

**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, the Georgian version shall prevail.**

**Limited Liability Company**

**IG Development Georgia**

**(Identification Number: 404851503)**

**Preliminary Term Sheet of the Offering**

The Preliminary Term Sheet of offering establishes the terms of the offering based on the information available as of the date of its registration and constitutes the terms and conditions of the bond offering.

This document sets forth the terms of the offering of up to USD 25,000,000 (Twenty-five million) in total nominal value of unsubordinated, unsecured, dematerialized green bonds (the “**Bonds**”), callable by the issuer, bearing a fixed interest rate (the “**Coupon**” or “**Interest**”), and the rights defined in accordance with the “Terms and Conditions of the Bonds”. The Bonds will mature 24 months after issuance. The Final Term Sheet shall be submitted to the National Bank of Georgia within ten (10) business days from the date of the approval of the Prospectus.

<b>Name of the Security</b>	Unsubordinated, Unsecured Green Bonds (the “ <b>Bonds</b> ”) of IG Development LLC (the “ <b>Issuer</b> ”, the “ <b>Company</b> ”)
<b>Name, Legal Form, Identification Number and Contact Information of the Issuer</b>	IG Development LLC (Identification Number: 404851503) Address: Georgia, Tbilisi, Vazha-Pshavela Avenue N70 Email: <a href="mailto:info@igdevelopment.ge">info@igdevelopment.ge</a> Website: <a href="http://www.igdevelopment.ge">www.igdevelopment.ge</a> Phone: (+995 32) 2 20 00 10
<b>Name and Contact Information of Placement Agent</b>	JSC Galt & Taggart (Identification Number: 211359206) Address: Georgia, Tbilisi 0179, 3 Pushkin Street Email: <a href="mailto:st@gt.ge">st@gt.ge</a> Website: <a href="https://galtandtaggart.com/en">https://galtandtaggart.com/en</a> Phone: (+995 32) 2 44 01 11
<b>Name and Contact Information of the Prospectus Approval Authority</b>	National Bank of Georgia Address: 1 Zviad Gamsakhurdia Embankment, 0114 Tbilisi, Georgia Email: <a href="mailto:info@nbg.gov.ge">info@nbg.gov.ge</a> Website: <a href="http://www.nbg.gov.ge">www.nbg.gov.ge</a> Phone: (+995 32) 2 40 64 06 Fax: (+995 32) 2 40 65 77
<b>Date of Prospectus Approval</b>	
<b>Expiration date of Prospectus</b>	According to the legislation, 12 months from the approval of the preliminary prospectus

**The approval of the Prospectus by the National Bank of Georgia pertains solely to the form of the Prospectus and shall not be construed as an endorsement of the accuracy of its content or the value of the investments described therein.**

**Person Responsible for Preparing the Document:**

IG Development LLC (Identification Number: 404851503)

*Please refer to the original, Georgian version of the document for relevant signatures & approvals*

**Signed on behalf of IG Development LLC:**

**Signatory:**

Full Name: Mindia Sabanadze

Position: Chairman of the Supervisory Board

Signature:

Date:

**Signatory:**

Full Name: Levan Meskheli

Position: Director

Signature:

Date:

**Signatory:**

Full Name: Lasha Kakhishvili

Position: Financial Director

Signature:

Date:

**Signed on behalf of JSC Galt & Taggart:**

**Signatory:**

Full Name: Ketevan Toidze

Position: Deputy Director

Signature:

Date:

## Information about the Bonds

### Primary characteristics of the Bonds

<b>Coupon (Interest) Rate</b>	<p>The interest on the Bonds shall accrue on the nominal value at a rate of 7.50-8.00% per annum.</p> <p>The final coupon rate shall be determined through the Book-building process, based on the demand expressed for the Bonds.</p>
<b>Principal Repayment Terms</b>	The principal amount of the Bonds shall be repaid in full on the Maturity Date.
<b>Interest Accrual and Payment</b>	Interest shall accrue on the Bonds from the Issue Date until the Maturity Date at the rate specified above. It will be calculated on a 365-day year basis. Interest shall be paid semi-annually on June [12] and December [12]. The first interest payment date shall be June [12], 2026.
<b>Currency of the Bonds</b>	The Bonds are denominated in USD.
<b>Rights and Restrictions Related to the Bonds</b>	Except as otherwise provided in the Terms and Conditions of the Bonds/Terms of the Bonds, the Prospectus does not specify any special rights or restrictions related to the Bonds.
<b>Transferability Restrictions</b>	No restrictions apply to the transferability of the Bonds.
<b>Issuer/Bond Credit Rating</b>	The Issuer has not obtained a credit rating.
<b>Maturity Date</b>	The Bonds shall be redeemed on December [12], 2027 by payment of the outstanding principal and any accrued but unpaid interest.
<b>Central Securities Depository Contact Information</b>	<p>JSC Georgian Central Securities Depository (ID: 204935400)            71 Vazha-Pshavela Ave., Block 10, 7th Floor, Office #7, Saburtalo District, Tbilisi, Georgia            Tel: +995 32 250 02 11            Email: <a href="mailto:info@gcsd.ge">info@gcsd.ge</a></p>
<b>Admission for Trade</b>	<p>Following placement, the Issuer intends to apply for the admission of the Bonds for trading and listing on the Georgian Stock Exchange or Tbilisi Stock Exchange.</p> <p>The Issuer meets the requirements for listing and trading under applicable stock exchange regulations.</p> <p>Georgian Stock Exchange listing rules are available at:  <a href="#">GSE   Listing Rules</a>.</p> <p>Tbilisi Stock Exchange listing rules are available at:  <a href="#">TSE   Listing Rules</a>.</p>
<b>Bond Class and Status</b>	The Green Bonds constitute the Company's direct, unsecured, and unsubordinated obligations. All Bonds shall rank equally and <i>pari passu</i> in all respects.
<b>Dividend Policy</b>	For details on the Company's dividend policy, please refer to the section titled " <b>Dividend Policy</b> " in the Prospectus.

### Information regarding the Offering

<b>Offering</b>	Up to USD 25,000,000 total nominal value debt securities (Bonds) with a maturity date on December [12], 2027.
<b>Minimum Placement Volume</b>	1 Bond.
<b>Instrument</b>	Coupon Bond
<b>Bond Nominal Value</b>	1,000 (one thousand) USD
<b>Number of Bonds</b>	Up to 25,000 (twenty-five thousand) units.
<b>Total Nominal Value of the Offering</b>	Up to USD 15,000,000 (twenty-five million).
<b>Issue Price of Bonds</b>	100% of the Bond's nominal value.
<b>Issue Date of Bonds</b>	The Bonds will be issued on December [12], 2025.
<b>Resolutions Approving the Issue</b>	Decision of the Supervisory Board dated 27 November 2025.
<b>Deferred Placement Date</b>	Any date from the Bond's issue date to the end of the offering period, when Bonds are placed at the deferred placement price.
<b>Deferred Placement Price</b>	The nominal value of the Bonds plus accrued interest from the issue date to the deferred placement date.
<b>Redemption Option</b>	In cases defined in accordance with the "Terms and Conditions of the Bonds", the Bonds are subject to a redemption option, as specified in subsection 6 of the "Terms and Conditions of the Bonds" ("Redemption and Purchase of the Bonds").
<b>Offering Period</b>	The time period from the approval date of the Final Term Sheet until the end of the offering period, during which the Bonds may be purchased.
<b>End Date of the Offering</b>	The offering shall end on the earliest of the following: a) expiration of the Prospectus validity period; b) full placement of the publicly offered securities; c) termination of the public offering.

<b>Bond Maturity Date</b>	The principal amount of the Bonds, together with any accrued and unpaid interest (if any), shall be repaid on or about December [12], 2027.
<b>Currency of the Bonds</b>	The Bonds are denominated in USD.
<b>Ranking of Securities in Case of Insolvency/Bankruptcy</b>	<p>In the event of bankruptcy, holders of the securities shall be treated as unsecured creditors. The ranking of claims is determined in accordance with the Law of Georgia on Rehabilitation and Collective Satisfaction of Creditors and is as follows:</p> <ul style="list-style-type: none"> <li>a) Expenses related to the bankruptcy proceedings (including costs incurred under Chapter V of the Civil Procedure Code of Georgia; remuneration of the insolvency manager; and case-related expenses, including costs arising from employment relations during the bankruptcy proceedings, asset management expenses, and fees for professional services procured by decision of the insolvency manager);</li> <li>b) Claims arising after the court issues an order admitting the insolvency application and opening the bankruptcy proceedings, including tax liabilities incurred after the initiation of the bankruptcy case;</li> <li>c) Preferential claims;</li> <li>d) Preferential tax claims;</li> <li>e) unsecured claims, including the amount of taxes incurred prior to the decision on the admissibility of the application for insolvency, which are not covered by other subparagraphs of Article 104 (1) of the Law on Rehabilitation and Collective Satisfaction of Creditors – claims of the Bondholders fall in this category.</li> </ul> <p>For more information, please refer to the subsection <b>“Risks Related to the offered securities”</b> in this Prospectus.</p>
<b>Calculation and Paying Agent</b>	JSC Galt & Taggart (Identification Number: 211359206).
<b>Default</b>	<p>If an “Event of Default” occurs, the bondholders may, under the terms set out in the Prospectus, declare their outstanding claims immediately due and demand from the “Issuer” the prompt redemption of the “Bonds” and payment of 100 percent of the principal amount (nominal value) together with any accrued interest (if applicable). For further details, see the section “Terms and Conditions of the Bonds”, subsection 9 “Events of Default” in the Prospectus.</p>

<b>Use of Proceeds and Reasons for the Offering</b>	The net proceeds from the issuance of the Bonds will be used for the refinancing of bonds and for capital expenditures. For detailed information, please refer to the subsection “Reasons for the Offer and Use of Proceeds.”
<b>Net Proceeds</b>	In case of full placement of the issued Bonds, the net proceeds from the Bonds will not be less than 98% of the total nominal value of the issued Bonds.
<b>Restrictions on Sale and Transfer</b>	The Bonds will be offered only within the jurisdiction of Georgia, in accordance with the legislation of Georgia.
<b>Governing Law</b>	Legislation of Georgia
<b>Jurisdiction</b>	Any dispute arising out of or relating to the Prospectus shall be referred to and settled by the courts of Georgia according to the procedures outlined in the Prospectus.
<b>Key Terms of the Bond Placement Agreement/Placement Agreement</b>	The agreement obliges the Placement Agent to provide underwriting of the Bonds solely on a non-guaranteed basis. It is the duty of the Placement Agent to assist the Issuer in preparing the documents necessary for the placement of the Bonds (including the Prospectus), to act as a placement agent and consult the Company regarding the issue, sale and settlement of the Bonds.
<b>Placement Commission</b>	The placement fee does not exceed [2.0]% of the placed Bonds. The fee is fully covered by the Issuer and no costs related to the placement will be charged to investors.

#### **Potential Taxes Imposed on Investors**

All expenses related to the placement of the Bonds shall be fully borne by the Issuer, and investors shall not incur any additional costs associated with the placement of the Bonds within the scope of the Offer.

#### **Conflicts of Interest Related to the Offer**

There is no conflict of interest between the Company, the Placement Agent, the Calculation and Paying Agent (as well as its related bank) and the Depository, the parties are not related and/or affiliated companies.

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*

IG Development Georgia

(Identification number: 404851503)

**Translation of the approved Bond Prospectus**

Bonds with an aggregate nominal value of up to 82,000,000 (Eighty-two million) U.S. dollars equivalent, shall be issued as direct, unsubordinated, fixed-rate coupon bonds in two or more separate issuances. For each issuance (the date of the initial issuance shall be specified in the Final Term Sheet for the respective bonds, while the anticipated dates of subsequent issuances shall be set out in the respective Offering Documents), the nominal value of each bond at issuance shall be 1,000 (one thousand) units in the respective currency. The currency for each issuance shall be determined in the respective term sheet and may be either Euro or U.S. Dollar. For each issuance, the offering price per bond shall be 100% (one hundred percent) of its nominal value. The detailed terms of each issuance — including the aggregate issuance volume, denomination, interest payment frequency, exact issue date, maturity period, and annual coupon rate — shall be determined in accordance with this Prospectus and the relevant Final Term Sheet. The frequency of coupon payments shall be one of the following: monthly; quarterly; semi-annually. The maturity of the bonds shall be one of the following: 1 year, 2 years, 3 years, 4 years, or 5 years. The final coupon rate to be applied to the nominal value of the bonds shall be determined during the offering process based on the volume and terms of investor demand (Book-building). The final coupon rate must fall within the range specified in the Preliminary Term Sheet (which is made available to prospective investors during the offering process). Within each public offering, it is prohibited to commence the Book-building process prior to submitting the Preliminary Term Sheet to the National Bank of Georgia and making such document publicly available. Furthermore, determination of the final coupon rate within the bounds set by the Preliminary Term Sheet does not constitute a material change and only requires reflection in the Final Term Sheet/Prospectus.

The green bonds constitute unsecured and unsubordinated obligations of the Company.

IG Development Georgia LLC (the “Company” or the “Issuer”) is responsible for the information contained in this Prospectus. To the best of the Company’s knowledge (having exercised all reasonable efforts to verify the accuracy of the information), the data provided in this Prospectus are based on facts and do not omit any information that could materially affect the reliability or completeness of the disclosed information. Furthermore, all material facts known to the Company have been included in this Prospectus, and no information has been omitted that would impact its contents.

**The approval of this Prospectus by the National Bank of Georgia (the “NBG”) pertains solely to the form of the document and shall not be construed as an endorsement of the accuracy of its contents or of the value of the investments described herein.**

**Persons responsible for preparation of the document**

IG Development LLC (Identification Number: 404851503)

The responsible person declares that:

*“The information presented in the issuance prospectus includes all material facts known to them, and no information has been omitted that would affect the content of the prospectus.”*

Please refer to the original, Georgian version of the document for relevant signatures & approvals|Signed on behalf of IG Development Georgia LLC:

**Signatory:**

Name: Mindia Sabanadze

Position: Chairman of the Supervisory Board

Signature:

Date:

**Signatory:**

Name: Levan Meskheli

Position: Director

Signature:

Date:

**Signatory:**

Name: Lasha Kakhishvili

Position: CFO

Signature:

Date:

Signed on behalf of JSC Galt and Taggart:

**Signatory:**

Name: Ketevan Toidze

Position: Deputy Director

Signature:

Date:

### **Important Information for the Investors:**

**Potential investor must read the following disclaimer before continuing.** The disclaimer applies to the attached Prospectus (hereinafter - the "Prospectus") and potential investor is therefore advised to read this carefully. By accessing and using the Prospectus (including for investment purposes), an investor agrees to be bound by the following terms and conditions (as amended from time to time).

### **Body responsible for approving the Prospectus:**

National Bank of Georgia – address: 0114, Zviad Gamsakhurdia Coastal #1 Tbilisi, Georgia. Telephone: 2 406 406. Email: [info@nbg.gov.ge](mailto:info@nbg.gov.ge). Website: [www.nbg.gov.ge](http://www.nbg.gov.ge)

### **Limitation of liability:**

Furthermore, except for cases expressly provided for by applicable law, no person, including an authorized representative of the Issuer, CFO, member of the Supervisory Board, head of the Supervisory Board, the Placement Agent, the Calculation and Paying Agent, „the 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 the issue and offering of the securities described herein. 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 Paying Agent are acting exclusively for the Issuer and no one else in connection with the offering. They will not regard any other person (whether or not 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 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 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 JSC Galt& Taggart (ID No. 211359206), address: 3, Pushkin street, Tbilisi 0105, Georgia, tel.: (995 32) 2444-132 (995 32) 24401-111; Email: [st@gt.ge](mailto:st@gt.ge) (hereinafter referred to as the "**Placement Agent**") and IG Development Georgia LLC (hereinafter referred to as the "**Company**" or the "**Issuer**") that the investor (i) is located outside the United States of America and is not a US person (as defined in Regulation S under the United States Securities Act of 1933), and (ii) is outside the United Kingdom and European Economic Area, or/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.

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 the Prospectus, the investor consents to receiving it in electronic form.

For the avoidance of any doubts, the approved Prospectus published/made publicly available by the 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 Agent.

**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 the Prospectus

### Introduction

Name of the security	Unsubordinated, Unsecured Green Bonds (the “Bonds”) of IG Development LLC (the “Issuer”, the “Company”)
Name, legal form, identification number and contact details of the issuer	Limited liability company IG Development Georgia (Identification number: 404851503) Address: 70, Vazha-Pshavela avenue, Tbilisi, Georgia. Phone: (995 32) 2 20 00 10 . Email: <a href="mailto:info@igdevelopment.ge">info@igdevelopment.ge</a> . Website: <a href="http://www.igdevelopment.ge">www.igdevelopment.ge</a>
Name and contact details of a placement agent/a person carrying out the offering	JSC Galt and Taggart (Identification Number: 211359206 Address: 3, Pushkini street, Tbilisi 0105, Georgia Phone: (995 32) 2444-132 (995 32) 24401-111; Email: <a href="mailto:st@gt.ge">st@gt.ge</a> Website: <a href="https://www.galtandtaggart.com/en">https://www.galtandtaggart.com/en</a>
Name and contact details of the body responsible for approving the Prospectus	National Bank of Georgia Address: 1, Zviad Gamsakhurdia Coastal, 0114, Tbilisi, Georgia. Telephone: 2 406 406. Email: <a href="mailto:info@nbg.gov.ge">info@nbg.gov.ge</a> . Website: <a href="http://www.nbg.gov.ge">www.nbg.gov.ge</a>
Date of approval of the Prospectus	[●]
Validity period of prospectus	12 months from the approval of the preliminary prospectus

### Important information:

General overview is the integral part of the 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.

The Issuer may become liable if the information represented in the General Overview 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 with regard to the Bonds.

**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 Agent 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. fixing the interest rate, correction of technical deficiency, clarification of the issue size, 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 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 not contained in this Prospectus and any information or representation not so contained 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 affairs of the Company since the date hereof.

This Prospectus should not be construed as legal, investment, business or tax advice. When making an investment decision, all investors should consult with 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.

### ***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 merits and risks involved. See the section "Risk Factors". Each potential investor must determine the suitability of an investment in the Bonds in light of such investor's own circumstances. The issue provided for by the Prospectus is public. Besides, all potential investors should:

- i. Have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Prospectus or any applicable supplement;
- ii. Have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on 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 for principal and interest payments (EUR or USD) 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 alone or with the help 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 liability.

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."

## Key information about the Issuer

The issuer is **IG Development Georgia LLC**. Address: Georgia, Tbilisi, Vake District, Vazha Pshavela avenue N70. Country of registration: Georgia. Governing legislation: legislation of Georgia.

The company was founded in 2010 by the US registered company IG international LLC (090819150).

The Company currently (as of June 30, 2025) employs up to 170 people. The Company primarily serves small, medium, and large retailers, offering products tailored to a variety of customer needs.

IG Development Georgia LLC leases retail and office spaces across four key locations in the capital: City Mall Kavtaradze, City Mall Vazha-Pshavela, City Mall Gldani, and City Tower. At the first three locations retail spaces are being rented, while in the City Tower office spaces are being offered for rent. The Company provides rental spaces of various sizes, including kiosks and counters, to accommodate different business requirements.

Below is the list of investment properties owned by the Company, categorized by location and net leasable area (NLA):

Name of the property	Address	GLA (Gross Leasable Area, sq.m.)	Date of commencement of the operation
City Mall Kavtaradze	1, P. Kavtaradze st., Tbilisi	9,492	March, 2012
City Mall Gldani	27, Ilia Vekua st., Tbilisi	17,412	September, 2016
City Mall Vazha-Pshavela	1, P. Kavtaradze st., Tbilisi	46,400	October, 2019
City Tower, Vazha-Pshavela	70, Vazha-Pshavela ave., Tbilisi	6,500	November, 2020

Occupancy of the investment property of the Company for the respective periods is as follows:

Sq.m., %	30-Jun-2025	30-Jun-2024	31-Dec-2024	31-Dec-2023
City Mall Vazha-Pshavela	46,400 (100%)	46,400 (100%)	46,400 (100%)	46,400 (99%)
City Mall Gldani	17,412 (100%)	17,412 (100%)	17,412 (100%)*	21,472 (100%)
City Mall Kavtaradze	9,492 (100%)	9,492 (100%)	9,492 (100%)	9,492 (99%)
City Tower	6,500 (71%)	6,500 (80%)	6,500 (80%)	6,500 (91%)
<b>Total</b>	<b>79,804 (98%)</b>	<b>79,804 (98%)</b>	<b>79,804 (98%)</b>	<b>83,864 (99%)</b>

\* Due to ongoing construction works on the premises of “City Mall Gldani” since 2024, one unit has been temporarily closed, which has resulted in a short-term reduction in net leasable area. It should be noted, however, that the temporary decline in revenue from this single unit has not had a material impact on the Issuer’s overall revenue performance.

## Brief Information about the Sector

### Tbilisi Retail real estate

Purchasing power of the population increased notably in recent years, which gradually shifted consumer preferences from open and unorganized to well-organized, modern retail malls. GDP per capita increased from GEL 9,274 to GEL 24,872 over 2015-2024. Wholesale and retail trade remained a major contributor to Georgia's economy, generating GEL 12.2bn, which accounts for c. 15% of total GDP, the highest among individual sectors. This underscores the sector’s strategic importance and its direct influence on retail real estate dynamics.

The retail trade sector has demonstrated sustained expansion between 2018-24, underscoring its central role in Georgia’s service-driven economy. Turnover rose from GEL 10.6 billion in 2018 to GEL 22.8 billion in 2024.

Tourism is also an important driver of Tbilisi's retail economy, fueling demand for shopping centers and high street retail through increased footfall and spending. Tourist shopping expenditure has almost tripled, reaching GEL 2.9 billion.

Tbilisi retail space is still dominated by open air markets and bazaars. As of end-2024, Tbilisi's retail real estate comprised of bazaars (49% of total stock), modern shopping malls (25%), specialized centers (15%) and high street retail (11%). However, growth in retail real estate is mainly driven by expansion of modern shopping malls. Considering pipeline projects, this trend is expected to continue in medium-term.

### **Tbilisi office real estate**

Tbilisi serves as the primary focus of the office real estate market, given its dominant role in national economic activity. 80% of the country's business sector turnover is generated in the capital, resulting in the overwhelming concentration of office real estate developments within the city. The steadily growing number of active enterprises further reinforces demand for office space, reflecting the city's central role in the country's economic landscape.

Tbilisi's stock of leasable business centers (BC) space has demonstrated a slow upward trajectory over the past decade, expanding from c. 178,000 sq.m. in 2014 to 339,000 sq.m. in 2024. This reflects a 90% cumulative increase, underpinned by rising demand for modern-quality office space and the city's role as the country's primary business hub. The upward trend is expected to continue, with approximately 136,000 sq.m. of additional office space projected to be delivered over the next five years.

Tbilisi does not have a clearly defined central business district. The office space supply is scattered across three central districts - Saburtalo, Vake, and Mtatsminda, which collectively comprise approximately 85% of the total volume of business centers. As a result, rental rates for business centers are determined more by the quality of the buildings than by their location.

Weighted average rents for business centers in Tbilisi have shown a steady upward trend across all classes from 2017 to 2025. During the mentioned period - high-class rents remained the highest, increasing moderately from \$27.0 to \$27.6 per sq.m/month, reflecting sustained demand for premium office space. Mid-range rents increased from \$14.5 to \$16.6 per sq.m/month, indicating a steadily growing interest in mid-tier offices, mainly from local companies. Rents for budget business centers, which initially started at \$6.7, also rose, reaching \$10.1 per sq.m/month. Overall, the trend illustrates rental growth across all segments.

The tenant mix in Tbilisi's business centers shows that the largest portion of occupied office space is held by financial institutions, including banks, insurance and investment firms. Professional services make up the second-largest share, followed by IT & BPO companies, which were the primary demand drivers in recent years. These top sectors reflect a market dominated by finance and knowledge-based industries with stable, long-term office needs. Therefore, future demand will largely depend on Georgia's ability to attract more IT and outsourcing companies, which are expected to remain the primary drivers of office market growth.

## **Company Shareholders and Ultimate Beneficiaries**

The 100% shareholder of the Company is IG International LLC (090819150), a company registered in the United States, whose beneficial owner is individual Mindia Sabanadze (P/N: 01023002458).

The Issuer's subsidiary is "Grato City Center" LLC, which is wholly owned (100%) by the Issuer.

The legal structure of the Issuer's group as of the date of this Prospectus can be found in the "Organizational Structure" subsection of the Registration Document.

## **Directors of the Issuer**

Levan Meskheli – Director

Lasha Kakhishvili – Chief Financial Officer

*For the detailed information on the Issuer's corporate governance arrangement, please refer to the Registration Document subsection Governing Body and Management.*

## **Auditors of the Issuer and third parties or experts involved in the preparation of the Prospectus**

**Financial auditor of the Issuer:** financial auditor of the Issuer is LLC "Deloitte and Touche". Identification Code: 204422240. Address: Georgia, Tbilisi, Saburtalo District, Vazha-Pshavela Ave., N 70, City Tower Business Center, 17th Floor.

The company changed its financial auditor in 2023. Up to and including 2022, the company's auditor was LLC "PricewaterhouseCoopers Georgia" (Identification code: 405220611). Address: 12, Merab Aleksidze st., Tbilisi, Georgia (Academic City), Block B, Hotel Apartment, apt. 41. Email: [ge\\_office@pwc.com](mailto:ge_office@pwc.com)

**Depository of the Issuer:** Georgian Central Securities Depository JSC (I/N: 204935400); Tel.: (+995 32) 2 50 02 11; Address: Block 10, N71 Vazha-Pshavela Avenue, Saburtalo District, Tbilisi, Georgia;

## **Individuals and legal entities involved in the Offering:**

**Placement, Calculation and Paying Agent:** JSC Galt and Taggart (ID No. 211359206), registration country: Georgia; governing law: Georgian law; address: 3, Pushkin street, Tbilisi 0108, Georgia, tel.: (995 32) 2444-132 (995 32) 24401-111; Email: [st@gt.ge](mailto:st@gt.ge)

The Company has entered into the contract with the Placement, Calculation and Paying Agent - JSC Galt and Taggart. The contract obliges JSC Galt and Taggart to provide underwriting of bonds only on a non-guaranteed basis (under Best Effort terms). The duty of the Placement Agent is to prepare the paperwork required for the placement of the Bonds (including the Bond Prospectus), to act as a placement agent, and to advise the Company on the matters related to the Bonds issue, sale and settlement. The duty of JSC Galt and Taggart as a calculation and payment agent is to calculate and pay the coupon and the principal amount.

## **Potential Conflicts of Interest**

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

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 company's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and are disclosed in the relevant subchapters ("Financial Condition," "Operating Results," "Cash Flow Statement Review").

The audit opinion on the audited annual financial statements is qualified. This is due to the fact that the company records its investment property on the balance sheet using the cost method but has not disclosed the fair value of the property in accordance with the requirements of IFRS standards (specifically, IAS 40 and IFRS 13), as it disagreed with the auditor's position and did not see the need for such disclosure.

The audited annual financial statements are published on the website [reportal.ge](http://reportal.ge).

Additionally, the semi-annual reports for 2024 and 2025 are prepared by management. Therefore, there is no assurance that the financial statements prepared for management accounting purposes will be consistent with the audited data.

Unless otherwise specified, all figures presented in the "Key Financial Indicators" subchapter are based on the individual financial statements.

Key Profit and Loss Indicators, '000 GEL	30-Jun-25 Managerial	30-Jun-24 Managerial	31-Dec-24 Audited	31-Dec-23 Audited
Revenues	52,014	46,172	100,929	88,202
Operating expenses	(13,216)	(11,974)	(30,083)	(26,744)
<b>Operating Profit</b>	<b>38,798</b>	<b>34,198</b>	<b>70,846</b>	<b>61,458</b>
Finance and Other Cost	(3,939)	(7,646)	(13,140)	(9,839)
<b>Profit before Income Tax</b>	<b>34,859</b>	<b>26,552</b>	<b>57,706</b>	<b>51,618</b>
Income Tax Expense	(1,300)	-	(743)	(511)
<b>Profit for the Year</b>	<b>33,558</b>	<b>26,552</b>	<b>56,963</b>	<b>51,107</b>

The Key Indicators of the Balance Sheet, '000 GEL	30-Jun-25 Managerial	30-Jun-24 Managerial	31-Dec-24 Audited	31-Dec-23 Audited
Total Current Assets	26,250	30,426	27,866	26,390
Total Non-Current Assets	424,945	319,063	402,731	301,955
<b>Total Assets</b>	<b>451,195</b>	<b>349,488</b>	<b>430,597</b>	<b>328,345</b>
Total Current Liabilities	91,697	54,367	73,346	29,880
Total Non-Current Liabilities	129,802	117,817	153,746	147,712
<b>Total Liabilities</b>	<b>221,500</b>	<b>172,184</b>	<b>227,091</b>	<b>177,592</b>
Charter Capital	0.2	0.2	0.2	0.2
Paid-in Capital	8,814	8,814	8,814	8,814
Retained Earnings	220,881	168,491	194,692	141,939
<b>Total Equity</b>	<b>229,695</b>	<b>177,305</b>	<b>203,505</b>	<b>150,753</b>

## Key Financial Ratios

In the audit reports for 2023 and 2024, the Company's independent auditor expressed a qualified opinion. According to the Independent Auditor's Report, the basis for the qualification relates to non-compliance with the disclosure requirements of IAS 40 – Investment Property and IFRS 13 – Fair Value Measurement.

The Company applies the cost model for measuring investment property, which means that the carrying amount reflects historical cost less accumulated depreciation and impairment, where applicable. However, contrary to the requirements of IAS 40, the financial statements do not present the fair value of the investment property, which is mandatory when the cost model is used.

From June 30, 2025 until the date of submission of this Prospectus, no significant events have occurred that would be material for assessing the Issuer's solvency and are not already disclosed in the relevant sections of this Prospectus, including the subchapter "Capitalization and Debt," which presents the most recent and detailed information on the Company's indebtedness.

