were mainly driven by a higher proportion of players with larger spending capacity. This resulted in an increase in the total amount of money player wagered on slot machines ("**slot drop**") of 13.0% for Tbilisi Casino and 38.0% for Batumi Casino. Hold percentages stayed relatively stable for both casinos at 9% for both years.

Revenue from Hotel and Complex Republic Operations

Food and Beverage Revenue

Food and beverage revenue for the six months ended 30 June 2025 was GEL 24.7 million, an increase of GEL 2.0 million, or 8.8%, compared to GEL 22.7 million for the six months ended 30 June 2024. The slight increase was primarily attributable to the launch of The Telegraph Hotel in June 2025.

Food and beverage revenue for the year ended 31 December 2024 was GEL 48.9 million, an increase of GEL 1.6 million, or 3.4%, compared to GEL 47.3 million for the year ended 31 December 2023. This increase was primarily attributable to the combined impact of improved occupancy levels in 2024 compared to 2023 and menu price increases made in 2024.

Food and beverage revenue for the year ended 31 December 2023 was GEL 47.3 million, an increase of GEL 5.8 million, or 14.0%, compared to GEL 41.5 million for the year ended 31 December 2022. The increase was primarily attributable to improved occupancy rates and increased cover counts in 2023 compared to 2022.

Room Revenue

Room revenue for the six months ended 30 June 2025 was GEL 15.0 million, a decrease of GEL 1.4 million, or 8.5%, compared to GEL 16.4 million for the six months ended 30 June 2024. This decrease was primarily attributable to a decrease in the number of available rooms for the six months ended 30 June 2025 compared to the six months ended 30 June 2024, resulting from ongoing renovation works at Batumi Casino during the first half of 2025.

Room revenue for the year ended 31 December 2024 was GEL 36.1 million, an increase of GEL 0.9 million, or 2.6%, compared to GEL 35.2 million for the year ended 31 December 2023. The increase was primarily driven by favorable pricing strategies, which were partially offset by a modest decline in overall occupancy in 2024 compared to 2023. While Batumi and Tsinandali experienced healthy occupancy growth in 2024 compared to 2023, this was counteracted by a notable reduction in occupancy in Tbilisi, which was primarily due to new hotels opened in Tbilisi in 2024 and the adverse effects of political unrest during the second half of 2024. See "*Business Description of the Group—Businesses—Real Estate—Hospitality*—Hotels Business" for more information on the occupancy, ADR and RevPAR of the Group's hotels during period under review.

Room revenue for the year ended 31 December 2023 was GEL 35.2 million, an increase of GEL 0.6 million, or 1.7%, compared to GEL 34.6 million for the year ended 31 December 2022. The increase was primarily attributable to increases in both occupancy and room rates in 2023 compared to 2022. See "*Business Description of the Group—Businesses—Real Estate—Hospitality*—Hotels Business" for more information on the occupancy, ADR and RevPAR of the Group's hotels during period under review.

Other Hotel Revenue

The Group also generates other hotel revenue from Complex Republic operations, amounting to GEL 3.5 million for the six months ended 30 June 2025, compared to GEL 3.6 million for the six months ended 30 June 2024, and GEL 8.1 million for the year ended 31 December 2024, compared to GEL 7.5 million and GEL 6.6 million for the years ended 31 December 2023 and 2022. This category primarily consists of revenue derived from spa and parking services. Spa revenue corresponded to room occupancy levels as higher guest numbers generally resulted in increased utilization of paid spa treatments, particularly massages. Parking revenue, most notably at the Radisson Tbilisi property, has shown steady growth, driven in large part by the continued popularity of the hotel’s restaurants among non-resident guests.

Other Real Estate Revenue

The Group also generates other real estate revenue, amounting to GEL 1.8 million for the six months ended 30 June 2025, compared to GEL 2.3 million for the six months ended 30 June 2024, and GEL 6.6 million for the year ended 31 December 2024, compared to GEL 6.2 million and GEL 4.7 million for the years ended 31 December 2023 and 2022. This category primarily consists of revenue derived from the Group's non-core businesses.

Other Revenue

In addition to Telecom revenue and real estate revenue, the Group generated other revenue amounting to GEL 2.6 million for the six months ended 30 June 2025, compared to GEL 3.0 million for the six months ended 30 June 2024, and GEL 5.3 million for the year ended 31 December 2024, compared to GEL 7.4 million and GEL 7.4 million for the years ended 31 December 2023 and 2022. This category primarily derived from the Group's energy business (Bakhvi Hydro Power LLC).

Operating Costs

The following table sets out the components of the Group's operating costs for the six months ended 30 June 2025 and 2024 and for the years ended 31 December 2024, 2023 and 2022.

	For the six months ended 30 June		For the Years ended 31 December		
	2025	**2024**	**2024**	**2023**	**2022**
			(GEL thousands)		
Telecom operating costs	63,569	65,560	132,256	132,886	121,572
Real estate operating costs	61,196	54,700	117,671	97,940	88,328
Other operating costs	2,086	684	985	1,447	1,427
	126,851	**120,944**	**250,912**	**232,273**	**211,327**

Telecom Operating Costs

The following table sets out the components of the Group's telecom operating costs for the six months ended 30 June 2025 and 2024 and for the years ended 31 December 2024, 2023 and 2022.

	For the six months ended 30 June		For the years ended 31 December		
	2025	**2024**	**2024**	**2023**	**2022**
			(GEL thousands)		
Telecom operating costs ’000 GEL					
Network management and maintenance costs	11,260	9,417	20,271	18,480	18,142
Interconnect fees and roaming expense	7,698	8,179	16,704	16,978	17,136
Utility expenses	7,642	7,437	15,197	16,217	16,122
Software maintenance service	6,373	5,929	12,790	11,862	12,282
Pay TV content cost	4,749	4,793	9,368	8,815	9,324
Professional fees	2,351	6,200	7,831	15,341	5,694
Infrastructure capacity rentals, IRU and lease expenses	4,269	3,149	7,541	6,561	6,507
Advertising and marketing	2,398	2,761	6,601	6,924	5,354
Internet clear channel costs	2,479	2,416	4,856	4,670	4,576
Communication regulation fee	2,362	2,251	4,648	4,297	3,842
Property and other taxes	1,868	1,922	3,955	3,669	4,138
Security expenses	1,925	1,594	3,513	2,518	2,427
Internet protocol (IP) cost	1,840	1,683	3,298	3,183	3,537
Fuel and lubricants used	1,196	1,438	3,012	2,971	3,296
Transportation services	1,369	1,507	2,962	2,575	1,956
Charity expenses	689	666	1,650	1,400	1,350
Office stationary and other supplies	566	808	1,534	1,704	1,270
Bank fees and charges	833	593	1,214	924	1,533
Write-down of slow moving inventory, property and equipment and other non-current assets	353	65	1,159	592	706
Other	1,349	2,752	4,152	3,205	2,380
Total telecom operating costs	**63,569**	**65,560**	**132,256**	**132,886**	**121,572**

Network Management and Maintenance Costs

Network management and maintenance costs for the six months ended 30 June 2025 were GEL 11.3 million, an increase of GEL 1.9 million, or 20.2%, compared to GEL 9.4 million for the six months ended 30 June 2024.

Network management and maintenance costs for the year ended 31 December 2024 were GEL 20.3 million, an increase of GEL 1.8 million, or 9.7%, compared to GEL 18.5 million for the year ended 31 December 2023, which was in turn an increase of GEL 0.4 million, or 2.2%, compared to GEL 18.1 million for the year ended 31 December 2022. The increases in these periods were primarily driven by the expansion of network infrastructure.

Interconnect Fees and Roaming Expenses

Interconnect fees and roaming expenses for the six months ended 30 June 2025 were GEL 7.7 million, a decrease of GEL 0.5 million, or 6.1%, compared to GEL 8.2 million for the six months ended 30 June 2024.

Interconnect fees and roaming expenses for the year ended 31 December 2024 were GEL 16.7 million, a decrease of GEL 0.3 million, or 1.8%, compared to GEL 17.0 million for the year ended 31 December 2023, which was in turn a decrease of GEL 0.1 million, or 0.6%, compared to GEL 17.1 million for the year ended 31 December 2022. The decreases in these periods were primarily attributable to a decline in outgoing voice traffic, driven by the substitution of voice services with mobile data services.

Utility Expenses

Utility expenses for the six months ended 30 June 2025 were GEL 7.6 million, an increase of GEL 0.2 million, or 2.7%, compared to GEL 7.4 million for the six months ended 30 June 2024. The increase was primarily attributable to the network expansion in 2025.

Utility expenses for the year ended 31 December 2024 were GEL 15.2 million, a decrease of GEL 1.0 million, or 6.2%, compared to GEL 16.2 million for the year ended 31 December 2023. The decrease was primarily attributable to a decrease in electricity tariff in 2024 compared to 2023.

Utility expenses for the year ended 31 December 2023 were GEL 16.2 million, an increase of GEL 0.1 million, or 0.6%, compared to GEL 16.1 million for the year ended 31 December 2022. The increase was primarily attributable to an increase in electricity consumption driven by increased per user data traffic and network expansion.

Software Maintenance Service

Software maintenance service for the six months ended 30 June 2025 was GEL 6.4 million, an increase of GEL 0.5 million, or 8.5%, compared to GEL 5.9 million for the six months ended 30 June 2024. The increase was mainly attributable to the higher support services resulting from network expansion in 2025 and the depreciation of the Lari by 2.7% for the six months ended 30 June 2025 compared to six months ended 30 June 2024.

Software maintenance service for the year ended 31 December 2024 was GEL 12.8 million, an increase of GEL 0.9 million, or 7.6%, compared to GEL 11.9 million for the year ended 31 December 2023. The increase was primarily attributable to the depreciation of the Lari by 3.3% in 2024 compared to 2023 and an increase in support services due to network expansion.

Software maintenance service for the year ended 31 December 2023 was GEL 11.9 million, a decrease of GEL 0.4 million, or 3.3%, compared to GEL 12.3 million for the year ended 31 December 2022. The decrease was primarily attributable to the appreciation of GEL by 9.9% in 2023 compared to 2022 resulting in a decrease in total software maintenance services, which was partly offset by an increase in support services due to network expansion.

Pay TV Content Cost

Pay TV contents cost for the six months ended 30 June 2025 was GEL 4.7 million, a decrease of GEL 0.1 million, or 2.1%, compared to GEL 4.8 million for the six months ended 30 June 2024.

Pay TV contents cost for the year ended 31 December 2024 was GEL 9.4 million, an increase of GEL 0.6 million, or 6.8%, compared to GEL 8.8 million for the year ended 31 December 2023, which was in turn a decrease of GEL 0.5 million, or 5.4%, compared to GEL9.3 million for the year ended 31 December 2022. The Pay TV content portfolio has remained broadly the same for these periods and the slight year-over-year deviations in Pay TV content costs were primarily driven by changes in foreign exchange rates.

Professional Fees

Professional fees for the six months ended 30 June 2025 was GEL 2.4 million, a decrease of GEL 3.8 million, or 61.3%, compared to GEL 6.2 million for the six months ended 30 June 2024.

Professional fees for the year ended 31 December 2024 was GEL 7.8 million, a decrease of GEL 7.5 million, or 49.0%, compared to GEL 15.3 million for the year ended 31 December 2023, which was in turn an increase of GEL 9.6 million, or 168.4%, compared to GEL 5.7 million for the year ended 31 December 2022. The changes in these periods primarily

corresponded to non-recurring consulting expenses related to one-time services associated with telecom's long-term strategic plan.

Infrastructure Capacity Rentals, IRU and Lease Expenses

Infrastructure capacity rentals, IRU and lease expenses for the six months ended 30 June 2025 was GEL 4.3 million, an increase of GEL 1.2 million, or 38.7%, compared to GEL 3.1 million for the six months ended 30 June 2024.

Infrastructure capacity rentals, IRU and lease expenses for the year ended 31 December 2024 was GEL 7.5 million, an increase of GEL 0.9 million, or 13.6%, compared to GEL 6.6 million for the year ended 31 December 2023, which was in turn an increase of GEL 0.1 million, or 1.5%, compared to GEL 6.5 million for the year ended 31 December 2022. The increases in these periods were primarily driven by the expansion of network infrastructure and growth in the subscriber base across both mobile and fixed segments.

Other Telecom Operating Costs

The Group also incurs telecom operating costs from advertising and marketing, internet clear channel costs, communication regulation fee, property and other taxes, security expenses, internet protocol (IP) cost, fuel and lubricants used, transportation services, charity expenses, office stationery and other supplies, bank fees and charges, write down of slow moving inventory, property and equipment, noncurrent assets and other costs.

Real Estate Operating Costs

The following table sets out the components of the Group's real estate operating costs for the six months ended 30 June 2025 and 2024 and for the years ended 31 December 2024, 2023 and 2022.

	For the six months ended 30 June		For the Years ended 31 December		
	2025	**2024**	**2024**	**2023**	**2022**
			(GEL thousands)		
Real estate operating costs					
Customer related cost[(1)]	7,554	7,790	17,380	16,699	16,914
Non-refundable taxes[(2)]	9,558	6,390	13,589	-	-
Consumption of inventories	5,351	5,563	12,239	11,293	11,597
Quarterly permission fee expenses[(3)]	5,948	5,752	11,948	11,824	9,433
Utility expenses	3,383	3,090	7,373	7,382	7,221
Hotel supplies	3,841	3,072	6,460	6,551	5,839
Lease expenses	2,424	2,614	5,219	4,432	3,041
Consulting and professional fees [(4)]	2,971	2,577	5,186	5,443	4,050
Bank and other commissions	2,378	2,117	5,174	4,151	3,651
Marketing expenses	1,823	2,335	4,520	4,523	5,075
Taxes other than on income tax	2,413	1,373	3,888	4,179	3,594
Repair and maintenance	1,111	1,815	2,828	2,951	2,516
Royalty fees[(5)]	1,020	1,088	2,413	2,286	2,149
Contractor service fees	1,063	957	2,156	2,342	2,186
Security expenses	962	977	2,031	1,720	1,550
Other operating costs	9,396	7,190	15,267	12,164	9,512
	61,196	**54,700**	**117,671**	**97,940**	**88,328**

Notes:

(1) Customer related cost represents the free of charge services and goods delivered to casino customers, such as: snacks, drinks, cigarettes, food, flight tickets, etc.

(2) From 1 June 2024, revenue from slot machines has become subject to a specific taxation regime in Georgia, in line with the requirements of the Georgian Tax Code ("**GTC**"). Under this specific tax regime, effective from 1 January 2024, rather than taxing the distributed profit, the gross gaming revenue (i.e. the difference between the bets received from players and the winnings paid out) from slot machines is taxed at 15%, and effective from 1 January 2025, the rate was increased to 20%.

(3) Quarterly permission fee expenses represent the specific fixed quarterly tax accruals to the local authorities on the gambling business and in particular for running slot machines in Georgia.

(4) Professional fees mainly include consulting services regarding the Group's strategic plan and consulting services provided by an entity under common.

(4) Royalty fees represent fees paid under International License Agreement ("**ILA**") with Radisson Hotel Aps Danmark for license to operate hotels with a brand name of "Radisson"

Customer Related Cost

Customer related costs for the six months ended 30 June 2025 was GEL 7.6 million, a decrease of GEL 0.2 million, or 2.6%, compared to GEL 7.8 million for the six months ended 30 June 2024. This decrease was primarily attributable to the adoption of a casino-centric strategy by Silk Hospitality focusing on enhancing cross-selling opportunities between the

casinos and hotels businesses and driving higher profitability through more efficient management of customer-related expenses.

Customer related costs for the year ended 31 December 2024 was GEL 17.4 million, an increase of GEL 0.7 million, or 4.2%, compared to GEL 16.7 million for the year ended 31 December 2023. The increase primarily corresponded to the increase in revenue from casino operations in 2024 compared to 2023.

Customer related costs for the year ended 31 December 2023 was GEL 16.7 million, a decrease of GEL 0.2 million, or 1.2%, compared to GEL 16.9 million for the year ended 31 December 2022. The decrease primarily corresponded to the decrease in revenue from casino operations in 2023 compared to 2022.

Non-Refundable Taxes

Non-refundable taxes for the six months ended 30 June 2025 was GEL 9.6 million, an increase of GEL 3.2 million, or 50.0%, compared to GEL 6.4 million for the six months ended 30 June 2024. The increase was primarily attributable to an increase in the GGR tax rate to 20% for 2025 from 15% for 2024.

Non-refundable taxes for the year ended 31 December 2024 was GEL 13.6 million compared to nil for the year ended 31 December 2023 and nil for the year ended 31 December 2022. The change was primarily attributable to a change in the Georgian Tax Code that introduced the GGR tax with effect on 1 June 2024, under which gross gaming revenue (defined as the difference between bets received from players and winnings paid out) is taxed at a rate of 15% in addition to the Group's corporate income tax on its distributed profits (see "*—Income Tax*" below).

Quarterly permission fee expenses

Quarterly permission fee expenses for the six months ended 30 June 2025 was GEL 5.9 million, a marginal increase of GEL 0.1 million, or 1.7%, compared to GEL 5.8 million for the six months ended 30 June 2024.

Quarterly permission fee expenses for the year ended 31 December 2024 was GEL 11.9 million, an increase of GEL 0.1 million, or 0.8%, compared to GEL 11.8 million for the year ended 31 December 2023. The modest increase was primarily attributable to an increase in the number of slot machines deployed in 2024, in direct response to increased visitor traffic and demand in 2024 compared to 2023.

Quarterly permission fee expenses for the year ended 31 December 2023 was GEL 11.8 million, an increase of GEL 2.4 million, or 25.5%, compared to GEL 9.4 million for the year ended 31 December 2022. The increase was primarily attributable to the Government’s decision to raise quarterly gaming fees in Batumi during 2023, bringing them in line with the rates previously established for Tbilisi.

Consumption of inventories

Consumption of inventories for the six months ended 30 June 2025 was GEL 5.4 million, a decrease of GEL 0.2 million, or 3.6%, compared to GEL 5.6 million for the six months ended 30 June 2024. The decrease in inventory, despite higher food and beverage revenue, is mainly attributable to improved inventory management and higher turnover rates, resulting in more efficient utilization of stock.

Consumption of inventories for the year ended 31 December 2024 was GEL 12.2 million, an increase of GEL 0.9 million, or 8.0%, compared to GEL 11.3 million for the year ended 31 December 2023. This modest increase corresponded to an increase in revenue from food and beverages in 2024 compared to 2023.

Consumption of inventories for the year ended 31 December 2023 was GEL 11.3 million, a decrease of GEL 0.3 million, or 2.6%, compared to GEL 11.6 million for the year ended 31 December 2022. The decrease was primarily driven by improved operational efficiencies in inventory management and a favorable shift in the sales mix towards offerings that require less inventory. These benefits were partially offset by the greater volume of goods needed in 2023 compared to 2022, corresponded to increased revenue from food and beverage.

Other Real Estate Operating Costs

The Group also incurs real estate operating costs from utility expenses, hotel supplies, lease expenses, consulting and professional fees, bank and other commissions, marketing expenses, taxes other than on income tax, repair and maintenance royalty fees, contractor service fees, security expenses and other operating costs.

Wages and Other Employee Benefits

The Group's wages and other employee benefits for the six months ended 30 June 2025 were GEL 96.1 million, an increase of GEL 1.8 million, or 1.9%, compared to GEL 94.3 million for the six months ended 30 June 2024. The increase was primarily driven by salary increases in response to competitive market conditions within the dynamic Georgian labor landscape, as well as an expansion in workforce size necessary to support ongoing operational growth.

The Group's wages and other employee benefits for the year ended 31 December 2024 was GEL 196.1 million, an increase of GEL 5.9 million, or 3.1%, compared to GEL 190.2 million for the year ended 31 December 2023. The increase was primarily driven by salary increases in response to competitive market conditions within the dynamic Georgian labor landscape, as well as an expansion in workforce size necessary to support ongoing operational growth in 2024 compared to 2023.

The Group's wages and other employee benefits for the year ended 31 December 2023 was GEL 190.2 million, an increase of GEL 31.9 million, or 20.2%, compared to GEL 158.3 million for the year ended 31 December 2022. The increase was primarily driven by salary increases in response to competitive market conditions within the dynamic Georgian labor landscape, as well as an expansion in workforce size necessary to support the ongoing operational growth in 2023 compared to 2022.

Depreciation and Amortization

The Group's depreciation and amortization for the six months ended 30 June 2025 was GEL 68.6 million, a decrease of GEL 1.7 million, or 2.4%, compared to GEL 70.3 million for the six months ended 30 June 2024. The slight decrease in 2025 was primarily attributable to the normalization of capital expenditures. After a period of elevated investment prior to 2022, Telecom capital expenditures levels started to stabilize, resulting in a slower rate to additions to depreciable assets and, consequently, a gradual reduction in depreciation expense. The decrease was also partly due to the extension of the useful lives of certain items of property, plant and equipment at Silknet.

Depreciation expense remained relatively stable over the period under review. The Group's depreciation and amortization for the year ended 31 December 2024 was GEL 142.6 million, a decrease of GEL 4.2 million, or 2.9%, compared to GEL 146.8 million for the year ended 31 December 2023, which was a decrease of GEL 0.2 million, or 0.1%, compared to GEL 147.0 million for the year ended 31 December 2022. The modest decrease in 2024 was primarily attributable to the normalization of capital expenditure. After a period of elevated investment prior to 2022, capital expenditures levels started to stabilize, resulting in a slower rate to additions to depreciable assets and, consequently, a gradual reduction in depreciation expense.

Impairment Loss of Non-financial Assets

The Group' impairment loss of non-financial assets was not reported in the Unaudited Condensed Consolidated Interim Financial Statements.

The Group's impairment loss of non-financial assets for the year ended 31 December 2024 was GEL 14.0 million, compared to nil for the year ended 31 December 2023 and nil for the year ended 31 December 2022. As at 31 December 2024, the carrying value of The Telegraph Hotel was GEL 215.8 million, which was higher than its recoverable amount of GEL 201.8 million, resulting in an impairment loss of GEL 14.0 million recognized in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024.

Other Income

The Group's other income, including casino tips, for the six months ended 30 June 2025 was GEL 8.6 million, a decrease of GEL 0.1 million, or 1.1%, compared to GEL 8.7 million for the six months ended 30 June 2024. The decrease was primarily attributable to a decrease in income from casino tips

The Group's other income for the year ended 31 December 2024 was GEL 16.9 million, a decrease of GEL 1.1 million, or 6.1%, compared to GEL 18.0 million for the year ended 31 December 2023. The decrease was primarily attributable to a decrease in income from casino tips.

The Group's other income for the year ended 31 December 2023 was GEL 18.0 million, an increase of GEL 0.7 million, or 4.0%, compared to GEL 17.3 million for the year ended 31 December 2022. The increase was primarily attributable to an increase in income from casino tips.

Other Expenses

The Group's other expenses for the six months ended 30 June 2025 was GEL 1.6 million, a marginal increase of GEL 0.1 million, or 6.7%, compared to GEL 1.5 million for the six months ended 30 June 2024.

The Group's other expenses for the year ended 31 December 2024 was GEL 4.9 million, a decrease of GEL 0.4 million, or 7.5%, compared to GEL 5.3 million for the year ended 31 December 2023. The decrease was primarily attributable to a decrease in expenses for the Group’s non-core businesses, mainly repair and maintenance costs.

The Group's other expenses for the year ended 31 December 2023 was GEL 5.3 million, an increase of GEL 1.8 million, or 51.4%, compared to GEL 3.5 million for the year ended 31 December 2022. The increase was primarily attributable to an increase in expenses for the Group’s non-core businesses mainly from repair maintenance costs.

Results from Operating Activities

As a result of the foregoing, the Group's results from operating activities for the six months ended 30 June 2025 was GEL 145.2 million, an increase of GEL 24.3 million, or 20.1%, compared to GEL 120.9 million for the six months ended 30 June 2024.

As a result of the foregoing, the Group's results from operating activities for the year ended 31 December 2024 was GEL 248.0 million, an increase of GEL 19.4 million or 8.5%, compared to GEL 228.6 million for the year ended 31 December 2023.

As a result of the foregoing, the Group's results from operating activities for the year ended 31 December 2023 was GEL 228.6 million, an increase of GEL 9.3 million or 4.2%, compared to GEL 219.3 million for the year ended 31 December 2022.

Net Finance Costs

Net finance costs for six months ended 30 June 2025 were GEL 33.8 million, a decrease of GEL 21.6 million, or 39.0%, compared to GEL 55.4 million for the six months ended 30 June 2024. The decrease was primarily attributable to a decrease in net foreign exchange loss.

Net finance costs for the year ended 31 December 2024 were GEL 75.3 million, an increase of GEL 5.0 million, or 7.1%, compared to GEL 70.3 million for the year ended 31 December 2023. The increase was primarily attributable to an increase in net foreign exchange loss, which was partially offset by an increase in finance income and a decrease in finance costs.

Net finance costs for the year ended 31 December 2023 were GEL 70.3 million, an increase of GEL 33.1 million, or 89.0%, compared to GEL 37.2 million for the year ended 31 December 2022. The increase was primarily attributable to an increase in net foreign exchange loss and a decrease in finance income, which were partially offset by a decrease in finance costs.

Finance Income

The Group's finance income for the six months ended 30 June 2025 was GEL 11.0 million, a decrease of GEL 1.3 million, or 10.6%, compared to GEL 12.3 million for the six months ended 30 June 2024. The slight decrease is attributable to a gain on modification of a financial instrument recognized in the six months ended 30 June 2024, which was not applicable in the six months ended 30 June 2025.

The Group's finance income for the year ended 31 December 2024 was GEL 23.4 million, an increase of GEL 1.5 million, or 6.8%, compared to GEL 21.9 million for the year ended 31 December 2023. The increase was primarily attributable to the increase in the cash and cash equivalent balance of the Group, which is held in commercial banks.

The Group's finance income for the year ended 31 December 2023 was GEL 21.9 million, a decrease of GEL 2.5 million, or 10.2%, compared to GEL 24.4 million for the year ended 31 December 2022. The decrease was primarily attributable to the repayment of loan receivables from a related party during 2023, and thereby the interest on this loan, which had been accrued as income in 2022, was not recognized in 2023.

Finance Costs

The Group's finance costs for the six months ended 30 June 2025 were GEL 38.9 million, a decrease of GEL 1.2 million, or 3.0%, compared to GEL 40.1 million for the six months ended 30 June 2024. This decrease was primarily attributable to the issuance by the Group of one-year-maturity EUR 7.0 million bond in August 2024 and using the proceeds from the issuance to repay bank loans carrying higher interest rates than the bond.

The Group's finance costs for the year ended 31 December 2024 were GEL 79.9 million, a decrease of GEL 4.0 million, or 4.8%, compared to GEL 83.9 million for the year ended 31 December 2023. The decrease was primarily attributable to the capitalization of the borrowing costs in relation to the construction of The Telegraph Hotel in 2024.

The Group's finance costs for the year ended 31 December 2023 were GEL 83.9 million, a decrease of GEL 64.1 million, or 43.3%, compared to GEL 148.0 million for the year ended 31 December 2022. The decrease was primarily attributable to the premium and commission in the amount of GEL 41.7 million incurred on the early redemption in 2022 of issued bonds, and a decrease in average exchange rate in 2023 contributing to reduced finance costs on borrowings denominated in foreign currency.

Net Foreign Exchange Loss/Gain

The Group's net foreign exchange loss for the six months ended 30 June 2025, was GEL 5.9 million, a decrease of GEL 21.7 million, or 78.6%, compared to GEL 27.6 million for the six months ended 30 June 2024. This decrease was mainly driven by the lower value of the Group’s foreign currency-denominated liabilities when converted to GEL, reflecting the appreciation of the Georgian Lari against the US dollar during the six months ended 30 June 2025, as the USD/GEL rate decreased to GEL 2.72 from for six months ended 30 June 2025 from GEL 2.81 for the six months ended 30 June 2024, as compared to USD/GEL rate increased to GEL 2.81 for the six months ended 30 June 2024 form GEL 2.61 million for the six months ended 30 June 2023.

The Group's net foreign exchange loss for the year ended 31 December 2024 was GEL 18.8 million, an increase of GEL 10.5 million, or 126.7%, compared to GEL 8.3 million for the year ended 31 December 2023. This increase was mainly driven by the higher value of the Group’s foreign currency-denominated liabilities when converted to GEL, reflecting the depreciation of the Georgian Lari against the US dollar during 2024, as the USD/GEL rate increased to GEL 2.81 as at 31 December 2024 from GEL 2.69 as at 31 December 2023, compared to USD/GEL rate decreased to GEL 2.69 as at 31 December 2023 from GEL 2.70 as at 31 December 2022. The impact was partially offset by a slight appreciation of the Lari against the euro, with the EUR/GEL rate decreasing to GEL 2.93 from GEL 2.98 as at 31 December 2023, compared to EUR/GEL rate increased to GEL 2.98 as at 31 December 2023 from GEL 2.88 in the year ended 31 December 2022.

The Group's net foreign exchange loss for the year ended 31 December 2023 was GEL 8.3 million, a decrease of GEL 98.7 million, or 109.2%, compared to net foreign exchange gain of GEL 90.4 million for the year ended 31 December 2022. This change primarily resulted from an increase in the Group’s foreign currency-denominated liabilities when translated to GEL, due to the depreciation of the Georgian Lari against the euro as at 31 December 2023, as the EUR/GEL rate increased to GEL 2.98 from GEL 2.88 as at 31 December 2022, compared to EUR/GEL rate decreased to GEL 2.88 as at 31 December 2022 from GEL 3.50 2021. The effect was only marginally influenced by the USD/GEL rate, which slightly decreased to GEL 2.69 from GEL 2.70 as at 31 December 2022, compared to USD/GEL rate decreased to GEL 2.70 as at 31 December 2022 from GEL 3.10 as at 31 December 2021.

Profit Before Income Tax

As a result of the foregoing, the Group's profit before income tax for the six months ended 30 June 2025 were GEL 109.0 million, as compared to GEL70.6 million for the six months ended 30 June 2024.

As a result of the foregoing, the Group's profit before income tax for the year ended 31 December 2024 were GEL 175.0 million, as compared to GEL 158.4 million for the year ended 31 December 2023 and GEL 182.2 million for the year ended 31 December 2022.

Income Tax

Under Georgia’s Estonian-style corporate income tax regime, the Group is not subject to income tax on profits as they are earned. Instead, taxation is triggered only upon specific taxable events, such as profit distributions (dividends) or non-business-related expenditures. Accordingly, no corporate income tax is payable, and the Group remains tax-neutral until such taxable distributions occur.

The Group's income tax for the six months ended 30 June 2025, was GEL 0.5 million, compared to GEL 0.5 million for the six months ended 30 June 2024.

The Group's income tax for the year ended 31 December 2024 was GEL 1.5 million, an increase of GEL 0.3 million, or 25.0%, compared to GEL 1.2 million for the year ended 31 December 2023. The increase is primarily attributable to the higher level of dividends disbursed in 2024 compared to 2023 as income tax is accrued only upon the distribution of dividends toward individuals and non-resident legal entities under Georgia's "Estonian Model" corporate income tax regime.

The Group's income tax for the year ended 31 December 2023 was GEL 1.2 million, an increase of GEL 0.9 million, or 300.0%, compared to GEL 0.3 million for the year ended 31 December 2022. The increase is directly attributable to the higher level of dividends disbursed in 2023 compared to 2022 as income tax is accrued only upon the distribution of dividends toward individuals under Georgia's "Estonian Model" corporate income tax regime.

Profit and Total Comprehensive Income for the Period/Year

As a result of the foregoing, the Group's profit and total comprehensive income amounted to GEL 108.5 million for the six months ended 30 June 2025 and GEL 70.1 million for the six months ended 30 June 2024.

As a result of the foregoing, the Group's profit and total comprehensive income amounted to GEL 173.5 million for the year ended 31 December 2024, GEL 157.2 million for the year ended 31 December 2023 and GEL 181.8 million for the year ended 31 December 2022.

Liquidity and Capital Resources

The Group has funded, and expects to continue to fund, its recurring capital expenditure primarily with cash from operating activities

Loans and Borrowings

As at 30 June 2025, the Group had outstanding consolidated loans and borrowings of GEL 938.9 million compared to GEL 901.4 million as at 31 December 2024, GEL 834.2 million as at December 2023, and GEL 836.6 million as at 31 December 2022.

The increase in outstanding consolidated loans and borrowings as at 30 June 2025 compared to 31 December 2024 was driven by the disbursement of loans from local banks in the first half of 2025 to finance the development of the Telegraph Hotel.

The increase in outstanding consolidated loans and borrowings as at 31 December 2024 compared to 31 December 2023 was primarily due new debt incurred to finance non-recurring capital expenditures, specifically the Telegraph Hotel development project, coupled with the impact of the Georgian Lari's (GEL) devaluation against the U.S. Dollar (USD) on foreign currency.

The slight decrease in outstanding consolidated loans and borrowings as at 31 December 2023 compared to 31 December 2022 was primarily due to principal payments on existing debt exceeding the proceeds from new bond issuances, resulting in the observed net reduction.

In 2023, the Group issued a USD 40 million local bond, guaranteed by the joint and several surety of certain subsidiaries of Silk Real Estate, in two tranches. The first tranche of USD 20 million offers a coupon of 9.00% p.a. (gross) and matures in April 2026. The second tranche of USD 20 million offers a coupon of 9.25% p.a. (gross) and matures in September 2026. The bonds of both tranches are listed on the Georgian Stock Exchange.

In 2024, the Group issued a EUR 7 million bond, guaranteed by the joint and several surety of certain subsidiaries of Silk Real Estate, with a coupon of 7% p.a. (gross), which matured and were redeemed on 4 August 2025.

For more information, see Note 19 to the 2024 Audited Consolidated Financial Statements and Note 18 to the 2023 Audited Consolidated Financial Statements.

The following table sets out a breakdown of the outstanding consolidated loans and borrowings of the Group as at 30 June 2025, 31 December 2024, 2023 and 2022.

	As at 30 June	As at 31 December		
	2025	2024	2023	2022
		(GEL thousands)		
Eurobonds - non-current	538,539	553,655	529,658	532,139
Unsecured local bonds - non-current	53,831	110,636	109,411	3,315
Secured bank loans - non-current	200,385	148,207	111,954	176,837
Loans from related parties	4,206	24,123	42,270	62,077
Loans from third parties	378	1,727	656	8,144
Total non-current	**797,339**	**838,348**	**793,949**	**782,512**
Eurobonds - current	18,985	19,566	21,176	19,925
Unsecured local bonds – current	80,044	24,444	2,779	51
Secured bank loans – current	20,723	18,724	15,055	21,215
Current portion of related party loans	20,313	197	243	-
Current portion of third party loans	1,511	108	1,008	12,929
Total current	**141,576**	**63,039**	**40,261**	**54,120**
Total outstanding loans and borrowings	**938,915**	**901,387**	**834,210**	**836,632**

The following table sets currency, nominal interest rate, year of maturity, face value and carrying amount of the Group's outstanding loans as at 31 December 2024.

	Currency	Nominal interest rate	Year of Maturity	Face Value	Carrying Amount
				(GEL thousands)	
Secured Bank Loan.....	EUR	7.5% + Euribor 6 months	2036	21,737	21,737
Secured Bank Loan.....	EUR	7.5% + Euribor 6 months	2036	21,663	21,663
Unsecured Related Party Loan.....	EUR	6%	2026	19,585	19,585
Secured Bank Loan.....	EUR	7.5% + Euribor 6 months	2033	17,006	17,006
Secured Bank Loan.....	EUR	7.5% + Euribor 6 months	2036	14,653	14,653
Secured Bank Loan.....	EUR	7.5% + Euribor 6 months	2036	14,653	14,653
Secured Bank Loan.....	GEL	5.25%+ NBG refinance Rate	2033	13,369	13,369
Secured Bank Loan.....	GEL	5.25% + NBG Refinance Rate	2027	10,851	10,851
Secured Bank Loan.....	GEL	5.25% + NBG refinance Rate	2033	9,466	9,466
Secured Bank Loan.....	GEL	5.25%+ NBG refinance Rate	2033	6,372	6,372
Secured Bank Loan.....	GEL	6% + NBG Refinance Rate	2027	5,844	5,844
Secured Bank Loan.....	USD	7.85% + SOFR 6 months	2030	5,817	5,817
Secured Bank Loan.....	GEL	3% + NBG Refinance Rate	2027	5,415	5,415
Secured Bank Loan.....	USD	6.5% + SOFR 6 months	2028	3,717	3,717
Secured Bank Loan.....	GEL	5.75% + NBG Refinance Rate	2027	3,139	3,139
Secured Bank Loan.....	GEL	5.56% + NBG Refinance Rate	2027	2,829	2,829
Secured Bank Loan.....	GEL	5.75% + NBG refinance Rate	2033	2,762	2,762
Secured Bank Loan.....	USD	7.85% + SOFR 6 months	2033	1,997	1,997
Secured Bank Loan.....	GEL	6% + NBG Refinance Rate	2027	1,937	1,937
Secured Related Party Loan.....	GEL	12%	2035	1,766	1,766
Secured Related Party Loan.....	USD	9%	2035	1,750	1,750
Secured Bank Loan.....	GEL	5.25% + NBG refinance rate	2033	1,502	1,502
Secured Bank Loan.....	EUR	11%	2025	1,125	1,125
Secured Bank Loan.....	EUR	11%	2025	1,077	1,077
Unsecured Third Party Loan.....	GEL	14%	On Demand	1,060	1,060
Secured Related Party Loan.....	USD	12%	2035	849	849
Unsecured Third Party Loan.....	USD	15%	2030	550	427
Secured Related Party Loan.....	USD	9%	2029	328	328
Unsecured Third Party Loan.....	GEL	16%	2025	240	240
Unsecured Third Party Loan.....	GEL	14%	2025	108	108
Unsecured Related Party Loan.....	USD	10%	2025	42	42
Parent loan.....	EUR	0.75% + EURIBOR 12 months	2025	-	-
Parent loan #2.....	USD	0.75% + SOFR 6 months	2080	-	-
Secured Bank Loan.....	EUR	7,5% + Euribor 6 months	2024	-	-
Secured Bank Loan.....	EUR	7,5% + Euribor 6 months	2033	-	-
Unsecured Third Party Loan.....	EUR	11%	2023	-	-
Local bonds	USD	9%	2026	57,229	56,712
Local bonds	USD	9%	2026	57,672	57,260
Local bonds	EUR	7%	2025	21,108	21,108
Eurobond	USD	8%	2027	582,749	573,221

	Currency	Nominal interest rate	Year of Maturity	Face Value	Carrying Amount
				(GEL thousands)	
Local bonds	USD	9%	2027	-	-
Total interest-bearing liabilities				**911,967**	**901,387**

The Group expects to use the proceeds from the Offering to repay all of the outstanding loans listing in the table above. See "*Use of Proceeds*"

Related-Party Loans

On 7 August 2022, a loan amendment was signed between the Group and its parent entity for the prolongation of loan term from 31 December 2022 until 31 December 2030 on non-market terms (4% nominal interest rate). As a result, at initial recognition, the parent loan was discounted using the market rate of interest of 7.6% and the difference between the carrying amount and the fair value of loan, in the amount of GEL 9.9 million was recognized directly in equity. During 2023, the above-mentioned loan was fully repaid and the effect of early repayment amounting to GEL 9.8 million, combined with the initial discount effect of parent entity loan #2 (in the list above) of GEL 2.5 million, along with other fair value adjustments on related party loans of GEL 1.2 million, was deducted directly from equity. During 2024, parent loan #2 (in the list above) was early repaid and the effect of early repayment amounting to GEL 2.9 million was deducted directly from equity

Eurobonds

On 31 January 2022, Silknet issued USD 300.0 million Eurobonds due in 2027 carrying an interest rate of 8.375% (the "**2027 Silknet Notes**") and listed on Euronext Dublin. Interest is payable semi-annually on 31 January and 31 July of each year, commencing from 31 July 2022. The proceeds from the 2027 Silknet Notes were used by Silknet in 2022 to refinance its USD 200.0 million Eurobonds maturing in 2024 (the "**2024 Silknet Notes**") (USD 197.4 million outstanding at that time) and repay its unsecured local bonds of GEL 35.0 million (principal paid – GEL 34.0 million).

The 2027 Silknet Notes were accounted for at amortized cost using the effective interest rate method. The Group incurred expenses of GEL 12.9 million in connection with the issue of the 2027 Silknet Notes, including, amongst others, underwriting fees, legal counsel fees, rating agency expenses, listing expenses, etc. These expenses were accounted for as transaction costs. They are included in the calculation of the effective interest rate of the 2027 Silknet Notes. The 2027 Silknet Notes will be repaid with the proceeds from the Offering.

Covenants

The Group's local bonds and secured bank loans are subject to various financial and non-financial covenants, linked to EBITDA, Adjusted EBITDA, debt service coverage ratio and interest coverage and other similar ratios that may limit the operations, structure, financing and investing activities of the Company and its subsidiaries. As at 31 December 2024, the Group had complied with all covenants and expects to remain in compliance throughout the term of the bonds and secured bank loans. Accordingly, bonds issued and bank loans (excluding balances contractually repayable within 12 months from the reporting date) are classified as non-current as at 31 December 2024.

Pledge

The Group's property and equipment, investments in subsidiaries, intangible assets and investment property are pledged in respect of secured bank loans and secured loans. As at 31 December 2024, property with carrying value of GEL 435.0 million, compared to GEL 354.0 million as at 31 December 2023, was pledged as a security to bank loans. As at 31 December 2024, property with a carrying value of GEL 33.1 million, compared to GEL 33.7 million as at 31 December 2023, was collateralized and guarantees the indebtedness of letters of credit related to operating activities of the Group.

For more information, see Notes 10, 11, 12 and 17 to the 2024 Audited Consolidated Financial Statements and Notes 9, 10, 11 and 16 to the 2023 Audited Consolidated Financial Statements.

Consolidated Cash Flows

The following tables set forth certain information about the Group's consolidated cash flows for the six months ended 30 June 2025 and 2024.

	For the six months ended 30 June	
	2025	**2024**
Cash flows from operating activities:	*(GEL thousands)*	
Profit before income tax	109,041	70,553
Adjustments for:		
Depreciation and amortization	68,558	70,332
Net finance costs	33,834	55,358
Impairment loss /(gain) of trade and other receivables and loan receivables	840	816
Share of profit of equity accounted investee	2,338	(5,041)
Loss on disposal/write-off of property and equipment, investment property and intangible assets	215	44
Changes in:		
Inventories	(6,146)	1,225
Trade and other receivables	(16,457)	(11,312)
Prepayments and other assets	(10,430)	(2,644)
Trade and other payables	12,620	651
Cash flows from operations before income taxes paid	**194,413**	**179,982**
Income tax paid	(492)	(497)
Net cash from operating activities	**193,921**	**179,485**
Cash flows from investing activities		
Acquisition of property and equipment, intangible assets and investment property	(111,025)	(91,561)
Proceeds from disposals of property and equipment	1,978	628
Issue of loans	(3,932)	(5,613)
Acquisition of subsidiary, net of cash acquired	(900)	-
Interest received	7,987	8,856
Repayments of issued loans	1,440	-
Acquisition of certificate of deposit	(22,476)	-
Net cash used in investing activities	**(126,928)**	**(87,690)**
Cash flows from financing activities:		
Interest paid	(45,166)	(36,852)
Repayment of borrowings	(6,498)	(9,174)
Proceeds from borrowings	50,773	20,532
Lease payments	(6,553)	(6,237)
Capital decrease of Group entities	(37,973)	(3,000)
Costs incurred on Eurobond covenant modification	-	(2,122)
Acquisition of non-controlling interests	-	(924)
Dividends paid by the Group entities	(2,230)	(2,384)
Net cash used in financing activities	**(47,647)**	**(40,161)**
Effect of exchange rate changes on cash and cash equivalents	(6,042)	4,342
Net increase in cash and cash equivalents	**13,304**	**55,976**
Cash and equivalents at the beginning of the period	263,862	216,255
Cash and cash equivalents at the end of the period	**277,166**	**272,231**

The following tables set forth certain information about the Group's consolidated cash flows for the year ended 31 December 2024, 31 December 2023 and 31 December 2022.

	For the years ended 31 December		
	2024	**2023**	**2022**
Cash flows from operating activities:		*(GEL thousands)*	
Profit before income tax	175,013	158,385	182,164
Adjustments for:			
Depreciation and amortization	142,565	146,828	146,989
Impairment of non-financial assets	14,039	-	-
Net finance costs	75,345	70,256	37,158
Impairment loss /(gain) of trade and other receivables and loan receivables	1,764	(699)	637

Modification loss on financial liabilities	-	2,503	-
Share of profit of equity accounted investee	(2,387)	-	-
Gain/(loss) on disposal/write-off of property and equipment, investment property and intangible assets	(288)	1,554	918
Changes in:			
Inventories	1,145	(3,482)	(1,851)
Trade and other receivables	(25,756)	(27,826)	(25,276)
Prepayments and other assets	(4,365)	(2,437)	(1,315)
Trade and other payables	15,472	62,372	27,068
Cash flows from operations before income taxes paid	**392,547**	**407,454**	**366,492**
Income tax paid	(1,522)	(1,173)	-
Net cash from operating activities	**391,025**	**406,281**	**366,492**
Cash flows from investing activities			
Acquisition of property and equipment, intangible assets and investment property	(226,964)	(170,095)	(122,874)
Proceeds from disposals of property and equipment and investment property	2,306	503	1,500
Issue of loans	(11,238)	(10,409)	(7,141)
Acquisition of assets through acquisition of subsidiary	-	(1,021)	-
Acquisition of investment securities	-	(32,052)	-
Proceeds from sale of investment securities	-	33,518	-
Interest received	18,235	12,711	3,109
Repayments of issued loans	4,324	4,511	278
Acquisition of certificate of deposit	(17,808)	-	
Consideration paid for business acquisition	-	-	(2,137)
Acquisition of subsidiary's equity instruments	-	(7,700)	-
Net cash used in investing activities	**(231,145)**	**(170,034)**	**(127,265)**
Cash flows from financing activities:			
Interest paid	(79,326)	(84,369)	(67,553)
Repayment of borrowings	(58,460)	(184,626)	(571,827)
Proceeds from borrowings	95,803	176,131	469,488
Lease payments	(12,880)	(10,312)	(9,804)
Net payment of financial instruments at FVTPL	-	-	2,721
Transaction fees related to New Eurobond issuance	-	-	(6,035)
Premium and commission on the early redemption of issued bonds	-	-	(7,403)
Acquisition of non-controlling interests	(2,067)	(44,882)	
Capital decrease of Group entities	(48,568)	-	-
Costs incurred on Eurobond covenant modification	(3,889)	-	-
Transaction costs related to bonds	-	(1,417)	-
Dividends paid by the Group entities	(7,360)	(4,865)	(208)
Net cash used in financing activities	**(116,747)**	**(154,340)**	**(190,621)**
Effect of exchange rate changes on cash and cash equivalents	4,474	(5,445)	(17,146)
Net increase in cash and cash equivalents	**47,607**	**76,462**	**31,460**
Cash and equivalents at the beginning of the year	216,255	139,793	108,333
Cash and cash equivalents at the end of the year	**263,862**	**216,255**	**139,793**

Net Cash from Operating Activities

For the six months ended 30 June 2025, the Group's net cash from operating activities was GEL 193.9 million, an increase of GEL 14.4 million, or 8.0%, compared to GEL 179.5 million for the six months ended 30 June 2024. The increase was primarily attributable to an increase in Silknet's net cash from operating activities by GEL 21.6 million to GEL 185.8 million for the six months ended 30 June 2025 from GEL 164.2 million for the six months ended 30 June 2024, which was partly offset by a decrease in Silk Real Estate's net cash from operating activities by GEL 5.3 million to GEL 9.8 million for the six months ended 30 June 2024 from GEL 15.1 million for the six months ended 30 June 2024, which was primarily attributable to higher prepayments during the first half of 2025 as a result of the development of Silk Towers, as well as an increase in the GGR tax rate to from 15% to 20% from 1 January 2025.

For the year ended 31 December 2024, the Group's net cash from operating activities was GEL 391.0 million, a decrease of GEL 15.3 million, or 3.8%, compared to GEL 406.3 million for the year ended 31 December 2023. The decrease was primarily attributable to a decrease in Silk Real Estate's net cash from operating activities to GEL 33.0 million for the year ended 31 December 2024 from GEL 66.3 million for the year ended 31 December 2023, primarily driven by a reduction in operating cash flow from the Casinos business, which in turn was a result of higher taxation on slot machines due to the introduction of the GGR tax with effect from 1 June 2024, and an increase in salary expenses for the year ended 31

December 2024 compared to the year ended 31 December 2023. This impact was partly offset by an increase in Silknet's net cash from operating activities.

For the year ended 31 December 2023, the Group's net cash from operating activities was GEL 406.3 million, an increase of GEL 39.8 million, or 10.9%, compared to GEL 366.5 million for the year ended 31 December 2022. The increase was primarily attributed to an increase in Silknet's net cash from operating activities by GEL 50.7 million to GEL 334.4 million for the year ended 31 December 2023 from GEL 283.7 million for the year ended 31 December 2022, mainly driven by an increase in cash received from subscribers in line with an increase in subscriber base. This impact was partly offset by a decrease in Silk Real Estate's net cash from operating activities by GEL 11.6 million to GEL 66.3 million for the year ended 31 December 2023 from GEL 77.9 million for the year ended 31 December 2022, driven by a decrease in cash generated from the Casinos business for the year ended 31 December 2023 compared to the year ended 31 December 2022 as 2022 benefited from a surge in activity following the reopening of casinos after extended closures due to the COVID-19 global pandemic.

Net Cash Used in Investing Activities

For the six months ended 30 June 2025, the Group's net cash used in investing activities was GEL 126.9 million, an increase of GEL 39.2 million, or 44.7%, compared to GEL 87.7 million for the six months ended 30 June 2024. This increase was primarily attributable to the acquisition of a certificate of deposit amounting to GEL 22.5 million for the six months ended 30 June 2025, compared to nil for the six months ended 30 June 2024, and an increase in cash used for acquisition of property and equipment, intangible assets and investment property by GEL 19.5 million for the six months ended 30 June 2025 compared to the six months ended 30 June 2024.

For the year ended 31 December 2024, the Group's net cash used in investing activities was GEL 231.1 million, an increase of GEL 61.1 million, or 35.9%, compared to GEL 170.0 million for the year ended 31 December 2023. The increase was primarily attributable to cash used for acquisition of property and equipment, intangible assets and investment property of GEL 227.0 million for the year ended 31 December 2024 mainly in relation to The Telegraph Hotel development project, compared to cash used for acquisition of property and equipment, intangible assets and investment property of GEL 170.1 million for the year ended 31 December 2023.

For the year ended 31 December 2023, the Group's net cash used in investing activities was GEL 170.0 million, an increase of GEL 42.7 million, or 33.5%, compared to GEL 127.3 million for the year ended 31 December 2022. The increase was primarily attributable to acquisition of property and equipment, intangible assets and investment property of GEL 170.1 million for the year ended 31 December 2023, compared to GEL 122.9 million for the year ended 31 December 2022

Net Cash Used in Financing Activities

For the six months ended 30 June 2025, the Group's net cash used in financing activities was GEL 47.6 million, an increase of GEL 7.4 million, or 18.4%, compared to GEL 40.2 million for the six months ended 30 June 2024. This increase was attributed to cash used for capital decrease of GEL 38.0 million for the six months ended 30 June 2025, compared to GEL 3.0 million for the six months ended 30 June 2025, offset by the proceeds from borrowings from local banks of GEL 50.8 million for the six months ended 30 June 2025, compared to GEL 20.5 million for six months ended 30 June 2024.

For the year ended 31 December 2024, the Group's net cash used in financing activities was GEL 116.7 million, a decrease of GEL 37.6 million, or 24.4% compared to GEL 154.3 million for the year ended 31 December 2023. The decrease was primarily attributable to cash used for repayment of borrowings of GEL 58.5 million for the year ended 31 December 2024 compared to the GEL 184.6 million for the year ended 31 December 2023, and cash used for acquisition of non-controlling interests of GEL 2.1 million for the year ended 31 December 2024 compared to GEL 44.9 million for the year ended 31 December 2023. This impact was partially offset by a capital decrease in the amount of GEL 48.6 million for the year ended 31 December 2024 compared to nil for the year ended 31 December 2023.

For the year ended 31 December 2023, the Group's net cash used in financing activities was GEL 154.3 million, a decrease of GEL 36.3 million, or 19.0% compared to GEL 190.6 million for the year ended 31 December 2022. The decrease was primarily attributable to cash used for repayment of borrowing of GEL 184.6 million for the year ended 31 December 2023 compared to GEL 571.8 million for the year ended 31 December 2022, which was partly offset by cash generated from proceeds from borrowings of GEL 176.1 million for the year ended 31 December 2023 compared to GEL 469.5 million for the year ended 31 December 2022 and by cash used for acquisition of non-controlling interests of GEL 44.9 million for the year ended 31 December 2023 compared to nil for the year ended 31 December 2022, mainly in relation to Tsinandali Estates LLC and Club Savane LLC and other insignificant buy-outs.

Contingencies

The Group's contingencies are split out into taxation contingencies and litigation. See Note 23 to the 2024 Audited Consolidated Financial Statements and Note 22 to the 2023 Audited Consolidated Financial Statements.

Commitment

The Group's capital commitments amounted to GEL 56.3 million as at 30 June 2025, compared to GEL 18.2 million as at 31 December 2024 (mainly attributable to mobile network development projects and acquisition of customer related devices).

As at 30 June 2025, the Group had investment obligations for the construction of investment properties towards the Government of Georgia of USD 17.8 million, compared to USD 19.9 million as at 31 December 2024. For more information on the Group's commitment, see Note 24 to the 2024 Audited Consolidated Financial Statements and Note 23 to the 2023 Audited Consolidated Financial Statements.

Significant Accounting Policies and Judgments and Estimates

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The Group reviews estimates and underlying assumptions on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

The critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the Consolidated Financial Statements are assessment of impairment indicators for property and equipment; classification of land plot located in Batumi, Georgia and respective construction in progress as inventory; determination of lease term; recognition and measurement of put option liability; recognition and measurement of below market interest rate related party loans and write off of issued related party loans through equity; calculation of key management remuneration; useful life of property and equipment and intangible assets; and recognition of property and equipment and intangible assets. The areas that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year include impairment of Telegraph hotel cash generating unit. Other significant judgment and estimates. See Note 4 to the 2024 Audited Consolidated Financial Statements and Note 4 to the 2023 Audited Consolidated Financial Statements.

The Group's material accounting policies are set out in Note 28 to the 2024 Audited Consolidated Financial Statements and Note 27 to the 2023 Audited Consolidated Financial Statements.

BUSINESS DESCRIPTION OF THE GROUP

Overview

The Company is a diversified holding company operating through its Group Entities across a diverse range of sectors. The Group's principal business lines are Telecom, Hotels, Casinos, Development and Other businesses. As at 31 December 2024, the Group was one of the largest conglomerates in Georgia in terms of total assets with a total value of GEL 1,746.2 million across all of its businesses based on the Group's internal estimates.

The Company's largest subsidiary in terms of revenue is Silknet, which operates the Group's Telecom business. The Company's second largest subsidiary in terms of revenue is Silk Real Estate, which operates the Group's Hotels business and Casinos business (managed by Silk Hospitality) and the Group's Development business (under its brand name Silk Development).

The Company is a holding company that operates in the following business areas:

- **Telecom business**: The Group's Telecom business provides telecommunication services, including mobile, fixed-line, internet, media and related services, as well as leasing infrastructure to third parties or other parts of the Group; the Group's Telecom business is operated by Silknet and its subsidiaries; the Telecom business is presented as the "Telecom" segment in the Unaudited Condensed Consolidated Interim Financial Statements and the 2024 Audited Consolidated Financial Statements;

- **Hotels business**: The Group's Hotels business owns and operates full-service hotels that earn most of their revenue from providing accommodation, food and beverage services, and related hospitality activities. The Group has six hotels, which include two Radisson Blu Hotels in Tbilisi and Batumi, Georgia, a Radisson Collection Hotel and the Park Hotel in Tsinandali, Georgia, the Telegraph Hotel in Tbilisi, Georgia (with effect from June 2025), and the recently-acquired Kokhta Bakuriani Hotel (formerly the Rooms Kokhta Bakuriani Hotel) (not reflected in the Audited Consolidated Financial Statements), which are all are managed by Silk Hospitality; the Hotels business is presented as the "Hotels" segment in the Unaudited Condensed Consolidated Interim Financial Statements and the 2024 Audited Consolidated Financial Statements;

- **Casinos business**: The Group's Casinos business operates licensed land-based casinos that generate most of their revenue from gaming operations, such as gaming tables and slot machines; the Group has two land-based casinos, which are located within the Group's Radisson Blu Hotels in Tbilisi and Batumi, Georgia, both of which are managed by Silk Hospitality; the Casino business is presented as the "Casinos" segment in the Unaudited Condensed Consolidated Interim Financial Statements and the 2024 Audited Consolidated Financial Statements;

- **Development business**: The Group's Development business owns and develops land plots or properties and transforms them into hotels, casinos, commercial or residential properties, other hospitality businesses, and similar projects; the Group's main development projects include Silk Towers in Batumi, Georgia, and the Sakanela Complex in Tbilisi, Georgia, both of which are being developed by Silk Development; the Development business is presented as "Development" within the "Unallocated" caption in the Group's Unaudited Condensed Consolidated Interim Financial Statements and the 2024 Audited Consolidated Financial Statements and

- **Other business**: The Group's Other business consists of operations in other areas, which are ancillary to, or in some instances unrelated to, the aforementioned businesses, as well as companies that provide corporate, administrative, or support services to other parts of the Group. The Group's Other business includes (i) other hospitality businesses, such as the operation of Complex Republic (which features the Republic Event Hall, Republic Rooftop-Bar-Terrace, and Restaurant Republic 24) in Tbilisi, Iveria Beach Club in Batumi, and Club Noble Savage in Tbilisi, and (ii) the energy business, principally the Bakhvi hydroelectric power station; the Other business is presented as "Other" within the "Unallocated" caption in the Unaudited Condensed Consolidated Interim Financial Statements and the 2024 Audited Consolidated Financial Statements.

See "*Business Description of the Group—Businesses*" for more detailed descriptions of these Group's businesses.

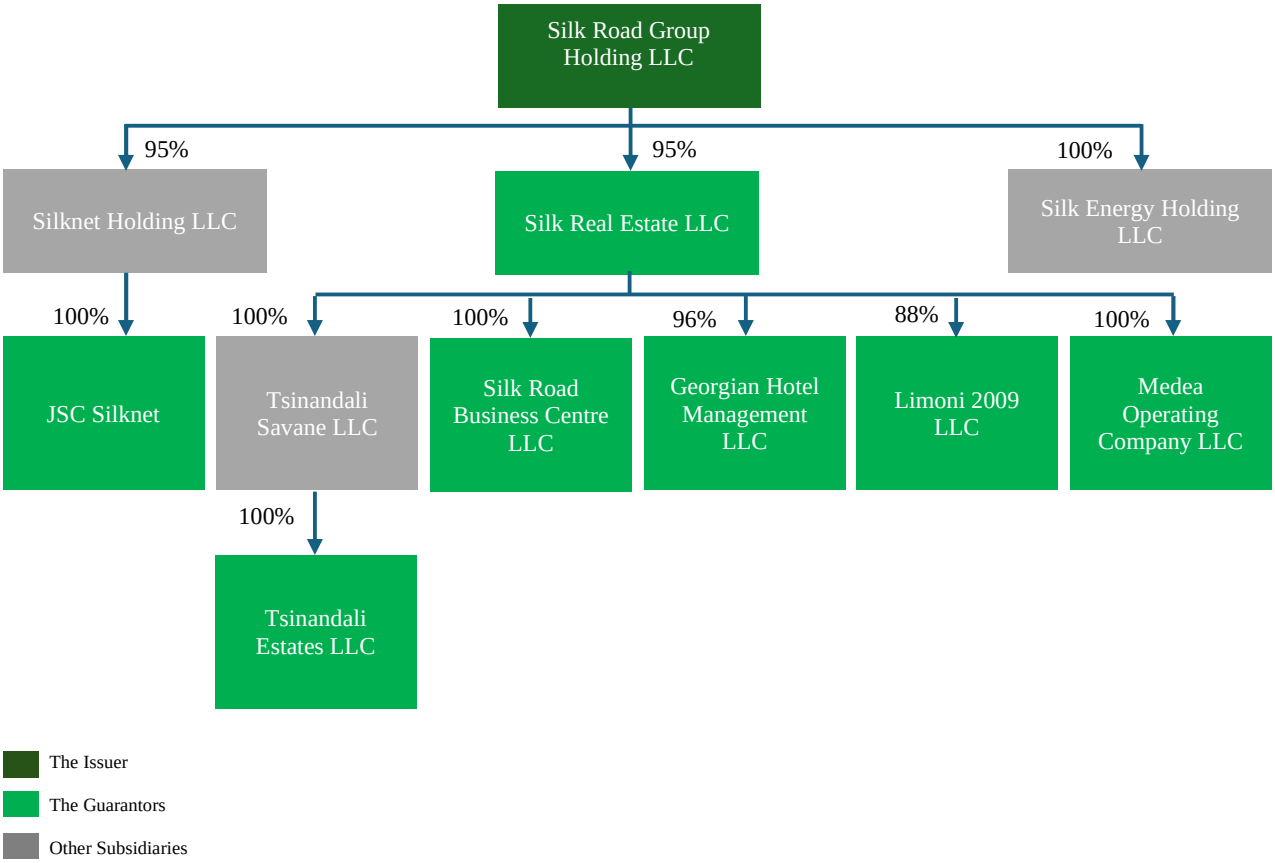
The following table sets forth the Group's profit and total comprehensive income and Adjusted EBITDA for the last twelve months ended 30 June 2025 and for the year ended 31 December 2024:

	For the LTM for the six months ended 30 June 2025[(1)]		For the six months ended 30 June 2025		For the year ended 31 December 2024	
Profit and total comprehensive income for the period/year			(*GEL thousands, except for percentages*)			
Telecom segment	230,399	108.7%	116,396	107.2%	188,693	108.8%
Hotels segment	(14,442)	(6.8)%	(19,845)	(18.3)%	7,625	4.4%
Casinos segment	40,094	18.9%	21,041	19.4%	34,105	19.7%
Development within Unallocated caption	(5,726)	(2.7)%	(2,330)	(2.1)%	(6,058)	(3.5)%
Other within Unallocated caption	(38,365)	(18.1)%	(7,215)	(6.6)%	(48,799)	(28.1)%
Reconciling items	24	0.0%	502	0.5%	(2,075)	(1.2)%
Total	**211,984**	**100.0%**	**108,549**	**100.0%**	**173,491**	**100.0%**
Adjusted EBITDA						
Telecom segment	382,046	89.4%	193,041	89.9%	369,872	89.8%
Hotels segment	19,053	4.5%	4,497	2.1%	25,816	6.3%
Casinos segment	39,734	9.3%	21,896	10.2%	30,465	7.4%
Development within Unallocated caption	(4,110)	(1.0)%	(2,293)	(1.1)%	(2,320)	(0.6)%
Other within Unallocated caption	(7,893)	(1.8)%	(1,468)	(0.7)%	(11,285)	(2.7)%
Reconciling Items	(1,349)	(0.3)%	(987)	(0.5)%	(655)	(0.2)%
Total	**427,481**	**100.0%**	**214,686**	**100.0%**	**411,893**	**100.0%**

Note:

(1) Represents the amount for the six months ended 30 June 2025, plus the amount for the year ended 31 December 2024, less the amount for the six months ended 30 June 2024.

The condensed diagram below sets forth the Issuer and Guarantor entities within the Group's structure:



The Issuer and the Guarantors, collectively, represented 103%, 101% and 78% of the Group's consolidated Adjusted EBITDA ("**Consolidated Adjusted EBITDA**"), consolidated revenue and consolidated total assets as at and for the six months ended 30 June 2025 and 102%, 98% and 78% of the Group's Consolidated Adjusted EBITDA, revenue and total assets as at and for the year ended 31 December 2024. See "*Business Description of the Guarantors*" for more information about each Guarantor's business, Adjusted EBITDA, total assets and revenue.

The following table provides a brief description of each Guarantor's business, along with the percentage of the Group's consolidated revenue, Adjusted EBITDA and total assets attributable to each Guarantor as at and for the six months ended 30 June 2025:

		As at and for six months ended 30 June 2025		
		Share of Total of the Group's Consolidated		
Guarantor	**Brief Description of Business**	**Revenue**	**Adjusted EBITDA**	**Total Assets**
			(%)	
Silk Road Group Holding LLC	The Issuer and the holding company of the Group	-	-	-
Silknet JSC	The operator of the Telecom business.	69	92	50
Silk Real Estate LLC	The intermediate holding company and operator of the Hotels and Casinos businesses, and other hospitality businesses.	-	-	3
Georgian Hotel Management LLC	The operator of Radisson Blu Iveria Hotel, Tbilisi.	5	3	1
Limoni 2009 LLC	The operator of Iveria Casinos in Batumi and Tbilisi and Complex Republic in Tbilisi.	24	10	3
Medea Operating Company LLC	The holding company of a hotel in Batumi.	-	-	3
Silk Road Business Centre LLC	The owner of The Telegraph Hotel.	1	(2)	13
Tsinandali Estates LLC	The operator of the Radisson Collection Hotel, Tsinandali Estates.	2	1	4

See "*Business Description of the Guarantors* " for more detailed descriptions of these Group's businesses.

Competitive Strengths

The Group's business is characterized by the following key competitive strengths:

Leading Private Investment Group in Georgia

The Group is one of Georgia's leading private investment groups, with roots dating back to the 1990s. Since its founding in 1997, the Group has played a pivotal role in Georgia's transformation from a post-Soviet to a modern, market-oriented economy (see "*History*" for more information). Over the past two decades, it has invested more than USD 1 billion into the Georgian economy, contributing significantly to the country's economic and social development.

Today, the Group employs over 5,000 people across Georgia and holds investments in telecommunications, real estate development, hospitality (hotels, casinos, restaurants, clubs), and other sectors. Reflecting Georgia's real GDP growth, of 9.4% in 2024, 7.8% in 2023 and 11.0% in 2022, the Group's revenue has increased at a CAGR of 7.9% between 2022 and 2024, reaching GEL 841.4 million for the year ended 31 December 2024, and continued to grow at 7.6% year-on-year for the six months ended 30 June 2025.

Leveraging the strong performance of its Telecom business, the Group is growing telecommunications adjacent services and is expanding further into commercial real estate and hospitality, aiming to capitalize on future economic growth and secure stable cash flows, including from hospitality. As revenues from the hospitality businesses are largely denominated in foreign currency, the hospitality businesses are less exposed to exchange rate risk, reducing foreign exchange sensitivity at Group level compared to the Telecom business.

The Group applies high standards of corporate governance, including the involvement of independent non-executive directors across its businesses, including the Issuer. The Group has a solid track record in fundraising in the local and international capital markets. Silknet successfully entered the international markets with Eurobond issuances of USD 200 million in 2019 and USD 300 million in 2022, while the real estate business raised USD 40 million and EUR 7 million in local markets in 2023 and 2024, respectively. and the energy business secured USD 1.3 million locally in 2017. The Group also maintains long-standing relationships with leading Georgian banks for project financing.

The Group's diversified, high-quality asset base underpins its resilience and growth potential within Georgia's dynamic economy, where real GDP growth of 7.2% is expected in 2025 (Source: G&T). With assets positioned across key sectors and strategic locations, the Group is well placed to capture emerging opportunities, manage risks, and sustain its leadership in Georgia's dynamic business environment.

Leading Telecom Operator Silknet

Growing market position and cash generation

Silknet, the Group's largest subsidiary, is a leading Georgian convergent telecommunication operator. Silknet (representing the Group's Telecom segment), offers a range of services, including mobile, fixed broadband, Pay TV, and fixed telephone. For the six months ended 30 June 2025, mobile services accounted for 54%, fixed broadband for 25%, Pay TV for 10%, and fixed telephone for 2%, of the Telecom segment's revenue, respectively. It is at the core of the Group's financial performance.

Silknet is Georgia's second-largest mobile operator, with a 35.6% subscriber market share as at 30 June 2025 and a 35.2% revenue market share for the six months ended 30 June 2025. It is the second largest provider of both fixed broadband (31.8% and 33.6% subscriber share and revenue share, respectively) and Pay TV services, excluding mobile streaming applications (35.1% and 37.9% subscriber share and revenue share, respectively) and maintains a dominant position in fixed telephone services (58.0% and 42.1% subscriber share and revenue share, respectively) as at the same date and for the same period (Source: ComCom).

Since 2023, Silknet has steadily gained market share in both subscribers and revenues across key segments. In the six months ended 30 June 2025, mobile subscribers grew 5.7% year-on-year versus 3.1% for the overall market, while fixed broadband subscribers grew 6.8% versus 4.6%. Comparable figures for 2024 were 6.2% vs. 3.2% for mobile and 6.9% vs. 4.6% for broadband; in 2023, 3.6% vs. 1.5% for mobile and 6.4% vs. 5.0% for broadband. Higher growth than the competitors was mainly fueled by technological improvements and network extension, increase of sales channels, both physical and digital, resulting in higher customer satisfaction, increase in data volumes and flexible pricing policy, as further discussed below in "*—Drivers of Sustained and Resilient Market Leadership of Silknet*".

Silknet is at the core of the Group's financial performance. For the year ended 31 December 2024, the Telecom business generated GEL 582.0 million in revenue (69.2% of the Group's consolidated revenue), up by 9% from GEL 536.4 million (68.2% of the Group's consolidated revenue) in 2023.

Silknet competes in locations where it faces direct competition. In the ten largest cities in Georgia, where Silknet is most focused and all of the main players are competing, the increase in the company's residential FTTH subscriber base has been significantly higher than the rest of the market. It also leads the market in bundled services, such as bundling fixed broadband and IPTV, with a bundling rate of 79% (calculated as IPTV subscribers divided by residential FTTH subscribers), which is higher than that of its peers. The combination of Silknet's unique, self-developed IPTV infrastructure and its exclusive content rights constitutes a substantial barrier to entry for potential competitors. This infrastructure advantage is a key enabler of Silknet's sustainable market leadership and is central to its ongoing competitive strength. Silknet's ability to control both the platform and the content it delivers ensures a high degree of operational flexibility and customer responsiveness, further entrenching its leadership position in the Georgian telecommunications sector.

Telecom Adjusted EBITDA was GEL 369.9 million (representing 89.8% of Consolidated Adjusted EBITDA) in 2024, compared to GEL 337.9 million (representing 84.1% of Consolidated Adjusted EBITDA) in 2023 and GEL 284.1 million (representing 77.1% of Consolidated Adjusted EBITDA) in 2022. For the six months ended 30 June 2025, Telecom Adjusted EBITDA was GEL 193.0 million (representing 89.9% of Consolidated Adjusted EBITDA). For the six months ended 30 June 2024, Telecom Adjusted EBITDA was GEL 180.9 million (representing 90.8% of Consolidated Adjusted EBITDA).

Drivers of Sustained and Resilient Market Leadership of Silknet

As outlined in the previous section, Silknet's strong performance has been mainly supported by ongoing technological advancements, enhanced customer experience, as well as higher data consumption and successful monetization through effective pricing.

The Group believes that it has unparalleled and resilient telecommunication infrastructure. As at 30 June 2025, Silknet operated around 1,400 macro and 500 micro base stations, providing 99% population coverage for 4G/LTE. Its fixed broadband network reached more than 79% of homes, supported by over 4,000 kilometers of fiber backbone and 48 retail shops nationwide. Silknet has developed a backbone network connecting Tbilisi with other major cities, with the highest number of cross-border connections in Georgia.

Currently, Silknet is in the process and has recently completed the following technical upgrade projects: continued improvement of mobile coverage and capacity; continued increase in fiber network coverage and penetration, mostly in urban areas; modernization of fixed IP MPLS network; refarming of part of its 2G and 3G spectrum holdings to 4G; pioneering gigabit-LTE (4.9G) in Georgia in 2020 and 5G with its existing spectrum in 2023; and full-scale development of 5G, which is currently underway, having commenced following the acquisition of new spectrum in June 2025.

Silknet has also completed a number of IT projects in the last few years, including a large-scale transformation of its IT infrastructure. This transformation included a full renewal of the business support system (BSS) and operations support system (OSS) stack with automated provisioning and real-time charging, the deployment of advanced self-service platforms, the modernization of the existing hosting and network infrastructure, the migration to a virtualized environment, endpoint base standardization, and the implementation of next-generation cybersecurity and fraud prevention systems (such as SIEM, EDR, WAF and DLP) and more on the control side with real-time fraud detection and prevention. The IT roadmap is centered around investments in enhancement of BSS/OSS, revenue control and assurance, big data, artificial intelligence, and cloud migration. The network investment projects will further improve Silknet's network performance and resilience and will also allow Silknet to back up and diversify potential suppliers, further reducing sourcing risk, while the objective of IT projects is to continue modernization of the systems, enhancing operational resilience and efficiency, and improving customer experience.

Silknet acquired additional spectrum mainly for full-scale 5G development and has a large spectrum portfolio of 233.4 MHz across multiple bands. The initial stage of 5G development is targeted at Georga's main cities and seaside and other tourist locations. Most seaside areas have already been covered in the period from July to August, with 80 mobile sites equipped with 5G, while deployment in Tbilisi is already underway.

Silknet's increase in market share is supported by the continued expansion of its digital distribution channels, highlighted by the launch of the MySilknet app in 2023. Between June 2024 and June 2025, Monthly Active Users ("**MAUs**") rose 54% to more than 422 thousand, while transactions increased 151%, driven by an improved customer experience and enhanced payment features, including credit card linking and automatic top-ups in the largely pre-paid market.

Silknet is the only telecommunications provider in Georgia that has developed its own IPTV platform, which it believes to be "best in class". Silknet also directly acquires rights to film, documentary entertainment and sports content for its channels and provides Georgian language programs to its subscribers. It also has a highly competitive content portfolio. Its premium sports content includes Champions League, Europe League, Conference League, and La Liga football, NBA basketball, ATP tennis and other competitions, mostly via exclusive, IPTV exclusive or co-exclusive contracts.

High levels of customer satisfaction are evidenced by an improving NPS, which exceeds that of Silknet's competitors. According to independent research, with the latest having been conducted in May 2025, Silknet's NPS was 60, and was higher than that of its competitors (Source: Anova). Silknet also conducts internal research using the same methodology, which since 2024, has consistently shown a score above 60 and has continued to outperform competitors.

Silknet employs a flexible pricing approach, periodically introducing non-standard offers, that are well received by its subscribers and contribute to revenue generation. At the same time, Silknet has managed to increase ARPU. Silknet's mobile ARPU and fixed broadband ARPU have increased from GEL 9.6 and GEL 28.7 in 2021 to GEL 13.1 and GEL 33.6 in 2024. The growth in mobile was driven by an increase in data consumption (which grew at a CAGR of 36% over the same period), while growth in both segments was also fueled by pricing adjustments that Silknet made throughout 2022 (Source: ComCom).

The Group believes that it can successfully employ the strengths of Silknet in the still growing Georgian market. There is potential for further increases in mobile data penetration due to increasing smartphone penetration and mobile data usage. In the fixed segment, further growth potential remains in newly built residential homes, particularly in Georgia's major cities. In the primary residential markets of Tbilisi and Batumi, annual apartment sales have consistently exceeded 25 thousand since 2022 (Source: NAPR). The growing economy and increasing urbanization in Georgia are driving further demand for telecommunications services.

The Group believes that its strong brand and reputation, customer-oriented marketing approach, sophisticated sales channels, effective use of customer data, and intra-group loyalty programs place it in a strong position to benefit from current market trends and maintain sustainable growth.

Prime Real Estate Asset Portfolio and Thriving Hospitality Businesses

Silk Real Estate, the Group's second-largest subsidiary, is a fully integrated owner-operator platform comprising two divisions: Silk Development and Silk Hospitality. It combines hospitality excellence with strategic ownership and development of commercial and hospitality assets across Georgia.

The Group has played a leading role in the development of Georgia's hospitality and real estate sectors. Its entry into the hospitality sector began with the opening of the Radisson Blu Iveria Hotel in Tbilisi in 2009, which set new standards for international accommodation in the capital city. Since its opening, it has consistently ranked among the best-performing Radisson Blu hotels in EMEA, at times reaching gross operating profit (GOP) margins above 60% alongside strong guest satisfaction (source: Business Media Georgia).

Building on this success, the Group expanded its footprint to key Georgian destinations including Batumi, Tsinandali, and most recently Bakuriani. This diversification enables Silk Hospitality to capture varied demand across seaside resorts, winery destinations, a mountain resort, and the corporate/event space business. Growth has been managed with discipline through sequential project delivery and staggered capital expenditures, avoiding simultaneous large commitments and thereby preserving liquidity, reducing execution risk, and optimizing returns. Projects are consistently delivered on budget and on time. Most recently, The Telegraph Hotel was completed with a total construction budget of EUR 63 million.

Silk Development manages the full project lifecycle, from concept and design to construction supervision. Its projects are recognized for architectural distinction, collaborations with world-renowned architects, innovative use of space, and a commitment to sustainability and superior customer experience. This track record has strengthened the Group's reputation as a preferred partner for international brands such as Radisson Collection and LHW.

As of 31 December 2024, Silk Real Estate's portfolio was independently valued by Colliers at USD 387.6 million (fair value), about half of which consists of developed, income-generating assets operated by Silk Hospitality. Revenues for the Hotels and Casinos' segments for the year ended 31 December 2024 reached an aggregate of GEL 276.1 million, up 3.8% year-on-year, following decline of 1.3% in 2023 and 77.0% in 2022. Revenues continued to grow by 11.4% year-on-year in the six months ended 30 June 2025.

The developed portfolio includes premium properties in prime locations such as The Telegraph Hotel, Radisson Blu Hotel and Casino Iveria in central Tbilisi; the Radisson Blu Hotel and Casino Iveria in Batumi on the Black Sea; and the Radisson Collection Hotel in Tsinandali, in Georgia's historic wine region. Silk Real Estate also owns a smaller hotel nearby in Kakheti. This geographic spread attracts both business and leisure travelers while balancing seasonal demand cycles.

Highly Experienced and Dedicated Management and Personnel

The Company operates with a lean management structure of fewer than ten full-time staff, led by Alexsi Topuria, one of the Group's founders and shareholders. Nona Oniani, fulfilling the role of CFO of the Company, joined the Group in 2022 having previously worked at JSC TBC Bank as a Senior Corporate Banker, covering the hospitality and leisure industry. The Company is overseen by a Supervisory Board chaired by George Ramishvili, founder and controlling shareholder, and including shareholder David Borger and independent non-executive member, Yulia Boyle. By the end of 2025, the Company expects to appoint three additional members to its Supervisory Board: Yerkin Tatishev (member and beneficial shareholder), Berna Ulman (independent member) and Wolfgang Neumann (independent member), which would result in Supervisory Board having six members in total (three of whom will be independent members).

Each operating company is led by a seasoned management team, while the Company focuses on consolidated strategy for the Group (see below). Silknet is headed by CEO David Mamulaishvili (since 2016), supported by executives including Levan Buchukuri, CCO (formerly CEO of a main competitor, with Silknet since 2009), and Baia Pshavlishvili, CFO (formerly with Bank of Georgia, joined in 2010). The Supervisory Board of JSC Silknet, continuing its work separately from the Supervisory Board of the Company, includes seasoned industry experts as independent non-executive members such as Stella Handler who was CEO of Bezeq, an Israeli Public Telecommunications Company and Martin Ross was the CEO of Cable and Wireless Caribbean and Altice in the Dominican Republic (integrating Orange with Tricom) and held various leadership positions at Ericsson.

Silk Hospitality is led by David Rapava, who joined the Group in 1999 and has previously served as CFO of several key business lines. He is supported by COO Elene Machavariani, who joined in 2021 from a major competitor. Silk Development is managed by Mamuka Shurgaia, who joined from a "Big Four" audit firm in 2011. His team includes long-serving professionals such as Lika Dolidze, head of project management, who has been with the Group since 2007. The hospitality team is further supported by Steve Weitmann who was formerly the president of Wynn Las Vegas and Encore, and is an independent non-executive member of the Supervisory Board of Silk Real Estate LLC.

The Group places strong emphasis on human capital development, actively investing in the professional growth of its employees and fostering local management talent. A notable proportion of C-level managers are women. Initiatives such as the Silk Academy provide ongoing training and development opportunities, supporting long-term career progression. In addition, the Group is introducing Objectives and Key Results (OKR) methodologies in selected business units. These initiatives, together with a strong commitment to staff development, support high standards of service, enhance employee satisfaction, and drive superior performance across the Group.

Outstanding Operating Performance

The Group's operating performance is anchored by the strength of its Telecom business. Supported by strong mobile and fixed telephone network infrastructure and its focus on efficiency, Silknet's strong revenue has enabled the Telecom business to achieve Adjusted EBITDA Margins of 65%, 64%, 63% and 60% for the six months ended 30 June 2025 and the years ended 31 December 2024, 2023 and 2022, respectively.

The hospitality businesses continue to distinguish themselves through customer satisfaction and quality of service, with flagship properties such as the Radisson Blu in Tbilisi and Batumi consistently outperforming peers in the hospitality sector. This market leadership is quantitatively demonstrated by key industry metrics from STR, particularly RevPAR. The Radisson Blu Iveria Hotel in Tbilisi maintained a significant premium over its competitive set (see "*Business Description of the Group—Competition—Real Estate Competitors*" for a list of competitors in this set), recording a RevPAR of GEL 253 against GEL 213 for 2024, GEL 262 against GEL 218 for 2023, and GEL 232 against GEL 211 for 2022. A similar trend of outperformance is evident at the Radisson Blu Hotel in Batumi, which achieved a RevPAR of GEL 245 compared to its competitive set's GEL 185 for 2024, following robust results of GEL 202 against GEL 179 for 2023 and GEL 208 against GEL 203 for 2022, confirming the premium market positioning of these key assets.

The Group's profit and total comprehensive income for the year ended 31 December 2024 was GEL 173.5 million, compared to GEL 157.2 million for the year ended 31 December 2023. For the year ended 31 December 2024, the Group's Adjusted EBITDA was GEL 411.9 million, compared to GEL 401.6 million in 2023 (an increase of 2.6%). For the six months ended 30 June 2025, the Group's profit and total comprehensive income reached GEL 108.5 million, compared to

GEL 70.1 million in the in the six months ended 30 June 2024 (an increase of 54.8%), with the profit and total comprehensive income to consolidated revenue margin improving to 25.2% and Adjusted EBITDA Margin improving to 49.9%.

Robust cash generation enables the Group to fund both recurring and non-recurring capital expenditures, including network modernization, 5G coverage expansion following the additional spectrum acquisition in June 2025, and hospitality investments. After completing its capital expenditures, debt service, and dividends, the Group has consistently strengthened and maintained a very robust cash position, with cash and cash equivalents of GEL 277.2 million, GEL 263.9 million, GEL 216.3 million, and GEL 139.8 million as at 30 June 2025 and as at 31 December 2024, 2023, and 2022, respectively.

The Group expects continued revenue growth and improved Adjusted EBITDA Margins to enhance cash generation and liquidity.

Prudent Financial Policy

The Group is committed to a prudent and disciplined financial policy aimed at ensuring long-term stability and growth. By centralizing treasury, liquidity, and leverage management at the holding level, the Group maintains a robust financial position while retaining flexibility to respond to opportunities and risks across its businesses. This approach underpins a conservative leverage profile, with medium-term targets including Consolidated Net Leverage Ratio below 2.0x and Fixed Charge Coverage Ratio above 3.5x.

Centralized financial control enhances visibility of cash flows and risk exposures across the Group and allows proactive management of debt maturities, interest-rate risks, and liquidity needs. Regular reviews of subsidiary capital structures and financial policies ensure the Group can adapt swiftly to changing market conditions and strategic priorities (see below the "*Strategy*" section for further discussion of the Group's financial policy going forward).

The Group's robust financial discipline and sustained cash generation, further supported by a relatively stable local currency environment, has enabled it to strengthen its balance sheet and enhance its financial flexibility. The Group's total outstanding loans and borrowings were GEL 901.4 million as at 31 December 2024, compared to GEL 834.2 million and GEL 836.6 million as at 31 December 2023 and 2022, respectively. The Group's Consolidated Net Financial Indebtedness was GEL 686.9 million as at 31 December 2024, compared to GEL 668.6 million and GEL 782.6 million as at 31 December 2023 and 2022, respectively. The Group's liquidity position, representing the sum of cash and cash equivalents and certificates of deposit, was GEL 282.2 million as at 31 December 2024, GEL 216.3 million as at 31 December 2023, and GEL 139.8 million as at 31 December 2022

As a result of its prudent financial policy, the Group's ratio of its outstanding loans and borrowings to profit and total comprehensive income increased from 4.6x in 2022 to 5.2x in 2024 and decreased to 4.4x for the LTM ended 30 June 2025 and the Consolidated Net Financial Indebtedness to Adjusted EBITDAaL ratio decreased from 2.2x in 2022 to 1.7x in 2024, remaining at 1.7x for the LTM ended 30 June 2025. During the latter period, the Group has pursued strategic investments, including 5G spectrum and new hospitality assets, supporting future performance growth and delivering shareholder returns.

The Group retains most of its liquidity in hard currencies, principally U.S. dollars and euros, providing a natural hedge against its U.S. dollar-denominated debt exposure and reducing volatility arising from its local currency revenues. As part of the Group's liquidity policy, in the Trust Deed governing these Notes it has committed to maintain liquidity at least equal to the next twelve months of interest payments on the Notes. In addition, Silknet has proactively hedged its foreign-currency outflows from October 2024 to December 2025 through forward agreements with local banks, further insulating its financial position from adverse exchange-rate movements.

Furthermore, there is no obligation to distribute dividends to shareholders. Any dividend distribution will remain subject to compliance with the Group's medium-term financial targets of Consolidated Net Financial Indebtedness to Adjusted EBITDA below 2.0x and Fixed Charge Coverage Ratio above 3.5x. The Group has continued to deleverage even while completing its strategic capex program, and, at this stage, the business is very well-invested, providing significantly greater flexibility with respect to future capital expenditure.

Strategy

Each of the Group's business units pursues a clearly defined strategy under the leadership of experienced management teams. The holding company provides the framework for disciplined growth by ensuring strong corporate governance and prudent financial policy. It also drives initiatives that benefit the portfolio as a whole, such as streamlining the capital

structure, allocating capital efficiently, fostering cross-business synergies, and advancing ESG and data governance. This balance of robust oversight at the holding level with operational autonomy at the subsidiary level enables both agility and strategic alignment, while allowing the Telecom and Real Estate businesses to execute their sector-specific strategies.

Further Growing the Telecom Business

The Group's main strategic focus is the continued growth of its Telecom business, operated by Silknet, which remains the strongest cash generator and a key driver of financial stability. Silknet's current strategy, developed jointly with the Boston Consulting Group and approved by its shareholders and Supervisory Board in 2024, is designed to strengthen both the core telecommunications business and B2B segments, including adjacent business.

In the core telecommunications business, Silknet aims to deliver an improved, innovative, and increasingly personalized customer experience. This involves managing customer value through data-driven analysis and digital interfaces. Additional adjacent digital services, enhanced by loyalty features, are expected to further increase engagement and reduce churn, reinforcing Silknet's strong growth in the digital space.

The Group intends to continue to roll out its fiber networks, increasing penetration in the areas which are economically feasible for Silknet, mostly in major cities in Georgia. Silknet plans a pragmatic, phased rollout of 5G, after acquiring additional spectrum for nationwide 5G deployment. Silknet plans to build its 5G network on its 4.9G technology, which established its reputation for superior infrastructure quality and user experience, as attested to by independent third parties. Going forward, network development will be continuously validated to maintain network competitiveness, while delivering strong returns on investment, supported by a communication strategy that positions Silknet as a technology leader. Some investments in 5G have already been completed and Silknet is already well on track.

In May 2025, Silk Cloud signed a strategic cooperation agreement with Integrated Solutions, a subsidiary of Orange Polska. The partnership aims to strengthen Silk Cloud's capabilities in building a strong integrator position in Georgia's IT market — from product consulting and broad infrastructure advisory, cloud solutions, data centers, and cybersecurity, to support in project execution, supply chain management, and the development of a partner ecosystem. Thanks to the partnership, both Silk Cloud and Silknet will gain the opportunity to expand their portfolio of digital services for businesses.

Silk Cloud will cater to large enterprises, hyperscalers and public administration entities. To facilitate the offering and cover growing market needs, Silknet started the development of a state-of-art Data Center located in Tbilisi which is planned to be the first commercial Uptime Institute TIER III certified facility in Georgia.

Silknet also plans to build a modular Data Center facility that can support current and emerging technologies for self-use, hyperscalers, the co-location business and datacenter as a service. The ultimate maximum IT load is planned to be 2 MW launched in three phases over the medium term. This project is currently in the final stages of the tender process.

Together, these initiatives position Silknet to maintain its market leadership in telecommunications while capitalizing on new growth opportunities.

Hospitality Excellence

The Group's primary focus in its Hotels business is to maintain and grow RevPAR through a strong sales force and advanced rate analytics. RevPAR is benchmarked against a competitive set of hotels (see "*Business Description of the Group—Competition—Real Estate Competitors*" for the list of competitors in this set), with city properties such as the Radisson Blu Iveria Hotel Tbilisi and Radisson Blu Batumi demonstrating strong comparative performance business (see "*—Business Description of the Group—Businesses—Real Estate Business—Hospitality Businesses—Hotels Business* ").

In addition to RevPAR, Silk Hospitality is focused on non-room revenues, including food and beverage, meetings and events, and other services, which enhance total returns for each hotel asset. Since assuming management of the two Radisson Blu hotels under franchise agreements in 2022, Silk Hospitality increased the share of non-room revenues from 43.2% in 2019 to 61.3% in 2024. In 2020, the Group converted all Radisson-branded properties in its portfolio from management contracts to franchise agreements. This transition was undertaken to enhance quality, management efficiency, and service standards across the Group's hospitality assets.

Another strategic priority is the alignment of operations of the Casinos and Hotels businesses, particularly at the two Radisson Blu properties. Casinos are a significant demand driver, especially at Radisson Blu Batumi, where Iveria Casino accounts for nearly 49% of annual room nights. While adhering to regulatory restrictions on advertising and customer age and the international "responsible gambling" standards, Silk Hospitality pursues initiatives such as cross-selling, welcome

"lucky chips," and other measures that drive traffic between hotel and casino, boost revenues, and reduce costs through shared operations.

Through pooled purchasing to secure better pricing and data-driven optimization of staff allocation across all properties, particularly those with different seasonal occupancy, Silk Hospitality further enhances efficiency. As a result, it continues to operate with some of the most competitive cost ratios in the Georgian hospitality market.

The Group also places strong emphasis on service quality, supported by comprehensive staff training and consistent motivational targets. As a result, all hotels under Silk Hospitality consistently outperform competitors in customer satisfaction metrics, such as the Competitive Quality Index (CQI) scores assessed by ReviewPro, a leading provider of guest-intelligence solutions.

Selective Investment in Hotels, Casinos and Residential Real Estate

Across its development projects, the Group remains focused on the timely and cost-effective delivery of high quality real estate. The Group holds undeveloped sites at primary locations for future growth. Current projects include Silk Towers in Batumi, a six hectare prime seafront development with luxury residences, international hotels, and a casino, and the Sakanela Complex in Tbilisi, a two hectare mixed-use development adjacent to Republic Square, combining residential, commercial, office, and public spaces with landscaped urban design.

In August 2025, the Group further strengthened its hospitality portfolio by acquiring the Kokhta Bakuriani Hotel, a mountain resort catering to both winter and summer leisure demand. Planned enhancements, limited in cost to the Group, include an international-standard spa and upgraded amenities tailored to sports and wellness tourism.

As with previous projects, these developments are designed to generate long-term, recurring cash flows. Hotels and Casino business operations will be managed by Silk Hospitality. Residential real estate will also be managed by Silk Hospitality, not only through condominium services but also by renting and operating investor-owned apartments that are placed into a rental pool, thereby generating returns for owners. In addition, Silk Hospitality outlets located near residential and office developments benefit from the additional demand created by occupants, further reinforcing long-term revenue streams.

Ongoing Simplification of Capital Structure

By issuing the Notes at the holding company level, the Group is simplifying and streamlining its capital structure to enhance financial flexibility and transparency, centralizing funding activities at the top. Following the Offering, the Group expects to meet future financing requirements primarily at the holding company level, thereby eliminating the need for separate borrowings at operating subsidiaries and further reducing structural complexity.

In this structure, free cash flows from subsidiaries are up-streamed to the holding company level, either through dividends or intercompany loans. Cash-generating subsidiaries also provide guarantees, granting investors direct access to entities that account for more than 100% of the Group's Consolidated Adjusted EBITDA as the companies other than the Guarantors generated negative adjusted EBITDA. As a result, the Notes benefit from improved transparency and security, preempt potential structural subordination concerns of the creditors and enhance the attractiveness of the Group's financing arrangements.

Optimizing Capital Allocation

The proceeds of the Offering will allow the Group to upgrade and streamline its capital structure. The balance of the proceeds will support the execution of the Group's balanced capital expenditures program, including the 5G rollout and its real estate development pipeline. These projects will be implemented selectively, sequentially, and in line with the Group's conservative financial policy. This disciplined approach allows for efficient capital allocation, supports long-term growth initiatives, and strengthens the Group's risk management framework (see "*Use of Proceeds*").

Capital allocation decisions are guided by a detailed assessment of each segment's operating performance, growth prospects, capital requirements, and risk profile to ensure resources are directed to the most attractive and strategically aligned projects. Decisions are led by senior management and supported by robust governance, including the management teams of operating entities. An Investment Committee, part of the Supervisory Board of the Company and including shareholder participation, will be added to provide additional oversight over the capital allocation process.

Leveraging Portfolio Synergies

The Group actively pursues synergies across its businesses to enhance performance and profitability. Initiatives include joint loyalty programs, cross-selling of services, and coordinated marketing efforts, particularly across Casinos, Hotels, and Telecom, to drive visitation, length of stay, and customer spending.

In 2023, the Group launched Silk Rewards, the first cross-business loyalty application in Georgia's hospitality industry, which already counts over 30 thousand registered users. The app offers exclusive deals, discounts, and perks, including a direct booking platform for hotels and restaurants. Users earn rewards such as cashbacks, room upgrades, and free parking. For example, Silknet subscribers who register for Silk Rewards via the MySilknet app are automatically granted silver membership, entitling them to 7% cashback at the Group's hotels and restaurants (compared to 5% for standard members).

Given restrictions on casino advertising in Georgia, the Group also launched Club Iveria in 2017, a casino loyalty program that directs traffic to other Group businesses, which currently has nearly 600 thousand members. Members earn points at the Group's casinos and can redeem them across hotels, restaurants, pools, spas, events, and entertainment venues.

The Group further promotes the sharing of best practices, technology platforms, and operational expertise across its businesses. Employees are encouraged to rotate between units, supporting skill development and knowledge transfer. Synergy opportunities are regularly reviewed as part of strategic planning, ensuring that cross-business initiatives remain aligned and continue to create value.

Establishing Uniform ESG Reporting and Data Governance Framework

As part of its commitment to sustainability and long-term value creation, the Group intends to develop a comprehensive ESG reporting framework at the holding level. In collaboration with leading international ESG consultants, the framework will be designed to align with global best practices and recognized reporting standards. Its objectives are to improve transparency, enable performance benchmarking, and support the Group in securing credible ESG ratings from recognized agencies. The Group expects to adopt the group-wide ESG framework in 2026.

In parallel, the Group is implementing a group-wide data governance framework to support digital transformation and data-driven decision-making. The framework will establish clear policies and procedures for data quality, security, privacy, and lifecycle management, ensuring compliance with evolving regulations and industry standards. To this end, the Group is investing in modern data infrastructure and advanced analytics, including artificial intelligence, to enhance operational efficiency and innovation. Adoption of the data governance framework is expected in the course of 2026.

History

The Group is one of Georgia's largest and most well-established groups of companies, operating across a diverse range of sectors. The history of the Group is briefly described below:

- The Group was founded by George Ramishvilli in 1997. The Group began its operations in logistics, after winning its first major contract to transport petroleum products from Baku, Azerbaijan to Batumi, Georgia. These early activities allowed the Group to build relationships in both Georgia and Azerbaijan and leveraged Georgia's geographic position as a link between the East and the West. The Group's transportation network helped support major international companies entering the region for the first time in the post-Soviet era, establishing Georgia as a key interchange between the newly opened up East and the West. During its logistics phase, the Group contributed to the development of Georgia's infrastructure, at one point transporting up to 2,500 rail cars per month from the Caspian Region to the Black Sea. Therefore, the Company's name reflects the Group's and Georgia's historical role as a key point on the ancient Silk Road.

- Following the Rose Revolution of 2003, the Group identified other opportunities for investment in the Georgian economy and began to diversify. The Group first entered the hospitality sector, beginning with the redevelopment of Tbilisi's Hotel Iveria and later the restoration of the Tsinandali Estates. Partnerships, such as with BTA Bank, enabled rapid development of hospitality infrastructure, including collaborations with international hotel brands like Radisson.

- In 2007, the Group expanded into telecommunications sector by acquiring the United Telecoms Company of Georgia ("**United Telecom**") through a privatization auction. The Group viewed this acquisition as a key step in

supporting regional integration and invested in infrastructure and organizational improvements to modernize Georgia's telecom network.

- In 2009, the Group opened the Radisson Blu Iveria Tbilisi under a management contract with Rezidor, and Casino Iveria Tbilisi. In 2009, the Group consolidated its telecom assets into Silknet by merging United Telecom, Adjara Telecom and Wannex, becoming Georgia's largest cable network, providing fixed-line, internet, and cable TV.

- In 2011, the Group expanded its hospitality presence by opening the Radisson Blu hotel in Batumi under a Rezidor management contract and launched Casino Iveria in Batumi. That same year, Silknet strengthened its media and entertainment offering through the acquisition of Novus, which held television broadcasting rights. In 2011, the Group further diversified its portfolio by establishing Silk Road Energy to own, operate and the Bakhvi 3 Hydropower Plant, a run-of-the-river hydropower plant fully commissioned in 2015.

- In 2017, Silk Real Estate secured financing of up to USD 40 million to support the development of a new hotel in Tsinandali, further expanding the Group's hospitality portfolio. In the same year, Silknet issued GEL 34 million in local bonds, strengthening its capital structure and supporting ongoing investment in telecommunications infrastructure.

- In 2018, utilizing leveraged financing, Silknet completed the acquisition of Geocell, one of Georgia's leading mobile operators, in what was the largest M&A transaction in the Georgian market at the time. That year, Silknet also acquired the Global TV group, further expanding its media and telecommunications portfolio, and issued USD 10 million in private placement bonds to support its growth initiatives.

- In 2019, Silknet issued its first USD 200 million Eurobonds listed on Euronext Dublin and acquired franchise rights for Euronews Georgia, further expanding its media and telecommunications portfolio. In the same year, the Group opened its Tsinandali Estates, geographically diversifying its Hotels portfolio, and consolidated real estate and hospitality assets under Silk Real Estate.

- In 2020, Silk Real Estate converted all Radisson-branded properties in its portfolio from management contracts to franchise agreements. This transition was undertaken to enhance quality, management efficiency, and service standards across the Group's hospitality assets.

- In 2021, the Group established Silk Hospitality to manage all of its hotels and food and beverage outlets. This step was aimed at streamlining operations and enhancing service quality across the Group's hospitality portfolio.

- In 2022, Silk Real Estate secured a EUR 63 million loan to support the development of The Telegraph Hotel, allowing Silk Development to commence construction of The Telegraph Hotel in central Tbilisi in the same year. In 2022, Silknet issued USD 300 million Eurobonds, refinancing its 2019 bond and strengthening its capital structure for future growth.

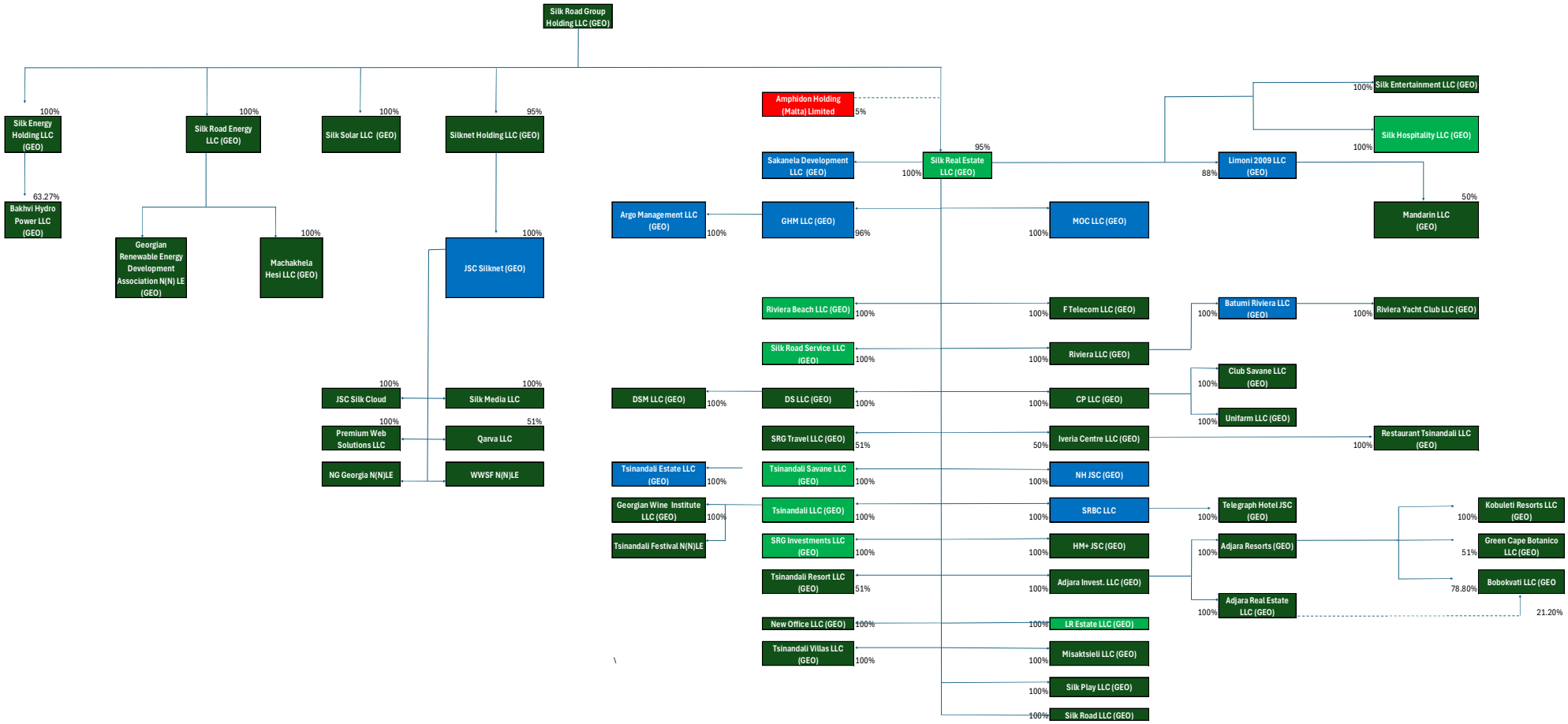
- In 2023, Silknet was the first telecom company to introduce 5G technology in Georgia, marking a significant advancement in the country's telecommunications sector. In the same year, Silk Hospitality launched Silk Rewards, Georgia's first hospitality loyalty app, enhancing customer engagement across its portfolio. Additionally, Silk Real Estate issued USD 40 million in local bonds in two tranches to support its ongoing development activities in 2023.

- In 2024, Silk Real Estate issued a one-year EUR 7 million local bond to support its ongoing projects. During the same year, Silk Development completed its first residential project, Green Cape Botanico.

- In June 2025, Silknet acquired extensive 5G spectrums to further strengthen its position in the telecommunications market. In June 2025, the Group officially opened The Telegraph Hotel, featuring 239 rooms, in central Tbilisi, marking a significant addition to the Group's hotels portfolio.

- In August 2025, the Group acquired Kokhta Bakuriani Hotel from the Adjara Group, expanding its Hotels portfolio. See "*—Business—Real Estate Business—Hotels Business*"

Below presents the full chart of the Group's structure.



