

The Term Sheet is translated from Georgian. Only the Georgian version of the Preliminary Term Sheet is submitted to and approved by the National Bank of Georgia. In case of discrepancies, Georgian version shall prevail.

Limited Liability Company

Gudauri Lodge

(Identification number: 405766755)

Preliminary Term Sheet

Preliminary Term Sheet prescribes offering terms based on the information available at the date of its registration and represents the Term Sheet of the Prospectus.

This document defines the terms and conditions of the offering of non-subordinated, unsecured, dematerialized bonds (hereinafter, the “Bonds”) of up to 10,000,000 (ten million) US dollars in total nominal value, bearing interest (hereinafter referred to as “coupon,” “interest,” or “interest income”), and carrying the rights, including redemption option rights, as defined under the “Terms and Conditions of the Bonds”. The Final Term Sheet will be submitted to the National Bank of Georgia within ten working days following the approval of this Prospectus.

Name of security:	Non-subordinated, unsecured Bonds (the “Bonds”) of LLC Gudauri Lodge (the “Issuer”, the “Company”)
Issuer's name, legal form, identification number and contact information:	LLC Gudauri Lodge, ID No. 405766755, Registered Address: Georgia, Tbilisi, Saburtalo District, 10 Givi Kartoza Street, Entrance No. 4, 2nd Floor, Commercial Unit No. 10 Actual Address: Georgia, Tbilisi, Saburtalo District, 10 Givi Kartoza Street, Entrance No. 4, 2nd Floor, Commercial Unit No. 10 Email: info@gudaurlodge.ge Website: https://gudaurlodge.ge/ Telephone: (+995 32) 2 200 600
Name and contact information of the Placement Agent:	JSC Galt & Taggart, ID No. 211359206 Address: 3, Pushkin Street, 0108, Tbilisi, Georgia Email: st@gt.ge Website: https://galtandtaggart.com/en Telephone: (+995 32) 2 40 11 11
Name and contact information of the authority responsible for approving the Prospectus:	National Bank of Georgia Address: 1, Zviad Gamsakhurdia Sanapiro Street, 0114, Tbilisi, Georgia Email: info@nbg.gov.ge Website: www.nbg.gov.ge Telephone: (+995 32) 2 40 64 06 Fax: (+995 32) 2 40 65 77
Date of approval of the Prospectus:	

Approval of this Prospectus by the National Bank of Georgia pertains exclusively to its form and does not imply validation of the accuracy of the content or the investment value described herein.

Entity Responsible for the Preparation of the Document:

LLC “Gudauri Lodge” (ID No.: 405766755)

Signed on behalf of LLC “Gudauri Lodge”:

Signatory:

Name, Surname: Giorgi Alpaidze

Position: Chairman of the Supervisory Board

Signature:

Date:

Signatory:

Name, Surname: Givi Koberidze

Position: Director

Signature:

Date:

Signed on behalf of JSC “Galt & Taggart”:

Signatory:

Name, Surname: Irakli Kirtava

Position: Director

Signature:

Date:

Information about the Bonds

Primary characteristics of Bonds:

Interest (coupon)	The Bond's interest rate is determined based on its nominal value and amounts approximately to 8-8.5 % annually. The final interest rate (coupon) shall be determined based on the demand revealed during the bond subscription process (book-building).
Bond amortization terms	Principal amount of the bonds will be repaid fully on maturity date.
Interest accrual and payment	The interest is accrued at the above-mentioned rate from the date of issuance of Bonds until the maturity date. The interest will be accrued based on a 360 day year. The accrued interest will be payable twice a year on October 3 and April 3. The first payment of accrued interest will be made on April, 2026.
Currency of the bonds	The bonds are denominated in US dollars.
Rights and Restrictions related to the Bonds	The Prospectus does not provide for any special rights and limitations related to the bonds, unless they are defined in the Term Sheet.
Limitations to the free exchange of Bonds	The circulation of securities is not limited.
Credit rating of Issuer/Bonds	The Issuer has not been assigned a credit rating.
Maturity Date of Bonds	Repayment of the bonds, i.e. payment of its principal amount and accrued and unpaid interest (if any) will take place on October 3, 2027.
Contact information of Central Depository	JSC "Central Depository of Securities of Georgia" (ID No. 204935400); Address: Vazha-Pshavela N71, Saburtalo district, Building 10, Floor 7, Office N7, Tbilisi, Georgia; Telephone: (+995 32) 2 50 02 11; Email: info@gcsd.ge
Listing	Once the Bonds have been placed, the Issuer intends to apply to the Georgian Stock Exchange (GSE) or Tbilisi Stock Exchange (TSE) for the Bonds to be admitted to the trading system and to the stock exchange listing. The Issuer complies with the conditions stipulated for admission to the securities trading system and stock exchange listing. For detailed information on the listing conditions of the Georgian Stock Exchange, please refer to the following link: GSE Listing Rules. For detailed information on the listing conditions of the Tbilisi Stock Exchange, please refer to the following link: TSE Listing Rules.
Status and Ranking of the Bonds	Bonds constitute a non-subordinated, unsecured obligation of the company. All bonds have an equal, identical legal status, without any precedence over each other.
Dividend policy	Please refer to the Company's dividend policy, as described in the Prospectus under the section "Dividend Policy."

Information regarding the Offering

The Offer	Bonds with a total nominal amount of up to 10,000,000 US dollars with a repayment date on October 3, 2027.
Minimal placement lot	1 bond
Security	Coupon bond
Nominal value	USD 1,000 (one thousand)
Quantity of bonds	Up to 10,000 (ten thousand)
Total nominal value of the Issue	Up to USD 10,000,000 (ten million)
Issue Price	100% of the nominal value of the bond
Bond issue date	The issuance date of the bond is estimated to be on October 3, 2025
Minutes of the shareholders' meetings and management decisions approving the issuance	Resolution of the Supervisory Board of JSC Georgian Real Estate dated 25 September 2025
Deferred Placement Date of the Bonds	Any date between the issuance date of the bonds and the closing date of the offering, at which the bond is placed at the deferred placement price.
Deferred Placement Price of the Bonds	The nominal value of the bonds plus the accrued interest from the date of issuance to the date of deferred placement date of the bonds.
Redemption Option	In the cases determined in accordance with the “Terms and Conditions of the Bonds”, the Bonds shall carry a call option, as set forth in Clause 7 of the “Terms and Conditions of the Bonds” (“Redemption and Purchase”).
Offering period	The period from the approval of the final offer terms document to the completion of the offer, during which securities may be purchased.
Offering Completion Date	The end date of the offer period is defined as the date on which one of the following events occur: a) Expiration of the issue of the prospectus; b) Placement of publicly offered securities in full; c) Termination of public offering.
Maturity Date	Repayment of the bonds, i.e. payment of its principal amount and accrued and unpaid interest (if any) will take place approximately on October 3, 2027.
Currency of the bonds	The bonds are denominated in US dollars.
The ranking of securities in the capital structure in case of insolvency/bankruptcy	In the event of bankruptcy, holders of the securities shall be considered as unsecured creditors. According to the Law on Rehabilitation and Collective Satisfaction of Creditors, priority is as follows: a. The expenses of the bankruptcy regime (which includes the expenses of the procedure provided for by Chapter V of the Civil Code of Georgia; the remuneration of a bankruptcy manager; and expenses related to proceedings, including expenses deriving from labor relations during bankruptcy proceedings, the expenses of property management, as well as the expenses of various professional services purchased by a decision of a manager); b. Liabilities arising regarding the issues after the delivery by a court of a ruling declaring an application for insolvency admissible and opening a bankruptcy regime, including tax liabilities arising after the commencement of bankruptcy proceedings;

	c. Preferential claims; d. Preferential tax claims; e. Non-secured claims, including the amounts of payables arising before the declaring of an application for insolvency admissible, which are not covered by other sub-paragraphs of 104 (1) paragraph of the Law of Georgia on Rehabilitation and Collective Satisfaction of Creditors – claims of bondholders belong to this category. For more information, see the subsection "Risks relating to the right of Bonds" of the Prospectus.
Calculation and Settlement Agent	JSC Galt & Taggart (ID No. 211359206)
Default	If an "event of default" occurs, bondholders can declare all outstanding obligations due as per the conditions outlined in the Prospectus. They can demand immediate repayment of the bonds from the Issuer, including 100 percent of the principal amount (nominal) and accrued interest (if any). (Refer to the Prospectus chapter "Terms and Conditions of the Bonds ", subsection 10, "Events of Default" for more details.)
Reasons of the Offering and Use of Proceeds	The net proceeds from the issue of bonds will be used to refinance the existing bank loans, the funding of capital expenditures and recapitalization (capital distribution / reduction). (For more information, see the section "Reasons of the Offering and Use of Proceeds").
Net Proceeds	In case of full placement of the issued bonds, the net funds raised from the bonds will not be less than 98% of the total nominal value of the issued bonds.
Selling Restrictions	Bonds will be offered only within the jurisdiction of Georgia, in accordance with the legislation of Georgia, only to “Sophisticated (Experienced) Investors” ¹ .
Governing law	Legislation of Georgia.
Jurisdiction	Any dispute arising from the Prospectus and related to it will be resolved by applying to the court of Georgia, in accordance with the procedures specified in this Prospectus.
Main terms of Bond Placement Agreement	The agreement imposes an obligation on Placement Agent to underwrite the bonds solely on a non-guaranteed basis. Placement agent is responsible for assisting the Issuer in preparing the necessary documents for the bond placement (including the bond prospectus), acting as a Placement Agent, and providing advice to the Company regarding the issuance, sale, and settlement of the bonds.
Placement fee	Placement fee does not exceed 2.0% of placed bonds. The commission shall be fully covered by the Issuer, and no costs will be charged to the investors.

¹*Sophisticated (experienced) Investor” – a person who has been granted the status of a sophisticated investor in accordance with the Rule on Recognition of a Person as a Sophisticated Investor, approved by the Order No. 223/04 of the President of the National Bank of Georgia dated 16 December 2020.*

Possible payments imposed on investors

All fees associated with the placement of the Bonds are fully covered by the Issuer, ensuring that investors will not bear any additional costs under the offer.

Conflicts of interest related to the Offering

• The relationship, between the Issuer, on one hand and the Placement Agent, on the other hand

The Issuer and the Placement Agent, also acting as the Calculation and Settlement Agent (JSC Galt & Taggart) are indirectly related, with the Issuer representing 100% subsidiary of Georgia Capital PLC (the “Ultimate Parent”), which also indirectly holds 19.8% non-voting equity interest in the Lion Finance Group PLC (also known as “Bank of Georgia Group”, also known as “BGEO Group”), holding 100% of the JSC Galt & Taggart. Although, such connection could be potentially considered as certain risk factor from the potential investor’s perspective, the Issuer considers this to be non-material considering the non-voting nature of Ultimate Parent’s equity interest in the Placement Agent, the fact that members of governing bodies of these companies are fully and completely separated and all the agreements associated with this transaction is made according to the existing legislation, on a commercial basis.

The Issuer's auditors and third parties or experts involved in the preparation of the Prospectus are not related parties and there is no conflict of interest between them.

• The relationship between the Placement Agents and Potential Investors

There is a possibility that a portion of the Bonds will be acquired by JSC Bank of Georgia, which is one of the largest commercial banks operating in Georgia and is affiliated with the Placement Agent. In particular, the ultimate parent of both the Placement Agent and JSC Bank of Georgia is Lion Finance Group PLC, a company admitted to trading on the London Stock Exchange. Concurrently, the head of the corporate lending division (which includes both the issuance of corporate loans and investments in bonds) of JSC Bank of Georgia provides supervision over the Placement Agent at the group level. The foregoing circumstances may give rise to a potential conflict of interest between, on the one hand, the Placement Agent and the Issuer, and, on the other hand, the Placement Agent and JSC Bank of Georgia. However, the Issuer believes that any potential conflict of interest is mitigated in view of the following circumstances:

- a) The Placement Agent is required by law to treat both JSC Bank of Georgia and all investors on the principles of equality and equal rights;
- b) If, during the Book-building process, potential investors express interest in acquiring a greater number of Bonds than specified in this Prospectus, and the applications are partially satisfied - either proportionally or otherwise, the decision regarding such allocation shall be made exclusively by the Issuer and not by the Placement Agent.

The Issuer is not aware of any other existing or potential conflicts of interest related to the Offering.

The Prospectus is translated from Georgian. Only the Georgian version of the Prospectus has been submitted to and approved by the National Bank of Georgia. In case of discrepancies, Georgian version shall prevail.

Limited Liability Company

Gudauro Lodge

(Identification number: 405766755)

Non-subordinated, Unsecured Bond Prospectus

Direct, non-subordinated bonds with a total nominal amount of up to US\$ 10,000,000 (ten million), offered in one or more issuances as fixed-interest coupon bonds. For each issuance (the date of the first issuance shall be specified in the Final Terms of the Offering of the Bonds, while the dates of subsequent issuances shall be specified in the respective Offering Documents), the nominal value of each bond: 1,000 (one thousand) units in the relevant currency; the currency of the respective issuance shall be specified in the relevant "Offering Terms Document" and may be either Euro or US Dollar; the price for each issuance: 100% (one hundred percent) of nominal value; detailed terms related to the issuance of the "bonds", including the total aggregate amount, denomination, interest payment frequency, exact issuance date, maturity and annual rate are specified in the current prospectus and the "Terms Sheet" document of related issuance. The frequency of bond coupon payments is specified as one of the following: a) monthly; b) quarterly; c) semi-annual; Term is defined as one of the following: 1) 1 year; 2) 2 years; 3) 3 years; 4) 4 years; 5) 5 years. The final interest rate (coupon) to be accrued on the nominal value of the Bonds will be determined during the offering process to potential investors, based on the volume and conditions of demand expressed for the purchase of the Bonds (during Book-building process). The final interest rate (coupon) shall fall within the range specified in the Preliminary Offering Terms Document (which is provided to potential investors during the offering process). Within each public offering, the commencement of the offering (Book-building) shall not be permitted prior to the submission of the Preliminary Offering Terms Document to the National Bank of Georgia and the public disclosure of such document. Furthermore, the determination of the final interest rate (coupon) within the range specified by the Preliminary Offering Terms Document shall not constitute a material change and shall require only its reflection in the Final Prospectus.

Bonds represent unsecured and non-subordinated liabilities of the Company.

LLC Gudauro Lodge (hereafter referred to as the "Company", the "Issuer") is responsible for the information contained in this Prospectus. To the best of the Company's knowledge and belief (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to significantly affect the accuracy and completeness of such information. Furthermore, the Prospectus contains all the material facts known to the Company and there has not been intentionally omitted information, which could affect the content of the Prospectus.

Approval of this Prospectus by the National Bank of Georgia (NBG) relates to its form only and may not be viewed as a conclusion on the accuracy of the content of the Prospectus or value of the investment described herein.

Entity Responsible for the Preparation of the Document:

LLC “Gudaury Lodge” (ID No.: 405766755)

Statement of the Responsible Entity:

The responsible entity declares that “the information presented in the Offering Prospectus includes all material facts known to it, and no information has been omitted that would affect the content of the Prospectus.”

Signed on behalf of LLC “Gudaury Lodge”:

Signatory:

Name, Surname: Giorgi Alpaidze

Position: Chairman of the Supervisory Board

Signature:

Date:

Signatory:

Name, Surname: Givi Koberidze

Position: Director

Signature:

Date:

Signed on behalf of JSC “Galt & Taggart”:

Signatory:

Name, Surname: Irakli Kirtava

Position: Director

Signature:

Date:

IMPORTANT INFORMATION FOR THE INVESTORS:

Prospective investor must read the following disclaimer before continuing reading this document. The disclaimer applies to the attached prospectus (**the "Prospectus"**) and prospective investor is therefore advised to read it carefully. By accessing and using the Prospectus (including for investment purposes), an investor agrees to be bound by the following terms and conditions (including modifications made from time to time).

Body responsible for approving the Prospectus:

National Bank of Georgia – address: Zviad Gamsakhurdia's Sanapiro street #1, 0114, Tbilisi, Georgia. Tel: 2 406 406. Email: info@nbg.gov.ge. Website: www.nbg.gov.ge

Limitation of the liability:

Furthermore, except for cases that may be explicitly provided for by applicable law, no person, including an authorized representative of the Issuer, CFO, member of the Supervisory Board, Chairperson of the Supervisory Board, Placement Agent, Calculation and Settlement Agent, Central Depository (hereafter referred to as Central Depository or Depository), other advisers of the Company nor any of their affiliates, directors, advisers or agents, other than the Issuer, accepts any responsibility whatsoever for the contents of this Prospectus, the accuracy or completeness of the information contained in this Prospectus or for any other statement, made or purported to be made by any of them or on its/their behalf in connection with the Company, or any information disclosed herein regarding the issuance and offering of securities specified in this document. Therefore, the Placement Agent and the advisers of the Company disclaim any liability under the law or other liability they might have in respect of this Prospectus, or any other statement made by them.

For the purposes of this Offering, the Placement Agent and Calculation and Settlement Agent are acting exclusively for the Issuer and for no one else in connection with the Offering. They will not regard any other person (whether he/she is a recipient of this Prospectus) as their client in relation to the Offering. Therefore, they will not be responsible to anyone other than the Company for providing services or for giving advice in relation to the Offering or any transaction or arrangement referred to herein.

This Prospectus does not constitute and may not be used for the purposes of an offer in any jurisdiction in which such an offer is not authorized or to any person to whom it is unlawful to make such an offer. No action is being taken to permit an offering of the Bonds described in this Prospectus or the distribution of this Prospectus (or any other offering materials relating to the Bonds) in any jurisdiction (other than Georgia).

The Bond offering will be made only to "Sophisticated (Experienced) Investors"¹. The offering of the Bonds on the secondary market is permitted only to "Sophisticated (Experienced) Investors".

The investor's confirmation: the attached Prospectus is delivered to the investor at his/her/its request and on the basis that the investor has confirmed to the Placement Agent "Galt & Taggart JSC" (ID No. 211359206), address: 3, Pushkin street, Tbilisi 0179, Georgia, tel: (995 32) 2444-132 (995 32) 24401-111; Email: st@gt.ge (hereinafter referred to as the **"Placement Agent"**), and "Gudauri Lodge LLC" (hereinafter, the **"Company"** or the **"Issuer"**) that the investor (i) is located outside the United States of America and is not a US citizen (as defined in Regulation S under the United States Securities Act of 1933), and (ii) is outside the United Kingdom and European Economic Area, and (iii) is a person into whose possession this Prospectus may lawfully be delivered in accordance with the laws of the jurisdiction in which he/she/it is located.

¹*Sophisticated (experienced) Investor" – a person who has been granted the status of a sophisticated investor in accordance with the Rule on Recognition of a Person as a Sophisticated Investor, approved by the Order No. 223/04 of the President of the National Bank of Georgia dated 16 December 2020.*

In case if this Prospectus has been made available to the investor in an electronic form, neither the Company, nor the Placement Agent or any of their respective affiliates accepts any liability or responsibility whatsoever in respect of any difference between

the Prospectus delivered to the investor in an electronic format and the hard copy version, and/or the viruses and other destructive items arising from alterations and changes caused during the process of electronic transmission of the Prospectus. By accessing Prospectus, the investor consents to receiving it in electronic form.

For the avoidance of any doubts, the approved Prospectus published/made publicly available on the website of “National Bank of Georgia” shall prevail.

There has been no substantial (material) change after the submission of the Prospectus until its approval, and if some similar change occurs after the submission until the offering, the Prospectus will be updated accordingly.

A hard copy of the Prospectus will be made available to the investor upon request made to the Placement Agents.

Restriction: If a person has gained access to this document contrary to and notwithstanding the foregoing restrictions, he/she will not be authorized to purchase any of the securities described herein.

Approved by the National Bank of Georgia

Date of Approval

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General Overview of Prospectus

Introduction

Name of security:	Unsubordinated, Unsecured Bonds of “Gudauro Lodge LLC” (“Issuer”, “Company”)
Name, legal form, identification number and contact details of the Issuer:	“Gudauro Lodge LLC” (ID No: 405766755) Address: Georgia, Tbilisi, Saburtalo District, 10 G. Kartozia Street, Entrance No. 4, 2nd Floor, Commercial Space No. 10 Actual address: Georgia, Tbilisi, Saburtalo District, 10 G. Kartozia Street, Entrance No. 4, 2nd Floor, Commercial Space No. 10 Email: info@gudauroilodge.ge Website: https://gudauroilodge.ge/ Telephone: (+995 32) 2 200 600
Name and contact information of the Placement Agent:	JSC Galt & Taggart (ID No. 211359206) Address: 3, Pushkin Street, 0108, Tbilisi Email: gt@gt.ge; sales@gt.ge Website: https://galtandtaggart.com/en Telephone: (+995 32) 2 401111
Name and contact information of the body responsible for approving the Prospectus:	National Bank of Georgia Address: Zviad Gamsakhurdia’s Sanapiro street #1, 0114, Tbilisi, Georgia. Telephone: (995 32) 240 6406 Fax: (995 32) 240 6577 Email: info@nbg.gov.ge Website: www.nbg.gov.ge
Date of approval of the Prospectus:	
Term of validity of the Prospectus:	12 months from the approval of the preliminary prospectus

Important Notices:

General overview of Prospectus is the integral part of this Prospectus;

Any investment decision made by the investor should be based on the entire Prospectus and not only on the information provided in the General overview of Prospectus;

The Issuer may become liable if the information represented in the General overview of Prospectus is misleading or inaccurate or is not relevant to the main Prospectus or does not provide the basic information to help investors to make investment decisions regarding their investment in the offered securities;

An investment in Bonds involves high risk. Any prospective investor, who will purchase the Bonds, should be prepared to face the economic risk of his/her/its investment and take into account the fact that the repayment of the principal amount of the Bonds and accrued interest will depend on the Issuer's solvency. According to securities market regulations, information provided in the Prospectus must be comprehensive, encompassing all essential information about the company, its operations, and the securities being issued, and be presented in a clear, understandable language facilitating straightforward analysis. Any supplementary information provided by the Company and/or the Placement Agents in relation to the Offer and Placement is not intended to serve as a comprehensive or independent evaluation of the risks associated with investing in the Bonds. Each investor is advised to make his/her/its own evaluation of the potential risks involved. In addition, the investor may lose all or part of the total invested amount.

The Prospectus and the information contained therein may be subject to introducing appropriate alterations and additions in case of change of circumstances, which will be reflected in the final Prospectus (e.g. specifying the interest rate, correcting technical errors, specifying the volume of the issue, etc.). The Issuer will inform the investors about such alterations and additions based on the procedure established by the law. Sale or public offering of the Bonds described herein is prohibited until the Prospectus is approved by the National Bank of Georgia.

Offering of the Bonds described in this Prospectus is made within the jurisdiction of Georgia as allowed by the applicable laws of Georgia. This Prospectus does not constitute an offer of securities for sale in any jurisdiction in which such an offer is unlawful.

Neither the Company nor the Placement Agent make any representation or warranty to any potential or actual purchaser of the Bonds regarding the legality of an investment in the Bonds by such purchaser under respective investment or similar laws applicable to such purchaser.

No person is authorised to disclose any information or make any representation other than contained in this Prospectus and any information or representation must not be relied upon as having been authorised by or on behalf of the Company or the Placement Agent. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the operations of the Company since the date of approval of Prospectus.

This Prospectus should not be construed as legal, investment, business or tax advice. When making an investment decision, all investors should consult their advisors, as necessary, and determine for themselves whether it is legally permitted to purchase the securities under applicable investment or similar laws or regulations.

Forward-Looking Statements

Certain statements contained in this Prospectus may constitute “forward-looking statements.” Forward-looking statements include statements relating to the Company’s plans, expectations, projections, objectives, strategies, future events, future revenues, capital expenditures, financing requirements, future operations, development, business strategy, and other information that does not represent historical information.

Words and expressions such as “anticipates,” “expects,” “targets,” “potential,” “believes,” “aims,” “projects,” “may,” “intends,” “could,” “plans,” “achieves,” and similar terms are indicative of forward-looking statements, but are not the only means of identifying such statements.

By their nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that assumptions, projections, and other forward-looking statements may not be realized. Such risks, uncertainties, and other factors include, among others, the factors described under “Risk Factors” as well as those set forth in other sections of the Prospectus. Investors should be aware that certain material factors may cause actual results to differ materially from the plans, objectives, expectations, assumptions, and intentions expressed in the forward-looking statements.

Accordingly, investors should not place undue reliance on forward-looking statements and, in considering such statements, should carefully evaluate the factors, uncertainties, and events described herein. The forward-looking statements contained in this Prospectus are made as of the date of approval of the Prospectus. The Company does not undertake any obligation to update or revise any of them (whether as a result of new information, future events, or otherwise), except as required by applicable law. The Company makes no representation or warranty, and gives no assurance, that the results contemplated by the forward-looking statements will be achieved, and such forward-looking statements, in each case, represent one of several possible scenarios and should not be considered as the most likely or standard scenario. These cautionary statements relate to all forward-looking statements made by the Company or by any person acting on behalf of the Company, as well as to any projections made by third parties included in this Prospectus.

Warning

Bond Prospectus is not a simple document and it can be difficult for the investors to thoroughly understand and evaluate the product offered by this Prospectus. In making any investment decision, investors must rely on their own examination of the Company, the Bonds and the terms of this offering, including the benefits and risks involved (see the "Risk Factors" section). Each potential investor must determine the suitability of an investment in the Bonds in light of such investor's own circumstances. The issue of the Bonds under the Prospectus is public. Besides, all potential investors should:

- i. Have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the benefits and risks of investing in the Bonds and the information contained in this Prospectus or any relevant supplement;
- ii. Have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of his/her/its particular financial circumstances, an investment in the Bonds and the impact such investment will have on his/her/its overall investment portfolio;
- iii. Have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency (GEL or US dollars) for principal and interest payments is different from the currency in which the potential investor attracts or implements investments;
- iv. Understand thoroughly the terms of the Bonds and be familiar with the behaviour of the financial markets in which they participate;
- v. Be able to evaluate (either independently or with the assistance of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and the ability to bear the applicable risks.

This record is for purposes of warning only and does not constitute a limitation of the Issuer's responsibility.

The responsible party declares that, when information provided by a third party is used, the source is indicated and a statement is made that such information has been accurately processed. To the best of their knowledge, no material facts have been omitted from this information that would render it inaccurate or misleading.

Information about the Issuer

The Issuer is “Gudauri Lodge LLC” (ID No. 405766755). Registered and Actual Address: Georgia, Tbilisi, Saburtalo District, 10 Givi Kartozia Street, Entrance No. 4, 2nd Floor, Commercial Space No. 10. Country of Registration: Georgia. Governing Law: Legislation of Georgia.

Contact Information of the Company:

Email: info@gudaurlodge.ge

Website: <https://gudaurlodge.ge/>

Telephone: (+995 32) 2 200 600

“Gudauri Lodge LLC” operates as a premium-class hotel in Gudauri, one of the leading mountain ski resorts in Georgia. The hotel has been operating since 2019. The Company provides a wide range of multifunctional services within a unified complex, comprising accommodation facilities together with recreational, entertainment, and wellness facilities. The hotel has direct ski-in/ski-out access to the slopes, which constitutes a key competitive advantage in the hospitality market.

The Company offers its guests the following key services and facilities:

- **Hotel Rooms** – 121 units with various categories (Standard, View, Suite, Duplex);
- **Food and Beverage Facilities** – A Georgian restaurant, a lobby bar, and an open-air après-ski bar;
- **Spa and Leisure Areas** – An indoor swimming pool, sauna, spa services, outdoor jacuzzi, and a fitness center;
- **Conference Rooms** – Conference and meeting rooms suitable for corporate gatherings, trainings, and events;
- **Ski Services** – The ability to purchase ski passes and rent equipment, as well as specialized storage facilities for ski equipment;
- **Wine Enoteca and Shop** – A wide assortment of Georgian wines and a boutique for tourists.

Gudauri Lodge serves both local and international guests, with its primary competitive advantages being high-quality service, strategic geographic location, and a unique hospitality concept based on Georgian culture and traditions.

The Company’s occupancy rates* by year are presented in the following table:

	30 April, 2025	30 April, 2024	30 April, 2023
Occupancy rate	45.8%	40.7%	35.9%

* The table presents the cumulative average occupancy rates for the last 12 months (LTM) preceding the respective date.

The hotel’s Average Daily Rate (ADR)* per room by year is presented in the following table (USD):

	30 April, 2025	30 April, 2024	30 April, 2023
ADR	\$ 164.7	\$ 150.0	\$ 129.6

* The table presents the cumulative last 12 months (LTM) average figures preceding the respective date.

The Company's Partners and Beneficial Owners

The Issuer's parent company is JSC "Georgia Real Estate", whose 100% of shares are owned by the holding company JSC "Georgia Capital". The ultimate founder is Georgia Capital PLC, a UK-based holding company traded on the premium segment of the London Stock Exchange (Main Market).

The legal structure of the Issuer's group as of the date of the Prospectus is set out in the "Organisational Structure" section of the registration document of the Prospectus.

Brief overview of the Sector

Tourism and Hospitality Sector

Tourism has historically been one of the most significant sectors for Georgia, considering its contribution to the economy, the sector's broad inclusivity, and its role in promoting the country internationally. Prior to the COVID-19 pandemic (in 2019), tourism accounted for 8.4% of Georgia's gross domestic product; however, the pandemic posed significant challenges to the sector both globally and within Georgia.

In 2024, Georgia generated USD 4.4 billion in revenue from tourism, representing a 7.3% increase compared to the previous year. Tourism revenues had already returned to pre-pandemic levels by 2022, driven by several factors, including a faster recovery in tourist visits, high inflation, and the impact of migration.

In 2024, Georgia was visited by 6.5 million visitors (+4.6% YoY), including both tourists and day visitors. Of these, the number of tourists in 2024 reached 5.1 million, returning for the first time to pre-pandemic levels observed in 2019. However, the recovery in tourist numbers was primarily driven by increased interest from Israel and emerging Asian markets, including China, India, Iran, Saudi Arabia, and Central Asian countries. As for day visitors, their numbers remained significantly below 2019 levels, mainly due to Azerbaijan's closed land borders.

While the number of tourists returned to 2019 levels for the first time in 2024, the number of hotel rooms in Georgia increased by 49.5% compared to 2019, exceeding 36,000 rooms by 2024. Given the increased competitive environment, hotels faced limitations in raising prices despite a significant increase in operating costs. According to Galt & Taggart, half of hotel occupancy in Tbilisi is attributed to nationals from Russia, the European Union, Iran, Ukraine, Azerbaijan, and Armenia, from which tourist recovery had been weak. As a result, the average hotel occupancy in Tbilisi reached 54% in 2024, falling 7 percentage points below pre-pandemic levels. Furthermore, increased competition particularly limited Tbilisi hotels' ability to raise prices despite increased operating costs. In 2024, the average daily rate in Tbilisi hotels was \$104, 15% below the 2019 level of \$123.

During the same period, the average hotel occupancy in the regions reached 51%, 6 percentage points below pre-pandemic levels, while the average daily rate was \$105, slightly - 3% - above the 2019 level.

Ski resorts (Gudauri, Bakuriani)

The faster recovery of tourism in the regions is particularly evident in the dynamics of international visits to ski resorts. Prior to the pandemic, international visits to ski resorts averaged around 400,000, while in 2024, the number reached 431,800, of which 75.5% were to Gudauri and 24.5% to Bakuriani. Due to seasonality, 40–50% of annual visits to ski resorts occur in the first quarter. As a result, the share of ski resorts in international visits during the first quarter nationwide is high, averaging between 15% and 20%, while in the remaining quarters it stands at around 5%.

In parallel with the growth in international visits, hotel room supply at ski resorts increased at a moderate pace, contributing to better hotel performance compared to Tbilisi. Specifically, between 2019 and 2024, the compound annual growth rate (CAGR) of hotel rooms at ski resorts was 5.1%, compared to 20.8% during 2016-2019. As of 2024, there were approximately 2,500 hotel rooms at ski resorts, of which 55.1% were in Bakuriani and 44.9% in Gudauri. Notably, only four chain hotels operate in Gudauri and Bakuriani, three of which are local (Bakuriani Inn, Rooms Hotel Kokhta, Gudauri Inn) and one international brand (Best Western Gudauri). Their share of total supply amounted to 18.0% in 2024.

For additional information, see *“Industry Overview”*.

Issuer’s Management and the core management team of the group

Givi Koberidze - Director

Andrei Vlasov - Hotel General Manager

For detailed information regarding the corporate governance structure of the Issuer, please refer to the *“Governing Body and Management”* section.

Issuer's auditors and third parties or experts involved in the Prospectus:

Issuer's financial auditor: Issuer's financial auditor is EY LLC ("EY"). ID No. 204441158. Address: 44, Kote Abkhazi St., Tbilisi, Georgia. E-mail: info@ge.ey.com

During the periods presented in the Prospectus, there was no change in the Company's financial auditor.

Issuer's Depositary: JSC Georgian Central Securities Depositary (ID No. 204935400). Tel.: (+995 32) 2 50 02 11; Address: 71, Vazha Pshavela Ave., Block 10, Tbilisi.

Bondholders' Representative: Nodia, Urumashvili and Partners LLC (ID 204484628). Tel: (+995 32) 2 20 74 07; Address: 71, Vazha-Pshavela Ave., Block 4; 4th floor, Office No. 28, Tbilisi. E-mail: info@nplaw.ge

Individuals and legal entities involved in the Offering:

Placement, Calculation and Settlement Agent: JSC Galt and Taggart (ID No. 211359206); Address: 3, Pushkin St., Tbilisi 0108. E-mail: gt@gt.ge; sales@gt.ge; Website: <https://galtandtaggart.com/en>; Tel.: (+995 32) 2 401 111.

The Company has signed an agreement with JSC Galt and Taggart ("Placement Agent"). The agreement obliges JSC Galt and Taggart to provide underwriting of bonds only on a non-guaranteed basis (under Best Effort conditions). The Placement Agent's duty is to prepare the documents necessary for the placement of bonds (including the bond prospectus), to act as a placement agent and provide the Company with advice related to the issuance, placement and settlement of the bonds. JSC Galt & Taggart as a Calculation and Settlement Agent should also calculate and settle the coupon and principal amount.

Potential Conflict of Interest

Conflicts of interest related to the Offering

• The relationship, between the Issuer, on one hand, and the Placement Agent, on the other hand

The Issuer and the Placement Agent, also acting as the Calculation and Settlement Agent (JSC Galt & Taggart) are indirectly related, with the Issuer representing 100% subsidiary of Georgia Capital PLC (the "Ultimate Parent"), which also indirectly holds 19.8% non-voting equity interest in the Lion Finance Group PLC (also known as "Bank of Georgia Group", also known as "BGEO Group"), holding 100% of the JSC Galt & Taggart. Although, such connection could be potentially considered as certain risk factor from the potential investor's perspective, the Issuer considers this to be non-material considering the non-voting nature of Ultimate Parent's equity interest in the Placement Agent, the fact that members of governing bodies of these companies are fully and completely separated and all the agreements associated with this transaction is made according to the existing legislation, on a commercial basis.

The Issuer's auditors and third parties or experts involved in the preparation of the Prospectus are not related parties and there is no conflict of interest between them.

• The relationship between the Placement Agents and Potential Investors

There is a possibility that a portion of the Bonds will be acquired by JSC Bank of Georgia, which is one of the largest commercial banks operating in Georgia and is affiliated with the Placement Agent. In particular, the ultimate parent of both the Placement Agent and JSC Bank of Georgia is Lion Finance Group PLC, a company admitted to trading on the London Stock Exchange. Concurrently, the head of the corporate lending division (which includes both the issuance of corporate loans and investments in bonds) of JSC Bank of Georgia provides supervision over the Placement Agent at the group level. The foregoing circumstances may

give rise to a potential conflict of interest between, on the one hand, the Placement Agent and the Issuer, and, on the other hand, the Placement Agent and JSC Bank of Georgia. However, the Issuer believes that any potential conflict of interest is mitigated in view of the following circumstances:

- a) The Placement Agent is required by law to treat both JSC Bank of Georgia and all investors on the principles of equality and equal rights;
- b) If, during the Book-building process, potential investors express interest in acquiring a greater number of Bonds than specified in this Prospectus, and the applications are partially satisfied - either proportionally or otherwise, the decision regarding such allocation shall be made exclusively by the Issuer and not by the Placement Agent.

The Issuer is not aware of any other existing or potential conflicts of interest related to the Offering.

Key Financial Indicators

The table summarizes the Company's key financial indicators, which are based on the Issuer's audited IFRS financial statements.

The company publishes its audited financial statements as of April 30, reflecting the seasonality of its operations. Specifically, the issuer's main operating season ends annually on April 15, and therefore April 30 has been designated as the financial year-end.

The auditor's report for the issuer's audited IFRS financial statements prepared as of April 30, 2024 and April 30, 2025 is qualified. The auditor was appointed in 2025 and was unable to observe inventory counts or otherwise verify quantities for prior periods. Accordingly, it was not possible to determine whether any adjustments were necessary. Except for the possible effects of this matter, the financial statements present fairly, in all material respects, the Group's financial position in accordance with IFRS requirements.

Apart from the information described in this prospectus, no other significant events have occurred between April 30, 2025 and the date of submission of the prospectus that may be material to the assessment of the issuer's solvency.

** The financial statements present consolidated financial indicators of the Group.*

Financial Position

Consolidated statement of financial position (000' GEL)	30-Apr-2025	30-Apr-2025	30-Apr-2024	1-May-2023
	** Pro forma	Audited	Audited	Audited
Assets				
Current assets	1,811	5,656	3,197	3,308
Non-current assets	29,541	28,999	30,384	31,859
Total assets	31,352	34,655	33,581	35,167
Liabilities				
Current liabilities	787	4,598	5,242	5,361
Non-current liabilities	27,100	15,144	15,660	17,507
Total Liabilities	27,887	19,742	20,902	22,868
* Total equity	3,465	14,913	12,679	12,299
Total Equity and Liabilities	31,352	34,655	33,581	35,167

*Under "the Law of Georgia on Entrepreneurs", the Company does not have a "Charter Capital" as defined in that law, which is equivalent to the term "Issued Capital." Accordingly, the amount presented under "Charter Capital" in the financial statements represents an "Additional Paid-in Capital Contribution" and, as such, does not serve as a protective mechanism and/or buffer under Article 145 of the Law of Georgia on Entrepreneurs in relation to dividend distributions or capital reductions. For further details, please refer to the subsection "Risks related to legislative and judicial systems" Risk 3.

**The assumptions included in the pro forma statements can be found in the "Key Financial Ratios" section, under "Pro forma effect of the bond".

Operating results

	<i>30-Apr-2025</i>	<i>30-Apr-2024</i>
	<i>Audited</i>	<i>Audited</i>
'000 Gel		
Revenue from hospitality services	15,014	12,187
Cost of hospitality services	-7,428	-6,960
Gross profit from hospitality services	7,586	5,227
Operating expenses	-3,277	-3,046
Operating Income	4,309	2,181
Finance income/expense and other	-1,389	-1,989
Profit before income tax expense	2,920	192
Income tax expense	-	-
Profit and total comprehensive income for the year	2,920	192
Non-IFRS Financial Indicators (000' GEL)	<i>30-Apr-2025</i>	<i>30-Apr-2024</i>
	<i>Audited</i>	<i>Audited</i>
EBITDA	5,933	3,686
EBIT	4,309	2,195

Key Financial Ratios

The ratios presented below as of 30 April for the years 2024 and 2025 are calculated using audited figures. However, the ratios themselves are not presented in accordance with IFRS (International Financial Reporting Standards), are unaudited, and do not measure the issuer's operational efficiency according to IFRS.

The issuer believes that the following indicators provide useful information to investors, enabling them to assess the company's financial condition, operational results, as well as the quality of its assets and key aspects of its business. It should be noted that the methodology used by the issuer to calculate these ratios may differ from the methods used by other companies for similar indicators and calculations.

1. Financial Leverage Ratios		30 April 2025 Pro forma*	30 April 2025	30 April 2024
1.1	Long-term Debt to equity	7.82x	1.02x	1.24x
1.2	Interest Coverage ratio (ICR)	n/a	2.41x	1.10x
1.3	Interest Coverage ratio (ICR, according to the Statement of Profit or Loss)	n/a	2.81x	1.10x
1.4	Total Debt Ratio	0.86x	0.55x	0.59x
1.5	Debt to EBITDA	4.57x	3.19x	5.36x
1.6	Net Debt to EBITDA	4.44x	2.42x	4.73x
1.7	Total Debt to Equity	7.82x	1.27x	1.56x
2. Profitability Ratios				
2.1	Return on assets (ROA)	n/a	8.6%	0.6%
2.2	Return on equity (ROE)	n/a	21.2%	1.5%
2.3	Return on capital employed (ROCE)	n/a	14.8%	7.6%
2.4	Gross profit margin	n/a	50.5%	42.9%
2.5	Operating profit margin	n/a	28.7%	17.9%
2.6	Net profit margin	n/a	19.4%	1.6%
2.7	Net Operating Cash Flow /Revenue	n/a	40.8%	30.4%
3. Liquidity Ratios***				
3.1	Liquid Assets / Total Assets	n/a	0.14x	0.07x
3.2	Liquid Assets / Current Liabilities	n/a	1.06x	0.47x
3.3	Current Ratio	n/a	1.23x	0.61x
3.4	Operating Cash Flow Ratio	n/a	1.33x	0.71x
3.5	Debt Service Coverage Ratio (DSCR)	n/a	1.66x	1.02x
4. Operating Ratios				
4.1	Average daily rate (ADR)	n/a	461 GEL	400 GEL
4.2	Occupancy rate	n/a	45.8%	40.7%
4.3	Cost per Occupied Room (CPOR)	n/a	529 GEL	555 GEL
4.4	Revenue per Available Room (RevPAR)	n/a	211 GEL	163 GEL
5. Bond covenant**				
5.1	Total debt to EBITDA	4.57x	3.19x	5.36x

***Pro forma effect of the bond** reflects the issuance of bonds in the amount equivalent to USD 10 million, the full refinancing of existing loan obligations with the proceeds, an increase in capital expenditures by USD 200 thousand, and the effects of recapitalization, which entail a reduction/distribution of the Company's equity capital. The pro forma figures also take into account subsequent events, as reflected in the audited financial statements. It has been assumed that the bond issuance was completed as of 30 April 2025, and that its impact would be reflected solely in the line items of the statement of financial position, without affecting the statement of comprehensive income. For the purpose of calculating the pro forma ratios, the following additional assumption has been applied: an exchange rate of 2.71.