The various financial ratios of the Company by periods are presented below:

<b>Ratio:</b>	<b>Pro-forma*</b>	<b>30 June 2025</b>	<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
<b>Financial leverage ratios</b>				
1. Total Debt to Equity	1.35 x	0.92 x	1.06 x	1.09 x
2. Interest Coverage Ratio	n/a	4.09 x	4.77 x	4.82 x
3. Total Debt /EBITDA ratio	3.84 x	2.61 x	2.84 x	2.47 x
4. Total Debt Ratio	0.56 x	0.47 x	0.50 x	0.50 x
<b>Profitability ratios**</b>				
5. Return on Assets	n/a	17.4%	16.2%	16.0%
6. Return on Equity	n/a	31.4%	32.2%	40.4%
7. Return on Invested Capital	n/a	23.4%	19.3%	19.8%
8. Operating Profit Margin (EBIT margin)	n/a	70.8%	70.4%	69.8%
9. EBITDA Margin	n/a	76.0%	75.7%	75.8%
10. Net Profit Margin	n/a	60.0%	56.6%	58.1%
<b>Liquidity ratios</b>				
11. Liquid Assets/Total assets	n/a	0.03 x	0.03 x	0.05 x
12. Liquid Assets/Current liabilities	n/a	0.14 x	0.20 x	0.56 x
13. Current ratio	n/a	0.29 x	0.38 x	0.88 x
14. Debt Service Coverage Ratio	n/a	3.61 x	2.02 x	1.95 x
<b>Operating ratios</b>				
15. Occupancy Rate	n/a	98%	98%	99%
16. Average Rental Price	n/a	45.9 \$	37.4 \$	34.8 \$
<b>Key financial covenants</b>				
<b>Bank Loan Covenants:</b>				
17. Debt Service Coverage Ratio 1 (Bank Loan Covenant) [Limit: >=1.2]	n/a	1.51 x	2.95 x	2.35 x
18. Total Debt/EBITDA (Bank Loan Covenant) [ Limit: <=6.0]	n/a	2.60 x	2.77 x	2.44 x
<b>Covenants of existing bonds:</b>				
<b>(ISINs: GE 2700604772, GE 2700604574, GE 2700604624)</b>				
19. Debt Service Coverage Ratio (Bond Covenant) [Limit: >=1.2]	n/a	3.71 x	2.10 x	1.95 x
20. Total Debt/LTM EBITDA(Bond Covenant) [ Limit: <=6.5]	4.09 x	2.90 x	2.93 x	2.70 x
<b>Covenants of the bonds to be issued under this prospectus:</b>				
21. Debt Service Coverage Ratio LTM [Limit: >=1.2]	n/a	3.71 x	2.10 x	1.95 x
22. Total Debt/LTM EBITDA [Limit<=6.0]	4.09 x	2.90 x	2.93 x	2.70 x
(Same as the existing bond covenants)				

\*The pro-forma effect of the bonds reflects the issuance of bonds in the equivalent amount of USD 82 million, the partial refinancing of existing borrowings and the impact of increasing capital expenditures. Specifically, the bonds to be issued will be used to refinance the existing USD 39.5 million (GE2700604624 and GE2700604772) and EUR 5 million (GE2700604574) bonds, while the remaining amount will be used to finance capital expenditures (for more details, see the section 'Reasons for the Offering and Use of Proceeds'). It is assumed that the bond financing was raised as of June 30, 2025, and that its impact is limited to the line items of the statement of financial position and does not affect the statement of profit or loss (and other comprehensive income). For the purposes of calculating the pro forma ratios, the following assumption was also made: the exchange rate is 2.71.

\*\*Given that the real (fair) value of the property is not disclosed in the financial statements, the profitability and other ratios presented in the table are calculated based on the value of assets recorded at cost. It should be noted that the book value of the company's investment property may not correspond to its actual value, which is why the audit opinion on the company's financial statements is qualified. For additional information, please see subsection 8.1. Risk, under 'Risks related to appraisal of investment property and financial accounting/reporting'.

#### General Notes:

- Information related to the key financial covenants are further disclosed in “financial covenants” and “Terms of Offering, Covenants” sub-chapters.
- Unless specified otherwise in the specific ratio calculation, above-disclosed ratios are calculated as follows:
  - EBITDA is calculated from the relevant line items of the statement of cash flow and represents operating cash flows before changes in operating assets and liabilities;
  - LTM refers to the data of the last 12 months for the relevant period;
  - Loan liabilities represent any interest obligation on the issuer's balance sheet, including debt securities;
  - For the coefficients that participate in the calculation of both the balance sheet and the profit and loss and/or the cash flow rate, the corresponding period indicators are annualized by the last 12 months (as indicated in the methodology for calculating the corresponding coefficients);
- All coefficients except for bank loans and bond coefficients are computed based on individual statements, as indicated in the methodologies for calculating coefficients and are defined by the relevant contractual agreements and conditions.
- The difference between bank loans and bond covenants is due to the counting methods determined by the relevant contract. Regardless of the difference in methodology, the difference between the indicators used for calculations is not material.
- The calculations for bank loan and bond covenants also consider the company's off-balance sheet liabilities, which include the company's guarantees, suretyships for other group companies, as well as the loan liabilities of other companies existing within the issuer's general loan facility agreement.

#### Ratio calculation methodology/formulas:

1. **Total Debt to Equity** – Interest-bearing debt divided by the Shareholders' Equity;
2. **Interest Coverage Ratio** – EBITDA LTM divided by LTM Interest Expense;
3. **Total Debt/EBITDA Ratio** – Total interest-bearing liabilities divided by EBITDA LTM;
4. **Total Debt Ratio** - Interest-bearing liabilities divided by total assets;
5. **Return on Assets** - Net profit LTM divided by the average assets of the last two years;
6. **Return on Equity** - Net profit LTM divided by the average shareholders' equity of the last two years;
7. **Return on Invested Capital**- LTM operating profit plus depreciation and amortization expense, divided by the average equity of the last two years plus the average long-term interest-bearing liabilities of the last two years.
8. **Operating profit margin** - operating profit LTM divided by revenue LTM;

9. **EBITDA Margin** – Operating profit LTM plus depreciation and amortization LTM divided by revenue LTM;
10. **Net Profit Margin** – Net Profit LTM divided by revenue LTM;
11. **Liquid Assets/Total Assets** – Cash and cash equivalents plus trade and other receivables divided by total assets;
12. **Liquid Assets/Current Liabilities** - Cash and cash equivalents plus trade and other receivables divided by current liabilities;
13. **Current Asset Ratio** - Current assets divided by current liabilities;
14. **Debt Service Coverage Ratio** - EBITDA LTM divided by the LTM debt service expense, which is calculated as the total amount of principal and interest payments required to service the aggregate cash “obligations” to creditors.
15. **Occupancy Rate** - Total occupied (leased) space divided by total available leasable space.
16. **Average Rental Price** - Rental income generated during the period divided by the leased area for the period.

*Bank Loan Covenants:*

17. **Debt Service Coverage Ratio 1 (bank loan covenant)** - Profit of the period before the payment of taxes and interest expenses, as well as amortization and depreciation on assets (adjusted with capital expenditures financed with its own funds, dividends, profit tax and changes in working capital) divided by the sum of the principal amount and interest required for the current part of the existing cash liabilities.
18. **Total Debt/ EBITDA 1 (Bank Loan Covenant)** -The coefficient is defined as any kind of interest bearing cash obligation of the client divided by the EBITDA-profit before taxes and interest expense payments, depreciation and amortization and other non-cash expenses and incomes.

*Covenants of the existing bonds (ISINs: GE 2700604772, GE 2700604574, GE 2700604624):*

19. **Debt Service Coverage Ratio 2 (covenant of bonds defined in this prospectus)** -For a detailed computing approach and more information, see "Covenants" subheading;
20. **Total Debt/ EBITDA 2 (Bond Covenant)** - Any kind of interest bearing cash obligation of the client divided by the EBITDA-profit before taxes and interest expense payments, depreciation and amortization and other non-cash expenses and incomes. For the said covenant, the exact formulation of the calculation in the context of the bond covencies is presented in detail in the "Financial Covenants Review" and in the "Covenants" subheadings. Actual indicators, in both cases, represent the data disclosed in the table;

Disclosure in Table (ISINs: GE2700604103, GE2700604152):

*Covenants of the Bonds to be Issued under this Prospectus:*

21. **Debt Service Coverage Ratio LTM** - For a detailed calculation approach and additional information, see the "Covenants" subchapter of this Prospectus;
22. **Loan Liabilities / LTM EBITDA** - For a detailed calculation approach and additional information, see the "Covenants" subchapter of this Prospectus;

**Key financial ratios according to the credit rating methodologies**

Credit rating agencies (for example, Fitch Ratings), when assessing the rating risks of companies operating in the real estate management sector, rely on several key financial ratios in addition to other analytical factors. The Company’s indicators and the target ranges of the quantitative metrics used by the rating agency are summarized in the table below:

		Score 6M25	Pro- Form	6M25	2024	2023	Bbb Rating	Bb Rating	B Rating
1	FFO Dividend Cover	a	n/a	4.31	15.48	17.90	1.4 >= x >= 1.1	1.1 > x >= 1.0	Below 1.0x
2	Loan-to-Value	ccc	n/a	1.00	1.02	0.79	50% >= x >= 40%	60% >= x >= 50%	65% >= x >= 60%
3	Liquidity Coverage	b / ccc	n/a	0.24	0.53	2.10	x >= 1.25	1.25 >= x >= 1.0	x < 1.0, cceptable if the company has good access to local bank resources or holds significant unencumbered assets
4	Unencumbered Asset Cover	ccc	n/a	0	0	0	2.0 >= x >= 2.5	1.5 >= x >= 2.0	1.0 >= x >= 1.5
5	EBITDA Net Leverage	a	3.86	2.58	2.71	2.25	9.0 >= x >= 8.0	10.0 >= x >= 9.0	11.0 >= x >= 10.0
6	Recurring Income EBITDA Interest Cover	a	n/a	4.48	5.63	4.62	1.75 >= x >= 2.5	1,25 >= x >= 1.75	1,1 >= x >= 1.25

#### General Notes:

- Methodology used (Sector: EMEA Real Estate and Property): <https://www.fitchratings.com/research/corporate-finance/sector-navigators-addendum-to-corporate-rating-criteria-27-06-2025>;
- Source for the formulas used to calculate the ratios: <https://www.fitchratings.com/research/corporate-finance/corporate-rating-criteria-27-06-2025>
- For ratios that include indicators from both the balance sheet and the income statement and/or the cash flow statement, the relevant period figures are annualized using the latest 12-month data (as specified in the respective ratio calculation methodology);

#### Ratio calculation methodology/formulae:

1. **FFO dividend cover:** FFO/Dividends Paid.
2. **Loan to value:** Total Debt with Equity Credit + Other Off Balance Sheet Debt - Readily Available Cash & Equivalents)/ (Balance Sheet Value of PPE + Balance Sheet Value of Investment Property);
3. **Liquidity coverage:** (Available Cash + Undrawn Portion of Committed Facilities + FCF)/ 12-month Debt Maturities). Company's free cash flows are negative, therefore, given ratio does not provide sufficient basis for interpretation.
4. **Unencumbered assets cover:** Balance Sheet Value of Unencumbered Assets/(Total Debt - Secured Debt); This ratio cannot be calculated for the company, considering its property is encumbered under its current debt.
5. **Net Debt / Recurring operating EBITDA:** (Total Debt with Equity Credit + Other Off Balance Sheet Debt - Readily Available Cash & Equivalents)/ Operating EBITDA After Associates and Minorities;
6. **Recurring income EBITDA interest coverage:** Operating EBITDA After Associates and Minorities)/ Interest Paid;

As shown in the table above, the Company significantly exceeds the financial indicators corresponding to the BB and BBB rating categories. However, the Loan-to-Value ratio is significantly lower, which is partly due to the different approaches used by various industry participants for the valuation of fixed assets. Additionally, the calculation of certain ratios is either not possible or not material, given the company's specifics.

There is no guarantee that the Company will be able to improve these ratios in the future and maintain an acceptable level of credit risk.

Several factors need to be considered when analyzing the above information:

- Fitch's industry averages encompass data from developed markets as well and are therefore not limited to emerging markets such as Georgia.
- It should also be emphasized that the above comparison with Fitch's industry benchmarks reflects only a quantitative assessment. A company's potential credit rating cannot be determined based solely on this analysis, as rating agencies take into account a wide range of qualitative factors, including the sovereign rating, corporate structure, business performance, and other relevant considerations.

#### **Statement on Working Capital**

The company's working capital (current assets minus current liabilities) as of June 30, 2025, amounts to -65,447 thousand GEL, and the company's current ratio is accordingly 0.29. As of December 31, 2024, the company's working capital was -45,480 thousand GEL, with a current ratio of 0.38.

The company's negative working capital is caused by the fact that as of June 30, 2025, the largest portion of its issued bonds, specifically the USD 20 million bonds issued on December 28, 2023, and the EUR 5 million bonds issued on January 16, 2024, have been reclassified as current loan liabilities. At the time of the new bond issuance, these tranches will be refinanced, as a result of which the working capital will become positive, and the current ratio will exceed 1.0.

On a pro-forma basis, the company's current ratio and working capital will reach the following indicators:

	<b>June 2025, Pro-Forma</b>
Current Ratio	1.21
Working Capital	4,571

### **Brief Information on the Material Risk Factors Specific to the Issuer 's Business and the Securities being Offered**

- Since the Company operates within Georgia, it will be affected by changes in Georgian economic conditions;
- The Company is limited in growing its market segment because it is geographically concentrated solely in the capital city, consequently, the increase in its tenants and shopping mall visitors depends on external factors;
- Changes in customers' trade patterns and preferences may adversely affect the Company's operations;
- The Company may fail to extend or renew terms of rental agreement or its major tenants may encounter financial problems, which, in turn, may adversely affect the company's financial condition;
- The Company's current and future business strategy is capital intensive, the Company may find it difficult to find additional funds on favorable terms;
- Real estate investment is not liquid;
- The company has loans issued to related parties, a significant portion of which has historically shown material impairment, and a risk of impairment may exist for both loans already issued and those to be issued in the future.
- The company is not restricted from issuing additional loans to affiliated parties under market conditions.
- The book value of the Company's investment property may not reflect the reality and therefore, the audit opinion of Company's financial reports is a qualified.
- Investors whose financial activities are denominated in a currency or currency unit other than bond currency may receive less interest or principal than expected, as a result of fluctuations in exchange rates or exchange controls;
- The Bonds constitute unsecured liabilities of the Company;
- Certain financial covenants stipulated by the credit agreement and the terms of the 'Bonds' may not be met.
- Early redemption (repayment) or repurchase of the bonds is possible.

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

**Terms of the Offering and Main Characteristics Of Securities:**

The main characteristics of securities are defined by the "Term Sheet" document of the bonds.

**Possible costs imposed on the investor**

The bonds placement costs will be reimbursed in full by the issuer and the investor will not incur any additional costs under the offer.

### **Reasons of the offering and use of proceeds**

Under the prospectus, the Issuer plans to issue green bonds with a total nominal value of up to the equivalent of USD 82,000,000 (eighty-two million), in USD or EUR, in one or more tranches. The net proceeds will be fully used to refinance existing bond obligations and to finance capital expenditures.

The Company intends to use USD 45 million out of the total planned USD 82 million green bond issuance to fully refinance its existing bonds (ISINs: GE2700604772, GE2700604574, GE2700604624). The remaining proceeds will be allocated to capital expenditures. The additional capital expenditures will be financed through bank loans and the Company's internal resources.

For additional details, refer to the "Investments" subsection.

## Green Bond Framework Overview

### Use of Proceeds

The "Issuer" will allocate the proceeds from the Green Bonds to finance or refinance projects aimed at the improvement/expansion of the company's malls / business center. The Framework limits financing to three pre-defined commercial buildings that have achieved or are expected to achieve the EDGE Advanced certification level, which will place them among the most energy efficient buildings in Georgia. These projects will bring a significant positive environmental impact, including: increasing the level of energy savings, reducing carbon emissions, and promoting efficient resource use.

About 60% of the funds raised from the bonds will be used to refinance liabilities that were originally used for the construction of City Mall Saburtalo and City Tower, while 40% will be used for the capital expenditures required for the expansion works at City Mall Gldani. The max. look-back period for refinancing is 8 years.

### Project Evaluation and Selection

To ensure that funds are directed towards appropriate initiatives, the "Issuer" has established a Green Bond Committee, which is responsible for evaluating and selecting eligible projects. This committee convenes at least once a year to review the portfolio of eligible green projects/expenditures and ensure compliance with the Green Bond Framework. Projects are evaluated based on predefined criteria. As a result of these criteria, projects that have a positive impact on the consumption of energy, water, and other materials/resources are financed. Any project that does not meet these standards will not be financed. This established evaluation process helps maintain transparency and ensures the effective use of proceeds from the green bonds.

### Management of Proceeds

The net proceeds from the green bond issuance will be overseen by the Issuer's finance team. Until the funds are fully disbursed, unallocated proceeds will be held in cash and cash equivalents or other short-term instruments. These funds will not be used for activities that contradict the objectives set out in the Green Bond Framework. The Company intends to allocate all proceeds to eligible projects within 36 months of each issuance.

### Reporting and External Review

Within the Green Bond Framework, the Issuer is subject to requirements for transparency and accountability. To this end, the company will publish annual allocation reports until the proceeds are fully allocated. Such reports will describe the percentage allocation of funds for new projects and refinancing, the status of any unallocated proceeds, and the overall financial portion of the funded initiatives.

Additionally, after the full allocation of the funds raised from the bonds, an impact report will be published to assess the benefits achieved by the funded projects.

The report may include the following key indicators:

- Level of environmental certification (EDGE Advanced);
- Final energy consumption (MWh, kWh/m<sup>2</sup>);
- Annual final energy savings (MWh/Year, %);
- Annual operational greenhouse gas (GHG) emissions (tCO<sub>2</sub>e/Year, %);
- Water savings (m<sup>3</sup>/Year, %);
- Share of renewable energy in the total energy mix (%).

To ensure compliance with the Green Bond Principles established by ICMA, the Issuer may have the impact report assessed by an independent reviewer, while an assessment of the allocation report by an independent reviewer is not planned.

*\*According to Article 4 (Reporting Requirements) of the Order of the National Bank of Georgia of August 21, 2025, "On the Approval of the Rule on Granting, Maintaining, and Revoking the Status of Green, Social, Sustainability, and Sustainability-Linked Bonds," the Issuer is obligated to submit a review of the final fund allocation report, while it may submit a review on the impact report. It should be noted that the Issuer is not currently in compliance with the order; however, it does not have this reporting obligation, given that the order applies to preliminary issuance prospectuses submitted from January 1, 2026, while the specific reporting requirements set forth in Article 4 apply to preliminary issuance prospectuses submitted from January 1, 2027. This order will not affect the status of the bonds.*

## Registration Document

### Person Responsible for the Preparation of this Document:

IG Development Georgia LLC (I/N: 404851503)

### 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

**Financial auditor of the Issuer:** Financial auditor of the Issuer is Deloitte & Touche LLC Identification Number: 204422240. Address: City Tower Business Center, 70 Vazha-Pshavela Ave. 16th floor, Tbilisi, Georgia, 0186

**Credit Rating Agency:** The Company and the bonds to be 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.

### Potential Conflicts of interest related to the offering

There is no conflict of interest between the Company, the Placement Agent, the Calculation and Paying Agent (as well as its related bank) and the Depository, the parties are not related and/or affiliated companies.

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 sources used in the Prospectus are as follows:

- Audited annual (for the years 2024 and 2025) and semi-annual (for the years 2025 and 2024) financial statements of IG Development Georgia LLC;
- Charter of "IG Development Georgia" LLC (published on the Public Registry portal at [nabr.gov.ge](http://nabr.gov.ge). Search application number in the NAPR system: B24167097);
- Extract of "IG Development Georgia" LLC (published on the Public Registry portal at [nabr.gov.ge](http://nabr.gov.ge). Search application number in the NAPR system: B25140728);
- National Statistics Office of Georgia ([www.geostat.ge](http://www.geostat.ge) )
- National Bank of Georgia ([www.nbg.ge](http://www.nbg.ge) )
- Galt & Taggart Research ([www.gt.ge](http://www.gt.ge) )
- Colliers (<https://www.colliers.com/en-ge> )

## Principal activities

## Company overview and history

The Company was founded in 2010 by IG international LLC (090819150) - a company registered in the USA. In 2013, a reorganization took place, which resulted in a merger of the Company and IG Georgia Ltd.

The Company has up to 170 employees as of 30 June 2025. The main customers of the Company are small, medium and large retailers. The Company's products are designed to meet the needs of different customers.

As of the date of the Prospectus, the Issuer does not have a credit rating.

The company is registered in Georgia in the form of a limited liability company and operates in accordance with Georgian law. The Company's identification code is 404851503. Address: 70, Vazha-Pshavela avenue, Tbilisi, Georgia. Telephone: (032) 2 20 00 10. Website: www.igdevelopment.ge.

The Company leases retail and office spaces to its customers across four locations: City Mall Kavtaradze, City Mall Vazha-Pshavela, City Mall Gldani, and City Tower. Retail spaces at the first three locations are available for rent, while City Tower offers office spaces for rent. To meet a wide range of customer needs, the Company offers units of various sizes, including kiosks and counters.

The Company's investment properties and their key characteristics are summarized below:

Name of the property	Address	GLA (Gross Leasable Area, sq.m.)	Date of commencement of the operation
City Mall Kavtaradze	1, P. Kavtaradze st., Tbilisi	9,492	March, 2012
City Mall Gldani	27, Ilia Vekua st., Tbilisi	17,412	September, 2016
City Mall Vazha-Pshavela	1, P. Kavtaradze st., Tbilisi	46,400	October, 2019
City Tower, Vazha-Pshavela	70, Vazha-Pshavela ave., Tbilisi	6,500	November, 2020

The breakdown of the Company's total rentable area by location and occupancy is as follows:

<i>Sq.m., %</i>	30-Jun-25	30-Jun-24	31-Dec-24	31-Dec-23
City Mall Vazha-Pshavela	46,400 (100%)	46,400 (100%)	46,400 (100%)	46,400 (99%)
City Mall Gldani	17,412 (100%)	17,412 (100%)	17,412 (100%)*	21,472 (100%)
City Mall Kavtaradze	9,492 (100%)	9,492 (100%)	9,492 (100%)	9,492 (99%)
City Tower, Vazha-Pshavela	6,500 (71%)	6,500 (80%)	6,500 (80%)	6,500 (91%)
<b>Total</b>	<b>79,804 (98%)</b>	<b>79,804 (98%)</b>	<b>79,804 (98%)</b>	<b>83,864 (99%)</b>

\* From 2024, due to construction works on the territory of "City Mall Gldani", one object was temporarily closed, which is why there is a decrease in the net leasable area. It should be noted that the temporary decrease in the net leasable area of City Mall Gldani did not have a negative impact on the company's profitability.

The breakdown of the Company's leased space by industry across its malls and the business tower as of June 30, 2025, is presented in the following table:

%	City Tower*	City Mall Gldani	City Mall Vazha-Pshavela	City Mall Kavtaradze	Total
Fashion Industry		57%	58%	46%	52%
Consumer Electronics		4%	4%	0%	3%
Supermarket		18%	5%	44%	12%
Household Items		12%	9%	1%	8%
Cinema		0%	10%	0%	6%
Restaurant & Café		7%	6%	0%	5%
Other	100%	2%	9%	8%	15%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Note: \* City Tower represents office spaces.

The breakdown of the Company's leased space by industry across its malls and the business tower as of December 31, 2024, is presented in the following table:

%	City Tower	City Mall Gldani	City Mall Vazha-Pshavela	City Mall Kavtaradze	Total
Fashion Industry		57%	58%	46%	52%
Consumer Electronics		4%	4%	0%	3%
Supermarket		18%	5%	44%	12%
Household Items		12%	9%	1%	8%
Cinema		0%	10%	0%	6%
Restaurant & Café		7%	6%	0%	5%
Other	100%	2%	9%	8%	15%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

The breakdown of the Company's leased space by industry across its malls and the business tower as of June 30, 2024, is presented in the following table:

%	City Tower	City Mall Gldani	City Mall Vazha-Pshavela	City Mall Kavtaradze	Total
Fashion Industry		56%	57%	47%	
Consumer Electronics		5%	4%	0%	
Supermarket		18%	5%	43%	
Household Items		11%	9%	1%	
Cinema		0%	10%	0%	
Restaurant & Café		8%	7%	0%	
Other	100%	2%	9%	8%	
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

The breakdown of the Company's leased space by industry across its malls and the business tower as of December 31, 2023, is presented in the following table:

%	City Tower	City Mall Gldani	City Mall Vazha-Pshavela	City Mall Kavtaradze	Total
Fashion Industry		40%	51%	38%	
Consumer Electronics		11%	7%	2%	
Supermarket		15%	0%	44%	

Household Items		26%	16%	8%	
Cinema		0%	10%	0%	
Restaurant & Café		5%	7%	0%	
Other	100%	3%	9%	8%	
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

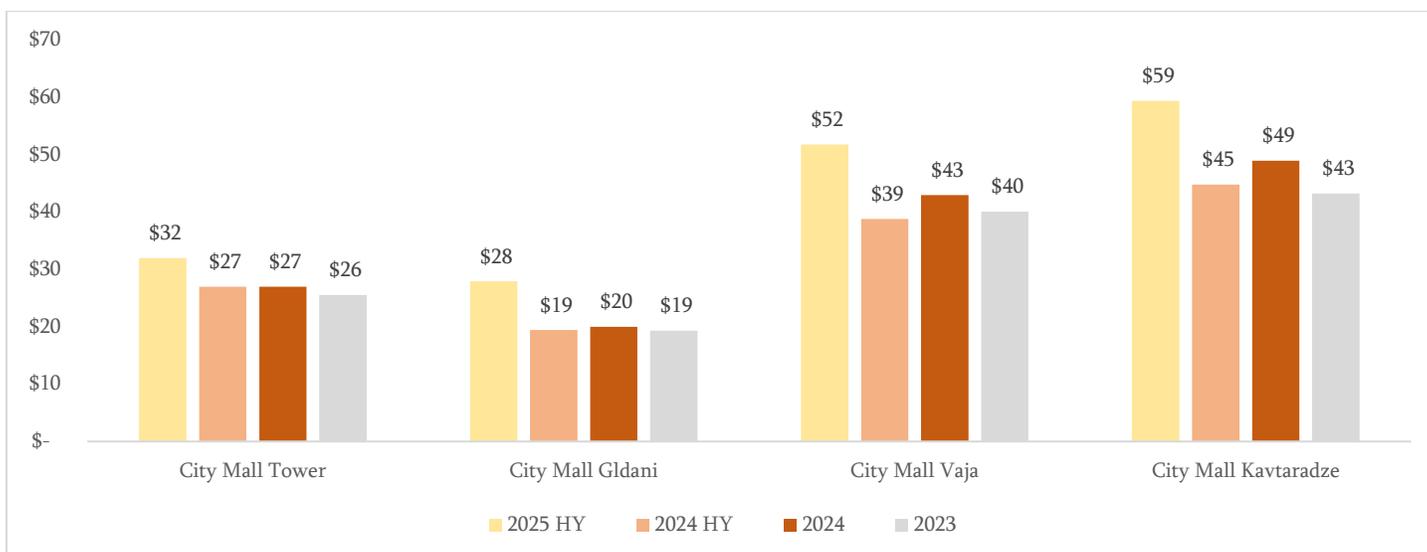
The following table presents the breakdown of the Company's revenues by property<sup>1</sup>:

'000 GEL	2025 HY	2024 HY	2024	2023
City Mall Vaja	32,003	28,307	62,173	52,931
City Mall Kavtaradze	8,711	7,589	16,450	15,800
City Mall Gldani	7,975	7,642	16,314	14,705
City Mall Tower	1,916	2,013	4,150	3,416
Others	1,409	622	1,842	1,350
<b>Total rental revenue</b>	<b>52,014</b>	<b>46,173</b>	<b>100,929</b>	<b>88,202</b>

\*Other income includes advertising services/video commercials.

Information on the Company's rental income, broken down by period and property, is presented in the chart below. **Chart 1:**

**Weighted average rent income per sq.m (USD);**



As of June 30, 2025, the Company's weighted average rent per square meter amounted to USD 45.9, representing a 33.6% increase compared to the same period of the previous year (USD 34.3 as of June 2024). This growth was primarily driven by improvements in contract pricing implemented by the Company. As of December 31, 2024, the indicator stood at USD 37.4, compared to USD 34.8 as of December 31, 2023.

As of June 30, 2025, the Company had approximately 370 to 380 unique tenants, compared to 340 to 360 as of December 31, 2024. The increase is primarily attributable to the Company's subdivision of several leasable premises. Out of a total of up to 380 tenants, City Mall Saburtalo has approximately 254 tenants, City Mall Gldani has 101 tenants, and City Tower has 18. The top 10 tenants

<sup>1</sup> The breakdown of revenue is taken from the unaudited financial statements; the principal difference between audited and unaudited revenue is the amortization of tenants' advance payments.

occupied around 30% of the total leased area, up from 25% at the end of 2024. Despite the larger footprint, their contribution to the Company's total rental income decreased to 20%, down from 25%, indicating greater income diversification.

Most lease agreements have an average term of 3 to 5 years, though the Company has secured long-term contracts of up to 25 years with a few major clients. It also maintains 10 to 15-year leases with leading brands in the fashion, consumer electronics, and FMCG (fast-moving consumer goods) sectors.

The company receives several types of income from tenants: rental income (fixed and denominated in US dollars), service income (cleaning, maintenance, security, etc., also fixed and denominated in US dollars and depending on the size of the rented space). Rental income consists of two components: fixed rent and variable rent. Variable rent is linked to tenants' revenues and its percentage varies by tenant. As of June 30, 2025, variable rent accounted for an average of 10% of tenants' rent payments, unchanged from December 31, 2024.

### **Resources used in the Issuer's operations**

As of the date of the Prospectus, the Company employs around 170 people, including both mall-related service staff and back-office employees.

The Company utilizes specialized software systems (Adviso and Business Intelligence software Qlink Sense). These tools enable the Company to share, process, and analyze relevant financial, non-financial, and operational information efficiently.

### **Business Process and Quality Control Procedures**

#### Investment asset management policy

Effective management of investment assets is of great importance for the Company. For this purpose the Company has a highly qualified team and has developed effective processes for the management of rented assets.

The Company rentable asset management policy is as follows:

- Rentable areas are periodically monitored, electrical and other wiring is checked;
- The Company's immovable property is fully insured. All real estate assets are insured against all risks by the insurance company JSC GPI Holding. The total insured amount equals USD 113,608,627, which represents approximately 147% of the total balance sheet value of the Company's properties (including both investment and other real estate) as of June 30, 2025. The insurance agreement remains in effect until May 9, 2026.

### **Marketing program**

To increase brand awareness and strengthen its image, the company employs an integrated, multi-channel marketing strategy that effectively combines modern digital, offline, and direct communication tools. The company's marketing activities include digital kiosks and LED screens located inside the shopping center, as well as innovative outdoor advertising, such as the 3D LED screen on the tower's facade.

Additionally, the company actively uses modern digital media, including social networks, targeted advertising through Google Ads and YouTube, and SEO optimization. For greater customer engagement, a special platform, [citymalloffers.ge](http://citymalloffers.ge), has been created where all current offers are gathered, which helps to increase activity. To reach a wider audience, the company also uses public relations tools such as press releases and radio placements.

A significant part of the strategy is to increase customer loyalty and establish direct communication with them. To this end, the company has developed a loyalty application and a gift card system, which allows registered users to receive personalized offers

and engage in direct communication with the company. In addition, the company periodically carries out large-scale cashback campaigns in collaboration with leading banking institutions. Such activities involve the joint communication efforts of the company, partner banks, and tenant brands, which ultimately creates a strong, integrated marketing effect and stimulates customer activity.

### Organizational Structure

The 100% shareholder of the company is the registered company IG International LLC (090819150) in the United States, the beneficial owner of which is N/P Mindia Sabanadze (P/N: 01023002458).

The structure of the Issuer as of the date of preparation of the Prospectus is as follows:



### Note on Structure

The consolidated financial statements also include the financial indicators of the development company, LLC "City Development" (ID No: 405463225). At the time the Company's financial statements were prepared, LLC "City Development" was a subsidiary of the Issuer; however, in July 2025, it was transferred to another related party, LLC "IG Property" (ID No: 405765747). The transfer of the share was carried out by means of a purchase, the value of which amounted to USD 49,177 thousand. According to the terms of the agreement, the payment must be made within three years of the signing of the agreement, On any date, but no later than July 1, 2028. It should be noted that LLC "IG Property" is a third-category enterprise.