Businesses

Telecom Business

Telecom Services

The Group's Telecom business, is operated by its largest subsidiary in terms of revenue, Silknet. Silknet is one of the leading telecommunication companies in Georgia, providing the following services across Georgia:

- **Mobile Services**: Silknet provides voice, SMS and mobile broadband and other add-on services to both residential (business to customer or "**B2C**") and entities (B2B) utilizing its robust network infrastructure. For B2C, Silknet provides a variety of prepaid tariff plans and prepaid broadband packages (each providing different combinations of voice, SMS, or data allowances to suit diverse usage needs) and other add on-services, such as roaming, premium numbers, number concealment, international calls, MMS etc. For B2B, Silknet caters to various government and public entities, as well as large, medium and small enterprises. Government and public contracts are usually awarded through annual tenders, while other enterprise relationships vary. Tariffs are predominantly bespoke and tailored to each client; however, small enterprises usually receive standardized tariffs. B2B services include: voice, SMS and data services, international calls, roaming, and accounting management interfaces.

  As at 30 June 2025, Silknet had approximately 2.0 million mobile subscribers and a subscriber market share of approximately 35.2 % in Georgia (Source: ComCom).Silknet's mobile subscribers year-on-year increases were 6.2% and 3.6%, respectively for 2024 and 2023.

  For the six months ended 30 June 2025, mobile revenue comprised 37.3% of the Group's consolidated revenues compared to 37.2% for the six months ended 30 June 2024. For the year ended 31 December 2024, mobile revenue comprised 37.2% of the Group's consolidated revenues, a 3.3% increase compared to 36.0% for the year ended 31 December 2023.

- **Fixed services**: Silknet's fixed services include:

  (i) **fixed broadband services**: a technologically advanced offering of internet and data connectivity services to homes, businesses and other organizations, (including FTTH, DSL and LTE services) as well as additional data services to its corporate customers (including fixed telephone, VOIP, E1, PRI, ADSC, LTE, ISDN, broadband, Dedicated Internet Access, IP MPLS, Ethernet and national lease line); these services are offered in varying tariffs allowing customers to choose a plan based on their data and broadband speed needs and connectivity availability in their area; the Group's revenue from fixed broadband services was GEL 74.3 million for the six months ended 30 June 2025 and GEL 142.3 million for the year ended 31 December 2024;

  (ii) **fixed telephone services**: a comprehensive range of national and international fixed telephone services (including PSTN on copper lines, VOIP on fiber-optical network and LTE service) to residential and corporate customers; the Group's revenue from fixed telephone services was GEL 4.9 million for the six months ended 30 June 2025 and GEL 10.6 million for the year ended 31 December 2024; although fixed telephone services are experiencing a decline in demand as a result of the shift towards mobile services, Silknet is the market leader in both the number of subscribers and market share for fixed telephone services; and

  (iii) **Pay TV services**: a variety of television program options within its fixed telephone business through its IPTV digital offering, Silk TV (broadcasting services), wireless television through Global TV, Silk Go (a streaming and video-on-demand service available through the Internet as well as a mobile application, allowing customers to watch selected TV programs on any mobile device with internet access), myvideo.ge (on-demand video content platform, unique in the country due to its diversified user-generated content, OTT FTA, and Pay TV service), and a community project called 'Home School' that provides recorded classes to students. Silknet also produces and broadcasts a variety of proprietary, thematic television channels (sports, entertainment and educational programming), as well a free-to-air news channel "Euronews Georgia" operated by Silk Media LLC under Euronews license. Silknet also offers premium sports content, including Champions League, Europa League and La Liga football, and NBA basketball; the Group's revenue from Pay TV services was GEL 30.6 million for the six months ended 30 June 2025 and GEL 58.2 million for the year ended 31 December 2024.

As at 30 June 2025, Silknet had approximately 367 thousand fixed broadband, 267 thousand Pay TV (excluding mobile streaming applications) and 135 thousand fixed telephone subscribers and an approximate 31.8%, 35.1% and 58.0% share of the Georgian fixed broadband, Pay TV and fixed telephone markets, respectively, based on the number of subscribers according to ComCom.

The year-on-year growth of Silknet's FTTH fixed-broadband subscribers were 6.9% and 6.4% for the 2024 and 2023, respectively (source: ComCom). The Group's revenue from fixed broadband services, including FTTH, were GEL 142.3 million for the year ended 31 December 2024, 7.3% increase compared to GEL 132.6 million for the year ended 31 December 2023, which in turn was a 15.9% increase compared to GEL 114.4 million for the year ended 31 December 2022.

For the six months ended 30 June 2025, fixed revenue comprised 26.2% of the Group's consolidated revenues compared to 26.7% for the six months ended 30 June 2024. For the year ended 31 December 2024, fixed revenue comprised 25.8% of the Group's consolidated revenues compared to 26.0% for the year ended 31 December 2023.

- **Carrier and other services (wholesale)**: Carrier and other services (wholesale) are offered to local operators in Georgia as well as to international operators. Carrier and other services (wholesale) consist primarily of fixed and, through Silknet's mobile services mobile interconnection services and data services provided to national and international operators including local call termination, international call termination, bulk SMS termination, transit, internet resale, rent of equipment and cash collections. For the six months ended 30 June 2025, revenue from carrier and other services comprised 5.6% of the Group's consolidated revenues compared to 6.2% for the six months ended 30 June 2024. For the year ended 31 December 2024, revenue from carrier and other services comprised 6.2% of the Group's consolidated revenues compared to 6.2% for the year ended 31 December 2023.

Strategies

Silknet's core strategies for the Group's Telecom business are:

- **Maintaining Infrastructure Leadership**: Silknet’s strategy is centered on maintaining its leadership in network infrastructure through continued investment in both fiber and mobile network expansion. By prioritizing scalability, reliability, and future-readiness, Silknet aims to ensure its network can support the evolving needs of customers and the broader Georgian economy. Ongoing upgrades and expansion of core infrastructure are designed to deliver high-quality, resilient connectivity, positioning Silknet as the backbone of Georgia’s digital ecosystem.

- **Full-scale Development of 5G network**: A key strategic priority for Silknet is the full-scale deployment of 5G technology. Silk is actively investing in 5G infrastructure, with capital expenditures in this area expected to remain within the medium-term target capex-to-revenue ratio of 18% to 20%. This commitment will enable Silknet to deliver next-generation mobile services, support new digital applications, and reinforce its competitive position as the leading telecommunications provider in Georgia.

- **Digital Transformation**: Silknet is adopting a comprehensive digital transformation agenda, focused on streamlining customer journeys and enhancing operational efficiency. Silknet is investing in the full digitization of services, including advanced self-care platforms and AI-powered personalization, to deliver a seamless and intuitive customer experience. These initiatives are designed to improve service accessibility, reduce friction in customer interactions, and enable Silknet to respond rapidly to changing market demands.

- **B2B and Enterprise Expansion**: With increasing demand for secure, cloud-based, and scalable connectivity, Silknet is focused on expanding its role as a key digital transformation partner for enterprises and SMEs across Georgia. Silknet is developing tailored solutions to meet the needs of business customers, supporting their growth and digitalization objectives. By leveraging its robust network and technology capabilities, Silknet aims to drive innovation and enable Georgian businesses to compete effectively in a rapidly evolving digital landscape.

Network Infrastructure

The Group has developed integrated network infrastructure providing extensive coverage throughout Georgia. As at 30 June 2025, Silknet had 99% 3G coverage, 99% 4G/LTE coverage and 78% home coverage with FTTH across Georgia. Silknet's mobile network infrastructure encompassing 2G, 3G, 4G/LTE and 5G technologies from approximately 1,900 physical locations throughout Georgia including 1,400 macro and 500 micro sites, of which 99% are equipped with 4G/LTE

technology. Approximately 600 macro and 500 micro sites of Silknet are connected by more than 4,000 kilometers of fiber. Following Silknet's acquisition of Geocell in 2018, it became the second largest mobile operator in Georgia based on the number of subscribers (Source: ComCom) and continued to invest in its network infrastructure. Silknet has consistently led the market in mobile internet speed and service quality, as recognized by independent benchmarks and industry awards, including the Ookla® Speedtest Fastest Mobile Network Award. Silknet has a competitive spectrum portfolio in Georgia with a total of 233.4 MHz bandwidth across multiple frequency bands.

Silknet's fixed-line network consists of two main soft switches, operating in load-balancing mode, five gateways and eight legacy exchanges, Next Generation Networks ("**NGN**") soft switches. The Group delivers Internet and IPTV services to its subscribers by means of DSL, FTTH-GPON and Point to Point ("**P2P**") links. As at 30 June 2025, there were approximately 7 thousand DSL and 357 thousand FTTH internet subscribers, as well as approximately 261 thousand IPTV subscribers in Silknet's network. All Digital Subscriber Line Access Multiplexers ("**DSLAMs**") are connected to aggregation switches using 1G links. Silknet modernized the fixed IP/MLS network, allowing it to accommodate greater subscriber data consumption, especially for broadband and IPTV traffic. In addition, Silknet has expanded its FTTH network, reaching approximately 875,000 homes as at 30 June 2025. Silknet also owns an extensive Dense Wavelength Division Multiplexing ("**DWDM**") network, which connects Tbilisi with other major cities in Georgia. Its DWDM network is also used for cross-border connections with neighboring countries, for international traffic transmission. The capacity of its DWDM network is 96 lambda, and it has the capability to provide mixed (10G/100G) service on each lambda. The Group's international services network includes at least one border (backbone) crossing with each of Georgia's neighboring countries: two crossings with Türkiye, two crossings with Armenia, two crossings with Azerbaijan and one crossing with Russia.

During 2023 and 2024, a large-scale modernization of the Mobile IP transport network was carried out, as a result of which the network stability was significantly improved and the network throughput increased several times. This ensures that the network will successfully handle the rapidly growing mobile Internet traffic consumption in the coming years. Furthermore, Silknet’s Microwave Backhaul Network, used for connecting mobile network sites where fiber optics connection is not yet available, also undergoes continuous development over recent years. These works are aimed at the improvement of the network throughput, resilience, reliability and stability. High-capacity E-band MW 10 Gb/s links are introduced in the heavily loaded points of the transmission network, which is of the vital importance for securing the required capacity, particularly in view of 5G development. Significant modernization was implemented at Silknet’s Mobile Core Network part, especially in the PS Core Network where throughput capacity was increased several times and resiliency enhanced as a result of modernization works.

Despite not participating in Georgia's first 5G auction in August 2023 and second auction in August 2024, Silknet pioneered 5G in Georgia by launching the service in December 2023 in the center of Tbilisi, utilizing its existing spectrum. Silknet acquired extensive spectrums in the third auction in June 2025. Following this acquisition, Silknet commenced the initial stage of its 5G NSA network deployment, targeting main cities, seaside, and other key tourist locations. Most of the seaside areas have recently been covered over the course of July–August 2025. The rollout in Tbilisi and other targeted locations in East Georgia is planned for completion between September 2025 and early 2026. This phased approach is designed to maximize early coverage in high-demand areas and support the Group’s strategy of delivering advanced connectivity to both urban and tourist destinations.

Sales and marketing

Silknet utilizes a diverse range of sales channels to reach its customers across Georgia. As at 31 December 2024, Silknet operated inbound and outbound call centers, sales force (including dedicated managers and agents), around 48 sales agents in Tbilisi and the regions, approximately 780 third-party points of sale, as well as 62 shops, service centers, and sales desks throughout the country. Customers can visit these locations, for example, to purchase and activate mobile, fixed broadband, and Pay TV services, obtain SIM cards, pay bills, top up accounts, and receive personalized assistance with device setup, troubleshooting, and technical support. The shops also provide information on the latest promotions, device offerings, and upgrades, and act as collection points for customer feedback and service requests. Digital engagement is facilitated via the “mysilknet.com” self-care website and a strong social media presence, with Silknet's Facebook page liked by around 500,000 people and Silknet’s website with 1.6 million sessions in 2024.

The MySilknet application had monthly active users of 422.1 thousand as at 30 June 2025, a 53.8% increase compared to 30 June 2024. The amount of transactions in the MySilknet application was GEL 12.5 million in the six months ended 30 June 2025, which was a 150.8% increase compared to GEL 5.0 million in the six months ended 30 June 2024.

Strategic Partnership

In 2024, Silknet has entered into a strategic partnership with Orange under the Orange Alliance programme, effective from 3 June 2024 via a framework agreement. This partnership is designed to enhance Silknet's capabilities across the B2C, B2B, and ICT sectors by leveraging Orange's extensive expertise and innovative solutions. This collaboration provides Silknet with access to Orange's knowledge base, innovative solutions, and comprehensive portfolio of B2C products and platforms. A key focus of the partnership is the enhancement of B2B ICT services, supporting the digital transformation of businesses in Georgia. The alliance is structured around a platform approach, which fosters a network effect, enabling Silknet to share in the collective experience and know-how of other alliance members. As the alliance grows, members benefit from shared best practices and technological advancements. The partnership also supports the development of scalable platforms designed to serve a larger customer base, allowing Silknet to remain competitive in Georgia's evolving telecommunications and technology landscape. In addition, Silk Cloud, a subsidiary of Silknet specializing in B2B ICT services, has signed a strategic cooperation agreement with Integrated Solutions, a subsidiary of Orange Polska. This partnership aims to strengthen Silk Cloud's capabilities in Georgia's IT market, spanning product consulting, infrastructure advisory, cloud solutions, data centers, and cybersecurity. The agreement also supports project execution, supply chain management, and the development of a partner ecosystem. Both Silk Cloud and Silknet are expected to benefit from expanded opportunities to deliver advanced digital services to business clients.

Real Estate Business

The Company's second largest subsidiary in terms of revenue is Silk Real Estate, which is a hospitality operator and develops its own strategic real estate assets, focusing on commercial and hospitality related use that generates long-term cash flows. Silk Real Estate operates through two divisions: Silk Hospitality (operating the Hotels and Casinos businesses of the Group) and Silk Development (operating the Development business of the Group).

As at the date of these Listing Particulars, the Group operates six hotels (with 929 rooms in total), 25 restaurants and clubs and two casinos (with 41 casino tables and 355 slots machines in total). These total figures include Kokhta Bakuriani Hotel with 92 rooms and one restaurant, which the Group acquired in August 2025. The Group's hotels are managed by Silk Hospitality and located in prime locations in Tbilisi, Batumi and Tsinandali, which include, for example, The Telegraph Hotel in Tbilisi and Radisson Blu hotels in Tbilisi and Batumi and Radisson Collection in Tsinandali. In Georgia's Kakheti wine region, the Radisson Collection Tsinandali and the Park Hotel Tsinandali offer a range of lodging options and amenities, with the former positioned as a luxury hotel near a historic estate and the latter catering to budget-conscious guests and featuring a swimming pool shared with the nearby Radisson hotel. The majority of the Group's restaurants and bars are integrated into in their respective hotels (for example: Italian-cuisine "Filini" restaurant, Asian-cuisine "Umami" restaurant and "Oxygen" bar are located in Radisson Blu Hotel, Tbilisi; Georgian cuisine "Medea" restaurant and Asian-cuisine "Umami at Clouds" restaurant and bar are located in Radisson Blu Hotel, Batumi; and "Bell & Gray" café, "Grand" café, Thai-cuisine "Laan Thai" restaurant, "The Grill", "Courtyard" bar, and "Wine Library" wine bar are located in The Telegraph Hotel), while the remaining are standalone restaurants in close proximity to the Group's hotels (such as Iveria Café, Republic 24 and the Republic in Tbilisi are all located adjacent to The Telegraph Hotel and Radisson Blue Hotel Tbilisi). The Group's land-based casinos are based in Tbilisi and Batumi, each offering a variety of gaming tables, slot machines, and hospitality services, and integrated into the respective Radisson Blu Hotels with the Batumi casino contributing significantly to its hotel revenue.

The Group, through Silk Real Estate, owns, manages and develops real estate assets, including the Valued Property Portfolio, in prestigious districts of Tbilisi, as well as in other regions of Georgia. Based on the Valuation Letter issued by Colliers, the value of the Valued Property Portfolio is at USD 387.6 million as at 31 December 2024. Approximately half of the Group's real estate assets are free of liens. The Group manages all of the hotels, casinos, restaurants, bars, cafes, clubs, and other venues operated by Silk Hospitality, while also owning other real estate assets that Silk Development is developing or plans to develop and turn into cash generating businesses. Silk Development also develops projects by presenting new business concepts, coordinating with external companies for designs, identifying necessary capital expenditures and resource mobilization, fundraising from local and foreign financial institutions, hiring contractors, and monitoring the construction process. The largest project to date that was developed by the Group was the Telegraph Hotel, which was launched on 21 June 2025, in the center of the capital and has several more large-scale projects to follow in Tbilisi and various regions of Georgia in the near future.

The Group's real estate assets (including both operating and non-operating) are functionally and geographically diverse across Georgia, including an underground space at Republic Square in Tbilisi, and the Bobokvati mixed-use complex being developed on 15 hectares of land on Black Sea coastline in the Adjara region, with major development plans including the multifunctional "Sakanela" project in central Tbilisi, the multifunctional "Silk Towers" project in central Batumi, the completed Green Cape Botanico residential project near the Botanic Garden with plans for additional holiday homes and

hotels on adjacent land, the operating Park Hotel Tsinandali with villa development plans on surrounding 7-hectare property, and the recently acquired ski resort Kokhta Bakuriani Hotel.

Silk Real Estate's core strategies for the Group's Hotels, Casinos, and Development businesses are:

- **Aligning Casinos and Hotels Operations:** Silk Real Estate's strategy includes strengthening operational synergies between the Casinos and Hotels businesses to enhance overall performance. By coordinating management, marketing, and guest services across these segments, Silk Real Estate aims to deliver a more integrated and attractive offering for guests, while maximizing revenue opportunities and operational efficiency.

- **Maintaining Service Quality:** A core strategic focus is to ensure consistently high service standards across all services. Silk Real Estate arms to achieve this high-quality service standard through comprehensive in-house training programs delivered by Silk Academy, supporting staff development and fostering a culture of excellence. This commitment to service quality underpins the Group's reputation and supports guest satisfaction and loyalty.

- **Optimizing Costs:** Silk Real Estate is committed to driving operational efficiency by optimizing costs through centralized procurement and streamlined logistics. By consolidating purchasing and supply chain management, Silk Real Estate can achieve economies of scale, reduce expenses, and improve resource allocation, thereby enhancing overall profitability.

- **Delivering Development Projects:** Silk Real Estate's development strategy is focused on delivering high-quality projects in key urban and resort locations. Silk Real Estate prioritizes value creation by ensuring projects are completed on time and within budget, with an emphasis on design, functionality, and long-term market appeal. This disciplined approach supports sustainable growth and maximizes returns on investment.

- **Leveraging Mixed-Use Synergies:** Silk Real Estate seeks to integrate retail, office, hospitality, and other commercial components within its developments to create mixed-use environments that generate stable, recurring revenues. By leveraging these synergies, Silk Real Estate aims to diversify its income streams and enhance the long-term value and resilience of its property portfolio.

Hospitality Business

The primary activities of the Group's hospitality business, comprising Hotels and Casinos businesses and operated by Silk Hospitality, are the management of its hotels, land-based casinos/slots, several restaurants entertainment venues across Georgia.

Hotels Business

The Group operates the following hotels (which are managed by Silk Hospitality):

- **The Telegraph Hotel, Tbilisi**: The Telegraph Hotel was opened on 21 June 2025. It is a heritage post office building in the center of Tbilisi transformed into a five-star luxury landmark hotel, and the first hotel in Georgia and the region to be part of the LHW. The Telegraph Hotel features 239 rooms and suits, eight restaurants, several meeting rooms and premium office suits, a well-equipped gym and wellness zone and a grand ballroom. The Telegraph Hotel has received a Leadership in Energy and Environmental Design ("**LEED**") certification.

- **Radisson Blu Iveria Hotel, Tbilisi**: Radisson Blu Iveria Hotel, Tbilisi was the first international tourist hotel of the Soviet era that was reopened in 2009 after a full redesign and further renovated and modernized in 2020. Radisson Blu Iveria Hotel is a five-star hotel featuring 249 rooms, three restaurants, multiple conference spaces, a gym, a rooftop infinity pool, an outdoor pool, a ballroom, a rooftop terrace, a spa, and the Casino Iveria, Tbilisi.

- **Radisson Blu Hotel, Batumi**: Opened in 2011 and designed by Michele De Lucchi, Radisson Blu Hotel, Batumi is located near the Batumi Boulevard and beach. Radisson Blu Hotel, Batumi is a five-star hotel featuring 168 rooms and suites, two restaurants and bars, seven meeting rooms, one ballroom (for 350 guests), one sauna and steam room, indoor and outdoor pools a spa, the Casino Iveria, Batumi and Iveria Beach Club. Radisson Blu Hotel, Batumi is currently undergoing renovation to refresh its spaces while continue operating.

- **Radisson Collection Hotel, Tsinandali Estates**: Opened in 2019, Radisson Collection Hotel, Tsinandali Estates is situated within the historic Chavchavadze family estate in Tsinandali, which is part of Georgia's premier wine

producing region Kakheti, blending cultural heritage with modern hospitality. Radisson Collection Hotel, Tsinandali Estates is a five-star hotel featuring 124 rooms and suites, six restaurants and bars, a wine bar, a rooftop infinity pool, an indoor pool, an open-air amphitheater, steam rooms, a spa, a gym, tennis and padel courts, various conference and meeting rooms as well as event and wedding spaces.

- **Park Hotel, Tsinandali Estates**: Opened in 2019 within the historic Tsinandali Estates in Georgia's Kakheti wine region, Park Hotel, Tsinandali Estates offers a modern-yet-creative experience nestled near the Chavchavadze family estate. Designed by notable Georgian interior designer Tamar Valishvili, Park Hotel, Tsinandali Estates is a four-star hotel featuring 70 rooms and suites (crafted with an industrial-loft aesthetic and infused with street art by Keti Davlianidze and Giorgi Katsarava), one restaurant, and other facilities and amenities such as a pool, a spa, a gym, and conference, meeting and event spaces.

- **Hotel Kokhta Bakuriani, Bakuriani**: Originally opened in late 2019 as Rooms Hotel Kokhta Bakuriani and acquired by the Group and rebranded Hotel Kokhta Bakuriani in August 2025, this hotel is situated in the Kokhta-Mitarbi resort area at the foot of Mount Kokhta in Bakuriani. Now owned and managed by the Group, following its acquisition by Silk Road Group, Hotel Kokhta Bakuriani, Bakuriani blends modern boutique design with alpine resort charm. The hotel offers 92 hotel rooms, a restaurant and lounge bar and a conference center.

The following tables set out occupancy rates, ADR and RevPAR of the Group's hotels for the periods indicated.

	For the Six Months Ended 30 June		For the year ended 31 December		
	2025	2024	2024	2023	2022
Occupancy rate			(%)		
Radisson Blu Iveria Hotel, Tbilisi	65	60	62	67	61
Radisson Blu Hotel, Batumi	74	66	73	65	70
Radisson Collection Hotel, Tsinandali Estates	50	46	51	48	54
Park Hotel, Tsinandali Estates	55	51	56	55	52
Hotel Kokhta Bakuriani, Bakuriani[(1)]	40	45	40	40	40

	For the Six Months Ended 30 June		For the year ended 31 December		
	2025	2024	2024	2023	2022
ADR			(*GEL*)		
Radisson Blu Iveria Hotel, Tbilisi	375	407	408	389	381
Radisson Blu Hotel, Batumi	333	294	336	309	297
Radisson Collection Hotel, Tsinandali Estates	340	355	363	359	309
Park Hotel, Tsinandali Estates	113	123	127	179	129
Hotel Kokhta Bakuriani, Bakuriani[(1)]	262	262	222	289	193

	For the Six Months Ended 30 June		For the year ended 31 December		
	2025	2024	2024	2023	2022
RevPAR			(*GEL*)		
Radisson Blu Iveria Hotel, Tbilisi	242	243	253	262	232
Radisson Blu Hotel, Batumi	246	195	245	202	208
Radisson Collection Hotel, Tsinandali Estates	171	164	186	173	167
Park Hotel, Tsinandali Estates	62	62	71	98	67
Hotel Kokhta Bakuriani, Bakuriani[(1)]	104	117	88	127	78

Note:

(1) Acquired by the Group in August 2025 and therefore the occupancy rate, ADR and RevPAR presented in here for this hotel were not reflected in the Group's results of operations.

The Group employs a diversified, multi-channel approach for its hotels to target distinct customer segments across the hospitality market, ranging from premium to budget offerings. Premium-rate bookings are primarily generated through direct booking channels, including the Group's official website, online travel agencies (OTAs), and targeted promotional campaigns. In addition, the Group secures discounted-rate bookings through contracted arrangements with business travel clients, leisure travel agents (FIT), casino-guests' bookings, and group bookings.

The Group operates its Radisson Blu Iveria Hotel, Tbilisi, Radisson Blu Hotel, Batumi and Radisson Collection Hotel, Tsinandali Estates under the Radisson brand pursuant to franchise agreements with Radisson, which are expected to expire on 31 December 2036, 31 December 2036 and 31 December 2035 for the Group's hotel in Tbilisi, Batumi and Tsinandali, respectively. Under the franchise agreements, the Group is required to pay Radisson various fees, such as licensing fees for using the Radisson brand, sales, marketing and advertising contributions, variable channel booking fees, and Radisson loyalty fees. These fees are generally calculated as a proportion of the total gross rooms revenue of each respective hotel or are otherwise linked to the volume of bookings generated through Radisson's platforms.

The Group operates The Telegraph Hotel pursuant to a hotel membership agreement with the LHW, under which the hotel is admitted to the LHW programme. The agreement is expected to expire on 31 July 2029, with renewal subject to a written agreement between the Group and LHW. Under the agreement, the Group pays membership dues (based on the hotel's room count), together with certain annual fees for inspection/quality assurance, guest-satisfaction and online-reputation platforms, distribution/connectivity and participation in the American Express Global Business Travel programme. Operationally, the Group accepts and manages reservations through LHW's central reservations system, maintains room, rate and availability parity across distribution channels, and pays standard travel-agency commissions for commissionable rates.

Casinos Business

The Group, through Silk Hospitality, operates the following casinos:

- **Casino Iveria, Tbilisi**: Casino Iveria, Tbilisi has 23 gaming tables and 190 slot machines. Casino Iveria, Tbilisi was opened in 2009 as one of Georgia's first and most recognized gaming venues. For 2024, 2023 and 2022, Casino Iveria, Tbilisi had total visitors of approximately 282,000, 271,000 and 257,000, respectively.

- **Casino Iveria, Batumi**: Casino Iveria, Batumi has 18 gaming tables and 165 slot machines. Casino Iveria, Batumi was opened in 2011 and was also the first to reopen after the COVID-19 global pandemic in both Georgia and the wider region. For 2024, 2023 and 2022, Casino Iveria, Batumi had total visitors of approximately 196,000, 203,000 and 189,000, respectively. Casino Batumi is the main driver of demand for Radisson Blu Hotel, Batumi that in the low seasons almost all occupied rooms of Radisson Blu Hotel, Batumi are by casino guests.

Other Hospitality Businesses

The Group also operates the following venues, restaurants, clubs, bars and cafes, which also form part of the Other business of the Group:

- **Republic Event Hall, Tbilisi**: Opened in 2017, Republic Event Hall is a modern multifunctional space occupying two middle floors of the Republic Building located in the center of Tbilisi. Republic Event Hall spans over 1,000 square meters and can host up to 1,000 guests for various events, such as concerts, large business conference, weddings, shows, etc.

- **Republic Rooftop-Bar-Terrace, Tbilisi**; Republic Rooftop-Bar-Terrace is an upscale casual dining restaurant and terrace located on the top floor of the Republic Building.

- **Restaurant Republic 24, Tbilisi**: Republic 24 is a Georgian classic cuisine restaurant with unique dishes crafted specially for Republic 24 by Brand Chef Irakli Asatiani and open 24 hours on Fridays & Saturdays. It is located in of the Republic Building.

- **Iveria Beach Club, Batumi**: Iveria Beach Club is a beachfront summer club located between Batumi's Boulevard and the Back Sea.

- **Club Noble Savage, Tbilisi**: Club Noble Savage is an entertainment venue and night club in Tbilisi.

Development Business

The Group's Development business develops, designs, constructs and commercializes real estate assets owned, directly or indirectly, by Silk Real Estate, turning these assets into cash generating hospitality businesses.

Silk Development develops the non-operating real estate assets with a commercial approach to establish stable-long-term cash generating properties by drawing vast experience in operating hospitality assets from Silk Hospitality and other Group entities. Silk Development involves Silk Hospitality from initial stages of development to ensure guest-centricity and operational readiness on day one of project completion. During the development process, Silk Development generally works with well-known consultants and brokers and seeks to collaborate with leading international brands, such as Radisson and the LHW. Its design philosophy aims for high sustainability development standards, while working with world renowned architects, such as Chapman Taylor LLP, Kengo Kuma & Associates, Populous, neri&hu, Graft and others. During the construction process, Silk Development tenders its projects internationally, using global contracting standards that require performance guarantees from its contractors. Once the development projects are completed, hotels, casinos restaurants, cafes and other hospitality venues will be then managed by Silk Hospitality (see "*—Hospitality*"), the office and retail spaces will be rented out by Silk Development, and residential units will be sold by Silk Development's sale team on an individual basis.

The Group, through Silk Development, is developing the two major projects, which are Silk Towers and the Sakanela Complex.

- **Silk Towers**: Silk Towers is a multifunctional complex under development by Silk Real Estate, located on a six-hectare seafront plot in Batumi, between the Old Town, the port, and the Sea Boulevard. The project will comprise luxury residential apartments, an international hotel, branded residences, a casino, recreational zones, and a yacht club with a private marina for yacht owners. The development also includes the renovation of a 20,000-square-metre municipal park, designed by the Danish firm MASU Planning, which will feature padel courts, a sports field, children's zones, relaxation areas, and walking and cycling paths, integrated into the Batumi Boulevard. Silk Real Estate has engaged the Japanese architecture studio Kengo Kuma & Associates for the design of Silk Towers, with a focus on sustainable architecture and the integration of eco-friendly practices throughout the project. In addition to the core components, the complex will include multiple swimming pools, spa and fitness centres, cafés and restaurants, a children's playground, and dedicated cycling trails, aiming to provide a comprehensive range of amenities for residents and visitors.

- **Sakanela Complex**: The Sakanela Complex is a major urban development situated on a two-hectare plot in the heart of Tbilisi, adjacent to Republic Square. The project is designed to establish a vibrant pedestrian connection between Republic Square and the historic parts of the city, utilizing the site's natural landscape to provide accessible public space for both residents and visitors. The masterplan and architectural design are led by the German architecture studio GRAFT, known for their innovative and sustainable approach to urban planning and design. The Group plans that the Sakanela Complex will consist of residential, commercial, office, and public spaces, integrated into a cohesive urban environment with landscaping. The development includes two residential buildings and five business centers, as well as retail spaces and a range of amenities such as a gym, swimming pool, spa, and dedicated children's facilities. The architectural concept incorporates traditional elements, including Tbilisi-style balconies, alongside contemporary design principles to create a modern urban landscape that reflects the city's cultural identity.

The estimated project budget for the first phase of the Silk Tower is approximately GEL 600 million and the estimated project budget for the Sakanela project is approximately GEL 280 million, each over the next five years. Expenditures and progress on the projects are subject to the availability of sufficient financing and satisfactory conditions in the Georgian real estate market, amongst other considerations including the Group's adherence to its financial policy. The Group will maintain its discipline through sequential project delivery and staggered capital expenditures, avoiding simultaneous large commitments and thereby preserving liquidity. See also "*Risk Factors—Risks relating to the Group's business generally--The Group's businesses require substantial capital investment, and the Group may not be able to attract or generate sufficient capital to fund its future capital expenditures and other investments as management deems necessary or desirable*" and "*Risk Factors—Risks relating to the Group's business generally-- The Group's leverage may make it difficult for it to service its debt and operate its business, and any additional debt, could further exacerbate the risks associated with its existing indebtedness.*"

In addition to these flagship projects, the Group maintains a pipeline of other developments at various stages of planning and execution.

Other Business

The Group's Other business includes, amongst others, the development, ownership and operation of a hydropower plant (the Bakhvi 3 Hydropower Plant), and generation and sale of electric power. Silk Energy operates the Bakhvi 3 Hydropower

Plant, which is a run-of-the-river hydropower plant commissioned in 2015 and receives water from Bakhvis Tskali River. It has an installed capacity of 9.8 MW and average annual generation of 41 GWh at an achieved capacity factor of 47%.

Property

As at 30 June 2025, the total net book value of the Group's properties and equipment (comprising land, buildings and facilities, vehicles, furniture and fixtures, construction in progress and other) were GEL 865.6 million compared to GEL 805.4 million as at 31 December 2024, respectively. The principal properties and equipment of the Group consist of telecom properties (fixed services and mobile services) in Georgia within the Telecom business, and the Group's hotels in Georgia within the Hotels business and the Casinos business. See Note 10 to the 2024 Audited Consolidated Financial Statements and Note 9 to the 2023 Audited Consolidated Financial Statements for more information.

As at 30 June 2025, the total net book value of the Group's investment properties was GEL 250.3 million compared to GEL 243.0 million as at 31 December 2024. The Group's investment properties comprise various land plots, buildings and underground facilities, which are either held to earn rental income, or for capital appreciation, or for undetermined future use. Insignificant parts of certain properties are held by the Group for its own use but are classified as investment property as they represent insignificant components of the total of its investment properties. See Note 11 to the 2024 Audited Consolidated Financial Statements and Note 10 to the 2023 Audited Consolidated Financial Statements for more information.

Licenses

The Group, through its relevant operating subsidiaries, holds various licenses to operate their respective businesses.

For the Group's Telecom business, Silknet currently holds a total of eight licenses authorizing Silknet to use the relevant frequencies for various mobile technologies and services, three of which are expected to expire between May 2026 and January 2027. The eight licenses cover: (i) harmonized frequency licenses, which are issued for terrestrial systems capable of providing electronic communications services on a technology neutral and service neutral basis, which are used to provide mobile services for Silknet's customers; and (ii) non-harmonized frequency spectrum licenses (2.3 GHz frequency band), which, according to the national frequency allocation plan, can be used for fixed mobile communication (FMC) networks. In addition, Silknet holds two licenses related to its “Global TV” services, which are expected to expire by December 2026 and are not anticipated to be renewed due to declining subscriber numbers resulting from ongoing migration from wireless TV technology to fiber-optic IPTV services, as well as the limited viability of the existing technology.

No regulatory licenses are required for the Group's Hotels business. The Group operates its hotels under franchising agreements with Radisson and the management agreement with LHW (see "*—Businesses—Real Estate Business—Hospitality Businesses—Hotel Business*" for information).

For the Group's Casinos business, the Group holds licenses for the organization and operation of its casinos and slot machines, which are located within its hotels. Each casino and slot machine license is issued for a five-year term and requires annual payments for its ongoing validity. The current expiration dates for these licenses are Casino (Tbilisi): 15 July 2026; Slots (Tbilisi): 15 July 2026; Slots (Batumi): 7 November 2026; and Casino (Batumi): 29 September 2027. The cost of these licenses and payments is determined by Georgian legislation and the specific location of each establishment.

For the Group's Development business, the Group engages in the construction of residential and hospitality real estate projects and is required to obtain various permits, licenses, and approvals from municipal as well as national authorities in connection with its construction and operational activities. As at the date of these Listing Particulars, relevant businesses have secured, or are in the process of securing, all material permits and authorizations required for ongoing and planned projects. The regulatory framework governing construction and land use in Georgia is generally stable and transparent, and the Group has not encountered any material delays or obstacles in obtaining permits in the ordinary course of business.

Competition

Telecoms Sector

Mobile Services

The share of retail mobile services revenue in Georgia has increased since 2021, from 55% of total retail telecoms revenue in Georgia in 2021 to 59% in 2024 (Source: ComCom). As at 31 December 2024, mobile services penetration in Georgia

was approximately 151% or approximately 5.63 million subscribers, compared to 5.16 million subscribers as at 31 December 2021 (Source: ComCom).

Silknet's primary mobile services competitors in Georgia are MagtiCom and Cellfie, which had 41.6% and 23.3% of the Georgian market share by number of subscribers, respectively, as at 31 December 2024 (Source: ComCom).

The following tables illustrate the number of mobile services subscribers, the number of mobile broadband services subscribers, revenues and ARPU for each MNO in Georgia (excluding MVNOs) as at and for the dates indicated:

	As at 30 June		As at 31 December			
	2025	2024	2024	2023	2022	2021
Mobile services subscribers	*(amounts in thousands, unless otherwise indicated)*					
Silknet	2,042	1,932	1,975	1,860	1,796	1,718
MagtiCom	2,361	2,314	2,342	2,278	2,245	2,153
Cellfie	1,335	1,317	1,314	1,316	1,333	1,292
Silknet's Market Share	35.6%	34.7%	35.1%	34.1%	33.4%	33.3%
Mobile broadband services subscribers						
Silknet	1,501	1,428	1,432	1,320	1,260	1,189
MagtiCom	1,441	1,354	1,370	1,277	1,184	1,127
Cellfie	1,190	1,139	1,153	1,116	1,065	960
Silknet's Market Share	36.3%	36.4%	36.2%	35.5%	35.9%	36.3%

	Six months ended 30 June		Year ended 31 December		
	2025	2024	2024	2023	2022
Mobile revenue	*(amounts in GEL thousands, unless otherwise indicated)*				
Silknet	154	145	305	275	240
MagtiCom	207	196	410	385	343
Cellfie	77	71	149	127	113
Silknet's Market Share	35.2%	35.2%	35.3%	35.0%	34.4%
Mobile ARPU	*(amounts in GEL unless otherwise indicated)*				
Silknet	12.8	12.8	13.1	12.5	11.4
MagtiCom	14.7	14.3	14.8	14.2	12.9
Cellfie	9.7	9.0	9.4	8.0	7.2

Source: ComCom

Fixed services

The share of fixed broadband services in total telecoms revenue in Georgia stayed relatively flat at 29% over the period of 2021-2024. As at 31 December 2024, household fixed broadband penetration reached approximately 97% (1,080,000 residential subscribers based on 2014 General Population Census Results). MagtiCom is Silknet's primary competitor in this segment, holding a 46.3% market share by subscribers as at 31 December 2024, compared to Silknet's 31.6% market share. Competition is based primarily on tariff prices, network coverage and quality, customer service, and range of services offered. In the FTTH segment specifically, Silknet maintained a 34.0% market share as at 31 December 2024.

The following tables illustrate the number of fixed broadband subscribers, revenues and ARPU for each MNO in Georgia as at and for the dates indicated:

	As at 30 June		As at 31 December		
	2025	2024	2024	2023	2022
Fixed broadband subscribers	*(amounts in thousands, unless otherwise indicated)*				
Silknet	367	347	360	339	324
MagtiCom	532	520	526	515	501
Other	255	249	250	240	226
Silknet's Market Share	31.8%	31.1%	31.6%	31.0%	30.8%
Fixed broadband revenue	*(amounts in GEL thousands, unless otherwise indicated)*				
Silknet	73	70	141	132	113
MagtiCom	97	95	191	183	157
Other	48	41	87	77	66
Silknet's Market Share	33.6%	33.9%	33.6%	33.5%	33.7%

	(amounts in GEL, unless otherwise indicated)				
Fixed broadband ARPU					
Silknet	33.6	33.8	33.6	33.2	30.3
MagtiCom	30.4	30.4	30.6	30.1	26.7
Other	31.6	28.2	29.1	27.6	25.6

The share of Pay TV services decreased from 11% of total telecoms revenue in Georgia in 2022 compared to 10% in 2024. By December 2024, household Pay TV penetration was approximately 68% (752,000 subscribers based on 2014 General Population Census Results). MagtiCom is the main competitor in this segment with 47.6% market share, while Silknet holds 35.0% market share. Silknet has historically differentiated itself through premium sports content.

The following tables illustrate the number of Pay TV subscribers, revenues and ARPU for each network operator in Georgia as at and for the dates indicated:

	As at 30 June		**As at 31 December**		
	2025	**2024**	**2024**	**2023**	**2022**
Pay TV subscribers	*(amounts in thousands, unless otherwise indicated)*				
Silknet	267	254	264	249	242
MagtiCom	365	351	358	345	360
Other	129	126	130	125	116
Silknet's Market Share	35.1%	34.7%	35.0%	34.6%	33.7%
Pay TV revenue	*(amounts in GEL thousands, unless otherwise indicated)*				
Silknet	30	27	56	54	49
MagtiCom	37	36	74	71	71
Other	11	10	21	19	16
Silknet's Market Share	37.9%	37.1%	37.2%	37.2%	35.8%
Pay TV ARPU	*(amounts in GEL thousands, unless otherwise indicated)*				
Silknet	18.5	18.1	18.3	18.2	17.2
MagtiCom	17.2	17.3	17.4	17.5	16.6
Other	14.5	13.2	13.6	13.4	11.8

The share of fixed telephone services revenue in Georgia has decreased, from 3% of total telecoms revenue in Georgia in 2021 to 2% in 2024. As at 31 December 2024, household fixed telephone services penetration in Georgia was approximately 19% or approximately 209,000 subscribers (Source: ComCom). For more information, see "*Risk Factors—Risks related to the Telecom Business (Silknet)—Silknet's fixed and mobile voice businesses are in relative decline as more customers move to data-based communications services*".

5G Network

The development and deployment of 5G technology in Georgia has been shaped by a series of regulatory milestones and spectrum auctions overseen by ComCom.

ComCom initiated its first 5G spectrum auction in August 2023. Of the Georgia' three largest mobile network operators, only Cellfie (formerly Veon Georgia) participated and acquired 5G spectrum in the auction. Despite not obtaining new spectrum in this auction, Silknet pioneered the introduction of 5G services in Georgia by launching 5G in the center of Tbilisi in December 2023, utilizing its existing spectrum resources.

In August 2024, ComCom conducted a new public consultation and subsequently altered the methodology for valuing 5G frequencies, resulting in a significant increase in reserve prices for licenses in the second auction. Silknet appealed ComCom's decision, citing a lack of adequate justification for the price increase. Despite the increased prices, Magticom participated in the auction and acquired 5G spectrum, launching 5G services in most major cities across Georgia during the fourth quarter of 2024.

To promote competitiveness and facilitate the full-scale deployment of 5G services, Silknet requested ComCom to initiate a further 5G auction. In June 2025, ComCom conducted the third auction with similar prices to the second auction and only Silknet participated and successfully acquired new spectrum licenses, including a 50 MHz block in the 3,500 MHz band (specifically, 3,610–3,660 MHz) and two 5 MHz blocks in the 700 MHz band (Uplink 723–728 MHz, Downlink 778–783 MHz).

Real Estate Competitors

The hotels and casinos within the Hotels and Casinos Businesses are situated across Tbilisi, Batumi, Tsinandali and Bakuriani, in a highly competitive market, particularly in Tbilisi, Adjara, Kakheti and mountain regions. As a result, the Group faces competitors in all businesses of its operations. Large hotels that compete directly with the Group's hotel in Tbilisi include Biltmore Tbilisi, Tbilisi Marriott, Pulman Tbilisi Tower, Swissotel Tbilisi, and Sheraton Grand Tbilisi Metechi Palace. Wyndham Batumi, Sheraton Hotel Batumi, Le Meridien Batumi, Courtyard Batumi and Hilton Batumi for Radisson Blu Batumi, and Holiday Inn Telavi, Crowne Plaza Borjomi, ROOMS Kazbegi and Paragraph Resort & SPA Shekvetili for Radisson Collection Tsinandali. In the casino sector, the Group faces competition from other operators in both Tbilisi and Batumi, including Georgian Casino Group LLC, Golden Lion LLC, Peace LLC, Grand Casino Batumi and Empire LLC.

All of the Group's hotels outperform its competitors in customer satisfaction metrics (such as Competitive Quality Index scores) assessed by ReviewPro, a leading provider of Guest Intelligence solutions for the hospitality industry.

Insurance

The Group's operations are subject to operational and geographic risks, including accidents, natural disasters, war, terrorism, fire, weather-related perils and other events beyond the Group's control. The Group maintains various types of insurance policies to protect against the financial impact arising from unexpected events when the amount of the potential loss would be significant enough to prevent normal business operations. The Group has not historically experienced difficulty renewing its insurance policies and management believes that the Group's insurance coverage is reasonable and consistent with the industry standards in general. For more information see "*Risk Factors— Risks relating to the Group's business generally—A significant event that exceeds the coverage limits of the Group's insurance could result in substantial losses*".

The Group maintains insurance coverage for its Development business in line with industry practices, including policies for property damage, business interruption, and third-party liability. These policies are structured to protect the Group's development operations against potential losses arising from construction-related risks, operational delays, and liabilities to third parties.

Employees

As at 30 June 2025, the Group had approximately 4,817 employees, an increase of 178, or 3.8% from 4,639 as at 31 December 2024.

	As at 30 June		As at 31 December		
	2025	**2024**	**2024**	**2023**	**2022**
Employees per business	*(amounts in thousands, unless otherwise indicated)*				
Telecom business	2,256	2,220	2,233	2,165	2,155
Development business	150	124	127	109	103
Hotels and Casinos business	2,380	1,948	2,223	1,985	1,850
Other business	31	32	56	46	49
Total (Group)	**4,817**	**4,342**	**4,639**	**4,305**	**4,157**

Silknet entered into a collective bargain agreement with GCWTU in 2010, which was renewed in December 2023 with a validity until January 2027. As at 30 June 2025, 246 employees of Silknet were members of this union. Besides Silknet, other Group entities and businesses do not have any labor union or has signed any CBA.

Intellectual Property

The Group has registered its principal trademarks and logos as intellectual property including Silk Real Estate, Botanico, Green Cape Botanico, Silk, Silk Development and Silknet.

Information Technology

The Group does not have a uniform and integrated information technology ("**IT**") system for the entire Group. The main operating entities of the Group have their IT systems.

Silknet operates the Group's Telecom business on a comprehensive set of IT solutions and applications covering the Telecom Application Map, with a fully renewed BSS/OSS stack (ZSmart and Oracle) supporting automated provisioning and real-time charging, advanced self-service platforms for customer management, and next-generation cybersecurity tools

(SIEM, EDR, DLP, WAF) supported by a SOC team and outsourced MSSP. Silknet utilizes modern fraud prevention, business intelligence and analytics from Tableau and SAS, Microsoft collaboration tools, and a highly virtualized environment with refreshed network infrastructure and endpoint standardization across most corporate devices. Silknet continues to enhance its IT landscape with ongoing projects such as the implementation of a Revenue Assurance solution and maintains a flexible integration layer for internal and external connectivity.

Silk Real Estate, including Silk Development operating Group's Development business, and Silk Hospitality managing the Group's Hotels and Casinos businesses, utilize a diverse set of IT solutions tailored to their specific business needs rather than a single integrated platform. SAP Business One supports financial and operational processes for development activities, while Oracle systems are deployed across hospitality operations, providing enterprise-grade reliability and scalability.

Cybersecurity is reinforced through a layered approach, including Tenable vulnerability scanning, PCI DSS compliance tools, and endpoint protection from Bitdefender and Trend Micro, ensuring robust defines of sensitive data and business operations. Collaboration and productivity are supported by Microsoft 365 and Google Cloud services, enabling flexible, secure, and scalable work environments. The IT landscape continues to evolve across both development and hospitality businesses, with a focus on strengthening digital security, introducing new solutions as business needs grow, and maintaining flexible connectivity across projects and operations.

On 23 November 2024, Silknet experienced a cyberattack on its IT infrastructure, resulting in limited service disruptions. Although the attack impacted Silknet's voice, messages, Internet, and TV services, the disruptions to subscribers were minimal and limited in duration due to established defense mechanisms, including the activation of an automatic bypass mode. This mode temporarily suspended service billing while maintaining access to voice, messages and mobile Internet services, while fixed Internet and TV services experienced a longer recovery period due to the need for specific technical resets. Within Silknet’s internal operations, the attack rendered several systems temporarily unavailable, including email, domain control, enterprise resource planning ("**ERP**") system, file servers, project management, and HR systems. The incident was identified as a ransomware attack, which Silknet’s IT team contained and neutralized without engaging with the attacker, restoring affected systems from secure backups in a new environment. Following service restoration, Silknet completed offline billing for the bypass period and engaged external cybersecurity experts, The Chertoff Group and SRM, to conduct forensic investigations, penetration testing, and a comprehensive review of its cybersecurity program. Silknet has already implemented several immediate recommendations and continues to execute an action plan for remaining measures, prioritized according to external expert guidance and internal capacity.

Litigation

A short description of important litigation proceedings of the Company pending as at the date of these Listing Particulars is provided below.

In June 2025, Silknet obtained a new 5G frequency license via an auction organized by ComCom. While Silknet is committed to paying the license price (as at July 2025 Silknet has already paid 30% of the price), Silknet challenged the pricing of the 5G license based on the grounds that the frequency resource prices were artificially inflated by misuse of the price calculation methodology and breach of the requirements of applicable legislation by ComCom. As a result, Silknet is claiming the adjustment of the price according to the methodology used in the 2023 5G auction and the return of excessively paid difference in price up to GEL 42.4 million. If the claim is successful, Silknet is expected to receive the price difference up to the claimed amount.

From time to time, in the ordinary course of its business, the Group is party to legal proceedings, both as a plaintiff and a defendant. There are no legal proceedings pending, or to the Group's knowledge threatened, that may materially adversely affect its business, results of operations or financial condition. As at 31 December 2024 the Group had not recognized provisions for litigations against the Group.

Environmental Matters

The Group entities are subject to a broad range of environmental laws and regulations. These laws and regulations impose increasingly stringent environmental obligations regarding, among other things, radiation emissions, zoning, the protection of employee health and safety, noise, disposal of hazardous materials, air emissions, water discharge, the clean-up of contaminated sites and historical and artistic preservation. The Group could therefore be exposed to costs and liabilities, including liabilities associated with past activities.

The Group's operations are subject to obligations to obtain environmental permits, licenses and/or authorizations, or to provide prior notification to the appropriate authorities, including when using or installing certain communication equipment. As a result of these activities and operations, the Group could incur costs, including fines, penalties and other sanctions, clean-up costs and third-party claims for property damage or personal injuries, as a result of violations of or liabilities under environmental laws and regulations.

Additionally, a number of Silknet's mobile operating sites do not have the required building permits or sanitary permits. At the time these sites were acquired by Geocell, it was impractical to obtain such permits. Consequently, the Group could incur costs, including fines, penalties and other sanctions if the regulators decide to bring an action against the Group for violating the requirement to hold such permits. It is not certain exactly how many sites do not have such permits as local authorities did not maintain accurate records at the time. However, the Group estimates that such costs would not be more than GEL 3 to 5 million and, accordingly, would not be material. For more information see "*Risk Factors— Risks related to the Telecom Business (Silknet)— Silknet's services depend on the performance of networks, technical equipment and suppliers*".

The Group's objective is to comply in all respects with applicable environmental and health control laws, and all related permit requirements. For the Telecom business, the Group deploys various network infrastructure strategies in order to achieve radiation emission ranges lower than the minimum levels required by applicable regulations, such as equipping all base stations with the sanitary-hygienic passports to indicate the respective protection zones on basis of respective measurements.

As at the date of these Listing Particulars, the Group does not have any outstanding or threatened environmental claims or investigations.

ESG

The Company intends to appoint an ESG Coordinator at the holding company level. The ESG Coordinator will be responsible for ESG data analytics and internal reporting, as well as the coordination of external ESG disclosures for the Group. Current ESG initiatives within the Group include the deployment of solar energy solutions, and the implementation of enhanced waste management practices, including the use of biodegradable or refillable products, transitioning from plastic to glass, the adoption of reusable in-room hygiene containers, the installation electric vehicle (EV) charging stations at hotel parking facilities and conducting ESG awareness and training programs for its employees.

In line with Georgian law, the Group reports non-financial indicators in their consolidated reports such as ESG disclosures cover environment, social, health and safety, human rights, governance, and anti-corruption.

The Group's ESG priorities across three key pillars:

- **Environment**: the Group is committed to minimizing its environmental impact through initiatives such as the adoption of solar power, implementation of water conservation measures, promotion of recycling programs, and preservation of green spaces.

- **Social**: the Group prioritizes the growth and development of its talent, fosters a safe and inclusive working environment, upholds policies of non-discrimination, and is dedicated to the protection of consumer interests.

- **Governance**: the Group maintains robust governance practices, including strict compliance with applicable laws and regulations (such as anti-money laundering requirements), the safeguarding of data privacy, the implementation of comprehensive cybersecurity measures, and the promotion of ethical conduct throughout its operations**.**

Silknet’s ESG practices are evaluated by Sustainalytics B.V., with an overall ESG Risk Rating of 20.8 as at the date of these Listing Particulars. This places Silknet within the “Medium Risk” category and close to the “Low Risk” threshold (which applies to scores below 20). The rating has improved from 26.0 in 2023, reflecting consistent progress in ESG risk management. In addition to the Group’s current ESG initiatives, Silknet has also implemented a programme focused on the reuse and recycling of electronic waste, such as modems.

Silk Hospitality is a member of the World Sustainable Hospitality Alliance and is in the process of joining the UN Global Compact Network Georgia. The Telegraph Hotel has received a LEED certification.

ESG ratings may vary amongst ESG ratings agencies as the methodologies used to determine ESG ratings may differ. The Group's ESG ratings are not indicative of its current or future operating or financial performance, or any future ability to service the Notes and are only current as at the dates on which they were initially issued. Prospective investors must determine for themselves the relevance of any such ESG ratings information contained in these Listing Particulars or elsewhere in making an investment decision. Furthermore, ESG ratings shall not be deemed to be a recommendation by the Company or any other person to buy, sell or hold the Notes. Currently, the providers of such ESG ratings are not subject to any regulatory or other similar oversight in respect of their determination and award of ESG ratings. For more information regarding the valuation methodologies used to determine ESG ratings, please refer to the relevant ratings agency's website (which website does not form a part of, nor is incorporated by reference in, these Listing Particulars).

BUSINESS DESCRIPTION OF THE GUARANTORS

Overview

With effect from the Issue Date, each of the Guarantors is a material subsidiary of the Company. The Company directly and/or indirectly owns the majority of outstanding shares of capital stock and equity interests of each of the Guarantors.

The table below summarizes the standalone revenue, Adjusted EBITDA and total assets of each Guarantor as at and for the six months ended 30 June 2025 in absolute terms and as a percentage of the Group's total consolidated revenue, Adjusted EBITDA and total assets.

	As at and for the six months ended 30 June 2025					
	Total			Share of the Group's Total Consolidated		
Guarantor	**Revenue[1]**	**Adjusted EBITDA[1]**	**Total Assets[2]**	**Revenue[1][3]**	**Adjusted EBITDA[1][3]**	**Total Assets[2][3]**
		(GEL thousands)			*(%)*	
Silk Real Estate LLC	-	(842)	61,691	-	-	3
Georgian Hotel Management LLC	23,630	7,269	25,745	5	3	1
Limoni 2009 LLC	101,699	21,872	47,844	24	10	3
Medea Operating Company LLC	-	(116)	64,419	-	-	3
Silk Road Business Centre LLC	2,270	(4,217)	254,739	1	(2)	13
Silknet JSC	297,397	196,879	945,131	69	91	50
Tsinandali Estates LLC	10,731	1,237	73,393	2	1	4
Guarantor Total	**435,727**	**222,082**	**1,472,962**	**101**	**103**	**78**
Silk Road Group Holding LLC	-	-	3,071	-	-	-
Issuer and Guarantor Total	**435,727**	**222,082**	**1,476,033**	**101**	**103**	**78**

Notes:

(1) Revenue and Adjusted EBITDA are presented excluding dividend income and income arising from subsidiaries' capital reductions.

(2) The total assets exclude investments in subsidiaries and intragroup balances eliminated on consolidation.

(3) The Group's total consolidated revenue, Adjusted EBITDA and total assets as at and for the six months ended 30 June 2025 were GEL 430.5 million, GEL 214.7 million and GEL 1,890.2 million, respectively.

The table below summarizes the standalone revenue, Adjusted EBITDA and total assets of each Guarantor as at and for the year ended 31 December 2024 in absolute terms and as a percentage of the Group's total consolidated revenue, Adjusted EBITDA and total assets.

	As at and for the year ended 31 December 2024					
	Total			Share of the Group's Total Consolidated		
Guarantor	**Revenue[1]**	**Adjusted EBITDA[1]**	**Total Assets[2]**	**Revenue[1][3]**	**Adjusted EBITDA[1][3]**	**Total Assets[2][3]**
		(GEL thousands)			*(%)*	
Silk Real Estate LLC	763	(719)	82,424	-	-	5
Georgian Hotel Management LLC	47,842	15,299	24,464	6	4	1
Limoni 2009 LLC	174,192	30,906	41,826	21	7	2
Medea Operating Company LLC	258	65	64,900	-	-	4
Silk Road Business Centre LLC	301	(2,827)	202,694	0	(1)	12
Silknet JSC	581,665	374,677	863,851	69	91	49
Tsinandali Estates LLC	22,566	3,801	70,924	3	1	4
Guarantor Total	**827,587**	**421,202**	**1,351,083**	**98**	**102**	**77**
Silk Road Group Holding LLC	-	(1,487)	3,632	-	-	-
Issuer and Guarantor Total	**827,587**	**419,715**	**1,354,715**	**98**	**102**	**78**

Notes:

(1) Revenue and Adjusted EBITDA are presented excluding dividend income and income arising from subsidiaries' capital reductions.

(2) The total assets exclude investments in subsidiaries and intragroup balances eliminated on consolidation.

(3) The Group's total consolidated revenue, Adjusted EBITDA and total assets as at and for the year ended 31 December 2024 were GEL 841.4 million, GEL 411.9 million and GEL 1,746.2 million, respectively.

The Issuer and Guarantors, collectively, represented 103%, 101% and 78% of the Group's consolidated Adjusted EBITDA, revenue and total assets as at and for the six months ended 30 June 2025 and 102%, 98% and 78% of the Group's Consolidated Adjusted EBITDA, revenue and total assets as at and for the year ended 31 December 2024.

Silk Real Estate LLC

Incorporation and Status

Silk Real Estate LLC (Silk Real Estate) was incorporated on 7 April 2017 with identification number: 404535240. Silk Real Estate is a real estate management company and acts as a holding company for the Company's various subsidiaries. The registered address of Silk Real Estate is Republic Square N1, Tbilisi 0108, Georgia and its telephone number is +(995 32 2) 250 250. More information on Silk Real Estate can be found on their website, www.sre.ge.

Objects

Pursuant to the charter of Silk Real Estate, the purpose of Silk Real Estate is to earn profit through legitimate, repeated and independent business activities. Silk Real Estate is authorized to engage in any business activity that is not expressly prohibited by the laws of Georgia. Where a particular activity is subject to legal regulation requiring a special license, permit or authorization, Silk Real Estate may only undertake such activity from the moment it obtains the requisite license, permit or authorization.

Capital

As at the date of these Listing Particulars, Silk Real Estate's capital is GEL 666,456,307 all of which have been issued and fully paid. As at 31 December 2024, the Company directly owns 95% of Silk Real Estate while Amphidon Holding (Malta) Limited owns 5% of Silk Real Estate. Amphidon Holding is not owned either directly or indirectly by the Issuer. 90% of shares in Amphidon Holding are distributed among 4 partners who individually do not own more than 5% of Silk Real Estate's shares.

Shareholder	Share in Capital
Silk Road Group Holding LLC	95%
Amphidon Holding (Malta) Limited	5%

As at 31 December 2024, Silk Real Estate’s shareholdings in Georgian Hotel Management LLC, Medea Operating Company LLC, Limoni 2009 LLC, Limoni Real Estate LLC, Silk Road Business Center LLC, Tsinandali Resorts LLC and New Hotel JSC are pledged in respect of secured bank loans.

Organizational Structure

The majority shareholder of Silk Real Estate is the Company. Accordingly, Silk Real Estate is legally and beneficially owned and controlled directly by the Company. The rights of the Company as a shareholder of Silk Real Estate are set forth under the charter of Silk Real Estate and the Law of Georgia on Entrepreneurs, and Silk Real Estate is managed in accordance with the provisions thereof.

As at the date of these Listing Particulars, Silk Real Estate has the following 41 direct and indirect subsidiaries:

1. Georgian Hotel Management LLC
2. Argo Management LLC
3. Riviera Beach LLC
4. Silk Road Service LLC
5. Development Solution LLC
6. Riviera Yacht Club LLC
7. Tsinandali Savane LLC
8. Tsinandali Estates LLC
9. Tsinandali LLC
10. Georgian Wine Institute LLC
11. SRG Investments LLC
12. Medea Operating Company LLC
13. F Telecom LLC
14. Bobokvati LLC
15. Tsinandali Festival N(N)LE
16. Kobuleti Resort LLC
17. Silk Road Group Travel LLC
18. Silk Hospitality LLC
19. Tsinandali Resort LLC
21. Batumi Riviera LLC
22. Center Plaza LLC
23. Club Savane LLC
24. Tsinandali Villas LLC
25. New Hotel JSC
26. Silk Road Business Centre LLC
27. Misaktsieli + LLC
28. New Office LLC
29. Iveria Center LLC
30. Restaurant Tsinandali LLC
31. Hotel Medea + JSC
32. Adjara Investment LLC
33. Adjara Resort JSC
34. Adjara Real Estate LLC
35. Silk Road LLC
36. Limoni Real Estate LLC
37. Green Cape - Botanico LLC
38. Mountain Resort LLC [(2)]
39. Silk Entertainment LLC [(2)]

20. Unipharm LLC [1]
40. Sakanela Development LLC [2]
41. Limoni 2009 LLC

Notes:

(1) On 29 December 2023, the Centre Plaza LLC acquired 50% of Unipharm LLC for non-cash consideration of GEL 933 thousand.

(2) In 2024, the Company established Mountain Resort LLC (former Silk Play LLC), Silk Entertainment LLC and Sakanela Development LLC, subsidiaries for development and operation of real estate and entertainment complex.

Each of Silk Real Estate's subsidiaries is 100% owned by Silk Real Estate as at 31 December 2024 apart from the following:

- Georgian Hotel Management LLC with 96%;
- Argo Management LLC with 96%;
- Limoni 2009 LLC with 88%;
- Iveria Center LLC with 50%;
- Restaurant Tsinandali LLC with 50%;
- Silk Road Group Travel LLC with 51%;
- Green Cape - Botanico LLC with 51%;
- Tsinandali Resorts LLC with 51%.

Business

The main activities of Silk Real Estate are: ownership and management of hotels under the brand of Radisson Blu, located in Tbilisi and Batumi; management of the hotel located in Tsinandali under the brand of Radisson Collection, as well as "Park Hotel Tsinandali"; ownership and management of the Telegraph Hotel in Tbilisi and Kokhta Bakuriani Hotel in Bakuriani; management of casinos in Tbilisi and Batumi (located at respective Radisson Blu branded hotels); ownership and management of the Complex Republic, development and management of various real estate projects located in different regions of Georgia. Silk Real Estate is the parent entity of hotels, restaurants, and entertainment establishments, and cooperates with leading organizations in the hospitality sector. See "*Business Description of the Group—Businesses—Real Estate Business"*

Independent Auditors

Silk Real Estate's independent auditors are KPMG Georgia LLC (ID no: 404437695), with registered address Mtatsminda District, Liberty Square N4, 0105, Tbilisi, Georgia.

Georgian Hotel Management LLC

Incorporation and Status

Georgian Hotel Management LLC (Georgian Hotel Management) was incorporated on 9 August 2010 with identification number: 404385722. The registered address of Georgian Hotel Management is Republic Square 1, Old Tbilisi District, 0108 Tbilisi, Georgia and its telephone number is +995 32 2402222. More information on GHM can be found on: http://www.radissonblu.com/hotel-tbilisi.

Objects

Georgian Hotel Management, as set out in its memorandum of association, may conduct any activity as permitted by law.

Capital

As at the date of these Listing Particulars, Georgian Hotel Management's capital is GEL 11,115,523.7. As at 31 December 2024, Silk Real Estate directly owns 96% of Georgian Hotel Management, while Silk Road Group (Malta) Limited owns the remaining 4%. Silk Road Group (Malta) Limited is not either directly or indirectly owned by the Issuer, but a related party to the Group as it indirectly owns 61.8% of the Issuer.

Shareholder	Share in Capital
Silk Real Estate	96%
Silk Road Group (Malta) Limited	4%

Organizational Structure

The rights of the Silk Real Estate as the majority shareholder of Georgian Hotel Management are set forth under the charter of Georgian Hotel Management and the Law of Georgia on Entrepreneurs, and Georgian Hotel Management is managed in accordance with the provisions thereof.

Georgian Hotel Management has one wholly-owned direct subsidiary, Argo Management LLC.

Business

Georgian Hotel Management's primary activity is the operation of Radisson Blu Iveria Hotel, Tbilisi.

Independent Auditors

Georgian Hotel Management's independent auditors are PricewaterhouseCoopers Georgia LLC (ID no: 405220611), with registered address Georgia, Tbilisi. Aleksidze street #12.

Limoni 2009 LLC

Incorporation and Status

Limoni 2009 LLC (Limoni) was incorporated on 11 August 2009 with identification number: 204571490. The registered address of Limoni is Republic Square 1, Old Tbilisi District, 0108 Tbilisi, Georgia, and its telephone number is +995 32 2402245. More information on Limoni can be found on: http://casinoiveria.com.

Objects

Limoni, as set out in its charter, may conduct any activity as permitted by law.

Capital

As at the date of these Listing Particulars, Limoni's capital is GEL 16,900,100, represented by 16,900,100 ordinary shares, each with a nominal value of GEL 1, all of which have been issued and fully paid. As at 31 December 2024, Silk Real Estate directly owns 14,872,088 shares representing 88% of the subscribed capital of Limoni, while Iveria Group LLC owns 202,8012 shares representing 12% of the subscribed capital of Limoni. Iveria Group LLC is not either directly or indirectly owned by the Issuer.

Shareholder	Share in Capital
Silk Real Estate	88%
Iveria Group LLC	12%

Organizational Structure

The rights of Silk Real Estate as the majority shareholder of Limoni are set forth under the charter of Limoni and the Law of Georgia on Entrepreneurs, and Limoni is managed in accordance with the provisions thereof.

Limoni has no subsidiaries.

Business

The main business of Limoni is the operation of casinos, slot clubs, game centers and restaurants. Limoni operates Iveria Casinos in Batumi and Tbilisi and Complex Republic in Tbilisi.

Independent Auditors

Limoni's independent auditors are KPMG Georgia LLC (ID no: 404437695), with registered address Mtatsminda District, Liberty Square N4, 0105, Tbilisi, Georgia.

Medea Operating Company LLC

Incorporation and Status

Medea Operating Company LLC was incorporated on 5 November 2010 with identification number: 445390817. The registered address of MOC is 39 Ninoshvili street, Batumi, Georgia.

Objects

Medea Operating Company LLC, as set out in its character, may conduct any activity as permitted by law. Main object of Medea Operating Company is developing a hotel in Batumi, Georgia.

Capital

As at the date of these Listing Particulars, Medea Operating Company LLC's capital is GEL 33,134,419.38, represented by 100 ordinary shares, all of which are owned by Silk Real Estate.

Shareholder	Share in Capital
Silk Real Estate LLC	100%

Organizational Structure

The rights of the Silk Real Estate as a shareholder of Medea Operating Company LLC are set forth under the charter of Medea Operating Company LLC and the Law of Georgia on Entrepreneurs, and Medea Operating Company LLC is managed in accordance with the provisions thereof.

Medea Operating Company LLC has no subsidiaries.

Business

Medea Operating Company LLC’s primary activity is holding of a hotel in Batumi.

Independent Auditors

Medea Operating Company LLC’s independent auditors are KPMG Georgia LLC (ID no: 404437695), with registered address Mtatsminda District, Liberty Square N4, 0105, Tbilisi, Georgia.

Silk Road Business Centre LLC

Incorporation and Status

Silk Road Business Centre LLC was as incorporated on 27 August 1997 with identification number: 203825851. Silk Road Business Centre's registered address is 31 Rustaveli Avenue, Old Tbilisi District, 0108 Tbilisi, Georgia.

Objects

Silk Road Business Centre, as set out in its charter, may conduct any activity as permitted by law.

Capital

As at the date of these Listing Particulars, Silk Road Business Centre's capital is GEL 51,122,017, represented by 100 ordinary shares, all of which are owned by Silk Real Estate.

Shareholder	Share in Capital
Silk Real Estate	100%

Organizational Structure

The rights of the Silk Real Estate as a sole shareholder of Silk Road Business Centre are set forth under the charter of Silk Road Business Centre and the Law of Georgia on Entrepreneurs, and Silk Road Business Centre is managed in accordance with the provisions thereof.

Silk Road Business Centre has no subsidiaries.

Business

Silk Road Business Centre 's primary activity is the operation of the Telegraph Hotel.

Independent Auditors

Silk Road Business Centre's independent auditors are PricewaterhouseCoopers Georgia LLC (ID no: 405220611), with registered address Georgia, Tbilisi. Aleksidze street #12.

Tsinandali Estates LLC

Incorporation and Status

Tsinandali Estates LLC (Tsinandali Estates) was incorporated on 27 June 2008 with identification number: 204557372. The Company's registered office is 37 Rustaveli Avenue, Tbilisi, Georgia.

Objects

The objects of Tsinandali Estates, as set out in its charter, any activity as permitted by law.

Capital

As at the date of these Listing Particulars, Tsinandali Estates' capital is GEL 103,631,339. Silk Real Estate indirectly owns 100% of the shareholding of Tsinandali Estates, through Tsinandali Savane LLC, which is a holding entity.

Shareholder	Share in Capital
Tsinandali Savane LLC	100%

Organizational Structure

The rights of the Tsinandali Savane LLC as a sole shareholder of Tsinandali Estates are set forth under the charter of Tsinandali Estates and the Law of Georgia on Entrepreneurs and Tsinandali Estates will be managed in accordance with the provisions thereof

Tsinandali has no subsidiaries.

Business

Tsinandali Estates' principal activity is management of the Radisson Collection Hotel, Tsinandali Estates in the Tsinandali region of Georgia and development of tourism in the region.

Independent Auditors

Tsinandali's Estates' independent auditors are KPMG Georgia LLC (ID no: 404437695), with registered address Mtatsminda District, Liberty Square N4, 0105, Tbilisi, Georgia.

Joint Stock Company Silknet

Incorporation and Status

Silknet is a joint stock company which was incorporated on 2 April 2009 with identification number: 204566978. Silknet provides telecommunications services in Georgia. The registered address of Silknet is 95 Tsinamdzghvrishvili Street, Tbilisi 0112, Georgia, and its telephone number is 032 2 100 100. More information on Silknet can be found on their website, https://silknet.com/en.

Objects

The objects of Silknet, as set out in its charter, include, amongst other things, provision of various types of telecommunication services to customers, technical and commercial operation of the electrical communication networks under its ownership, performance of activities for mobilization and other special tasks defined by government bodies and of any other activities not prohibited by the laws of Georgia.

Capital

As at 31 December 2024, Silknet Holding LLC directly owns 100% of Silknet. The Company holds 95% of Silknet Holding LLC, which is a holding entity for some of the Company's subsidiary companies.

Shareholder	Share in Capital
Silknet Holding LLC	100%

As at 31 December 2024, the ultimate beneficial shareholders of Silknet are George Ramishvili (36.3%), Yerkin Tatishev (36.3%), Alexsi Topuria (16.8%), David Borger (5.6%) and David Mamulaishvili (5.0%). As at the date of these Listing Particulars, the issued and subscribed capital of Silknet consist of 84,056,099 ordinary shares of GEL 1 each. Silknet also has 84,056,099 authorized shares.

Organizational Structure

As at the date of these Listing Particulars, Silknet's capital is GEL 84,056,099, represented by 84,056,099 ordinary shares, each with a nominal value of GEL 1, all of which have been issued and fully paid. Silknet also has 84,056,099 authorized shares that have not been issued.

The majority indirect shareholder of Silknet is the Company. Accordingly, Silknet is legally and beneficially owned and controlled directly by the Company. The rights of the Company as a shareholder of Silknet are set forth under charter of Silknet and the Law of Georgia on Entrepreneurs, and Silknet is managed in accordance with the provisions thereof.

As at the date of these Listing Particulars, Silknet has the following 8 direct and indirect subsidiaries:

1. Qarva LLC
2. Silk Media LLC [(1)]
3. Novus LLC [(2)]
4. NG Georgia N(N)LE
5. Wounded Warrior Support Fund N(N)LE (registered as two legal entities)
6. Premium Web Solution LLC
7. Neutrino LLC[(3)]
8. JSC Silk Cloud

Notes:

(1) In 2019, Silknet and Euronews signed a memorandum of understanding with respect to Euronews Georgia, a free to air news channel that is aired in the Georgian language. For this purpose, Silknet established Silk Media LLC, a 100%-owned subsidiary. Euronews is in charge of Euronews Georgia's editorial policy and nominates its news director. Euronews shares its content with Euronews Georgia, while the latter prepares certain local content which is shared with Euronews.

(2) In 2024, Novus LLC, a non-significant subsidiary, was liquidated without significant impact on the financial performance and operations of the Group.

(3) On 11 August 2025, an application was filed for merger of Neutrino LLC into JSC Silk Cloud. The proceedings are pending at the registry.

Each of Silknet's subsidiaries is 100% owned by Silknet as at 31 December 2024, with the exception of Qarva LLC, with 51%. Business

Silknet is one of the leading telecommunications operators in Georgia. Its primary operations comprise the provision of fixed broadband, Pay TV, fixed telephone and mobile services to a range of residential and corporate customers in Georgia, as well as wholesale connectivity and related services to domestic and international telecommunications operators. See: "*Business Description of the Group—Businesses—Telecom Business*".

Silknet and its subsidiaries employed approximately 2,249 FTEs as at 30 June 2025. Silknet has a limited number of subsidiaries that are complementary to and support its retail, enterprise and wholesale telecommunications businesses.

Independent Auditors

Silknet's independent auditors are KPMG Georgia LLC (ID no: 404437695), with registered address Mtatsminda District, Liberty Square N4, 0105, Tbilisi, Georgia.

MANAGEMENT

Overview

The Company has the following management and governing bodies:

- General Meeting of Shareholders;
- Supervisory Board; and
- the Company's Management (General Director and Director).

General Meeting of Shareholders

A decision of the General Meeting of Shareholders is required on the following matters, among others:

(a) review and approval of the annual reports, distribution of the fiscal results;

(b) appointment and dismissal of the General Director/Director;

(c) approval of the financial statements and reports of the General Director/Director;

(d) distribution of the Company's property among shareholders;

(e) acquisition by the Company of shares in its own capital;

(f) changes to the rights arising from shares or classes of shares;

(g) expulsion and withdrawal of shareholders from the Company;

(h) creation or dissolution of the Supervisory Board, appointment or dismissal of the members of the Supervisory Board, approval of the work performed by the Supervisory Board;

(i) participation in legal proceedings against the General Director/Director;

(j) reorganization and dissolution of the Company;

(k) amendment to the Company’s articles of incorporation/adoption of a new version of the charter;

(l) acquisition or disposal by the Company of property the total value of which exceeds GEL 300,000, including taxes, in a calendar year;

(m) borrowing by the Company and securing such borrowings, granting of loans by the Company;

(n) providing a surety/guarantee or a security for a claim;

(o) entering into any agreement the total value of which exceeds GEL 300,000 in a calendar year.

The General Meeting of Shareholders makes decisions on matters within its scope of authority by the majority of more than 50% of voting shares present at the General Meeting, except for the matters specified under items (f), (j) and (k) above which require a majority of more than 75% of voting shares present at the General Meeting. One ordinary share equals one vote.

Supervisory Board

The Supervisory Board consists of no fewer than three and no more than 21 members appointed by the General Meeting of Shareholders for the term of three years. The Supervisory Board oversees the activities of the Management and performs the following functions, among others:

(a) approval and amendment of the Company's policies and any other internal regulatory documents;

(b) request of activity reports from the Management (including information on relations with subsidiaries and related entities) and examination of materials relating to internal audits and independent inspections;

(c) examination of the Company's accounting records and property, including, where necessary, physical inspections of cash, securities and inventory, either directly through its members or with the assistance of external experts;

(d) review of annual accounts, examination of proposals for profit distribution, and submission of a corresponding report to the General Meeting of Shareholders;

(e) exercise of all powers and duties conferred by the laws of Georgia.

The Chairperson of the Supervisory Board is authorized to request and immediately receive any documents or information relating to the Company's activities.

Each member of the Supervisory Board shall diligently supervise the activities of the Company's management body/persons and, in cases provided by law, represents the Company in its dealings with such management body/persons.

The table below shows the current members of the Supervisory Board at the date of these Listing Particulars, along with the date on which they were elected.

Name	Year of Birth	Board Member Since	Position
George Ramishvili	1967	4 August 2025	Chair
David Franz Borger	1965	4 August 2025	Member
Yulia Boyle	1975	4 August 2025	Member (Independent)

The biographies of each current member of the Company's Supervisory Board are set out below.

- George Ramishvili is a founder of the Group and a beneficial shareholder of the Company, as well as a beneficial shareholder of related parties to the Group, such as JSC Silk Bank ("**Silk Bank**"). George Ramishvili is also Chair of Supervisory Board of several Group entities, including Silknet. George Ramishvili is an entrepreneur with over 25 years of experience in start-ups and successfully running new companies, drawing on wide social networks and business experiences. His industrial skills include transportation, trading, real estate, tourism and energy. George Ramishvili was a President of the Georgian Ski Federation for several years and is still supporting development of winter sports in Georgia. He is also a member of international boards of several artistic and cultural organizations, a chairman of Board of the Tsinandali International Festival of Classical Music and a member of the International Board of the London Philharmonic Orchestra among them. Georgi completed advanced studies in Hydro-Technical Engineering at the State Polytechnic Institute of Tbilisi and, upon completing his military service in Georgia and advanced studies in Economics with a degree from the State University of Georgia.

- David Franz Borger joined the Group and the shareholder of Silknet as a partner in 2005. He holds a PhD in Accounting and Finance from the London School of Economics and has worked in information technology and with major IT firms and management consultancy companies. Before joining the Group, he was a Project Leader with Boston Consulting Group and working for the financial industry.

- Yulia Boyle boasts a distinguished career as a worldwide media executive spanning several global media and entertainment corporations, including The World Disney Company, 21st Century Fox, and National Geographic. She holds extensive expertise and a successful track record in forging innovative and long-lasting partnerships between some of the largest global media entities including National Geographic, Nikkei Inc., Hearst, Editorial Televisa, Bertelsmann, Scholastic, Penguin Random House, Harper Collins, and Macmillan. Yulia Boyle spent over 16 years at National Geographic, where she served as the Senior Vice President of International Media. Yulia Boyle is currently serving as a member of the Supervisory Board of Silknet and the first woman Chair of FIPP (International Federation of Periodical Publishers). Yulia Boyle has also served as a Board Director for Nikkei National Geographic, a joint venture between Nikkei Inc. Japan (the publisher of Nikkei's financial index) and National Geographic. Yulia Boyle holds a Bachelor of Arts degree from the Yerevan State Linguistic University after V. Brusov, and a Master of Public Administration degree from Indiana University Bloomington.

By the end of 2025, the Company expects to appoint three additional members to its Supervisory Board: Yerkin Tatishev (member and beneficial shareholder), Berna Ulman (independent member) and Wolfgang Neumann (independent member), which would result in Supervisory Board having six members in total (three of whom will be independent members).

The biographies of those additional members of the Company's Supervisory Board are set out below.

- Yerkin Tatishev is an ultimate beneficial shareholder of the Company, as well as the founder and Chairman of Kusto Group, a multinational investment company active in real estate, construction materials, agriculture, energy, and hospitality. Along with founding Kusto Group in 2002, he has held executive positions at Bank TuranAlem and Sekerbank T.A.S. in Kazakhstan and Turkey, respectively. He studied enterprise law at the Kazakh State Law Academy and holds a degree in economics from the Moscow State University of Economics, Statistics and Informatics (MESI). Yerkin co-founded the Tsinandali Festival of Classical Music in 2017.

- Berna Ulman has served as a member of the supervisory board of Silk Real Estate LLC since 2022 and is the Chair of the Audit and Risk Committee of Silk Development. She is also a member of the supervisory board of ProCredit Bank a.d. Belgrade, ProCredit Holding, and Quipu GmbH, having previously been a member of the supervisory board of Akis Real Estate Investment Trust and SEV Education and Health Foundation. Berna studied business administration at Bosphorus University and holds a master's degree in finance from the University of Tennessee.

- Wolfgang Neumann is an experienced executive in the hospitality, travel, tourism, and real estate sectors, and is the founder and Managing Director of Neumann Hospitality, as well as Chairman of Angama and the World Sustainable Hospitality Alliance. He has held senior positions at several major hospitality companies, including the Radisson and Hilton Worldwide. He holds a diploma in hospitality, administration, and management from the Hotel and Tourism Management Institute Klessheim, Salzburg, and has completed professional development program at Cornell University and INSEAD.

The Company’s Supervisory Board has two committees: the Audit Committee and the Environmental, Social and Governance Compliance ("**ESGC**") Committee. The Audit Committee members are: David Franz Borger (Chairman) and Yulia Boyle, while the ESGC Committee members are Yulia Boyle (Chairman) and David Franz Borger.

After finalizing the appointment of the three additional members of the Supervisory Board mentioned above there will be two more committees added under the Supervisory Board, namely the Investment Committee and the Remunerations Committee.

Management of the Company

The Company's Management comprises one General Director and one Director.

The Company's Management is vested with the management and representation of the Company and is elected by the General Meeting of Shareholders. The Management is responsible for managing the affairs of the Company and represents the Company vis-à-vis third parties. The authorities of the General Director/Director are set forth under the contract executed with him or her, the charter and the laws of Georgia.

The Company's Management shall:

(a) manage the Company's affairs in a reasonable and diligent manner, exercising the care that an ordinarily prudent and rational person would under similar circumstances, and act in good faith with the belief that the actions are in the best economic interests of the Company;

(b) be liable to the Company for damages resulting from a culpable breach of fiduciary duty. The liability of the General Director/Director for intentional breaches of such duties cannot be limited;

(c) not, without the prior consent of the Company, engage in activities identical to those of the Company or serve as the head of another entrepreneurial entity operating in the same field. This obligation may, under the service contract, remain in effect for up to three years after termination of office; and

(d) not, without the prior consent of the Company, exploit for personal benefit or for the benefit of others any business opportunity related to the Company's activities that arises during the performance of the duties or as a result of the position, where such opportunity would reasonably be expected to be of interest to the Company.

As at the date of these Listing Particulars, Alexsi Topuria is the General Director of the Company and Vasil Kenkishvili is the Director of the Company, each vested with the unilateral representation rights of the Company, as well as responsibilities listed above.

As at the date of these Listing Particulars, the members of the Company's Management are:

Name	Position	Date Appointed
Alexsi Topuria	General Director	11/2024
Vasil Kenkishvili	Director	09/2019

The business address of each member of the Group's management team is 49a Chavchavadze Ave, 0179, Tbilisi, Georgia.

Neither the General Director nor the Director for at least the previous five years, have:

- had any convictions in relation to fraudulent offences;
- held an executive function as a senior manager or a member of the Director of any company at the time of its insolvency, bankruptcy or involuntary liquidation; or
- been subject to any sanction by any state or regulatory authority (including courts) in relation to the management or conduct of the affairs of a company.

The biographies of each member of the Company's General Director and Director are set out below.

- Alexsi Topuria is one of the ultimate beneficial owners and the General Director of the Company. Alexsi Topuria has more than 20 years of professional experience in developing new business in the Caucasian, Caspian and Central Asian region. He is an expert in finance and operational management in telecommunications, transportation and trading industries. Alexsi Topuria established a football school in the suburbs of Tbilisi to support the development of youth football in Georgia. Alexsi Topuria completed advanced studies in economics and business management at Witten/Herdecke University (1991-1997). He also studied at Tbilisi State University Faculty of Economic Geography, with a major in Economics (1984-1989).
- Vasil Kenkishvili is the Director of the Company and the General Counsel of the Group. Vasil Kenkishvili joined the Group in late 2006 as a General Counsel and was promoted to Director position three years after. He also holds position of a deputy chair of Supervisory Board of Silknet, the deputy chairman of the supervisory board of Silk Bank, the member of supervisory board of Silk Real Estate, the member of the board of National Geographic Georgia (the licensee of the National Geographic in Georgia). Prior to joining the Group, Vasil Kenkishvili served as a head of legal department for restructuring in Georgian Railway LLC during 2004-2006, chief lawyer of the parliamentary faction in the Parliament of Georgia during 2001-2003 and an intern and then as a lawyer in the Ministry of the State Property Management of Georgia during 1999-2001. Vasil received his lawyers degree (JD equivalent) from Tbilisi State University in 2000 and LLM degree from The American University, Washington College of Law (Washington DC, USA) in 2004. He graduated from the Program on Negotiations in Harvard Law School, Cambridge, Massachusetts, USA, in 2022.

The Company contracts with SRG Investments LLC, one of its subsidiaries, to provide various professional services including management services. In addition to the General Director and Director of the Company, the Management is supported by two employees of SRG Investments LLC who, in practice, fulfil the roles of Chief Financial Officer ("**CFO**") and Head of Investor Relations for the Company. See "— *Employees*"

The biographies of each member of the Company's CFO and Head of Investor Relations are set out below.

- Nona Oniani, CFO at SRG Investments LLC, also fulfils the role of CFO of the Company. Nona Oniani joined the Group in 2022 after working in corporate banking at TBC Bank, where she worked extensively in the real estate and hospitality sectors. She has a bachelor's degree in business administration from Free University Tbilisi.

- Giorgi Gogoladze, Head of Investor Relations at SRG Investments LLC, also fulfils the role of the Company's Head of Investor Relations. Giorgi Gogoladze joined the Group in 2021 as a finance manager after spending five years in various finance roles at leading Georgian companies. He holds a bachelor's degree in business administration from Free University Tbilisi.

Management of Key Operating Subsidiaries

Silk Real Estate's Management

Pursuant to the charter, the governing bodies of Silk Real Estate are the general meeting of partners, the supervisory board, and director (CEO).

The table below shows the current members of Silk Real Estate's management team at the date of these Listing Particulars, along with the date on which they were elected.

Name	Year of Birth	Director Since	Position
Mamuka Shurgaia	1985	2017 / 2022	CEO of Silk Real Estate LLC and SRG Investments LLC
Nona Oniani	1992	2022	CFO of SRG Investments LLC
Lia Dolidze	1972	2022	Head of Project Management at SRG Investments LLC
David Rapava	1976	2017	CEO of Silk Hospitality
Nikoloz Lomtadze	1993	2024	CFO of Silk Hospitality
Elene Machavariani	1984	2021	COO of Silk Hospitality
Kent Cooper	1977	2024	CCO of Silk Hospitality

The biographies of each member of Silk Real Estate's management team are set out below, in accordance with the Silk Real Estate's subsidiaries referenced in the *"Description of the Guarantors—Silk Real Estate LLC "* above.

Mamuka Shurghaia – CEO of Silk Real Estate LLC and SRG Investments LLC

Mamuka Shurghaia joined Silk Road Group in 2011 as the Chief Financial Officer. Previously, Mamuka worked as a senior auditor at EY (formerly Ernst & Young). He holds a Master’s degree in Business Administration from Grenoble Ecole de Management and is a member of the supervisory board of JSC Silknet.

Nona Oniani- CFO of SRG Investments LLC

Nona Oniani joined Silk Road Group in 2022 after working in corporate banking at TBC Bank, where she worked extensively in the real estate and hospitality sectors. She has a bachelor's degree in business administration from Free University Tbilisi.

Lia Dolidze - Head of Project Management at SRG Investments LLC

Lika Dolidze joined Silk Road Group as a Procurement Manager in 2007 following several project engagements with the World Bank. She holds a degree in Western Languages from Ilia State University and has completed a Project Management Course at George Washington University in the USA.

David Rapava – CEO of Silk Hospitality

David Rapava is the CEO and Head of the Entertainment Business at Silk Hospitality. He has been with Silk Road Group since the 1990s, previously serving as CEO of the Group's transportation business. David holds a degree in Economics from Tbilisi State University.

Nikoloz Lomtadze – CFO of Silk Hospitality

Nikoloz Lomtadze has been with Silk Hospitality since 2019 and currently serves as the company’s Chief Financial Officer. Throughout his career with the company, he has successfully held senior roles across the hotels and entertainment divisions, including Operations, Executive and Financial Management positions, bringing extensive experience in both Financial Management and Operational Leadership. He holds a degree in Technology from Tbilisi Technical University.

Elene Machavariani – COO of Silk Hospitality

Elene Machavariani joined Silk Road Group in 2021, having previously worked with leading companies in the Georgian hospitality sector. Elene holds a degree in International Law and Diplomacy from the American University for Humanities in Tbilisi.

Kent Cooper – CCO of Silk Hospitality

Kent Cooper is a highly accomplished hospitality executive with more than 30 years of international experience leading commercial growth and brand development across the global hospitality and entertainment sectors. A graduate in Hospitality Management from The Ohio State University, he has built a distinguished career spanning senior leadership roles with world-renowned brands. In February 2024, Kent was appointed Chief Commercial Officer of Silk Hospitality, where he oversees sales, marketing, and revenue.

Silknet's Management

Pursuant to the charter, the governing bodies of Silknet are the general meeting of shareholders, the supervisory board, and the general director (CEO).

The table below shows the current members of Silk Real Estate's management team at the date of these Listing Particulars, along with their position and year of birth.

Name	Year of Birth	Position	Date of Appointment
David Mamulaishvili	1968	Chief Executive Officer	16 June 2016
Lili Pshavlishvili	1972	Chief Financial Officer	16 October 2010
Levan Buchukuri	1971	Chief Commercial Officer	1 March 2022
Vera Duduchava	1977	Chief Operating Officer	12 August 2019
Nino Kankia	1979	Chief Technical Officer	1 October 2021
Cheibanny Mohamed Ahmed	1978	Chief Information Officer	20 February 2023
Rusudan Svani	1977	Chief Customer Service Officer	15 October 2020
Giorgi Svanishvili	1979	Chief Internal Control and Standardization Officer	3 January 2023
Tea Tkeshelashvili	1977	Chief Administrative Office	21 February 2022

The biographies of each member of Silknet's management team are set out below:

David Mamulaishvili, CEO

David Mamulaishvili was appointed as the CEO in 2016. Between 2010 to 2016, Mr. Mamulaishvili was the head of the Internal Control and Standardisation Division. Prior to joining the Silknet, Mr. Mamulaishvili engaged in entrepreneurial activities and was one of the founders of several large companies (including Lomisi and Interplast). For a certain period of time, Mr. Mamulaishvili served as the Vice-Governor of the Mtskheta-Mtianeti region.

Lili Pshavlishvili, Chief Financial Officer

Lili Pshavlishvili was appointed as the Chief Financial Officer in 2010. Prior to joining the Silknet, Ms. Pshavlishvili held the position of the Small and Medium Enterprise Development Director at Bank of Georgia. Prior to that, Ms. Pshavlishvili was the Commercial Director of Silk Road Bank. At the onset of her career, Ms. Pshavlishvili held various management positions at the NBG.

Levan Buchukuri – Chief Commercial Officer

Levan Buchukuri was appointed as Chief Commercial Officer of Silknet in 2022. Prior to that, Levan Buchukuri held several different roles at Silknet, including Chief Sales Officer (2021-2022), Chief Strategy Development Officer (2020-2021), and Chief Customer Service Officer (2018-2020). Levan Buchukuri also served as a member of the Supervisory Board of Silknet from 2016 to 2018, as the CEO of Silknet from 2011 to 2016, and held a range of different prior positions, such as Deputy CEO, Chief Commercial Officer, Deputy CEO Chief Technical Officer. Prior to joining Silknet, Levan Buchukuri held various positions in the telecom sector, such as the CEO of Novus Ltd (2009-2010), the CEO of Technoservice Ltd (between 2007 and 2009), the CEO of Iberiatel Ltd (between 2004 and 2007). Levan Buchukuri also

worked at MagtiCom as Head of the Sales and Marketing department (1997-1999), Head of the Customer Service Department (1999-2000), Deputy CEO (2000-2001) and CEO (2001 – 2004). From 1995 to 1997, Levan Buchukuri also worked for Megacom Ltd as a sales manager. Levan Buchukuri holds the equivalents of bachelor degrees in electronics (1988-1994 Georgian Technical University) and in foreign economic affairs (1989-1992 Georgian Technical University.

Vera Duduchava - Chief Operating Officer

Vera Duduchava was appointed as Chief Operating Officer of Silknet in August 2019. Ms. Duduchava led Silknet's IT Transformation project in 2018. Prior to that, she was a member of the executive management team at Geocell, where she started her career in the customer relations department in 2000. Over the years, she has held different managerial positions in the same department and participated in a number of international projects in the sector. In 2013, Ms Duduchava became the Director of Geocell's Customer Relations Department and continued at Silknet. Prior to that, she also worked at Nexus Enterprises as the head of operations.

Nino Kankia - Chief Technical Officer

Nino Kankia joined Silknet in 2020 and was appointed as the Chief Technical Officer in 2021. Prior to joining Silknet, she served as the Head of the Marketing and Solution Sales Department at Tbilisi Huawei Technologies Co. From 2011 to 2015, Ms. Kankia served as the Head of the Mobile Core Network Operational and Development Department at Cellfie (formerly Veon Georgia). Ms. Kankia holds a Master's degree in Telecommunications Technology from the Tbilisi Technical University.

Cheibanny Mohamed Ahmed - Chief Information Officer

Cheibanny Mohamed Ahmed assumed the role of Silknet’s Chief Information Officer in February 2023. Cheibanny Mohamed joined Silknet from Sofrecom (Orange), where he was responsible for mutual projects of Silknet and Orange. Prior to taking his current position, Cheibanny Mohamed Ahmed was a consultant to Silknet as a shadow CIO. Before joining Sofrecom, Cheibanny Mohamed Ahmed worked in various managerial roles for Nokia, Alcatel-Lucent, SFR, Bull Telco, Alcatel CIT, Asiacell and Mauritel.

Rusudan Svani – Chief Customer Service Officer

Rusudan Svani was appointed as Chief Customer Service Officer in 2020. From 2010 to 2020, she served as the Head of the Call Centre. Prior to that, she held managerial positions in a number of different companies.

Giorgi Svanishvili – Chief Internal Control and Standardization

Prior to rejoining Silknet, Giorgi Svanishvili served as Commercial Director at Georgian Water and Power (GWP) since 2019, where he advanced through a series of leadership role. Mr. Svanishvili worked at Silknet from 2012 to 2014, when he held the position of Head of the Monitoring Department, contributing to the company’s operational oversight and control functions.

Tea Tkeshelashvili – Chief Administrative Officer

Tea Tkeshelashvili was appointed as Chief Administrative Officer of Silknet in 2022. From 2016, she served as the Head of the Company Development Unit at Silknet. Prior to joining Silknet, she served as the Head of the Strategy development Department at Georgian National Communication Commission from 2011 to 2015. From 2001 to 2010, she held various positions at Georgian National Communication Commission, World Bank and TACIS projects.

Conflict of Interests

Save as disclosed below, there is no conflict of interest or potential conflict of interest between the duties owed by the members of the Company's Supervisory Board or the Company's executive management to the Company and their respective private interest or other duties.

George Ramishvili and David Franz Borger are the members of the Supervisory Board of the Company and Alexsi Topuria, is the General Director of the Company. They are also ultimate beneficial owners of the Company and as such in such capacities have the power to influence decisions of the Company.

The Company’s Supervisory Board has two committees: the Audit Committee and ESGC Committee.

Employees

The Company contracts with SRG Investments LLC, one of its subsidiaries to provide various professional services including management, financial, accounting, legal, IT, marketing services. SRG Investments LLC also provides such professional services to all Group entities. SRG Investments LLC employes and maintains highly qualified professionals in the above mentioned fields.

Employment relations between SRG Investments LLC and its employees are governed by individual employment agreements and the Rules of Procedure approved by SRG Investment LLC's General Director on 31 May 2023 (which is an integral part of the employment agreements). The Rules of Procedure regulate matters such as the terms and conditions of employment, procedures for the commencement and termination of employment relations, and disciplinary responsibility of the employees

SHAREHOLDERS

As at the date of these Listing Particulars, the Company is wholly owned by Comodon Holding (Malta) Limited, and has 100 shares and total capital of GEL 844,558,541.

As at the date of the Listing Particulars, the Company's ultimate beneficial shareholders were as follows:

	Participating Interest
	(%)
George Ramishvili[(1)]	38.24
Yerkin Tatishev[(2)]	38.24
Alexsi Topuria[(1)]	17.64
David Borger[(1)]	5.88
Total	100.00

Notes:

(1) indirectly owns the Company's shares through Silk Road Group Holding (Malta) Limited.

(2) indirectly owns the Company's shares through Prometheus Holdings.

George Ramishvili is the controlling ultimate beneficial shareholder of the Company. The Company's sole and direct shareholder Comodon Holding (Malta) Limited, is wholly owned by Prometheus Holdings (Malta) Limited, which is in turn 61.76% owned by and under control of SRGH (Malta) Limited, which is in turn 61.9% owned by and under the control of George Ramishvili. See "*Risk Factors—Risks relating to the Group's business generally—The Company's sole shareholder or its controlling ultimate beneficial owner has the ability to take actions that may conflict with the interests of other holders of its securities*."

In 2020, the Company's direct shareholder Comodon Holding (Malta) Limited was reorganized, resulting in the Company having a new beneficial shareholder Yerkin Tatishev with indirect minority holding in the Company (as shown in the table above).

Under the Law of Georgia on Entrepreneurs, certain protections are provided against a dominant (controlling) shareholder to safeguard the interests of the Company. Specifically, the legislation provides that a decision of the general meeting of shareholders may be declared invalid if it contravenes provisions of law whose primary purpose is the protection of creditors' rights. Furthermore, the Law of Georgia on Entrepreneurs imposes liability on a dominant shareholder who, by abusing its dominant influence, acts to the detriment of the company; in such circumstances, the dominant shareholder is obligated to compensate to the company the damage caused.

The Company does not have a set individual dividend policy but has a process in place to pay dividends to its shareholders and usually declares dividends twice a year based on its cash position and cash plan and in strict compliance with Georgia Law on Enterprises.

RELATED PARTY TRANSACTIONS

In the ordinary course of its business, the Issuer has engaged, and continues to engage, in transactions with related parties. Related parties include, among others, shareholders, partners, members of the Company's management, affiliated companies and certain shareholders of such affiliated companies. Furthermore, parties would be considered related if one party has the ability to control the other party or to exercise influence over the decisions of the other party or if such parties are under common control.

All related party transactions within the group are made on an arm's length basis and the prices are determined by the independent valuator.

The Issuer's immediate parent company is Comodon Holding (Malta) Limited. In 2020, the Company's intermediate parent reorganized, as a result of which the Company has a new beneficial shareholder, Yerkin Tatishev, with indirect minority holding (38.2%) in the Company. The Company's ultimate parent remains Silk Road Group Holding (Malta) Limited – an entity controlled by an individual George Ramishvili. No publicly available financial statements are produced by the Company's ultimate parent company or any other intermediate parent company.

On 30 June 2021, Silknet provided a guarantee under the Option Agreement, *inter alia*, with its sole direct shareholder, Silknet Holding, which is 95% owned by the Company and 5% owned by Silknet CEO Mr. David Mamulaishvili. Under the Option Agreement, Mr. David Mamulaishvili has the right, for a two-year period commencing 1 May 2024, to require Silknet Holding to purchase his equity interest in Silknet Holding at a price determined by a pre-agreed formula. Payment of the option price may be made in up to six annual instalments. Silknet has jointly and irrevocably guaranteed Silknet Holding's obligations under the Option Agreement, up to a maximum amount of U.S.$18,000,000. If Silknet Holding is unable to meet its obligations under the Option Agreement and Silknet is required to make payments under the guarantee. The price for the put option if triggered is to be calculated as follows based on the Option Agreement, which is as follows: (a) 7.0x EBITDA (calculated and set forth in the audited financial statements of the Silknet) of Silknet; (b) *less* Long-term Liabilities (all monetary liabilities on the balance sheet of Silknet other than the current liabilities calculated in accordance with IFRS); (c) *plus* Net Current Assets (excess of current assets over current liabilities calculated in accordance with IFRS); (each, as calculated pursuant to the audited financial statements of Silknet for the financial year preceding the year of the delivery of the put option notice); (d) the sum (a) to (c) times DM Share Percentage (beneficial ownership of David Mamulaishvili in Silknet); (e) *less* unpaid portion of the Base Value (USD 1.5 million).

On 1 September 2024, Silknet entered into an agreement with Silk Bank with respect to the calculation of estimated income and telco application score (the "**TAS**") of Silknet's subscribers for the purpose of analyzing their solvency and creditworthiness and offering them Silk Bank products. Subscriber data is being processed by Silknet based on the data subjects' informed consent by means of a computer software model owned by Silk Bank. Silknet does not transfer the subscriber data to Silk Bank but rather only shares computer model-generated outcomes in relation to estimated income and TAS. Under the agreement, Silk Bank paid a one-off integration fee to Silknet in the amount of GEL 40,000 and continues to pay a service fee which depends on the volume of data retrieved in the relevant month, but which shall in any event not be less than GEL100,000 per annum. The agreement is executed for a term of one year, with the possibility of extension for additional one-year periods.

The following table sets forth the volumes of related party transactions:

Related party transactions

Key Management Remuneration	**For the six months ended 30 June**		**For the year ended 31 December**		
	2025	**2024**	**2024**	**2023**	**2022**
	(GEL '000)			*(GEL '000)*	
Wages and Bonuses	9,882	7,975	19,025	20,590	19,563
Other long-term employee benefits [(1)]	401	3,575	6,635	17,318	-
	10,283	**11,550**	**25,660**	**37,908**	**19,563**

Notes:

(1) On 30 September 2023 and 14 December 2023 ("grant date") the subsidiary of the Group entered into two agreements with its two key management members that entitles the employees to receive different types of awards, mainly dependent upon the choice of the employee, but also subject to certain events and conditions. Award 1 implies granting cash-settled equity instrument of the subsidiary to the employee, with no service condition and its fair value is close to nil as at 31 December 2024, as probability of meeting the non-vesting condition per contract is remote. Award 2, to which employee is entitled from 1 January 2025, is calculated as a certain percentage of the future dividend distributions by the subsidiary for the lifetime of the employee and is not subject to service conditions. Award 3 envisages granting the employee a certain percentage of the subsidiary's future value (calculated pursuant to the contractual terms), settled in cash, after 2027, and is subject to a service condition till the end of 2027. Both awards meet

the definition of "Other long term employee benefits" under IAS 19 Employee Benefits and are initially measured as present value of future benefits accruing to the employees. Award 2 is expensed as incurred, as no service condition attached to it, whereas the value of Award 3 value is spread over the service period.

If in aggregate the benefit amount calculated under Award 3 is higher than Award 2, the entity recognizes additional expense in profit or loss in the period, when employee benefit calculated under Award 3 exceeds the benefit amount calculated under Award 2. In 2023, as at grant date, the Group recognized employee benefits expense of GEL 17,318 thousand in profit or loss calculated under Award 2 conditions, as it represents unconditional liability as at 31 December 2023 and its estimated present value was the largest amongst three of the available awards.

In 2024, the changes in circumstances related to the consent solicitation process of a Eurobond covenant (see also note 19 (c) of the 2024 Financial Statements), affected the calculation of the benefit amount under the Award 2 due to the adjusted payout ratio. These changes remained in compliance with Georgian legislation, in particular the new Law of Georgia on Entrepreneurs, and the amended terms and conditions of Eurobond, resulting in additional expense of GEL 3,546 thousand for the year ended 31 December 2024. No significant changes were made to other assumptions used in the calculation of the benefit amount under the Award 2. These changes remained in compliance with Georgian legislation, in particular the new Law of Georgia on Entrepreneurs, and the amended terms and conditions of Eurobond, resulting in additional expense of GEL 401 thousand and GEL 3,575 thousand for the six-month period ended 30 June 2025 and the six-month period ended 30 June 2024. No significant changes were made to other assumptions used in calculation of the benefit amount under the Award #2. In 2025, the Company paid GEL 1,500 thousand in accordance with contractual terms.