****Total Debt to EBITDA ratio** represents the financial covenant of the Bonds. For further details, please refer to the section 5 of bond issuance and terms – "Covenants"

*****Explanation Regarding the Latest Reporting Period Liquidity Ratios** – Following the end of the reporting period, the Company made an additional capital distribution in the amount of GEL 3,845 thousand. Accordingly, the impact of such distribution is not reflected in the liquidity ratios as of 30 April 2025. Taking this factor into account, the Company's current liquidity ratio (liquid assets / short-term liabilities) falls below the 1.00x threshold. However, it should be noted that, upon the successful placement of the Bonds, short-term liabilities will be significantly reduced, and their repayment will be sufficiently covered through operating cash flows.

Description of Material Changes in Ratios:

- On the one hand, the significant reduction in the Company's debt-to-EBITDA ratio, while on the other hand, the increase in the debt service coverage ratio, are primarily attributable to EBITDA growth. During the period, the Company's EBITDA improved by approximately 61.0%, driven by revenue growth and the enhancement of operating margins.
- On a pro forma basis, the Company's financial leverage ratios increase, primarily because, following the bond issuance, total indebtedness rises by 43.0%.
- The sharp improvement in return on assets (ROA) and return on equity (ROE) ratios (from 0.6% to 8.6%) is primarily attributable to the increase in net income. This increase, in turn, was driven by higher operating margins and revenue growth.
- For the return on capital employed (ROCE), the main driver of the improvement was the enhancement of the operating indicator, specifically EBIT. In 2025, EBIT nearly doubled, mainly due to attributable to revenue growth and improved operating margins.
- The operating cash flow margin improved by 34.1% in 2025 compared to the prior period, primarily driven by higher operating profit. In addition, changes in working capital had a positive impact on the ratio relative to the previous period.

Regarding the operating metrics referenced in the ratios section (gross profit margin, operating profit margin, and net profit margin), all improved significantly, primarily due to a 23.2% increase in revenues, reflecting growth in both the average daily rate (ADR) and occupancy levels. Notably, cost of sales increased at a lower pace of 6.7% relative to revenue growth.

For further details regarding changes in operating and balance sheet indicators, please refer to the "Operational and Financial Overview" section of this Registration Document of the Prospectus.

General Notes for Ratios:

- **EBITDA** – represents the period's total revenues less the cost of sales and other operating expenses (including administrative staff expenses and other general and administrative expenses), excluding depreciation and amortization.
- **EBIT** – EBITDA minus depreciation and amortization expenses (both included in cost of sales and general and administrative expenses). It is equivalent to the profit derived from operating activities during the period.

Methodology for Calculating Key Ratios:

1. Financial Leverage Ratios:

- 1.1. **Long-term Debt to Equity Ratio** - the ratio of total long-term borrowings at the end of the period to total equity at the end of the period;
- 1.2. **Interest Coverage Ratio (ICR)** - the ratio of EBIT for the period to interest expense on debt for the same period;
- 1.3. **Interest Coverage Ratio (ICR, according to the Statement of Profit or Loss)** - the ratio of EBIT for the period to interest expenses incurred during the same period, based on the Statement of Profit or Loss;
- 1.4. **Total Debt Ratio** - the ratio of total borrowings at the end of the period to total assets at the end of the period;
- 1.5. **Debt to EBITDA** - the ratio of total debt to EBITDA for the period;
- 1.6. **Net Debt to EBITDA** - the ratio of total borrowings at the end of the period less unrestricted cash to EBITDA for the period;
- 1.7. **Debt to Equity** – the ratio of total debt at the end of the period to total equity at the end of the period.

2. Profitability Ratios:

- 2.1. **Return on Assets (ROA)** - Net income for the period divided by the average total assets at the end of the last two periods;
- 2.2. **Return on Equity (ROE)** - Net income for the period divided by the average shareholders' equity at the end of the last two fiscal periods;
- 2.3. **Return on Capital Employed (ROCE)** – EBIT for the period divided by the difference between the average total assets and the average current liabilities at the end of the last two fiscal periods;
- 2.4. **Gross Profit Margin** - Gross profit for the period divided by revenue;
- 2.5. **Operating Profit Margin** - Operating profit for the period divided by revenue;
- 2.6. **Net Profit Margin** - Net profit for the period divided by revenue;
- 2.7. **Net Operating Cash Flow Margin** – net cash from operating activities for the period divided by revenue.

3. Liquidity Ratios:

- 3.1. **Liquid Assets / Total Assets** - The ratio of liquid assets at the end of the period (cash and cash equivalents at the end of the period, together with trade and other receivables) to total assets;
- 3.2. **Liquid Assets / Current Liabilities** - The ratio of liquid assets at the end of the period (cash and cash equivalents at the end of the period, together with trade and other receivables) to current liabilities at the end of the period;
- 3.3. **Current Ratio** - The ratio of current assets at the end of the period to current liabilities at the end of the period;
- 3.4. **Operating Cash Flow Ratio** - The ratio of net cash generated from operating activities for the period to total current liabilities for the period;
- 3.5. **Debt Service Coverage Ratio (DSCR)** - the ratio of EBITDA for the period to total debt service obligations (interest and principal repayments) during the same period.

4. Operating Ratios:

- 4.1. **Average Daily Rate (ADR)** - Total room revenue generated during the period divided by the total number of rooms sold;
- 4.2. **Occupancy Rate** – the ratio of total occupied (rented) rooms during the period to the total available room nights in the same period;
- 4.3. **Cost Per Occupied Room** - Total operating expenses during the period to the total number of occupied (rented) rooms during the same period;

4.4. Revenue Per Available Room – Average Daily Rate (ADR) multiplied by the Occupancy Rate.

5. Bond Covenant

5.1. Total Debt to EBITDA - The ratio of total debt outstanding at the end of the period to EBITDA for the same period.

Key financial ratios according to the methodologies of credit rating agencies

At the time of the Bond issuance, neither the Issuer nor the bonds have been assigned a credit rating by a credit rating agency.

For illustrative purposes, selected ratios calculated according to the methodology of Fitch Ratings (one of the global credit rating agencies) are presented below.

In the credit rating process, Fitch Ratings applies the methodology published on its website. Since the Issuer operates in the hotel industry, the relevant sector applied for analysis is EMEA Hotels. The credit rating agency notes that, within this sector, companies most frequently fall within the 'BB'/'B' categories. Taking qualitative and other factors into account, the Company's credit rating is expected to be relatively lower, and, more precisely, not higher than the country's rating.

The analysis presented below does not imply that the Company will be assigned the rating resulting from the ratios shared below. It should also be noted that credit rating agencies primarily focus on companies' forward-looking data, whereas the analysis provided is based solely on historical results.

Fitch Ratings' approach to rating companies in the EMEA Hotels sector incorporates both qualitative and quantitative factors. Qualitatively, the assessment considers the company's market position and scale, geographic and revenue source diversification, prospective plans, and brand strength. Quantitative analysis focuses on the cash flow stability, revenue and EBITDAR trends. The ratings are also influenced by the country's sovereign rating, the operational environment, and sectoral resilience. Also, according to the methodology of the rating agencies, the credit rating is determined mainly based on the forward-looking projections, while the historical data serving as supplementary input.

In addition, according to the methodologies of credit agencies, significant weight is given to the credit rating of the parent company and the extent of support expected from it. Notably, JSC Georgia Capital has been assigned BB- (stable) S&P from Global (updated 28.04.2025).

Additionally, the Issuer does not assume any responsibility that the presented sector, methodology or ratio calculation approach is appropriate for any specific credit rating methodology and/or Issuer's particular business operations.

The following links were actively used during the analysis process:

1. Methodology - <https://www.fitchratings.com/research/corporate-finance/corporate-rating-criteria-27-06-2025>
2. Sector - <https://www.fitchratings.com/research/corporate-finance/sector-navigators-addendum-to-corporate-rating-criteria-27-06-2025> (p.35-38)

	Hotel Gudauri Lodge				Fitch Ratings industry standard for companies operating in an environment with a BB rating		
	30 Apr, 2025 Score	30 Apr, 2025 Pro forma	30 Apr, 2025	30 Apr, 2024	bbb	bb	b
EBITDAR Margin	bb	n/a	40%	30%	70% > x ≥ 45%	45% > x ≥ 35%	35% > x ≥ 25%

EBITDAR Leverage	bbb	4.6x	3.2x	5.4x	$3.0x < x \leq 3.5x$	$3.5x < x \leq 4.5x$	$4.5x < x \leq 5.5x$
EBITDAR Net Leverage	bbb	4.4x	2.4x	4.7x	$2.0x < x \leq 3.0x$	$3.0x < x \leq 4.0x$	$4.0x < x \leq 5.0x$
EBIT Margin	bbb	n/a	29%	18%	$50\% > x \geq 25\%$	$25\% > x \geq 15\%$	$15\% > x \geq 5\%$
FCF Margin	a	n/a	28%	15%	$2\% > x \geq 1\%$	$1\% > x \geq 0\%$	$0\% > x \geq -1\%$
(CFO - Capex) / Debt	a	14%	22%	9%	$20\% > x \geq 12.5\%$	$12.5\% > x \geq 7.5\%$	$7.5\% > x \geq 2.5\%$
EBITDAR Fixed-Charge Coverage	a	n/a	3.3x	1.8x	$3.0x > x \geq 2.5x$	$2.5x > x \geq 1.5x$	$1.5x > x \geq 1x$
Unencumbered Assets to Unsecured Debt	n/a	1.1	n/a	n/a	$3.0x > x \geq 2.0x$	$2.0x > x \geq 1.8x$	$1.8x > x \geq 1.5x$
Liquidity	bbb	n/a	2.3x	1.0x	$x \geq 1.25x$	$x \approx 1.0x$	$x < 1.0x$

Methodology for calculating coefficients:

1. **EBITDAR Margin:** EBITDAR divided by Revenue;
2. **EBITDAR Leverage:** Debt divided by EBITDAR;
3. **EBITDAR Net Leverage:** Net Debt divided by EBITDAR;
4. **EBIT Margin:** EBIT divided by Revenue;
5. **FCF Margin:** FCF divided by Revenue;
6. **(CFO – Capex) / Debt:** Cash flows from operations (CFO) less capital expenditures (Capex), divided by Debt Obligations;
7. **EBITDAR Fixed – Charge Coverage:** EBITDAR divided by interest payments plus Lease Payments;
8. **Unencumbered Assets to Unsecured Debt:** Ratio of Unencumbered Assets to Unsecured Debt;
9. **Liquidity:** Free Cash Flow (FCF) plus Available (Unrestricted) Cash divided by Short-Term Debt;
10. **EBITDA:** Profit from operating activities (excluding depreciation and amortization), which does not include income or expenses outside the Company's ordinary course of business and exceptional items;
11. **EBITDAR:** The same as EBITDA, excluding lease expenses; since the Company has no leases, EBITDA and EBITDAR are identical;
12. **FFO:** EBITDA less Net Cash Interest paid, less Taxes paid and other adjustments;
13. **CFO:** FFO less changes in Working Capital;
14. **FCF:** CFO less Capital Expenditures and Dividends paid;
15. **Debt:** Total Secured and Unsecured Debt;
16. **Net Debt:** Debt less Available (Unrestricted) Cash.

According to the table above, as of April 30, 2025, a significant portion of the Company's financial indicators exceed the threshold values corresponding to BB and BBB ratings. It is important to note that the existing indicative ratios, which are considered in credit rating assessment, are intended for much large-scale hotels, with room capacities in the several thousands.

It should be noted that there is no guarantee that the Company will be able to improve or maintain these indicators at a level acceptable in terms of credit risk in the future.

Fitch's industry averages cover developed as well as emerging markets and are therefore not specifically tailored to markets such as Georgia.

Furthermore, the current comparison with Fitch's industry standards includes only a quantitative analysis. The determination of the Company's potential credit rating should not be rely solely on this analysis. Credit rating agencies consider a combination of multiple factors when assigning a rating, including the country's sovereign rating, the Company's corporate structure, the robustness of business processes, and other relevant factors.

Use of proceeds

In the event of full placement of the issued Bonds, the net proceeds raised from the Bonds will not be less than 98% of the aggregate nominal value issued. The net cash proceeds from the issuance of the Bonds will be applied to the full refinancing of loans, recapitalization (capital reduction / distribution), and capital expenditures.

(For detailed information about the use of proceeds, see the section "Reasons of the Offering and Use of Proceeds").

Brief overview of the material risks that are specific to the Issuer's business and offered securities:

- *Depreciation of the national currency, Lari, against US\$/other currencies of economically related countries may have a material adverse impact on the Company's business;*
- *The Company's charter capital is not determined and is not subject to statutory restrictions, including those related to dividend distribution and capital reduction.*
- *After the issuance of bonds and the public offering, the Company will become Accountable Entity and will be subject to additional legislative and reporting requirements.*
- *The Company is dependent on events that may negatively affect domestic or international travel;*
- *The Company is subject to the risks of the supply and demand cycle in the hotel industry;*
- *The Company's revenues is subject to seasonal fluctuations;*
- *The Company is exposed to geographic concentration risk, as its operations are concentrated in only one region and on citizens of several specific countries, and therefore any negative developments in this region/countries could significantly affect its operations and financial results;*
- *A lack of snow during the winter season may adversely affect the Company's revenue dynamics;*
- *Fluctuations in currency exchange rates have had and may continue to have an impact on the Company;*
- *In the event of the Company's insolvency, secured creditors will have priority over bondholders;*
- *The Company may be in breach of financial covenants stipulated by its loan obligations;*
- *The type of the Company's financial statement auditor's opinion is qualified.*
- *Investors whose financial activities are denominated in a currency or currency unit other than the bond currency may receive less interest or principal than expected, as a result of fluctuations in exchange rates or potential regulations in currency operations;*
- *The Bonds may be repaid or redeemed prior to the due date;*
- *The bonds constitute unsecured obligations of the Company;*
- *The existing financial restrictions on the Bonds may be insufficient and may not protect investors;*

The risk factors disclosed in the General overview of Prospectus section include only those risks that are considered materially significant for the Issuer and do not provide a complete description of all risks related to the industry and economy, the Issuer's operations, or the securities being offered. For full information, please refer to the Registration Document, subsection "Risk Factors."

Reasons of the Offering and Use of Proceeds

The Issuer intends to issue up to US\$ 10,000,000 bonds of total nominal value denominated in US Dollars or Euros, offered in one or more issuances, the net proceeds of which will be applied towards the full refinancing of existing bank obligations, financing of capital expenditures, and for recapitalization (capital reduction/distribution) purposes. Out of the total USD 10 million, USD 7 million will be applied to the refinancing of bank obligations, USD 200,000 to capital expenditures, and the remaining amount will be used for recapitalization.

For precise information regarding the issuance, please refer to the relevant “Terms and Conditions of the Bonds” and the “Offering Terms Document”. Overall, according to the Company’s estimates, the net proceeds raised from the Bonds will not be less than 98% of the total proceeds.

Detailed information on the Company’s capitalization and Indebtedness is presented in the section “Capitalization and Indebtedness ”.

Registration Document

Person responsible for preparation of the document:

LLC Gudauri Lodge (Identification number: 405766755)

Statement of the person responsible:

The person responsible states that *"the information presented in the registration document includes all the material facts known to them, and no such information was omitted that would affect the content of the Prospectus"*.

The person responsible states that *"when information provided by a third party is used, the source is indicated, and it is stated that the information has been accurately processed. To the best of their knowledge, no material facts have been omitted from this information that would make it inaccurate or misleading."*

Parties involved in the Offering

Issuer's financial auditor: Issuer's financial auditor is EY LLC ("EY"). ID No. 204441158. Address: 44, Kote Abkhazi St., Tbilisi, Georgia. E-mail: info@ge.ey.com

During the periods presented in the Prospectus, there was no change in the Company's financial auditor.

Bondholders' representative: Nodia, Urumashvili and Partners LLC. (ID 204484628). Tel: (+995 32) 2 20 74 07; Address: 71, Vazha-Pshavela Ave., Block 4; 4th floor, office No. 28, Tbilisi. E-mail: info@nplaw.ge

Credit rating agency: Company and the Bonds issued under this Prospectus have not been assigned a credit rating.

Issuer's Depository: JSC Georgian Central Securities Depository (ID No. 204935400). Vaja-Pshavela Avenue No. 71, Office No. 7, 7th Floor, Block 10, Saburtalo District, Tbilisi, Georgia; Tel.: (+995 32) 2 50 02 11; E-mail: info@gcsd.ge (the Issuer will enter into an agreement with the Depository prior to the issuance of the Bonds).

Placement, Calculation and Settlement Agent: JSC Galt and Taggart (ID No. 211359206); Address: 3, Pushkin St., Tbilisi 0108. E-mail: gt@gt.ge; sales@gt.ge; Website: <https://galtandtaggart.com/en>; Tel.: (+995 32) 2 401 111.

Possible payments imposed on investors

All fees associated with the placement of the Bonds are fully covered by the Issuer, ensuring that investors will not bear any additional costs under the offer.

Conflicts of interest related to the offering

- The relationship, between the Issuer, on one hand and the Placement Agents, on the other hand

The Issuer and the Placement Agent, also acting as the Calculation and Settlement Agent (JSC Galt & Taggart) are indirectly related, with the Issuer representing 100% subsidiary of Georgia Capital PLC (the “Ultimate Parent”), which also indirectly holds 19.8% non-voting equity interest in the Lion Finance Group PLC (also known as “Bank of Georgia Group”, also known as “BGEO Group”), holding 100% of the JSC Galt & Taggart. Although, such connection could be potentially considered as certain risk factor from the potential investor’s perspective, the Issuer considers this to be non-material considering the non-voting nature of Ultimate Parent’s equity interest in the Placement Agent, the fact that members of governing bodies of these companies are fully and completely separated and all the agreements associated with this transaction is made according to the existing legislation, on a commercial basis.

The Issuer's auditors and third parties or experts involved in the preparation of the Prospectus are not related parties and there is no conflict of interest between them.

• The relationship between the Placement Agents and Potential Investors

There is a possibility that a portion of the Bonds will be acquired by JSC Bank of Georgia, which is one of the largest commercial banks operating in Georgia and is affiliated with the Placement Agent. In particular, the ultimate parent of both the Placement Agent and JSC Bank of Georgia is Lion Finance Group PLC, a company admitted to trading on the London Stock Exchange. Concurrently, the head of the corporate lending division (which includes both the issuance of corporate loans and investments in bonds) of JSC Bank of Georgia provides supervision over the Placement Agent at the group level. The foregoing circumstances may give rise to a potential conflict of interest between, on the one hand, the Placement Agent and the Issuer, and, on the other hand, the Placement Agent and JSC Bank of Georgia. However, the Issuer believes that any potential conflict of interest is mitigated in view of the following circumstances:

- a) The Placement Agent is required by law to treat both JSC Bank of Georgia and all investors on the principles of equality and equal rights;
- b) If, during the Book-building process, potential investors express interest in acquiring a greater number of Bonds than specified in this Prospectus, and the applications are partially satisfied - either proportionally or otherwise, the decision regarding such allocation shall be made exclusively by the Issuer and not by the Placement Agent.

The Issuer is not aware of any other existing or potential conflicts of interest related to the Offering.

References:

The main references used in the Prospectus are as follows:

- Audited Annual Financial Statements of LLC Gudauri Lodge (as of April 30, 2025 and 2024);
- LLC Gudauri Lodge Charter and Registration Extract (published on the Public Registry portal at nabr.gov.ge, NAPR system search application No. B25118944);
- National Statistics Office of Georgia (www.geostat.ge);
- National Bank of Georgia (www.nbg.ge);
- Galt & Taggart Research (<https://galtandtaggart.com/en>)

Information about the issuer

Company Overview and History

The Issuer is LLC “Gudauri Lodge” (ID No. 405766755). Registered and Actual address: Georgia, Tbilisi, Saburtalo District, 10 Givi Kartoza Street, Entrance No. 4, 2nd Floor, Commercial Premises No. 10. Country of registration: Georgia. Governing law: Legislation of Georgia.

Company Contact Information:

Email: info@gudaurilodge.ge

Website: <https://gudaurilodge.ge/>

Telephone: (+995 32) 2 200 600

“LLC Gudauri Lodge” is a subsidiary of JSC Georgia Real Estate Group, established on 26 March 2025. Prior to this date, the hotel was owned by another company within the same group, which had leased it to another group entity, LLC Georgia Hospitality Management Group Gudauri, a subsidiary of JSC Georgia Capital Group. In March-April 2025, a restructuring took place within the group: LLC Gudauri Lodge was established, the hotel was contributed to it as equity, and LLC Gudauri Lodge also acquired the hotel’s operator/tenant company, LLC Georgia Hospitality Management Group Gudauri.

“Gudauri Lodge LLC” operates as a premium-class hotel in Gudauri, one of the leading mountain ski resorts in Georgia. The hotel has been operating since 2019. The Company provides a comprehensive wide range of multifunctional services within a unified complex, comprising accommodation infrastructure facilities together with recreational, entertainment, and relaxation wellness facilities. The hotel has direct access to ski-in/ski-out access to the ski slopes (ski-in/ski-out), which constitutes a key competitive advantage in the hospitality market.

The Company offers its guests the following key services and facilities:

- **Hotel Rooms** – 121 units with various categories (Standard, With view, Suite, Duplex);
- **Food and Beverage Facilities** – A Georgian restaurant, a lobby bar, and an open-air après-ski bar;
- **Spa and Leisure Areas** – An indoor swimming pool, sauna, spa services, outdoor jacuzzi, and a fitness center;
- **Conference Rooms** – Conference and meeting rooms suitable for corporate gatherings, trainings, and events;
- **Ski Services** – The ability to purchase ski passes and rent equipment, as well as specialized storage facilities for ski equipment;
- **Wine Enoteca and Shop** – A wide assortment of Georgian wines and a boutique for tourists.

Gudauri Lodge serves both local and international guests, with its primary competitive advantages being high-quality service, strategic geographic location, and a unique hospitality concept based on Georgian culture and traditions.

The Company is managed by an experienced team with many years of expertise in the real estate sector.

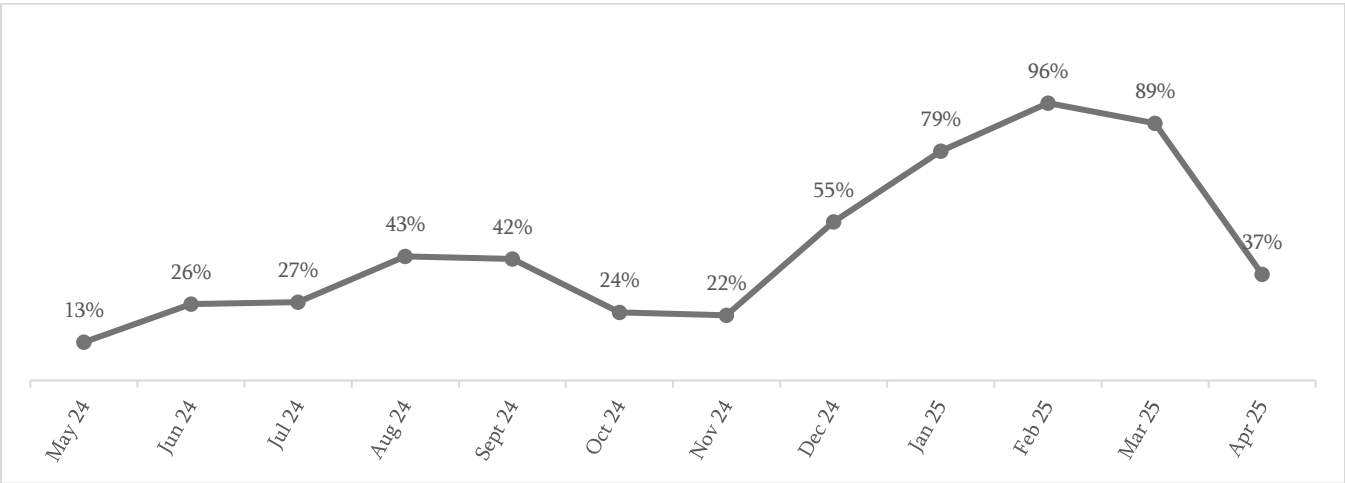
The Company’s occupancy rates* by year are presented in the following table:

	30 April, 2025	30 April, 2024	30 April, 2023
Occupancy rate	45.8%	40.7%	35.9%

* The table presents the cumulative average occupancy rates for the last 12 months (LTM) preceding the respective date.

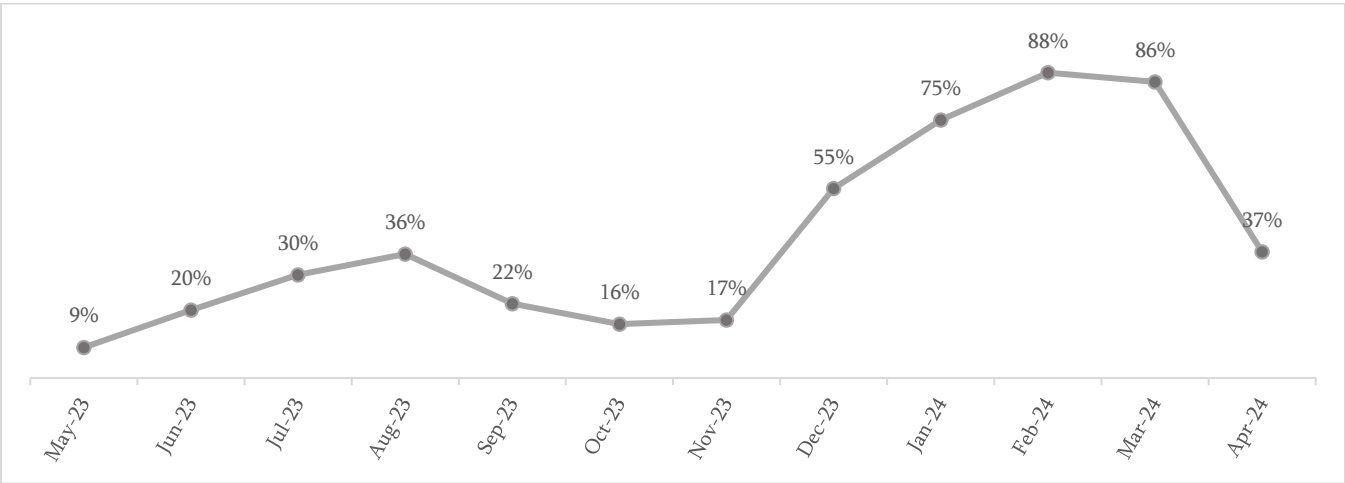
As the hotel is located in a mountain ski resort, its occupancy and profitability are highly seasonal, with peak occupancy recorded during the winter season (December to March).

The company’s monthly occupancy rates for the 2024–2025 fiscal year are presented in the following chart:



** The chart presents the average monthly occupancy rates.*

The company’s occupancy rates by month for the 2023–2024 fiscal year are presented in the following chart:



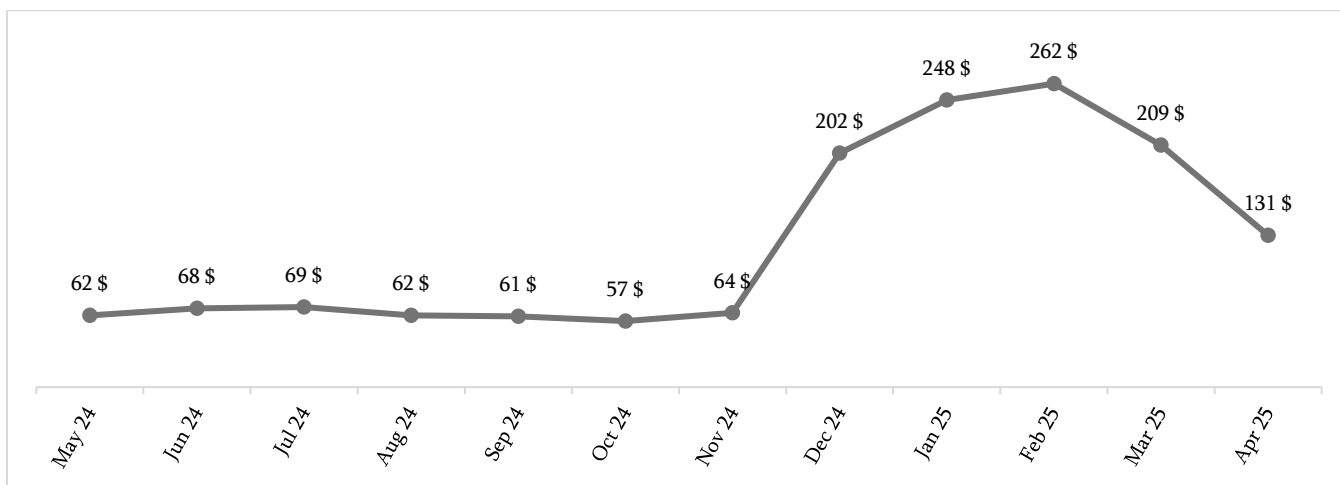
** The chart presents the average monthly occupancy rates.*

The hotel’s Average Daily Rate (ADR)* per room by year (in USD) is presented in the following table:

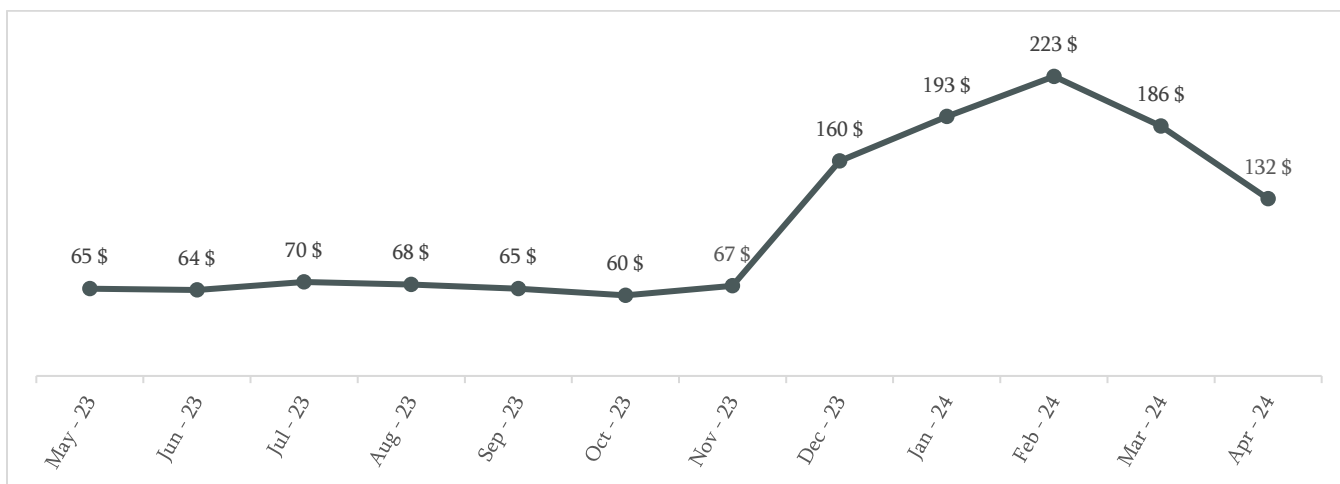
	30 April, 2025	30 April, 2024	30 April, 2023
ADR	\$ 164.7	\$ 150.0	\$ 129.6

**The table presents cumulative last 12 months (LTM) average figures preceding each respective date.*

The hotel’s Average Daily Rate (ADR) per room by month for the 2024–2025 fiscal year is presented in the following chart (USD):

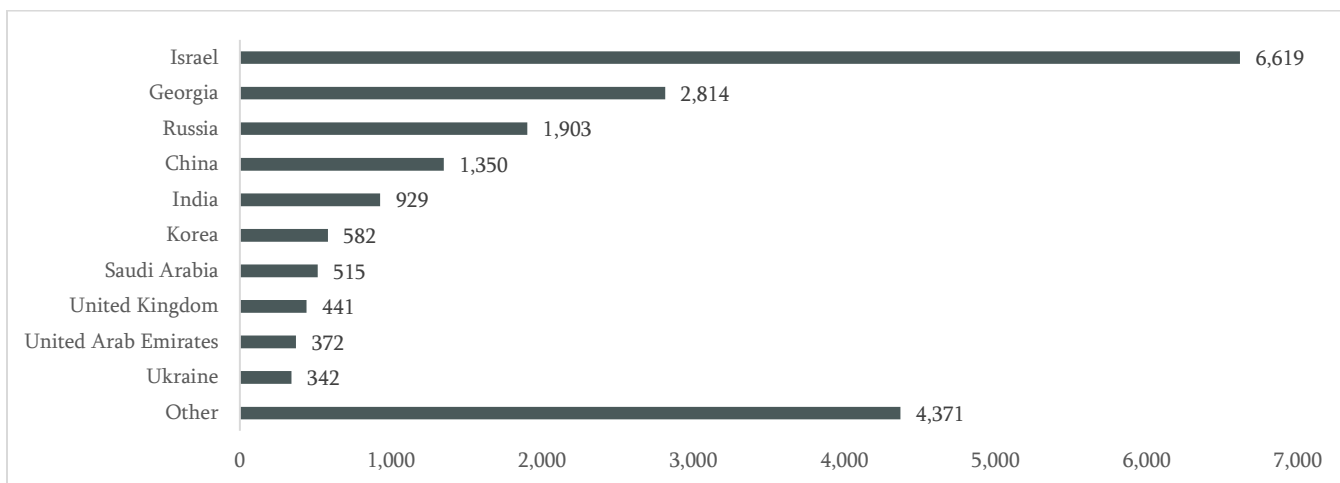


The hotel's Average Daily Rate (ADR) per room by month for the 2023–2024 fiscal year is presented in the following chart (USD):

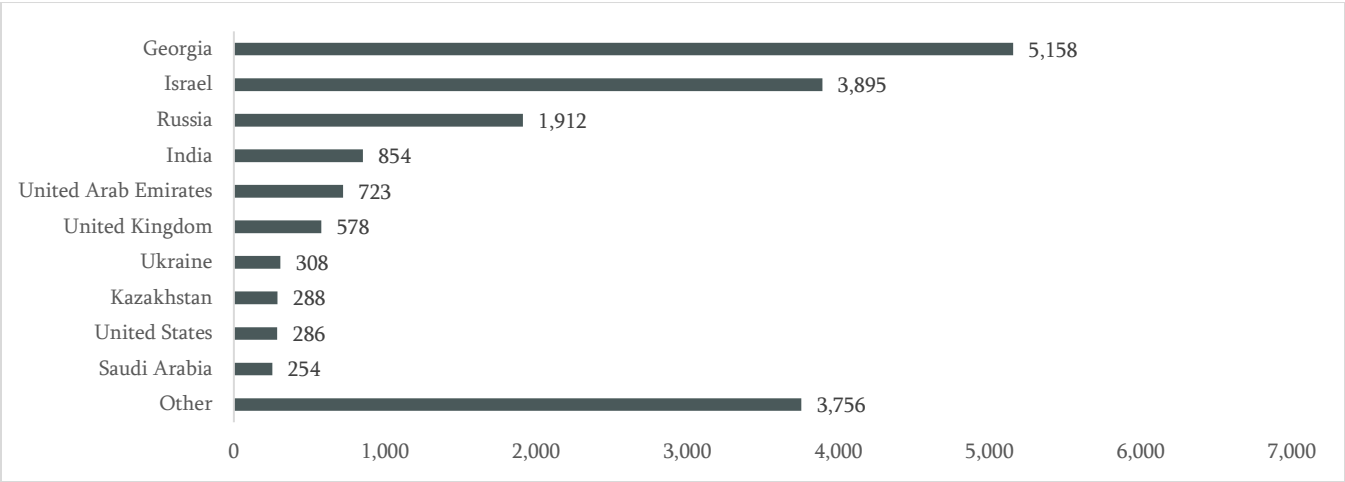


The hotel is primarily visited by international tourists, typical of Georgia's tourism market, along with domestic vacationers. During the 2024–2025 fiscal years, 86% of the room revenue was generated from international tourists, while 14% was generated from local guests.

The distribution of rooms rented at Gudauri Lodge by nationality during the 2024–2025 period is presented in the following chart:



The distribution of rooms rented at Gudauri Lodge by nationality during the 2023-2024 period is presented in the following chart:



Business Seasonality

The Company’s core operations are characterized by pronounced seasonality, driven by its location at one of Georgia’s most active mountain ski resorts. Seasonality has a significant impact on both revenue dynamics and operational processes.

The hotel’s occupancy rate is particularly high during the winter season, driven by the peak activity of the ski season and increased tourist flows during the Christmas and New Year holidays. During this period, demand rises not only for accommodation but also for additional services - such as dining, spa treatments, equipment rentals, and other related amenities. Consequently, the hotel reaches its highest occupancy levels.

For a detailed month-by-month breakdown of occupancy, please refer to the subsection “Company Overview and History” of this prospectus.

Important Events of the Issuer's business development

2018	A company within the JSC Georgian Real Estate group acquired the land and building of the hotel
2019	The hotel commenced operations
2020	The company acquired land plots in Gudauri, where it developed residential cottages to accommodate the hotel's employees
2022	The company entered into cooperation with the Israeli tour operator SKIDEAL, which organizes tour series across Europe. During the high season, SKIDEAL annually purchases 20%–30% of the rooms
2025	LLC Gudauri Lodge was established, with the hotel contributed as capital. The Issuer also acquired the hotel's operator/tenant company

Future Strategy and Objectives

“Gudauri Lodge” is one of the leading hotels among the country’s mountain ski resorts, holding a 12% market share in Gudauri by room count. Going forward, the company aims to maintain the strong growth achieved over the past two years and further improve its ADR and occupancy rates during the winter season. In addition, the company plans to increase occupancy during off-season periods through targeted efforts to attract both corporate and individual clients.

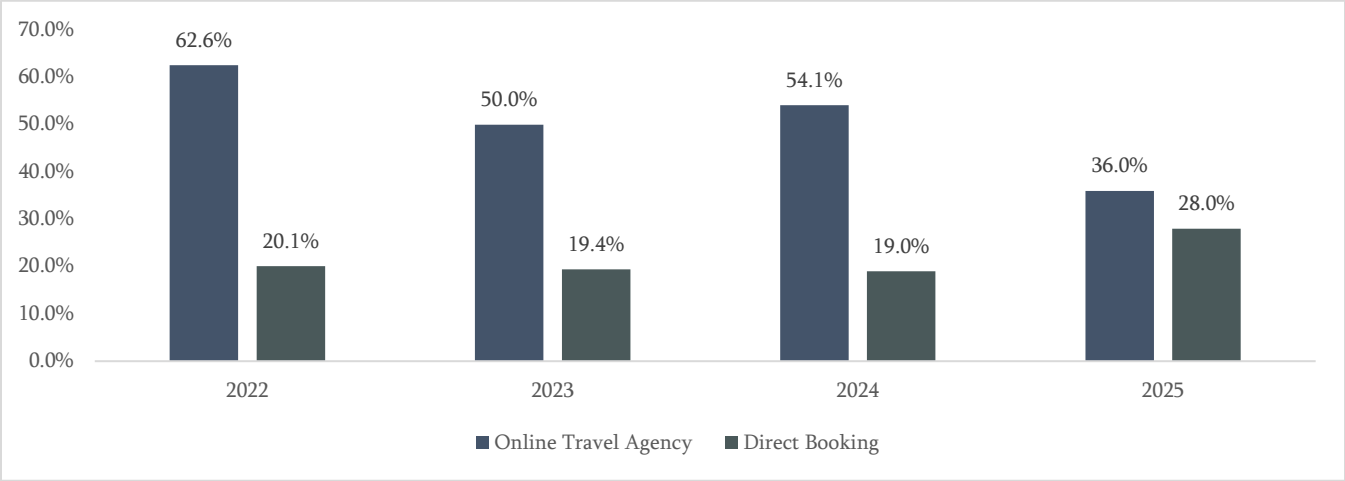
Since 2022, Gudauri Lodge has been actively working to expand its market share and maintain a leading position among competitors. The company’s strategy focuses on offering superior service to customers and capitalizing on the hotel’s advantages in order to sustain the current growth rates of both average occupancy and average daily rates.

In Gudauri, the high season runs from mid-December through the end of March. April is considered a transitional month, while the period from May through the end of November is classified as the hotel’s low season. Accordingly, the hotel’s strategy differs between the high and low seasons.

The high-season strategy has always focused on increasing the hotel’s direct reservations. Direct bookings made by guests (via phone, email, or the hotel’s website) ensure higher revenue and sales at published rates and help build a loyal customer base. In the long term, this represents the company’s most important asset - particularly in the hospitality industry.

The hotel began pursuing this approach in 2022, and the results became evident during the 2025 winter season. To achieve this, specific measures were implemented and Gudauri Lodge continues to prioritize this strategy today:

Initially, to raise the hotel’s visibility, the main focus was placed on popular online platforms at relatively affordable rates (e.g., booking.com, Expedia.com, Agoda.com, etc.), which resulted in a high share of reservations (50–60%) being made through these platforms. Although bookings made via online platforms are generally less profitable, the hotel took this step to attract customers and raise brand awareness. The combination of high-quality service and the hotel’s unique advantages led to high satisfaction among guests acquired through online sources and to their excellent reviews. As of today, the hotel’s rating on booking.com stands at 9.0. Over time, these guests have become loyal customers and in subsequent seasons, shifted to making reservations directly with the hotel’s representatives or through its reservation department, which typically also offers more favorable terms for guests.