Given that as of the date of the Prospectus, LLC "City Development" is no longer a subsidiary of the Issuer, the covenants set forth in the Prospectus do not apply to it, and the consolidated financial statements in the Prospectus are disclosed for informational purposes only and to comply with regulatory and legislative requirements. This does not affect the following:

- a) The payment of the "Bonds" principal, as well as the "Interest," is the sole obligation of the "Issuer";
- b) The terms of the "Bonds" issuance apply only to the "Issuer" and do not create any obligation for "City Development". Furthermore, the disclosure of consolidated data does not create any form of guarantee from "City Development" to the bondholders and does not affect the interpretation of the "Bonds" terms.

The "Consolidated Operational and Financial Review" subchapter discloses a review of only those line items of the statements in which there is a material difference between the individual and consolidated data.

The Issuer's assets are geographically localized in Georgia, in particular, in Tbilisi.

## Principal Markets

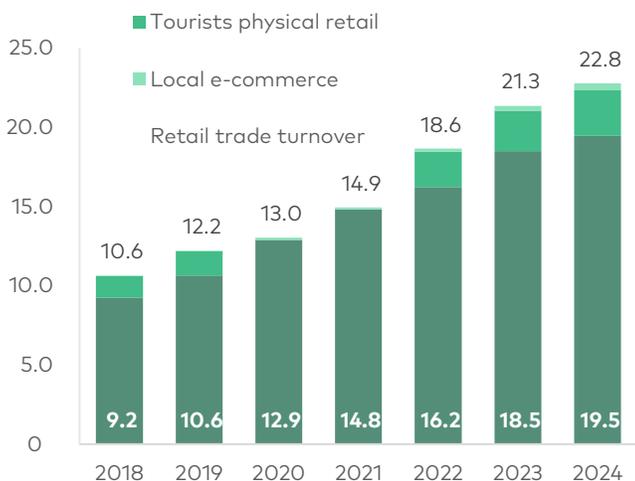
### Tbilisi Retail Real Estate

Purchasing power of the population increased notably in recent years, which gradually shifted consumer preferences from open and unorganized to well-organized, modern retail malls. GDP per capita increased from GEL 9,274 to GEL 24,872 over 2015-2024. Wholesale and retail trade remained a major contributor to Georgia's economy, generating GEL 12.2bn, which accounts for c. 15% of total GDP, the highest among individual sectors. This underscores the sector's strategic importance and its direct influence on retail real estate dynamics.

The retail trade sector has demonstrated sustained expansion between 2018-24, underscoring its central role in Georgia's service-driven economy. Turnover rose from GEL 10.6 billion in 2018 to GEL 22.8 billion in 2024.

Tourism is also an important driver of Tbilisi's retail economy, fueling demand for shopping centers and high street retail through increased footfall and spending. Tourist shopping expenditure has almost tripled, reaching GEL 2.9 billion.

**Figure 1: Retail trade turnover in Georgia, GEL bn**



Source: Geostat

**Figure 2: Tourists' shopping expenditure in Georgia**



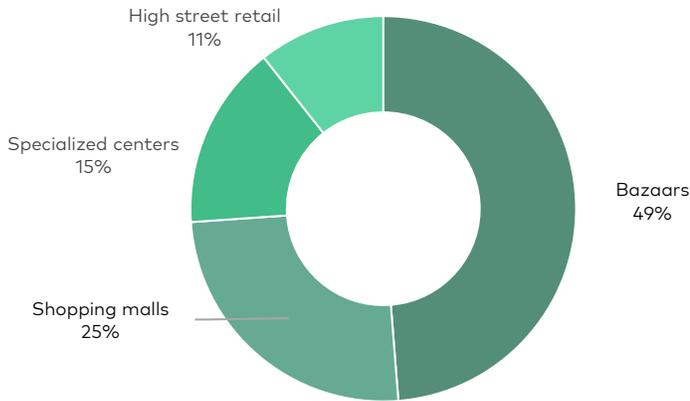
Source: Geostat

Note: No valid data was collected in 2020-21

The rapid growth of the retail sector has contributed to investments in the retail real estate sector and the dynamic development of this market. The Georgian retail real estate market was dominated by traditional and open markets with inconvenient and low-quality spaces for consumers. However, the construction of modern shopping centers entered an active phase in 2010-2015, and consumer interest gradually shifted to the modern format of retail. Tbilisi's modern shopping malls maintain low vacancy and stable rents due to consumer preference for convenience, with integrated retail, dining and entertainment options, as well as accessible parking, features that most street retail locations lack.

Tbilisi retail space is still dominated by open air markets and bazaars. As of end-2024, Tbilisi's retail real estate comprised of bazaars (49% of total stock), modern shopping malls (25%), specialized centers (15%) and high street retail (11%). However, growth in retail real estate is mainly driven by expansion of modern shopping malls. Considering pipeline projects, this trend is expected to continue in medium-term.

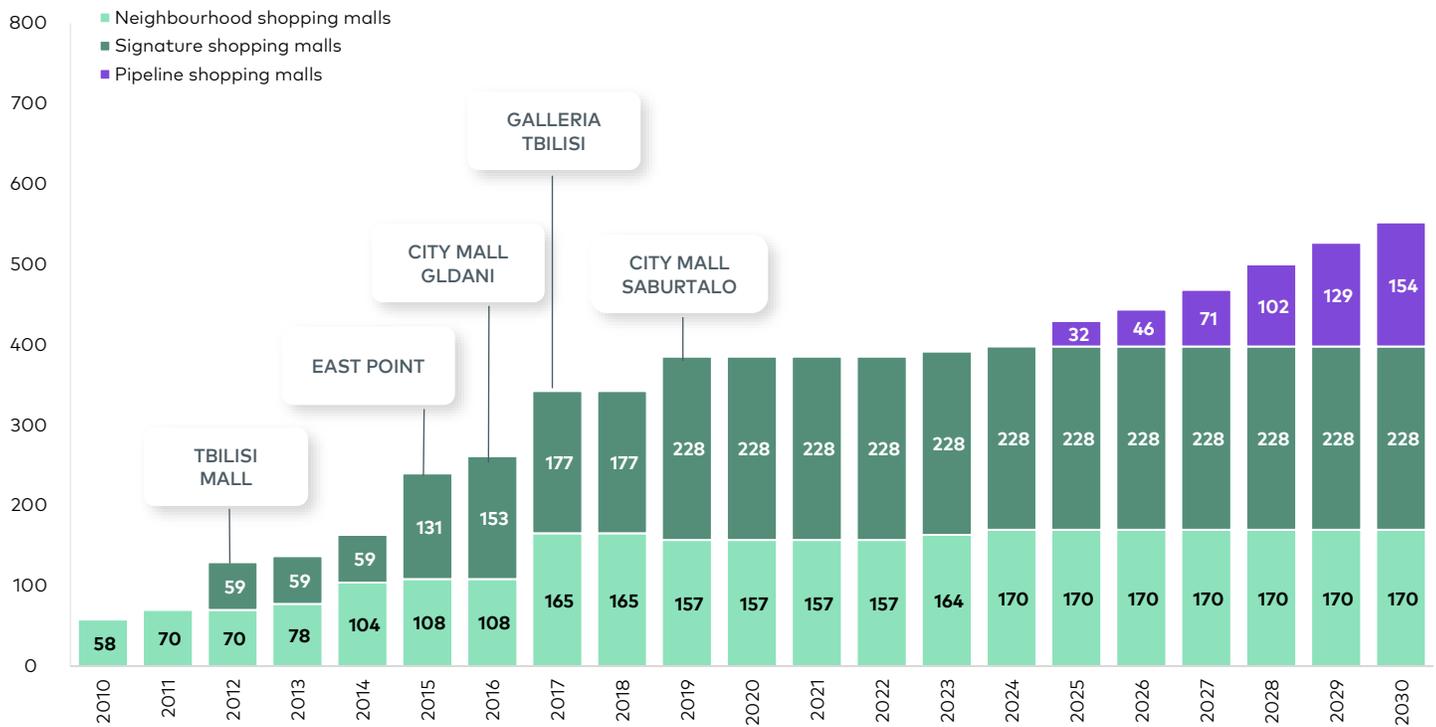
**Figure 3: Tbilisi retail space breakdown by retail format in 2024, '000 sq.m.**



Source: Geostat, TAS, Reportal, NAPR, Colliers international, Galt & Taggart

Tbilisi’s growing shopping mall GLA reflects a broader shift toward modern retail, with shopping malls gaining ground over bazaars and street retail. This trend is expected to continue as consumers favor destinations that combine shopping, entertainment and lifestyle services in one location. Tbilisi’s shopping mall market is concentrated, with five signature malls accounting for 57% of the total modern shopping center GLA. This list includes Tbilisi East Point, City Mall Saburtalo, City Mall Gldani, Tbilisi Mall and Galleria Tbilisi - projects that have established themselves as key retail destinations with strong tenant mixes, modern infrastructure and broad catchment areas extending beyond their immediate districts.

**Figure 4: Business center leasable area supply in Tbilisi**



Source: NAPR, Galt & Taggart

Remaining supply is distributed across a number of smaller neighborhood malls and primarily serves localized demand. These malls are generally more limited in scale, offer less diversified tenant compositions and lack the leisure and entertainment components that increasingly define modern retail environments. As a result, their competitive positioning remains confined to district-level convenience, while the top-tier malls continue to attract the majority of footfall, anchor tenants and consumer spending.

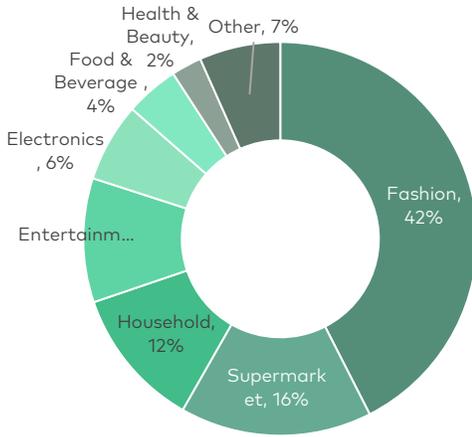
**Figure 5: Distribution of existing shopping mall supply by categories, Gross leasable area sq.m.**



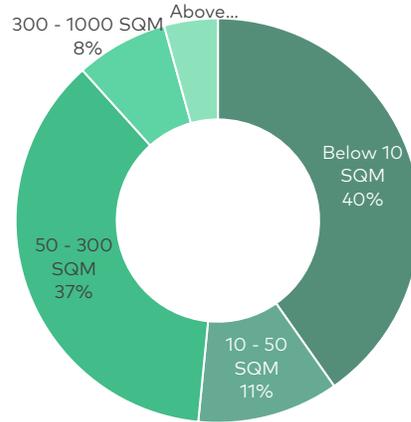
Source: NAPR, TAS, Galt & Taggart  
Note: Supply shown is GLA (gross leasable area)

Signature shopping malls in Tbilisi are primarily focused on fashion retail, with clothing brands occupying 43% of leased space. This aligns with the most common unit size (50-300 sq.m.) which suits apparel and footwear retailers seeking flexible mid-sized formats. Hypermarkets and supermarkets account for 16% of leased space, serving as key anchors that drive regular footfall. Meanwhile, small-format units under 10 sq.m. are widely used by accessory, cosmetic and service retailers, enriching the tenant mix and increasing retail density.

**Figure 8: Tenant distribution in signature malls by sectors, GLA sq.m.**



**Figure 9: Tenant distribution in signature malls by sizes, units, 2024 year**

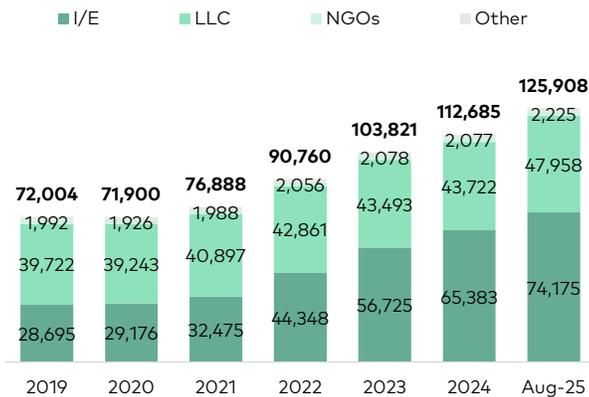


Source: Reportal, individual malls, Galt & Taggart

### Tbilisi Office Real Estate

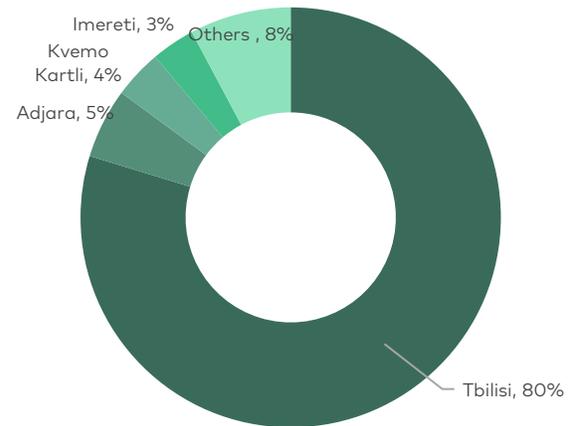
Tbilisi serves as the primary focus of the office real estate market, given its dominant role in national economic activity. 80% of the country’s business sector turnover is generated in the capital, resulting in the overwhelming concentration of office real estate developments within the city. The steadily growing number of active enterprises further reinforces demand for office space, reflecting the city’s central role in the country’s economic landscape.

**Figure 10: Number of active legal entities by legal form in Tbilisi**



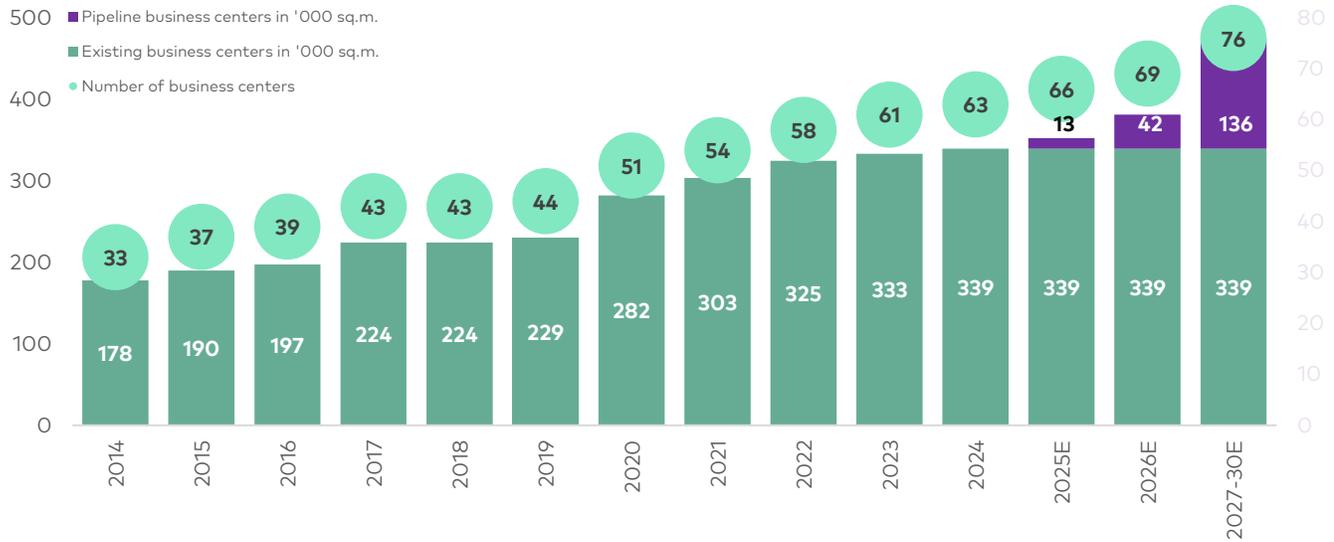
Source: Geostat  
\*Preliminary data

**Figure 11: Business sector turnover by region, 2024\***



Tbilisi’s stock of leasable business centers (BC) space has demonstrated a significant upward trajectory over the past decade, expanding from c. 178,000 sq.m. in 2014 to 339,000 sq.m. in 2024. This reflects a 90% cumulative increase, underpinned by rising demand for modern-quality office space and the city’s role as the country’s primary business hub. The upward trend is expected to continue, with approximately 136,000 sq.m. of additional office space projected to be delivered over the next five years.

**Figure 12: Business center leasable area supply in Tbilisi**

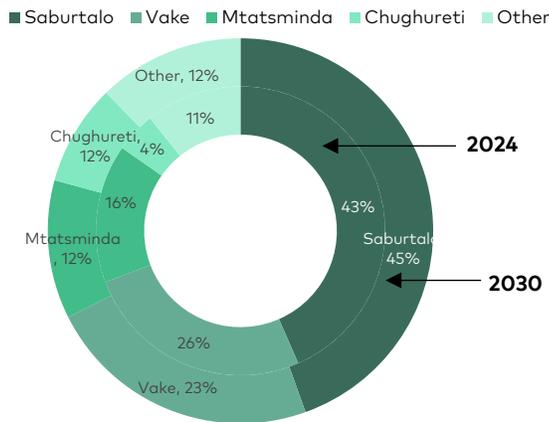


Source: NAPR, TAS, Reportal, Galt & Taggart  
 Note: Business center supply is given in GLA (gross leasable area)

Tbilisi lacks a defined central business district, with office supply scattered in the central areas of Saburtalo, Vake and Mtatsminda, which together account for nearly 85% of total business center stock. As a result, the rental price of a business center is driven more by the building’s quality than by its location.

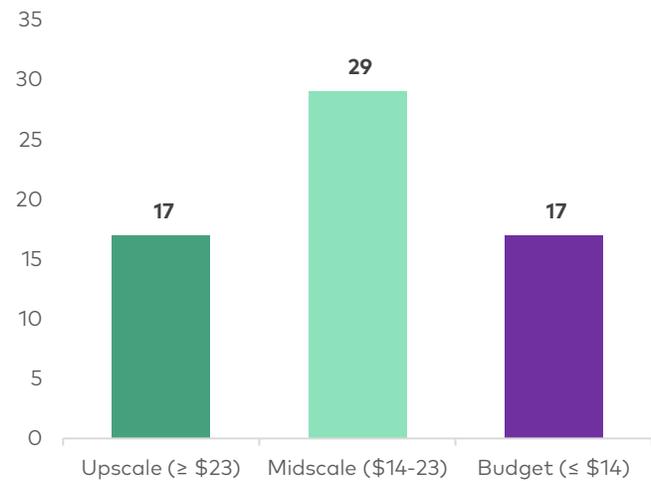
Class A office space in Tbilisi remains limited but has grown in recent years, with c. 41% of current stock delivered since 2020, amid rising demand for high-quality modern office spaces. At present, class A business centers account for roughly 32% of total supply. By price segment, about 37% of business centers fall within the class B, serving primarily local companies and offering mid-level quality. The remaining 31% represents class C spaces, which typically comprise older buildings whose infrastructure no longer meets modern standards.

**Figure 13: Business center leasable area distribution by districts in Tbilisi, % of total**



Source: NAPR, TAS, Reportal, Galt & Taggart

**Figure 14: Number of existing business centers by price segments, 2024**

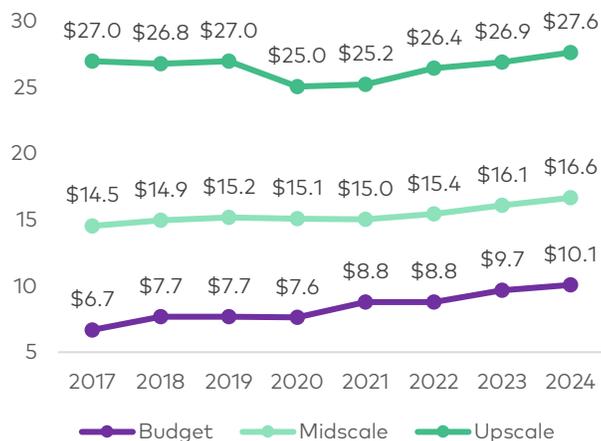


The current pipeline of business center developments points to continued expansion in the coming years. Most of the planned supply remains concentrated in Saburtalo and Vake, while a major new development is also anticipated in the Chugureti district.

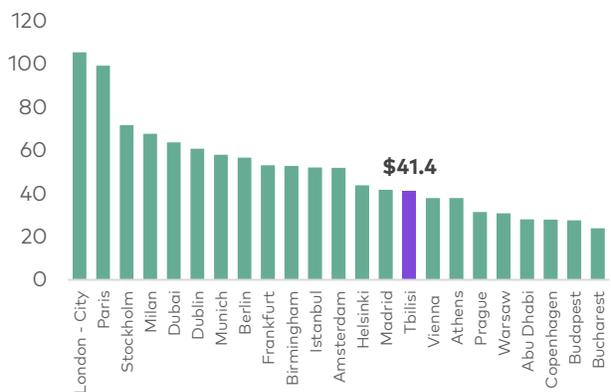
Weighted average rents for business centers (BCs) in Tbilisi have shown a steady upward trend across all classes from 2017 to 2025. Class A rents remained the highest, increasing moderately from \$27.0 to \$27.6 per sq.m/month, reflecting sustained demand for premium office space. Class B rents saw a more pronounced rise – from \$14.5 to \$16.6 – indicating a catch-up effect and growing preference for mid-range offices, mainly from local companies. Class C rents, while starting lower at \$6.7, also climbed meaningfully to \$10.1. Overall, the trend illustrates broad-based rental growth across all segments.

With prime rents at US \$41/sq.m per month, Tbilisi remains more affordable than major Western European cities, while still pricing above several Eastern European peers. The cost advantage enhances its appeal to occupiers and offers room for rental growth, particularly with the entry of international companies if market fundamentals strengthen.

**Figure 15: Business center weighted average rents in ongoing contracts, US\$/sq.m.**



**Figure 16: Prime rents in peer cities, 2024**



Source: Colliers International, NAPR, Galt & Taggart  
 Note: Prices are given incl. service fee and excl. VAT

The tenant mix in Tbilisi’s business centers shows that the largest portion of occupied office space is held by financial institutions, including banks, insurance and investment firms. Information Technology and Business Process Outsourcing (IT & BPO) companies, which were the primary demand drivers in recent years. Additionally, diplomatic missions also occupy a significant portion of office space, indicating some demand from international organizations in the market. These top sectors reflect a market dominated by finance and knowledge-based industries with stable, long-term office needs. Therefore, future demand will largely depend on Georgia’s ability to attract more IT and outsourcing companies, which are expected to remain the primary drivers of office market growth.

## Description of the Important Events in the Development of the Issuer's Business Activities

Key milestones in the Company's business development over the years are as follows:

2010	Issuer was founded by IG International LLC, company registered in the USA
2012	The company's first shopping mall, City Mall Kavtaradze, GLA 8,965 m <sup>2</sup> was launched
2016	The Company's second shopping mall, City Mall Gldani, GLA 21,335 m <sup>2</sup> was launched
2019	The Company's third shopping mall, City Mall Vazha-Pshavela, GLA 46,400 m <sup>2</sup> was launched
2021	The company purchased the Zaco building on University Street and the company founded a 100% owned local subsidiary, City Development Ltd. (I/N 405463225), which is engaged in residential complexes, namely the CITYZEN Central Park project.
2022	Company issued \$30 million in two tranches during the year. Bonds (ISINs: GE2700604103 and GE2700604152) and a subsidiary company started dismantling and preparatory works of the existing building on the acquired land in 2021.
2023	During the year, the Company issued USD 20 million of bonds in a single issuance (ISIN: GE2700604624).
2024	During the year, the Company issued a total of USD 19.5 million and EUR 5 million in bonds through two separate issuances (ISINs: GE 2700604772, GE 2700604574).
2025	<ul style="list-style-type: none"><li>• The Company obtained EDGE Advanced certification for its malls and business tower buildings;</li><li>• City Development LLC was separated from the Issuer and transferred to another related party;</li><li>• The Company acquired Grato City Center LLC.</li></ul>

## Strategy and objectives

IG Development Georgia LLC is the owner and operator of a leading shopping center chain in Georgia, operating at almost full occupancy (99-100% occupancy in shopping malls) and high profitability. The Company is distinguished by high social responsibility and commercial plans, the goal of which is to create an ultra-modern commercial space, where outstanding international brands and Georgian entrepreneurs will be integrated, which will contribute to the development of the local market. Considering all this, the company plans to expand Gldani and Saburtalo malls.

## **Expansion Strategy**

As part of its long-term growth strategy, the Company is actively pursuing the expansion of its existing retail assets. The Gldani Mall expansion has already entered an advanced implementation phase, with construction and leasing activities well underway. Meanwhile, the Company is also preparing for the planned expansion of Saburtalo City Mall.

The extended area of Gldani Mall has already attracted significant interest from potential tenants, reflecting strong market demand. As of the date of this Prospectus, the Company has already secured lease agreements with several anchor and inline tenants for the newly added retail space. As a result of the expansion, an additional 34,970 sq.m. of commercial space will be added, accommodating up to 130 new international and local tenants. As of now, the issuer has already contracted 36.7% of the additional space. The construction is planned to be completed in 2027.

The expansion work on the Saburtalo building has entered an active phase; an additional 48,600 sq.m. of commercial space will be created. The construction is scheduled for completion in 2029, therefore, as of now, the company has not yet contracted any future tenants. There is also high demand from potential tenants.

## **ESG Strategy**

A core element of the Company's strategic direction is the increased focus on ESG performance — expanding its environmental and social targets and strengthening its commitment to responsible business practices. As part of this ongoing effort, the Company obtained EDGE Advanced certifications in 2025 for both its malls and the City Tower, confirming that its buildings consume over 40% less energy than standard benchmarks.

In July 2025, the Company also launched a 600 kW solar power plant, which allows it to directly source renewable electricity and significantly reduce the carbon intensity of its operations.

Looking forward, the Company has set out a number of ESG priorities, including:

- Improving energy and water efficiency through LED lighting, optimized HVAC systems, dual-flush toilets, low-flow taps, and enhanced building insulation.
- Preventing pollution via wastewater treatment at carwashes, CO-controlled ventilation in underground parking, and air/noise monitoring.
- Implementing waste segregation, recycling of cardboard, plastics, and oils, and safe disposal of hazardous materials such as fluorescent bulbs.
- Ensuring occupational and community health and safety through structured policies on hazard prevention, fire safety, use of regular trainings for both employees and tenant-contractors.
- Guaranteeing fair labor practices, transparent recruitment, equal opportunities, non-discrimination, freedom of association, and ongoing HSE and skills training for all employees and tenants' staff.

The Company's ESG governance structure reflects a high level of management commitment, with clearly assigned roles for internal staff, environmental and health & safety specialists, and a dedicated Grievance Redress Committee. This committee ensures transparency by offering multiple channels for employees, tenants, and other stakeholders to raise concerns (e.g., hotline, website, social media, and on-site complaint boxes), along with strict timelines for follow-up and resolution.

On July 16, 2025, the Issuer acquired a 100% stake in LLC "Grato City Center". Prior to the acquisition, LLC "Grato City Center" was leasing out space. The total assets of the acquired company amount to GEL 993,602, and the company has no liabilities. In the future, the Issuer plans to demolish the building and expand the shopping center on the existing site. The demolition process will begin in the near future.

Additionally, the Issuer plans to start a new project from 2028. Specifically, the company has signed a purchase agreement for a territory on Batumi island, where it is planned to build a shopping center. The total area of the property to be acquired is 28,374.3 sq.m., and the purchase price is \$15.6 million, with payment in installments. The acquisition was financed by a bank loan.

Detailed information about investments made is presented in the subsection "Investments".

## Investments

During the recent three years the Company has made significant investments.

The total amount of the investments made by the Company and put into operation according to the years is as follows:

'000 GEL	30-Jun-25	30-Jun-24	31-Dec-24	31-Dec-23
Purchases of property and equipment	353	58	2,780	906
Purchases of investment property	10,006	5,745	15,302	6,605
<b>Investments made, total:</b>	<b>10,359</b>	<b>5,803</b>	<b>18,082</b>	<b>7,511</b>

The purchase of fixed property and equipment mainly includes office equipment.

As of December 31, 2024 and June 30, 2025, the Company's investment property purchases primarily relate to the expansion works at Gldani Mall.

The Company plans to continue the expansion of its Gldani and Saburtalo malls over the coming years.

Under the **Gldani Mall expansion strategy**, the Company expects to invest approximately GEL 100 million in capital expenditures over the next two years. The majority of this amount will be financed through the planned bond issuance, with the remainder covered by internal funds and bank borrowings.

As part of the **Saburtalo Mall expansion strategy**, the Company plans to invest approximately GEL 30 million in capital expenditures over the next two years, which will be primarily financed through the Company's internal resources.

In the coming years, the Company plans to demolish the LLC "Grato City" building and expand the shopping mall in its place.

From 2028, the Issuer plans to begin work on the construction of the Batumi island shopping center.

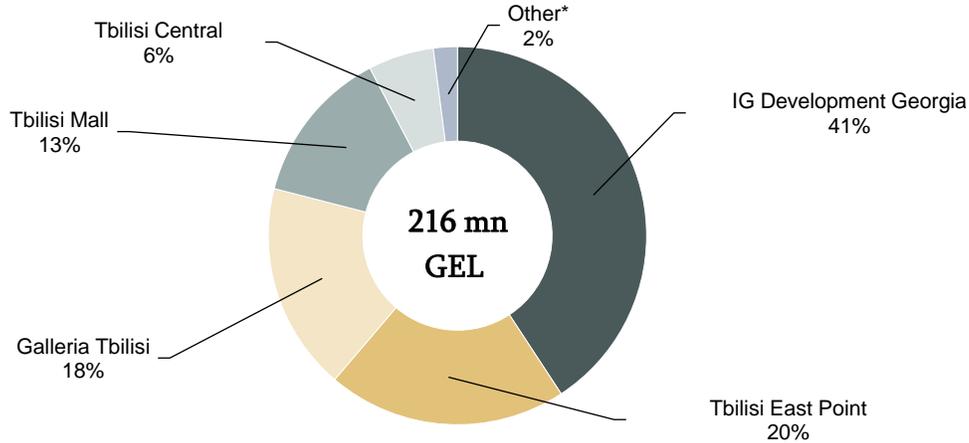
## Information on Material Contracts

As of the date of this Prospectus, the Issuer is not party to any material contracts outside the ordinary course of its business.

## Competitive market positioning

The Issuer is a market leader in the shopping mall sector in Georgia.