	Transaction value for the year ended 31 December			Outstanding balance as at 31 December		
Loans issued:	**2024**	**2023**	**2022**	**2024**	**2023**	**2022**
			(GEL '000)			
Entities under common control	4,102	(7,340)	(7,141)	29,149	28,523	231,652
Loans and Borrowings						
Ultimate parent	-	-	-	-	-	12,532
Parent	(6,788)	-	-	-	3,868	30,324
Entities under common control	(14,881)	30,429	-	24,320	38,645	19,221
Acquisition of property and equipment:						
Entities under common control	-	15	-	-	-	-
Parent and beneficiaries	-	918	-	-	-	-
Other Revenue:						
Entities under common control	1,901	2,089	1,023	3,018	1,310	1,684
Fuel and lubricants used:						
Entities under common control	(2,975)	(2,917)	(3,699)	(182)	(260)	(247)
Other Operating Expenses:						
Entities under common control	(4,058)	(3,776)	(4,779)	(706)	(1,322)	(2,375)

	Transaction value for the six months ended 30 June		Outstanding balance as at 30 June
Loans issued:	**2025**	**2024**	**2025**
		(GEL '000)	
Entities under common control	3,158	1,550	33,268
Loans and Borrowings			
Ultimate parent	-	-	-
Parent	-	(1,577)	-
Entities under common control	1,302	-	(24,519)
Acquisition of property and equipment:			
Entities under common control	-	(3,900)	-
Parent and beneficiaries	-	-	-
Other Revenue:			
Entities under common control	594	916	3,337
Fuel and lubricants used:			
Entities under common control	(1,094)	(1,406)	(162)
Other Operating Expenses:			
Entities under common control	(2,476)	(1,685)	(1,562)

REGULATION OF THE GROUP'S BUSINESSES

The information presented below sets out the regulation of the (i) electronic communications, (ii) broadcasting and other media services, (iii) hotels and hospitality, (iv) casinos and gaming, and (v) real estate and development, related to the activities of the Group.

Regulation of Electronic Communications

The main piece of legislation regulating the electronic communications sector is the Telecom Law adopted on 2 June 2005. The Telecom Law establishes legal and economic grounds for pursuit of activities by means of electronic communications networks and facilities in the territory of Georgia and defines the principles for the development and regulation of a competitive environment in the electronic communications sector, the functions of the national regulatory authority, the rules for authorization in the field of electronic communications, main rights and obligations of authorized persons, and other important matters.

Other important legislative acts regulating the activities of persons operating in the field of electronic communications are the laws of Georgia on Broadcasting, on Personal Data Protection, on Licenses and Permits, on Copyrights and Neighboring Rights, and on Sharing Telecommunication Infrastructure and Physical Infrastructure Applicable for Telecommunication Purposes. In addition, some of the issues envisaged under the Telecom Law (for example, the granting of a right of use of radio frequency spectrum and numbering resources, determination and calculation of regulation fees) are further regulated in more detail by legal acts adopted by ComCom, including, *inter alia*, the following: Rules Governing the Activities of the Georgian National Communications Commission; ComCom Resolution on the Rule of Determination and Payment of Regulation Fee; Regulation on Conducting an Auction for Obtaining the Right to Use a Radio Frequency Spectrum and Determining the Fees for Use of Radio Frequency Spectrum; Regulation on Provision of Services in the Electronic Communications Sector and Protection of Consumers' Rights; Methodological Rules for Cost Accounting and Accounting Separation by Authorized Persons; The National Plan for Allocation of Radio Frequency Spectrum; Regulation on Subscriber Number Portability; and Rules of Issuing, Usage and Payment for Numbering Resources; the Methodology and Procedures for Assessing Market Competitiveness and Determining Undertakings with Significant Market Power.

Regulatory Authority

ComCom is the national regulatory body in both the electronic communications and broadcasting sectors. ComCom is an independent permanent state authority established in the form of a legal entity of public law, which is not subordinated to any other state authority and is not financed from the state budget. The principal source of its revenue is the regulation fee paid by the persons authorized and licensed in the field of electronic communications and broadcasting. Each year ComCom submits to the Parliament, the President and the Government an annual report of its activities and the results of the financial audit and also publishes the same.

Both the executive and the legislative branches of government are involved in formation of ComCom. ComCom is composed of five members, which are elected for a six-year term by the Parliament from among the candidates nominated by the Government. The Chairman of ComCom is elected by ComCom for three years by the majority of its members.

The main objectives and functions of ComCom in the electronic communications sector are:

- optimal and efficient allocation of radio frequency spectrum;
- issuance of license/grant of a right for the use of scarce resources and revocation of the license/right for the use of scarce resources;
- authorization of activities in the field of electronic communications;
- creation of an equal and competitive environment;
- research and analysis of various segments of the electronic communications market;
- identification of authorized persons having significant market power and imposition of specific obligations upon them;
- protection of legitimate interests of customers;

- facilitation of implementation of modern technologies;

- resolution of disputes arising between persons subject to its regulation, as well as disputes between such persons and their consumers;

- control over compliance with applicable laws and regulations in the electronic communications sector.

In order to fulfill the above functions, ComCom issues normative and individual legal acts, monitors and controls compliance with those acts, and in case a breach is detected, it is authorized to impose sanctions on the relevant persons.

Authorization and Regulation Fee

Activities in the field of electronic communications are carried out on the basis of authorization. Authorization implies registration of activities in the electronic communications sector. Authorization is required for the provision of electronic communication networks and facilities, and for the provision of electronic communication services.

A person seeking authorization shall apply to ComCom with a special declaration, the form of which is approved by ComCom. The applicant shall, among other information, indicate the types of activities and/or services which it plans to carry out based on the authorization. If the submitted information is complete, within ten working days after the receipt of the declaration of the applicant ComCom registers the person in the registry of authorized persons maintained by ComCom. Anyone can have access to the registry data. A person may commence the activities that are subject to authorization only after being registered in the registry.

Authorization is granted for an indefinite time, and it may be revoked only on the basis of an application by the authorized person, or if the authorized person dies or is liquidated. ComCom may suspend authorization for a certain period on the basis of a request of the authorized person or, in cases envisaged under law, on its own initiative (for example, if the authorized person fails to fulfill the requirements of the laws of Georgia and a fine has already been used against the person as a sanction for such violation).

If an authorized person intends to modify its activities, it must notify ComCom thereof within seven working days before such modification. ComCom will make relevant changes to the registry of authorized persons.

Persons authorized to carry out activities in the electronic communications sector are required to pay a regulation fee. The rules for calculation and payment of the regulation fee are stipulated in ComCom Resolution No. 12, dated 28 October 2005, on the Rule of Determination and Payment of Regulation Fees. The regulation fee in the electronic communications sector amounts to 0.75 per cent. (excluding VAT) of the total value of the goods/services provided and/or work carried out (that is subject to regulation) by an authorized person, and is payable on a monthly basis. In addition to the payment of the regulation fee, an authorized person must submit to ComCom information about calculation of the regulation fee in the form of a special declaration.

Main Obligations of Authorized Persons

In addition to other obligations prescribed under the law, an authorized person has the following main obligations:

- ensure the provision of direct or indirect interconnection to other interested operators (and owners of departmental communications networks);

- if requested, provide unrestricted access of an authorized person to specific free elements of its network, their functional resources and capacities;

- ensure that allocated numbering resources are available to all end-users without restriction, in compliance with the requirements of the law;

- maintain integrity and security of the network, and prevent unsanctioned use of electronic communication networks and facilities;

- ensure electromagnetic compatibility and protection from interference and hazardous impact while using radio frequency spectrum;

- ensure fulfillment of service-quality norms prescribed under the legislation, and protection of user safety rules during the use of electronic communication networks and facilities;

- ensure portability (translation) of subscriber numbers in accordance with the regulations approved by ComCom on the portability of subscriber numbers;

- pay the respective regulation fee, fees for use of finite resources and license fees; and

- ensure creation of proper conditions envisaged under the legislation in order for the operative-technical agency to perform its authorities, including, to have a stationary technical capability for the delivery of communication in real time and technical capability to copy electronic communication identifying databases.

Interconnection and Access

Pursuant to the Telecom Law, electronic communication network operators that provide services to end-users in local service areas by means of subscriber numbering

resources are obliged to provide (direct or indirect) interconnection to other interested operators at cost-oriented tariffs and in an unrestricted and non-discriminatory manner.

Interconnection means physical and logical linking of electronic communications networks in order to allow the users of one electronic communication network operator to communicate with the users of another electronic communication network operator, and/or to access services provided by another electronic communication network operator, and which is carried out through mutual access of providers to the specific elements of their networks.

The Telecom Law stipulates the following general requirements in relation to interconnection:

- interconnection must be performed on an unrestricted, mandatory and non-discriminatory manner;

- it is prohibited to terminate an active interconnection between electronic communication network operators; and

- if an interconnected electronic communications network operator fails to fulfill an existing interconnection agreement, the counter-party is entitled to suspend an active interconnection only with the consent of ComCom and for the period and based on the terms stipulated by it.

ComCom considers disputes between the parties in relation to interconnection within one month. Furthermore, if parties fail to reach a settlement, terms of interconnection may be prescribed by ComCom itself.

Based on the general access obligation laid down by the Telecom Law, any authorized person is entitled to request an electronic communication network operator to provide access to the specific elements of its network.

"**Access**" means provision by an electronic communications network operator (authorized person who provides electronic communication networks to another person), under defined conditions (including tariffs), of the use of specific elements of its network, technical facilities, their free functional resources and capacities or types of electronic communication services that are (or could be) rendered with their use, which includes provision of use of:

- specific elements of the physical infrastructure and local access network elements, including ducts and wells, subscriber pairs, masts and pole;

- co-location space;

- specific network elements of fixed and mobile communication network operators, their free operational functional resources and capacities (including the resources related to the provision of roaming);

- resources of the subscriber's individual access system and of the electronic directory (guide) of programs (services);

- resources related to operational support software management of electronic communication networks and resources related to user databases and to subscriber number portability;

- different types of virtual network services; and

- functional resources and capacities of other specific elements of electronic communications network or types of communications services.

Relations regarding access and interconnection between operators are governed by the proper agreement executed between the parties, which should determine technical, economic and other terms of access.

In addition to the sectoral access obligations under the Telecom Law, the Law on Sharing Telecommunication and Physical Infrastructure Applicable for Telecommunication Purposes, adopted in May 2023, also entitles telecom operators to request access, on fair, reasonable and non-discriminatory terms, to passive elements of physical infrastructure (e.g. ducts, poles, towers, manholes) owned by energy, water/waste, and transport infrastructure operators. The law applies broadly to entities that own or operate physical infrastructure used for electricity transmission or distribution, gas, water supply and sewerage, drainage, heat supply, outdoor lighting, and transport services (including rads, railways, ports and airports), as well as telecom operators themselves. Such infrastructure owners are required to grant access to their passive infrastructure where a reasonable written request is submitted by a telecom operator, unless technical or operational grounds justify refusal. This access regime aims to facilitate the deployment of high-speed internet by promoting the sharing and reuse of existing telecom ready physical infrastructure.

Furthermore, in order to promote a competitive environment on the electronic communications market, ComCom is authorized to identify relevant markets (such as, for example, the interconnection market) that are subject to ex-ante regulation, and impose upon the persons who, based on the market analysis conducted by ComCom, are designated as having significant market power, one or more specific obligations, including price caps (Please see "*Risk Factors—Other risks related to regulation—ComCom may apply price control regulations.*" for more information).

Use of Scarce Resources

Numbering resources and the radio frequency spectrum are scarce resources. One of the most important functions of ComCom is to ensure the efficient use of scarce resources. Consequently, the use of scarce resources can be carried out based on a license issued or the right granted by ComCom for the use of relevant resources.

Numbering Resource

The Government defines the national numbering plan in coordination with ComCom. ComCom grants the right and establishes terms and conditions for the use of numbering resource.

Pursuant to the Telecom Law, a right of use of a numbering resource is granted for an unlimited time, and is subject to renewal on a yearly basis. In cases envisaged by the Rules of Issuing, Usage of and Payment for Numbering Resources (approved by ComCom Resolution No. 2 of 21 February 2012), ComCom is authorized to grant numbering resources to the persons indicated in the same rules for limited or unlimited time.

The grounds for granting a right of use of a numbering resource are: the availability of free resources and the application of the seeker to obtain the right of use. In order to obtain a right of use of a numbering resource, the relevant person must, unless exempted under law, pay the fee for use of numbering resource, the amount of which shall be determined in accordance with the Rules for Issuing and Using of and Payment for Numbering Resources, except for the exceptions permitted by the law.

A right of use of a numbering resource can be renewed before the lapse of one year after the issuance/renewal of the right of use, for which an authorized person must pay the renewal fee. If the fee is not paid and a document certifying the payment of the fee is not submitted to ComCom within the specified period of time, the right of use is deemed revoked. In addition, if other preconditions laid down by law are met, ComCom may revoke the right of use in case the relevant person breaches the conditions of the right of use. A right of use can also be revoked at the request of the authorized person.

Radio Frequency Spectrum

ComCom allocates the radio frequency spectrum, and issues right of use, as a general rule, by way of issuance of licenses for use of the spectrum.

ComCom defines the national plan of allocation of radio frequency spectrum in accordance with the Radio Regulations of the International Telecommunication Union (ITU), taking into account the radio frequencies defined by the Government in coordination with ComCom for execution of the public functions of the state. The National Plan of Allocation of Radio Frequency Spectrum, approved by ComCom Resolution No. 6 of 30 June 2006, divides radio frequencies into frequency bands, and in relation each given frequency band indicates the Region 1 allocation under the Radio Regulations of the ITU, European common allocation under the European Radiocommunications Committee's Report 25, and allocation at the national level (both in current time as well as in terms of prospective use).

Right of use of radio frequency spectrum is, as a general rule, conveyed by way of issuance of a license. A license is issued by means of an auction (except the license for the use of a radio frequency spectrum for provision of a digital terrestrial television network) in accordance with the Telecom Law, laws of Georgia on Licenses and Permits, and on License and Permit Fees, and the Regulation on Conducting an Auction for Obtaining the Right to Use a Radio Frequency Spectrum and the Determination of the Fee for Use of Radio Frequency Spectrum, approved by ComCom Resolution No. 13 of 12 December 2005. In exceptional cases, the use of the specific type of radio frequencies specified in the Telecom Law may be carried out on the basis of ComCom's decision on grant of a right, without holding an auction. For example, ComCom may, without conducting an auction, grant the right to use radio frequencies for 15 years to authorized persons who require the radio relay network or one or more sections of radio relay line(s) for a non-commercial auxiliary technological purpose in order to carry out their main activities.

A license for the use of radio frequency spectrum is issued if there is an available radio frequency resource, an application of the person and his/her successful bid at the auction. A decision regarding holding an auction is rendered in the following two cases: (1) there is an availability of free radio frequency spectrum envisaged in the National Plan for Allocation of Radio Frequency Spectrum and a person's request to ComCom to auction a radio frequency spectrum; or (2) ComCom receives an application from the current holder of a license for use of radio frequency spectrum to fully or partially transfer its right to use that radio frequency spectrum to any other person.

In order to participate in an auction, a person seeking a license for use of radio frequency spectrum must pay the license fee and 10 per cent. of the initial fee of use of radio frequency resource, which shall be specified in ComCom's decision on conducting an auction. The criterion for identifying the winner is the highest price offered for the use of finite resources.

A license for use of radio frequency spectrum is issued for a period of ten years (while within harmonized radio frequency bands harmonized for terrestrial systems capable of providing electronic communications services radio spectrum licenses are issued for 15 years, as described below); however, one month prior to the expiration of the license term, a license holder is entitled to apply to ComCom with a request to extend the term of its license.

Provided that the license holder has been using the radio frequency spectrum in compliance with the Telecom Law, the term of the license will be extended for another 10-year term based on the decision of ComCom, in which case the license holder must pay the license charge and the fee for use of radio frequency spectrum, the amount of which shall be calculated in accordance with the Telecom Law.

A license holder may request modification of its license by applying to ComCom with a substantiated request. Modification of a license and/or alteration of radio frequency spectrum assigned under a license may also take place, in cases prescribed under the Telecom Law, on ComCom's own initiative. In particular, ComCom may, at the national level allocate radio frequency bands, defined and harmonized under respective European Commission decisions for terrestrial systems capable of providing electronic communications services (in accordance with the harmonized technical norms and conditions stipulated in the same decision). Licenses for use of radio frequency resources within such bands are issued for a 15-year term, while the licenses already issued within these bands are subject to modification with a 15-year validity period, in accordance with the technology and service neutrality principle, and the license fees are subject to recalculation in accordance with the rule prescribed by ComCom.

Pursuant to the Telecom Law, after obtaining a license a license holder must commence practical activities within the period specified in ComCom's decision. Furthermore, it is prohibited to terminate the use of the resources specified in the license or the practical activities carried out using such resources for more than three months consecutively, or for more than six months during a year. In addition, the Telecom Law imposes some other obligations upon license holders, non-fulfillment of which may amount to breach of a license condition and result in imposition of a sanction upon the licensee or revocation of the license by ComCom. A license can also be revoked at the request of the license holder pursuant to a corresponding decision of ComCom.

Transfer of a Right (License) to Use Radio Frequency Spectrum to Another Person

A right to use radio frequency spectrum can be transferred to another person by two methods: (1) without an auction, by means of a direct transfer of a license by an authorized person, i.e. by transferring the rights and obligations under the license for the use of a radio frequency spectrum to another person, in full or in part, based on an agreement on direct transfer; and (2) by means of an auction conducted by ComCom based on the request of a license holder (who has a license obtained by auction).

In case of a direct transfer, the parties must apply to ComCom with a joint application, based on which ComCom will commence public administrative proceedings on transfer of the license. A new license holder having obtained its license by means of a direct transfer may commence the use of radio frequency spectrum after ComCom makes a decision on assignment of the license, and after the licensee goes through the authorization procedure in accordance with the law.

In circumstances prescribed under the Telecom Law, ComCom may restrict the right of a license holder to transfer its license to another person. One such occasion is when ComCom, after conducting studies and analysis, establishes that, as a result of the direct (full or partial) transfer of a license, the receiving person's spectrum holding (alone and/or together with its affiliates) would exceed the spectrum cap determined by ComCom's respective decision. The spectrum cap can be determined for a specific spectrum band or for a group of spectrum bands with similar characteristics. ComCom determines such spectrum cap on the basis of research and analysis conducted within the scope of public administrative proceedings commenced in relation to the direct transfer of a license.

Use of Radio Frequency Spectrum for Provision of Digital Terrestrial Television Networks and Transfer of the Right of Use to Other Persons

A license for the use of a radio frequency spectrum for provision of a digital terrestrial television network is issued in case of the existence of free radio frequency spectrum resources, on ComCom's initiative, or on the basis of the application of an interested party, to the winner of a publicly announced contest.

ComCom makes a decision to hold a contest in the following cases:

- a free radio frequency resource envisaged under the National Plan for Allocation of Radio Frequency Spectrum is available for provision of digital terrestrial television network; or

- the application of a license-holder for the use of radio frequency spectrum for provision of a digital terrestrial television network, for full transfer of its right of use of radio frequency spectrum to another person.

Transfer of a license for use of radio frequency spectrum for provision of a digital terrestrial television network can be transferred to another person in two ways: (1) without a contest, by means of direct transfer, i.e. by transferring the rights and obligations under the license for the use of a radio frequency spectrum for provision of a digital terrestrial television network to another person based on an agreement on direct transfer; and (2) by means of a contest conducted by ComCom based on the application of a person who had obtained the license for the use of radio frequency spectrum for provision of a digital terrestrial television network by way of a competition, to transfer its right of use of radio frequency spectrum to another authorized person.

A person receiving a license by way of a direct transfer is entitled to commence the use of the radio frequency spectrum provided by the license only after ComCom makes a decision on assignment of the license, and after the licensee goes through the authorization procedure in accordance with the law.

A license for the use of radio frequency spectrum for provision of a digital terrestrial television network may not be transferred (or issued) to an administrative body, officials of administrative bodies and other public officers; political parties; a legal person in which any ownership interest is directly or indirectly owned by the state; or any other above-mentioned bodies/officials.

ComCom assigns to license holders a digital terrestrial television network identification code for the period of the license term. A person holding the license for the provision of a digital terrestrial television network is obliged to commence practical activities within the period specified in ComCom's decision on issuing the license. Furthermore, pursuant to the Telecom Law, in order to commence practical activities, the license holder must ensure installation, operational management and exploitation of relevant network elements and facilities in each geographical area covered by the license, dissemination of TV signal, and access of interested TV-broadcasters to its electronic communications network, their resources and capacities. In addition, the Telecom Law imposes an obligation upon a license holder to provide broadcasters, authorized for the provision of free-to-air broadcasting, with access to its free-to-air multiplex platforms on the basis of non-discriminatory, cost-oriented tariffs, and provide them with services of uniform quality.

Transit of Broadcasting

The Telecom Law defines transit of broadcasting as an authorized activity in which a person transmits the lawfully received television or radio channels of a broadcaster in an unchanged form (without making editorial changes in the television or radio programs), and delivers it to an end-user through publicly available electronic communication networks and facilities. The transmission in an unchanged form includes cases where, despite the changes in broadcasting program schedule, ComCom considers that television or radio transit of a broadcaster is essentially fulfilled.

Broadcasting transit service is performed based on a written agreement executed between a user and a service supplier. The agreement must cover the mandatory provisions defined under the law

such as, for example, the package of service (list of channels) to be provided to the user, terms and conditions for restriction and termination of service, the mechanisms for ensuring the quality of service and relevant compensation mechanisms in case of failure to meet the said quality characteristics.

Apart from the general obligations of an authorized person imposed under the law, other specific obligations in relation to transmission of broadcasting are imposed upon persons authorized to transmit broadcasting. In particular, as a result of the legislative amendments implemented in 2013, a mandatory transit obligation (known as "**Must Carry**") has been imposed upon the persons authorized to transmit broadcasting. Pursuant to the Law of Georgia on Broadcasting, persons authorized to transmit broadcasting are obliged to place, for free, the television channels of broadcasters meeting the relevant criteria set out in the law (upon their request), in all packages offered to customers. The Must Carry obligation applies to persons authorized to transmit satellite broadcasting only if the broadcaster provides a free-to-air satellite broadcasting service. Rights and obligations of the parties in relation to technical issues should be determined under a mandatory transit agreement executed between them.

In case of non-mandatory transit of broadcasting, if a broadcaster demands from a person authorized to transit broadcasting, payment for transmission of its signal, the parties shall enter into an agreement on paid transit. The parties are required to conduct negotiations in good faith, in compliance with the requirements of the law, in order to enter into an agreement for paid transit.

In addition, an authorized person carrying out transmission of broadcasting must observe copyrights and neighboring rights of the relevant broadcaster when transmitting its channels.

Competition Regulation

General principles of free competition are outlined in the Law of Georgia on Competition ("**Competition Law**"). It encompasses five main pillars: (i) prohibition of anticompetitive agreements; (ii) prohibition of abuse of dominant position; (iii) control of economic concentrations; (iv) prohibition of unfair competition; and (v) prohibition of state aid distorting competition. The Competition Law also defines competences of the national competition authority –the Competition Agency. The Competition Agency is an independent legal entity of public law exercising control over compliance with Georgian competition laws except for certain regulated sectors of economy where the control and supervision over the compliance with the general competition law is mainly exercised by the relevant sectoral regulators.

Provisions of the Law of Georgia on Competition apply to the undertakings operating in the electronic communications and broadcasting sectors, and limit their activities. These sectors belong to regulated sectors of economy and the enforcement of the Competition Law restrictions in the electronic communications and broadcasting sectors is implemented by ComCom pursuant to the rules of enforcement of the Competition Law adopted by ComCom. The Competition Agency does not have authority to impose fines upon undertakings operating in regulated sectors of economy, or to investigate or review complaints about possible restrictions of competition within these sectors except for certain exceptional cases specified in the Competition Law.

Furthermore, until September 2020, the provisions of the Competition Law on control of concentrations (mergers and acquisitions) did not apply to the regulated sectors (including electronic communications and broadcasting sectors). However, following the amendments adopted in September 2020, the Competition Law – including its concentrations control regime – now fully applies to the electronic communications and broadcasting and other regulated sectors. ComCom serves as a clearance authority for concentrations occurring in the electronic communications or broadcasting sectors, except in certain cases (e.g. when one of the parties to the concentration is not a regulated undertaking or the parties operate in different regulated sectors), in which case the Competition Agency has jurisdiction.

Pursuant to the Competition Law, the Competition Agency and the sectoral regulators (including ComCom) are required to cooperate with each other for the investigation and prevention of distortion of competition in the regulated sectors of economy in accordance with the provisions of the Competition Law.

Violation of the Competition Law may result in significant fines, regulatory action and invalidity of restrictive agreements.

In addition to the Competition Law rules, the electronic communications sector is also subject to sector-specific *ex-ante* competition rules. Ex-ante regulation of competition in the electronic communications sector is implemented by ComCom in two main directions: (i) ex-ante regulation of competition of the relevant market by identifying authorized persons that exercise significant market power ("**SMP**") and (ii) control of mergers with an authorized person, and of acquisition of ownership interest/shares in, and operating assets of, an authorized person.

Ex-ante regulation of competition and specific obligations of an authorized person having significant market power

Pursuant to the Telecom Law, ComCom exercises ex-ante regulation of competition, which involves identification of an authorized person (or two or more authorized persons jointly) having significant market power on the relevant market or on closely related markets, and imposition of specific obligations upon such person(s).

An authorized person's significant market power is defined as a condition where the analysis conducted by ComCom confirms that an authorized person has no competitors on the relevant market, is protected from significant competition or its competitive market position allows it to have unilateral significant influence over this market and distort competition. Operators are deemed to have significant market power jointly when the analysis conducted by ComCom confirms that the market conditions and competition characteristics established on this market enable them to pursue concerted actions and to jointly obtain competitive advantages on the market, even in the absence of structural, contractual or other relations between them.

In order to identify an authorized person as having significant market power on the relevant market, ComCom defines relevant service and geographical market and conducts research and analysis of the relevant market.

In February 2024, ComCom adopted a new methodology and procedural framework for defining relevant service market segments and assessing market competitiveness and SMP. The revised framework introduces key principles aligned with EU practice, such as the modified greenfield and a preference for wholesale regulation. The new rules also formalize the use of a three-criteria test for identifying potentially regulated markets, designating SMP undertakings (including joint SMP), and imposing tailored regulatory obligations.

A decision regarding commencement of market research and analysis is made by ComCom on its own initiative, or upon a request of an authorized person or a state authority provided that ComCom agrees with the substantiation of the relevant person/authority regarding the need to commence the given research and analysis.

If, based on the market analysis, ComCom determines that one authorized person (or several authorized persons jointly) exercises significant market power on a relevant market, ComCom may, by issuing a decision, impose upon such authorized person(s) one or more specific obligations listed below:

- obligation of transparency;
- obligation of non-discrimination;
- obligation of accounting separation (in accordance with the methodological rules approved by ComCom);
- obligations of access to and use of specific network elements and facilities; and
- price control and cost accounting obligation.

The content and the scope of the above obligations, as well as the conditions of their fulfillment, are defined by the relevant provisions of the Telecom Law. In addition, ComCom is authorized to specify details of the specific obligations defined in the law and the conditions for their fulfillment. Furthermore, based on the results of market analysis, ComCom may introduce relevant changes and additions to a specific obligation.

Based on market analyses conducted by ComCom at various times, Silknet has been designated as having SMP in certain wholesale and retail markets. As a result, Silknet has been subject to several, or all, of the five specific obligations prescribed by the Telecom Law, along with specific terms for their fulfilment. Some of these specific obligations were initially imposed on Geocell as it had been designated as the holder of significant market power on relevant segments of wholesale and retail markets, but as a result of Geocell's merger with Silknet, all of the specific obligations which ComCom has imposed on Geocell have been reassigned to Silknet.

Silknet's SMP

Silknet has been designated as having significant market power in the following relevant markets:

- wholesale access to global internet resources (IP transit service);
- wholesale access to interconnection services (call origination and call termination) in the fixed and mobile electronic communications network;
- wholesale access to local loops/sub-loops (copper pair lines) for the purpose of providing broadband and voice services;
- wholesale duct access;
- wholesale access to the backbone ("**trunk**") and backhaul fiber-optic lines and leased capacity; and
- wholesale access to Bulk SMS services.

On those relevant product and geographical markets where Silknet is found to have significant market power, several or all of the five specific obligations prescribed by the Telecom Law, including the obligation of information transparency, non-discrimination and access to its network elements and facilities, as well as specific terms for the fulfillment thereof have been imposed on the Group.

In terms of price control, Silknet has an obligation to provide services with cost-oriented tariffs in most of the markets listed above. In addition, prices have been set by ComCom for the provision of certain services by Silknet, in particular:

- on the wholesale market for IP transit services, Silknet is subject to a price cap of GEL 9 per megabit/second per month (excluding taxes) for the access to global internet resources; and GEL 0.5 per megabit/second per month (excluding taxes) for the access to local internet resources;
- on the wholesale market for access to interconnection services Silknet must provide call origination and call termination services in the fixed and mobile electronic communications networks with the regulated tariffs calculated by ComCom based on LRIC accounting methodology (see "Competition Regulation-Call origination/termination tariffs");
- the price cap set by ComCom for the provision of wholesale local loop (copper pair lines) access services amounts to GEL 2.20 (excluding taxes);
- on the market for wholesale duct access service, the price cap set by ComCom for Silknet amounts to GEL 399.7 per month per 1 channel-km of 100-mm duct pipe (exclusive of taxes). In addition, ComCom determined the formula for calculation of access prices for cables of different sizes; and
- on the market for wholesale access to backbone and backhaul fiber-optic lines and leased capacity, the price caps set by ComCom for Silknet amount to GEL 14.9 per month per 1 km of a fiber-optic cable (exclusive of taxes); and GEL 0.5 per month for data transfer at one megabit per second (exclusive of taxes).

Call origination/termination tariffs

Based on the market analysis conducted by ComCom, Silknet has been designated by ComCom as having significant market power on wholesale markets for call origination and call termination (interconnection) markets services and is subject to the regulated prices set by ComCom. In particular, until the merger, Silknet as a fixed communications network operator had been designated as an SMP operator on the wholesale market of access to interconnection services in fixed

electronic communications network only, while Geocell as a mobile communications network operator had been designated as an SMP operator on the market of access to interconnection services in mobile electronic communications network. As a result of the merger, Silknet has been designated as an SMP operator on the wholesale market of access to interconnection services in both fixed and mobile electronic communication networks.

On 19 October 2017 ComCom introduced amendments to the interconnection tariff regulation, pursuant to which, from 1 July 2018 call origination and termination tariffs were gradually reduced and since 1 January 2019 have been further reduced in accordance with the following schedules provided below. Call origination and call termination (interconnection) market is among those that ComCom has indicated it may review in 2025, and the outcome of such review could result in changes to the applicable regulatory obligations and tariff-setting framework.

Call origination and termination tariffs (Tetri/Minute, excluding taxes) on fixed and mobile markets calculated under the LRIC ("Long-term Incremental Cost") methodology for operators with significant market power

Call origination and termination tariffs in fixed communications network

Interconnection service	From 1 July 2018	From 1 January 2019
Call initiation on a local level, Tetri (exclusive of taxes)	1.04	0.38
Call initiation on a transit level, Tetri (exclusive of taxes)	1.05	0.41
Call termination on a local level, Tetri (exclusive of taxes)	0.99	0.28
Call termination on a transit level, Tetri (exclusive of taxes)	1.01	0.32

Call origination and termination tariffs in mobile communications network

Interconnection service	From 1 July 2018	From 1 January 2019
Call initiation, Tetri (exclusive of taxes)	2.16	1.44
Call termination, Tetri (exclusive of taxes)	1.81	0.75

Source: ComCom

The amended tariffs have been recalculated based on the LRIC methodology (namely LRIC+ and Pure LRIC, respectively for call origination and call termination tariffs) developed by consulting company Ernst & Young at the request of ComCom. The tariffs calculated under this methodology are based on the costs of a hypothetical effective operator and are substantially lower than the previous ones.

International call termination

On 16 May 2017, ComCom adopted the Decision N345/22 on temporary regulation of international call termination in Georgia. Pursuant to the temporary regulation ComCom initially imposed on all telecom operators in the interconnection market, including Silknet, regulated tariffs for international call termination in mobile and fixed networks in the amount of GEL equivalent of USD 0.22 per minute for international call termination in mobile communication network (inclusive of taxes) and GEL equivalent of USD 0.12 per minute for international call termination in fixed communication network (inclusive of taxes).

Since its adoption, the temporary regulation of international call termination has been extended multiple times, and as at the latest extension, the regulation remains in force until 31 December 2025. However, as at 1 January 2024, the regulated tariffs for international call termination were lifted, and operators are now allowed to determine international call termination rates on a commercial basis.

While ComCom has lifted the tariff regulation component, the general temporary regulatory framework on international call termination remains in effect (at least until 31 December 2025) to allow continued ComCom oversight, particularly with respect to fraud prevention (e.g., caller ID manipulation).

Control of mergers with an authorized person, and of acquisitions of ownership interest, shares in and/or operating assets of an authorized person

Pursuant to the Telecom Law, the following are subject to mandatory pre-notification to ComCom:

- acquisition of operational assets of an authorized person;
- merger with an authorized person; and
- acquisition of shares or ownership interest in an authorized person, as a result of which an acquirer and/or affiliates acquire 5 per cent. or more of the shares or ownership interest in the authorized person.

The notification obligation rests on the authorized person participating in the merger; or whose shares, ownership interest or operational assets are being acquired.

Within 15 days after the receipt of a complete notification by an authorized person, ComCom either approves the merger/acquisition by issuing consent or conducts further examination in order to determine the possible impact of the merger/acquisition on the competitive environment existing in the relevant markets. If additional examination is required, ComCom will commence administrative proceedings the duration of which shall not exceed three months.

ComCom may, based on its substantiated decision, request changes to the conditions of a merger or acquisition, or block the merger or acquisition (of shares, ownership interest or operational assets) of an authorized person, if it considers that the merger or the acquisition will cause substantial distortion of competition in the relevant market.

If consent to a merger or acquisition is granted, ComCom is empowered to require the person created as a result of the merger, or the authorized person having acquired operating assets, to take such actions that will ensure competition is maintained within the relevant market. Further, if an authorized person (created as a result of a merger or an acquisition consented to by ComCom) having significant market power significantly distorts competition in the relevant market, ComCom is empowered to request functional separation of such authorized person, i.e. establishment of separate, independent legal entities for functionally separated structural units.

Specific obligations related to Geocell Acquisition

In connection with the acquisition of shares in Geocell, Silknet received consent from ComCom on 13 March 2018. Geocell received consent from ComCom on 20 September 2018 regarding the merger of Geocell with Silknet. In its consent, ComCom clarified that the obligations that it had imposed on Silknet in connection with the acquisition of shares in Geocell remain in force with regards to Silknet. The following requirements were imposed by ComCom on both Silknet and Geocell, which remain in force on Silknet:

- Silknet is obliged to notify subscribers and ComCom about any changes in the terms and conditions of their services ten working days before such change. With respect to changes in the terms of service that may affect the subscribers' willingness to continue using the service, Silknet is obliged to notify both subscribers and ComCom one month before such change; and
- The obligation of Silknet to provide access to backbone (inter-zone) and backhaul (intra-zone) terminal equipment and fiber-optical channels was further specified, in particular, to (a) grant access to all authorized persons on an unrestricted, transparent and non-discriminatory basis, (b) prohibit discrimination by providing the services/access to interested authorized persons under uniform conditions (including tariffs, quality, terms of delivery) which shall not be less favorable than those set for its own structural subdivisions, affiliated and/or other authorized persons and (c) ensure the transparency of information by making the reference offer for the services/access publicly available.

Consumers' Rights

ComCom supervises the protection of consumers' rights in the electronic communications sector. An office of public defender of consumers' rights operates at ComCom, one of the major functions of which is to review and respond to applications and complaints filed by consumers. Furthermore, the Telecom Law requires electronic communication service providers to establish an efficient internal mechanism for reviewing and responding to complaints filed by consumers.

The rules of provision of services in the electronic communications sector, as well as consumer protection standards, are laid down in detail in the Regulation on Provision of Services in the Electronic Communications Sector and Protection of Consumers' Rights (the "**Consumer Regulation**"), approved by ComCom Resolution No. 3 of 17 March 2006.

Major rights of consumers in the electronic communications sector include, inter alia, the right to freely choose a type of service provided with publicly available electronic communications networks and facilities, and the right to receive information on the tariffs for provided or selected electronic communications services, terms of provision of services and payment, as well as detailed billing information for the reporting period. The Consumer Regulation further specifies in detail the types of information that consumers are entitled to receive free, without delay.

The Telecom Law sets forth specific requirements in relation to the agreement to be executed between a service provider and a consumer. In particular, an agreement on provision of electronic communication service must be concluded in writing (which also includes electronic agreements) (except in special cases envisaged by the law) and include compulsory information and terms determined by the law, including: terms for the suspension and termination of services; detailed information about tariffs, as well as about the provision of updated information in case of tariff changes; and description of the procedure of appeals and dispute resolution. In cases permitted under the Consumer Regulation communication services can also be provided on the basis of a so-called remote agreement (by various means of remote communication), in compliance with the requirements set forth in the Consumer Regulation.

In April 2021, ComCom adopted major amendments to the Consumer Regulation. The amendments came into effect on 1 January 2022 and brought about important changes to the Consumer Regulation, enhancing the protection of consumers' rights and further strengthening the standards of telecommunication services. The amendments establish the consumer's right to freely choose and use the terminal equipment (a router and modem) of their choice for telecom services, and prohibit the relevant telecommunications service providers from imposing restrictions on the use of third party terminal equipment unless there are objective technical reasons to do so. Further, the amendments have increased the minimum advance notice period in relation to upcoming changes in the telecom service agreements from 10 business days to one month; imposed the obligation upon internet service providers to ensure that during an emergency situation their customers have access to ComCom-listed web-pages containing critically important information; and limit the initial term of a telecom service (except for M2M/IoT) contract to a maximum of 24 months.

The Telecom Law imposes certain obligations on electronic communication service providers with respect to subscriber number portability. Namely, persons providing services by means of local communications networks must allow a consumer to retain the same subscriber number in case of change of service provider within the same subscriber geographic zone. Mobile telephone users have the same rights.

Protection of personal data/information confidentiality

One of the most important matters in protection of consumer rights is the protection of consumers' personal data and information.

Pursuant to the Telecom Law information about users of electronic communications networks, as well as information transferred by users via such networks, is confidential and its confidentiality is guaranteed by the legislation of Georgia.

The Consumer Regulation obligates service providers to protect personal information of consumers, and requires the telecom service providers to comply with the Law of Georgia on Personal Data Protection when handling personal data of the customers.

In June 2023, the Georgian Parliament passed a new Law of Georgia on Personal Data Protection as part of the efforts to align Georgian legislation with EU standards. This law, heavily influenced by and aligned with the EU General Data Protection Regulation ((Regulation (EU) 2016/67) GDPR), aims to harmonize the Georgian data protection regulations and practices with European norms. The Law of Georgia on Personal Data Protection came into effect on 1 March 2024 (with certain provisions coming into effect gradually) and it will be fully enforceable from 1 January 2027. The Law of Georgia on Personal Data Protection regulates in detail the bases and principles of personal data processing. Personal data is defined as any information connected to an identified or identifiable individual person. A person is deemed identifiable when he/she can be identified directly or indirectly, in particular by an identification number, geolocation data or electronic communication identifiers, or by any physical, psychological, economic, cultural or social features of this person.

The tapping of telephone conversations, release of information about telephone conversations, and release of other information transmitted by a consumer through electronic communication networks can only be done in compliance with the authorized procedure established under the legislation of Georgia. The obligation of confidentiality of information does

not apply to cases where an authorized body carries out secret investigative actions or other similar activities as prescribed under the laws of Georgia, as well as in cases when the Personal Data Protection Service exercises its authorities in accordance with the laws of Georgia. According to the legislative changes regarding undercover investigation regulation approved in March 2017, authorized persons working in the electronic communications sector shall comply with additional obligations, including technical obligations. A new legal entity of public law – the Georgian Operational and Technical Agency – has been formed, which sets forth the technical requirements of the surveillance system for authorized persons, inspects the IT and telecommunications infrastructure of an authorized person and informs ComCom about any breach of the applicable requirements, after which ComCom makes a decision on imposition of a sanction on the authorized person in accordance with the Telecom Law.

In March 2024, the Telecom Law was amended to introduce specific data retention obligations for telecom operators. Under this amendment, operators are required to retain certain user identification and communication data for up to four years, after which such data must be securely deleted. This requirement complements existing personal data protection frameworks and confidentiality obligations under Georgian law.

Internet Regulation

On 10 May 2018, ComCom adopted the Rules for Determination and Monitoring of Quality of Internet Service Provision (the "**Internet Regulation**"), which sets forth the quality parameters for service provision, traffic management and monitoring rules, and the rights and obligations of subscribers and providers of internet services.

The Internet Regulation enforces the principle of net neutrality which imposes the obligation upon the internet service providers to treat all traffic equally, without discrimination, restriction or interference, and irrespective of the sender and receiver, the content accessed or distributed, the applications or services used or provided, or the terminal equipment used. The Internet Regulation does not prevent providers of internet access services from implementing reasonable traffic management measures. However, in order for traffic management measures to be deemed to be reasonable, they should be transparent, non-discriminatory and proportionate.

Furthermore, pursuant to the Internet Regulation, providers of internet access services shall ensure that subscriber agreements specify, among others, minimum, normally available and maximum speed of the internet access services, as well as additional quality of service parameters (such as latency, jitter and packet loss) in the case of fixed networks, and the latency parameter in the case of mobile networks.

According to the regulation the minimum speed specified in the agreement should be the lowest speed that the fixed internet service provider undertakes to deliver to the end user; The maximum speed should be actually achievable by the end-user at least once a day; And the normally available speed should be the speed that an end-user receives most of the time when accessing internet service and it should not be less than 80 per cent. of the maximum speed and should be achievable (i) always during off-peak hours, (ii) during 90 per cent. of the peak hours or during 95 per cent. of a day (24 hours).

In addition, the Internet Regulation defines the framework for monitoring mechanism and methodology to be used by ComCom in order to assess conformity of actual performance of the internet service with the performance indicated in the subscriber agreements.

Information Security Framework

In June 2021, important amendments were adopted to the Law of Georgia on Information Security. As a result of the amendments, electronic communication companies (authorized persons providing telephone/internet networks and/or services) that have been qualified as "critical information system subjects" by the Government will be subject to various information and cybersecurity requirements (including with respect to developing information security policy, compliance with the rules of managing information assets and information security audit).

In December 2021, the Government designated Silknet as a second-category critical information system subject under the Law of Georgia on Information Security, reflecting the importance of its electronic communications infrastructure to national security. As a result, Silknet became subject to an enhanced information security regulatory regime administered by the Operational-Technical Agency ("**OTA**") under the State Security Service of Georgia.

The 2021 legislative amendments and designation as a second-category critical information system subject have introduced a wide range of regulatory obligations with respect to Silknet's internal information security systems and controls. These include: the adoption and implementation of minimum information security standards; inventorying of all information systems and assets; designation of an internal information security officer responsible for preparing and annually reporting

on an information security action plan; and conducting regular audits and penetration tests either by the OTA or accredited third-party providers. Silknet is also required to use and maintain a network sensor configured in accordance with rules issued by the OTA to support the identification, analysis, and response to computer security incidents. Such incidents must be immediately reported to the OTA's Computer Incident Response Team (CIRT), and Silknet must undertake urgent mitigation measures where necessary to ensure the integrity and availability of critical systems.

To implement and comply with the minimum information security standards, Silknet is subject to a two-phase transitional compliance period established by the OTA. The first phase, lasting 48 months from the date of its designation as critical information system subject, requires the development and establishment of an information security management system. The second phase, which lasts 12 months thereafter, requires ongoing monitoring, auditing, and continuous improvement of the system.

Sanctions and Liabilities

ComCom implements control over the compliance of authorized persons with the laws of Georgia in the electronic communications sector and the compliance of the persons holding the right of use of scarce resources with the telecom laws of Georgia and the restrictions and requirements imposed under the relevant decrees and resolutions of ComCom, as well as over the fulfillment of the license conditions.

The observance by authorized persons of the requirements of the laws of Georgia, including the resolutions and decisions of ComCom in the field of electronic communications, is monitored by ComCom on a continuous and regular basis, whereas supervision over the fulfillment of license conditions by license holders is conducted by ComCom through random inspection of the license conditions and/or regular reporting by the license holder.

If a breach of the laws of Georgia on electronic communications is discovered, ComCom is authorized to impose upon the relevant person liability under the law.

Pursuit of activities without authorization, or use of radio frequency spectrum and/or numbering resource without a right of use

Pursuit of activities in the electronic communications sector without the authorization, or use of radio frequency spectrum and/or numbering resource without having a license or the right of use of scarce resource constitutes an administrative offence punishable with a fine in the amount of GEL 5,000. If the breach is repeated the amount of the fine will be doubled, and in each subsequent case the amount of the fine will be GEL 50,000. If the similar offence is committed in the occupied territories of Georgia, the amount of the fine increases up to GEL 500,000, and a repeated offence will result in criminal liability.

Further, illegal entrepreneurial activities without registration, permit or license, or in violation of the terms of a permit or license, which have resulted in substantial damage, or which have been accompanied by receipt of large income constitute a criminal offence. For committing this offence, a legal person could be punished by a fine, be deprived of the right to carry out business activities, or be subject to liquidation and a fine.

Breach of the laws and non-fulfillment of the terms of license/right of use of finite resource

- If an authorized person breaches the requirements and obligations imposed under the laws of Georgia on electronic communications, including the resolutions and decisions of ComCom, and/or if a license holder fails to observe its license conditions, ComCom may give a written warning to such person, and in case of failure to eliminate a continuous breach within a period specified in ComCom's decision, or occurrence of a new single breach within a period of one year, ComCom is authorized to impose a fine in the amount of 0.5 per cent. of the authorized person's revenue (total income excluding VAT as defined by the Tax Code of Georgia) during the last 12 calendar months, but not less than GEL 3,000 or more than GEL 30,000.

- If, after having been fined, an authorized person and/or a license holder fails to eliminate a continuous breach, and/or, within a year after having been fined, commits a new single breach, ComCom is authorized to impose a fine in the amount of 1 per cent. of the authorized person's and/or the license holder's revenue during the last 12 calendar months, but not less than GEL 9,000 or more than GEL 90,000, or to revoke the license.

- If, after having been fined for a second time, an authorized person and/or a license holder fails to eliminate a continuous breach, and/or after being fined for the second time and, during a year from the date of the first fine,

commits a new single breach, ComCom is authorized to impose a fine in the amount of 3 per cent. of the authorized person's and/or the license holder's revenue during the last 12 calendar months, but not less than GEL 27,000 or more than GEL 270,000, or to revoke the license.

- Breach of the conditions for the use of finite resources by the person (except for the license holder and the person who received the right of use of finite resource free) to whom ComCom granted the right of use of the finite resource is subject to a fine of GEL 1,000, and if, within one year after having been fined, a new single breach is committed, or in case of failure to eliminate a continuous breach within the term specified in ComCom's decision, ComCom is authorized to impose a fine of GEL 3,000 upon the relevant person or to revoke the right.

ComCom may, on its own initiative, suspend an authorization if an authorized person:

- for more than one year, does not carry out an authorized activity; fails to submit to ComCom calculation of the regulation fee or submits a zero sum calculation, and fails to pay the regulation fee; and/or

- violates the requirements of the laws of Georgia, and a written warning and a fine have already been used against the person as a sanction for such violation.

ComCom may, on its own initiative, revoke a relevant person's license for use of radio frequency spectrum based on one of the following grounds:

- termination by the license holder of the use of the resources covered by the license or of practical activities using these resources for three consecutive months or for six months during a year;

- failure to commence practical activities within the period determined under the license; or

- failure to eliminate a continuous breach and/or commission of a new single breach within one year after having been fined for breach of the license conditions.

ComCom may revoke a relevant person's right of use of numbering resources if, after having been fined, the holder of right of use of numbering resources fails to eliminate a continuous breach, and/ or, within one year after having been fined, commits a new single breach.

Extraordinary measures for enforcement of ComCom's decisions

In July 2020, following the sale of indirect ownership in one of the Georgian telecommunication companies without ComCom's consent, widely contested legislative amendments were adopted in the Telecom Law. These amendments give ComCom power to appoint a special manager to an authorized person/license holder operating in the telecom sector to ensure the enforcement of ComCom's decision in respect of certain violations committed by an authorized person/license holder.

In particular, pursuant to the amendments, ComCom is authorized to appoint a special manager to an authorized person/license holder in order to ensure the enforcement of a decision made by ComCom concerning a violation by the authorized person/license holder of the Telecom Law provisions relating to control of mergers and acquisitions in telecom companies. In addition, a special manager may also be appointed to ensure the enforcement of a decision issued by ComCom in relation to a violation by a SMP operator of specific obligations imposed on it concerning access to its network elements and facilities, and/or price control and cost accounting. In this case, a final decision to appoint a special manager shall be adopted a Georgian court, on the basis of a substantiated decision of ComCom.

In both cases, the special manager can be appointed only if the following two additional preconditions are satisfied: (i) the authorized person/license holder, after having been fined for at least three times for the above violation, fails to enforce the decision of ComCom; and, at the same time, (ii) the suspension of the authorization/cancellation of license may harm the economic interest of the country, legitimate interests of the authorized persons/license holders or the consumers in the field of the electronic communication, or the competition on the market.

Under the amendments, the powers and responsibilities of the special manager will be defined by ComCom, taking into account the content of the decision to be executed. Within these powers, a special manager may be empowered to exercise control over the authorized person/license holder, and entire powers of all bodies of the authorized/licensed person

(including, director/board of directors, supervisory board, general meeting of shareholders) may be transferred to it, except for the power to sell the assets and/or equity of the authorized/licensed person.

For execution of ComCom's decision, the special manager will be authorized to:

- appoint and/or dismiss the director(s) and/or the member(s) of the supervisory board (if any) of the authorized person/license holder;

- challenge in court any action or transactions carried out or concluded by the authorized person/license holder within one year before the appointment of a special manager and request their annulment if the said action or transaction has harmed or harms the economic interests of the country, the legitimate interests of the authorized persons/license holders or the consumers in the field of the electronic communication, or the competition on the market;

- suspend or limit distribution of profits, payment of dividends or bonuses, increase of salaries by the authorized/licensed person; and

- perform other functions of the authorized/license holder's governance bodies (except for the power to sell the assets and/or equity of the authorized/license holder).

The special manager acts pursuant to the instructions and guidelines issued by ComCom, and is accountable before ComCom only. In addition, ComCom may define under its decision that the performance of certain or all powers of a special manager requires prior written consent of ComCom.

After the appointment of a special manager, any actions and transactions on behalf of the relevant authorized person/license holder requires a prior consent of the special manager and/or ComCom.

Pursuant to the amendments, the special manager will be dismissed and the special enforcement measures against the authorized person/license holder will be terminated after the enforcement of the relevant decision of ComCom is completed and the related documents/information are submitted to ComCom.

In addition, appealing the decisions of ComCom (including the decision on appointment of a special manager) in court will no longer have an automatic suspensive effect, unless otherwise decided by the court.

The above amendments to the Telecom Law have been negatively assessed by the Venice Commission (the European Commission for Democracy Through Law). In particular, in the joint opinion of the Venice Commission and the Directorate General of Human Rights and Rule of Law (DGI) published in March 2021, the Venice Commission concluded that these amendments lead to far reaching consequences for the right of property and media freedom as well as for the right to a fair trial. The Venice Commission invited the Parliament to carry out a full and thorough re-examination of the legislative amendments in accordance with recommendations of the Venice Commission.

Regulation of Broadcasting and Other Media Services

The main piece of legislation regulating the broadcasting sector is the Broadcasting Law, adopted on 23 December 2004.

The Broadcasting Law has undergone significant amendments over the past three years, including a major legislative amendment adopted in December 2022 to align with the EU Audiovisual Media Services Directive. These 2022 amendments expanded the scope beyond traditional television and radio broadcasting to explicitly cover and regulate new categories of media services, including on-demand audiovisual media services and video-sharing platform services.

On-demand audiovisual media services refer to audiovisual media services where users can select and watch programs from a catalogue at a time of their own choosing, based on a program selection made by the service providers. Providers of such services are now subject to specific regulatory framework under the Broadcasting Law, which includes requirements related to authorization, content-related standards, protection of minors, accessibility obligations for persons with disabilities, rules on commercial audiovisual communication, and an obligation to allocate at least 30% of the program catalogue to European works.

Under the current legal framework, television broadcasting is treated as one of the categories of audiovisual media services regulated under the Broadcasting Law, along with on-demand audiovisual media services. Radio broadcasting constitutes a separate category of media service regulated under the Broadcasting Law.

In addition to regulating audiovisual and radio services, the Broadcasting Law now also regulates video-sharing platform service providers. Video-sharing platform services refer to services whose principal purpose or essential functionality is to make available user-generated videos or programs to the general public via electronic communications networks, without the editorial responsibility of the service provider. Providers of such services are now subject to authorization (registration) and are required to implement appropriate measures to protect users from harmful content (such as incitement to violence, hate speech, terrorism, or content harmful to minors) and specific other obligations are requirements.

Apart from the Broadcasting Law, certain legal aspects related to the media service sector are regulated by, inter alia, the Telecom Law, law of Georgia on Copyrights and Neighboring Rights, the Code on the Rights of the Child, the Election Code of Georgia and the normative acts adopted by ComCom, such as, for example, the Broadcasters' Code of Conduct, the Code of Conduct for Video-Sharing Platform Providers, the Code of Conduct for On-Demand Audiovisual Media Service Providers, the Rules on Accessibility of Audiovisual Content for Persons with Disabilities, and Guidelines on Indicating a Sponsor.

Regulatory Authority

Activities in the media service (which includes broadcasting and

on-demand audiovisual service activities) and video-sharing platform service sectors are regulated by ComCom, whose main obligations are:

- authorization of activities in the field of broadcasting (media services and vide-sharing platform providers) and control over the fulfillment of authorization terms;
- determination of license conditions, issuance and modification of licenses, suspension and revocation of licenses, supervision and control over the fulfillment of license conditions and imposition of sanctions for breach of license conditions;
- determination and allocation of radio frequencies;
- allotment of radio frequencies;
- determination of the amounts and the rule of payment of license charges and regulation fees;
- supervision and control over compliance with the media service and video-sharing platform laws and regulation, including with the Broadcasting Law, the Code on Product Safety and Free Movement, the laws on Copyrights and Neighboring Rights, the Code on the Rights of the Child, and on Advertising, as well as with other relevant requirements;
- control over the compliance with the protective measures concerning dissemination of information hazardous to the child in accordance with the Code on the Rights of the Child;
- imposition on relevant persons of liability/sanctions prescribed under laws in case of violation of the legislation; and
- within its competence, review and resolution of disputes arising between media service and/or video-sharing platform providers, as well as disputes arising between such service providers and customers.

In order to implement the above functions, ComCom issues normative and individual legal acts, monitors and controls compliance with those acts and, in case a breach is detected, it is authorized to impose sanctions on the relevant persons.

The Bases of Pursuing Activities in the Broadcasting and Other Media Service Sectors

Pursuant to the Broadcasting Law, broadcasters are: the Public Broadcaster, the Adjara TV and Radio of the Public Broadcaster, and license holders and/or authorized persons carrying out TV or radio broadcasting.

Pursuant to the Broadcasting Law a special legal status is granted to the Public Broadcaster and to the Adjara TV and Radio of the Public Broadcaster. They are legal entities of public law established based on state property in accordance with the laws of Georgia, and their legal status, activity principles, management bodies and structure, as well as specific requirements applicable to them, are provided in special provisions of the Broadcasting Law.

There are two types of broadcasting – television broadcasting and radio broadcasting. Radio and TV broadcasters fall into one of the three categories – community broadcasting, private broadcasting and university broadcasting (starting from November 2025, fourth general category - cultural-creative radio broadcasting, will be added to Radio broadcasting categories). Depending on geographical areas, broadcasting may be national or local.

Broadcasting which is not oriented towards generating a profit and which ensures involvement in broadcasting of the part of society that it serves is deemed to be community broadcasting. Private broadcasting is divided into two categories: general broadcasting (broadcasting of programs involving at least two topics, including news and socio-political topics) and specialized broadcasting (broadcasting of programs basically on one topic, except for news and socio-political topics). University broadcasting is a not-for-profit, specialized educational and/or scientific broadcasting carried out by a higher educational institution in accordance with the Broadcasting Law.

Television and radio broadcasting (other than radio broadcasting using frequency spectrum) is carried out on the basis of authorization. A license is issued only for radio broadcasting if it is carried out by means of broadcast transmitters using the radio frequency spectrum. Broadcasting using any other technology is subject to authorization. Providers of on-demand audiovisual services and video-sharing platform operators are also subject to authorization by ComCom.

Authorization

Authorization in the media service sector is performed by ComCom.

In order to obtain authorization, a person willing to carry out media services defined in the Broadcasting Law, such as TV or radio broadcasting (other than radio broadcasting using frequency spectrum) or on-demand audiovisual services, shall apply to ComCom with a special application form adopted by ComCom, and enclose it with necessary documentation as defined in the law. If the submitted application and enclosed documents are complete, ComCom will register the relevant person in the departmental registry of authorized persons within ten working days from the receipt of the application. A person may commence the respective media services from the day of registration in the departmental registry of authorized persons.

A person authorized in the broadcasting sector shall be a Georgian citizen or Georgian resident individual or legal entity. The law envisages other requirements as well in relation to persons authorized for media services. For example, an authorized person cannot be an administrative body (other than a higher educational institution, and from November 2025, a cultural organization), a political party or an official of a political party, a public official or a legal entity affiliated with an administrative body, or an offshore company or a legal entity in which ownership interest/shares are directly or indirectly owned by an offshore company, or an entity whose beneficial owner is a political party of another state or an official of a political party of another state.

The term of authorization for provision of respective media services is unlimited. ComCom may suspend authorization for a specific period based on an application of an authorized person or, in cases envisaged under the law, on its own initiative (for example when an authorized person violates the requirements of the laws of Georgia and a written warning and fine has already been used against this person as a sanction for such violation).

If an authorized person terminates media services for which it obtained authorization or intends to modify the authorized activities, including the type of media services, it must notify ComCom thereof seven working days prior to such modification/termination and ComCom shall enter the relevant information/data into the departmental registry of authorized persons.

An authorized person must adhere to the applicable laws in the media service sector (including the resolutions and decisions of ComCom), adhere to each authorization condition provided for in the authorization application, notify customers in advance regarding possible changes to the terms and conditions of the service, and perform all other obligations imposed by the laws of Georgia.

Other Regulatory Principles in the Media Service Sector

Many important aspects of the broadcasters' activities are governed by the broadcasting legislation. For example, in addition to other obligations, the Broadcasting Law and the Election Code impose specific obligations on broadcasters during pre-election periods. Special restrictions and requirements apply with respect to the contents of a broadcasting program, advertising and teleshopping, and to the placement thereof, as well as to funding and sponsoring of broadcasters.

Broadcasters must also adhere to the Broadcasters' Code of Conduct adopted by ComCom, which defines in detail the principles, rules and guidelines for preparing and broadcasting programs. All broadcasters are required to establish an effective internal regulatory mechanism in accordance with the Broadcasters' Code of Conduct in order to ensure timely consideration of and response to incoming complaints. In addition, following the 2022 regulatory reform, ComCom has adopted distinct codes of conduct applicable to other categories of media services providers. Specifically, in 2024 ComCom adopted the Code of Conduct for On-Demand Audiovisual Media Service Providers and the Code of Conduct for Video-Sharing Platform Providers.

In April 2025, the Broadcasting Law was amended to introduce new restrictions on the funding of broadcasters by foreign sources. Under these amendments, broadcasters are prohibited from receiving direct or indirect financing (in the form of monetary payments or other material benefits) from a “foreign power”, with narrow exceptions. Specifically, exceptions are limited to commercial advertising, teleshopping, sponsorship, and product placement. The restriction also applies to procurement of services from a broadcaster by a foreign power, as well as the direct or indirect financing or co-financing of program production or transmission. For the purpose of the restriction, a “foreign power” is broadly defined to include: any public authority of a foreign state; any natural person who is not a citizen of Georgia; any legal entity incorporated outside Georgia; and any other organizational formation (including a fund, association, corporation, union, or similar entity) or group of persons established under foreign or international law. To monitor compliance with these and other statutory restrictions, ComCom has been authorized to request financial information (including information protected under confidentiality under banking law) from a broadcaster. If the broadcaster denies access, ComCom may apply to the court to obtain the relevant financial statements from the appropriate financial institution. Due to the broad wording of these restrictions, there remains some uncertainty regarding their practical application to the Group’s broadcasting activities, which include several thematic television channels (sports, entertainment, and educational programming), as well as an international news channel licensed from Euronews. The Group is currently engaged in discussions with ComCom to clarify the scope and application of the new rules, and ComCom has indicated its willingness to work constructively with market participants in navigating the amended framework.

Furthermore, the law sets forth certain restrictions with respect to concentration of broadcasting ownership. In particular, pursuant to the Broadcasting Law, a person may possess, independently or together with an affiliated person, not more than one general over-the-air television channel and one general over-the-air radio channel per service area. In addition, in order to ensure transparency of broadcasting ownership, broadcasters are required to submit to ComCom and make available to the public the information and documents prescribed by the law, including the compliance declaration filled in accordance with the form established by ComCom, and information regarding holding an ownership interest or shares in other media outlets as defined by the law.

Audiovisual media service providers (including broadcasters and on-demand audiovisual service providers) also have the obligation to submit to ComCom an updated compliance declaration in case of change of its shareholders, members of its management body or officials, within ten days after implementation of the relevant changes, and must publish this information on its website. Furthermore, they are required submit to ComCom, on an annual basis, financial information and reports as provided for by the law, including information on the fulfillment of the requirements of the laws of Georgia, its license and/or authorization terms and the Broadcasters' Code of Conduct, and on the sources of its financing.

One of the general obligations imposed upon broadcasters and providers of on-demand audiovisual and video-sharing platform services is the obligation to pay the regulation fee. In accordance with the rules and procedures established under the Broadcasting Law, broadcasters and providers of on-demand audiovisual and video-sharing platform services are obliged to pay to ComCom the regulation fee, and submit to ComCom the information regarding calculation of the regulation fee. The regulation fee amount is 0.5 per cent. of the total value (exclusive of VAT) of delivery of such goods (services) and/or works that are subject to regulation. The regulation fee shall be calculated based on the total amount accrued from the broadcaster's revenue during a calendar year, taking into account the revenues that have actually been received on a monthly basis since the beginning of the year.

Sanctions

Pursuit of activities in the broadcasting sector without a license/authorization, and use of radio frequency spectrum without it having been legally granted

Pursuit of activities in the broadcasting sector without a license and/or authorization, or use of radio frequency spectrum without grant of a right to do so is punishable with a fine in the amount of GEL 5,000. If the breach is repeated the amount of the fine will be doubled, and in each subsequent case the amount of the fine will be GEL 50,000. If the similar offence is committed in the occupied territories of Georgia, the amount of the fine increases up to GEL 500,000, and a repeated offence will result in criminal liability.

Breach of laws and non-fulfillment of license/authorization terms

ComCom decides on issues regarding breach of the Law on Broadcasting and on non-fulfillment of ComCom's decisions/regulations, as well as breach or non-fulfillment of license/authorization terms. If a fact of violation is confirmed, ComCom gives the relevant broadcaster or other media service provider a written warning and sets a reasonable time for the relevant broadcaster or other media service provider to carry out relevant measures for elimination or prevention of the violation.

- If a broadcaster or other media service provider fails to eliminate the violation referred to in the written warning or if it fails to fulfill the decision of ComCom within the period specified in the warning, also if it commits violations anew within one year after receiving such a warning, ComCom may impose a fine on the broadcaster/service provider in an amount not exceeding 0.5 per cent. of the broadcaster's/service provider's annual income, but not less than GEL 2,500.

- If, after having been fined, a broadcaster or other media service provider fails to eliminate a continuous breach, and/or, within a year after having been fined, commits a new single breach, ComCom is authorized to impose on the relevant broadcaster/service provider a fine in an amount not exceeding 1 per cent. of the broadcaster's/service provider's annual income, but not less than GEL 5,000, or to commence public administrative proceedings for suspension of the license/authorization.

- If, after having been fined for a second time, a broadcaster or other media service provider fails to eliminate a continuous breach within the period specified in the law and/or commits a new single breach, ComCom is authorized to impose on the broadcaster/service provider a fine in an amount not exceeding 3 per cent. of its annual income, but not less than GEL 10,000, or to commence public administrative proceedings for suspension of the license/authorization.

ComCom may, on its own initiative, suspend the media service provider's authorization, if an authorized person:

- for more than one year, does not carry out an authorized activity; fails to submit to ComCom calculation of regulation fee or submits zero sum calculation; and fails to pay the regulation fee; and/or

- violates the requirements of the laws of Georgia, and a written warning and a fine have already been used against the person as a sanction for such violation.

In case of suspension of authorization, the authorized person is prohibited from carrying out authorized activities until the authorization is renewed.

In case of a violation by a broadcaster of the requirements relating to protection of minors from harmful influence, ComCom is obliged to impose a penalty and, where applicable, the obligation to rectify such violation. If the broadcaster commits the same violation within a year, ComCom will suspend the license.

Regulation of Hotels and Hospitality Sector

In Georgia, the hospitality sector operates within a relatively unregulated framework. There is no specific regulation governing the provision of hospitality services, and the sector does not have a single regulatory authority. However, general regulations related to physical security and fire safety, mandatory civil liability insurance, supply of food and beverages, as well as employment and personal data protection apply, and non-compliance with the applicable regulations may result in administrative liability and, under certain circumstances, criminal liability.

Food safety requirements

If a hotel has a restaurant and/or provides food and beverage services to its guests, it must adhere to food safety regulations. The Food/Feed Safety, Veterinary and Plant Protection Code of Georgia obliges such business operators to register their respective business activity in the Registry of Economic Activities. Business operators must, within the scope of their activities, ensure compliance with the requirements of the said code and the relevant legislation at all stages of food production, processing and distribution. This includes adherence to food hygiene regulations related to buildings where such food is produced, processed and/or stored, as well as the equipment used, in order to prevent contamination and any resulting hazard to human health, as established by the Government Ordinance No. 173, dated 25 June 2010, on the Approval of the Technical Regulations: General Food Hygiene Rules and Simplified Food Hygiene Rules.

Moreover, food (which includes beverages) provided to guests must satisfy the food safety requirements established by the legislation of Georgia. Food must not be harmful, i.e. it must not pose a threat to human life and/or health or be unsuitable for human consumption. The code sets out specific criteria for determining the safety of food and/or its suitability for consumption. If business operators have reasonable doubt that the food produced or distributed by them does not meet certain food safety requirements, they must not supply such food to their guests and if already supplied, they must withdraw it immediately.

State control over the compliance of food at all stages of production, processing and distribution with food safety regulations is exercised by the National Food Safety Agency of Georgia.

Personal data protection requirements

Since day-to-day operations of hotels include processing of personal data (including employees and guests), they are also subject to personal data protection regulations. The Law of Georgia on Personal Data Protection prohibits processing of personal data (i.e. any information relating to an identified or identifiable individuals, including name, identification number, location, and physical appearance) without a specific legal basis. Pursuant to this law, any operation performed on personal data, including collecting, obtaining, photographing, grouping, interconnecting, storing, altering, using, disclosing by transferring, publishing, disseminating or otherwise making available is considered data processing. Furthermore, hotels, as data controllers, must adhere to the principles of data processing laid down by the law. In particular, personal data must be:

- processed lawfully, fairly and in a transparent manner without violating human dignity;
- collected/obtained only for pre-determined specific, explicit and legitimate purposes and to the extent that is necessary to achieve such purposes;
- proportionate to the purpose for which they are processed (principle of data minimization);
- stored only for a period which is necessary for achieving such legitimate purposes. Once the purpose for which such data was processed has been achieved, the data must generally be erased, destroyed or stored in depersonalized form;
- protected from unauthorized or unlawful processing, accidental loss and/or damage, destruction, deletion, alteration, disclosure or use.

In addition, data controllers who process large volumes of data, unless they qualify for an exemption, are required to appoint or designate a Personal Data Protection Officer who monitors compliance with the Law on Personal Data Protection and internal policies, advise management and staff and provide training related to personal data protection, handle data subject rights, and represent the business operator before the Personal Data Protection Service of Georgia, which is the supervisory authority responsible for monitoring the lawfulness of data processing in Georgia.

Regulation of Casinos and Gaming Sector

Gaming in Georgia is heavily regulated. The main framework is provided by the Law of Georgia on Organizing Lotteries, Gambling and Gaming Activities (the "**Gaming Law**"), which stipulates that holding any type of winning or gambling games, including operating a casino or a salon of slot machines throughout the territory of Georgia (including in a systemic-electronic form), requires a permit. There is no general permit for all types of games; rather, the Gaming Law establishes separate permits for organizing specific types of games. The permit is issued by the Revenue Service of Georgia (the

"Revenue Service"), which also serves as a regulatory body. The permit holder may be inspected at any time during a calendar year without quantitative restriction.

The selected person, Random Systems International ("**RSI**"), based on an agreement with the Revenue Service, controls the fulfillment of permit conditions and legislation of Georgia by the permit holders using an electronic gambling business control system. RSI conducts a primary inspection of the gambling system and issues a relevant authorization certificate. It also installs the device and/or equipment necessary for the operation of the electronic control system. In addition, RSI issues certificates of authorization certifying compliance of substantial products/services with the standards/requirements introduced by the Minister of Finance of Georgia. The types, amounts, periodicity and procedure for payment of RSI's fee is determined by the Government and is paid by the permit holders.

The issuance or holding of a permit is prohibited for persons whose representative, executive, founder/partner or beneficial owner have been convicted of an intentional economic crime, including crimes in the field of financial activity, or an intentional serious or particularly serious crime, if the conviction has not been expunged or annulled.

A Georgian citizen under the age of 25, a foreign citizen or stateless person under the age of 18, or individuals listed in the lists of dependent persons or prohibited persons cannot participate in gambling. Advertising gambling activities through any form or medium (including electronic communication networks) is generally prohibited, except in specific circumstances, including placing advertisements on websites where electronic gambling activities are permitted, at locations where gambling activities are allowed, at airports, or border customs points open for international travel.

Permit holders are obliged to comply with and fulfill AML legislation of Georgia.

The land-based casino permits and the land-based salon of slot machines permits are issued for a term of five years and cannot be assigned or transferred to any person. Each casino unit/location requires a separate permit, which is issued only to entrepreneurs registered in Georgia. The casino must operate at least five casino tables, with one table allocated for a gaming wheel (e.g., roulette).

The annual fee for a casino permit in Tbilisi is GEL 5,000,000. The annual fee for a casino permit in Batumi is GEL 250,000. The annual fee for a permit to arrange a slot machine salon in Tbilisi and Batumi is GEL 1,000,000. A person holding the slot machine salon permit for Tbilisi is exempt from the permit fee for organizing up to three slot machine salons in any territory of Georgia. A document confirming the origin of the funds for the permit fee payment must be presented by the permit seeker during the application process.

In addition to the permit fee, casinos and salons of slot machines pay gaming business fees. These fees are payable on each casino table, ranging from GEL 20,000 to GEL 40,000 per quarter, and on each slot machine, ranging from GEL 2,000 to GEL 4,000 per quarter. The gaming business fee is a local fee, and the exact amount is determined by the local self-governing body of each city. For Tbilisi and Batumi, the gaming business fee is GEL 40,000 for each casino table and GEL 4,000 for each slot machine per quarter.

Land-based casinos and salons of slot machines also pay profit tax on distributed profit. The profit tax rate for casinos is 15% and for salons of slot machines – 20%.

Regulation of the Real Estate and Development Business Sector

Development projects in Georgia are primarily subject to environmental, zoning and construction regulations.

Environmental Regulations

At the early stages of project development, prior to applying for a building permit, developers must obtain environmental authorizations where required by applicable regulations. Such environmental authorizations are typically required for large-scale infrastructure projects or developments located in environmentally sensitive areas. Mandatory environmental authorizations are established and regulated by the Law of Georgia on Environmental Protection and the Georgian Environmental Assessment Code.

Functional Zoning and Urban Development Regulations

Functional zoning (e.g., Residential Zone, Recreational Zone) and general land-use requirements in Georgia are established by municipalities through adoption of master plans for relevant areas. However, not all municipalities have adopted such

plans as at now. Construction within areas covered by master plans must comply with the functional zoning and land-use requirements set forth in those plans.

Construction Regulations

Construction regulations for development projects cover the issuance of building permits, state supervision of construction activities, and commissioning of completed buildings by the relevant authorities. The primary regulations governing construction activities in Georgia are the Code of Georgia on Spatial Planning, Architectural and Construction Activities, and Government Decree No. 255 on the Rules and Conditions for Issuing Construction Permits and Accepting Buildings into Operation.

Buildings are divided into five risk-based categories for construction regulation purposes. The higher the building's class, the more requirements a developer must meet to get a construction permit, the more closely authorities supervise the construction, and the higher the penalties are if construction regulations are violated.

Building permit issuance, acceptance for operation and supervision of construction activities are carried out by local municipalities where the construction site is located. The exception is construction of objects of special importance classified as the highest risk building class, for which the above responsibilities are handled by the Technical and Construction Supervision Agency under the Ministry of Economy and Sustainable Development of Georgia.

Issuance of Building Permit

Construction permits may be issued in two or three stages. In all cases, core phases of construction permit issuance involve: (i) establishing site-specific planning/zoning conditions, and (ii) approval of the architectural project by the permitting authority, followed by permit issuance.

Establishing site-specific planning/zoning conditions

Obtaining established site-specific planning/zoning conditions is the formal first step of obtaining a construction permit from the permit-issuing authority. This document specifies the principal requirements for the development of the land plot and/or the building, including the main development parameters, conditions for the placement of buildings on the land plot, including building density, footprint parameters, allowed maximum height, allowed number of floors, etc. The document may also include other specific requirements, for example, if the construction site is located in a historic part of the city, part of a recreational area or is adjacent to a major transport artery.

Approval of architectural project and issuance of building permit

Depending on the size, type and class of the relevant buildings, the permitting authority issues building permits upon review and acceptance of a number of required documents such as architectural drawings, geotechnical and engineering surveys, structural design documentation, landscaping plan, and, where required, certified expert reports.

Commissioning of completed building(s)

Upon completion of construction, the relevant municipality body confirms compliance of constructed building(s) with the permit conditions. Penalties apply if commissioning is not done within the established timeframes following the expiration of the building permit.

Supervision of construction activities

Municipalities or their respective bodies supervise construction activities to ensure compliance with permit conditions and applicable construction and safety regulations. As part of their supervisory duties, these authorities conduct selective inspections of construction sites. If violations of permit requirements or construction regulations are identified during an inspection, the authorities have the right to impose penalties. The severity of the penalties depends on the nature of the violation and the building's classification.

Loan/credit related regulations

Several years ago, Georgia introduced restrictions on lending in foreign currencies, aiming to reduce exchange rate risks and promote the use of the national currency, the Lari. Specifically, other than in case of loans issued by banks and other financial institutions, loans of up to GEL 200,000 may only be issued in Lari. Similarly, in installment purchase agreements,

if the buyer's total liabilities to the same seller do not exceed GEL 200,000, the purchase price must not be tied or indexed to a foreign currency.

Banks and financial institutions supervised by the NBG are subject to separate limits on foreign currency lending, which are periodically revised by the NBG. As at 7 July 2025, loans of up to GEL 500,000.00[1] issued by banks or other financial institutions must not be issued in or indexed to a foreign currency. In addition, financial institutions must comply with limits established by the NBG on maximum loan payments relative to a borrower's disposable income (payment-to-income (the "**PTI**") ratio) and on maximum loan amounts relative to the market value of the real estate used as collateral (loan-to-value (the "**LTV**") ratio). The NBG may adjust these requirements based on economic conditions and the currency of the loan.

Under current rules, the PTI ratios are as follows:

Income (or its equivalent in any other currency)	**PTI Upper Limit for Foreign Currency Loans (except where income is in the same currency)**	**PTI Upper Limit for Domestic Currency Loans (and foreign currency loans where income is in the same currency)**
Less than GEL 1,500	20%	25%
GEL 1,500 or more	30%	50%

The maximum LTV ratio for collateral is 90% for loans issued in Lari and 70% for loans issued in foreign currency.

[1] This limitation is subject to certain exceptions, such as when total liabilities exceed GEL 500,000, the loan is fully secured, the borrower's income matches the loan currency, the borrower is a foreign person, or the loan is restructured without increasing obligations.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes which, subject to amendment and completion and except for the text in italics, will be endorsed on each Definitive Certificate (if issued) and incorporated by reference into the Global Certificates:

The U.S.$400,000,000 7.500 per cent. Guaranteed Notes due 2030 (the "**Notes**", which expression includes any further notes issued pursuant to Condition 15 (*Further Issues*) and forming a single series therewith) of Silk Road Group Holding LLC (the "**Issuer**") (a) are constituted by and subject to, and have the benefit of, a trust deed dated 15 September 2025 (as amended or supplemented from time to time, the "**Trust Deed**") initially between the Issuer, the Initial Guarantors (as defined below), GLAS Trustees Limited as trustee (the "**Trustee**", which expression includes all persons for the time being appointed as trustee for the holders of the Notes under the Trust Deed) and (b) are the subject of an agency agreement dated 15 September 2025 (as amended or supplemented from time to time, the "**Agency Agreement**") initially between, *inter alios*, the Issuer, the Initial Guarantors, the Trustee and GLAS Trust Company LLC, as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes) and registrar (the "**Registrar**", which expression shall include any successor registrar appointed from time to time in connection with the Notes), the other paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes), and the transfer agents named therein (the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). The Principal Paying Agent, the Paying Agents, the Transfer Agents and the Registrar are together referred to herein as the "**Agents**" and any reference to an "**Agent**" is to any one of them.

On the Issue Date, the Notes will be guaranteed (the "**Guarantees**" and each a "**Guarantee**") by Silk Real Estate LLC ("**Silk Real Estate**"), Georgian Hotel Management LLC ("**Georgian Hotel Management**"), Medea Operating Company LLC ("**Medea**"), Limoni 2009 LLC ("**Limoni**"), Silk Road Business Centre LLC ("**Silk Road Business Centre**") and Tsinandali Estates LLC ("**Tsinandali**" and, together with Silk Real Estate, Georgian Hotel Management, Medea, Limoni and Silk Road Business Centre, the "**Initial Guarantors**" and each an "**Initial Guarantor**").

No later than 60 days after the Issue Date, the Notes will additionally be guaranteed by Joint Stock Company Silknet ("**Silknet**" or the "**Subsequent Guarantor**" and, together with the Initial Guarantors and any other Restricted Subsidiary (as defined below) appointed and not released as a guarantor of the Notes subsequent to the Issue Date, the "**Guarantors**" and each a "**Guarantor**"), by way of the execution of an accession to the Trust Deed and to the Agency Agreement.

Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and are subject to their detailed provisions. The Noteholders (as defined below) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of the provisions of the Agency Agreement applicable to them. Copies of the Trust Deed and the Agency Agreement are available for inspection, upon reasonable request and at the applicant's expense, during normal business hours at the Specified Offices (as defined in the Agency Agreement) of the Principal Paying Agent, and the Principal Paying Agent may provide such documents to a Noteholder electronically, subject to such Noteholder being able to provide evidence satisfactory to the Issuer and the Principal Paying Agent as to its holding and identity.

As of the Issue Date, all of the Issuer's Subsidiaries are Restricted Subsidiaries. However, in the circumstances described in Condition 4(o) (*Designation of Restricted and Unrestricted Subsidiaries*), the Issuer will be permitted to designate certain of its Subsidiaries as Unrestricted Subsidiaries. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in these Conditions and will not guarantee the Notes. As of the Issue Date, the Issuer has no Unrestricted Subsidiaries.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes are being offered and sold outside the United States in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only to (i) qualified institutional buyers ("**QIBs**") (as defined in Rule 144A under the Securities Act ("**Rule 144A**")) in reliance on the exemption from registration under the Securities Act provided by Rule 144A (the "**Rule 144A Notes**") and (ii) in offshore transactions in reliance on Regulation S (the "**Regulation S Notes**").

Capitalised terms that are not defined in these Conditions have the meanings given to them in the Trust Deed.

1. FORM, DENOMINATION AND TITLE

(a) Form and Denomination

The Notes are issued in registered form, without interest coupons attached, and shall be serially numbered. Notes, whether sold (i) in offshore transactions in reliance on Regulation S, or (ii) to QIBs in reliance on Rule 144A, will be issued in minimum denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.

Definitive note certificates (the "**Definitive Certificates**" and, each, a "**Definitive Certificate**") will be issued to each Noteholder in respect of its registered holding.

(b) Title

Title to the Notes will pass by transfer and registration as described in Condition 2 (*TRANSFERS OF NOTES AND ISSUE OF DEFINITIVE CERTIFICATES*). The Noteholder (as defined below) of any Note will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any other interest in it, any writing thereon by any Person (as defined below) (other than a duly executed transfer thereof in the form endorsed thereon) or any notice of any previous theft or loss thereof, and no Person will be liable for so treating the Noteholder.

In these Conditions, "**Noteholder**" or "**holder**" means the Person in whose name a Note is for the time being registered in the register of Noteholders (or, in the case of a joint holding, the first named thereof) kept by the Registrar at its Specified Office in which will be entered the names and addresses of the Noteholders and the particulars of the Notes held by them and all transfers and redemptions of the Notes (the "**Register**").

2. TRANSFERS OF NOTES AND ISSUE OF DEFINITIVE CERTIFICATES

(a) Transfers

Subject to Conditions (d) (*Closed Periods*) and (e) (*Regulations*), a Note may be transferred by depositing a Definitive Certificate issued in respect of that Note, with the form of transfer on the back duly completed and signed, at the Specified Office of the Registrar or any of the Agents.

(b) Delivery of new Definitive Certificates

Each new Definitive Certificate to be issued upon a transfer of Notes will, within five Business Days of receipt by the Registrar or the relevant Agent of the duly completed form of transfer endorsed on the relevant Definitive Certificate, be mailed by uninsured mail at the risk of the Noteholder entitled to the Note to the address specified in the form of transfer.

Issues of Definitive Certificates upon transfer of Notes are subject to compliance by the transferor and the transferee with the certification procedures described above and in the Agency Agreement.

Where some but not all of the Notes in respect of which a Definitive Certificate is issued are to be transferred, redeemed in accordance with Condition 7(c) (*Optional Redemption by the Issuer*) or repurchased in accordance with Condition 7(e) (*Redemption at the Option of the Noteholders upon a Change of Control*), a new Definitive Certificate in respect of the Notes not so transferred, redeemed or repurchased will, within five Business Days of receipt by the Registrar or the relevant Agent of the original Definitive Certificate, be mailed by uninsured mail at the risk of the Noteholder of the Notes not so transferred to the address of such Noteholder appearing on the register of Noteholders or as specified in the form of transfer. Neither the part transferred, redeemed or repurchased nor the balance not transferred, redeemed or repurchased may be less than U.S.$200,000.

(c) Formalities Free of Charge

Registration of a transfer of Notes will be effected without charge by or on behalf of the Issuer or any Agent subject to (i) the Person making such application for transfer paying or procuring the payment of any taxes, duties and other governmental charges in connection therewith, (ii) the Registrar being satisfied with the documents of title and/or identity of the Person making the application and (iii) such reasonable regulations as the Issuer may from time to time agree with the Registrar.

(d) **Closed Periods**

Neither the Issuer nor the Registrar will be required to register the transfer of any Note (or part thereof) during the period of (i) 15 days immediately prior to the due date for any payment of principal or interest in respect of the Notes; (ii) during the period of 15 days immediately prior to (and including) any date which has been fixed for redemption of the Notes by the Issuer at its option pursuant to Condition (c) (*Optional Redemption by the Issuer*); or (iii) after all such Notes have been called for redemption.

(e) **Regulations**

All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfer and registration of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer to (i) reflect changes in legal requirements or (ii) in any other manner which is not prejudicial to the interests of Noteholders with the prior approval of the Registrar and the Trustee. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of the regulations.

3. GUARANTEE AND STATUS OF THE NOTES

(a) **Status of the Notes**

The Notes constitute direct, unconditional, unsubordinated and (subject to Condition 4(b) (*Limitation on Liens*)) unsecured obligations of the Issuer. The Notes will at all times rank *pari passu* among themselves and at least *pari passu* in right of payment with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(b) **Guarantees**

The payment of principal and interest in respect of the Notes and all other moneys payable by the Issuer under or pursuant to the Trust Deed and the Notes on the Issue Date, in the case of the Initial Guarantors has been, and within 60 days of the Issue Date, in the case of the Subsequent Guarantor, will be, unconditionally and irrevocably, jointly and severally with every other Guarantor (subject to the provisions of Condition 4(p) (*Additional Guarantees*)), guaranteed by the Initial Guarantors and the Subsequent Guarantor, as applicable, in the Trust Deed. The Issuer shall from time to time designate a further Material Subsidiary or further Material Subsidiaries as an additional Guarantor or Guarantors of the Notes in accordance with Condition 4(p) (*Additional Guarantees*). In addition, the Issuer may from time to time designate a further Restricted Subsidiary or further Restricted Subsidiaries as an additional Guarantor or Guarantors of the Notes in accordance with Condition 4(p) (*Additional Guarantees*). The Guarantee of each Initial Guarantor constitutes, and the Guarantee of each Subsequent Guarantor and each additional Guarantor will constitute, direct, unconditional, unsubordinated and (subject to Condition 4(b) (*Limitation on Liens*)) unsecured obligations of such Guarantor. The payment obligations of each Guarantor under its Guarantee shall at all times rank *pari passu*, without any preference amongst themselves and (subject as provided in Condition 4(b) (*Limitation on Liens*)) at least equally in right of payment with all outstanding unsecured and unsubordinated obligations of such Guarantor, present and future, save for such exceptions as may be provided by mandatory provisions of legislation in the jurisdiction of the relevant Guarantor which are applicable to it.

(c) **Release of Guarantees**

The Guarantee of a Guarantor will be released:

(i) in connection with any sale or other disposition of all or substantially all of the assets of that Guarantor (including by way of merger, amalgamation or consolidation) to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary of the Issuer, if the sale or other disposition does not violate the provisions of Condition 4(f) (*Asset Sales*);

(ii) in connection with any sale or other disposition of Capital Stock of that Guarantor (whether by direct sale or through a holding company) to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary of the Issuer, if the sale or other disposition does not violate the provisions of Condition (f) (*Asset Sales*);

(iii) if such Guarantor is a Restricted Subsidiary and the Issuer designates such Guarantor (or any parent entity thereof) as an Unrestricted Subsidiary;

(iv) with respect to any Guarantee granted in accordance with Condition 4(p) (*Additional Guarantees*), at the option of the Issuer, if at the date of such release either (i) there is no Indebtedness of such Guarantor outstanding which was incurred after the Issue Date and which could not have been incurred in compliance with the Trust Deed if such Guarantor had not been designated as a Guarantor or (ii) there is no Indebtedness of such Guarantor outstanding which was incurred after the Issue Date and which could not have been incurred in compliance with the Trust Deed as at the date of such release if such Guarantor were not designated as a Guarantor as at that date;

(v) upon the non-distressed liquidation or dissolution of such Guarantor, provided that no Default or Event of Default has occurred or is continuing;

(vi) upon modification or waiver of the Conditions to release such Guarantee in accordance with Condition 12 (*Meetings of Noteholders; Modification and Waivers*); or

(vii) pursuant to, or as contemplated by, Condition 4(g) (*Merger, Consolidation or Sale of Assets*).

4. COVENANTS

(a) Incurrence of Indebtedness and Issuance of Preferred Stock

(i) The Issuer shall not, nor shall it permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "**incur**") any Indebtedness (including Acquired Debt), and the Issuer will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of preferred stock; *provided, however*, that the Issuer may incur Indebtedness (including Acquired Debt) or issue Disqualified Stock, and the Issuer's Restricted Subsidiaries may incur Indebtedness (including Acquired Debt) or issue preferred stock, if (x) the Consolidated Net Leverage Ratio for the Issuer and its Restricted Subsidiaries does not exceed 3.0 to 1.0; and (y) the Consolidated Fixed Charge Coverage Ratio for the Issuer and its Restricted Subsidiaries is at least 2.5 to 1.0, in each case, calculated for the Issuer's most recently ended four consecutive fiscal quarterly periods for which published, reviewed or audited consolidated financial statements prepared in accordance with IFRS are publicly available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or such preferred stock is issued, as the case may be, determined on a *pro forma* basis, as if the additional Indebtedness had been incurred or the Disqualified Stock or the preferred stock had been issued, as the case may be, at the beginning of such four consecutive fiscal quarterly periods.

(ii) The foregoing paragraph (i) of this Condition 4(a) (*Incurrence of Indebtedness and Issuance of Preferred Stock*) will not prohibit the incurrence of any of the following items of Indebtedness (collectively, "**Permitted Indebtedness**"):

(A) the incurrence by the Issuer or any Guarantor of Indebtedness under a Credit Facility solely for the purpose prescribed in Condition 4(d) (*Liquidity Cushion and Credit Facility*) in an aggregate principal amount at any one time outstanding under this paragraph (A) not to exceed the amount required to enable the Issuer to satisfy its obligations under Condition 4(d) from time to time *plus*, in the case of any refinancing of any Indebtedness permitted under this paragraph (A) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing;

(B) the incurrence by a Project Subsidiary of Non-Recourse Project Finance Indebtedness in an aggregate principal amount at any one time outstanding under this paragraph (B) not to exceed 20 per cent. of the Issuer's Consolidated Total Assets *plus*, in the case of any refinancing of any Indebtedness permitted under this paragraph (B) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing;

(C) the incurrence by the Issuer and its Restricted Subsidiaries of Existing Indebtedness;

(D) the incurrence by the Issuer of Indebtedness represented by the Notes and the incurrence by any of its Restricted Subsidiaries of Indebtedness represented by any guarantee issued in connection with the Notes pursuant to these Conditions;

(E) the incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness represented by mortgage financings, revolving financings or purchase money obligations or any other financings (including, without limitation reimbursement obligations under letters of credit and guarantees) for capital expenditures or purchases of equipment, in each case, incurred for the purpose of financing all or any part of the purchase price or cost of design, construction, installation or improvement of property, plant or equipment used in the business of the Issuer or any of its Restricted Subsidiaries, in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this paragraph (E), not to exceed the greater of U.S.$50 million (or the U.S. Dollar Equivalent in any other currency or currencies) and 7.0 per cent. of the Issuer's Consolidated Total Assets;

(F) the incurrence by the Issuer or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge, any Indebtedness (other than intercompany Indebtedness) that was permitted to be incurred under Condition (i) above or pursuant to Condition 4(a)(ii)(C), (D), (K), (L) and this paragraph (F);

(G) the incurrence by the Issuer or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Issuer and any of its Restricted Subsidiaries, *provided, however, that* (I) if the Issuer is the obligor on such Indebtedness and the payee is not the Issuer, such Indebtedness must be unsecured and expressly subordinated to the prior payment in full in cash of all Obligations then due with respect to the Notes (except in those jurisdictions or territories where such subordination is contrary to law, rule or regulation and except in respect of intercompany current liabilities incurred in connection with credit management, cash management, cash pooling, netting, setting off or similar arrangements), in the case of the Issuer; and (II) (a) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Issuer or a Restricted Subsidiary of the Issuer and (b) any sale or other transfer of any such Indebtedness to a Person that is not the Issuer or a Restricted Subsidiary of the Issuer will be deemed, in each case, to constitute an incurrence of such Indebtedness by the Issuer or such Restricted Subsidiary, as the case may be, that was not permitted by this paragraph (G);

(H) the issuance by any of the Issuer's Restricted Subsidiaries to the Issuer or to any of the Issuer's Restricted Subsidiaries of shares of preferred stock; *provided, however, that* (a) any subsequent issuance or transfer of Equity Interests that results in any such preferred stock being held by a Person other than the Issuer or a Restricted Subsidiary of the Issuer; and (b) any sale or other transfer of any such preferred stock to a Person that is not either the Issuer or a Restricted Subsidiary of the Issuer will be deemed, in each case, to constitute an issuance of such preferred stock by such Restricted Subsidiary that was not permitted by this paragraph (H);

(I) the incurrence by the Issuer or any of its Restricted Subsidiaries of Hedging Obligations and not for speculative purposes;

(J) the incurrence by the Issuer or any of its Restricted Subsidiaries of:

(I) Indebtedness arising from the honouring by a bank or other financial institution of a cheque, draft or similar instrument inadvertently drawn against insufficient funds, provided, however, that such Indebtedness is extinguished within ten Business Days of incurrence;

(II) Indebtedness owed on a short-term basis of no longer than 60 days to banks and other financial institutions Incurred in the ordinary course of business of the Issuer and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Issuer and its Restricted Subsidiaries; and

(III) Indebtedness Incurred by the Issuer or Restricted Subsidiary in connection with bankers' acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management purposes, in each case Incurred or undertaken in the ordinary course of business;

(K) (1) Indebtedness of any Person outstanding on the date on which such Person becomes a Restricted Subsidiary of the Issuer or is merged, consolidated, or amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Issuer or any Restricted Subsidiary of the Issuer (other than Indebtedness incurred to provide all or any portion of the funds used to consummate the transaction or series of related transactions pursuant to which such Person became a Subsidiary or was otherwise acquired by the Issuer or a Restricted Subsidiary of the Issuer) or (2) Indebtedness of the Issuer or a Restricted Subsidiary incurred in relation to any such acquisition, merger, consolidation, amalgamation or combination; *provided, however*, that, with respect to this paragraph (K), at the time of the acquisition or other transaction pursuant to which such Indebtedness was incurred or deemed to be incurred (i) the Issuer would have been able to incur at least U.S.$1.00 of additional Indebtedness pursuant to Condition (i) above after giving effect to the incurrence of such Indebtedness pursuant to this paragraph (K) calculated on a *pro forma* basis; or (ii) (x) the Consolidated Net Leverage Ratio is not greater than the Consolidated Net Leverage Ratio immediately prior to giving such pro forma effect thereto and (y) the Fixed Charge Coverage Ratio is not less than the Fixed Charge Coverage Ratio immediately prior to giving such pro forma effect thereto;

(L) the incurrence by the Issuer or any Restricted Subsidiary of Indebtedness (including any Permitted Refinancing Indebtedness in respect thereof) in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness incurred pursuant to this paragraph (L) and then outstanding, will not exceed 100 per cent. of the net cash proceeds received by the Issuer from the issuance or sale (other than to a Restricted Subsidiary) of its Capital Stock (other than Disqualified Stock) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock) of the Issuer, in each case, subsequent to the Issue Date; *provided, however, that* (i) any such net cash proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under sub-paragraph (i) and sub-paragraph (ii)(B) of Condition 4(c) (*Limitation on Restricted Payments*) to the extent the Issuer and its Restricted Subsidiaries incur Indebtedness in reliance on this paragraph (L) and (ii) any net cash proceeds that are so received or contributed shall be excluded for purposes of incurring Indebtedness pursuant to this paragraph (L) to the extent the Issuer or any of its Restricted Subsidiaries makes a Restricted Payment in reliance on sub-paragraph (i) or sub-paragraph (ii)(B) of Condition 4(c) (*Limitation on Restricted Payments*);

(M) the incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness arising under agreements providing for indemnification, adjustment of purchase price or similar obligations in connection with the acquisition or disposition of any assets or Equity Interests, other than any credit support given by the Issuer or any of its Restricted Subsidiaries with respect to Indebtedness incurred by any Person (other than the Issuer or any of its Restricted Subsidiaries) which is acquiring or disposing of all or any portion of such assets for the purpose of financing such acquisition; *provided that* the maximum aggregate liability in respect of all such Indebtedness permitted pursuant to this paragraph (M) will at no time exceed the gross proceeds, including the Fair Market Value of non-cash proceeds (the Fair Market Value of such non-cash proceeds being measured at the time received and without giving effect to any subsequent changes in value) actually received from such disposition;

(N) [*Reserved*]

(O) Indebtedness of the Issuer or a Restricted Subsidiary under local lines of credit, local bilateral facilities, local working capital or overdraft facilities or other local operating facilities in an aggregate principal amount at any time outstanding together with any other such Indebtedness incurred under this paragraph (O) and then outstanding, including all Permitted Refinancing Indebtedness incurred to renew, refund, replace, refinance, defease or discharge any Indebtedness incurred pursuant to this paragraph (O) not to exceed the greater of U.S.$20 million (or the U.S. Dollar Equivalent in any other currency or currencies) and 2.8 per cent. of the Issuer's Consolidated Total Assets;

(P) any guarantee by the Issuer or a Restricted Subsidiary of Indebtedness of the Issuer or of a Restricted Subsidiary, which Indebtedness in each case is permitted to be incurred by another provision of this Condition 4(a) (*Incurrence of Indebtedness and Issuance of Preferred Stock*);

(Q) the incurrence by the Issuer or any Restricted Subsidiary of the Issuer of Indebtedness (other than and in addition to Indebtedness permitted under paragraphs (A) through (P) above or (R) and (S) below) in an aggregate principal amount at any time outstanding, including all Permitted Refinancing Indebtedness incurred to renew, refund, replace, refinance, defease or discharge any Indebtedness incurred pursuant to this paragraph (Q), not to exceed the greater of U.S.$50 million (or the U.S. Dollar Equivalent in any other currency or currencies) and 7.0 per cent. of the Issuer's Consolidated Total Assets at any time outstanding;

(R) Indebtedness in respect of (1) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, VAT or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Issuer or a Restricted Subsidiary or relating to liabilities, obligations, indemnities or guarantees incurred in the ordinary course of business or for governmental or regulatory requirements, (2) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations incurred in the ordinary course of business, provided, however, that upon the drawing of such letters of credit or other instrument, such obligations are reimbursed within 60 days following such drawing, (3) the financing of insurance premiums (4) any credit management, cash management, cash pooling, netting, setting off or similar arrangements in the ordinary course of business of the Issuer and the Restricted Subsidiaries; and

(S) Indebtedness of the Issuer or a Restricted Subsidiary owed to the Asian Development Bank, the World Bank, the European Bank for Reconstruction and Development, the European Investment Bank or any multilateral, governmental or European Union–controlled or U.S.–controlled financial institution in an aggregate principal amount at any time outstanding together with any other such Indebtedness incurred under this paragraph (S) and then outstanding, including all Permitted Refinancing Indebtedness incurred to renew, refund, replace, refinance, defease or discharge any Indebtedness incurred pursuant to this paragraph (S) not to exceed the greater of U.S.$20 million (or the U.S. Dollar Equivalent in any other currency or currencies) and 2.8 per cent. of the Issuer's Consolidated Total Assets.

(iii) Notwithstanding any other provision of this Condition, the Issuer will not, and will not permit any of its Restricted Subsidiaries to, incur Priority Indebtedness, or permit any Indebtedness of the Issuer or any Restricted Subsidiary to become Priority Indebtedness, where the aggregate principal amount of Priority Indebtedness outstanding shall exceed 75.0 per cent. of the Issuer's Consolidated EBITDA (calculated in accordance with the adjustments to Consolidated EBITDA provided for in the definition of Consolidated Net Leverage Ratio) for the most recently ended four-quarter period for which published, reviewed or audited financial statements are available ending on or prior to the date of incurrence of such Indebtedness (or the date such Indebtedness becomes Priority Indebtedness, as the case may be) after giving pro forma effect to the incurrence and application of the proceeds from such Indebtedness; provided; in the case of paragraph (ii)(K)(1), Indebtedness of a non-Guarantor Restricted Subsidiary

(including an acquired entity) at the time of the acquisition will not constitute Priority Indebtedness (calculated on a pro forma basis) to the extent either (1) the acquired entity is added as a Guarantor in accordance with Condition 4(p) (*Additional Guarantees*) or (2) such Indebtedness is repaid or refinanced by the Issuer or a Guarantor, in each case within 90 Business Days after the closing of the acquisition.

(iv) The Issuer will not incur any Indebtedness (including Permitted Indebtedness) that is contractually subordinated in right of payment to any other Indebtedness of the Issuer unless such Indebtedness is also contractually subordinated in right of payment to the Notes on substantially identical terms; *provided, however*, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Issuer solely by virtue of being unsecured or by virtue of being secured with different collateral or by virtue of being secured on a junior priority basis or by virtue of the application of waterfall or other payment ordering provisions affecting different tranches of indebtedness.

(v) For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Indebtedness, the U.S. Dollar Equivalent of the principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term Indebtedness, or, at the option of the Issuer, first committed, in the case of Indebtedness incurred under a revolving credit facility; *provided that* (a) if such Indebtedness is incurred to refinance other Indebtedness denominated in a currency other than U.S. dollar and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the amount set forth in clause (a) of the definition of Permitted Refinancing Indebtedness; (b) the U.S. Dollar Equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (c) if any such Indebtedness that is denominated in a different currency is subject to a Currency Agreement (with respect to the U.S. dollar) covering principal amounts payable on such Indebtedness, the amount of such Indebtedness expressed in U.S. dollar will be adjusted to take into account the effect of such agreement. Notwithstanding any other provision of this covenant, the maximum amount that the Issuer or a Subsidiary of the Issuer may incur pursuant to this covenant shall not be deemed to be exceeded, with respect to outstanding Indebtedness, due solely as a result of fluctuations in the exchange rates of currencies.

(vi) For purposes of determining compliance with Condition 4(a) (*Incurrence of Indebtedness and Issuance of Preferred Stock*):

(A) in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Indebtedness described in Conditions 4(a)(ii)(A) through (S) above, or is entitled to be incurred pursuant to Condition 4(a)(i), the Issuer will be permitted to divide and/or classify such item of Indebtedness (or any portion thereof) in more than one of the types of Permitted Indebtedness on the date of its incurrence in any manner that complies with this covenant and may later divide and/or reclassify any item of Indebtedness (or any portion thereof) described in Condition 4(a)(i) as well as Conditions 4(a)(ii)(A) through (S) above (*provided that*, at the time of division and/or reclassification, it meets the criteria in such category or categories) (other than Indebtedness outstanding under any Credit Facilities on the Issue Date under Condition 4(a)(ii)(C) above, which may not be reclassified);

(B) guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(C) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are incurred pursuant to any Credit Facility and are being treated as incurred pursuant to Condition 4(a)(i), 4(a)(ii)(A) or (E) and the letters of credit, bankers' acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;

(D) the principal amount of any Disqualified Stock of the Issuer or a Restricted Subsidiary, or preferred stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(E) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this Condition 4(a) permitting such Indebtedness; and

(F) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined on the basis of IFRS.

(vii) Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortisation of original issue discount, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of preferred stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in IFRS will not be deemed to be an incurrence of Indebtedness for purposes of this Condition 4(a). Except as otherwise specified, the amount of any Indebtedness outstanding as of any date shall be (a) the accreted value thereof in the case of any Indebtedness issued with original issue discount and (b) the principal amount, or liquidation preference thereof, in the case of any other Indebtedness.

(b) **Limitation on Liens**

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or otherwise cause or suffer to exist or become effective any Lien, other than Permitted Liens, upon any of their property or assets, now owned or hereafter acquired, or on any income, revenue or profits therefrom securing Indebtedness unless, at the same time or prior thereto, all obligations due under the Trust Deed and the Notes are secured on an equal and ratable basis with the obligations so secured or as shall be otherwise approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders, in each case until such time as such other obligations are no longer secured by a Lien. A Lien shall be deemed to rank equally with another Lien notwithstanding (i) any different preference or hardening period applicable thereto, (ii) any other difference in priority so long as an "assignment of ranking" or other sharing arrangement has been entered into by or for the benefit of beneficiaries of each such Lien or (iii) any difference in validity or enforceability.