**The remaining portion of the company’s revenue is generated from sources such as group tours, corporate groups and similar segments.*

According to the data for the first quarter of 2024, reservations received through online travel agencies (OTAs) accounted for 54.1% of total revenue, while direct reservations accounted for 19%. In 2025, this dynamic changed significantly, as reservations received through online agencies represented 36% of total revenue, whereas direct reservations accounted for 28%.

Since 2022, the share of OTA reservations has decreased by 27%, while the share of direct reservations has increased by 8%. The hotel pays commissions on bookings made via online platforms. The commission expense for the first quarter of 2024 amounted to GEL 481,948, whereas the commission for the first quarter of 2025 was GEL 332,109, representing a 31% decrease YoY.

The increase in the share of direct reservations was driven both by the loyalty of repeat guests and by the upgrade of the hotel’s official website (the main source of direct bookings). Various customer-oriented features were introduced on the website, which reduced the time needed to complete a booking, simplified the process of finding the desired room category, and, for the first time during the 2025 winter season, allowed website users to book rooms with exclusive offers. The rates listed on the website are generally lower than those on any online platform, meaning that guests not only benefit from a more convenient booking process but also gain access to better prices.

During the winter season, a significant source of the hotel’s revenue comes from bookings generated through tours operators, which account for an average of 25% of the hotel’s rooms in the first quarter. These practically guaranteed reservations, sold at a special rate, help secure the hotel’s baseline occupancy for the season, facilitate budgeting, and allow greater focus on retail guests. While the number of rooms allocated to this channel has remained virtually unchanged, the average rates of such bookings have been increasing annually, in line with overall pricing trends.

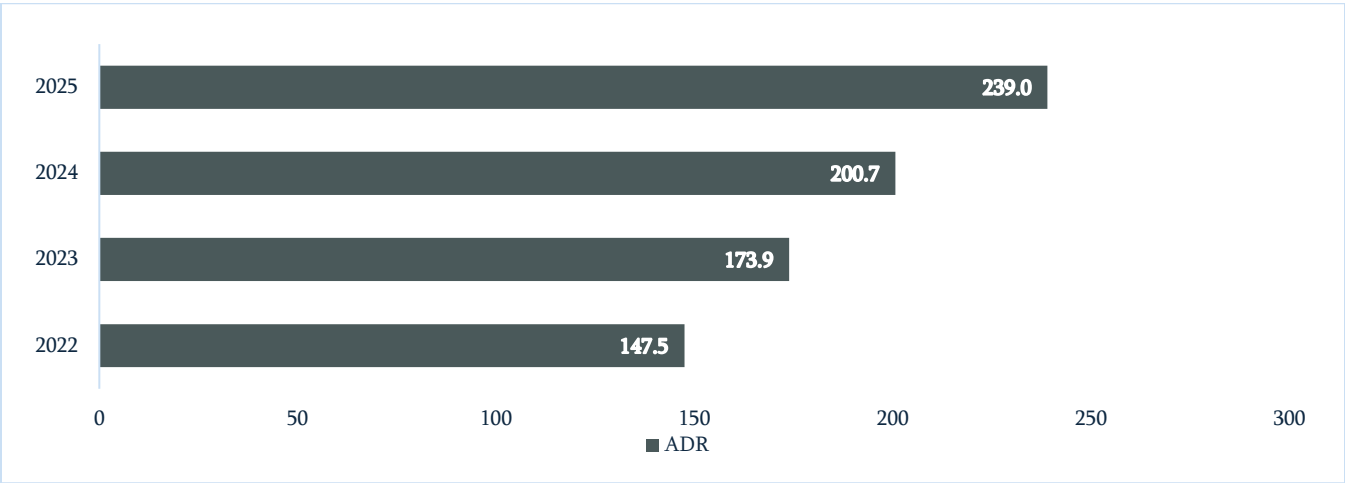
In February 2025, record-high figures were achieved - the hotel's monthly occupancy reached 98.4%, while the ADR (average daily rate, excluding VAT and breakfast) stood at USD 262.

Looking ahead to 2026, the company also plans to further increase the share of direct reservations while reducing reliance on OTAs, as the most solvent customer segment tends to book directly. To achieve this, the company intends to take the following steps:

- Update and improve the company's website (make it more informative and upgrade/simplify the booking functionality);
- Offer better conditions to customers for direct bookings (better prices, one-time gifts, tours, etc.);
- Enhance SEO and digital marketing efforts to better reach the target audience;
- Educate guests on direct booking / convert them into loyal customers;

It has become evident that Gudauri Lodge is the hotel setting the market pricing benchmark for the region. Consequently, the company approaches this responsibility with great care, using historical data to determine the sales price for the upcoming season. Unlike fixed pricing, this dynamic pricing strategy enables the generation of higher revenues, as room rates are adjusted daily based on occupancy levels - whether upward, downward, or unchanged.

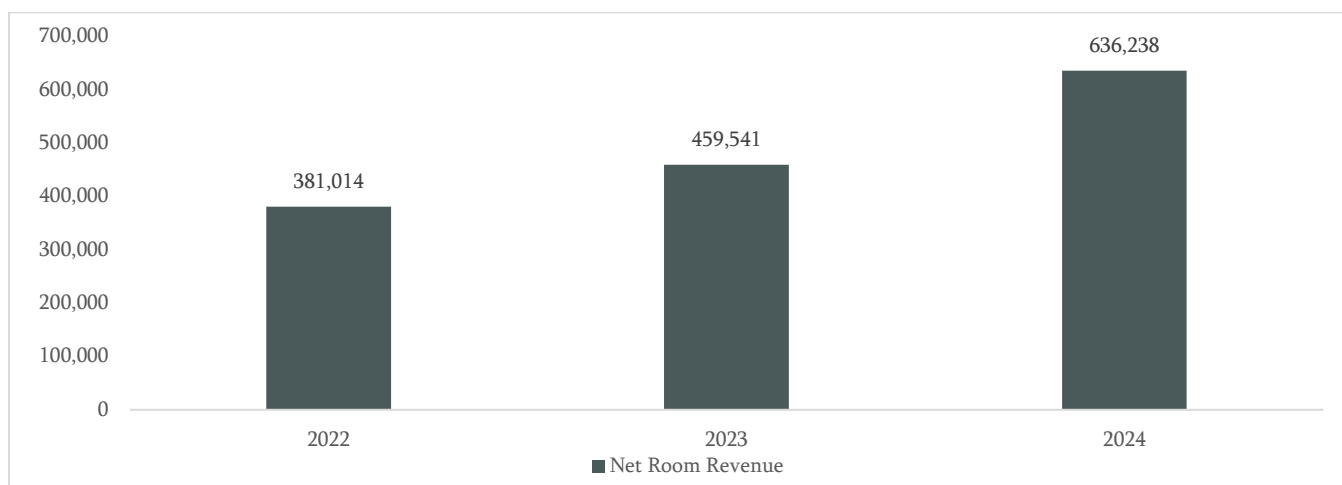
Dynamics of the average room rate for the first quarter, 2022–2025:



In Gudauri, the low season extends over a period of 7-8 months each year. During this period, in contrast to the high season, the hotel's primary strategy focuses on increasing the proportion of reservations generated through travel companies, including both individual and group bookings. To achieve this, the hotel offers preferential rates not only for accommodation but also for lunch and dinner packages. This approach ensures stable revenue streams and optimal utilization of hotel facilities, even amid reduced market demand.

Maintaining strong visibility on online platforms during the low season is critical for staying competitive with other hotels in the region. Accordingly, the hotel actively participates in various online marketing campaigns throughout the entire period. Additionally, it frequently hosts participants of local festivals and various events, which further supports occupancy levels and enhances brand awareness.

Dynamics of low-season revenue growth, 2022–2024 (in USD, excl. VAT and breakfast):



Information on key patents, licenses, and operational resources

The Company does not own or require any licenses or patents that are essential for its operations.

Resources used in the Issuer's operations

As of April 2025, the company's employed 125 staff members. This number comprises service staff, kitchen personnel, and back-office employees. Due to the hotel's seasonality, the total headcount fluctuates between 90 and 170 - peaking in February during the high season, decreasing from April onward, and rising again in November. Staff turnover primarily affects front-line service personnel.

The company operates with a range of technological resources to enhance the efficiency of hotel operations and automate the processes.

Opera is used for reservation management and room allocation, including check-in/check-out procedures and availability control.

Micros is used for restaurant and bar operations, including order processing, payment system control, and the administration of menus and pricing.

Material Control is used for planning and monitoring inventory purchases, including prices tracking. This system allows for efficient management of inventory optimization and procurement processes. The prices of essential supplies for the hotel are mainly influenced by inflation, leading to periodic increases. Significant price fluctuations beyond this are not typical for this category.

Business Process and Quality Control Procedures

The company currently does not conduct targeted surveys or research to assess customer satisfaction. However, it is registered on the online platform Booking.com, where it holds a rating of 9.0. The company continuously works to maintain and improve this rating through analysis of guest reviews.

The process of preparing and handing over rooms to guests is carried out in accordance with standard operating procedures, ensuring consistency in cleanliness, quality, and service.

Description of the Company's Marketing Program

The company uses a variety of marketing tools to increase brand awareness and strengthen its image, including modern digital channels such as digital marketing, social media and more.

Over the course of several years of operation, the company has successfully established itself both locally and internationally and is now a leading player in Gudauri's hospitality market (as evidenced by record occupancy rates and the acquisition of high-spending, loyal customers). Consequently, the hotel does not require large-scale marketing campaigns or significant expenses in this area.

At the same time, the hotel has a limited reliance on travel agencies or online platforms. Instead, management is primarily focused on improving efficiency, which is reflected in the growing share of direct bookings. Direct reservations made by guests themselves represent an opportunity to acquire loyal customers. To further strengthen the channel, the company plans to enhance its direct booking platform - specifically, the hotel's official website. For detailed information about the company's future strategy, please refer to the "Future Strategy and Objectives" section of this prospectus.

Key Customers and Suppliers

The company's client portfolio is diversified and primarily reliant on individual customers. However, in terms of wholesale room sales, the company's key partner is SKIDEAL. Since 2022, SKIDEAL has accounted for 20%-30% of rooms sold during the winter season (e.g., approximately 25% of total rooms sold in January–March 2025, and 12% of rooms sold year-to-date as of April 30, 2025) and roughly 20% of room revenue (13% of annual room revenue as of April 30, 2025).

As of the company's 2025 half-year assessment, there are two suppliers whose expenses exceed 10% of total costs. The largest share belongs to LLC "MTA" (ID 215096367), accounting for approximately 20% of total expenses. Gudauri Lodge purchases ski pass tickets from this company, which it then resells, earning commission-based income. The second supplier is LLC "SOCAR Georgia Gas" (ID 202403121), which accounts for 13% of the issuer's expenses. This company supplies Gudauri Lodge with natural gas used for heating and/or other purposes.

Insurance

As of the date of preparing the Prospectus, the company has "all-risk" insurance coverage for the hotel property, including building, structural elements, renovations, interior finishes, contents, and inventory. The insurance limit is USD 13 million.

The issuer is also insured against damage to electronic equipment and machinery caused by power fluctuations, with a coverage limit of USD 1.4 million. In addition, the company holds a mandatory civil liability insurance policy against third-party claims.

The above-mentioned policies are valid for one year, effective through December 31, 2025, and are renewed annually. In the event of a claim, the burden of proof lies with JSC Aldagi.

Investments

The Company's historical investments have been intangible in nature and have not exceeded GEL 200,000 in any reporting period.

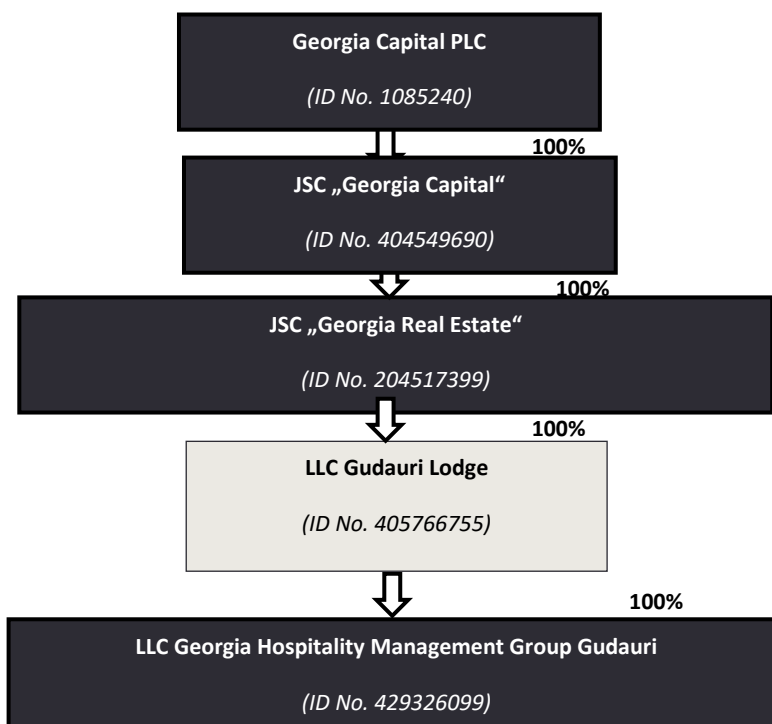
Future Capital Expenditures of the Company:

In 2025, the company plans to incur capital expenditures for the renovation of rooms, corridors, and common areas, as well as for the replacement of key system components (fire safety, heating/cooling, etc.), with an allocated budget of approximately USD 200,000. These capital expenditures primarily represent essential maintenance costs aimed at preserving and enhancing the hotel's appearance and services. The aforementioned works will be carried out during the low season to avoid disruption to operations and occupancy levels.

Organisational Structure

The company's 100% owner is JSC "Georgian Real Estate," which was established as a joint-stock company in 2006. The group's primary business activity is the development and sale of residential apartments. Currently, in the hospitality sector, JSC "Georgian Real Estate" owns the Gudauri Lodge hotel, a 49-room hotel under construction in Mestia, and a land plot in Telavi.

The structure of the Issuer as of the date of preparation of the Prospectus is presented below:



The parent company of the Issuer is 100% owned by the holding company JSC "Georgian Capital," whose ultimate parent is PLC "Georgian Capital," a UK-based holding company listed on the main market of the London Stock Exchange.

** It should be noted that the Issuer's parent company, JSC "Georgian Real Estate," plans to exit the hotel business in the future and divest its ownership in LLC "Gudauri Lodge." However, it should also be mentioned that no active process is currently underway in this regard. Furthermore, in accordance with clause 7(e) of the "Terms and conditions of the Bonds", in the event of divestment by the Issuer's parent company, bondholders will have the right to exercise a redemption option, subject to the relevant exceptions (for detailed information, please refer to clause 7(e) of the "Terms and conditions of the Bonds").*

GCAP's major shareholders as of the date of preparation of the Prospectus:

Rank	Shareholder's name	Share
1.	Gemsstock Ltd	7.56%
2.	Lazard Asset Management LLC	7.37%
3.	Allan Gray Proprietary Ltd	6.45%
4.	Other*	78.62%
Total		100.00%

** The share of other shareholders does not exceed 5% each.*

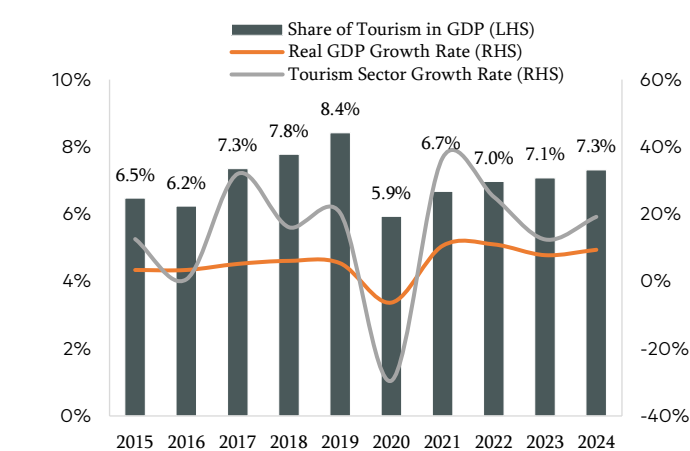
Industry Overview

Tourism and Hospitality Sector Overview

Tourism has historically been one of Georgia’s most important sectors—both for its contribution to the economy, its broad inclusiveness, and its role in promoting the country internationally. Before the COVID-19 pandemic (2019), tourism accounted for 8.4% of GDP. However, the pandemic posed significant challenges to the sector both globally and in Georgia. In 2024, tourism’s share of GDP was 7.3%, which remains below the 2019 level. In recent years, other service-oriented sectors, including information and communication technologies, and education, have become the main drivers of Georgia’s economic growth.

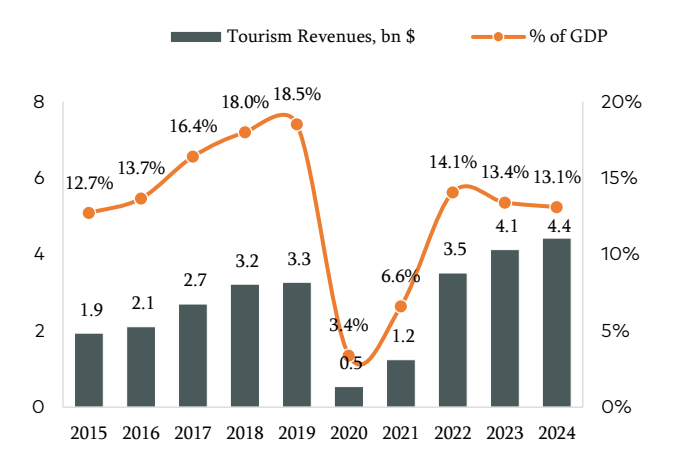
The tourism sector in Georgia has been recovering gradually and at a slow pace, similar to the global trend. However, tourism revenues had already returned to pre-pandemic levels by 2022, which can be attributed to several factors, including a faster recovery of tourists compared to one-day visitors, high inflation, and the impact of migration. In 2024, Georgia generated USD 4.4 billion in tourism revenues, representing a 7.3% increase compared to the previous year. Tourism revenues accounted for 13.1% of GDP in 2024.

Chart 1: Share of tourism in GDP



Source: National Tourism Administration

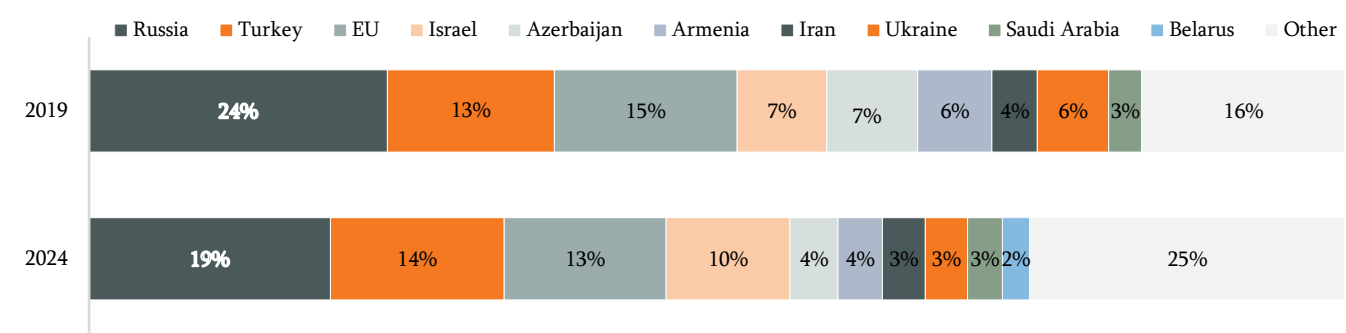
Chart 2: Revenues from International Travel, USD Billion



Source: National Bank, Geostat

In 2024, the main contributors to tourism revenue growth were Middle Eastern countries. Specifically, tourism revenues increased significantly year-on-year from Israel, Iran, and Saudi Arabia—by 41.6%, 17.9%, and 21.2%, respectively. Asian markets, particularly China and India, also played an important role in revenue growth, while revenues from nearly all traditional markets declined. Historically, Russia has been the largest source of tourism income; however, in 2024, revenue from Russian visitors decreased by 2.0% year-on-year to USD 850 million.

Chart 3: Distribution of International Travel Revenues by Country



Source: National Bank
Note: The EU figure also includes the United Kingdom.

In 2024, Georgia welcomed 6.5 million visitors (+4.6% y/y), including both tourists and one-day visitors. The number of one-day visits reached 1.4 million, significantly below the 2019 level of 2.6 million, primarily due to Azerbaijan’s continued closure of land borders.

As for tourists, their number totaled 5.1 million in 2024, marking the first full recovery to pre-pandemic (2019) levels. However, this recovery was largely driven by increased interest from Israel and new Asian markets, including China, India, Iran, Saudi Arabia, and Central Asian countries. The growing demand from Asian markets was mainly supported by expanded air connectivity and visa liberalization (particularly for China and India).

It should be noted that in 2024, the sharpest recovery in tourist arrivals was recorded in the first quarter, while in the following quarters the recovery momentum weakened amid ongoing political instability in the country. The effect of political instability also impacted the results of Q1 2025. In the first quarter of 2025, 1.2 million visitors arrived in Georgia, representing only a 1.3% year-over-year increase. Of these, the number of tourists reached 1.0 million (+2.2% y/y), while one-day visitors totaled 0.2 million (-2.4% y/y). Visitor growth was primarily driven by increased interest from Azerbaijan and Asian markets, including Israel, India, and China. In contrast, visitor numbers declined from traditional tourism markets such as Turkey, Armenia, Kazakhstan, and the European Union.

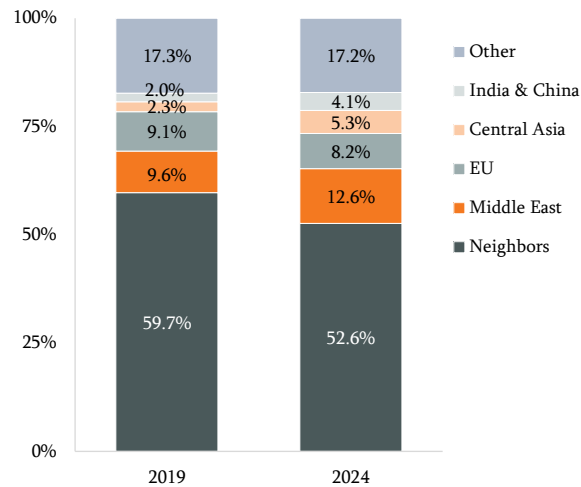
According to Galt & Taggart’s base-case forecast, 5.3 million tourists are expected to visit Georgia in 2025, primarily driven by increasing inflows from Asian markets. Additionally, a potentially positive factor for tourism will be the possible reopening of Azerbaijan’s land border.

Chart 4: International Visitors, mln



Source: National Tourism Administration

Chart 5: Breakdown of Tourists by Key Markets

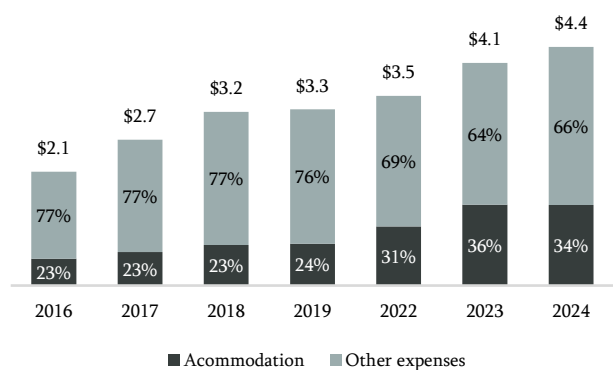


Source: National Tourism Administration

Note: The EU figure also includes the United Kingdom.

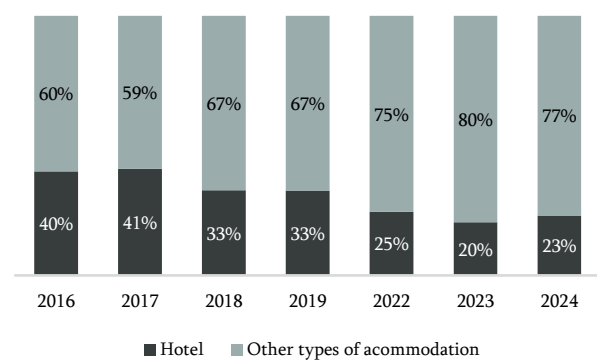
In 2024, despite the full recovery in tourist numbers, both the geography and profile of visitors changed. The share of migrants, digital nomads, and other long-term visitors increased, which redirected demand from hotels to alternative forms of accommodation. As a result, the share of hotels in tourists' accommodation spending decreased from 33% in 2019 to 23% in 2024.

Chart 6: Distribution of Tourism Revenues, USD Billion



Source: Geostat, National Bank of Georgia, Galt & Taggart

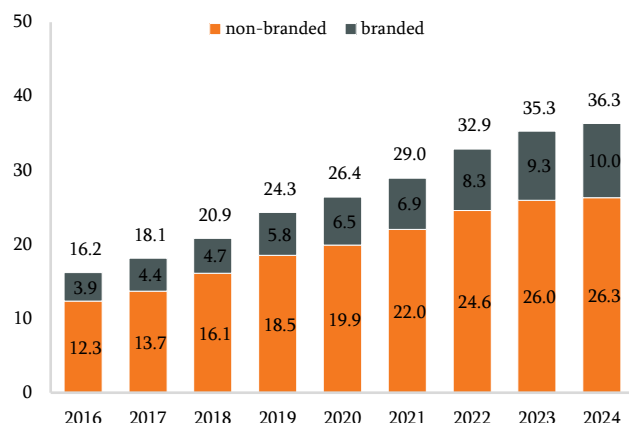
Chart 7: International Tourists' Expenditure Distribution on Accommodation



Source: Geostat, National Bank of Georgia, Galt & Taggart

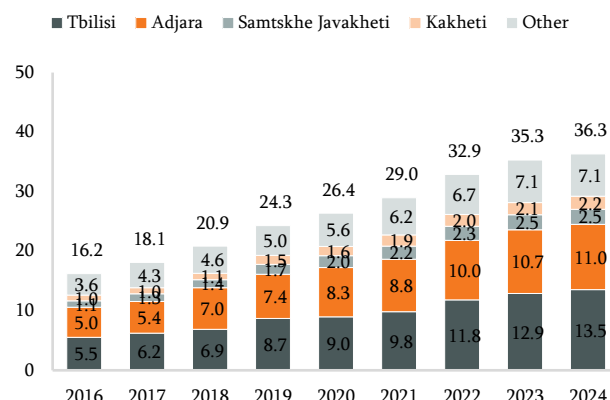
During the same period, amid the pre-pandemic tourism boom, the number of hotel rooms increased by 49.5% between 2019 and 2024, reaching 36.3 thousand in 2024. Of these, 37.2% attributable to Tbilisi, 30.3% to Adjara, 6.9% to Samtskhe-Javakheti, and 6.1% in Kakheti. It should be noted that after the pandemic, the number of rooms grew the fastest in Tbilisi (CAGR of 9.3% in 2019–2024), largely driven by the expansion of international branded hotels. The rapid growth of branded hotels further intensified competition in Tbilisi, which, combined with weak recovery in tourist arrivals, changes in tourist geography, and shifts in tourist profiles, negatively affected the performance of hotels in the capital.

Chart 8: Number of Hotel Rooms in Georgia, thousand rooms



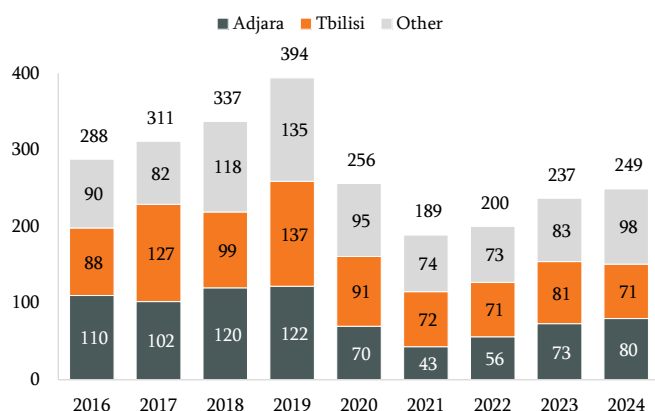
Source: National Tourism Administration, Galt & Taggart

Chart 9: Number of Hotel Rooms by Region, thousand rooms



Source: National Tourism Administration, Galt & Taggart

Chart 10: Hotel Construction Permits

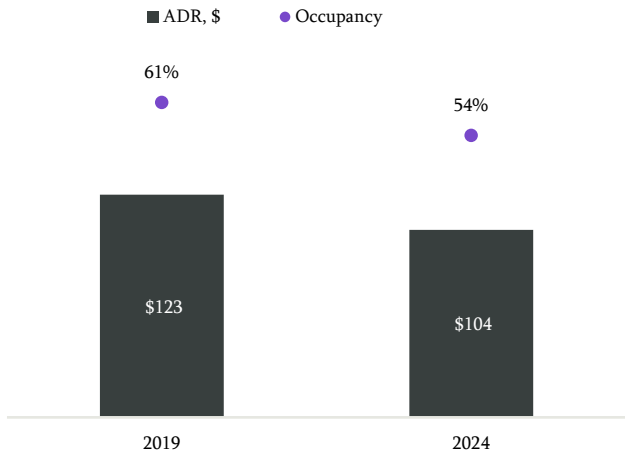


Source: Geostat

According to Galt & Taggart’s estimates, half of the occupancy in Tbilisi hotels comes from citizens of Russia, the EU, Iran, Ukraine, Azerbaijan, and Armenia—markets where the recovery in tourist arrivals has been weak. As a result, the average hotel occupancy rate in Tbilisi stood at 54% in 2024, which is 7 percentage points below the pre-pandemic level. Moreover, increased competition has particularly limited Tbilisi hotels’ ability to raise prices, despite rising operating costs. In 2024, the average daily rate (ADR) in Tbilisi hotels was \$104, which is 15% lower than the 2019 level of \$123.

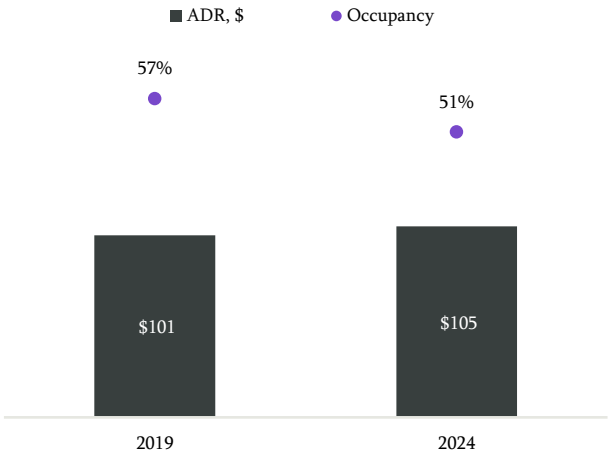
During the same period, the average occupancy rate in regional hotels was 51%, which was 6 percentage points below the pre-pandemic level, while the average daily rate (ADR) stood at \$105, slightly exceeding the 2019 level by 3%.

Chart 9 : Selected Hotels’ Occupancy and ADR in Tbilisi



Source: STR Global, Galt & Taggart

Chart 10: Selected Hotels’ Occupancy and ADR in Georgia’s Regions

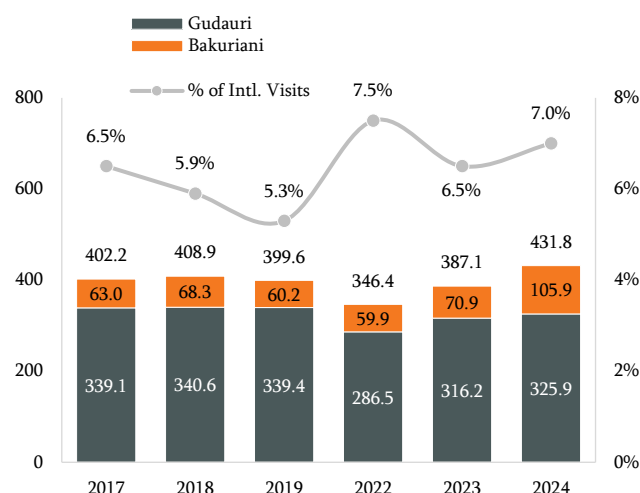


Source: STR Global, Galt & Taggart

Overview of the Tourism and Hospitality Sector at Ski Resorts (Gudauri, Bakuriani)

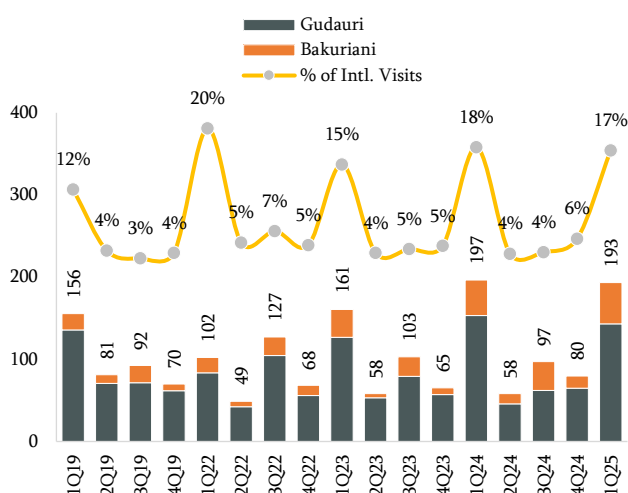
The faster recovery of tourism in the regions is clearly reflected in the dynamics of international visits to ski resorts. Before the pandemic, international visits to ski resorts averaged around 400 thousand, while in 2024 they reached 431,8 thousand, of which 75.5% were to Gudauri and 24.5% to Bakuriani. Due to seasonality, 40–50% of annual visits to ski resorts take place in the first quarter. As a result, ski resorts account for a high share of international visits in Q1 nationwide - averaging 15–20% - while in the remaining quarters their share is around 5%.

Chart 11: International Visits to Ski Resorts, '000 Visits (Annual)



Source: National Tourism Administration

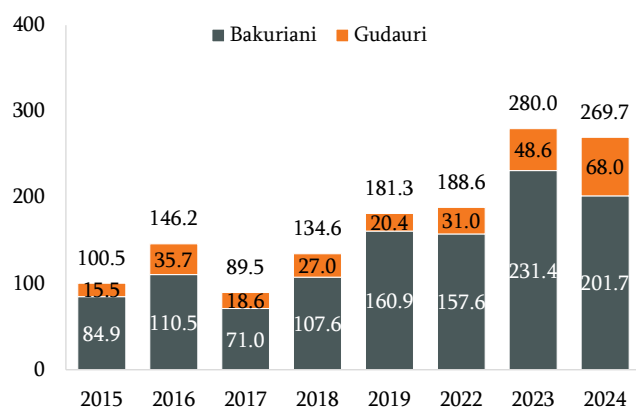
Chart 12: International Visits to Ski Resorts, '000 Visits (Quarterly)



Source: National Tourism Administration

In addition to international visitors, ski resorts are also actively frequented by local vacationers, whose visits totaled 269.7 thousand in 2024. Unlike international visitors, locals show a preference for Bakuriani, which accounted for 74.8% of visits, while Gudauri represented 25.2%.

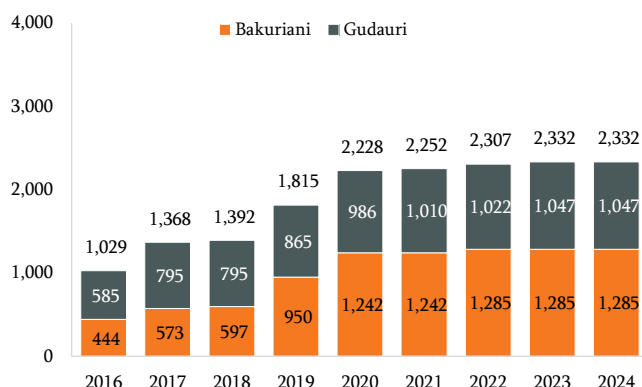
Chart 13: Domestic Visits to Ski Resorts, '000 Visits



Source: National Tourism Administration

Alongside the growth in international visits, the supply of hotel rooms at ski resorts increased at a moderate pace, supporting stronger hotel performance compared to Tbilisi. Specifically, between 2019 and 2024, the average growth rate of hotel room supply at ski resorts was 5.1%, whereas in 2016–2019 it had been 20.8%. As of 2024, there were approximately 2,500 hotel rooms at ski resorts, with 55.1% located in Bakuriani and 44.9% in Gudauri. It is noteworthy that only four chain hotels operate in Gudauri and Bakuriani—three local brands (Bakuriani Inn, Rooms Hotel Kokhta, Gudauri Inn) and one international brand (Best Western Gudauri)—accounting for 18.0% of total supply in 2024.

Chart 14: Number of Hotel Rooms at Ski Resorts



Source: National Tourism Administration , Galt & Taggart

According to Galt & Taggart’s estimates, around 40 hotels are currently operating in Gudauri with a total of 1,047 rooms. Approximately half of these hotels are small, with fewer than 20 rooms, while 50% of the total room supply is concentrated within just six hotels. Marco Polo and Gudauri Lodge are the largest hotels, with 123 and 121 rooms respectively, followed by Gudauri Inn with 118 rooms and Alpina with 64 rooms.

Between 2016 and 2019, the number of hotel rooms in Gudauri grew at an average annual rate of 13.9%. After the pandemic, the growth rate slowed to 3.9% during 2019-2024. Furthermore, no new hotels were opened in Gudauri in 2023-2024, according to Galt & Taggart. It is also noteworthy that two branded hotels operate in Gudauri: the international brand Best Western Gudauri, opened in 2019 with 53 rooms, and the local brand Gudauri Inn, opened in 2017 with 118 rooms. At this stage, no new branded hotel construction is planned in Gudauri.

Chart 15: Gudauri Hotel Room Distribution, 2024

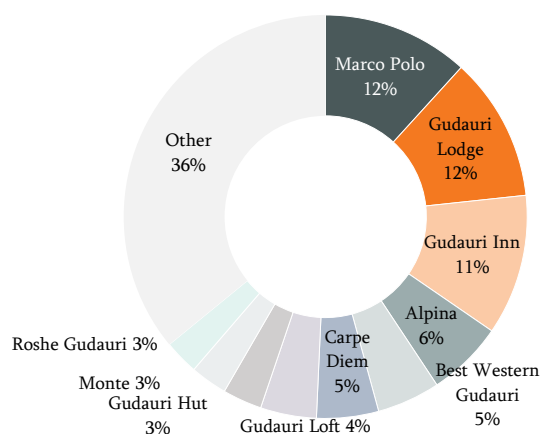
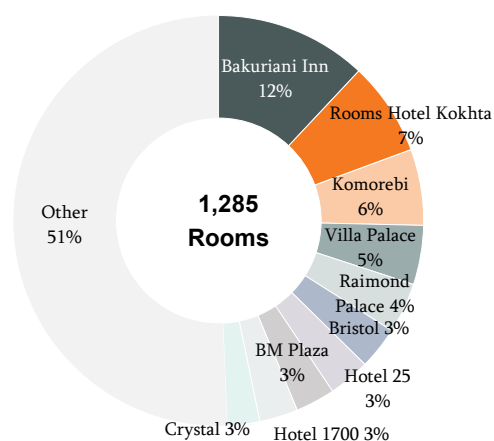


Chart 16: Bakuriani Hotel Room Distribution, 2024



Source: National Tourism Administration , Galt & Taggart

According to Galt & Taggart’s assessment, approximately 55 hotels operate in Bakuriani with a total of 1,285 rooms. Among them, around 35 hotels are small-sized, with up to 20 rooms. The number of hotel rooms grew at an average annual rate of 28.9% between 2016 and 2019. After the pandemic, during 2019–2024, the growth rate slowed to 6.2%, and since 2022, no new hotels have opened in Bakuriani, according to Galt & Taggart. It is noteworthy that only two chain hotels currently operate in Bakuriani, both of which are local brands: Bakuriani Inn with 154 rooms and Rooms Hotel Kokhta with 95 rooms, both opened in 2019. Before the pandemic, the opening of the internationally branded Four Points by Sheraton Bakuriani with 116 rooms was planned; however, due to the circumstances created by the pandemic, the project was suspended, and at this stage, no new branded hotel developments are planned in Bakuriani.

In addition to hotels, apartment rentals play a significant role at ski resorts. Although some apartments are rented out via Airbnb, a large share of visitors in Bakuriani and Gudauri use alternative channels to book accommodation, including social networks, personal connections, and other informal means. Consequently, Airbnb statistics do not fully reflect the real picture, although private apartment rentals hold a substantial share of this market.

Competitive Position

The hotel is located in Gudauri, a ski resort. The hotel market in Georgia is characterized by hundreds of players; however, we consider hotels located at ski resorts to be the primary competitors of “Gudauri Lodge.” The hotel faces numerous competitors both in Gudauri and in Bakuriani. Locally, in Gudauri, around 40 hotels operate, offering a total of 1,047 rooms. Most of these hotels are relatively small-sized, typically with around 20 rooms. There are three main hotels in the local market: Gudauri Lodge, Marco Polo and Alpina. It is noteworthy that the Issuer holds one of the leading positions in the Georgian mountain ski resort market, both in terms of customer ratings and financial performance.

- **LLC “Gudauri Ski Resort” – Founded in 2009, the company owns two hotels in Gudauri: Hotel Gudauri Marco Polo and Hotel Alpina, which together offer a total of 187 rooms.**

Below are the customer ratings¹ for these hotels as of August 2025, according to various reputable websites.

Guest ratings	„Gudauri Lodge“	„Marco Polo“	„Alpina“
According to Booking.com, on a scale of 1 to 10	9.0	8.1	8.7
According to Tripadvisor.com, on a scale of 1 to 10	3.9	3.9	3.6

Based on the presented ratings¹, the Issuer is fully aligned with market benchmarks and can be considered as holding one of the leading positions among the hotels under review.

The table below provides a comparison of the Issuer’s key financial information with other hotels operating in the market. Specifically, the table presents the data of LLC “Gudauri Ski Resort,” whose core business, similar to that of the Issuer, is the provision of hotel services to customers in Gudauri.