**Graph 21: Tbilisi shopping malls market share by revenue, 2023**

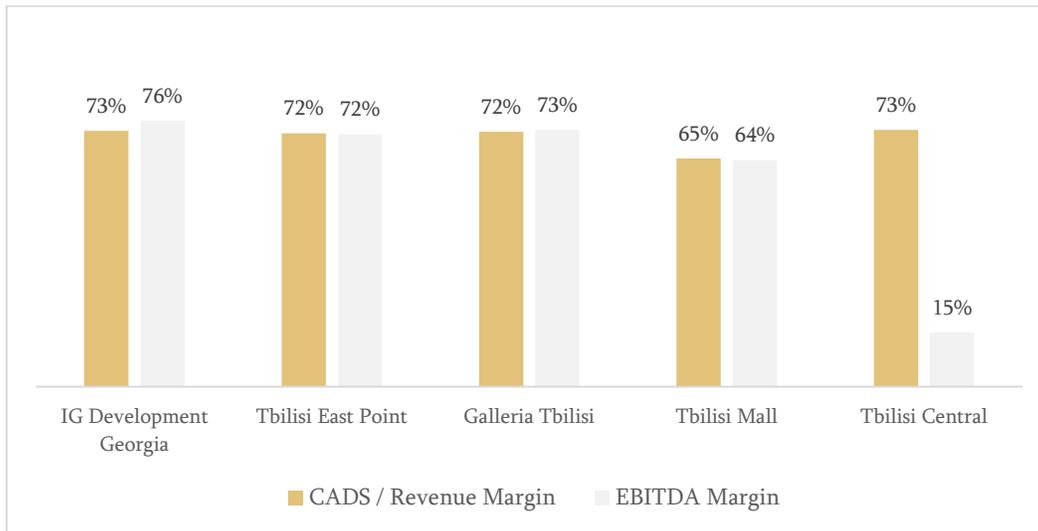


Source: [reportal.ge/](https://reportal.ge/) Financial statements of companies

\* Data for LLC Gldani Mall for the year 2023 is not available. Therefore, it is included in another category based on the most recent available data (from 2021).

The key financial ratios for the Issuer and its competitors for 2023 are presented below:

**Graph 22: CADS/Revenue and EBITDA margins<sup>2</sup>, %, 2023**



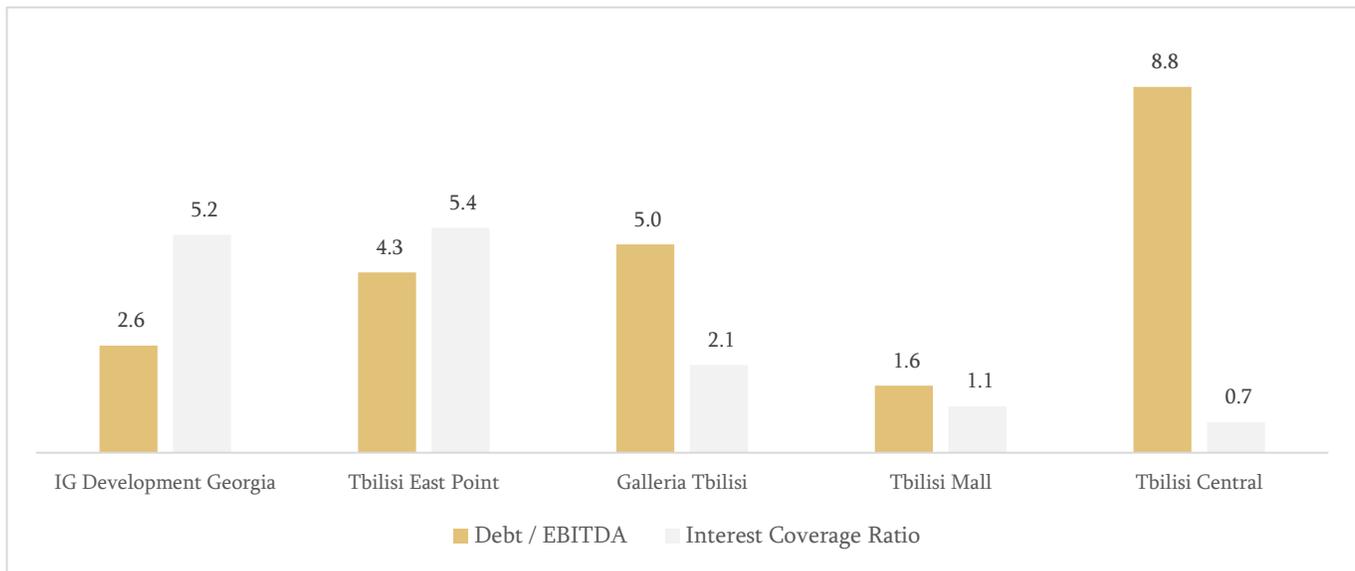
Source: [reportal.ge/](https://reportal.ge/) Financial statements of the companies

\* CADS/Revenue is calculated as cash flows from operating activities before changes in operating assets and liabilities, divided by revenue.

<sup>2</sup> As of the date of publication of this Prospectus, most of the Issuer's competitors have not yet published their financial results for 2024; accordingly, market share and other financial information are presented based on 2023 data.

\* EBITDA margin is calculated as operating profit plus depreciation and amortization, divided by revenue.

**Graph 23: Debt/EBITDA<sup>3</sup> and Interest Coverage Ratio<sup>4</sup>, 2023**



Source: [reportal.ge/](http://reportal.ge/) Financial statements of the companies

As of 2023, the Issuer significantly outperforms its peers in terms of both profitability and leverage metrics.

<sup>3</sup> Interest-bearing liabilities divided by operating profit before depreciation and amortization (EBITDA); for IG Development, EBITDA is calculated from the line items of the statement of cash flows and represents "cash flows from operating activities before changes in operating assets and liabilities," while for comparable companies, it is calculated from available profit and loss statements with the same components, to the extent that such information is available based on publicly disclosed information.

<sup>4</sup> Operating profit before depreciation and amortization (EBITDA) divided by interest expense in the profit and loss statement;

## Operating and Financial Review

### Individual Operating and Financial Review

*The Company's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and are presented in the relevant subsections ("Balance Sheet," "Statement of Profit and Loss," "Cash Flow Statement").*

*The audit report on the annual statements contains a qualified opinion, as the Company records investment property at cost but does not disclose the fair value of these assets in accordance with IFRS requirements (specifically IAS 40 and IFRS 13). This qualification results from the Company's disagreement with the auditor's position and its view that such disclosure is unnecessary.*

*The audited annual reports are publicly available on the website [reportal.ge](http://reportal.ge).*

*Also, the semi-annual reports for 2024 and 2025 are prepared by management; therefore, there is no assurance that the financial statements prepared for managerial accounting will be consistent with the audited data.*

*Unless otherwise indicated, all statements presented in the 'Individual Operating and Financial Review' section are on a standalone basis.*

### Note on Structure

The consolidated financial statements also include the financial indicators of the development company, LLC "City Development" (ID No: 405463225). At the time the Company's financial statements were prepared, LLC "City Development" was a subsidiary of the Issuer; however, in July 2025, it was transferred to another related party, LLC "IG Property" (ID No: 405765747). The transfer of the share was carried out by means of a purchase, the value of which amounted to USD 49,177 thousand. According to the terms of the agreement, the payment must be made within three years of the signing of the agreement, specifically no later than July 1, 2028.

Since, as of the preparation of the Prospectus, LLC "City Development" is no longer a subsidiary of the Issuer, the covenants set out in the Prospectus do not apply to it, and the consolidated financial statements disclosed in the Prospectus are provided only for informational purposes and to comply with regulatory and legislative requirements. This does not affect the following:

- a) The payment of the "Bonds" principal, as well as the "Interest," is the sole obligation of the "Issuer";
- b) The terms of the "Bonds" issuance apply only to the "Issuer" and do not create any obligation for "City Development". Furthermore, the disclosure of consolidated data does not create any form of guarantee from "City Development" to the bondholders and does not affect the interpretation of the "Bonds" terms.

The "Consolidated Operational and Financial Review" subchapter discloses a review of only those line items of the statements in which there is a material difference between the individual and consolidated data.

### Financial Condition

The distribution of Company **assets**, **liabilities** and **equity** is presented below:

Separate Statement of Financial Position, '000 GEL	30-Jun-25 Managerial	30-Jun-24 Managerial	31-Dec-24 Audited	31-Dec-23 Audited
Assets				

<b>Non-Current Assets</b>				
Investment Property	202,930	187,776	195,123	184,228
Prepayments to tenants	12,926	13,521	13,594	14,132
Property and Equipment	6,021	4,071	6,257	4,526
Intangible Assets	71	83	75	77
Investment in Subsidiary	69,718	69,718	69,718	69,718
Loans Granted	122,479	43,312	113,660	27,554
Trade and Other Receivables	10,801	582	4,305	1,720
<b>Total Non-Current Assets</b>	<b>424,945</b>	<b>319,063</b>	<b>402,731</b>	<b>301,955</b>
<b>Current Assets</b>				
Inventories	351	331	351	321
Loans Granted	9,676	9,332	8,615	3,896
Prepaid Taxes	3,632	2,185	2	-
Trade and Other Receivables	10,201	11,125	8,630	7,176
Cash and Cash Equivalents	2,389	7,452	10,268	14,998
<b>Total Current Assets</b>	<b>26,250</b>	<b>30,426</b>	<b>27,866</b>	<b>26,390</b>
<b>Total Assets</b>	<b>451,195</b>	<b>349,488</b>	<b>430,597</b>	<b>328,345</b>
<b>Equity</b>				
Charter Capital*	0.2	0.2	0.2	0.2
Paid-in Capital	8,814	8,814	8,814	8,814
Retained Earnings	220,881	168,491	194,692	141,939
<b>Total Equity</b>	<b>229,695</b>	<b>177,305</b>	<b>203,505</b>	<b>150,753</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
Borrowings	124,957	112,799	149,191	142,954
Grants Related to Assets	1,050	1,144	1,097	1,191
Advances Received from Tenants	3,795	3,874	3,457	3,568
<b>Total Non-Current Liabilities</b>	<b>129,802</b>	<b>117,817</b>	<b>153,746</b>	<b>147,712</b>
<b>Current Liabilities</b>				
Borrowings	86,036	50,183	67,441	21,848
Other Taxes Payable	-	-	-	4,513
Trade and Other Payables	5,661	4,184	5,905	3,519
<b>Total Current Liabilities</b>	<b>91,697</b>	<b>54,367</b>	<b>73,346</b>	<b>29,880</b>
<b>Total Liabilities</b>	<b>221,500</b>	<b>172,184</b>	<b>227,091</b>	<b>177,592</b>
<b>Total Liabilities and Equity</b>	<b>451,195</b>	<b>349,488</b>	<b>430,597</b>	<b>328,345</b>

\*The charter capital and the fully paid-in share capital presented in the financial statements represent the 'charter capital' as defined by the Law of Georgia on Entrepreneurs, which is a term equivalent to the 'placed capital' as defined in the law.

#### Investment property:

As of June 30, 2025, investment property accounted for the largest share of the Company's total assets at 45.0%. The balance stood at GEL 202,930 thousand, representing an 8.1% increase compared with the same period of the previous year. As of December 31, 2024, investment property amounted to GEL 195,123 thousand, up 5.9% year-on-year. In both periods, the increase was primarily

driven by the Gldani Mall expansion, specifically due to advance payments made for construction works and the progress of ongoing construction activities.

The breakdown of the investment property for the relevant periods is as follows:

'000 GEL	30-Jun-25	30-Jun-24	31-Dec-24	31-Dec-23
Land	33,902	33,902	33,902	33,902
Buildings and structures and the associated equipment	136,497	140,717	138,635	142,005
Prepayments and construction in progress	30,763	11,271	20,757	6,376
Parking and Related Systems	1,769	1,887	1,829	1,945
<b>Total</b>	<b>202,930</b>	<b>187,776</b>	<b>195,123</b>	<b>184,228</b>

A breakdown of investment property by asset and location for the period is presented below:

	30-Jun-25	30-Jun-24	31-Dec-24	31-Dec-23
City Mall Vazha	101,250	102,884	102,103	102,881
City Mall Gldani	24,989	26,465	25,721	27,202
City Mall Kavtaradze	15,420	15,689	15,553	15,823
City Tower	31,417	32,312	31,864	32,759
Other*	29,853	10,427	19,881	5,564
<b>Total, '000 GEL</b>	<b>202,930</b>	<b>187,776</b>	<b>195,123</b>	<b>184,228</b>

\*Other – includes unfinished constructions and parking

Investment property is recognized at cost. The Company revalues its investment property only if there is an indication that the property may be impaired. At that time, the Group assesses the recoverable amount, which is defined as the higher of the asset's fair value less costs to sell and its value in use.

#### Prepayments to tenants:

Prepayments to tenants represent payments made by the Company to certain clients for the renovation of leased premises. In the audited financial statements, such amounts are classified as prepaid tenant expenses and are amortized over time. The amortization is recognized as a reduction of rental income on a straight-line basis over the lease term, which ranges from 21 to 34 years.

#### Property and Equipment:

As of June 30, 2025, the company's property, plant, and equipment accounted for 1.3% of total assets, amounting to GEL 6,021 thousand. In the same period of the previous year, this balance sheet item stood at GEL 4,071 thousand (December 31, 2024: GEL 6,257 thousand). The increase was primarily driven by the purchase of new vehicles during the reporting period.

Property, plant, and equipment mainly comprise buildings, furniture and fixtures, billboards and advertising equipment, as well as vehicles.

#### Loans granted:

The company has issued unsecured loans to (23 companies in total), with their balance sheet value increasing to GEL 132,155 thousand as of June 30, 2025 (30/06/2024: GEL 52,644 thousand; 31/12/2024: GEL 122,275 thousand). Out of the total 23 borrowers, 14 are related parties. The increase in loans issued as of December 31, 2024 was primarily driven by a USD 25 million loan obtained by the Company in November 2024, a significant portion of which was subsequently on-lent to City Expo, a related party. This effect also increased the balance as of June 2025.

As of June 30, 2025, 7% of the loans were classified as current (30/06/2024: 18%; 31/12/2024: 7%). The loans are denominated in both GEL and USD. Principal and interest payments are due at the end of the loan term, and interest is not capitalized.

91% of the loans issued as of June 30, 2025 are concentrated on five interconnected parties (31/12/2024: 91%). These interconnected parties represent the companies related to the final beneficiary of the company.

The breakdown of loans issued to related and non-related parties, along with the provision for loan impairment, is presented by period in the following table:

Thousand GEL	2025 HY	2024 HY	2024	2023
Loans granted to related parties	139,214	59,165	128,248	46,335
Other loans granted	14,676	9,877	14,569	-
Less: Provision for loan impairment	-21,735	-16,398	-20,542	-14,885
<b>Total carrying amount of loans at AC</b>	<b>132,155</b>	<b>52,644</b>	<b>122,275</b>	<b>31,450</b>

The tables below reflect the changes in the credit loss of loans issued by the Company to the related parties and the changes in the total balance sheet in the period between the beginning and end of the reporting period:

Thousand GEL	Credit loss allowances				Total book value			
	Stage 1 (12-month ECL)	Stage 2 (During the period of service for ECL, SICR)	Stage 3 (During the period of service ECL, Impaired credit)	Total	Stage 1 (12-month ECL)	Stage 2 (During the period of service for ECL, SICR)	Stage 3 (During the period of service ECL, Impaired credit)	Total
<b>Loans granted</b>								
At 31 December 2022	(30)	(5,900)	(5,241)	(11,171)	1,421	29,338	10,801	41,560
<i>Movements with impact on credit loss allowance charge for the period:</i>								
New originated or purchased	(56)	(209)	-	(266)	1,960	711	-	2,671
Derecognised during the period	4	51	-	55	(406)	(440)	-	(846)
Changes in accrued interest	(1)	(353)	(389)	(743)	136	2,175	540	2,851
<b>Transfers:</b>								
- to lifetime (from Stage 1 to Stage 2)	22	(22)	-	-	(1,096)	1,096	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)		-	-	-	-	(3,022)	3,022	-
Changes to ECL measurement model assumptions	(146)	(184)	(2,460)	(2,790)	-	-	-	-
<b>Total movements with impact on credit loss allowance charge for the period</b>	<b>(177)</b>	<b>(717)</b>	<b>(2,849)</b>	<b>(3,743)</b>	<b>594</b>	<b>521</b>	<b>3,561</b>	<b>4,676</b>
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Foreign exchange and other movements	(0)	11	18	29	12	106	(19)	99
At 31 December 2023	(207)	(6,607)	(8,072)	(14,885)	2,027	29,965	14,343	46,335
<i>Movements with impact on credit loss allowance charge for the period:</i>								
				-				-

<i>New originated or purchased</i>	(731)	(2,361)	-	(3,092)	73,135	16,949	-	90,084
<i>Derecognised during the period</i>	13	626	-	639	(1,339)	(1,604)	-	(2,943)
<i>Changes in accrued interest</i>	(1)	(467)	(562)	(1,030)	1,702	3,149	562	5,414
<b>Transfers:</b>								
- to lifetime (from Stage 1 to Stage 2)	146	(146)	-	-	(964)	964	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	-	-	-	-	-	-	-	-
Changes to ECL measurement model assumptions	(16)	(1,530)	(0)	(1,546)	-	-	-	-
<b>Total movements with impact on credit loss allowance charge for the period</b>	<b>(589)</b>	<b>(3,878)</b>	<b>(562)</b>	<b>(5,029)</b>	<b>72,534</b>	<b>19,458</b>	<b>562</b>	<b>92,554</b>
<i>Movements without impact on credit loss allowance charge for the period:</i>								
<i>Foreign exchange and other movements</i>	(17)	(214)	(396)	(627)	1,710	1,801	417	3,928
<b>At 31 December 2024</b>	<b>(813)</b>	<b>(10,698)</b>	<b>(9,030)</b>	<b>(20,542)</b>	<b>76,271</b>	<b>51,223</b>	<b>15,323</b>	<b>142,817</b>

Disbursement of loans by maturity and nominal balances as of June 30, 2025 is presented in the form of a table:

Currency	Type of the loan	Average remaining terms, months	Average nominal rate	Principal amount (GEL)	Accrued interest (GEL)
GEL	Annuity	50	12%	15,374	4,195
USD	Annuity	15	8.59%	115,707	18,409
EUR	Annuity	0	9.5%	0	138
<b>Total loans issued</b>				<b>131,081</b>	<b>22,742</b>

Note: The loans in the table are nominal balances converted based on the period end exchange rates and differ slightly from the amortized balances.

Disbursement of loans by maturity and nominal balances as of December 31, 2024 is presented in the form of a table:

Currency	Type of the loan	Average remaining terms, months	Average nominal rate	Principal amount (GEL)	Accrued interest (GEL)
GEL	Annuity	23	12%	15,031	3,241
USD	Annuity	12	8.5%	110,899	13,452
EUR	Annuity	0	9.5%	-	127
<b>Total loans issued</b>				<b>125,931</b>	<b>16,820</b>

Note: The loans in the table are nominal balances converted based on the period end exchange rates and differ slightly from the amortized balances.

Disbursement of loans by maturity and nominal balances as of December 31, 2023 is presented in the form of a table:

Currency	Type of the loan	Average remaining terms, months	Average nominal rate	Principal amount (GEL)	Accrued interest (GEL)
GEL	Annuity	12	12.5%	3,952	2,134
USD	Annuity	12	8%	31,534	8,758
EUR	Annuity	0	9.5%	-	156
<b>Total loans issued</b>				<b>35,486</b>	<b>11,048</b>

Note: The loans in the table represent nominal balances and differ slightly from amortized balances.

## Trade and other receivables:

As of June 30, 2025, trade and other receivables amounted to GEL 21,002 thousand, representing a significant 79% increase compared to the same period of the previous year (June 30, 2024: GEL 11,707 thousand). The growth was primarily driven by advance payments related to construction works for the Gldani Mall expansion.

## Investment in Subsidiary

The investment in subsidiary represents the investment made in LLC City Development, a development company that was a subsidiary of the issuer as of December 31, 2024, but has since been transferred to another related party. (For more detailed information, see the subchapter: “*Note on Structure*”). The company measures its investment in the subsidiary at initial cost, reducing the carrying amount in case of impairment. As of each reporting date, the investment in the subsidiary amounts to GEL 69,718 thousand.

## Inventories;

The company’s inventories consist of fuel and other low-value supplies, amounting to GEL 351 thousand as of June 30, 2025 (June 30, 2024: GEL 331 thousand; December 31, 2024: GEL 8,615 thousand).

## Prepaid taxes:

As of June 30, 2025, the company had prepaid taxes totaling GEL 3,632 thousand, representing a 66% increase compared to June 30, 2024. Prepaid taxes mainly consist of VAT, corporate income tax, personal income tax, and other taxes, with the increase primarily driven by the growth in prepaid VAT.

## Borrowings

As of June 30, 2025, the Company’s total financial debt amounted to GEL 210,993 thousand, representing a 29% increase compared to the same period of the previous year (June 30, 2024: GEL 162,982 thousand). The growth was primarily driven by a USD 25 million loan obtained by the Company in November 2024, a significant portion of which was subsequently on-lent to its related party, City Expo.

The breakdown of the Company’s borrowings by currency is presented in the following table:

<b>Borrowings denominated in</b>	<b>2025 HY</b>	<b>2024 HY</b>	<b>2024</b>	<b>2023</b>
USD	194,595	147,459	197,541	149,029
EUR	16,399	15,523	15,045	15,773
GEL	-	-	4,046	-
<b>Total borrowings</b>	<b>210,993</b>	<b>162,982</b>	<b>216,632</b>	<b>164,802</b>

The breakdown of the Company’s borrowings by type is presented in the following table:

<b>Borrowings of the company</b>	<b>2025 HY</b>	<b>2024 HY</b>	<b>2024</b>	<b>2023</b>
Term loans from banks	77,591	47,584	85,474	52,248
Owner	7,686	-	3,678	-
Bonds	125,716	115,398	127,480	112,554
<b>Total borrowings</b>	<b>210,993</b>	<b>162,982</b>	<b>216,632</b>	<b>164,802</b>

## Grants Related to Assets

As of June 30, 2025, grants related to assets amounted to GEL 1,050 thousand, representing an 8% decrease compared to the same period of the previous year (June 30, 2024: GEL 1,144 thousand). Grants related to assets primarily consist of grants provided under the energy efficiency program by the EBRD.

### Advances Received from Tenants

The Company's advances received from tenants represent security deposits, which are classified as either short-term or long-term liabilities depending on the lease contract maturity. As of June 30, 2025, this balance amounted to GEL 3,795 thousand, reflecting a 2% decrease compared to the same period of the previous year (June 30, 2024: GEL 3,874 thousand; December 31, 2024: GEL 3,457 thousand).

### Trade and other payables

As of June 30, 2025, trade and other payables amounted to GEL 5,661 thousand, representing a 35% increase compared to the same period of the previous year (June 30, 2024: GEL 4,184 thousand; December 31, 2024: GEL 5,905 thousand). The increase is primarily attributable to advance rent payments made by tenants for mall spaces.

### Allowances for expected credit loss

The Company estimates on a prospective basis the expected credit loss for debt instruments evaluated at amortized cost and measured at FVOCI, as well as for risks arising from debt obligations, and financial guarantee agreements in the case of assets under the contract. The Company estimates expected credit loss on its financial and contractual assets at each reporting date and recognizes a net impairment loss. Credit losses are calculated based on historical losses, which are adjusted for current and future macroeconomic factors that may affect the ability of customers to repay debt, upon which the Company adjusts its historical level of losses.

The provision of credit losses for loans issued reflected in amortized cost during the 12 months of 2024 – GEL 21,178 thousand , 14.4% of gross loans (2023: GEL 14,885 thousand , 32.1%). The contractual interest rate of loans issued to related parties is 8-14% annually and the repayment period is until 2032. The loans were issued under market conditions. 84% of this figure, GEL 20,542 thousand, is distributed among the related companies whose impaired loan amount exceeds GEL 1 million, of which:

- The largest portion (accounting for 30% of the total impaired loan balance) relates to Domson's Engineering LLC (ID: 405126572), which was both a debtor of IG Development and a tenant in the Company's business center. The non-payment of rent for the leased space became the basis for IG Development to fully impair the loan (100%) issued to this entity. The related accounts receivable were also impaired to the same extent. (For more details, see the subsection "Loans Issued").
- The second largest exposure, representing 16% of the total impairment, is related to West Invest LLC (ID: 202311104), which also experienced difficulties in repaying both principal and accrued interest, resulting in a 20% impairment of the respective loan.
- The third largest portion (accounting for 14% of the total impaired balance) relates to Investment Group LLC (ID: 404966756), which was, at the time of Domson Engineering's establishment, considered a related party to that entity. This relationship formed the basis for the loan to Investment Group LLC to be fully impaired (100%) as well.
- The fourth largest portion (11% of the total impaired volume) relates to LLC "Energy Development Georgia" (ID: 404485188), which is a related party and actively operates in the renewable energy sector.
- The fifth largest portion (10% of the total impaired volume) relates to LLC "IG Agro" (ID: 405446370), which is a related party and actively operates in the agricultural sector.

Name	I/N	Amount Category	Related to the Issuer*	Relation Type	Purpose of the Loan	Disbursement Date	Loan Term**	Total Loan Amount (GEL equiv.)	Impaired Loan Amount (GEL equiv.)	Share in Total Impairment	Impairment %
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Domson's Engineering LLC	405126572	IV	No*	n/a	General corporate financing (2 loans in total)	Jul-21	1-3 years	6,251,550	6,251,550	30%	100%
Investment Group LLC	404966756	IV	No*	n/a	General corporate financing (1 loan in total)	Mar-22	3 years	2,909,642	2,909,642	14%	100%
West Invest LLC	202311104	II	Yes	Related Party	General corporate financing (4 loans in total)	Jul-17	5-10 years	17,226,699	3,445,340	16%	20%
Energy development Georgia LLC	404485188	III	Yes	Related Party	General corporate financing (7 loans in total)	Aug-25	5-10 years	12,112,544	2,379,784	11%	10% - 20%
IG Agro LLC	405446370	III	Yes	Related Party	General corporate financing (6 loans in total)	May-21	5-10 years	21,910,334	2,191,033	10%	10%
City Expo LLC	405704750	IV	Yes	Relater Party	General corporate financing (3 loans in total)	May-24	4 years	74,668,021	746,680	4%	1%
Panorama Funicular LLC	405469862	IV	Yes	Related Party	General corporate financing (2 loans in total)	Jul-23	5-10 years	2,145,101	1,501,571	7%	70%
Fanti LLC	405045749	IV	No	n/a	General corporate financing (1 loans in total)	Jul-24	3 years	4,310,470	431,047	2%	10%
GPP LLC	405269766	II	Yes	Related Party	General corporate financing (1 loans in total)	Jun-23	5-10 years	1,017,999	101,800	0.5%	10%
<b>Total</b>								<b>142,552,360</b>	<b>19,958,447</b>		

\* In the case of LLC "Domson's Engineering" and LLC "Investment Group," as of March 28, 2022, a related party of the Issuer is no longer a shareholder in these companies. For audit purposes, as of December 31, 2022, both entities were considered entities under common control. The remaining companies listed in the table are still related parties of the Issuer.

\*\* In the case of multiple loans, the date of the first loan issuance and the lower-upper limits of maturity.

The remaining amount of the impairment is directed to the related parties of the issued loans, although the % distribution of the aforementioned to the individual borrower does not exceed 10%.

In the profit and loss statement, the expense of the expected credit loss is recorded in the other expenses of the general and administrative expenses article (see below).

## Company Equity

As of June 30, 2025, the company's total equity amounted to GEL 451,195 thousand, which is a 29.5% increase compared to the same period of the previous year. Since the charter and additional paid-in capital have remained unchanged year-over-year, the growth is entirely attributable to the increase in retained earnings, driven by the company's annual net profit. As of December 31, 2024, the company's total equity was GEL 203,505 thousand, representing a 35.0% increase compared to the same period of the previous year. The growth is due to the same reason.

The breakdown of the company's capital by the respective components is presented in the following table:

	30 Jun 2025	30 Jun 2024	2024	2023
<b>Equity</b>				
Charter Capital	0.2	0.2	0.2	0.2
Paid-in Capital	8,814	8,814	8,814	8,814
Retained Earnings	220,881	168,491	194,692	141,939

**Total Equity**

**229,695**

**177,305**

**203,505**

**150,753**

## Operating Results

Separate Statement of Profit or Loss, '000 GEL	30-Jun-25 Managerial	30-Jun-24 Managerial	31-Dec-24 Audited	31-Dec-23 Audited
<b>Revenues</b>	<b>52,014</b>	<b>46,172</b>	<b>100,929</b>	<b>88,202</b>
Direct operating expenses	(8,325)	(7,923)	(16,437)	(16,188)
General and administrative expenses	(4,929)	(3,444)	(12,887)	(10,278)
Foreign exchange loss, net	37	(607)	(759)	(278)
<b>Operating Profit</b>	<b>38,798</b>	<b>34,198</b>	<b>70,846</b>	<b>61,458</b>
<b>Operating Profit Margin</b>	<b>75%</b>	<b>74%</b>	<b>70%</b>	<b>70%</b>
<i>D&amp;A Cost in OpEx</i>	(2,809)	(2,702)	(5,372)	(5,270)
Net charge for expected credit losses on loans granted	(1,193)	(1,513)	(5,656)	(3,714)
Finance cost, net	(2,897)	(6,680)	(8,194)	(6,915)
Other income, net	152	546	710	790
<b>Profit before Income Tax</b>	<b>34,859</b>	<b>26,552</b>	<b>57,706</b>	<b>51,618</b>
Income Tax Expense	(1,300)	-	(743)	(511)
<b>Profit for the Year</b>	<b>33,558</b>	<b>26,552</b>	<b>56,963</b>	<b>51,107</b>
<b>Net Income Margin</b>	<b>65%</b>	<b>58%</b>	<b>56%</b>	<b>58%</b>

The company's main income comes from the rent that is fully denominated in US dollar. As of June 30, 2025, the Company's revenue totaled GEL 52,014 thousand, reflecting a 12.7% increase compared to the same period of the previous year. This growth was primarily driven by an increase in the average rental rate across all properties. As of December 31, 2024, the Company's revenue amounted to GEL 100,929 thousand, representing a 15.3% year-on-year increase, mainly for the same reason.

As of June 30, 2024, out of the total GEL 52,014 thousand in revenue, 61.5% was generated by City Mall Vazha-Pshavela, 16.7% by City Mall Kavtaradze, 15.3% by City Mall Gldani, 3.7% by City Tower, while the remaining portion was derived from other revenue sources.

In addition to the rent, the company generates income from banners placed in malls, their parking and other sources, as of June 30, 2025, these revenues represent 2.7% of total revenue (GEL 1,409 thousand), in 2024 HY 1.3% (GEL 622 thousand).

The breakdown of total revenue is as follows<sup>5</sup>:

'000 GEL	2025 HY	2024 HY	2024	2023	2022
City Mall Vaja	32,003	28,307	62,173	52,931	49,002
City Mall Kavtaradze	8,711	7,589	16,450	15,800	13,649
City Mall Gldani	7,975	7,642	16,314	14,705	14,210
City Mall Tower	1,916	2,013	4,150	3,416	2,548
Others	1,409	622	1,842	1,350	777
<b>Total rental revenue</b>	<b>52,014</b>	<b>46,172</b>	<b>100,929</b>	<b>88,202</b>	<b>80,186</b>

### Direct operating expenses

Direct operating expenses are expenses directly related to the management of shopping malls and offices. As of June 30, 2025, these expenses amounted to GEL 8,325 thousand, reflecting a 5.1% increase compared to the same period of the previous year. For

the full year of 2024, the expenses totaled GEL 16,437 thousand, representing a 1.5% year-on-year increase. This line item in the income statement has remained stable across years and primarily includes utility expenses, depreciation, property taxes, and similar operating costs. The breakdown of direct operating expenses by period is presented in the table below.