(c) **Limitation on Restricted Payments**

(i) The Issuer shall not, and shall not cause or permit any of its Restricted Subsidiaries to, directly or indirectly:

(A) declare or pay any dividend or make any other payment or distribution on account of the Issuer's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Issuer or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Issuer's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Issuer and other than dividends or distributions payable to the Issuer or a Restricted Subsidiary of the Issuer);

(B) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Issuer) any Equity Interests of the Issuer;

(C) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness of the Issuer or any of the Issuer's Restricted Subsidiaries that is contractually subordinated in right of payment to the Notes (excluding any intercompany Indebtedness between or among the Issuer and any of its Restricted Subsidiaries), except a payment of interest or principal at the Stated Maturity thereof; or

(D) make any Restricted Investment,

(all such payments and other actions set forth in these paragraphs (A) through (D) above being collectively referred to as "**Restricted Payments**"), unless, at the time of and after giving effect to such Restricted Payment:

(I) no Potential Event of Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;

(II) the Issuer would, at the time of such Restricted Payment and after giving *pro forma* effect thereto as if such Restricted Payment had been made at the beginning of the applicable four quarterly periods, have been permitted to incur at least U.S.$1.00 of additional Indebtedness pursuant to Condition 4(a)(i) (*Incurrence of Indebtedness and Issuance of Preferred Stock*); and

(III) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Issuer and its Restricted Subsidiaries since the Issue Date (excluding payments permitted by Condition 4(c)(ii)(A) (if already included at the time of declaration), (B), (C), (D), (E), (F), (G), and (J) below), is less than the sum, without duplication, of:

(1) 50 per cent. of the Consolidated Net Income of the Issuer for the period (taken as one accounting period) from the beginning of the first fiscal quarterly period commencing 1 January 2025 to the end of the Issuer's most recently ended fiscal period for which publicly available financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100 per cent. of such deficit); plus

(2) 100 per cent. of the aggregate net cash proceeds and the Fair Market Value of property or assets or marketable securities received by the Issuer since the Issue Date as a contribution to its common equity capital or from the issue or sale of Qualifying Equity Interests of the Issuer or from the issue or sale of convertible or exchangeable Disqualified Stock of the Issuer or convertible or exchangeable debt securities of the Issuer, in each case, that have been converted into or exchanged for Qualifying Equity Interests of the Issuer (other than Qualifying Equity Interests and convertible or exchangeable Disqualified Stock or debt securities sold to a Restricted Subsidiary) and 100 per cent. of any cash capital contribution received by the Issuer from its shareholder subsequent to the Issue Date; plus

(3) 100 per cent. of the aggregate net cash proceeds, and the Fair Market Value of property or assets or marketable, securities received by the Issuer or any Restricted Subsidiary by means of the disposition (other than to the Issuer or a Restricted Subsidiary) of any Unrestricted Subsidiary or repurchases, redemptions or other acquisitions or retirements of, or other returns on Investments from, any Restricted Investment or the disposition (other than to the Issuer or a Restricted Subsidiary) of any Restricted Investment or repayments of loans or advances or other transfers of assets (including by way of dividend, distribution, interest payments or returns of capital) to the Issuer or any Restricted Subsidiary; plus

(4) in the case of the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary or if all of the assets of such Unrestricted Subsidiary are transferred to the Issuer or a Restricted Subsidiary, or the Unrestricted Subsidiary is merged or consolidated into the Issuer or Restricted Subsidiary, 100 per cent. of such amount received in cash and the Fair Market Value of any property or marketable securities received by the Issuer or any Restricted Subsidiary in

respect of such redesignation, merger, consolidation or transfer of assets; plus

(5) 100 per cent. of any dividends or distributions received by the Issuer or a Restricted Subsidiary after the Issue Date from an Unrestricted Subsidiary.

(ii) The preceding provisions will not prohibit the following (collectively "**Permitted Payments**"):

(A) the payment of any dividend or the consummation of any irrevocable redemption within 60 days after the date of declaration of the dividend or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or redemption payment would have complied with the provisions of this Condition;

(B) the making of any Restricted Payment in exchange for, or out of or with the net cash proceeds of the substantially concurrent sale (other than to a Restricted Subsidiary of the Issuer) of, Equity Interests of the Issuer (other than Disqualified Stock), or from the substantially concurrent contribution to the common equity capital of the Issuer; *provided that* the amount of any such net cash proceeds that are utilised for any such Restricted Payment will be excluded from the calculation of amounts under sub-paragraph (III)(2) above;

(C) the payment of any dividend (or, in the case of any partnership or limited liability company, any similar distribution) by a Restricted Subsidiary of the Issuer to the holders of its Equity Interests (other than amounts paid to the Issuer or another Restricted Subsidiary) on no more than a *pro rata* basis;

(D) the repurchase, redemption or other acquisition or retirement for value of Indebtedness of the Issuer that is contractually subordinated to the Notes with the net cash proceeds from a substantially concurrent incurrence of Permitted Refinancing Indebtedness;

(E) the repurchase of Equity Interests deemed to occur upon the exercise of stock options to the extent such Equity Interests represent a portion of the exercise price of those stock options;

(F) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock of the Issuer or any preferred stock of any Restricted Subsidiary of the Issuer issued on or after the Issue Date in accordance with Condition (a) (*Incurrence of Indebtedness and Issuance of Preferred Stock*);

(G) payments of cash, dividends, distributions, advances or other Restricted Payments by the Issuer or any of its Restricted Subsidiaries to allow the payment of cash in lieu of the issuance of fractional shares upon (i) the exercise of options or warrants or (ii) the conversion or exchange of Capital Stock of any such Person;

(H) so long as no Potential Event of Default or Event of Default has occurred and is continuing, other Restricted Payments in an aggregate amount not to exceed U.S.$20 million since the Issue Date. (or the U.S. Dollar Equivalent in any other currency or currencies)

(I) the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of Capital Stock of the Issuer (including any options, warrants or other rights in respect thereof), or payments to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the Issuer (including any options, warrants or other rights in respect thereof), in each case from any future, present or former officer, director, employee or consultant of the Issuer or any Restricted Subsidiary, *provided* that such payments do not exceed an amount (net of repayments of any such loans or advances) equal to (a) U.S.$3 million per calendar year (with unused amounts being carried over to the next succeeding calendar year) *plus* (b) amounts not to exceed the net cash proceeds received during such calendar year by the Issuer from, or as a contribution to the equity (in each case under this clause (b), other than through the issuance of Disqualified Stock) of the Issuer from, the issuance or sale to such officer, director, employee or consultant of Capital Stock

(including any options, warrants or other rights in respect thereof) plus (c) the net cash proceeds of any key-man life insurance policies, to the extent such net cash proceeds will be excluded from the calculation of amounts under sub-paragraph (III)(2) above;

(J) dividends, loans, advances or distributions or other payments by the Issuer or any Restricted Subsidiary in amounts equal to (without duplication) amounts constituting or to be used for purposes of making payments to the extent specified in Conditions (C) and (E); and

(K) advances or loans to (a) any future, present or former officer, director, employee or consultant of the Issuer or a Restricted Subsidiary to pay for the purchase or other acquisition for value of Capital Stock of the Issuer (other than Disqualified Stock) or any Restricted Subsidiary, or any obligation under a forward sale agreement, deferred purchase agreement or deferred payment arrangement pursuant to any management equity plan or stock option plan or any other management or employee benefit or incentive plan or other agreement or arrangement or (b) any management equity plan or stock option plan or any other management or employee benefit or incentive plan or unit trust or the trustees of any such plan or trust to pay for the purchase or other acquisition for value of Capital Stock of the Issuer (other than Disqualified Stock) or any Restricted Subsidiary; *provided* that the total aggregate amount of Restricted Payments made under this clause (K) does not exceed U.S.$3 million in any calendar year (with unused amounts being carried forward to the next succeeding year).

(iii) The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Issuer or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment.

(d) **Liquidity Cushion and Credit Facility**

(i) From the Issue Date, the Issuer shall:

(A) maintain Liquidity in an amount sufficient (when combined with the outstanding committed or loaned amounts under a Credit Facility, if any, described in clause (B) below) to discharge the Group's obligations to pay any interest due on the Notes in the following twelve calendar months (such amount, the "**Debt Servicing Requirements**") (the "**Liquidity Cushion Condition**"); and/or

(B) enter into and maintain a Credit Facility (the "**Liquidity Facility**") in a committed amount (when combined with the amount of Liquidity, if any, maintained under clause (A) above) equal to Debt Servicing Requirements, which shall be used by the Issuer for purposes of discharging its obligations to pay interest due on the Notes on an Interest Payment Date.

(ii) Notwithstanding the foregoing, the Issuer may satisfy the Liquidity Cushion Condition by holding an amount equal to the Debt Servicing Requirements at a Guarantor under cash pooling or similar arrangements, provided that the Liquidity is fully and immediately available at the Issuer level for purposes of discharging its obligations to pay interest due on the Notes on an Interest Payment Date.

(iii) For purposes of this Condition:

(A) "**Approved Bank**" means a bank or trust company which is organized under, or authorized to operate as a bank or trust company under, the laws of a member state of the Pre-Expansion European Union (including the United Kingdom), the United States of America, any state thereof or Switzerland (provided that the long-term debt of such bank or trust company is rated "A1" or higher by Moody's or "A" or higher by S&P or the equivalent rating category of another internationally recognized rating agency) or the JSC Bank of Georgia (or any successor entity, however named, or any of its Subsidiaries or branches) or JSC TBC Bank (or any successor entity, however named, or any of its Subsidiaries or branches).

(B) "**International Cash Accounts**" means cash accounts denominated in U.S. Dollars, Pounds Sterling, Swiss Francs or Euros with Approved Banks.

(C) "**Liquidity**" means, without duplication, the sum, of (i) the balance of any amounts in the International Cash Accounts (as defined above), which if in a currency other than U.S. Dollars, shall be calculated using the equivalent amount in U.S. Dollars (provided that if any such amount is held in a currency other than U.S. Dollars, then the U.S. Dollar Equivalent shall be discounted by 10 per cent. for purposes of determining Liquidity) and (ii) the aggregate of all unutilised or undrawn amounts available for drawing under any existing and available Credit Facilities established pursuant to Condition 4(a)(ii)(A).

(e) **Transactions with Affiliates**

(i) The Issuer shall not, and shall ensure that none of its Restricted Subsidiaries, directly or indirectly, will, conduct any business, enter into or permit to exist any transaction or series of related transactions (including (without limitation) the purchase, sale, transfer, assignment, lease, conveyance or exchange of any property or the rendering of any service) with, or for the benefit of, any Affiliate of the Issuer (an "**Affiliate Transaction**"), including, without limitation, intercompany loans, unless the terms of such Affiliate Transaction are no less favourable to such entity than those that could be obtained in a comparable transaction (at the time of such transaction or, if such transaction is pursuant to a written agreement, at the time of the execution of the agreement providing therefore) in arm's length dealings with a Person that is not an Affiliate of the Issuer.

(ii) With respect to an Affiliate Transaction or a series of related Affiliate Transactions involving aggregate payments or value:

(A) in excess of 2.5 per cent. of the Issuer's Consolidated Total Assets, the Issuer shall, prior to the relevant Affiliate Transaction, deliver to the Trustee a resolution of the Supervisory Board set forth in an Officer's Certificate certifying that such Affiliate Transaction (or series of Affiliate Transactions) complies with this Condition 4(e) (*Transactions with Affiliates*) and that such Affiliate Transaction (or series of Affiliate Transactions) has been approved by a majority of the disinterested members of the Supervisory Board, or, if at the time of determination the Supervisory Board has fewer than three disinterested directors, by the entire Supervisory Board.

(B) in excess of 5 per cent. of the Issuer's Consolidated Total Assets, the Issuer shall, prior to the relevant Affiliate Transaction, deliver to the Trustee a written opinion from an Independent Appraiser to the effect that such Affiliate Transaction is (x) at Fair Market Value or is fair from a financial point of view to the Issuer or the relevant Restricted Subsidiary or (y) meets the requirements of Condition 4(e)(i).

(iii) The following transactions shall not be deemed to be Affiliate Transactions and therefore shall not be subject to the provisions of (i) and (ii) above:

(A) any employment agreement entered into by a member of the Group in the ordinary course of business and consistent with the past practice of such member of the Group;

(B) any Restricted Payment permitted to be made pursuant to Condition 4(e) (*Limitation on Restricted Payments*), any Permitted Payments (other than pursuant to Condition 4(c)(ii)(J)) or any Permitted Investment;

(C) any issuance or sale of Capital Stock, options, other equity-related interest other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Issuer or any Restricted Subsidiary, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or

similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors, or consultants approved by the Supervisory Board of the Issuer or, in each case in the ordinary course of business;

(D) any transaction between or among the Issuer and any Restricted Subsidiary, or between or among Restricted Subsidiaries;

(E) the payment of reasonable fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, officers, consultants or employees of the Issuer or any Restricted Subsidiary (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees);

(F) any insurance contracts with Affiliates made available on an arm's length basis for the purpose of insuring the operations or assets of the Issuer in the ordinary course of business;

(G) or transactions with customers, clients, landlords, suppliers or purchasers or sellers of goods or services, which, in each case, are in the ordinary course of business and are either fair to the Issuer or the relevant Restricted Subsidiary in the reasonable determination of the Supervisory Board or an Officer of the Issuer or the relevant Restricted Subsidiary or are on terms no less favourable than those that could reasonably have been obtained at such time from an unaffiliated party;

(H) any transaction in the ordinary course of business between or among the Issuer or any Restricted Subsidiary and any Affiliate of the Issuer that would constitute an Affiliate Transaction solely because the Issuer or a Restricted Subsidiary or any Affiliate of the Issuer or a Restricted Subsidiary owns an equity interest in or otherwise controls such Affiliate;

(I) issuances or sales of Capital Stock (other than Disqualified Stock of the Issuer or options, warrants or other rights to acquire such Capital Stock and contributions to the common equity capital of the Issuer;

(J) any transaction as to which the Issuer delivers to the Trustee a written opinion from an Independent Appraiser stating that the transaction (a) is fair to the Issuer or the relevant Restricted Subsidiary from a financial point of view, or (b) meets the requirements of Condition 4(e)(i); and

(K) transactions pursuant to, or contemplated by, any agreement or arrangement of the Issuer and its Restricted Subsidiaries as in effect on the Issue Date and transactions pursuant to any amendment, modification or extension to such agreement or arrangement, so long as such amendment, modification or extension, taken as a whole, is not (in the reasonable determination of the Supervisory Board or an Officer of the Issuer) more disadvantageous to the holders of the Notes in any material respect than the original agreement or arrangement as in effect on the Issue Date.

(f) **Asset Sales**

The Issuer shall not, and shall not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(i) the Issuer or any of its Restricted Subsidiaries receives consideration at the time of the Asset Sale at least equal to the Fair Market Value (measured as of the date of the definitive agreement with respect to such Asset Sale) of the assets or Equity Interests issued or sold or otherwise disposed of; and

(ii) at least 75 per cent. of the consideration received in the Asset Sale by the Issuer or the relevant Restricted Subsidiary is in the form of cash or Cash Equivalents. For purposes of this provision, each of the following will be deemed to be cash:

(A) any liabilities, as shown on the Issuer's most recent consolidated balance sheet, of the Issuer or any of its Restricted Subsidiaries (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes) that are assumed by the transferee of any such assets pursuant to a customary novation or indemnity agreement that releases the Issuer or such Restricted Subsidiary from or indemnifies against further liability;

(B) any securities, notes or other obligations received by the Issuer or any such Restricted Subsidiary from such transferee that are, within 180 days, converted by the Issuer or such Restricted Subsidiary into cash, to the extent of the cash received in that conversion; and

(C) any stock or assets of the kind referred to in paragraphs (IV), (V) and (VI) of the next paragraph of this Condition 4(f) (*Asset Sales*).

Without prejudice to the second paragraph below, an amount equal to 100 per cent. of the Net Available Cash from such Asset Sale may be applied, within 365 days from the later of the date of such Asset Sale and the date of receipt of such Net Available Cash, by the Issuer or such Restricted Subsidiary, as the case may be:

(I) to redeem, repay or repurchase Indebtedness and other Obligations under a Credit Facility that are unsecured and *pari passu* with the Notes at a purchase price equal to 100 per cent. of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repayment and, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto; provided that the Issuer may redeem, repay or repurchase Indebtedness that is *pari passu* with the Notes pursuant to this provision only if the Issuer makes (at such time or subsequently in compliance with this covenant) a Notes Offer in accordance with the provisions set forth below for an aggregate principal amount of Notes at least equal to the proportion that (1) the total aggregate principal amount of Notes outstanding bears to (2) the sum of the total aggregate principal amount of Notes outstanding plus the total aggregate principal amount outstanding of such *pari passu* Indebtedness;

(II) to repurchase, prepay, redeem or repay Indebtedness of a Restricted Subsidiary that is not a Guarantor or any Indebtedness that is secured by a Lien on property or assets of the Issuer or any of its Restricted Subsidiaries, and, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto;

(III) to purchase the Notes pursuant to an offer to all holders of Notes at a purchase price equal to 100 per cent. of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase (subject to the right of holders of the Notes of record on the relevant record date to receive interest due on the relevant interest payment date) (a "**Notes Offer**") or to redeem the Notes as set forth under Condition 7(c) (*Optional Redemption by the Issuer*);

(IV) to acquire all or substantially all of the assets of, or any Capital Stock of, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Subsidiary of the Issuer;

(V) to make a capital expenditure;

(VI) to acquire other assets that are not classified as current assets under IFRS and that are used or useful in a Permitted Business; or

(VII) a combination of any of the above permitted by the foregoing paragraphs (I) through to (VI),

provided that, with respect to any acquisition or capital expenditure described in sub-paragraph (IV), (V), or (VI) above, any such acquisition or capital

expenditure consummated or made pursuant to a definitive binding agreement or commitment that is approved by the Supervisory Board of the Issuer that is executed or approved within such 365-day period will satisfy the requirements of such sub-paragraphs (IV), (V), or (VI), as the case may be, so long as such acquisition is consummated or such capital expenditure is made within 180 days of such 365th day.

Pending the final application of any Net Available Cash, the Issuer or any of its Subsidiaries may temporarily reduce revolving credit borrowings or otherwise invest the Net Available Cash in any manner that is not prohibited by these Conditions.

Any Net Available Cash from an Asset Sale that is not applied or invested as provided in the preceding two paragraphs will be deemed to constitute "**Excess Proceeds**". On the 366th day (or the 546th day if a binding agreement or commitment is entered into) after the later of the date of consummation of such Asset Disposition and the date of receipt of the Net Available Cash, or such earlier time if the Issuer elects, if the aggregate amount of Excess Proceeds exceeds U.S.$20.0 million, the Issuer will be required within 10 Business Days thereof to make an offer ("**Asset Disposition Offer**") to all Noteholders and, to the extent the Issuer elects, to all holders of other outstanding Pari Passu Indebtedness, to purchase, prepay or redeem the maximum principal amount of Notes and any such Pari Passu Indebtedness to which the Asset Disposition Offer applies that may be purchased or redeemed out of the Excess Proceeds, at an offer price in respect of the Notes equal to (and, in the case of any Pari Passu Indebtedness, an offer price of no more than) 100 per cent. of the principal amount of the Notes and 100 per cent. of the principal amount of such Pari Passu Indebtedness, in each case, plus all accrued and unpaid interest and the amount of all fees and expenses, including premiums, incurred in connection therewith, if any, to, but not including, the date of purchase or redemption, in accordance with the procedures set forth in the Trust Deed or the agreements governing the Pari Passu Indebtedness, as applicable, in minimum denominations of U.S.$200,000 and in integral multiples of U.S.$1,000 in excess thereof in the case of the Notes.

To the extent that the aggregate amount of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Issuer may use any remaining Excess Proceeds for any purpose not prohibited by the Trust Deed. If the aggregate principal amount of the Notes surrendered in any Asset Disposition Offer by Noteholders and other Pari Passu Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Excess Proceeds shall be allocated among the Notes and Pari Passu Indebtedness to be repaid or purchased on a *pro rata* basis on the basis of the aggregate principal amount of Tendered Notes and Pari Passu Indebtedness. For the purposes of calculating the principal amount of any such Indebtedness not denominated in U.S. dollar, such Indebtedness shall be calculated by converting any such principal amounts into their U.S. Dollar Equivalent determined as of a date selected by the Issuer that is within the Asset Disposition Offer Period (as defined below). Upon completion of any Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero.

To the extent that any portion of Net Available Cash payable in respect of the Notes is denominated in a currency other than currency in which the relevant Notes are denominated, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in the currency in which such Notes are denominated that is actually received by the Issuer upon converting such portion of the Net Available Cash into such currency.

The Asset Disposition Officer, in so far as it relates to the Notes, will remain open for a period of not less than 20 Business Days following its commencement (the "**Asset Disposition Offer Period**"). No later than five Business days after the termination of the Asset Disposition Offer Period (the "**Asset Disposition Purchase Date**"), the Issuer will purchase the principal amount of Notes and, to the extent it elects, Pari Passu Indebtedness required to be repaid or purchased by it pursuant to this covenant (the "**Asset Disposition Offer Amount**") or, if less than the Asset Disposition Offer has been so validly tendered, all Notes and Pari Passu Indebtedness validly tendered in response to the Asset Disposition Offer.

On or before the Asset Disposition Purchase Date, the Issuer will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary, the Asset Disposition Offer Amount of Notes and Pari Passu Indebtedness or portions of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn and in minimum denominations of U.S.$200,000 and in

integral multiples of U.S$1,000 in excess thereof in the case of the Notes. The Issuer will deliver to the Trustee an Officer's Certificate stating that such Notes or portions thereof were accepted for payment by the Issuer in accordance with the terms of this Condition 4(f). The Issuer or the Paying Agent, as the case may be, will promptly (but in any case not later than five Business days after termination of the Asset Disposition Offer Period) mail or deliver to each tendering Noteholder an amount equal to the purchase price of the Notes so validly tendered and not properly withdrawn by such Noteholder.

The Issuer will comply with the requirements of all securities laws and regulations to the extent those laws and regulations are applicable in connection with each repurchase of the Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Condition 4(f) (*Asset Sales*), the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Condition 4(f) (*Asset Sales*) by virtue of such compliance.

(g) **Merger, Consolidation or Sale of Assets**

(i) The Issuer will not consolidate with or merge with or into, or convey, transfer or lease, in one transaction or a series of transactions, directly or indirectly, all or substantially all its assets to, any Person, unless:

(A) either (A) the Issuer will be the continuing Person or (B) the resulting, surviving or transferee Person, if not the Issuer (the "**Successor Company**"), shall be a Person organised and existing under the laws of Georgia or any Approved Jurisdiction and the Successor Company (if not the Issuer) shall expressly assume, by way of a supplement to the Trust Deed in form and substance reasonably satisfactory to the Trustee, all the obligations of the Issuer under the Notes and the Trust Deed; and

(B) the Issuer shall have delivered to the Trustee an Officer's Certificate certifying that:

(I) immediately after giving pro forma effect to such transaction (and treating any Indebtedness which becomes an obligation of the Issuer or the Successor Company or any Restricted Subsidiary of the Successor Company as a result of such transaction as having been incurred by the Issuer or such Successor Company or such Restricted Subsidiary at the time of such transaction), no Potential Event of Default or Event of Default shall have occurred and be continuing;

(II) immediately after giving pro forma effect to such transaction, either (x) the Issuer or the Successor Company, as the case may be, would be able to incur at least U.S.$1.00 of additional Indebtedness pursuant to Condition 4(a) (*Incurrence of Indebtedness and Issuance of Preferred Stock*) or (y) the Consolidated Net Leverage Ratio is not greater than the Consolidated Net Leverage Ratio immediately prior to giving such pro forma effect thereto and the Fixed Charge Coverage Ratio is not less than the Fixed Charge Coverage Ratio immediately prior to giving such pro forma effect thereto; and

(III) such consolidation, merger or transfer complies with the Trust Deed and that the relevant supplemental trust deed, the Trust Deed and the Notes constitute legal, valid and binding obligations of the Issuer or the Successor Company, enforceable in accordance with their terms.

The Successor Company will be the successor to the Issuer and shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under, the Trust Deed, and the Notes.

(ii) No Guarantor (other than a Guarantor whose Guarantee is to be released in accordance with the terms of the Trust Deed) may:

(A) consolidate or amalgamate with or merge with or into any Person (whether or not such Guarantor is the surviving Person);

(B) sell assign, convey, transfer, lease or otherwise dispose of all or substantially all of the assets of such Guarantor and its Restricted Subsidiaries taken as a whole, in one transaction or a series of related transactions, to any Person; or

(C) permit any Person to consolidate or merge with or into it unless (in the case of clauses (A), (B) and (C));

(I) the other Person is the Issuer or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor;

(II) (1) either (x) a Guarantor is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes all of the obligations of the Guarantor under its Guarantee and the Trust Deed (pursuant to a supplement to the Trust Deed in form and substance reasonably satisfactory to the Trustee); and (2) immediately after giving effect to the transaction, no Potential Event of Default or Event of Default shall have occurred and is continuing; or

(III) the transaction constitutes a sale or other disposition (including by way of consolidation, amalgamation or merger) of a Guarantor or the sale or disposition of all or substantially all the assets of a Guarantor (in each case other than to the Issuer or a Restricted Subsidiary) otherwise permitted by the Trust Deed.

(iii) At the option of the Issuer, any Guarantee may contain limitations as specified in Condition 4(p)(vi).

(iv) The provisions set forth in this Condition 4(g) shall not restrict (and shall not apply to):

(A) any Restricted Subsidiary that is not a Guarantor from consolidating with, merging or liquidating into or transferring all or substantially all of its properties and assets to the Issuer, a Guarantor or any other Restricted Subsidiary that is not a Guarantor;

(B) a Guarantor from merging or liquidating into or transferring all or part of its properties and assets to the Issuer or another Guarantor;

(C) any consolidation, amalgamation or merger of the Issuer into any Guarantor, provided that, if the Issuer is not the surviving entity of such merger or consolidation, the relevant Guarantor will assume all of the obligations of the Issuer under the Notes and the Trust Deed (pursuant to a supplement to the Trust Deed in form and substance reasonably satisfactory to the Trustee); and

(D) the Issuer or any Guarantor consolidating or amalgamating into or merging or combining with an Affiliate incorporated or organised for the purpose of changing the legal domicile of such entity, reincorporating such entity in another jurisdiction, or changing the legal form of such entity.

(v) For the purposes of this Condition 4(g) (*Merger, Consolidation or Sale of Assets*), the sale, lease, conveyance, assignment, transfer or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries which properties and assets, if held by the Issuer instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Issuer on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Issuer. The Trustee shall (at the cost of the Issuer) be obliged to enter into the supplemental trust deed upon receipt of the Officer's Certificate and Opinion(s) of Counsel referred to above without need for further instruction.

(h) **Business Activity**

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, engage in any business other than a Permitted Business.

(i) **Dividend and other Payment Restrictions Affecting Restricted Subsidiaries**

(i) The Issuer will not, and will not permit any of its Restricted Subsidiaries to create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (1) pay dividends or make any other distributions on its Capital Stock to the Issuer or any of its Restricted Subsidiaries or with respect to any other interest or participation in, or measured by, its profits, or pay any indebtedness owed to the Issuer or any of its Restricted Subsidiaries, (2) make any loans or advances to the Issuer or any of its Restricted Subsidiaries or (3) sell, lease or transfer any of its property or assets to the Issuer or any of its Restricted Subsidiaries.

(ii) The foregoing sub-paragraph (i) will not apply to encumbrances or restrictions existing under or by reason of:

(A) agreements as in effect on the Issue Date and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided that* the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are no less favourable in any material respect to the Noteholders, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the Issue Date;

(B) the Notes or the Trust Deed;

(C) agreements governing other Indebtedness permitted to be incurred under Condition 4(a) (*Incurrence of Indebtedness and Issuance of Preferred Stock*) and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided that* (x) such encumbrance or restriction contained in such Indebtedness is not materially more restrictive taken as a whole than customary in comparable financings in such jurisdictions as such Indebtedness is being incurred (as determined in good faith by the Supervisory Board or a responsible accounting or financial officer of the Issuer) or (y) the Issuer determines at the time such Indebtedness is incurred that such encumbrances or restrictions will not adversely affect, in any material respect, the Issuer's ability to make principal or interest payments on the Notes;

(D) applicable law, rule, regulation or order;

(E) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Issuer or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; *provided that*, in the case of Indebtedness, such Indebtedness was permitted by the terms of the instrument to be incurred;

(F) customary non-assignment provisions in contracts, leases and licences entered into in the ordinary course of business;

(G) purchase money obligations for property acquired and Capital Lease Obligations that impose restrictions on the property purchased or leased of the nature described in paragraph (i)(3) of this Condition 4(i) (*Dividend and other Payment Restrictions Affecting Restricted Subsidiaries*);

(H) any agreement for the sale or other disposition of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending its sale or other disposition;

(I) Permitted Refinancing Indebtedness; *provided that* the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being Refinanced;

(J) Liens permitted to be incurred under the provisions of Condition 4(b) (*Limitation on Liens*) that limit the right of the debtor to dispose of the assets subject to such Liens;

(K) provisions limiting the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements (including agreements entered into in connection with a Restricted Investment or Permitted Investment) entered into with the approval of the Issuer's Supervisory Board, which limitation is applicable only to the assets that are the subject of such agreements;

(L) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business; and

(M) any encumbrance or restriction pursuant to Hedging Obligations.

(j) **Reports and Financial Information**

(i) So long as any Notes are outstanding, the Issuer shall (i) make available on the Issuer's website or (ii) so long as the Notes are listed on Euronext Dublin (or alternative stock exchange), make available on the official website of Euronext Dublin (or such alternative stock exchange), to the extent and in the manner permitted by the rules of Euronext Dublin (or such alternative stock exchange):

(A) as soon as they become available but in any event within 120 days after the end of the Issuer's fiscal year, beginning with the fiscal year ended 31 December 2025, copies of the Accounts as at and for such fiscal year, in each case audited by the Auditors;

(B) within 60 days following the end of each of the first and the third fiscal quarters in each fiscal year of the Issuer, beginning with the three months ended 30 September 2025, copies of the Accounts as at, and for such periods, in each case prepared in accordance with IFRS (with footnote disclosure);

(C) within 60 days following the end of the second fiscal quarter in each fiscal year of the Issuer, beginning with the three months ended 30 June 2026, copies of the Accounts as at, and for such period, in each case reviewed by the Auditors; and

(D) as set forth in English either in the Accounts provided pursuant to sub-paragraphs (A), (B) or (C) above or separately on its website (which may be included in an investor presentation) by no later than the time at which such Accounts are published, (1) Consolidated Net Indebtedness and Consolidated Fixed Charges for and as at the end of the relevant fiscal quarter; (2) Consolidated EBITDA for the period of 12 months preceding the end of such relevant fiscal quarter; (3) the calculation of the Consolidated Net Leverage Ratio and Consolidated Fixed Charge Coverage Ratio for the period presented; (4) a computation of the ratio of Priority Indebtedness at period end to Consolidated EBITDA for the period of 12 months preceding the end of such relevant fiscal quarter; (5) Debt Servicing Requirements (including amounts drawn and available for drawing under the Liquidity Facility), in each case, in respect of the Issuer and its Restricted Subsidiaries on a consolidated basis; and (6) evidence of compliance with the Guarantor Coverage Test,

provided, however, that each set of Accounts delivered by it pursuant to this Condition 4(j) (*Reports*) is accompanied by an audit report, in the case of paragraph (A) above and a review report, in the case of paragraph (C) above, of the Auditors together with accompanying notes and annexes, and in the case of paragraph (B) above the accompanying notes and annexes, including information on segment breakdowns consistent with the information provided in accordance with paragraphs (A) and (C) above. The Issuer undertakes to furnish to the Trustee such information as Euronext Dublin (or any other or further stock exchange or stock exchanges on which the Notes may, from time to time, be listed or admitted to trading) may require as necessary in connection with the listing or admission to trading on such stock exchange at the same time as such information is provided to Euronext Dublin (or any other or further stock exchange or stock exchanges on which the Notes may, from time to time, be listed or admitted to trading).

(ii) Contemporaneously with the provision of the information discussed above, the Issuer will also either provide the information to a regulatory news service or file a press release with the appropriate internationally recognised wire services with respect to such information and post such press release on the Issuer's website.

(iii) Notwithstanding anything in these Conditions to the contrary, with respect to any provision in these Conditions that require a calculation based on published, reviewed, audited or publicly available financial statements or information, in the case of financial statements or information required for the three months ended December 31 of any fiscal year to comply with these Conditions, such requirement may be satisfied by internal financial statements or information for such period otherwise prepared in accordance with IFRS. In addition, any requirement in these Conditions for "published" financial statements or financial information shall be deemed to be satisfied when such statements or information are posted on the Issuer's website.

(k) **Maintenance of Listing**

The Issuer shall use all reasonable endeavours to maintain the listing of the Notes on the Official List of Euronext Dublin for so long as any Note is outstanding; *provided that*, if at any time the listing becomes impractical or unduly onerous, the Issuer shall use all reasonable endeavours to obtain, and thereafter to maintain a quotation for, or listing of, the Notes on such other stock exchange as is commonly used for the quotation or listing of debt securities as the Issuer may decide.

(l) **[Reserved]**

(m) **Suspension of Covenants when Notes Rated Investment Grade**

If on any date following the Issue Date (i) the Notes have achieved an Investment Grade Rating and (ii) no Potential Event of Default or Event of Default shall have occurred and be continuing on such date, the Issuer will notify the Trustee in writing, including a copy of the letter evidencing such Investment Grade Rating, and beginning on the date of such notice and continuing until such time, if any, at which the Notes cease to have an Investment Grade Rating (such period, the "**Suspension Period**"), the following covenants will no longer be applicable: Condition 4(a) (*Incurrence of Indebtedness and Issuance of Preferred Stock*); Condition 4(c) (*Limitation on Restricted Payments*); Condition 4(e) (*Transactions with Affiliates*); Condition 4(f) (*Asset Sales*), and Condition 4(i) (*Dividend and other Payment Restrictions Affecting Restricted Subsidiaries*), *provided that* such covenants (and any related default provisions) will again apply in accordance with their terms from the first day on which a Suspension Period ceases to be in effect (the "**Reversion Date**"). Such covenants will not, however, be of any effect with regard to actions of the Issuer or any Restricted Subsidiary properly taken during the continuance of the Suspension Period, and the covenant under Condition 4(c) (*Limitation on Restricted Payments*) will be interpreted as if it had been in effect since the Issue Date except that no default will be deemed to have occurred solely by reason of a Restricted Payment made while such covenant was suspended. On the Reversion Date, the Indebtedness incurred during the Suspension Period will be deemed to have been outstanding on the Issue Date so that it classified as permitted under Condition 4(a)(ii)(C)).

(n) **Payments for Consent**

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholders for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of these Conditions or the Trust Deed unless such consideration is offered to be paid to all Noteholders (save for any Noteholders for which such offer or payment of consideration would breach any applicable law or regulation applicable to the Issuer and its Restricted Subsidiaries) that consent, waive or agree to amend in the time frame and on the terms set forth in the solicitation documents relating to such consent, waiver or agreement. Notwithstanding the foregoing, the Issuer and its Restricted Subsidiaries shall be permitted, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any terms or provisions of these Conditions or the Trust Deed, to exclude Noteholders in any jurisdiction where (a) the solicitation of such consent, waiver or amendment, including in connection with an offer to purchase for cash or (b) the payment of the consideration therefor would require the Issuer or any of its Restricted Subsidiaries to file a registration statement, prospectus or similar document under any applicable securities laws (including, but not limited to, the United States federal securities laws and the laws of the European Union or its member states), which the Issuer in its sole discretion determines (acting in good

faith) (x) would be materially burdensome (it being understood that it would not be materially burdensome to file the consent document(s) used in other jurisdictions any substantially similar documents or any summary thereof with the securities or financial services authorities in such jurisdictions or (y) such solicitation would otherwise not be permitted under applicable law in such jurisdiction.

(o) **Designation of Restricted and Unrestricted Subsidiaries**

The Supervisory Board of the Issuer may designate any Restricted Subsidiary (including any newly acquired or newly formed Subsidiaries) to be an Unrestricted Subsidiary if that designation would not cause an Event of Default or a Potential Event of Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Issuer and its Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under Condition 4(c) (*Limitation on Restricted Payments*) or under one or more paragraphs of the definition of "Permitted Investments", as determined by the Issuer. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Supervisory Board of the Issuer may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if that redesignation would not cause an Event of Default or a Potential Event of Default.

Any designation of a Subsidiary of the Issuer as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee on the effective date of such designation (i) a certified copy of the Board Resolution giving effect to such designation and (ii) an Officer's Certificate certifying that such designation complies with the requirements set out in the paragraph above and is permitted by Condition 4(c) (*Limitation on Restricted Payments*), and on which the Trustee may rely absolutely and without liability or further enquiry. If, at any time, any Unrestricted Subsidiary fails to meet the requirements set out in the paragraph above, it will thereafter cease to be an Unrestricted Subsidiary for purposes of these Conditions and the Trust Deed, and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary as of such date, and if such Indebtedness is not permitted to be incurred as of such date under Condition 4(a) (*Incurrence of Indebtedness and Issuance of Preferred Stock*), the Issuer will be in default of that Condition.

The Supervisory Board of the Issuer may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary, *provided that* such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation will only be permitted if (i) such Indebtedness is permitted under Condition 4(a) (*Incurrence of Indebtedness and Issuance of Preferred Stock*), calculated on a pro forma basis as if such designation had occurred at the beginning of the four consecutive fiscal quarterly periods for which financial statements are publicly available (or made available) and (ii) no Event of Default or Potential Event of Default would be in existence following such designation.

(p) **Additional Guarantees**

(i) Within 60 days of the Issuer Date, the Issuer shall cause the Subsequent Guarantor to Guarantee the Notes and shall cause the Subsequent Guarantor to accede to the Trust Deed and the Agency Agreement as a Guarantor.

(ii) The Issuer will not cause or permit any of its Restricted Subsidiaries that are not Guarantors to guarantee any Indebtedness of the Issuer or any Guarantor under any Credit Facility in whole or in part or any Public Debt in whole or in part unless, in each case, such Restricted Subsidiary becomes a Guarantor on the date on which such other guarantee is Incurred and executes pursuant to Condition 4(p)(v) an accession deed to the Trust Deed and Agency Agreement pursuant to which such Restricted Subsidiary will provide a Guarantee on the same terms and conditions as those set forth in the Trust Deed; provided, however, that the foregoing provisions of this Condition 4(p)(ii) shall not apply to a Restricted Subsidiary that guarantees any Indebtedness represented by a guarantee issued by the Issuer or a Guarantor, as the case may be, to the extent such latter guarantee arises solely due to the guarantee by the Issuer or a Guarantor of Indebtedness of another non-Guarantor Restricted Subsidiary. Any such guarantee of the Notes pursuant to this Condition 4(p)(ii) shall rank senior to or *pari passu* with such Restricted Subsidiary's guarantee of such Indebtedness, which guarantee of the Notes shall be

in effect for so long as such Restricted Subsidiary's guarantee of such other Indebtedness of the Issuer or the applicable Guarantor remains in effect.

(iii) In addition:

(A) each Restricted Subsidiary that is not a Guarantor and that represents, in each of two consecutive financial quarters, more than 5 per cent. of the Group's Consolidated EBITDA or Revenue (in each case, disregarding for purposes of such determination all intercompany items) for, or as at the end of, the most recently ended four-quarter periods for which published, reviewed or audited financial statements are available shall provide a Guarantee pursuant to this Condition 4(p) (*Additional Guarantees*) within 90 days following the end of the relevant period; and

(B) if on the last day of each of two consecutive financial quarters, the Guarantors and the Issuer represent, in the aggregate (in each case disregarding for purposes of such determination all intercompany items), less than 70 per cent. of the Consolidated Total Assets of the Issuer as at the end of the most recently ended quarterly period for which published, reviewed or audited financial statements are available (the "**Guarantor Coverage Test**"), the Issuer shall, within 90 days following the end of the relevant period, procure that Restricted Subsidiaries shall provide a Guarantee pursuant to this Condition 4(p) (*Additional Guarantees*) until the Guarantor Coverage Test is satisfied, (to be calculated as if such additional Guarantors had been Guarantors on the last day of the relevant period), it being understood that no Event of Default shall occur under this clause (iii)(B) if the Guarantor Coverage Test is not satisfied solely as a result of a Project Subsidiary being prevented from providing a Guarantee in accordance with clause (viii) below.

(iv) The Issuer may at its discretion at any time procure that any Restricted Subsidiary that is not a Guarantor becomes a Guarantor in accordance with the provisions of this Condition 4(p) (*Additional Guarantees*).

(v) The Issuer will cause any Restricted Subsidiary designated as a Guarantor pursuant to Condition 4(p) (*Additional Guarantees*) to execute and deliver to the Trustee, the Principal Paying Agent and the Registrar and Transfer Agent an accession deed to the Trust Deed and the Agency Agreement pursuant to which such Guarantor will, on a joint and several basis with each other Guarantor, unconditionally and irrevocably guarantee, to the maximum extent permitted by law, the due payment of all moneys payable by the Issuer and any other Guarantor under the Trust Deed and the Agency Agreement and will become vested with all the duties and obligations of a Guarantor.

(vi) Any guarantee of the Notes by a Restricted Subsidiary will be limited as necessary to recognise certain defences generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, thin capitalization, distributable reserves, capital maintenance or similar laws, regulations or defences affecting the rights of creditors generally) or other considerations under applicable law. The Issuer and the relevant Restricted Subsidiaries will use reasonable efforts to overcome any such limitations and to assist in demonstrating the accrual of adequate corporate benefit as required. If any such limitations apply (notwithstanding such reasonable efforts by the Issuer and the relevant Restricted Subsidiaries), the relevant guarantee will be limited to the maximum amount that such Restricted Subsidiary may provide under applicable law.

(vii) Notwithstanding the foregoing, the Issuer shall not be obligated to cause any Restricted Subsidiary to guarantee the Notes to the extent and for so long as the incurrence of such guarantee of the Notes could reasonably be expected to give rise to or result in: (1) any violation (or any material risk of any such violation) of applicable law or regulation; (2) any liability (or any material risk of any such liability) for the officers, directors or (except in the case of a Restricted Subsidiary that is a partnership) shareholders of such Restricted Subsidiary (or, in the case of a Restricted Subsidiary that is a partnership, directors or shareholders of the partners of such partnership); (3) any cost, expense, liability or obligation which is disproportionate to the benefit accruing to the Noteholders as a result of such guarantee other than reasonable out-of-pocket expenses and other than reasonable expenses incurred in connection with any governmental or regulatory filings required as a result of, or any measures pursuant to clause

(1) of this paragraph undertaken in connection with, such guarantee of the Notes, which in any case under any of clauses (1), (2) and (3) of this paragraph cannot be avoided through measures reasonably available to the Issuer or a Restricted Subsidiary.

(viii) Notwithstanding the forgoing provisions of this Condition 4(p) (*Additional Guarantees*), no Project Subsidiary will be required to provide a guarantee of the Notes to the extent it is prohibited from taking such action under the terms of its Non-Recourse Project Finance Indebtedness.

(q) **Provision of Information**

The Issuer shall, during any period in which it is not subject to or in compliance with the reporting requirements of Section 13 or 15(d) of the U.S. Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, duly provide to any holder of a Note which is a "restricted security" within the meaning of Rule 144(a)(3) under the Securities Act or to any prospective purchaser of such securities designated by such Noteholder, upon the written request of such Noteholder or (as the case may be) prospective Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Registrar, the information specified in Rule 144A(d)(4) under the Securities Act.

5. INTEREST

(a) **Interest Accrual**

Each Note bears interest from, and including, 15 September 2025 (the "**Issue Date**") at the rate of 7.500 per cent. per annum (the "**Rate of Interest**") payable semi-annually in arrear on 15 March and 15 September in each year, commencing on 15 March 2026 (each, an "**Interest Payment Date**"). Each period beginning on, and including, the Issue Date or any Interest Payment Date and ending on, but excluding, the next succeeding Interest Payment Date is herein called an "**Interest Period**".

The amount of interest payable in respect of each Note for any Interest Period shall be calculated by applying the Rate of Interest to the principal amount of such Note, dividing the product by two and rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

(b) **Cessation of Interest**

Each Note will cease to bear interest from the due date for final redemption unless, upon due surrender of the relevant Note, payment of principal is improperly withheld or refused. In such case it will continue to bear interest at such rate (after as well as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to that day (except to the extent that there is any subsequent default in payment) in accordance with Condition 13 (*Notices*).

(c) **Day Count Fraction**

If interest is required to be calculated for any period other than an Interest Period, it will be calculated on the basis of a year of 360 days consisting of twelve 30-day months each and, in the case of an incomplete month, the actual number of days elapsed.

The determination of the amount of interest payable under this Condition 5(c) (*Day Count Fraction*) by the Principal Paying Agent shall, in the absence of manifest error, be binding on all parties.

6. PAYMENTS

(a) **Principal**

Payment of principal and premium in respect of each Note and payment of interest due other than on an Interest Payment Date will be made to the Person shown in the Register at the close of business on the Record Date and subject to the surrender (or, in the case of part payment only, endorsement) of the relevant Definitive Certificate at the Specified Office of any Paying Agent.

(b) **Interest**

Payments of interest due on an Interest Payment Date will be made to the Person shown in the Register at close of business on the Record Date.

(c) **Payments**

Each payment in respect of the Notes pursuant to Conditions 6(a) (*Principal*) and 6(b) (*Interest*) will be made by transfer to the registered account of the Noteholder.

Payment instructions (for value the due date, or, if the due date is not a Business Day, for value the next succeeding Business Day) will be initiated by the Paying Agents, in the case of principal, on the later of the due date for payment and the day on which the relevant Definitive Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of any of the Paying Agents and, in the case of interest and other amounts on the due date for payment.

(d) **Delay in Payment**

Noteholders will not be entitled to any interest or other payment in respect of any delay in payment resulting from (i) the due date for payment not being a Business Day or (ii) the Noteholder being late in surrendering its Definitive Certificate (if required pursuant to these Conditions).

(e) **Payments Subject to Fiscal Laws**

All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8 (*Taxation*)) any law implementing an intergovernmental approach thereto (any such withholding or deduction, a "**FATCA Withholding**"). No commissions or expenses shall be charged to the Noteholders in respect of such payments save as provided in Condition 6(c) (*Payments*).

(f) **Partial Payments**

If the amount of principal or interest which is due on the Notes on any date is not paid in full, the Registrar will annotate the Register and any Definitive Certificates surrendered for payment with a record of the amount of principal or interest in fact paid and the date of such payment.

(g) **Appointment of Agents**

The names of the Agents initially appointed by the Issuer and their Specified Offices are set out below. The Issuer reserves the right under and in accordance with the terms of the Agency Agreement at any time with the prior written approval of the Trustee to vary or terminate the appointment of any Agent and to appoint successor or additional Agents, *provided that* it will at all times maintain:

(i) a Principal Paying Agent; and

(ii) a Registrar.

Notice of any such removal or appointment and of any change in the Specified Office of any Agent shall promptly be given to Noteholders in accordance with Condition 13 (*Notices*).

7. REDEMPTION AND PURCHASE

(a) **[Reserved]**

(b) **Scheduled redemption**

Unless previously redeemed or purchased and cancelled as provided below, the Notes will be redeemed at their principal amount on the Maturity Date.

(c) **Optional Redemption by the Issuer**

(i) At any time prior to 15 September 2027, the Issuer may at its option on one or more occasions redeem the Notes in whole or in part, on giving not less than 10 nor more than 60 days' notice to the Noteholders in accordance with Condition 13 (*Notices*), at a redemption price equal to 100 per cent. of the principal amount of the Notes redeemed, plus the Applicable Premium, and accrued and unpaid interest, and Additional Amounts (as defined in Condition 8 (*Taxation*)) (if any), to, but excluding, the applicable redemption date (subject to the right of Noteholders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date).

(ii) At any time on or after 15 September 2027, the Issuer may at its option redeem the Notes, in whole or in part, on giving not less than 10 nor more than 60 days' notice to the Noteholders in accordance with Condition 13 (*Notices*), at the following redemption prices (expressed as a percentage of the principal amount of the Notes) plus accrued and unpaid interest, and Additional Amounts (as defined in Condition 8 (*Taxation*)) (if any), to, but excluding, the applicable redemption date (subject to the right of Noteholders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date), if redeemed during the periods indicated below:

Period	**Percentage**
From, and including, 15 September 2027 to, but excluding, 15 September 2028	100 + 3.750 per cent.
From, and including, 15 September 2028 to, but excluding, 15 September 2029	100 + 1.875 per cent.
From, and including, 15 September 2029 to, but excluding, the Maturity Date	100 per cent.

(iii) At any time prior to 15 September 2027, the Issuer may, at its option, on any one or more occasions redeem up to 35 per cent. of the aggregate principal amount of the Notes at a redemption price equal to 107.500 per cent. of the principal amount of the Notes redeemed, plus accrued and unpaid interest, and Additional Amounts (as defined in Condition 8 (*Taxation*)) (if any), to, but excluding, the applicable redemption date (subject to the right of Noteholders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date), with the net cash proceeds of one or more Equity Offerings; *provided that*

(A) at least 65 per cent. of the aggregate principal amount of the Notes (excluding Notes held by the Issuer and its Affiliates) remains outstanding immediately after the occurrence of such redemption; and

(B) the redemption occurs within 90 days of the date of the closing of such Equity Offering.

(iv) Notices of redemption delivered in accordance with this Condition 7(c) (*Optional Redemption by the Issuer*) will specify (i) the date fixed for redemption, (ii) the amount to be redeemed, and (iii) the redemption price. Upon the expiry of any notice of redemption delivered in accordance with this Condition 7(c) (*Optional Redemption by the Issuer*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 7(c) (*Optional Redemption by the Issuer*).

(v) None of the Trustee or the Agents shall be responsible for calculating or verifying the redemption price payable pursuant to this Condition 7(c) (*Optional Redemption by the Issuer*) or for determining or verifying whether a Note is to be accepted for redemption under this Condition 7(c) (*Optional Redemption by the Issuer*) and will not be responsible to Noteholders or any other person for any loss arising from any failure by it to do so.

(vi) Any redemption described above may, in the Issuer's discretion, be subject to the satisfaction or one or more conditions precedent. If such redemption is subject to the satisfaction of one or

more conditions precedent, such notice shall state that, in the Issuer's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed; *provided* that in no case shall the notice have been delivered less than 10 days or more than 60 days prior to the date on which such redemption (if any) occurs. In addition, the Issuer may provide in such notice that payment of the redemption price and performance of the Issuer's obligations with respect to such redemption may be performed by another Person.

(vii) If a redemption date is not a Business Day, payment may be made on the next succeeding day that is a Business Day, and no interest shall accrue on any amount that would have been otherwise payable on such redemption date if it were a Business Day for the intervening period.

(d) **Redemption for Taxation Reasons**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 10 nor more than 60 days' notice to the Noteholders in accordance with Condition 13 (*Notices*) at their principal amount, together with interest accrued to (but excluding) the date fixed for redemption, if, immediately before giving such notice, the Issuer satisfies the Trustee that it has or will become obliged to pay any Additional Amounts as a result of:

(i) any change in, or an amendment to, or change in the official interpretation of the laws (including any regulations or rulings promulgated thereunder) of, any Relevant Taxing Jurisdiction (as defined in Condition 8 (*Taxation*)); or

(ii) any change in or amendment to or change in the official interpretation of any official position regarding the application or interpretation of such laws or regulations or rulings (including a judgment by a court of competent jurisdiction),

in each case which change or amendment is announced or becomes effective after the Issue Date, and the Issuer cannot avoid such obligation by taking reasonable measures available to it, *provided that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee an Opinion of Counsel and an Officer's Certificate stating that the obligation to pay Additional Amounts cannot be avoided by the Issuer taking reasonable measures available to it, and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent described above, in which event it shall be conclusive and binding on the Noteholders.

Upon the expiry of any such notice referred to above, the Issuer shall be bound to redeem the Notes in accordance with this Condition 7(d) (*Redemption for Taxation Reasons*).

(e) **Redemption at the Option of the Noteholders upon a Change of Control**

Upon the occurrence of a Change of Control, unless the Issuer has given notice to redeem all of the Notes as described under Condition 7(c) (*Optional Redemption by the Issuer*), each Noteholder shall have the right to require that the Issuer repurchase all or any part of that Noteholder's Notes (in integral multiples of U.S.$1,000; *provided that* Notes of U.S.$200,000 or less may only be redeemed in whole and not in part) at a purchase price in cash equal to 101 per cent. of the principal amount thereof plus accrued and unpaid interest, if any, to, but excluding, the date of purchase (subject to the right of Noteholders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date).

Within 30 days following any Change of Control, unless the Issuer has given notice to redeem all of the Notes as described under Condition 7(c) (*Optional Redemption by the Issuer*), the Issuer will notify the Noteholders (with a copy to the Trustee) in accordance with Condition 13 (*Notices*) (the "**Change of Control Offer**") stating:

(i) that a Change of Control has occurred and that such Noteholder has the right to require the Issuer to purchase such Noteholder's Notes (in integral multiples of U.S.$1,000; *provided that* Notes of U.S.$200,000 or less may only be redeemed in whole and not in part) at a purchase price in cash equal to 101 per cent. of the principal amount thereof on the date of purchase, plus accrued and unpaid interest, if any, to, but excluding, the date of purchase (subject to the right

of Noteholders of record on the relevant Record Date to receive interest on the relevant Interest Payment Date);

(ii) the circumstances and relevant facts regarding such Change of Control;

(iii) the purchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is made); and

(iv) the procedures determined by the Issuer, consistent with the Agency Agreement, that a Noteholder must follow in order to have its Notes purchased.

The Issuer will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements of these Conditions and the Trust Deed applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

(f) **Partial Redemption**

If the Notes are to be redeemed in part only on any date in accordance with Condition 7(c) (*Optional Redemption by the Issuer*), or 7(e) (*Redemption at the Option of the Noteholders upon a Change of Control*), each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant redemption date bears to the aggregate principal amount of outstanding Notes on such date.

(g) **Purchases**

The Issuer and any of its Subsidiaries may at any time purchase or procure others to purchase for their account Notes in the open market or otherwise and at any price. The Notes so purchased may be held or resold (*provided that such resale is in compliance with all applicable laws*) or surrendered to the Registrar for cancellation at the option of the Issuer or otherwise, as the case may be in compliance with Condition 7((h) (*Cancellation of Notes*). The Notes so purchased, while held by or on behalf of the Issuer or by any Subsidiary of the Issuer, shall not entitle the Issuer or any such Subsidiary to vote at any meeting of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition (a) (*Meetings of Noteholders*).

(h) **Cancellation of Notes**

All Notes which are redeemed pursuant to this Condition 7 (*Redemption And Purchase*) or repurchased and submitted to the Registrar for cancellation pursuant to Condition 7(g) (*Purchases*) will be cancelled and may not be reissued or resold. For so long as the Notes are admitted to trading on a stock exchange and the rules of such exchange so require, the Issuer shall promptly inform the stock exchange of the cancellation of any Notes under this Condition 7(h) (*Cancellation of Notes*).

8. TAXATION

(a) **Additional Amounts**

All payments of principal, premium and interest payable by or on behalf of the Issuer under or with respect to the Notes will be made free and clear of, and without withholding or deduction for or on account of Taxes imposed or levied by or on behalf of the jurisdiction of organisation of the Issuer and any political subdivision or taxing authority thereof or therein (each a "**Relevant Taxing Jurisdiction**"), unless such withholding or deduction is required by law. If any amounts are required to be withheld or deducted for or on account of Taxes imposed by a Relevant Taxing Jurisdiction from any payment of principal, premium or interest made under or with respect to the Notes, the Issuer, to the fullest extent then permitted by law, will be required to pay such additional amounts ("**Additional Amounts**") as may be necessary so that the net amount received by a Noteholder (including Additional Amounts) after such withholding or deduction will not be less than the amount such Noteholder would have received if such

Taxes had not been withheld or deducted; *provided, however*, that the foregoing obligation to pay Additional Amounts does not apply to:

(i) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant Noteholder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over, the relevant Noteholder, if the relevant Noteholder is an estate, trust, partnership or corporation) and the Relevant Taxing Jurisdiction (other than the mere receipt of such payment or the ownership or holding of such Note); or

(ii) any tax, duty, assessment, fee or other governmental charge that would not have been imposed but for the presentation of the Note by the Noteholder for payment more than 30 days after the date on which such payment on such Note became due and payable or the date on which payment thereof is duly provided for, whichever is later (except to the extent that the Noteholder would have been entitled to Additional Amounts had the Note been presented on the last day of such 30-day period); or

(iii) where (in the case of a payment of principal or interest on redemption) the relevant Definitive Certificate is surrendered for payment in a Relevant Taxing Jurisdiction; or

(iv) any combination of the above.

(b) Notwithstanding any other provision of these Conditions or the Trust Deed, any amounts to be paid on the Notes by or on behalf of the Issuer, will be paid net of FATCA Withholding. Neither the Issuer nor any person will be required to pay any additional amounts in respect of FATCA Withholding.

(c) Whenever in the Trust Deed or these Conditions there is mentioned, in any context (i) the payment of principal, (ii) interest or (iii) any other amount (including premium) payable on or with respect to any of the Notes, such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

9. PRESCRIPTION

Claims against the Issuer for payment in respect of principal, premium and interest will become void unless the relevant Definitive Certificate is surrendered for payment as required by Condition 6 (*Payments*) within a period of ten years in the case of principal and premium and five years in the case of interest from the relevant date for payment thereof.

10. EVENTS OF DEFAULT

The Trustee at its discretion may, and if so requested in writing by the holders of not less than one quarter in aggregate principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution (subject in each case to being indemnified and/or prefunded and/or secured to its satisfaction) shall, give written notice to the Issuer that the Notes are, and they shall immediately become, due and repayable in each case at their principal amount together with accrued interest, if any of the following events (each, an "**Event of Default**") occurs and is continuing:

(a) **Non-Payment**

(i) failure by the Issuer to pay any principal in respect of any of the Notes when it becomes due and payable (whether at stated maturity, upon redemption, upon acceleration or otherwise) and such failure continues for a period of seven days; or

(ii) failure by the Issuer to pay interest in respect of any of the Notes when it becomes due and payable and such failure continues for a period of 14 days; or

(b) **Breach of Other Obligations**

(i) failure by the Issuer to comply with any of the agreements or covenants described above under Condition 4(g) (*Merger, Consolidation or Sale of Assets*) or Condition 4(p)(i) (*Additional Guarantees*); or

(ii) failure by the Issuer to comply with any other agreement or covenant in these Conditions or the Trust Deed and such failure continues for 45 days after written notice of such failure has been given to the Issuer by the Trustee; or

(c) **Cross-Acceleration**

(i) any Indebtedness (other than Non-Recourse Project Finance Indebtedness) of the Issuer or any of its Restricted Subsidiaries is not paid on the due date for payment or (as the case may be) within any originally applicable grace period; or

(ii) any such Indebtedness (other than Non-Recourse Project Finance Indebtedness) becomes due and payable prior to its stated maturity by reason of any default, event of default or the like (howsoever described),

provided that the aggregate principal amount of such Indebtedness falling within (i) and/or (ii) above individually or in the aggregate equals or exceeds U.S.$35 million (or the U.S. Dollar Equivalent in any other currency or currencies); or

(d) **Judgment Default**

one or more judgments or orders or arbitration awards against the Issuer or a Material Subsidiary of the Issuer from which no further appeal or judicial review is permissible under applicable law for the payment of an amount in excess of U.S.$35 million (or the U.S. Dollar Equivalent in any other currency or currencies) (net of any amounts that are covered by insurance policies issued by solvent carriers), whether individually or in aggregate, is rendered or granted against the Issuer or any of its Material Subsidiaries and continue(s) unsatisfied and unstayed for a period of 60 days after the date thereof or, if later, the date therein specified for payment; or

(e) **Bankruptcy**

(i) the Issuer, or any of the Issuer's Material Subsidiaries or any group of the Issuer's Subsidiaries that, taken together, would constitute a Material Subsidiary,

(A) is declared by a court of competent jurisdiction to be insolvent, bankrupt or unable to pay its debts; or

(B) stops, suspends or threatens to stop or suspend payment of all or substantially all of its debts as they mature; or

(C) applies for or consents to, or suffers the appointment of, an administrator, liquidator, special manager, bankruptcy or rehabilitation manager or receiver or other similar person or petition is presented or analogous proceedings taken or an order or judgement is made or an effective resolution passed or analogous proceedings taken for winding up, liquidation, dissolution, bankruptcy, rehabilitation, insolvency, resolution or temporary administration in respect of the Issuer or any of the Issuer's Material Subsidiaries or any group of the Issuer's Subsidiaries that, taken together, would constitute a Material Subsidiary or over the whole or substantially the whole of their respective undertakings, property, assets or revenues pursuant to any insolvency law (other than for a solvent liquidation of a Material Subsidiary); or

(D) takes or becomes subject to any proceedings under any law for a readjustment or deferment of its obligations or substantially all of them or makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors except, in any such case, for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution or a Written Resolution (each as defined in the Trust Deed) of the Noteholders, in each case, other than as permitted under Condition 4(g) (*Merger, Consolidation or Sale of Assets*); or

(ii) an order of a court of competent jurisdiction is made or an effective resolution is passed for the winding-up or dissolution of the Issuer or any Material Subsidiary of the Issuer or any group of its Subsidiaries that, taken together, would constitute a Material Subsidiary, or the Issuer or any Material Subsidiary of the Issuer or any group of its Subsidiaries that, taken together, would

constitute a Material Subsidiary ceases to carry on all or substantially all of their respective businesses or operations (other than in connection with any consolidation, amalgamation or merger of any such entities with, or the sale of all or substantially all the assets of any such entities to any other Person where all relevant trust deeds, deeds of guarantee and supplemental trust deeds are executed pursuant to, and to give full effect to, the rights of a Noteholder pursuant to Condition 4(f) (*Asset Sales*)), except, in any such case, (A) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution or a Written Resolution of the Noteholders or (B) for a solvent liquidation of a Material Subsidiary, in each case, other than as permitted under Condition 4(g) (*Merger, Consolidation or Sale of Assets*); or

(f) **Government intervention**

(i) all or substantially all of the undertaking, assets and revenues of the Issuer or any of the Issuer's Material Subsidiaries, is condemned, seized or otherwise appropriated by any Person acting under the authority of any national, regional or local government; or

(ii) the Issuer or any of the Issuer's Material Subsidiaries is prevented by any such Person from exercising normal control over all or substantially all of its undertaking, assets and revenues,

and as a consequence of any such government intervention, the Issuer is unable to perform or comply with any one or more of its obligations under the Notes; or

(g) **Unlawfulness**

it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes or the Trust Deed.

11. REPLACEMENT OF NOTES

If any Definitive Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the Specified Office of the Registrar or any Transfer Agent subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (*provided that* the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Definitive Certificates must be surrendered before replacements will be issued.

12. MEETINGS OF NOTEHOLDERS; MODIFICATION, AND WAIVERS

(a) **Meetings of Noteholders**

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matters relating to the Notes, including the modification of any provision of these Conditions or the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Trustee, or the Issuer, or by the Trustee upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes (subject to the Trustee being indemnified and/or prefunded and/or secured to its satisfaction). The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing a majority in aggregate principal amount of the Notes for the time being outstanding, or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes for the time being outstanding so held or represented; *provided, however, that,* at any meeting the business of which includes a Reserved Matter, the quorum shall be two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, not less than one-quarter of the aggregate principal amount of the outstanding Notes. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present at the meeting(s) or not.

The Trust Deed provides that an "**Extraordinary Resolution**" means a resolution passed (A) at a meeting of the Noteholders duly convened and held in accordance with the provisions contained herein by Eligible Persons (as defined in the Trust Deed) consisting or representing more than 75 per cent. of Eligible Persons voting thereat or (B) by a Written Resolution (as described below) or (C) by electronic consent (as described below).

(b) **Written Resolution and electronic consents**

A Written Resolution will take effect as if it were an Extraordinary Resolution if it is signed by or on behalf of Noteholders holding not less than 75 per cent. of the aggregate principal amount of the outstanding Notes. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders. So long as the Notes are represented by global note certificates in registered form (the "**Global Certificates**") and such Global Certificates are held on behalf of one or more clearing systems, any Extraordinary Resolution passed by way of electronic consents received through a clearing system by or on behalf of not less than 75 per cent. of the aggregate principal amount of the Notes outstanding in accordance with the terms of the Trust Deed shall for all purposes be as valid and effectual as an Extraordinary Resolution passed at a meeting of such Noteholders duly convened and held in accordance with the Trust Deed.

(c) **Modification without Noteholders' consent**

The Trustee may agree, without the consent of the Noteholders, (i) to any modification of these Conditions, the Agency Agreement or the Trust Deed (other than in respect of a Reserved Matter) if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of Noteholders or (ii) to any modification of the Notes, the Agency Agreement or the Trust Deed which is of a formal, minor or technical nature or to correct a manifest error.

In addition, the Trustee may, without the consent of the Noteholders, authorise or waive any breach or proposed breach of the Notes, the Agency Agreement or the Trust Deed (other than a breach or proposed breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby. Any such authorisation, waiver, modification or substitution shall be binding on the Noteholders and, if the Trustee so requires, shall be notified to the Noteholders in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.

13. NOTICES

All notices to the Noteholders regarding the Notes will be valid if mailed to them at their respective addresses in the Register and will be deemed to have been given on the fourth Business Day after the date of mailing.

The Issuer shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any stock exchange on which the Notes are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made.

So long as the Notes are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to the Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders and such notice will be deemed to be given on the date of such delivery.

14. TRUSTEE

(a) **Indemnification**

Under the Trust Deed, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer and/or any of its Subsidiaries and any affiliate of the Issuer and/or any of its Subsidiaries without accounting for any profit and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of its Subsidiaries.

(b) **Exercise of power and discretion**

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence for individual Noteholders as a result of such Noteholders being connected in any way with a particular territory or taxing jurisdiction, and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, any indemnification in respect of any tax consequences of any such exercise upon individual Noteholders.

(c) **Enforcement; Reliance**

The Trustee may at any time after the Notes become due and payable, at its discretion and without notice, institute such proceedings or take any other legal action as it thinks fit to enforce its rights under the Trust Deed, the Agency Agreement and these Conditions in respect of the Notes, but it shall not be bound to do so unless:

(i) it has been so requested in writing by the holders of not less than one-quarter in principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and

(ii) it has been indemnified and/or prefunded and/or secured to its satisfaction.

No Noteholder shall be entitled to proceed directly against the Issuer to enforce the provisions of the Notes under the Trust Deed or these Conditions, unless the Trustee, having become bound so to proceed on behalf of the Noteholders, fails to do so within a reasonable time and such failure is continuing.

The Trustee may, in making any determination under these Conditions, act on the opinion or advice of, or information obtained from, any expert or auditor and will not be responsible for any loss, liability, cost, claim, action, demand, expense or inconvenience which may result from it so acting.

The Trustee may rely without liability to Noteholders on any certificate or report prepared by any of the above mentioned experts or auditors, including specifically the Auditors, pursuant to these Conditions or the Trust Deed, whether or not the expert or auditor's liability in respect thereof is limited by a monetary cap or otherwise.

Until the Trustee has actual or express knowledge to the contrary, the Trustee may assume that no Potential Event of Default or Event of Default has occurred.

The Trustee is not liable for any failure to monitor compliance by the Issuer with these Conditions (including, without limitation, Condition 4 (*Covenants*) and Condition 10 (*Events of Default*)).

15. FURTHER ISSUES

The Issuer may from time to time, without notice to or the consent of the Noteholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the date for and amount of the first payment of interest) so as to be consolidated and form a single series with the Notes ("**Further Notes**"), *provided that* the Issuer may not consolidate such Further Notes as a single series with the outstanding Notes unless the Further Notes are fungible with the outstanding Notes for U.S. federal income tax purposes. The Further Notes and the Notes shall be treated as a single class for all purposes of the Trust Deed, including waivers, amendments, redemptions and offers to purchase. Any further Notes shall be constituted by a deed supplemental to the Trust Deed. The Issuer may from time to time, with the consent of the Trustee, create and issue other series of notes having the benefit of the Trust Deed.

16. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No Person shall have any right to enforce any term or condition of the Notes or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

17. GOVERNING LAW; ARBITRATION

(a) **Governing law**

The Trust Deed and the Notes, including any non-contractual obligations arising out of or in connection with the Trust Deed and/or the Notes, are governed by, and shall be construed in accordance with, English law.

(b) **Arbitration**

The Issuer has in the Trust Deed for the benefit of the Trustee and the Noteholders agreed that any claims, controversies, disputes or differences arising out of or in connection with the Notes (including any claim, controversy, dispute or difference relating to the existence, performance, interpretation, breach, validity or termination of the Trust Deed or the Notes) or any non-contractual obligation arising out of or in connection with the Trust Deed or the Notes and, accordingly, any legal action or proceedings arising out

of or in connection with the Trust Deed or the Notes ("**Proceedings**"), shall be referred to and finally resolved by arbitration under the LCIA Arbitration Rules (the "**Rules**"), which are deemed to be incorporated by reference into the Trust Deed. The tribunal shall consist of three arbitrators, each of whom shall be a lawyer experienced in international finance transactions. The claimant(s), irrespective of the number of them, shall nominate jointly one arbitrator; the respondent(s), irrespective of the number of them, shall nominate jointly one arbitrator; and a third arbitrator, who shall act as presiding arbitrator, shall be nominated by the two party-nominated arbitrators, *provided that*, if the third arbitrator has not been nominated within the time limits specified by the Rules, such arbitrator shall be selected and appointed by the LCIA. The arbitration shall be seated in London, England with hearings to take place in London, England and conducted in the English language. Any provisions of the Rules relating to the nationality of an arbitrator shall, to that extent, not apply. Any award of the tribunal shall be binding from the day it is made and the parties waive any right of application to determine a preliminary point of law or appeal on a point of law under Sections 45 and 69 of the Arbitration Act 1996.

The Issuer agrees that the service of process relating to any Proceedings in England and Wales may be made by delivery to Law Debenture Corporate Services Limited. If such person is not or ceases to be effectively appointed to accept service of process, the Issuer shall (i) immediately notify the Trustee and (ii) promptly appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days of the notification referred to in (i) above, the Trustee shall be entitled to appoint such a person by written notice to the Issuer. Nothing herein shall affect the right of the Trustee to serve process in any other manner permitted by law.

18. DEFINITIONS

For the purposes of these Conditions:

"**Accounts**" means the consolidated financial statements of the Issuer, prepared in accordance with IFRS.

"**Acquired Debt**" means, with respect to any specified Person

Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Restricted Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary of, such specified Person.

"**Additional Amounts**" shall have the meaning given to such term in Condition 8 (*Taxation*).

"**Affiliate**" of any specified Person means any other Person, directly or indirectly controlling, controlled by, or under direct or indirect common control with, such specified Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"**Affiliate Transaction**" shall have the meaning given to such term in Condition 4(e) (*Transactions with Affiliates).*

"**Agency**" means any agency, authority, central bank, department, committee, government, legislature, minister, ministry, official or public or statutory person (whether autonomous or not).

"**Approved Jurisdiction**" means the United Kingdom, Georgia, Luxembourg, any member state of the European Union as constituted on the Issue Date, the United States of America, Canada and Australia.

"**Applicable Premium**" means, with respect to any Note redeemed pursuant to Condition 7(c)(i) on any redemption date, the greater of:

(a) 1 per cent. of the principal amount of the Note; and

(b) the excess of: (i) the present value at such redemption date of (x) the redemption price of such Note at 15 September 2027 (such redemption price being set forth in the table appearing in paragraph (ii) of Condition 7(c) (*Optional Redemption by the Issuer*)), plus (y) all required interest payments due on the Note to, but excluding, 15 September 2027 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points, over (ii) the principal amount of the Note,

as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer may engage. For the avoidance of doubt, the calculation of the Applicable Premium shall not be a duty or obligation of the Trustee, the Registrar or any Paying Agent.

"**Asset Sale**" means

(a) the sale, lease (other than an operating lease), conveyance or other disposition of any assets or rights by the Issuer or any of the Issuer's Restricted Subsidiaries; provided that the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole will be governed by the provisions in Condition 7(e) (*Redemption at the Option of the Noteholders upon a Change of Control*) and Condition 4(g) (*Merger, Consolidation or Sale of Assets*) and not by the provisions of Condition 4(f) (*Asset Sales*); and

(b) the issuance of Equity Interests by any of the Issuer's Restricted Subsidiaries or the sale by the Issuer or any of the Issuer's Restricted Subsidiaries of Equity Interests in any of the Issuer's Restricted Subsidiaries.

For purposes of this definition, the term "**Asset Sale**" shall not include:

(i) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than U.S.$10 million (or the U.S. Dollar Equivalent in any other currency or currencies);

(ii) a transfer of assets or Equity Interests between or among the Issuer and its Restricted Subsidiaries;

(iii) an issuance of Equity Interests by a Restricted Subsidiary to the Issuer or to another Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved by the Supervisory Board of the Issuer or the issuance of directors' qualifying shares and shares issued or sold to Persons (including, without limitation, individuals and governments (including, without limitation, agencies and political subdivisions thereof)) as required by applicable law or regulation;

(iv) the sale, lease or other transfer of products, inventory, trading stock, services or other assets in the ordinary course of business and any sale or other disposition of damaged, worn-out or obsolete assets in the ordinary course of business (including the abandonment or other disposition of intellectual property that is, in the reasonable judgement of the Issuer, no longer economically practicable to maintain or useful in the conduct of the business of the Issuer and its Restricted Subsidiaries taken as whole);

(v) licenses and sublicenses by the Issuer or any of its Restricted Subsidiaries of software or intellectual property in the ordinary course of business;

(vi) any surrender or waiver of contract rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;

(vii) the granting of Liens not prohibited by the covenant described above under Condition 4(b) (*Limitation on Liens*);

(viii) the sale or other disposition of cash or Cash Equivalents;

(ix) a Restricted Payment that does not violate Condition 4(c) (*Limitation on Restricted Payments*), a Permitted Investment or any transaction specifically excluded from the definition of Restricted Payment;

(x) foreclosure, condemnation, taking by eminent domain or any similar action with respect to any property or other assets;

(xi) the sale or discount (without recourse, and on customary or commercially reasonable terms) of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable;

(xii) any disposition of Equity Interests of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Issuer or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its

business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(xiii) an issuance or sale by a Restricted Subsidiary of preferred stock that is permitted by Condition 4(a) (*Incurrence of Indebtedness and Issuance of Preferred Stock);*

(xiv) sales, transfers or other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary (as determined in good faith by the Supervisory Board or an officer of the Issuer) buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding agreements; *provided* that any cash or Cash Equivalents received in such sale, transfer or disposition is applied in accordance with Condition 4(f) (*Asset Sales);*

(xv) any disposition with respect to property or assets built, owned or otherwise acquired by the Issuer or any Restricted Subsidiary pursuant to customary sale and lease-back transactions, asset securitisations and other similar financings permitted by these Conditions;

(xvi) the disposition of assets to a Person that is providing services (the provision of which has been or is to be outsourced by the Issuer or any Restricted Subsidiary to such Person) related to such assets; and

(xvii) the disposition of any assets (including, without limitation, Equity Interests) made in connection with the approval of any applicable antitrust or competition authority or otherwise necessary or advisable in the good faith determination of the Issuer to consummate any acquisition, provided that any cash or Cash Equivalents received in such disposition are applied in accordance with Condition 4(f) (*Asset Sales).*

"**Auditors**" means the auditors of the consolidated financial statements of the Group from time to time.

"**Beneficial Owner**" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the U.S. Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the U.S. Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition. The terms "**Beneficially Owns**" and "**Beneficially Owned**" have a corresponding meaning.

"**Board Resolution**" means a duly authorised resolution of the Supervisory Board.

"**Business Day**" means a day which is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, Tbilisi and New York City and (where surrender is required by these Conditions) in the place of the Specified Office of the Registrar or the relevant Paying Agent to whom the relevant Definitive Certificate is surrendered.

"**Capital Lease Obligation**" means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalised on a balance sheet prepared in accordance with IFRS, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid or terminated by the lessee without payment of a penalty.

"**Capital Stock**" means:

(a) in the case of a corporation, corporate stock;

(b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(c) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and

(d) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any

debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"**Cash Equivalents**" means:

(a) direct obligations (or certificates representing an interest in such obligations) issued by, or unconditionally guaranteed by, the government of a member state of the Pre-Expansion European Union, the United States of America, Georgia, Switzerland or Canada (including, in each case, any agency or instrumentality thereof), as the case may be, the payment of which is backed by the full faith and credit of the relevant member state of the Pre-Expansion European Union, the United States of America, Georgia, Switzerland or Canada, as the case may be, and which are not callable or redeemable at the Issuer's option;

(b) overnight bank deposits, time deposit accounts, certificates of deposit, banker's acceptances and money market deposits with maturities (and similar instruments) of 12 months or less from the date of acquisition issued by a bank or trust company which is organised under, or authorised to operate as a bank or trust company under, the laws of a member state of the Pre-Expansion European Union or of Georgia, the United States of America or any state thereof, Switzerland or Canada or any province thereof; provided that the long-term debt of such bank or trust company (which is not organised under, or authorised to operate as a bank or trust company under the laws of Georgia) is rated "A-3" or higher by Moody's or "A-" or higher by S&P or the equivalent rating category of another internationally recognised rating agency and, in relation to any bank or trust company which is organised under, or authorised under the laws of Georgia, the long-term debt of such bank or trust company is rated "B1" by Moody's or "B+" by S&P or higher or the equivalent rating category of another internationally recognised rating agency, and provided further that the rating requirements in the foregoing provision shall not apply to Silk Road Bank;

(c) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in paragraphs (a) and (b) above entered into with any financial institution meeting the qualifications specified in paragraph (b) above;

(d) commercial paper having one of the two highest ratings obtainable from Moody's or S&P and, in each case, maturing within one year after the date of acquisition;

(e) interests in any investment company or money market funds at least 95 per cent. of the assets of which consist of Cash Equivalents of the type referred to in paragraphs (a) through (d) above; and

(f) all items treated as cash equivalents under IFRS.

"**Change of Control**" means the occurrence of any of the following:

(a) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or sale of assets permitted under Condition 4(g) (*Merger, Consolidation or Sale of Assets*)), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its Restricted Subsidiaries taken as a whole to any Person (including any "person" (as that term is used in Section 13(d)(3) of the U.S. Exchange Act)) (other than a Principal or a Related Party of a Principal); or

(b) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any Person (including any "person" as defined above), other than a Principal and/or any Related Party, becomes the Beneficial Owner, directly or indirectly, of more of the Voting Stock of the Issuer (measured by voting power rather than number of shares) than is at the time Beneficially Owned by the Principals and their Related Parties in the aggregate.

"**Change of Control Offer**" shall have the meaning given to such term in Condition 7(e) (*Redemption at the Option of the Noteholders upon a Change of Control*).

"**Commission**" means the U.S. Securities and Exchange Commission.

"**Consolidated EBITDA**" means, with respect to any specified Person for any period, the Consolidated Net Income of such Person and its Restricted Subsidiaries for such period plus, without duplication:

(a) an amount equal to any extraordinary loss (which is a loss that is non-operating or non-recurring by nature);

(b) plus any net loss realised by such Person or any of its Restricted Subsidiaries in connection with an Asset Sale, to the extent such losses were deducted in computing such Consolidated Net Income; plus

(c) provision for taxes based on income, profits or distributions of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; plus

(d) the Fixed Charges of such Person and its Restricted Subsidiaries for such period, to the extent that such Fixed Charges were deducted in computing such Consolidated Net Income; plus

(e) any foreign currency translation losses (including losses related to currency remeasurements of Indebtedness) and losses on hedging instruments of such Person and its Restricted Subsidiaries for such period, to the extent that such losses were taken into account in computing such Consolidated Net Income; plus

(f) depreciation (excluding any depreciation charges for lease liabilities with respect to lease obligations that qualify as Capital Lease Obligations under IFRS 16), amortisation (including amortisation of intangible assets and amortisation contract costs but excluding amortisation of prepaid cash expenses that were paid in a prior period), impairment of assets, provision for possible losses and other non-cash charges and expenses (excluding any such non-cash charge or expense to the extent that it represents an accrual of or reserve for cash charges or expenses in any future period or amortisation of a prepaid cash charge or expense that was paid in a prior period) of such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortisation and other non-cash charges or expenses were deducted in computing such Consolidated Net Income; minus

(g) any foreign currency translation gains (including gains related to currency remeasurements of Indebtedness) and gains on hedging instruments of such Person and its Restricted Subsidiaries for such period, to the extent that such gains were taken into account in computing such Consolidated Net Income; minus

(h) non-cash items increasing such Consolidated Net Income for such period other than (i) the accrual of operating revenue in the ordinary course of business and (ii) any non-cash item to the extent it represents a reversal of a reserve for cash charges in any future period,

in each case, on a consolidated basis and determined in accordance with IFRS.

"**Consolidated Fixed Charge Coverage Ratio**", as of any date of determination, means the ratio of (x) the aggregate amount of Consolidated EBITDA of the Issuer and its Restricted Subsidiaries, to (y) Fixed Charges of the Issuer and its Restricted Subsidiaries, determined in accordance with IFRS (the "**Consolidated Fixed Charges**"), in each case for the period of the four most recent consecutive quarterly periods ending prior to such date of determination for which published, reviewed or audited financial statements of the Issuer and its Restricted Subsidiaries on a consolidated basis and prepared in accordance with IFRS are available (the "**FCCR Calculation Period**"); provided, however, that:

(a) if (i) the Issuer or any Restricted Subsidiary has incurred any Indebtedness since the balance sheet date of the most recently published, reviewed or audited consolidated financial statements of the Issuer and its Restricted Subsidiaries which remains outstanding on such date of determination or (ii) the transaction giving rise to the need to calculate the Consolidated Fixed Charge Coverage Ratio is an incurrence of Indebtedness, the Consolidated Fixed Charge Coverage Ratio shall be calculated by adjusting the Consolidated Net Indebtedness for such period to give effect to the incurrence of any Indebtedness mentioned in (i) or (ii) above, or both, as if such Indebtedness had been incurred on the first day of the FCCR Calculation Period; provided that no effect shall be given to any cash or Cash Equivalents (other than Cash or Cash Equivalent recognised as a result of business combination) as proceeds of such Indebtedness that gave rise to the need to calculate the Consolidated Fixed Charge Coverage Ratio;

(b) if (i) the Issuer or any Restricted Subsidiary has repaid, repurchased, defeased or otherwise discharged any Indebtedness including contingent obligations since the Relevant Date or (ii) any Indebtedness is to be repaid, repurchased, defeased or otherwise discharged (in each case other than Indebtedness incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) on the date of the transaction giving rise to the need to calculate the Consolidated Fixed Charge Coverage Ratio, or both, the Consolidated Fixed Charge Coverage Ratio shall be calculated by adjusting the Fixed Charges for such period to give effect to such repayment, repurchase, defeasement or

discharge mentioned in (i) or (ii) above, as if such repayment, repurchase, defeasement or discharge had occurred on the first day of the FCCR Calculation Period;

(c) if since the Relevant Date the Issuer or any Restricted Subsidiary has made an Asset Sale as a result of which a Person ceased to be a member of the Group, the Consolidated Fixed Charge Coverage Ratio shall be calculated by adjusting the Fixed Charges for such period to give effect to any reduction of Indebtedness (to the extent originally included) equal to the Indebtedness of such Person as if such disposal had occurred on the first day of the FCCR Calculation Period;

(d) if since the beginning of the FCCR Calculation Period the Issuer or any Restricted Subsidiary shall have made an Asset Sale, the Consolidated Fixed Charge Coverage Ratio shall be calculated by reducing the Consolidated EBITDA for such FCCR Calculation Period by an amount equal to the Consolidated EBITDA (if positive) directly attributable to the assets which are the subject of such Asset Sale, or increased by an amount equal to the Consolidated EBITDA (if negative), directly attributable thereto for such period as if such Asset Sale had occurred on the first day of such FCCR Calculation Period; and

(e) if since the beginning of the FCCR Calculation Period the Issuer or any Restricted Subsidiary (by merger or otherwise) shall have made an investment in any Person which as a result of such investment becomes a Restricted Subsidiary or an acquisition of assets which is treated as a business combination under IFRS (including any acquisition of assets occurring in connection with a transaction requiring a calculation to be made hereunder), the Consolidated Fixed Charge Coverage Ratio shall be calculated by adjusting the Consolidated EBITDA and/or Consolidated Fixed Charges for such FCCR Calculation Period as if such investment or acquisition had occurred on the first day of such FCCR Calculation Period.

The Consolidated Fixed Charge Coverage Ratio shall be determined in good faith by an authorised officer of the Issuer, whose determination will be conclusive (in the absence of manifest error).

"**Consolidated Net Income**" means, with respect to any specified Person for any period, the aggregate of the net income (loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with IFRS and without any reduction in respect of preferred stock dividends.

"**Consolidated Net Indebtedness**" means at any date of determination an amount equal to (and without duplication) the aggregate of Indebtedness of the Issuer and its Restricted Subsidiaries on such date on a consolidated basis less the aggregate cash and Cash Equivalents of the Issuer and its Restricted Subsidiaries on such Determination Date on a consolidated basis.

"**Consolidated Net Leverage Ratio**" as of any date of determination, means the ratio of (x) the aggregate amount of Consolidated Net Indebtedness to (y) the aggregate amount of Consolidated EBITDA for the period (the "**EBITDA Calculation Period**") of the four most recent consecutive quarterly periods ending prior to such date of determination for which published, reviewed or audited financial statements of the Issuer and its Restricted Subsidiaries on a consolidated basis and prepared in accordance with IFRS are available; *provided, however, that*:

(a) if (i) any member of the Group has incurred any Indebtedness since the balance sheet date of the most recently published consolidated financial statements of the Group which remains outstanding on the date of determination or (ii) the transaction giving rise to the need to calculate the Consolidated Net Leverage Ratio is an incurrence of Indebtedness, or both, the Consolidated Net Leverage Ratio shall be calculated by adjusting the Consolidated Net Indebtedness as at such date of determination to give pro forma effect to the incurrence of any Indebtedness as if such Indebtedness had been incurred on the last day of the relevant EBITDA Calculation Period (the "Relevant Date") provided that no effect shall be given to any cash or Cash Equivalents (other than Cash or Cash Equivalent recognised as a result of business combination) by the Issuer or any Restricted Subsidiary as proceeds of such Indebtedness that gave rise to the need to calculate the Consolidated Net Leverage Ratio;

(b) if (i) the Issuer or any Restricted Subsidiary has repaid, repurchased, defeased or otherwise discharged any Indebtedness since the Relevant Date or (ii) any Indebtedness is to be repaid, repurchased, defeased or otherwise discharged (in each case other than Indebtedness incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) on the date of the transaction giving rise to the need to calculate the Consolidated Net Leverage Ratio, or both, the Consolidated Net Leverage Ratio shall be adjusted for such period to give pro forma effect to such repayment, repurchase, defeasement or discharge mentioned in (i) or (ii) above as if such repayment, repurchase, defeasement or discharge had occurred on the Relevant Date;

(c) if since the Relevant Date the Issuer or any Restricted Subsidiary has made an Asset Sale as a result of which a Person ceased to be a member of the Group, the Consolidated Net Leverage Ratio shall be calculated by adjusting the Consolidated Net Indebtedness for such period to give effect to any reduction of Indebtedness (to the extent originally included) equal to the Indebtedness of such Person as if such disposal had occurred on the Relevant Date;

(d) if since the beginning of the EBITDA Calculation Period the Issuer or any Restricted Subsidiary (by merger or otherwise) shall have made an investment in any Person which as a result of such investment becomes a Restricted Subsidiary or an acquisition of assets which is treated as a business combination under IFRS (including any acquisition of assets occurring in connection with a transaction requiring a calculation to be made hereunder), the Consolidated Net Leverage Ratio shall be calculated by adjusting the Consolidated EBITDA for such EBITDA Calculation Period as if such investment or acquisition had occurred on the first day of such EBITDA Calculation Period; and

(e) if since the beginning of the EBITDA Calculation Period the Issuer or any Restricted Subsidiary shall have made an Asset Sale, the Consolidated Net Leverage Ratio shall be calculated by reducing the Consolidated EBITDA for such EBITDA Calculation Period by an amount equal to the Consolidated EBITDA (if positive) directly attributable to the assets which are the subject of such Asset Sale, or increased by an amount equal to the Consolidated EBITDA (if negative), directly attributable thereto for such period as if such Asset Sale had occurred on the first day of such EBITDA Calculation Period.

The Consolidated Net Leverage Ratio shall be determined in good faith by an authorised officer of the Issuer, whose determination will be conclusive (in the absence of manifest error).

"**Consolidated Total Assets**" of any Person as of any date means the total assets of such Person and its Restricted Subsidiaries as of the most recent fiscal period end for which a published, reviewed or audited consolidated balance sheet of such Person and its Restricted Subsidiaries is available all calculated on a consolidated basis in accordance with IFRS, as adjusted to give pro forma effect to acquisitions and dispositions made prior to or that are made on such date.

"**continuing**" means, with respect to any Potential Event of Default or Event of Default, that such Potential Event of Default or Event of Default has not been cured or waived.

"**Credit Facilities**" means one or more debt facilities, indentures, bonds, instruments, arrangements or commercial paper facilities, in each case, with banks or other institutional lenders or investors, together with all related documents and security in relation thereto, providing for revolving credit loans, term loans, factoring and receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit, in each case, as amended, restated, modified, renewed, restructured, repaid, refunded, replaced or refinanced in whole or in part from time to time.

"**Currency Agreement**" means any foreign exchange contract, currency swap agreement or other similar agreement with respect to currency values.

"**Disqualified Stock**" means Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is six months after the date on which the Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Issuer to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the Issuer may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with Condition 4(c) (*Limitation on Restricted Payments*). The amount of Disqualified Stock deemed to be outstanding at any time for purposes of the Trust Deed will be the maximum amount that the Issuer and its Restricted Subsidiaries may become obligated to pay upon the maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock, exclusive of accrued dividends.

"**Equity Interests**" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"**Equity Offering**" means an underwritten primary public offering or marketed private sale to institutional investors of ordinary shares of the Issuer or a direct or indirect parent company of the Issuer to the extent the proceeds of such offering or sale are received by and contributed to the equity capital of the Issuer.

"**Event of Default**" shall have the meaning given to such term in Condition 10 (*Events of Default*).

"**Existing Indebtedness**" means all Indebtedness of the Issuer and its Restricted Subsidiaries outstanding as at the Issue Date, after giving effect to the use of proceeds of the offering of the Notes on or after the Issue Date as described in "Use of Proceeds" in the Listing Particulars (and all such Indebtedness existing pending such use of such proceeds).

"**Euronext Dublin**" means the Irish Stock Exchange plc, trading as Euronext Dublin.

"**Fair Market Value**" means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress of either party, determined in good faith by the Supervisory Board of the Issuer.

"**Fitch**" means Fitch Ratings Limited, its affiliates and any successor to its ratings business.

"**Fixed Charges**" means, with respect to any specified Person for any period, the sum, without duplication, of:

(a) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, including, without limitation, amortisation of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with lease obligations (other than lease obligations that qualify as Capital Lease Obligations under IFRS 16), commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations in respect of interest rates; plus

(b) the consolidated interest expense of such Person and its Restricted Subsidiaries that was capitalised during such period (other than with respect to lease obligations that qualify as Capital Lease Obligations under IFRS 16); plus

(c) any interest on Indebtedness of another Person that is guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries, whether or not such guarantee or Lien is called upon; plus

(d) the product of (i) all dividends, whether paid or accrued and whether or not in cash, on any series of preferred stock of such Person or any of its Restricted Subsidiaries, other than dividends on Equity Interests payable solely in Equity Interests of the Issuer (other than Disqualified Stock) or to the Issuer or a Restricted Subsidiary of the Issuer, times (ii) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined national, state and local statutory tax rate of such Person, expressed as a decimal, in each case, determined on a consolidated basis in accordance with IFRS.

"**Further Notes**" shall have the meaning given to such term in Condition 15 (*Further Issues*).

"**Group**" means the Issuer and its Subsidiaries, taken as a whole.

"**guarantee**" means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

"**Hedging Obligations**" means, with respect to any specified Person, the obligations of such Person under:

(a) currency exchange, interest rate or commodity swap agreements, currency swap, interest rate or commodity cap agreements, currency exchange, interest rate or commodity collar agreements and foreign exchange contracts or futures contracts;

(b) other agreements or arrangements designed to manage interest rates or interest rate risk; and

(c) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange, interest rates, commodity prices or equity risks.

"**IFRS**" means International Financial Reporting Standards promulgated by the International Accounting Standards Board or any successor board or agency as endorsed by the European Union as in effect from time to time; *provided, however,* that solely for purposes of ratios, baskets, calculations and determinations based on IFRS to be calculated or made pursuant to these Conditions, "IFRS" shall mean such standards as in effect on the Issue Date.

"**Indebtedness**" means, with respect to any specified Person, any indebtedness of such Person (excluding Trade and Other Payables and IRU and Subscriber Advances):

(a) in respect of borrowed money;

(b) evidenced by or issued in exchange for bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);

(c) in respect of banker's acceptances;

(d) representing the balance deferred and unpaid of the purchase price of any property or services due more than one year after such property is acquired or such services are completed (for the avoidance of doubt, excluding Trade and Other Payables and IRU and Subscriber Advances); or

(e) representing any net Hedging Obligations (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time),

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with IFRS. In addition, the term "**Indebtedness**" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the guarantee by the specified Person of any Indebtedness of any other Person. Indebtedness shall be calculated without giving effect to the effects of IFRS 9 and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose under the Trust Deed as a result of accounting for any embedded derivatives created by the terms of such Indebtedness; and the amount of indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations, as described above.

The term "**Indebtedness**" shall not include:

(A) in connection with the purchase by the Issuer or any of its Restricted Subsidiaries of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; provided, however, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter;

(B) any contingent obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes;

(C) customer deposits and advance payments (including, without limitation, down payments) received in the ordinary course of business from customers for goods or services or other property and assets (including real estate) purchased in the ordinary course of business; and

(D) lease obligations that qualify as Capital Lease Obligations under IFRS 16.

"**Independent Appraiser**" means an audit firm or a third party expert in the matter to be determined and appointed by the Issuer, *provided that* such firm or third party expert is not an Affiliate of the Issuer.

"**Interest Payment Date**" shall have the meaning given to such term in Condition 5(a) (*Interest Accrual*).

"**Interest Period**" shall have the meaning given to such term in Condition 5(a) (*Interest Accrual*).

"**Investment Grade Rating**" means (i) a long term credit rating of "AAA", "AA", "A" or "BBB", as modified by a "+" or "-" indication, or an equivalent rating representing one of the four highest rating categories, by S&P or any of its successors or assigns; (ii) a long term credit rating of "Aaa", "A" or "Baa", as modified by a "1", "2" or "3" indication, or an equivalent rating representing one of the four highest rating categories, by Moody's or any of its successors or assigns; (iii) a long term credit rating of "AAA", "AA", "A" or "BBB", as modified by a "+" or "-" indication, or an equivalent rating representing one of the four highest rating categories, by Fitch or any of its successors or assigns; or (iv) the equivalent long term credit ratings of any internationally recognised rating agency or agencies, as the case may be, which shall have been designated by the Issuer as having been substituted for S&P, Moody's or Fitch or all of them, as the case may be.

"**Investments**" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including by way of guarantee or other obligations), advances or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with IFRS. If the Issuer or any Restricted Subsidiary of the Issuer sells or otherwise disposes of any Equity Interests of any Restricted Subsidiary of the Issuer such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary of the Issuer, the Issuer will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Issuer's Investments in such Restricted Subsidiary that were not sold or disposed of in an amount determined as provided in paragraph (iii) of Condition 4(c) (*Limitation on Restricted Payments*). The acquisition by the Issuer or any Restricted Subsidiary of the Issuer of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Issuer or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in paragraph (iii) of Condition 4(c) (*Limitation on Restricted Payments*). Except as otherwise provided in the Trust Deed, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value.

For purposes of the definition of "Unrestricted Subsidiary", the definition of "Restricted Payment" and Condition 4(c) (*Limitation on Restricted Payments*):

(a) "**Investment**" shall include the portion (proportionate to the Issuer's Capital Stock in such Subsidiary) of the Fair Market Value of the net assets of any Subsidiary of the Issuer at the time that such Subsidiary is designated an Unrestricted Subsidiary; provided, however, that, upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Issuer shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary equal to an amount (if positive) equal to (A) the Issuer's "Investment" in such Subsidiary at the time of such redesignation less (B) the portion (proportionate to the Issuer's Capital Stock in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation; and

(b) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer.

"**Issue Date**" shall have the meaning given to such term in Condition 5(a) (*Interest Accrual*).

"**Issuer**" means the party named as such above until a successor replaces it in accordance with Condition 4(g) (*Merger, Consolidation or Sale of Assets*) and thereafter means such successor.

"**IRU and Subscriber Advances**" means those advances accounted for in "Advances received from IRU contracts and subscribers" in the Accounts.

"**Lien**" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in such asset and any filing of or agreement to give any financing statement under the laws of any jurisdiction.

"**Listing Particulars**" means the listing particulars dated 11 September 2025 in relation to the Notes.

"**Material Subsidiary**" means any Restricted Subsidiary which meets any of the following conditions:

(a) the Issuer and the other Restricted Subsidiaries' investments in and advances to such Restricted Subsidiary exceed 7.5 per cent. of the total consolidated assets of the Issuer and the Restricted Subsidiaries as of the end of the most recently completed financial year; or

(b) the Issuer and the other Restricted Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of such Restricted Subsidiary exceeds 7.5 per cent. of the total consolidated assets of the Issuer and the Restricted Subsidiaries as of the end of the most recently completed financial year; or

(c) the Issuer and the other Restricted Subsidiaries' equity in the consolidated income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of such Restricted Subsidiary exceeds 7.5 per cent. of such consolidated income of the Issuer and the Restricted Subsidiaries for the most recently completed financial year.

"**Maturity Date**" means 15 September 2030.

"**Moody's**" means Moody's Investors Service, Inc., a subsidiary of Moody's Corporation, and its successors or assigns.

"**Net Available Cash**" from an Asset Sale means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or instalment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Sale or received in any other non-cash form) therefrom, in each case net of:

(a) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all federal, state, provincial, foreign and local taxes required to be paid or accrued as a liability under IFRS (after taking into account any available tax credits or deductions and any tax sharing agreements), as a consequence of such Asset Sale;

(b) all payments made on any Indebtedness which is secured by any assets subject to such Asset Sale, in accordance with the terms of any Lien upon such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Sale, or by applicable law be repaid out of the proceeds from such Asset Sale;

(c) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures or to holders of royalty or similar interests as a result of such Asset Sale; and

(d) the deduction of appropriate amounts to be provided by the seller as a reserve, in accordance with IFRS, against any liabilities associated with the assets disposed of in such Asset Sale and retained by the Issuer or any of its Restricted Subsidiaries after such Asset Sale.

"**Non-Recourse Project Finance Indebtedness**" means Indebtedness incurred by a Project Subsidiary under a Credit Facility to finance the ownership, acquisition, development and/or operation of an asset or project:

(a) as to which neither the Issuer nor any Restricted Subsidiary that is not a Project Subsidiary (i) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (ii) is directly or indirectly liable as a guarantor or otherwise (other than as contemplated by paragraph (b) of the definition of Permitted Lien) or (iii) constitutes the lender (other than as contemplated by paragraph (b) of the definition of Permitted Lien);

(b) no default with respect to which would permit upon notice, lapse of time or otherwise any holder of any Indebtedness of the Issuer or any Restricted Subsidiary that is not a Project Subsidiary to declare a default on such Indebtedness or cause the payment of such Indebtedness to be accelerated or payable prior to its Stated Maturity; and

(c) the explicit terms of which provide there is no recourse to the Capital Stock or assets of the Issuer or any Restricted Subsidiary that is not a Project Subsidiary.

"**Noteholder**" shall have the meaning given to such term in Condition 1(b) (*Title*).

"**Obligations**" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"**Officer's Certificate**" means a certificate signed by any duly authorised signatory of the Issuer.

"**Opinion of Counsel**" means a written opinion from legal counsel who is reasonably acceptable to the Trustee. The counsel may be (among others) an employee of or counsel to the Issuer or the Trustee, or any other counsel.

"**Pari Passu Indebtedness**" means Indebtedness of the Issuer or any Guarantor if such Indebtedness ranks equally in right of payment to the Notes or the relevant Guarantee, as the case may be.

"**Permitted Business**" means any business, services or activities engaged in by the Issuer or any of its Restricted Subsidiaries on the Issue Date, and in each case all activities reasonably necessary to, or undertaken in connection with, the foregoing, or any business activity (including, without limitation, financial services, payment solutions, ecommerce, data centres, data processing and analytics, artificial intelligence (AI) solutions, cybersecurity and information security services, information and communications technology, cloud computing and managed cloud services, IT services, assembling hardware (with or without embedded software), hardware and maintenance, server security services and other services and products similar or related to any of the foregoing) that is a reasonable extension, development or expansion thereof or ancillary thereto, or any business reasonably related, incidental or complimentary thereto.

"**Permitted Indebtedness**" shall have the meaning given to such term in Condition 4(a) (*Incurrence of Indebtedness and Issuance of Preferred Stock*).

"**Permitted Investment**" means:

(a) any Investment in the Issuer or any Restricted Subsidiary of the Issuer;

(b) any Investment in cash and Cash Equivalents;

(c) any Investment by the Issuer or any Restricted Subsidiary of the Issuer in a Person if as a result of such Investment:

  (i) such Person becomes a Restricted Subsidiary of the Issuer; or

  (ii) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary of the Issuer;

(d) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with Condition 4(f) (*Asset Sales*);

(e) any acquisition of assets or Capital Stock solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Issuer;

(f) any Investments received in compromise or resolution of (I) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Issuer or any of its Restricted Subsidiaries, including pursuant to any plan of reorganisation or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (II) litigation, arbitration or other disputes with Persons who are not Affiliates;

(g) Investments represented by Hedging Obligations;

(h) repurchases of the Notes or any other Indebtedness of the Issuer or any Restricted Subsidiary;

(i) any guarantee of Indebtedness permitted to be incurred by Condition4(a) (*Incurrence of Indebtedness and Issuance of Preferred Stock*) or Condition 4(g) (*Merger, Consolidation or Sale of Assets*);

(j) guarantees of performance or other obligations (other than Indebtedness) arising in the ordinary course of business of the Issuer and its Restricted Subsidiaries including obligations under licences, concessions or operating leases related to the ordinary course of the business of the Issuer and its Restricted Subsidiaries;

(k) any Investment existing on, or made pursuant to binding commitments existing on, the Issue Date and any Investment consisting of an extension, modification or renewal of any Investment existing on, or made pursuant to a binding commitment existing on, the Issue Date; *provided that* the amount of any

such Investment may be increased (x) as required by the terms of such Investment as in existence on the Issue Date or (y) as otherwise permitted under these Conditions;

(l) Investments acquired after the Issue Date as a result of the acquisition by the Issuer or any Restricted Subsidiary of the Issuer of another Person, including by way of a merger, amalgamation or consolidation with or into the Issuer or any of its Restricted Subsidiaries, or all or substantially all of the assets of another Person, in each case, in a transaction that is not prohibited by Condition 4(g) (*Merger, Consolidation or Sale of Assets*), to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(m) Investments in a Permitted Joint Venture having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this paragraph (m) that are at the time outstanding, not to exceed the greater of U.S.$35 million (or the U.S. Dollar Equivalent in any other currency or currencies) and 4.9 per cent. of the Issuer's Consolidated Total Assets; *provided that*, if an Investment is made pursuant to this paragraph in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to Condition 4(c) (*Limitation on Restricted Payments*), such Investment shall thereafter be deemed to have been made pursuant to paragraph (a) or (c) of the definition of "Permitted Investments" and not this paragraph;

(n) other Investments in any Person other than an Affiliate of the Issuer that is not a Restricted Subsidiary of the Issuer having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this paragraph (n) that are at the time outstanding not to exceed the greater of U.S.$35 million (or the U.S. Dollar Equivalent in any other currency or currencies) and 4.9 per cent. of the Issuer's Consolidated Total Assets; *provided that*, if an Investment is made pursuant to this paragraph in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to Condition 4(c) (*Limitation on Restricted Payments*), such Investment shall thereafter be deemed to have been made pursuant to paragraph (a) or (c) of the definition of "Permitted Investments" and not this paragraph.

"**Permitted Joint Venture**" means a joint venture formed by the Issuer or a Restricted Subsidiary of the Issuer with any other Person in good faith to pursue a joint venture related to a Permitted Business.