** The financial indicators of the companies are sourced from the database and reporting portal of the Service for Accounting, Reporting and Auditing Supervision (SARAS). These figures may not fully reflect the actual situation for certain companies, as, in the case of holding structures, some items may be recorded on the balance sheets of different entities.*

Comparison of Financial Figures ²	LLC "Gudauri Lodge"	LLC "Gudauri Ski Resort"

'000 Gel	2024 - Apr	2023 - Dec
Profit- Loss		
Revenue	12,187	10,355
EBITDA	3,686	3,275
Operating Profit (EBIT)	2,195	1,963
Statement of Financial Position		
Total assets	33,581	49,651
Total Liabilities	20,902	25,500
Capital	12,679	24,152

Source: Saras, "Reportal"

Ratios and other metrics		
EBITDA Margin	30%	32%
Operating profit margin	18%	19%
Debt / EBITDA	5.36	6.95
Total Debt-to-Equity ratio	1.56	0.94
Number of rooms	121	183
Total Revenue per Available Room (RevPAR)	101	57

Based on the presented data, the Issuer is fully in line with the market ratios. It exceeds comparable companies in terms of revenue, EBITDA, and operating profit. Regarding efficiency ratios (EBITDA margin and operating profit margin), the Issuer demonstrates a level of operating efficiency similar to that of LLC "Gudauri Ski Resort."

¹The ratings are third-party scores generated based on customer reviews. They do not represent official hotel or service classifications and are provided solely for general, indicative purposes. Such ratings are inherently subjective, may be based on limited or selective customer feedback, and can be influenced by factors beyond the company's control. While they should not be considered definitive measures of quality or performance, these scores may serve as useful indicators in the context of market comparison and competitive analysis.

²The presented financial data compares the Issuer, whose fiscal year ends in April, with selected company whose fiscal year ends in December. This difference may result in minor discrepancies between the figures presented and the actual data, considering various seasonal or market conditions. The purpose of the comparison is to provide a general perspective on the Issuer's financial

position and performance within the relevant local market. Additionally, for LLC “Gudauri Ski Resort,” consolidated data is presented.

Operational and Financial Overview

This subsection summarizes the company's key financial indicators, which are based on the issuer's audited IFRS financial statements for 30 April, 2025 and 2024 and for 1 May, 2023. The consolidated carve-out financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated carve-out financial statements have been prepared as if the Group, representing the hotel “Gudauri Lodge” business ultimately owned by JSC “Georgia Capital”, had been established on May 1, 2023.

For the audited IFRS annual financial statements of the Issuer prepared for 2024-2025, the auditor issued a qualified opinion, as the auditor was appointed during 2025 and, accordingly, was unable to attend the inventory count as of April 30, 2024, and May 1, 2023. Furthermore, the auditor was unable to determine, through alternative procedures, the quantity of inventories held as of those dates, and therefore could not assess whether any adjustments would have been required (It should be noted that this matter affects both the balance sheet and the statement of profit or loss). The audit report states that, except for the possible effects of the matter described above, the consolidated carve-out financial statements present fairly, in all material respects, the consolidated financial position of the Group as of each reporting date, in accordance with IFRS as issued by the IASB. The basis of preparation and further details are set out in the accompanying financial statements.

Financial Position

Consolidated balance sheet (000' GEL)	<i>30 April</i>	<i>30 April</i>	<i>1 May</i>
Non-current assets			
Property and equipment	28,999	30,384	31,859
	28,999	30,384	31,859
Current assets			
Inventories	530	448	408
Trade and other receivables	287	129	144
Prepayments and other assets	236	283	327
Loans issued	-	-	1,945
Restricted cash	-	-	49
Cash at bank	4,603	2,337	435
	5,656	3,197	3,308
Total assets	34,655	33,581	35,167
Equity			
Charter capital*	17,242	-	-
Other invested capital	-	12,679	12,299
Accumulated deficit	(2,329)	-	-
Total equity	14,913	12,679	12,299
Non-current liabilities			
Loans received	15,144	15,660	17,507
	15,144	15,660	17,507
Current liabilities			
Short-term portion of long-term loans received	3,811	4,103	4,224
Trade and other payables	342	749	775
Advances received	58	68	119
Other liabilities	387	322	243
	4,598	5,242	5,361
Total liabilities	19,742	20,902	22,868
Total equity and liabilities	34,655	33,581	35,167

* In accordance with the Law of Georgia on Entrepreneurs, the Company does not have “Charter capital,” which under said law is the equivalent term to “placed capital.” Accordingly, the amount presented under the “Charter Capital” line item in the financial statements represents an “additional paid-in capital contribution” and, as such, does not serve as a protective mechanism and/or buffer within the meaning of Article 145 of the Law of Georgia on Entrepreneurs in relation to dividend distribution or capital reduction. For further details, please refer to the section of “Risks related to legislative and judicial systems”, Risk 3.

Total assets

As of April 30, 2025, total assets amounted to GEL 34,655 thousand, representing an increase of 3.2% (GEL 1,074 thousand) compared to April 30, 2024. The change from April 30, 2024 was primarily driven by an increase in cash balances. As of April 30, 2025, non-current and current assets accounted for 84% and 16% of total assets, respectively (April 30, 2024: 90% and 10%).

As of April 30, 2024, total assets amounted to GEL 33,581 thousand, representing a decrease of 4.5% (GEL 1,586 thousand) compared to May 1, 2023. The decline was primarily attributable to the reduction in the carrying value of property, plant and equipment due to depreciation, as well as the forgiveness of loans issued by the Company as of April 30, 2024. As of April 30, 2024, non-current and current assets accounted for 90% and 10% of total assets, respectively (May 1, 2023: 91% and 9%).

Non-current assets

Non-current assets consist entirely of property, plant and equipment and amounted to GEL 28,999 thousand as of April 30, 2025, representing a decrease of 4.6% (GEL 1,385 thousand) compared to April 30, 2024.

The decrease in property, plant and equipment at each reporting date is attributable to depreciation charges. Although the Company makes annual investments in the hotel across various areas, the depreciation expense significantly exceeds the value of such improvements, resulting in a year-on-year decline in the nominal carrying amount of the hotel.

As of April 30, 2024, the carrying amount of non-current assets totaled GEL 30,384 thousand, representing a decrease of 4.6% (GEL 1,475 thousand) compared to the prior year, primarily due to depreciation charged during the period.

	30 April, 2025	30 April, 2024	1 May, 2023
Buildings	18,232	18,637	19,186
Furniture and Fixture	5,441	6,151	6,798
Electrical, HVAC and Fire Safety	2,866	3,105	3,327
Land	2,087	2,087	2,087
Motor Vehicles	87	94	129
Elevators	286	310	332
Total	28,999	30,384	31,859

A significant portion of property, plant and equipment consists of the hotel owned by the Company in Gudauri (“Gudauri Lodge”). In addition to the hotel’s integral main systems and inventory, the Company also owns a 1,600 sq.m. plot of land used as a parking area, as well as a 4,300 sq.m. land plot located separately from the hotel, on which residential cottages are situated to accommodate the majority of the hotel staff. The hotel building is registered as a single property, which, for audit purposes, has been divided into separate components of property, plant and equipment on a reasonable and rational basis. The hotel building covers an area of 10,803 sq.m. and had a carrying amount of GEL 28,912 thousand as of April 30, 2025. The building is pledged under mortgage in favor of a local commercial bank as collateral for the hotel’s outstanding loans.

For the purposes of the consolidated separate financial statements, the recognition of property, plant, and equipment, including the hotel’s constituent components, was initially carried out at an estimated value, which equals to its fair value as of 1 May 2023, based on independent valuations. Following initial recognition, property, plant, and equipment are measured at cost less

accumulated depreciation and any accumulated impairment losses. Depreciation is systematically charged over the estimated useful lives of the respective assets.

The estimated useful lives of the major components of property, plant, and equipment for the current and comparative periods are as follows:

- **Buildings:** 35 years
- **Furniture and other fixtures:** 5–15 years
- **Vehicles:** 15 years
- **Other office equipment:** 10 years

At the end of each reporting period, depreciation methods, useful lives, and residual values are reviewed and adjusted, where necessary. The majority of property, plant, and equipment, excluding vehicles, consists of the hotel, which is pledged as collateral for the hotel's borrowings. Upon completion of the proposed bond issuance, full repayment of the outstanding loans is anticipated, after which the mortgage over the hotel will be released.

Current assets

As of 30 April 2025, current assets amounted to GEL 5,656 thousand, representing an increase of 76.9% (or GEL 2,459 thousand) compared to 30 April 2024. This growth was primarily driven by an increase in cash and cash equivalents, which rose by GEL 2,266 thousand. The increase in cash balances during the reporting period is, in turn, attributable to the Company's improved profitability compared to the previous reporting period, which amounted to GEL 2,728 thousand.

Of total current assets, GEL 530 thousand relates to inventories. Inventories include food and beverage items, household and guest supplies, and other operational consumables intended for use in the normal course of hotel operations. The largest portion of inventories, 57.2%, consists of food and beverage items.

As of 30 April 2024, the Company's current assets amounted to GEL 3,197 thousand, a decrease of GEL 111 thousand (3.4%) compared to 1 May 2023. The change from 1 May 2023 was primarily driven by the forgiveness of loans issued by the Company, which amounted to GEL 1,945 thousand as of 1 May 2023, the decrease in the carrying amount of property, plant, and equipment due to accumulated depreciation (GEL 1,491 thousand), and an increase in cash and cash equivalents (GEL 1,902 thousand).

As of 1 May 2023, loans had been issued to related parties (entities under common control, specifically two hotels in Tbilisi) to finance the working capital required for the hotel's operations. All loans granted to related parties were unsecured. Following the sale of the aforementioned hotels, as of 30 April 2024, the Group wrote off the loans extended to these companies. In return, GEL 1,939 thousand was recognized as a material non-cash transaction in the statement of changes in equity for the year ended 30 April 2024. The Issuer had not previously established any allowance for expected credit losses on these loans prior to the write-off.

Detailed information on the loans granted as of 1 May 2023 is presented in the following table:

Borrower's Legal Name	ID	Category	Issuance Date	Repayment Date	Interest rate	Outstanding principal	Interest accrual	Date of Write-off	Remaining Maturity Period (Months)
m2 LLC	404465529	IV Category	04/5/2022	4/5/2024	12%	1,250,000	160,249	4/30/2024	11
m2 LLC	404465529	IV Category	12/30/2022	12/30/2024	12%	77,300	2,116	4/30/2024	20
m2 Melikishvili LLC	404537747	IV Category	11/21/2022	11/21/2024	12%	440,000	15,532	4/30/2024	19

It is noteworthy that the increase in cash balances as of 30 April 2024 was also driven by growth in the Company's profitability compared to the previous reporting period.

Liabilities

As of 30 April 2025, the Company's total liabilities decreased by 5.5% compared to the previous year, amounting to GEL 19,742 thousand. Loans account for 96% of total liabilities, as detailed in the "Capitalization and Indebtedness" section, while the remainder consists of received advances, trade payables, and other liabilities.

As of 30 April 2024, the Company's total liabilities amounted to GEL 20,902 thousand, representing a decrease of GEL 1,966 thousand compared to the previous year. This reduction was primarily driven by scheduled repayments of loans.

Capitalization and Indebtedness

('000 GEL)	31 August, 2025	30 April, 2025	30 April, 2024	1 May, 2023
Non-current liabilities				
Loans received	15,213	15,144	15,660	17,507
Current liabilities				
Short-term portion of long-term loans received	3,777	3,811	4,103	4,224
Total Interest-Bearing Liabilities	18,989	18,955	19,763	21,731
Equity				
Charter capital*	13,397	17,242	-	-
Other invested capital		-	12,679	12,299
Accumulated deficit	(3,058)	(2,329)	-	-
Total Equity	10,339	14,913	12,679	12,299
Total capitalization	29,328	33,868	32,442	34,030

* In accordance with the Law of Georgia on Entrepreneurs, the Company does not have "Charter capital," which under said law is the equivalent term to "placed capital." Accordingly, the amount presented under the "Charter Capital" line item in the financial statements represents an "additional paid-in capital contribution" and, as such, does not serve as a protective mechanism and/or buffer within the meaning of Article 145 of the Law of Georgia on Entrepreneurs in relation to dividend distribution or capital reduction. For further details, please refer to the section of "Risks related to legislative and judicial systems", Risk 3.

Subsequent Events: It should be noted that, subsequent to the reporting period, in June and July 2025, the Company distributed GEL 2,850 thousand and GEL 995 thousand, respectively, to its parent entity as consideration for the reduction of share capital.

As of 30 April 2025, the Company's borrowings from commercial banks decreased by GEL 808 thousand compared to 30 April 2024, amounting to GEL 18,955 thousand (30 April 2024: GEL 19,763 thousand). The reduction was the result of scheduled repayments made in line with the loan amortization schedule.

The loan was originally raised for the purpose of financing the construction of the hotel. In 2018, the Company acquired the hotel land together with a building structure in shell-and-core condition. The construction and fit-out costs of the hotel were financed through a combination of the above-mentioned bank loans and the Company's equity contributions. By the hotel's opening date, the total investment exceeded USD 17 million (excluding value-added tax). The loan is a secured liability, collateralized by a mortgage over the hotel property.

Borrowings by lender as of 31 August 2025:

Lender	Outstanding principal ('000 GEL)	Currency	Issuance Date	Repayment Date	Schedule Type	Interest Accrual	Interest Rate	Remaining Maturity Period
TBC Bank	2,197	EUR	3/27/2019	6/27/2033	Seasonal (December, January-April)	105	6.5% + Euribor 6m	8 Years

TBC Nank	16,022	EUR	3/27/2019	6/27/2033	Seasonal (December, January-April)	665	6.5% + Euribor 6m	8 Years
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Borrowings by lender as of 30 April 2025:

Lender	Outstanding principal ('000 GEL)	Currency	Issuance Date	Repayment Date	Schedule Type	Interest Accrual	Interest Rate	Remaining Maturity Period
TBC Bank	2,188	EUR	3/27/2019	6/27/2033	Seasonal (December, January-April)	111	6.5% + Euribor 6m	8 Years
TBC Bank	15,954	EUR	3/27/2019	6/27/2033	Seasonal (December, January-April)	702	6.5% + Euribor 6m	8 Years

Borrowings by lender as of 30 April 2024:

Lender	Outstanding principal ('000 GEL)	Currency	Issuance Date	Repayment Date	Schedule Type	Interest Accrual	Interest Rate	Remaining Maturity Period
TBC Bank	2,221	EUR	3/27/2019	6/27/2033	Seasonal (December, January-April)	183	6.5% + Euribor 6m	9 Years
TBC Bank	16,148	EUR	3/27/2019	6/27/2033	Seasonal (December, January-April)	1,211	6.5% + Euribor 6m	9 Years

The company's borrowings are presented by currency in the table below:

	Currency	Maturity	30 April 2025	30 April 2024	1 May 2023
Borrowings from local banks	EUR	Jun 2033	18,955	19,763	21,311
Borrowings from entities under common control	USD	Feb 2024	-	-	140
Borrowings from entities under common control	GEL	Feb 2024	-	-	280
Total borrowings			18,955	19,763	21,731

Changes in liabilities arising from financing activities:

	30 April 2024	Cash inflows	Cash outflows	Foreign exchange movement	Accrual of Interest	Forgiveness	30 April 2025
Interest bearing loans and borrowings	19,763	200	(3,582)	1,653	1,121	(200)	18,955
Total	19,763	200	(3,582)	1,653	1,121	(200)	18,955

	1 May 2023	Cash inflows	Cash outflows	Foreign exchange movement	Accrual of Interest	Forgiveness	30 April 2024
Interest bearing loans and borrowings	21,731	-	(3,625)	1,045	1,033	(421)	19,763

Total	21,731	-	(3,625)	1,045	1,033	(421)	19,763
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The table below summarizes the Group's analysis of the maturities of financial liabilities based on contractual, undiscounted repayment obligations:

<i>Financial liabilities</i>	<i>Less than 3 months</i>	<i>3 to 12 months</i>	<i>1 to 5 years</i>	<i>Over 5 years</i>	<i>Total</i>
<i>As of 30 April 2025</i>					
Loans received	698	3,113	12,892	9,449	26,152
Trade and other payables	342	-	-	-	342
Total	1,040	3,113	12,892	9,449	26,494

<i>Financial liabilities</i>	<i>Less than 3 months</i>	<i>3 to 12 months</i>	<i>1 to 5 years</i>	<i>Over 5 years</i>	<i>Total</i>
<i>As of 30 April 2024</i>					
Loans received	1,073	3,030	12,782	11,790	28,675
Trade and other payables	749	-	-	-	749
Total	1,822	3,030	12,782	11,790	29,424

<i>Financial liabilities</i>	<i>Less than 3 months</i>	<i>3 to 12 months</i>	<i>1 to 5 years</i>	<i>Over 5 years</i>	<i>Total</i>
<i>As of 1 May 2023</i>					
Loans received	1,021	3,203	11,763	13,418	29,405
Trade and other payables	775	-	-	-	775
Total	1,796	3,203	11,763	13,418	30,180

In managing liquidity risk, the Group's management considers that the Group will be able to meet its due obligations through cash flows generated from operations, refinancing or restructuring maturing liabilities, renegotiating of financial terms where necessary, and, where required, obtaining funding from the parent company.

Currency risk

The following table summarizes the Group's exposure to foreign exchange rate fluctuation risk as of the end of the reporting period:

	<i>30 April, 2025</i>			<i>30 April 2024</i>			<i>1 May 2023</i>		
	<i>Monetary Financial Assets</i>	<i>Monetary Financial Liabilities</i>	<i>Net balance sheet position</i>	<i>Monetary Financial Assets</i>	<i>Monetary Financial Liabilities</i>	<i>Net balance sheet position</i>	<i>Monetary Financial Assets</i>	<i>Monetary Financial Liabilities</i>	<i>Net balance sheet position</i>
<i>USD</i>	899	(3)	896	843	(1)	842	238	(140)	98
<i>EUR</i>	-	(18,955)	(18,955)	23	(19,763)	(19,740)	46	(21,311)	(21,265)
<i>GBP</i>	8	-	8	-	-	-	-	-	-

The above analysis covers monetary assets and liabilities. Investments in non-monetary assets are not regarded as a significant source of foreign currency risk.

The table below sets out the estimated impact of potential changes in foreign exchange rates, relative to the functional currency

of the Company and its subsidiaries, on profit or loss and equity as of the reporting date, assuming all other variables remain constant:

Impact on profit (loss) and equity

	<u><i>At 30 April 2025</i></u>
Euro strengthening by 19.37%	3,672
Euro weakening by 7.34%	(1,391)

Impact on profit (loss) and equity

	<u><i>At 30 April 2024</i></u>
Euro strengthening by 20%	3,948
Euro weakening by 20%	(3,948)

**Since the Issuer's debt obligations are denominated in euros while its revenues are in US dollars, an appreciation of the euro negatively impacts the Company's profit, whereas a depreciation of the euro has a positive effect.*

Description of the Issuer's Additional Financing Needs:

Beyond the proceeds raised through the bond issuance, based on the information available as of the date of this Prospectus, the Company does not intend to seek any additional credit facilities.

Equity

As of 30 April 2025, the Company's share capital amounted to GEL 14,913 thousand, reflecting an increase of GEL 2,234 thousand compared to the prior year.

For the periods prior to the Company's legal incorporation on 26 March 2025, and for the purposes of presenting separately carved-out consolidated financial statements, the difference between the Group's carved-out consolidated assets and liabilities is presented as other invested capital, which amounted to GEL 12,679 thousand as of 30 April 2024.

Upon the Company's incorporation, other invested capital was reclassified into share capital and retained earnings. Accordingly, as of 30 April 2025, other invested capital has been fully eliminated, with the respective amounts reallocated to share capital and retained earnings.

At the date of the Company's incorporation in March 2025, the Parent contributed GEL 4,373 thousand in cash to its share capital. In addition, the Parent transferred the hotel property to the Company in exchange for an increase in share capital of GEL 31,824 thousand and contributed a loan receivable in exchange for a decrease in share capital of GEL 18,955 thousand. As a result, as of 30 April 2025, the Company's share capital amounted to GEL 17,242 thousand. This transaction also resulted in a reclassification of GEL 12,869 thousand between share capital and retained earnings, with no impact on the Group's net assets.

* In accordance with the Law of Georgia on Entrepreneurs, the Company does not have "Charter capital," which under said law is the equivalent term to "placed capital." Accordingly, the amount presented under the "Charter Capital" line item in the financial statements represents an "additional paid-in capital contribution" and, as such, does not serve as a protective mechanism and/or buffer within the meaning of Article 145 of the Law of Georgia on Entrepreneurs in relation to dividend distribution or capital reduction. For further details, please refer to the section of "Risks related to legislative and judicial systems", Risk 3.

Operational results

The financial information for the periods presented below has been prepared in compliance with International Financial Reporting Standards (IFRS).

	<i>2025</i>	<i>2024</i>
Revenue from hospitality services	15,014	12,187
Cost of hospitality services	(7,428)	(6,960)
Gross profit from hospitality services	7,586	5,227
Administrative employee benefits expense	(1,639)	(1,413)
Other general and administrative expenses	(1,638)	(1,619)
Net loss from disposal of property and other assets	-	(14)
Operating Income	4,309	2,181
Finance income	103	116
Finance expense	(1,121)	(1,032)
Net foreign exchange loss	(371)	(1,073)
Profit before income tax expense	2,920	192
Income tax expense	-	-
Profit and total comprehensive income for the year	2,920	192

Revenue

The table below presents a breakdown of the Group's revenues for the reporting periods ended April 30, 2025 and 2024:

	<i>Year ended 30 April, 2025</i>	<i>Year ended 30 April, 2024</i>
Revenue from hospitality services		
Rooms	9,328	7,205
Food and beverages	4,299	3,743
Spa service	643	561
Concept store	105	56
Other revenue	639	622
	15,014	12,187

Revenues from hospitality services primarily comprise income from room rentals, food and beverage sales, and revenues from spa and other services offered to guests. Other revenues primarily include income from the sale of ski passes and additional services provided to customers (such as laundry, taxi services, etc.).

For the year ended April 30, 2025, the Company's total revenues amounted to GEL 15,014 thousand, representing an increase of GEL 2,827 thousand (23.20%), compared to the previous year. The majority of Gudauri Lodge's revenues are generated from room rentals and restaurant operations. For the year ended April 30, 2025, revenues from room rentals accounted for 62% of total revenues, amounting to GEL 9,328 thousand, representing an increase of 29.5% (GEL 2,123 thousand) compared to the year ended April 30, 2024. Revenue from food and beverage sales accounted for 29% of total revenues for the same reporting period, representing an increase of 14.9% (GEL 556 thousand) compared to the previous year.

As of April 30, 2025, the increase in revenues over the last 12 months compared to the corresponding period of the previous year was driven by growth in both the Average Daily Rate (ADR) and occupancy rate. Specifically, as of April 30, 2024, the annual ADR

was USD 150, and the average occupancy rate was 44%. As of April 30, 2025, the annual ADR increased by 10% to USD 165, while the occupancy rate rose to 49%.

Given that the hotel is located at a mountain ski resort, its occupancy and revenue are seasonal. The property maintains high occupancy during the winter season, from December to March. For the reporting period ended April 30, 2025, 81.3% of room revenues were generated during the December–March period. Accordingly, both the Average Daily Rate (ADR) and occupancy levels are highest during these months. In February 2025, the hotel’s occupancy reached a record 98.4%, with an ADR of USD 262 for the same month.

Breakdown of Average Daily Rate (ADR) by month in USD and GEL:

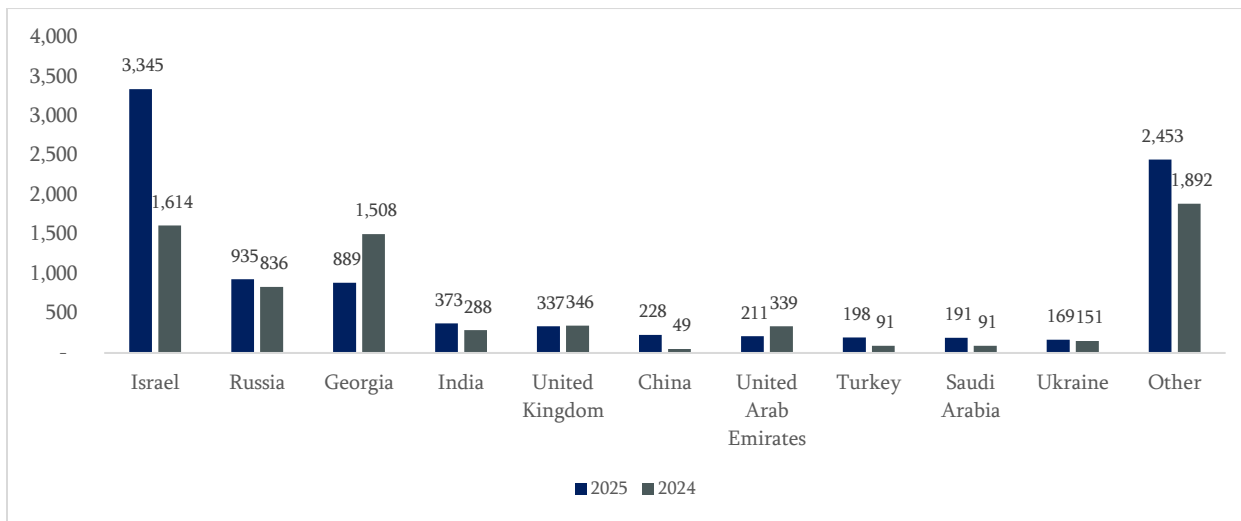
	USD		GEL	
	2024-2025	2023-2024	2024-2025	2023-2024
May	62	65	169	163
June	68	64	192	169
July	69	70	187	181
August	62	68	168	178
September	61	65	165	171
October	57	60	155	162
November	64	67	175	182
December	202	160	567	430
January	248	193	704	517
February	262	223	738	593
March	209	186	580	498
April	131	132	361	353

The hotel is primarily visited by international tourists typical to the Georgian tourism market, as well as by domestic guests. During the 2024-2025 reporting periods, 86% of room revenues were generated from tourists from various countries, while 14% were generated from domestic guests.

The table below presents a breakdown of room revenues by nationality for the reporting periods ended April 30, 2025 and 2024:

	30 April, 2025	30 April, 2024
Israel	3,345,159	1,613,819
Russia	935,207	836,355
Georgia	888,709	1,508,259
India	373,109	288,095
United Kingdom	336,998	345,641
China	227,703	49,250
United Arab Emirates	211,111	338,749
Turkey	197,994	90,712
Saudi Arabia	190,641	90,748
Ukraine	168,925	151,198
Other	2,452,764	1,892,026
Total	9,328,319	7,204,850

Breakdown of Gudauri Lodge’s revenues by nationality, in thousands of GEL, is presented in the following chart:



For the reporting year ended April 30, 2025, the largest portion of revenues from food and beverage sales, 47.1% (GEL 2,025 thousand), was generated from food sales. This was followed by revenues from breakfast and beverage sales, accounting for 37.1% and 15%, respectively, while the remaining revenues accounted for less than 1%.

Cost of hospitality services

The table below presents the cost of hospitality services for the reporting periods ended April 30, 2025 and 2024:

	<i>Year ended 30 April, 2025</i>	<i>Year ended 30 April, 2024</i>
Cost of food and beverages	1,016	947
Spa inventories costs	7	8
Cost of concept store items	52	31
Total inventories cost included to cost of sales	1,075	986
Rooms payroll	757	656
Food and beverages payroll	1,522	1,324
Spa payroll	223	198
Total payroll costs included in cost of sales	2,502	2,178
Rooms other expenses	1,186	1,239
Food and beverages other expenses	200	183
Spa other expenses	46	45
Concept store other expenses	-	-
Other expenses	541	534
Total other expenses	1,973	2,001
Property tax	261	312
Depreciation	1,617	1,483
Total cost of sales	7,428	6,960

For the reporting period ended April 30, 2025, the cost of revenues generated by the Company increased by 6.7% compared to the same period of the previous year, amounting to GEL 7,428 thousand. In addition to the cost of various revenue streams of the hotel,

the cost of hospitality services also includes depreciation and property tax expenses. The largest component of the cost is payroll expenses, which accounted for 33.7% of total costs for the reporting period ended April 30, 2025, representing an increase of 14.9% compared to the previous reporting period. The increase in personnel expenses compared to April 30, 2024, was driven by higher occupancy levels, which required a larger workforce and, consequently, higher associated payroll costs. Despite the annual increase in personnel expenses, for the reporting period ended April 30, 2025, personnel expenses accounted for 17% of total revenues, compared to 18% in the previous reporting period, indicating an increase in the hotel's overall profit margin.

Other expenses as of 30 April 2025 amounted to GEL 1,973 thousand, representing a marginal decrease of 1.4% compared to the same period of the previous year. This category primarily includes expenses related to food and beverage products, spa operations, the concept store, and other hotel room-related costs. Other hotel room costs specifically cover commissions to online platforms (such as Booking.com), cleaning materials and supplies, and other room-related inventory.

Gross profit

For the reporting period ended April 30, 2025, gross profit from hospitality services increased by 45% to GEL 7,586 thousand (April 30, 2024: GEL 5,227 thousand), while the gross profit margin increased by 7.6 percentage points. This margin improvement was primarily driven by increases in the Average Daily Rate (ADR) and occupancy, along with more efficient cost allocation. These factors were in turn supported by the hotel's acquisition of loyal customers, the high quality of services offered compared to competitors, and an increase in the proportion of direct bookings in total revenues. For the reporting period ended April 30, 2025, the annual ADR was USD 165, compared to USD 150 for the same period in the previous year.

Administrative salary and employee benefits

For the reporting period ended April 30, 2025, administrative salary and employee benefits increased by GEL 226 thousand compared to the previous reporting period, representing a 16% increase and amounting to GEL 1,639 thousand. Despite the nominal increase, these expenses decreased as a proportion of revenues, from 11.6% as of April 30, 2024, to 10.9% in the most recent reporting period.

Other general and administrative expenses

As of April 30, 2025, other general and administrative expenses remained practically unchanged compared to the same period of the previous year, amounting to GEL 1,638 thousand (April 30, 2024: GEL 1,619 thousand). More than 50% of other general and administrative expenses in both reporting years consisted of costs related to utilities and banking services. The ratio of other general and administrative expenses to revenues decreased from 13.3% in 2024 to 10.9% in 2025.

Statement of Cash Flows

('000 GEL)	<i>30 April, 2025</i>	<i>30 April, 2024</i>
Operating activities		
Profit before income tax expense	2,920	192
Depreciation	1,624	1,491
Finance income	(103)	(116)
Finance expense	1,121	1,032
Net loss from disposal of property and other assets	-	14
Loss from foreign exchange differences	371	1,073
Operating profit before changes in working capital	5,933	3,686
Working capital adjustments		
Increase in inventories	(82)	(40)
(Increase)/decrease in trade and other receivables	(158)	15

Decrease in prepayments and other assets	47	44
Increase/(decrease) in trade and other payables	330	(26)
Decrease in advances received	(10)	(51)
Increase in other liabilities	65	79
Net cash flows from operating activities	6,125	3,707
Investing activities		
Interest received on time deposits	103	72
Transfer from restricted cash	-	49
Capital expenditure for property and equipment	(178)	-
Proceeds from sale of property and equipment	-	13
Net cash flows (used in) from investing activities	(75)	134
Cash flows from financing activities		
Repayment of borrowings	(1,788)	(1,630)
Loans received	200	-
Interest paid	(1,794)	(1,995)
Increase in charter capital	4,373	-
Proceeds from equity contributions from the parent	355	2,654
Payments for equity distribution to the parent	(5,423)	(1,000)
Net cash flows used in financing activities	(4,077)	(1,971)
Effect of exchange rate changes on cash and cash equivalents	293	32
Net increase in cash and cash equivalents	2,266	1,902
Cash and cash equivalents at 1 May	2,337	435
Cash and cash equivalents at 30 April	4,603	2,337

Net cash flows from operating activities

As of April 30, 2025, net cash flows from operating activities increased by GEL 2,418 thousand (65%) to GEL 6,125 thousand. The increase in operating cash was primarily driven by improved profitability.

Net cash flows used in investing activities

As of April 30, 2025, net cash flows used in investing activities amounted to GEL 75 thousand, representing a decrease of GEL 209 thousand compared to the previous reporting period. The primary reason for this change was capital expenditure related to the renovation of surfaces around the hotel's swimming pool.

Net cash flows used in financing activities

For the reporting period ended April 30, 2025, the Company reduced its loan obligations to a commercial bank by GEL 3,582 thousand, compared to GEL 3,625 thousand for the same period in 2024. In both periods, repayments were made in line with the contractual loan amortization schedule.

LLC "Gudauri Lodge" was established on March 26, 2025, and at the time of establishment, the parent company contributed GEL 4,373 thousand to its charter capital in cash. Prior to incorporation, the hotel was owned by another company within the same group, which had leased the hotel. In April 2025, LLC "Gudauri Lodge" acquired the hotel management/leasing company ("LLC Georgia Hospitality Management Group Gudauri"), which became a jointly controlled subsidiary of LLC Gudauri Lodge. For the acquisition of this subsidiary, LLC "Gudauri Lodge" paid GEL 4,367 thousand in April 2025.

As of April 30, 2025, cash contributions to and distributions from the Company's capital amounted to GEL 355 thousand, compared to GEL 2,654 thousand for the same period in 2024.

Overview of Financial Covenants

Covenants

The company's loan agreements with the commercial bank are subject to specific restrictive covenants. These agreements incorporate only financial covenants and do not impose any non-financial covenants or operational restrictions on the company's business activities.

Overview of Financial Covenants

The Company's borrowings are subject to financial covenants, which apply to all loans obtained from the respective financial institution.

Key Financial Covenants:

The Company has a contractual obligation to maintain compliance with these covenants throughout the specified period.

The covenants, together with their respective thresholds, defined under the loan agreement executed with JSC TBC Bank are presented in the following table:

Covenant Name	Limit	Performance (30 April 2025) LTM	Performance (30 April 2024) LTM	Maturity Date	Compliance (30 April 2025) LTM	Compliance (30 April 2024) LTM
DSCR	>1.3	1.7	1.0	June, 2033	Yes	No

The main financial covenant for the hotel loans is the Debt Service Coverage Ratio (DSCR), which is calculated as the ratio of the hotel's net operating income to its debt service obligations. The hotel's net operating income is defined as the difference between the hotel's total revenue (generated from room rentals, food and beverage sales, and other services) and all operating expenses related to hotel management. Debt service obligations include all payments required for interest and principal repayments during the reporting period.

In addition to financial covenants, the Company is also subject to standard non-financial covenants under its bank borrowings.

As shown in the table above, the Company breached the covenant in 2024, however, the bank waived its right to enforce the claim.

The Group has obtained waivers from financial institutions for all past breaches, stating that despite the violation of financial covenants, the lenders will not demand accelerated repayment of the Group's borrowings.

During the period from the end of the last financial year up to the date of this Prospectus, there have been no cases of missed interest or principal payments under the bank loan agreements.

Key Non-Financial Covenants:

- The borrower is not permitted, without the Bank's prior written consent, to enter into a lease, obtain loans, or assume any other financial obligations. An exception is made for obligations related to consignment-based purchases of goods for resale, provided these do not jeopardize the fulfillment of the borrower's obligations to the Bank.
- During the term of the loan, the Borrower shall not have any other financial obligations (including a shareholder loan) except for the loan from JSC TBC Bank;

- The Borrower shall not, without the Bank's prior written consent, provide financial guarantees or encumber its assets with any rights of claim in favor of third parties, nor shall the shares of the Borrower or its guarantor companies be encumbered with rights of claim in favor of third parties.
- The Borrower shall not, without the Bank's prior written consent, dispose of, lease, or otherwise transfer its fixed assets if the contract/lease term exceeds one (1) year;
- The Borrower shall not, without the Bank's prior written consent, undertake capital expenditures or investments in other companies;
- The Borrower may distribute dividends without the Bank's prior written consent only if, after such distribution, the financial covenants remain in compliance;
- The Borrower shall not, without the Bank's prior written consent, issue loans;
- The Borrower shall not, without the Bank's prior written consent, change the structure of the Gudauri Hotel Project.
- In the event that real estate and/or movable property related to the operational activities of the Gudauri Hotel appears on the balance sheet of LLC Georgia Hospitality Management Group, the Borrower shall be obliged to secure such property by way of mortgage and/or pledge to ensure the Loan;
- The Borrower shall not be authorized to change the beneficial owner without the Bank's prior written consent;
- The Borrower shall not, without the Bank's prior written consent, encumber the real estate provided as collateral, including through long-term lease, if the leased area exceeds 10% of the total building area and the respective agreement/lease term exceeds one (1) year;
- The Borrower shall be obliged to deposit, into a designated account, an amount equal to the aggregate payments due for the following three months, until the DSCR ratio reaches 1.25;
- The annual FF&E reserve shall not exceed 4% of annual revenues; furthermore, the Borrower shall be entitled, without the Bank's prior written consent, to undertake capital expenditures not exceeding the amount of the established FF&E reserve.

As of the dates covered by the Prospectus, the Company has not been in breach of any non-financial covenants.

Covenant Reporting

The Company provides reporting on financial covenants to commercial banks on an annual basis. Although this obligation is not explicitly stipulated in the loan agreements, it is carried out in practice at the auditor's request. As part of the audit process, the auditor requires monitoring of the financial covenants and, where necessary, the obtaining of appropriate waivers from creditors in the event of any breaches.

The calculation of covenants by commercial banks is performed once a year based on the consolidated management accounts. In addition, the bank is entitled to request covenant calculations from the issuer for any given period. The Group is required to maintain compliance with the covenants under its commercial bank loans at all times.

Bond-related covenant

The prospectus for these bonds includes certain financial covenants. The Company is restricted from incurring additional indebtedness if the ratio of total borrowings to EBITDA exceeds 5x.

As of 30 April 2025, the compliance indicators for these covenants are as follows:

Financial covenant ¹	30 April 2025 (Pro-Forma)	30 April 2025	Limit	30 April 2025
Debt-to-EBITDA ratio.	4.57x	3.19x	5x	Yes

According to the pro forma statements following the bond issuance, the Debt-to-EBITDA ratio will be 4.57x, which is within the prescribed limits.

For detailed information regarding the bond-related covenants, please refer to the “Terms and Conditions of the Bonds”.

Risk Factors

Investing in Bonds involves certain risks. Investors should carefully read this Prospectus. In addition to the other information provided in the Prospectus, potential investors, before investing in the bonds, should carefully consider the risks described below, taking into account their own financial situation and investment objectives. Any of the risks described below could materially and adversely impact the Company business, financial condition and results of operations. If any of these risks materialize, they may adversely affect the market value of the Bonds. These risks, whether individually or collectively, may have a material adverse effect on the Company's ability to repay the principal amount of the Bonds, as well as any interest and other amounts accrued in connection with the Bonds. Furthermore, the factors described below are significant for the assessment of market risks related to the Bonds. Although the Company believes that the risks described below are the main risks associated with investments in the Bonds, other additional risks and uncertainties may emerge, which the company considers now insignificant or is unaware of and any of such risks and uncertainties may have consequences similar to those described below. The company, therefore, does not claim that the statements about the risks of bondholding described below are exhaustive.

Risks specific to industry and economy

1. The risk of economic instability and investment is high in such developing countries as Georgia:

1.1. Political and governmental instability in Georgia could have a material adverse impact on the local economy and the Company's business;

After gaining independence from the former Soviet Union in 1991, Georgia underwent a significant political transformation from a republic within a federal socialist state to an independent sovereign democracy.

Georgia is facing several challenges, including tensions with Russian Federation and implementation of further economic and political reforms. However, reforms favorable to business and investors may not continue or may be reversed, there is no guarantee that such efforts will also be successful. Such reforms and economic growth may be hindered by any such changes in government and/or as a result of a rejection of reform policies by the President, the Parliament or other institutions..

Meanwhile, in the parliamentary elections held on October 26, 2024, "Georgian Dream" won 89 seats in the 150-member parliament, while four opposition parties secured 61 seats: "Coalition for Change: Gvaramia, Melia, Girchi, Droa" (19 seats), "Unity – United National Movement" (16 seats), "Strong Georgia – Lelo, For the People, For Freedom" (14 seats), and "For Georgia – Gakharia" (12 seats). The opposition spectrum refused to recognize the election results and enter parliament, moving into a protest mode. Moreover, the first three of these opposition parties approached the Central Election Commission requesting the annulment of their parliamentary mandates. Following this request, the Commission canceled the registration of all three political entities.

Subsequently, a new wave of protests was triggered by the government's postponement of negotiations with the European Union until 2028, as approximately 85% of the Georgian population supports EU membership. During the prolonged protests, the U.S. Department of the Treasury imposed sanctions on Georgia's Minister of Internal Affairs, Vakhtang Gomelauri, and other high-ranking officials. Later, the U.S. Department of the Treasury imposed financial sanctions on the founder and honorary chairman of "Georgian Dream", Bidzina Ivanishvili. Political uncertainty remains high, and any future political instability or imposition of sanctions, especially affecting business representatives, may negatively impact the country's economic growth, including the investment climate and private business activities. Political instability and the failure of economic reforms could adversely affect Georgia's economy,

which in turn would negatively impact the Company's business, financial condition, operating results, and development prospects.

1.2. There are additional risk factors related to investing in emerging markets such as Georgia;

Emerging markets may have higher volatility, 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, reaction to events of international investors may cause a "contagion effect", when investors disfavor an entire region or class of investment. 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 the 1998 financial crisis in Russia and later global financial crisis and may be affected by similar events in the future.

Moreover, financial and political instability may also adversely affect the country's economy. In such case, the outflow of capital will ensue which may seriously damage the financial system and eventually lead the economy to stagnation.