In '000 GEL	2025 HY	2024 HY	2024	2023
Utilities	2,538	2,242	4,863	4,562
Depreciation expenses	2,214	2,214	4,376	4,300
Property taxes	1,922	1,895	3,861	5,682
Staff cost	917	956	2,091	1,880
Repair and maintenance	435	357	717	889
Provision reversal for uncertain tax positions	-	-	-	(2,406)
Other	298	258	530	1,280
<b>Total direct operating expenses</b>	<b>8,325</b>	<b>7,923</b>	<b>16,437</b>	<b>16,188</b>

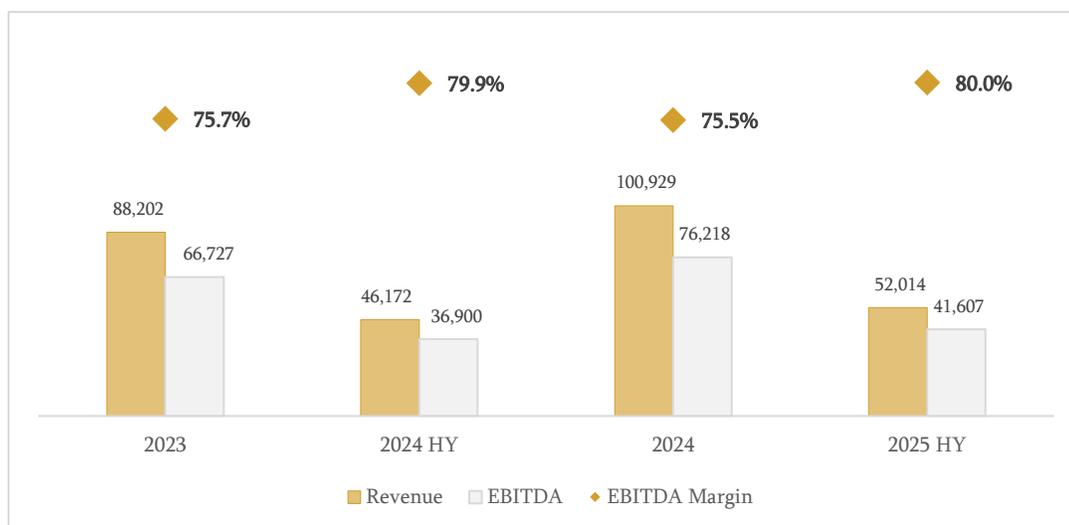
### General and Administrative Expenses

The Company's general and administrative (G&A) expenses primarily include marketing, consulting, payroll, depreciation, and other related costs. In the first half of 2025, these expenses amounted to GEL 4,929 thousand, representing a 43.1% increase compared to the same period in the previous year. For the full year of 2024, G&A expenses totaled GEL 12,887 thousand, reflecting a 25.4% increase compared to 2023. The increase in both periods is driven by the growth in employee-related expenses.

A detailed breakdown of these costs is presented below:

In '000 GEL	2025 HY	2024 HY	2024	2023
Advertising and marketing	745	347	996	970
Other	577	537	1,134	768
Consultation expenses	98	8	162	180
Staff costs	-	-	457	399
Rent expense	2,842	1,991	8,662	6,727
Insurance expenses	137	111	238	189
Depreciation expenses	530	450	1,238	1,045
<b>Total G&amp;A</b>	<b>4,929</b>	<b>3,444</b>	<b>12,887</b>	<b>10,278</b>

### Revenues, EBITDA and EBITDA Margin by Period ('000 GEL)



As of June 30, 2025, the Company's EBITDA amounted to GEL 41,607 thousand, reflecting a 12.8% increase compared to the same period of the previous year, in line with the Company's revenue growth.

Notably, as of June 30, 2025, the Company recorded the highest EBITDA margin across all periods. This improvement is primarily due to the nature of the Company's business model, in which operating expenses grow at a slower pace than revenues, thereby enhancing profitability over time.

It is also worth noting that the revenue growth during the period was mainly driven by price increases rather than higher occupancy. As a result, operating costs did not rise at the same rate, which further contributed to the improvement in margins.

#### **Net charge for expected credit losses on loans granted**

The company performs impairment for its trade receivables and loans issued in accordance with IFRS. Detailed information regarding the expected credit losses is provided in the sub-chapter "financial condition".

#### **Depreciation and amortization expenses**

As of June 30, 2025, depreciation and amortization expenses amounted to GEL 2,744 thousand, representing a 3% increase compared to the same period of the previous year.

As of December 31, 2024, this line item in the income statement totaled GEL 5,372 thousand, reflecting a 1.9% increase compared to the same period in 2023.

#### **Finance Cost, Net**

The company's finance cost, net takes into account the interest expense on the company's debt and the interest income on the company's loans granted.

A detailed breakdown of these costs is presented below:

<b>In '000 GEL</b>	<b>2025 HY</b>	<b>2024 HY</b>	<b>2024</b>	<b>2023</b>
Interest Income	6,415	1,846	5,772	3,115
Interest Expense	(9,856)	(6,275)	(14,851)	(12,748)
Foreign exchange (loss) / gain on borrowed funds and loans issued, net	544	(4,006)	(2,987)	858
changes in the fair value of borrowed funds	-	1,756	3,872	1,860
<b>Total</b>	<b>(2,897)</b>	<b>(6,679)</b>	<b>(8,194)</b>	<b>(6,915)</b>

#### **Risk management**

The risk management function within the Group is carried out in respect to financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risks), credit risk and liquidity risk. The primary function of the financial risk management is to establish risk limits, and to ensure that any exposure to risk stays within these limits. The operational and legal risk management functions are intended to ensure the proper functioning of internal policies and procedures, in order to minimise operational and legal risks.

**Credit risk.** The Group exposes itself to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Exposure to credit risk arises as a result of the Group's sales of services on credit terms and other transactions with counterparties giving rise to financial assets. The Group's maximum exposure to credit risk is reflected in the carrying amounts of financial assets in the statement of financial position.

**Credit risk management.** Credit risk is one of the largest risks for the Group's business; management therefore carefully manages its exposure to credit risk.

The estimation of credit risk for risk management purposes is complex and involves the use of models, as the risk varies depending on market conditions, expected cash flows and the passage of time. The assessment of credit risk for a portfolio of assets entails further estimations of the likelihood of defaults occurring, the associated loss ratios and default correlations between counterparties.

**Limits.** The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to counterparties. Limits on the level of credit risk are approved regularly by management. Such risks by counterparties are monitored closely and are subject to a yearly or more frequent review.

Credit limits are analysed and approved by the Management. In order to monitor exposure to credit risk, regular reports are produced based on a structured analysis focusing on the customer's financial performance. Any significant interaction with customers with deteriorating creditworthiness are reported to and reviewed by Management. The Group's management reviews the performance of counterparties and follows up on past due balances.

**Expected credit loss (ECL) measurement.** ECL is a probability-weighted estimate of the present value of future cash shortfalls (i.e., the weighted average of credit losses, with the respective risks of default occurring in a given time period used as weights). An ECL measurement is unbiased and is determined by evaluating a range of possible outcomes. ECL measurement is based on four components used by the Group: Probability of Default ("PD"), Exposure at Default ("EAD"), Loss Given Default ("LGD") and Discount Rate.

EAD is an estimate of exposure at a future default date, taking into account expected changes in the exposure after the reporting period, including repayments of principal and interest, and expected drawdowns on committed facilities. PD is an estimate of the likelihood of default to occur over a given time period. LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral. It is usually expressed as a percentage of the EAD. The expected losses are discounted to present value at the end of the reporting period. The discount rate represents the effective interest rate ("EIR") for the financial instrument or an approximation thereof.

Management models *Lifetime ECL*, that is, losses that result from all possible default events over the remaining lifetime period of the financial instrument. The *12-month ECL*, represents a portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting period, or remaining *lifetime period* of the financial instrument if it is less than a year.

The ECLs that are estimated by management for the purposes of these consolidated and separate financial statements are point-in-time estimates, rather than through-the-cycle estimates that are commonly used for regulatory purposes. The estimates consider *forward looking information*, that is, ECLs reflect probability weighted development of key macroeconomic variables that have an impact on credit risk.

For purposes of measuring PD, the Group defines default as a situation when the exposure meets one or more of the following criteria:

- the borrower is more than 90 days past due on its contractual payments;
- the borrower meets the unlikeliness-to-pay criteria listed below:
  - the borrower is deceased;

- the borrower is insolvent; and
- it is becoming likely that the borrower will enter bankruptcy.

For purposes of disclosure, the Group fully aligned the definition of default with the definition of credit-impaired assets. The default definition stated above is applied to all types of financial assets of the Group.

The assessment whether or not there has been a significant increase in credit risk (“SICR”) since initial recognition is performed on an individual basis. For loans granted, SICR is assessed on an individual basis by monitoring the triggers stated below. The criteria used to identify an SICR are monitored and reviewed periodically for appropriateness by the Group’s Management. The presumption, being that there have been significant increases in credit risk since initial recognition when financial assets are more than 30 days past due, has not been rebutted.

The Group considers a financial instrument to have experienced an SICR when one or more of the following quantitative, qualitative or backstop criteria have been met:

- 30 days past due; and
- Restructuring event of the credit exposure

The level of ECL that is recognised in these consolidated and separate financial statements depends on whether the credit risk of the borrower has increased significantly since initial recognition. This is a three-stage model for ECL measurement. A financial instrument that is not credit-impaired on initial recognition and its credit risk has not increased significantly since initial recognition has a credit loss allowance based on 12-month ECLs (Stage 1). If a SICR since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit -impaired and the loss allowance is based on lifetime ECL.

If a financial instrument is credit-impaired, the financial instrument is moved to Stage 3 and loss allowance is based on lifetime ECLs. The consequence of an asset being in Stage 3 is that the entity ceases to recognise interest income based on gross carrying value and applies the asset’s effective interest rate to the carrying amount, net of ECL, when calculating interest income.

If there is evidence that the SICR criteria are no longer met, the instrument is transferred back to Stage 1. If an exposure has been transferred to Stage 2 based on a qualitative indicator, the Group monitors whether that indicator continues to exist or has changed.

The Group performs ECL assessment on an individual basis for issued loans and trade and other receivable with balances over GEL 50,000. Trade and other receivable balances below GEL 50,000 are assessed on a collective basis.

ECL assessment on an individual basis is performed by weighting the estimates of credit losses for different possible outcomes against the probabilities of each outcome. The Group defines at least two possible outcomes for each assessed loan, one of which leads to a credit loss even if the probability of such a scenario may be very low.

In general, ECL is the sum of the multiplications of the following credit risk parameters: EAD, PD and LGD, that are defined as explained above, and discounted to present value using the instrument’s effective interest rate. The ECL is determined by predicting credit risk parameters (EAD, PD and LGD) for each future year during the lifetime period for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has been repaid or defaulted in an earlier month). This effectively calculates an ECL for each future period, that is then discounted back to the reporting date and summed up. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

***Forward-looking information incorporated in the ECL models.*** The assessment of SICR and the calculation of ECLs both incorporate supportable forward-looking information. The Group identified certain key economic variables that correlate with developments in credit risk and ECLs. Forecasts of economic variables (the "base economic scenario") are provided by the Group and provide the best estimate of the expected macro-economic development over the next year.

**Credit risks concentration.** The Group is not exposed to concentrations of credit risk as at 31 December 2024.

**Market risk.** The Group takes on exposure to market risks. Market risks arise from open positions in (a) foreign currency and (b) interest-bearing assets and liabilities, all of which are exposed to general and specific market movements. Management sets limits on the value of risk that may be accepted, which is monitored on a daily basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

**Currency risk.** In respect of currency risk, management sets limit on the level of exposure by currency and in total. The positions are monitored monthly.

The table below summarizes the Company's exposure to foreign currency exchange rate risk at the end of the reporting period:

Georgian Lari	31 December, 2024			31 December, 2023			31 December, 2022		
	Monetary and financial assets	Monetary and financial liabilities	Net balance position	Monetary and financial assets	Monetary and financial liabilities	Net balance position	Monetary and financial assets	Monetary and financial liabilities	Net balance position
Georgian Lari	37,169,546	-10,114,803	27,054,744	28,259,777	-1,125,604	27,134,173	17,394,505	-1,465,320	15,929,185
USD	125,017,162	-198,876,555	-73,859,393	40,873,911	-150,415,715	-109,541,803	36,967,368	-182,908,803	-145,941,435
EUR	127,185	-15,045,325	-14,918,140	155,717	-15,772,739	-15,617,022	456,602	-21,119,347	-20,662,745
<b>Total</b>	<b>162,313,893</b>	<b>-224,036,683</b>	<b>-61,722,789</b>	<b>69,289,405</b>	<b>-167,314,058</b>	<b>-98,024,652</b>	<b>54,818,475</b>	<b>-205,493,470</b>	<b>-150,674,995</b>

The above analysis includes only monetary assets and liabilities. Non-monetary assets are not considered to cause a significant increase in currency risk.

The following table presents sensitivities of profit or loss and equity to reasonably possible changes in exchange rates applied at the end of the reporting period relative to the functional currency of the Group, with all other variables held constant:

Georgian Lari	31 December, 2024	31 December, 2023	31 December, 2022
USD strengthening by 20% (2023: strengthening by 20%)	-14,771,879	-21,908,361	-7,074,698
USD depreciation by 20% (2023: depreciation by 20%)	14,771,879	21,908,361	7,074,698
EUR strengthening by 20% (2023: strengthening by 20%)	-2,983,628	-3,123,404	-4,132,549
EUR depreciation by 20% (2023: depreciation by 20%)	2,983,628	3,123,404	4,132,549

The exposure was calculated only for monetary balances denominated in currencies other than the functional currency of the respective entity of the Group.

**Interest rate risk** - The Group and the Company take on exposure to the effects of fluctuations in the prevailing levels of market interest rates on their financial position and cash flows.

The table below summarises the Company's exposure to interest rate risks. The table presents the aggregated amounts of the Group's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual interest repricing or maturity dates.

Georgian Lari	Up to 12 monts	From 1 to 5 years	After 5 years	Total
<b>31 December, 2024</b>				
Total financial assets	28,959,818	119,457,058	13,963,489	162,380,364
Total financial liabilities	-72,161,499	-78,983,720	-70,207,654	-221,352,872
	<b>-43,201,681</b>	<b>40,473,338</b>	<b>-56,244,165</b>	<b>-58,972,508</b>
Georgian Lari	Up to 12 monts	From 1 to 5 years	After 5 years	Total
<b>31 December, 2023</b>				
Total financial assets	35,374,885	24,342,471	9,373,424	69,090,779
Total financial liabilities	-24,405,226	-121,193,829	-21,719,902	-167,318,957
	<b>10,969,658</b>	<b>-96,851,358</b>	<b>-12,346,478</b>	<b>-98,228,177</b>

**Liquidity risk.** Liquidity risk is the risk that an enterprise will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to daily calls on its available cash resources. Management monitors monthly rolling forecasts of the Company's cash flows. The Company seeks to maintain a stable funding base primarily consisting of borrowings and trade and other payables.

The table below shows liabilities by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows. Such undiscounted cash flows differ from the amount included in the statement of financial position because the statement of financial position amount is based on discounted cash flows.

When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period. Foreign currency payments are translated using the official exchange rate at the end of the reporting period.

The maturity analysis of the Company's financial liabilities at 31 December 2024 is as follows:

Georgian Lari	Up to 12 months	From 1 to 5 years	After 5 years	Total	Carrying amount
<b>31 December, 2024</b>					
Liabilities					
Borrowings	67,440,707	78,983,720	70,207,654	216,632,080	216,632,080
Trade and other payables	4,720,793	-	-	4,720,793	4,720,793

<b>Total future payments, including future principal and interest payments</b>	<b>72,161,499</b>	<b>78,983,720</b>	<b>70,207,654</b>	<b>221,352,872</b>	<b>221,352,87</b>
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The maturity analysis of the Company's financial liabilities at 31 December 2023 is as follows:

Georgian Lari	Up to 12 months	From 1 to 5 years	After 5 years	Total	Carrying amount
<b>31 December, 2023</b>					
Liabilities					
Borrowings	87,912,182	91,427,645	-	179,339,827	164,801,809
Trade and other payables	2,516,944	-	-	2,516,944	2,516,944
<b>Total future payments, including future principal and interest payments</b>	<b>90,429,126</b>	<b>91,427,645</b>	<b>-</b>	<b>181,856,771</b>	<b>167,318,753</b>

## Cash Flow Statement Review

Proper management of cash flow and continues search for funding sources are very important for the Company. The cash flow statement is presented below:

	30-Jun-25	30-Jun-24	31-Dec-24	31-Dec-23
<b>Cash Flows from Operating Activities</b>				
Profit Before Income Tax	34,859	26,552	57,706	51,618
<b>Adjustments for:</b>				
Depreciation and Amortisation	2,744	2,663	5,372	5,270
Impairment losses on financial assets	1,193	1,513	6,114	4,113
Amortisation of prepayments to tenants	668	611	1,336	1,223
Provision reversal for uncertain tax positions	-	-	-	(2,636)
Finance cost, net	2,897	6,680	8,194	6,915
Net loss from exchange rate difference	(37)	607	759	278
<b>Operating cash flows before working capital changes in:</b>	<b>42,325</b>	<b>38,626</b>	<b>79,481</b>	<b>66,781</b>
Trade and other receivables	(8,069)	(2,811)	(4,412)	(264)
Inventories	-	(11)	(31)	102
Tax balances	(3,630)	(6,698)	(4,515)	4,417
Advances received from tenants	466	305	72	1,688
Prepayments to tenants	-	-	(798)	-
Trade and other payables	(338)	615	2,103	(1,624)
<b>Changes in working capital</b>	<b>(11,571)</b>	<b>(8,599)</b>	<b>(7,581)</b>	<b>4,320</b>
Interest income received	-	153	201	90
Interest paid	(9,279)	(6,733)	(13,544)	(14,456)
Income taxes paid	(1,300)	-	(743)	(511)
<b>Net cash generated from operating activities</b>	<b>20,174</b>	<b>23,446</b>	<b>57,813</b>	<b>56,223</b>
<b>Cash flows from investing activities</b>				
Purchases of property and equipment	(353)	(58)	(2,780)	(906)
Purchases of investment property	(10,006)	(5,745)	(15,302)	(6,605)
Acquisition of development land	-	-	-	-
Acquisition of intangible assets	-	(6)	(6)	(16)
Loans granted	(8,766)	(18,958)	(90,084)	(1,867)
Loan repayments received	-	-	2,836	820
<b>Net cash used in investing activities</b>	<b>(19,125)</b>	<b>(24,767)</b>	<b>(105,336)</b>	<b>(8,574)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	7,588	64,247	152,022	63,482
Repayment of borrowings	(9,151)	(69,915)	(104,276)	(97,390)
Dividends paid to owner	(7,368)	-	(4,211)	(2,895)
<b>Net cash from/(used in) financing activities</b>	<b>(8,932)</b>	<b>(5,668)</b>	<b>43,535</b>	<b>(36,803)</b>

Effect of exchange rate changes on cash and cash equivalents	4	(557)	(742)	(277)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>10,268</b>	<b>14,998</b>	<b>14,998</b>	<b>4,428</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>2,389</b>	<b>7,452</b>	<b>10,268</b>	<b>14,998</b>

### Operating cash flows before changes in working capital

As of the first six months of 2025, operating cash flows before changes in working capital amounted to GEL 42,325 thousand, representing a 9.6% increase compared to the same period of the previous year. This growth was primarily driven by an increase in profitability.

As of December 31, 2024, this cash flow item totaled GEL 79,481 thousand, marking a 19.0% increase compared to 2023. The increase was mainly due to higher profitability as well as an increase in finance costs.

For more details on these profit and loss components, please refer to the 'Operating Results' section.

### Net cash generated from operating activities

As of the first six months of 2025, net cash flows from operating activities amounted to GEL 20,174 thousand, representing a 14.0% decrease compared to the same period of the previous year. This decline was primarily driven by higher interest payments and increased corporate income tax payments.

For the full year of 2024, this cash flow item totaled GEL 57,813 thousand, reflecting a 2.8% increase compared to the previous year.

### Net cash used in investing activities

	30-Jun-25	30-Jun-24	31-Dec-24	31-Dec-23
<b>Cash flows from investing activities</b>				
Purchases of property and equipment	(353)	(58)	(2,780)	(906)
Purchases of investment property	(10,006)	(5,745)	(15,302)	(6,605)
Acquisition of development land	-	-	-	-
Acquisition of intangible assets	-	(6)	(6)	(16)
Loans granted	(8,766)	(18,958)	(90,084)	(1,867)
Loan repayments received	-	-	2,836	820
<b>Net cash used in investing activities</b>	<b>(19,125)</b>	<b>(24,767)</b>	<b>(105,336)</b>	<b>(8,574)</b>

During the first half of 2025, the Company incurred significantly higher capital expenditures related to the expansion of Gldani Mall. On the other hand, compared to the same period of the previous year, the volume of loans issued was lower. As a result, net cash used in investing activities amounted to GEL -19,125 thousand as of June 30, 2025, reflecting a 22.8% decrease compared to the same period in 2024.

In contrast, in 2024, the Company obtained a USD 25 million loan, which was subsequently on-lent to a related party, City Expo. Due to the impact of this loan disbursement, net cash used in investing activities in 2024 declined significantly compared to 2023 and amounted to GEL -105,336 thousand, representing a 12.3x increase year-on-year.

### Net cash from / used in financing activities

	30-Jun-25	30-Jun-24	31-Dec-24	31-Dec-23
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<b>Cash flows from financing activities</b>				
Proceeds from borrowings	7,588	64,247	152,022	63,482
Repayment of borrowings	(9,151)	(69,915)	(104,276)	(97,390)
Dividends paid to owner	(7,368)	-	(4,211)	(2,895)
<b>Net cash from/(used in) financing activities</b>	<b>(8,932)</b>	<b>(5,668)</b>	<b>43,535</b>	<b>(36,803)</b>

In 2025, net cash used in financing activities totaled GEL -8,932 thousand, representing a 57.6% decrease compared to the same period of the previous year. This decline was primarily due to the fact that no dividends were paid to shareholders during the first half of 2024, while in the first half of 2025, the Company distributed GEL 7.4 million in dividends.

As of year-end 2024, net cash from financing activities amounted to GEL 43,535 thousand, mainly driven by increased proceeds from borrowings. A key contributing factor was the USD 25 million loan obtained by the Company, which was subsequently on-lent to its related party, City Expo.

## Consolidated Operating and Financial Review

The Company's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and are presented in the relevant subsections ("Balance Sheet," "Statement of Profit and Loss," "Cash Flow Statement").

The audit report on the annual statements contains a qualified opinion, as the Company records investment property at cost but does not disclose the fair value of these assets in accordance with IFRS requirements (specifically IAS 40 and IFRS 13). This qualification results from the Company's disagreement with the auditor's position and its view that such disclosure is unnecessary.

The audited annual reports are publicly available on the website [reportal.ge](http://reportal.ge).

Also, the semi-annual reports for 2024 and 2025 are prepared by management; therefore, there is no assurance that the financial statements prepared for management accounting purposes will be consistent with the audited data. Unless otherwise indicated, all statements presented in the 'Consolidated Operating and Financial Review' section are on a consolidated basis.

### Note on Structure

The consolidated financial statements also include the financial indicators of the development company, LLC "City Development" (ID No: 405463225). At the time the Company's financial statements were prepared, LLC "City Development" was a subsidiary of the Issuer; however, in July 2025, it was transferred to another related party, LLC "IG Property" (ID No: 405765747). The transfer of the share was carried out by means of a purchase, the value of which amounted to USD 49,177 thousand. According to the terms of the agreement, the payment must be made within three years of the signing of the agreement, specifically no later than July 1, 2028.

Given that as of the date of the Prospectus, LLC "City Development" is no longer a subsidiary of the Issuer, the covenants set forth in the Prospectus do not apply to it, and the consolidated financial statements in the Prospectus are disclosed for informational purposes only and to comply with regulatory and legislative requirements. This does not affect the following:

- a) The payment of the "Bonds" principal, as well as the "Interest," is the sole obligation of the "Issuer";
- b) The terms of the "Bonds" issuance apply only to the "Issuer" and do not create any obligation for "City Development". Furthermore, the disclosure of consolidated data does not create any form of guarantee from "City Development" to the bondholders and does not affect the interpretation of the "Bonds" terms.

The "Consolidated Operational and Financial Review" subchapter discloses a review of only those line items of the statements in which there is a material difference between the individual and consolidated data.

### Financial Condition

The distribution of Company **assets**, **liabilities** and **equity** is presented below:

Separate Statement of Financial Position, '000 GEL	30-Jun-25 Managerial	30-Jun-24 Managerial	31-Dec-24 Audited	31-Dec-23 Audited
<b>Assets</b>				
<b>Non-Current Assets</b>				
Investment Property	202,930	187,776	195,123	184,228
Prepayments to tenants	12,926	13,521	13,594	14,132
Property and Equipment	6,540	4,428	6,815	4,830
Intangible Assets	127	171	134	175

Investment in Subsidiary	-	-	-	-
Loans Granted	122,425	43,761	113,614	27,526
Trade and Other Receivables	10,801	582	4,305	1,720
<b>Total Non-Current Assets</b>	<b>355,750</b>	<b>250,238</b>	<b>333,586</b>	<b>232,612</b>
<b>Current Assets</b>				
Property held as inventory	230,833	116,278	151,852	100,024
Loans Granted	12,380	11,231	11,079	6,091
Inventories	537	518	536	321
Prepaid Taxes	6,664	3,401	2,412	-
Trade and Other Receivables	24,654	19,722	24,262	15,124
Restricted Cash	540	6,778	641	6,222
Cash and Cash Equivalents	25,147	34,075	44,953	33,400
<b>Total Current Assets</b>	<b>300,756</b>	<b>192,003</b>	<b>235,735</b>	<b>161,183</b>
<b>Total Assets</b>	<b>656,506</b>	<b>442,241</b>	<b>569,321</b>	<b>393,795</b>
<b>Equity</b>				
Charter Capital	0.2	0.2	0.2	0.2
Paid-in Capital	8,814	8,814	8,814	8,814
Retained Earnings	210,078	164,673	188,236	138,250
<b>Total Equity</b>	<b>218,892</b>	<b>173,487</b>	<b>197,049</b>	<b>147,064</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
Borrowings	124,957	112,799	149,191	142,954
Grants Related to Assets	1,050	1,144	1,097	1,191
Advances Received from Tenants	3,795	3,874	3,457	3,568
Trade and Other Payables	32,773			
<b>Total Non-Current Liabilities</b>	<b>162,576</b>	<b>117,817</b>	<b>153,746</b>	<b>147,712</b>
<b>Current Liabilities</b>				
Borrowings	86,036	50,183	67,440	21,848
Accruals for other liabilities and payables	-	-	-	-
Trade and Other Payables	16,295	6,602	12,491	4,989
Advances received for property held as inventory	171,350	93,039	137,366	67,996
Advances Received from Tenants	1,357	1,114	1,229	1,047
Other Taxes Payable	-	-	-	3,139
<b>Total Current Liabilities</b>	<b>275,038</b>	<b>150,938</b>	<b>218,526</b>	<b>99,018</b>
<b>Total Liabilities</b>	<b>437,614</b>	<b>268,754</b>	<b>372,271</b>	<b>246,731</b>
<b>Total Liabilities and Equity</b>	<b>656,505</b>	<b>442,241</b>	<b>569,321</b>	<b>393,795</b>

### Property held as inventories

As of June 30, 2025, property held as inventories amounted to GEL 230,833 thousand on a consolidated level, which nearly doubled compared to the same period of the previous year (as of June 30, 2024 - GEL 116,278 thousand). This line item includes capitalized costs related to the construction of "Citizen" and the cost of land. The construction of "Citizen" is ongoing at the current stage, and the increase in inventories is mainly due to the growth in the volume of work carried out during the project's construction process.

## Prepaid Taxes

As of June 30, 2025, prepaid taxes amounted, on a consolidated basis, to GEL 6,664 thousand, representing a 95.9% increase year-on-year. As of December 31, 2024, this balance-sheet item totaled GEL 2,412 thousand. Prepaid taxes comprise prepaid VAT, corporate income tax, and other items. The increase was driven primarily by higher prepaid VAT.

## Trade and Other Receivables

As of June 30, 2025, short-term trade and other receivables amounted, on a consolidated basis, to GEL 24,654 thousand, representing a 25% increase year-on-year (June 30, 2024: GEL 19,722 thousand). The increase was driven primarily by advances paid in connection with construction under the Citizen development project.

## Cash and Cash Equivalents

As of June 30, 2025, cash and cash equivalents amounted, on a consolidated basis, to GEL 25,147 thousand, a 26.2% decrease year-on-year. As of December 31, 2024, this balance-sheet item totaled GEL 44,953 thousand, representing a 34.6% increase compared with end-2023. The material difference between the standalone cash balance and the consolidated level is attributable to cash received in connection with the Citizen development project.

## Equity

As of June 30, 2025, consolidated equity amounted to GEL 218,892 thousand, a 26.2% increase versus the same period of 2024. As of December 31, 2024, this item stood at GEL 197,049 thousand, up 34.0% compared with end-2023. For the principal drivers of growth, see the subsection “Individual Operating Review.” Relative to the standalone level, as of June 30, 2025, consolidated equity is GEL 10,804 thousand lower, driven by costs related to construction under City Development. As the Company has not yet completed the development project, only expenses are recognized in profit or loss, while customers’ prepayments are recorded as advances.

## Trade and Other Payables

As of June 30, 2025, total trade and other payables amounted, on a consolidated basis, to GEL 49,068 thousand, which is 7.4x higher year-on-year. The increase was driven primarily by liabilities payable for land acquired by the Company in the Vake district.

## Advances Received for Property Held as Inventory

As of June 30, 2025, advances received for property held as inventory amounted, on a consolidated basis, to GEL 171,350 thousand, representing an 84.2% increase year-on-year. As of December 31, 2024, this balance-sheet item totaled GEL 137,366 thousand, a 102.0% increase compared with end-2023.

This item comprises the corresponding liabilities for inflows received from pre-sales under the Citizen development project. Specifically, as the Company has not yet completed construction, amounts paid by buyers are recognized as current liabilities, namely as advances. The increase across all of the above reporting periods was driven primarily by higher sales across various blocks of the project.

## Operating Results

	30-Jun-25 Managerial	30-Jun-24 Managerial	31-Dec-24 Audited	31-Dec-23 Audited
Revenues	51,930	46,021	100,621	87,991
Other Operating income	8,753	-	8,566	-

Direct operating expenses	(17,078)	(10,193)	(25,003)	(17,205)
General and administrative expenses	(9,198)	(4,854)	(16,812)	(13,385)
Foreign exchange loss, net	(356)	612	(69)	824
<b>Operating Profit</b>	<b>34,051</b>	<b>31,586</b>	<b>67,303</b>	<b>58,225</b>
<b>Operating Profit Margin</b>	<b>66%</b>	<b>69%</b>	<b>67%</b>	<b>66%</b>
Net charge for expected credit losses on loans granted	(1,197)	(1,558)	(5,745)	(3,728)
Finance cost, net	(2,998)	(6,448)	(7,887)	(7,072)
Other income, net	654	2,843	1,267	2,272
<b>Profit before Income Tax</b>	<b>30,511</b>	<b>26,423</b>	<b>54,939</b>	<b>49,697</b>
Income Tax Expense	(1,300)	-	(743)	(511)
<b>Profit for the Year</b>	<b>29,211</b>	<b>26,423</b>	<b>54,196</b>	<b>49,186</b>
<b>Net Income Margin</b>	<b>56%</b>	<b>57%</b>	<b>54%</b>	<b>56%</b>

## Revenue

Given that “City Development” LLC has not yet recognized revenue, as the Company’s development project is still under construction, the difference between standalone and consolidated revenue is immaterial and arises solely from intra-group eliminations.