"**Permitted Liens**" means:

(a) Liens securing Indebtedness under Credit Facilities that are incurred under Condition 4(a)(ii)(A);

(b) Liens over the Capital Stock or assets of a Project Subsidiary securing Non-Recourse Project Finance Indebtedness incurred by such Project Subsidiary under Condition 4(a)(ii)(B) or guarantees thereof (provided that, in the case of Liens over the Capital Stock of a Project Subsidiary, the guarantee secured by such Lien is granted by a Restricted Subsidiary whose only material asset is such Capital Stock);

(c) Liens to secure Hedging Obligations incurred under Condition 4(a)(ii)(I);

(d) Liens on property (including Capital Stock) of a Person existing at the time such Person becomes a Restricted Subsidiary of the Issuer or is merged with or into or consolidated with the Issuer or any Restricted Subsidiary of the Issuer; provided that such Liens were in existence prior to the contemplation of such Person becoming a Restricted Subsidiary of the Issuer or such merger or consolidation and do not extend to any assets other than those of the Person that becomes a Restricted Subsidiary of the Issuer or is merged with or into or consolidated with the Issuer or any Restricted Subsidiary of the Issuer;

(e) Liens on property (including Capital Stock) existing at the time of acquisition of such property by the Issuer or any Restricted Subsidiary of the Issuer; provided that such Liens were in existence prior to such acquisition and not incurred in contemplation of, such acquisition;

(f) Liens granted upon or with regard to any property hereafter acquired by any member of the Group to secure the purchase price of such property or to secure Indebtedness incurred solely for the purpose of financing the acquisition of such property and transactional expenses related to such acquisition, provided that the maximum amount of Indebtedness thereafter secured by such Liens does not exceed the purchase

price of such property plus transactional expenses and/or the Indebtedness incurred solely for the purpose of financing the acquisition of such property;

(g) any netting or set-off arrangement entered into by the Issuer or any Restricted Subsidiary in the ordinary course of its business for the purpose of netting debit and credit balances;

(h) Liens to secure Indebtedness incurred under Condition 4(a)(ii)(E) covering only the property, plant or equipment so purchased, designed, constructed, installed or improved;

(i) Liens to secure the performance of statutory obligations, letters of credit, insurance, performance bonds, surety bonds, bid bonds, appeal bonds, workers compensation obligations or other obligations of a like nature incurred in the ordinary course of business;

(j) Liens to secure Capital Lease Obligations covering only the assets acquired with or financed by such Indebtedness;

(k) Liens existing on, or provided for or required to be granted under written agreements existing on, the Issue Date;

(l) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; provided that any reserve or other appropriate provision as is required in conformity with IFRS has been made therefor;

(m) Liens imposed by law, including, without limitation, carriers', warehousemen's, landlord's and mechanics' Liens and non-consensual liens;

(n) survey exceptions, easements or reservations of, or rights of others for, licences, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of such properties or materially impair their use in the operation of the business of such Person;

(o) Liens created for the benefit of (or to secure) the Notes;

(p) Liens to secure any Permitted Refinancing Indebtedness permitted to be incurred under these Conditions; provided, however, that

> the new Lien is limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to such property or proceeds or distributions thereof).

(q) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings;

(r) filing of financing statements as a precautionary measure in connection with operating leases;

(s) bankers' Liens, rights of setoff, Liens arising out of judgments or awards not constituting an Event of Default and notices of lis pendens and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;

(t) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;

(u) Liens on specific items of inventory or other goods (and the proceeds thereof) of any Person securing such Person's obligations in respect of bankers' acceptances issued or created in the ordinary course of business for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(v) grants of software and other technology licences in the ordinary course of business;

(w) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(x) Liens in favour of the Issuer or any of its Restricted Subsidiaries;

(y) Liens securing Priority Indebtedness permitted by these Conditions;

(z) Liens on property or assets of a Restricted Subsidiary that is not a Guarantor securing Indebtedness of any Restricted Subsidiary that is not a Guarantor; and

(aa) any interest or title of a lessor under any Capital Lease Obligation or operating lease.

"**Permitted Refinancing Indebtedness**" means any Indebtedness of the Issuer or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge other Indebtedness (including Permitted Refinancing Indebtedness) of the Issuer or any of its Restricted Subsidiaries (other than intercompany Indebtedness); *provided that*:

(a) the principal amount (or aggregate issue price, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness renewed, refunded, refinanced, replaced, defeased or discharged (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith);

(b) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity that is (a) equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged or (b) more than 90 days after the final maturity date of the Notes;

(c) if the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged is subordinated in right of payment to the Notes, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Notes on terms at least as favourable to the holders of Notes as those contained in the documentation governing the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged;

(d) such Indebtedness is incurred either by the Issuer or any Guarantor or by the Restricted Subsidiary of the Issuer that was the obligor on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged and is guaranteed only by Persons who were obligors on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged or by the Issuer or any Guarantor; and

(e) in the case of Permitted Refinancing Indebtedness incurred in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge Indebtedness incurred pursuant to paragraph (D) of Condition 4(a)(ii), such exchange, renewal, refinancing, replacement, defeasance or discharge may occur within 90 days following the incurrence of such Permitted Refinancing Indebtedness.

"**Person**" means any individual, corporation, firm, partnership, joint venture, association, trust, unincorporated organisation or government or judicial entity or any Agency or political subdivision thereof, in each case, whether or not having a separate legal personality.

"**Potential Event of Default**" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"**Pre-Expansion European Union**" means the European Union as of 1 January 2004, including the countries of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Ireland, the Netherlands, Portugal, Spain, Sweden and the United Kingdom, but not including any country which became or becomes a member of the European Union after 1 January 2004.

"**Principal**" means George Ramishvili, Alexsi Topuria, David Borger and Yerkin Tatishev.

"**Priority Indebtedness**" means, without double counting (a) Indebtedness incurred by any non-Guarantor Restricted Subsidiary under Condition 4(a)(i), Condition 4(a)(ii)(C), (F) (to the extent refinancing Indebtedness Incurred under Condition 4(a)(i) and Conditions 4(a)(ii)(C), (F), (K), (O), (Q) and (S)) and Conditions 4(a)(ii)(K), (O), (Q) and (S); or (b) Indebtedness incurred by the Issuer or any Guarantor under Condition 4(a)(i), Condition 4(a)(ii)(C), (F) (to the extent refinancing Indebtedness Incurred under Condition 4(a)(i) and Conditions 4(a)(ii)(C), (F), (K), (O), (Q) and (S)) and Conditions 4(a)(ii)(K), (O), (Q) and (S) and secured by means of any Lien (to the extent the assets that secure such Indebtedness do not also secure the Notes on a *pari passu* or senior basis) other than Liens established in accordance with clauses (f), (h), (j), (p) ((to the extent the Indebtedness so refinanced

was originally Incurred under Condition 4(a)(i) and Conditions 4(a)(ii)(C), (F), (K) and (O)), (z) and (aa) of the definition of "Permitted Liens".

"**Project Subsidiary**" means any Restricted Subsidiary (including any newly acquired Restricted Subsidiary) which is established solely for the purpose of ownership, acquisition, financing, development and operation of one or more assets or projects.

"**Public Debt**" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (1) a public offering registered under the U.S. Securities Act or (2) a private placement to institutional and other investors, in each case, that are not Affiliates of the Issuer in accordance with Section 4(a)(2) of and/or Rule 144A or Regulation S under the U.S. Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the Commission for public resale.

"**Qualifying Equity Interests**" means Equity Interests of the Issuer other than Disqualified Stock.

"**Rating Agencies**" means Fitch, Moody's and S&P.

"**Record Date**" means one Business Day before the due date for the relevant payment.

"**Refinance**" means, in respect of any security or Indebtedness, to refinance, extend, renew, refund, repay, prepay, redeem, defease or retire, or to issue a security or Indebtedness in exchange or replacement for, such security or Indebtedness in whole or in part, and "**Refinanced**" and "**Refinancing**" shall have correlative meanings.

"**Register**" shall have the meaning given to such term in Condition 1(b) (*Title*).

"**Related Party**" with respect to any Principal means:

(a) any controlling stockholder, majority owned Subsidiary, or immediate family member (in the case of an individual) of such Principal; or

(b) any trust, corporation, partnership, limited liability company or other entity, the beneficiaries, stockholders, partners, members, owners or Persons beneficially holding a majority (and controlling) interest of which consist of any one or more of the Principal and/or such other Persons referred to in the immediately preceding paragraph (a).

"**Relevant Taxing Jurisdiction**" shall have the meaning given to such term in Condition 8 (*Taxation*).

"**Reserved Matter**" means any of the following:

(a) reducing the principal of, or changing the maturity of, any Note;

(b) reducing the rate of, or extending the time for payment of interest on, any Note;

(c) reducing any premium payable upon redemption of the Notes or changing the date on, or the circumstances under, which any Notes are subject to redemption (other than provisions relating to the purchase of Notes described in Condition (e) (*Redemption at the Option of the Noteholders upon a Change of Control*) and Condition 4(f) (*Asset Sales*);

(d) making any Note payable in money or currency other than that stated in the Notes;

(e) modifying or changing any provision of the Trust Deed or the related definitions to affect the ranking of the Notes in a manner that adversely affects the Noteholders;

(f) reducing the percentage of outstanding principal amount threshold required for consent to an amendment or waiver to the Trust Deed or the Notes;

(g) waiving a default in the payment of principal of or premium or interest on any Notes (except a rescission of acceleration of the Notes by the holders thereof as provided in the Trust Deed and the Conditions and a waiver of the payment default that resulted from such acceleration);

(h) impairing the rights of holders to receive payments of principal of or interest on the Notes on or after the due date therefor or to institute suit for the enforcement of any payment on the Notes; or

(i) making any change in this definition of "Reserved Matter" or changing the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution.

"**Restricted Investment**" means an Investment other than a Permitted Investment.

"**Restricted Payment**" shall have the meaning given to such term in Condition 4(c) (*Limitation on Restricted Payments*).

"**Restricted Subsidiary**" means any Subsidiary of the Issuer that is not an Unrestricted Subsidiary.

"**Revenue**" means, with respect to any specified Person for any period, the consolidated 'revenue' of such person determined in accordance with IFRS and as reported in such person's most recent publicly available financial statements.

"**S&P**" means S&P Global Ratings or any of its successors or assigns.

"**Stated Maturity**" means, with respect to any instalment of interest or principal on any series of Indebtedness, the date on which such instalment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"**Subsidiary**" means, with respect to any specified Person:

(a) any corporation, association or other business entity of which more than 50 per cent. of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of such corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(b) any partnership or limited liability company of which (i) more than 50 per cent. of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (ii) such Person or any other Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"**Supervisory Board**" means, as to any Person, the supervisory board or other equivalent executive body of such Person or any duly authorised committee thereof.

"**Suspension Period**" has the meaning given to it in Condition 4(m) (*Suspension of Covenants when Notes Rated Investment Grade*).

"**Taxes**" means any taxes, duties, assessments or governmental charges of whatsoever nature.

"**Trade and Other Payables**" means those expenses, payables and liabilities, accounted for in "Trade and other payables" in the Accounts.

"**Treasury Rate**" means, as of any redemption date, the yield to maturity as of such redemption date of the most recently issued United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to 15 September 2027; provided, however, that, if the period from the redemption date to 15 September 2027 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"**Unrestricted Subsidiary**" means any Subsidiary of the Issuer that is designated by the Supervisory Board of the Issuer as an Unrestricted Subsidiary in accordance with Condition 4(o) (*Designation of Restricted and Unrestricted Subsidiaries*) pursuant to a Board Resolution (and any Subsidiary of an Unrestricted Subsidiary), but only to the extent that:

(a) immediately after giving effect to such designation the Issuer (or any other Restricted Subsidiary) could incur at least U.S.$1.00 of additional Indebtedness pursuant to Condition 4(a)(i) (Incurrence of Indebtedness and Issuance of Preferred Stock); and

(b) such designation and the Investment of the Issuer or a Restricted Subsidiary in such Unrestricted Subsidiary complies with Condition 4(c) (Limitation on Restricted Payments).

"**U.S. Dollar Equivalent**" means with respect to any amount denominated in a currency other than U.S. Dollars, at any time for the determination thereof, the amount of U.S. Dollars obtained by converting such other currency involved into U.S. Dollars at the spot rate for the purchase of U.S. Dollars with such other currency as most recently published under "Currency Rates" in the section of the Financial Times entitled "Currencies, Bonds & Interest Rates" or any replacement thereof.

"**U.S. Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations of the Commission promulgated thereunder.

"**U.S. Securities Act**" means the U.S. Securities Act of 1933, as amended, or any successor statute, and the rules and regulations of the Commission promulgated thereunder.

"**Voting Stock**" of any specified Person as of any date means the Capital Stock of such Person that is at such time entitled to vote in the election of the Supervisory Board of such Person.

"**Weighted Average Life to Maturity**" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(a) the sum of the products obtained by multiplying (x) the amount of each then remaining instalment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (y) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(b) the then outstanding principal amount of such Indebtedness.

TAXATION

The following is a general description of certain material Georgian tax considerations relating to the Notes. It also includes a limited discussion of certain United States federal income tax considerations. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in the United Kingdom, the EU and Georgia or elsewhere. Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This overview is based upon the law in effect on the date of these Listing Particulars and is subject to any change in law that may take effect after such date. The information and analysis contained within this section are limited to taxation issues, and prospective investors should not apply any information or analysis set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.

Georgian Taxation

The analysis below is a general overview of certain Georgian tax implications related to the Notes prepared in accordance with Georgian tax legislation as at the date of these Listing Particulars. As with other areas at Georgian legislation, tax law and practice in Georgia is not as clearly established as that of more developed jurisdictions. It is possible, therefore, that changes may be made in the law or in the current interpretation of the law or current practice, including changes that could have a retroactive effect. Accordingly, it is possible that payments to be made to the Noteholders could become subject to taxation in Georgia, or that rates currently in effect with respect to such payments could be increased, in ways that cannot be anticipated as at the date of these Listing Particulars. Each prospective purchaser of Notes should also consider any further tax implications that may be relevant to it under the laws and regulations of other countries in connection with its purchase, holding and sale of Notes.

Withholding Tax on Interest

Payments of interest on Notes (for the avoidance of doubt definition of "interest" under the Tax Code does not include fines for delay of repayment) will be exempt from withholding tax and such payments of interest shall not be included in the gross taxable income of Noteholders (whether they are residents or non-residents, individuals (physical persons) or legal entities), so long as the Notes are issued by the Georgian resident and listed and admitted to trading on a "recognized stock exchange of the foreign country". For these purposes, Euronext Dublin is a "recognized stock exchange of the foreign country" under Georgian law. See "*Risk Factors—Risks Related to the Notes Generally—The uncertainties of the Georgian tax system could have a material adverse effect on the taxation of the Notes*".

Enforceability of Tax Gross-up under the Terms and Conditions of the Notes

Pursuant to Condition 8 (*Taxation*), in the case of withholding or deduction of any taxes (subject to certain customary exceptions) in respect of any payment on the Notes, the Issuer is required to increase the amount of the relevant payment by such amount as would result in the receipt by the relevant Noteholder of the amount which would have been received by it had no such withholding or deduction been required. The Tax Code neither prohibits nor permits the inclusion of tax gross-up clauses (such as that set out in Condition 8 (*Taxation*)) in agreements or instruments made by Georgian companies. In practice, however, such gross-up provisions are widely respected by the tax authorities in Georgia.

Taxation of sale of Notes by Non-Resident Legal Entity Noteholders

Non-resident legal entities will be assessed profit tax on the difference between the initial purchase and subsequent sale price and the relevant non-resident entity will be under an obligation to properly report and pay such profit tax to the Georgian tax authorities at a 15% tax rate. If the sale is carried out through a Georgian brokerage company and the seller is not registered as a taxpayer in Georgia, such brokerage company may be responsible for withholding the applicable tax at a 10% rate or at a 15% rate if the seller is registered in an offshore jurisdiction. However, the actual applicability of this taxation regime is subject to considerable impracticability and lack of enforceability, which may, in limited circumstances, lead to the adoption of peculiar and, at times, rather aggressive interpretations by the tax authorities. The applicability of Georgian profit tax may be affected by a double tax treaty between Georgia and the country of residency of the selling entity.

Taxation of sale of Notes by Non-Resident Individual Noteholders

Individuals in Georgia are subject to income tax at a current rate of 20%, with the tax base being calculated after permitted deductions. For non-resident individuals the income tax will be assessed on the difference between the initial purchase and subsequent sale price. A relevant non-resident individual will be under an obligation to properly report and pay such income tax to the Georgian tax authorities. If the sale is done through a Georgian brokerage company and the seller is not registered as a taxpayer in Georgia, such brokerage company may be responsible for withholding the applicable tax at a 10% rate or at a 15% rate if the seller is registered in an offshore jurisdiction. However, the actual applicability of this taxation regime is subject to considerable impracticability and lack of enforceability, which may, in limited circumstances, lead to the adoption of peculiar and, at times, rather aggressive interpretations by the tax authorities. The applicability of Georgian income tax may be affected by a double tax treaty between Georgia and the country of residency of the seller individual.

Certain exemptions may also be available to individual Noteholders if such individuals maintain ownership of Notes for more than two calendar years.

Taxation of sale of Notes by Resident Individual Noteholders

Georgian resident individual Noteholders will become liable to pay income tax at 20% upon the disposal of the Notes. The income tax will be assessed on the difference between the initial purchase and subsequent sale price. If the sale is done through a Georgian brokerage company and the seller is not registered as a taxpayer in Georgia, such brokerage company may be responsible for withholding the applicable tax. Certain exemptions may be available to Georgian resident individual Noteholders if such individuals maintain ownership of Notes for more than two calendar years.

Taxation of sale of Notes by Resident Legal Entity Noteholders

Georgian resident legal entities (except banking institutions, credit unions, microfinance organizations and persons registered as loan issuers) will be subject to a 15% corporate profit tax on any gain (the difference between initial purchase and subsequent sale price) received from the disposal of the Notes after they distribute profit. The gain received from the sale of the Notes (i.e., the difference between the initial purchase price and subsequent sale price of the Notes) by banking institutions, credit unions, microfinance organizations and persons registered as loan issuers will be included in their gross taxable income and after the permitted deductions will be subject to profit tax at the rate of 20%. See *"Risk Factors—Risks Related to the Notes Generally—The uncertainties of the Georgian tax system could have a material adverse effect on the taxation of the Notes"*.

Value Added Tax

Sales (supply) of the Notes are exempt from Value Added Tax in Georgia.

Other Considerations

The Tax Code expressly provides for the ability of the tax inspection to re-examine the transaction price indicated by the respective parties, subject to certain procedural requirements. See *"Risk Factors—Risks Related to the Notes Generally—The uncertainties of the Georgian tax system could have a material adverse effect on the taxation of the Notes"*.

Certain U.S. Federal Income Taxation Considerations

The following summary describes certain U.S. federal income tax consequences of the acquisition, ownership and disposition of the Notes by a U.S. Holder (as defined below) that acquires the Notes as part of the offering at a price equal to the issue price of the Notes and holds them as a capital asset (generally, property held for investment). The following summary is based on the Code, U.S. Treasury regulations thereunder, and judicial and administrative interpretations thereof, all as in effect as at the date hereof and any of which may at any time be repealed, revoked or modified or subject to differing interpretations, potentially retroactively, so as to result in U.S. federal income tax consequences different from those discussed below. There can be no assurances that the Internal Revenue Service (the "**IRS**") will not challenge one or more of the tax consequences described herein, and we have not obtained, nor do we intend to obtain, a ruling from the IRS with respect to the U.S. tax consequences of purchasing, owning or disposing of the Notes.

This summary does not address all aspects of U.S. federal income taxation that may be applicable to particular U.S. Holders subject to special U.S. federal income tax rules, including, but not limited to, tax-exempt organizations, financial institutions, dealers and traders in securities or currencies, traders in securities that elect to use a mark-to-market method of accounting, thrifts, regulated investment companies, real estate investment trusts, insurance companies, tax-deferred or

other retirement accounts, U.S. Holders that will hold the Notes as part of a "straddle," hedging transaction, "conversion transaction" or other integrated transaction for U.S. federal income tax purposes, U.S. Holders that enter into "constructive sale" transactions with respect to the Notes, U.S. Holders liable for alternative minimum tax or the tax on net investment income, U.S. Holders whose functional currency is not the U.S. dollar, investors holding the Notes in connection with a trade or business conducted outside the United States, U.S. Holders required to include certain amounts in income no later than the time such amounts are reflected on their financial statements, investors that actually or constructively own 10% or more of the Notes by vote or value, and U.S. expatriates or certain former citizens or long-term residents of the United States and holders that participate in this offering and are also beneficial owners of the existing Silknet 2027 Notes that are being repaid with the proceeds of this offering as described above in "Use of Proceeds". In addition, this summary does not address consequences to U.S. Holders of the acquisition, ownership or disposition of the Notes under any other U.S. federal tax laws (including, but not limited to, estate or gift tax laws) or under the tax laws of any state, locality or other political subdivision of the United States or of other countries or jurisdictions. This summary does not address U.S. tax consequences to persons other than U.S. Holders of the acquisition, ownership or disposition of Notes.

The summary of the U.S. federal income tax consequences set out below is for general information only and is not tax advice with respect to any specific investor. Prospective investors should consult their own tax advisors as to the particular tax consequences to them of the acquisition, ownership and disposition of the Notes, including the applicability and effect of state, local, non-U.S. and other tax laws and possible changes in tax law.

As used herein, the term "**U.S. Holder**" means a beneficial owner of the Notes that is for U.S. federal income tax purposes: (a) an individual who is a citizen or resident of the United States, (b) a corporation (or other entity or arrangement that is treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (c) an estate, the income of which is subject to U.S. federal income taxation regardless of its source or (d) a trust if it (x) is subject to the primary supervision of a U.S. court and one or more U.S. persons have the authority to control all substantial decisions of the trust or (y) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

If a partnership (or any entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds the Notes, the U.S. federal income tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Therefore, a beneficial owner of a Note that is a partnership, and partners in such partnership, should consult their own tax advisors regarding the U.S. federal income tax consequences of the acquisition, ownership and disposition of the Notes.

U.S. HOLDERS CONSIDERING THE PURCHASE OF NOTES SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE PARTICULAR UNITED STATES FEDERAL INCOME TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES, AS WELL AS THE CONSEQUENCES ARISING UNDER OTHER UNITED STATES FEDERAL TAX LAWS AND THE LAWS OF ANY OTHER TAXING JURISDICTION.

U.S. Federal Income Tax Characterization of the Notes

No authority directly addresses the characterization of securities like the Notes for U.S. federal income tax purposes and no ruling will be requested from the IRS as to the characterization of the Notes for these purposes. To the extent relevant for U.S. federal income tax purposes, the Issuer intends to treat the Notes as indebtedness for these purposes consistent with their form. This characterization is binding on all U.S. Holders unless the U.S. Holder discloses on its U.S. federal income tax return that it is treating the Notes in a manner inconsistent with the Issuer's characterization. No assurance can be given that the IRS will not assert, or that a court would not sustain, a position regarding the characterization of the Notes that is contrary to the Issuer's characterization. If the Notes were treated as equity of the Issuer for U.S. federal income tax purposes, the character, timing and amount (in a given tax period) of income earned by a U.S. Holder may be materially different than as described under "*Payments of interest*" and "*Sale, exchange, redemption, retirement or other taxable disposition of Notes"* below. Specifically, if the Notes were treated as equity, interest payments on the Notes would be treated as dividends taxable when actually or constructively received and generally would not be expected to be treated as qualified dividend income subject to preferential tax rates for non-corporate U.S. Holders. Corporate U.S. Holders would not be eligible for the dividends received deduction on any such dividends.

Payments of interest

The Notes are expected to, and this discussion generally assumes that the Notes will be issued without original issue discount ("**OID**"). In such case, payments of interest on the Notes (and payments of any Additional Amounts) generally will be taxable to a U.S. Holder as ordinary income at the time such payments are received or accrued, in accordance with

such U.S. Holder's method of accounting for U.S. federal income tax purposes. Interest paid by the Issuer on the Notes will generally constitute income from sources outside the United States, subject to the rules regarding the U.S. foreign tax credit allowable to a U.S. Holder (and the limitations imposed thereon). Should any non-U.S. tax be withheld on a payment of interest, the amount withheld and the gross amount of any Additional Amounts paid to a U.S. Holder (see "*Terms and Conditions of the Notes—Taxation*") will be included in such holder's income as ordinary income at the time such amount is received or accrued in accordance with such holder's method of tax accounting. Non-U.S. withholding tax, if any, imposed on a U.S. Holder would, subject to limitations and conditions and at the election of such holder, be treated as foreign income tax eligible for credit against such holder's U.S. federal income tax liability or a deduction in computing taxable income, to the extent such tax is not otherwise refundable.

If the Notes were issued with OID, the OID with respect to a Note would be equal to the excess of the Note's stated redemption price at maturity over its issue price. A Note's stated redemption price at maturity is the sum of all payments provided by the terms of the Note, other than qualified stated interest. Qualified stated interest generally is stated interest that is unconditionally payable in cash or in property (other than debt instruments of the issuer) at least annually at a single fixed rate. The issue price of a Note is the first price at which a substantial amount of the Notes is sold for money to investors, excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriter, placement agent or wholesaler. A holder of a Note generally will be subject to special tax accounting rules for OID obligations under the Code and applicable U.S. Treasury regulations. Regardless of whether a U.S. Holder uses the cash or accrual method of tax accounting, the U.S. Holder generally would be required to include OID in ordinary income for U.S. federal income tax purposes as it accrued, calculated using a "constant-yield" method, even if the holder had not yet received the cash attributable to that income. U.S. Holders should consult their own tax advisors regarding the potential application of the OID rules to the Notes.

Sale, exchange, redemption, retirement, or other taxable disposition of Notes

Upon the sale, exchange, redemption, retirement or other taxable disposition of the Notes, a U.S. Holder generally will recognize taxable gain or loss equal to the difference between the amount realized (i.e., the amount of cash and the fair market value of any property received on the disposition (except to the extent the cash or property received is attributable to accrued and unpaid interest not previously included in income, which will be taxable as ordinary income as described above under "*Payments of interest*" to the extent not previously included in income)) and the U.S. Holder's adjusted tax basis in the Note. A U.S. Holder's adjusted tax basis in the Notes generally will equal the amount paid for the Notes reduced by the amount of any payments (including repayments of principal) received by U.S. Holders other than payments of qualified stated interest. Gain or loss recognized by a U.S. Holder on the sale, exchange or other disposition of the Notes will be capital gain or loss and will be long-term capital gain or loss if the Note was held by the U.S. Holder for more than one year. Gain or loss realized by a U.S. Holder on the sale or retirement of the Notes generally will be U.S. source. Net long-term capital gain recognized by a non-corporate U.S. Holder generally is eligible for reduced U.S. federal income tax rates. The deductibility of capital losses is subject to limitations. U.S. Holders should consult their tax advisors regarding the foreign tax credit implications of the sale or retirement of the Notes.

The Notes (i) may be redeemable at the option of the Issuer prior to their stated maturity at their principal amount, plus accrued and unpaid interest to the date of repurchase (as described further under "*Terms and Conditions of the Notes—Redemption and Purchase—Redemption for Taxation Reasons*") and/or (ii) may be repayable at the option of the Noteholder prior to their stated maturity at a price equal to 101% of their principal amount, plus accrued and unpaid interest to the date of repurchase (as described further under "*Terms and Conditions of the Notes—Redemption at the Option of the Noteholders upon a Change of Control*"). Notes containing such features may be subject to special rules related to contingent payment debt instruments that differ from the general rules discussed above. While the Issuer intends to take the position that the likelihood of such repurchase of the Notes is remote or incidental, and thus that the Notes should not be treated as contingent payment debt instruments, U.S. Holders intending to purchase Notes with such features should consult their own tax advisors regarding the possible application of the special rules related to contingent payment debt instruments.

Information reporting and backup withholding

In general, payments of principal and interest on, and the proceeds of the sale, exchange or other taxable disposition of, the Notes payable to a U.S. Holder by a U.S. paying agent or other U.S. related intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable Treasury regulations. Backup withholding will apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or otherwise fails to comply with the applicable backup withholding requirements. Certain U.S. Holders (including corporations) are not subject to information reporting and backup withholding. Backup withholding is not an additional tax. The amount of any backup withholding imposed on a payment will be allowed as a credit against any U.S. federal

income tax liability of a U.S. Holder and may entitle the U.S. Holder to a refund, provided the required information is timely furnished to the IRS. U.S. Holders should consult their own tax advisors regarding any filing and reporting obligations they may have as a result of their acquisition, ownership or disposition of the Notes.

Specified foreign financial assets

Certain United States persons that own "specified foreign financial assets", including securities issued by any foreign person, either directly or indirectly or through certain foreign financial institutions, may be subject to additional reporting obligations if the aggregate value of all of those assets exceeds certain thresholds. The reporting requirement applies to individuals and certain domestic entities that hold, directly or indirectly, specified foreign financial assets. The Notes may be treated as specified foreign financial assets, and U.S. Holders may be subject to this information reporting regime. Significant penalties and an extended statute of limitations may apply to a U.S. Holder subject to the reporting requirement that fails to file information reports. U.S. Holders should consult their own tax advisor regarding this information reporting obligation.

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

The following is a summary of the provisions to be contained in the Global Certificates which will apply to, and in some cases modify, the Conditions as they apply to the Notes evidenced by the Global Certificates.

The Notes will be evidenced on issue by (i) in the case of Regulation S Notes, the Regulation S Global Certificate deposited with, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg, and (ii) in the case of Rule 144A Notes, the Rule 144A Global Certificate deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, DTC.

Initial Issue of Certificates

The Regulation S Notes will be represented by a permanent Regulation S Global Certificate, in fully registered form, without interest coupons, deposited with a common depositary for, and registered in the name of a nominee of, Euroclear and Clearstream, Luxembourg.

The Rule 144A Notes will be represented by a permanent Rule 144A Global Certificate, in fully registered form, without interest coupons, deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, DTC.

Upon the registration of the Regulation S Global Certificate in the name of a nominee for Euroclear and Clearstream, Luxembourg and delivery of the Regulation S Global Certificate to the common depositary for Euroclear and Clearstream, Luxembourg, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid as represented by the Regulation S Global Certificate.

Upon the registration of the Rule 144A Global Certificate in the name of Cede & Co. as nominee of DTC and delivery of the Rule 144A Global Certificate to the custodian for DTC, DTC will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid as represented by the Rule 144A Global Certificate.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of DTC, Euroclear or Clearstream, Luxembourg as the holder of a Note represented by a Global Certificate must look solely to DTC, Euroclear or Clearstream, Luxembourg (as the case may be) for their share of each payment made by the Issuer to the holder of the Global Certificate and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of DTC, Euroclear or Clearstream, Luxembourg (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by the Global Certificate and such obligations of the Issuer will be discharged by payment to the holder of the Global Certificate in respect of each amount so paid.

Exchange for Definitive Certificates

The Regulation S Global Certificate will only become exchangeable in whole, but not in part, for Regulation S Definitive Certificates if (i) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system satisfactory to the Trustee is available or (ii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes in definitive form.

The 144A Global Certificate will only become exchangeable in whole, but not in part, for 144A Definitive Certificates if (i) the Rule 144A Global Certificate is held by or on behalf of DTC, and DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to such Rule 144A Global Certificate or ceases to be a "clearing agency" registered under the Exchange Act or if at any time it is no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice or becoming aware of such ineligibility on the part of DTC, or (ii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes in definitive form.

Whenever the Global Certificates are to be exchanged for Definitive Certificates, such Definitive Certificates will be issued in an aggregate principal amount equal to the principal amount of the relevant Global Certificate within five business days of the delivery, by or on behalf of the registered holder of the relevant Global Certificate, Euroclear, Clearstream, Luxembourg and/or DTC, to the Registrar of such information as is required to complete and deliver such Definitive

Certificates (including, without limitation, the names and addresses of the persons in whose names the Definitive Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Certificate at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder or the Trustee, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

Amendments to Conditions

Each Global Certificate will contain provisions that modify the Conditions as they apply to the Notes evidenced by the Global Certificates. The following is a summary of those provisions:

Payments

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where "Clearing System Business Day" means Monday to Friday inclusive except 25 December and 1 January.

Notices

Notwithstanding Condition 13 (Notices), for so long as all of the Notes are represented by one or more Global Certificates and such Global Certificates are held on behalf of Euroclear, Clearstream, Luxembourg, DTC or any other clearing system (an "**Alternative Clearing System**"), notices to holders of Notes represented by the Global Certificates may be given by delivery of the relevant notice to Euroclear, Clearstream, Luxembourg, DTC or such Alternative Clearing System (as applicable); provided that, so long as the Notes are listed and/or quoted on any stock exchange, all requirements of the relevant stock exchange are complied with. Any such notice shall be deemed to be given to the holders of the Notes on the day on which such notice is delivered to Euroclear, Clearstream, Luxembourg, DTC or the Alternative Clearing System (as applicable).

Meetings

The holder of the Global Certificates will be treated as being two persons for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Noteholders and, at any such meeting, as having one vote in respect of each USD 1,000 in principal amount of Notes for which the Global Certificates may be exchanged.

Trustee's Powers

In considering the interests of Noteholders while the Global Certificates are held on behalf of a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Global Certificates and may consider such interests as if such accountholders were the holder of the Global Certificates.

Change of Control

On the occurrence of a Change of Control, the provisions of Clauses 9.3 (*Change of Control*) and 9.4 (*Exercise of redemption rights following a change of control*) of the agency agreement dated 15 September 2025 (the "**Agency Agreement**") between, inter alios, the Issuer and GLAS Trust Company LLC (the "**Principal Paying Agent**") as principal paying agent shall apply to the rights of the registered holder hereof, and the form of Change of Control Put Notice shall be as set out in Schedule 2 to the Agency Agreement.

Prescription

Claims against the Issuer in respect of principal or premium and interest on the Notes while the Notes are represented by the Global Certificates will be prescribed after ten years (in the case of principal and premium) and five years (in the case of interest) from the appropriate due date.

CLEARING AND SETTLEMENT

Book-Entry Procedures for the Global Certificates

Custodial and depository links are to be established between DTC, Euroclear or Clearstream, Luxembourg to facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading. See "*—Book-Entry Ownership*" and "*—Settlement and Transfer of Notes*" below.

Investors may hold their interests in the Global Certificates directly through DTC, Euroclear or Clearstream, Luxembourg if they are accountholders ("**Direct Participants**") or indirectly ("**Indirect Participants**" and together with Direct Participants, "**Participants**") through organizations which are accountholders therein.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book-entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations.

DTC

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organized under the laws of the State of New York, a "banking organization" under the laws of the State of New York, a member of the United States Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its Participants and facilitate the clearance and settlement of securities transactions between Participants through electronic computerized book-entry changes in accounts of its Participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a DTC Direct Participant, either directly or indirectly.

Investors may hold their interests in the Rule 144A Global Certificate directly through DTC if they are Direct Participants in the DTC system, or as Indirect Participants through organizations which are Direct Participants in such system.

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Notes only at the direction of one or more Direct Participants and only in respect of such portion of the aggregate principal amount of the Rule 144A Global Certificate as to which such Participant or Participants has or have given such direction. However, in the circumstances described under "*Overview of Provisions relating to the Notes in Global Form—Exchange for Definitive Certificates*", DTC will surrender the Rule 144A Global Certificate for exchange for individual Rule 144A Definitive Certificates (which will bear the legend applicable to transfers pursuant to Rule 144A).

Book-Entry Ownership

Euroclear and Clearstream, Luxembourg

The Regulation S Global Certificate representing the Regulation S Notes will have an ISIN, a Common Code and a CFI code and will be registered in the name of a nominee for, and deposited with a common depositary on behalf of, Euroclear and Clearstream, Luxembourg.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium, and the address of Clearstream, Luxembourg is 42 Avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

DTC

The Rule 144A Global Certificate representing the Rule 144A Notes will have an ISIN, a Common Code and a CUSIP number and will be deposited with a custodian (the "**Custodian**") for, and registered in the name of Cede & Co. as nominee of, DTC. The Custodian and DTC will electronically record the principal amount of the Notes held within the DTC system. The address of DTC is 55 Water Street, New York, NY 10041, United States.

Relationship of Participants with Clearing Systems

Each of the persons shown in the records of DTC, Euroclear or Clearstream, Luxembourg as the holder of a Note evidenced by a Global Certificate must look solely to DTC, Euroclear or Clearstream, Luxembourg (as the case may be) for their share of each payment made by the Issuer to the holder of such Global Certificate and in relation to all other rights arising under such Global Certificate, subject to and in accordance with the respective rules and procedures of DTC, Euroclear or Clearstream, Luxembourg (as the case may be). The Issuer expects that, upon receipt of any payment in respect of Notes evidenced by a Global Certificate, the common depositary by whom such Note is held, or nominee in whose name it is registered, will immediately credit the relevant Participants' or accountholders' accounts in the relevant clearing system with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Certificate as shown on the records of the relevant common depositary or its nominee. The Issuer also expects that payments by Direct Participants in any clearing system to owners of beneficial interests in any Global Certificate held through such Direct Participants in any clearing system will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are evidenced by such Global Certificate, and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Certificate in respect of each amount so paid. None of the Issuer, the Trustee or any Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in any Global Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

Settlement and Transfer of Notes

Subject to the rules and procedures of each applicable clearing system, purchases of Notes held within a clearing system must be made by or through Direct Participants, which will receive a credit for such Notes on the clearing system's records. The ownership interest of each actual purchaser of each such Note (the "**Beneficial Owner**") will in turn be recorded on the Direct and Indirect Participants' records.

Beneficial Owners will not receive written confirmation from any clearing system of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which such Beneficial Owner entered into the transaction.

Transfers of ownership interests in Notes held within the clearing system will be effected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in such Notes, unless and until interests in any Global Certificate held within a clearing system are exchanged for Definitive Certificates.

No clearing system has knowledge of the actual Beneficial Owners of the Notes held within such clearing system, and its records will reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the clearing systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The laws of some jurisdictions may require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Certificate to such persons may be limited. As the clearing systems can only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, the ability of a person having an interest in the relevant Global Certificate to pledge such interest to persons or entities that do not participate in the clearing systems, or otherwise take actions in respect of such interest, may be affected by a lack of physical certificate in respect of such interest.

Trading between Euroclear and/or Clearstream, Luxembourg Participants

Secondary market sales of book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds.

Trading between DTC Participants

Secondary market sales of book-entry interests in the Notes between DTC Participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in DTC's Same-Day Funds Settlement system in same-day funds, if payment is effected in U.S. dollars, or free of payment, if payment is not effected in U.S. dollars. Where payment is not effected in U.S. dollars, separate payment arrangements outside DTC are required to be made between the DTC participants.

Trading between DTC seller and Euroclear/Clearstream, Luxembourg purchaser

When book-entry interests in Notes are to be transferred from the account of a DTC Participant holding a beneficial interest in the Rule 144A Global Certificate to the account of a Euroclear or Clearstream, Luxembourg accountholder wishing to purchase a beneficial interest in the Regulation S Global Certificate (subject to the certification procedures provided in the Agency Agreement), the DTC participant will deliver instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg accountholder to DTC by 12:00 p.m. (New York time) on the settlement date. Separate payment arrangements are required to be made between the DTC Participant and the relevant Euroclear or Clearstream, Luxembourg Participant. On the settlement date, the custodian of the Rule 144A Global Certificate will instruct the Registrar to (i) decrease the amount of Notes registered in the name of Cede & Co. and evidenced by the Rule 144A Global Certificate of the relevant class and (ii) increase the amount of Notes registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by the Regulation S Global Certificate. Book-entry interests will be delivered free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant accountholder on the first business day following the settlement date.

Trading between Euroclear/Clearstream, Luxembourg seller and DTC purchaser

When book-entry interests in the Notes are to be transferred from the account of a Euroclear or Clearstream, Luxembourg accountholder to the account of a DTC Participant wishing to purchase a beneficial interest in the Rule 144A Global Certificate (subject to the certification procedures provided in the Agency Agreement), the Euroclear or Clearstream, Luxembourg Participant must send to Euroclear or Clearstream, Luxembourg delivery free of payment instructions by 7:45 p.m. (Brussels or Luxembourg time) one business day prior to the settlement date. Euroclear or Clearstream, Luxembourg, as the case may be, will in turn transmit appropriate instructions to the common depositary for Euroclear and Clearstream, Luxembourg and the Registrar to arrange delivery to the DTC Participant on the settlement date. Separate payment arrangements are required to be made between the DTC Participant and the relevant Euroclear or Clearstream, Luxembourg accountholder, as the case may be. On the settlement date, the common depositary for Euroclear and Clearstream, Luxembourg will (a) transmit appropriate instructions to the custodian of the Rule 144A Global Certificate who will in turn deliver such book-entry interests in the Notes free of payment to the relevant account of the DTC Participant and (b) instruct the Registrar to (i) decrease the amount of Notes registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by the Regulation S Global Certificate; and (ii) increase the amount of Notes registered in the name of Cede & Co. and evidenced by the Rule 144A Global Certificate.

Although DTC, Euroclear and Clearstream, Luxembourg have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in Global Certificates among Participants and accountholders of DTC, Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Trustee or any Agent will have any responsibility for the performance by DTC, Euroclear or Clearstream, Luxembourg, or their respective Direct or Indirect Participants, of their respective obligations under the rules and procedures governing their operations.

Pre-issue Trades Settlement

It is expected that delivery of the Notes will be made against payment therefor on the Issue Date, which will be more than three business days following the date of pricing. Under Rule 15c6-1 under the Exchange Act, trades in the United States secondary market generally are required to settle within one business day ("**T+1**"), unless the parties to any such trade expressly agree otherwise.

Accordingly, purchasers who wish to trade the Notes in the United States on the date of pricing will be required, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary.

Purchasers of the Notes may be affected by such local settlement practices, and purchasers of the Notes between the relevant date of pricing and the Issue Date should consult their own advisers.

TRANSFER RESTRICTIONS

Securities have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this section have the meanings given to them by Regulation S.

The Securities are being offered and sold outside the United States in reliance on Regulation S. The Subscription Agreement (as defined in "Subscription and Sale") provides that the Joint Lead Managers may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of Notes within the United States only to QIBs in reliance on Rule 144A.

Rule 144A Notes

Each purchaser of Rule 144A Notes within the United States, by accepting delivery of these Listing Particulars and the Notes, will be deemed to have represented, agreed and acknowledged that:

(1) it is (a) a QIB, (b) acquiring such Securities for its own account, or for the account of one or more QIBs, and (c) aware, and each beneficial owner of such Securities has been advised, that the sale of such Securities to it is being made in reliance on Rule 144A;

(2) it understands that the Securities have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of one or more QIBs each of which is purchasing not less than U.S.$200,000 principal amount of Notes, (b) outside the United States in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act, or (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), and in each case in accordance with any applicable securities laws of any state of the United States;

(3) it understands that the Rule 144A Notes, unless otherwise agreed between the Issuer and the Trustee in accordance with applicable law, will bear a legend to the following effect:

"NEITHER THIS NOTE NOR ANY GUARANTEE IN RESPECT THEREOF (TOGETHER, THE "**SECURITIES**") HAVE BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" WITHIN THE MEANING OF RULE 144A (A "**QIB**") PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBS WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A OR (2) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**"), OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE NOTES IN RESPECT HEREOF OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF ANY EXEMPTION UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE.";

(4) the Issuer, the Trustee, the Registrar, the Joint Lead Managers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Securities for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account; and

(5) it understands that the Rule 144A Notes will be evidenced by the Rule 144A Global Certificate. Before any interest in the Rule 144A Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Regulation S Global Certificate, it will be required to provide a Transfer

Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT SELLERS OF THE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A.

Regulation S Notes

Each purchaser of Regulation S Notes will be deemed to have represented, agreed and acknowledged that:

(1) it understands that the Securities have not been and will not be registered under the Securities Act, and are being offered and sold in accordance with Regulation S;

(2) it or any person on whose behalf it is acting is, or at the time the Securities are purchased will be, the beneficial owner of such Securities and (i) it is purchasing the Securities in an offshore transaction (within the meaning of Regulation S) and (ii) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate;

(3) it will not offer, sell, pledge or otherwise transfer Securities, except in accordance with the Securities Act and any applicable securities laws of any states or other jurisdiction of the United States; and

(4) the Issuer, the Trustee, the Registrar, the Transfer Agent, the Joint Lead Managers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

SUBSCRIPTION AND SALE

J.P. Morgan Securities plc, UBS AG London Branch, JSC Galt & Taggart, Oppenheimer Europe Ltd. and TBC Capital LLC (together, the "**Joint Lead Managers**") have, in a subscription agreement dated 11 September 2025 (the "**Subscription Agreement**") entered into between the Issuer, the Guarantors and the Joint Lead Managers upon the terms and subject to the conditions contained therein, agreed to subscribe for the Notes on a several (and not a joint and several) basis at their issue price of 100.000 per cent. of their principal amount plus any accrued interest in respect thereof and less a combined management and underwriting commission. The Subscription Agreement provides that the obligations of the Joint Lead Managers to purchase the Notes are subject to approval of legal matters by counsel and to other conditions. The Issuer has also agreed to reimburse the Joint Lead Managers for certain of their expenses incurred in connection with the management of the issue of the Notes. The Joint Lead Managers are entitled, in certain circumstances, to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Notes.

Selling Restrictions

United States

The Securities have not been and will not be registered under the Securities Act or securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Each Joint Lead Manager has, severally and not jointly, represented that it has not offered or sold, and agrees that it will not offer or sell, the Securities as part of their distribution at any time except (i) outside the United States in offshore transactions in accordance with Rule 903 or 904 of Regulation S or (ii) to persons reasonably believed to be QIBs in reliance on Rule 144A. Accordingly, neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Securities. Terms used in the paragraph have the meaning given to them by Regulation S.

Each Joint Lead Manager has, severally and not jointly, represented, warranted and undertaken that neither it nor any of its affiliates (as defined in Rule 501(b) of Regulation D), nor any person acting on its or their behalf, has engaged or will engage in any form of "general solicitation" or "general advertising" (within the meaning of Regulation D) in connection with any offer or sale of the Securities in the United States.

In addition, until 40 days after the commencement of the offering, an offer or sale of the Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Offers and sales of the Securities in the United States will be made by those Joint Lead Managers or their affiliates that are registered broker-dealers under the Exchange Act, or in accordance with Rule 15a-6 thereunder. To the extent that the Joint Lead Managers intend to effect any sales of the Securities in the United States, they will do so through their respective U.S. broker-dealer affiliates, or one or more U.S. registered broker-dealers or as otherwise permitted by applicable United States law.

Each Joint Lead Manager may, directly or through its U.S. registered broker-dealer affiliates, arrange for the offer and resale of Securities in the United States only to QIBs in accordance with Rule 144A.

TBC Capital LLC is a non-U.S. bank or dealer that is not registered as a broker-dealer under Section 15 of the Securities Act, and has therefore agreed that, while acting as a Joint Lead Manager in respect of the offering of the Securities and in any event during the term of the Subscription Agreement, it will not, directly or indirectly, make use of any U.S. mails or any means or instrumentality of interstate commerce to effect transactions in, or induce or attempt to induce the purchase or sale of, any securities except for transactions in compliance with Rule 15a-6 under the Exchange Act or as otherwise permitted by Section 15 of the Securities Act and the rules and regulations thereunder.

Prohibition of Sales to EEA Retail Investors

Each Joint Lead Manager has, severally and not jointly, represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

b) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Prohibition of Sales to UK Retail Investors

Each Joint Lead Manager has, severally and not jointly, represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive 2016/97/EU, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR.

United Kingdom

Each Joint Lead Manager has, severally and not jointly, represented, warranted and agreed that:

a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorized person, apply to the Issuer; and

b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Georgia

These Listing Particulars have not been approved by the NBG. No notification has been made to, and no consent has been sought or obtained from, the NBG for a public offering of the Notes in Georgia. The Notes are not intended to and should not be advertised, marketed, offered, sold or otherwise made available in a public offering in Georgia, unless and to the extent permitted under Georgian law. The Notes may be offered and sold in Georgia only to sophisticated investors within the meaning of the Securities Market Law and its implementing regulations. Each Joint Lead Manager has represented, warranted and agreed that the Notes shall not be advertised, marketed, offered or sold in the territory of Georgia to any person that is not a sophisticated investor. Without limitation of any of the foregoing, each Joint Lead Manager has represented, warranted and agreed that it has complied and will comply with all applicable provisions of Georgian law with respect to anything done by it in relation to the Notes in, from or otherwise involving Georgia.

General

Each Joint Lead Manager has, severally and not jointly, undertaken that it will (to the best of its knowledge and belief) (a) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers the Notes or has in its possession or distributes these Listing Particulars and (b) not take any action in any jurisdiction that would permit a public offering of the Notes.

None of the Issuer, the Guarantors or any of the Joint Lead Managers represents that the Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. No action has been or will be taken in any jurisdiction by the Issuer, the Guarantors or any Joint Lead Manager that would, or is intended to, permit a public offering of the Notes, or possession or distribution of these Listing Particulars or any other offering material, in any country or jurisdiction where action for that purpose is required. Persons into whose hands these Listing Particulars come are required by the Issuer, the Guarantors and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver the Notes or have in their possession, distribute or publish these Listing Particulars or any other offering material relating to the Notes, in all cases at their own expense.

Other relationships

The Joint Lead Managers and their respective affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer, the Guarantors and their affiliates. The Joint Lead Managers have received, or may in the future receive, customary fees and commissions for these

transactions. In addition, in the ordinary course of their business activities, the Joint Lead Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Guarantors or their affiliates. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer, the Guarantors and/or the Group routinely hedge their credit exposure to the Issuer, the Guarantors and the Group consistent with their customary risk management policies. Typically, such Joint Lead Managers and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities. Any such short positions could adversely affect future trading prices of the Notes. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

LEGAL MATTERS

Certain legal matters in connection with this Offering will be passed upon for the Issuer by Dentons UK and Middle East LLP with respect to matters of English and United States federal law, and by Dentons Georgia LLC with respect to Georgian law.

Certain legal matters in connection with this Offering will be passed upon for the Joint Lead Managers by Baker & McKenzie LLP with respect to matters of English and United States federal law and by BLC Law LLC with respect to Georgian law.

INDEPENDENT AUDITORS

The consolidated financial statements of Silk Road Group Holding LLC as of 31 December 2024, 2023, and 2022 and for each of the years in the three-year period ended 31 December 2024 included in these Listing Particulars have been audited by KPMG Georgia LLC, independent auditors, as stated in their reports appearing herein.

With respect to the unaudited condensed consolidated interim financial information as of 30 June 2025, and for the six-month periods ended 30 June 2025 and 30 June 2024 included in these Listing Particulars, KPMG Georgia LLC, independent auditors, have reported that they applied limited procedures in accordance with professional standards for a review of such information. However, their report with respect thereto and included herein, states that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

The registered address of KPMG Georgia LLC is 5th Floor, GMT Plaza, 4 Liberty Square, 0105 Tbilisi, Georgia.

GENERAL INFORMATION

1) The Issuer is incorporated and registered in Georgia on 4 June 2019. The Issuer has obtained all necessary consents, approvals and authorizations in Georgia in connection with the issue and execution of the Notes. The issue of the Notes was authorized by resolutions of the Supervisory Board and the sole Shareholder of the Issuer both passed on 29 August 2025.

2) Each of the Guarantors is incorporated and registered in Georgia. Each Guarantor has obtained all necessary consents, approvals and authorizations in Georgia in connection with the giving of the Guarantees. The giving of the Guarantees was authorized by resolutions of the Supervisory Board (where applicable) and the shareholders of the Guarantors each passed on 29 August 2025.

3) There has been no significant change in the financial or trading position of the Group since 30 June 2025.

4) There has been no material adverse change in the prospects of the Group since 31 December 2024.

5) Neither the Issuer nor any other member of the Group is involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of these Listing Particulars which may have or have had in the recent past significant effects on the financial position or profitability of the Issuer or the Group.

6) The Notes have been accepted for clearance through Euroclear, Clearstream, Luxembourg and DTC (which are the entities in charge of keeping the records). The Common Code, ISIN and CFI code for the Regulation S Notes are 317169914, XS3171699146 and DBFNFR, respectively. The Common Code, ISIN, CUSIP and CFI code for the Rule 144A Notes are 317845804, US82710NAA63, 82710N AA6 and DBFGGR, respectively. The address of Euroclear is 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg. The address of DTC is 55 Water Street, New York, New York 10041, United States.

7) There are no material contracts entered into other than in the ordinary course of the Issuer's business, which could result in any Group company being under an obligation or entitlement that is material to the Issuer’s ability to meet its obligations to Noteholders in respect of the Notes.

8) For as long as the Notes are admitted to the Official List and to trading on the GEM, physical copies (and English translations where the documents in question are not in English) of the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the registered address of the Issuer at Republic Square 1, Tbilisi 0108, Georgia:

- the Trust Deed (which includes the forms of the Global Certificates);
- the Agency Agreement;
- the Issuer’s Charter;
- a copy of these Listing Particulars (and any further listing particulars);
- the review report of KPMG Georgia LLC on the Unaudited Condensed Consolidated Interim Financial Statements and a copy of the Unaudited Condensed Consolidated Interim Financial Statements, beginning on page F-2 of these Listing Particulars;
- the audit reports of KPMG Georgia LLC on each of the Audited Consolidated Financial Statements for the years ended 31 December 2024 and 31 December 2023 and copies of the corresponding Audited Consolidated Financial Statements, beginning on pages F-48 and F-118, respectively, of these Listing Particulars; and
- the Valuation Report.

9) J.P. Morgan Securities plc, Oppenheimer Europe Ltd. and UBS AG London Branch are licensed by the Prudential Regulation Authority (the "**PRA**") and regulated by the PRA and the Financial Conduct Authority in the United Kingdom. TBC Capital LLC and JSC Galt & Taggart are licensed and regulated by the NBG in Georgia. Neither the Joint Lead Managers nor any of their respective affiliates have authorized the content of, or any part of, these Listing Particulars.

10) These Listing Particulars will be published on the website of the Issuer (www.srgh.ge) and the website of Euronext Dublin (https://www.euronext.com/en/markets/dublin).

11) Application has been made to Euronext Dublin to admit the Notes to listing on the Official List and to have the Notes admitted to trading on the GEM. It is expected that admission of the Notes to the Official List and to trading on the GEM will be granted on or around the Issue Date, subject only to the issue of the Notes.

12) On the basis of the issue price of the Notes of 100.000 per cent. of their principal amount, the gross yield of the Notes is 7.500 per cent. on an annual basis. The yield to maturity is calculated as at the pricing date on the basis of the issue price, the interest rate of the Notes, the redemption amount of the Notes and the tenor of the Notes. It is not an indication of future yield.

13) Walkers Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to trading on the GEM.

14) The Legal Entity Identifier (LEI) code of the Issuer is 254900J9KTY8FE4C8227.

15) At the Issue Date, payments of all amounts payable by the Issuer in respect of the Notes will be fully, unconditionally and irrevocably guaranteed by the Initial Guarantors. Based on the 2024 Audited Consolidated Financial Statements, (i) the Issuer and the Initial Guarantors (collectively) recorded an aggregate Adjusted EBITDA of GEL 45.0 million and net assets (representing the sum of total assets less total liabilities) of GEL 196.1 million, representing 11% and 34%, respectively, of the Group's consolidated Adjusted EBITDA and net assets; and (ii) the members of the Group, other than the Issuer and the Initial Guarantors, (the "**non-Initial Guarantors**") (collectively) recorded an aggregate Adjusted EBITDA of GEL 366.9 million and net assets of GEL 377.7 million, representing 89% and 66%, respectively, of the Group's consolidated Adjusted EBITDA and net assets. The Issuer is a holding company for the Group, and, on a standalone basis, does not account for a meaningful share of the Group's consolidated Adjusted EBITDA or net assets; other than management and certain financing activities (including the issuance of the Notes). Silk Real Estate, which is an Initial Guarantor, on its consolidated basis as at or for the year ended 31 December 2024, had an Adjusted EBITDA of GEL 40.5 million and net assets of GEL 559.1 million, representing 10% and 97% of the Group's consolidated Adjusted EBITDA and net assets, respectively. The Consolidated Financial Statements of the Group consolidate the results of operations of the Initial Guarantors and the non-Initial Guarantors, and therefore may be of limited use in assessing the financial position of the Initial Guarantors.

16) No later than 60 days after the Issue Date, the Notes will be further guaranteed by Silknet through the execution of an accession by Silknet to both the Trust Deed and the Agency Agreement. Pursuant to the Terms and Conditions, within 60 days of the Issue Date, the Issuer is required to procure that Silknet guarantees the Notes and accedes to the Trust Deed and the Agency Agreement as a Guarantor. The proposed structure reflects that, as at the date of the Listing Particulars, Silknet has outstanding 2027 Silknet Notes, and pursuant to the covenants of such notes it is contractually unable to incur the guarantee until those notes are redeemed. The proceeds from the issuance of the Notes will be applied towards the repayment of the 2027 Silknet Notes. Upon repayment of these notes, Silknet will accede to the Trust Deed and the Agency Agreement as a Guarantor. Following the accession of Silknet to the Trust Deed and the Agency Agreement, payments of all amounts payable by the Issuer in respect of the Notes will be fully, unconditionally and irrevocably guaranteed by Guarantors.

Based on the 2024 Audited Consolidated Financial Statements, (i) the Issuer and the Guarantors (collectively) recorded an aggregate Adjusted EBITDA of GEL 419.7 million and net assets of GEL 320.5 million, representing 101.9% and 56%, respectively, of the Group's consolidated Adjusted EBITDA and net assets; and (ii) the members of the Group, other than the Issuer and the Guarantors, (the "**non-Guarantors**") collectively recorded an aggregate Adjusted EBITDA of GEL (7.8) million and net assets of GEL 253.3 million, representing (2)% and 44%, respectively, of the Group's consolidated Adjusted EBITDA and net assets. The Adjusted EBITDA of the Guarantors exceeds 100%, as a number of the non-Guarantor entities are loss-making. The Issuer is a holding company for the Group, and, on a standalone basis, does not account for a meaningful share of the Group's consolidated Adjusted EBITDA or net assets; other than management and certain financing activities (including

the issuance of the Notes). The Consolidated Financial Statements of the Group consolidate the results of operations of the Guarantors and the non-Guarantors, and therefore may be of limited use in assessing the financial position of the Guarantors. Silknet, which is a Guarantor, on its standalone basis as of or for the year ended 31 December 2024 had an Adjusted EBITDA of GEL 374.7 million and net assets of GEL 124.4 million, representing 91% and 22% of the Group's consolidated Adjusted EBITDA and net assets, respectively.

17) The ownership of each Guarantor is as follows: (i) Silk Real Estate is 95% owned by the Issuer and 5% owned by Amphidon Holding (Malta) Limited; (ii) Georgian Hotel Management is 96% owned by Silk Real Estate and 4% owned by Silk Road Group (Malta) Limited; (iii) Limoni is 88% owned by Silk Real Estate and 12% owned by Iveria Group; (iv) Medea Operating Company is wholly owned by Silk Real Estate; (v) Silk Road Business Centre is wholly owned by Silk Real Estate; (vi) Tsinandali Estates is indirectly wholly owned by Silk Real Estate; and (vii) Silknet is wholly owned by Silknet Holding LLC, which is in turn 95% owned by the Issuer and 5% owned by David Mamulaishvili.

Amphidon Holding (Malta) Limited, Silk Road Group (Malta) Limited, Iveria Group, and David Mamulaishvili (collectively, "**Minority Shareholders**") are neither directly or indirectly owned by the Group. As none of the Guarantors are wholly owned by the Group and the Guarantees are full and unconditional and joint and several, the obligation of the payments of all amounts payable by the Issuer in respect of the Notes may fall to a Guarantor that is not wholly owned by the Group. The Minority Shareholders are aware of the proposed Guarantees, and each of the Guarantees has been approved by a meeting of the shareholders of the relevant entity. None of the Guarantors has other obligations to the respective Minority Shareholder that would take priority over their obligations as part of the Guarantee. As each of the Guarantor is majority owned and controlled by the Group, there are no other material risks related to such Minority Shareholders.

DEFINITIONS AND GLOSSARY

"£", "p", "pound sterling" or "pence"	the lawful currency of the United Kingdom;
"EUR", "euro" or "€"	the lawful currency of the EU member states that adopted the single currency;
"US Dollar", "Dollar", "USD" or "US$"	the lawful currency of the United States;
"Lari" or "GEL"	the lawful currency of Georgia;
2024 Silknet Notes	the U.S.$200,000,000 Notes due 2024 issued by Silknet;
2027 Silknet Notes	the U.S.$300,000,000 8.375 per cent. Notes due 2027 issued by Silknet;
2023 Audited Consolidated Financial Statements	the Group's audited consolidated financial statements as at and for the year ended 31 December 2023;
2024 Audited Consolidated Financial Statements	the Group's audited consolidated financial statements as at and for the year ended 31 December 2024;
ADR	average daily rate;
APMs	alternative performance measures;
Arbitration Law	Article 45.1 of the Law of Georgia on Arbitration;
ARPU	the Average Revenue Per User;
Audited Consolidated Financial Statements	the audited consolidated financial statements as at and for the years ended 31 December 2024 and 31 December 2023;
B2B	business-to-business;
B2C	business-to-customer;
Broadcasting Law	the Law of Georgia on Broadcasting;
BSS	the business support system;
churn rates	attrition rate of customers;
CAGR	compound annual growth rate;
Capital Expenditures	additions of property and equipment, investment property and intangible assets;
Clearstream, Luxembourg	Clearstream Banking S.A.;
COBS	the FCA Handbook Conduct of Business Sourcebook;
Company	Silk Road Group Holding LLC, a limited liability company incorporated under the laws of Georgia;
Competition Agency	the Competition and Consumer Protection Agency of Georgia;
Competition Law	the Law of Georgia on Competition;
Consolidated Financial Statements	the Unaudited Condensed Consolidated Interim Financial Statements and the Audited Consolidated Financial Statements;
Consumer Regulation	the Electronic Communications Sector and Protection of Consumers' Rights;

CRM systems	customer relationship management systems;
EEA	the European Economic Area;
ERP	enterprise resource planning;
EU	the European Union;
EU CRA Regulation	the Regulation (EU) No 1060/2009, as amended, on credit rating agencies
Euroclear	Euroclear Bank SA/NV;
Euronext Dublin	the Irish Stock Exchange plc;
EUWA	the European Union (Withdrawal) Act 2018 (as amended);
Exchange Act	Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended
FDI	foreign direct investment;
FMS	fixed-mobile substitution;
FSMA	the Financial Services and Markets Act 2000 of the United Kingdom, as amended
FTEs	full-time equivalents;
FTTH	fiber to the home;
Gaming Law	the Law of Georgia on Organizing Lotteries, Gambling and Gaming Activities;
GEM	the Global Exchange Market;
Geostat	the Legal Entity of Public Law National Statistics Office of Georgia;
GHM	Georgian Hotel Management LLC;
ComCom	the Georgian National Communications Commission;
GNERC	the Georgian National Energy and Water Supply Regulatory Commission;
Government	the Georgian government;
Group	Silk Road Group, or the Company and its consolidated subsidiaries;
Group entities	the consolidated subsidiaries of the Company;
Guarantee Agreement	the guarantee agreement between Silknet and its sole direct shareholder, Silknet Holding LLC;
Guarantors	each of the Initial Guarantors, Subsequent Guarantor and any other Restricted Subsidiary appointed and not released as a guarantor subsequent to the Issue Date;
IFRS	IFRS Accounting Standards as issued by the International Accounting Standards Board;
Initial Guarantors	Silk Real Estate LLC, Georgian Hotel Management LLC, Medea Operating Company LLC, Limoni 2009 LLC, Silk Road Business Centre LLC and Tsinandali Estates LLC;
Insurance Distribution Directive	the Directive 2016/97/EU (as amended);

Internet Regulation	the Rules for Determination and Monitoring of Quality of Internet Service Provision;
Investors Currency	means the principal denomination of an investor's financial activities;
IPTV	internet protocol television;
IRS	the Internal Revenue Service;
Issue Date	15 September 2025;
IT	Information Technology;
Joint Lead Managers	J.P. Morgan Securities plc, UBS AG London Branch, JSC Galt & Taggart, Oppenheimer Europe Ltd. or TBC Capital LLC;
LCIA	the London Court of International Arbitration;
LEED	Leadership in Energy and Environmental Design;
LHW	Leading Hotels of the World;
Limoni	Limoni 2009 LLC;
LTV	loan-to-value;
Medea Operating Company	Medea Operating Company LLC
Member State	a Member State of the EEA;
MiFID II	the Markets in Financial Instruments Directive 2014/65/EU, as amended;
MNOs	mobile network operators;
MVNOs	mobile network virtual operators;
NAPR	the National Agency of Public Registry of Georgia;
NATO	the North Atlantic Treaty Organization;
NBG	the National Bank of Georgia;
New York Convention	the United Nations (New York) Convention on the Recognition and Enforcement of Foreign Arbitral Awards;
Non-Guarantor Restricted Subsidiaries	any Restricted Subsidiaries that are non-Guarantor subsidiaries;
ODIHR	the Office for Democratic Institutions and Human Rights;
Official List	the official list of Euronext Dublin;
OID	original issue discount;
Order	Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended)
OSCE	the Organization for Security and Cooperation in Europe;
OSS	the operations support system;

OTA	the Operational-Technical Agency;
OTT services	Over-The-Top services (e.g. YouTube, Facebook, Netflix and Amazon Prime);
PDR	the Law of Georgia on Personal Data Protection;
PRA	the Prudential Regulation Authority;
President	the President of Georgia;
PRIIPs Regulation	the Regulation (EU) No. 1286/2014 (as amended);
Principal Paying Agent	GLAS Trust Company LLC;
PSTN	Public Switch Telephone Network;
PTI	payment-to-income;
QIBs	means Qualified Institutional Buyers;
Registrar	GLAS Trust Company LLC;
RevPAR	revenue per available room;
RSI	Random Systems International;
SEC	the U.S. Securities and Exchange Commission;
Securities	the Notes and the Guarantees;
Securities Market Law	the Law of Georgia on Securities Market;
Silk Real Estate	Silk Real Estate LLC;
Silknet 2027 Notes	the U.S.$300,000,000 8.375 per cent. Notes due 2027 issued by Silknet;
SMP	significant market power;
Silk Road Business Centre	Silk Road Business Centre;
Stabilization Manager	J.P. Morgan Securities plc;
Subsequent Guarantor	Joint Stock Company Silknet;
Tax Code	the current tax code of Georgia;
Telecom Law	the Law of Georgia on Electronic Communications;
Transfer Agent	GLAS Trust Company LLC;
Trustee	GLAS Trustees Limited;
UK	the United Kingdom;
UK CRA Regulation	the Regulation (EC) No.1060/2009 of the EUWA;

UK PRIIPs Regulation	the Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA;
Unaudited Condensed Consolidated Interim Financial Statements	the Group's unaudited condensed consolidated interim financial information as at 30 June 2025 and for the six-month periods ended 30 June 2025 and 30 June 2024;
United Telecom	the United Telecoms Company of Georgia;

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Silk Road Group Holding LLC

Condensed Consolidated Interim Financial Statements for the six-month period ended 30 June 2025

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Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information

To the Owner of Silk Road Group Holding LLC

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Silk Road Group Holding LLC and its subsidiaries as at 30 June 2025, and the condensed consolidated interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month periods ended 30 June 2025 and 30 June 2024, and notes to the condensed consolidated interim financial information (the "condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our reviews.

Scope of Reviews

We conducted our reviews in accordance with the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2025 and for the six-month periods ended 30 June 2025 and 30 June 2024 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Nikoloz Chochua

KPMG Georgia LLC
Tbilisi, Georgia
27 August 2025

'000 GEL	Note	30 June 2025	31 December 2024
ASSETS			
Non-current assets			
Property and equipment	10	865,647	805,415
Investment property	11	250,266	243,044
Intangible assets	12	199,123	164,896
Right-of-use assets	14	8,012	13,600
Loans receivable	15	22,686	15,818
Prepayments related to IRU contracts		6,784	7,225
Other non-current assets	10(c)	50,791	56,914
Investments in equity accounted investee		49	2,387
Total non-current assets		**1,403,358**	**1,309,299**
Current assets			
Inventories	13	78,477	70,421
Loans receivable	15	12,829	16,267
Financial instruments at FVTPL		-	2,674
Trade and other receivables		42,827	43,863
Certificate of deposit	16(a)	40,610	18,362
Cash and cash equivalents	16	277,166	263,862
Prepayments and other assets		34,922	21,440
Total current assets		**486,831**	**436,889**
Total assets		**1,890,189**	**1,746,188**
EQUITY AND LIABILITIES			
EQUITY	17		
Capital		874,559	894,559
Merger reserve*		(1,203,556)	-
Retained earnings/(accumulated losses)		925,310	(374,133)
Equity attributable to owner of the Company		**596,313**	**520,426**
Non-controlling interests	18	57,143	53,327
Total equity		**653,456**	**573,753**
LIABILITIES			
Non-current liabilities			
Loans and borrowings	19	797,339	838,348
Lease liability	14	2,416	3,345
Advanced received from IRU contracts and subscribers	20	11,145	11,480
Trade and other payables	20	41,125	38,906
Put option liabilities	21	71,150	67,762
Total non-current liabilities		**923,175**	**959,841**
Current liabilities			
Loans and borrowings	19	141,576	63,039
Lease liability	14	8,944	14,845
Financial instruments at FVTPL		1,741	-
Advanced received from IRU contracts and subscribers	20	26,281	27,470
Trade and other payables	20	135,016	107,240
Total current liabilities		**313,558**	**212,594**
Total liabilities		**1,236,733**	**1,172,435**
Total equity and liabilities		**1,890,189**	**1,746,188**

* Pursuant to the decision of the Company's Partner dated 26 June 2025, the presentation of equity in the condensed consolidated interim financial statements has been modified. Reserves arising from transactions under common control—originating from 1 January 2019 (the date of transition to IFRS Accounting Standards)—are now presented separately within equity and have been reclassified from retained earnings. This change has been applied prospectively in the financial statements.

The condensed consolidated interim statement of financial position is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial statements set out on pages 8 to 46.

'000 GEL	Note	For the six months ended 30 June 2025	2024
Revenue	5	430,492	400,054
Operating costs	6	(126,851)	(120,944)
Wages and other employee benefits		(96,066)	(94,267)
Depreciation and amortisation		(68,558)	(70,332)
Impairment loss of trade and other receivables and loans receivable		(840)	(816)
Other income		8,625	8,720
Other expenses		(1,589)	(1,545)
Results from operating activities		**145,213**	**120,870**
Finance income	7	11,012	12,329
Finance cost	7	(38,919)	(40,080)
Net foreign exchange loss	7	(5,927)	(27,607)
Net finance costs		**(33,834)**	**(55,358)**
Share of (loss)/profit of equity accounted investee		(2,338)	5,041
Profit before income tax		**109,041**	**70,553**
Income tax		(492)	(497)
Profit and total comprehensive income for the period		**108,549**	**70,056**
Profit and total comprehensive income for the period			
Owner of the Company		99,523	62,838
Non-controlling interests	18	9,026	7,218

These condensed consolidated interim financial statements were approved by Management on 27 August 2025 and were signed on its behalf by:

Vasil Kenkishvili
Director

The condensed consolidated interim statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial statements set out on pages 8 to 46.

	Attributable to owners of the Company				
'000 GEL	**Capital**	**Accumulated losses**	**Total**	**Non-controlling interests**	**Total Equity**
Balance at 1 January 2024	**960,559**	**(507,666)**	**452,893**	**48,830**	**501,723**
Total comprehensive loss for the period					
Profit for the period	-	62,838	62,838	7,218	70,056
Transactions with owners, recorded directly in equity					
Change in the carrying amount of the put option liability (note 21)	-	(11,630)	(11,630)	(612)	(12,242)
Changes in Group entity's capital	-	(2,108)	(2,108)	1,541	(567)
Fair value adjustment on received related party loans	-	(1,600)	(1,600)	(84)	(1,684)
Acquisition of non-controlling interests without a change in control (note 18)	-	(2,125)	(2,125)	(795)	(2,920)
Dividends declared by the Group entities (note 17(b))	-	320	320	(2,126)	(1,806)
Decrease in capital (note 17)	(6,000)	-	(6,000)	-	(6,000)
Balance at 30 June 2024	**954,559**	**(461,971)**	**492,588**	**53,972**	**546,560**

	Attributable to owners of the Company					
'000 GEL	**Capital**	**Merger reserve**	**(Accumulated losses)/retained earnings**	**Total**	**Non-controlling interests**	**Total Equity**
Balance at 1 January 2025	**894,559**	**-**	**(374,133)**	**520,426**	**53,327**	**573,753**
Total comprehensive loss for the period						
Profit for the period	-	-	99,523	99,523	9,026	108,549
Transactions with owners, recorded directly in equity						
Change in the carrying amount of the put option liability (note 21)	-	-	(3,219)	(3,219)	(169)	(3,388)
Modification effect on issued related party loans	-	-	(181)	(181)	(10)	(191)
Changes in Group entity's capital	-	-	(612)	(612)	(2,530)	(3,142)
Dividends declared by the Group entities (note 17(b))	-	-	376	376	(2,501)	(2,125)
Decrease in capital (note 17)	(20,000)	-	-	(20,000)	-	(20,000)
Separation of Transactions with the owners from retained earnings*	-	(1,203,556)	1,203,556	-	-	-
Balance at 30 June 2025	**874,559**	**(1,203,556)**	**925,310**	**596,313**	**57,143**	**653,456**

*Pursuant to the decision of the Company's Partner dated 26 June 2025, the presentation of equity in the financial statements has been modified. Reserves arising from transactions under common control—originating from 1 January 2019 (the date of transition to IFRS Accounting Standards)—are now presented separately within equity and have been reclassified from retained earnings. This change has been applied prospectively in the financial statements.

The condensed consolidated interim statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial statements set out on pages 8 to 46.

		For the six months ended 30 June	
'000 GEL	**Note**	**2025**	**2024**
Cash flows from operating activities			
Profit before income tax		109,041	70,553
Adjustments for:			
Depreciation and amortisation		68,558	70,332
Net finance costs		33,834	55,358
Impairment loss of trade and other receivables and loan receivables		840	816
Share of loss/(profit) of equity accounted investee		2,338	(5,041)
Loss on disposal/write-off of property and equipment, investment property and intangible assets		215	44
Changes in:			
Inventories		(6,146)	1,225
Trade and other receivables		(16,457)	(11,312)
Prepayments and other assets		(10,430)	(2,644)
Trade and other payables		12,620	651
Cash flows from operations before income taxes paid		**194,413**	**179,982**
Income tax paid		(492)	(497)
Net cash from operating activities		**193,921**	**179,485**
Cash flows from investing activities			
Acquisition of property and equipment, intangible assets and investment property		(111,025)	(91,561)
Proceeds from disposals of property and equipment		1,978	628
Issue of loans		(3,932)	(5,613)
Acquisition of a subsidiary, net of cash acquired		(900)	-
Interest received		7,987	8,856
Repayments of issued loans		1,440	-
Acquisition of certificate of deposit		(22,476)	-
Net cash used in investing activities		**(126,928)**	**(87,690)**
Cash flows from financing activities			
Interest paid		(45,166)	(36,852)
Repayment of borrowings	19	(6,498)	(9,174)
Proceeds from borrowings	19	50,773	20,532
Lease payments	19	(6,553)	(6,237)
Acquisition of non-controlling interests		-	(924)
Capital decrease of Group entities		(37,973)	(3,000)
Costs incurred on Eurobond covenant modification		-	(2,122)
Dividends paid by the Group entities		(2,230)	(2,384)
Net cash used in financing activities		**(47,647)**	**(40,161)**
Effect of exchange rate changes on cash and cash equivalents		(6,042)	4,342
Net increase in cash and cash equivalents		**13,304**	**55,976**
Cash and equivalents at the beginning of the period		263,862	216,255
Cash and cash equivalents at the end of the period	16	**277,166**	**272,231**

*Material non-cash transactions are disclosed in note 20.

The condensed consolidated interim statement of cash flows is to be read in conjunction with the notes to, and forming part of, the condensed consolidated interim financial statements set out on pages 8 to 46.

1. Reporting entity

(a) Georgian business environment

The Group's operations are primarily located in Georgia. Consequently, the Group is exposed to the economic and financial markets of Georgia which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in Georgia. Additionally, introduction of tariffs on import of certain categories of goods by the United States in April 2025 has contributed to global economic uncertainty. These measures affect international trade flows and investor sentiment. The introduction of tariffs and other protectionist measures, the volatility in the global price of oil and the ongoing military conflict between the Russian Federation and Ukraine has further increased uncertainty in the business environment.

The condensed consolidated interim financial statements reflect management's assessment of the impact of the Georgian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

(b) Organisation and operations

These condensed consolidated interim financial statements include the financial statements of Silk Road Group Holding LLC (the "Company") and its subsidiaries as detailed in note 24 (together referred to as the Group and individually as the "Group entities").

The Company is a limited liability company as defined under the law of Georgia on Entrepreneurs and the Company's identification number is 404579354. The Company was registered on 4 June 2019 and is domiciled in Georgia. The subsidiaries of the Company represent a limited liability and joint stock companies as defined under the law of Georgia on Entrepreneurs. The Company's registered office is Republic Square, Mtatsminda, Tbilisi, Georgia.

The principal activity of the Company is to act as a holding company to the Group entities. The principal activities of the Group entities are:

- Provision of telecommunication services to corporate and individual customers in Georgia, including fixed and mobile telephone services, mobile data, fixed internet, pay TV services, SMS (messaging) and other wholesale services;
- Ownership and operation of the Radisson Blu Hotels located in Tbilisi and Batumi, Georgia, Radisson Collection Hotel and Park Hotel located in Tsinandali, Georgia and Telegraph Hotel located in Tbilisi, Georgia;
- Operation of the land based casinos in Tbilisi and Batumi (together referred as "Casinos"). Casinos in Tbilisi and Batumi are located in the Radisson Blu Hotels;
- Ownership and operation of Complex Republic;
- Development and management of real estate properties located in different regions of Georgia (see note 11);
- Operation of hydropower plant on the river Bakhvistskali in Ozurgeti region, Georgia.

In 2025, the Telegraph Building owned by the Group has been successfully reconstructed and commenced operations as a 5-star, 239-room hotel in June 2025. The hotel operates under The Leading Hotels of the World brand.

For the six months period ended 30 June 2025, operations of Telegraph Hotel, which was previously presented under Other unallocated, are being presented under Hotels segment in operating segments disclosure (see note 8).

In 2023, the Group has issued a USD 40 million bond on the Georgian Stock Exchange, followed by a EUR 7 million bond issuance in 2024 (see note 19).

The Company is wholly owned by Comodon Holding (Malta) Limited. In 2020 the Company's intermediate parent reorganized, as a result of which the Company has a new beneficial shareholder, Yerkin Tatishev, with indirect minority (38.2%) holding in the Company. Company's ultimate parent remains Silk Road Group Holding (Malta) Limited – an entity controlled by an individual George Ramishvili. Related party transactions are detailed in note 25.

2. Basis of accounting

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2024 ("last annual consolidated financial statements").

These condensed consolidated interim financial statements do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements.

(b) Material accounting policies

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the last annual consolidated financial statements.

3. Functional and presentation currency

The national currency of Georgia is the Georgian Lari (GEL), which is the functional currency of the Group entities and the currency in which these condensed consolidated interim financial statements are presented. All financial information presented in GEL has been rounded to the nearest thousands, except when otherwise indicated.

4. Use of estimates and judgments

In preparing these condensed consolidated interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements.

5. Revenue

	For the six months ended 30 June	
'000 GEL	**2025**	**2024**
Telecom revenue (a)	297,626	280,665
Real estate revenue (b)	130,260	116,370
Other revenue	2,606	3,019
	430,492	**400,054**

(a) Telecom revenue

	For the six months ended 30 June	
'000 GEL	**2025**	**2024**
Commercial revenue	**273,375**	**255,893**
Mobile revenue	**160,382**	**148,967**
Mobile voice, data and SMS*	155,117	143,799
Revenue from other services	4,432	4,410
Revenue from phone sales and accessories	833	758
Fixed revenue	**112,993**	**106,926**
Fixed broadband	74,307	70,291
Pay TV	30,611	28,361
Fixed telephone	4,880	5,375
Infrastructure capacity rental	1,909	1,691
Revenue from other services	1,286	1,208
Carrier and other services	**24,251**	**24,772**
Interconnect service	9,881	12,049
Infrastructure capacity rental service **	7,050	6,985
Roaming Revenue	5,790	4,290
Internet wholesale	1,530	1,448
Total revenues	**297,626**	**280,665**

* Revenue previously included in 'mobile callout', 'mobile data' and 'revenue from SMS' has been aggregated into a single line item of 'Mobile voice, data and SMS' and as a result, comparative information has also been amended. Management believes that this presentation is more consistent with industry practice within the telecommunications sector.

** Revenue from infrastructure capacity rental service include revenue from IRU contracts. Related advances received are included in note 20. Advances received related to IRU contracts relate to the advance consideration received from customers for granting access to certain dark fibers from the Group's infrastructure.

(b) Real estate revenue

	For the six months ended 30 June	
'000 GEL	**2025**	**2024**
Revenue from casino operations	**85,303**	**71,428**
Revenue from casino live games	51,867	42,213
Revenue from slot machines	33,436	29,215
Revenue from hotel and Complex Republic operations	**43,126**	**42,676**
Food and beverage revenue	24,686	22,677
Room revenue	14,971	16,412
Other hotel revenue	3,469	3,587
Other revenue	**1,831**	**2,266**
	130,260	**116,370**

The Group's operations and main revenue streams are those described in the last annual consolidated financial statements. Approximately 36% of real estate revenue for six months ended 30 June 2025 (six months ended 30 June 2024: 40%) is attributable to contracts with customers. Due to the nature of the hotel and casino business, which is mainly cash-based, the Group does not have any material contract assets and/or contract liabilities.

Approximately 64% of real estate revenue in six months 2025 (six months 2024: 60%) is related to casino revenue stream, which is mainly attributable to casino games, such as Poker, Baccarat, Blackjack, American Roulette, Slot Machines. The payout for stakes placed on these gaming activities is typically known at the time when the stake is placed. This stake is termed "fixed-odds stake". Such contracts fulfil the definition of a financial instrument under IFRS 9 Financial instruments and are therefore exempt from IFRS 15.

6. Operating costs

	For the six months ended 30 June	
'000 GEL	**2025**	**2024**
Telecom operating costs (a)	63,569	65,560
Real estate operating costs (b)	61,196	54,700
Other operating costs	2,086	684
	126,851	**120,944**

(a) Telecom operating costs

	For the six months ended 30 June	
'000 GEL	**2025**	**2024**
Network management and maintenance costs	11,260	9,417
Interconnect fees and roaming expense	7,698	8,179
Utility expenses	7,642	7,437
Software maintenance service	6,373	5,929
Pay TV content cost	4,749	4,793
Professional fees	2,351	6,200
Infrastructure capacity rentals, IRU and lease expenses	4,269	3,149
Advertising and marketing	2,398	2,761
Internet clear channel costs	2,479	2,416
Communication regulation fee	2,362	2,251
Property and other taxes	1,868	1,922
Security expenses	1,925	1,594
Internet protocol (IP) cost	1,840	1,683
Fuel and lubricants used	1,196	1,438
Transportation services	1,369	1,507
Charity expenses	689	666
Office stationary and other supplies	566	808
Bank fees and charges	833	593
Write-down of slow moving inventory, property and equipment and other non-current assets	353	65
Other	1,349	2,752
	63,569	**65,560**

(b) Real estate operating costs

	For the six months ended 30 June	
'000 GEL	**2025**	**2024**
Customer related cost*	7,554	7,790
Non-refundable taxes****	9,558	6,390
Consumption of inventories	5,351	5,563
Quarterly permission fee expenses**	5,948	5,752
Utility expenses	3,383	3,090
Hotel supplies	3,841	3,072
Lease expenses	2,424	2,614
Consulting and professional fees	2,971	2,577
Bank and other commissions	2,378	2,117
Marketing expenses	1,823	2,335
Taxes other than on income tax	2,413	1,373
Repair and maintenance	1,111	1,815
Royalty fees***	1,020	1,088
Contractor service fees	1,063	957
Security expenses	962	977
Other operating costs	9,396	7,190
	61,196	**54,700**

* Customer related cost represents the free of charge services and goods delivered to casino customers, such as: snacks, drinks, cigarettes, food, flight tickets, etc.

** Quarterly permission fee expenses represent the specific fixed quarterly tax accruals to the local authorities on the gambling business and in particular for running slot machines in Georgia.

*** Royalty fees represent fees paid under International License Agreement ("ILA") with Radisson Hotel Aps Danmark for license to operate hotels with a brand name of "Radisson".

**** In 2023, the Georgian Parliament approved changes in gambling regulations which constituted introduction of new taxes to offline gaming business. The tax changes came into force on 1 January 2024. The following changes came into force in relation to taxation:

- 15% tax on Revenue from Slot machines as defined by the Tax Code of Georgia;
- 5% tax on withdrawals made by players from Slot machines.

Effective from 1 January 2025, amendments were made to the Tax Code of Georgia, according to which, the company is now subject to 20% tax on revenue from slot machines as defined by the Tax Code of Georgia (up from the previous rate of 15%).

7. Net finance costs

	For the six months ended 30 June	
'000 GEL	**2025**	**2024**
Recognized in profit or loss		
Interest income on current bank accounts and other receivables	10,366	10,869
Gain on modification of financial instrument	-	757
Interest income on IRU related prepayments	646	703
Finance income	**11,012**	**12,329**
Interest expense on financial liabilities	(37,527)	(38,404)
Interest expense accrued under lease liabilities	(704)	(926)
Interest expense on advances received from IRU contracts	(688)	(750)
Finance costs	**(38,919)**	**(40,080)**
Net foreign exchange loss	(5,927)	(27,607)
Net finance costs recognized in profit or loss	**(33,834)**	**(55,358)**

8. Operating segments

The Group directs its activities in three reportable segments: Telecom, Casinos and Hotels, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the board of directors and shareholders review internal management reports on at least a quarterly basis. The Group voluntarily discloses Development services. Development services do not qualify as a separate operating segment under IFRS 8 *Operating Segments*. However, it is presented separately below to demonstrate the financial performance distinctly to users of the condensed consolidated interim financial statements.

The following summary describes the operations in each of the Group's reportable segments:

Under the **"Telecom"** category fall all Group entities and business units that: a) are engaged in the provision of telecommunication services, including mobile, fixed-line, internet, media and associated infrastructure; b) constitute major cash-generating units within the Group's telecommunication business; or c) generate mainstream revenues from their core telecom-related activities, including network operation, service provision, or infrastructure leasing to third parties or to other Group entities.

Under the **"Hotels"** category fall all Group entities and business units that: a) own and operate full-service hotels; b) are active cash-generating units from hotel operations; and c) generate primary revenue from accommodation, food and beverage services, and related hospitality activities.

Under the **"Casinos"** category fall all Group entities and business units that: a) operate licensed gaming and casino facilities; b) are active revenue-generating units engaged in gaming operations.

Under the **"Development"** category fall Group entities and business units that: primarily hold land or property intended for development with no certain plans for future use and are not yet generating material operational revenue.

Under the **"Other Unallocated"** category fall all entities and business units that do not meet the criteria for classification under Telecom, Hotels, Casinos, or Development. This includes: a) entities that primarily hold investments unrelated to other reportable segments; b) companies that provide corporate, administrative, or support services; c) businesses that generate incidental or non-core income; and d) any Group entities with diversified or residual activities that do not qualify as a separate reportable segment.

The majority of the Group's revenue is generated in Georgia, so information regarding geographical areas is not provided. There are no customers in any of the segments that represent more than 10% of revenue. Information related to each reportable segment is set forth below.

Management believes that disclosure of revenues, operating profit, assets and liabilities is the most relevant in evaluating the results of each operating segment. Segment operating profit/(loss) for the period is used to measure performance as management believes that such information is most relevant in evaluating the results of certain segments relative to other entities that operate in these industries. Management also uses Adjusted EBITDA as an alternative performance measure for each segment.

Investment property held by Telecom Segment is managed on a centralized basis and is presented under Unallocated Development amounts.

'000 GEL	30-Jun-25	30-Jun-25	30-Jun-25	30-Jun-25	30-Jun-25	30-Jun-25	30-Jun-25
		Segments			Unallocated		
Condensed consolidated interim statement of financial position	**Telecom**	**Casinos**	**Hotels**	**Development**	**Other unallocated**	**Reconciling Items**	**Total**
ASSETS							
Non-current assets							
Property and equipment	345,531	19,421	449,621	2,576	48,498	-	865,647
Investment property	-	-	-	214,875	35,391	-	250,266
Intangible assets	194,645	1,015	1,506	-	1,957	-	199,123
Right-of-use assets	8,332	-	-	-	-	(320)	8,012
Loans receivable	-	43,232	26,382	836	302,290	(350,054)	22,686
Prepayments related to IRU contracts	6,784	-	-	-	-	-	6,784
Other non-current assets	40,504	-	10,013	2,732	-	(2,458)	50,791
Investments	-	-	-	5,738	1,069,089	(1,074,778)	49
Total non-current assets	**595,796**	**63,668**	**487,522**	**226,757**	**1,457,225**	**(1,427,610)**	**1,403,358**
Current assets							
Inventories	9,602	1,454	5,340	60,296	1,785	-	78,477
Loans receivable	-	-	-	4,757	8,072	-	12,829
Trade and other receivables	39,634	4,782	10,397	15,371	9,498	(36,855)	42,827
Certificate of deposit	40,610	-	-	-	-	-	40,610
Cash and cash equivalents	186,808	20,870	13,303	947	55,238	-	277,166
Prepayments and other assets	2,173	4,380	12,330	7,850	8,217	(28)	34,922
Total current assets	**278,827**	**31,486**	**41,370**	**89,221**	**82,810**	**(36,883)**	**486,831**
TOTAL ASSETS	**874,623**	**95,154**	**528,892**	**315,978**	**1,540,035**	**(1,464,493)**	**1,890,189**
LIABILITIES							
Non-current liabilities							
Loans and borrowings	(538,539)	-	(294,409)	(68,857)	(215,455)	319,921	(797,339)
Lease liability	(2,753)	-	-	-	-	337	(2,416)
Advanced received from IRU contracts and subscribers	(11,145)	-	-	-	-	-	(11,145)
Trade and other payables	(42,073)	-	-	(374)	-	1,322	(41,125)
Put option liabilities	-	-	-	-	(71,150)	-	(71,150)
Total non-current liabilities	**(594,510)**	**-**	**(294,409)**	**(69,231)**	**(286,605)**	**321,580**	**(923,175)**
Current liabilities							
Loans and borrowings	(18,985)	-	(8,701)	(1,095)	(126,413)	13,618	(141,576)
Lease liability	(8,944)	-	-	-	-	-	(8,944)
Financial instruments at FVTPL	(1,741)	-	-	-	-	-	(1,741)
Advanced received from IRU contracts and subscribers	(26,281)	-	-	-	-	-	(26,281)
Trade and other payables	(99,680)	(3,568)	(30,247)	(3,506)	(34,146)	36,131	(135,016)
Total current liabilities	**(155,631)**	**(3,568)**	**(38,948)**	**(4,601)**	**(160,559)**	**49,749**	**(313,558)**
TOTAL LIABILITIES	**(750,141)**	**(3,568)**	**(333,357)**	**(73,832)**	**(447,164)**	**371,329**	**(1,236,733)**
NET ASSETS/(LIABILITIES)	**124,482**	**91,586**	**195,535**	**242,146**	**1,092,871**	**(1,093,164)**	**653,456**

'000 GEL	31-Dec-24	31-Dec-24	31-Dec-24	31-Dec-24	31-Dec-24	31-Dec-24	31-Dec-24
	Segments			Unallocated			
Consolidated statement of financial position	**Telecom**	**Casinos**	**Hotels**	**Development**	**Other unallocated**	**Reconciling Items**	**Total**
ASSETS							
Non-current assets							
Property and equipment	348,460	19,418	202,476	-	235,061	-	805,415
Investment property	-	-	-	209,102	33,942	-	243,044
Intangible assets	157,995	3,790	873	-	2,238	-	164,896
Right-of-use assets	13,667	-	-	-	-	(67)	13,600
Loans receivable	-	24,144	3,037	54,930	175,391	(241,684)	15,818
Prepayments related to IRU contracts	7,225	-	-	-	-	-	7,225
Other non-current assets	35,023	-	8,911	-	15,349	(2,369)	56,914
Investments	-	-	-	3,232	1,013,076	(1,013,921)	2,387
Total non-current assets	**562,370**	**47,352**	**215,297**	**267,264**	**1,475,057**	**(1,258,041)**	**1,309,299**
Current assets							
Inventories	9,843	1,956	4,540	52,487	1,595	-	70,421
Loans receivable	-	3,443	-	4,755	8,069	-	16,267
Financial instruments at FVTPL	2,674	-	-	-	-	-	2,674
Trade and other receivables	38,926	5,512	8,714	13,406	2,043	(24,738)	43,863
Certificate of deposit	18,362	-	-	-	-	-	18,362
Cash and cash equivalents	160,784	13,337	10,955	1,354	77,432	-	263,862
Prepayments and other assets	2,173	4,409	5,800	4,706	4,389	(37)	21,440
Total current assets	**232,762**	**28,657**	**30,009**	**76,708**	**93,528**	**(24,775)**	**436,889**
TOTAL ASSETS	**795,132**	**76,009**	**245,306**	**343,972**	**1,568,585**	**(1,282,816)**	**1,746,188**
LIABILITIES							
Non-current liabilities							
Loans and borrowings	(553,655)	-	(40,373)	(76,710)	(383,424)	215,814	(838,348)
Lease liability	(3,464)	-	-	-	-	119	(3,345)
Advanced received from IRU contracts and subscribers	(11,480)	-	-	-	-	-	(11,480)
Trade and other payables	(39,760)	-	-	(468)	-	1,322	(38,906)
Put option liabilities	-	-	-	-	(67,762)	-	(67,762)
Total non-current liabilities	**(608,359)**	**-**	**(40,373)**	**(77,178)**	**(451,186)**	**217,255**	**(959,841)**
Current liabilities							
Loans and borrowings	(19,566)	-	(1,116)	-	(42,357)	-	(63,039)
Lease liability	(14,845)	-	-	-	-	-	(14,845)
Advanced received from IRU contracts and subscribers	(27,470)	-	-	-	-	-	(27,470)
Trade and other payables	(69,144)	(2,390)	(8,750)	(1,219)	(50,119)	24,382	(107,240)
Total current liabilities	**(131,025)**	**(2,390)**	**(9,866)**	**(1,219)**	**(92,476)**	**24,382**	**(212,594)**
TOTAL LIABILITIES	**(739,384)**	**(2,390)**	**(50,239)**	**(78,397)**	**(543,662)**	**241,637**	**(1,172,435)**
NET ASSETS/(LIABILITIES)	**55,748**	**73,619**	**195,067**	**265,575**	**1,024,923**	**(1,041,179)**	**573,753**

'000 GEL	30-Jun-25	30-Jun-25	30-Jun-25	30-Jun-25	30-Jun-25	30-Jun-25	30-Jun-25
		Segments			Unallocated		
Condensed consolidated interim statement of profit or loss and other comprehensive income	**Telecom**	**Casinos**	**Hotels**	**Development**	**Other unallocated**	**Reconciling Items**	**Total**
Segment revenue	**297,626**	**97,678**	**46,179**	**1,122**	**20,444**	**(18,707)**	**444,342**
Operating expenses (excluding specific items)	(104,585)	(75,782)	(41,682)	(3,415)	(21,912)	17,720	(229,656)
Adjusted EBITDA	**193,041**	**21,896**	**4,497**	**(2,293)**	**(1,468)**	**(987)**	**214,686**
Adjusted EBITDA margin	**65%**	**22%**	**10%**				**48%**
Depreciation and amortization	(53,728)	(1,838)	(8,418)	(812)	(987)	-	(65,783)
Specific items	(3,412)	-	-	-	(2,616)	-	(6,028)
Segment operating profit/(loss)	**135,901**	**20,058**	**(3,921)**	**(3,105)**	**(5,071)**	**(987)**	**142,875**
Finance income	7,142	1,910	272	820	12,469	(11,601)	11,012
Finance costs	(29,842)	-	(2,167)	(968)	(17,814)	11,872	(38,919)
Net foreign exchange loss	3,312	(927)	(14,029)	923	3,576	1,218	(5,927)
Segment profit/(loss) before tax	**116,513**	**21,041**	**(19,845)**	**(2,330)**	**(6,840)**	**502**	**109,041**
Income tax expense	(117)	-	-	-	(375)	-	(492)
Profit/(loss) for the period	**116,396**	**21,041**	**(19,845)**	**(2,330)**	**(7,215)**	**502**	**108,549**
Capex and other additions	75,308	2,384	68,691	10,405	4,538	-	161,326

'000 GEL	30-Jun-24	30-Jun-24	30-Jun-24	30-Jun-24	30-Jun-24	30-Jun-24	30-Jun-24
		Segments			Unallocated		
Condensed consolidated interim statement of profit or loss and other comprehensive income	**Telecom**	**Casinos**	**Hotels**	**Development**	**Other unallocated**	**Reconciling Items**	**Total**
Segment revenue	**280,665**	**85,000**	**44,149**	**1,316**	**20,735**	**(16,086)**	**415,779**
Operating expenses (excluding specific items)	(99,798)	(72,373)	(32,889)	(1,819)	(25,595)	15,793	(216,681)
Adjusted EBITDA	**180,867**	**12,627**	**11,260**	**(503)**	**(4,860)**	**(293)**	**199,098**
Adjusted EBITDA margin	**64%**	**15%**	**26%**				**48%**
Depreciation and amortization	(57,312)	(1,754)	(6,720)	(810)	(961)	-	(67,557)
Specific items	(10,671)	-	-	-	5,041	-	(5,630)
Segment operating profit/(loss)	**112,884**	**10,873**	**4,540**	**(1,313)**	**(780)**	**(293)**	**125,911**
Finance income	8,899	3,009	478	1,311	8,908	(10,276)	12,329
Finance costs	(28,469)	-	(1,700)	(1,316)	(16,417)	7,822	(40,080)
Net foreign exchange gain/(loss)	(18,511)	1,170	(1,096)	(1,344)	(8,976)	1,150	(27,607)
Segment profit/(loss) before tax	**74,803**	**15,052**	**2,222**	**(2,662)**	**(17,265)**	**(1,597)**	**70,553**
Income tax expense	(113)	-	-	-	(384)	-	(497)
Profit/(loss) for the period	**74,690**	**15,052**	**2,222**	**(2,662)**	**(17,649)**	**(1,597)**	**70,056**
Capex and other additions	28,206	859	7,316	8,755	44,272	-	89,408

Reconciliation of reportable segment revenues:

	30-Jun-25	30-Jun-25	30-Jun-25	30-Jun-25	30-Jun-25
		Segments		Unallocated	
'000 GEL	**Telecom**	**Casinos**	**Hotels**	**Other***	**Total**
Segment revenue	297,626	97,678	46,179	2,859	**444,342**
Other income	-	(7,150)	-	(1,475)	**(8,625)**
Customer promotions and bonuses for Casino **	-	(5,225)	-	-	**(5,225)**
Revenue from Complex Republic ***	-	-	4,022	(4,022)	-
Intra-segment revenue ****	-	-	(7,075)	7,075	-
Total Revenue	**297,626**	**85,303**	**43,126**	**4,437**	**430,492**

	30-Jun-24	30-Jun-24	30-Jun-24	30-Jun-24	30-Jun-24
		Segments		Unallocated	
'000 GEL	**Telecom**	**Casinos**	**Hotels**	**Other***	**Total**
Segment revenue	280,665	85,000	44,149	5,965	**415,779**
Other income	-	(6,567)	-	(2,153)	**(8,720)**
Customer promotions and bonuses for Casino **	-	(7,005)	-	-	**(7,005)**
Revenue from Complex Republic ***	-	-	4,277	(4,277)	-
Intra-segment revenue ****	-	-	(5,750)	5,750	-
Total Revenue	**280,665**	**71,428**	**42,676**	**5,285**	**400,054**

* Other revenue includes revenue presented in unallocated development, unallocated other and reconciling items columns in condensed consolidated interim statement of profit or loss and other comprehensive income above.

** Revenue from Casino operations, as presented in note 5, is reported net of customer promotions and bonuses. Customer promotions and bonuses are netted off between revenue and operating costs in the condensed consolidated interim financial statements as presented in note 8.

*** Revenue of GEL 4,022 thousand (2024: GEL 4,277 thousand) included under "Revenue from hotel and Complex Republic operations" in note 5, is mainly related to the operations of Complex Republic and is allocated to revenue from Other unallocated entities for segment reporting purposes.

**** Intra-segment revenue of GEL 7,075 thousand (2024: GEL 5,750 thousand), is revenue generated from hotel services provided to entities of other segments, which is eliminated on a Group level.

9. Alternative performance measures

(a) Adjusted EBITDA

The Group believes that the presentation of Adjusted EBITDA and Adjusted EBITDA margin enhances a reader's understanding of the Group's financial performance. The management uses Adjusted EBITDA and Adjusted EBITDA margin to assess and evaluate the operating performance of the Group and its operating segments (see note 8). In addition, Adjusted EBITDA and Adjusted EBITDA margin are frequently used by securities analysts, investors and other interested parties in the evaluation of companies that operate in the telecommunications sector. Adjusted EBITDA and Adjusted EBITDA margin are not presentations made in accordance with IFRS and the Group's use of the terms Adjusted EBITDA and Adjusted EBITDA margin may vary from other entities to differences in accounting policies or differences in the calculation methodology.

The Group calculates Adjusted EBITDA by adjusting profit from continuing operations to exclude following items:

- finance costs and finance income;
- corporate income tax and any other taxes related to the distribution of dividends;
- depreciation, amortisation, revaluation, impairment (losses / reversals) of non-current assets ;
- net foreign exchange gain/(loss), including gain/(loss) on hedging instruments, currency forward contracts and any other gain/(loss) attributable to changes in foreign currency exchange rates;
- share of profit/loss from equity accounted investees;
- specific items as explained below:

Specific items are identified by virtue of their size, nature or incidence. Specific items represent:

a) income or loss related to the sale or write off of non-current assets and any other non-cash items
b) non-recurring, non-underlying or non-operating income or costs that are either material by nature or size (such as bargaining gain on business acquisition, business acquisition related costs, costs related to fundraising and the listing of the Group's securities, write off/impairment of issued loans and receivables, one time professional fees, etc.).