As of the date of submission of the Prospectus, the following ratings have been assigned to Georgia by international rating agencies:

Fitch Ratings, May 2025 – BB (Negative Outlook);

Moody's, March 2025 – Ba2 (Negative Outlook);

S&P Global Ratings, February 2025 – BB (Stable Outlook).

1.3. Depreciation of the national currency, Lari, against US\$/other currencies of economically related countries may have a material adverse impact on the Company's activities;

The devaluation of the GEL may have a negative impact on the company's activities, due to the deterioration of fundamental economic factors (e.g., rising inflation) and the impact on the purchasing power of the local population, or for other reasons.

Although Georgian Lari is a fully convertible currency, there is no currency conversion market outside Georgia. There is a market in Georgia for converting Lari into other currencies, but the volume more or less is limited. In general, Lari Exchange rate is formed towards US Dollar, while Lari/EUR exchange rate is impacted by both, GEL/US\$ and EUR/US\$ rate fluctuations.

According to National Bank of Georgia, its official reserves stood at US\$ 5.2 billion as of 31 august 2025, showing an annual 7.5% increase. Despite this growth, current reserves are lower than adequate level according to the International Monetary Fund. As official reserves serve as a buffer to absorb and mitigate negative impact (including one-off pressures on Lari exchange rate) caused by external factors, it is closely monitored by investors, credit organizations, etc., hence its replenishment represents an important task for the National Bank of Georgia.

Over the years, the exchange rate of the Lari against the U.S. dollar has fluctuated significantly due to both external shocks and seasonal factors. At the same time, during periods of external crises, the Euro also weakened against the U.S. dollar. Among these, the most notable were: the 2015 global shock in oil and industrial commodity prices, when the Lari depreciated more against the U.S. dollar than the Euro did, which ultimately resulted in the depreciation of the Lari against the Euro, although to a lesser extent; the problems caused by the coronavirus pandemic in 2020, when the exchange rate reached a historic high of 3.48 GEL per 1 US\$, while the Euro weakened against the U.S. dollar in the first half of the year, then strengthened, which in turn led to a significant depreciation of the Lari against the Euro; and Russia's invasion of Ukraine in 2022, when in the initial phase of the war the Lari, along with other regional currencies, unexpectedly began to depreciate. Between February 24 and March 10, 2022, the Lari depreciated by 12.8% against the U.S. dollar, reaching 3.40 GEL per 1 US\$, although at the same time the Euro also significantly weakened against the U.S. dollar, and therefore there was no major depreciation of the Lari against the Euro.

In the following months of 2022, Georgia's economy demonstrated resilience to the regional shock and maintained the level of capital inflows and domestic activity, which resulted in a strengthening trend of the Lari, and as of December 31, 2022, the Lari had appreciated by 12.8% against the U.S. dollar year-on-year. During the same period, the Euro remained weak against the U.S. dollar, which ultimately had a positive effect on the Lari/Euro exchange rate. In 2023, the Lari slightly depreciated against the Euro, which was mainly explained by the strengthening of the Euro against the U.S. dollar. The Lari maintained stability against the U.S. dollar throughout 2023, supported by high capital inflows as well as the National Bank of Georgia's tight monetary policy, which was reflected in raising the refinancing rate to 11.0% during 2022. At the same time, against the backdrop of sharply increased foreign inflows, the National Bank replenished reserves, with its net foreign exchange purchase amounting to 564.5 million USD in 2022. Reserve accumulation continued under high foreign inflows in 2023 as well, when the National Bank purchased 1,474 million USD and sold 194.9 million USD on the FX market, resulting in a 2.2% annual increase in international reserves, which reached 5.0 billion USD by the end of 2023.

In 2024, despite stable foreign inflows, large one-off pressures toward depreciation occurred in May–June and September–October amid political uncertainties. In particular, due to pre-election uncertainty, the National Bank had to sell 591.1 million USD in October 2024 to ease pressure on the Lari's depreciation. In total, the National Bank sold 917.4 million USD and purchased 482.6 million USD on the FX market during 2024. In January–August 2025, the Lari significantly appreciated against the U.S. dollar, mainly driven by rising foreign inflows, conversion of foreign currency deposits into Lari, and the global weakening of the dollar index. Against this backdrop, the National Bank of Georgia was able to resume purchases on the FX market and, between March and July 2025, purchased a total of 1.3 billion USD, which increased international reserves from 4.4 billion USD in the previous year to 5.2 billion USD as of August 2025.

The fact that the exchange rate of the Lari against the euro is not influenced solely by the exchange rate of the Lari against the U.S. dollar makes the latter's movements very important. It should be noted that any instability of the Lari depends on a number of political and economic factors, including the National Bank's ability to control inflation. According to the National Statistics Office of Georgia (GeoStat), the average annual consumer price inflation in Georgia was 4.9% in 2019, 5.2% in 2020, 9.6% in 2021, 11.9% in 2022, and 2.5% in 2023. Against the backdrop of globally rising prices for food and energy, inflationary pressure increased significantly from the spring of 2021, reaching 11.9% in July 2021. In response to rising inflation, the National Bank raised the monetary policy rate four

times between March and December, by a total of 250 basis points, to 10.5%. From the beginning of 2022, due to the base effect of the previous year and further increases in food and energy prices caused by the Russia-Ukraine war, inflation continued to rise. Starting in the spring of 2022, this was further reinforced by rising rental prices, largely driven by increased demand for real estate from migrants. In 2022, average annual inflation reached 11.9%. In response to prolonged high inflation, in March 2022 the National Bank of Georgia increased the refinancing rate by an additional 50 basis points, to 11.0%, and maintained this level until May 2023.

There were periods when high inflation was largely driven by external factors, but during such times tightening of monetary policy helped the National Bank of Georgia to some extent manage the level of inflation, even though the Bank primarily reacts to inflationary pressures arising from demand factors. Later, when the contribution of domestic factors to inflation increased, tighter monetary policy significantly helped the National Bank return inflation closer to its target level. From March 2023, inflation began to decline sharply, falling below the 3.0% target in May, and reaching 0.4% in December 2023. A low-inflation environment was maintained in 2024 as well, with average annual inflation at 1.1%. The decline in inflation was mainly driven by falling food and oil prices in global markets, reduced international transportation costs, appreciation of the Lari, tight monetary policy, and reduced fiscal deficit. After inflation fell below the target level, the National Bank began easing monetary policy and, between May 2023 and May 2024, reduced the refinancing rate by a total of 300 basis points, to 8.00%. From March 2025, consumer price inflation once again exceeded the target of 3.0%, reaching 4.6% in August 2025, mainly due to rising food prices, while oil product prices decreased year-on-year. It is expected that in 2025 average annual inflation will remain above the target level. In general, maintaining inflation close to the target is crucial for the stable development of the economy. High inflation can cause instability in currency and financial markets, a decline in consumers' purchasing power and confidence, and may ultimately worsen Georgia's economic indicators and have a material negative impact on the Company's clients, which in turn would adversely affect the Company itself.

It should also be noted that in October 2023 the Israel–Palestine conflict erupted in the Middle East. There was a risk that this conflict could escalate into a large-scale war, which would likely cause increases in global prices of food, oil, and other raw materials, disruptions in freight transport, a reduction in global trade turnover, and ultimately a slowdown of economic growth in many countries. It is also noteworthy that in June 2025 several days of military confrontation between Israel and Iran created significant global uncertainty, immediately driving up oil prices, creating supply chain problems, and raising inflationary expectations. Against this background, many countries could slip into recession. Since Georgia has economic ties with both Israel and Iran, in the event of a prolonged conflict the direct and indirect effects on Georgia's economy would be significant, leading to accelerated inflation, depreciation of the Lari, deterioration of fiscal and financial indicators, and ultimately substantial economic losses.

1.4. Because the company operates within Georgia, it will be affected by changes in Georgian economic conditions;

The Company's revenues are primarily dependent on Georgia, therefore the Company's performance is significantly affected by financial and economic developments in or related to Georgia, especially the economic activity of Georgia, and these effects will continue in the future. Factors such as gross domestic product (GDP), inflation, interest rates and currency exchange rates, as well as unemployment, personal income and the financial situation of companies, have a material impact on customer demand for products and services of the Company.

The crisis caused by the Covid-19 pandemic had a significant negative impact on the Georgian economy, which significantly affected the tourism sector, share of which in the Georgian economy is quite high. According to the preliminary data of GeoStat, in 2020, the economy of Georgia decreased by 6.3% compared to 2019

Furthermore, as a result of the gradual lifting of the restrictions imposed for the management of the coronavirus pandemic, the economy of Georgia began to recover from March 2021, and in 2021, the economy of Georgia increased by 10.6% compared to 2020, and by 3.7% compared to the level of 2019. In early 2022, the Russia-Ukraine war increased uncertainty, trade disruptions, and commodity prices, which had a particularly negative impact on the region. The expected negative consequences of the war on the Georgian economy led to the deterioration of expectations regarding the growth of the economy. Nevertheless, after Georgia's economy showed resilience to regional shocks and maintained the level of capital inflows and domestic economic activity, growth expectations began to improve. Tourism began to recover at a steady pace in parallel with the growth of exports, which in turn was driven by increased commodity prices and rising re-exports. Domestic demand remained solid, supported by healthy growth of the total credit portfolio and fiscal spending. According to data from the National Statistics Office of Georgia (Geostat), real GDP growth in 2022 amounted to 11.0%, mainly driven by record-high foreign currency inflows. Part of these inflows was related to the relocation of capital to the region, including to Georgia, following the onset of the Russia-Ukraine war. Against the backdrop of stable external inflows and rapidly declining inflation, high economic growth continued in 2023 and 2024 as well. Georgia's economy grew by 7.8% in 2023 and by 9.4% in 2024. According to preliminary data from Geostat, in January–June 2025 the Georgian economy grew by 8.3%, indicating the maintenance of a high growth pace. For reference, Georgia's economy grew by 5.4% in 2019, 6.1% in 2018, 5.2% in 2017, and on average by 3.4% in 2015 and 2016.

Georgia's economic growth prospects continue to face significant threats, including exchange rate volatility, weakening financial stability, inflation, budget execution and capital outflow risks. In addition, economic growth is adversely affected by frequent political instability, which can delay or freeze the inflow of foreign investment in the country. A market crisis and deterioration of economy in Georgia may lead to a decrease in consumer spending and have a serious negative impact on the liquidity and financial condition of the Company's customers in Georgia. Uncertain and unstable global economic conditions resulting from the geopolitical uncertainties might have a significant impact on Georgia's economy, which will accordingly adversely affect the Company's business, financial condition and results of operations.

2. Risks related to neighboring countries and the region:

2.1. Regional tensions may have an adverse effect on the local economy and the Company's business;

Georgia shares borders with Russia, Azerbaijan, Armenia and Turkey and could be adversely affected by political unrest within its borders and in surrounding countries. Since gaining independence in 1991, Georgia has had conflicts with the breakaway regions of Abkhazia and the Tskhinvali Region/South Ossetia, and with Russia. In August 2008, the conflict in the Tskhinvali Region/South Ossetia escalated. Georgian troops engaged with local militias and Russian forces, and Georgia declared a state of war. The tension regarding these regions persist as Russian troops continue to occupy Abkhazia and the Tskhinvali Region/South Ossetia and Russia recognized the independence of these regions. For example, in the summer of 2013, Russian border guards erected barbed wire fences along some parts of the

demarcation line between Georgia and South Ossetia. Similar future actions will further increase tensions. The Government of Georgia has taken certain steps towards improving relations with Russia, but these steps have not resulted so far in any formal or legal changes in the relationship between the two countries.

Since July 8, 2019, direct flights from Russia to Georgia were banned, which had an impact on the tourism sector. At the same time, the decline in tourist flows from Russia had a significant effect on the foreign exchange market. According to the assessment of the National Bank of Georgia, due to the ban on direct flights from Russia, the country received approximately USD 300 million less in tourism revenues compared to expectations. Nevertheless, despite this shock, Georgia's external balance improved in 2019 compared to 2018.

In addition, the Armenia-Azerbaijan war in the period of September-October 2020, had a negative effect on the economic situation of the region, raising negative expectations for the recovery process of the region's economies in 2021. On October 10, 2020, a ceasefire agreement was signed in Moscow, however, on October 11, Armenia and Azerbaijan reported shelling of cities from each other. Azerbaijan has accused Armenia of attacking major cities at night, saying the country violated a ceasefire agreement reached in Moscow on October 10. Finally, on November 10, it became possible to reach a cease-fire agreement. Another escalation of the border conflict between Armenia and Azerbaijan was recorded on September 12, 2022. On September 14, with the mediation of the Council of Europe, the parties agreed to a ceasefire. At present, the situation has stabilized, and negotiations on border delimitation are underway. The likelihood of renewed tensions in the future has decreased at this stage.

Russian invasion of Ukraine in 2022 might have further negative impact on Georgian economy. The war has already caused a humanitarian crisis and brought huge economic losses not only to the countries involved in the war, but also to the regional and global economy. Since the beginning of the war, the USA and the European Union have imposed several sanctions on Russia, the purpose of which was to increase the pressure on Russia to stop hostilities. The negative effects of this large-scale military conflict might further affect regional and global economies through raw materials markets, trade and financial channels. With the outbreak of war, fuel and food prices have risen, further fueling the already soaring inflation. In response to the increased pressure on prices, Western central banks are expected to keep interest rates high until the end of 2023, leading to tighter global financial conditions. Further escalation or delayed resolution of the Russia-Ukraine conflict, any additional sanctions on Russia, increased levels of uncertainty, increased political and economic instability in the region, and any future deterioration in Georgia's relationship with Russia might have negative effect on Georgia's political or economic stability..

In addition, any of the following might affect stability of Georgian political or economic situation:

- Worsening of Georgia's relations with Russia, including territorial disputes;
- Changes in importance of Georgia as an energy transit corridor;
- Changes in the amount of aid provided for Georgia or the ability of Georgian manufacturers to access the international export markets;
- Significant deterioration of relations between neighboring countries;
- Worsened economic and financial situation in neighboring countries.

2.2. Disruptions in Georgia's neighboring markets may have an adverse effect on Georgia's economy;

Georgia's economy is closely linked to the economies of the countries in its region (Azerbaijan, Armenia, Russia, Turkey). Azerbaijan and Armenia have historically represented two of the largest markets for Georgia's exports and, according to Geostat, their share in Georgia's total goods exports in 2019 amounted to 13.4% and 11.4%, respectively. In the post-pandemic period, Azerbaijan's share slightly decreased, while Armenia's share significantly declined in Georgia's total goods exports, reaching 12.5% and 6.0% in 2021, respectively. In 2022, Azerbaijan's share further declined, while Armenia's share increased significantly, amounting to 12.0% and 10.5%, respectively. In 2023, the shares of both countries increased — Azerbaijan's share accounted for 14.2% of total exports, while Armenia's share accounted for 12.9%. In 2024, both shares decreased to 11.0% and 9.4%, respectively. In January–June 2025, exports to Azerbaijan and Armenia represented 10.6% and 7.7% of Georgia's total exports, respectively.

Russia is also one of the largest markets for Georgia's exports. According to Geostat, Russia's share in total goods exports was 13.1% in 2019, 13.2% in 2020, 14.4% in 2021, 11.5% in 2022, 10.8% in 2023, 10.4% in 2024, and 10.3% in January–June 2025.

Turkey represents the largest import market for Georgia, and according to Geostat its share in Georgia's total goods imports amounted to 17.0% in 2019, 17.5% in 2020, 18.1% in 2021, 17.5% in 2022, 16.5% in 2023, 16.4% in 2024, and 14.9% in January–June 2025.

Ukraine is also an important trading partner, with its share in exports and imports amounting to 7.2% and 4.5% in 2021, respectively. Since the outbreak of the Russia–Ukraine war, Georgia's trade turnover with Ukraine has significantly decreased, with Georgia's exports to Ukraine accounting for 4.2% of total exports in 2022, further declining to 1.7% in 2023 and to 1.6% in 2024.

Accordingly, significant dependence on the countries of the region, and potential political and economic challenges in those countries, represent potential obstacles for further economic growth.

During 2022–2023, Georgia's economic dependence on Russia in terms of tourism and remittances increased significantly, which was largely driven by the influx of Russian migrants following the outbreak of the Russia–Ukraine war. While in 2021 revenues from Russian tourism and remittances amounted to 3.0% of GDP, this indicator rose to 11.8% in 2022, slowed to 8.0% in 2023, further decreased to 4.1% in 2024, and amounted to 3.1% in January–June 2025.

It is important that high dependence on any single country does not persist, as it carries certain risks; for example, in the event of a sudden disruption of financial inflows, the country's economy would suffer significant damage, which, in turn, would have a materially adverse effect on the Company's business, financial condition and operational results. Any further economic downturn or crisis in Georgia's neighboring countries could have a strong negative impact on the country's economy.

3. Risks related to legislative and judicial systems:

3.1. Challenges may emerge, related to harmonizing the Georgian legislation with that of the EU, required by the DCFTA;

On 27 June 2014, Georgia signed the Association Agreement (AA) and the Deep and Comprehensive Free Trade Area (DCFTA) with the EU came into effect, which envisages the liberalization of bilateral trade. It is expected that the implementation of AA with the EU will provide opportunities for business, though it may also pose challenges to enterprises, households and the state. The implementation of the AA and the DCFTA requires from Georgia to approximate its legislation with the EU trade and sectoral legislation, which will pose challenges especially in the fields of environmental protection and consumer safety, including in the areas of product safety and information security. Based on the above, in terms of the existing legal requirements for the activity of the Issuer, significant changes have been introduced or may be introduced in the corporate law or securities market legislation:

- **Law of Georgia "On Entrepreneurs":** On August 2, 2021, the Parliament of Georgia adopted a new edition of the Law of Georgia on Entrepreneurs, which came into effect on January 01, 2022. The updated legislation will have a significant impact on the legal regulation of enterprise registration, founding documents, corporate governance and other issues. Regarding the management of enterprises, modern principles of corporate management are also significantly provided in the law. Within the framework of the updated law, the types of capital are separated, the concept of a business letter is introduced, the legal nature of the relationship between the director and the enterprise is clarified, etc.
- **The securities market legislation:** within the framework of the Association Agreement, the legislation related to securities is brought closer to the European legislation. For example, in 2020, several legislative amendments came into effect, which served the purpose of convergence with European legislation, including: the law on the prohibition of insider trading, market manipulation and improper disclosure of insider information; besides, the transparency framework of public securities issuers was improved with the corresponding legislative change. The requirements regarding the submission and publication of periodic or current reports by them have been determined..

Moreover, after joining the World Trade Organization (WTO) in 2000, Georgia has been gradually approximating its legislation in the sphere of trade with EU norms and practices. Recent changes in regulation include the amendments to the Labor Code adopted in 2013, which are designed to bring the regulations in labor safety of Georgia in line with the obligations assumed under the AA and the DCFTA signed with the EU. The mentioned amendments required from an employer to compensate overtime, to pay an increased compensation when dismissing an employee (in the amount of one to two months' salary), also provided for enhanced rights of employees to challenge employers' decisions in court, prohibited dismissal of employees without a clear reason and required to ensure basic working conditions.

Additionally, other changes may be made to government policy, including changes to government initiatives announced earlier or approaches to them. Moreover, the implementation of AA signed with the EU may impose a significant load on regulatory agencies, divert resources from ongoing reforms to other directions and slow down their effectiveness.

Expected changes in regulations, implemented for the approximation with the EU legislation may require the Company to change its policy and procedures in accordance with any amendment to laws and regulations that will be adopted. For example, the Company made changes to its labor agreements to comply with the above-mentioned amendments to the labor legislation. The Company expects that new changes will be adopted, however, it cannot predict the extent of impact of these changes or of its ability to comply with any such changes.

3.2. Uncertainties in the tax system in Georgia may result in the imposition of tax adjustments or fines against the Company and there may be changes in tax laws and policies in Georgia;

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 because the mentioned tax laws are unclear or subject to interpretations and poses risk to companies that their attempted compliance could be challenged by the authorities.

Moreover, such tax laws are subject to changes and amendments, which can result in unusual complexities for the company and its business. A new tax code entered into force on 1 January 2011. Differing interpretations 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. The Tax Code also provides for the Georgian tax authorities to give advance rulings on tax issues raised by the organizations. While the Company believes that the Company is currently in compliance with the tax laws, it is possible that the relevant authorities could take differing positions about their interpretation, which may result in tax adjustments or fines. There is also a risk that the Company could face fines or penalties as a result of regular tax audits.

In addition, tax laws and government tax policies may change in the future, including as a result of a change of government. Such changes could include the introduction of new taxes or an increase in the rates applicable to the Company or its customers, which may, in turn, have a material adverse impact on the Company's business.

In May 2016, changes were introduced to corporate income tax policy, whereby only distributed profit is subject to taxation, which is defined as a cash or non-cash dividend distributed among owners – private entities and nonresident legal persons, while reinvested profit is no longer taxed. It is worth noting that these changes do not apply to companies operating in the financial sector and their profits are taxed under the previous method (20% of taxable profit). All the most important amendments to the Tax Code entered into force on 1 January 2017.

3.3. 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 impact on the local economy, which could, in turn, affect the Company;

Georgia is still developing an adequate legal framework required for the proper functioning of a market economy. Several fundamental civil, tax and administrative laws have recently become effective. Doubts about the quality and enforceability of the laws have risen because of recent introduction of these legislations and the rapid evolution of the Georgian legal system, as well as ambiguities and inconsistencies in their application. In addition, shortage of professionals can be seen in the court system of Georgia and serious reforms are underway. Judges and courts in Georgia are generally less experienced in commercial and corporate law than in other countries, particularly in Europe and the United States. The uncertainties of the Georgian judicial system could have a negative effect on the Georgian economy, which could, in turn, have a material adverse impact on the Company's business, financial condition and results of operations.

3.4. The Company may become subject to legal proceedings by its customer, supplier and regulator;

A broad circle of stakeholders of the Company includes relevant regulatory authorities, the state, customers and contractors. If the Company fails to meet its contractual obligations, it could face a risk of getting involved in a legal proceeding, which might have an adverse impact on its reputation and operational activity. As of the date of submission of this Prospectus, the company has not been involved in a court dispute that could have a material impact on its financial condition or reputation (for additional information on ongoing court disputes, please, see the subsection “Legal Proceedings”), however, there can be no assurance that such disputes will not arise in future.

3.5. Antimonopoly regulations may have an adverse effect on the Company's operations;

Georgia is a developing country, and under the terms of the Association Agreement with the European Union, further changes to the antimonopoly law are expected. It should be noted that in March 2014 significant amendments were introduced to the Law of Georgia “On Competition” (the “Competition Law”). In April 2014, on the basis of the Competition Law, the Competition Agency was established. The Competition Agency is authorized to monitor compliance by private entities with Georgia’s antimonopoly legislation and has the authority to impose fines on companies in cases of violations of the Competition Law. Changes to antimonopoly regulations and the unpredictable nature of their enforcement by the Agency may have an adverse effect on the Company’s business.

3.6. The Company's charter capital is not defined and is not subject to statutory restrictions, including those related to dividend distribution and capital reduction;

Under “the Law of Georgia on Entrepreneurs”, the Company does not have a “Charter Capital” as defined in that law, which is equivalent to the term “Issued Capital.” Accordingly, the amount presented under “Charter Capital” in the financial statements represents an “Additional Paid-in Capital Contribution” and, as such, does not serve as a protective mechanism and/or buffer under Article 145 of the Law of Georgia on Entrepreneurs in relation to dividend distributions or capital reductions. Specifically, the restrictions set by the Law of Entrepreneurs, which do not apply to the Company due to the absence of stated (charter) capital under the Law of Entrepreneurs, are as follows:

1. Restriction on dividend distribution in the amount released by the reduction of charter capital for a period of six months from the date of such reduction;
2. Restriction on dividend distribution to partners if, as a result, the assets of the limited liability company would no longer cover its liabilities and the amount of charter capital;
3. Permissibility of charter capital reduction only after at least six months from the publication of the decision on the reduction of charter capital, unless the Company has satisfied or secured creditors’ claims arising prior to such publication, or unless the court has rejected such claims..

Nevertheless, the Bond Terms and Conditions provide for a number of restrictions on the payment of dividends, whether in cash or otherwise, and on any other form of distribution in relation to capital (for detailed information, see sub-clause 5(g) of the “Bond Terms and Conditions” – “Restricted Payments”).

Thus, although the Bond Terms and Conditions impose certain restrictions to protect bondholders’ interests, since the Company’s charter capital is not defined, bondholders will not benefit from the additional statutory protections under the Law of Georgia “On Entrepreneurs” relating to the reduction of charter capital and dividend distribution resulting therefrom.

4. Risks related to regulatory framework:

4.1. New regulations in this or other industry may adversely affect the Company's business;

The Company is subject to laws and regulations governing employment standards, occupational health and safety, and other matters. Future changes in applicable regional, territorial, local laws and regulations or changes in their

enforcement and interpretation may result in changes to the legal requirements that apply to the Company. Furthermore, due to harmonization with the European Union, Georgia has been constantly implementing new reforms which could have an adverse effect on the Company's business and operations.

It is not possible to predict whether the regulatory regimes that apply to the company will change in the future and it is also difficult to estimate the monetary impact of such changes on the company's activity. However, new regulations governing real estate ownership, leasing or other issues may adversely affect the Company's investments. For detailed information, please, see the subsection "Regulatory Environment."

4.2. If the Company fails, in future, to comply with timely reporting requirements or other anti-money laundering regulations, or if it becomes associated with money laundering or financing terrorism or if the company appears to be associated with them, this may adversely affect the company

Although the Company complies with all the requirements of the legislation designed to avoid the use of company as a means of money laundering, there can be no assurance that these measures will be fully effective. If the company fails, in future, to fulfill anti-money laundering regulations, or if it appears to be associated with money laundering or financing terrorism, this may have a material adverse effect on the company. Furthermore, the involvement in such activities could be followed by regulatory fines and sanctions..

4.3. Following the issuance and public offering of the Bonds, the Company will become Accountable Entity and will be subject to additional regulatory and reporting requirements;

Upon the issuance and public offering of the Bonds, the Company will qualify as *Accountable Entity* as defined under the Law of Georgia on Securities Market (the "Securities Market Law"). The Securities Market Law imposes certain disclosure and transparency requirements on *Accountable Entity* and establishes specific reporting obligations.

Accountable Entity is required to submit, publish, or provide to its security holders annual, semi-annual, and current reports to the National Bank of Georgia. If the Bonds are traded on the Georgian Stock

Exchange or the Tbilisi Stock Exchange, this information must also be submitted to the relevant exchange. The National Bank of Georgia has the authority to request additional information from *Accountable Entity*.

The obligations imposed on *Accountable Entity* may create an additional compliance burden for the Company, and in certain cases the Company may not be able to fully comply with such requirements..

Risks related to the Issuer's operations

5. Market and Operational Risks:

5.1. The Company is exposed to events that adversely affect domestic or international travel;

The Company's room rates and occupancy levels may be negatively affected by events that reduce domestic or international travel, such as actual or threatened acts of terrorism/war, pandemics, travel-related accidents and industrial actions, increases in transportation and fuel costs, and natural disasters, all of which could result in reduced travel globally, or by other local factors impacting individual Hotels. (for detailed information on the distribution of the Company's local

and international visitors, see Section *Industry Overview*– Tourism and Hospitality Sector.) Any reduction in demand for hotel rooms as a result of such events may adversely impact the Group’s operations and financial results.

5.2. *The Company is subject to supply and demand cycles in the hotel industry;*

The industry may negatively affect the Company’s operating results through oversupply (in terms of room count) and weak demand, reflecting the cyclical nature of the hotel business or differences between projected and actual operating conditions. Declines in room rates and occupancy levels will negatively affect the Company’s operating results.

5.3. *The hotel industry is highly competitive, and the Company’s inability to compete effectively could adversely affect its business, operating results, and financial condition;*

The hospitality industry is highly competitive, with the Georgian market gradually expanding and the number of operators increasing. To strengthen market positioning, continuous innovation is required so that the Company’s offerings remain attractive and in demand. With more market players, competitors may significantly increase advertising and marketing spending to promote their hotels, which could pressure the Company to do the same, leading to higher marketing expenses. Rising costs could negatively impact the Company’s financial and operating results. Therefore, intensifying competition in the market presents a risk and a threat to every operator.

5.4. *A portion of hotel bookings are generated through online travel agencies (OTAs) and intermediaries, and increasing reliance on such channels may adversely affect results;*

A share of the Company’s bookings is generated by international, regional, and local travel agencies, with which the Company has long-term contracts. To mitigate concentration risk, the Company maintains agreements with multiple agencies. These third parties offer a wide range of services to hotels, with some intermediaries possessing substantial marketing budgets aimed at building brand awareness and customer loyalty. If these agencies continue to gain market share, they could impact the profitability of the Group’s hotels and weaken direct booking channels. As a result, they may increase commission rates or negotiate other contract terms favorable to them. Negative reviews or feedback on online travel portals could drive customers to choose competitors. Furthermore, competitors may negotiate more favorable terms with OTAs and intermediaries, affecting bookings from these channels and, in turn, the Company’s business and operating results.

5.5. *The Company’s hospitality revenues are subject to seasonality;*

The hotel industry is seasonal in nature. Occupancy rates and revenues are generally lower in the months of May–June, October, and November.

Seasonal fluctuations in revenue may materially and adversely affect the Company's short-term operating income and cash flows, which in turn could negatively impact its business, financial condition, and operating results. (For further details, see Section Financial Condition.)

The hospitality industry is cyclical, and demand generally follows broader macroeconomic indicators. Historically, macroeconomic cycles have caused fluctuations in demand for hotel rooms, which in turn have affected occupancy levels and room rates.

A combination of changing economic conditions and variations in room supply, including periods of oversupply, may result in significant volatility in results for hotel owners and managers. The operating costs of the hotel are more fixed than variable. As a result, during periods of declining revenues, profit reductions may occur at a sharper rate than the decline in revenues.

5.6. The Company is dependent on protecting its brand reputation

The Company's brand image and reputation are critical to hotel businesses. Any event materially damaging the reputation or appeal of the Company's brand may adversely affect its brand value and the revenues of the associated business. In addition, brand value is influenced by various factors, some of which are beyond the Company's control, including customer preferences and perceptions or other factors affecting consumer willingness to purchase services. Any factor negatively impacting the brand's reputation could be damaging. Given the importance of brand recognition in the hospitality industry, the Company has invested significant effort in name and domain registration. However, controls and regulations in this area are subject to change. Any widespread infringement, misappropriation, or weakening of control could materially harm the value of the Company's brand and its ability to develop its business.

5.7. The Company is exposed to geographic concentration risk, as its operations are limited to one region and are reliant on a few nationalities of customers.

The Company's business is entirely concentrated in Gudauri, where oversupply of newly constructed hotels could materially and adversely affect its sales. As the business is not geographically diversified, declines in occupancy levels in Gudauri cannot be offset by sales in other regions, which may negatively affect revenues.

Moreover, for the twelve months ended 30 April 2025 (LTM), 35.9% of the Company's revenues were derived from Israeli customers, 10% from Russian customers, and 9.5% from Georgian customers. Given this high customer concentration, there is a risk that any deterioration in Georgia's relations with these countries, restrictions on travel, or developments in those countries reducing local residents' willingness or ability to travel to Gudauri could adversely impact the Company's financial condition.

5.8. Lack of snow during the winter season may negatively impact revenue trends;

The Company's hotel is located in the ski resort of Gudauri. Accordingly, the Company's revenues are largely dependent on the ski season. A lack of snowfall during the winter months is likely to have an adverse effect on the Company's ability to generate operating revenues.

6. Investment and Liquidity Risks:

6.1. Investment in the hotel business is illiquid. The Company may face liquidity and default risk;

Real estate, by its nature, is an illiquid asset. Accordingly, if the Company were required, under emergency circumstances, to dispose of its property promptly and at an acceptable price, this could result in liquidity constraints. Such circumstances could have an adverse effect on the Company's financial condition.

6.2. Exchange rate fluctuations have affected, and may continue to affect, the Company;

As of 30 April 2025, the Company maintained an open foreign currency position of GEL 18,953 thousand in Euro, resulting from loan obligations denominated in Euro.

The table below summarizes the Group's exposure to foreign exchange risk as of the respective reporting dates:

	<i>30 April 2025</i>			<i>30 April 2024</i>			<i>1 May 2023</i>		
	<i>Monetary financial assets</i>	<i>Monetary financial liabilities</i>	<i>Net position</i>	<i>Monetary financial assets</i>	<i>Monetary financial liabilities</i>	<i>Net position</i>	<i>Monetary financial assets</i>	<i>Monetary financial liabilities</i>	<i>Net position</i>
<i>US\$</i>	899	(3)	896	843	(1)	842	238	(140)	98
<i>Euro</i>	-	(18,953)	(18,953)	23	(19,763)	(19,740)	46	(21,311)	(21,265)
<i>GBP</i>	8	-	8	-	-	-	-	-	-

For additional information regarding foreign exchange risks, please refer to the section "Capitalization and Indebtedness," subsection "Foreign Exchange Risk."

7. Risks Related to Bank Indebtedness:

7.1. In the event of insolvency of the Company, secured creditors will rank ahead of Bondholders;

The obligations arising under the Bonds constitute unsecured obligations of the Company. Accordingly, any claims in respect of the Bonds will be unsubordinated and unsecured. As of the date of this Prospectus, the Company's investment property (the hotel) is mortgaged in favor of existing creditors.

Although the Company intends to use the proceeds from the Bonds to fully refinance its existing bank loans, the Issuer may retain certain outstanding bank indebtedness following the issuance of the Bonds, which will continue to be secured by the mortgaged property. For details, see "Capitalization and Indebtedness."

Therefore, any claims in respect of the Bonds will be satisfied only after (i) satisfaction of preferential claims, including statutory tax claims, and (ii) repayment of secured creditors from the proceeds of any realization of encumbered assets.

If less than the equivalent of US\$ 7 million (representing the current outstanding value of the bank loans) is raised through the placement of the Bonds, the bank loans will not be fully refinanced and commercial banks will remain in a priority position over Bondholders, as the Issuer's real estate is pledged in their favor. Bondholders, in such case, will remain unsecured creditors.

7.2. The Company is exposed to interest rate risk, which may significantly affect its financial expenses and operating results;

As of the date of approval of this Prospectus, the Issuer's bank indebtedness is denominated in Euro. The interest rate on Euro-denominated loans obtained from commercial banks is floating and linked to EURIBOR. Interest rate risk arises from potential changes in market interest rates. If market rates increase, the Company's interest expenses would rise, which could have an adverse effect on its financial condition and cash flows.

Further details on the Group's current borrowings are set out in "Capitalization and Indebtedness". The Company intends to fully refinance its existing bank indebtedness with the proceeds of the Bonds, thereby eliminating such interest rate risk.

7.3. The Company may breach financial covenants under its loan agreements;

As of 30 April 2025, the Company had commercial bank loans with an outstanding principal amount of GEL 18,142 thousand. These loan agreements include financial covenants (for details, see the section "Overview of Financial Covenants.")

Although the Group has historically obtained waiver letters from its creditors in cases of covenant breaches, there can be no assurance that the Company will not breach covenants in the future or that it will always be able to secure such waivers. In the absence of waivers, the relevant commercial bank(s) could accelerate repayment of the outstanding loans. The Company intends to fully refinance such bank indebtedness with the proceeds of the Bonds.

8. Risks Relating to Financial Reporting and Accounting:

8.1. Failure to maintain effective internal control systems could compromise the accuracy of the Company's financial reporting;

To ensure the timely, accurate and reliable preparation of financial statements, the Company must continuously monitor and evaluate its internal financial and accounting controls and procedures. In accordance with the Georgian Securities Market Law, the Company, as Accountable Entity, has established an Audit Committee responsible for overseeing the integrity of the Issuer's financial reporting and ensuring the effectiveness of internal control systems.

Failure to maintain transparent and reliable internal control policies could compromise the accuracy of the Company's financial reporting, which could materially and adversely affect the Company's credibility as well as its financial condition and operations.

8.2. The Company's audited financial statements are of qualified audit opinion;

The Issuer's audited annual financial statements prepared under IFRS are of qualified audit opinion. The auditors were appointed during 2025 and were therefore unable to observe the inventory count as at 30 April 2024 and 1 May 2023. Furthermore, the auditors were unable to obtain sufficient alternative evidence regarding the inventory held during those periods. As a result, the auditors could not determine whether any adjustments to the financial statements were necessary.

9. Risk related to HR:

9.1. A shortage of qualified personnel on the market may hinder the Company's growth and effective operations;

The Company's success depends in part on its ability to attract, retain, and motivate qualified and experienced personnel. The Company relies on its management team for the execution of its strategy and day-to-day operations. If the Company fails to retain competent and reliable personnel - particularly senior and middle management with relevant professional qualifications - or fails to recruit sufficient qualified staff in line with its growth, its financial condition, business, operating results, or prospects could be adversely affected.

The loss of certain key members of senior or middle management, or a significant number of skilled professionals, could result in: (i) loss of organizational direction; (ii) poor execution of operations and corporate strategy; and/or

(iii) reduced ability to identify and implement strategic initiatives. These adverse consequences, combined with other challenges, could reduce potential revenues and weaken the Company's competitive position in its markets, each of which could have a material adverse effect on the Company's business, financial condition, operating results, and prospects.

9.2. Labor disputes or strikes may disrupt the Company's operations and adversely affect results;

As of 30 April 2025, the Company employed 125 staff, including service personnel, kitchen staff, and back-office employees. The workforce is a critical driver of the Company's current operational performance. Any labor disputes or

strikes could disrupt the Company's operations, resulting in significant material adverse effects on its operating results and financial condition.

10. Risks related to unpredicted events:

10.1. Unpredicted events such as natural disasters, state of emergency, pandemic, natural calamity, etc. may have a material adverse impact on the Company;

Natural disasters, states of emergency, and other unforeseen events may cause material damage to the Company and result in both property damage and a reduction in customers' purchasing power.

The occurrence and severity of natural disasters, states of emergency, and pandemics are unpredictable; therefore, the extent of losses incurred depends on the scale and intensity of such events. Damage to the Group's investment property and fixed assets caused by natural disasters and/or restrictions imposed as a result of states of emergency and pandemics may significantly hinder the Company's operational activities, which would have a material impact on its operating results.

Risks related to the securities to be offered

11. Risks related to market price, liquidity and interest rate of the bonds:

11.1. The market price of the bonds may be volatile;

The market price of the bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Company's operating results, actual or anticipated variations in the operating results of the Company's competitors, adverse business developments, changes to the regulatory environment in which the Company operates, changes in financial estimates by securities analysts and actual or expected sales of a large number of bonds, as well as any other factors affecting the Company, including economic and market conditions in Georgia. 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 bonds despite operational results or financial standing of the Company. If an active trading market for the bonds develops, there can be no assurance that events in Georgia or elsewhere will not cause market volatility or that such volatility will not adversely affect the liquidity or the price of the Bonds or that economic and market conditions will not have any other adverse effect. If the Bonds are traded after their initial issuance, they may trade at a discount to their offering price, depending upon prevailing interest rates, the market for similar securities, general economic and financial conditions of the Company or other factors, some of which may be beyond the control of the Company.

11.2. There may not be an active trading market for the bonds;

There can be no assurance that an active trading market for the bonds will develop, or, if it does develop, it will be maintained. If an active trading market for the bonds does not develop or is not maintained, the market or trading price and liquidity of the bonds may be adversely affected by several factors, some of which may be beyond the control of the

Company. If the Bonds 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 financial condition of the Company.

Although the secondary market indicator for foreign currency-denominated bonds is significantly higher than for GEL denominated bonds, an active trading market for the bonds may not exist especially in developing economies such as Georgia.

11.3. Investors whose financial activities are denominated in a currency or currency unit other than the bond currency may receive less interest or principal than expected, because of fluctuations in exchange rates or potential regulations in currency operations;

The Company will pay principal and interest on the bonds in Euro or US\$. This presents certain risks relating to currency conversions if an investor's financial activities are denominated in a currency or currency unit (the investor's currency) other than bond currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of GEL or revaluation of the investor's currency) and the risk that authorities with jurisdiction over the Company's or the investor's currency may impose or modify exchange controls. An appreciation in the value of the investor's currency relative to GEL would decrease (i) the investor's currency equivalent yield on the bonds, (ii) the investor's currency-equivalent value of the principal payable on the bonds and (iii) the investor's currency-equivalent market value of the bonds.

Governmental and monetary authorities may impose (such practice existed in the past) foreign exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected on the bonds.

11.4. The Bonds may be repaid or redeemed prior to the due date;

As defined by “Terms and Conditions of the Bonds” in the Prospectus, the Company has the right to repay or redeem bonds prior to the due date. Redemption might happen from the issuance date of the bonds to its due date, including due to tax reasons (please see “7th point of “Terms and Conditions of the Bonds”, “Redemption and Purchase”). Given bonds are repaid prior to the due date, investors might not be able to invest in other financial instruments of the same return, posing the risk of receiving less income than anticipated. At the same time, the possibility of reinvesting the released funds in other similar types of financial instruments may be limited.

12. Risks relating to the right of bonds:

12.1. The Bonds constitute pari passu securities;

Subject to the financial covenants set forth in the „Terms and Conditions of the Bonds“, the Company may issue additional securities ranking pari passu with the Bonds. Any such issuance of additional securities may reduce the amount

recoverable by investors in respect of the Bonds, as the incurrence of additional indebtedness may affect the Company's ability to service the principal and interest on the Bonds. Such issuance could have a material adverse effect on the secondary market price of the Bonds.

12.2. Risk of non-payment of principal and interest on the Bonds;

There is a risk that, for various reasons, the Company may fail to make timely payments of interest and/or principal on the Bonds as set forth in the Prospectus upon the due date of such obligations, or may fail to make such payments altogether..