## Other Operating Income

Other operating income which is not present in the Issuer’s standalone financial statements amounted to GEL 8,753 thousand in the first half of 2025. No such income was recorded in the first half of 2024, while for the full year 2024 this item totaled GEL 8,566 thousand.

This profit-or-loss line comprises income from the sale of reinforcing steel profiles (rebar) during the year. For information on the cost of reinforcing steel profiles, please refer to the section “Direct Operating Expenses.”

## Direct Operating Expenses

In the first half of 2025, the Group incurred direct operating expenses of GEL 17,078 thousand on a consolidated basis, representing a 67.5% increase year-on-year. For 2024, this expense item amounted to GEL 25,003 thousand, compared with GEL 17,205 thousand in 2023. Both the period-over-period growth and the bulk of the difference between consolidated and standalone direct operating expenses are primarily attributable to the cost of reinforcing steel profiles purchased for the Citizen project.

## General and Administrative Expenses

As of June 30, 2025, general and administrative expenses totaled GEL 9,198 thousand on a consolidated basis, an 89.5% increase year-on-year. For the full year 2024, this profit-or-loss line amounted to GEL 16,812 thousand, versus GEL 13,385 thousand in 2023. The year-on-year increase in this item and the difference between consolidated and standalone figures is driven by employee costs related to the Citizen project, as well as advertising and marketing expenses for the project, among other factors.

## Cash Flow Statement Review

	30-Jun-25	30-Jun-24	31-Dec-24	31-Dec-23
<b>Cash Flows from Operating Activities</b>				
Profit Before Income Tax	30,511	26,423	54,939	49,697
<b>Adjustments for:</b>				
Depreciation and Amortisation	2,809	2,702	5,521	5,390

Impairment losses on financial assets	1,197	1,558	6,605	4,127
Amortisation of prepayments to tenants	668	611	1,336	1,223
Provision reversal for uncertain tax positions	-	-	-	(2,636)
Finance cost, net	2,998	6,448	7,887	7,072
Net loss from exchange rate difference	356	(612)	69	(824)
<b>Operating cash flows before working capital changes in:</b>	<b>38,539</b>	<b>37,131</b>	<b>76,357</b>	<b>64,049</b>
Trade and other receivables	(6,891)	(3,459)	(12,497)	(7,018)
Property held as inventory	(78,981)	(16,253)	(51,828)	(25,369)
Advances received for property held as inventory	33,984	25,043	69,370	61,089
Inventories	(1)	(198)	(215)	102
Tax balances	(4,252)	(6,540)	(5,551)	2,168
Advances received from tenants	466	305	72	1,688
Prepayments to tenants	-	-	(798)	-
Trade and other payables	36,658	1,617	7,389	1,012
<b>Changes in working capital</b>	<b>(19,016)</b>	<b>516</b>	<b>5,941</b>	<b>33,671</b>
Interest paid	(9,387)	(6,601)	(13,388)	(14,718)
Income taxes paid	(1,300)	-	(743)	(511)
<b>Net cash generated from operating activities</b>	<b>8,835</b>	<b>31,046</b>	<b>68,167</b>	<b>82,491</b>
<b>Cash flows from investing activities</b>				
Purchases of property and equipment	(369)	(139)	(3,146)	(1,063)
Purchases of investment property	(10,006)	(5,745)	(15,302)	(6,605)
Acquisition of intangible assets	(6)	(6)	(6)	(113)
Placement of Restricted Cash	82	(397)	5,638	(5,275)
Loans granted	(8,986)	(18,958)	(90,084)	(1,929)
Loan repayments received	-	-	2,836	720
<b>Net cash used in investing activities</b>	<b>(19,285)</b>	<b>(25,245)</b>	<b>(100,063)</b>	<b>(14,264)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings, net	(1,563)	(5,668)	47,746	(41,770)
Dividends paid to owner	(7,368)	-	(4,211)	(2,895)
<b>Net cash from/(used in) financing activities</b>	<b>(8,932)</b>	<b>(5,668)</b>	<b>43,535</b>	<b>(44,665)</b>
Effect of exchange rate changes on cash and cash equivalents	(424)	542	(85)	397
<b>Cash and cash equivalents at the beginning of the year</b>	<b>44,953</b>	<b>33,400</b>	<b>33,400</b>	<b>9,440</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>25,147</b>	<b>34,075</b>	<b>44,953</b>	<b>33,400</b>

A material difference between the standalone and consolidated statements of cash flows is observed only within the changes in working capital line items, driven primarily, on the one hand, by additional capital expenditures related to construction under the Citizen development project and, on the other hand, by advances received from buyers in consideration of that construction.

## Capitalization and debt

The structure of capitalization and debt by respective periods is presented in the table below:

('000 GEL)	Pro-forma* Unaudited	31-Aug-25 Unaudited	30-Jun-25 Unaudited	30-Jun-24 Unaudited	31-Dec-24 Audited	31-Dec-23 Audited
<b>Borrowings:</b>						
Term Loans from Banks	108,851	108,851	85,277	47,584	85,473	52,248
Owner	-	-	-	-	3,678	-
Bonds	222,220	123,786	125,716	115,398	127,480	112,554
<b>Total Borrowings</b>	<b>331,071</b>	<b>232,637</b>	<b>210,993</b>	<b>162,982</b>	<b>216,632</b>	<b>164,802</b>
<b>Equity</b>						
Charter Capital	0.2	0.2	0.2	0.2	0.2	0.2
Paid-in Capital	8,814	8,814	8,814	8,814	8,814	8,814
Retained Earnings	298,990	298,990	220,881	168,491	194,692	141,939
<b>Total Equity</b>	<b>307,804</b>	<b>307,804</b>	<b>229,695</b>	<b>177,305</b>	<b>203,505</b>	<b>150,753</b>
<b>Total Capitalization</b>	<b>638,875</b>	<b>540,440</b>	<b>440,689</b>	<b>340,287</b>	<b>420,138</b>	<b>315,555</b>

Note:

\*Pro forma figures reflect the scenario of a USD 82 million bond issuance. Specifically, the Company intends to use USD 39.5 million and EUR 5 million of the total planned bond proceeds to refinance its existing bonds (ISINs: GE2700604772, GE2700604574, GE2700604624). The remaining proceeds will be allocated to capital expenditures.

As of the date of the Prospectus, the Company has USD 39.5 million and EUR 5 million of outstanding bonds, the remaining portion of which will be refinanced using the Company's own available funds.

IG Development LLC issued three separate bond issues in 2023 and 2024. The aggregate proceeds raised from the bonds were used in full to refinance the Company's debt obligations. For details regarding the issued bonds, see the table:

Name	ISIN	Volume	CCY	Issue date	Maturity date	Coupon rate
LLC 'IG Development'	GE 2700604624	20 mln.	USD	12/28/2023	12/28/2025	8.50%
LLC 'IG Development'	GE 2700604574	5 mln.	EUR	01/16/2024	01/16/2026	7.00%
LLC 'IG Development'	GE 2700604772	19.5 mln.	USD	7/8/2024	7/8/2026	8.50%

As of 31 August, 2025 the breakdown of the Company's loan liabilities is as follows with the amounts given in thousand GEL:

Name	CCY	Issue Date	Maturity Date	Loan Type	Remaining Maturity in Years	Principal Amount ('000 GEL)	Accrued Interest ('000 GEL)
JSC Bank of Georgia	USD	8/20/2024	7/20/2035	Ammortiz.	9.89	23,675	24
JSC Bank of Georgia	USD	2/13/2024	8/21/2028	Ammortiz.	2.98	5,263	5
JSC Bank of Georgia	USD	12/5/2024	12/5/2025	Credit Line	0.26	4,769	12
JSC Bank of Georgia	USD	5/22/2024	5/22/2034	Ammortiz.	8.7	67,244	58
<b>Total interest-bearing Liabilities</b>						<b>100,951</b>	<b>99</b>

## Undrawn Commitments

JSC Bank of Georgia	USD	12/5/2024	12/5/2025	Credit line	0.26	1,946	-
<b>Total Interest-bearing Liabilities and Undrawn Commitments</b>						<b>102,896</b>	<b>104</b>

As of June 30, 2025, the breakdown of the company's debt obligations is as follows, the amounts are given in thousands of GEL:

Name	CCY	Issue Date	Maturity Date	Loan Type	Remaining Maturity in Years	Principal Amount ('000 GEL)	Accrued Interest ('000 GEL)
JSC Bank of Georgia	USD	11/22/2024	5/22/2034	Ammortiz	8.90	67,967	45
JSC Bank of Georgia	USD	12/5/2024	12/5/2025	Credit line	0.43	3,268	8
JSC Bank of Georgia	USD	2/13/2024	8/21/2028	Ammortiz	3.1	5,576	4
<b>Total Interest-bearing Liabilities</b>						<b>76,812</b>	<b>57</b>

#### Undrawn Commitments

JSC Bank of Georgia	USD	12/5/2024	12/5/2025	Credit line	0.43	3,519	-
<b>Total Interest-bearing Liabilities and Undrawn Commitments</b>						<b>80,331</b>	<b>104</b>

As of December 31, 2024, the breakdown of the company's debt obligations are presented below, the amounts are given in thousand GEL:

Name	CCY	Issue Date	Maturity Date	Loan Type	Remaining Maturity in Years	Principal Amount ('000 GEL)	Accrued Interest ('000 GEL)
JSC Bank of Georgia	USD	11/22/2024	5/22/2034	Ammortiz	9.39	70,044	52
JSC Bank of Georgia	USD	2/13/2024	8/21/2028	Ammortiz	3.64	10,892	8
JSC Bank of Georgia	GEL	7/18/2024	2/3/2025	Ammortiz	0.1	4,000	44
<b>Total Interest-bearing Liabilities</b>						<b>84,936</b>	<b>104</b>

#### Undrawn Commitments

JSC Bank of Georgia	USD	12/5/2024	12/5/2025	Credit line	0.93	6,995	-
<b>Total Interest-bearing Liabilities and Undrawn Commitments</b>						<b>91,931</b>	<b>104</b>

\*The loans in the table are nominal balances.

\*\* The loans in the table represent the collateralized liabilities. The company's investment property, property, plant & equipment and intangible assets with full balance sheet value are used to secure existing loans. For further details see sub-chapter "Balance sheet"

\*\*\* The accrued interest presented in the table includes year-to-year accrued and unpaid interest.

\*\*\*\* Undrawn commitments comprise bank-approved credit lines and amortizing loans that remain undrawn.

As of December 31, 2023, the breakdown of the company's debt obligations are presented below, the amounts are given in thousand GEL:

Name	CCY	Issue Date	Maturity Date	Loan Type	Remaining Maturity in Years	Principal Amount ('000 GEL)	Accrued Interest ('000 GEL)
JSC Bank of Georgia	USD	11/16/2023	2/13/2024	Ammortiz	0.12	10,758	19
JSC Bank of Georgia	USD	9/12/2018	8/21/2028	Ammortiz	4.64	22,632	19

JSC Bank of Georgia	EUR	10/21/2019	11/20/2026	Ammortiz	2.9	14,811	9
<b>Total Interest-bearing Liabilities</b>						<b>48,201</b>	<b>47</b>
<b>Undrawn Commitments</b>							
JSC Bank of Georgia	USD	2/14/2023	2/1/2024	Credit line	0.09	8,068	
<b>Total Interest-bearing Liabilities and Undrawn Commitments</b>						<b>56,269</b>	<b>104</b>

*\*The loans in the table are nominal balances and differ slightly from the amortized balances.*

*\*\* The loans in the table represent the collateralized liabilities. The company's investment property, property, plant & equipment and intangible assets with full balance sheet value are used to secure existing loans. For further details see sub-chapter "Balance sheet"*

*\*\*\* The accrued interest presented in the table includes year-to-year accrued and unpaid interest.*

*\*\*\*\* Undrawn commitments comprise bank-approved credit lines and amortizing loans that remain undrawn.*

The Company's aggregate off-balance obligations\* and acreditive, by period, are presented in the table below:

	30-Aug-2025	30-Jun-2025	31-Dec-2024	31-Dec-2023
Off-balance obligations	29,848	19,358	16,643	15,651
Acreditive	1,930	1,951	1,426	-

*\*Off-balance obligations comprise the Issuer's guarantees, the obligations of companies falling under its general limit, or the obligations of related parties for which the Issuer acts as surety. Guarantees consist of the suretyships for Citizen and One Price, as well as the loans of Magic City.*

As of June 30, 2025, all of the Company's loans are denominated in USD. Their breakdown by loan type as of June 30, 2025 is presented in the table below:

CCY	Ammortizable*	Credit line
USD	73,543	3,268

*Note: \*\*"Amortizable" denotes repayment of principal and interest in equal monthly installments under the annuity method.*

As of June 30, 2025, the Company had total bank loans of GEL 76,812 thousand, with maturities ranging from 0 to 9 years.

As of June 30, 2025, the average interest rate on the Company's bank loans was in the 8.5%–9.5% range.

The range of interest rates on financial liabilities, by currency and maturity, is presented below:

	30-Jun-2025	31-Dec-2024	31-Dec-2023
USD	9.50%	9.50%	9.50%
EUR	n/a	n/a	8.93%
GEL	n/a	14%	n/a

As of June 30, 2025, 100% of the Company's existing interest-bearing liabilities were denominated in U.S. dollars; as of December 31, 2024, 95% were in U.S. dollars, with the remainder in GEL. As of the date of this Prospectus, the Company's interest-bearing liabilities carry fixed rates.

The Company primarily has long-term loans with remaining maturities of 3–10 years, and credit lines with a standard 1-year tenor.

During the last financial year and the period up to the date of this Prospectus, there were no instances of non-payment of interest and/or principal under the loan agreements.

### Collateral

Bank loans are secured by investment property, prepayments to tenants, and property, plant, and equipment. The table below presents the carrying amount of assets that serve as collateral for the Company's loans:

	30-Jun-2025	30-Jun-2024	2024	2023
Investment property	202,930	187,776	195,123	184,228
Prepayments to tenants	12,926	13,521	13,594	14,132
Property, plant, and equipment	6,021	4,071	6,257	4,526

### Description of the Issuer's Additional Funding Needs:

Apart from the funds raised from the issue of bonds, the company might need additional funds for its new development business. At this time, the company does not have accurate and specified information or assessment for such.

### Review of Financial Covenants

Loans taken by the company are subject to financial reservations that apply to all loans to the specified institution; Key financial covenants and corresponding actual ratios by year are presented below (also presented in the 'Key Financial Ratios' subsection of the General Overview).

For the period from December 2023 to June 2025, essential information about the main financial covenants for the company's existing loans to banking and financial institutions is presented below. The company had the obligation to maintain the mentioned covenants for the specified periods at the relevant periods determined by the agreement:

Financial covenant	Actual ratios			Limit	Meets the limits (yes/no)		
	30-Jun-2023	31-Dec-2022	31-Dec-2021		30-Jun-2023	31-Dec-2022	31-Dec-2021
1. Debt service ratio 1 (bank loans)	1.60	3.03	2.35	Min 1.2 (BoG);	Yes	Yes	Yes

2. Debt/EBITDA 1 (bank loans)	2.60	2.75	2.44	Max 6.0 (BoG)	Yes	Yes	Yes
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In addition to the above-mentioned covenants, calculated based on the methodologies set out by the then-active agreements and covenants, the company was further subject to certain other restrictions and limitations, including those related to the Capex/Dividend distribution for the respective periods.

### Covenant Reporting

The Company submits financial statements to commercial banks on a quarterly basis, at which time the covenants are recalculated. However, the bank is authorized to request a covenant calculation from the Issuer for any period. The Company is obligated to comply with the covenants on loans issued by commercial banks at any given date. As part of the audit process, the auditor requests monitoring of financial covenants and, in the event of a breach, creditors provide the corresponding waivers.

### Information on the main covenants is presented below:

1. Debt service ratio 1 (bank loans) -For every 12 months period, **DSCR (Debt-service coverage ratio) must stand at minimum 1.2**. The covenant is calculated as the debtor's profit before taxes and interest payments, as well as depreciation and amortization on assets and other non-cash expenses and income, plus the beginning cash balance (adjusted for self-financed capital expenditures, dividends, profit tax and changes in working capital, excluding the change in cash balance) divided by the sum of the principal amount and interest required to service the current portion of the existing monetary obligation. The ratio is calculated according to individual statements, mainly on the basis of management statements, or audited statements if available. There is no material difference between both statements for the same period. For the purpose of calculating the ratio, certain adjustments are made based on the contract.
2. The Debt Service Coverage Ratio (for placed bonds) for the last 6 months calculated as the profit for the period before any taxes and interest payments, as well as before depreciation and amortization on assets (adjusted for self-financed capital expenditures, dividends, profit tax, and changes in working capital), divided by the sum of the principal amount and interest required to service the current portion of existing monetary obligations during the last 6 months—must be no less than 1.2
3. Starting from 2021, **the DEBT/EBITDA ratio shall not exceed 6**. The ratio is defined as the client's any kind of interest-bearing monetary obligation, while EBITDA is the client's profit before profit taxes and interest payments, as well as before depreciation and amortization on assets and other non-cash expenses and income. The ratio is calculated according to individual statements, mainly on the basis of management statements, or audited statements if available, and there is no material difference between both statements for the same period. For the purpose of calculating the ratio, certain adjustments are made based on the contract.

Without bank's written approval, any type of capital or maintenance expenditures, with the additional provisions set out by the agreement, should not exceed 500,000 US dollar or equivalent in other currency. At the same time, the company can incur capital expenditures, grant loans or other financial liabilities, declare or dividends in amount of 1,000,000 US dollars per annum without the bank's written approval, considering that other agreement requirements are met (including DSCR, rent per sq.m., occupancy rates, etc.).

The issuer has no recorded breaches of financial covenants for its loan obligations during the periods disclosed in the prospectus. Of the non-financial covenants, the issuer is in breach of covenants related to dividend payouts / capital expenditures in prior periods, for which the company has obtained a waiver for all periods.

## Risk Factors

Investing in "company" bonds is associated with certain risks. Before making an investment decision, potential buyers of bonds should carefully familiarize themselves with this prospectus. In addition to other information provided in the prospectus, potential investors, before investing in bonds, must thoroughly examine the risks described below taking into account their financial condition and investment objectives. Any risks indicated below may have a substantially adverse effect on Company activities, financial condition and results. The emergence of any of these risks may adversely affect the market value of the bonds. However, below are the factors that are important for assessing market risks associated with bonds. Although "Company" believes that the risk factors indicated below represent the main risks associated with investing in bonds, there may be To have or incur additional risks and uncertainties that "Company" has not considered significant or are not informed about them, and any such risks and uncertainties may have a similar adverse effect as described below. Therefore, "Company" records that the risks described below are not exhaustive.

### Risks Factors specific to the Industry and the Economy

#### *1. The risk of economic instability and investment is high in developing countries like Georgia.*

##### *1.1. Political and government instability in Georgia may have a significant adverse effect on the local economy and the Company's business;*

After regaining independence in 1991, Georgia underwent a significant political transformation from a republic that was a member of the Soviet Union to an independent, sovereign democracy.

Currently, Georgia is facing several challenges, including the continued strained relationship with Russia and the need for further economic and political reforms. There can be no assurance that political and/or economic, business and investor-friendly reforms will continue or that these efforts will be successful; Also, such reforms and economic growth may be hindered by a change of government and/or refusal of the President, Parliament or other institutions to pursue reform policies.

Moreover, in the parliamentary elections held on October 26, 2024, "Georgian Dream" secured 89 mandates in the 150-member parliament, while four opposition parties obtained a total of 61 mandates: "Coalition for Change: Gvaramia, Melia, Girchi, Droa" (19 mandates), "Unity-National Movement" (16 mandates), "Strong Georgia-Lelo, For the People, For Freedom" (14 mandates), and "For Georgia-Gakharia" (12 mandates). The opposition refused to recognize the election results and boycotted the parliament, entering a protest mode. Additionally, first three of these opposition parties formally requested the Central Election Commission to annul their parliamentary mandates. In response, the Commission revoked the registration of all three political entities.

Subsequently, a new wave of protests was triggered by the government's decision to postpone negotiations with the European Union until 2028, as approximately 85% of Georgia's 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. Treasury Department also imposed financial sanctions on Bidzina Ivanishvili, the founder and honorary chairman of "Georgian Dream." Political uncertainty remains high, and any further political instability or additional sanctions—particularly targeting business representatives—could negatively impact the country's economic growth, including the investment climate and private sector activities. Political instability and the failure of economic reforms could have an adverse effect on Georgia's economy, which, in turn, would negatively impact the company's business, financial position, operating results, and growth prospects.

### *1.2. There are additional risks related to investing in developing markets such as Georgia;*

Developing markets are marked with a higher degree of instability, limited liquidity, smaller export base and they are more susceptible to frequent changes in political, economic, social, legal and regulatory environment than developed markets. Developing markets change quickly and are especially vulnerable to market conditions and an economic crisis elsewhere in the world.

Moreover, the international investors' reaction to events is characterized with "chain effect" whereby investors reject the entire region or an investment class. In case of such chain effect, Georgia may be adversely affected by negative economic or financial developments in other emerging market countries. Georgia has already experienced this chain effect, including after the 1998 financial crisis in Russia and later global financial crisis and the country may be affected by similar negative events in the future too.

Furthermore, a financial and political instability may also adversely affect the country's economy. If this happens, the outflow of capital will ensue which may seriously damage the financial system and eventually lead the economy to stagnation.

The following rating has been assigned to Georgia by international rating agencies:

- Fitch Ratings – BB (Negative Outlook) - May, 2025;
- Moody's – Ba2 (Negative Outlook) - March, 2025;
- S&P Global Ratings – BB (Stable Outlook) - February, 2025.

### *1.3. Depreciation of the national currency, lari, against USD/other currencies of economically related countries may have a material adverse effect on the Company's activity;*

Given the nature of its activity, the Company has a sort of natural protection against currency risks related to loan liabilities, because its revenues, much like its loan liabilities, are largely denominated in USD. Nevertheless, the depreciation of lari may have an adverse effect on the Company's activity due to deterioration of fundamental economic factors (for example, increasing inflation) and impact on the purchasing power of the local population or other reasons.

Although Georgian Lari is a fully convertible currency, there is no foreign exchange market for its conversion outside of Georgia. In Georgia, a market exists for converting GEL into other currencies, but its volume is relatively limited. Generally, the official exchange rate of the GEL in Georgia is formed against the USD, while the GEL/EUR exchange rate is influenced by fluctuations in both the GEL/USD and EUR/USD exchange rates.

According to the data of the National Bank of Georgia, its international reserves amounted to USD 5.2 billion as of August 31, 2025, reflecting an annual increase of 7.5%. Despite the increase, the current level of reserves remains below the adequate threshold, according to the International Monetary Fund's assessment. Consequently, replenishing these reserves is a key priority for the National Bank of Georgia, as investors, credit organizations, and other stakeholders monitor reserve levels to evaluate the country's ability to mitigate the negative effects of external shocks, including one-time attacks on the GEL exchange rate.

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 neighbouring 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 of Georgia may cause correction of tax liabilities of the Company or imposition of fines on the Company. Georgia's existing tax system and policy may also undergo changes;*

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*

In Georgia, the development of an adequate legal framework and judicial system necessary for the proper functioning of a market economy is still ongoing. Over the past few years, fundamental civil, tax, administrative, and other basic legislation have been introduced or significantly changed. The novelty of this legislation and the rapid development of the legislative system have led to doubts about the quality and enforceability of the laws, as well as uncertainty and inconsistency in their application.

Additionally, Georgia's judicial system suffers from a shortage of sufficient staff and professionals, and significant reforms are underway. Compared to other countries, particularly the US and European countries, judges and courts in Georgia generally have less experience in business and corporate law. The challenges and uncertainties within Georgia's judicial system could negatively impact the country's economy, which in turn could have a significant adverse effect on the company's business, financial condition, and operating results.

*3.4. The Company may be subject to litigation risk from its customers, suppliers 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 impact 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 is an accountable enterprise and is subject to additional legislative and reporting requirements*

The Company has become an accountable enterprise for the purposes of the Law of Georgia "On the Securities Market," as a result of which it is subject to the requirements established by the securities legislation regarding transparency, disclosure of periodic and insider information, corporate governance, and other related matters. The obligations imposed on an accountable entity may represent an additional burden for the Company, and in certain cases, the Company may not be able to fully comply with these requirements.

**4. Risks related to regulatory framework**

*4.1. New regulations on this or other industries 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 any existing regulation concerning the 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.

#### **Risks Factors specific to Issuer's business***5. Risks related to the market:*

*5.1. The company's growth within its market segment is constrained by its geographical concentration in the capital city. As a result, the pace of increase in both tenant numbers and shopping center footfall largely depends on external factors*

The company's business is entirely concentrated in Tbilisi, where the oversupply of newly developed shopping malls and office buildings may have a significant adverse impact on its operations. Since the company's business is not geographically diversified, any decline in rental rates or occupancy levels in Tbilisi cannot be offset by sales in other regions, which could negatively affect the company's revenues.

Accordingly, the issuer's market segment growth is constrained by its geographic reach and is not influenced by the company's own actions. The increase in shopping center visitors and tenants largely depends on the city's overall development pace. As a result, to some extent, the issuer's growth potential within its market segment is limited by geography, and its customer base remains confined to a specific area.

In addition, as of June 30, 2025, 72% of the company's total leasable area was allocated to tenants from three main categories: 52% to the fashion industry, 12% to hypermarkets/supermarkets and 8% to household goods. Given the high concentration of tenants within a few sectors, there is a risk that a slowdown in these industries could adversely affect lease agreements and, consequently, the company's financial position.

*5.2. Changes in customers' trade patterns and preferences may adversely affect the Company's operations;*

In recent years, an increasing number of consumers have shifted toward online shopping, with the share of e-commerce users rising steadily year over year - particularly after the pandemic. As of June 2025, 37.4% of the population aged 15 and older made purchases or placed orders for goods or services via the internet - an increase of 6.1 percentage points compared to the previous year. This indicator varies by type of settlement: 43.4% in urban areas and 26.1% in rural areas.

Cross-border e-commerce in Georgia was 2.7 times larger than local e-commerce in 2024, reaching GEL 1.4 billion, equivalent to roughly 5% of total retail trade turnover—up from 2.9% in 2020. Around two-thirds of cross-border purchases originate from global marketplaces such as Temu, Amazon, and TaoBao. The entry of Temu has been a major contributor to the 31% compound annual growth rate (CAGR) in cross-border e-commerce during 2020–2024. The main categories are fashion, electronics, and household products.

The combined share of e-commerce in retail trade reached approximately 7% (2% from local e-commerce and 5% from cross-border e-commerce) in 2024, which remains well below the EU average of 13.1%. This indicates room for further expansion if consumer habits evolve and delivery times improve—currently among the main barriers to faster development of local e-commerce.

Despite the growing adoption of online shopping, the overall scale of e-commerce remains limited relative to total retail turnover, suggesting that its impact on shopping malls is still minimal. Physical retail continues to play a central role in consumer spending, serving as a key destination for entertainment, social interaction, and in-person experiences that online platforms cannot replace. Such a shift in consumer preferences poses potential risks for shopping malls, as it may lead to lower visitor numbers, reduced store profitability, and an overall deterioration in their operational results.

### *5.3. Competition may adversely affect the Company's operations;*

The company's business activities are influenced by local real estate prices and rental levels, as its tenants are sensitive to competition among shopping malls and office spaces. The increase in the quantity of shopping and office spaces in the capital may lead to oversupply and increased competition, which would negatively affect the company's profitability and overall operational activities. Further details are provided in the subsection "Competitive Environment."

### *5.4. Shopping mall business largely depends on tourism.*

The decline in tourist inflows during 2020–2021, driven by the global pandemic, had a significant adverse impact on the company's operations. Conversely, the rebound in tourism since 2022 has had a positive effect on its performance. Accordingly, future fluctuations in tourism activity may have a material positive or negative impact on the implementation of the company's strategic plans.

## **6. Operational risks:**

### *6.1. The Company may fail to extend or renew terms of lease agreement or its major tenants may encounter financial problems, which, in turn, may adversely affect the company's financial condition;*

The company's primary source of revenue is rental income generated from the leasing of spaces within its shopping malls, which accounted for 97% of total revenue in the first half of 2025 (2024: 98%; 2023: 98%). The average duration of lease agreements ranges from 3 to 25 years, with relatively longer terms for newly developed shopping centers, particularly for tenants representing the fashion industry. Although, under lease agreements, the company, as the lessor, is entitled to unilaterally terminate the contract in the event of non-payment by the tenant, thereby partially mitigating the risk of default, there remains a risk that tenants may terminate or fail to extend the contract early or encounter financial difficulties. Such cases could increase the company's expenses and disrupt a key source of income until a replacement tenant is secured, potentially exerting a negative impact on the company's financial position.

As of June 2025, the company’s shopping malls were almost fully occupied (City Mall Vazha-Pshavela – 100%, City Mall Kavtaradze – 100%, City Mall Gldani – 100%); however, there is no assurance that such high occupancy levels will be maintained in the future. During the same period, 71% of office space was leased out, and there is a risk that the company may be unable to find additional tenants, which could result in significant financial losses.

The concentration of the company’s revenues among its major tenants is as follows\*:

	30 June 2025	30 June 2024	31 December 2024	31 December 2023
Top 1	4%	4%	4%	4%
Top 3	10%	10%	11%	12%
Top 5	13%	14%	16%	18%
Top 10	20%	22%	25%	27%

*\*Of the above concentrations, since 2022, up to 4% in each top category represents transactions with the issuer’s related party.*

**6.2. The Company’s business may be impeded by the disruption of the Company’s or tenants’ information systems;**

The company’s and its tenants’ information systems play a critical role in the operation of key business functions. In addition, customer-related information is subject to data protection regulations. Any malfunction or disruption in these systems that affects service continuity or system accessibility could adversely impact the company’s operations or hinder revenue generation.

Although the Company takes network security measures and performs daily backup procedures, its servers remain vulnerable to potential computer viruses, intrusions, and similar illegal manipulations. Any such incidents could lead to service interruptions, delays, data loss or manipulation, and system inaccessibility. Furthermore, the company may be held liable for the theft or misuse of personal data stored in its systems.

**7. Risks related to investments, liquidity and funding:**

**7.1. The Company’s current and future business strategy is capital intensive, the Company may find it difficult to find additional funds on favorable terms;**

In the medium term, the Company plans to expand its shopping centers and, through its subsidiary, to construct and develop new office and residential spaces (for additional information, see the subsection “Future Strategy and Objectives”). These plans are associated with significant capital expenditures. It is possible that in the future the Company may no longer be able to raise additional financial resources on favorable terms and may face financial risks.

**7.2. The Company may breach financial or nonfinancial covenants defined in debt agreements;**

The Company partially finances its activities through secured bank loan liabilities, which amounted to 85,277 thousand GEL as of 30 June 2025 (31 December 2024: 85,474 thousand GEL). The mentioned loan agreements contain various financial or nonfinancial covenants (for details, please, refer to the subchapter on registration document “Review of Financial Covenants”) which, if breached, may endanger the Company’s solvency. Furthermore, in order to protect the interests of bondholders, restrictions and covenants also apply to the bonds envisaged in this Prospectus (for details, please refer to the subsection “Covenants” in the review of securities. Although the Company has previously obtained waivers from creditors for past breaches, there is no guarantee that it will not breach loan covenants in the future or that it will always be able to obtain such waivers.