Reconciliation of adjusted EBITDA to profit from continuing operations

	30-Jun-25	30-Jun-25	30-Jun-25	30-Jun-25	30-Jun-25	30-Jun-25	30-Jun-25
		Segments		Unallocated			
'000 GEL	**Telecom**	**Casinos**	**Hotels**	**Development**	**Other unallocated**	**Reconciling Items**	**Total**
Profit/(loss) for the period	**116,396**	**21,041**	**(19,845)**	**(2,330)**	**(7,215)**	**502**	**108,549**
Depreciation and amortization	53,728	4,613	8,418	812	987	-	68,558
Amortisation of casino permit	-	(2,775)	-	-	-	-	(2,775)
Net foreign exchange (gain)/loss	(3,312)	927	14,029	(923)	(3,576)	(1,218)	5,927
Finance costs	29,842	-	2,167	968	17,814	(11,872)	38,919
Finance income	(7,142)	(1,910)	(272)	(820)	(12,469)	11,601	(11,012)
Income tax	117	-	-	-	375	-	492
Specific items (see below)	3,412	-	-	-	2,616	-	6,028
Adjusted EBITDA	**193,041**	**21,896**	**4,497**	**(2,293)**	**(1,468)**	**(987)**	**214,686**

	30-Jun-24	30-Jun-24	30-Jun-24	30-Jun-24	30-Jun-24	30-Jun-24	30-Jun-24
		Segments		Unallocated			
'000 GEL	**Telecom**	**Casinos**	**Hotels**	**Development**	**Other unallocated**	**Reconciling Items**	**Total**
Profit/(loss) for the period	**74,690**	**15,052**	**2,222**	**(2,662)**	**(17,649)**	**(1,597)**	**70,056**
Depreciation and amortization	57,312	4,529	6,720	810	961	-	70,332
Amortisation of casino permit	-	(2,775)	-	-	-	-	(2,775)
Net foreign exchange gain/loss	18,511	(1,170)	1,096	1,344	8,976	(1,150)	27,607
Finance costs	28,469	-	1,700	1,316	16,417	(7,822)	40,080
Finance income	(8,899)	(3,009)	(478)	(1,311)	(8,908)	10,276	(12,329)
Income tax	113	-	-	-	384	-	497
Specific items (see below)	10,671	-	-	-	(5,041)	-	5,630
Adjusted EBITDA	**180,867**	**12,627**	**11,260**	**(503)**	**(4,860)**	**(293)**	**199,098**

Specific items:

	30-Jun-25	30-Jun-25	30-Jun-25	30-Jun-25	30-Jun-25	30-Jun-25	30-Jun-25
		Segments			Unallocated		
'000 GEL	**Telecom**	**Casinos**	**Hotels**	**Development**	**Other unallocated**	**Reconciling Items**	**Total**
a) (Gain) /loss on disposal of property and equipment (included in other income/ other expenses)	(63)	-	-	-	278	-	215
b) Write-down of slow moving inventory, property and equipment and other non-current assets (included in note 6)	353	-	-	-	-	-	353
c) Key management one-time benefit (note 25 (b))	401	-	-	-	-	-	401
d) Professional fees, one-time consulting expenses (included in note 6)	2,039	-	-	-	-	-	2,039
e) Charity (included in note 6)	689	-	-	-	-	-	689
f) Other income/expenses	(7)	-	-	-	-	-	(7)
g) Share of loss of equity accounted investee	-	-	-	-	2,338	-	2,338
Total specific items	**3,412**	**-**	**-**	**-**	**2,616**	**-**	**6,028**

	30-Jun-24	30-Jun-24	30-Jun-24	30-Jun-24	30-Jun-24	30-Jun-24	30-Jun-24
		Segments			Unallocated		
'000 GEL	**Telecom**	**Casinos**	**Hotels**	**Development**	**Other unallocated**	**Reconciling Items**	**Total**
a) (Gain) /loss on disposal of property and equipment (included in other income/ other expenses)	44	-	-	-	-	-	44
b) Write-down of slow moving inventory, property and equipment and other non-current assets (included in note 6)	65	-	-	-	-	-	65
c) Key management one-time benefit (note 25 (b))	3,575	-	-	-	-	-	3,575
d) Professional fees, one-time consulting expenses (included in note 6)	5,644	-	-	-	-	-	5,644
e) Charity (included in note 6)	666	-	-	-	-	-	666
f) Other income/expenses	677	-	-	-	-	-	677
g) Share of profit of equity accounted investee	-	-	-	-	(5,041)	-	(5,041)
Total specific items	**10,671**	**-**	**-**	**-**	**(5,041)**	**-**	**5,630**

(b) Adjusted EBITDA margin

Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by total revenue.

Consolidated Adjusted EBITDA:

	For the six months ended 30 June	
'000 GEL	**2025**	**2024**
Consolidated Adjusted EBITDA	214,686	199,098
Consolidated revenue	430,492	400,054
Consolidated Adjusted EBITDA margin %	**50%**	**50%**

Telecom Adjusted EBITDA:

	For the six months ended 30 June	
'000 GEL	**2025**	**2024**
Telecom Adjusted EBITDA	193,041	180,867
Telecom revenue	297,626	280,665
Telecom Adjusted EBITDA margin %	**65%**	**64%**

Casino Adjusted EBITDA:

	For the six months ended 30 June	
'000 GEL	**2025**	**2024**
Casino Adjusted EBITDA	21,896	12,627
Casino revenue	97,678	85,000
Casino Adjusted EBITDA margin %	**22%**	**15%**

Hotel Adjusted EBITDA:

	For the six months ended 30 June	
'000 GEL	**2025**	**2024**
Hotel Adjusted EBITDA	4,497	11,260
Hotel revenue	46,179	44,149
Hotel Adjusted EBITDA margin %	**10%**	**26%**

10. Property and equipment

'000 GEL	Land	Buildings and facilities	Machinery and equipment	Vehicles	Furniture and fixtures	Construction in progress	Other	Total
Cost at 1 January 2024	35,112	452,142	608,689	11,721	81,643	109,894	30,901	1,330,102
Accumulated depreciation	-	(156,536)	(364,011)	(8,326)	(63,101)	-	(14,964)	(606,938)
Carrying amount at 1 January 2024	**35,112**	**295,606**	**244,678**	**3,395**	**18,542**	**109,894**	**15,937**	**723,164**
Additions	277	7,234	11,003	139	4,278	48,969	1,268	73,168
Disposals	(2)	(1)	(609)	(73)	(525)	(130)	(443)	(1,783)
Transfers, gross	-	1,358	5,680	-	32	(10,801)	-	(3,731)
Transfers, accumulated depreciation	-	-	3,731	-	-	-	-	3,731
Depreciation of disposals	-	-	427	53	104	-	-	584
Depreciation charge	-	(8,474)	(26,285)	(460)	(2,697)	-	(365)	(38,281)
Carrying amount at 30 June 2024	**35,387**	**295,723**	**238,625**	**3,054**	**19,734**	**147,932**	**16,397**	**756,852**
Cost at 30 June 2024	35,387	460,733	624,763	11,787	85,428	147,932	31,726	1,397,756
Accumulated depreciation	-	(165,010)	(386,138)	(8,733)	(65,694)	-	(15,329)	(640,904)
Carrying amount at 30 June 2024	**35,387**	**295,723**	**238,625**	**3,054**	**19,734**	**147,932**	**16,397**	**756,852**
Cost at 1 January 2025	36,474	466,103	643,164	12,665	90,512	210,568	33,302	1,492,788
Accumulated depreciation	-	(173,966)	(406,589)	(9,213)	(68,258)	(14,039)	(15,308)	(687,373)
Carrying amount at 1 January 2025	**36,474**	**292,137**	**236,575**	**3,452**	**22,254**	**196,529**	**17,994**	**805,415**
Additions	305	13,207	11,659	171	3,868	63,378**	3,947	96,535
Disposals	(19)	(13)	(6,246)	(52)	(326)	(139)	(375)	(7,170)
Transfers, gross	-	241,996	5,607*	-	3,257	(264,771)**	9,636	(4,275)
Transfers, accumulated depreciation	-	(14,039)	4,275*	-	-	14,039**	-	4,275
Depreciation of disposals	-	-	5,336	52	230	-	331	5,949
Depreciation charge	-	(9,566)	(22,270)	(250)	(2,586)	-	(410)	(35,082)
Carrying amount at 30 June 2025	**36,760**	**523,722**	**234,936**	**3,373**	**26,697**	**9,036**	**31,123**	**865,647**
Cost at 30 June 2025	36,760	721,293	654,184	12,784	97,311	9,036	46,510	1,577,878
Accumulated depreciation	-	(197,571)	(419,248)	(9,411)	(70,614)	-	(15,387)	(712,231)
Carrying amount at 30 June 2025	**36,760**	**523,722**	**234,936**	**3,373**	**26,697**	**9,036**	**31,123**	**865,647**

As at 30 June 2025, included in buildings and facilities, properties with the carrying amount of approximately GEL 466,000 thousand are used in the Hotels', Casinos and Complex Republic operations (see note 1 (b)). Historical cost was determined at the cost of constructing and purchase of the property and equipment and all the related expenditures directly attributable to bringing the assets to a working condition for its intended use. The remaining part of the carrying amount of buildings and facilities is attributable to the telecom operations.

In 2025, the Group conducted an operational efficiency review of its telecom operations related property and equipment, which resulted in changes to the expected usage of certain assets. As a result, the estimated useful lives of the affected equipment were extended. The revised useful lives led to the following projected changes in depreciation expense:

	2025	2026	2027	2028	2029	2030	Later
Depreciation decrease/(increase)	7,180	6,268	4,720	4,333	1,922	(76)	(24,380)

The effect of the revised useful lives was recognized during six-month period ended 30 June 2025, resulting in a decrease in depreciation expense of GEL 3,590 thousand.

* These amounts include capital expenditure attributable to fixed network deployment, mobile core extension projects and modernization.

** Additions made to property plant and equipment include purchases related to Telegraph Hotel reconstruction project in amount of GEL 45,765 thousand (six months ended 30 June 2024: GEL 35,134 thousand). Capitalized borrowing costs related to the construction of the Hotel in Telegraph Building (see note 1 (a)) equalled GEL 7,985 thousand for the six months ended 30 June 2025 (six months ended 30 June 2024: 2,837 thousand).

During the six months ended 30 June 2025, the reconstruction of the Telegraph Hotel was completed and the hotel commenced operations in June 2025.

Additions made to property plant and equipment include purchases related to Radisson Blu Hotel Batumi renovation project in amount of GEL 10,613 thousand (six months ended 30 June 2024: GEL 3,376 thousand).

(a) Security

As at 30 June 2025, property and equipment with a carrying amount of GEL 32,999 thousand (31 December 2024: GEL 33,116 thousand) is collateralized and guarantees the letter of credits related to operating activities of the Group.

As at 30 June 2025, property with carrying value of GEL 495 million (31 December 2024: GEL 435 million) is pledged as a security to bank loans (see note 19).

(b) Impairment of property and equipment

At each balance sheet date the Group assesses whether there is any indication that the recoverable amount of the Group's assets has declined below the carrying value. The management determined that the Group's property and equipment is related to the following cash-generating units:

- Telecom properties in Georgia (comprises of two cash-generating units: fixed services and mobile services);
- Hotel and Casino in Tbilisi, Georgia;
- Hotel and Casino in Batumi, Georgia;
- Hotels in Tsinandali, Georgia;
- Telegraph Hotel in Tbilisi, Georgia;
- Complex Republic.

As at 31 December 2024, management has identified impairment indicators for Telegraph Hotel cash generating unit, which was primarily driven by the revised future cash flow forecasts (including capital expenditures) following the amended business plan and updated discount rate. As a result, management has conducted an impairment test. Based on these analysis, the recoverable amount of Telegraph hotel CGU was estimated to be significantly different from its carrying value as at 31 December 2024.

The management adopted discounted cash flow (DCF) method based on 'Value in use' (VIU) concept and based the valuation on income approach adopting a 5-year DCF to arrive at a net present value of property. Since it is assumed that the property will continue generating cash flows beyond the projection period, its value at that point ('terminal value') was estimated and discounted to present value. Key assumptions used in the in the estimation of recoverable amount were average daily rate (ADR), occupancy rate, discount rate of 12.2% and a long-term growth rate of 2.2%.

As at 31 December 2024, the carrying value of Telegraph hotel was GEL 215,848 thousand, which was higher than its recoverable amount of GEL 201,809 thousand. As a result, impairment losses of GEL 14,039 thousand was recognised in the Group's last annual consolidated statement of profit or loss and other comprehensive income.

The key assumptions to which the impairment analysis is most sensitive include:

- Discount rate – an increase of 1% point in the discount rate used would have resulted in an increase of impairment loss of approximately GEL 23,857 thousand. 1% point decrease in discount rate would have resulted in no impairment loss.
- Long-term growth rate – a decrease of 1% point in long-term growth rate used would have resulted in increase of impairment loss of approximately GEL 15,998 thousand. 1% point decrease in long-term growth rate would have resulted in no impairment loss.
- ADR in the impairment model varies from USD 150 to USD 230 over the projection period and is derived from external market data. A decrease of 5% in average daily rate projection used would have resulted in an increase of impairment loss of approximately GEL 12,911 thousand. 5% increase in average daily rate projection used would have resulted in a decrease of impairment loss of approximately GEL 12,911 thousand.
- The occupancy rate also reflects external industry trends and range from 40% to 75% over the projected period. A decrease of 5% in occupancy rate projection use would have resulted in and increase of impairment loss of approximately GEL 12,911 thosaund. 5% increase in occupancy rate projection used would have resulted in a decrease of impairment loss of approximately GEL 12,911 thousand.

As at 31 December 2024 no impairment indicators were identified for other cash generating units.

As at 30 June 2025 no indicators of impairment or reversal of previously recognized impairment were identified by the management for cash generating units of the Group.

(c) Other non-current assets

As at 30 June 2025 other non-current assets include uninstalled equipment of GEL 30,972 thousand (31 December 2024: GEL 29,487 thousand) and prepayments for non-current assets of GEL 19,819 thousand (31 December 2024: GEL 27,427 thousand), out of which GEL 5,211 thousand (31 December 2024: 8,651 thousand) is attributable to Radisson Blu Hotel Batumi renovation and GEL 4,802 thousand (31 December 2024: GEL 15,359 thousand) is attributable to reconstruction of Telegraph Hotel.

11. Investment property

'000 GEL	Lands	Buildings	Construction in Progress	Total
Cost/deemed cost				
Balance at 1 January 2024	208,609	60,651	19,139	288,399
Additions	-	4,468	4,168	**8,636**
Balance at 30 June 2024	**208,609**	**65,119**	**23,307**	**297,035**
Balance at 1 January 2025	180,541	67,322	10,944	258,807
Additions	-	872	7,194	8,066
Balance at 30 June 2025	**180,541**	**68,194**	**18,138**	**266,873**
Depreciation				
Balance at 1 January 2024	-	(13,812)	-	(13,812)
Charge for the period	-	(926)	-	(926)
Balance at 30 June 2024	**-**	**(14,738)**	**-**	**(14,738)**
Balance at 1 January 2025	-	(15,763)	-	(15,763)
Charge for the period	-	(844)	-	(844)
Balance at 30 June 2025	**-**	**(16,607)**	**-**	**(16,607)**
Carrying amount				
1 January 2024	**208,609**	**46,839**	**19,139**	**274,587**
30 June 2024	**208,609**	**50,381**	**23,307**	**282,297**
1 January 2025	**180,541**	**51,559**	**10,944**	**243,044**
30 June 2025	**180,541**	**51,587**	**18,138**	**250,266**

During the six months ended 30 June 2025, the Group acquired investment property with a cost, excluding capitalised borrowing costs, of GEL 6,788 thousand (six months ended 30 June 2024: GEL 7,105 thousand).

In 2024, following extensive design and planning works, the Group successfully obtained a construction permit for Tower 1, which is to be built on one of the two land plots owned by Batumi Riviera LLC and is expected to be completed by 31 December 2029. The project will consist of a 43-storey complex with approximately 130,000 square meters of space, primarily designated for residential use. Construction is expected to commence in 2025.

Regarding other three towers, which are planned to be built on the second land plot, active design and development activities have not yet begun. At this stage, only a general concept and allocation plan for the full project has been developed, and no construction permit has been obtained for the respective land.

As a result of the above developments, as of 31 December 2024, the land plot with approved construction permits and corresponding capitalised costs amounting to GEL 29,026 thousand and GEL 23,444 thousand, respectively, were reclassified from investment properties to inventories (see note 13).

(a) Description of investment property

The Group's investment property comprises of the following immoveable properties:

Property 1 – Land plots and improvements of Tsinandali Villas, located in Tsinandali, Georgia;
Property 2 – Land plot located in Tbilisi, Georgia, owned by Sakanela Development LLC (the land plot was transferred to Sakanela Development LLC free of charge in 2024 by the entity under common control);
Property 4 – Land plots on Rustaveli Avenue, located in Tbilisi, Georgia, owned by New Office LLC (see note 24);
Property 5 – Land parcel in village Misaktsieli, located in Misaktsieli, Georgia;

Property 6 – Land plot on the Sanapiro Street, located in Tbilisi, Georgia, owned by Centre Plaza LLC (see note 24);
Property 7 – Building on 37 Rustaveli Avenue, Tbilisi, Georgia, owned by Centre Plaza LLC;
Properties 3 and 8 – Underground facilities near Rose Revolution square, located in Tbilisi, Georgia, owned by New Office LLC, Silk Entertainment LLC and Centre Plaza LLC
(see note 24);
Property 9 – Land plots of Batumi Riviera, located in Batumi, Georgia;
Property 10 – Land plots located in Kobuleti, Georgia;
Property 11 – Land plots located in Batumi, Georgia;
Property 12 – Land plots located in Khelvachauri, Georgia;
Property 13 – Land plots located in Tbilisi, Georgia;
Property 14 – Land plots located in Poti, Georgia;
Property 15 – Land plots located in Abastumani, Georgia.
Property 16 – Land plot on Sakanela Street, owned by Silknet JSC

Management has classified the properties as investment properties as the properties are either held to earn rental income, or for the capital appreciation, or for undetermined future use (properties held for undetermined future use will be reclassified to property and equipment if and when the Group starts developing the property for the own use). The ancillary services to be provided to tenants will be a relatively insignificant component of the arrangement as a whole for the properties held for earning the rent income. Insignificant parts of certain properties are held by the Group for own use, but is classified as investment property as represents insignificant components of the total investment properties.

As at 30 June 2025 and 31 December 2024, major part of the investment property is held for capital appreciation or for undetermined future use and as a result, the Group did not have material rental income either in 2025 or 2024.

(b) Fair value of investment property

As at 31 December 2024, management of the Group, with an assistance of external independent valuers, has estimated the fair values of the investment properties. The management believes that as at 30 June 2025, the fair value of the investment property in USD terms remained the same due to insignificant changes in real estate prices for similar properties in similar physical condition.

The fair value estimates are categorised into Level 3 of the fair value hierarchy, because of significant unobservable adjustments used in the valuation methods.

'000 GEL	**Approach**	**Fair values**		**Carrying values**	
		30-Jun-25	**31-Dec-24**	**30-Jun-25**	**31-Dec-24**
Properties 2,3,4,5,6, 9-16	Recent market transactions	353,373	362,837	176,360	168,981
Property 7*	Market/Income approach	34,998	36,067	21,225	21,431
Properties 1,8	Income approach	81,027	83,502	52,681	52,632
Total		**469,398**	**482,406**	**250,266**	**243,044**

*As at 31 December 2024, the fair value of Property 7 is determined in combination of market and income approaches, which management and the independent valuator consider as more appropriate approach.

(c) Security

As at 30 June 2025 and 31 December 2024, the Group's investment property with carrying amount of GEL 33 million and GEL 34 million, respectively, is pledged as a security to bank loans (see note 19).

12. Intangible assets

'000 GEL	Network operating & computer software licenses	Telecom operating licenses and broadcast rights	Goodwill	Casino permit, Software for slot machines and other*	Other	Total
Cost at 1 January 2024	146,871	274,109	6,983	11,823	14,646	454,432
Accumulated depreciation	(88,099)	(166,692)	-	(5,216)	(8,556)	(268,563)
Carrying amount at 1 January 2024	**58,772**	**107,417**	**6,983**	**6,607**	**6,090**	**185,869**
Additions	3,371	3,557	-	-	676	7,604
Amortisation charge	(8,202)	(14,069)	-	(2,883)	(977)	(26,131)
Disposals and derecognitions, gross	-	(58,160)	-	(2,775)	-	(60,935)
Disposals and derecognitions, amortisation	-	58,160	-	2,775	-	60,935
Carrying amount at 30 June 2024	**53,941**	**96,905**	**6,983**	**3,724**	**5,789**	**167,342**
Cost at 30 June 2024	150,242	219,506	6,983	9,048	15,322	401,101
Accumulated depreciation	(96,301)	(122,601)	-	(5,324)	(9,533)	(233,759)
Carrying amount at 30 June 2024	**53,941**	**96,905**	**6,983**	**3,724**	**5,789**	**167,342**
Cost at 1 January 2025	106,255	210,020	6,983	12,460	16,249	351,967
Accumulated amortization	(49,557)	(121,427)	-	(5,559)	(10,528)	(187,071)
Carrying amount at 1 January 2025	**56,698**	**88,593**	**6,983**	**6,901**	**5,721**	**164,896**
Additions***	4,469	51,074	-	524	658	56,725
Amortisation charge	(9,398)	(13,737)	-	(2,947)	(1,026)	(27,108)
Acquisition through subsidiary	-	-	4,863	-	-	4,863
Disposals and derecognitions, gross**	(6,085)	(6,111)	-	(2,775)	(19)	(14,990)
Disposals and derecognitions, amortisation	6,086	5,857	-	2,775	19	14,737
Carrying amount at 30 June 2025	**51,770**	**125,676**	**11,846**	**4,478**	**5,353**	**199,123**
Cost at 30 June 2025	104,639	254,983	11,846	10,209	16,888	398,565
Accumulated amortization	(52,869)	(129,307)	-	(5,731)	(11,535)	(199,442)
Carrying amount at 30 June 2025	**51,770**	**125,676**	**11,846**	**4,478**	**5,353**	**199,123**

* Major part represents casino permit for the operation of the Casino in Tbilisi. Casino permit is obtained annually by payment of GEL 5 million to run casino for 12 months since the payment date. Each year the Group obtains new permit after the old permit expires, hence the continuity table above shows large amounts of additions and disposals in each year. Permit for operating Casino in Batumi costs GEL 250 thousand per annum. Difference in the costs of permit is determined by Georgian legislation and linked to location of casinos' operations.

** These balances represent fully amortised broadcasting rights and other licenses. Amounts written off did not impact operational performance of the Group.

*** In 2025, Silknet participated in the auction and acquired licenses for 2x5.0 MHz in the 700 MHz band and 50.0 MHz in the 3500 MHz band, for a total consideration of GEL 48,802 thousand, to support the development of 5G services. The Company is committed to cover key geographic and infrastructural locations of Georgia, considering specific technical criteria such as speed, signal strength and coverage area.

13. Inventories

'000 GEL	30 June 2025	31 December 2024
Development property*	58,686	52,470
Consumables and operating supplies	19,791	17,951
Total	**78,477**	**70,421**

*During the six months ended 30 June 2025, the additions to Batumi Riviera's Tower 1 construction project, excluding capitalised borrowing costs, amounted GEL 4,974 thousand (six months ended 30 June 2024: GEL 3,630 thousand).

During the six months ended 30 June 2025, the amount of capitalised borrowing costs related to the construction of the Batumi Riviera Tower 1 project amounted GEL 1,242 thousand (six months ended 30 June 2024: 605 thousand).

14. Leases

The Group's lease contracts largely relate to leases of various sites (i.e. land, rooftop surface areas, space in cellular towers and space for fibre cables, etc.) related to placement of the Group's telecommunication equipment. The Group recognises the right-of-use asset and respective lease liability for the contracts that are long-term either contractually or substantially. Since management applies the judgement in determining the effective lease terms, the lease terms used for IFRS 16 purposes may differ from the contractual minimum lease periods. Summary of differences is as follows:

	Minimum initial contractual lease period	Lease term estimate used for IFRS 16 purposes from transition
Site rent for fixed services	4-10	Same as contractual
Site rent for mobile services	1-6*	7

* Minimum contractual lease terms for 70% mobile sites fall in a range of 1 to 6 years at the date of commencement of the contract.

When measuring lease liabilities for leases, the Group discounts lease payments using its incremental borrowing rate at the date of lease recognition. The weighted-average rate applied for lease liability balance as at 30 June 2025 is approximately 12% as lease contracts are denominated in GEL.

'000 GEL	Site rent for mobile services	Site rent for fixed services	Total
Carrying amount of RoU at 1 January 2025	**9,715**	**3,885**	**13,600**
Additions	1,134	-	1,134
Disposals	(4,480)	-	(4,480)
Disposals of accumulated depreciation	3,282	-	3,282
Depreciation charge	(4,937)	(587)	(5,524)
Gross balance at 30 June 2025	**47,928**	**9,854**	**57,782**
Accumulated depreciation at 30 June 2025	(43,214)	(6,556)	(49,770)
Carrying amount of RoU at 30 June 2025	**4,714**	**3,298**	**8,012**
Lease liability at 1 January 2025	**(13,100)**	**(5,090)**	**(18,190)**
Additions	(1,134)	-	(1,134)
Disposals	1,254	-	1,254
Interest charge	(481)	(223)	(704)
Payments	6,418	852	7,270
The effect of changes in foreign exchange rates	17	127	144
Lease liability at 30 June 2025	**(7,026)**	**(4,334)**	**(11,360)**

'000 GEL	Site rent for mobile services	Site rent for fixed services	Total
Carrying amount of RoU at 1 January 2024	**17,963**	**4,459**	**22,422**
Additions	1,977	414	2,391
Disposals	(2,417)	-	(2,417)
Disposals of accumulated depreciation	1,118	-	1,118
Depreciation charge	(4,619)	(587)	(5,206)
Gross balance of RoU at 30 June 2024	**51,959**	**9,677**	**61,636**
Accumulated depreciation at 30 June 2024	(37,937)	(5,391)	(43,328)
Carrying amount of RoU at 30 June 2024	**14,022**	**4,286**	**18,308**
Lease liability at 1 January 2024	**(22,980)**	**(5,415)**	**(28,395)**
Additions	(1,977)	(414)	(2,391)
Disposals	920		920
Interest charge	(664)	(262)	(926)
Payments	6,369	818	7,187
The effect of changes in foreign exchange rates	(55)	(222)	(277)
Lease liability at 30 June 2024	**(18,387)**	**(5,495)**	**(23,882)**

15. Loans receivable

None of the loans are secured. The Group's exposure to credit, currency and interest rate risks and a sensitivity analysis for financial assets and liabilities are disclosed in note 22.

'000 GEL	30 June 2025	31 December 2024
Non-current assets		
Related party loans	22,686	15,818
Current assets		
Related party loans	10,638	13,387
Third party loans	2,247	2,936
Total	**35,571**	**32,141**
Less: allowance for impairment loss	(56)	(56)
	35,515	**32,085**

(a) Terms and debt repayment schedule

				30 June 2025		31 December 2024	
'000 GEL	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
Related party loan	GEL	10%	2030	14,790	10,501	14,222	9,933
Related party loan	GEL	13%	2030	9,302	6,981	7,804	5,681
Related party loan	USD	7%	2025	4,757	4,757	4,755	4,755
Related party loan	GEL	16%	2030	5,323	4,944	3,499	3,443
Related party loan	USD	9%	2025	1,794	1,794	1,770	1,770
Related party loan	GEL	14%	2025	2,593	2,593	1,923	1,923
Related party loan	GEL	13%	2025	1,210	1,210	1,154	1,154
Related party loan	USD	10%	2025	284	284	286	230
Related party loan	GEL	0%	2030	260	204	260	260
Third party loan	EUR	12%	2025	-	-	1,552	1,552
Third party loan	GEL	12%	2025	2,247	2,247	1,384	1,384
Total interest-bearing assets				**42,560**	**35,515**	**38,609**	**32,085**

Interest on loans issued to related parties is repayable at maturity. Difference between the face value and the carrying amount of the loans represent effect of the fair value adjustments at initial recognition and amortisation of the discounted cash flows in the subsequent periods.

16. Cash and cash equivalents

'000 GEL	30 June 2025	31 December 2024
Bank balances	264,689	252,252
Cash in transit	744	1,165
Cash on hand	11,733	10,445
Total cash and cash equivalents	**277,166**	**263,862**

Bank balances include current accounts and call deposits with original maturities of three months or less. The Group's exposure to credit, currency and interest rate risks and a sensitivity analysis for financial assets and liabilities are disclosed in Note 22.

Under one of the covenants of the Group's Eurobonds (see also note 19), the Group is required to maintain a "Cash Cushion" of cash and cash equivalents including investment securities and certificate of deposit (defined per Eurobond's Terms and Conditions) of at least USD 20 million (or its GEL equivalent, discounted as per the Terms and Conditions) at the end of each financial quarter during the period from the issue date of the Eurobonds till 31 January 2023. From 31 January 2023, the Group may elect to either maintain the Cash Cushion as of the end of each fiscal quarter, or alternatively to establish and maintain a Credit Facility of at least USD 20 million for the payment of interest under the Notes.

The Group maintains a "Cash cushion" of cash and cash equivalents (Defined per Eurobond's Terms and Conditions) of at least USD 20 million (its GEL equivalent, discounted as per the Terms and Conditions) as at 30 June 2025. The covenant does not restrict the use of "Cash Cushion", hence the related balance was classified as cash and cash equivalents as at 30 June 2025 and 31 December 2024.

(a) Certificate of deposit

As at 30 June 2025, the Group holds certificates of deposit ("CD") purchased in 2024 and 2025 from commercial banks. The CDs are denominated in US Dollars and bear an average nominal interest rate of 5.7%, with a maturity date of 20 November 2025 and 7 February 2026, respectively.

The certificate of deposit is classified as a financial asset and is measured at amortized cost in accordance with IFRS 9 Financial Instruments. The Group recognizes interest income from the CDs using an effective interest rate method in the condensed consolidated interim statement of profit or loss and other comprehensive income.

The carrying amount of the certificates of deposit as at 30 June 2025 reflects the amortized cost, which approximates its fair value at the reporting date.

The Group's exposure to credit and currency risks related to certificates of deposit are disclosed in note 22.

17. Equity

(a) Capital

Capital represents the nominal amount of capital in the founding documentation of the Company.

	For the six months ended 30 June	
'000 GEL	2025	2024
Balance at the beginning of the period	894,559	960,559
Decrease in capital	(20,000)	(6,000)
Balance at the end of the period	**874,559**	**954,559**

As at 30 June 2025 the Company does not have subscribed capital as defined under the new Georgian legislation.

During six-months period ended 30 June 2025, capital of the Company was decreased by GEL 20,000 thousand (six months period ended 30 June 2024: GEL 6,000 thousand) and the Company repaid capital payable in amount of GEL 34,820 thousand (six months period ended 30 June 2024: GEL 3,000 thousand).

(b) Dividends

Under the Georgian legislation limited liability companies are authorized to distribute dividends provided that amount of total assets covers the issued capital plus the total liabilities, as recorded in the financial statements prepared in accordance with IFRS Accounting Standards, as a result of distribution.

During six-months period ended 30 June 2025, the Group entities declared dividends to the minority shareholders in the amount of GEL 2,125 thousand; (six-months period ended 30 June 2024: GEL 1,806 thousand).

(c) Capital management

The Group management seeks to maintain a sufficient capital base for meeting the Group's operational and strategic needs, and to maintain confidence of market participants. This is achieved with efficient cash management, constant monitoring of Group's revenues and profit, and long-term investment plans mainly financed by the Group's operating cash flows. Furthermore, the management ensures, before any capital reductions, that the Company will be in compliance the respective legislation norms and will maintain sufficient capital base. With these measures the Group aims for steady profits growth.

Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

(d) Security

As at 30 June 2025 and 31 December 2024, the Silk Real Estate LLC's shareholding in Tsinandali Estates LLC (see note 24) is pledged in respect of secured bank loans (see note 19).
As at 30 June 2025 and 31 December 2024, the Silk Real Estate LLC's shareholdings in Georgian Hotel Management LLC, Medea Operating company LLC, Limoni 2009 LLC, Limoni Real Estate LLC and New Hotel JSC are pledged in respect of secured bank loans (see note 19).
As at 30 June 2025 and 31 December 2024 the Silk Real Estate LLC's shareholding in Tsinandali Resorts LLC (see note 24) is pledged in respect of secured bank loans (see note 19).
As at 30 June 2025 and 31 December 2024, the Company's shareholdings in Bakhvi Hydro Power LLC (see note 24) is pledged in respect of secured loans from TBC Bank JSC (see note 19).

(e) Transactions with the owners

Pursuant to the decision of the Company's Partner dated 26 June 2025, the presentation of equity in the financial statements has been modified. Reserves arising from transactions under common control—originating from 1 January 2019 (the date of transition to IFRS Accounting Standards)—are now presented separately within equity and have been reclassified from retained earnings. This change has been applied prospectively in the financial statements.

18. Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations.

30 June 2025

'000 GEL	Silk Real Estate LLC	Georgian Hotel Management LLC	Iveria Centre	Limoni 2009	Silknet Holding LLC	Bakhvi Hydro Power LLC	
NCI effective ownership percentage	**5%**	**9%**	**53%**	**16%**	**5%**	**37%**	**Total**
Total assets	769,740	55,056	23,337	105,934	959,551	23,395	1,937,013
Total liabilities	(346,733)	(30,213)	(2,755)	(36,038)	(820,753)	(10,991)	(1,247,483)
Net assets	**423,007**	**24,843**	**20,582**	**69,896**	**138,798**	**12,404**	**689,530**
Carrying amount of NCI	**21,150**	**2,186**	**10,851**	**11,463**	**6,937**	**4,556**	**57,143**
(Loss) / profit and total comprehensive income/ (loss)	(30,638)	1,195	1,578	18,791	116,070	1,971	108,967
(Loss) / profit and total comprehensive income/ (loss) attributable to NCI	**(1,532)**	**105**	**829**	**3,097**	**5,804**	**723**	**9,026**
Dividends declared by Group entities to NCI	-	-	-	-	(2,501)	-	(2,501)
Acquisition of NCI	-	-	-	-	-	-	-
Other equity movements attributable to NCI	595	-	-	-	(153)	(3,151)	(2,709)
Net (decrease) / increase in cash and cash equivalents	**(22,827)**	**1,549**	**28**	**7,405**	**26,112**	**(2,201)**	**10,066**

30 June 2024

'000 GEL	Silk Real Estate LLC	Georgian Hotel Management LLC	Iveria Centre	Limoni 2009	Silknet Holding LLC	Bakhvi Hydro Power LLC	
NCI effective ownership percentage	**5%**	**9%**	**53%**	**16%**	**5%**	**37%**	**Total**
Total assets	620,332	38,143	24,639	117,382	885,868	28,284	1,714,648
Total liabilities	(249,170)	(21,134)	(5,634)	(41,148)	(801,593)	(9,918)	(1,128,597)
Net assets	**371,162**	**17,009**	**19,005**	**76,234**	**84,275**	**18,366**	**586,051**
Carrying amount of NCI	**18,902**	**1,596**	**10,022**	**12,329**	**4,377**	**6,746**	**53,972**
Profit/ (loss) and total comprehensive income/ (loss)	(21,130)	744	3,438	13,621	74,976	1,694	73,343
Profit/ (loss) and total comprehensive income/ (loss) attributable to NCI	(1,057)	65	1,805	2,234	3,549	622	7,218
Dividends declared by Group entities to NCI	-	-	-	-	(2,126)	-	(2,126)
Acquisition of NCI	(795)	-	-	-	-	-	(795)
Other equity movements attributable to NCI	1,457	-	-	-	(612)	-	845
Net increase (decrease) in cash and cash equivalents	**21,581**	**(1,119)**	**(290)**	**6,228**	**35,533**	**1,031**	**62,964**

In 2024, the Company entered into an agreement with non-controlling shareholder of Tsinandali Resorts LLC to acquire remaining 49% of equity interest for a consideration of USD 1,150 thousand, payable till 30 December 2025. Although legal ownership will transfer to the Company upon full repayment of the contract price, per agreement the non-controlling shareholder has no longer access to the future returns of Tsinandali Resorts LLC and cannot interfere in the management. As a result, non-controlling interest of GEL 795 thousand was derecognized and the difference between the purchase price (recognized as payable) and the derecognised non-controlling interest was accounted directly in equity. As at 30 June 2025, the Company has repaid GEL 2,067 thousand to the non-controlling shareholder (31 December 2024: GEL 2,067 thousand).

19. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see note 22.

'000 GEL	**30 June 2025**	**31 December 2024**
Eurobonds - non-current	538,539	553,655
Unsecured local bonds - non-current	53,831	110,636
Secured bank loans - non-current	200,385	148,207
Loans from related parties	4,206	24,123
Loans from third parties	378	1,727
	797,339	**838,348**
Eurobonds – current	18,985	19,566
Unsecured local bonds – current	80,044	24,444
Secured bank loans – current	20,723	18,724
Current portion of related party loans	20,313	197
Current portion of third party loans	1,511	108
	141,576	**63,039**
	938,915	**901,387**

(a) Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

				30 June 2025		31 December 2024	
'000 GEL	**Currency**	**Nominal interest rate**	**Year of maturity**	**Face value**	**Carrying amount**	**Face value**	**Carrying amount**
Secured Bank Loan	EUR	7,5% + Euribor 6 months	2036	47,219	47,219	21,615	21,615
Secured Bank Loan	EUR	7,5% + Euribor 6 months	2036	47,195	47,195	21,785	21,785
Unsecured Related Party Loan	EUR	6%	2026	20,006	20,006	19,585	19,585
Secured Bank Loan	EUR	7,5% + Euribor 6 months	2033	17,847	17,847	17,006	17,006
Secured Bank Loan	EUR	7,5% + Euribor 6 months	2036	15,941	15,941	14,653	14,653
Secured Bank Loan	EUR	7,5% + Euribor 6 months	2036	15,941	15,941	14,653	14,653
Secured Bank Loan	GEL	5.25%+ NBG refinance Rate	2033	12,966	12,966	13,369	13,369
Secured Bank Loan	USD	7.85% + SOFR 6 months	2030	10,814	10,814	5,817	5,817
Secured Bank Loan	GEL	5.25% + NBG Refinance Rate	2027	9,325	9,325	10,851	10,851
Secured Bank Loan	GEL	5.25% + NBG refinance rate	2033	9,181	9,181	9,466	9,466
Secured Bank Loan	GEL	5.25%+ NBG refinance Rate	2033	6,202	6,202	6,372	6,372
Secured Bank Loan	GEL	6% + NBG Refinance Rate	2027	5,030	5,030	5,844	5,844
Secured Bank Loan	GEL	3% + NBG Refinance Rate	2027	4,638	4,638	5,415	5,415
Secured Bank Loan	USD	6.5% + 6m SOFR	2028	3,317	3,317	3,717	3,717
Secured Bank Loan	GEL	5.75% + NBG Refinance Rate	2027	2,710	2,710	3,139	3,139
Secured Bank Loan	GEL	5.75% + NBG refinance rate	2033	2,680	2,680	2,762	2,762
Secured Bank Loan	GEL	5.56% + NBG Refinance Rate	2027	2,444	2,444	2,829	2,829
Secured Bank Loan	USD	7.85% + SOFR	2033	1,876	1,876	1,997	1,997
Secured Related Party Loan	GEL	12%	2035	1,725	1,725	1,766	1,766
Secured Bank Loan	GEL	6% + NBG Refinance Rate	2027	1,667	1,667	1,937	1,937
Secured Related Party Loan	USD	9%	2035	1,651	1,651	1,750	1,750
Secured Bank Loan	GEL	5.25% + NBG refinance rate	2033	1,457	1,457	1,502	1,502
Secured Bank Loan	EUR	7,5% + Euribor 6 months	2025	1,356	1,356	1,077	1,077
Secured Bank Loan	EUR	7,5% + Euribor 6 months	2025	1,302	1,302	1,125	1,125
Unsecured Third Party Loan	GEL	14%	On Demand	1,095	1,095	1,060	1,060
Secured Related Party Loan	USD	12%	2035	804	804	849	849
Unsecured Third Party Loan	USD	15%	2030	550	427	550	427
Secured Related Party Loan	USD	9%	2029	292	292	328	328
Unsecured Third Party Loan	GEL	16%	2025	256	256	240	240
Unsecured Third Party Loan	GEL	14%	2025	111	111	108	108
Unsecured Related Party Loan	USD	11%	2025	41	41	42	42
Eurobond	USD	8%	2027	565,475	557,524	582,749	573,221
Local bonds	USD	9%	2026	55,963	55,668	57,672	57,260
Local bonds	USD	9%	2026	55,520	55,257	57,229	56,712
Local bonds	EUR	7%	2025	22,959	22,950	21,108	21,108
Total interest-bearing liabilities				**947,556**	**938,915**	**911,967**	**901,387**

In 2023, the Silk Real Estate LLC issued a USD 40 million bond in two tranches. The first tranche of USD 20 million offers a coupon of 9.00% p.a. (gross) with a maturity of 3 years. The second tranche of USD 20 million offers a coupon of 9.25% p.a. (gross) with a maturity of 3 years. As a result, in 2023 Silk Real Estate LLC became a publicly listed company on the Georgian Stock Exchange. In 2024, a new bond of EUR 7 million was issued, with a coupon of 7% p.a. (gross) and maturity of 1 years.

The Group's property and equipment, investments in subsidiaries, intangible assets and investment property is pledged in respect of secured bank loans and secured loans (see notes 10, 11, 12 and 17).

(b) Eurobonds

On 31 January 2022, the Group successfully placed USD 300,000 thousand of Eurobonds due in 2027 carrying an interest rate of 8.375% on the Euronext Dublin Exchange. Interest is payable semi-annually on 31 January and 31 July of each year, commencing from 31 July 2022.

The Eurobonds are accounted for at amortised cost using the effective interest rate method. The Group incurred expenses of GEL 12,936 thousand in connection with the issue of the Eurobonds, including, amongst others, underwriting fees, legal counsel fees, rating agency expenses, listing expenses, etc. These expenses were accounted for as transaction costs. They are included in the calculation of the effective interest rate of the Eurobonds.

In 2022, subsequent to the issuance, the Group repurchased Eurobonds in the amount of USD 100,235 thousand. In accordance with the Eurobond's Conditions bonds repurchased in 2022 are still outstanding and have not been canceled.

In 2024, the Group implemented a consent solicitation to modify the terms and conditions of Eurobonds, increasing its distributions flexibility by introducing "leverage-based" basket in the Restricted Payments test, allowing the Company to proceed with Restricted Payments until its Consolidated Leverage Ratio reaches 1.75x. In connection with consest soliciation process, the Group incurred expenses of GEL 3,947 thousand. These costs were recognised as an adjustment to the carrying amount of Eurobond liability and is amortised over the remaining term of the modified instrument using the revised effective interest rate.

Other than the Eurobond covenant, dividend distribution is subject to compliance with Georgian legislation.

The average market quotation close to the reporting date per Bloomberg was 101.46% of par value. Subsequent to reporting date, as at 5 August 2025, the average market quotation per Bloomberg was 101.030% of par value. The fair value estimates are categorised into Level 1 of the fair value hierarchy

(c) Covenants

The Group's bonds issued and secured bank loans are subject to various financial and non-financial covenants, linked to adjusted EBITDA, DEBT, EBITDA, DSCR and ICR ratios and operations, structure, financing and investing activities of the Company and its subsidiaries. As at 30 June 2025 and 31 December 2024, the Group has complied with all covenants and expects to comply for at least 12 months after the reporting date. Accordingly, bonds issued and bank loans (excluding balances contractually repayable within 12 months from the reporting date) are classified as non-current as at 30 June 2025 and 31 December 2024.

The Group's Eurobonds are subject to various covenants, details of which are included in the listing particulars, publicly available on the website of Silknet JSC. As at 30 June 2025 the Group has complied with all covenants and expects to remain in compliance throughout the term of the Eurobonds. Accordingly, Eurobonds (excluding balances contractually repayable within 12 months from the reporting date) are classified as non-current as at 30 June 2025 and 31 December 2024.

(d) Reconciliation of movements of liabilities to cash flows arising from financing activities*

'000 GEL	Lease liabilities	Loans and borrowings	Total
Balance at 1 January 2025	18,190	901,387	919,577
Interest paid	(717)	(42,904)	(43,621)
Repayment of borrowings	-	(6,498)	(6,498)
Proceeds from borrowings	-	50,773	50,773
Lease payments	(6,553)	-	(6,553)
Total changes from financing	**(7,270)**	**1,371**	**(5,899)**
The effect of changes in foreign exchange rates	**(144)**	**(6,929)**	**(7,073)**
Other changes			
Capitalised borrowing costs	-	9,447	9,447
Interest expense	704	33,639	34,343
Recognition of lease liabilities arising from lease contracts originated during the period	1,134	-	1,134
Write-off of ROU and respective lease liability for terminated contracts	(1,254)	-	(1,254)
Total liability-related other changes	**584**	**43,086**	**43,670**
Total Equity-related other changes	**-**	**-**	**-**
Balance at 30 June 2025	**11,360**	**938,915**	**950,275**

'000 GEL	Lease liabilities	Loans and borrowings	Total
Balance at 1 January 2024	**28,395**	**834,210**	**862,605**
Interest paid	(950)	(34,165)	(35,115)
Repayment of borrowings		(9,174)	(9,174)
Proceeds from borrowings		20,532	20,532
Transaction costs related to bonds	-	-	-
Dividends Paid		-	-
Lease payments	(6,237)	-	(6,237)
Total changes from financing	**(7,187)**	**(22,807)**	**(29,994)**
The effect of changes in foreign exchange rates	**277**	**31,426**	**31,703**
Other changes			
Modification loss on financial liabilities	-	(3,947)	(3,947)
Capitalised borrowing costs	-	3,579	3,579
Interest expense	926	34,837	35,763
Recognition of lease liabilities arising from lease contracts originated during the period	2,391	-	2,391
Write-off of ROU and respective lease liability for terminated contracts	(920)	-	(920)
Total liability-related other changes	**2,397**	**34,469**	**36,866**
Total Equity-related other changes	**-**	**-**	**-**
Balance at 30 June 2024	**23,882**	**877,298**	**901,180**

* Cash flows used in financing activities presented in the condensed consolidated interim statement of cash flows also include the financing component of payments made for acquisition of non-current assets and licenses and broadcasting rights (see note 20).

20. Trade and other payables

	30 June 2025		31 December 2024	
'000 GEL	**Non-current**	**Current**	**Non-current**	**Current**
Payables for non-current assets	15,663	31,389	13,512	27,211
Payable to suppliers	-	28,105	-	14,153
Payable to parent entity for capital decrease	-	2,612	-	17,432
Payable for licenses and broadcasting rights	4,775	41,218	5,896	10,725
Payable to other operators	-	3,720	-	3,774
Payable to employees	18,882	14,813	19,498	16,149
Other payables	1,805	4,955	-	6,742
Dividend payable	-	-	-	211
VAT and other tax liabilities	-	8,204	-	10,843
Total trade and other payables	**41,125**	**135,016**	**38,906**	**107,240**
Advances received related to IRU contracts	10,578	1,888	10,891	1,888
Advances received related to subscribers	567	24,393	589	25,582
Total contract liabilities from prepayments	**11,145**	**26,281**	**11,480**	**27,470**
Total	**52,270**	**161,297**	**50,386**	**134,710**

Payables for non-current assets and payable for licenses and broadcasting rights represent the discounted value of deferred payments mainly related to the acquisition of property and equipment for network upgrade and coverage expansion projects and intangible assets for 5G license, broadcasting rights and IT transformation. Major portion of payables for non-current assets and payable for licenses and broadcasting rights are denominated either in USD or EUR and thus are exposed to foreign currency exchange rate fluctuations.

During the six-month period ended 30 June 2025, Trade and other payables of GEL 12,451 thousand (six-month period ended 30 June 2024: GEL 10,104 thousand) were offset against Trade and other receivables, primarily representing balances with other telecommunications operators for interconnection, roaming and other services.

The Group's exposure to currency and liquidity risks related to trade and other payables is disclosed in note 22.

21. Put option liabilities

Silknet Holding LLC

Under the Agreement, formed on 30 June 2021 between Silknet Holding LLC, its beneficial owners and Silknet JSC (note 24) ("Agreement"), one of the minority shareholders (5% indirect owner of Silknet Holding LLC), under certain conditions, has put option to sell its 5% indirect shareholding in Silknet Holding LLC to the Company. The option starts from May 1, 2024 and is effective till May 1, 2026. The exercise price for put option is determined based on the financial performance of Silknet JSC for the year preceding the put option completion date ("completion date"). Key assumptions used in the put option price calculation are: EBITDA, long-term liabilities and net current assets of Silknet JSC for the year preceding the completion date and EBITDA multiple determined per the Agreement.

The Group has recognized put option liability of GEL 71,150 thousand as at 30 June 2025 (31 December 2024: GEL 67,762 thousand) with reference to the present value of the exercise price of the option, discounted by the discount rate of approximately 16% (2024: 16%). As at 30 June 2025, the Group believes that it is reasonable to expect that the put option will be exercised in 2025. Based on the agreement terms, payment of the option price shall be done in accordance with the schedule agreed between the Parties in writing in two to six equal annual instalments. The first instalment is to be paid not later than the first anniversary of the date of exercise date. Hence, the put option liability was recognized as non-current as at 30 June 2025. The Group also expects, based on the contractual terms, and unless the parties would agree otherwise, that the repayment of exercise price will commence in one year from the completion date and will be made in six equal annual instalments.

Put option liability has not been exercised as at the date of signing these condensed consolidated interim financial statements.

Discounted cash flow models are used for fair value measurement of put option, which is categorized within Level 3 of the fair value hierarchy.

The following table shows a reconciliation from the opening balance to the closing balance for Level 3 fair value of put option liability.

'000 GEL	**2025**	**2024**
Balance at 1 January	**67,762**	**50,635**
Change in the carrying amount	3,388	12,242
Balance at 30 June	**71,150**	**62,877**

Sensitivity analysis

For the fair value of put option liability, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects:

	Directly in Equity	
'000 GEL	**Increase**	**Decrease**
Expected EBITDA (10% movement)	(2,712)	-
Discount rate (1% movement (100 bps))	1,250	(1,298)

22. Fair values and risk management

(a) Fair values of financial assets and liabilities

The Group has determined fair values of financial assets and liabilities using valuation techniques disclosed in the last annual consolidated financial statements. Management believes that the fair value of the Group's financial assets and liabilities, except Eurobonds (see note 19 (b)), approximates their carrying amounts.

The Group's financial risk management objectives and policies are consistent with those disclosed in the last annual consolidated financial statements.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, cash and cash equivalents and certificate of deposit. Credit risk is consistent with those disclosed in the last annual consolidated financial statements and the Group has not faced a significant financial loss during the six-month period ended 30 June 2025.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

For this purpose, the Group makes short-term forecasts for cash flows based on estimated financial needs determined by the nature of operating activities. Normally, these needs are estimated on an annual and monthly basis. In order to manage its liquidity exposures, the Group receives cash flows on a daily basis from customers. This ensures that the Group has sufficient cash to meet its financial obligations. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The management believes that, as at and for the foreseeable future, the Group has sufficient funds to meet its liabilities as they fall due. Management's assessment is based on factors such as: ready access to significant cash balances as at 30 June 2025 (note 16), successful roll-over of Eurobonds (note 19), consistently steady growth as evidenced by reported adjusted EBITDA (note 9) and a growing customer base for key business segments supported by new network deployment.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return.

The Group does not apply hedge accounting in order to manage volatility in profit or loss.

(i) Currency risk

As at 30 June 2025, the Group's exposure to currency risk is mainly attributable to capital expenditures, USD-denominated Eurobonds and loans. To partially hedge an open foreign currency position, the Group invests its liquid funds in USD-denominated instruments, such as deposits and swaps. Additionally, a portion of the Group's operational activities are also denominated in hard currencies. The Group uses forward agreements to mitigate the impact of foreign currency exchange rate fluctuations on operations.

These instruments meet the definition of derivatives under IFRS 9 *Financial Instruments* and are initially measured at fair value. Under IFRS 9, derivatives are instruments, which are subsequently measured at FVPL.

As at 30 June 2025, the Group recognized derivative liability with a fair value of GEL 1,741 thousand (31 December 2024: derivative asset with a fair value of GEL 2,674 thousand). Discounted cash flow models are used for fair value measurement of derivatives, which is categorized within Level 3 of the fair value hierarchy. Estimation uncertainties related to foreign currency exchange rate fluctuations does not have material effect on the financial statements as at 30 June 2025 and 31 December 2024.

Exposure to currency risk

The Group's exposure to foreign currency risk was as follows based on notional amounts:

GEL	**USD-denominated 30 June 2025**	**USD-denominated 31 December 2024**
Bank balances	206,637	192,120
Certificate of deposit	40,610	18,362
Trade and other receivables	5,159	7,180
Loans receivable	6,835	6,755
Trade and other payables	(34,593)	(38,916)
Loans and borrowings	(687,671)	(702,120)
Net exposure	**(463,023)**	**(516,619)**

As part of risk management, in 2024, the Group entered into forward contracts totalling USD 70,500 thousand, of which USD 33,500 thousand was realized during the six months period ended 30 June 2025 (six months period ended 30 June 2024: nil). As of 30 June 2025, the outstanding balance stands at USD 27,000 thousand (30 June 2025: Buy: USD 27,000 thousand; Sell: GEL 76,115 thousand (31 December 2024: Buy: USD 60,500 thousand; Sell: GEL 169,581 thousand)).

To reduce future profit volatility due to foreign exchange rate fluctuations, foreign currency derivative contracts are used to hedge future cash outflows, particularly those related to unrecognized operational and capital expenditures denominated in hard currencies, as well as Eurobond coupon payments. These outflows are fully hedged from October 2024 through the end of 2025, with an average forward exchange rate of 2.8.

'000 GEL	**EUR-denominated 30 June 2025**	**EUR-denominated 31 December 2024**
Bank balances	1,029	1,336
Trade and other receivables	1,831	1,355
Loans and borrowings	(189,757)	(132,607)
Trade and other payables	(39,205)	(22,717)
Net exposure	**(226,102)**	**(152,633)**

The following significant exchange rates have been applied during the period:

	Average rate		**Reporting date spot rate**	
in GEL	**Period ended 30 June 2025**	**Period ended 30 June 2024**	**30 June 2025**	**31 December 2024**
USD 1	2.7776	2.7054	2.7236	2.8068
EUR 1	3.0343	2.9252	3.1882	2.9306

Sensitivity analysis

A reasonably possible strengthening/(weakening) of GEL, as indicated below, against the USD and EUR as at 30 June 2025 and 31 December 2024 would have affected the measurement of financial instruments denominated in USD and EUR and affected equity and profit or loss before taxes by the amounts shown below. The currency movements would have no direct impact on other comprehensive income or equity. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Strengthening		**Weakening**	
'000 GEL	**Equity**	**Profit or (loss)**	**Equity**	**Profit or (loss)**
30 June 2025				
USD (10% movement)	-	46,302	-	(46,302)
EUR (10% movement)	-	22,610	-	(22,610)
31 December 2024				
USD (10% movement)	-	51,662	-	(51,662)
EUR (10% movement)	-	15,263	-	(15,263)

(ii) Interest rate risk

Changes in interest rates impact primarily loans and borrowings by changing either their fair value (fixed rate debt) or their future cash flows (variable rate debt). Management does not have a formal policy of determining how much of the Group's exposure should be in fixed or variable rates. However, at the time of raising or issuing new loans, management uses its judgment to decide whether it believes that a fixed or variable rate would be more favourable to the Group over the expected period until maturity.

Exposure to interest rate risk

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was as follows:

'000 GEL	Carrying amount	
Variable rate instruments	**30 June 2025**	**31 December 2024**
Financial assets	-	-
Financial liabilities	221,108	166,931
	221,108	**166,931**

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have affected profit or loss by GEL 2,211 thousand (31 December 2024: GEL 1,669 thousand). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

23. Commitments

(a) Capital commitments

As at 30 June 2025, the capital commitments borne by the Group amounted to GEL 56,268 thousand, which attributable to acquisition of customer related devices, mobile core extension projects and 5G development (31 December 2024: GEL 18,192 thousand, which is mainly attributable to mobile network development projects and acquisition of customer related devices) and development of Batumi Riviera residential complex in Adjara region.

(b) Other commitments

As at 30 June 2025 the Group has investment obligations for the construction of investment property towards the Government of Georgia of USD 17.8 million (31 December 2024: USD 19.9 million). From these investment obligations, USD 15 million and GEL 5 million relates to Bobokvati project, that, as at the date of signing these condensed consolidated interim financial statements, is due in 2029 (31 December 2024: USD 15 million and GEL 5 million).

24. Subsidiaries

Entity	Principal Activity	Date of Incorporation	Ownership percentage as at 30 June 2025	Ownership percentage as at 31 December 2024	Ownership type
Silk Real Estate LLC	Holding entity	7 April 2017	95%	95%	Direct
Silknet Holding LLC	Holding entity	3 December 2018	95%	95%	Direct
Silk Road Energy LLC	Dormant entity	11 May 2011	100%	100%	Direct
Bakhvi Hydro Power LLC	Operation of hydropower plants	15 January 2009	63.27%	63.27%	Indirect, through Silk Energy Holding
Silk Energy Holding LLC	Dormant entity	28 December 2020	100%	100%	Direct
Silk Solar LLC	Dormant entity	4 July 2022	100%	100%	Direct
Subsidiaries of Silk Real Estate LLC					
Georgian Hotel Management LLC	Operation of Tbilisi Radisson Blu Iveria Hotel	9 August 2010	96%	96%	Direct
Argo Management LLC	Operation of Batumi Radisson Blu Hotel	30 November 2010	96%	96%	Indirect, through Georgian Hotel Management LLC
Riviera Beach LLC	Club operation	18 May 2012	100%	100%	Direct
Silk Road Service LLC	Pooling of purchases for the group companies	31 December 2015	100%	100%	Direct
Development Solution LLC	Real Estate development service	10 July 2006	100%	100%	Direct
Development solutions Medea LLC	Liquidated during 2025	7 September 2009	-	100%	Indirect, through Development Solution LLC
Tsinandali Savane LLC	Holding entity	17 February 2016	100%	100%	Direct
Tsinandali Estates LLC	Operation of Tsinandali Radisson Collection Hotel	27 June 2008	100%	100%	Indirect, through Tsinandali Savane LLC
Tsinandali LLC	Museum operation	3 October 2005	100%	100%	Direct
Georgian Wine Institute LLC	Wine tasting and training service	26 December 2011	100%	100%	Indirect, through Tsinandali LLC
SRG Investments LLC	Corporate service provider to the Group	27 May 2011	100%	100%	Direct
Limoni 2009 LLC	Operation of casinos	11 August 2009	88%	88%	Direct
Medea Operating company LLC	Ownership of Batumi Radisson Blu Hotel and related casino	5 November 2010	100%	100%	Direct
F Telecom LLC	Real estate development	2 October 2006	100%	100%	Direct
Riviera LLC	Holding Entity	12 July 2012	100%	100%	Direct
Batumi Riviera LLC	Real estate development	30 May 2018	100%	100%	Indirect, through Riviera LLC
Center Plaza LLC	Real estate development	14 July 2005	100%	100%	Direct
Club Savane LLC	Night club operation	11 April 2018	100%	100%	Indirect, through Centre Plaza LLC
Tsinandali Villas LLC	Real estate development	19 February 2016	100%	100%	Direct
New Hotel JSC	Ownership of Tbilisi Radisson Blu Hotel	30 September 2005	100%	100%	Direct
Silk Road Business Centre LLC	Real estate development	27 August 1997	100%	100%	Direct
Misaktsieli LLC	Real estate development	7 August 2008	100%	100%	Direct
New Office LLC	Real estate development	7 August 2008	100%	100%	Direct
Iveria Center LLC	Real estate development	6 August 2013	50%	50%	Indirect, through New Office LLC
Restaurant Tsinandali LLC	Hospitality sector	2 April 2018	50%	50%	Indirect, through Iveria Centre LLC

Entity	Principal Activity	Date of Incorporation	Ownership percentage as at 30 June 2025	Ownership percentage as at 31 December 2024	Ownership type
Hotel Medea + JSC	Real estate development	17 April 2007	100%	100%	Direct
Adjara Investment LLC	Holding entity	30 August 2017	100%	100%	Direct
Adjara Resort JSC	Real estate development	3 January 2006	100%	100%	Indirect, through Adjara Investments LLC
Adjara Real Estate LLC	Real estate development	23 August 2006	100%	100%	Indirect, through Adjara Investments LLC
Bobokvati LLC	Real estate development	23 March 2007	100%	100%	Indirect, through Adjara Real Estate LLC and Adjara Resorts JSC
Kobuleti Resort LLC	Liquidated during 2025	17 April 2007	-	100%	Indirect, through Adjara Resorts JSC
Silk Road Group Travel LLC	Hospitality	4 September 2009	51%	51%	Direct
Telegraph Hotel JSC	Liquidated during 2025	5 February 2020	-	100%	Indirect, through Silk Road Business Centre LLC
Limoni Real Estate LLC	Real estate development	21 April 2017	100%	100%	Direct
Green-cape Botanico LLC	Real estate development	18 August 2020	51%	51%	Joint venture
Silk Hospitality LLC	Hotel management service provider to the Group	26 March 2021	100%	100%	Direct
Tsinandali Resorts LLC	Operation of Park Hotel Tsinandali	1 March 2018	51%	51%	Direct
Unipharm LLC	Real estate development	10 July 1996	100%	100%	Indirect, through Centre Plaza LLC
Silk Play LLC	Real estate development	19 June 2024	100%	100%	Direct
Silk Entertainment LLC	Real estate development	15 April 2024	100%	100%	Direct
Sakanela Development LLC	Real estate development	27 March 2024	100%	100%	Direct
Riviera Yacht Club LLC	Operation of yacht club in Batumi	7 November 2024	100%	100%	Indirect, through Batumi Riviera LLC
Silk Road LLC	Dormant entity	22 March 2021	100%	100%	Direct
Subsidiaries of Silknet Holding LLC					
Silknet JSC	Provision of telecommunication services	2 April 2009	100%	100%	Direct
Qarva LLC	Software maintenance	29 June 2012	51%	51%	Indirect, through Silknet JSC
Silk Media LLC*	Operation of Euronews channel	18 July 2019	100%	100%	Indirect, through Silknet JSC
NG Georgia N(N)LE	Media (National Geographic)	5 April 2012	100%	100%	Indirect, through Silknet JSC
Wounded Warrior Support Fund N(N)LE (registered as two legal entities)	Non-for profit organization	9 July 2018	100%	100%	Indirect, through Silknet JSC
Premium Web Solution LLC	Provision of internet video services	29 November 2015	100%	100%	Indirect, through Silknet JSC
Silk Cloud JSC**	Cloud Service	21 January 2025	100%	0%	Indirect, through Silknet JSC
Neutrino LLC***	Cyber Security service	29 May 2025	100%	0%	Indirect, through Silknet JSC
Subsidiaries of Silk Road Energy LLC					
Machakhela Hesi LLC	Dormant entity	11 April 2012	100%	100%	Direct
Lopota Energy LLC	Liquidated during 2024	27 February 2012	0%	0%	Indirect, through Machakhela Hesi LLC

*Silk Media LLC operates Euronews Georgia - a free-to-air news channel.

** On January 21, 2025, the Company established a new subsidiary, Silk Cloud JSC, with a 100% ownership interest.

*** On May 29, 2025, Silknet acquired 100% of the shares of Neutrino LLC, a cybersecurity company. The consolidation does not have a material impact on the Group's condensed consolidated interim financial statements.

25. Related parties

(a) Parent and ultimate controlling party

The Company's immediate parent company is Comodon Holding (Malta) Limited.

The Company's ultimate parent company is Silk Road Group Holding (Malta) Limited. In 2020 the Company's intermediate parent reorganized, as a result of which the Company has a new beneficial shareholder, Yerkin Tatishev, with indirect minority holding (38.2%) in the Company. The Company's ultimate parent remains Silk Road Group Holding (Malta) Limited – an entity controlled by an individual George Ramishvili. No publicly available financial statements are produced by the Company's ultimate parent company or any other intermediate parent company.

(b) Key management remuneration

Key management received the following remuneration during the period, which is included in wages and other employee benefits:

	For the six months ended 30 June	
GEL	**2025**	**2024**
Wages and bonuses	9,882	7,975
Other long-term employee benefits*	401	3,575
	10,283	**11,550**

* On 30 September 2023 and 14 December 2023 ("grant date") the Group has entered into two agreements with its two key management members that entitles these employees to different types of awards, mainly dependent upon the choice of the employee, but also subject to certain events and conditions. Award #1 implies granting of a cash-settled equity instrument of the Group to the employee, with no service condition and its fair value is close to nil as at 30 June 2025, as the probability of meeting the non-vesting condition stipulated under the contract is remote. Award #2, to which employees are entitled from 1 January 2025, is calculated as a certain percentage of forecast dividend distributions by the Group for the lifetime of the employee and is not subject to service conditions. Award #3 envisages granting the employee a certain percentage of the Group's future value (calculated pursuant to contractual terms), settled in cash, after 2027, and is subject to a service condition till the end of 2027. Both awards meet the definition of other long-term employee benefits under IAS 19 Employee Benefits and are initially measured at the present value of future benefits accruing to the employees. Award #2 is expensed as incurred as no service condition is attached to it, whereas the value of Award #3 is spread over the service period. If in aggregate the benefit amount calculated under Award #3 is higher than Award #2, the entity recognizes additional expense in profit or loss in the period, when employee benefit calculated under Award #3 exceeds the benefit amount calculated under Award #2. In 2023, as at grant date, the Group recognized employee benefits expense of GEL 17,318 thousand in profit or loss calculated under Award #2 conditions, as it represented an unconditional liability as at 31 December 2023 and its estimated present value was the largest amongst the three of the available awards.

In 2024, the changes in circumstances related to the consent solicitation process of Eurobond covenant (see also note 19 (b)), affected the calculation of the benefit amount under the Award #2 due to the adjusted payout ratio. In 2025, further changes were made to the payout ratio assumptions used in calculating the benefit amount under Award #2.

These changes remained in compliance with Georgian legislation, in particular the new Law of Georgia on Entrepreneurs, and the amended terms and conditions of Eurobond, resulting in additional expense of GEL 401 thousand and GEL 3,575 thousand for the six months period ended 30 June 2025 and six months period ended 30 June 2024. No significant changes were made to other assumptions used in calculation of the benefit amount under the Award #2. In 2025, the Company paid GEL 1,500 thousand in accordance with contractual terms.

(c) Other related party transactions

The Group's other related party transactions and transactions with the Owners, not acting in the capacity of the Owners, are disclosed below.

	Transaction value for the period ended 30 June		Outstanding balance as at	
	2025	2024	30 June 2025	31 December 2024
Loans issued:				
Entities under common control	3,158	1,550	33,268	29,149
Loans and borrowings:				
Parent	-	(1,577)	-	-
Entities under common control	1,302	-	(24,519)	(24,320)
Acquisition of property and equipment:				
Entities under common control	-	(3,900)	-	-
Other revenue:				
Entities under common control	594	916	3,337	3,018
Fuel and lubricants used:				
Entities under common control	(1,094)	(1,406)	(162)	(182)
Other operating expenses:				
Entities under common control	(2,476)	(1,685)	(1,562)	(706)

Transaction values represent original transactions and do not consider settlement of the transactions. All outstanding balances with related parties, except for the loans and borrowings and loans receivable, are to be settled in cash settled within one year of the reporting date. None of the related party balances are secured.

During six month 2025 interest income of GEL 1,705 thousand (six month 2024: GEL 2,151 thousand) was accrued on loans to related parties.

During six month 2025 interest expense of GEL 1,646 thousand (six month 2024: GEL 1,599 thousand) was accrued on loans and borrowings from related parties.

As at 30 June 2025, the Group maintained a bank balance and call deposit of GEL 7,020 thousand and 15,203 thousand respectively, with a related party financial institution (31 December 2024: bank balance: GEL 1,037 thousand, call deposit: nil), on which interest income of GEL 290 thousand was recognized during the six-month period ended 30 June 2025 (for the six-month period ended 30 June 2024: GEL 150 thousand).

26. Subsequent events

Subsequent to 30 June 2025, the following movements occurred on the Group's balance of loans and borrowings:

- The Group obtained a EUR 3.5 million loan from TBC Bank JSC, bearing an interest rate of 9.15% and maturing in February 2026;
- The Group obtained a EUR 3.5 million loan from Bank of Georgia JSC, bearing an interest rate of 9.15% and maturing in February 2026;
- The Group repaid an EUR 7 million bond placed on Georgian Stock Exchange with a coupon of 7.00% p.a (gross).

Subsequent to 30 June 2025, the Group purchased Kokhta Bakuriani hotel building from Kokhta Rooms Hotel Management LLC with purchase price of USD 6,750 thousand.

Subsequent to 30 June 2025, the capital of the Company was decreased by GEL 30,000 thousand.

27. Accounting standards issued but not yet effective

A number of new accounting standards and amendments to accounting standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended accounting standards in preparing these condensed consolidated interim financial statements

Silk Road Group Holding LLC

Consolidated Financial Statements
for 2024

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Independent Auditors' Report

To the Owner of Silk Road Group Holding LLC

Opinion

We have audited the consolidated financial statements of Silk Road Group Holding LLC (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) *(IESBA Code)* together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Georgia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management Report

Management is responsible for the Management Report. Our opinion on the consolidated financial statements does not cover the Management Report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether the Management Report is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We do not express any form of assurance conclusion on the Management Report. We have read the Management Report and based on the work we have performed, we conclude that the Management Report:

- is consistent with the consolidated financial statements and does not contain material misstatement;
- contains the information that is required by and is compliant with the Law of Georgia on Accounting, Reporting and Auditing.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

KPMG Georgia LLC, a company incorporated under the Laws of Georgia and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditors' report is:

Nikoloz Chochua

KPMG Georgia LLC
Tbilisi, Georgia
23 June 2025

'000 GEL	Note	31 December 2024	31 December 2023
ASSETS			
Non-current assets			
Property and equipment	10	805,415	723,164
Investment property	11	243,044	274,587
Intangible assets	12	164,896	185,872
Right-of-use assets	13	13,600	22,422
Loans receivable	14	15,818	23,339
Prepayments related to IRU contracts		7,225	8,013
Other non-current assets	10	56,914	62,255
Investments in equity accounted investee		2,387	642
Total non-current assets		**1,309,299**	**1,300,294**
Current assets			
Inventories	11	70,421	19,714
Loans receivable	14	16,267	5,184
Financial instruments at FVTPL	22(b)(v)	2,674	-
Trade and other receivables	15	43,863	43,984
Certificate of deposit	16(a)	18,362	-
Cash and cash equivalents	16	263,862	216,255
Prepayments and other assets		21,440	16,222
Total current assets		**436,889**	**301,359**
Total assets		**1,746,188**	**1,601,653**
EQUITY AND LIABILITIES			
EQUITY	17		
Capital		894,559	960,559
Accumulated losses		(374,133)	(507,666)
Equity attributable to owner of the Company		**520,426**	**452,893**
Non-controlling interests	18	53,327	48,830
Total equity		**573,753**	**501,723**
LIABILITIES			
Non-current liabilities			
Loans and borrowings	19	838,348	793,949
Lease liability	13	3,345	14,950
Advanced received from IRU contracts and subscribers	20	11,480	11,946
Trade and other payables	20	38,906	39,601
Put option liabilities	21	67,762	50,635
Total non-current liabilities		**959,841**	**911,081**
Current liabilities			
Loans and borrowings	19	63,039	40,261
Lease liability	13	14,845	13,445
Advanced received from IRU contracts and subscribers	20	27,470	26,399
Trade and other payables	20	107,240	108,744
Total current liabilities		**212,594**	**188,849**
Total liabilities		**1,172,435**	**1,099,930**
Total equity and liabilities		**1,746,188**	**1,601,653**

The consolidated statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 9 to 70.

'000 GEL	Note	2024	2023
Revenue	5	841,380	786,963
Operating costs	6	(250,912)	(232,273)
Wages and other employee benefits		(196,149)	(190,152)
Depreciation and amortisation		(142,565)	(146,828)
Impairment loss of non-financial assets	10	(14,039)	-
Impairment gain/(loss) of trade and other receivables and loans receivable	22(b)(ii)	(1,764)	699
Modification loss on financial liabilities		-	(2,503)
Other income		16,878	18,044
Other expenses		(4,858)	(5,309)
Results from operating activities		**247,971**	**228,641**
Finance income	7	23,375	21,910
Finance cost	7	(79,900)	(83,864)
Net foreign exchange loss	7	(18,820)	(8,302)
Net finance costs		**(75,345)**	**(70,256)**
Share of profit of equity accounted investee		2,387	-
Profit before income tax		**175,013**	**158,385**
Income tax		(1,522)	(1,173)
Profit and total comprehensive income for the year		**173,491**	**157,212**
Profit and total comprehensive income for the year			
Owner of the Company		158,764	140,405
Non-controlling interests	18	14,727	16,807

These consolidated financial statements were approved by Management on 23 June 2025 and were signed on its behalf by:

Vasil Kenkishvili
Director

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 9 to 70.

	Attributable to owners of the Company				
'000 GEL	**Capital**	**Accumulated losses**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2023	**1,167,407**	**(630,349)**	**537,058**	**43,858**	**580,916**
Total comprehensive loss for the year					
Profit for the year	-	140,405	140,405	16,807	157,212
Transactions with owners, recorded directly in equity					
Change in the carrying amount of the put option liability (note 21)	-	(6,912)	(6,912)	(364)	(7,276)
Acquisition of subsidiary's equity instruments	-	(7,315)	(7,315)	(385)	(7,700)
Modification effect on issued related party loans	-	2,047	2,047	108	2,155
Changes in Group entity's capital	-	500	500	4,463	4,963
Fair value adjustment on received related party loans (note 19)	-	(8,119)	(8,119)	(362)	(8,481)
Acquisition of non-controlling interests without a change in control (note 25)	-	(1,070)	(1,070)	(787)	(1,857)
Dividends declared by the Group entities (note 17(b))	-	3,147	3,147	(14,508)	(11,361)
Decrease in capital (note 14)	(206,848)	-	(206,848)	-	(206,848)
Balance at 31 December 2023	**960,559**	**(507,666)**	**452,893**	**48,830**	**501,723**

	Attributable to owners of the Company				
'000 GEL	**Capital**	**Accumulated losses**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2024	**960,559**	**(507,666)**	**452,893**	**48,830**	**501,723**
Total comprehensive loss for the year					
Profit for the year	-	158,764	158,764	14,727	173,491
Transactions with owners, recorded directly in equity					
Change in the carrying amount of the put option liability (note 21)	-	(16,271)	(16,271)	(856)	(17,127)
Modification effect on issued related party loans	-	(1,894)	(1,894)	(100)	(1,994)
Land plot received free of charge from entity under common control	-	910	910	48	958
Fair value adjustment on received related party loans (note 19)	-	(2,772)	(2,772)	(146)	(2,918)
Acquisition of non-controlling interests without a change in control (note 25)	-	(2,125)	(2,125)	(795)	(2,920)
Changes in Group entity's capital	-	(6,103)	(6,103)	6,940	837
Dividends declared by the Group entities (note 17(b))	-	3,024	3,024	(15,321)	(12,297)
Decrease in capital (note 17)	(66,000)	-	(66,000)	-	(66,000)
Balance at 31 December 2024	**894,559**	**(374,133)**	**520,426**	**53,327**	**573,753**

The consolidated statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 9 to 70.

'000 GEL	**Note**	**2024**	**2023**
Cash flows from operating activities			
Profit before income tax		175,013	158,385
Adjustments for:			
Depreciation and amortisation		142,565	146,828
Impairment of non-financial assets		14,039	-
Net finance costs		75,345	70,256
Impairment loss /(gain) of trade and other receivables and loan receivables		1,764	(699)
Modification loss on financial liabilities		-	2,503
Share of profit of equity accounted investee		(2,387)	-
Gain/(loss) on disposal/write-off of property and equipment, investment property and intangible assets		(288)	1,554
Changes in:		-	
Inventories		1,145	(3,482)
Trade and other receivables		(25,756)	(27,826)
Prepayments and other assets		(4,365)	(2,437)
Trade and other payables		15,472	62,372
Cash flows from operations before income taxes paid		**392,547**	**407,454**
Income tax paid		(1,522)	(1,173)
Net cash from operating activities		**391,025**	**406,281**
Cash flows from investing activities			
Acquisition of property and equipment, intangible assets and investment property		(226,964)	(170,095)
Proceeds from disposals of property and equipment and investment property		2,306	503
Issue of loans		(11,238)	(10,409)
Acquisition of assets through acquisition of subsidiary		-	(1,021)
Acquisition of investment securities		-	(32,052)
Proceeds from sale of investment securities		-	33,518
Interest received		18,235	12,711
Repayments of issued loans		4,324	4,511
Acquisition of certificate of deposit		(17,808)	-
Acquisition of subsidiary's equity instruments		-	(7,700)
Net cash used in investing activities		**(231,145)**	**(170,034)**
Cash flows from financing activities			
Interest paid		(79,326)	(84,369)
Repayment of borrowings	19	(58,460)	(184,626)
Proceeds from borrowings	19	95,803	176,131
Lease payments	13	(12,880)	(10,312)
Acquisition of non-controlling interests *		(2,067)	(44,882)
Capital decrease		(48,568)	-
Costs incurred on Eurobond covenant modification		(3,889)	-
Transaction costs related to bonds		-	(1,417)
Dividends paid by the Group entities		(7,360)	(4,865)
Net cash used in financing activities		**(116,747)**	**(154,340)**
Effect of exchange rate changes on cash and cash equivalents		4,474	(5,445)
Net increase in cash and cash equivalents		**47,607**	**76,462**
Cash and equivalents at the beginning of the year		216,255	139,793
Cash and cash equivalents at the end of the year	16	**263,862**	**216,255**

* Cash flows related to the acquisition of non-controlling interests are presented within financing activities and comparative information has been reclassified accordingly.

The consolidated statement of cash flows is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 9 to 70.

1. Reporting entity

(a) Georgian business environment

The Group's operations are located in Georgia. Consequently, the Group is exposed to the economic and financial markets of Georgia, which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in Georgia. Additionally, introduction of tariffs on import of certain categories of goods by the United States in April 2025 has contributed to global economic uncertainty. These measures affect international trade flows and investor sentiment. The introduction of tariffs and other protectionist measures, the volatility in the global price of oil and the ongoing military conflict between the Russian Federation and Ukraine has further increased uncertainty in the business environment.

The consolidated financial statements reflect management's assessment of the impact of the Georgian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

(b) Organisation and operations

These consolidated financial statements include the financial statements of Silk Road Group Holding LLC (the "Company") and its subsidiaries as detailed in note 25 (together referred to as the Group and individually as the "Group entities").

Silk Road Group Holding LLC is a limited liability company as defined under the law of Georgia on Entrepreneurs and the Company's identification number is 404579354. The Company was registered on 4 June 2019 and is domiciled in Georgia. The subsidiaries of the Company represent a limited liability and joint stock companies as defined under the law of Georgia on Entrepreneurs. The Company's registered office is Republic Square, Mtatsminda, Tbilisi, Georgia.

The principal activity of Silk Road Group Holding LLC is to act as a holding company to the Group entities. The principal activities of the Group entities are:

- Provision of telecommunication services to corporate and individual customers in Georgia, including fixed and mobile telephone services, mobile data, fixed internet, pay TV services, SMS (messaging) and other wholesale services;
- Ownership and operation of the Radisson Blu Hotels located in Tbilisi and Batumi, Georgia, Radisson Collection Hotel and Park Hotel located in Tsinandali, Georgia;
- Ownership and operation of the Park Hotel in Tsinandali, Georgia
- Operation of the land based casinos in Tbilisi and Batumi (together referred as "Casinos"). Casinos in Tbilisi and Batumi are located in the Radisson Blu Hotels;
- Ownership and operation of Complex Republic;
- Development and management of real estate properties located in different regions of Georgia (see note 11);
- Operation of hydropower plant on the river Bakhvistskali in Ozurgeti region, Georgia.

As at 31 December 2024 Telegraph building owned by the Group is under construction to redesign and develop as a hotel. The 5 star, 239-room hotel is planned to commence operations in 2025 under The Leading Hotels of The World brand.

In 2023, the Group has issued a USD 40 million bond on the Georgian Stock Exchange, followed by a EUR 7 million bond issuance in 2024 (see note 19).

The Company is wholly owned by Comodon Holding (Malta) Limited. In 2020 the Company's intermediate parent reorganized, as a result of which the Company has a new beneficial shareholder, Yerkin Tatishev, with indirect minority (38.2%) holding in the Company. Company's ultimate parent remains Silk Road Group Holding (Malta) Limited – an entity controlled by an individual George Ramishvili. Related party transactions are detailed in note 26.

2. Basis of accounting

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

The Company represents a Newco incorporated by the Immediate Parent in June 2019 with the aim of Group restructuring, as a result of which in 2020 and 2019 several Group entities were contributed into the Newco's capital through the common control transactions.

This common control transactions were accounted at book values as presented in the financial statements of the Group entities with the retrospective application. As a result, the Group chose to re-present its comparatives and adjust its current reporting period before the date of the aforementioned transactions as if the Company controlled the Group entities before the earliest period represented. As the Newco had no substantial assets or liabilities either at the incorporation date or as at 31 December 2020, the Group's consolidated financial statements reflects the business continuance of Group entities and the consolidated assets and liabilities as well as comparatives are respectively recognised and presented according to the first-time adoption date of the Group entities, using the same accounting policies, except for the accounting policy for the measurement of investment properties, as in the financial statements of the Group entities. The Group measures its investment property at cost less accumulated depreciation and impairment losses (see note 28(j)(i)).

3. Functional and presentation currency

The national currency of Georgia is the Georgian Lari ("GEL"), which is the functional currency of the Company and the Group entities and the currency in which these consolidated financial statements are presented. All financial information is presented in GEL and has been rounded to the nearest thousand, except when otherwise indicated.

4. Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 10 (b) – assessment of impairment indicators for property and equipment;
- Note 11 – classification of land plot, located in Batumi, Georgia and respective construction in progress as inventory;
- Note 13 – determination of lease term;
- Note 26 (b) – calculation of key management remuneration;
- Note 28 (h) and (i) – recognition of property and equipment and intangible assets.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the Note 10 (b) – impairment of Telegraph hotel cash generating unit.
Other significant judgements and estimates are included in:

- Note 11 – valuation of investment properties
- Notes 14 and 19 - recognition and measurement of below market interest rate related party loans;
- Note 21 – recognition and measurement of put option liability;
- Note 28 (h) and (i) – useful lives of property and equipment and intangible assets;

Measurement of fair values

A number of the Group's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and for disclosure purposes.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 11 (b) – fair value of investment property;
- Note 22 (a) – fair values of financial assets and liabilities.

5. Revenue

'000 GEL	**2024**	**2023**
Telecom revenue (a)	581,970	536,433
Real estate revenue (b)	254,118	243,154
Other revenue	5,292	7,376
	841,380	**786,963**

(a) Telecom revenue

'000 GEL	**2024**	**2023**
Commercial revenue	**530,073**	**487,851**
Mobile revenue	**313,068**	**283,408**
Mobile callout	117,521	113,441
Mobile data	173,431	149,265
Revenue from SMS	11,686	10,622
Revenue from other services	8,836	8,290
Revenue from phone sales and accessories	1,594	1,790
Fixed revenue	**217,005**	**204,443**
Fixed broadband	142,272	132,624
Pay TV	58,211	55,855
Fixed telephone	10,582	11,412
Revenue from other services	2,361	1,608
Infrastructure capacity rental service	3,579	2,944
Carrier and other services	**51,897**	**48,582**
Interconnect service*	23,532	25,276
Infrastructure capacity rental service**	14,188	11,614
Roaming revenue	11,215	9,033
Internet wholesale	2,962	2,659
Total revenues	**581,970**	**536,433**

* Revenue from interconnect service is generated by both segments as follows: GEL 21,632 thousand by the mobile services segment and GEL 1,900 thousand by the fixed services segment in 2024 (2023: GEL 23,364 thousand by the mobile services segment and GEL 1,912 thousand by the fixed services segment). Major part of revenue is generated in Georgia.

** Revenue from infrastructure capacity rental service include revenue from IRU contracts. Related advances received are included in note 22. Advances received related to IRU contracts relate to the advance consideration received from customers for granting access to certain dark fibers from the Group's infrastructure.

The amount of GEL 1,815 thousand (2023: GEL 1,815 thousand) has been recognised as revenue for the year ended 31 December 2024 for the IRU contracts recognised in advances received (note 22). Revenue in the amount of GEL 9,077 thousand (2023: GEL 9,077 thousand) will be recognised within five years after the reporting date and GEL 11,784 thousand (2023: GEL 13,599 thousand) after five years till maturity of IRU contracts.

(b) Real estate revenue

'000 GEL	2024	2023
Revenue from casino operations	**154,450**	**146,971**
Revenue from casino live games	91,324	83,436
Revenue from slot machines	63,126	63,535
Revenue from hotel and Complex Republic operations	**93,077**	**89,980**
Food and beverage revenue	48,899	47,285
Room revenue	36,063	35,193
Other hotel revenue	8,115	7,502
Other revenue	**6,591**	**6,203**
	254,118	**243,154**

The Group generates real estate revenue primarily from hotel and casino operations. Hotel revenue stream is mainly attributable to sale of hotel rooms and food and beverages in the hotel restaurant facilities. Revenue from Casino operations is reported net-off customer promotions and bonuses.

Due to the nature of the hotel and casino business, which is mainly cash-based, the Group does not have any material contract assets and/or contract liabilities. See note 28 (b) for further details. Approximately 40% of Real estate revenue in 2024 (2023: 40%) is attributable to contracts with customers. Casino revenue stream is mainly attributable to casino games, such as Poker, Baccarat, Blackjack, American Roulette, Slot Machines. The payout for stakes placed on these gaming activities is typically known at the time when the stake is placed. This stake is termed "fixed-odds stake". Such contracts fulfil the definition of a financial instrument under IFRS 9 *Financial instruments* and are therefore exempt from IFRS 15.

6. Operating costs

'000 GEL	2024	2023
Telecom operating costs (a)	132,256	132,886
Real estate operating costs (b)	117,671	97,940
Other operating costs***	985	1,447
	250,912	**232,273**

*** Other operating costs above and Professional fees below include fees paid to the audit firms for the provision of audit services amounting GEL 1,492 thousand (2023: GEL 1,483 thousand).

(a) Telecom operating costs

'000 GEL	2024	2023
Network management and maintenance costs	20,271	18,480
Interconnect fees and roaming expense	16,704	16,978
Utility expenses	15,197	16,217
Software maintenance service	12,790	11,862
Pay TV content cost	9,368	8,815
Professional fees***	7,831	15,341
Infrastructure capacity rentals, IRU and lease expenses	7,541	6,561
Advertising and marketing	6,601	6,924
Internet clear channel costs	4,856	4,670
Communication regulation fee	4,648	4,297
Property and other taxes	3,955	3,669
Security expenses	3,513	2,518
Internet protocol (IP) cost	3,298	3,183
Fuel and lubricants used	3,012	2,971
Transportation services	2,962	2,575
Charity expenses	1,650	1,400
Office stationary and other supplies	1,534	1,704
Bank fees and charges	1,214	924
Write-down of slow moving inventory, property and equipment and other non-current assets	1,159	592
Other	4,152	3,205
	132,256	**132,886**

*** Professional fees mainly include consulting services regarding the Group's strategic plan (see note 12(a)) and consulting services provided by an entity under common control (see note 26(c)).

(b) Real estate operating costs

'000 GEL	2024	2023
Customer related cost*	17,380	16,699
Non-refundable taxes*****	13,589	-
Consumption of inventories	12,239	11,293
Quarterly permission fee expenses**	11,948	11,824
Utility expenses	7,373	7,382
Hotel supplies	6,460	6,551
Lease expenses	5,219	4,432
Consulting and professional fees ***	5,186	5,443
Bank and other commissions	5,174	4,151
Marketing expenses	4,520	4,523
Taxes other than on income tax	3,888	4,179
Repair and maintenance	2,828	2,951
Royalty fees****	2,413	2,286
Contractor service fees	2,156	2,342
Security expenses	2,031	1,720
Other operating costs	15,267	12,164
	117,671	**97,940**

* Customer related cost represents the free of charge services and goods delivered to casino customers, such as: snacks, drinks, cigarettes, food, flight tickets, etc.

** Quarterly permission fee expenses represent the specific fixed quarterly tax accruals to the local authorities on the gambling business and in particular for running slot machines in Georgia.

**** Royalty fees represent fees paid under International License Agreement ("ILA") with Radisson Hotel Aps Danmark for license to operate hotels with a brand name of "Radisson".

***** From January 2024, revenue from slot machines has become subject to a specific taxation regime in Georgia, in line with the requirements of the Georgian Tax Code ("GTC"). Under this specific tax regime, effective from 1 January 2024, rather than taxing the distributed profit, the gross gaming revenue (i.e. the difference between the bets received from players and the winnings paid out) from slot machines is taxed at 15%).

7. Net finance costs

'000 GEL	2024	2023
Recognized in profit or loss		
Interest income on current bank accounts and other receivables	21,230	20,429
Gain on modification of financial instrument	757	-
Interest income on IRU related prepayments	1,388	1,481
Finance income	**23,375**	**21,910**
Interest expense on financial liabilities	(76,938)	(79,321)
Interest expense accrued under lease liabilities	(1,546)	(3,084)
Interest expense on advances received from IRU contracts	(1,416)	(1,459)
Finance costs	**(79,900)**	**(83,864)**
Net foreign exchange loss	(18,820)	(8,302)
Net finance costs recognized in profit or loss	**(75,345)**	**(70,256)**

8. Operating segments

The Group directs its activities in three reportable segments: Telecom, Casinos and Hotels, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the board of directors and shareholders, review internal management reports on at least a quarterly basis. The Group voluntarily discloses Development services. Development services do not qualify as a separate operating segment under IFRS 8 *Operating Segments*; However, it is presented separately below to demonstrate the financial performance distinctly to users of the consolidated financial statements.

The following summary describes the operations in each of the Group's reportable segments:

Under the **"Telecom"** category fall all Group entities and business units that: a) are engaged in the provision of telecommunication services, including mobile, fixed-line, internet, media and associated infrastructure; b) constitute major cash-generating units within the Group's telecommunication business; or c) generate mainstream revenues from their core telecom-related activities, including network operation, service provision, or infrastructure leasing to third parties or to other Group entities.

Under the **"Hotels"** category fall all Group entities and business units that: a) own and operate full-service hotels; b) are active cash-generating units from hotel operations; and c) generate primary revenue from accommodation, food and beverage services, and related hospitality activities.

Under the **"Casinos"** category fall all Group entities and business units that: a) operate licensed gaming and casino facilities; b) are active revenue-generating units engaged in gaming operations.

Under the **"Development"** category fall Group entities and business units that: primarily hold land or property intended for development with no certain plans for future use and are not yet generating material operational revenue;

Under the **"Other Unallocated"** category fall all entities and business units that do not meet the criteria for classification under Telecom, Hotels, Casinos, or Development. This includes: a) entities that primarily hold investments unrelated to other reportable segments; b) companies that provide corporate, administrative, or support services; c) businesses that generate incidental or non-core income; and d) any Group entities with diversified or residual activities that do not qualify as a separate reportable segment.

The majority of the Group's revenue is generated in Georgia, so information regarding geographical areas is not provided. There are no customers in any of the segments that represent more than 10% of revenue. Information related to each reportable segment is set forth below.

Management believes that disclosure of revenues, operating profit, assets and liabilities is the most relevant in evaluating the results of each operating segment. Segment operating profit/(loss) for the year is used to measure performance as management believes that such information is most relevant in evaluating the results of certain segments relative to other entities that operate in these industries. Management also uses Adjusted EBITDA as an alternative performance measure for each segment.

Investment property held by Telecom Segment is managed on a centralized basis and is presented under Unallocated Development amounts.

'000 GEL	31-Dec-24	31-Dec-24	31-Dec-24	31-Dec-24	31-Dec-24	31-Dec-24	31-Dec-24
	Segments			Unallocated			
Consolidated statement of financial position	**Telecom**	**Casinos**	**Hotels**	**Development**	**Other unallocated**	**Reconciling Items**	**Total**
ASSETS							
Non-current assets							
Property and equipment	348,460	19,418	202,476	-	235,061	-	805,415
Investment property	-	-	-	209,102	33,942	-	243,044
Intangible assets	157,995	3,790	873	-	2,238	-	164,896
Right-of-use assets	13,667	-	-	-	-	(67)	13,600
Loans receivable	-	24,144	3,037	54,930	175,391	(241,684)	15,818
Prepayments related to IRU contracts	7,225	-	-	-	-	-	7,225
Other non-current assets	35,023	-	8,911	-	15,349	(2,369)	56,914
Investments	-	-	-	3,232	1,013,076	(1,013,921)	2,387
Total non-current assets	**562,370**	**47,352**	**215,297**	**267,264**	**1,475,057**	**(1,258,041)**	**1,309,299**
Current assets							
Inventories	9,843	1,956	4,540	52,487	1,595	-	70,421
Loans receivable	-	3,443	-	4,755	8,069	-	16,267
Financial instruments at FVTPL	2,674	-	-	-	-	-	2,674
Trade and other receivables	38,926	5,512	8,714	13,406	2,043	(24,738)	43,863
Certificate of deposit	18,362	-	-	-	-	-	18,362
Cash and cash equivalents	160,784	13,337	10,955	1,354	77,432	-	263,862
Prepayments and other assets	2,173	4,409	5,800	4,706	4,389	(37)	21,440
Total current assets	**232,762**	**28,657**	**30,009**	**76,708**	**93,528**	**(24,775)**	**436,889**
TOTAL ASSETS	**795,132**	**76,009**	**245,306**	**343,972**	**1,568,585**	**(1,282,816)**	**1,746,188**
LIABILITIES							
Non-current liabilities							
Loans and borrowings	(553,655)	-	(40,373)	(76,710)	(383,424)	215,814	(838,348)
Lease liability	(3,464)	-	-	-	-	119	(3,345)
Advanced received from IRU contracts and subscribers	(11,480)	-	-	-	-	-	(11,480)
Trade and other payables	(39,760)	-	-	(468)	-	1,322	(38,906)
Put option liabilities	-	-	-	-	(67,762)	-	(67,762)
Total non-current liabilities	**(608,359)**	**-**	**(40,373)**	**(77,178)**	**(451,186)**	**217,255**	**(959,841)**
Current liabilities							
Loans and borrowings	(19,566)	-	(1,116)	-	(42,357)	-	(63,039)
Lease liability	(14,845)	-	-	-	-	-	(14,845)
Advanced received from IRU contracts and subscribers	(27,470)	-	-	-	-	-	(27,470)
Trade and other payables	(69,144)	(2,390)	(8,750)	(1,219)	(50,119)	24,382	(107,240)
Total current liabilities	**(131,025)**	**(2,390)**	**(9,866)**	**(1,219)**	**(92,476)**	**24,382**	**(212,594)**
TOTAL LIABILITIES	**(739,384)**	**(2,390)**	**(50,239)**	**(78,397)**	**(543,662)**	**241,637**	**(1,172,435)**
NET ASSETS/(LIABILITIES)	**55,748**	**73,619**	**195,067**	**265,575**	**1,024,923**	**(1,041,179)**	**573,753**

'000 GEL	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23
		Segments			Unallocated		
Consolidated statement of financial position	**Telecom**	**Casinos**	**Hotels**	**Development**	**Other unallocated**	**Reconciling Items**	**Total**
ASSETS							
Non-current assets							
Property and equipment	347,604	20,428	204,697	-	150,435	-	723,164
Investment property	-	-	-	241,247	33,340	-	274,587
Intangible assets	179,262	3,949	1,012	-	1,649	-	185,872
Right-of-use assets	22,875	-	-	-	-	(453)	22,422
Loans receivable	-	37,206	6,568	56,412	191,500	(268,347)	23,339
Prepayments related to IRU contracts	8,010	-	-	-	-	3	8,013
Other non-current assets	34,794	-	521	-	29,109	(2,169)	62,255
Investments	-	-	-	3,232	900,041	(902,631)	642
Total non-current assets	**592,545**	**61,583**	**212,798**	**300,891**	**1,306,074**	**(1,173,597)**	**1,300,294**
Current assets							
Inventories	11,470	2,048	4,824	-	1,372	-	19,714
Loans receivable	-	5,184	-	-	-	-	5,184
Trade and other receivables	37,565	5,109	7,010	6,551	6,856	(19,107)	43,984
Cash and cash equivalents	144,614	11,349	13,725	1,248	45,319	-	216,255
Prepayments and other assets	2,173	4,670	2,758	2,389	4,235	(3)	16,222
Total current assets	**195,822**	**28,360**	**28,317**	**10,188**	**57,782**	**(19,110)**	**301,359**
TOTAL ASSETS	**788,367**	**89,943**	**241,115**	**311,079**	**1,363,856**	**(1,192,707)**	**1,601,653**
LIABILITIES							
Non-current liabilities							
Loans and borrowings	(529,658)	-	(34,197)	(63,622)	(355,208)	188,736	(793,949)
Lease liability	(15,487)	-	-	-	-	537	(14,950)
Advanced received from IRU contracts and subscribers	(11,946)	-	-	-	-	-	(11,946)
Trade and other payables	(40,401)	-	-	(599)	-	1,399	(39,601)
Put option liabilities	-	-	-	-	(50,635)	-	(50,635)
Total non-current liabilities	**(597,492)**	**-**	**(34,197)**	**(64,221)**	**(405,843)**	**190,672**	**(911,081)**
Current liabilities							
Loans and borrowings	(21,176)	-	(946)	(1,146)	(16,993)	-	(40,261)
Lease liability	(13,445)	-	-	-	-	-	(13,445)
Advanced received from IRU contracts and subscribers	(26,399)	-	-	-	-	-	(26,399)
Trade and other payables	(88,724)	(4,123)	(8,709)	(1,291)	(24,713)	18,816	(108,744)
Total current liabilities	**(149,744)**	**(4,123)**	**(9,655)**	**(2,437)**	**(41,706)**	**18,816**	**(188,849)**
TOTAL LIABILITIES	**(747,236)**	**(4,123)**	**(43,852)**	**(66,658)**	**(447,549)**	**209,488**	**(1,099,930)**
NET ASSETS/(LIABILITIES)	**41,131**	**85,820**	**197,263**	**244,421**	**916,307**	**(983,219)**	**501,723**

'000 GEL	31-Dec-24	31-Dec-24	31-Dec-24	31-Dec-24	31-Dec-24	31-Dec-24	31-Dec-24
		Segments			Unallocated		
Consolidated statement of profit or loss and other comprehensive income	**Telecom**	**Casinos**	**Hotels**	**Development**	**Other unallocated**	**Reconciling Items**	**Total**
Segment revenue	**581,970**	**178,524**	**97,549**	**2,960**	**43,952**	**(34,465)**	**870,490**
Operating expenses (excluding specific items)	(212,098)	(148,059)	(71,733)	(5,280)	(55,237)	33,810	(458,597)
Adjusted EBITDA	**369,872**	**30,465**	**25,816**	**(2,320)**	**(11,285)**	**(655)**	**411,893**
Adjusted EBITDA margin	**64%**	**17%**	**26%**				**47%**
Depreciation and amortization	(114,822)	(3,696)	(14,663)	(1,603)	(2,231)	-	(137,015)
Specific items	(12,433)	-	(32)	(620)	(11,435)	-	(24,520)
Segment operating profit/(loss)	**242,617**	**26,769**	**11,121**	**(4,543)**	**(24,951)**	**(655)**	**250,358**
Finance income	17,172	6,221	1,082	2,628	25,279	(29,007)	23,375
Finance costs	(57,890)	-	(3,486)	(2,867)	(42,166)	26,509	(79,900)
Net foreign exchange loss	(12,990)	1,115	(1,092)	(1,276)	(5,655)	1,078	(18,820)
Segment profit/(loss) before tax	**188,909**	**34,105**	**7,625**	**(6,058)**	**(47,493)**	**(2,075)**	**175,013**
Income tax expense	(216)	-	-	-	(1,306)	-	(1,522)
Profit/(loss) for the year	**188,693**	**34,105**	**7,625**	**(6,058)**	**(48,799)**	**(2,075)**	**173,491**
Capex and other additions	65,056	10,008	12,480	20,705	121,342	-	229,591

'000 GEL	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23
		Segments			Unallocated		
Consolidated statement of profit or loss and other comprehensive income	**Telecom**	**Casinos**	**Hotels**	**Development**	**Other unallocated**	**Reconciling Items**	**Total**
Segment revenue	**536,433**	**172,754**	**93,301**	**2,279**	**44,574**	**(30,766)**	**818,575**
Operating expenses (excluding specific items)	(198,540)	(132,944)	(66,128)	(3,412)	(46,295)	30,316	(417,003)
Adjusted EBITDA	**337,893**	**39,810**	**27,173**	**(1,133)**	**(1,721)**	**(450)**	**401,572**
Adjusted EBITDA margin	**63%**	**23%**	**29%**				**49%**
Depreciation and amortization	(118,737)	(3,488)	(15,472)	(1,437)	(1,983)	-	(141,117)
Specific items	(29,954)	-	886	-	(2,746)	-	(31,814)
Segment operating profit/(loss)	**189,202**	**36,322**	**12,587**	**(2,570)**	**(6,450)**	**(450)**	**228,641**
Finance income	12,144	8,350	1,570	2,640	17,568	(20,362)	21,910
Finance costs	(54,072)	-	(3,840)	(2,250)	(40,911)	17,209	(83,864)
Net foreign exchange gain/(loss)	357	(212)	(593)	(64)	(6,999)	(791)	(8,302)
Segment profit/(loss) before tax	**147,631**	**44,460**	**9,724**	**(2,244)**	**(36,792)**	**(4,394)**	**158,385**
Income tax expense	(258)	-	-	-	(915)	-	(1,173)
Profit/(loss) for the year	**147,373**	**44,460**	**9,724**	**(2,244)**	**(37,707)**	**(4,394)**	**157,212**
Capex and other additions	52,061	11,910	6,390	7,046	57,350	-	134,757

Reconciliation of reportable segment revenues:

	31-Dec-24	31-Dec-24	31-Dec-24	31-Dec-24	31-Dec-24
		Segments		Unallocated	
'000 GEL	**Telecom**	**Casinos**	**Hotels**	**Other***	**Total**
Segment revenue	**581,970**	**178,524**	**97,549**	**12,447**	**870,490**
Other income	-	(11,842)	-	(5,036)	**(16,878)**
Customer promotions and bonuses for Casino **	-	(12,232)	-	-	**(12,232)**
Revenue from Complex Republic ***	-	-	8,000	(8,000)	**-**
Intra-segment revenue ****	-	-	(12,472)	12,472	**-**
Total Revenue	**581,970**	**154,450**	**93,077**	**11,883**	**841,380**

	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23
		Segments		Unallocated	
'000 GEL	**Telecom**	**Casinos**	**Hotels**	**Other***	**Total**
Segment revenue	**536,433**	**172,754**	**93,301**	**16,087**	**818,575**
Other income	-	(12,215)	-	(5,829)	(18,044)
Customer promotions and bonuses for Casino **	-	(13,568)	-	-	(13,568)
Revenue from Complex Republic ***	-	-	8,271	(8,271)	**-**
Intra-segment revenue ****	-	-	(11,592)	11,592	**-**
Total Revenue	**536,433**	**146,971**	**89,980**	**13,579**	**786,963**

* Other revenue includes revenue presented in unallocated development, unallocated other and reconciling items columns in consolidated statement of profit or loss and other comprehensive income above.

** Revenue from Casino operations, as presented in note 5, is reported net-off customer promotions and bonuses. Customer promotions and bonuses are netted off between revenue and operating costs in the IFRS consolidated financial statements.

*** Revenue of GEL 8,000 thousand (2023: GEL 8,271 thousand) included under "Revenue from hotel and Complex Republic operations" in note 5, is mainly related to the operations of Complex Republic and is allocated to revenue from Other unallocated entities for segment reporting purposes.

**** Intra-segment revenue of GEL 12,472 thousand (2023: GEL 11,592 thousand), is revenue generated from hotel services provided to entities of other segments, which is eliminated on a Group level.

9. Alternative performance measures

(a) Adjusted EBITDA

The Group believes that the presentation of Adjusted EBITDA and Adjusted EBITDA margin enhances a reader's understanding of the Group's financial performance. The management uses Adjusted EBITDA and Adjusted EBITDA margin to assess and evaluate the operating performance of the Group and its operating segments (see note 8). In addition, Adjusted EBITDA and Adjusted EBITDA margin are frequently used by securities analysts, investors and other interested parties in the evaluation of companies that operate in the telecommunications sector. Adjusted EBITDA and Adjusted EBITDA margin are not presentations made in accordance with IFRS and the Group's use of the terms Adjusted EBITDA and Adjusted EBITDA margin may vary from other entities to differences in accounting policies or differences in the calculation methodology.

The Group calculates Adjusted EBITDA by adjusting profit from continuing operations to exclude following items:

- finance costs and finance income
- corporate income tax and any other taxes related to the distribution of dividends
- depreciation, amortisation, revaluation, impairment (losses / reversals) of non-current assets
- net foreign exchange gain/(loss), including gain/(loss) on hedging instruments, currency forward contracts and any other gain/(loss) attributable to changes in foreign currency exchange rates
- share of profit/loss from equity accounted investees
- specific items as explained below:

Specific items are identified by virtue of their size, nature or incidence. Specific items represent:

a) income or loss related to the sale or write off of non-current assets and any other non-cash items
b) non-recurring, non-underlying or non-operating income or costs that are either material by nature or size (such as bargaining gain on business acquisition, business acquisition related costs, costs related to fundraising and the listing of the Group's securities, write off/impairment of issued loans and receivables, one time professional fees, etc.).