12.3. The bonds constitute unsecured obligations of the Company;

The Company's obligations under the bonds will constitute unsecured obligations of the Company. Accordingly, any claims against the Company under the bonds would be unsecured claims. According to the Law of Georgia on Rehabilitation and Collective Satisfaction of Creditors, secured creditors enjoy preference over unsecured creditors as to a mortgage or pledge made in favor of secured creditors. The existing bonds of the issuer belong to the category of secured creditors while claims of bondholders belong to the category of unsecured claims. According to the aforementioned law, in the case of bankruptcy of the issuer, an insolvency estate shall be distributed in the following order: a) the expenses of the bankruptcy regime (which includes the expenses of the procedure provided for by Chapter V of the Civil Code of Georgia; the remuneration of a bankruptcy manager; and expenses related to proceedings, including expenses deriving from labor relations during bankruptcy proceedings, the expenses of property management, as well as the expenses of various professional services purchased by a decision of a manager); b) liabilities arising with regard to the issues after the delivery by a court of a ruling declaring an application for insolvency admissible and opening a bankruptcy regime, including tax liabilities arising after the commencement of bankruptcy proceedings; c) preferential claims - amounts to cover the expenses of 3 months' salaries and paid leave (except for the expenses of salaries and paid leave of the directors of a debtor and members of a supervisory board, as well as their family members), payable before a court declares an application for insolvency admissible, and amounts payable due to occupational injury (in the amount of not more than GEL 1,000 per each creditor); d) preferential tax claims - amounts of indirect taxes provided for by the Tax Code of Georgia, originating in the respective previous 3 tax periods before a court declares an application for insolvency admissible; e) non-secured claims, including the amounts of payables arising before the declaring of an application for insolvency admissible, which are not covered by other sub-paragraphs of 104 (1) paragraph of the Law of Georgia on Rehabilitation and Collective Satisfaction of Creditors – claims of bondholders belong to this category.

The ability of the Company to repay such claims will depend upon, among other factors, its liquidity, overall financial strength and ability to generate asset flows.

12.4. The Bonds bear interest at a fixed rate;

The Bonds offered under this Prospectus are fixed-rate debt securities, meaning that from the issue date until the maturity date (unless redeemed or repurchased earlier in accordance with the terms set forth herein), they will accrue interest on their nominal value at a fixed annual rate, subject to applicable withholding taxes, with interest payable in installments throughout the year. (The frequency of payments for each issuance will be determined in the relevant "Final Terms" document and may be one of the following: (i) monthly; (ii) quarterly; or (iii) semi-annual.)

While this feature provides investors with stability and enables them to forecast expected cash flows with greater certainty, certain risks must be considered. In particular, if market interest rates rise, investors may earn lower returns than would be available from variable-rate securities. Moreover, in such circumstances, Bondholders may find it difficult to sell the Bonds in the secondary market without incurring a loss, since investors are likely to prefer higher-yielding instruments available in the market at that time..

12.5. Transfer of the bonds is subject to geographical restrictions or restrictions on investors from other countries;

The offering and sale of the Bonds is conducted exclusively in Georgia, in accordance with the laws of Georgia. The distribution of this Prospectus and the offering or sale of the Bonds in certain jurisdictions, or to residents thereof, may be restricted or prohibited by applicable securities laws. Accordingly, this Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation in such jurisdictions or to such persons.

Persons into whose possession this Prospectus comes, as well as prospective investors, are responsible for informing themselves of, and complying with, any such restrictions, and must ensure that any offering, sale, or transfer of the Bonds outside Georgia is made in compliance with the securities laws of the relevant jurisdiction.

The bonds have not been and will not be registered under the United States Securities Act of 1933 ("US Securities Act") or any US state securities laws. Prospective investors may not offer or sell the bonds, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable state securities laws. It is the obligation of prospective investors to ensure that their offers and sales of the bonds within the United States and other countries comply with any applicable securities laws..

12.6. Certain covenants under the Credit Agreement and the Bond Terms may not be complied with;

The Company may fail to comply with certain financial or non-financial covenants stipulated under the Credit Agreement or the Bond Prospectus. Furthermore, there is no assurance that the Company will be able to obtain necessary waivers from the relevant counterparties, or that creditors will refrain from exercising remedies available under the Credit Agreement or the Bond Prospectus. Such remedies may include refusal to extend additional financing, imposition of penalties and default interest, acceleration of existing indebtedness, and other enforcement actions.

The triggering of such remedies could have a material adverse effect on the Company's financial condition and operational performance.

12.7. The existing financial covenants under the Bonds may not be sufficient to protect investors;

The current financial covenants and restrictive undertakings may prove insufficient to ensure the protection of investments in the Bonds. As a result, investors may receive either no payment at all or less principal and/or interest than they expected.

For further information regarding the financial covenants applicable to the Bonds, please refer to the section “Terms and Conditions of the Bonds.”.

12.8. “The Terms and Conditions of the Bonds” may be modified or waivers for breaches of the terms and conditions may be issued in the future;

The Terms and Conditions of the Bonds contain provisions for calling meetings of bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all bondholders, including bondholders who did not attend and vote at the relevant meeting and bondholders who voted contrary to the majority (please refer to the "Terms and Conditions of the Bonds" paragraph 11. "Meetings of Bondholders, Modification and Waiver").

13. Risks relating to legislative/regulatory framework governing bonds, bondholding, etc.:

13.1. Any change of the law in Georgia in the future may have a material adverse impact on the bonds, including their GSE listing and taxation of interest on the bonds;

The “Terms and Conditions of the Bonds” are based on the laws of Georgia in effect as of the date of this Prospectus. There can be no assurance in terms of the impact of judicial decisions or changes in law or administrative practice in Georgia after the date of this Prospectus.

In the future, changes in the taxation regime of interest to be received from the bonds may negatively affect the amount of net income the bondholders may receive.

Securities legislation may be subject to further amendments, including the amendments that may adversely affect the bond emissions, their registration, placements, stock exchange trading access, as well as transaction and settlement procedures of the secondary market of stock exchange as well as others

13.2. Investors must rely on procedures of the Depositary, bondholders’ representative and in corresponding cases - nominal holders of the bonds;

The Company will discharge any payments related to the Bonds for the benefit of the Bondholders and/or the nominal holders by transferring such amounts to their brokerage account with the Calculation and Settlement Agent. In receiving payments related to the Bonds, a Bondholder must rely on the procedures established by the Depositary and, where applicable, the Account Register acting as the Calculation and Settlement Agent.

The Company assumes no responsibility for the accuracy of the records maintained by such parties. Furthermore, the Issuer shall not be liable for any errors or omissions committed by any third party in connection with the settlement of payments.

13.3. An investment in the bonds may involve certain legal investment considerations;

The investment activities of certain investors may be subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult their legal advisers to determine whether and to what extent (i) the bonds are legal investments for them; (ii) the bonds can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of the bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the bonds under minimum reserve requirements or similar rules.

13.4. Application for purchase of bonds may be satisfied partially;

If in the process of book-building the potential investors express interest for purchase of more bonds than are being offered based on this Prospectus, such demand will be satisfied partially, in proportion to the numbers indicated in the relevant applications from the investors or otherwise, as determined by the issuer at its discretion. Furthermore, if the application of a potential investor has been only partially satisfied, such potential investor is entitled to refuse or continue to participate in the process of purchasing the bonds. Detailed information is provided in the subsection: “Terms and Conditions of the Bonds.”.

Regulatory Environment

Name of the law/regulation	Date
The Law of Georgia on “Occupational Health and Safety”	19 Feb 2019

The Law of Georgia on “Civil Safety“	27 Jun 2018
The Law of Georgia on “Product Safety and Free Movement”	05 Aug 2012
The Law of Georgia on “Labor Inspection”	29 Sep 2020
The Law of Georgia on “Licenses and Permits”	24 Jun 2005
Resolution №69 on the Approval of “the List of Essential Goods and Services”	15 Feb 2022
The Law of Georgia on “Broadcasting”	23 Dec 2004
The Law of Georgia on “Personal Data Protection”	28 Dec 2011
The Law of Georgia on “Copyright and Related Rights”	22 Jun 1999
The Law of Georgia on “ Consumer Rights Protection ”	29 Mar 2022
Resolution No. 370 on the Approval of “the Technical Regulation on Fire Safety Rules and Conditions”	23 Jul 2015

Employment

As an employer, “Gudaauri Lodge” is required to comply with the minimum standards prescribed under local labor legislation with respect to employee recruitment, termination of employment contracts, and overall employment relations. The principal labor matters within the territory of Georgia are regulated by the Labour Code of Georgia, which was enacted on 17 December 2010. However, in June 2013 and September 2020, the Parliament adopted comprehensive amendments to the Code, substantially revising its content. Following these amendments, the Labour Code ceased to operate in favor of the employer and, conversely, introduced a wide range of employee-protective rights. Most of these protective mechanisms operate in favor of employees, particularly with respect to the rules governing termination of employment - the employer is not entitled to terminate an employment contract without just cause. Moreover, any employment contract with a duration exceeding 30 months is deemed to constitute an indefinite-term contract and, as such, cannot expire by the mere passage of time (it may only be terminated). Employers are required to compensate employees for overtime, defined as hours worked in excess of 40 per week (with limited exceptions allowing up to 48 hours). Notably, the Labour Code does not differentiate between administrative staff and manual workers, nor does it distinguish senior managerial officials from other employees, which may, in certain circumstances, be problematic.

It is important to note that the Labour Code does not obligate employers to provide their employees with any form of insurance package or other social benefits. The sole exception applies to employees engaged in work that is characterized by increased risk, arduous, harmful, or hazardous conditions, in which case the employer is required, at its own expense, to provide accident insurance coverage for the employee during the course of employment.

Pursuant to the Labour Code, employers are not under a statutory obligation to provide employees with paid leave in connection with pregnancy and childbirth. Nevertheless, the granting of such remuneration by employers is widely regarded as best practice. In the absence of employer-provided benefits, employees may rely solely on one-time state compensation for pregnancy and childbirth leave, as well as on coverage under the universal state health insurance scheme, which provides only a limited scope of benefits.

As of September 2020, amendments to the Labor Code of Georgia introduced revised provisions governing the prohibition of labor discrimination and the regulation of individual employment relations. These amendments further strengthened employee protections by expanding the range of legal guarantees available to workers. Notably, the amendments introduced the obligation to ensure equal remuneration for equal work performed by men and women, reinforced prohibitions on discrimination, provided a legal definition and regulatory framework for internships, and established requirements for preliminary and periodic medical examinations for employees engaged in night work, among other measures.

In parallel with the amendments to the Labor Code, a new law on the Labor Inspection was adopted, pursuant to which, from January 1, 2021, the Legal Entity of Public Law – Labor Inspection Service was established and commenced operations. Unlike its predecessor, the Labor Inspection Department under the Ministry of Internally Displaced Persons from the Occupied Territories, Labor, Health and Social Affairs of Georgia, the Labor Inspection Service is vested with broad authority, encompassing comprehensive oversight of both occupational health and safety and labor rights. Its mandate extends to enforcement mechanisms, including the authority to impose sanctions.

Occupational Health and Safety

In February 2019, the Law on Occupational Health and Safety was adopted, which regulates the rights, obligations, and responsibilities of state authorities, employers, employees, employee representatives, and other persons present in the workplace in connection with the ensuring of a safe and healthy working environment. Pursuant to this legislation, the Company is subject to a number of obligations. These include: (a) the Company's subsidiaries engaged in the production of food products are required to register as entities performing work under increased risk involving hazardous, harmful, or dangerous conditions; and (b) each enterprise is required to appoint an occupational health and safety specialist.

An employer with 20 or fewer employees may personally fulfill the professional duties of an occupational health and safety specialist, provided that they have completed an accredited program as required under Paragraph 6 of this Article. Employers with 21 to 100 employees are required to employ at least one occupational health and safety specialist, whereas employers with 100 or more employees must establish an occupational health and safety department staffed with no fewer than two specialists. The Company is obligated to comply with these legislative requirements in accordance with its number of employees.

The Code on Product Safety and Free Movement

The Law on Product Safety and Free Movement primarily focuses on the manufacturer's liability for defective products and establishes certain requirements regarding the provision of adequate information to consumers about the product. Accordingly, it ensures that only safe products are placed on the market. Notably, the law recognizes foreign standards from developed countries as sufficient evidence to permit the sale of products produced under such standards in the Georgian market without any additional procedures.

The Code establishes the manufacturer's responsibility, which also extends to importers of foreign products into Georgia (except where the manufacturer has a local representative). This liability covers any damage and/or loss caused by defective products. The statute of limitations for such claims is three years, commencing from the date the injured party became aware (or should have become aware) of the violation of their rights. However, the injured party retains the right to claim compensation for damages arising from the placement of the defective product on the market within ten years from the date the product was first placed on the market. It should be noted that the manufacturer's liability cannot be altered by contract and may only be excluded in cases expressly provided for by the Code (e.g., if the product was not defective at the time of its placement on the market, among other exceptions).

Obligations of the Accountable Entity

The Company is the obligor entity and is required to comply with the following obligations.

Preparation of Reports and Public Disclosure of Information

In accordance with the Law of Georgia on the Securities Market (the “Securities Law”), a company that has placed debt securities through a public offering or whose debt securities are admitted to trading on a stock exchange qualifies as a reporting entity. The National Bank of Georgia imposes certain obligations on a reporting entity, including the preparation and submission of periodic reports and financial statements.

Accordingly, a reporting entity is required to prepare, submit to the National Bank of Georgia, and publish an annual report and a semi-annual report: The annual report must include: (i) audited financial statements, (ii) a management report, and (iii) a statement from the responsible officials of the reporting company (identifying their names and respective duties/authorities), in accordance with the requirements of the Law on Securities and the Order No. 181/04 of the President of the National Bank of Georgia.

The semi-annual report must include: (i) the financial statements for the six-month period, (ii) an interim management report, and (iii) a statement from the responsible officials of the reporting company (identifying their names and respective duties/authorities), in accordance with the requirements of the Law on Securities and the Order No. 181/04 of the President of the National Bank of Georgia. For the avoidance of doubt, the publication of the aforementioned reports entails their posting on the reporting portal as required by the Law of Georgia on Accounting, Reporting and Auditing (www.reportal.ge). Such information may also be made available on the issuer’s website (<https://gudaurlodge.ge/>), the Georgian Stock Exchange (<https://gse.ge/>), the National Bank of Georgia (<https://nbg.gov.ge/>), the Legal Acts Portal of Georgia (<https://matsne.ge/>), or any other channels that ensure accessibility of the information to investors.

Additionally, the reporting entity is obliged to disclose:

- a. Any changes affecting the rights of holders of publicly offered securities, including changes to the terms of such securities that may have an indirect impact on the rights of the security holders or that result from modifications to loan terms or interest rates;
- b. Information regarding the interest rate, periodic payments, conversion/redemption options, purchase or cancellation rights, or repayment terms of the debt securities.

Furthermore, the reporting entity is obliged to establish all necessary conditions and ensure the availability of information required for the proper exercise of the rights of holders of publicly offered securities, as well as to guarantee the completeness and consistency of the data provided to them.

In addition, the National Bank of Georgia is authorized, at any time, to request additional information from the reporting entity regarding publicly offered securities, for inclusion in reports submitted to and published by the Bank.

The Corporate Governance Code for issuers of public securities was approved by the President of the National Bank of Georgia under Decree No. 172/04. Under this Code, the information specified therein, as well as the information required under Article 7, Paragraph 7 of the Law of Georgia on Accounting, Reporting, and Auditing, shall be presented in the Management Report of the Issuer’s Annual Report, prepared in accordance with Article 11, Paragraph 3(b) of the Law of Georgia on the Securities Market and Articles 3(4) and 3(5) of the Regulation on the Transparency of Information on Issuers and the Appointment of a Securities Registrar for Issuers, approved by the President of the National Bank of Georgia under Decree No. 181/04 dated 7 October

2020. Together with the aforementioned management report, the Company shall also complete and submit to the National Bank of Georgia a Corporate Governance Code compliance report, prepared in accordance with Annexes 1–3 of the said Code.

Issues Related to Insider Trading, Improper Disclosure of Insider Information, and Market Manipulation

Pursuant to order №180/04 of the President of the National Bank of Georgia, a reporting entity of publicly offered securities is subject to certain obligations and restrictions concerning insider trading, improper disclosure of insider information, and market manipulation. Specifically, the order establishes (i) the requirements for the disclosure of insider information by the reporting entity, including the obligation to maintain a register of individuals who hold insider information; and (ii) obligations for the reporting entity to submit information to the National Bank of Georgia regarding transactions conducted by individuals performing managerial functions within the issuer.

The aforementioned order further regulates the deadlines, formats, and procedures for notifying the National Bank of Georgia regarding insider trading and market manipulation. It also provides a list of actions that shall not be considered insider trading, improper disclosure of insider information, or market manipulation.

Governing Body and Management

A Brief Description of the Corporate Governance Standard in the Company

According to the Law of Georgia on Entrepreneurs, adopted on August 2, 2021 ("Law on Entrepreneurs"), and the Issuer's Charter, control and management of the Issuer are divided among the shareholders, the Supervisory Board, and the CEO. The latter is responsible for the day-to-day management of the Company and its representation.

General Meeting of Shareholders

The General Meeting consists of the issuer's sole partner and represents the issuer's highest governing body. Since the issuer has only one partner, the powers of the General Meeting are exercised exclusively by that partner.

According to the Law on Entrepreneurs and the Charter, shareholders are authorized to make decisions at the General Meeting of Shareholders on the various matters including the following:

- Amendment of the Company's Founding Agreement / adoption of a new version of the Charter;
- Adoption of a resolution concerning the modification of any rights attached to any class of shares (if such exist), including changes to the procedures for exercising such rights;
- Adoption of a resolution on the increase of the company's capital and the requirement to make contributions to the capital;
- Reviewing a proposal regarding the distribution of the company's net profit/dividends or adopting a resolution on such distribution;
- The expulsion of a partner from the company;
- The establishment of a Supervisory Board, the appointment of its members, the execution of service agreements with them and the termination of their tenure;
- Approval of the Supervisory Board's reports;
- Other matters as stipulated by the Law on Entrepreneurs and the Company's Charter.

Supervisory Board

The Supervisory Board consists of no fewer than three (3) and no more than six (6) members. Members of the Supervisory Board are elected and dismissed by the General Meeting of Shareholders.

Each member of the Supervisory Board is elected for a term of three (3) years; however, their mandate shall continue until the subsequent General Meeting of Shareholders.

The responsibilities of the Supervisory Board include, but are not limited to:

- Appointing and dismissing the CEO and controlling his/her activities;
- Approving and amending the Issuer's policies and regulatory documentation;
- The establishment of various committees within the Company (including the Audit Committee), the election of their members, and the determination of each committee's functions, rights, and responsibilities;
- Establishment and liquidation of the Company's branches;
- Commencement of new business activities or modification of existing activities by the Company;
- Definition of the general principles of the economic policy, business plan, and the Company's development strategy;
- Approval and establishment of internal policies and procedures for credit, investment, currency, asset and liability management, asset valuation, classification, and creation of adequate reserves for potential losses;
- Other matters provided for under the Law on Entrepreneurs and the Company's charter.

Members of the Supervisory Board

Information regarding the members of the Supervisory Board is presented in the table below:

Name, Surname	Position	Date of appointment*	Term of mandate expiration**
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Giorgi Alpaidze	Chairman	19/08/2025	With the right to be reappointed for a three-year term
Giorgi Ketiladze	Member	19/08/2025	With the right to be reappointed for a three-year term
Guram Akhvlediani	Member	19/08/2025	With the right to be reappointed for a three-year term
Eprem Urumashvili	Deputy Chairman of the Supervisory Board, Independent Member	19/08/2025	With the right to be reappointed for a three-year term
Gedevan Gelbakhiani	Independent Member	19/08/2025	With the right to be reappointed for a three-year term

Giorgi Alpaidze serves as the Chairman of the Supervisory Board of the Issuer and concurrently holds the position of Deputy CEO at JSC “Georgia Capital.” In 2016, he joined the BGEO Group as Head of the Group’s Finance, Funding, and Investor Relations Division. He possesses extensive international experience in banking, accounting, and finance. Previously, Mr. Alpaidze was Senior Manager in the Assurance Practice of Ernst & Young LLP’s Greater New York City office. He holds a Bachelor’s degree in Business Administration from the European School of Management and is a certified public accountant (CPA) (USA).

The list of the companies (excluding the Issuer’s subsidiaries) where Giorgi Alpaidze has served as a member of management, the board of directors, or the supervisory board over the past 5 years: JSC “Georgia Capital” (ID: 404549690), JSC “GEPHA” (ID: 201991229); JSC “Evex” (ID: 405670000); JSC “Evex Clinics” (ID: 405327427); JSC “Viani” (ID: 402295716); JSC “Mega-Lab” (ID: 405211319); JSC “Insurance Company Aldagi” (ID: 404476189); JSC “Georgian Renewable Power Company” (ID: 404500857); JSC “Georgia Clinics” (ID: 404476205); JSC “Georgia Real Estate” (ID: 204517399); JSC “Georgia Pharmacy Group” (ID: 405098399); JSC “Georgia Healthcare Group” (ID: 405746634); JSC “Georgian Beverage Holding” (ID: 404589913); LLC “NG Property” (ID: 405475935)

Eprem Urumashvili serves as the Deputy Chairman of the Issuer’s Supervisory Board and concurrently as the Chairman of the Issuer’s Audit Committee. Since 2010, Mr. Urumashvili has been a partner at the law firm LLC “Nodia, Urumashvili & Partners.” From 2007 to 2010, he held the position of Deputy Chief Financial Officer at JSC “Bank of Georgia,” and between 2000 and 2010, he held a range of positions at JSC “Bank of Georgia,” including Head of the Accounting and Tax Department.

The list of the companies (excluding the Issuer’s subsidiaries) where Eprem Urumashvili has served as a member of management, the board of directors, or the supervisory board over the past 5 years: JSC EU Investments (ID: 405161792); JSC Viani (ID: 402295716); JSC Rustavi Azot (ID: 404519794); JSC Georgia Clinics (ID: 404476205); LLC RP Property (ID: 405593898); LLC Nodia, Urumashvili & Partners (ID: 204484628)

Giorgi Ketiladze serves as a member of the Issuer’s Supervisory Board and concurrently holds the position of Managing Director for Investments at JSC “Georgia Capital.” Prior to this, he joined BGEO Group in 2017 as an Investment Officer. Earlier in his career, he worked in the Corporate Finance Department at Deutsche Bank and at KPMG Consulting in Germany. Mr. Ketiladze holds a Master’s degree from London Business School.

The list of the companies (excluding the Issuer’s subsidiaries) where Giorgi Ketiladze has served as a member of management, the board of directors, or the supervisory board over the past 5 years: JSC Georgia Pharmacy Group (ID: 405098399); JSC Georgia Healthcare Group (ID: 405746634); LLC Georgia Education Group (ID: 400271059); JSC GEPHA (ID: 201991229); LLC British-Georgian Academy (ID: 204497829); JSC Georgian Renewable Energy Operations (ID: 404642892).

Guram Akhvlediani is a member of the Issuer’s Supervisory Board and concurrently serves as the Chief Executive Officer (CEO) of JSC Georgia Real Estate. Guram joined Georgia Real Estate in 2021 as Technical Director. From 2015 to 2021, he worked at

“Georgian Global Utilities (GGU) Group” as Head of Investment Planning and Project Management Departments. Prior to GGU, Guram was employed at “Ontario Power Generation” as an Investment and Financial Analyst. He holds a Bachelor’s degree in Economics from the University of Toronto and a Master’s degree in Economics from “York University”.

The list of the companies (excluding the Issuer’s subsidiaries) where Guram Akhvlediani has served as a member of management, the board of directors, or the supervisory board over the past 5 years: LLC m² Group (ID: 404499431); LLC m² Park 5 (ID: 405652253); LLC m² at Mtatsminda Park (ID: 405501504); JSC Georgia Real Estate (ID: 204517399); LLC m² Park (ID: 405116716); LLC m² Park 3 (ID: 405535693); LLC m² Park 4 (ID: 405535559); LLC Land (ID: 405065619); LLC Optima (ID: 405160819); LLC Optima Saburtalo (ID: 405116725); LLC m² Park X (ID: 405543452); LLC m² Hippodrome (ID: 405108244); LLC m² Nutsbidze 2 (ID: 405374982).

Gedevan Gelbakhiani is a member of the Supervisory Board of the Issuer. Since 2017, Gedevan has served as Managing Director at the law firm LLC “Gelbakhiani Legal Services.” From 2012 to 2017, he held the positions of Chief Legal Officer and Corporate Secretary at JSC “Bank Republic.” Previously, he worked as a corporate lawyer at JSC “Bank of Georgia.” Gedevan has also held managerial positions at companies such as JSC “United Telecom” (later JSC “Silknet”), JSC “Galt & Taggart Capital,” LLC “Begishvili & Company,” among others. He holds a Bachelor’s degree in International Law from Tbilisi State University.

The list of the companies (excluding the Issuer’s subsidiaries) where Gedevan Gelbakhiani has served as a member of management, the board of directors, or the supervisory board over the past 5 years: LLC GLS Real Estate (ID: 405754526); JSC Hyundai Auto Georgia (ID: 204478948); JSC Rail Link Logistics (ID: 405453815); JSC Georgian Renewable Energy Operations (ID: 404642892); LLC Gelbakhiani Legal Services (ID: 405213380).

Audit Committee

Pursuant to the Law of Georgia on the Securities Market, the Issuer is a “reporting entity” and, under Article 91 of that law, is required to establish an audit committee within the Supervisory Board. The Issuer has fulfilled this obligation by creating an audit committee, which is composed of members of the Supervisory Board and at least one independent member, in accordance with the requirements of the law (with further requirements set out in Article 57 of the “Law of Georgia on Entrepreneurs”). The tenure of an Audit Committee member is set at four (4) years. Membership in the Audit Committee is subject to annual review.

As of the date of approval of this Prospectus, the “Issuer” complies with the above requirement. Specifically, the “Issuer” has established an Audit Committee, which consists of three voting members and one non-voting member.

Name, Surname	Position	Date of appointment	Term of mandate
Eprem Urumashvili	Chairman, Independent member	18.08.2024	18.08.2028
Giorgi Alpaidze	Member	18.08.2024	18.08.2028
Gedevan Gelbakhiani	Independent member	18.08.2024	18.08.2028
Givi Koberidze	Non-voting member	18.08.2024	18.08.2028

The functions of the Audit Committee are to:

- Review and assess the policies, procedures, and practices developed by the management body to ensure compliance with the organization's Code of Conduct and ethical standards by employees and management;
- Oversee mechanisms implemented by management to maintain high ethical standards across all levels of the organization;
- Provide guidance on systems and practices established by management to ensure compliance with applicable laws and ethical rules, and to appropriately identify and respond to legal or ethical violations;
- Review and recommend enhancements to governance processes to ensure the effective and fit-for-purpose functioning of management systems;
- Oversee the identification and control of significant organizational risks, including fraud and governance-related issues;
- Evaluate and monitor the adequacy of the implemented control mechanisms;
- Supervise the risk management processes established by management and evaluate their effectiveness;
- Oversee measures taken by management to prevent and mitigate fraud;
- Ensure appropriate responses to confirmed instances of fraud;
- Monitor management, internal, and external auditors to ensure the existence of effective anti-fraud programs and control mechanisms, and conduct proper investigations when fraud is detected;
- Evaluate the effectiveness of the organization's internal control framework, including in the area of information technology security;
- Provide guidance on the control systems of the organization as a whole, as well as for its individual units;
- Receive information on significant issues identified by internal or external control and assessment units;
- Review the effectiveness of the system monitoring compliance with laws and regulations, as well as management's responses to any identified non-compliance;
- Consider observations and findings from auditors and regulatory authorities;
- Oversee the communication of the Code of Conduct and the monitoring of its enforcement;
- Regularly obtain updates from management and the legal department regarding compliance matters.

Director

The Director, appointed by the Supervisory Board, is responsible for the day-to-day management of the company and its representation to third parties.

The Director is authorized to:

- Represent the company to third parties and carry out its day-to-day management/operations;
- Convene ordinary and extraordinary general meetings;
- Act independently within the scope of the approved annual budget;

- Prepare and submit to the Supervisory Board for approval reports related to the company's activities, including annual activity and final reports.
- Approve the company's employment policy, internal regulations, and staffing structure; sign and terminate employment contracts on behalf of the company; determine employee remuneration, bonuses and other terms of cooperation;
- Define tariffs for products/services offered or transferred by the company in the course of its operations; make decisions on special tariffs and conditions;
- Sign, assume, terminate, extend, or amend any contract/obligation on behalf of the company, provided that the aggregate or individual value of that contract/obligation does not exceed GEL 1,000,000 (one million) or its equivalent in any other currency.
- Make or recover investments on behalf of the Company, provided that the value of any single transaction or the aggregate amount does not exceed GEL 1,000,000 (one million) or its equivalent in any other currency;
- Acquire, dispose of, or transfer shares or equity interests in other companies, in any form, provided that the value of such transaction does not exceed GEL 1,000,000 (one million) or its equivalent in any other currency;
- Represent the Company in any subsidiary and make any decisions on behalf of the Company within such subsidiary.

Executive Management

Givi Koberidze - Director

Mr. Givi Koberidze held various positions at JSC "Georgia Capital" (GCAP) during 2018–2021, ultimately serving as Vice President of the Strategy Department, before joining JSC "Georgia Real Estate" and LLC "Gudauri Lodge". Prior to his tenure at Georgia Capital, he worked at Ernst & Young in 2016–2018 within the Strategy and Transactions (SaT) Department. Mr. Koberidze holds a Bachelor's degree in Business Administration with a concentration in Finance from the Free University of Tbilisi.

The list of the companies (excluding the Issuer's subsidiaries) where Givi Koberidze has served as a member of management, the board of directors, or the supervisory board over the past 5 years: LLC m² Group (ID: 404499431); LLC "Georgia Real Estate Management Group" (ID: 404499440); LLC NJ Property (ID: 405264128); LLC Universal (ID: 231171344); LLC m² Zugdidi (ID: 402109721); LLC m² Mtatsminda (ID: 404480236); LLC Georgia Property Management Group (ID: 405263101); LLC Caucasus Auto House (ID: 404397586); LLC Vere Real Estate (ID: 404380013); LLC m² Kutaisi (ID: 404537756); LLC Melikishvili Hotel Property (ID: 404608082); LLC m² (ID: 404465529); LLC m² Melikishvili (ID: 404537747); LLC m² Resort (ID: 402117026); LLC m² Hatsvali (ID: 402123634); LLC Kakheti Wine & Spa (ID: 402083981); LLC m² Gudauri (ID: 402084221); LLC m² Svaneti (ID: 402110452); LLC Georgia Commercial Properties (ID: 405429022)

Mr. Koberidze was appointed as Director on 26 March 2025 for a three-year term, renewable upon reappointment.

Andrey Vlasov – General Manager of the Hotel

Mr. Andrey Vlasov has over 15 years of experience in the hospitality industry, which he began in 2004 at *Tbilisi Marriott Hotel*. Between 2007 and 2012, he worked at the Tbilisi office of HSBC Bank, after which he returned to the hospitality sector. Since then, he has served as General Manager of several hotels, contributing to their development and growth, including *Lopota Spa Resort* and *Rooms Hotel Kazbegi*.

Mr. Vlasov joined *Gudauri Lodge* in 2021 as General Manager. He holds both Bachelor's and Master's degrees in Economics and Business from Tbilisi State University and has completed several professional programs in hospitality management, including at *Cornell University* and *IHG*.

Conflicts of Interests

There are no conflicts of interest between the personal interests of the members of the Issuer's Supervisory Board and/or partners holding directly or indirectly more than 5% of the share capital, and/or the other duties of the members of the Executive Management. Furthermore, there are no familial relationships between the members of the Issuer's Supervisory Board, partners holding directly or indirectly more than 5% of the share capital, and/or the members of the Executive Management.

Moreover, there are no agreements pursuant to which any of the aforementioned persons were appointed to the Board of Directors, the Supervisory Board, or the senior management of the Issuer.

There are no restrictions applicable to the management body or to any partners holding, directly or indirectly, more than 5% of the Issuer's securities regarding the disposal of such securities.

Litigation Statements

As of the date of this Prospectus, none of the members of the Issuer's Supervisory Board, any partner holding directly or indirectly more than 5% of the shares, or any member of the Executive Management, during at least the past five years:

- Has not been convicted of fraud, economic crime, or money laundering;
- Has not held an executive position within management or supervisory bodies of any company during bankruptcy or liquidation (except for voluntary liquidation) nor is currently under formal indictment and/or sanction by any government or regulatory body (including any professional body) nor by a court.
- He/she has never been removed or sanctioned by any governmental or regulatory authority (including any professional body), nor disqualified from performing duties as a member of a company's management or supervisory body.

Over the past five years, no information has been revealed regarding involvement in fraud, economic crimes, or money laundering.

Corporate Governance

The Issuer fully complies with all requirements set forth in the corporate governance regulatory framework established under the Law on Entrepreneurs. Additionally, on 7 December 2021, the National Bank of Georgia issued the Corporate Governance Code, which became effective as of January 2022. Under this Code, the first submission of a compliance report was required for the Issuer's 2023 annual reporting date. The Code is based on the "comply or explain and provide an alternative" approach, designed to promote the widespread adoption of corporate governance best practices. The Company is in compliance with the core requirements established by the law; however, given the incorporation date of 25 March 2025, it has not been required to prepare or submit a Corporate Governance Code compliance report.

As of the date of approval of this Prospectus, according to the Issuer's self-assessment, the Company complies with the Decree of the President of National Bank of Georgia No. 172/04 – "On the Approval of the Corporate Governance Code for Issuers of Public Securities."

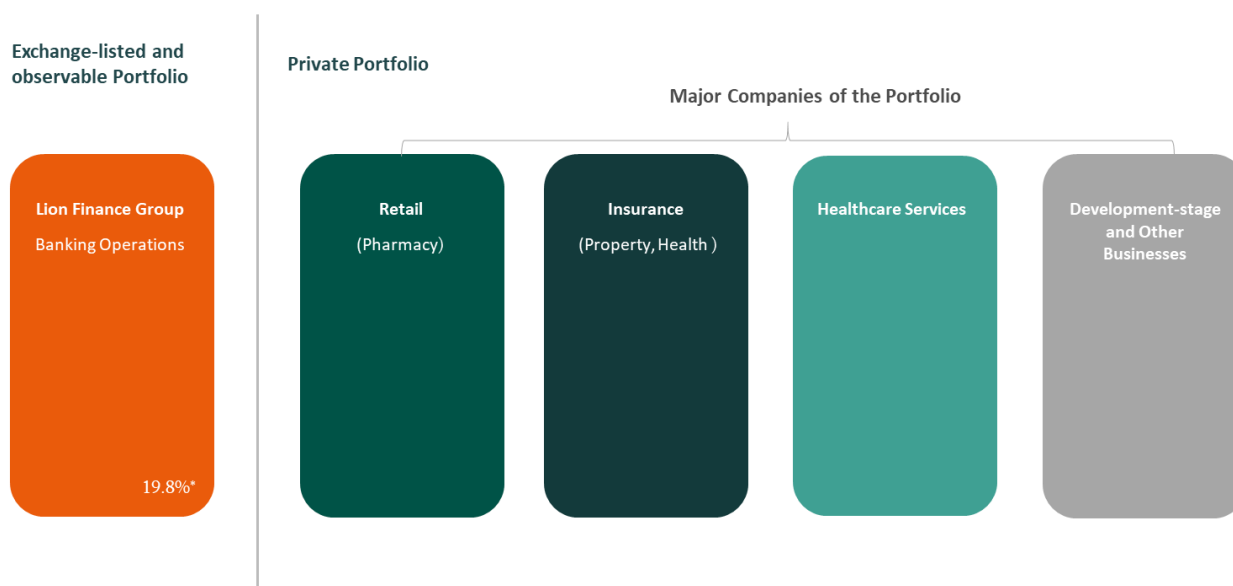
Dividend Policy

The Company has not adopted a formal Dividend Policy. The company did not declare or distribute any dividends in 2023 or 2024.

Ultimate Beneficial Ownership

The Issuer is wholly owned by JSC “Georgia Capital.” GCAP represents a group of companies (hereinafter, the “Group”). Its principal activity is the acquisition of businesses, supporting the development of their management and the institutionalization of their operations, enabling them to expand further, either under continuous supervision or independently. The Group is primarily focused on large investment opportunities in Georgia, which, within a period of three to five years following the initial investment, have the potential to reach a capital value of at least GEL 300 million, and the Group may monetize such investments upon reaching maturity. JSC “Georgia Capital” manages portfolio companies individually and is not focused on achieving intra-group synergies. JSC “Georgia Capital” has no capital commitment to deploy funds or dispose of assets within a specified timeframe. It is focused on shareholder returns and on opportunities that meet its investment return and growth criteria.

The portfolio of JSC “Georgia Capital” as of the date of approval of the Prospectus:



**GCAP's share in Lion Finance Group as of the date of approval of the Prospectus*

Portfolio and Segments

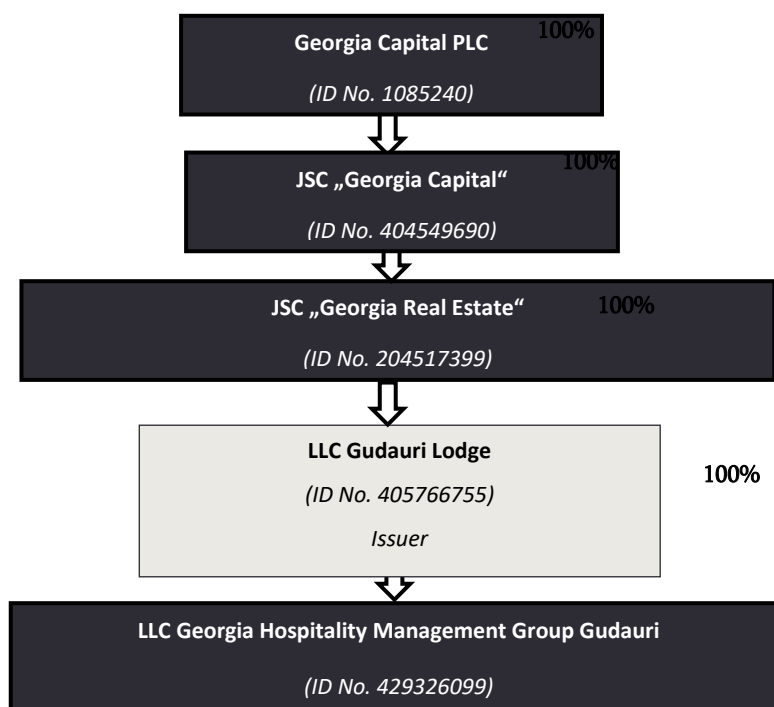
Portfolio businesses owned by the Group:

- (i) a leading universal bank in Georgia, represented by 19.8% shareholding in Lion Finance Group PLC (formerly "Bank of Georgia Group"), which is admitted to the premium listing segment of the London Stock Exchange;
- (ii) retail (pharmacy) business;
- (iii) insurance business (property and casualty insurance and health insurance);
- (iv) hospitals business (comprising (a) large and specialized hospitals, and (b) regional and community hospitals);
- (v) clinics and diagnostics business;
- (vi) renewable energy business (hydropower and wind energy);
- (vii) education business;
- (viii) JSC "Georgia Capital" also holds interests in other smaller private businesses across diverse industries in Georgia.

The Issuer's owner is wholly owned by Georgia Capital PLC, which is listed on the London Stock Exchange (Ticker: CGEO).

As of the date of approval of the Prospectus, for information on the Company's direct and indirect owners, see the table below:

**The table includes only commercial legal entities*



GCAP's major shareholders as of the date of preparation of the Prospectus:

Rank	Shareholder's name	Share
1.	Gemsstock Ltd	7.56%
2.	Lazard Asset Management LLC	7.37%
3.	Allan Gray Proprietary Ltd	6.45%
4.	Other*	78.62%
Total		100.00%

No shareholder of Georgia Capital PLC has voting rights that differ from the voting rights of other holders of such shares. Each shareholder is entitled to one vote per share.

There is no individual who is the ultimate beneficial owner (UBO) of more than 5% of the Issuer's shareholding.

Related Party Transactions

In accordance with IAS 24, Related Party Disclosures, parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be affected on the same terms, conditions and amounts as transactions between unrelated parties. All transactions with related parties disclosed below have been conducted on an arm's-length basis.

The volumes of related party transactions, outstanding balances at the year end, and related expense and income for the year are as follows:

	<i>30 April 2025</i>		
	<i>Parent¹</i>	<i>Entities under common control²</i>	<i>Key management personnel</i>
Balances as of 30 April			
Trade and other payables	-	1	-
Operations for the year ended 30 April			
Employee benefits expense	-	-	350

	<i>30 April 2024</i>		
	<i>Parent¹</i>	<i>Entities under common control²</i>	<i>Key management personnel</i>
Balances as of 30 April			
Trade and other payable	-	494	-
Prepayments	4	4	-
Operations for the year ended 30 April			
Employee benefits expense	-	-	253

	<i>1 May 2023</i>		
	<i>Parent¹</i>	<i>Entities under common control²</i>	<i>Key management personnel</i>
Balances as of 1 May			
Trade and other payable	-	472	-
Trade and other receivables	-	71	-
Borrowings	-	420	-
Prepayments	4	2	-
Loans issued (net of zero ECL)	-	1,945	-

¹ As of 30 April 2025 and 30 April 2024, and for the years then ended, the parent company includes balances and operations with JSC Georgian Real Estate and JSC Georgia Capital.

² Entities under common control include the subsidiaries of JSC Georgia Capital, except for those classified as parent companies.

Other transactions with the parent company and entities under common control for the years ended 30 April 2025 and 30 April 2024 included contributions to and distributions from equity, including through the forgiveness of financial instruments.