### *7.3. Real estate investment is not liquid;*

The company owns and operates shopping malls, associated parking spaces and office spaces. Due to the illiquid nature of real estate, investing in real estate may create liquidity problems for the Company and affect its ability to dispose of property in a timely manner and at an acceptable price in the event of an emergency. This factor may expose the company to additional financial and liquidity risks.

### *7.4. During the construction of ongoing and future projects, the Company may face risks related to cost increases, the quality of construction materials, execution of works, obtaining construction permits, and/or contractors;*

The company is actively working to expand shopping centers and plans to demolish the Grato City Center LLC building in the near future through a subsidiary (for additional information, see the subsection "Future strategy and goals"). In the process of their construction, the company may face various risks, including in relation to the following components:

- Exceeding budgeted costs - the prices of basic construction materials may increase and/or the estimates used during the preparation of the scope of work may be subjective and change, which will result in exceeding the budgeted costs;
- Subcontractors' risk - subcontractors may fail to deliver the project on time and/or deliver adequate quality.
- In case of occurrence, the mentioned risks may materially have a negative impact on the company's financial situation.
- Risk of extension of the project completion date - there is a risk that the company may prolong the construction process, fail to mobilize the necessary materials on time, fail to mobilize the necessary capital on time and/or affect the project completion date. be caused by events beyond the company's control (eg global pandemic, force majeure, etc.).

### *7.5. The company has loans issued to related parties, a significant portion of which has historically shown material impairment, and a risk of impairment may exist for both loans already issued and those to be issued in the future.*

The company has unsecured loans issued to related parties (a total of 23 companies), the annual rate of which is 8-14%, and the repayment term is until 2032. Loans are denominated in GEL, EUR and US dollars. Principal and interest payments on loans are made at the end of the period. Loan interest is not capitalized. As of June 30, 2025, the carrying amount of issued loans amounts to GEL 132,155 thousand (31/12/2024: GEL 122,275 thousand). As of June 30, 2025, 91% of loans issued are concentrated in five related parties (31/12/2024: 91%). In 6 months of 2025 and during 2024, no loan were repaid.

As of the first half of 2025, the individually assessed expected credit loss on loans issued to the company's related parties amounted to GEL 21,735 thousand, representing 14.1% of gross loans issued (2024: GEL 20,542 thousand, 14.4%). Of this amount, GEL 21,735 thousand, 60% relates to loans issued to three companies for which the impairment ranges from 20% up to 100% (for details, see the sections "Financial Position," "Loans Issued," and the related explanatory notes on "Expected Credit Loss" in the registration document of the prospectus)

Despite the Company recognising impairment charges on these loans in accordance with international standards, there is a risk that the loans issued to related parties may not be repaid and that the Company may incur significant losses, including with respect to the recognised impairment.

### *7.6. The "Company" has insufficient liquidity, which may have an adverse impact on the Company's solvency.*

The Company has negative working capital (the current ratio is 0.29 as of June 2025). If the Company fails to fully place the bonds or obtain bank or other financing, it may face a liquidity risk.

The negative working capital is mostly caused by matured interest-bearing liabilities and their reclassification into short-term liabilities. It should be noted that the bond issuance is a means of refinancing these liabilities, which is the main factor for improving the negative working capital.

For more information, see the subsection "Liquidity Risk."

*7.7 Changes in the currency exchange rates have had and may in the future have an impact on the "Company".*

As of December 31, 2024, the "Company" has an open foreign currency position, specifically in the amount of GEL 14,918 thousand in Euro, as well as GEL 73,859 thousand in US Dollars, which is caused by loan liabilities denominated in Euros and US Dollars.

The table below summarizes the company's exposure to foreign currency exchange rate risk at the end of the reporting period:

	31.12.2024			31.12.2023			31.12.2022		
'000 GEL	Monetary Financial Assets	Monetary Financial Assets	Net Balance Sheet Position	Monetary Financial Assets	Monetary Financial Assets	Net Balance Sheet Position	Monetary Financial Assets	Monetary Financial Assets	Net Balance Sheet Position
GEL	37,169,546	-10,114,803	27,054,744	28,259,777	-1,125,604	27,134,173	17,394,505	-1,465,320	15,929,185
USD	125,017,162	-198,876,555	-73,859,393	40,873,911	-150,415,715	-109,541,803	36,967,368	-182,908,803	-145,941,435
EUR	127,185	-15,045,325	-14,918,140	155,717	-15,772,739	-15,617,022	456,602	-21,119,347	-20,662,745
<b>Total</b>	<b>162,313,893</b>	<b>-224,036,683</b>	<b>-61,722,789</b>	<b>69,289,405</b>	<b>-167,314,058</b>	<b>-98,024,652</b>	<b>54,818,475</b>	<b>-205,493,470</b>	<b>-150,674,995</b>

For additional information regarding currency risks, see the subsection "Currency Risk."

*7.8 The Company is not restricted from issuing additional loans to related parties under market conditions.*

The Company is not prohibited from issuing or receiving intra-group loans with affiliated parties, provided that the terms of such a transaction satisfy the arm's length principle and are not less favorable to the Issuer or its material subsidiary.

For additional details, see subsection "(e) Transactions with Affiliated Parties" in the Terms of the Bond Offering.

**8. Risks related to appraisal of investment property and financial accounting/reporting:**

*8.1. The book value of the Company's investment property may not reflect the reality and therefore, the audit opinion of Company's financial reports is a qualified.*

In the balance sheet, the Company reflects its investment property at cost, but does not reveal its real (fair) value in accordance with IFRS standards (namely, IAS 40). This also represents the basis of auditor's qualified opinion. The cost of investment property reflected in the Company's balance sheet, which accounts for 45% of total assets, as of 30 June 2025 (31/12/2024: 45.3%), may materially differ from its real value. For potential risks related to taxation, please refer to the risk factor 3.2 "Ambiguities in the tax system of Georgia may cause correction of tax liabilities of the Company or imposition of fines on the Company. Georgia's effective tax system and policy may also undergo changes".

*8.2. If the Company fails to ensure effective internal control system, the accuracy of its financial accounting and reporting may be adversely affected.*

In order to provide timely and accurate financial reports, it is required to conduct a constant monitoring and assessment of procedures of internal financial and accounting control. In accordance with the Law of Georgia on Securities, the Company, as a reporting entity, has established an audit committee that oversees the accuracy of financial reports of the Issuer and ensures the efficiency of internal control systems.

If the Company fails to ensure transparent and reliable internal control policies, the accuracy of its financial accounting and reporting may be affected, which could materially and adversely impact the Company's credibility, as well as its financial and operational performance.

### *8.3. Risks related to corporate governance standards;*

Regarding corporate governance structure, Georgian companies are obligated to comply with the relevant requirements and rules provided by Georgian legislation. Among them, since the "Company" is considered a reporting entity, it is subject to the "Corporate Governance Code for Public Securities Issuers" approved by Order No. 172/04 of the President of the National Bank of Georgia dated December 7, 2021, along with other rules. The Supervisory Board is responsible for ensuring the Company's compliance with the requirements of this Corporate Governance Code, while the Director/Board of Directors is obligated to ensure the effective implementation of various corporate governance policies approved by the Supervisory Board.

The Company's supreme management body is the Supervisory Board, with the Audit Committee subordinated to it. The corporate governance structure is established according to the Company's charter, relevant legislation and regulatory acts, and may also be determined by internal corporate documentation (such as internal policy documents). It should also be noted that the "Corporate Governance Code for Public Securities Issuers" is based on the "comply or explain and provide the alternative" principle, which aims to promote the widespread use of best corporate governance practices.

Despite all of the above, there is no assurance that the Company's current corporate governance policy and structure complies with or will comply with internationally recognized corporate governance standards in the future. Consequently, there is a risk that the decision-making procedure in the Company, the corporate governance structure, and the degree of impartiality and independence of the information presented may not be in line with internationally recognized standards.

## **9. Reputational risk**

### *9.1. The Company's operations depend on the reputation and prominence of its brand;*

The Company's management believes that its operations and financial condition depend on the reputation of the brand, the recognition of the shopping and business centers, their positioning in the minds of customers, as well as the recognition and reputation of the brands present in the shopping malls. The reputational status of the Company, the reputation of brands presented in the shopping malls and customer perception may also be affected by factors that are beyond the control of the Company. If, for independent reasons, the reputation of the brands presented in the shopping centers is damaged and/or the Company's management fails to maintain the reputation/status of the shopping center, this may have a material adverse effect on the Company's operations and financial condition.

### *9.2. The failure to fulfill liabilities to stakeholders may damage the reputation of the Company and have an adverse effect on the Company's operational and financial activity;*

The Company's stakeholders include shopping mall visitors, the state, tenants, and other interested parties. One of key objectives of the Company is to timely and duly meet their requirements. The failure of the Company to duly fulfill assumed obligations may pose a risk to the Company's reputation which will cause substantial damage to the Company.

#### **10. Risks related to personnel and safety of employees:**

*10.1. Shortage of qualified personnel on the market may impede the Company's development and effective activity;*

The Issuer is significantly dependent on the availability of qualified personnel and on efforts to develop them. If the Company fails to attract and/or retain top management, experienced executives, and employees, this may increase operational and administrative expenses and hinder effective functioning, which would materially harm the Company.

*10.2. Labor disputes and strikes may adversely affect the Company's production level and profitability;*

As of June 30, 2025, the company has 170 employees. The employed personnel include all rank-and-file employees - managers, technical workers, operators, etc. The workforce is one of main driving forces of the Company's current operational level. Labor disputes and/or strikes may cause the disruption in the Company's operations that will have a negative effect on the operation and financial results of the Company.

#### **11. Risks related to unexpected events:**

*11.1. Unexpected events such as natural disasters, state of emergency, pandemic, etc. may cause material damage to the Company;*

Unexpected events such as natural disasters, state of emergency, etc. may cause material damage to the Company's operations, cause damage to its property and also affect the number and purchasing power of visitors.

Occurrence and severity of natural disasters, states of emergency and pandemics are unpredictable and consequently, the amount of damage sustained depends on the scale and severity of the event. The damage caused by a natural disaster to the Company's investment property or/and by restrictions imposed due to states of emergency and pandemics may seriously hamper the Company's operations and adversely affect the Company's financial results.

The Company operates solely in the capital city and the abovementioned risk is rather concentrated.

#### **Risks specific to the securities to be offered**

#### **12. Risks related to the market price, liquidity and yield of bonds:**

*12.1. The market price of bonds may fluctuate;*

The market price of the bonds may fluctuate significantly in response to current or anticipated changes such as: actual or anticipated changes in the Company's operating results; actual or anticipated changes in the operating results of the Company's competitors; Unfavorable business development; changes in the company's regulatory environment; A change in a securities analyst's financial assessment; sale or expected sale of bonds in large quantities; As well as many other factors that affect the company, including the economic and market conditions of Georgia. In addition, the price and volume of global financial markets have experienced significant fluctuations in recent years. If this happens again in the future, it will have a negative impact on the market price of the bonds, regardless of the company's performance, financial condition and results of operations. If an active trading market for

the bonds develops, there can be no assurance that developments in Georgia or elsewhere will not cause market fluctuations or that such fluctuations will not adversely affect liquidity or the price of the bonds and/or that economic and market conditions will not otherwise be adversely affected. If the bonds are traded after their initial issuance, they may sell at a discount to the offering price based on prevailing interest rates, the market for similar bonds, general economic conditions, the company's financial condition or other factors that may be beyond the company's control.

*12.2. 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 one does develop, that 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 a number of 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.

An active trading market for bonds may not exist, especially in developing economies such as Georgia.

*12.3. Investors whose financial activities are denominated in a currency or monetary unit other than the currency of the Bonds may receive less interest or principal on the Bonds than expected due to exchange rate fluctuations or foreign exchange regulations;*

The company will pay interest and principal on the bonds in US dollars or Euro. This gives rise to certain currency conversion risks if the Investor's financial activities and/or income are primarily denominated in a currency or monetary unit other than the US dollar ('Investor's Currency'). This includes the risk that currency conversion rates may change significantly (meaning changes that may be caused by the devaluation of the GEL or the revaluation of the investor's currency) and the risk that the authorities in whose jurisdiction the company's or investor's currency is located may impose or change the regulation of foreign exchange transactions. A strengthening of the investor's currency against the US dollar or Euro will reduce (i) the investor's currency equivalent yield on the bonds, (ii) the investor's currency equivalent amount of principal payable on the bonds, and (iii) the investor's currency equivalent market value of the bonds.

The authorities and bodies responsible for the fiscal/monetary-credit system may establish (similar experience exists in other countries) such regulation of foreign exchange operations that will have a negative impact on the relevant exchange rate. As a result, bond investors may receive less interest or principal than they expect.

*12.4. The Bonds may be subject to early redemption or repurchase prior to maturity;*

According to the terms defined in the prospectus, the company has the right to carry out an early redemption of the bonds, in whole or in part. The redemption may occur from the date of issuance of the bonds until their maturity date, including for tax reasons.

If the bonds are redeemed or repurchased before the maturity date, the bondholder faces the risk of receiving a lower return/profit than anticipated. At the same time, the opportunity to reinvest the released funds into other similar types of financial instruments may be limited.

Detailed information on the early redemption or repurchase of the bonds can be found in: "Overview of the Securities" - subsection 6, "Redemption and Purchase of Bonds."

### **13. Risks related to bond rights:**

13.1. 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.

13.2. There is a risk of default on the principal and interest payments of the "Bonds";

There is a risk that, due to various reasons, the "Company" may be unable to make timely payments of the bond interest and/or principal as defined in the prospectus when such payment obligations become due, or may fail to make such payments altogether.

#### *13.3. Bonds represent unsecured liabilities of the company*

Obligations of a company bound by bonds are unsecured liabilities of the company. Accordingly, any claim made to the Company in relation to the Bonds will not be secured. According to the Law of Georgia ‘On Rehabilitation and Collective Satisfaction of Creditors’, by law, secured creditors have an advantage over unsecured creditors, that is, in relation to the means of security concluded in favor of secured creditors. The existing debt obligations of the issuer represent the category of secured creditors, while the claims of ‘bond holders’ belong to the category of unsecured claims. According to the mentioned law, in case of bankruptcy of the issuer, the insolvency mass will be distributed in the following order: a) expenses of the bankruptcy regime (which, in turn, includes the costs of the process provided for in Chapter V of the Code of Civil Procedure of Georgia; compensation of the bankruptcy manager; and expenses related to the proceedings, including in the process of conducting the bankruptcy proceedings the cost arising from the labor relationship, the cost of property management, as well as the cost of various professional services purchased by the manager's decision); b) Debts incurred by the issuer after the court has issued a decision regarding the declaration of insolvency and the opening of the bankruptcy regime, including tax liabilities incurred after the initiation of bankruptcy proceedings; c) Preferential claims - sums to be paid before the notice of acceptance of the application for insolvency, 3 months' salary and vacation expenses (except for the salary and vacation expenses of the debtor's directors and members of the supervisory board, as well as their family members), sums to be paid due to industrial injury (for each creditor - no more than 1 in the amount of 000 GEL); d) Preferential tax claims - sums of indirect taxes provided for by the Tax Code of Georgia arising during the relevant tax period of the last 3 years prior to the admissibility of the declaration of insolvency by the court; e) Unsecured claims, including the amount of taxes incurred prior to the notice of admissibility of the application for insolvency, which are not covered by other subsections of Section 104(1) of the Law on ‘Rehabilitation and Collective Satisfaction of Creditors’ - claims of ‘bondholders’ belong to this category.

A company's ability to meet such requirements will depend on, among other factors, its liquidity, general financial strength and ability to raise assets.

As of December 31, 2024, all (100%) of the Company's assets, at their book value, serve as collateral for loans from commercial banks. Therefore, banks hold a prior claim over bondholders with respect to the issuer's assets. It should be noted that the "Terms of the Bond Issuance" do not impose future restrictions on the Company's ability to pledge its assets as security.

13.4. The "Bonds" accrue interest at a fixed rate;

The "Bonds" defined by this prospectus are debt securities with a fixed interest rate (yield), which means that from their issuance date until their maturity date (unless they are redeemed or repurchased early in accordance with the terms defined in the prospectus), they will accrue interest several times a year at the same annual rate calculated from the nominal value, including taxes established by law. (The payment frequency for each issue is determined by the respective "Final Offer Terms Document" and may be one of the following: 1) monthly; 2) quarterly; 3) semi-annual;) Although this factor brings stability to the investor and allows them to better anticipate future returns, there are certain risks that bondholders should consider: If interest rates rise in the market, investors may receive less income than they would have received if they had purchased securities with variable interest rates. It should be noted that in this case, bondholders may find it difficult to resell the "Bonds" in the secondary market without incurring losses, as investors will be interested in higher-yield securities available in the market at that time.

*13.5. The disposal of bonds is subject to certain territorial/foreign country investor restrictions;*

Bonds are offered and sold only in Georgia, according to the rules established by Georgian legislation. The distribution of this prospectus and the offering of the bonds in certain jurisdictions or the sale of the bonds to persons resident in such jurisdictions may be prohibited or restricted by applicable law. Accordingly, this prospectus may not be used to offer bonds in such jurisdictions or to such persons. Persons in possession of this prospectus and potential investors are obliged to obtain information about such prohibitions themselves and to ensure that their offering and disposal of bonds outside of Georgia meets the requirements of securities laws in the relevant jurisdiction.

The bonds have not been and will not be registered under the US Securities Act of 1933 (the 'US Securities Act') or the laws of any US state. Accordingly, prospective investors will not be able to offer or sell the notes except in cases that are exempt from the registration requirements under the US securities laws or the securities laws of any state and/or in transactions that are not subject to such requirements. It is the responsibility of potential investors to ensure that their offering and sale of the Notes in the United States or other countries meets the requirements of applicable securities laws.

*13.6. Certain financial covenants provided for in the credit agreement and the terms of the "Bonds" may not be fulfilled;*

The "Company" or its subsidiary may fail to ensure compliance with financial or non-financial covenants stipulated in the credit agreement or the issue prospectus. Furthermore, there is no guarantee that the "Company" will be able to obtain waiver letters from the relevant parties, and that creditors will not activate the sanctions provided for under the loan agreement and the "Prospectus" of the bonds, which may be expressed in refusing to issue new credit, imposing fines and penalties, demanding immediate repayment of existing credit liabilities, and other measures. The activation of these sanctions could have a materially adverse effect on the "Company's" financial condition and operational activities.

*13.7. The existing financial restrictions of the "Bonds" may not be sufficient and may fail to protect investors;*

The existing financial covenants and restrictive conditions may not be sufficient to protect investments in the bonds and, as a result, investors may receive less principal or interest than expected, or may not receive any at all.

Information regarding the financial restrictions of the bonds can be found in the section: "Terms of the Bond Issue".

*13.8. In the future, the terms of the bonds may be changed or rights arising from violations of the terms of the bonds may be waived.*

The terms of the bonds include rules for convening a meeting of the bondholders to discuss matters generally affecting the interests of the bondholders. The mentioned conditions allow a specified majority to make a binding decision for the rest of the bondholders, including those bondholders who did not attend the meeting and who voted against the majority. (See subsection 11 of the prospectus chapter ‘Terms and Conditions of the Bond’. ‘Meetings of bondholders, amendments and waiver of rights’)

#### ***14. Risks related to the legal/regulatory framework of bonds and their holding:***

*14.1 Any changes in the legislation of Georgia in the future may have a material adverse effect on the bonds, including their registration on the Georgian or Tbilisi stock exchange and the taxation of the benefits received from the ownership of the bonds;*

‘Terms and Conditions of the Bond’ are based on the legislation of Georgia in effect on the date of approval of this prospectus. There is no guarantee that any changes will not be introduced/implemented in the legislation, existing administrative or judicial practice of Georgia in the future, which will have a materially negative impact, including on the future issues of bonds, their registration, placement, admission to trading on the stock exchange, conclusion of transactions and settlement on procedures both on the stock exchange and on the non-exchange secondary market. In addition, in the future, changes in the regime of taxation of benefits received from bonds by bondholders may have a negative impact on the amount of net income received by bondholders.

*14.2 Investors must rely on the procedures of the Depository, Calculation and Payment Agent and, where applicable, the account provider of the bonds;*

The Company will discharge any payments related to the Bonds to the Bondholders and/or the Account Provider by transferring such amounts to their brokerage account with the Placement Agent. In order to receive any payments related to the Bonds, Bondholders shall rely on the procedures established by the Depository and, where applicable, the relevant account providers or the Calculation Agent. The Company assumes no responsibility for the accuracy or correctness of the records maintained by such parties. Furthermore, it should be noted that the Issuer shall not be liable for any errors committed by any third party in the course of settlement.

*14.3 Capital investment in bonds implies taking into account considerations related to the legality of the investment;*

The investment activities of individual investors are subject to the laws and regulations governing the legality of investments, or to the supervision or regulation of individual agencies. All potential investors should consult their own legal counsel to determine whether and to what extent (i) the Bonds are legal capital investments for them, (ii) the Bonds may be used as collateral to secure various types of credit and (iii) other restrictions apply to the purchase or pledging of the Bonds. Financial institutions should consult with their own legal advisors or relevant regulators to determine how bonds are classified for purposes of minimum reserve requirements or similar regulations.

*14.4 The application for bond purchase can be partially approved;*

If in the process of formation of the final interest rate (Book-building) from potential investors for the purchase of bonds, interest is expressed in the purchase of more bonds than is provided for in this prospectus, then the applications will be partially satisfied, in proportion to the amounts specified in the received applications or otherwise, according to the issuer's decision. Additionally, if the potential investor's application is only partially approved, the potential investor has the right to refuse or continue to participate in the bond purchase process. Detailed information is presented in the subsection: ‘Conditions of Bond Issuance’.

## **Regulatory Environment**

Georgia does not have a particular law regulating the rental of real estate. Construction of property requires relevant permits which are issued by self-governing bodies for the construction of II, III and IV class buildings.

It should also be mentioned that pursuant to obligations assumed under the DCFTA, fundamental changes have been introduced, or may be introduced, to legislation on corporate law or securities market, with regard to requirements to the Issuer's business.

## **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](http://www.reportal.ge)). Such information may also be made available on the issuer's website, stock exchange or the National Bank of Georgia, the Legal Acts Portal of Georgia, or any other channels that ensure accessibility of the information to investors.

Additionally, the reporting entity is obligated to disclose:

- (i) 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;
- (ii) 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.

### **Supervisory Measures Taken by the National Bank**

In the first half of 2024, the National Bank identified a technical deficiency in the company's financial reporting – specifically, insufficient disclosure of required information in the notes to the financial statements. In connection with this, a fine was imposed on the company. The deficiency did not affect the accuracy or completeness of the financial data. It is noteworthy that the company has made the necessary changes to comply with regulatory requirements.

### **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.

### **Anti-Monopoly Regulations**

All companies operating in Georgia are supervised by the Competition Agency, established in April 2014, which was founded based on the Law of Georgia on Competition ("Competition Law"). The "Competition Law" describes and defines actions that are incompatible with fair competition in the relevant market. The purpose of the law is to ensure fair competition in the relevant market, with the exception of specially regulated sectors (the law does not apply to sectors that have their own regulatory body, e.g., commercial banks). The definition of competition according to the Competition Law is as follows: "Competition between existing and potential economic agents in the market to gain a better position." In this regard, the "Competition Law" distinguishes several types of actions that are considered incompatible with free competition, namely: a) abuse of dominant position; b) competition-restricting agreement, decision to restrict competition, concerted practice; c) restrictive concentration (merger or other consolidation that leads to restriction of competition); d) unfair competition; and e) state aid.

Generally, the "Competition Law" is drafted based on the principles of fair competition defined by European Union legislation. Additionally, the "Association Agreement" contains a special section (Chapter 10) entirely dedicated to competition issues. Accordingly, the Georgian legislator's approach to the "Competition Law" is in line with the European approach.

The Competition Agency controls compliance of private persons with Georgia's anti-monopoly legislation and has various rights to respond in case of its violation, including imposing fines. The maximum amount of the imposed fine should not exceed 5% of the annual turnover of the relevant company, which can be increased to 10% in case of repeated violation. The relevant economic agent has the right to appeal the decision of the Competition Agency in court.

## **Employment**

As an employer, "IG Development Georgia" LLC is obligated to comply with the minimum standards provided by local labor legislation within the framework of hiring employees, terminating contracts with them, and their employment. The main labor issues on the territory of Georgia are regulated by the Labor Code of Georgia. The current Labor Code was adopted on December 17, 2010. However, in June 2013 and September 2020, a whole package of amendments was introduced, adopted by the parliament, which changed its content. Considering the above-mentioned changes, the current Labor Code no longer operates in favor of the employer; on the contrary, it includes numerous rights protecting employees. Mainly, such protective mechanisms operate in favor of employees regarding the rules of contract termination - the employer is not authorized to terminate an employment contract without grounds. Additionally, any contract that continues for more than 30 months is considered a contract concluded for an indefinite period and, accordingly, it cannot expire (they can only be terminated). Employers are obliged to compensate for overtime work hours. Any time exceeding 40 hours per week (in some specific cases, 48 hours per week is allowed) is considered overtime. It is particularly noteworthy that the Labor Code does not differentiate between so-called administrative staff and workers, nor does it distinguish high-ranking officials who hold managerial positions from other employees, which may be problematic in certain cases.

It is important that the Labor Code does not oblige employers to provide their employees with any type of insurance package or other social benefits, nor does it oblige them to give employees remuneration during pregnancy and maternity leave, although offering both is considered best practice from the employer. Otherwise, employees must rely on one-time compensation from the state in case of pregnancy and maternity leave and universal state insurance, which offers a limited package to consumers.

According to the September 2020 amendment, the Labor Code newly regulates issues related to the prohibition of labor discrimination and individual labor relations. Conditions defined in favor of employed persons have increased even further, including but not limited to the obligation to pay equal remuneration for equal work performed by women and men, prohibition of discrimination, definition and regulation of the concept of internship, obligation to conduct preliminary and periodic medical examinations for persons employed during night hours, and others.

In parallel with the changes in the Labor Code, a new law on Labor Inspection was adopted, according to which the LEPL Labor Inspection was created and activated from January 1, 2021. Unlike its predecessor, the Labor Inspection Department of the Ministry of Internally Displaced Persons from the Occupied Territories, Labor, Health, and Social Affairs of Georgia, the rights of LEPL Labor Inspection are practically unlimited and include the right to fully monitor both labor safety and labor rights, including its enforcement mechanisms and the right to apply sanctions.

## **Occupational Safety**

In February 2019, the Law on Occupational Safety was adopted, which regulates the rights, obligations, and responsibilities of state bodies, employers, employees, employee representatives, and other persons in the workspace related to creating a safe and healthy work environment. According to the Law on Occupational Safety, each enterprise is obliged to have an occupational safety specialist. An employer with 20 or fewer employees can personally perform the professional duties of an occupational safety specialist provided that they have completed an accredited program as provided for in paragraph 6 of the relevant article. If an employer has between 20 and 100 employees, they are obliged to have at least 1 occupational safety specialist, and in case of having 100 or more employees, the employer is obliged to create an occupational safety service with at least 2 occupational safety specialists. The "Company," as well as its subsidiaries, are obliged to comply with these requirements of the legislation depending on the number of employees.

## **Liquidation Rules**

The new Law "On Entrepreneurs" regulates the process of termination of existence of an entrepreneurial society and distinguishes three stages of termination of existence:

**SCHEDULE 1** Dissolution of the company

**SCHEDULE 2** Liquidation of the company

**SCHEDULE 3** Cancellation of registration

### **Dissolution of the company**

The law provides for voluntary dissolution of a company by decision of the partners or in cases stipulated by the charter, and forced dissolution by court decision. The law allows a partner to apply to the court and request the dissolution of the company. The law enables other partners to avoid the dissolution of the company by offering to buy out the applicant partner's share at a fair price.

### **Liquidation of the company**

After the dissolution of the company, the liquidation process begins. Along with the issues of appointing a liquidator and their authority, public notification of the commencement of the liquidation process, creditor protection, and distribution of property, there is also an obligation to add "in Liquidation" to the company name of the entrepreneurial company.

### **Cancellation of registration**

According to the law, the full settlement of obligations and complete distribution of the remaining property among partners results in the completion of liquidation, which is a prerequisite for cancellation of the company's registration. In cases where, after the cancellation of registration, it is discovered that the company has remaining property or additional liquidation actions are necessary, the liquidation process is renewed and the court appoints a liquidator to complete the liquidation process.

### **Insolvency**

Deregulated legal entities, including the "Company," are subject to the procedures provided by the law on rehabilitation and collective satisfaction of creditors (exceptions are banks, insurance companies, etc., which are subject to a special regulatory regime and whose insolvency procedure is regulated by the respective regulatory body).

The assessment of a company's insolvency is carried out according to the extent to which a legal entity is able to cover its obligations when they become due. Insolvency procedures may begin if the debtor becomes insolvent or may become insolvent in the near future, except when adequate measures are taken to avoid possible insolvency. Insolvency proceedings may be initiated by the company itself or by its creditors, if there are prerequisites defined by law for its commencement.

After the commencement of insolvency proceedings, considering the factual situation, there are several types of scenarios according to which the insolvency process can be conducted: a) bankruptcy, followed by liquidation (deregistration of the company from the public registry); b) rehabilitation (which in other jurisdictions is identified with reorganization/restructuring); or c) termination of insolvency case. The option mentioned in point "c" may be used if there are no grounds for insolvency or such grounds were eliminated after the commencement of insolvency or the debtor has the ability to settle current debts without infringing on the interests of other creditors.

After the court issues a ruling declaring the insolvency application admissible and opening the bankruptcy regime, the debts that arise against the debtor, including tax liabilities incurred after the commencement of bankruptcy proceedings – are classified as follow:

1. Preferential claims;
2. Preferential tax claims;
3. Unsecured claims, including the amount of taxes incurred before the insolvency application was recognized as admissible, which are not covered by other subparagraphs of this paragraph;
4. Claims arising in the form of interest and fines accrued on obligations existing before the insolvency application was recognized as admissible, administrative fines and other monetary obligations arising from administrative offenses, fines/penalties accrued in accordance with the Tax Code of Georgia;
5. Non-preferential claims;
6. Obligations arising from corporate relations (obligations to pay dividends, redeem shares, or return contributions).

The proceeds, which are not sufficient to fully satisfy claims of the same rank, shall be distributed among creditors with equal priority in proportion to the respective claim amounts. The above order does not apply to financially secured claims, which will be satisfied with priority by means of this security, in accordance with the legislation of Georgia.

Finally, it should be noted that if a company applies for the commencement of insolvency proceedings and plans rehabilitation/reorganization, then the company should take into account that it will have to fully satisfy the company's existing creditors.

#### **Issuer's Compliance with the Legislative Environment:**

The issuer is in compliance with the requirements outlined in the legislative framework, including the requirements set out by the Law of Georgia on Securities.

For a detailed overview of the requirements outlined in the Corporate Governance Code, see the subsection "Governing Body and Management."

#### **Corporate Governance**

Furthermore, on December 7, 2021 according to decree of the Governor of the National Bank of Georgia, a Corporate Governance Code was issued, which became enacted from January 2022. However, issuers were required to submit their annual financial statements prepared in accordance with the code for the reporting year 2023. The Company has submitted its annual and semi-annual reports within the legally established deadlines. The code is based on the “comply or explain and provide the alternative” principle with the purpose to encourage the wide use of corporate governance best practices.