Reconciliation of adjusted EBITDA to profit from continuing operations

	31-Dec-24	31-Dec-24	31-Dec-24	31-Dec-24	31-Dec-24	31-Dec-24	31-Dec-24
		Segments			Unallocated		
'000 GEL	Telecom	Casinos	Hotels	Development	Other unallocated	Reconciling Items	Total
Profit/(loss) for the year	**188,693**	**34,105**	**7,625**	**(6,058)**	**(48,799)**	**(2,075)**	**173,491**
Depreciation and amortisation	114,822	9,246	14,663	1,603	2,231	-	142,565
Amortisation of casino permit	-	(5,550)	-	-	-	-	(5,550)
Net foreign exchange gain/loss	12,990	(1,115)	1,092	1,276	5,655	(1,078)	18,820
Finance costs	57,890	-	3,486	2,867	42,166	(26,509)	79,900
Finance income	(17,172)	(6,221)	(1,082)	(2,628)	(25,279)	29,007	(23,375)
Income tax	216	-	-	-	1,306	-	1,522
Specific items (see below)	12,433	-	32	620	11,435	-	24,520
Adjusted EBITDA	**369,872**	**30,465**	**25,816**	**(2,320)**	**(11,285)**	**(655)**	**411,893**

	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23
		Segments			Unallocated		
'000 GEL	Telecom	Casinos	Hotels	Development	Other unallocated	Reconciling Items	Total
Profit/(loss) for the year	**147,373**	**44,460**	**9,724**	**(2,244)**	**(37,707)**	**(4,394)**	**157,212**
Depreciation and amortisation	118,737	9,199	15,472	1,437	1,983	-	146,828
Amortisation of casino permit	-	(5,711)	-	-	-	-	(5,711)
Net foreign exchange gain/loss	(357)	212	593	64	6,999	791	8,302
Finance costs	54,072	-	3,840	2,250	40,911	(17,209)	83,864
Finance income	(12,144)	(8,350)	(1,570)	(2,640)	(17,568)	20,362	(21,910)
Income tax	258	-	-	-	915	-	1,173
Specific items (see below)	29,954	-	(886)	-	2,746	-	31,814
Adjusted EBITDA	**337,893**	**39,810**	**27,173**	**(1,133)**	**(1,721)**	**(450)**	**401,572**

Specific items:

	31-Dec-24	31-Dec-24	31-Dec-24	31-Dec-24	31-Dec-24	31-Dec-24	31-Dec-24
		Segments			Unallocated		
'000 GEL	**Telecom**	**Casinos**	**Hotels**	**Development**	**Other unallocated**	**Reconciling Items**	**Total**
a) (Gain) /loss on disposal of property and equipment (included in other income/ other expenses)	(920)	-	-	-	-	-	**(920)**
b) Allowance for impairment of prepayments, trade and other receivables and loans receivable	-	-	32	620	(217)	-	435
c) Write-down of slow moving inventory, property and equipment and other non-current assets (included in note 6)	1,159	-	-	-	-	-	1,159
d) Key management one-time benefit (note 26 (b))	3,546	-	-	-	-	-	3,546
E) Professional fees, one-time consulting expenses (included in note 6)*	7,244	-	-	-	-	-	7,244
f) Charity (included in note 6)	1,650	-	-	-	-	-	1,650
g) Other income/expenses	(246)	-	-	-	-	-	(246)
h) Impairment loss on non-financial assets (note 10)	-	-	-	-	14,039	-	14,039
i) Share of profit of equity accounted investee	-	-	-	-	(2,387)	-	(2,387)
Total specific items	**12,433**	**-**	**32**	**620**	**11,435**	**-**	**24,520**

	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23
		Segments			Unallocated		
'000 GEL	**Telecom**	**Casinos**	**Hotels**	**Development**	**Other unallocated**	**Reconciling Items**	**Total**
a) (Gain) /loss on disposal of property and equipment (included in other income/ other expenses)	1,410	-	-	-	-	-	1,410
b) Allowance for impairment of prepayments, trade and other receivables and loans receivable	-	-	(886)	-	(1,332)	-	(2,218)
c) Write-down of slow moving inventory, property and equipment and other non-current assets (included in note 6)	592	-	-	-	-	-	592
d) Key management one-time benefit (note 26 (b))	17,318	-	-	-	-	-	17,318
E) Professional fees, one-time consulting expenses (included in note 6)*	13,257	-	-	-	-	-	13,257
f) Charity (included in note 6)	1,400	-	-	-	-	-	1,400
g) Other income/expenses	(4,023)	-	-	-	4,078	-	55
Total specific items	**29,954**	**-**	**(886)**	**-**	**2,746**	**-**	**31,814**

*Item e mainly consists of one-time consulting service related to the Company's long-term strategic plan.

(b) Adjusted EBITDA margin

Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by total revenue.

Consolidated Adjusted EBITDA:

'000 GEL	**2024**	**2023**
Consolidated Adjusted EBITDA	411,893	401,572
Consolidated revenue	841,380	786,963
Consolidated Adjusted EBITDA margin %	**49%**	**51%**

Telecom Adjusted EBITDA:

'000 GEL	**2024**	**2023**
Telecom Adjusted EBITDA	369,872	337,893
Telecom revenue	581,970	536,433
Telecom Adjusted EBITDA margin %	**64%**	**63%**

Casino Adjusted EBITDA:

'000 GEL	**2024**	**2023**
Casino Adjusted EBITDA	30,465	39,810
Casino revenue	178,524	172,754
Casino Adjusted EBITDA margin %	**17%**	**23%**

Hotel Adjusted EBITDA:

'000 GEL	**2024**	**2023**
Hotel Adjusted EBITDA	25,816	27,173
Hotel revenue	97,549	93,301
Hotel Adjusted EBITDA margin %	**26%**	**29%**

10. Property and equipment

'000 GEL	Land	Buildings and facilities	Machinery and equipment	Vehicles	Furniture and fixtures	Construction in progress**	Other	Total
Cost at 1 January 2023	34,122	455,332	575,454	11,204	77,941	82,687	24,226	1,260,966
Accumulated depreciation	-	(143,284)	(319,899)	(7,554)	(55,879)	-	(14,466)	(541,082)
Carrying amount at 1 January 2023	**34,122**	**312,048**	**255,555**	**3,650**	**22,062**	**82,687**	**9,760**	**719,884**
Additions	808	248	25,173	1,060	6,148	50,831	5,511	89,779
Disposals	(194)	(4,518)	(6,083)	(553)	(1,329)	-	(268)	(12,945)
Transfers, gross	376	1,080	14,145	10	(1,117)	(23,624)*	1,432	(7,698)
Transfers, accumulated depreciation	-	-	7,698	-	-	-	-	7,698
Depreciation of disposals	-	2,475	5,053	123	922	-	269	8,842
Depreciation charge	-	(15,727)	(56,863)	(895)	(8,144)	-	(767)	(82,396)
Carrying amount at 31 December 2023	**35,112**	**295,606**	**244,678**	**3,395**	**18,542**	**109,894**	**15,937**	**723,164**
Cost at 31 December 2023	35,112	452,142	608,689	11,721	81,643	109,894	30,901	1,330,102
Accumulated depreciation	-	(156,536)	(364,011)	(8,326)	(63,101)	-	(14,964)	(606,938)
Carrying amount at 31 December 2023	**35,112**	**295,606**	**244,678**	**3,395**	**18,542**	**109,894**	**15,937**	**723,164**
Cost at 1 January 2024	35,112	452,142	608,689	11,721	81,643	109,894	30,901	1,330,102
Accumulated depreciation	-	(156,536)	(364,011)	(8,326)	(63,101)	-	(14,964)	(606,938)
Carrying amount at 1 January 2024	**35,112**	**295,606**	**244,678**	**3,395**	**18,542**	**109,894**	**15,937**	**723,164**
Additions	1,466	11,658	25,461	1,043	9,944	123,193	2,584	175,349
Disposals	(104)	(592)	(2,251)	(99)	(1,159)	(526)	(183)	(4,914)
Transfers, gross	-	2,895	11,265	-	84	(21,993)*	-	(7,749)
Transfers, accumulated depreciation	-	-	7,748	-	-	-	-	7,748
Depreciation of disposals	-	150	1,981	80	601	-	83	2,895
Impairment for the year	-	-	-	-	-	(14,039)	-	(14,039)
Depreciation charge	-	(17,580)	(52,307)	(967)	(5,758)	-	(427)	(77,039)
Carrying amount at 31 December 2024	**36,474**	**292,137**	**236,575**	**3,452**	**22,254**	**196,529**	**17,994**	**805,415**
Cost at 31 December 2024	36,474	466,103	643,164	12,665	90,512	210,568	33,302	1,492,788
Accumulated depreciation	-	(173,966)	(406,589)	(9,213)	(68,258)	(14,039)	(15,308)	(687,373)
Carrying amount at 31 December 2024	**36,474**	**292,137**	**236,575**	**3,452**	**22,254**	**196,529**	**17,994**	**805,415**

As at 31 December 2024, included in buildings and facilities, properties with the carrying amount of approximately GEL 201 mln are used in the Hotels', Casinos and Complex Republic operations (see note 1 (b)). Historical cost was determined at the cost of constructing and purchase of the property and equipment and all the related expenditures directly attributable to bringing the assets to a working condition for its intended use. The remaining part of the carrying amount of buildings and facilities is attributable to the telecom operations.

* These amounts include capital expenditure attributable to fixed network deployment, mobile core extension projects and modernization.

** Major part of construction in progress represents carrying amount of former Telegraph building, under construction as at 31 December 2024 and carrying value of the respective land plot. In 2024, capitalised borrowing costs related to the construction of Telegraph hotel amounted to GEL 7,949 thousand, with a capitalisation rate of 10%-12 %. (2023: GEL 2,381 thousand, with a capitalisation rate of 10%-12%).

(a) Security

As at 31 December 2024, property with a carrying value of GEL 33,116 thousand (2023: GEL 33,651 thousand) was collateralized and guarantees the indebtedness of letters of credit related to operating activities of the Group.

As at 31 December 2024, property with carrying value of GEL 435 million (31 December 2023: GEL 354 million) is pledged as a security to bank loans (see note 19).

(b) Impairment of property and equipment

At each balance sheet date the Group assesses whether there is any indication that the recoverable amount of the Group's assets has declined below the carrying value. The management determined that the Group's property and equipment is related to the following cash-generating units:

- Telecom properties in Georgia (comprises of two cash-generating units: fixed services and mobile services);
- Hotel and Casino in Tbilisi, Georgia;
- Hotel and Casino in Batumi, Georgia;
- Hotels in Tsinandali, Georgia;
- Telegraph Hotel in Tbilisi, Georgia;
- Complex Republic.

As at 31 December 2024, management has identified impairment indicators for Telegraph Hotel cash generating unit, which was primarily driven by the revised future cash flow forecasts (including capital expenditures) following the amended business plan and updated discount rate. As a result, management has conducted an impairment test. Based on these analysis, the recoverable amount of Telegraph hotel CGU was estimated to be significantly different from its carrying value as at 31 December 2024.

The management adopted discounted cash flow (DCF) method based on 'Value in use' (VIU) concept and based the valuation on income approach adopting a 5-year DCF to arrive at a net present value of property. Since it is assumed that the property will continue generating cash flows beyond the projection period, its value at that point ('terminal value') was estimated and discounted to present value. Key assumptions used in the in the estimation of recoverable amount were average daily rate (ADR), occupancy rate, discount rate of 12.2% and a long-term growth rate of 2.2%.

As at 31 December 2024, the carrying value of Telegraph hotel was GEL 215,848 thousand, which was higher than its recoverable amount of GEL 201,809 thousand. As a result, impairment losses of GEL 14,039 thousand was recognised in the consolidated statement of profit or loss and other comprehensive income.

The key assumptions to which the impairment analysis is most sensitive include:

- Discount rate – an increase of 1% point in the discount rate used would have resulted in an increase of impairment loss of approximately GEL 23,857 thousand. 1% point decrease in discount rate would have resulted in no impairment loss.
- Long-term growth rate – a decrease of 1% point in long-term growth rate used would have resulted in increase of impairment loss of approximately GEL 15,998 thousand. 1% point decrease in long-term growth rate would have resulted in no impairment loss.

- ADR in the impairment model varies from USD 150 to USD 230 over the projection period and is derived from external market data. A decrease of 5% in average daily rate projection used would have resulted in an increase of impairment loss of approximately GEL 12,911 thousand. 5% increase in average daily rate projection used would have resulted in a decrease of impairment loss of approximately GEL 12,911 thousand.
- The occupancy rate also reflects external industry trends and range from 40% to 75% over the projected period. A decrease of 5% in occupancy rate projection use would have resulted in an increase of impairment loss of approximately GEL 12,911 thousand. 5% increase in occupancy rate projection used would have resulted in a decrease of impairment loss of approximately GEL 12,911 thousand.

As at 31 December 2024 and 31 December 2023 no impairment indicators were identified by the management for other cash generating units of the Group.

(c) Other non-current assets

As at 31 December 2024 other non-current assets include uninstalled equipment of GEL 29,487 thousand (2023: GEL 31,138 thousand) and prepayments for non-current assets of GEL 27,427 thousand (2023: GEL 31,117 thousand), out of which GEL 15,359 thousand (2023: GEL 29,109 thousand) is attributable to construction of Telegraph Hotel.

11. Investment property

'000 GEL	Lands	Buildings	Construction in Progress	Total
Cost/deemed cost				
Balance at 1 January 2023	**208,609**	**57,120**	**16,694**	**282,423**
Additions	-	3,599	2,578	6,177
Disposals and write offs	-	(68)	(133)	(201)
Balance at 31 December 2023	**208,609**	**60,651**	**19,139**	**288,399**
Additions	958	5,823	15,419	22,200
Disposals and write offs	-	-	-	-
Transfer*	(29,026)	848	(23,614)	(51,792)
Balance at 31 December 2024	**180,541**	**67,322**	**10,944**	**258,807**
Depreciation				
Balance at 1 January 2023	**-**	**(11,797)**	**-**	**(11,797)**
Charge for the year	-	(2,043)	-	(2,043)
Write off	-	28	-	28
Balance at 31 December 2023	**-**	**(13,812)**	**-**	**(13,812)**
Charge for the year	-	(1,951)	-	(1,951)
Write off	-	-	-	-
Balance at 31 December 2024	**-**	**(15,763)**	**-**	**(15,763)**
Carrying amount				
1 January 2023	**208,609**	**45,323**	**16,694**	**270,626**
31 December 2023	**208,609**	**46,839**	**19,139**	**274,587**
31 December 2024	**180,541**	**51,559**	**10,944**	**243,044**

* As of 31 December 2023, investment properties included two land plots in Batumi, with respective capitalised costs (included under construction in progress) amounting to GEL 103,679 thousand and GEL 12,621 thousand, respectively. Management plans to develop four skyscrapers on these land plots.

In 2024, following extensive design and planning works, the Group successfully obtained a construction permit for Tower 1, which is to be built on one of the plots and is expected to be completed by 31 December 2028. The project will consist of a 43-storey complex with approximately 130,000 square meters of space, primarily designated for residential use. Extensive construction works are expected to commence in 2025.

Regarding other towers, which are planned to be built on the second land plot, active design and development activities have not yet begun. At this stage, only a general concept and allocation plan for the full project has been developed, and no construction permit has been obtained for the respective land.

As a result of the above developments, as of 31 December 2024, the land plot with approved construction permits and corresponding capitalised costs amounting to GEL 29,026 thousand and GEL 23,444 thousand were reclassified from investment properties to inventories.

(a) Description of investment property

The Group's investment property comprises of the following immoveable properties:

- Property 1 – Land plots and improvements of Tsinandali Villas, located in Tsinandali, Georgia;
- Property 2 – Land plot located in Tbilisi, Georgia, owned by Sakanela Development LLC (the land plot was transferred to Sakanela Development LLC free of charge in 2024 by the entity under common control);
- Property 4 – Land plots on Rustaveli Avenue, located in Tbilisi, Georgia, owned by New Office LLC (see note 25);
- Property 5 – Land parcel in village Misaktsieli, located in Misaktsieli, Georgia;
- Property 6 – Land plot on the Sanapiro Street, located in Tbilisi, Georgia, owned by Centre Plaza LLC (see note 25);
- Property 7 – Building on 37 Rustaveli Avenue, Tbilisi, Georgia, owned by Centre Plaza LLC;
- Property 3 and 8 – Underground facilities near Rose Revolution square, located in Tbilisi, Georgia, owned by New Office LLC, Silk Entertainment LLC and Centre Plaza LLC (see note 25);
- Property 9 – Land plot of Batumi Riviera, located in Batumi, Georgia;
- Property 10 – Land plots located in Kobuleti, Georgia;
- Property 11 – Land plots located in Batumi, Georgia;
- Property 12 – Land plots located in Khelvachauri, Georgia;
- Property 13 – Land plots located in Tbilisi, Georgia;
- Property 14 – Land plots located in Poti, Georgia;
- Property 15 – Land plots located in Abastumani, Georgia;
- Property 16 – Land plot on Sakanela Street, owned by Silknet JSC.

Management has classified the properties as investment properties as the properties are either held to earn rental income, or for the capital appreciation, or for undetermined future use (properties held for undetermined future use will be reclassified to property and equipment if and when the Group starts developing the property for the own use). The ancillary services to be provided to tenants will be a relatively insignificant component of the arrangement as a whole for the properties held for earning the rent income. Insignificant parts of certain properties are held by the Group for own use, but is classified as investment property as represents insignificant components of the total investment properties.

As at 31 December 2024 and 31 December 2023, major part of the investment property is held for capital appreciation or for undetermined future use and as a result, the Group did not have material rental income either in 2024 or 2023.

(b) Fair value of investment property

As at 31 December 2024 and 2023, management of the Group, with an assistance of external independent valuers, has estimated the fair values of the investment properties.

The fair value estimates are categorised into Level 3 of the fair value hierarchy, because of significant unobservable adjustments used in the valuation methods.

'000 GEL	Approach	Fair values		Carrying values	
		2024	2023	2024	2023
Properties 2,3,4,5,6, 9-16	Recent market transactions	362,837	390,953	169,251	226,021
Property 7*	Market/Income approach	36,067	28,096	21,431	13,395
Properties 1,8	Income approach	83,502	79,875	52,362	35,171
Total		**482,406**	**498,924**	**243,044**	**274,587**

*As at 31 December 2024 and 31 December 2023, the fair value of Property 7 is determined in combination of market and income approaches, which management and the independent valuator consider as more appropriate approach.

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Income approach: Fair value of Properties 1 and 8 was estimated using discounted cash flow techniques based on the expected cash inflows and outflows arising from the operations and rentals.	- As at 31 December 2024 and 2023, discount and capitalization rates used in the valuation ranged between 10%-12.8%.	The estimated fair value would increase (decrease) if: – the discount rate was (lower) higher – the capitalization rate was (lower) higher
Income/market approach: The fair value is attributable to Property 7, which represents a part of multi-functional building with residential, retail and office spaces. Each property is registered under its own cadastral code. Market approach was used in valuation process of residential spaces while retail and office spaces were valued using income approach.	– As at 31 December 2024 and 2023, discount and capitalization rates used in the valuation ranged between 10%-12.8%. – The significant unobservable inputs related to the differences in the characteristics of the property, such as size, location, condition of the property and the discount achieved through negotiation, for which the appraiser applied 5% to 10% adjustments to observed asking prices.	The estimated fair value would increase (decrease) if: – the discount rate was (lower) higher – the capitalisation rate was (lower) higher – the initial investment was (higher) lower. The estimated fair value would increase (decrease) if: – the announced asking prices were higher (lower).
Recent market transactions: The valuation model is based on announced asking prices for similar properties in the similar location and physical condition.	The significant unobservable inputs related to the differences in the characteristics of the lands, such as size, location, access to the property and discount achieved through negotiation, for which the appraiser applied 5% to 35% adjustments to observed asking prices.	The estimated fair value would increase (decrease) if: – the announced asking prices were higher (lower).

(c) Security

As at 31 December 2024 and 31 December 2023, the Group's investment property with carrying amount of GEL 34 million and GEL 86 million, respectively, is pledged as a security to bank loans (see note 19).

12. Intangible assets

'000 GEL	Network operating & computer software licenses	Telecom operating licenses and broadcast rights	Goodwill	Casino permit, Software for slot machines and other*	Other	Total
Cost at 1 January 2023	136,604	252,957	6,983	11,775	11,433	419,752
Accumulated depreciation	(71,432)	(138,488)	-	(5,075)	(6,690)	(221,685)
Carrying amount at 1 January 2023	**65,172**	**114,469**	**6,983**	**6,700**	**4,743**	**198,067**
Additions	10,250	21,251	-	5,680	1,620	38,801
Acquisition through subsidiary	227	123	-	-	1,612	1,962
Amortisation charge	(16,625)	(28,256)	-	(5,704)	(1,882)	(52,467)
Disposals and derecognitions, gross	(422)	-	-	(5,632)	-	(6,054)
Disposals and derecognitions, amortisation	-	-	-	5,563	-	5,563
Carrying amount at 31 December 2023	**58,602**	**107,587**	**6,983**	**6,607**	**6,093**	**185,872**
Cost at 31 December 2023	146,659	274,331	6,983	11,823	14,665	454,461
Accumulated depreciation	(88,057)	(166,744)	-	(5,216)	(8,572)	(268,589)
Carrying amount at 31 December 2023	**58,602**	**107,587**	**6,983**	**6,607**	**6,093**	**185,872**
Additions	15,077	9,162	-	6,187	1,616	32,042
Amortisation charge	(16,981)	(28,156)	-	(5,893)	(1,988)	(53,018)
Disposals and derecognitions, gross**	(55,481)	(73,473)	-	(5,550)	(32)	(134,536)
Disposals and derecognitions, amortisation	55,481	73,473	-	5,550	32	134,536
Carrying amount at 31 December 2024	**56,698**	**88,593**	**6,983**	**6,901**	**5,721**	**164,896**
Cost at 31 December 2024	106,255	210,020	6,983	12,460	16,249	351,967
Accumulated amortisation	(49,557)	(121,427)	-	(5,559)	(10,528)	(187,071)
Carrying amount at 31 December 2024	**56,698**	**88,593**	**6,983**	**6,901**	**5,721**	**164,896**

* Major part represents casino permit for the operation of the Casino in Tbilisi. Casino permit is obtained annually by payment of GEL 5 million to run casino for 12 months since the payment date. Each year the Group obtains new permit after the old permit expires, hence the continuity table above shows large amounts of additions and disposals in each year. Permit for operating Casino in Batumi costs GEL 250 thousand per annum. Difference in the costs of permit is determined by Georgian legislation and linked to location of casinos' operations.

** These balances represent fully amortised broadcasting rights and other licenses. Amounts written off did not impact operational performance of the Group.

13. Leases

The Group's lease contracts largely relate to leases of various sites (i.e. land, rooftop surface areas, space in cellular towers and space for fiber cables, etc.) related to placement of the Group's telecommunication equipment. The Group recognises right-of-use asset and respective lease liability for the contracts that are long-term either contractually or substantially. Since management applies the judgement in determining the effective lease terms, the lease terms used for IFRS 16 purposes may differ from the contractual minimum lease periods. Summary of differences is as follows:

	Minimum initial contractual lease period	Lease term estimate used for IFRS 16 purposes from transition
Site rent for fixed services	4-10	Same as contractual
Site rent for mobile services	1-6*	7

* Minimum contractual lease terms for >70% mobile sites fall in a range of 1 to 6 years at the date of commencement of the contract.

When measuring lease liabilities for leases, the Group discounts lease payments using its incremental borrowing rate at the date of lease recognition. The weighted-average rate (in GEL) applied in 2024 and 2023 was approximately 12%.

'000 GEL	Site rent for mobile services	Site rent for fixed services	Total
Carrying amount at 1 January 2024	**17,963**	**4,459**	**22,422**
Additions	3,372	597	3,969
Disposals	(4,946)	-	(4,946)
Disposals of accumulated depreciation	2,712	-	2,712
Depreciation charge	(9,386)	(1,171)	(10,557)
Gross balance at 31 December 2024	**50,823**	**9,860**	**60,683**
Accumulated depreciation at 31 December 2024	(41,108)	(5,975)	(47,083)
Carrying amount at 31 December 2024	**9,715**	**3,885**	**13,600**
Lease liability at 1 January 2024	**(22,980)**	**(5,415)**	**(28,395)**
Additions	(3,372)	(597)	(3,969)
Disposals	1,509	-	1,509
Interest charge	(1,026)	(520)	(1,546)
Payments	12,810	1,652	14,462
The effect of changes in foreign exchange rates	(41)	(210)	(251)
Lease liability at 31 December 2024	**(13,100)**	**(5,090)**	**(18,190)**

'000 GEL	Site rent for mobile services	Site rent for fixed services	Total
Carrying amount at 1 January 2023	**25,194**	**2,181**	**27,375**
Additions	3,248	3,404	6,652
Disposals	(3,061)	-	(3,061)
Disposals of accumulated depreciation	1,378	-	1,378
Depreciation charge	(8,796)	(1,126)	(9,922)
Gross balance at 31 December 2023	**52,397**	**9,263**	**61,660**
Accumulated depreciation at 31 December 2023	(34,434)	(4,804)	(39,238)
Carrying amount at 31 December 2023	**17,963**	**4,459**	**22,422**
Lease liability at 1 January 2023	**(30,470)**	**(3,055)**	**(33,525)**
Additions	(3,248)	(3,404)	(6,652)
Disposals	1,370	-	1,370
Interest charge	(2,571)	(513)	(3,084)
Payments	11,916	1,563	13,479
The effect of changes in foreign exchange rates	23	(6)	17
Lease liability at 31 December 2023	**(22,980)**	**(5,415)**	**(28,395)**

14. Loans receivable

None of the loans are secured. The Group's exposure to credit, currency and interest rate risks and a sensitivity analysis for financial assets and liabilities are disclosed in note 22.

'000 GEL	31 December 2024	31 December 2023
Non-current assets		
Related party loans	15,874	23,374
Current assets		
Related party loans	13,331	5,184
Third party loans	2,936	-
Less: allowance for impairment loss	(56)	(35)
	32,085	**28,523**

(a) Terms and debt repayment schedule

				31 December 2024		31 December 2023	
'000 GEL	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
Related party loan	GEL	10%	2030	14,222	9,933	13,077	8,788
Related party loan*	GEL	13%	2025/2030	7,804	5,681	6,504	6,504
Related party loan	USD	7%	2025	4,755	4,755	4,272	4,272
Related party loan**	GEL	16%	On demand	3,499	3,443	5,184	5,149
Related party loan	USD	9%	2025	1,770	1,770	1,526	1,526
Related party loan	GEL	14%	2025	1,923	1,923	984	984
Related party loan	GEL	13%	2025	1,154	1,154	1,040	1,040
Related party loan	USD	10%	2025	286	230	-	-
Related party loan	GEL	0%	2030	260	260	260	260
Third party loan	EUR	12%	On demand	1,552	1,552	-	-
Third party loan	GEL	12%	2025	1,384	1,384	-	-
Total interest-bearing assets				**38,609**	**32,085**	**32,847**	**28,523**

Interest on loans issued to related parties is repayable at maturity. Difference between the face value and the carrying amount of the loans represent effect of the fair value adjustments at initial recognition and amortisation of the discounted cash flows in the subsequent periods.

*In 2024, the loan amendment was signed between the Company and its related party for the prolongation of loan term till 31 December 2030. The modification effect, amounting GEL 1,994 thousand, was recognized directly in equity.

** In 2024, the Group issued additional loan tranches to the related party, Iveria Group LLC, in the total amount of GEL 2,591 thousand. Furthermore, the loan receivable of GEL 4,920 thousand was offset against payables towards the same counterparty.

Despite the loan balance being receivable on demand as at 31 December 2024, management does not intend to request repayment for at least one year from the reporting date and therefore classifies the balance as non-current. As at the reporting date, management was actively engaged in negotiations with the counterparty to extend the maturity of the loan. Subsequently, the maturity was formally extended until 31 December 2030.

In June 2023, related party loans with a carrying amount of GEL 206,848 thousand were transferred by the respective counterparties to the Company's parent entity, Comodon Holding (Malta) Limited. Subsequently, Comodon Holding (Malta) Limited reduced the Company's capital by GEL 206,848 thousand (see note 17) and settled its payable towards the Company, incurred by the above transaction, against its receivable from the Company as a result of the capital reduction.

15. Trade and other receivables

'000 GEL	31 December 2024	31 December 2023
Trade receivables from telecom	35,555	35,011
Trade receivables from real estate	7,684	8,252
Other trade receivables	624	721
	43,863	**43,984**

As at 31 December 2024, included in trade receivables from telecom, GEL 23,103 thousand represents receivables from subscribers (31 December 2023: GEL 21,826 thousand).

The Group's exposure to credit, currency and interest rate risks and a sensitivity analysis for financial assets and liabilities are disclosed in note 22.

16. Cash and cash equivalents

'000 GEL	31 December 2024	31 December 2023
Bank balances	252,252	203,917
Cash in transit	1,165	2,807
Cash on hand	10,445	9,531
Total cash and cash equivalents	**263,862**	**216,255**

Bank balances include current accounts and call deposits with original maturities of three months or less. The Group's exposure to credit, currency and interest rate risks and a sensitivity analysis for financial assets and liabilities are disclosed in note 22.

Under one of the covenants of the Group's Eurobonds (see note 19), the Group is required to maintain a "Cash Cushion" of cash and cash equivalents including investment securities and certificate of deposit (defined per Eurobond's Terms and Conditions) of at least USD 20 million (or its GEL equivalent, discounted as per the Terms and Conditions) at the end of each financial quarter during the period from the issue date of the Eurobonds till 31 January 2023. From 31 January 2023, the Group may elect to either maintain the Cash Cushion as of the end of each fiscal quarter, or alternatively to establish and maintain a Credit Facility of at least USD 20 million for the payment of interest under the Notes.

The Group maintains a "Cash cushion" of cash and cash equivalents (Defined per Eurobond's Terms and Conditions) of at least USD 20 million (its GEL equivalent, discounted as per the Terms and Conditions) as at 31 December 2024 and 31 December 2023. The covenant does not restrict the use of "Cash Cushion", hence the related balance was classified as cash and cash equivalents as at 31 December 2024 and 31 December 2023.

(a) Certificate of deposit

As at 31 December 2024, the Group holds a certificate of deposit ("CD") purchased in 2024 from a commercial bank (2023: nil). The CD is denominated in US Dollars and bears a nominal interest rate of 5.6%, with a maturity date of 20 November 2025.

The certificate of deposit is classified as a financial asset and is measured at amortised cost in accordance with IFRS 9 *Financial Instruments*. The Group recognizes interest income from the CD using an effective interest rate method in the consolidated statement of profit or loss and other comprehensive income.

The carrying amount of the certificate of deposit as at 31 December 2024 reflects the amortised cost, which approximates its fair value at the reporting date.

The Group's exposure to credit and currency risks related to certificate of deposit is disclosed in note 22.

17. Equity

(a) Capital

Capital represents the nominal amount of capital in the founding documentation of the Company.

'000 GEL	2024	2023
Balance at the beginning of the period	960,559	1,167,407
Decrease in capital	(66,000)	(206,848)
Balance at the end of the period	**894,559**	**960,559**

As at 31 December 2024 the Company does not have subscribed capital as defined under the new Georgian legislation.

During 2024, capital of the Company was decreased by GEL 66,000 thousand out of which GEL 48,568 was settled in cash in 2024.

(b) Dividends

Under the Georgian legislation limited liability companies are authorized to distribute dividends provided that amount of total assets covers the issued capital plus the total liabilities, as recorded in the financial statements prepared in accordance with IFRS Accounting Standards, as a result of distribution.

In 2024, the Group entities declared dividends to the minority shareholders in the amount of GEL 15,321 thousand; GEL 4,920 thousand was netted off with the loans receivable from the same counterparty (2023: GEL 14,508 thousand; GEL 6,240 thousand was netted off with the loans receivable from the same counterparty).

(c) Capital management

The Group management seeks to maintain a sufficient capital base for meeting the Group's operational and strategic needs, and to maintain confidence of market participants. This is achieved with efficient cash management, constant monitoring of Group's revenues and profit, and long-term investment plans mainly financed by the Group's operating cash flows. Furthermore, the management ensures, before any capital reductions, that the Company will be in compliance the respective legislation norms and will maintain sufficient capital base. With these measures the Group aims for steady profits growth.

Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

(d) Security

As at 31 December 2024 and 31 December 2023, the Silk Real Estate LLC's shareholding in Tsinandali Estates LLC (see note 25) is pledged in respect of secured bank loans (see notes 19). As at 31 December 2023, the Silk Real Estate LLC's shareholding in Tsinandali Estates LLC was pledged in respect of the Partners' Agreement which was revoked during 2024.

As at 31 December 2024 and 31 December 2023, the Silk Real Estate LLC's shareholdings in Georgian Hotel Management LLC, Medea Operating company LLC, Limoni 2009 LLC, Limoni Real Estate LLC and New Hotel JSC (see note 25) are pledged in respect of secured bank loans (see note 19).

As at 31 December 2024 and 31 December 2023, the Company's shareholdings in Bakhvi Hydro Power LLC (see note 25) is pledged in respect of secured loans from TBC Bank JSC (see note 19).

As at 31 December 2024 and 31 December 2023 the Silk Real Estate LLC's shareholding in Tsinandali Resorts LLC (see note 25) is pledged in respect of secured bank loans (see note 19).

18. Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations.

31 December 2024

'000 GEL	Silk Real Estate LLC	Georgian Hotel Management LLC	Iveria Centre	Limoni 2009	Silknet Holding LLC	Bakhvi Hydro Power LLC	Tsinandali resorts	
NCI effective ownership percentage	**5%**	**9%**	**53%**	**16%**	**5%**	**37%**	**5%**	**Total**
Total assets	712,271	52,214	24,532	85,773	881,831	25,341	8,676	1,790,638
Total liabilities	(272,420)	(28,566)	(5,528)	(34,758)	(806,097)	(6,326)	(6,789)	(1,160,484)
Net assets	**439,851**	**23,648**	**19,004**	**51,015**	**75,734**	**19,015**	**1,887**	**630,154**
Carrying amount of NCI	**21,993**	**2,081**	**10,022**	**8,366**	**3,787**	**6,984**	**94**	**53,327**
(Loss) / profit and total comprehensive income/ (loss)	(47,116)	1,195	3,438	29,389	193,399	2,343	(485)	182,163
(Loss) / profit and total comprehensive income/ (loss) attributable to NCI	**(2,356)**	**105**	**1,805**	**4,895**	**9,670**	**860**	**(252)**	**14,727**
Dividends declared by Group entities to NCI	-	(37)	-	(6,624)	(8,660)	-	-	(15,321)
Acquisition of NCI	-	-	-	-	-	-	(795)*	(795)
Other equity movements attributable to NCI	6,143	482	-	-	(789)	-	50	5,886
Net cash (used in)/ from operating activities	(38,910)	8,406	(407)	36,212	355,538	4,059	150	365,048
Net cash (used in)/ from investing activities	(80,894)	(14,346)	-	(30,397)	(106,229)	180	-	(231,686)
Net cash from/(used in) financing activities	178,345	3,290	-	(4,228)	(243,752)	(4,849)	-	(71,194)
Net increase (decrease) in cash and cash equivalents	**58,541**	**(2,650)**	**(407)**	**1,587**	**5,557**	**(610)**	**150**	**62,168**

*In 2024, the Silk Real Estate LLC entered into an agreement with non-controlling shareholder of Tsinandali Resorts LLC to acquire remaining 49% of equity interest for a consideration of USD 1,150 thousand, payable till 30 December 2025. Although legal ownership will transfer to the Silk Real Estate LLC upon full repayment of the contract price, per agreement the non-controlling shareholder has no longer access to the future returns of Tsinandali Resorts LLC and cannot interfere in the management. As a result, non-controlling interest of GEL 795 thousand was derecognized and the difference between the purchase price (recognized as payable) and the derecognised non-controlling interest was accounted directly in equity. During 2024, the Company repaid GEL 2,067 thousand to the non-controlling shareholder.

31 December 2023

'000 GEL	Silk Real Estate LLC	Georgian Hotel Management LLC	Iveria Centre	Limoni 2009	Silknet Holding LLC	Bakhvi Hydro Power LLC	Tsinandali resorts	
NCI effective ownership percentage	**5%**	**9%**	**53%**	**16%**	**5%**	**37%**	**52%**	**Total**
Total assets	551,252	40,102	20,791	102,085	872,683	26,732	8,799	1,622,444
Total liabilities	(187,122)	(23,228)	(5,196)	(39,459)	(801,341)	(10,060)	(6,683)	(1,073,089)
Net assets	**364,130**	**16,874**	**15,595**	**62,626**	**71,342**	**16,672**	**2,116**	**549,355**
Carrying amount of NCI	**18,206**	**1,531**	**8,217**	**10,095**	**3,566**	**6,124**	**1,091**	**48,830**
Profit/ (loss) and total comprehensive income/ (loss)	(37,970)	4,178	3,971	41,940	154,388	3,672	528	170,707
Profit/ (loss) and total comprehensive income/ (loss) attributable to NCI	**(1,899)**	**368**	**2,115**	**6,878**	**7,719**	**1,349**	**277**	**16,807**
Dividends declared by Group entities to NCI	**-**	**-**	**-**	**(8,528)**	**(5,980)**	**-**	**-**	**(14,508)**
Other equity movements attributable to NCI	**(725)**	**(1,843)**	**5,978**	**-**	**(737)**	-	-	**2,673**
Net cash (used in)/ from operating activities	(18,841)	7,159	(123)	45,796	326,963	5,301	170	366,425
Net cash from/(used in) investing activities	(78,185)	(3,107)	-	(45,651)	(80,236)	(301)	-	(207,480)
Net cash (used in)/ from financing activities	84,948	(308)	-	(3,631)	(176,814)	(1,677)	-	(97,482)
Net increase (decrease) in cash and cash equivalents	**(12,078)**	**3,744**	**(123)**	**(3,486)**	**69,913**	**3,323**	**170**	**61,463**

19. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see note 22.

'000 GEL	**31 December 2024**	**31 December 2023**
Eurobonds - non-current	553,655	529,658
Unsecured local bonds - non-current	110,636	109,411
Secured bank loans - non-current	148,207	111,954
Loans from related parties	24,123	42,270
Loans from third parties	1,727	656
	838,348	**793,949**
Eurobonds – current	19,566	21,176
Unsecured local bonds – current	24,444	2,779
Secured bank loans – current	18,724	15,055
Current portion of related party loans	197	243
Current portion of third party loans	108	1,008
	63,039	**40,261**
	901,387	**834,210**

(a) Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

				31 December 2024		31 December 2023	
'000 GEL	**Currency**	**Nominal interest rate**	**Year of maturity**	**Face value**	**Carrying amount**	**Face value**	**Carrying amount**
Secured Bank Loan	EUR	7,5% + Euribor 6 months	2036	21,737	21,737	-	-
Secured Bank Loan	EUR	7,5% + Euribor 6 months	2036	21,663	21,663	-	-
Unsecured Related Party Loan	EUR	6%	2026	19,585	19,585	33,796	33,796
Secured Bank Loan	EUR	7,5% + Euribor 6 months	2033	17,006	17,006	27,009	27,009
Secured Bank Loan	EUR	7,5% + Euribor 6 months	2036	14,653	14,653	-	-
Secured Bank Loan	EUR	7,5% + Euribor 6 months	2036	14,653	14,653	-	-
Secured Bank Loan	GEL	5.25%+ NBG refinance Rate	2033	13,369	13,369	14,087	14,087
Secured Bank Loan	GEL	5.25% + NBG Refinance Rate	2027	10,851	10,851	13,587	13,587
Secured Bank Loan	GEL	5.25% + NBG refinance rate	2033	9,466	9,466	10,010	10,010
Secured Bank Loan	GEL	5.25%+ NBG refinance Rate	2033	6,372	6,372	6,669	6,669
Secured Bank Loan	GEL	6% + NBG Refinance Rate	2027	5,844	5,844	7,294	7,294
Secured Bank Loan	USD	7.85% + SOFR 6 months	2030	5,817	5,817	6,044	6,044
Secured Bank Loan	GEL	3% + NBG Refinance Rate	2027	5,415	5,415	6,831	6,831
Secured Bank Loan	USD	6.5% + SOFR 6 months	2028	3,717	3,717	4,933	4,933
Secured Bank Loan	GEL	5.75% + NBG Refinance Rate	2027	3,139	3,139	3,898	3,898
Secured Bank Loan	GEL	5.56% + NBG Refinance Rate	2027	2,829	2,829	3,513	3,513
Secured Bank Loan	GEL	5.75% + NBG refinance rate	2033	2,762	2,762	4,468	4,468
Secured Bank Loan	USD	7.85% + SOFR 6 months	2033	1,997	1,997	2,025	2,025
Secured Bank Loan	GEL	6% + NBG Refinance Rate	2027	1,937	1,937	2,418	2,418
Secured Related Party Loan	GEL	12%	2035	1,766	1,766	1,838	1,838
Secured Related Party Loan	USD	9%	2035	1,750	1,750	1,763	1,763
Secured Bank Loan	GEL	5.25% + NBG refinance rate	2033	1,502	1,502	-	-
Secured Bank Loan	EUR	11%	2025	1,125	1,125	835	835
Secured Bank Loan	EUR	11%	2025	1,077	1,077	864	864
Unsecured Third Party Loan	GEL	14%	On Demand	1,060	1,060	990	990
Secured Related Party Loan	USD	12%	2035	849	849	846	846
Unsecured Third Party Loan	USD	15%	2030	550	427	376	350
Secured Related Party Loan	USD	9%	2029	328	328	362	362
Unsecured Third Party Loan	GEL	16%	2025	240	240	206	206
Unsecured Third Party Loan	GEL	14%	2025	108	108	100	100
Unsecured Related Party Loan	USD	10%	2025	42	42	40	40
Parent loan	EUR	0.75% + EURIBOR 12 months	2025	-	-	3,800	3,800
Parent loan #2	USD	0.75% + SOFR 6 months	2080	-	-	2,882	68
Secured Bank Loan	EUR	7,5% + Euribor 6 months	2024	-	-	8,644	8,644
Secured Bank Loan	EUR	7,5% + Euribor 6 months	2033	-	-	3,880	3,880
Unsecured Third Party Loan	EUR	11%	2023	-	-	18	18
Local bonds	USD	9%	2026	57,229	56,712	54,836	54,155
Local bonds	USD	9%	2026	57,672	57,260	55,260	54,667
Local bonds	EUR	7%	2025	21,108	21,108	-	-
Eurobond	USD	8%	2027	582,749	573,221	558,375	550,834
Local bonds	USD	9%	2027	-	-	3,368	3,368
Total interest-bearing liabilities				**911,967**	**901,387**	**845,865**	**834,210**

In 2023, the Silk Real Estate LLC issued a USD 40 million bond in two tranches. The first tranche of USD 20 million offers a coupon of 9.00% p.a. (gross) with a maturity of 3 years. The second tranche of USD 20 million offers a coupon of 9.25% p.a. (gross) with a maturity of 3 years. As a result, in 2023 Silk Real Estate LLC became a publicly listed company on the Georgian Stock Exchange. In 2024, a new bond of EUR 7 million was issued, with a coupon of 7% p.a. (gross) and maturity of 1 years.

The Group's property and equipment, investments in subsidiaries, intangible assets and investment property is pledged in respect of secured bank loans and secured loans (see notes 10, 11, 12 and 17).

(b) Fair value adjustments on related party loans

On 7 August 2022, the loan amendment was signed between the Group and its parent entity for the prolongation of loan term from 31 December 2022 till 31 December 2030 on non-market terms (4% nominal interest rate). As a result, at initial recognition, the parent loan was discounted using market rate of interest of 7.6% and the difference between the carrying amount and the fair value of loan, in the amount of GEL 9,900 thousand was recognized directly in equity. During 2023, the above-mentioned loan was fully repaid and the effect of early repayment amounting to GEL 9,785 thousand, combined with the initial discount effect of parent entity loan #2 above of GEL 2,548 thousand, along with other fair value adjustments on related party loans of GEL 1,244 thousand, was deducted directly from equity. During 2024, Parent loan #2 was early repaid and the effect of early repayment amounting to GEL 2,918 thousand was deducted directly from equity

(c) Eurobonds

On 31 January 2022, the Group successfully placed USD 300,000 thousand of Eurobonds due in 2027 carrying an interest rate of 8.375% (the "New Eurobonds") on the Euronext Dublin Exchange. Interest is payable semi-annually on 31 January and 31 July of each year, commencing from 31 July 2022. The proceeds from the New Eurobonds were used by the Group in 2022 to refinance USD 200,000 thousand effective Eurobonds maturing in 2024 (USD 197,400 thousand outstanding at that time) and repaid unsecured local bonds of GEL 34,981 thousand (principal paid – GEL 34,000 thousand).

The New Eurobonds were accounted for at amortised cost using the effective interest rate method. The Group incurred expenses of GEL 12,936 thousand in connection with the issue of the New Eurobonds, including, amongst others, underwriting fees, legal counsel fees, rating agency expenses, listing expenses, etc. These expenses were accounted for as transaction costs. They are included in the calculation of the effective interest rate of the New Eurobonds.

In 2022, subsequent to the issuance, the Group repurchased New Eurobonds in the amount of USD 100,235 thousand. During 2022, the repurchased bonds were derecognised at their amortised cost and the difference between the repurchased amount and the amortised cost was recognised under interest expense in profit or loss (2024: nil). In accordance with the New Eurobond's Conditions, bonds repurchased in 2022 are still outstanding and have not been cancelled.

In 2024, the Group implemented a consent solicitation to modify the terms and conditions of New Eurobonds, increasing its distributions flexibility by introducing "leverage-based" basket in the Restricted Payments test, allowing the Group to proceed with Restricted Payments until its Consolidated Leverage Ratio reaches 1.75x. In connection with consent solicitation process, the Group incurred expenses of GEL 3,947 thousand. These costs were recognised as an adjustment to the carrying amount of New Eurobond liability and is amortised over the remaining term of the modified instrument using the revised effective interest rate.

Other than the Eurobond covenant, dividend distribution is subject to compliance with Georgian legislation (see also note 17(b)).

The average market quotation close to the reporting date for 2024 per Bloomberg was 100.73% of par value (2023: 100.19% of par value). The fair value estimates are categorised into Level 1 of the fair value hierarchy

(d) Covenants

The Group's local bonds issued and secured bank loans are subject to various financial and non-financial covenants, linked to adjusted EBITDA, DEBT, EBITDA, DSCR and ICR ratios and operations, structure, financing and investing activities of the Company and its subsidiaries. As at 31 December 2024 and 2023, the Group has complied with all covenants and expects to remain in compliance throughout the term of the bonds issued. Accordingly, bonds issued and bank loans (excluding balances contractually repayable within 12 months from the reporting date) are classified as non-current as at 31 December 2024 and 31 December 2023.

The Group's New Eurobonds are subject to various covenants, details of which are included in the listing particulars, publicly available on the website of Silknet JSC. As at 31 December 2024 and 31 December 2023, the Group has complied with all covenants and expects to remain in compliance throughout the term of the New Eurobonds. Accordingly, New Eurobonds (excluding balances contractually repayable within 12 months from the reporting date) are classified as non-current as at 31 December 2024 and 31 December 2023.

(e) Reconciliation of movements of liabilities to cash flows arising from financing activities*

'000 GEL	**Dividends payable**	**Lease liabilities**	**Loans and borrowings**	**Total**
Balance at 1 January 2024	**211**	**28,395**	**834,210**	**862,816**
Interest paid	-	(1,582)	(74,400)	(75,982)
Repayment of borrowings	-	-	(58,460)	(58,460)
Proceeds from borrowings	-	-	95,803	95,803
Dividends Paid	(7,360)	-	-	(7,360)
Lease payments	-	(12,880)	-	(12,880)
Total changes from financing	**(7,360)**	**(14,462)**	**(37,057)**	**(58,879)**
The effect of changes in foreign exchange rates	**-**	**251**	**25,953**	**26,204**
Other changes				
Capitalised borrowing costs	-	-	9,172	9,172
Interest expense	-	1,546	70,138	71,684
Cost incurred on modification	-	-	(3,947)	(3,947)
Fair value adjustment on related party loans	-	-	2,918	2,918
Recognition of lease liabilities arising from lease contracts originated during the period	-	3,969	-	3,969
Write-off of ROU and respective lease liability for terminated contracts	-	(1,509)	-	(1,509)
Total liability-related other changes	**-**	**4,006**	**78,281**	**82,287**
Total Equity-related other changes	**7,360**	**-**	**-**	**7,360**
Balance at 31 December 2024	**211**	**18,190**	**901,387**	**919,788**

'000 GEL	Dividends payable	Lease liabilities	Loans and borrowings	Total
Balance at 1 January 2023	**211**	**33,525**	**836,632**	**870,368**
Interest paid	-	(3,162)	(77,255)	(80,417)
Repayment of borrowings	-	-	(184,626)	(184,626)
Proceeds from borrowings	-	-	176,131	176,131
Transaction costs related to bonds	-	-	(1,417)	(1,417)
Dividends Paid	(4,865)	-	-	(4,865)
Lease payments	-	(10,312)	-	(10,312)
Total changes from financing	**(4,865)**	**(13,474)**	**(87,167)**	**(105,506)**
The effect of changes in foreign exchange rates	**-**	**(22)**	**1,266**	**1,244**
Other changes				
Modification loss on financial liabilities	-	-	2,503	2,503
Other movements	-	-	3,357	3,357
Interest expense	-	3,084	75,150	78,234
Fair value adjustment on related party loans	-	-	8,481	8,481
Net-off with receivable from Group entities' with non-controlling receivable from Group entities' shareholders	-	-	(6,012)	(6,012)
Recognition of lease liabilities arising from lease contracts originated during the period	-	6,652	-	6,652
Write-off of ROU and respective lease liability for terminated contracts	-	(1,370)	-	(1,370)
Total liability-related other changes	-	**8,366**	**83,479**	**91,845**
Total Equity-related other changes	**4,865**	-	**-**	**4,865**
Balance at 31 December 2023	**211**	**28,395**	**834,210**	**862,816**

* Cash flows used in financing activities presented in the consolidated statement of cash flows also include the financing component of payments made for acquisition of non-current assets and licenses and broadcasting rights (see note 20).

20. Trade and other payables

	31 December 2024		31 December 2023	
'000 GEL	Non-current	Current	Non-current	Current
Payables for non-current assets	13,512	27,211	13,059	34,220
Payable to suppliers	-	14,153	-	27,081
Payable to parent entity for capital decrease	-	17,432	-	-
Payable for licenses and broadcasting rights	5,896	10,725	8,937	12,147
Payable to other operators	-	3,774	-	5,135
Payable to employees	19,498	16,149	17,605	11,157
Other payables	-	6,742	-	4,962
Dividend payable	-	211	-	211
VAT and other tax liabilities	-	10,843	-	13,831
Total trade and other payables	**38,906**	**107,240**	**39,601**	**108,744**
Advances received related to IRU contracts	10,891	1,888	11,418	1,888
Advances received related to subscribers	589	25,582	528	24,511
Total contract liabilities from prepayments	**11,480**	**27,470**	**11,946**	**26,399**
Total	**50,386**	**134,710**	**51,547**	**135,143**

Payables for non-current assets and payable for licenses and broadcasting rights represent the discounted value of deferred payments mainly related to the acquisition of property and equipment for network upgrade and expansionary projects and intangible assets for Broadcasting rights and IT transformation. Major part of payables for non-current assets and payable for license and broadcasting rights are denominated either in USD or EUR and thus are exposed for foreign currency exchange rate fluctuations (see note 22).

The Group's exposure to currency and liquidity risks related to trade and other payables is disclosed in note 22.

21. Put option liabilities

Silk Real Estate LLC

Under the Partnership Agreement ("PA"), formed on 2 September 2016 between Tsinandali Savane LLC (see note 25) and JSC Development Fund of Georgia (formerly JSC Partnership Fund), the owner of the non-controlling interest in Tsinandali Estates LLC, the Group had call option to acquire the non-controlling interest in Tsinandali Estates LLC during the first 6 years and 9 months after the PA date, and, on the other hand, JSC Development Fund of Georgia had put option to sell its interest in Tsinandali Estate's capital for 5 years after the end of the call option period. The exercise price for both, call and put option, is determined as the JSC Development Fund of Georgia's investment in the capital of Tsinandali Estates LLC plus accumulated interest, agreed by the parties in the PA. On 5 October 2021, amendment to the PA was formed, according to which the put option of JSC Development Fund of Georgia was deferred by two years and starts from 31 July 2025.

The Group applied anticipated-acquisition method to the investment in Tsinandali Estate LLC and as at 31 December 2022 recognised put option liability of GEL 42,138 thousand, with reference to the present value of the exercise price of the option, discounted by the discount rate of approximately 12-13%. As at 31 December 2022, following the decision of the Silk Real Estate LLC to issue bonds on the Georgian Stock Exchange (see note 1) with the purpose to refinance part of its existing liabilities and to purchase remaining shares of Tsinandali Estates LLC from the non-controlling shareholder the put option liability was discounted on the basis of settlement date of 30 May 2023.

On 15 May 2023, transactions was finalised and the remaining shares of Tsinandali Estates LLC were acquired by the Group for GEL 42,383 thousand. As a result, as at 31 December 2023 put option liability is fully settled.

During 2023 the Group has recognised changes in the carrying amounts of put option liabilities of GEL 245 thousand, directly in equity. The changes are mainly attributable to unwinding of discount, change in expected cash flows and foreign currency fluctuations, as the exercise price of the option is denominated in USD.

Silknet Holding LLC

Under the Agreement, formed on 30 June 2021 between Silknet Holding LLC, its beneficial owners and Silknet JSC (note 25) ("Agreement"), one of the minority shareholders (5% indirect owner of Silknet Holding LLC), under certain conditions, has put option to sell its 5% indirect shareholding in Silknet Holding LLC to the Company. The option starts from May 1, 2024 and is effective till May 1, 2026. The exercise price for put option is determined based on the financial performance of Silknet JSC for the year preceding the put option completion date ("completion date"). Key assumptions used in the put option price calculation are: EBITDA, long-term liabilities and net current assets of Silknet JSC for the year preceding the completion date and EBITDA multiple determined per the Agreement.

The Group has recognized put option liability of GEL 67,762 thousand as at 31 December 2024 (31 December 2023: GEL 50,635 thousand) with reference to the present value of the exercise price of the option, discounted by the discount rate of approximately 16% (2023: 16%). As at 31 December 2024, the Group believes that it is reasonable to expect that the put option will be exercised in 2025. Based on the agreement terms, payment of the option price shall be done in accordance with the schedule agreed between the Parties in writing in two to six equal annual instalments. The first instalment is to be paid not later than the first anniversary of the date of exercise date. Hence, the put option liability was recognized as non-current as at 31 December 2024. The Group also expects, based on the contractual terms, and unless the parties would agree otherwise, that the repayment of exercise price will commence in a year from the completion date and will be made in six equal annual instalments.

Put option liability has not been exercised as at the date of signing these consolidated financial statements.

Discounted cash flow models are used for fair value measurement of put option, which is categorized within Level 3 of the fair value hierarchy.

The following table shows a reconciliation from the opening balance to the closing balance for Level 3 fair value of put option liability.

'000 GEL	2024	2023
Balance at 1 January	**50,635**	**43,603**
Change in the carrying amount	17,127	7,032
Balance at 31 December	**67,762**	**50,635**

Sensitivity analysis

For the fair value of put option liability, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects:

	Directly in Equity	
'000 GEL	Increase	Decrease
Expected EBITDA (10% movement)	(8,779)	8,779
Expected long-term liabilities (10% movement)	2,063	(2,063)
Expected net current assets (10% movement)	(345)	345
Discount rate (1% movement (100 bps))	1,378	(1,433)

22. Fair values and risk management

(a) Fair values of financial assets and liabilities

The estimates of fair value are intended to approximate the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. However, given the uncertainties and the use of subjective judgment, the fair value should not be interpreted as being realizable in an immediate sale of the assets or transfer of liabilities.

The Group has determined fair values of financial assets and liabilities using valuation techniques. The objective of valuation techniques is to arrive at a fair value determination that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. The valuation technique used is the discounted cash flow model. Fair value of all financial assets and liabilities is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Management believes that the fair value of the Group's financial assets and liabilities, except for Eurobonds (see note 19(c)), approximates their carrying amounts considering that there were no material changes in the market interest rates since the dates of initial recognition of the loans till the reporting dates.

(b) Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- credit risk (see 22(b)(ii));
- liquidity risk (see 22(b)(iii));
- market risk (see 22(b)(iv)).

(i) Risk management framework

Management has overall responsibility for the establishment and oversight of the Group's risk management framework and is responsible for developing and monitoring the Group's risk management policies and reporting regularly to the owners on its activities.

The Group's risk management approaches are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management approaches and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The owners oversee how management monitors compliance with the Group's risk management policies and procedures and review the adequacy of the risk management framework in relation to the risks faced by the Group.

(ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's accounts receivable, loans receivable and bank balances. The carrying amounts of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was as follows:

'000 GEL	**31 December 2024**	**31 December 2023**
Loans receivable	32,085	28,523
Trade and other receivables – Telecom	35,555	35,011
Trade and other receivables - Real estate	7,684	8,252
Trade and other receivables – Other	624	721
Certificate of Deposit	18,362	-
Cash and cash equivalents	253,417	206,724
	347,727	**279,231**

Trade and other receivables from telecom services

Credit risk is managed by assessing the creditworthiness of the customers before the Group's standard payment and service terms and conditions are offered. No collateral in respect of trade and other receivables is generally required.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are a wholesale, retail or end-user customer, geographic location, industry, aging profile, maturity and existence of previous financial difficulties.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The main component of this allowance is a collective loss component. The Group's trade receivables are mainly from the domestic retail customers. The Group does not have a significant concentration of customers.

Impairment losses

The impairment loss allowances of trade and other receivables from Telecom per risk groups are as follows:

	Collectively assessed			Individually assessed		
31 December 2024	**Gross carrying amount**	**Impairment loss allowance**	**Credit-impaired**	**Gross carrying amount**	**Impairment loss allowance**	**Credit-impaired**
Current	21,835	209	No	13,362	-	No
1-30 past due	528	118	No	-	-	No
31-90 days past due	395	252	No	-	-	No
Past due 91-150 days	255	241	Yes	-	-	Yes
Past due more than 150 days	23,557	23,557	Yes	2,752	2,752	Yes
Total	**46,570**	**24,377**		**16,114**	**2,752**	

	Collectively assessed			Individually assessed		
31 December 2023	**Gross carrying amount**	**Impairment loss allowance**	**Credit-impaired**	**Gross carrying amount**	**Impairment loss allowance**	**Credit-impaired**
Current	20,581	333	No	14,241	-	No
1-30 past due	484	114	No	-	-	No
31-90 days past due	411	275	No	-	-	No
Past due 91-150 days	315	300	Yes	-	-	Yes
Past due more than 150 days	22,199	22,199	Yes	2,580	2,579	Yes
Total	**43,990**	**23,221**		**16,821**	**2,579**	

The movements in impairment allowance of trade and other receivables were as follows:

'000 GEL	**2024**	**2023**
At 1 January	(25,800)	(24,281)
Charge for the year	(1,329)	(1,519)
At 31 December	**(27,129)**	**(25,800)**

An impairment rate of 100% was applied to gross trade and other receivables from retail customers overdue by more than 150 days, with lower impairment rates applied for risk categories of trade and other receivables that are overdue for shorter periods. The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amount is considered irrecoverable and is written off against the financial asset directly.

Loans receivable and trade and other receivables from real estate

The Group's loans receivable as well as other receivables are mostly due from related parties. The expected credit loss (ECL) model is influenced by the individual characteristics of the borrowers, as well as the fact that all counterparties are either entities under common control or the parent company and, if required, the ultimate parent company, Silk Road Group Holding (Malta) Limited, will provide entities under common control with such financial support to enable them to repay the loans and other receivables to the Group.

Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD);
- exposure at default (EAD).

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

Inputs, assumptions and techniques used for estimating impairment

As at 31 December 2024, approximately 0.4% and 39% of expected credit loss is charged to the gross carrying amounts of loans receivables and trade and other receivables, depending on comparable credit profile / rating or repayment expectations (31 December 2023: 0.6% and 39%, respectively).

PD (12-month) for loans receivable was determined as 2.62% by an individual approach by an expert on a rating system based on a scoring questionnaire and represents the rated company's rating (based on Fitch rating agency) in the Silk Real Estate adjusted by the individual risk characteristics of the borrowers from the same group.

The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties, collateral market value and timing of realization of the collateral, if applicable. LGD is calculated on a discounted cash flow basis using effective interest rate as the discounting factor. Derived LGDs to the different exposures varies from 20% to 45% (31 December 2023: 22% to 39%).

EAD represents the expected exposure in the event of a default. The EAD for financial assets is its gross carrying amount at the time of default. The Group assumes 5 different likelihood scenarios with different probabilities when the financial instruments will be recovered and assumes 5% to 10% probability for the scenario when the financial instruments are not recovered at all.

For material exposures, effective interest rates ranging from 7% to 14% were used in the discounting of expected credit losses to consider time value of money.

Determining whether credit risk has increased significantly

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and expert credit assessment and including forward-looking information. One of the criteria the Group uses for determining whether there has been a significant increase in credit risk is a backstop indicator of more than 30 days past due. As a backstop, the Company considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. For cash and cash equivalents the Group considers downgrade of credit rating assigned to the commercial banks as an indicator for the significant increase in credit risk.

As at 31 December 2024 total loans receivable is allocated to Stage 1 (31 December 2023: 100% is allocated to Stage 1) as there was no increase in credit risk of the financial instruments since initial recognition.

As at 31 December 2024, approximately 40% (31 December 2023: approximately 40%) of trade and other receivables are allocated to Stage 3 as they are overdue more than 90 days. Such trade receivables are mostly related to rental income receivable from related party entities, that have history of past due payments and non-performance.

Sensitivity analysis

10% increase in expected credit loss rate, assuming that all other variables remain constant, could affect the expected credit loss on trade and other receivables for 2024 and 2023 by approximately GEL 544 thousand and GEL 586 thousand, respectively.

1% increase in expected credit loss rate, assuming that all other variables remain constant, could affect the expected credit loss on loans receivable for 2024 and 2023 by approximately GEL 33 thousand and GEL 111 thousand, respectively.

Impairment losses on loans receivable

The movement in the allowance for impairment in respect of loan receivables during the year was as follows.

'000 GEL	**2024**	**2023**
Balance at 1 January	(35)	(2,503)
Increase during the year	(21)	2,468
Balance at 31 December	**(56)**	**(35)**

Impairment losses on trade and other receivables

The movement in the allowance for impairment in respect of receivable from rental income during the year was as follows.

'000 GEL	**2024**	**2023**
Balance at 1 January	(5,857)	(5,607)
Write-off	835	-
Reversal/(increase) during the year	(414)	(250)
Balance at 31 December	**(5,436)**	**(5,857)**

Bank balances

Bank balances, call deposits and certificate of deposit are mainly held with Georgian banks with a short-term issuer default rating of B, based on Fitch Rating. The balances are Stage 1 and not past due. The Group does not expect any counterparty to fail to meet its obligations.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically the Group ensures that it has sufficient cash on demand to meet expected capital and operational expenses for a period of 30 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters. In addition, the Group's ultimate parent, Silk Road Group Holding (Malta) Limited, has demonstrated, through support letter, its intention to provide, for the foreseeable future, financial and other support as is necessary to permit the Group to continue in operational existence.

Management ensures that its investing activities are financed either through loans and borrowings or capital injections, before the Group stabilises its earnings.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

31 December 2024	Contractual cash flows				
GEL	Carrying amount	Total	Within 1 year	1-5 yrs	Over 5 yrs
Non-derivative financial liabilities					
Loans and borrowings	901,387	1,136,806	117,813	888,765	130,228
Lease liability	18,190	18,988	14,785	4,135	68
Trade and other payables	146,146	149,559	107,225	42,193	141
Put option liability	67,762	99,934	-	83,278	16,656
	1,133,485	**1,405,287**	**239,823**	**1,018,371**	**147,093**

31 December 2023	Contractual cash flows				
GEL	Carrying amount	Total	Within 1 year	1-5 yrs	Over 5 yrs
Non-derivative financial liabilities					
Loans and borrowings	834,210	1,102,011	87,389	929,296	85,326
Lease liability	28,395	32,019	14,293	17,607	119
Trade and other payables	148,345	154,385	110,165	44,220	-
Put option liability	50,635	86,658	-	57,772	28,886
	1,061,585	**1,375,073**	**211,847**	**1,048,895**	**114,331**

The management believes that, as at and for the foreseeable future, the Group has sufficient funds to meet its liabilities as they fall due. Management's assessment is based on factors like the significant cash balance as at 31 December 2024 (note 16) and a growing customer base for key business segments and new network deployment. Furthermore, as at 31 December 2024 the Group has credit lines of USD 300,000 thousand with TBC Bank JSC and USD 300,000 thousand with Bank of Georgia JSC (including used facilities, see note 19), in case it needs additional financing for ongoing projects. In addition, Silk Road Group Holding (Malta) Limited, has demonstrated its intention to provide, for the foreseeable future, financial and other support as is necessary to permit the Group to continue in operational existence.

(iv) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(v) Currency risk

As at 31 December 2024, the Group's exposure to currency risk is mainly attributable to capital expenditures, USD-denominated Eurobonds and loans. To partially hedge an open foreign currency position, the Group invests its liquid funds in USD-denominated instruments, such as deposits and swaps. Additionally, a portion of the Group's operational activities are also denominated in hard currencies. The Group uses forward agreements to mitigate the impact of foreign currency exchange rate fluctuations on operations.

These instruments meet the definition of derivatives under IFRS 9 *Financial Instruments* and are initially measured at fair value. Under IFRS 9, derivatives are instruments, which are subsequently measured at FVPL.

As at 31 December 2024, the Group recognized derivative asset with a carrying value of GEL 2,674 thousand (31 December 2023: derivative liability with a carrying amount of GEL 925 thousand). Discounted cash flow models are used for fair value measurement of derivatives, which is categorized within Level 3 of the fair value hierarchy. Estimation uncertainties related to foreign currency exchange rate fluctuations does not have material effect on the consolidated financial statements as at 31 December 2024 and 31 December 2024.

Exposure to currency risk

The Group's exposure to foreign currency risk was as follows based on notional amounts:

GEL	USD-denominated 31 December 2024	USD-denominated 31 December 2023
Bank balances	192,120	32,999
Certificate of deposit	18,362	-
Trade and other receivables	7,180	7,363
Loans receivable	6,755	5,798
Trade and other payables	(38,916)	(65,591)
Loans and borrowings	(702,120)	(679,093)
Net exposure before effect of derivatives	**(516,619)**	**(698,524)**
Effect of derivatives*	-	107,576
Net exposure	**(516,619)**	**(590,948)**

* The table above shows the notional amounts of swap contracts (31 December 2024: nil; 31 December 2023: "Buy USD, Sell GEL" - GEL 107,576 thousand). The notional amount, recorded gross, is the amount of a financial instrument's underlying asset or liability, reference rate and is the basis upon which changes in the value of financial instruments are measured. The notional amounts indicate the volume of transactions outstanding at 31 December 2024 and 2023 and are not indicative of the credit risk.

As part of risk management policy, in 2024, the Group entered into forward contracts totaling USD 70,500 thousand, of which USD 10,000 thousand was realized during the year. As of year-end, the outstanding balance stands at USD 60,500 thousand, (31 December 2024: Buy: USD 60,500 thousand, Sell: GEL 169,581 thousand (31 December 2023: nil)).

To reduce future profit volatility due to foreign exchange rate fluctuations, foreign currency derivative contracts are used to hedge future cash outflows, particularly those related to unrecognized operational and capital expenditures denominated in hard currencies, as well as Eurobond coupon payments. These outflows are fully hedged from January 2025 through the end of 2025, with an average forward exchange rate of 2.8.

'000 GEL	EUR-denominated 31 December 2024	EUR-denominated 31 December 2023
Bank balances	1,336	3,906
Trade and other receivables	1,355	1,894
Loans and borrowings	(132,607)	(79,208)
Trade and other payables	(22,717)	(24,324)
Net exposure	**(152,633)**	**(97,731)**

The following significant exchange rates have been applied during the year:

in GEL	Average rate		Reporting date spot rate	
	2024	2023	31 December 2024	31 December 2023
USD 1	2.7208	2.6279	2.8068	2.6894
EUR 1	2.9440	2.8416	2.9306	2.9753

Sensitivity analysis

A reasonably possible strengthening (weakening) of GEL, as indicated below, against USD and EUR at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Strengthening		Weakening	
'000 GEL	**Equity**	**Profit or (loss)**	**Equity**	**Profit or (loss)**
31 December 2024				
USD (10% movement)	-	51,662	-	(51,662)
EUR (10% movement)	-	15,263	-	(15,263)
31 December 2023				
USD (10% movement)	-	59,095	-	(59,095)
EUR (10% movement)	-	9,773	-	(9,773)

(vi) Interest rate risk

Changes in interest rates impact primarily loans and borrowings by changing either their fair value (fixed rate debt) or their future cash flows (variable rate debt). Management does not have a formal policy of determining how much of the Group's exposure should be in fixed or variable rates. However, at the time of raising or issuing new loans, management uses its judgment to decide whether it believes that a fixed or variable rate would be more favourable to the Group over the expected period until maturity.

Exposure to interest rate risk

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was as follows:

'000 GEL	**Carrying amount**	
Variable rate instruments	**2024**	**2023**
Financial assets	-	-
Financial liabilities	164,729	130,042
	164,729	**130,042**

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have affected profit or loss by GEL 1,647 thousand (31 December 2022: GEL 1,300 thousand). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

23. Contingencies

(a) Taxation contingencies

The taxation system in Georgia is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are sometimes unclear, contradictory and subject to varying interpretation. A tax year remains open for review by the tax authorities during the three subsequent calendar years, however under certain circumstances a tax year may remain open longer.

These circumstances may create tax risks in Georgia that are more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Georgian tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

(b) Litigation

In the ordinary course of business, the Group is subject to legal actions, litigations and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of future operations.

24. Commitments

(a) Capital commitments

As at 31 December 2024, capital commitments borne by the Group amounted to GEL 18,192 thousand, mainly attributable to mobile network development projects and acquisition of customer related devices (31 December 2023: GEL 16,135 thousand, which mainly relate to mobile network development projects and acquisition of customer related devices).

(b) Other commitments

As at 31 December 2024, the Group has investment obligations for the construction of investment property towards the Government of Georgia of USD 19.9 million (31 December 2023: USD 22.5 million). From these investment obligations, USD 15 million relates to Bobokvati project, that, as at the date of signing these consolidated financial statements, is due in 2029 (31 December 2023: USD 15 million).

25. Subsidiaries

Entity	Principal Activity	Date of Incorporation	Ownership percentage as at 31 December 2024	Ownership percentage as at 31 December 2023	Ownership type
Silk Real Estate LLC	Holding entity	7 April 2017	95%	95%	Direct
Silknet Holding LLC	Holding entity	3 December 2018	95%	95%	Direct
Silk Road Energy LLC	Dormant entity	11 May 2011	100%	100%	Direct
Bakhvi Hydro Power LLC	Operation of hydropower plants	15 January 2009	63.27%	63.27%	Indirect, through Silk Energy Holding
Silk Energy Holding LLC	Dormant entity	28 December 2020	100%	100%	Direct
Silk Solar LLC	Dormant entity	4 July 2022	100%	100%	Direct
Subsidiaries of Silk Real Estate LLC					
Georgian Hotel Management LLC	Operation of Tbilisi Radisson Blu Iveria Hotel	9 August 2010	96%	96%	Direct
Argo Management LLC	Operation of Batumi Radisson Blu Hotel	30 November 2010	96%	96%	Indirect, through Georgian Hotel Management LLC
Riviera Beach LLC	Club operation	18 May 2012	100%	100%	Direct
Silk Road Service LLC	Pooling of purchases for the group companies	31 December 2015	100%	100%	Direct
Development Solution LLC	Real Estate development service	10 July 2006	100%	100%	Direct
Development solutions Medea LLC	Dormant entity	7 September 2009	100%	100%	Indirect, through Development Solution LLC
Tsinandali Savane LLC	Holding entity	17 February 2016	100%	100%	Direct
Tsinandali Estates LLC	Operation of Tsinandali Radisson Collection Hotel	27 June 2008	100%	100%	Indirect, through Tsinandali Savane LLC
Tsinandali LLC	Museum operation	3 October 2005	100%	100%	Direct
Georgian Wine Institute LLC	Wine tasting and training service	26 December 2011	100%	100%	Indirect, through Tsinandali LLC
SRG Investments LLC	Corporate service provider to the Group	27 May 2011	100%	100%	Direct
Limoni 2009 LLC	Operation of casinos	11 August 2009	88%	88%	Direct
Medea Operating company LLC	Ownership of Batumi Radisson Blu Hotel and related casino	5 November 2010	100%	100%	Direct
F Telecom LLC	Real estate development	2 October 2006	100%	100%	Direct
Riviera LLC	Holding Entity	12 July 2012	100%	100%	Direct
Batumi Riviera LLC	Real estate development	30 May 2018	100%	100%	Indirect, through Riviera LLC
Center Plaza LLC	Real estate development	14 July 2005	100%	100%	Direct
Club Savane LLC	Night club operation	11 April 2018	100%	100%	Indirect, through Centre Plaza LLC
Tsinandali Villas LLC	Real estate development	19 February 2016	100%	100%	Direct
New Hotel JSC	Ownership of Tbilisi Radisson Blu Hotel	30 September 2005	100%	100%	Direct
Silk Road Business Centre LLC	Real estate development	27 August 1997	100%	100%	Direct
Misaktsieli LLC	Real estate development	7 August 2008	100%	100%	Direct

Entity	Principal Activity	Date of Incorporation	Ownership percentage as at 31 December 2024	Ownership percentage as at 31 December 2023	Ownership type
New Office LLC	Real estate development	7 August 2008	100%	100%	Direct
Iveria Center LLC	Real estate development	6 August 2013	50%	50%	Indirect, through New Office LLC
Restaurant Tsinandali LLC	Hospitality sector	2 April 2018	50%	50%	Indirect, through Iveria Centre LLC
Hotel Medea + JSC	Real estate development	17 April 2007	100%	100%	Direct
Adjara Investment LLC	Holding entity	30 August 2017	100%	100%	Direct
Adjara Resort JSC	Real estate development	3 January 2006	100%	100%	Indirect, through Adjara Investments LLC
Adjara Real Estate LLC	Real estate development	23 August 2006	100%	100%	Indirect, through Adjara Investments LLC
Bobokvati LLC	Real estate development	23 March 2007	100%	100%	Indirect, through Adjara Real Estate LLC and Adjara Resorts JSC
Kobuleti Resort LLC	Real estate development	17 April 2007	100%	100%	Indirect, through Adjara Resorts JSC
Silk Road Group Travel LLC	Hospitality	4 September 2009	51%	51%	Direct
Telegraph Hotel JSC	Hospitality	5 February 2020	100%	100%	Indirect, through Silk Road Business Centre LLC
Limoni Real Estate LLC	Real estate development	21 April 2017	100%	100%	Direct
Green-cape Botanico LLC	Real estate development	18 August 2020	51%	51%	Joint venture
Silk Hospitality LLC	Hotel management service provider to the Group	26 March 2021	100%	100%	Direct
Tsinandali Resorts LLC	Operation of Park Hotel Tsinandali	1 March 2018	51%	51%	Direct
Unipharm LLC*	Real estate development	10 July 1996	100%	50%	Indirect, through Centre Plaza LLC
Silk Play LLC**	Real estate development	19 June 2024	100%	0%	Direct
Silk Entertainment LLC**	Real estate development	15 April 2024	100%	0%	Direct
Sakanela Development LLC**	Real estate development	27 March 2024	100%	0%	Direct
Subsidiaries of Silknet Holding LLC					
Silknet JSC	Provision of telecommunication services	2 April 2009	100%	100%	Direct
Qarva LLC	Software maintenance	29 June 2012	51%	51%	Indirect, through Silknet JSC
Silk Media LLC***	Operation of Euronews channel	18 July 2019	100%	100%	Indirect, through Silknet JSC
Novus LLC****	Non-operating entity	5 April 2012	0%	100%	Indirect, through Silknet JSC
NG Georgia N(N)LE	Media (National Geographic)	5 April 2012	100%	100%	Indirect, through Silknet JSC
Wounded Warrior Support Fund N(N)LE (registered as two legal entities)	Non-for profit organisation	9 July 2018	100%	100%	Indirect, through Silknet JSC
Premium Web Solution LLC	Provision of internet video services	29 November 2015	100%	100%	Indirect, through Silknet JSC
Subsidiaries of Silk Road Energy LLC					
Machakhela Hesi LLC	Dormant entity	11 April 2012	100%	100%	Direct
Lopota Energy LLC*****	Dormant entity	27 February 2012	0%	100%	Indirect, through Machakhela Hesi LLC

* On 29 December 2023, the Centre Plaza LLC acquired 50% of Unipharm LLC for non-cash consideration of GEL 933 thousand.

** In 2024, the Company established Silk Play LLC, Silk Entertainment LLC and Sakanela Development LLC, subsidiaries for development and operation of real estate and entertainment complex.

*** In 2019, Silknet and Euronews signed a memorandum of understanding with respect to Euronews Georgia, a free to air news channel that is aired in the Georgian language. For this purpose, Silknet established Silk Media LLC, a 100%-owned subsidiary.

Euronews is in charge of Euronews Georgia's editorial policy and nominates its news director. Euronews shares its content with Euronews Georgia, while the latter prepares certain local content which is shared with Euronews.

**** In 2024, Novus LLC, a non-significant subsidiary, was liquidated without significant impact on the financial performance and operations of the Group.

***** In 2024, Lopota Energy LLC, a non-significant subsidiary, was liquidated without significant impact on the financial performance and operations of the Group.

26. Related parties

(a) Parent and ultimate controlling party

The Company's immediate parent company is Comodon Holding (Malta) Limited.

The Company's ultimate parent company is Silk Road Group Holding (Malta) Limited. In 2020 the Company's intermediate parent reorganized, as a result of which the Company has a new beneficial shareholder, Yerkin Tatishev, with indirect minority holding (38.2%) in the Company. The Company's ultimate parent remains Silk Road Group Holding (Malta) Limited – an entity controlled by an individual George Ramishvili. No publicly available financial statements are produced by the Company's ultimate parent company or any other intermediate parent company.

(b) Key management remuneration

Key management received the following remuneration during the year, which is included in wages and other employee benefits:

GEL	2024	2023
Wages and bonuses	19,025	20,590
Other long-term employee benefits*	6,635	17,318
	25,660	**37,908**

* On 30 September 2023 and 14 December 2023 ("grant date") the subsidiary of the Group has entered into two agreements with its two key management members that entitles the employees to receive different types of awards, mainly dependent upon the choice of the employee, but also subject to certain events and conditions. Award #1 implies granting cash-settled equity instrument of the subsidiary to the employee, with no service condition and its fair value is close to nil as at 31 December 2024, as probability of meeting the non-vesting condition per contract is remote. Award #2, to which employee is entitled from 1 January 2025, is calculated as a certain percentage of the future dividend distributions by the subsidiary for the lifetime of the employee and is not subject to service conditions. Award #3 envisages granting the employee a certain percentage of the subsidiary's future value (calculated pursuant to the contractual terms), settled in cash, after 2027, and is subject to a service condition till the end of 2027. Both awards meet the definition of other long term employee benefit under IAS 19 *Employee Benefits* and are initially measured as present value of future benefits accruing to the employees. Award #2 is expensed as incurred, as no service condition attached to it, whereas the value of Award #3 value is spread over the service period.

If in aggregate the benefit amount calculated under Award #3 is higher than Award #2, the entity recognizes additional expense in profit or loss in the period, when employee benefit calculated under Award #3 exceeds the benefit amount calculated under Award #2. In 2023, as at grant date, the Group recognized employee benefits expense of GEL 17,318 thousand in profit or loss calculated under Award #2 conditions, as it represents unconditional liability as at 31 December 2023 and its estimated present value was the largest amongst three of the available awards.

In 2024, the changes in circumstances related to the consent solicitation process of Eurobond covenant (see also note 19 (c)), affected the calculation of the benefit amount under the Award #2 due to the adjusted payout ratio. These changes remained in compliance with Georgian legislation, in particular the new Law of Georgia on Entrepreneurs, and the amended terms and conditions of Eurobond, resulting in additional expense of GEL 3,546 thousand for the year ended 31 December 2024. No significant changes were made to other assumptions used in the calculation of the benefit amount under the Award #2.

(c) Other related party transactions

The Group's other related party transactions and transactions with the Owners, not acting in the capacity of the Owners, are disclosed below.

	Transaction value for the year ended 31 December		Outstanding balance as at	
	2024	2023	31 December 2024	31 December 2023
Loans issued:				
Entities under common control	4,102	(7,340)	29,149	28,523
Loans and borrowings:				
Ultimate parent	-	-	-	-
Parent	(6,788)	-	-	3,868
Entities under common control	(14,881)	30,429	24,320	38,645
Acquisition of property and equipment:				
Entities under common control	-	15	-	-
Parent and beneficiaries	-	918	-	-
Other revenue:				
Entities under common control	1,901	2,089	3,018	1,310
Fuel and lubricants used:				
Entities under common control	(2,975)	(2,917)	(182)	(260)
Other operating expenses:				
Entities under common control	(4,058)	(3,776)	(706)	(1,322)

Transaction values represent original transactions and do not consider settlement of the transactions. All outstanding balances with related parties, except for the loans and borrowings and loans receivable, are to be settled in cash settled within one year of the reporting date. None of the related party balances are secured.

For related party transactions on loans and borrowings and loans receivable, recognised directly in equity, see note 14 and 19.

During 2024 interest expense of GEL 1,974 thousand (2023: GEL 4,711 thousand) was recognised in profit or loss in respect of loans and borrowings from related parties. The interest rates and maturities of loans from related parties are disclosed in note 19(a).

During 2024 interest income of GEL 4,306 thousand (2023: GEL 9,126 thousand) was recognized in profit or loss in respect of loans receivable from related parties. The interest rates and maturities of loans from related parties are disclosed in note 14.

27. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for:

- the identifiable net assets of the subsidiaries, not acquired through common control transactions, that are measured at fair value at the acquisition dates;
- derivative financial instruments are measured at fair value.

28. Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by Group entities.

(a) Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see note 28(a)(ii)). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquire; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(ii) Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iii) Non-controlling shareholders holding put options

The Group recognises a liability for the present value of the exercise price of the option, when the Group writes a put option to the non-controlling shareholders.

The Group applies the anticipated-acquisition method when the Group writes a put option to non-controlling shareholders resulting the non-controlling shareholders not to have present access to the returns associated with the underlying ownership interest.

Under anticipated-acquisition method the contract is accounted as if the put option had been exercised already by the non-controlling shareholders and the interests of the non-controlling shareholders that hold the written put options are derecognised when the financial liability is recognised.

Subsequent to initial recognition, the Group recognises changes in the carrying amount of the put liability directly within equity.

(iv) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Except for the common control transactions (see below), the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(v) Acquisition/transfer of entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for based on book value (carry-over basis) accounting as if the acquisition had occurred at the beginning of the earliest comparative period presented or the date when the common control was established (if later).

The assets and liabilities acquired are recognised at the carrying amounts recognised previously in individual financial statements of the acquiree. The components of equity of the acquired entities, except for the share capital and charter capital, are added to the same components within the Group.

The difference between the consideration (whether in form of cash paid or through the capital contributions) and assets and liabilities of acquiree is recorded as part of retained earnings.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

(b) Revenue

Revenue is recognized when the Group satisfies a performance obligation by transferring the promised service to a customer. When a performance obligation is satisfied, the Group recognizes as revenue the amount of the transaction price, which excludes amounts collected on behalf of third parties and estimates of variable consideration that are constrained, that is allocated to that performance obligation.

The Group has the following main revenue streams: revenue from telecommunication services, revenue from casino games and revenue from hotel services.

(i) Revenue from telecommunication services

Mobile callout: revenue is recognized based on the actual airtime used by the subscribers for mobile phone calls. In relation to prepaid subscribers, the unused airtime is not recognized as revenue until the related service has been provided to the subscriber or the prepaid subscription is expired.

Fixed broadband and pay TV: revenue from fixed broadband and pay TV services primarily consists of monthly fixed charges for usage of an internet connection and pay TV services and is recognized as the service is provided.

Mobile data: revenue from each subscriber for data services. This revenue is recognised as the service is provided.

Fixed line and wireless telephones: revenue for airtime usage and connection fees by contract customers are recognized as revenue as services are performed, based upon minutes of use and contracted fees, with unbilled revenue resulting from services already provided accrued at the end of each month and unearned revenue from services to be provided in future periods deferred. Monthly subscription fee is recognised as revenue in the month when service is provided to the subscriber.

Interconnect services: access charges for interconnect services are earned from other telecommunications operators for traffic terminated on the Group's network under agreements, which also regulate the Group's use of the other operators' networks. Revenue from interconnect fees is recognized at the time the services are performed.

Facility rental service from IRU contracts: revenue from rent of lines consists of monthly fixed charges for usage of the cable network of the Group. This revenue is recognised as the service is provided.

Roaming revenues: revenue from other carriers for non-Silknet subscribers utilising Silknet's voice, SMS and data services. The Group recognises such revenues when the services are provided.

Revenues from phone sales and accessories: revenue is recognized when the equipment passes to the end customer.

Other revenues: the revenue recognition policy for other revenues (including SMS, MMS and other value added services) is to recognise revenue as services are provided.

Significant payment terms: for all postpaid services subscribers make payments on a monthly basis.

(ii) Revenue from Casino Games

The services provided by the Group comprise the following casino games: table games, slot machines ("betting and gaming activities"). The Group's betting and gaming activities are classified as derivative financial instruments under IFRS 9 as revenue from land-based casino games represents net winnings ("customer drop"), being amounts staked net of customer winnings, and is stated net of customer promotions and bonuses incurred in the period. Open positions are carried at fair market value and gains and losses arising on this valuation are recognized in revenue, as well as gains and losses realized on positions that have closed.

(iii) Revenue from Hotel services

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

Room revenue - Revenue of renting hotel rooms to customers on a daily basis for the predetermined consideration. Room revenue is recognized based on completed guest nights in the hotel. Revenue is recognised over time as the services are provided. The stage of completion for determining the amount of revenue to recognise is assessed based on completed guest nights in the hotel.

Food and beverage revenue - Revenue from sales of food and beverages through restaurants and bars. Revenue is recognised at a point in time when the goods have been accepted by customers. The Group recognizes revenue when it transfers control at a point in time for the sale of goods and over time for the provision of services, however services are provided in an insignificantly short period of time. Revenues are recognized in contractual consideration, net of value added tax charged to customers.

Other revenue - Revenue from provision of complementary services, such as spa, massage and other services are included in other revenue. Revenue is recognised over time as the services are provided. The stage of completion for determining the amount of revenue to recognise is assessed based on the works completed, however services are provided in an insignificantly short period of time.

(c) Finance income and costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- the foreign currency gain or loss on financial assets and financial liabilities;
- financial instruments measured at FVTPL.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(d) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising in translation are recognised in profit or loss.

(e) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Other long-term employee benefits

Information about the Group's accounting policies relating to other long-term employee benefits is provided in note 26(b).

(f) Income tax

Income tax is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from dividends.

On 13 May 2016 the Parliament of Georgia passed the bill on corporate income tax reform (also known as the Estonian model of corporate taxation), which mainly moves the moment of taxation from when taxable profits are earned to when they are distributed. The law entered into force in 2016 and is effective for tax periods starting after 1 January 2017.

The new system of corporate income taxation does not imply exemption from Corporate Income Tax (CIT), rather CIT taxation is shifted from the moment of earning the profits to the moment of their distribution; i.e. the main tax object is distributed earnings. The Tax Code of Georgia defines Distributed Earnings (DE) to mean profit distributed to shareholder as a dividend. However, some other transactions are also considered as DE, for example non-arm's length cross-border transactions with related parties and/or with persons exempted from tax are also considered as DE for CIT purposes.

The corporate income tax arising from the payment of dividends is accounted for as an expense in the period when dividends are declared, regardless of the actual payment date or the period for which the dividends are paid. The amount of tax payable on a dividend distribution is calculated as 15/85 of the amount of the net distribution.

Set off the tax payable on dividends declared and paid is available for the corporate income tax paid on the undistributed earnings in the years 2008-2016, if those earnings are distributed in 2017 or further years.

The Tax Code of Georgia provides for charging corporate income tax on certain transactions not related to the entity's economic activities, free of charge supplies and representative expenses over the allowed limit. The Group considers the taxation of such transaction as outside of the scope of IAS 12 *Income Taxes* and accounts for the tax on such items as taxes other than on income.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Property and equipment

(i) Recognition and measurement

Items of property and equipment, except for land, are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is measured at cost less any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Cost of the acquired property and equipment is the present value of the expected cash outflows if the payments are deferred beyond the twelve months' period.

If significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of property and equipment and is recognised net within other income/other expenses in profit or loss.

(ii) Subsequent expenditure

The cost of replacing a component of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Items of property and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. Depreciation is based on the cost of an asset less its estimated residual value.

Depreciation is generally recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land and Construction in Progress is not depreciated.

The estimated useful lives of significant items of property and equipment for the current and comparative periods are as follows:

– buildings and facilities	20 -50 years
– machinery and equipment	3-20 years
– Gaming tables and slot machines	8-10 years
– vehicles, furniture and fixture	3-10 years
– Other	2-12 years.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized to the respective qualifying asset using the effective interest method.

(i) Intangible assets

(i) Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

(ii) Other intangible assets

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets primarily include telecommunication operating licenses, casino permit, computer software licenses, capitalized broadcasting rights, software for slot machines, licenses and other. A broadcasting rights contract is capitalised if the following conditions are met:

– it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity;
– the cost of the asset can be measured reliably.

The Group considers other terms of a contract such as termination terms. Capitalised broadcasting rights contracts are discounted based on incremental borrowing rate.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the profit or loss as incurred.

(iv) Amortisation

Amortisation is based on the cost of the asset less its estimated residual value.

Amortisation is generally recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the asset. The estimated useful lives for intangible assets for the current and comparative periods vary from 1 to 15 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Long-term financial liabilities for capital expenditures are measured at amortised cost using incremental borrowing rate

(j) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes.

(i) Recognition and measurement

Investment property is measured at cost less accumulated depreciation and impairment losses. Land is measured at cost less impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs.

When parts of an item of investment property have different useful lives, they are accounted for as separate items (major components) of investment property.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

During construction, the Group may assume additional obligations for renovation and free-of-charge transfer to municipal authorities of certain real estate objects, including parks nearby the construction.

If the assumption of such obligations is directly related to the construction of residential real estate objects intended for sale, the costs of fulfilling these obligations are included in the overall cost of the construction project to which they relate.

(ii) Subsequent expenditure

The cost of replacing part of an item of investment property is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of investment property are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of investment property, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Land is not depreciated.

The estimated useful life of buildings for the current and comparative periods is 50 years.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(k) Financial instruments

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Group classifies non-derivative financial liabilities into the other financial liabilities category.

Other financial liabilities comprise loans and borrowings, dividend payable and trade and other payables.

(i) Recognition and initial measurement

Receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price.

(ii) Non-derivative financial assets and financial liabilities – recognition and derecognition

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets and financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(iii) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

(iv) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

Financial assets – Business model assessment:

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(v) Modification of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different (referred to as 'substantial modification'), then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

The Group performs a quantitative and qualitative evaluation of whether the modification is substantial, i.e. whether the cash flows of the original financial asset and the modified or replaced financial asset are substantially different. The Group assesses whether the modification is substantial based on quantitative and qualitative factors in the following order: qualitative factors, quantitative factors, combined effect of qualitative and quantitative factors. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset deemed to have expired. In making this evaluation the Group analogizes to the guidance on the derecognition of financial liabilities.

The Group concludes that the modification is substantial as a result of the following qualitative factors:

- change the currency of the financial asset;
- change in collateral or other credit enhancement;

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

Financial liabilities

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

If a modification (or exchange) does not result in the derecognition of the financial liability the Group applies accounting policy consistent with the requirements for adjusting the gross carrying amount of a financial asset when a modification does not result in the derecognition of the financial asset, i.e. the Group recognises any adjustment to the amortised cost of the financial liability arising from such a modification (or exchange) in profit or loss at the date of the modification (or exchange).

Changes in cash flows on existing financial liabilities are not considered as modification, if they result from existing contractual terms, e.g. changes in fixed interest rates initiated by banks due to changes in the National Bank's key rate, if the loan contract entitles banks to do so and the Group have an option to either accept the revised rate or redeem the loan at par without penalty. The Group treats the modification of an interest rate to a current market rate using the guidance on floating-rate financial instruments. This means that the effective interest rate is adjusted prospectively.

Group performs a quantitative and qualitative evaluation of whether the modification is substantial considering qualitative factors, quantitative factors and combined effect of qualitative and quantitative factors. The Group concludes that the modification is substantial as a result of the following qualitative factors:

- change the currency of the financial liability;
- change in collateral or other credit enhancement;
- inclusion of conversion option;
- change in the subordination of the financial liability.

For the quantitative assessment the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

(vi) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(vii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(l) Capital

Capital represents the nominal amount of capital in the founding documentation of the Company and is classified as equity.

(m) Financial guarantees

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

(n) Impairment

(i) Non-derivative financial assets

Financial instruments

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost:

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill the recoverable amount is estimated each year at the same time.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset and its related cash-generating unit (CGU) exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

(o) Leases

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liabilities.

The lease liability is initially measured at the present value of the lease payments that are not paid as at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

A lease term reflects the Group's reasonable estimate of the period during which the underlying asset will be used. In determining the lease term, the Group bases its judgement on the broader economics of the contract and the underlying asset, rather than the contractual terms only and allows factors like economic penalties, legislative approach to renewal of the lease, forthcoming changes in regulation and the future business plans of the Group to be effectively captured in the estimate of the lease term.

29. New standards and interpretations not yet adopted

A number of new standards and interpretations are effective for annual periods beginning after 1 January 2024 and earlier application is permitted. However, the Group has not early adopted the following new or amended accounting standards in preparing these consolidated financial statements.

(a) IFRS 18 *Presentation and Disclosure in Financial Statements*

IFRS 18 will replace IAS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal. Entities' net profit will not change.

- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under indirect method.

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as "other".

(b) Other accounting standards

The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

- *Lack of Exchangeability (Amendments to IAS 21).*
- *Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).*

30. Subsequent events

(a) Updates in laws and regulations

Effective from 1 January 2025, amendments were made to the Tax Code of Georgia, according to which, the Group is now subject to 20% tax on Revenue from Slot machines as defined by the Tax Code of Georgia (up from the previous rate of 15%).

(b) Other subsequent events

Subsequent to the reporting date, as of the date of these consolidated financial statements are authorised for issue, the capital of the Company was decreased by GEL 20,000 thousand.

Silk Road Group Holding LLC

Consolidated Financial Statements
for 2023

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Independent Auditors' Report

To the Owner of Silk Road Group Holding LLC

Opinion

We have audited the consolidated financial statements of Silk Road Group Holding LLC (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (*IESBA Code*) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Georgia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management Report

Management is responsible for the Management Report. Our opinion on the consolidated financial statements does not cover the Management Report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether the Management Report is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We do not express any form of assurance conclusion on the Management Report. We have read the Management Report and based on the work we have performed, we conclude that the Management Report:

- is consistent with the consolidated financial statements and does not contain material misstatement;

- contains the information that is required by and is compliant with the Law of Georgia on Accounting, Reporting and Auditing.

KPMG Georgia LLC, a company incorporated under the Laws of Georgia and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditors' report is:

Natia Tevzadze

ნათია

KPMG Georgia LLC
Tbilisi, Georgia
12 September 2024

'000 GEL	Note	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Property and equipment	9	723,164	719,884
Investment property	10	274,587	270,626
Intangible assets	11	185,872	198,067
Right-of-use assets	12	22,422	27,375
Loans receivable	13	23,339	230,662
Prepayments related to IRU contracts		8,013	8,702
Other non-current assets	9	62,255	32,212
Investments in equity accounted investees		642	-
Total non-current assets		**1,300,294**	**1,487,528**
Current assets			
Inventories		19,714	16,783
Loans receivable	13	5,184	990
Trade and other receivables	14	43,984	40,750
Cash and cash equivalents	15	216,255	139,793
Prepayments and other assets		16,222	13,516
Total current assets		**301,359**	**211,832**
Total assets		**1,601,653**	**1,699,360**
EQUITY AND LIABILITIES			
EQUITY	16		
Capital		960,559	1,167,407
Accumulated losses		(507,666)	(630,349)
Equity attributable to owner of the Company		**452,893**	**537,058**
Non-controlling interests	17	48,830	43,858
Total equity		**501,723**	**580,916**
LIABILITIES			
Non-current liabilities			
Loans and borrowings	18	793,949	782,512
Lease liability	12	14,950	21,332
Advanced received from IRU contracts and subscribers	19	11,946	12,465
Trade and other payables	19	39,601	27,041
Put option liabilities	20	50,635	85,741
Total non-current liabilities		**911,081**	**929,091**
Current liabilities			
Loans and borrowings	18	40,261	54,120
Lease liability	12	13,445	12,193
Advanced received from IRU contracts and subscribers	19	26,399	26,245
Trade and other payables	19	108,744	96,795
Total current liabilities		**188,849**	**189,353**
Total liabilities		**1,099,930**	**1,118,444**
Total equity and liabilities		**1,601,653**	**1,699,360**

The consolidated statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 10 to 62.

'000 GEL	Note	2023	2022
Revenue	5	786,963	722,857
Operating costs	6	(232,273)	(211,327)
Wages and other employee benefits		(190,152)	(158,294)
Depreciation and amortisation		(146,828)	(146,989)
Impairment gain/(loss) of trade and other receivables and loans receivable	21(b)(ii)	699	(637)
Modification loss on financial liabilities		(2,503)	-
Other income		18,044	17,255
Other expenses		(5,309)	(3,543)
Results from operating activities		**228,641**	**219,322**
Finance income		21,910	24,357
Finance cost		(83,864)	(148,046)
Net change in fair value of financial instruments at FVTPL		-	(3,862)
Net foreign exchange (loss)/gain		(8,302)	90,393
Net finance costs		**(70,256)**	**(37,158)**
Profit before income tax		**158,385**	**182,164**
Income tax	7	(1,173)	(340)
Profit and total comprehensive income for the year		**157,212**	**181,824**
Profit and total comprehensive income for the year			
Owner of the Company		140,405	164,754
Non-controlling interest	17	16,807	17,070

These consolidated financial statements were approved by Management on 12 September 2024 and were signed on its behalf by:

Mamuka Shurgaia
Director

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 10 to 62.

	Attributable to owners of the Company				
'000 GEL	**Capital**	**Accumulated losses**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2022	**1,167,407**	**(758,162)**	**409,245**	**31,622**	**440,867**
Total comprehensive loss for the year					
Loss for the year	-	164,754	164,754	17,070	181,824
Transactions with owners, recorded directly in equity					
Change in the carrying amount of the put option liability (note 20)	-	(14,939)	(14,939)	(786)	(15,725)
Fair value adjustment on received related party loans (note 18)	-	9,405	9,405	495	9,900
Write-off of issued related party loans (note 13)	-	(30,813)	(30,813)	(840)	(31,653)
Dividends declared by the Group entities (note 16(b))	-	(594)	(594)	(3,703)	(4,297)
Balance at 31 December 2022	**1,167,407**	**(630,349)**	**537,058**	**43,858**	**580,916**
Balance at 1 January 2023	**1,167,407**	**(630,349)**	**537,058**	**43,858**	**580,916**
Total comprehensive loss for the year					
Profit for the year	-	140,405	140,405	16,807	157,212
Transactions with owners, recorded directly in equity					
Change in the carrying amount of the put option liability (note 20)	-	(6,912)	(6,912)	(364)	(7,276)
Acquisition of subsidiary's equity instruments	-	(7,315)	(7,315)	(385)	(7,700)
Modification effect on issued related party loans	-	2,047	2,047	108	2,155
Changes in Group entity's capital	-	500	500	4,463	4,963
Fair value adjustment on received related party loans (note 18)	-	(8,119)	(8,119)	(362)	(8,481)
Acquisition of non-controlling interests without a change in control (note 24)	-	(1,070)	(1,070)	(787)	(1,857)
Dividends declared by the Group entities (note 16(b))	-	3,147	3,147	(14,508)	(11,361)
Decrease in capital (note 13)	(206,848)	-	(206,848)	-	(206,848)
Balance at 31 December 2023	**960,559**	**(507,666)**	**452,893**	**48,830**	**501,723**

The consolidated statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 10 to 62.

'000 GEL	**Note**	**2023**	**2022**
Cash flows from operating activities			
Profit before income tax		158,385	182,164
Adjustments for:			
Depreciation and amortization		146,828	146,989
Net finance costs		70,256	37,158
Impairment (gain)/loss of trade and other receivables and loan receivable		(699)	637
Modification loss on financial liabilities		2,503	-
Loss on disposal/write-off of property and equipment, investment property and intangible assets		1,554	918
Changes in:			
Inventories		(3,482)	(1,851)
Trade and other receivables		(27,826)	(25,276)
Prepayments and other assets		(2,437)	(1,315)
Trade and other payables		62,372	27,068
Cash flows from operations before income taxes paid		**407,454**	**366,492**
Income tax paid		(1,173)	**-**
Net cash from operating activities		**406,281**	**366,492**
Cash flows from investing activities			
Acquisition of property and equipment, intangible assets and investment property		(170,095)	(122,874)
Proceeds from disposals of property and equipment and investment property		503	1,500
Issue of loans		(10,409)	(7,141)
Acquisition of non-controlling interests		(44,882)	-
Acquisition of assets through acquisition of subsidiary		(1,021)	-
Acquisition of investment securities		(32,052)	-
Proceeds from sale of investment securities		33,518	-
Interest received		12,711	3,109
Repayments of issued loans		4,511	278
Consideration paid for business acquisition		-	(2,137)
Acquisition of subsidiary's equity instruments		(7,700)	-
Net cash used in investing activities		**(214,916)**	**(127,265)**
Cash flows from financing activities			
Interest paid		(84,369)	(67,553)
Repayment of borrowings		(184,626)	(571,827)
Proceeds from borrowings		176,131	469,488
Lease payments		(10,312)	(9,804)
Net payments of financial instruments at FVTPL		-	2,721
Transaction fees related to New Eurobond issuance		-	(6,035)
Premium and commission on the early redemption of issued bonds		-	(7,403)
Transaction costs related to bonds		(1,417)	-
Dividends paid by the Group entities		(4,865)	(208)
Net cash used in financing activities		**(109,458)**	**(190,621)**
Effect of exchange rate changes on cash and cash equivalents		(5,445)	(17,146)
Net increase in cash and cash equivalents		**76,462**	**31,460**
Cash and equivalents at the beginning of the year		139,793	108,333
Cash and cash equivalents at the end of the year	15	**216,255**	**139,793**

The consolidated statement of cash flows is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 10 to 62.

1. Reporting entity

(a) Georgian business environment

The Group's operations are primarily located in Georgia. Consequently, the Group is mainly exposed to the economic and financial markets of Georgia, which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in Georgia.

In February 2022, because of the military conflict between the Russian Federation and Ukraine, a number of countries imposed sanctions against the Russian Federation. The conflict affects not only the economic activity of two countries but the global economy as well. As a result of sanctions, commodity and food prices have risen in many countries around the world, the established links between supply of resources have been disrupted, inflation also affects the prices, and analysts also forecast economic implications for the global industry.

Georgia's economy was also affected by the mentioned events and is subject to future uncertainties in economy as described; on the other hand, growth of Georgian economy was up to 7% in 2023, driven by higher export and tourism revenues and strong private consumption, and further single digit economic growth is expected in 2024.

The consolidated financial statements reflect management's assessment of the impact of the Georgian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

(b) Organisation and operations

These consolidated financial statements include the financial statements of Silk Road Group Holding LLC (the "Company") and its subsidiaries as detailed in note 24 (together referred to as the Group and individually as the "Group entities").