The Group has the same key management personnel as the parent company. Group's share of the compensation of key management personnel recognized in these consolidated carve-out financial statements comprised:

	<i>Year ended 30 April 2025</i>	<i>Year ended 30 April 2024</i>
Salary	253	218
Cash Bonus	98	35
	350	253

Material contracts

The Company's customer portfolio is diversified and primarily dependent on individual customers. However, with respect to wholesale room sales, the Company has a significant partner, SKIDEAL, with whom it has entered into annual agreements for the winter season since 2022. SKIDEAL has accounted for 20–30% of the rooms sold during the winter seasons since 2022 (for example, during January–March 2025, SKIDEAL represented approximately 25% of total rooms sold, while as of 30 April on an annual basis, it accounted for 12%). In terms of revenue generated from room sales, SKIDEAL represented approximately 20% during the winter season (13% of the Company's annual room revenue as of 30 April 2025).

Legal Proceedings

As of the date of approval of the prospectus, the issuer is not, and during the past 12 months has not been, involved in any material or immaterial legal proceedings. Furthermore, the issuer has no pending or anticipated legal actions that could materially affect the company's financial condition or operations in the long term.

Description of material changes in the financial or commercial condition of the Issuer

In the Issuer's view, there have been no material changes that could have materially affected its financial or commercial condition.

Overview of securities

Statement about working capital

The Company's working capital (short-term assets minus short-term liabilities) as of April 30, 2025, amounts to GEL 1,058 thousand and is sufficient to finance the Issuer's ongoing operations for a period of one year. The Company's current and quick ratios are 1.23 and 1.06, respectively, which are sufficient to finance the Company's ongoing operations.

As of April 30, 2024, the Company's working capital amounted to GEL 2,045 thousand, and its current and quick ratios were 0.61 and 0.47, respectively.

Proceeds from the issuance of bonds will be used to fully refinance bank loans. As a result, the Company's current liabilities will be eliminated, increasing the Company's working capital to GEL 4,869 thousand. Accordingly, the Company's current and quick ratios will rise to 7.19 and 6.21, respectively.

According to the Company's assessment, future financing (including proceeds from the bonds) together with the Company's profitability, will be sufficient to finance its operations for the next twelve months.

Parties involved in the offering	Role in the Offering	Nature of interest	Disclosure of Conflicts of Interest
JSC Galt & Taggart	Placement, Calculation and Settlement Agent	Has an interest in the placement of the securities and is entitled to receive a commission from the Company as agreed	- The Issuer and the Placement Agent (JSC Galt & Taggart) are indirectly affiliated; as of the date of approval of the Prospectus, the Issuer's ultimate owner, JSC Georgia Capital, holds a 19.8% non-voting interest in Lion Finance Group PLC, which is the ultimate beneficial owner of JSC Galt & Taggart. The Issuer considers this to be a non-material matter, taking into account that the Issuer holds a non-voting interest in Lion Finance Group PLC and that the members of the governing bodies of these companies are completely separate, and that all agreements related to the Bonds issued under this Prospectus are executed in accordance with the laws of Georgia. - There's a probability that JSC Bank of Georgia may acquire a portion of the Bonds issued and offered under this Prospectus, which is one of the largest commercial banks in Georgia and is affiliated with Placement Agent (JSC Galt & Taggart) – specifically, the ultimate owner of the Placement Agent and JSC "Bank of Georgia" is the company "Lion Finance Group PLC," which is admitted to trading on the London Stock Exchange. Concurrently, the head of the corporate lending division (which includes both the issuance of corporate loans and investments in bonds) of JSC Bank of Georgia provides supervision over the Placement Agent at the group level. Such

circumstances might be the factor in potential conflict of interest between Placement Agent, the Issuer and JSC Bank of Georgia.

1. Information Relating to the Securities Being Offered

1.1 Type and Class of the Securities Being Offered/Eligible for Trading

The “Bonds” constitute direct, unsecured obligations of the “Company”, ranking equally among themselves and with all other unsecured and unsubordinated obligations of the “Company.” The “Bonds” do not constitute obligations of any government .

1.2 Governing Law Under Which These Securities Are Issued

The “Bonds” are issued under the laws of Georgia.

1.3 Information regarding the Depositary

JSC Georgian Central Securities Depositary (ID No. 204935400). Tel.: (+995 32) 2 50 02 11; Address: 71, Vazha-Pshavela Ave., Block 10, Tbilisi.

1.4 Information Regarding the Currency in Which the Securities to Be Issued Are Denominated

For each individual issuance (the last of which shall take place no later than 12 months from the date of approval of this Prospectus, as specified in the relevant “Final Terms”), the “Bonds” are issued in dematerialized form, each with a nominal value of USD 1,000 (one thousand) or EUR 1,000 (one thousand). The denomination of the respective issuance shall be specified in its “Final Terms”.

1.5 In the event of insolvency, the ranking of the offered securities within the Issuer’s capital structure

The “Bonds” constitute the Company’s unsecured obligations, ranking pari passu among themselves and pari passu with all other present and future unsecured and unsubordinated obligations of the Company. Consequently, any claims in respect of the Bonds will not be secured by any specific immovable or movable assets of the Company. Accordingly, under the Law of Georgia on Rehabilitation and Collective Satisfaction of Creditors, in the event of the Company’s insolvency, Bondholders will be satisfied from the insolvency estate as unsecured creditors. This means that secured creditors (i.e., creditors whose claims are secured by a mortgage, pledge, or other security interest over the Company’s assets) will have priority over unsecured creditors to the extent of such security. Article 104 of the aforementioned law regulates the order of distribution of the insolvency estate, pursuant to which, under Article 104.1(g)(g), the claims of Bondholders fall within the category of unsecured claims.

1.6 Description of the rights and restrictions attached to the securities and the procedure for the exercise of such rights

The terms of the “Bonds” and the rights of the “Bondholders” are determined by this “Prospectus,” including the present “Terms and Conditions of the Bonds”, and by the agreement signed by the “Issuer” with the “Bondholders’ Representative.”

1.6.1 Appointment of Bondholder’s Representative

By purchasing the Bonds (whether in the primary placement or on the secondary market), each “Bondholder” and/or “Account Holder” appoints the “Bondholders’ Representative” as its representative with respect to all matters relating to the “Bonds” that are governed by these “Terms” and the “Agreement.” The “Bondholders’ Representative” shall be vested with the authority

(without obtaining any prior consent, unless such consent is expressly required under the “Terms,” the “Agreement,” and/or the applicable legislation) to act on behalf of each “Bondholder” and/or “Account Holder” in connection with any legal proceedings concerning the “Bonds” recorded in the accounts of such “Bondholder” and/or “Account Holder.”

The “Agreement” signed with the Bondholders’ Representative is available for review by potential investors electronically, upon request via the email addresses specified in the Issuer’s Prospectus, or physically at the office of the Bondholders’ Representative: LLC “Nodia, Urumashvili & Partners”, Georgia, Tbilisi 0186, 71 Vazha-Pshavela Avenue, 4th floor, Office No. 28, and at the Issuer’s office: Georgia, Tbilisi, Saburtalo District, 10 Givi Kartozia Street, Entrance 4, 2nd floor, Commercial Unit No. 10.

Each “Bondholder” and/or “Account Holder,” upon request, shall promptly provide the “Bondholders’ Representative” with any documentation, including a written power of attorney (in a form and substance acceptable to the “Bondholders’ Representative”), which the latter deems necessary for the performance of its rights and/or obligations under the “Terms” and/or the “Agreement,” and for the protection of the “Bondholders’” interests in accordance with the “Prospectus” (including the “Terms”) and the “Agreement” (except for the declaration of an “Event of Default” and the initiation of enforcement proceedings). The “Bondholders’ Representative” shall have no obligation to represent any “Bondholder” that (or whose “Account Holder”) fails to comply with the requirement set forth in this paragraph.

The “Bondholders” are authorized to act directly against the “Issuer” in accordance with the “Terms.” This shall not alter or revoke the right of the “Bondholders’ Representative” to receive any information provided for under this “Prospectus” and to grant consents/waivers contemplated herein, provided that, in the “Event of Default,” the “Bondholders’ Representative” shall act solely on the basis of a “Special Resolution” and within the scope of the authority granted thereby, if such exists.

In carrying out its duties, the “Bondholders’ Representative” shall take into account the interests of the “Bondholders” as a class, and not those of any individual “Bondholder,” and shall not be obliged to consider any individual consequences that may arise, including, without limitation, from the place of residence or tax residence of an individual “Bondholder,” or from the connection of such “Bondholder” with the jurisdiction of a specific territory or political subdivision. Accordingly, the “Bondholders’ Representative” is not authorized to request, nor is any “Bondholder” or “Account Holder” authorized to assert against the “Issuer,” any claim or demand for reimbursement or payment in respect of tax obligations incurred by an individual “Bondholder” as a result of the performance of the “Bondholders’ Representative.”

1.7 Restriction on Free Transfer of the Securities

The free transfer of the securities presented/offered in this “Prospectus” is not restricted, except for the limitations set out in the warning section of the “General Overview of Prospectus”. In addition, any offering of the Bonds on the secondary market is permitted only to “Sophisticated (Experienced) Investors”.

1.8 Information on the Taxation of Income Derived from Securities

Interest paid on the “Bonds” to resident individuals, and to non-resident legal and private individuals (if the interest is not attributable to a permanent establishment of such non-resident in Georgia), shall be exempt from personal income and corporate profit taxes, provided that the “Bonds” are issued through a public offering in Georgia before January 1, 2026, and become debt securities admitted to trading on an organized market recognized by the National Bank of Georgia, subject to the positive decision of the Board of the Georgian Stock Exchange. The Company intends to apply to JSC “Georgian Stock

Exchange” for the Bonds to be admitted to trading on such market. As of the date of approval of this Prospectus, JSC “Georgian Stock Exchange” is considered an organized market recognized by the National Bank of Georgia only in the A and B listing segments.

Interest received on the “Bonds” by a resident legal entity (excluding banking institutions, credit unions, microfinance organizations, lending institutions, and insurance organizations) shall be included in the taxable profit of the resident legal entity and taxed at a 15% corporate profit tax rate, only upon distribution of the respective profit.

Interest received by banking institutions, credit unions, microfinance organizations, and lending institutions should be included in the aggregate income of such entities and taxed at a 20% corporate profit tax rate after deduction of expenses.

2. Terms of the Public Offering

2.1 Offering Terms, Expected Timeline, and Procedures for Participation in the Offering

2.1.1 Conditions to Be Satisfied by the Offering

The Offering shall comply with the requirements established by the laws of Georgia and the conditions set forth in this Prospectus.

2.1.2 Indicative Total Amount of the Issuance/Offering

The number of “Bonds” to be offered is up to 10,000, with an aggregate nominal value of up to USD 10 million, to be issued in one or more issuances in US Dollars or Euros.

2.1.3 The period during which the securities specified in the issuance may be acquired, and a description of the process required to participate therein

The offering of the “Bonds” shall commence from the publication of the approved Preliminary Prospectus and shall end 12 months after the date of approval . The term of the Prospectus shall be 12 months from the date of approval of the Preliminary Prospectus. The offering process shall be conducted in accordance with the procedure set out below:

(a) Bond Offering Process

The Placement Agent conducts the offering of the Bonds on behalf of the Issuer and based on an agreement with the Issuer. Prior to the commencement of the public offering, the Placement Agent and/or its authorized intermediary/intermediaries are entitled to send the approved Preliminary Prospectus to potential “Sophisticated (Experienced)”.

Potential investors may express their interest in purchasing Bonds by submitting an application(s) or notice to the Placement Agent. This expression of interest can be made via electronic means, or any other method accepted by the Placement Agent. The final date for the submission of applications to purchase the “Bonds” shall be determined by agreement between the “Issuer” and the “Placement Agent.” If the deadline falls on a day that is not a Business Day, the preceding Business Day will be considered the final day for accepting application(s).

The final interest (coupon) rate to be accrued on the Bonds is determined during the offering process (book-building) to potential investors. Such final interest rate shall be reflected in the “Final Prospectus”.

If, during the book-building process, potential investors express interest in purchasing more Bonds than are offered based on this Prospectus, such demand will be satisfied partially, either in proportion to the amounts specified in the investors' applications or in another manner as determined by the Issuer at its discretion. Furthermore, if a potential investor's application is only partially satisfied, the investor has the option to either decline or continue participating in the purchase of the Bonds. The Placement Agent must be notified of this decision in writing, electronically, or by other means immediately, and no later than 14:00 Tbilisi time on the Business Day following the day when the investor is informed of the correction to their application (regarding the number of Bonds). Failure to notify the Placement Agent of such a decision entitles the Placement Agent, at its discretion, to either continue considering the initial application of the investor (with respect to the full number of Bonds requested) or to refuse the application.

Following the completion of the book-building process, the Placement Agent will announce the finalization of the offering of the Bond and notify the investors (individually or as a group) whose applications (including those with modified numbers) have been satisfied. Such notification must include the final accrued interest (coupon) rate and the number of Bonds for which the purchase orders of potential investors have been satisfied. Upon issuance of the statement regarding the completion of the offering, the applications of those potential investors whose requests have been accepted shall become irrevocable and binding on such investors.

Investors must place the funds required to purchase the relevant number of Bonds into a brokerage account in full no later than 2 Business Days before the Issue Date.

Such brokerage accounts shall be opened by the "Investors" with "Placement Agent." The "Issuer" shall deliver the purchased "Bonds" on the "Issue Date" to the same brokerage accounts. In exceptional cases, the "Placement Agent," at its discretion, may permit an "Investor" to deposit the amounts required to purchase the "Bonds" into an account of the "Issuer" opened with the "Placement Agent" (instead of the brokerage account the "Investor" opened with the "Placement Agent"). In such case, the "Bonds" shall be delivered to the account of the "Investor" opened with the "Depository" or another "Account Holder."

If an investor acquires the "Bonds" after the "Issue Date" during the primary offering period, the investor shall be required to pay, in addition to the nominal value of the "Bonds," the interest accrued on the "Bonds" up to the date of acquisition.

By way of exception, the "Issuer" and/or the "Placement Agent," with the prior consent of the "Issuer," shall be authorized to grant certain concessions to potential investors (including, but not limited to, "Purchasing Investors") with respect to the terms or conditions.

Following the placement of the "Bonds," the "Bondholders" shall be entitled to hold the "Bonds" in book-entry form with the "Depository" or, if they are participants in the central depository system, in an account opened with another "Account Holder."

If the "Bonds" are transferred to another "Account Holder," the "Bondholders" shall ensure that the relevant "Account Holder" promptly provides the "Calculation and Settlement Agent," upon request, with information regarding the "Investors" and their tax status.

b) Changes during Public Offering

If, during the offering period (from the commencement of the offering until the "Issue Date"), the "Issuer" decides to amend material information regarding the "Bonds" (such amendments being subject to re-approval by the National Bank, which does not imply that such approval will necessarily be granted), such as the number of securities, price, interest rate, offering period,

etc., the “Issuer” shall grant the “Investors” a minimum period of fourteen (14) calendar days to withdraw their applications. Upon the expiration of this period, the “Issuer” shall be entitled to continue the offering under the amended terms.

If any material fact changes, as defined by Order N179/04 of the President of the National Bank of Georgia dated 7 October 2022, investors who have purchased the “Bonds” shall have the right to cancel such purchase and request the immediate redemption of the “Bonds” for their principal amount and any accrued interest. Investors who do not cancel their purchase of the “Bonds” shall be bound by the amended terms of the offering.

If any non-material information changes during the offering process, the “Issuer” shall notify the “Bondholders” and provide them with a document reflecting such amended information prior to incorporating the relevant changes into the “Prospectus.”

2.1.4 Specification of the timing and circumstances under which the offering may be canceled or suspended, and whether the offering may be canceled after the commencement of sales

If the “Bonds” or any part thereof cannot be sold or placed with the respective holders, the “Bonds” or such part shall first be returned to the “Company” and subsequently canceled

2.1.5 Description of the procedure for the return of any excess amounts paid by the applicants

If an applicant transfers an amount exceeding the total price of the “Bonds” allocated to them during the offering stage, they shall be entitled to request a refund from the “Placement Agent,” who shall ensure the return of such excess amount within ten (10) Business Days

2.1.6 Description of the methods and timing for the payment, transfer of ownership, and delivery of the securities

The methods and timing for the payment, transfer of ownership, and delivery of the securities are set out in Section 3.1.3(a) “Bond Offering Process ”

2.1.7 If investors have the right to withdraw their application, the period during which the application may be withdrawn by the investor

Investors do not have the right to cancel an official application submitted to the “Placement Agent.”

2.1.8 Methods and Timing of Publication of Offering Results

The placement report shall be submitted to the National Bank of Georgia within one month following the completion of the public offering of the securities.

2.1.9 Procedures for the Exercise of Pre-emptive Rights, Any Possible Amendments to Such Rights, and in the Event of Non-Exercise

No pre-emptive rights shall apply in respect of the “Bonds.”

2.2 Allocation and Apportionment Plan

2.2.1 Categories of Potential Investors to Whom the Securities Are Offered

Due to the nature of the “Bonds,” their offering is intended for all persons authorized under the “Securities Law.”

2.2.2 Procedure for Sending Notifications to Applicants Regarding the Number of Securities Allocated to Them

Upon completion of the offering process to potential investors, the “Placement Agent” shall issue a statement regarding the completion of the offering and notify those investors (individually or collectively) whose applications (including applications adjusted with respect to the number of “Bonds”) have been accepted. Such notification shall specify the interest rate applicable to the “Bonds” and the number of “Bonds” allocated to the relevant investors. Upon issuance of the statement on the completion of the offering, the accepted applications of such investors shall become irrevocable and binding on them. Trading shall not commence prior to the receipt of such notification.

2.2.3 Indication of Whether the Issuer’s Management, Directors, and Shareholders Intend to Participate in the Offering

Such information is not known to the “Issuer.”

2.3. The Bond offering will be made only to “Sophisticated (Experienced) Investors”. The offering of the Bonds on the secondary market is permitted only to “Sophisticated (Experienced) Investors”.

3.3 Price Setting

3.3.1 Specification of the Offering Price of the Securities, Including Any Expenses or Taxes Payable by the Investor

The “Bonds” will be offered at 100% of their nominal value. The “Issuer” does not contemplate any other pricing of the securities. However, if the final price differs from the stated price, the investor shall have the right to withdraw their application to purchase or subscribe for the securities within at least 2 business days following the publication of the final price.

3.3.2 Description of the Process for Determining the Final Offering Price and Communicating It to Investors

The offering will be conducted at 100% of the nominal value, and the “Issuer” does not contemplate any other pricing.

3.4 Placement

3.4.1 Name and Contact Information of the Legal Entity and/or the Bondholders’ Representative Involved in the Offering/Placement

Not relevant for this issuance.

3.4.2 Names and Addresses/Contact Information of the Settlement Agents

JSC Galt & Taggart (ID No. 211359206)

Address: 3, Pushkin Street, 0108, Tbilisi, Georgia

Email: gt@gt.ge; sales@gt.ge

Telephone: (+995 32) 2 40 11 11

3.4.3 Name and Contact Information of the Placement Agent; as well as the Key Terms of the Agreement, including Allocations and Placement Commission

JSC Galt & Taggart (ID No. 211359206)

Address: 3, Pushkin Street, 0108, Tbilisi, Georgia

Email: gt@gt.ge; sales@gt.ge

Telephone: (+995 32) 2 40 11 11

The net proceeds received by the Issuer from the placement of the Bonds (after deducting the placement commission) shall amount to a maximum of [2.0] % of the total placed amount.

The placement of the Bonds is conducted pursuant to letters of agreement entered with the Placement Agent on 29 May 2025.

3.4.4 Specification of the point at which the placement agreement is considered completed

The placement agreement shall be deemed fulfilled upon the placement of the “Bonds,” unless the term has been extended by agreement between the “Company” and the “Placement Agent.”

TERMS AND CONDITIONS OF THE BONDS

The issue of unsubordinated and unsecured bonds with an aggregate nominal value of up to USD 10,000,000 or the equivalent amount in other currency, in one or more tranches, in accordance with the Prospectus and the Terms Sheet. The Bonds are issued at the Shareholders' Meeting of the company dated September 25, 2025. The final interest rate of the bonds will be determined during the book-building process. The frequency of bond coupon payments is specified as one of the following: a) monthly; b) quarterly; c) semi-annual; Term is defined as one of the following: 1) 1 year; 2) 2 years; 3) 3 years; 4) 4 years; 5) 5 years.

The bond terms and the bondholders' rights are governed by the Prospectus, including the Terms and Conditions (hereinafter referred to as the "Terms and Conditions" or "Conditions"), and by the Agreement (hereinafter referred to as the "Agreement") on Terms and Conditions of the Bonds between the Issuer and Nodia, Urumashvili, and Partners LLC, as the Bondholders' Representative (hereinafter referred to as the "Bondholders' Representative"). In addition to the specific terms and conditions outlined in other sections of the Prospectus (including without limitation "Term Sheet"), this chapter, "Terms and Conditions of the Bonds" also describes certain additional terms, which are also outlined in the Agreement. The Agreement is available in Georgian and English, with the Georgian version prevailing. In case of any conflict between the information presented in the Prospectus and the Agreement, the Prospectus shall prevail.

Copies of the Agreement are available for inspection electronically, upon request to the issuer's email address indicated in the Prospectus, as well as at the principal offices of the Bondholders' Representative during working hours: "Nodia, Urumashvili and Partners LLC", Georgia, Tbilisi 0186, Vazha-Pshavela Avenue N71, 4th Floor, Office N28. and the Issuer: Georgia, Tbilisi 0177, G. Kartozia Street N10. In addition to the Prospectus, including these Terms and Conditions, the Bondholders (as defined below), and in certain cases as envisaged by the Prospectus, including these Terms and Conditions, the Account Registers of the Bonds, are entitled to the benefits of, bound by, and deemed to be subject to the relevant provisions of the Agreement, and such provisions apply to them. In Particular, by acquiring the Bond(s) a Bondholder consents and agrees that it is entitled to the benefit of the covenants set forth in Condition 5 of these Terms and Conditions and in Article 6 of the Agreement (the "Covenants") and it will enjoy the rights and obligations deriving from the performance, partial performance or non-performance of such Covenants only if it authorizes the Bondholders' Representative to act on its behalf with respect of such Covenants pursuant to Condition 4(a) of these Terms and Conditions. Accordingly, neither a Bondholder nor an Account Register has the right to act directly against the Issuer for any breach of these Covenants. Only the Bondholders' Representative may take action against the Issuer for breaches of such Covenants, except as provided in Condition 12 of these Terms and Conditions.

The calculation of principal and interest (coupon) on the Bonds shall be made in accordance with the terms of the "Calculation and Settlement Agent Services Agreement" (hereinafter the "**Calculation and Settlement Agent Agreement**") entered into between the Issuer and the Calculation and Settlement Agent, while the payment of principal and interest (coupon) on the Bonds shall be made in accordance with Georgian legislation and the Prospectus. Each Bondholder shall have the right to review the copy of the Calculation and Settlement Agent Agreement, which shall be available at the address of the Calculation and Settlement Agent (also electronically, upon request from the e-mail addresses of the Issuer specified in the Prospectus), and accordingly, it shall be deemed that each Bondholder has been duly informed of/reviewed the Calculation and Settlement Agent Agreement. Therefore, all relevant provisions of the Calculation and Settlement Agent Agreement applicable to the Bondholders shall have binding effect upon the Bondholders.

Offering Period: The period defined in the "Terms of the Offering" document (hereinafter the "**Offering Period**").

1. FORM, SPECIFIED DENOMINATION AND TITLE

The Bonds are issued as dematerialized book-entry bonds in electronic form, with a denomination of US\$1,000.

Crediting dematerialized securities to the securities account opened for "Bondholders" establishes the ownership rights of the "Bondholder" over the dematerialized securities credited to their respective individual segregated account with the

Central Depository or the Account Register. Ownership of dematerialized securities is confirmed by the credit balance in the securities account, as evidenced by the account statement issued by the respective Account Register.

Crediting dematerialized securities to the securities account opened for the investor ("bondholder") establishes the right of co-ownership among the "bondholders" investor in proportion to the number of bonds credited to this securities account, on a pool of identical bonds credited to the same omnibus segregated account with the Central Depository or Account Register where the bonds of the respective bondholders and investors are credited.

2. OFFERING AND PLACEMENT OF BONDS, CHANGES TO THE OFFERING AND DISPOSAL OF BONDS

(a) Bond Offering Process

The Placement Agents conduct the offering of the Bonds on behalf of the Issuer and based on an agreement with the Issuer. Prior to the commencement of the public offering, the Placement Agents and/or their authorized intermediary/intermediaries are entitled to send the approved Prospectus to potential investors to solicit interest in the Bonds.

Following the approval of the Prospectus by the National Bank of Georgia, the Issuer conducts the public offering of the Bonds in accordance with Georgian law. The Bond offering will be made only to "Sophisticated (Experienced) Investors". The Issuer will publish a notice regarding the offering of Bonds on its website. The Issuer, the Placement Agents, and/or a financial intermediary (ies) involved in the placement process will provide potential investors, based on their preference, with an electronic link to Prospectus, or its scanned or printed version. The final Prospectus will be made available to potential investors (including by uploading it to the Issuer's website) before or immediately following the commencement of the sale of the publicly offered Bonds or during the sale process.

Potential investors may express their interest in purchasing Bonds by submitting an application(s) or notice to any of the Placement Agents. This expression of interest can be made via electronic means, or any other method accepted by the Placement Agents. The deadline for accepting applications for the Bonds is determined unilaterally by the Placement Agents. If the deadline falls on a day that is not a Business Day, the preceding Business Day will be considered the final day for accepting application(s).

The final interest (coupon) rate to be accrued on the Bonds is determined during the offering process (book-building) based on the volume and conditions of the purchase requests from potential investors. The final interest (coupon) rate must fall within the range specified in the relevant preliminary Prospectus, which will be provided to potential investors during the offering process. Within the scope of each public offer, the offering (book-building) cannot commence without submitting the preliminary Prospectus to the National Bank of Georgia and making this document publicly available. Fixing the final interest (coupon) rate within the range described in the preliminary Prospectus is not considered a material change and only needs to be reflected in the final Prospectus.

If, during the book-building process, potential investors express interest in purchasing more Bonds than are offered based on this Prospectus, such demand will be satisfied partially, either in proportion to the amounts specified in the investors' applications or in another manner as determined by the Issuer at its discretion. Furthermore, if a potential investor's application is only partially satisfied, the investor has the option to either decline or continue participating in the purchase of the Bonds. The Placement Agents must be notified of this decision immediately, and no later than 14:00 Tbilisi time on the Business Day following the day when the investor is informed of the correction to their application (regarding the number of Bonds). Failure to notify the Placement Agents of such a decision entitles the Placement Agents, at their discretion, to either continue considering the initial application of the investor (with respect to the full number of Bonds requested) or to refuse the application.

Following the completion of the book-building process for determining the final interest (coupon) rate, the Placement Agents will announce the finalization of the offering of the Bond and notify the investors (individually or as a group) whose

applications (including those with modified numbers) have been satisfied. Such notification must include the final accrued interest (coupon) rate and the number of Bonds for which the purchase orders of potential investors have been satisfied. Upon the announcement of the final size of the Offer, the applications of the potential investors that have been satisfied will become irrevocable and binding on those investors ("Subscribing Investors"). The Issuer and/or Placement Agents are entitled to conduct the placement of the Bonds at the Deferred Placement Price from the Issue Date until the Offering Completion Date (including the last date). The deferred placement of the Bonds will be conducted at this Deferred Placement Price. Potential investors may express their interest in purchasing Bonds by submitting an application or notice to any of the Placement Agents. This interest can be expressed via electronic means of communication, or any other method accepted by the Placement Agents.

Subscribing Investors must place the funds required to purchase the relevant number of Bonds into a broker account in full no later than 2 Business Days before the Issue Date or the Deferred Placement Date. Subscribing Investors shall open brokerage accounts with the Placement Agent, who will act as the Account Register (as defined in the "Definitions" section below). The Bonds are delivered to the account of the Subscribing Investor held with the Account Register or with Depositary.

Following the placement of Bonds, Bondholders are entitled to hold the Bonds in the form of entries on accounts opened with the Account Registers or the depositary.

(b) Changes during Public Offering

If the Issuer decides to amend information about the Bonds during the public offering period (from the commencement of the offering until the Issue Date), the Issuer shall take the necessary measures as required by Georgian Law and Securities Legislation.

(c) Disposal of the Bonds

The Bonds may be transferred in accordance with the legislation of Georgia, including, without limitation, the Law of Georgia on Securities Market and the Law of Georgia on Ownership of Dematerialized Securities, and within the jurisdiction of Georgia. Disposal and transfer of title to the Bonds will be valid only if, as a result of such alienation, the Bonds are credited to the securities account opened for "bondholders." As soon as possible after the placement of the Bonds, the Issuer will submit an application to the Georgian Stock Exchange ("GSE") for the Bonds to be listed on the GSE's official list and for trading on the GSE. If admitted, the Bonds may be traded on the GSE in accordance with rules of GSE and the applicable securities legislation governing securities admitted to trading on the GSE. The offering of the Bonds on the secondary market is permitted only to "Sophisticated (Experienced) Investors".

(d) Price Setting

The final size of the offering (i.e., the number of Bonds to be issued and the total value of the issuance) and the price of the Bonds are determined in the course of the offering process to potential investors, taking into account the demand expressed for the purchase of the Bonds as a result of the book-building process.

Final allocation of the Offering to potential investors is determined during the bond offering process, based on the interest expressed and the demand for purchasing the Bonds (as a result of book-building), according to the procedure outlined in Condition 2(a) of the Terms and Conditions of the Bonds.

(e) Placement

The Issuer and/or Placement Agents are entitled to conduct the placement of the Bonds at the Deferred Placement Price from the Issue Date until the Offering Completion Date (including the last date). The deferred placement of the Bonds will be conducted at this Deferred Placement Price. Potential investors may express their interest in purchasing Bonds by submitting an application or notice to any of the Placement Agents. This interest can be expressed via electronic means of communication, or any other method accepted by the Placement Agents.

Subscribing Investors and those investors, who acquire the Bonds at the deferred date, must place the funds required to purchase the relevant number of Bonds into a broker account in full no later than 2 Business Days before the Issue Date or the Deferred Placement Date. Subscribing Investors and potential Investors shall open brokerage accounts with the Placement Agent. The Bonds are delivered to the same brokerage account either on the Issue Date or the deferred issue date. The Bonds are delivered to the account of the Investor held with the Depository or with other authorized Account Register.

Following the placement of Bonds, Bondholders are entitled to hold the Bonds in the form of entries on accounts opened with the Account Registers or the Depository.

The Issuer will not proceed with the issuance of the Bonds defined in this Prospectus and will annul all issued Bonds (if any) by returning to the Bondholders the amounts paid for their purchase, if the minimum amount has not been subscribed and placed by the Issue Date.

If the total number of Bonds defined by the final Prospectus is not placed by the closing date of the offering, the unplaced Bonds shall be deemed annulled (cancelled) and the Issuer will provide information on the number of Bonds placed to the National Bank of Georgia, to the Tbilisi Stock Exchange (if the Bonds are admitted to trading there), and shall also disclose such information in accordance with the procedure established by the legislation of Georgia.

Within one (1) month following the completion of the public offering of the Bonds, the Issuer will submit to the National Bank of Georgia and disclose information on the results of the Offering and the placement.

(f) Admission of Securities to Trading on the Stock Exchange

Once the Bonds have been placed, the Issuer intends to apply to the Georgian Stock Exchange (GSE) for the Bonds to be admitted to the trading system and listed on the GSE. If admitted, the Bonds may be traded on the GSE in accordance with the rules of the exchange and the applicable legislation governing securities admitted to trading on the exchange.

3. STATUS

The Bonds constitute the unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves. The claims of Bondholders against the Issuer under the Bonds and the Agreement shall rank at least pari passu in right of payment with all other unsubordinated creditors of the Issuer (subject to Condition 5(a)), except for those claims that are preferred by mandatory provisions of applicable law.

4. APPOINTMENT OF BONDHOLDERS' REPRESENTATIVE

- a) By purchasing the Bonds (whether in the initial placement or in the secondary market), each Bondholder and/or Account Register appoints the Bondholders' Representative to act as its agent in all matters relating to the Bonds that are regulated by Condition 5 of these Terms and Conditions and Article 6 of the Agreement. Each Bondholder and/or Account Register authorizes the Bondholders' Representative to act on its behalf (without the need for prior consent unless such consent is expressly required by these Terms and Conditions, the Agreement, and/or applicable law) in any legal proceedings relating to the Bonds held by such Bondholder and/or Account Register.
- b) Each Bondholder and/or Account Register shall, immediately upon request, provide the Bondholders' Representative with any documents, including a written power of attorney (in form and substance satisfactory to the Bondholders' Representative), that the Bondholders' Representative deems necessary for exercising its rights and/or carrying out its duties under, and protecting the Bondholders' interests pursuant to, these Terms and Conditions and the Agreement. The

Bondholders' Representative is under no obligation to represent a Bondholder that does not, or whose Account Register fails, comply with such request.

- c) The bondholder (or Account Register acting on its behalf) is authorized to directly enforce these terms against the issuer in accordance with the terms themselves. This does not affect or waive the right of the Bondholders' Representative to receive any information provided for in this Prospectus and to exercise or waive the rights stipulated therein, subject to the occurrence of an Event of Default, the Bondholders' Representative will act solely upon an Extraordinary Resolution or upon the written request of Bondholder(s) holding at least 75% of the principal amount of the outstanding Bonds at that time, within the scope of any authority thereby granted, in accordance with these Terms and Conditions.

5. COVENANTS

- (a) Negative Pledge:** For so long as any Bond remains outstanding, the Issuer shall not, and shall not permit any of its Material Subsidiaries to, directly or indirectly, create, incur, or permit to exist any Security Interests (or other legal limitations), other than Permitted Security Interests, over any of its or their present or future assets to secure any Indebtedness, unless, at the same time or prior thereto, the Issuer's obligations under the Bonds and the Agreement are secured equally and ratably with such other Indebtedness or benefit from such security or other arrangements as are satisfactory to the Bondholders' Representative or approved by an Extraordinary Resolution of the Bondholders.

(b) Continuance of Business, Maintenance of Authorizations and Legal Validity:

- (i) The Issuer shall and shall procure that each of its Material Subsidiaries shall, take all necessary measures to ensure the continuance of its corporate existence (except as otherwise permitted by Condition 5(c) (Mergers)), and to maintain its business operations and to preserve all material intellectual property, permits, licenses, consents, and authorizations required for the uninterrupted conduct of their business.
- (ii) The Issuer shall take all necessary measures to obtain and maintain in full force and effect all authorizations, approvals, licenses, and consents, and to take or cause to be taken all actions required by the laws of Georgia to enable it to lawfully perform its obligations under the Bonds and the Agreement, and to ensure the legality, validity, enforceability, or admissibility in evidence in Georgia of the Bonds and the Agreement.

(c) Mergers:

- (I) The Issuer shall not, without the prior written consent of the Bondholders' Representative, (x) enter into any reorganization (whether by way of a merger, division, or conversion into another legal form) or undergo any other type of corporate reconstruction, or (y) in a single transaction or a series of related transactions, directly or indirectly, consolidate or merge, or sell, convey, transfer, lease, or otherwise dispose of all or substantially all of the Issuer's properties or assets (determined on a consolidated basis), unless, in any case where:
- i) Immediately following the transaction referred to in (x) or (y) above:
- a) The resulting or surviving entity, or the transferee (the "Successor Entity") shall remain or become the Issuer. If the Successor Entity is not the Issuer, it shall expressly assume, in a form and substance satisfactory to the Bondholders' Representative, all the rights and obligations of the Issuer under the Bonds and the Agreement, by executing and delivering to the Bondholders' Representative all documentation necessary to give effect to such assumption; and

b) The Successor Entity, if not the Issuer, shall retain or assume all the rights and obligations of the Issuer under all its materials governmental permits, licenses, consents, and authorizations, and shall comply with all material regulatory requirements in the jurisdiction in which it operates.

ii) no Event of Default or Potential Event of Default shall have occurred and be continuing, nor shall any such event result from such reorganization or similar transaction; and

iii) the relevant transaction referred to in (x) or (y) above shall not result in a Material Adverse Effect.

(II) The Issuer shall ensure that, without the prior written consent of the Bondholders' Representative, no Material Subsidiary shall undertake any of the following: (x) a reorganization (whether by way of merger, demerger, transformation with another legal entity, or any other form of corporate restructuring), or (y) in one or a series of related transactions, directly or indirectly, a consolidation or merger, or the sale, transfer, lease, disposal, or other alienation of all or a substantial part of the consolidated property or assets of such Material Subsidiary; except in circumstances where:

(i) immediately following the transaction referred to in (x) or (y):

(a) the entity resulting from such reorganization, or the transferee of the assets (the "Successor"), remains a Material Subsidiary; and

(b) the Successor (if not the Issuer) retains, or is the lawful successor to, all material governmental permits, licenses, consents, and authorizations of the relevant 'Material Subsidiary', and continues to comply with all material regulatory requirements in the jurisdiction in which it operates;

(ii) no Event of Default or Potential Event of Default shall have occurred and be continuing, nor shall any such event result from such reorganization or similar transaction; and

(iii) the relevant transaction referred to in (x) or (y) above shall not result in a Material Adverse Effect.

(III) Notwithstanding the foregoing, any Material Subsidiary may consolidate with, merge into, or be merged with, or in one transaction or a series of related transactions, directly or indirectly convey, transfer, lease, or otherwise dispose of all or substantially all of its consolidated property or assets to the Issuer or to another Subsidiary of the Issuer (which, after such transaction, shall be deemed a Material Subsidiary for the purposes of this Prospectus).

(IV) This Condition 5(c) shall not apply to: (i) any transaction between the Issuer and any of its wholly-owned Subsidiaries, (ii) any sale, lease, transfer or other disposal of property or assets in the ordinary course of business; or (iii) any present or future assets or revenues, or any part thereof, which are subject to securitization, receivables financing, asset-backed financing, or similar financing, where all obligations are to be satisfied solely from such assets or revenues.

(d) Disposals: Except as otherwise permitted by these Conditions and without prejudice to the provisions of Condition 5(c) (Mergers) and Condition 5(e) (Transactions with Affiliates), the Issuer shall not, and shall ensure that none of its Material Subsidiaries will, in one or more transactions (whether related or not), sell, convey, transfer, lease, or otherwise dispose of all or any part of its assets or revenues to any Person other than the Issuer or a Subsidiary of the Issuer, unless:

- i) each such transaction is carried out at Fair Market Value and on arm's-length terms; and
- ii) with respect to any such transaction involving a disposal of assets or revenues representing more than 10% of the total consolidated assets of the Issuer, determined by reference to the consolidated balance sheet of the Group prepared in accordance with IFRS as at the end of the most recent IFRS Fiscal Period, the Issuer shall provide the Bondholders' Representative with a written opinion from an Independent Appraiser stating that the transaction is at Fair Market Value.

This Condition 5(d) shall not apply to: (i) any transaction between the Issuer and any of its wholly-owned Subsidiaries; (ii) any transfer, lease, disposal, or other dealing with assets or property (including cash and securities) that constitutes a Permitted Security Interest; (iii) any leasing, sale, or other disposal of assets in the ordinary course of business; or (iv) any present or future assets or revenues (or any part thereof) which are subject to any securitization, receivables financing, asset-backed financing, or similar financing structure, provided that all payment obligations in respect thereof are to be satisfied solely out of such assets or revenues.

(e) Transactions with Affiliates:

- i) The Issuer shall not, and shall ensure that none of its Material Subsidiaries will, directly or indirectly, engage in any business activity or enter into any transaction (including the purchase, sale, transfer, assignment, conveyance, or exchange of any property or the rendering of any service), or extend any inter-company loans with or for the benefit of any Affiliate (an "Affiliate Transaction"), unless the terms of such Affiliate Transaction are no less favorable to the Issuer or such Material Subsidiary, as applicable, than those obtainable in a comparable arm's-length transaction for Fair Market Value with a Person that is not an Affiliate of the Issuer or any of its Material Subsidiaries, taking into account the status of the relevant Affiliate."
- ii) With respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate payments or value exceeding 10 percent of the total consolidated assets of the Group, determined by reference to the consolidated balance sheet of the Group prepared in accordance with IFRS as at the end of the most recent fiscal period under IFRS, the Issuer shall, prior to entering into such Affiliate Transaction, provide the Bondholders' Representative with a written opinion from an Independent Appraiser confirming that the transaction is conducted at Fair Market Value and on terms that are fair and reasonable to the Issuer or the relevant Material Subsidiary, as applicable.
- iii) The following items shall not be considered 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, consistent with past practice;
 - b) Transactions between or among the Issuer and its wholly-owned (100%) Subsidiaries;
 - c) Payment of reasonable directors' fees to members of the governing bodies who are not otherwise Affiliates of the Issuer;

- d) Any loans or other financing provided by any direct or indirect shareholder(s) of the Issuer, for the purpose of funding the Issuer's leasing operations, provided such financing is on arm's-length terms;
- e) Any insurance contracts entered into with an Affiliate for insuring the operations or assets of the Issuer, provided such contract is on arm's-length terms.

(f) Payment of Taxes and Other Claims: The Issuer shall, and shall cause each of its Material Subsidiaries to, pay all taxes imposed on their respective income, profits, or property before the same become overdue. However, neither the Issuer nor any Material Subsidiary shall be required to pay or cause to be paid any such tax or similar claim if: (a) the amount, applicability, or validity thereof is being contested in good faith by appropriate legal proceedings and for which adequate reserves have been made in accordance with IFRS or other appropriate provision; or (b) the aggregate amount of such unpaid taxes, together with all other unpaid taxes or similar claims, does not exceed USD 200,000 (or its equivalent).

(g) Restricted Payments: The Issuer shall not, and shall ensure that none of its Subsidiaries will: (a) declare or pay any dividend, in cash or otherwise, or make any other distribution (whether by way of redemption, acquisition, or otherwise), including repayment of subordinated shareholder debt in respect of its share capital, except for the capital reduction by the Founder of the Issuer, as provided for in this Prospectus, in the amount of up to USD 3,000,000 and other than dividends or distributions payable to the Issuer or any of its Subsidiaries (and, if a Subsidiary is not wholly owned by the Issuer, to the other holders of its share capital on a pro rata basis); or (b) directly or indirectly voluntarily purchase, redeem, or otherwise retire for value any shares or share capital of the Issuer (except for the repayment of inter-company debt owed by any Subsidiary of the Issuer to the Issuer or to any other Subsidiary of the Issuer from time to time); or make any loan or advance to, or for the benefit of, any Affiliate; (each such action in (a) or (b) or (c), a "Restricted Payment"), if:

(i) at the time of such payment, an Event of Default or Potential Event of Default has occurred and is continuing or would result therefrom; or

(ii) such Restricted Payment, when aggregated with all other Restricted Payments previously made since 30 April 2025, exceeds the sum of:

- a) the lesser of (i) 50% of the Issuer's consolidated net profit and (ii) 50% of the adjusted net profit (calculated in accordance with IFRS and adjusted for foreign exchange gains/losses), for the period commencing on 30 April 2025 and ending on the last day of the most recently completed financial year or semi-annual financial period; and
- b) 100 percent of the aggregate net cash proceeds received by the Issuer subsequent to 30 April 2025 from the issuance or sale of its share capital and the conversion or exchange of any Indebtedness into or for share capital of the Issuer.

(h) Indebtedness:

- i) The Issuer shall not be permitted to create, incur, assume, or otherwise become liable in respect of any Indebtedness (collectively, "incurrence"), except that the Group may incur Indebtedness provided that:
 - (a) the total Indebtedness of the Group, calculated by reference to the consolidated balance sheet of the Group prepared in accordance with IFRS, as the sum of the incurred Indebtedness and the aggregate Indebtedness outstanding as of the end of the most recent fiscal quarter, shall not exceed five times the Consolidated EBITDA

for the period of the last four (4) fiscal quarters, prepared in accordance with IFRS, excluding unsecured contingent liabilities incurred in the ordinary course of business.

ii) Permitted Incurrence of Indebtedness: part (i) above does not apply to the following indebtedness:

(a) Intercompany Indebtedness between the Issuer and any of its Subsidiaries, or between Subsidiaries of the Issuer.

(i) Information Disclosure:

(I) The Issuer hereby undertakes that:

(i) By no later than August 15th following the end of each financial year, it will prepare and disclose the Issuer's audited annual financial statements prepared in accordance with IFRS, in compliance with Securities Legislation;

(ii) By no later than December 31st following the end of the second quarter of each financial year, it will prepare and disclose the Issuer's unaudited interim financial statements for the first six (6) months, prepared in accordance with IFRS, in compliance with Securities Legislation;

(iii) It will comply with all other current or periodic reporting requirements as defined by Securities Legislation;

(II) For the purposes of Condition 5 (I)(i) above, the Issuer will be deemed to have delivered the aforementioned information to the Bondholders if such information has been made publicly available in accordance with applicable legislation;

(III) If the Bondholders' Representative or Bondholders, collectively owning (directly or through Account Registers) more than 25% (twenty-five percent) of the Outstanding Bonds, believe that an Event of Default or a Potential Event of Default has occurred, they may request in writing that the Issuer provide information directly related to such Event of Default or Potential Event of Default. The Issuer is obligated to disclose this information to these Bondholders upon receipt of such written request. The written request may be delivered in the form of a single document signed by the relevant Bondholders and/or Account Registers, or by multiple documents of identical content. Such request may also be validly made pursuant to a resolution of a meeting of the Bondholders.

(j) Insurance: The Issuer shall and shall procure that its Material Subsidiaries will maintain insurance with reputable insurers against loss or damage to those of their properties that are of an insurable nature. Such insurance shall be maintained to the extent and on terms consistent with the practices of companies in Georgia engaged in similar businesses and owning similar properties.

k) Compliance with Applicable Laws: The Issuer and each of its Material Subsidiaries shall at all times comply, in all material respects, with all provisions of applicable laws, including directives of governmental authorities and regulations.

l) Change of Business: The Issuer shall ensure that the principal business activities of the Group are not materially altered from those conducted as of the Issue Date.

m) Maintenance of cash balance: The "Issuer" undertakes to ensure that, at all times, its cash balance shall not be less than fifty percent (50%) of the semi-annual interest expense required for the servicing of the Bonds.

6. INTEREST

Each Bond accrues interest from and including the Issue Date at an annual rate specified in the *'Term Sheet.'* The final interest rate will be determined in accordance with Condition 2(a) ('Bond Offering Process') and will be set out in the final Prospectus. Interest will be payable semi-annually in arrears on dates specified in the 'Term Sheet' (each an Interest Payment Date). Interest shall accrue on each Bond until its redemption date, unless principal payment is improperly withheld or refused. In such cases, it will continue to accrue interest at the same rate until all amounts due in respect of such Bond have been paid in full to the relevant Bondholder or its duly authorized representative.

If interest is calculated for a period less than a full Interest Period (defined below), the relevant day-count fraction will be based on a 365-day year.

An **'Interest Period'** refers to the period commencing on and including the Issue Date and ending on but excluding the first Interest Payment Date, and thereafter, each subsequent period starting on an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date.

7. REDEMPTION AND PURCHASE

- (a) Final Redemption:** The Issuer has the option to redeem the Bond(s) prior to the maturity date by offering to the Bondholder(s) payment of the outstanding principal amount along with accrued and unpaid interest up to (but excluding) the date of redemption. Unless previously redeemed or purchased and cancelled, the Bonds will be redeemed at their principal amount (par) on October 3, 2027. The Bonds cannot be redeemed at the Issuer's discretion, except as outlined in the Prospectus (including these Conditions).
- (b) Redemption for Taxation:** The Issuer may, at its option, redeem all, but not some only, of the Bonds at any time, at their principal amount together with accrued and unpaid interest to (but excluding) the redemption date, by giving not less than 30 days' and not more than 60 days' prior irrevocable written notice to the Bondholders and/or their Account Registers recorded in the Register. Such redemption may only be exercised if (i) the Issuer has demonstrated to the satisfaction of the Bondholders' Representative that it has become, or will become, obliged to pay additional amounts in respect of the Bonds by reason of a change in, or amendment to, the laws or regulations of Georgia (or any change in their application or official interpretation) which occurs on or after the Issue Date; and (ii) Such obligation to pay additional amounts could not reasonably be avoided by the Issuer taking measures available to it.
- (c) Purchase:** The Issuer and its Subsidiaries may, at any time, purchase Bonds in the open market or through other means at any price. Bonds purchased and held by or on behalf of the Issuer or any such Subsidiary shall not confer voting rights at Bondholders' meetings nor be considered outstanding for determining meeting quorums or under Condition 11(a).
- (d) Optional Redemption after Non-Call Period:** On or after expiry of first calendar year from the Issue Date, the Issuer may, at its discretion, redeem the Bonds, in whole or in part, on one or more occasions, by providing not less than 15 days' and not more than 60 days' prior written notice to the Bondholders and/or Account Registers in accordance with Clause 14 of the Terms (Notices). The redemption prices shall be as it is set below (expressed as a percentages of the principal amount of the Bonds) plus accrued and unpaid interest, if any, on the Bonds redeemed up to (but excluding) the relevant redemption date (this redemption is subject to the right of Bondholders of record on the relevant Record Date, to receive the interest due on the relevant interest payment date) if redemption occurs during the specified periods below:

Period	Percentage
From the Issue Date after the end of the first calendar year (including this date)	100.5%

to the Maturity Date (excluding this date)

Any redemption of the Bonds at the Issuer's discretion pursuant to the aforementioned subsection might be subject to satisfaction of one or more conditions precedent (including, without limitation, the Incurrence of Indebtedness, the proceeds of which will be used to redeem the Bonds). In addition, if such redemption is subject to the satisfaction of one or more conditions precedent, the relevant notice shall explicitly state that the redemption date of the Bonds may, at the discretion of the Issuer, be postponed until any or all of these conditions are satisfied. Alternatively, it may state that the redemption may not occur and such notice may be rescinded if any or all of these conditions are not satisfied by the redemption date, or by the deferred redemption date.

(e) Put Option upon a Change of Control: In the event of a contemplated Change of Control (as defined below), the Issuer shall notify the Bondholders in writing at least twenty (20) calendar days prior to the registration of such Change of Control under applicable law (the "Change of Control Notice") in accordance with Condition 14 (Notices). Within fourteen (14) calendar days of receipt of the Change of Control Notice, each Bondholder shall have the right (the "Put Option") to require the Issuer to redeem all or part of the Bonds held by such Bondholder. Any Bondholder who does not notify the Issuer of its election to exercise the Put Option within such fourteen (14) calendar day period shall be deemed to have waived its right to exercise the Put Option in connection with that Change of Control. For the purposes of this Condition, the "Put Price" shall be equal to 100% of the principal amount of each Bond, together with any accrued and unpaid interest thereon up to the date of redemption (if any). For the avoidance of doubt, the redemption of the Bonds pursuant to this Put Option (i.e., the Issuer's obligation to purchase the Bonds and pay the redemption price to the relevant Bondholders) shall be conditional upon the completion and registration of the Change of Control under applicable law, which must occur within sixty (60) calendar days following the date on which the Change of Control Notice is delivered to the Bondholders. If the Change of Control does not occur within such period, any Put Option notices shall automatically lapse and be of no further force or effect for either the Issuer or the Bondholders. For each 'Bondholder' who, within 14 calendar days from the receipt of the Change of Control Notice, notifies the Issuer of its intention to exercise the 'Put Option,' the purchase price of the relevant 'Bonds' (being 100% of the principal amount of such 'Bonds' together with any accrued and unpaid coupon thereon for a period of 60 calendar days) shall be deposited by the 'Issuer; into a special account of the 'Account Holder' prior to the occurrence of the 'Change of Control'. In the event the 'Change of Control' is effected, the redemption of the 'Bonds' requested by the relevant 'Bondholders' under the 'Put Option' shall be made from the funds deposited into the special account

The Put Option under this Condition shall not apply in the following cases:

1. A Change of Control resulting from an initial public offering (IPO) on a locally organized market recognized by the National Bank of Georgia or on a foreign stock exchange listed in Annex 1 (the "Recognized Foreign Stock Exchanges Order") to Order No. 178/04 of the President of the National Bank of Georgia dated October 7, 2020 (On the Approval of the Rule Relating to the Public Offering in Georgia of Securities Admitted to Trading on Recognized Foreign Stock Exchanges, of Securities Issued by their Issuers, by International Financial Institutions, or by Development Organizations with State Participation');
2. At the time of the Change of Control, the acquiring Person has a rating of at least BBB (or its equivalent) assigned by an internationally recognized rating agency (S&P, Fitch, or Moody's); or
3. The Person acquiring Control is an issuer of Eurobonds admitted to trading on the London Stock Exchange or the Irish Stock Exchange.

For the purposes of this Clause, "Change of Control" means the occurrence of one or more related transactions resulting, directly or indirectly, in: (i) the transfer of all or substantially all of the Issuer's assets or properties (taken as a whole) to any

Person other than an Affiliate of the Issuer; or (ii) the transfer to any Person (other than an Affiliate of the Issuer) of 50.0% or more of the issued share capital of the Issuer or 50.0% or more of the voting rights of the Issuer (including by proxy, contract, or otherwise); or (iii) the transfer of such number of voting rights of the Issuer (including by proxy, contract, or otherwise) to any Person (other than an Affiliate of the Issuer) as would entitle such Person to appoint a majority of the directors or members of the Board of Directors of the Issuer.

(f) Issuer Call Option upon a Change of Control: In the event of a Change of Control (including, without limitation, where such Change of Control occurs by way of an initial public offering (IPO); or where, as a result of the Change of Control, the acquiring Person holds a credit rating of BBB or higher assigned by an international rating agency (S&P, Fitch, or Moody's); or where the acquiring Person is an issuer of Eurobonds listed on the London Stock Exchange or the Irish Stock Exchange), the Issuer shall have the right, at its sole discretion, to redeem the Bonds, in whole or in part, at any time within 60 calendar days following the occurrence (and registration in accordance with applicable law) of such Change of Control (the "Call Option"). Any redemption pursuant to the Call Option shall be effected by giving not less than 15 and not more than 60 calendar days' prior written notice to the Bondholders and/or Account Registers in accordance with Clause 14 (Notices) of the Terms. The redemption price in respect of each Bond subject to redemption under this Clause shall be:

Period	Percentage
The written notice of redemption of the Bonds is sent within sixty (60) calendar days from (and including) the Business Day immediately following the completion of the Change of Control.	<u>101%</u>

8. PAYMENTS

(a) Method of Payment:

- (i) Payment of principal and interest on the Bonds shall be made to those Investors who, as of 18:00 (local time) on the third Business Day prior to the relevant payment date (the "Record Date"), are recorded with a corresponding credit balance on their securities account maintained with the Account Register or the Depository. Settlement shall be made by transfer in United States dollars or Euros (depending on the denomination of the relevant Bonds) as of the Record Date to the bank accounts of the Investors who hold the relevant credit balance on their securities account opened with the Account Register or the Depository. Bondholders so recorded must ensure that the Account Register and/or Depository is provided with up-to-date, complete, and accurate information regarding their bank account details for the purposes of receiving any payments in respect of the Bonds. The Issuer, Depository, Account Register, and Calculation and Settlement Agent are not liable for any delays or failures in payment if the investor does not promptly update their brokerage/bank account information with the Account Register or Depository or fails to ensure its accuracy by the specified "Recording Date" despite requests from the Issuer, Account Register, or Depository.
- (ii) If the bank account of a Bondholder referenced in the preceding paragraph is held at a bank other than the Account Register, any bank transaction fees incurred in relation to the payment (transfer) may be deducted from the payment. Additionally, if the Bondholder's bank account is denominated in currencies other than United States dollars and Euros (depending on the denomination of the relevant Bonds), the payment shall be made net of currency conversion fees.
- (iii) Without prejudicing the rights of Bondholders under these Terms and Conditions to receive full payments of interest and principal as scheduled, if the amount of interest or principal due on any payment date is less than the scheduled

amount, the Issuer shall ensure that all Bondholders receive their proportionate shares of the available funds for payment on that date.

(iv) At the request of the Issuer and/or the Depository, trading in Bonds on the secondary market may be prohibited or restricted from the Record Date until the date when the relevant payment becomes due and payable.

(b) Appointment of Agents: The Calculation and Settlement Agent, Placement Agent, and Depository, along with their respective specified offices, are listed in the " Information regarding the Offering " and at the end of the Prospectus. The Calculation and Settlement Agent and Placement Agent act solely as agents of the Issuer and do not assume any obligation or agency relationship with any Bondholder for the purposes of this Prospectus and offering. The Issuer reserves the right, with the approval of the Bondholders' Representative, to modify or terminate the appointment of the Calculation and Settlement Agent or/and Placement Agent, and to appoint additional or different Calculation and Settlement Agent or/and Placement Agent. However, the Issuer must maintain a Calculation and Settlement Agent, at all times, as approved by the Bondholders' Representative.

Any such changes or changes to any specified office shall promptly be communicated to the Bondholders via announcement on the Issuer's website or in accordance with Clause 14 of these Conditions.

(c) Calculation and Payment: Any payment related to Bonds (including interest) shall be calculated and disbursed in accordance with the terms of this Prospectus and Georgian law by the Calculation and Settlement Agent. The amounts determined by the Calculation and Settlement Agent, except in cases of obvious error, shall be binding on the Issuer. The Calculation and Settlement Agent will calculate these amounts at least 3 Business Days before the relevant payment date and notify the Issuer and Depository accordingly.

At least one Business Day prior the relevant payment date, the Issuer shall deposit the required funds in United States dollars or Euros (depending on the denomination of the relevant Bonds) into its bank account held with the Calculation and Settlement Agent and shall instruct the Calculation and Settlement Agent to transfer these funds. If sufficient funds are available in the Issuer's account, the Calculation and Settlement Agent may, but shall not be obligated to, transfer the payments due on the Bonds without further instructions from the Issuer. In the event that the funds in the Issuer's account are insufficient, the Calculation and Settlement Agent shall notify both the Issuer and the Bondholders' Representative accordingly.

Without prejudicing the rights of Bondholders under these Terms and Conditions to receive full payments of interest and principal as scheduled, if the amount of interest or principal due on any payment date is less than the scheduled amount, the Issuer shall ensure that all Bondholders receive their proportionate shares of the available funds for payment on that date.

Settlement procedures and restrictions are further governed by applicable legislation, as well as by the rules and procedures adopted pursuant thereto by the Depository and other relevant securities market participants, and in accordance with the agreement entered into with the Calculation and Settlement Agent.

(d) Payments subject to Fiscal Laws: All payments are subject to any applicable fiscal or other laws, regulations, and directives of Georgia in all circumstances.

(e) Delay in Payment / Non-Business Days: Bondholders will not be entitled to any interest, penalty, or additional payment for delays in receiving the amount due on a Bond if the due date falls on a non-Business Day. Payments will be made on the following Business Day.

9. TAXATION

All payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made net of any applicable Georgian withholding tax.

10. EVENTS OF DEFAULT

If any of the following events ("Events of Default") occurs and continues, the Bondholders' Representative may, at its discretion, or if directed by an Extraordinary Resolution, shall (subject to satisfactory indemnification), give written notice to the Issuer. Upon such notice, the Bonds shall immediately become due and payable at 100% of their principal amount plus any accrued interest, if applicable:

(a) Non-Payment: The Issuer fails to pay the principal, accrued interest, or any other sum due on any of the Bonds or pursuant to the Agreement when due, and such failure to pay is not remedied within five days of the due date for payment; or

(b) Breach of Other Obligations: The Issuer fails to perform or comply with any one or more of its other obligations (excluding those in Condition 10(a)) in the Prospectus or the Agreement. This default is deemed material or (i) repeated and incapable of remedy according to the opinion of the Bondholders' Representative, or (ii) it is capable of remedy but remains unremedied for 30 days after the Issuer receives notice of the default from the Bondholders' Representative; or

(c) Cross-Default: (i) Any other present or future Indebtedness of the Issuer or any Material Subsidiary for or in respect of borrowed or raised funds becomes due and payable before its stated maturity due to any event of default, or (ii) such Indebtedness is not paid when due or within any initially applicable grace period, or (iii) the Issuer or any Material Subsidiary fails to pay any amount due under any other present or future Indebtedness when due. This applies if the aggregate amount of such Indebtedness in respect of which one or more of the events mentioned above in this Condition 10(c) occur equals or exceeds US\$ 1,000,000 or its equivalent in any other currency (as reasonably determined by the Bondholders' Representative).

(d) Insolvency:

(i) The occurrence of any of the following events: (i) the Issuer or any Material Subsidiary initiates liquidation or insolvency proceedings; or (ii) a claim is filed by any person to initiate insolvency proceedings against the Issuer or any Material Subsidiary, and such claim is not dismissed within 60 days from the filing date; or (iii) negotiations commence between the Issuer and its creditors for an out-of-court settlement of all or substantially all of the Issuer's debts; or (iv) liquidation proceedings are initiated against the Issuer or any Material Subsidiary based on a court decision in a criminal case;

(ii) The Issuer or any Material Subsidiary fails or is unable to pay its debts generally as they become due; or

(iii) The shareholders or partners of the Issuer approve any plan for the liquidation or dissolution of the Issuer;

(e) Unsatisfied Judgments, Governmental or Court Actions: The aggregate value of unsatisfied judgments, decrees, or orders of courts or other appropriate law enforcement bodies for the payment of money against the Issuer or any Material Subsidiary exceeds US\$ 1,000,000 or its equivalent in any other currency. Alternatively, if any unsatisfied judgment, decree, or order results in (a) displacement of the management of the Issuer or any Material Subsidiary, or partial displacement, or curtailment of the Issuer's or any Material Subsidiary's authority in conducting its business; or

(b) seizure, nationalization, expropriation, or compulsory acquisition of all or a majority of the share capital, or the whole or any part (where the book value is 20% or more of the book value of the whole) of its revenues or assets.

(f) Execution: Any execution is levied against, or an encumbrancer takes possession of, or sells, the whole or any substantial part of the property, revenues, or assets of the Issuer or any Material Subsidiary.

(g) Authorization and Consents: Any action, condition, or matter (including obtaining or effecting any necessary consent, decree, approval, authorization, exemption, filing, license, order, recording, registration, or other authority) required at any time to be taken, fulfilled, or completed in order: (i) to enable the Issuer to lawfully enter into, exercise its substantial rights, and fulfill and comply with its payment obligations under the Bonds and the Agreement, its obligations under Condition 5 (Covenants), and its other significant obligations under the Bonds and the Agreement; (ii) to ensure the enforceability and legality of those obligations; and (iii) to admit the Bonds Prospectus and the Agreement as admissible evidence in the courts of Georgia, has not been taken, fulfilled, or completed; or

(h) Validity and Illegality: The Issuer contests the validity of the Bonds, Prospectus, or the Agreement, or denies any of its obligations under the Bonds, Prospectus, or the Agreement. Alternatively, it will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Bonds, Prospectus, or the Agreement, or any such obligations have become unenforceable or ceased to be legal, valid, and binding.

The Issuer has committed in the Agreement to promptly inform the Bondholders' Representative upon becoming aware of any Event of Default, or any event or circumstance that could become an Event of Default with the passage of time, the giving of notice, or the issuance of a certificate (a "Potential Event of Default").

Additionally, the Issuer has undertaken in the Agreement to provide the Bondholders' Representative with a certificate signed by its director (CEO) and its chief financial officer within 14 days after the issuance of its annual audited financial statements, within 14 days after each Interest Payment Date, and also within 14 days of any request by the Bondholders' Representative. This certificate will certify that, based on all reasonable inquiries made, to the best of the Issuer's knowledge, information, and belief as of the Certification Date (the date of signing the certificate), no Event of Default or Potential Event of Default has occurred since the Certification Date of the last such certificate (or since the date of the Agreement if no prior certificate exists). If an Event of Default or Potential Event of Default has occurred, the certificate will provide details of the event.

11. MEETINGS OF BONDHOLDERS, MODIFICATION AND WAIVER

(a) Meetings of Bondholders: The Agreement contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by the resolution passed at a meeting duly convened and held in accordance with this Prospectus and the Agreement by a majority of at least 75 per cent of the votes cast ("Extraordinary Resolution") for modifying of any of these Conditions or provisions of the Agreement. Such a meeting may be convened by Issuer or Bondholders holding at least 10 per cent of the principal amount of the Bonds for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing more than half of the aggregate principal amount of the Bonds for the time being outstanding, or at any Adjourned Meeting two or more persons being or representing more than 25% of the aggregate principal amount of the Bonds for the time being outstanding, or at any subsequent Adjourned Meeting, two or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented, unless the meeting's agenda includes, inter alia, the following proposals: (i) changing any fixed date for payment of principal or interest on the Bonds; (ii) altering the method of calculating the payments on the Bonds; (iii) changing the amount of principal and interest payable on the Bonds; (iv) approving the exchange or substitution of the Bonds for shares, bonds,

or other obligations or securities of the Issuer or any other entity; (v) changing the currency for Bond payments (except as required by law); (vi) modifying the quorum requirements for Bondholders' meetings or the majority needed to pass an Extraordinary Resolution; (vii) amending the governing law of the Agreement; or, (viii) without prejudice to the rights under Condition 12(b) (Modification and Waiver) below, changing the definition of "Events of Default" under these Conditions, in which case the necessary quorum will be two or more persons holding or representing not less than two-thirds, or at any Adjourned Meeting not less than one-third, of the principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not present at the meeting where such resolution was adopted).

A resolution in writing signed by or on behalf of the Bondholders holding 75% or more of the outstanding Bonds will be effective as if it were an Extraordinary Resolution. Such a written resolution may in one or multiple documents of the same form, each signed by one or more Bondholders or their representatives.

No business (other than the election of the Chairman) shall be transacted at any meeting unless a quorum is present at the time when the business for which the meeting is convened is commenced. If, within 15 minutes from the time appointed for the meeting, a quorum is not present, the meeting shall be dissolved if convened by the Bondholders or the Issuer and if the Bondholders' Representative so agrees.

Any question submitted to the meeting shall be decided on a show of hands unless a poll is (before or upon the declaration of the result of the show of hands) demanded by the Chairman, the Issuer, the Bondholders' Representative, or by one or more persons representing in aggregate at least 2 (two) percent of the Bonds. A declaration by the Chairman that a resolution has been carried or lost shall be conclusive evidence of that fact without proof of the number or proportion of votes recorded in favor of or against such resolution.

If a poll is duly demanded, the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded as of the date on which such meeting was held.

On a show of hands, every person present in person and duly recorded as a Bondholder or as an agent (being an individual or representative of a legal entity), or as a proxy, shall have one vote. On a poll, every such person shall have one vote for each US\$1,000 or EUR1,000 in principal amount of the Bonds held or represented by him/her (as the case may be). A person entitled to more than one vote need not use, or cast, all such votes in the same way.

In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman shall be entitled to a casting vote in addition to any other vote(s) he may have.

(b) Modification of the Agreement and Waiver: The Bondholders' Representative may, without the Bondholders' consent, agree with the Issuer to (i) any modification of these Conditions or any provisions of the Agreement that is formal, minor, or technical in nature or corrects a manifest error; and (ii) any other modification (except as excluded in the Prospectus and the Agreement or incapable of modification under applicable laws), and any waiver or authorization of a breach or proposed breach of these Conditions or any provisions thereof that, in the opinion of the Bondholders' Representative, is not materially prejudicial to the Bondholders' interests. Such modifications, authorizations, or waivers shall bind the Bondholders, and if required by the Bondholders' Representative, notice of such modification shall be promptly provided to the Bondholders in accordance with Condition 14.

(c) Entitlement of the Bondholders' Representative: In fulfilling its duties, the Bondholders' Representative shall consider the interests of the Bondholders as a whole class and shall not take into account the impact of its actions on individual Bondholders. The Bondholders' Representative shall not have the right to demand, nor shall any Bondholder

or Account Register have the right to claim, indemnification or payment from the Issuer for any tax consequences resulting from such actions affecting individual Bondholders.

- (d) For clarity, in case of any inconsistency between the terms of the Bondholders' Representative Agreement and this Prospectus, the terms of this Prospectus shall take precedence.

12. ENFORCEMENT

At any time after the Bonds become due and payable, the Bondholders' Representative may, at its discretion and without further notice, initiate such legal proceedings against the Issuer as it deems necessary to enforce the terms of the Agreement and the Bonds. However, it is not obligated to commence such proceedings unless (a) directed by an Extraordinary Resolution or requested in writing by Bondholders and/or Account Registers holding at least one-quarter of the outstanding principal amount of the Bonds, and (b) indemnified, pre-funded, or secured to its satisfaction. No Bondholder or Account Register may sue the Issuer directly unless the Bondholders' Representative, having a duty to proceed, fails to do so within a reasonable period and such failure persists. To clarify, any Bondholder and/or Account Register may initiate legal action in court (individually or jointly with other Bondholders and/or Account Registers) if (i) at least three months have elapsed since the Bonds' payment due date, (ii) the Issuer has not fully paid the amount due, and (iii) the Bondholders' Representative has not taken action for any reason whatsoever and (iv) in relation to this matter, a Extraordinary Resolution was adopted by the Bondholders.

13. INDEMNIFICATION OF THE BONDHOLDERS' REPRESENTATIVE

The Agreement includes provisions for indemnifying the Bondholders' Representative and releasing it from responsibility. The Bondholders' Representative may rely, without incurring liability to Bondholders or Account Registers, on a report, confirmation, certificate, or advice provided by accountants, financial advisers, financial institutions, or any other experts, regardless of whether it is addressed directly to the Bondholders' Representative. Such reliance may also apply even if the liability of these parties is limited (either by the terms of their report or certificate, by their engagement letter with the Bondholders' Representative, or by any other means) through a monetary cap, specific methodology, or otherwise.

14. NOTICES

The Issuer shall notify Bondholders either by publication (including, without limitation, on the Issuer's website) or by sending notices to the Account Register and/or the Depository of the Bonds at their respective email or physical mailing addresses specified in this Prospectus, or through the Bondholders' Representative.

If notice is provided by publication or by email, it shall be deemed duly given on the date of publication or transmission by email (or, if published or transmitted more than once, on the date of the first such publication or transmission). Notices sent by physical mail shall be deemed given on the 4th Business Day following the date of mailing.

Bondholders shall send notices to the Account Register and Depository of Bonds at the addresses specified in this Prospectus, unless duly notified otherwise in written by the Account Register of Bond(s) to the Bondholders.

For clarity, if a notice under this Condition is sent in material form to the appropriate address, it is deemed duly sent and does not require additional mailing. The Issuer will inform Account Registers of meetings of Bondholders and may publish notices through designated public sources such as the Legislative Herald of Georgia.

For the purpose of disclosing regulated information, any public source defined by law (<https://reportal.ge/>; <https://gse.ge/>; Legislative Herald of Georgia, Issuer's website) will be used to publish regulated information, this shall also include compliance with the obligations set forth under Article 9 of the "Rule on Transparency of Information about the Issuer and Appointment of a Securities Registrar for the Issuer" approved by Order No. 181/04 of the President of the National Bank of Georgia dated 7 October 2020 (the "Transparency Rule"):

- (a) Any amendments affecting the rights of public securities holders, including changes to terms that may indirectly impact those rights or arise from adjustments in loan terms and interest rates;
- (b) Details on interest rates applicable to loan securities, periodic payments, options for conversion/exchange, purchase or cancellation rights, and repayment terms;
- (c) Information necessary for the proper exercise of public securities holders' rights;
- (d) Specifics on the location, timing, agenda, and entitlement to participate in the Issuer's shareholders' meetings;
- (e) The Issuer intends to utilize the following platforms for disseminating various categories of regulated information. In the event of changes, Bondholders will be duly informed:
 - (i) Periodic financial statements: <https://reportal.ge/>;
 - (ii) Information concerning meetings, decisions, and similar matters: website of the National Agency of Public Registry or LEPL Matsne;
 - (iii) Other relevant updates or current reports mandated by transparency laws: Issuer's website or GSE.

15. DEFINITIONS

Unless the context requires otherwise, the terms used in these Conditions shall bear the following meanings:

"Account Register" refers to JSC "Galt & Taggart" or any other financial institution authorized under Georgian legislation to open and maintain securities account for clients;

"Adjourned Meeting" refers to a meeting of the Bondholders that resumes proceedings from a previous meeting where a quorum was not initially present for conducting business;

"Affiliate" of any specified Person means: (a) any other Person, directly or indirectly, controlling or controlled by, or under direct or indirect common control with such specified Person; or (b) any other Person who is a director or officer of such specified Person, of any Subsidiary of such specified Person, or of any other Person described in (a);

"Bondholder" / "Investor" means the holder of the Bonds;

"Business Day" means any day (other than a Saturday or Sunday) on which commercial banks settle payments and are open for general business (including in foreign exchange) in Tbilisi;

"Deferred Placement Date" has the meaning given to it in "Information regarding the Offering";

"Deferred Placement Price" has the meaning given to it in "Information regarding the Offering";

"Offering Completion Date" has the meaning given to it in "Information regarding the Offering";

"Fair Market Value" of a transaction means the value that would be obtained in an arm's-length commercial transaction between an informed and willing seller (under no undue pressure or compulsion to sell) and an informed and willing buyer (under no undue pressure or compulsion to buy). A report of the Independent Appraiser on the Fair Market Value of a transaction may be relied upon by the Bondholders' Representative without further inquiry or evidence;

"Group" means the Issuer and its Subsidiaries, from time to time, taken as a whole;

"Control", as used in this definition, means the power to direct the management and the policies of the Issuer, whether through the ownership of share capital, by contract or otherwise;

"IFRS" means International Financial Reporting Standards (formerly International Accounting Standards), issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (as amended, supplemented or re-issued from time to time);

"Fiscal Period" means any fiscal period for which the Issuer has produced consolidated financial statements in accordance with IFRS, which have either been audited or reviewed by the Auditors;

"Indebtedness" means, with respect to any Person at any date of determination (without duplication):

- (a) all indebtedness of such Person for borrowed money;
- (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (c) all obligations of such Person in respect of letters of credit or other similar instruments (including reimbursement obligations with respect thereto), excluding any letters of credit, guarantees, or other similar instruments issued in the ordinary course of its business;
- (d) all obligations of such Person to pay the deferred and unpaid purchase price of property, assets or services;
- (e) all indebtedness of other Persons secured by Security Interests granted by such Person on any asset (the value of which, for these purposes, shall be determined by reference to the balance sheet value of such asset in respect of the latest annual financial statements (calculated in accordance with IFRS) of the Person granting the Security Interest) of such Person, whether or not such indebtedness is assumed by such Person;
- (f) all indebtedness of other Persons guaranteed or indemnified by such Person, to the extent such indebtedness is guaranteed or indemnified by such Person (including guarantee obligations);
- (g) any amount raised pursuant to any issue of securities which is expressed to be redeemable;
- (h) net obligations under any currency or interest rate hedging agreements; and
- (i) any amount raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the economic or commercial effect of a borrowing,

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, and with respect to contingent obligations, as described above, the maximum liability which would arise upon the occurrence of the contingency giving rise to the obligation.

"Consolidated EBITDA" means, for any period, Consolidated Net Income for such period, plus (in each case to the extent deducted in the calculation of such Consolidated Net Income and without duplication):

- (a) Consolidated Interest Expense;
- (b) Consolidated Income Taxes;
- (c) Consolidated Depreciation Expense;
- (d) Consolidated Amortization Expense;
- (e) consolidated foreign exchange gains and losses; and
- (f) other non-cash charges, write-offs, or items reducing Consolidated Net Income, including, without limitation, goodwill write-offs, losses on sales of equipment or other asset disposals, asset impairment reserves or reversals thereof, inventory write-downs, and any items classified by the Issuer as special, extraordinary, exceptional, unusual, or non-recurring, minus any non-cash income items increasing Consolidated Net Income (other than non-cash items that will result in cash receipts in future periods), in each case, determined on a consolidated basis for such period in accordance with IFRS. For the avoidance of doubt, Consolidated EBITDA shall be calculated before Consolidated Interest Expense and Consolidated Interest Income, Consolidated Income Taxes, Consolidated Depreciation and Amortization, and any other non-operating income or expense.

"Independent Appraiser" means an audit firm or third-party expert in the matter to be determined selected by the Issuer and approved by the Bondholders' Representative, provided that such firm or third party appraiser is not an Affiliate of the Issuer;

"Issue Date" means the date when the Bonds are issued and placed, as indicated in "Overview of the Offering";

"Material Subsidiary" means any Subsidiary of the Issuer that meets one or more of the following criteria:

- (a) For the most recent IFRS Fiscal Period, it accounted for more than 5% of the consolidated revenues of the Group or, as of the end of the most recent IFRS Fiscal Period, it owned more than 5% of the total consolidated assets of the Group, as determined by reference to the consolidated financial statements of the Issuer prepared in accordance with IFRS at the end of that fiscal period; or
- (b) It received substantially all of the assets and undertakings of a Subsidiary of the Issuer that immediately before such transfer was itself a Material Subsidiary (effective from the date of such transaction).

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, trust institution, organization, government authority, or any other entity, whether or not having separate legal personality;

"Repo" means securities repurchase or resale agreement or reverse repurchase or resale agreement, a securities lending or rental agreement, or any agreement relating to securities which is similar in effect to any of the foregoing;

"Restricted Payment" has the meaning given to it in Condition 5(g);

"Securities Law" means the Law of Georgia on Securities Market, adopted on 24 December 1998, as amended from time to time;

"Security Interest" means any mortgage, pledge, encumbrance, lien, charge or other security interest (including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction);

"Subsidiary" means, in relation to any Person (the "first Person") at a given time, any other Person (the "second Person") (a) whose affairs and policies the first Person directly or indirectly controls or (b) as to whom the first Person owns directly or indirectly more than 50 percent of the capital, voting share or other right of ownership;

"Tax" means any tax, levy, duty, impost or other charge or withholding of a similar nature, no matter where arising (including interest and penalties thereon and additions thereto) and no matter how levied or determined;

"Signing Investors" – means potential investors whose applications (including as amended in respect of quantity) have been accepted;

"Offering Period" – has the meaning given to it in "Information regarding the Offering";

"Terms and Conditions of the Bonds" or "Conditions" – means the terms of the Bonds and the rights of Bondholders as set out in the Prospectus, including these Terms and Conditions of the Bonds;

"Bondholders' Representative" – refers to "Nodia, Urumashvili & Partners LLC";

"Agreement" – means the agreement between the Issuer and the Bondholders' Representative relating to the Terms and Conditions of the Bonds;

"Covenants" – means the covenants set forth in Clause 5 of the Terms and Conditions of the Bonds and Clause 6 of the Agreement;

"Calculation and Settlement Agent" – refers to JSC "Galt & Taggart";

"Calculation and Settlement Agent Service Agreement" – means the agreement entered into between the Issuer and the Calculation and Settlement Agent regarding the provision of Calculation and Settlement Agent services.

"Sophisticated (experienced) Investor" – a person who has been granted the status of a sophisticated investor in accordance with the Rule on Recognition of a Person as a Sophisticated Investor, approved by the Order No. 223/04 of the President of the National Bank of Georgia dated 16 December 2020.

16. Severability

The invalidity or unenforceability of any provision of these Terms shall not affect the validity or enforceability of the other provisions hereof. If the scope of any provision of these Terms is found to be excessively broad so as to render it unenforceable, such provision shall be enforced to the maximum extent and within the limits permitted by applicable law.

17. GOVERNING LAW AND JURISDICTION

- (a) **Governing Law:** The Prospectus and the Bonds, together with any non-contractual obligations arising from or related to them, shall be governed by and construed in accordance with the laws of Georgia;
- (b) **Jurisdiction:** The courts of Georgia shall have exclusive jurisdiction over any disputes arising out of or in connection with the Prospectus or the Bonds (including claims, disputes, or differences concerning their issuance, existence, termination, or validity, or any non-contractual obligations arising from or related to the Prospectus or the Bonds).

Taxation of Bonds in Georgia

The following is a general description of certain material Georgian tax considerations relating to the Bonds. It is not intended to provide a comprehensive analysis of all tax considerations relating to the Bonds. Prospective purchasers of the Bonds should seek advice from their own tax advisers regarding the acquisition, holding, and disposal of the Bonds, as well as the receipt of payments of interest, principal, and/or other amounts under the Bonds, and the tax implications thereof. This summary is based on the law as it stands on the date of this Prospectus and is subject to any changes in the law that may occur thereafter. The information and analysis provided in this section are specifically focused on taxation issues, and prospective investors should not apply any of the information or analysis provided below to other areas, including (but not limited to) the legality of transactions involving the Bonds.

Withholding Tax on Interest

According to the Tax Code of Georgia, interest paid to Bondholders (resident and nonresident individuals and nonresident legal persons) will be subject to a withholding tax at the source of payment at a rate of 5% (five percent). Furthermore, such interest taxed at source shall not be included in the gross income of a recipient who is a resident individual.

Payments of interest on the Bonds will be exempt from withholding tax at the source, and these payments will not be considered gross income of the Bondholder if the Bonds are issued by a resident legal entity through a public offering before 1 January 2026 and are listed on an organized market recognized by the National Bank of Georgia (GSE categories A and B).

Interest accrued on the Bonds is exempt from withholding income tax at the source and shall not be considered gross income of the Bondholder if the Bonds are issued by a resident of Georgia and traded on a recognized foreign stock exchange.

Interest paid to Bondholders registered in countries with preferential taxation systems recognized as offshore jurisdictions by the Government of Georgia will be subject to taxation at a rate of 15%.

The applicability of Georgian withholding tax on interest may be influenced by a double tax treaty between Georgia and the country where the non-resident Bondholder resides.

Taxation of Bond Alienation

Revenue received by a resident legal entity from Bonds issued through a public offering in Georgia and allowed to trade on an organized market recognized by the National Bank of Georgia is exempt from taxation for both resident and non-resident individuals and legal entities.

If the exemption mentioned above does not apply, the following tax liabilities may arise:

Taxation of profits from the sale of Bonds by Non-Resident Legal Entity Bondholders:

Profit earned by non-resident legal entities (taxable as the difference between initial and sale prices) will be subject to a 15 percent tax rate. If the sale results in a taxable gain, the non-resident entity selling the Bonds is required to accurately report and pay the profit tax to Georgian tax authorities. Alternatively, if the sale is facilitated through a Georgian brokerage company, that brokerage company is responsible for withholding the applicable tax. The applicability of Georgian profit tax may be influenced by a double tax treaty between Georgia and the country where the selling entity is resident.

Taxation of profit from sale of Bonds by Non-Resident Individual Bondholders:

Profit earned by non-resident individuals (taxable as the difference between initial and sale prices) will be subject to a 20 percent tax rate. If the sale results in a taxable gain, the non-resident individual selling the Bonds is required to accurately report and pay the profit tax to Georgian tax authorities. Alternatively, if the sale is facilitated through a Georgian brokerage company, that brokerage company is responsible for withholding the applicable tax. The applicability of Georgian profit tax may be influenced by a double tax treaty between Georgia and the country where the selling individual is resident.

Certain individual Bondholders may qualify for exemptions if they hold the Bonds for more than two calendar years and do not utilize them in economic activities.

Taxation of profit from sale of Bonds by Resident Legal Entity Bondholders:

The surplus income received by a resident legal entity in Georgia (the difference between the initial purchase price and the sale price of Bonds) is subject to taxation at a rate of 15% as per the legislation of Georgia when the profit is distributed.

Taxation of profit from sale of Bonds by Resident Individual Bondholders:

Income from resident individuals (taxable object - difference between initial purchase and sale prices of Bonds) will be subject to a 20 percent tax rate. If the sale is conducted through a Georgian brokerage company, that brokerage company is responsible for withholding the applicable tax.

Certain individual Bondholders may qualify for exemptions if they hold the Bonds for more than two calendar years and do not utilize them in economic activities.

Tax on Payment of Principal

The principal amount received by the Bondholders upon redemption of the Bonds shall not be considered taxable income and therefore shall not be subject to taxation in Georgia, provided that the redemption price at maturity does not exceed the original issue price.

Value Added Tax

Sales (supply) of the Bonds are exempt from Value Added Tax in Georgia.