Silk Road Group Holding LLC is a limited liability company as defined under the law of Georgia on Entrepreneurs and the Company's identification number is 404579354. The Company was registered on 4 June 2019 and is domiciled in Georgia. The subsidiaries of the Company represent a limited liability and joint stock companies as defined under the law of Georgia on Entrepreneurs. The Company's registered office is Republic Square, Mtatsminda, Tbilisi, Georgia.

The principal activity of Silk Road Group Holding LLC is to act as a holding company to the Group entities. The principal activities of the Group entities are:

- Provision of telecommunication services to corporate and individual customers in Georgia, including fixed and mobile telephone services, mobile data, fixed broadband, pay TV services, SMS (messaging) and other wholesale services;
- Ownership and operation of the Radisson Blu Hotels located in Tbilisi and Batumi, Georgia, Radisson Collection Hotel and Park Hotel located in Tsinandali, Georgia;
- Operation of the land based casinos in Tbilisi and Batumi (together referred as "Casinos"). Casinos in Tbilisi and Batumi are located in the Radisson Blu Hotels;
- Ownership and operation of Complex Republic;
- Development and management of real estate properties located in different regions of Georgia (see note 10);
- Operation of hydropower plant on the river Bakhvistskali in Ozurgeti region, Georgia.

As at 31 December 2023 Telegraph Building owned by the Group is under construction to redesign and develop as a hotel. The 5 star, 239-room hotel is planned to commence operations in 2025 under the Radisson Collection brand.

The Company is wholly owned by Comodon Holding (Malta) Limited. In 2020 the Company's intermediate parent reorganized, as a result of which the Company has a new beneficial shareholder, Yerkin Tatishev, with indirect minority (38.2%) holding in the Company. Company's ultimate parent remains Silk Road Group Holding (Malta) Limited – an entity controlled by an individual George Ramishvili. Related party transactions are detailed in note 25.

2. Basis of accounting

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

The Company represents a Newco incorporated by the Immediate Parent in June 2019 with the aim of Group restructuring, as a result of which in 2020 and 2019 several Group entities were contributed into the Newco's capital through the common control transactions.

This common control transactions were accounted at book values as presented in the financial statements of the Group entities with the retrospective application. As a result, the Group chose to re-present its comparatives and adjust its current reporting period before the date of the aforementioned transactions as if the Company controlled the Group entities before the earliest period represented. As the Newco had no substantial assets or liabilities either at the incorporation date or as at 31 December 2020, the Group's consolidated financial statements reflects the business continuance of Group entities and the consolidated assets and liabilities as well as comparatives are respectively recognised and presented according to the first-time adoption date of the Group entities, using the same accounting policies, except for the accounting policy for the measurement of investment properties, as in the financial statements of the Group entities. The Group measures its investment property at cost less accumulated depreciation and impairment losses (see note 27(i)(i)).

3. Functional and presentation currency

The national currency of Georgia is the Georgian Lari ("GEL"), which is the functional currency of the Company and the Group entities and the currency in which these consolidated financial statements are presented. All financial information is presented in GEL and has been rounded to the nearest thousand, except when otherwise indicated.

4. Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 9 (b) – assessment of impairment indicators for property and equipment;
- Note 12 – determination of lease term;
- Note 20 – recognition and measurement of put option liability;
- Notes 13 and 18 - recognition of below market interest rate related party loans and write off of issued related party loans through equity;
- Note 25 (b) – calculation of key management remuneration;
- Note 27 (g) and (h) – useful lives of property and equipment and intangible assets;
- Note 27 (g) and (h) – recognition and measurement of property and equipment and intangible assets.

There are no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

Other significant estimates is included in Note 10 – valuation of investment property.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and for disclosure purposes.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 10 (b) – fair value of investment property;
- Note 21 (a) – fair values of financial assets and liabilities.

5. Revenue

'000 GEL	**2023**	**2022**
Telecom revenue (a)	536,433	472,965
Real estate revenue (b)	243,154	242,496
Other revenue	7,376	7,396
	786,963	**722,857**

(a) Telecom revenue

'000 GEL	**2023**	**2022**
Commercial revenue	**487,851**	**428,088**
Mobile revenue	**283,408**	**245,654**
Mobile callout	113,441	109,621
Mobile data	149,265	120,387
Revenue from SMS	10,622	9,070
Revenue from phone sales and accessories	1,790	865
Revenue from other services	8,290	5,711
Fixed revenue	**204,443**	**182,434**
Fixed broadband	132,624	114,389
Pay TV	55,855	50,649
Fixed telephone	11,412	12,685
Infrastructure capacity rental service	2,944	2,891
Revenue from other services	1,608	1,820
Carrier and other services	**48,582**	**44,877**
Interconnect service*	25,276	25,884
Infrastructure capacity rental service**	11,614	9,714
Roaming revenue	9,033	6,465
Internet wholesale	2,659	2,814
Total revenues	**536,433**	**472,965**

* Revenue from interconnect service is generated by both segments as follows: GEL 23,364 thousand by the mobile services segment and GEL 1,912 thousand by the fixed services segment in 2023 (2022: GEL 23,577 thousand by the mobile services segment and GEL 2,307 thousand by the fixed services segment). Major part of revenue is generated in Georgia.

** Revenue from infrastructure capacity rental service include revenue from IRU contracts. Related advances received are included in note 19. Under IFRS 15, for these IRU contracts the Group adjusts any up-front payments received from counterparties for a significant financing component. Under IFRS 15 for contracts with a significant financing component, the promised amount of consideration is adjusted to reflect the time value of money. The effect of a significant financing component is estimated using an interest rate 12% to 14%, depending on the date of inception of the IRU contract and receipt of prepayments. Revenue from infrastructure capacity rental service is mostly attributable to fixed services segment.

The amount of GEL 1,815 thousand (2022: GEL 1,815 thousand) has been recognised as revenue for the year ended 31 December 2023 for the IRU contracts recognised in advances received (note 21). Revenue in amount of GEL 9,077 thousand (2022: GEL 9,077 thousand) will be recognised within five years after reporting date and GEL 13,599 thousand (2022: GEL 15,414 thousand) after five years till maturity of IRU contracts.

(b) Real estate revenue

'000 GEL	2023	2022
Revenue from casino operations	**146,971**	**155,096**
Revenue from casino live games	83,436	100,702
Revenue from slot machines	63,535	54,394
Revenue from hotel and Complex Republic operations	**89,980**	**82,665**
Food and beverage revenue	47,285	41,491
Room revenue	35,193	34,594
Other hotel revenue	7,502	6,580
Other revenue	**6,203**	**4,735**
	243,154	**242,496**

The Group generates real estate revenue primarily from hotel and casino operations. Hotel revenue stream is mainly attributable to sale of hotel rooms and food and beverages in the hotel restaurant facilities. Revenue from Casino operations is reported net-off customer promotions and bonuses.

Due to the nature of the hotel and casino business, which is mainly cash-based, the Group does not have any material contract assets and/or contract liabilities. Approximately 40% of total real estate revenue in 2023 (2022: 44%) is attributable to contracts with customers. Casino revenue stream is mainly attributable to casino games, such as Poker, Baccarat, Blackjack, American Roulette, Slot Machines. The payout for stakes placed on these gaming activities is typically known at the time when the stake is placed. This stake is termed "fixed-odds stake". Such contracts fulfil the definition of a financial instrument under IFRS 9 *Financial instruments* and are therefore exempt from IFRS 15.

6. Operating costs

'000 GEL	2023	2022
Telecom operating costs (a)	132,886	121,572
Real estate operating costs (b)	97,940	88,328
Other operating costs	1,447	1,427
	232,273	**211,327**

(a) Telecom operating costs

'000 GEL	2023	2022
Network management and maintenance costs	18,480	18,142
Interconnect fees and roaming expense	16,978	17,136
Utility expenses	16,217	16,122
Professional fees	15,341	5,694
Software maintenance service	11,862	12,282
Pay TV content cost	8,815	9,324
Bank fees and charges	924	1,533
Advertising and marketing	6,924	5,354
Infrastructure capacity rentals, IRU and lease expenses	6,561	6,507
Internet clear channel costs	4,670	4,576
Communication regulation fee	4,297	3,842
Property and other taxes	3,669	4,138
Internet protocol (IP) cost	3,183	3,537
Fuel and lubricants used	2,971	3,296
Transportation services	2,575	1,956
Security expenses	2,518	2,427
Office stationary and other supplies	1,704	1,270
Charity expenses	1,400	1,350
Write-down of slow moving inventory, property and equipment and other non-current assets	592	706
Other	3,205	2,380
	132,886	**121,572**

(b) Real estate operating costs

'000 GEL	2023	2022
Customer related cost*	16,699	16,914
Quarterly permission fee expenses**	11,824	9,433
Consumption of inventories	11,293	11,597
Utility expenses	7,382	7,221
Hotel supplies	6,551	5,839
Consulting and professional fees	5,443	4,050
Marketing expenses	4,523	5,075
Lease expenses	4,432	3,041
Taxes other than on income tax	4,179	3,594
Bank and other commissions	4,151	3,651
Repair and maintenance	2,951	2,516
Contractor service fees	2,342	2,186
Royalty fees***	2,286	2,149
Security expenses	1,720	1550
Other operating costs	12,164	9,512
	97,940	**88,328**

* Customer related cost represents the free of charge services and goods delivered to casino customers, such as: snacks, drinks, cigarettes, food, flight tickets, etc.

** Quarterly permission fee expenses represent the specific fixed quarterly tax accruals to the local authorities on the gambling business and in particular for running slot machines in Georgia.

*** Royalty fees represent fees paid under International License Agreement ("ILA") with Radisson Hotel Aps Danmark for license to operate hotels with a brand name of "Radisson".

7. Taxation

Amounts recognised in profit or loss

'000 GEL	2023	2022
Current year	(1,173)	(340)
Current tax expense	**(1,173)**	**(340)**

8. Alternative performance measures

(a) Adjusted EBITDA

The Group believes that the presentation of Adjusted EBITDA and Adjusted EBITDA margin enhances a reader's understanding of the Group's financial performance. The management uses Adjusted EBITDA and Adjusted EBITDA margin to assess and evaluate the operating performance of the Group and its two major segments: telecom and real estate. In addition, Adjusted EBITDA and Adjusted EBITDA margin are frequently used by securities analysts, investors and other interested parties in the evaluation of companies that operate in the telecommunications sector. Adjusted EBITDA and Adjusted EBITDA margin are not presentations made in accordance with IFRS and the Group's use of the terms Adjusted EBITDA and Adjusted EBITDA margin may vary from other entities to differences in accounting policies or differences in the calculation methodology.

The Group calculates Adjusted EBITDA by adjusting profit from continuing operations to exclude following items:

- finance costs and finance income
- corporate income tax and any other taxes related to the distribution of dividends
- depreciation, amortization, revaluation, impairment (losses / reversals) of non-current assets
- net foreign exchange gain/(loss), including gain/(loss) on hedging instruments, currency forward contracts and any other gain/(loss) attributable to changes in foreign currency exchange rates
- specific items as explained below:

Specific items are identified by virtue of their size, nature or incidence. Specific items represent:

a) income or loss related to the sale or write off of non-current assets and any other non-cash items

b) non-recurring, non-underlying or non-operating income or costs that are either material by nature or size (such as bargaining gain on business acquisition, business acquisition related costs, costs related to fundraising and the listing of the Group's securities, write off/impairment of issued loans and receivables, one time professional fees, etc.).

Reconciliation of adjusted EBITDA to profit from continuing operations

	Telecom*		Real Estate*		Other		Reconciling items*		Total	
'000 GEL	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Profit/(Loss) for the year	**154,097**	**134,516**	**12,647**	**45,134**	**(3,107)**	**4,049**	**(6,425)**	**(1,875)**	**157,212**	**181,824**
Depreciation and amortization	118,737	119,505	27,566	26,977	525	507	-	-	146,828	146,989
Amortization of casino permit	-	-	(5,711)	(4,237)	-	-	-	-	(5,711)	(4,237)
Net foreign exchange gain/loss	(357)	(82,461)	9,009	5,220	(51)	(5,213)	(299)	(7,939)	8,302	(90,393)
Finance costs	54,072	115,963	27,176	26,284	2,616	5,799	-	-	83,864	148,046
Finance income	(12,144)	(4,798)	(9,103)	(18,639)	(663)	(920)	-	-	(21,910)	(24,357)
Net change in fair value of financial instrument at FVTPL	-	3,862	-	-	-	-	-	-	-	3,862
Change in fair value of investment property	(6,724)	(9,814)	-	-	-	-	6,724	9,814	-	-
Income tax	258	340	-	-	915	-	-	-	1,173	340
Specific items (see below)	29,954	7,011	(2,218)	(650)	4,078	-	-	-	31,814	6,361
Adjusted EBITDA	**337,893**	**284,124**	**59,366**	**80,089**	**4,313**	**4,222**	**-**	**-**	**401,572**	**368,435**

* Reconciling items include adjusting items and unrealized gains/ losses eliminated between Telecom and Real Estate. Telecom and Real Estate amounts represent amounts presented in the consolidated financial statements of Silknet JSC and Silk Real Estate LLC, prepared in accordance with IFRS Accounting Standards.

Specific items:

	Telecom		Real Estate		Other		Reconciling items		Total	
'000 GEL	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
a) Loss on disposal of property and equipment (included in other income/ other expenses)	1,410	815	-	-	-	-	-	-	1,410	815
b) Allowance for impairment of prepayments and trade and other receivables	-	-	(2,218)	(650)	-	-	-	-	(2,218)	(650)
c) Write-down of slow moving inventory, property and equipment and other non-current assets (note 6)	592	706	-	-	-	-	-	-	592	706
d) Bank fees and charges	-	-	-	-	-	-	-	-	-	-
e) Key management one-time benefit (note 25 (b))	17,318	-	-	-	-	-	-	-	17,318	-
f) Professional fees, one-time consulting expenses (included in note 6)*	13,257	3,821	-	-	-	-	-	-	13,257	3,821
g) Charity (note 6)	1,400	1,350	-	-	-	-	-	-	1,400	1,350
h) Other income/expenses	(4,023)	(1,170)	-	-	4,078	-	-	-	55	(1,170)
i) Bonuses **	-	1,489	-	-	-	-	-	-	-	1,489
Total specific items	**29,954**	**7,011**	**(2,218)**	**(650)**	**4,078**	**-**	**-**	**-**	**31,814**	**6,361**

*Item f mainly consists of one-time consulting service related to the Company's long-term strategic plan.

**Bonuses include amounts due to Group's employees in relation to new Eurobonds issuance.

(b) Adjusted EBITDA margin

Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by total revenue.

Consolidated Adjusted EBITDA:

'000 GEL	**2023**	**2022**
Consolidated Adjusted EBITDA	401,572	368,435
Consolidated revenue	786,963	722,857
Consolidated Adjusted EBITDA margin %	**50%**	**51%**

Telecom Adjusted EBITDA:

'000 GEL	**2023**	**2022**
Telecom Adjusted EBITDA	337,893	284,124
Telecom revenue	536,433	472,965
Telecom Adjusted EBITDA margin %	**63%**	**60%**

Real Estate Adjusted EBITDA:

'000 GEL	**2023**	**2022**
Real Estate Adjusted EBITDA	59,366	80,089
Real estate revenue*	246,995	246,002
Real Estate Adjusted EBITDA margin %*	**24%**	**33%**

*Real estate revenue represents revenue presented in the consolidated financial statements of Silk Real Estate LLC, prepared in accordance with IFRS Accounting Standards, before intra-group eliminations.

9. Property and equipment

'000 GEL	Land	Buildings and facilities	Machinery and equipment	Vehicles	Furniture and fixtures	Construction in progress**	Other	Total
Cost at 1 January 2022	33,851	455,186	530,453	11,135	74,364	4,572	21,444	1,131,005
Accumulated depreciation	-	(127,472)	(271,143)	(7,042)	(47,010)	-	(14,107)	(466,774)
Carrying amount at 1 January 2022	**33,851**	**327,714**	**259,310**	**4,093**	**27,354**	**4,572**	**7,337**	**664,231**
Additions	575	56	28,067	520	3,756	28,060	3,024	64,058
Disposals	(304)	(1,168)	(3,446)	(454)	(378)	(21)	(242)	(6,013)
Transfers, gross	-	1,258	20,380	3	199	(27,627)	-	(5,787)
Transfer from investment property	-	-	-	-	-	77,703	-	77,703
Transfers, accumulated depreciation	-	-	5,787	-	-	-	-	5,787
Depreciation of disposals	-	819	2,164	350	285	-	30	3,648
Depreciation charge	-	(16,631)	(56,707)	(862)	(9,154)	-	(389)	(83,743)
Carrying amount at 31 December 2022	**34,122**	**312,048**	**255,555**	**3,650**	**22,062**	**82,687**	**9,760**	**719,884**
Cost at 31 December 2022	34,122	455,332	575,454	11,204	77,941	82,687	24,226	1,260,966
Accumulated depreciation	-	(143,284)	(319,899)	(7,554)	(55,879)	-	(14,466)	(541,082)
Carrying amount at 31 December 2022	**34,122**	**312,048**	**255,555**	**3,650**	**22,062**	**82,687**	**9,760**	**719,884**
Cost at 1 January 2023	34,122	455,332	575,454	11,204	77,941	82,687	24,226	1,260,966
Accumulated depreciation	-	(143,284)	(319,899)	(7,554)	(55,879)	-	(14,466)	(541,082)
Carrying amount at 1 January 2023	**34,122**	**312,048**	**255,555**	**3,650**	**22,062**	**82,687**	**9,760**	**719,884**
Additions	808	248	25,173	1,060	6,148	50,831	5,511	89,779
Disposals	(194)	(4,518)	(6,083)	(553)	(1,329)	-	(268)	(12,945)
Transfers, gross	376	1,080	14,145	10	(1,117)	(23,624)*	1,432	(7,698)
Transfers, accumulated depreciation	-	-	7,698	-	-	-	-	7,698
Depreciation of disposals	-	2,475	5,053	123	922	-	269	8,842
Depreciation charge	-	(15,727)	(56,863)	(895)	(8,144)	-	(767)	(82,396)
Carrying amount at 31 December 2023	**35,112**	**295,606**	**244,678**	**3,395**	**18,542**	**109,894**	**15,937**	**723,164**
Cost at 31 December 2023	**35,112**	452,142	608,689	11,721	81,643	109,894	30,901	1,330,102
Accumulated depreciation	-	(156,536)	(364,011)	(8,326)	(63,101)	-	(14,964)	(606,938)
Carrying amount at 31 December 2023	**35,112**	**295,606**	**244,678**	**3,395**	**18,542**	**109,894**	**15,937**	**723,164**

As at 31 December 2023, included in buildings and facilities, properties with the carrying amount of approximately GEL 204 mln are used in the operations of Hotels, Casinos and the Complex Republic (see note 1 (b)). Historical cost was determined at the cost of constructing and purchase of the property and equipment and all the related expenditures directly attributable to bringing the assets to a working condition for its intended use. The remaining part of the carrying amount of buildings and facilities is attributable to the telecom operations.

* These amounts include capital expenditure attributable to fixed network deployment, mobile core extension projects and modernization.

** Major part of construction in progress represents carrying amount of former Telegraph building, under construction as at 31 December 2023 and carrying value of the respective land plot.

(a) Security

As at 31 December 2023, property with a carrying value of GEL 33,651 thousand (2022: GEL 34,854 thousand) is collateralized and guarantees the indebtedness of letters of credit related to operating activities of the Group.

As at 31 December 2023, property with carrying value of GEL 354 million (31 December 2022: GEL 309 million) is pledged as a security to bank loans (see note 18).

(b) Impairment of property and equipment

At each balance sheet date the Group assesses whether there is any indication that the recoverable amount of the Group's assets has declined below the carrying value. The management determined that the Group's property and equipment is related to the five larger cash-generating units:

- Telecom properties in Georgia (comprises of two cash-generating units: fixed services and mobile services);
- Hotel and Casino in Tbilisi, Georgia;
- Hotel and Casino in Batumi, Georgia;
- Hotels in Tsinandali, Georgia;
- Telegraph Hotel in Tbilisi, Georgia;
- Complex Republic.

As at 31 December 2023 no impairment indicators were identified by the management for cash generating units of the Group.

As at 31 December 2022, the management analyzed impairment indicators (external and internal) according to IAS 36 and concluded that there was an indication of impairment for the Radisson Collection Hotel (located in Tsinandali, included in the group of Tsinandali Hotels above), because of the significant increase in market interest rates, depreciation of USD against the local currency and the fact that this particular hotel is still on a start-up phases of its operations and is loss-making, considering the slow-down in 2020-2022 due to COVID 19. The recoverable amount of the property and equipment of the Radisson Collection Hotel, as at 31 December 2022, was determined with reference to fair value less costs to sell, which approximates the value in use of the property. Key assumptions used in the estimation of recoverable amount was discount rate of 13.1% and a long-term growth rate of 2.37%. The fair value less costs to sell of the property was calculated by management, with assistance of the independent valuator, using income method. As a result no impairment losses were recognized.

As at 31 December 2022 no impairment indicators were identified by the management for other cash generating units of the Group.

(c) Other non-current assets

As at 31 December 2023 other non-current assets include uninstalled equipment of GEL 31,138 thousand and prepayments for non-current assets of GEL 31,117 thousand, out of which GEL 29,109 thousand is attributable to construction of Telegraph Hotel (2022: uninstalled equipment of GEL 22,832 thousand and prepayments for non-current assets of GEL 9,380 thousand).

10. Investment property

'000 GEL	Lands	Buildings	Construction in Progress*	Total
Cost/deemed cost				
Balance at 1 January 2022	**208,407**	**128,887**	**19,494**	**356,788**
Additions	202	5,492	3,033	8,727
Transfer from property and equipment	-	(83,060)	-	(83,060)
Transfers	-	5,833	(5,833)	-
Disposals and write offs	-	(32)	-	(32)
Balance at 31 December 2022	**208,609**	**57,120**	**16,694**	**282,423**
Additions	-	3,599	2,578	6,177
Disposals and write offs	-	(68)	(133)	(201)
Balance at 31 December 2023	**208,609**	**60,651**	**19,139**	**288,399**
Depreciation				
Balance at 1 January 2022	**-**	**(15,423)**	**-**	**(15,423)**
Charge for the year	-	(1,731)	-	(1,731)
Transfer to property and equipment	-	5,357	-	5,357
Balance at 31 December 2022	**-**	**(11,797)**	**-**	**(11,797)**
Charge for the year	-	(2,043)	-	(2,043)
Write off	-	28	-	28
Balance at 31 December 2023	**-**	**(13,812)**	**-**	**(13,812)**
Carrying amount				
1 January 2022	**208,407**	**113,464**	**19,494**	**341,365**
31 December 2022	**208,609**	**45,323**	**16,694**	**270,626**
31 December 2023	**208,609**	**46,839**	**19,139**	**274,587**

* Construction in progress mainly includes the capital expenditures incurred during 2023 and 2022 for the development of Batumi Riviera residential complex in Adjara region, the first phase of which is expected to be finalized in 2024 and construction of villas in Tsinandali Region.

(a) Description of investment property

The Group's investment property comprises of the following immoveable properties:

- Property 1 – Land plots and improvements of Tsinandali Villas, located in Tsinandali, Georgia;
- Property 4 – Land plots on Rustaveli Avenue, located in Tbilisi, Georgia, owned by New Office LLC (see note 24);
- Property 5 – Land parcel in village Misaktsieli, located in Misaktsieli, Georgia;
- Property 6 – Land plot on the Sanapiro Street, located in Tbilisi, Georgia, owned by Centre Plaza LLC (see note 24);
- Property 7 – Building on 37 Rustaveli Avenue, Tbilisi, Georgia, owned by Centre Plaza LLC;
- Property 3 and 8 – Underground facilities near Rose Revolution square, located in Tbilisi, Georgia, owned by New Office LLC and Centre Plaza LLC (see note 24);
- Property 9 – Land plots of Batumi Riviera, located in Batumi, Georgia;
- Property 10 – Land plots located in Kobuleti, Georgia;
- Property 11 – Land plots located in Batumi, Georgia;
- Property 12 – Land plots located in Khelvachauri, Georgia;
- Property 13 – Land plots located in Tbilisi, Georgia;
- Property 14 – Land plots located in Poti, Georgia;
- Property 15 – Land plots located in Abastumani, Georgia;
- Property 16 – Land plot on Sakanela Street, owned by Silknet JSC.

Management has classified the properties as investment properties as the properties are either held to earn rental income, or for the capital appreciation, or for undetermined future use (properties held for undetermined future use will be reclassified to property and equipment if and when the Group starts developing the property for the own use). The ancillary services to be provided to tenants will be a relatively insignificant component of the arrangement as a whole for the properties held for earning the rent income. Insignificant parts of certain properties are held by the Group for own use, but is classified as investment property as represents insignificant components of the total investment properties.

As at 31 December 2023 and 31 December 2022, major part of the investment property is held for capital appreciation or for undetermined future use and as a result, the Group did not have material rental income either in 2023 or 2022.

(b) Fair value of investment property

As at 31 December 2023 and 2022, management of the Group, with an assistance of external independent valuers, has estimated the fair values of the investment properties.

The fair value estimates are categorised into Level 3 of the fair value hierarchy, because of significant unobservable adjustments used in the valuation methods.

'000 GEL	**Approach**	**Fair values**		**Carrying values**	
		2023	**2022**	**2023**	**2022**
Properties 3,4,5,6, 9-16	Recent market transactions**	390,953	354,428	226,021	222,113
Property 7*	Market/Income approach	28,096	25,758	13,395	13,632
Properties 1,8	Income approach	79,875	57,553	35,171	34,881
Total		**498,924**	**437,739**	**274,587**	**270,626**

*As at 31 December 2023 and 31 December 2022, the fair value of Property 7 is determined in combination of market and income approaches, which management and the independent valuator consider as more appropriate approach.

** As at 31 December 2022, fair values of properties with the carrying amount of GEL 2,333 thousand approximate their carrying amount.

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	**Significant unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value measurement**
Income approach: Fair value of Properties 1 and 8 was estimated using discounted cash flow techniques based on the expected cash inflows and outflows arising from the operations and rentals.	- As at 31 December 2023 and 2022, discount and capitalization rates used in the valuation ranged between 10%-12.8% and 10%-13%, respectively.	The estimated fair value would increase (decrease) if: – the reversion rate was (higher) lower

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Income/market approach: The fair value is attributable to Property 7, which represents a part of multi-functional building with residential, retail and office spaces. Each property is registered under its own cadastral code. Market approach was used in valuation process of residential spaces while retail and office spaces were valued using income approach.	− As at 31 December 2023 and 2022, discount and capitalization rates used in the valuation ranged between 10%-12.8% and 10%-13%, respectively. − The significant unobservable inputs related to the differences in the characteristics of the property, such as size, location, condition of the property and the discount achieved through negotiation, for which the appraiser applied 5% to 10% adjustments to observed asking prices.	− The estimated fair value would increase (decrease) if: − the reversion rate was (higher) lower − the initial investment was (higher) lower − The estimated fair value would increase (decrease) if the announced asking prices were higher (lower).
Recent market transactions: The valuation model is based on announced asking prices for similar properties in the similar location and physical condition.	The significant unobservable inputs related to the differences in the characteristics of the lands, such as size, location, access to the property and discount achieved through negotiation, for which the appraiser applied 5% to 35% adjustments to observed asking prices.	The estimated fair value would increase (decrease) if the announced asking prices were higher (lower).

(c) Security

As at 31 December 2023 and 31 December 2022, the Group's investment property with carrying amount of GEL 86 million and GEL 140 million, respectively, is pledged under the Group's secured loans from TBC Bank JSC (see note 18).

11. Intangible assets

'000 GEL	Network operating & computer software licenses	Telecom operating licenses and broadcast rights	Goodwill	Casino permit, Software for slot machines and other*	Other	Total
Cost at 1 January 2022	119,945	242,699	6,983	8,069	9,714	387,410
Accumulated depreciation	(55,030)	(109,051)	-	(2,450)	(5,133)	(171,664)
Carrying amount at 1 January 2022	**64,915**	**133,648**	**6,983**	**5,619**	**4,581**	**215,746**
Additions	16,664	11,390	-	5,580	1,719	35,353
Amortization charge	(16,402)	(29,843)	-	(4,377)	(1,557)	(52,179)
Disposals and derecognitions, gross	(5)	(1,132)	-	(1,874)	-	(3,011)
Disposals and derecognitions, amortization	-	406	-	1,752	-	2,158
Carrying amount at 31 December 2022	**65,172**	**114,469**	**6,983**	**6,700**	**4,743**	**198,067**
Cost at 31 December 2022	136,604	252,957	6,983	11,775	11,433	419,752
Accumulated depreciation	(71,432)	(138,488)	-	(5,075)	(6,690)	(221,685)
Carrying amount at 31 December 2022	**65,172**	**114,469**	**6,983**	**6,700**	**4,743**	**198,067**
Additions	10,250	21,251	-	5,680	1,620	38,801
Acquisition through subsidiary	227	123	-	-	1,612	1,962
Amortization charge	(16,625)	(28,256)	-	(5,704)	(1,882)	(52,467)
Disposals and derecognitions, gross	(422)	-	-	(5,632)	-	(6,054)
Disposals and derecognitions, amortization	-	-	-	5,563	-	5,563
Carrying amount at 31 December 2023	**58,602**	**107,587**	**6,983**	**6,607**	**6,093**	**185,872**
Cost at 31 December 2023	146,659	274,331	6,983	11,823	14,665	454,461
Accumulated amortization	(88,057)	(166,744)	-	(5,216)	(8,572)	(268,589)
Carrying amount at 31 December 2023	**58,602**	**107,587**	**6,983**	**6,607**	**6,093**	**185,872**

* Major part represents casino permit for the operation of the Casino in Tbilisi. Casino permit is obtained annually by payment of GEL 5 million to run casino for 12 months since the payment date. Each year the Group obtains new permit after the old permit expires, hence the continuity table above shows large amounts of additions and disposals in each year. Permit for operating Casino in Batumi costs GEL 250 thousand per annum. Difference in the costs of permit is determined by Georgian legislation and linked to location of casinos' operations.

12. Leases

The Group's lease contracts largely relate to leases of various sites (i.e. land, rooftop surface areas, space in cellular towers and space for fibre cables, etc.) related to placement of the Group's telecommunication equipment. The Group recognises the right-of-use asset and respective lease liability for the contracts that are long-term either contractually or substantially. Since management applies the judgement in determining the effective lease terms, the lease terms used for IFRS 16 purposes may differ from the contractual minimum lease periods. Summary of differences is as follows:

	Minimum initial contractual lease period	Lease term estimate used for IFRS 16 purposes from transition
Site rent for fixed services	4-10	Same as contractual
Site rent for mobile services	1-6*	7

* Minimum contractual lease terms for >70% mobile sites fall in a range of 1 to 6 years at the date of commencement of the contract.

When measuring lease liabilities for leases, the Group discounts lease payments using its incremental borrowing rate at the date of lease recognition. The weighted-average rate (in GEL) applied in 2023 and 2022 was approximately 12%.

'000 GEL	Site rent for mobile services	Site rent for fixed services	Total
Carrying amount at 1 January 2023	**25,194**	**2,181**	**27,375**
Additions	3,248	3,404	6,652
Disposals	(3,061)	-	(3,061)
Disposals of accumulated depreciation	1,378	-	1,378
Depreciation charge	(8,796)	(1,126)	(9,922)
Gross balance at 31 December 2023	**52,397**	**9,263**	**61,660**
Accumulated depreciation at 31 December 2023	(34,434)	(4,804)	(39,238)
Carrying amount at 31 December 2023	**17,963**	**4,459**	**22,422**
Lease liability at 1 January 2023	**(30,470)**	**(3,055)**	**(33,525)**
Additions	(3,248)	(3,404)	(6,652)
Disposals	1,370	-	1,370
Interest charge	(2,571)	(513)	(3,084)
Payments	11,916	1,563	13,479
The effect of changes in foreign exchange rates	23	(6)	17
Lease liability at 31 December 2023	**(22,980)**	**(5,415)**	**(28,395)**

'000 GEL	Site rent for mobile services	Site rent for fixed services	Total
Carrying amount at 1 January 2022	**31,834**	**3,283**	**35,117**
Additions	3,160	-	3,160
Disposals	(2,313)	-	(2,313)
Disposals of accumulated depreciation	747	-	747
Depreciation charge	(8,234)	(1,102)	(9,336)
Gross balance at 31 December 2022	**52,211**	**5,859**	**58,070**
Accumulated depreciation at 31 December 2022	(27,017)	(3,678)	(30,695)
Carrying amount at 31 December 2022	**25,194**	**2,181**	**27,375**
Lease liability at 1 January 2022	**(37,674)**	**(4,881)**	**(42,555)**
Additions	(3,160)	-	(3,160)
Disposals	1,296	-	1,296
Interest charge	(3,468)	(428)	(3,896)
Payments	12,071	1,756	13,827
The effect of changes in foreign exchange rates	465	498	963
Lease liability at 31 December 2022	**(30,470)**	**(3,055)**	**(33,525)**

13. Loans receivable

Loans are issued to related parties. None of the loans are secured. The Group's exposure to credit, currency and interest rate risks and a sensitivity analysis for financial assets and liabilities are disclosed in note 21.

'000 GEL	31 December 2023	31 December 2022
Non-current assets		
Related party loans	23,374	233,165
Current assets		
Related party loans	5,184	990
Less: allowance for impairment loss	(35)	(2,503)
	28,523	**231,652**

(a) Terms and debt repayment schedule

				31 December 2023		31 December 2022	
'000 GEL	**Currency**	**Nominal interest rate**	**Year of maturity**	**Face value**	**Carrying amount**	**Face value**	**Carrying amount**
Related party loan	GEL	10%	2030	13,077	8,788	11,932	7,643
Related party loan	GEL	13%	2025	7,804	7,804	4,723	4,723
Related party loan	GEL	10%	2024	5,184	5,149	9,722	9,687
Related party loan	USD	7%	2025	4,272	4,272	5,778	5,778
Related party loan	USD	9%	2025	1,526	1,526	1,188	1,188
Related party loan	GEL	14%	2025	984	984	522	522
Related party loan*	USD	11%	2025	-	-	104,672	103,860
Related party loan*	USD	12%	2024	-	-	60,029	59,628
Related party loan*	USD	10%	2025	-	-	19,836	18,646
Related party loan*	USD	10%	2025	-	-	18,711	18,711
Related party loan	USD	14%	2022	-	-	1,053	990
Related party loan	USD	14%	2025	-	-	278	276
Total interest-bearing assets				**32,847**	**28,523**	**238,444**	**231,652**

*In June 2023, related party loans with a carrying amount of GEL 206,848 thousand were transferred by the respective counterparties to the Company's parent entity, Comodon Holding (Malta) Limited. Subsequently, Comodon Holding (Malta) Limited reduced the Company's capital by GEL 206,846 thousand (see note 16) and settled its payable towards the Company, incurred by the above transaction, against its receivable from the Company as a result of the capital reduction.

On 31 December 2022, agreement was formed between the Group and the related party entity on the forgiveness of total outstanding loan amounts of USD 11,632 thousand and GEL 1,003 thousand. The transaction was considered as a transaction with shareholders, acting in the capacity of shareholders, and respectively GEL 32,435 thousand was recognized directly in equity.

14. Trade and other receivables

'000 GEL	31 December 2023	31 December 2022
Trade receivables from telecom	35,011	29,291
Trade receivables from real estate	8,252	11,096
Other trade receivables	721	363
	43,984	**40,750**

As at 31 December 2023, included in trade receivables from telecom, GEL 21,826 thousand represents receivables from subscribers (31 December 2022: GEL 20,739 thousand).

The Group's exposure to credit, currency and interest rate risks and a sensitivity analysis for financial assets and liabilities are disclosed in note 21.

15. Cash and cash equivalents

'000 GEL	31 December 2023	31 December 2022
Bank balances	203,917	106,363
Cash in transit	2,807	2,623
Cash on hand	9,531	11,962
US Treasury Bills	-	18,845
Total cash and cash equivalents	**216,255**	**139,793**

The Group's exposure to credit, currency and interest rate risks and a sensitivity analysis for financial assets and liabilities are disclosed in note 21.

Under one of the covenants of the Group's Eurobonds (see note 18), the Group has to maintain a "Cash Cushion" of cash and cash equivalents including investment securities (defined per New Eurobond's Terms and Conditions) of at least USD 20 million (or its GEL equivalent, discounted as per the Terms and Conditions) at the end of each financial quarter during the period from the issue date of the New Eurobonds till 31 January 2023. From 31 January 2023, the Group may elect to either maintain the Cash Cushion as of the end of each fiscal quarter, or alternatively to establish and maintain a Credit Facility of at least U.S 20 million for the payment of interest under the Notes.

The Group maintains a "Cash cushion" of cash and cash equivalents (Defined per New Eurobond's Terms and Conditions) of at least USD 20 million (its GEL equivalent, discounted as per the Terms and Conditions) as at 31 December 2023. The covenant does not restrict use of "Cash cushion", hence the related balance is presented as cash and cash equivalents as at 31 December 2023 and 31 December 2022.

In 2022, the Group invested in US Treasury bills with original maturity less than three months. The instrument is highly liquid, hence classified as cash and cash equivalents.

Call deposits represent term deposits with banks with maturities less than three months from acquisition date, or greater than three months from the acquisition date, but for which the Group has the unilateral right to withdraw the deposits immediately after providing notification without incurring penalties or significant loss of interest. Consequently, these term deposits have been classified in accordance with their nature which is that of a call deposit.

16. Equity

(a) Capital

Capital represents the nominal amount of capital in the founding documentation of the Company.

'000 GEL	2023	2022
Balance at the beginning of the period	1,167,407	1,167,407
Decrease in capital (note 13)	(206,848)	-
Balance at the end of the period	**960,559**	**1,167,407**

As at 31 December 2023 the Company does not have subscribed capital as defined under the new Georgian legislation.

(b) Dividends

Under the Georgian legislation, limited liability companies shall maintain distributable reserves to the extent that their total assets cover total liabilities and issued capital, as recorded in the financial statements prepared in accordance with IFRS Accounting Standards.

In 2023, the Group entities declared dividends to the minority shareholders in the amount of GEL 14,508 thousand; GEL 6,240 thousand was netted off with the loans receivable from the same counterparty (2022: GEL 3,703 thousand; GEL 2,640 thousand was netted off with the loans receivable from the same counterparty).

(c) Capital management

The Group has no formal policy for capital management but management seeks to maintain a sufficient capital base for meeting the Group's operational and strategic needs, and to maintain confidence of market participants. This is achieved with efficient cash management, constant monitoring of Group's revenues and profit, and long-term investment plans mainly financed by the Group's operating cash flows and long-term loans and borrowings. With these measures the Group aims for steady profits growth.

Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

(d) Security

As at 31 December 2023 and 31 December 2022, the Silk Real Estate LLC's shareholding in Tsinandali Estates LLC (see note 24) is pledged in respect of Partners' Agreement and secured bank loans (see notes 18 and 20). Subsequent to the reporting date pledge in respect of the JSC Development Fund of Georgia (formerly JSC Partnership Fund) was revoked (see note 29).

As at 31 December 2023 and 31 December 2022, the Silk Real Estate LLC's shareholdings in Georgian Hotel Management LLC, Medea Operating company LLC, Limoni 2009 LLC, Limoni Real Estate LLC and New Hotel JSC (see note 24) are pledged in respect of secured loans from TBC Bank JSC (see note 18).

As at 31 December 2022 the Silk Real Estate LLC's shareholding in Batumi Riviera LLC (see note 24) is pledged in respect of secured loans from TBC Bank JSC (see note 18).

As at 31 December 2023 and 31 December 2022, the Company's shareholdings in Bakhvi Hydro Power LLC (see note 24) is pledged in respect of secured loans from TBC Bank JSC (see note 18).

As at 31 December 2023 and 31 December 2022 the Silk Real Estate LLC's shareholding in Tsinandali Resorts LLC (see note 24) is pledged in respect of secured bank loans (see note 18).

17. Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations.

31 December 2023

'000 GEL	Silk Real Estate LLC	Georgian Hotel Management LLC	Iveria Centre	Limoni 2009	Silknet Holding LLC	Bakhvi Hydro Power LLC	Tsinandali resorts	
NCI effective ownership percentage	**5%**	**9%**	**53%**	**16%**	**5%**	**37%**	**52%**	**Total**
Total assets	551,252	40,102	20,791	102,085	872,683	26,732	8,799	1,622,444
Total liabilities	(187,122)	(23,228)	(5,196)	(39,459)	(801,341)	(10,060)	(6,683)	(1,073,089)
Net assets	**364,130**	**16,874**	**15,595**	**62,626**	**71,342**	**16,672**	**2,116**	**549,355**
Carrying amount of NCI	**18,206**	**1,531**	**8,217**	**10,095**	**3,566**	**6,124**	**1,091**	**48,830**
Profit/ (loss) and total comprehensive income/ (loss)	(37,970)	4,178	3,971	41,940	154,388	3,672	528	170,707
Profit/ (loss) and total comprehensive income/ (loss) attributable to NCI	**(1,899)**	**368**	**2,115**	**6,878**	**7,719**	**1,349**	**277**	**16,807**
Dividends declared by Group entities	**-**	**-**	**-**	**(8,528)**	**(5,980)**	**-**	**-**	**(14,508)**
Other equity movements attributable to NCI	**(725)**	**(1,843)**	**5,978**	**-**	**(737)**	**-**	**-**	**2,673**
Net cash from/(used in) operating activities	(12,521)	7,159	(123)	45,796	334,407	5,161	170	380,049
Net cash from/(used in) investing activities	39,372	(3,107)	-	(45,651)	87,935	(1,360)	-	77,189
Net cash from/(used in) financing activities	(9,721)	(308)	-	(3,631)	(176,553)	(4,804)	-	(195,017)
Net increase (decrease) in cash and cash equivalents	**17,130**	**1,149**	**(123)**	**(3,486)**	**69,919**	**(1,003)**	**170**	**83,756**

31 December 2022

'000 GEL	Silk Real Estate LLC	Georgian Hotel Management LLC	Iveria Centre	Limoni 2009	Silknet Holding LLC	Bakhvi Hydro Power LLC	Tsinandali resorts	
NCI effective ownership percentage	**5%**	**9%**	**53%**	**16%**	**5%**	**37%**	**52%**	**Total**
Total assets	674,232	59,092	21,733	118,938	825,797	23,816	9,367	1,732,975
Total liabilities	(222,015)	(25,454)	(21,496)	(46,252)	(774,511)	(10,816)	(7,789)	(1,108,333)
Net assets	**452,217**	**33,638**	**237**	**72,686**	**51,286**	**13,000**	**1,578**	**624,642**
Carrying amount of NCI	**20,830**	**3,006**	**124**	**11,745**	**2,564**	**4,775**	**814**	**43,858**
Profit/ (loss) and total comprehensive income/ (loss)	(9,947)	1,394	1,320	52,668	131,954	4,551	(301)	181,639
Profit/ (loss) and total comprehensive income/ (loss) attributable to NCI	**(497)**	**123**	**693**	**8,638**	**6,596**	**1,672**	**(155)**	**17,070**
Acquisition of NCI	**-**	**(95)**	**-**	**(3,608)**	**-**	**-**	**-**	**(3,703)**
Other equity movements attributable to NCI	**(1,112)**	**782**	**-**	**-**	**(801)**	**-**	**-**	**(1,131)**
Net cash from/(used in) operating activities	(12,521)	2,112	(123)	63,800	283,693	5,161	170	342,292
Net cash from/(used in) investing activities	39,372	(753)	-	(58,303)	(96,537)	(1,360)	-	(117,581)
Net cash from/(used in) financing activities	(9,721)	3,666	-	(4,034)	(161,327)	(4,804)	-	(176,220)
Net increase (decrease) in cash and cash equivalents	**17,130**	**5,025**	**(123)**	**1,463**	**25,829**	**(1,003**	**170**	**48,491**

18. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see note 21.

'000 GEL	**31 December 2023**	**31 December 2022**
Eurobonds - non-current	529,658	532,139
Unsecured local bonds - non-current	109,411	3,315
Secured bank loans - non-current	111,954	176,837
Loans from related parties	42,270	62,077
Loans from third parties	656	8,144
	793,949	**782,512**
Eurobonds - current	21,176	19,925
Secured bank loans – current	15,055	21,215
Unsecured local bonds – current	2,779	51
Current portion of third party loans	1,008	12,929
Current portion of related party loans	243	-
	40,261	**54,120**
	834,210	**836,632**

(a) Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

				`31 December 2023		31 December 2022	
'000 GEL	**Currency**	**Nominal interest rate**	**Year of maturity**	**Face value**	**Carrying amount**	**Face value**	**Carrying amount**
Unsecured related party loan	EUR	6%	2026	33,796	33,796	-	-
Secured bank loan	EUR	7,5% + Euribor 6 months	2033	27,009	27,009	32,756	32,756
Secured bank loan	GEL	5.25% + NBG ref. Rate	2033	14,087	14,087	21,553	21,553
Secured bank loan	GEL	5.25% + NBG ref. Rate	2027	13,587	13,587	18,278	18,278
Secured bank loan	GEL	5.25% + NBG ref. Rate	2023	10,010	10,010	10,393	10,393
Secured bank loan	EUR	7,5% + Euribor 6 months	2033	8,644	8,644	-	-
Secured bank loan	GEL	6% + NBG ref. Rate	2027	7,294	7,294	10,215	10,215
Secured bank loan	GEl	3% + Refinancing Rate	2027	6,831	6,831	8,048	8,048
Secured bank loan	GEL	5.25%+ NBG refinance Rate	2033	6,669	6,669	-	-
Secured bank loan	USD	6%+Libor	2030	6,044	6,044	6,717	6,717
Secured bank loan	USD	6.5% + SOFR	2028	4,933	4,933	5,884	5,884
Secured bank loan	GEL	5.75% + NBG refinance rate	2033	4,468	4,468	4,640	4,640
Secured bank loan	GEL	5.75% + Refinancing Rate	2027	3,898	3,898	4,557	4,557
Secured bank loan	EUR	7.5% + SOFR	2033	3,880	3,880	5,148	5,148
Parent Loan	EUR	0.75% + 12M EURIBOR	2025	3,800	3,800	5,251	5,251
Secured bank loan	GEL	5.56% + Refinancing Rate	2027	3,513	3,513	-	-
Secured bank loan	GEL	6% + NBG ref. Rate	2027	2,418	2,418	2,820	2,820
Secured bank loan	USD	7.85% + SOFR	2033	2,025	2,025	12,696	12,696
Secured related party loan	GEL	12%	2035	1,838	1,838	1,935	1,935
Unsecured related party loan	USD	9%	2035	1,763	1,763	1,852	1,852
Unsecured third party loan	GEL	14%	On demand	990	990	920	920
Secured bank loan	EUR	6m EURIBOR+7.5%	2024	864	864	-	-
Secured related party loan	USD	12%	2035	846	846	881	881
Secured bank loan	EUR	10.5%	2024	835	835	-	-
Secured related party loan	EUR	9%	2029	362	362	323	323
Unsecured third party loan	USD	15%	2030	376	350	474	347
Unsecured third party loan	GEL	16%	2025	206	206	175	175
Unsecured third party loan	GEL	14%	2025	100	100	92	92
Parent loan #2	USD	0.75% + 6M SOFR	2080	2,882	68	-	-
Unsecured related party loan	USD	10%	2025	40	40	41	41
Unsecured third party loan	EUR	11%	2023	18	18	63	63
Eurobond	USD	8.375%	2027	558,375	550,834	560,991	552,064
Local bonds	USD	9%	2026	54,836	54,155	-	-

Local bonds	USD	9.25%	2026	55,260	54,667	-	-
Local bonds	USD	9.40%	2027	3,368	3,368	3,366	3,366
Secured bank loan	USD	9%+ SOFR	2033	-	-	25,856	25,856
Parent loan #1	USD	4%	2030	-	-	34,934	25,073
Secured third party loan	USD	9%	2023	-	-	11,946	11,946
Secured bank loan	USD	7.85%+ SOFR	2033	-	-	11,284	11,284
Unsecured third party loan	GEL	14%	2025	-	-	7,530	7,530
Unsecured related party loan	USD	0.75% + 12M Libor	2030	-	-	7,433	7,433
Secured bank loan	EUR	7.5% + 6M Euribor	2023	-	-	6,018	6,018
Secured bank loan	USD	7.85% + SOFR	2033	-	-	3,801	3,801
Unsecured related party loan	USD	0%	2025	-	-	3,308	3,308
Unsecured related party loan	USD	4%	2025	-	-	3,089	3,089
Secured bank loan	EUR	7.25% + 6M Euribor	2033	-	-	2,612	2,612
Secured bank loan	USD	9.45%+ SOFR	2033	-	-	2,582	2,582
Secured bank loan	USD	12%	2027	-	-	1,200	1,200
Secured bank loan	USD	7.7%+SOFR	2033	-	-	994	994
Unsecured related party loan	USD	0.75% + 12M Libor	2030	-	-	359	359
Ultimate Parent loan	USD	0%	2023	-	-	18,746	12,532
Total interest-bearing liabilities				**845,865**	**834,210**	**861,761**	**836,632**

In 2023, the Silk Real Estate LLC has issued a USD 40 million bond in two tranches. The first tranche of USD 20 million offers a coupon of 9.00% p.a. (gross) with a maturity of 3 years. The second tranche of USD 20 million offers a coupon of 9.25% p.a. (gross) with a maturity of 3 years. As a result, in 2023 Silk Real Estate LLC became a publicly listed company on the Georgian Stock Exchange.

The Group's property and equipment, investments in subsidiaries, intangible assets and investment property is pledged in respect of secured bank loans and secured loans (see notes 9, 10, 11 and 16).

On 7 August 2022, the loan amendment was signed between the Group and its parent entity for the prolongation of loan term from 31 December 2022 till 31 December 2030 on non-market terms (4% nominal interest rate). As a result, at initial recognition, the parent loan #1 was discounted using market rate of interest of 7.6% and the difference between the carrying amount and the fair value of loan, in the amount of GEL 9,900 thousand was recognized directly in equity. During 2023, the above-mentioned loan was fully repaid and the effect of early repayment amounting to GEL 9,785 thousand, combined with the initial discount effect of parent entity loan #2 above of GEL 2,548 thousand, along with other fair value adjustments on related party loans of GEL 1,244 thousand, was deducted directly from equity.

(b) Eurobonds

On 31 January 2022, the Group successfully issued USD 300,000 thousand of Eurobonds due in 2027 with an interest rate of 8.375% (the "New Eurobonds") on the Euronext Dublin Exchange. Interest is payable semi-annually on 31 January and 31 July of each year, commencing on 31 July 2022. With the proceeds of the New Eurobonds, the Group refinanced existing USD 200,000 thousand Eurobonds due in 2024 (USD 197,400 thousand outstanding at that time) and repaid unsecured local bonds of GEL 34,981 thousand (principal paid – GEL 34,000 thousand). USD 138,104 thousand out of Eurobonds outstanding as of 31 January 2022 alongside with interest outstanding on this portion in the amount of USD 5,064 thousand were deducted directly from the proceeds from New Eurobonds and are presented net-off the proceeds from borrowings in the consolidated statement of cash flows.

The New Eurobonds are accounted for at amortised cost using the effective interest rate method. The Group incurred expenses of GEL 12,936 thousand in connection with the issue of the New Eurobonds, including, amongst other, underwriting fees, legal counsel fees, rating agency expenses, listing expenses, etc. These expenses are accounted for as transaction costs. They are included in the calculation of the effective interest rate of the New Eurobonds and are deferred over 5 years. Following the issuance of new Eurobonds, existing Eurobonds were repaid and respectively derecognized from the balance sheet and the respective loss on derecognition of GEL 6,642 thousand was recognized in the consolidated statement of profit or loss and other comprehensive income. In addition, the Group incurred costs related to premia and commissions in connection with the tender offer and consent solicitation ("early redemption premium") of GEL 41,675 thousand (see note 6). Part of the transaction costs, premia and commission fees were deducted directly from the proceeds from issuance of New Eurobonds and are presented net-off the proceeds from borrowings in the consolidated statement of cash flows.

Subsequent to the issuance, in 2022, the Group repurchased New Eurobonds in the amount of USD 100,235 thousand. The repurchased bonds were derecognised at their amortised cost and the difference between the repurchased amount and the amortized cost was recognised under interest expense in profit or loss.

The average market quotation close to the reporting date per Bloomberg was 100.19% of par value (2022: 94.80% of par value).

(c) Reconciliation of movements of liabilities to cash flows arising from financing activities

'000 GEL	Dividends payable	Lease liabilities	Loans and borrowings	Total
Balance at 1 January 2023	**211**	**33,525**	**836,632**	**870,368**
Interest paid	-	(3,162)	(77,255)	(80,417)
Repayment of borrowings	-	-	(184,626)	(184,626)
Proceeds from borrowings	-	-	176,131	176,131
Transaction costs	-	-	(1,417)	(1,417)
Dividends Paid	(4,865)	-	-	(4,865)
Lease payments	-	(10,312)	-	(10,312)
Total changes from financing	**(4,865)**	**(13,474)**	**(87,167)**	**(105,506)**
The effect of changes in foreign exchange rates	**-**	**(22)**	**1,266**	**1,244**
Other changes				
Modification loss on financial liabilities	-	-	2,503	2,503
Other movements	-	-	3,357	3,357
Interest expense	-	3,084	75,150	78,234
Fair value adjustment on related party loans	-	-	8,481	8,481
Net-off with receivable from Group entities' with non-controlling receivable from Group entities' shareholders	-	-	(6,012)	(6,012)
Recognition of lease liabilities arising from lease contracts came into force during the period	-	6,652	-	6,652
Write-off of ROU and respective lease liability for terminated contracts	-	(1,370)	-	(1,370)
Total liability-related other changes	**-**	**8,366**	**83,479**	**91,845**
Total Equity-related other changes	**4,865**	**-**	**-**	**4,865**
Balance at 31 December 2023	**211**	**28,395**	**834,210**	**862,816**

'000 GEL	Dividends payable	Lease liabilities	Financial instruments at FVTPL	Loans and borrowings	Total
Balance at 1 January 2022	**465**	**42,555**	**(6,583)**	**1,021,391**	**1,057,828**
Interest paid	-	(4,023)	-	(63,530)	(67,553)
Repayment of borrowings	-	-	-	(571,827)	(571,827)
Proceeds from borrowings	-	-	-	469,488	469,488
Transaction fees related to New Eurobond issuance	-	-	-	(6,035)	(6,035)
Premium and commission on the early redemption of issued bonds	-	-	-	(7,403)	(7,403)
Net payments of financial instruments at FVTPL	-	-	2,721	-	2,721
Dividends paid	(208)	-	-	-	(208)
Lease payments	-	(9,804)	-	-	(9,804)
Total changes from financing	**(208)**	**(13,827)**	**2,721**	**(179,307)**	**(190,621)**
The effect of changes in foreign exchange rates	**(46)**	**(963)**	**-**	**(126,119)**	**(127,128)**
Other changes					
Additional paid-in capital	-	-	-	(9,900)	(9,900)
Other movements	-	-	-	1,406	1,406
Interest expense	-	3,896	-	84,621	88,517
Premium and commission on the early redemption of issued bonds	-	-	-	41,676	41,676
Loss on modification of financial instruments	-	-	-	6,442	6,442
Net-off with loans due from Related Parties	-	-	-	(3,578)	(3,578)
Effect of change in financial instruments at FVTPL	-	-	3,862	-	3,862
Recognition of lease liabilities arising from lease contracts came into force during the period	-	3,160	-	-	3,160
Write-off of ROU and respective lease liability for terminated contracts	-	(1,296)	-	-	(1,296)
Total liability-related other changes	**-**	**5,760**	**3,862**	**120,667**	**130,289**
Balance at 31 December 2022	**211**	**33,525**	**-**	**836,632**	**870,368**

19. Trade and other payables

	31 December 2023		31 December 2022	
'000 GEL	Non-current	Current	Non-current	Current
Payables for non-current assets	13,059	34,220	24,214	30,780
Payable to suppliers	-	27,081	-	26,486
Payable for licenses and broadcasting rights	8,937	12,147	2,827	13,304
Payable to other operators	-	5,135	-	4,699
Payable to employees	17,605	11,157	-	9,043
Other payables	-	4,962	-	3,899
Dividend payable	-	211	-	211
VAT and other tax liabilities	-	13,831	-	8,373
Total trade and other payables	**39,601**	**108,744**	**27,041**	**96,795**
Advances received related to IRU contracts	11,418	1,888	11,935	1,888
Advances received related to subscribers	528	24,511	530	24,357
Total contract liabilities from prepayments	**11,946**	**26,399**	**12,465**	**26,245**
Total	**51,547**	**135,143**	**39,506**	**123,040**

Payables for non-current assets and payable for licenses and broadcasting rights represent the discounted value of deferred payments mainly related to the acquisition of property and equipment for network upgrade and expansionary projects and intangible assets for Broadcasting rights and IT transformation. Major part of payables for non-current assets and payable for license and broadcasting rights are denominated either in USD or EUR and thus are exposed for foreign currency exchange rate fluctuations (see note 21).

The Group's exposure to currency and liquidity risks related to trade and other payables is disclosed in note 21.

20. Put option liabilities

Silk Real Estate LLC

Under the Partnership Agreement ("PA"), formed on 2 September 2016 between Tsinandali Savane LLC (see note 24) and JSC Development Fund of Georgia (formerly JSC Partnership Fund), the owner of the non-controlling interest in Tsinandali Estates LLC, the Group had call option to acquire the non-controlling interest in Tsinandali Estates LLC during the first 6 years and 9 months after the PA date, and, on the other hand, JSC Development Fund of Georgia had put option to sell its interest in Tsinandali Estate's capital for 5 years after the end of the call option period. The exercise price for both, call and put option, is determined as the JSC Development Fund of Georgia's investment in the capital of Tsinandali Estates LLC plus accumulated interest, agreed by the parties in the PA. On 5 October 2021, amendment to the PA was formed, according to which the put option of JSC Development Fund of Georgia was deferred by two years and starts from 31 July 2025.

The Group applied anticipated-acquisition method to the investment in Tsinandali Estate LLC and as at 31 December 2022 recognised put option liability of GEL 42,138 thousand, with reference to the present value of the exercise price of the option, discounted by the discount rate of approximately 12-13%. As at 31 December 2022, following the decision of the Silk Real Estate LLC to issue bonds on the Georgian Stock Exchange (see note 1) with the purpose to refinance part of its existing liabilities and to purchase remaining shares of Tsinandali Estates LLC from the non-controlling shareholder the put option liability was discounted on the basis of settlement date of 30 May 2023.

On 15 May 2023, transactions was finalised and the remaining shares of Tsinandali Estates LLC were acquired by the Group for GEL 42,383 thousand. As a result, as at 31 December 2023 put option liability is fully settled.

During 2023 and 2022 the Group has recognised changes in the carrying amounts of put option liabilities of GEL 245 thousand and GEL 298, respectively, directly in equity. The changes are mainly attributable to unwinding of discount, change in expected cash flows and foreign currency fluctuations, as the exercise price of the option is denominated in USD.

As at 31 December 2022 put option liability was recognised as non-current, based on the respective contractual terms.

Silknet Holding LLC

Under the Agreement, formed on 30 June 2021 between Silknet Holding LLC, its beneficial owners and Silknet JSC (note 24) ("Agreement"), one of the minority shareholders (5% indirect owner of Silknet Holding LLC), under certain conditions, has put option to sell its 5% indirect shareholding in Silknet Holding LLC to the Company. The option starts from May 1, 2024 and is effective till May 1, 2026. The exercise price for put option is determined based on the financial performance of Silknet JSC for the year preceding the put option completion date ("completion date"). Key assumptions used in the put option price calculation are: EBITDA, long-term liabilities and net current assets of Silknet JSC for the year preceding the completion date and EBITDA multiple determined per the Agreement.

The Group has recognized put option liability of GEL 50,635 thousand as at 31 December 2023 (31 December 2022: GEL 43,603 thousand) with reference to the present value of the exercise price of the option, discounted by the discount rate of approximately 16% (2022: 14.3%). As at 31 December 2023, the Group believes that the value of put option liability would not vary materially for the completion dates between 1 May 2024 and 1 May 2026 and it is reasonable to expect that the put option will be exercised in 2024. Based on the agreement terms, payment of the option price shall be done in accordance with the schedule agreed between the Parties in writing in two to six equal annual instalments. The first instalment is to be paid not later than the first anniversary of the date of exercise date. Hence, the put option liability was recognized as non-current as at 31 December 2023. The Group also expects, based on the contractual terms, and unless the parties would agree otherwise, that the repayment of exercise price will commence in a year from the completion date and will be made in six equal annual installments.

Put option liability has not been exercised as at the date of signing these consolidated financial statements.

21. Fair values and risk management

(a) Fair values of financial assets and liabilities

The estimates of fair value are intended to approximate the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. However, given the uncertainties and the use of subjective judgment, the fair value should not be interpreted as being realizable in an immediate sale of the assets or transfer of liabilities.

The Group has determined fair values of financial assets and liabilities using valuation techniques. The objective of valuation techniques is to arrive at a fair value determination that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. The valuation technique used is the discounted cash flow model. Fair value of all financial assets and liabilities is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Management believes that the fair value of the Group's financial assets and liabilities, except for Eurobonds (see note 18(b)), approximates their carrying amounts.

(b) Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- credit risk (see 21(b)(ii));
- liquidity risk (see 21(b)(iii));
- market risk (see 21(b)(iv)).

(i) Risk management framework

Management has overall responsibility for the establishment and oversight of the Group's risk management framework and is responsible for developing and monitoring the Group's risk management policies and reporting regularly to the owners on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The owners oversee how management monitors compliance with the Group's risk management policies and procedures and review the adequacy of the risk management framework in relation to the risks faced by the Group.

(ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's accounts receivable, loans receivable and bank balances. The carrying amounts of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was as follows:

'000 GEL	**31 December 2023**	**31 December 2022**
Loans receivable	28,523	231,652
Trade and other receivables – Telecom	35,011	29,291
Trade and other receivables - Real estate	8,252	11,096
Trade and other receivables – Other	721	363
Cash and cash equivalents	206,724	127,831
	279,231	**400,233**

Trade and other receivables from telecom services

Credit risk is managed by assessing the creditworthiness of the customers before the Group's standard payment and service terms and conditions are offered. No collateral in respect of trade and other receivables is generally required.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are a wholesale, retail or end-user customer, geographic location, industry, aging profile, maturity and existence of previous financial difficulties.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The main component of this allowance is a collective loss component. The Group's trade receivables are mainly from the domestic retail customers. The Group does not have a significant concentration of customers.

Impairment losses

The impairment loss allowances of trade and other receivables per risk groups are as follows:

	Collectively assessed			**Individually assessed**		
31 December 2023	**Gross carrying amount**	**Impairment loss allowance**	**Credit-impaired**	**Gross carrying amount**	**Impairment loss allowance**	**Credit-impaired**
Current	20,581	333	No	14,241	-	No
1-30 past due	484	114	No	-	-	No
31-90 days past due	411	275	No	-	-	No
Past due 91-150 days	315	300	Yes	-	-	Yes
Past due more than 150 days	22,199	22,199	Yes	2,580	2,579	Yes
Total	**43,990**	**23,221**		**16,821**	**2,579**	

	Collectively assessed			**Individually assessed**		
31 December 2022	**Gross carrying amount**	**Impairment loss allowance**	**Credit-impaired**	**Gross carrying amount**	**Impairment loss allowance**	**Credit-impaired**
Current	19,362	144	No	9,328	-	No
1-30 past due	699	108	No	-	-	No
31-90 days past due	402	260	No	-	-	No
Past due 91-150 days	275	263	Yes	-	-	Yes
Past due more than 150 days	20,823	20,823	Yes	2,683	2,683	Yes
Total	**41,561**	**21,598**		**12,011**	**2,683**	

The movements in impairment allowance of trade and other receivables were as follows:

'000 GEL	**2023**	**2022**
At 1 January	(24,281)	(22,994)
Charge for the year	(1,519)	(1,287)
Reversal of amounts written off during the year as uncollectible	-	-
At 31 December	**(25,800)**	**(24,281)**

An impairment rate of 100% was applied to gross trade and other receivables from retail customers overdue by more than 150 days, with lower impairment rates applied for risk categories of trade and other receivables that are overdue for shorter periods. The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amount is considered irrecoverable and is written off against the financial asset directly.

Loans receivable and other receivables from real estate

The Group's loans receivable as well as other receivables are mostly due from related parties. The expected credit loss (ECL) model is influenced by the individual characteristics of the borrowers, as well as the fact that all counterparties are either entities under common control or the parent company and, if required, the ultimate parent company, Silk Road Group Holding (Malta) Limited, will provide entities under common control with such financial support to enable them to repay the loans and other receivables to the Group.

Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD);
- exposure at default (EAD).

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

Inputs, assumptions and techniques used for estimating impairment

As at 31 December 2023, approximately 0.2% and 39% of expected credit loss is charged to the gross carrying amounts of loans receivables and trade and other receivables, depending on comparable credit profile / rating or repayment expectations (31 December 2022: 1% and 33%, respectively).

PD (12-month) for loans receivable was determined as 2.62% by an individual approach by an expert on a rating system based on a scoring questionnaire and represents the rated company's rating (based on Fitch rating agency) in the Silk Real Estate adjusted by the individual risk characteristics of the borrowers from the same group.

The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties, collateral market value and timing of realization of the collateral, if applicable. LGD is calculated on a discounted cash flow basis using effective interest rate as the discounting factor. Derived LGDs to the different exposures varies from 22% to 39% (31 December 2022: 22% to 39%).

EAD represents the expected exposure in the event of a default. The EAD for financial assets is its gross carrying amount at the time of default. The Group assumes 5 different likelihood scenarios with different probabilities when the financial instruments will be recovered and assumes 5% to 10% probability for the scenario when the financial instruments are not recovered at all.

For material exposures, effective interest rates ranging from 7% to 14% were used in the discounting of expected credit losses to consider time value of money.

Determining whether credit risk has increased significantly

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and expert credit assessment and including forward-looking information. One of the criteria the Group uses for determining whether there has been a significant increase in credit risk is a backstop indicator of more than 30 days past due. As a backstop, the Company considers that a significant increase in credit risk occurs no later than when an asset is more than 60 days past due. For cash and cash equivalents the Group considers downgrade of credit rating assigned to the commercial banks as an indicator for the significant increase in credit risk.

As at 31 December 2023 total loans receivable is allocated to Stage 1 (31 December 2022: approximately 90% is allocated to Stage 1, the remaining balances are allocated to Stage 2.) as there was no increase in credit risk of the financial instruments since initial recognition.

As at 31 December 2023, approximately 40% (31 December 2022: approximately 35%) of trade and other receivables are allocated to Stage 3 as they are overdue more than 90 days. Such trade receivables are mostly related to rental income receivable from related party entities, that have history of past due payments and non-performance.

Sensitivity analysis

10% increase in expected credit loss rate, assuming that all other variables remain constant, could affect the expected credit loss on trade and other receivables for 2023 and 2022 by approximately GEL 1.5 million and GEL 1.7 million, respectively.

1% increase in expected credit loss rate, assuming that all other variables remain constant, could affect the expected credit loss on loans receivable for 2023 and 2022 by approximately GEL 0.2 million and GEL 2.3 million, respectively.

Impairment losses on loans receivable

The movement in the allowance for impairment in respect of loan receivables during the year was as follows.

'000 GEL	**2023**	**2022**
Balance at 1 January	(2,503)	(2,707)
Increase during the year	2,468	204
Balance at 31 December	**(35)**	**(2,503)**

Impairment losses on trade and other receivables

The movement in the allowance for impairment in respect of receivable from rental income during the year was as follows.

'000 GEL	**2023**	**2022**
Balance at 1 January	(5,607)	(6,053)
Reversal/(increase) during the year	(250)	446
Balance at 31 December	**(5,857)**	**(5,607)**

Bank balances

Bank balances and call deposits are mainly held with Georgian banks with a short-term issuer default rating of BB- and BB, based on Fitch Rating. The balances are Stage 1 and not past due. The Group does not expect any counterparty to fail to meet its obligations.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically the Group ensures that it has sufficient cash on demand to meet expected capital and operational expenses for a period of 30 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters. In addition, the Group's ultimate parent, Silk Road Group Holding (Malta) Limited, has demonstrated, through support letter, its intention to provide, for the foreseeable future, financial and other support as is necessary to permit the Group to continue in operational existence.

Management ensures that its investing activities are financed either through loans and borrowings or capital injections, before the Group stabilises its earnings.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

31 December 2023	**Contractual cash flows**				
GEL	**Carrying amount**	**Total**	**Within 1 year**	**1-5 yrs**	**Over 5 yrs**
Non-derivative financial liabilities					
Loans and borrowings	834,210	1,102,011	87,389	929,296	85,326
Lease liability	28,395	32,019	14,293	17,607	119
Trade and other payables	148,345	154,385	110,165	44,220	-
Put option liability	50,635	86,658	-	57,772	28,886
	1,061,585	**1,375,073**	**211,847**	**1,048,895**	**114,331**

31 December 2022	**Contractual cash flows**				
GEL	**Carrying amount**	**Total**	**Within 1 year**	**1-5 yrs**	**Over 5 yrs**
Non-derivative financial liabilities					
Loans and borrowings	836,632	1,181,130	103,037	878,263	199,830
Lease liability	33,525	40,419	13,164	26,574	681
Trade and other payables	123,836	128,106	97,388	30,718	-
Put option liability	85,741	125,482	44,324	40,599	40,559
	1,079,734	**1,475,137**	**257,913**	**976,154**	**241,070**

The management believes that, as at and for the foreseeable future, the Group has sufficient funds to meet its liabilities as they fall due. Management's assessment is based on factors like the significant cash balance as at 31 December 2023 (note 15) and a growing customer base for key business segments and new network deployment. Furthermore, as at 31 December 2023 the Group has credit lines of USD 300,000 thousand with TBC Bank JSC and USD 300,000 thousand with Bank of Georgia JSC (including used facilities, see note 18), in case it needs additional financing for ongoing projects. In addition, Silk Road Group Holding (Malta) Limited, has demonstrated its intention to provide, for the foreseeable future, financial and other support as is necessary to permit the Group to continue in operational existence.

(iv) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(v) Currency risk

As at 31 December 2023, the Group's exposure to currency risk is mainly attributable to capital expenditures, USD-denominated Eurobonds and loans. The Group also uses swap contracts to hedge its currency risk, with a maturity of less than one year from the reporting date (As at 31 December 2023, the Company holds GEL 105,595 thousand principal amount of call deposits in the local currency (GEL), maturing within one year and carrying an average contractual interest rate of 12%. The mentioned deposits are hedged against USD 40,000 thousand swap instruments, so that the Company is expected to earn effective interest rate of circa 7% on a currency deposit, after deducting all costs associated with the swap agreements).

These instruments meet the definition of derivatives under IFRS 9 *Financial Instruments* and are initially measured at fair value. Under IFRS 9, derivatives are instruments, classified as held for sale which are subsequently measured at FVPL. As at 31 December 2023, the Group recognized derivative liability with a carrying value of GEL 925 thousand (31 December 2022: nil). Discounted cash flow model is used for fair value measurement of derivatives, which is categorized within Level 3 of the fair value hierarchy. Estimation uncertainties related to foreign currency exchange rate fluctuations does not have material effect on the consolidated financial statements as at 31 December 2023 and 31 December 2022.

Exposure to currency risk

The Group's exposure to foreign currency risk was as follows based on notional amounts:

GEL	**USD-denominated 31 December 2023**	**USD-denominated 31 December 2022**
Bank balances	32,999	37,228
US Treasury bills	-	18,845
Trade and other receivables	7,363	5,017
Loans receivable	5,798	209,077
Trade and other payables	(65,591)	(67,474)
Loans and borrowings (including financial instrument at FVTPL)	(679,093)	(693,305)
Put option liability	-	(42,138)
Net exposure	**(698,524)**	**(532,750)**

'000 GEL	**EUR-denominated 31 December 2023**	**EUR-denominated 31 December 2022**
Bank balances	3,906	216
Trade and other receivables	1,894	644
Loans and borrowings	(79,208)	(52,171)
Trade and other payables	(24,324)	(16,611)
Net exposure	**(97,731)**	**(67,922)**

The following significant exchange rates have been applied during the year:

in GEL	**Average rate**		**Reporting date spot rate**	
	2023	**2022**	**31 December 2023**	**31 December 2022**
USD 1	2.6279	2.9156	2.6894	2.7020
EUR 1	2.8416	3.0792	2.9753	2.8844

Sensitivity analysis

A reasonably possible strengthening (weakening) of GEL, as indicated below, against USD and EUR at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Strengthening		Weakening	
'000 GEL	**Equity**	**Profit or (loss)**	**Equity**	**Profit or (loss)**
31 December 2023				
USD (10% movement)	-	69,852	-	(69,852)
EUR (10% movement)	-	9,773	-	(9,773)
31 December 2022				
USD (10% movement)	4,244	49,061	(4,244)	(49,061)
EUR (10% movement)	-	6,792	-	(6,792)

Exposure to interest rate risk

At the reporting date the interest rate profile of the Group's variable interest-bearing financial instruments was as follows:

'000 GEL	**Carrying amount**	
Variable rate instruments	**2023**	**2022**
Financial assets	-	-
Financial liabilities	130,042	205,338
	130,042	**205,338**

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have affected profit or loss by GEL 1,300 thousand (31 December 2022: GEL 2,053 thousand). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

22. Contingencies

(a) Taxation contingencies

The taxation system in Georgia is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are sometimes unclear, contradictory and subject to varying interpretation. A tax year remains open for review by the tax authorities during the three subsequent calendar years, however under certain circumstances a tax year may remain open longer.

These circumstances may create tax risks in Georgia that are more significant than in other countries with more developed taxation systems. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Georgian tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

(b) Litigation

In the ordinary course of business, the Group is subject to legal actions, litigations and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of future operations.

23. Commitments

(a) Capital commitments

As at 31 December 2023 the capital commitments borne by the Group amounted to GEL 16,135 thousand, mainly attributable to mobile network development projects and acquisition of customer related devices (31 December 2022: GEL 11,451 thousand, which mainly relate to acquisition of customer related devices).

(b) Other commitments

As at 31 December 2023 and 31 December 2022, the Group has investment obligations for the construction of investment property towards the Government of Georgia of USD 22.5 million. From these investment obligations, USD 15 million relates to Bobokvati project, that, as at the date of signing these consolidated financial statements, is due in 2029.

24. Subsidiaries

Entity	Principal Activity	Date of Incorporation	Ownership percentage as at 31 December 2023	Ownership percentage as at 31 December 2022	Ownership type
Silk Real Estate LLC	Holding entity	7 April 2017	95%	95%	Direct
Silknet Holding LLC	Holding entity	3 December 2018	95%	95%	Direct
Silk Road Energy LLC	Dormant entity	11 May 2011	100%	100%	Direct
Bakhvi Hydro Power LLC	Operation of hydropower plants	15 January 2009	63.27%	63.27%	Direct
Silk Energy Holding LLC	Dormant entity	28 December 2020	100%	100%	Direct
Silk Solar LLC	Dormant entity	4 July 2022	100%	100%	Direct
Subsidiaries of Silk Real Estate LLC					
Georgian Hotel Management LLC	Operation of Tbilisi Radisson Blu Iveria Hotel	9 August 2010	96%	96%	Direct
Argo Management LLC	Operation of Batumi Radisson Blu Hotel	30 November 2010	96%	96%	Indirect, through Georgian Hotel Management LLC
Riviera Beach LLC	Club operation	18 May 2012	100%	100%	Direct
Silk Road Service LLC	Pooling of purchases for the group companies	31 December 2015	100%	100%	Direct
Development Solution LLC	Real Estate development service	10 July 2006	100%	100%	Direct
Development solutions Medea LLC	Dormant entity	7 September 2009	100%	100%	Indirect, through Development Solution LLC
Tsinandali Savane LLC	Holding entity	17 February 2016	100%	100%	Direct
Tsinandali Estates LLC (note 20)	Operation of Tsinandali Radisson Collection Hotel	27 June 2008	100%	67%	Indirect, through Tsinandali Savane LLC
Tsinandali LLC	Museum operation	3 October 2005	100%	100%	Direct
Georgian Wine Institute LLC	Wine tasting and training service	26 December 2011	100%	100%	Indirect, through Tsinandali LLC
SRG Investments LLC	Corporate service provider to the Group	27 May 2011	100%	100%	Direct
Limoni 2009 LLC	Operation of casinos	11 August 2009	88%	88%	Direct
Medea Operating company LLC	Ownership of Batumi Radisson Blu Hotel and related casino	5 November 2010	100%	100%	Direct
F Telecom LLC	Real estate development	2 October 2006	100%	100%	Direct
Riviera LLC	Holding Entity	12 July 2012	100%	100%	Direct
Batumi Riviera LLC	Real estate development	30 May 2018	100%	100%	Indirect, through Riviera LLC
Center Plaza LLC	Real estate development	14 July 2005	100%	100%	Direct
Club Savane LLC*****	Night club operation	11 April 2018	100%	51%	Indirect, through Centre Plaza LLC
Tsinandali Villas LLC	Real estate development	19 February 2016	100%	100%	Direct
New Hotel JSC	Ownership of Tbilisi Radisson Blu Hotel	30 September 2005	100%	100%	Direct
Silk Road Business Centre LLC	Real estate development	27 August 1997	100%	100%	Direct
Misaktsieli LLC	Real estate development	7 August 2008	100%	100%	Direct from 2022

Entity	Principal Activity	Date of Incorporation	Ownership percentage as at 31 December 2023	Ownership percentage as at 31 December 2022	Ownership type
New Office LLC	Real estate development	7 August 2008	100%	100%	Direct from 2022
Iveria Center LLC	Real estate development	6 August 2013	50%	50%	Indirect, through New Office LLC
Restaurant Tsinandali LLC	Hospitality sector	2 April 2018	50%	50%	Indirect, through Iveria Centre LLC
Hotel Medea + JSC	Real estate development	17 April 2007	100%	100%	Direct
Adjara Investment LLC	Holding entity	30 August 2017	100%	100%	Direct
Adjara Resort JSC	Real estate development	3 January 2006	100%	100%	Indirect, through Adjara Investments LLC
Adjara Real Estate LLC	Real estate development	23 August 2006	100%	100%	Indirect, through Adjara Investments LLC
Bobokvati LLC	Real estate development	23 March 2007	100%	100%	Indirect, through Adjara Real Estate LLC and Adjara Resorts JSC
Kobuleti Resort LLC	Real estate development	17 April 2007	100%	100%	Indirect, through Adjara Resorts JSC
Silk Road Group Travel LLC	Hospitality	4 September 2009	51%	51%	Direct
Telegraph Hotel JSC	Hospitality	5 February 2020	100%	100%	Indirect, through Silk Road Business Centre LLC
Limoni Real Estate LLC	Real estate development	21 April 2017	100%	100%	Direct
Green-cape Botanico LLC	Real estate development	18 August 2020	51%	51%	Joint venture
Silk Hospitality LLC	Hotel management service provider to the Group	26 March 2021	100%	100%	Direct
Tsinandali Resorts LLC	Operation of Park Hotel Tsinandali	1 March 2018	51%	51%	Direct
Unipharm LLC******	Real estate development	10 July 1996	50%	-	Indirect, through Centre Plaza LLC
Subsidiaries of Silknet Holding LLC					
Silknet JSC*	Provision of telecommunication services	2 April 2009	100%	100%	Direct
Qarva LLC	Software maintenance	29 June 2012	51%	51%	Indirect, through Silknet JSC
Silk Media LLC**	Operation of Euronews channel	18 July 2019	100%	100%	Indirect, through Silknet JSC
Novus LLC	Non-operating entity	5 April 2012	100%	100%	Indirect, through Silknet JSC
WiMax Georgia LLC***	Non-operating entity	15 May 2008	-	100%	Indirect, through Silknet JSC
NG Georgia N(N)LE	Media (National Geographic)	5 April 2012	100%	100%	Indirect, through Silknet JSC
Wounded Warrior Support Fund N(N)LE	Non-for profit organisation	9 July 2018	100%	100%	Indirect, through Silknet JSC
Premium Web Solution LLC****	Provision of internet video services	29 November 2015	100%	-	Indirect, through Silknet JSC
Subsidiaries of Silk Road Energy LLC					
Machakhela Hesi LLC	Dormant entity	11 April 2012	100%	100%	Direct
Lopota Energy LLC	Dormant entity	27 February 2012	100%	100%	Indirect, through Machakhela Hesi LLC

*Silknet JSC is rated by two rating agencies with Long-Term Issuer Default Rating of 'B+' and 'B1'with a Stable Outlook affirmed by Fitch and Moody's respecively. In 2018 Silknet JSC acquired a 100% holding in, and was subsequently merged with, Georgia's second-largest mobile operator, Geocell LLC ("Geocell"). Silknet JSC is a founder of two non-for-profit organizations: NG Georgia and Wounded Warrior Support Foundation.

**In 2019, Silknet and Euronews signed a memorandum of understanding with respect to Euronews Georgia, a free to air news channel that will be made in Georgian language. For this purpose, Silknet established Silk Media LLC., a 100%-owned subsidiary. Euronews will be in charge of Euronews Georgia's editorial policy and nominate its news director. Euronews will share its content with Euronews Georgia, while the latter will prepare certain local content which will be shared with Euronews.

*** In 2023, WiMax Georgia LLC was liquidated.

**** On April 11, 2023, Silknet JSC acquired a 100% share of Premium Web Solution LLC, the operator of the www.myvideo.ge web platform, for the consideration of GEL 2 million.

***** During 2023, the Group acquired 49% of Club Savane LLC from non-controlling shareholder for GEL 1,857 thousand, which was fully settled in cash. As a result, non-controlling interest of GEL 787 thousand was derecognised and the difference between the consideration paid and non-controlling interest was accounting directly in equity.

****** On 29 December 2023, the Group acquired 50% of Unipharm LLC for cash consideration of USD 239 thousand, which is recognised as investment in equity accounted investee as at 31 December 2023.

25. Related parties

(a) Parent and ultimate controlling party

The Company's immediate parent company is Comodon Holding (Malta) Limited.

The Company's ultimate parent company is Silk Road Group Holding (Malta) Limited. In 2020 the Company's intermediate parent reorganized, as a result of which the Company has a new beneficial shareholder, Yerkin Tatishev, with indirect minority holding (38.2%) in the Company. The Company's ultimate parent remains Silk Road Group Holding (Malta) Limited – an entity controlled by an individual George Ramishvili. No publicly available financial statements are produced by the Company's ultimate parent company or any other intermediate parent company.

(b) Key management remuneration

Key management received the following remuneration during the year, which is included in wages and other employee benefits:

GEL	**2023**	**2022**
Wages and bonuses	20,590	19,563
Other long-term employee benefits*	17,318	-
	37,908	**19,563**

* On 30 September 2023 and 14 December 2023 ("grant date") the Group has entered into two agreements with its two key management members that entitles the employees to receive different types of awards, mainly dependent upon the choice of the employee, but also subject to certain events and conditions. Award#1 implies granting cash-settled equity instrument of the Group to the employee, with no service condition and its fair value is close to nil as at 31 December 2023, as probability of meeting the non-vesting condition per contract is remote. Award#2, to which employee is entitled from 1 January 2025, is calculated as a certain percentage of the future dividend distributions by the Group for the lifetime of the employee, and is not subject to service condition. Award#3 implies granting to the employee certain percentage of the Group's future value (calculated according to the contractual terms), in cash, after 2027, and is subject to the service condition till the end of 2027. Both awards meet the definition of other long term employee benefit under IAS 19 Employee Benefits and are initially measured as present value of future benefits the employee will receive. Award#2 is expensed as incurred, due to no service condition attached to it, and Award#3 value is spread over the service period, if in total terms it is higher than Award#2 charge. In 2023, the Group has recognized expense of GEL 17,318 thousand in profit or loss calculated under Award#2 conditions, as it represents unconditional liability as at 31 December 2023 and its estimated value is largest amongst three of the available awards. The employee benefit is classified as non-current liability as at 31 December 2023, as it is due after 1 January 2025.

Award#2 was calculated on the assumption that the Group will successfully refinance its Eurobonds in 2027, and has intention, free cash flows and ability, both under Georgian legislation and bond covenant, to pay 50% of its distributable reserves each year starting from the grant date. Future cash flows from dividends was estimated on the basis of circa 3-5% annual and terminal growth of the Company and was discounted at 16% discount rate (in GEL).

(c) Other related party transactions

The Group's other related party transactions and transactions with the Owners, not acting in the capacity of the Owners, are disclosed below.

	Transaction value for the year ended 31 December		Outstanding balance as at	
	2023	2022	31 December 2023	31 December 2022
Loans issued:				
Entities under common control	(7,340)	(7,141)	28,523	231,652
Loans and borrowings:				
Ultimate parent	-	-	-	12,532
Parent	-	-	3,868	30,324
Entities under common control	30,429	-	38,645	19,221
Acquisition of property and equipment:				
Entities under common control	15	-	-	-
Parent and beneficiaries	918	-	-	-
Other revenue:				
Entities under common control	2,089	1,023	1,310	1,684
Fuel and lubricants used:				
Entities under common control	(2,917)	(3,699)	(260)	(247)
Other operating expenses:				
Entities under common control	(3,776)	(4,779)	(1,322)	(2,375)

Transaction values represent original transactions and do not consider settlement of the transactions. All outstanding balances with related parties, except for the loans and borrowings and loans receivable, are to be settled in cash settled within one year of the reporting date. None of the related party balances are secured.

For related party transactions on loans and borrowings and loans receivable, recognised directly in equity, see note 13 and 18.

In 2022 the Group recognised forgiveness of related party loans of GEL 32,435 thousand directly in equity, see note 13.

During 2023 interest expense of GEL 4,711 thousand (2022: GEL 3,519 thousand) was recognised in profit or loss in respect of loans and borrowings from related parties. The interest rates and maturities of loans from related parties are disclosed in note 18(a).

During 2023 interest income of GEL 9,126 thousand (2022: GEL 19,684 thousand) was recognized in profit or loss in respect of loans receivable from related parties.

26. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for:

- the identifiable net assets of the subsidiaries, not acquired through common control transactions, that are measured at fair value at the acquisition dates;

- derivative financial instruments are measured at fair value.

27. Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

(a) Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquire; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(ii) Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iii) Non-controlling shareholders holding put options

The Group recognises a liability for the present value of the exercise price of the option, when the Group writes a put option to the non-controlling shareholders.

The Group applies the anticipated-acquisition method when the Group writes a put option to non-controlling shareholders resulting the non-controlling shareholders not to have present access to the returns associated with the underlying ownership interest.

Under anticipated-acquisition method the contract is accounted as if the put option had been exercised already by the non-controlling shareholders and the interests of the non-controlling shareholders that hold the written put options are derecognised when the financial liability is recognised.

Subsequent to initial recognition, the Group recognises changes in the carrying amount of the put liability directly within equity.

(iv) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Except for the common control transactions (see below), the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(v) Acquisition/transfer of entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for based on book value (carry-over basis) accounting as if the acquisition had occurred at the beginning of the earliest comparative period presented.

The assets and liabilities acquired are recognised at the carrying amounts recognised previously in individual financial statements of the acquiree. The components of equity of the acquired entities, except for the share capital and charter capital, are added to the same components within the Group

The difference between the consideration (whether in form of cash paid or through the capital contributions) and charter capital of the acquiree is recorded as part of retained earnings.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

(b) Revenue

Revenue is recognized when the Group satisfies a performance obligation by transferring the promised service to a customer. When a performance obligation is satisfied, the Group recognizes as revenue the amount of the transaction price, which excludes amounts collected on behalf of third parties and estimates of variable consideration that are constrained, that is allocated to that performance obligation.

The Group has the following main revenue streams: revenue from telecommunication services, revenue from casino games and revenue from hotel services.

(i) Revenue from telecommunication services

Mobile callout: revenue is recognized based on the actual airtime used by the subscribers for mobile phone calls. In relation to prepaid subscribers, the unused airtime is not recognized as revenue until the related service has been provided to the subscriber or the prepaid subscription is expired.

Fixed broadband and pay TV: revenue from fixed broadband and pay TV services primarily consists of monthly fixed charges for usage of an internet connection and pay TV services and is recognized as the service is provided.

Mobile data: revenue from each subscriber for data services. This revenue is recognised as the service is provided.

Fixed line and wireless telephones: revenue for airtime usage and connection fees by contract customers are recognized as revenue as services are performed, based upon minutes of use and contracted fees, with unbilled revenue resulting from services already provided accrued at the end of each month and unearned revenue from services to be provided in future periods deferred. Monthly subscription fee is recognised as revenue in the month when service is provided to the subscriber.

Interconnect services: access charges for interconnect services are earned from other telecommunications operators for traffic terminated on the Group's network under agreements, which also regulate the Group's use of the other operators' networks. Revenue from interconnect fees is recognized at the time the services are performed.

Facility rental service from IRU contracts: revenue from rent of lines consists of monthly fixed charges for usage of the cable network of the Group. This revenue is recognised as the service is provided.

Roaming revenues: revenue from other carriers for non-Silknet subscribers utilising Silknet's voice, SMS and data services. The Company recognises such revenues when the services are provided.

Revenues from phone sales and accessories: revenue is recognized when the equipment passes to the end customer.

Other revenues: the revenue recognition policy for other revenues (including SMS, MMS and other value added services) is to recognise revenue as services are provided.

Significant payment terms: for all post paid services subscribers make payments on a monthly basis.

(ii) Revenue from Casino Games

The services provided by the Group comprise the following casino games: table games, slot machines ("betting and gaming activities"). The Group's betting and gaming activities are classified as derivative financial instruments under IFRS 9 as revenue from land-based casino games represents net winnings ("customer drop"), being amounts staked net of customer winnings, and is stated net of customer promotions and bonuses incurred in the period. Open positions are carried at fair market value and gains and losses arising on this valuation are recognized in revenue, as well as gains and losses realized on positions that have closed.

(iii) Revenue from Hotel services

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

Room revenue - Revenue of renting hotel rooms to customers on a daily basis for the predetermined consideration. Room revenue is recognized based on completed guest nights in the hotel. Revenue is recognised over time as the services are provided. The stage of completion for determining the amount of revenue to recognise is assessed based on completed guest nights in the hotel.

Food and beverage revenue - Revenue from sales of food and beverages through restaurants and bars. Revenue is recognised at a point in time when the goods have been accepted by customers. The Group recognizes revenue when it transfers control at a point in time for the sale of goods and over time for the provision of services, however services are provided in an insignificantly short period of time. Revenues are recognized in contractual consideration, net of value added tax charged to customers.

Other revenue - Revenue from provision of complementary services, such as spa, massage and other services are included in other revenue. Revenue is recognised over time as the services are provided. The stage of completion for determining the amount of revenue to recognise is assessed based on the works completed, however services are provided in an insignificantly short period of time.

(c) Finance income and costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- the foreign currency gain or loss on financial assets and financial liabilities;
- financial instruments measured at FVTPL.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(d) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising in translation are recognised in profit or loss.

(e) Income tax

Income tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from dividends.

On 13 May 2016 the Parliament of Georgia passed the bill on corporate income tax reform (also known as the Estonian model of corporate taxation), which mainly moves the moment of taxation from when taxable profits are earned to when they are distributed. The law entered into force in 2016 and is effective for tax periods starting after 1 January 2017 for all entities except for financial institutions (such as banks, insurance companies, microfinance organizations, pawnshops), for which the law should have become effective from 1 January 2023. In 2022 the Government of Georgia has approved the changes to the current corporate tax model in Georgia for financial institutions, applicable from 2023. According to the amendments to the legislation, the part of financial institutions will no longer switch to the Estonian tax model.

The new system of corporate income taxation does not imply exemption from Corporate Income Tax (CIT), rather CIT taxation is shifted from the moment of earning the profits to the moment of their distribution; i.e. the main tax object is distributed earnings. The Tax Code of Georgia defines Distributed Earnings (DE) to mean profit distributed to shareholders as a dividend. However some other transactions are also considered as DE, for example non-arm's length cross-border transactions with related parties and/or with persons exempted from tax are also considered as DE for CIT purposes.

The corporate income tax arising from the payment of dividends is accounted for as an expense in the period when dividends are declared, regardless of the actual payment date or the period for which the dividends are paid. The amount of tax payable on a dividend distribution is calculated as 15/85 of the amount of the net distribution.

Set off the tax payable on dividends declared and paid is available for the corporate income tax paid on the undistributed earnings in the years 2008-2016, if those earnings are distributed in 2017 or further years.

The Tax Code of Georgia provides for charging corporate income tax on certain transactions not related to the entity's economic activities, free of charge supplies and representative expenses over the allowed limit. The Group considers the taxation of such transaction as outside of the scope of IAS 12 Income Taxes and accounts for the tax on such items as taxes other than on income.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(g) Property and equipment

(i) Recognition and measurement

Items of property and equipment, except for land, are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is measured at cost less any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Cost of the acquired property and equipment is the present value of the expected cash outflows if the payments are deferred beyond the twelve months' period.

If significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and is recognised net within other income/other expenses in profit or loss.

(ii) Subsequent expenditure

The cost of replacing a component of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. Depreciation is based on the cost of an asset less its estimated residual value.

Depreciation is generally recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of significant items of property, plant and equipment for the current and comparative periods are as follows:

– buildings and facilities	20 -50 years
– machinery and equipment	3-20 years
– Gaming tables and slot machines	8-10 years
– vehicles, furniture and fixture	3-10 years
– Other	2-12 years.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized to the respective qualifying asset using the effective interest method.

(h) Intangible assets

(i) Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

(ii) Other intangible assets

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets primarily include telecommunication operating licenses, casino permit, computer software licences, capitalized broadcasting rights, software for slot machines, licenses and other. A broadcasting rights contract is capitalised if the following conditions are met:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity;
- the cost of the asset can be measured reliably.

The Group considers other terms of a contract such as termination terms. Capitalised broadcasting rights contracts are discounted based on incremental borrowing rate.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the profit or loss as incurred.

(iv) Amortisation

Amortisation is based on the cost of the asset less its estimated residual value.

Amortisation is generally recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the asset. The estimated useful lives for intangible assets for the current and comparative periods varies from 1 to 10 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(i) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes.

(i) Recognition and measurement

Investment property is measured at cost less accumulated depreciation and impairment losses. Land is measured at cost less impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs.

When parts of an item of investment property have different useful lives, they are accounted for as separate items (major components) of investment property.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent expenditure

The cost of replacing part of an item of investment property is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of investment property are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of investment property, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Land is not depreciated.

The estimated useful life of buildings for the current and comparative periods is 50 years.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(j) Financial instruments

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Group classifies non-derivative financial liabilities into the other financial liabilities category.

Other financial liabilities comprise loans and borrowings, dividend payable and trade and other payables.

(i) Non-derivative financial assets and financial liabilities – recognition and derecognition

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets and financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

(ii) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

(iii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

Financial assets – Business model assessment:

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iv) Modification of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different (referred to as 'substantial modification'), then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

The Group performs a quantitative and qualitative evaluation of whether the modification is substantial, i.e. whether the cash flows of the original financial asset and the modified or replaced financial asset are substantially different. The Group assesses whether the modification is substantial based on quantitative and qualitative factors in the following order: qualitative factors, quantitative factors, combined effect of qualitative and quantitative factors. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset deemed to have expired. In making this evaluation the Group analogizes to the guidance on the derecognition of financial liabilities.

The Group concludes that the modification is substantial as a result of the following qualitative factors:

- change the currency of the financial asset;
- change in collateral or other credit enhancement;

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

Financial liabilities

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

If a modification (or exchange) does not result in the derecognition of the financial liability the Group applies accounting policy consistent with the requirements for adjusting the gross carrying amount of a financial asset when a modification does not result in the derecognition of the financial asset, i.e. the Group recognises any adjustment to the amortised cost of the financial liability arising from such a modification (or exchange) in profit or loss at the date of the modification (or exchange).

Changes in cash flows on existing financial liabilities are not considered as modification, if they result from existing contractual terms, e.g. changes in fixed interest rates initiated by banks due to changes in the National Bank's key rate, if the loan contract entitles banks to do so and the Group have an option to either accept the revised rate or redeem the loan at par without penalty. The Group treats the modification of an interest rate to a current market rate using the guidance on floating-rate financial instruments. This means that the effective interest rate is adjusted prospectively.

Group performs a quantitative and qualitative evaluation of whether the modification is substantial considering qualitative factors, quantitative factors and combined effect of qualitative and quantitative factors. The Group concludes that the modification is substantial as a result of the following qualitative factors:

- change the currency of the financial liability;
- change in collateral or other credit enhancement;
- inclusion of conversion option;
- change in the subordination of the financial liability.

For the quantitative assessment the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

(v) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(k) Capital

Capital is classified as equity.

(l) Financial guarantees

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

(m) Impairment

(i) Non-derivative financial assets

Financial instruments

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost:

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill the recoverable amount is estimated each year at the same time.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset and its related cash-generating unit (CGU) exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Leases

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liabilities. The lease liability is initially measured at the present value of the future lease payments as at the date of transition, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

A lease term reflects the Group's reasonable estimate of the period during which the underlying asset will be used. In determining the lease term the Group bases its judgement on the broader economics of the contract and the underlying asset, rather than the contractual terms only and allows factors like economic penalties, legislative approach to renewal of the lease, forthcoming changes in regulation and the future business plans of the Group to be effectively captured in the estimate of the lease term.

(o) Employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

28. New standards and interpretations not yet adopted

A number of new standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

- *Classification of Liabilities as Current or Non-current (Amendments to IAS 1)*
- *Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)*
- *Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)*
- *Lack of Exchangeability (Amendments to IAS 21)*
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).*

29. Subsequent events

(a) Updates in laws and regulations

In 2023, the Georgian Parliament approved changes in gambling regulations which constituted introduction of new taxes to offline gaming business. The tax changes came into force on 1 January 2024. Following changes will come into force in relation to taxation:

- 15% tax on Revenue from Slot machines as defined by the Tax Code of Georgia;
- 5% tax on withdrawals made by players from Slot machines.

Per the management's estimate, the impact of the above regulations, if the Company's financial results were the same as in 2023, is additional tax expense of approximately GEL 10 million in 2024.

(b) Other subsequent events

In February 2024, pledge of the Group's shareholding in Tsinandali Estate LLC, under PA agreement, was revoked.

In 2024, Silk Real Estate LLC issued a EUR 7 million bonds on Georgian Stock Exchange with a coupon of 7% p.a (gross) and with maturity of 1 year.

ANNEX A – REAL ESTATE VALUATION LETTER

Freedom Square
Business Center Tabidze N1
2 G. Leonidze Street
Second floor, Tbilisi 0105, Georgia

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29.08.2025
To: Silk Road Group Holding LLC

Notification of Fair Value Determination

We inform you that as of December 31, 2024 (the "Valuation Date"), we have determined the fair value of a group of properties (see detailed list below). The valuation was carried out in accordance with International Valuation Standards ("IVS") and Royal Institute of Chartered Surveyors ("RICS") standards. The total fair value as of the Valuation Date equals USD 387,594,000.

Purpose and Scope of Engagement: Under the scope of this engagement, we have carried out the valuation of the properties for inclusion in the listing particulars to be filed with the Irish Stock Exchange plc, trading as Euronext Dublin ("Euronext Dublin"), in connection with an issuance of notes by Silk Road Group Holding LLC (the "Notes") to be admitted to the official list of Euronext Dublin (the "Official List") and to trading on its Global Exchange Market (the "GEM").

Intended Use of the Letter: This letter summarizes the scope of the assignment and presents the fair values of the properties. It is intended for the client to share with third parties, providing them with a list of the valued properties and their corresponding fair values. It is acknowledged that these third parties may rely on the letter in connection with an investment in the Notes.

Dates of the Underlying Reports: The valuation reports were prepared on the following dates in 2025: 12 March, 13 March, 18 March, 20 March, and 21 March, respectively. The specific date of each report corresponding to each property is detailed in the table below.

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#	Project Name	Property	Company	Cadastral codes	Ownership Percentage	Valuation Approach	Date of Report	Fair Value USD as of 31.12.2024
1	SRBC	Telegraph building	Prometheus Holding Malta Limited, ID: C41770	01.15.04.013.001	100%	Income Approach (DCF)	20-Mar-2025	$ 54,500,000
2	Adjara Lands	Vacant land plots	Adjara Resorts JSC ID: 245547396, Bobokvati LLC ID: 247003371	20.46.01.005; 05.34.25.697 05.34.25.033/034/036/038/039 20.42.09.470/471/078/079 05.34.22.530/555/121/312/554	100%	Market Approach	21-Mar-2025	$ 20,038,000
3	Batumi Riviera	Land Plots and building	Prometheus Holding Malta Limited, ID: C41770	05.21.01.328 / 329	100%	Market Approach	20-Mar-2025	$ 89,300,000
4	CP	Melik building	Prometheus Holding Malta Limited, ID: C41770	01.15.04.001.001	100%	Market Approach Income Approach	18-Mar-2025	$ 13,588,000
5	CP	Underground complex	Prometheus Holding Malta Limited, ID: C41770	01.15.04.002.001	100%	Income Approach (DCF)	13-Mar-2025	$ 14,900,000
6	CP	Other properties	Prometheus Holding Malta Limited, ID: C41770	01.15.04.003.006.01.513/515/516/517/518 01.15.04.002.009/015	100%	Market Approach	12-Mar-2025	$ 2,258,000
7	New Hotel	Tbilisi Radisson	Prometheus Holding Malta Limited, ID: C41770	01.15.04.004.051	100%	Income Approach (DCF)	21-Mar-2025	$ 72,100,000
8	MOC	Batumi Radisson	Prometheus Holding Malta Limited, ID: C41770	05.21.03.006/017	100%	Income Approach (DCF)	21-Mar-2025	$ 34,200,000
9	Tsinandali Estate	Tsinandali Radisson	Prometheus Holding Malta Limited, ID: C41770	53.03.39.061	100%	Income Approach (DCF)	18-Mar-2025	$ 26,700,000
10	Tsinandali Resort	Park Hotel	Prometheus Holding Malta Limited, ID: C41770	53.03.39.007	51%	Income Approach (DCF)	18-Mar-2025	$ 5,000,000
11	Tsinandali Villas	Land and Buildings	Prometheus Holding Malta Limited, ID: C41770	53.03.39.120/360/361/389/390/391	100%	Income Approach (DCF)	12-Mar-2025	$ 8,750,000
12	F telecom, FP AGRO	Lands and apartments	Prometheus Holding Malta Limited, ID: C41770	22 properties	100%	Market Approach	12-Mar-2025	$ 1,311,000
13	Limoni Real Estate	Casino building and Telegraph parking	Prometheus Holding Malta Limited, ID: C41770	01.15.04.004.051 01.15.04.012.017 01.15.04.012.018	100%	Income Approach Market Approach	18-Mar-2025	$ 21,100,000
14	Iveria Center, Restaurant Tsinandali	Republic building and Land plots	Prometheus Holding Malta Limited, ID: C41770	01.15.04.001.021.01.500/501/502/503/504	50%	Income Approach	12-Mar-2025	$ 11,240,000
15	New Office	Iveria café building and land plots	Prometheus Holding Malta Limited, ID: C41770	01.15.04.002.010/014; 01.15.04.012.006;	100%	Market Approach	18-Mar-2025	$ 10,500,000
16	Misaktsieli	Land plot	Misaktsieli + LLC, ID: 204559076	72.03.14.060	100%	Market Approach	12-Mar-2025	$ 159,000
17	Club Savane	Club Savane	Prometheus Holding Malta Limited, ID: C41770	01.15.04.002.001.01.621	100%	Income Approach	13-Mar-2025	$ 540,000
18	New Office	Abastumani restaurant	Prometheus Holding Malta Limited, ID: C41770	61.11.23.412 61.11.23.413	100%	Cost Approach	21-Mar-2025	$ 1,410,000
	Total Fair Value							**$ 387,594,000**

Regards,
Levan Shalikiani
Director
Colliers Georgia – Valuation and advisory

ISSUER

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Republic Square 1
Tbilisi 0108
Georgia

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Tbilisi 0108
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Georgian Hotel Management LLC
Republic Square 1
Tbilisi 0108
Georgia

Medea Operating Company LLC
39 Ninoshvili Street
Batumi
Georgia.

Limoni 2009 LLC
Republic Square 1
Tbilisi 0108
Georgia

Silk Road Business Centre LLC
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