In order to comply with the Corporate Governance Code, LLC IG Development Georgia has approved internal corporate documents. The Supervisory Board is responsible for compliance with the requirements of the Corporate Governance Code. These functions are detailed in the version of the company's charter dated December 27, 2024. The company adheres to the main requirements of the Corporate Governance Code of the National Bank of Georgia. The Company's Supervisory Board consists of 6 members, two of whom are independent members. The Audit Committee operates under the chairmanship of an independent member. The Chairman of the Supervisory Board is not an independent member; however, all decisions assigned to the Chairman that could negatively affect the interests of the company's investors are made by the Chairman with the consent of an independent member.

In the first half of 2024, the National Bank identified a technical deficiency in the company's financial statements—specifically, insufficient disclosure of required information in the notes to the financial statements. In connection with this, the company was

fined. The deficiency did not affect the accuracy or completeness of the financial data. It should be noted that the company has implemented the necessary changes to comply with regulatory requirements.

## Governing Body and Management

The highest corporate governance bodies of the Company are the Partner and the General meeting of Partners (the "General Meeting"). The activities of the Company are supervised by the Supervisory Board, which is elected by the Partner in accordance with the provisions of the Company charter. The day-to-day operations of the Company are managed by the Director ("Chief Executive Officer"), who is authorized to represent the Company individually and independently in relations with third parties. An audit committee has been set up under the Company's Supervisory Board.

Members of the Supervisory Board:

- Mindia Sabanadze (p/n 01023002458) - member/head of the Supervisory Board and 100% beneficial owner of the Company
- Nodar Sabanadze (p/n 01024036045) - member / Deputy Chairman of the Supervisory Board
- Nutsiko Sabanadze (p/n 01017043563, address: Tbilisi, Vasil Barnovi St. No. 56, Apt. 17) - member of the Supervisory Board
- Lasha Kakhishvili (p/n 01024067556) - member of the Supervisory Board and Financial Director
- Giorgi Mtibelashvili (p/n 01017013930) – member of the Supervisory Board (independent person)
- Irakli Chiladze (p/n 01008021270, address: Tbilisi, Titsian Tabidze St. No. 59) - member of the Supervisory Board (independent person)

Information on the past activities of the members of the Supervisory Board and the management is given in the table:

Individual	Position	Companies <sup>6</sup>	Financial crime <sup>7</sup>	Bankruptcy/ liquidation <sup>8</sup>
Mindia Sabanadze (p/n 01023002458)	1. Member of the Supervisory Board 2. Director 3. Director 4. Chairman of the Supervisory Board 5. Chairman of the Supervisory Board 6. Chairman of the Supervisory Board 7. Member of the Supervisory Board	1. West Invest Ltd (ID No. 202311104) 2. Samoseli Ltd (ID No. 404604380) 3. IG Invest Ltd. (ID No. 404584400) 4. Energy Development Georgia Ltd. (ID No. 404485188). 5. Green – Energy Holding Ltd. (ID No. 405734022) 6. JSC Expo Georgia (ID No. 201990104) 7. “City Development” ltd (p/n 405463225)	No	No
Nodar Sabanadze (p/n 01024036045)	1. Director (former) 2. Director (former) 3. Director 4. Member of the Supervisory Board 5. Director 6. Member of the Supervisory Board	1. West Invest Ltd (ID No. 202311104); 2. Georgian Retail Ltd. (ID No. 404598333) 3. Keystone Consulting Ltd. (ID No. 404592641) 4. JSC Expo Georgia (ID No. 201990104) 5. Primepetrol Ltd. (ID No. 405669842) 6. Green – Energy Holding Ltd. (ID No. 405734022)	No	No

<sup>6</sup> Names of all companies (except subsidiaries of the Issuer) the member of whose management, board of directors or supervisory board has been or is one of the indicated person during the last 5 years;

<sup>7</sup> Information on revealed facts of fraud, economic crime or money laundering within the last 5 years, if any;

<sup>8</sup> Information on the bankruptcy and liquidation of the companies in which these individuals have held the above positions during the last 5 years, if any.

	7. Member of the Supervisory Board	7. "City Development" ltd (p/n 405463225)		
Levan Meskheli (p/n 01008030756)	1. Director 2. Director 3. Member of the Supervisory Board 4. Member of the Supervisory Board	1. IG Development Georgia LLC (ID No. 404851503) 2. Energy Development Georgia Ltd (ID No. 404485188) 3. JSC Expo Georgia (ID No. 201990104) 4. "City Development" ltd (p/n 405463225)	No	No
Lasha Kakhishvili (p/n 01024067556)	1. Director (former) 2. Chairman of the Supervisory Board 3. Member of the Supervisory Board	1. 12 Rounds Ltd (ID No. 405414948); 3. Peysera Bank of Georgia JSC (ID No. 402204841) 4. JSC Expo Georgia (ID No. 201990104)	No	No
Giorgi Mtibelashvili (p/n 01017013930)	1. Director 2. Director 3. Director 4. Director 5. Director 6. Director	1. DP Group LTD (ID No. 404424217) 2. Tax and Financial Management Group Ltd (ID No. 404418377); 3. Consulting and Audit of the Chamber of Commerce and Industry of Georgia LLC (ID No. 404444810); 4. Audit Ltd (ID No. 404460597) 5. Alpha property Ltd (ID.No 404605094) 6. Alpha property 2025 Ltd (ID.No 404605094)	No	No
Irakli Chiladze (p/n 01008021270)	1. 50% Owner Partner, Director 2. 100% Owner Partner, Director 3. 50% Owner Partner, Director 4. 34% Owner Partner, Director 5. 20% Owner Partner, Director 6. Member of the Supervisory Board	1. Tax Audit Group LTD (ID.No 404906580); 2. Financial Services Agency LTD(ID.No 406057136); 3. Tax Audit LTD (ID.No 205245297); 4. Didberi LTD (ID.No 405481802); 5. Inox LTD (ID.No 404539674); 6. Energy Development Georgia LTD (ID.No 404485188)		
Nutsiko Sabanadze (p/n 01017043563)	1. Co-founder	1. Georgian Retail Ltd (ID. No 404598333)	No	No

There is a family relationship between the Chairman of the Supervisory Board and members of the company, specifically, Nutsiko and Nodar Sabanadze are children of Mindia Sabanadze.

There is no conflict of interest known to the Issuer between the persons listed and with respect to the Issuer.

The listed persons do not have restrictions on the disposal of their shares in the Issuer's securities, except for cases determined by the legislation on securities market.

## **General Meeting:**

The General Meeting is the supreme governing body of the Company and it is authorized to make decisions in accordance with the legislation of Georgia and the charter of the Company (the "Charter"), *inter alia* on the following issues:

- Approval of financial statements;
- Distribution of company assets among partners;
- Acquisition of shares by the company in its own capital;
- Changes to rights arising from shares or classes of shares;
- Expulsion of a partner from the company;
- Withdrawal of a partner from the company;
- Creation/abolition of the Supervisory Board;
- Appointment/dismissal of a member of the Supervisory Board, determination/extension of the term of office, determination of the amount, structure and frequency of remuneration;
- Approval of Supervisory Board reports;
- Participation in ongoing court proceedings against a member/person of the governing body or Supervisory Board (including appointment of a representative for this process);
- Reorganization of the company;
- Dissolution of the company;
- Amendment of the founding agreement of the company/adoption of a new edition of the charter;

According to the Charter, at least once a year, no later than 3 months after the preparation of the annual balance, an ordinary General Meeting is held. The ordinary General Meeting is convened by and is the responsibility of the governing body of the company or the Supervisory Board. The right to convene an extraordinary meeting of partners belongs to the governing body and/or the Supervisory Board, and in their absence (death, resignation, other termination of their authority, etc.) - to the partner/partners who own(s) at least 5 percent of the shares or voting shares of the limited liability company. (Currently, one partner - IG International LLC - owns 100%).

The General Meeting has a quorum if it is attended by partner(s) holding the majority of votes. The General Meeting makes decisions by a majority of votes of the participants in the voting, except when a larger number of votes or other additional conditions are determined by law or the Charter.

## **Supervisory Board:**

The Supervisory Board consists of at least 5 (five) members. Each member of the Supervisory Board, except for the "Independent Member", is appointed for a term of at least 1 (one) year, while the "Independent Member" of the Supervisory Board may be appointed for a shorter term. The authority of a member of the Supervisory Board is extended after the expiration of the term until the convening of the next General Meeting. Currently, the term of office of the following members of the Supervisory Board: Mindia Sabanadze, Nodar Sabanadze, Lasha Kakhishvili, and Nutsiko Sabanadze was defined until October 01, 2027, the term of office of the independent members of the Supervisory Board - Giorgi Mtibelashvili and Irakli Chiladze is defined until November 01, 2026.

The members of the Supervisory Board may resign at any time by sending at least 1 (one) calendar month prior written notice to the Company. The resignation rule provided for in this paragraph does not apply to an "Independent Member" of the Supervisory Board, whose resignation is regulated by a contract concluded with them. A member of the Supervisory Board may be removed

from membership at any time by the decision of the General Meeting. This decision shall be made by a majority of the votes of the participants in the voting.

According to the charter, the Supervisory Board should hold meetings at least once a quarter, and in case of necessity, increase the frequency of meetings. The Chairman of the Supervisory Board of the company is obliged to ensure the holding of the Supervisory Board meeting. A member of the Supervisory Board or the governing body has the right to demand the Chairman of the Supervisory Board to immediately convene a meeting of the Supervisory Board. This request must indicate the reasons and objectives of the extraordinary meeting. The Chairman of the Supervisory Board is obliged to ensure the holding of the Supervisory Board meeting within 10 days from the request. The Supervisory Board has a quorum if at least more than half of the members attend or are represented. Decisions at the Supervisory Board meetings are made by a simple majority of votes of the attending or represented members. Minutes of the meeting and the decisions made are prepared. The Chairman of the Supervisory Board meeting is responsible for the accuracy and completeness of this protocol. The Supervisory Board elects a Chairman and a Deputy from its composition. The Chairman of the Supervisory Board cannot simultaneously be the Director of the company.

**Mindia Sabanadze** is the Chairman of the Supervisory Board. He was born on 03.10.1971, graduated from the 14<sup>th</sup> secondary school, received higher education at the Georgian Technical University - Faculty of Transport and Mechanical Engineering. In 2014, he was appointed a member of the Supervisory Board of West Invest Ltd. (ID No. 202311104), one of the largest importers of frozen meat products, and has been exercising this authority up to date. On September 18, 2019, he founded IG Invest Ltd (ID No. 404584400) where he serves as Director. IG Invest Ltd established BMG Ltd (ID No. 404583982) with a 50% participation interest; this company represents an Italian menswear brand BOGGI MILANO in Georgia and operates under that brand in the City Mall Saburtalo shopping center. On August 24, 2022, he founded Home App LLC (ID No. 405556679), in which he owns a 50% equity stake. Since 10 November 2020, he has been the Director of Samoseli LLC (ID No. 404604380), authorized to manage and represent the company. The activity of Samoseli Ltd is related to the sale of equipment required for sewing workshops. From October 26, 2022, Mindia Sabanadze is the chairman of the Supervisory Board of Energy Development Georgia LLC (ID No. 404485188), and since April 02, 2025, he has been the Chairman of the Supervisory Board of Expo Georgia JSC (ID No. 201990104).

**Nodar Sabanadze** - Member of Supervisory board was born in 13 July, 1992. In 2010, he graduated from the private school 'Institut Monte Rosa'. He obtained his bachelor's degree in Business Management from King's College London. During 2015 December 5 – 2020 28 October served as Director of one of the largest frozen meat importer company – LLC West Invest. From 2019 October 1<sup>st</sup> to 2021 November 22 was deputy Director of IG Development Georgia LLC. The activity of IG Development Georgia LLC is related to the management of its shopping centers and business center. Since 7 February 2020, he has been the Director of Keystone Consulting LLC, authorized to manage and represent the company. From 9 July 2020 to 4 February 2021, he was the Director of Georgian Retail LLC. Georgian Retail LLC is engaged in the sale of clothing, footwear, and accessories. In addition, Nodar Sabanadze is the son of Mindia Sabanadze. Since 2 April 2025, he has been a member of the Supervisory Board of Expo Georgia JSC (ID No. 201990104).

**Giorgi Mtibelashvili**, a member of the Supervisory Board, has many years of experience in tax and financial consulting. He started his career in 2005, as a chief inspector in the cameral inspections division of the Taxpayer Inspections Department of the Tbilisi Tax Inspection. In 2008–2009, he was an auditor at the Audit Department of the Revenue Service's Main Inspection Division, then until 2010 he served as Head of the cameral inspections division of the Control Department of the Tbilisi Regional Center of the Revenue Service, and was subsequently promoted to Deputy Head of the Revenue Service's Audit Department Main Inspection Division, a position he held until 2012. From 2012 to 2015 he was the partner and Director of DP group LLC. From 2013 to 2015, he was a member of the Supervisory Board of the National Statistics Office of Georgia. 2015-2019 Giorgi worked at Ablex LLC, as a partner/tax and financial consultant. From 2019 he works at IGF LLC on the same position. From October 26, 2022, Giorgi Mtibelashvili is a member of the Supervisory Board of Energy Development Georgia LLC (ID No.404485188). For detailed information, see the table under 'Governing Body and Management'.

**Irakli Chiladze** - Member of the supervisory board, has almost 20 years of experience in financial consulting. From 2005 to 2006, he was the Financial Manager of the "Tbilisi and Paradjanov" Foundation, after which from 2006-2008 he held the positions of intern and later auditor at the Tax Department of the Ministry of Finance of Georgia. From 2008 to 2011, Irakli was employed as an auditor at "Tax Audit" LLC, and from 2012 to the present, he is the Managing Partner of "Financial Services Agency" LLC, and since 2017, the Managing Partner of "Inox" LLC.

**Nutsiko Sabanadze** is a member of the Supervisory board. In 2021, she graduated from Birkbeck, University of London, Faculty of Marketing, after which she took the position of Client Manager in London, at the company "dentsu x". Since 2021, she has been one of the partners of "Georgian Retail" LLC together with family members. "Georgian Retail" LLC continues to operate under the name "sense concept store", and from 2023, Nutsiko Sabanadze has taken the position of marketer at "City Development" LLC. Additionally, Nutsiko Sabanadze is the daughter of Mindia Sabanadze.

Regarding the biographies of Levan Meskheli and Lasha Kakhishvili, please refer to the sub-chapter "Information about the issuer".

According to the charter, the members of the Supervisory Board are individually and collectively responsible for:

- Define the values of the enterprise and manage it with full respect for the principles of fairness, competence, professionalism, and ethics;
- Define the organizational structure of the enterprise, including functions and responsibilities, to ensure that the Supervisory Board and the governing body fulfill their powers and have an effective decision-making process;
- Define the ethical principles of the enterprise and continuously assess the role of the governing body in establishing and maintaining a healthy corporate and ethical culture, which among other issues includes constant compliance with existing legislation, including the "Corporate Governance Code for Public Securities Issuers", as well as the enterprise's code of ethics and internal standards;
- Approve the annual budget of the enterprise, define its strategy, and monitor the implementation of strategic goals by the governing body;
- Together with the governing body, define and approve the risk management framework of the enterprise, which should take into account the competitive environment, possible future regulations, environmental, social, and governance issues, the long-term interests of the enterprise, and effective risk management, monitoring, and internal control functions;
- Monitor the activities of the governing body and evaluate its decisions; ensure that members of the Supervisory Board receive sufficient information from the governing body, including explanations and assurances that the activities of the governing body fully comply with the strategy and risk management framework approved by the Supervisory Board;
- Monitor the proper functioning of the remuneration system in the enterprise, which includes reviewing and monitoring the issues of directors' remuneration, compliance with the enterprise's risk culture and risk management framework;
- Ensure the implementation of an effective succession system for the governing body and significant employees and monitor its implementation;
- Ensure the approval of risk management and internal control systems and supervise their effective functioning, define the information disclosure policy, establish general principles of economic policy, approve general financial planning and reporting standards;
- Review the annual report and submit it to the General Meeting for approval, as well as submit a proposal on profit distribution to the General Meeting;
- Appoint and dismiss directors, conclude and terminate contracts with them, as well as approve their reports, supervise (control) the activities of directors and for this purpose, request reports related to the activities of the company;
- Verify the accounting activities of the company;

- Control and verify the financial documentation of the company, as well as the condition of property items, in particular the company's cash register, securities, and goods, through individual members of the Supervisory Board or designated experts;
- Make decisions on the admission of the company's securities for trading on the stock exchange;
- Choosing an audit firm.

### **Audit Committee**

A sub-committee - the Audit Committee - is formed within the Supervisory Board with 3 (three) members, which must control the reliability of the company's financial reporting, ensure the effectiveness of internal control systems and the independence of internal audit (if any), and manage the relationship with external audit. The Audit Committee must be staffed only with members of the Supervisory Board. The Audit Committee must be headed by a member of the Supervisory Board who is an independent person.

The members of the Audit Committee:

- Giorgi Mtibelashvili(p/n 01017013930) - independent member / head of the Audit Committee
- Lasha Kakhishvili (p/n 01024067556) - member of the Audit Committee
- Irakli Chiladze (p/n 01008021270) – independent member of the Audit Committee

The rights and obligations of the Audit Committee are as follows:

- The financial reporting process;
- The reliability of the company's financial reporting;
- The effectiveness of quality control, risk management and, if necessary, internal audit of financial information;
- The implementation of financial statements/consolidated statements audit, taking into account the conclusions reflected in the quality control monitoring report;
- Compliance by the auditor/audit firm with the requirements of the Law of Georgia "On Accounting, Reporting and Auditing" (including the norms regarding independence);

The Audit Committee is chaired by the Chairman of the Committee, who is elected by the Supervisory Board.

*Information on effective corporate governance legislative standards and potential risks is disclosed in the relevant sections of the Prospectus (Risk Factors, Regulatory Environment, etc.).*

### **Rights and Obligations of Partners**

The supreme body of the company is the Meeting of Partners, which directs the activities of the company.

The company has one partner, IG International LLC, (4725505, address: 3411 Silverside Road, Rodney Building, Suite 104, Wilmington, Delaware 19810, United States of America).

The partner of the "Company" has and is subject to the rights and obligations established by the charter and the legislation of Georgia.

The competence of the company's partners includes:

- Approval of financial statements;
- Distribution of company assets among partners;
- Acquisition of shares by the company in its own capital;
- Changes to rights arising from shares or classes of shares;
- Expulsion of a partner from the company;
- Withdrawal of a partner from the company;
- Creation/abolition of the Supervisory Board;
- Appointment/dismissal of a member of the Supervisory Board, determination/extension of the term of office, determination of the amount, structure, and frequency of remuneration;
- Approval of Supervisory Board reports;
- Participation in ongoing court proceedings against a member/person of the governing body or Supervisory Board (including appointment of a representative for this process);
- Reorganization of the company;
- Dissolution of the company;
- Amendment of the founding agreement of the company/adoption of a new edition of the charter;

## Capital

The charter capital of the company is determined in the amount of 8,814 thousand GEL.

Partners can increase the amount of charter capital. Any currency, as well as other property and non-property contributions, can be contributed as a contribution to the charter capital.

For a detailed breakdown of capital changes and their dynamics by year, please refer to the subsection "Information on Capital and Debt Liabilities."

## Related Party Transactions

According to IAS 24 (Related Party Disclosures), the parties are deemed as related if one party controls the other party or has a significant influence on the other party's financial and operational decisions. When considering each possible interrelation, attention should be paid to the content of the relationship rather than the legal form only.

Related parties may enter into transactions that may not be concluded by unrelated parties and the related parties' transactions may not be concluded under the same terms and for the same amounts as those concluded between unrelated parties. All related party transactions discussed below were conducted on an 'arm's length' basis.

As of 30 June 2025, loans issued to related parties and trade receivables amounted to GEL 139,147 thousand and GEL 2,038 thousand, respectively, and interest income from loans to related parties for the six months of 2025 totalled GEL 5,839 thousand. The company has not assessed credit losses for the half year of 2025 and the comparable period. General information on expected credit losses is presented in the 'Operational and Financial Review' subsection, and risks related to related party loans are disclosed in the "Risk Factors" subsection;

'000 GEL	30.06.2025	30.06.2024	31.12.2024	31.12.2023
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Type of Relation	Unaudited Under common control	Unaudited Under common control	Audited Under common control	Audited Under common control
<b>Balances at the end of the period:</b>				
Loans Issued	139,147	59,042	128,248	46,335
Trade receivables under common control	2,038	1,360	1,255	1,129
Trade receivables with other related parties	152	50	110	174
Trade and other payables under common control	(244)	(224)	(253)	(231)
Allowance for credit losses on loans issued	(11,565)	(7,165)	(10,216)	(14,885)
Allowance for credit losses on financial assets	(315)	(315)	(315)	(315)
<b>Income and Expenses:</b>				
Rental income from investment property	3,096	2,398	4,935	4,471
Revenue from contracts with customers	519	489	986	677
Interest income	5,839	1,440	4,545	2,852
Impairment loss on loans issued	1,193	1,513	5,656	3,714
Impairment loss on trade and other receivables	-	-	108	399

Supervisory Board and management compensation included the following:

'000 GEL	30.06.2025	30.06.2024	31.12.2024	31.12.2023
Salary	769	480	5,396	4,999
Short-term bonuses	654	672	1,305	456

## Dividends Policy

The Company does not have a declared and documented dividend policy. During the six months of 2025, the Company declared and paid dividends in the amount of GEL 7,368 thousand, while no dividends were paid in the same period of the previous year. During 2024, dividends of 4,211 thousand GEL were paid.

According to the provisions of this Prospectus and the covenants on existing loans, a restriction is imposed on the payment of dividends. For detailed information, please refer to the subsection "Terms and Conditions of the Bond Issuance – Covenants ((g) – Restricted Payments)" and the subsection "Capitalization and Indebtedness – Overview of Financial Covenants".

## Legal Proceedings

In the table below legal disputes for the date of the Prospectus are presented in which the Company is the defendant and those relatively substantive legal disputes in which the Company is the claimant. The total value of the remaining legal disputes in which the Company is the claimant does not exceed GEL 2 million in total. As of the date of submission of this Prospectus, enforcement (security) measures have been applied against the Company twice (for details, see the table).

Claimant	Defendant	Description of a dispute	Current situation / Result / Possible outcome	Value of the claim	Currency
<b>Litigations where the Issuer is a defendant</b>					
"Domina" LLC	„IG Development Georgia“ LLC	The lawsuit demands the recovery of movable property owned by LLC "Domina" from illegal possession.	The dispute is ongoing in the Tbilisi City Court, and by the decision of the first instance court, the lawsuit was partially satisfied. The opposing party is likely to appeal to the Court of Appeals.	25,000	USD
Individual (not related to the company)	„IG Development Georgia“ LLC	Compensation for damages. According to the lawsuit, the issuer is one of the joint and several defendants. The issuer has filed a statement of defense to the claim. The issuer believes that it should be removed from the case as a defendant. The company disagrees with the filed claim and considers the probability of its satisfaction to be 0%.	The dispute is being considered in the Tbilisi City Court, and a rejection of the claim is expected with respect to the part concerning "IG Development Georgia" LLC.	2,635 GEL (monthly until August 18, 2029); 1,976 GEL (monthly until November 22, 2051);	GEL
<b>Litigations where the Issuer is a claimant</b>					
"IG Development Georgia" LLC	"French House" Ltd	The dispute represents a case of obligatory legal category, within which "IG Development Georgia" LLC demands the imposition of payment on the defendant in the amount of 262,142.99 GEL in the form of unpaid rent.	The dispute has been concluded at the "Tbilisi Arbitration Institute," the claim arose from a rental relationship, and payment of rental arrears was requested. The company had approached the Tbilisi Court of Appeals for recognition of the decision with a request for enforcement. The court satisfied the issuer's request and issued an enforcement order. Currently, the forced enforcement process is ongoing.	262,143	GEL
"IG Development Georgia" LLC	LLC "Avocado"	The dispute represents a case of obligatory legal category, within which the issuer demands the imposition of payment on the defendant in the amount of 24,451 USD in the form of unpaid rent.	The dispute has been concluded in the arbitration court and the claim of "IG Development Georgia" LLC has been satisfied. The company has approached the Tbilisi Court of Appeals with a request for enforcement.	24,451	USD
"IG Development Georgia" LLC	LLC "Japan Hause Tbilisi"	The dispute represents a case of obligatory legal category, within which "IG Development Georgia" LLC demands the imposition of payment on the defendant in	The dispute was being conducted at the "Tbilisi Arbitration Institute," and the company was awarded the full amount. The claim arose from a rental	39,617	USD

		the amount of 39,617 USD in the form of unpaid rent.	relationship, and payment of rental arrears was requested.		
"IG Development Georgia" LLC	LLC "Person"	A dispute is of a liability law category in which IG Development Georgia LLC seeks to impose payment of an unpaid rent in the amount of GEL 51,920 on the defendant. The dispute is underway at the Tbilisi Arbitration Institute. The claim arises from the rent relationship and repayment of rent indebtedness is sought.	The dispute represents a case of obligatory legal category, within which "IG Development Georgia" LLC demands the imposition of payment on the defendant in the amount of 51,920 GEL in the form of unpaid rent.	51,920	GEL
"IG Development Georgia" LLC	LLC "Cavea Saburtalo"	The dispute represents a case of obligatory legal category, within which "IG Development Georgia" LLC demands the imposition of payment on the defendant in the form of unpaid rent and penalty.	The dispute is ongoing in the Tbilisi City Court. A decision has not been made by the court of first instance.	(Debt 1,735,021.93 GEL, penalty - 3,655,025.68 GEL).	GEL
"IG Development Georgia" LLC	LLC "ASGSoft"	The dispute represents a case of obligatory legal category, within which the issuer demands the imposition of payment on the defendant in the form of unpaid rent and penalty.	The dispute is ongoing in the "Tbilisi Arbitration Institute". At this stage, a hearing has not been held.	(Debt 451,843.23 GEL, penalty - 561,710 GEL).	GEL

### Description of significant changes in the Issuer's financial or commercial condition

According to the issuer's assessment, after June 30, 2025, until the date of preparation of the prospectus, there have been no significant changes related to the financial or commercial activities of the issuer.

### A list of documents mentioned/indicated in the registration document

The registration document mentions the following documents:

- Audited financial statements - 2024, 2023, and 2022 years (uploaded on the website <https://reportal.ge/ka/Reports/Report?q=404851503>);
- Company charter - (uploaded on the public registry portal [napr.gov.ge](http://napr.gov.ge): For searching purposes in the NAPR system, the application number is B24167097);
- Agreement between the placement agent and the issuer - (the document can be reviewed in physical form at the issuer's address);
- Agreement between the calculation and payment agent and the issuer - (the document can be reviewed in physical form at the issuer's address);

The documents listed above are disclosed at the addresses specified in the list, except for confidential documents (agreement between the placement agent and the issuer, agreement between the calculation and payment agent and the issuer)

## Overview of the Bonds

### Important information

#### Statement on Working Capital

The company's working capital (current assets minus current liabilities) as of June 30, 2025 amounts to -65,447 thousand GEL, the company's current ratio accordingly represents 0.29. As of December 31, 2024, the company's working capital was -45,480 thousand GEL, with a current ratio of 0.38 respectively.

The company's negative working capital is caused by the fact that as of June 30, 2025, the largest part of its issued bonds, particularly 20 million USD bonds issued on December 28, 2023, and 5 million EUR bonds issued on January 16, 2024, have been transferred to the current loan liabilities section. At the moment of bond issuance, these tranches will be redeemed, as a result of which the working capital will reach a positive indicator, while the current ratio will exceed 1.0.

On a pro-forma basis, the company's current ratio and working capital will reach the following indicators:

	Jun 2025, Pro-Form
Current Ratio	1.21
Working Capital	4,571

Person involved in the offering	Role in the offering	Description of interest	Description of conflicts of interest
JSC Galt&Tagart	Placement, Calculation, and Payment Agent	has an interest in the placement of securities and to receive a commission agreed with the company in return	<p>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.</p> <p>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;</p> <p>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</p>

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.

## **1. Information regarding the securities to be offered**

### **1.1 Type and class of the security to be offered/admitted to trading.**

The "Green Bonds" constitute direct, unsecured obligations of the "Company", which rank equally among themselves and with all other unsecured and unsubordinated obligations of the "Company". The "Bonds" will not be an obligation of any government. The Bonds are in accordance with the International Capital Market Association (ICMA) Green Bond Principles.

### **1.2. Legislation under which these securities are issued.**

The "Bonds" are issued in accordance with the legislation of Georgia.

### **1.3. Information about the depository.**

JSC "Georgian Central Securities Depository" (I/N 204935400), Telephone: (+995 32) 2 50 02 11, Address: 71 Vazha-Pshavela Avenue, Block 10th, Tbilisi.

### **1.4. Information on the currency in which the securities to be issued are denominated.**

For each individual issuance (the last of which will be carried out no later than 12 months after the approval of the issue prospectus, as specified in the relevant "Terms Document"), the "Bonds" are issued in dematerialized form, with each having a nominal value of 1,000 (one thousand) US Dollars or 1,000 (one thousand) Euros. The denomination of the respective issuance will be specified in its "Terms Document".

### **1.5. In case of insolvency, the seniority of the offered security in the issuer's capital structure.**

The "Bonds" constitute unsecured obligations of the "Company," which rank equally among themselves (*pari passu*) and with all other unsecured and unsubordinated obligations of the "Company". Therefore, any claim against the "Company" related to the "Bonds" will not be secured by specific real 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, they will be satisfied from the estate as unsecured creditors. This means that secured creditors (creditors whose claims are secured by a mortgage or pledge of the "Company's" assets) are given priority over unsecured creditors with respect to the security instrument established in favor of the secured creditors. Article 104 of the said law regulates the rule and sequence of distribution of the insolvency estate, according to which, under sub-paragraph "g.g" of the first paragraph of Article 104, the claims of "Bondholders" will fall into the category of unsecured claims.

### **1.6. Description of the rights and restrictions attached to the securities and the procedure for exercising these rights.**

The terms of the "Bonds" and the rights of the "Bondholders" are defined by this "Prospectus," including the "Terms and Conditions of the Bond Issue" herein.

#### **1.6.1. Appointment of the "Bondholders' Representative"**

The issuer does not have a "Bondholders' Representative".

### **1.7. Restriction on the free circulation of securities:**

The free circulation of the securities presented/offered by this "Prospectus" is not restricted, except for the restrictions mentioned in the warning section of the "General Overview" chapter of the issue prospectus.

### **1.8. Information on the taxation of income derived from the securities:**

Interest paid on the "Bonds" to a resident natural person, and to non-resident legal and natural persons (if the interest is not attributable to a permanent establishment of this non-resident in Georgia) is exempt from income and profit tax, provided that the "Bond" will be a debt security issued by public offering in Georgia before January 1, 2026, and admitted to trading on an organized market recognized by the National Bank of Georgia, which will be possible in the case of a positive decision by the board of the "Georgian Stock Exchange" or "Tbilisi Stock Exchange". The Company intends to apply to the JSC "Georgian Stock Exchange" or JSC "Tbilisi Stock Exchange" for the Bonds to be admitted to trading on the said market. As of the date of approval of this Prospectus, JSC "Georgian Stock Exchange" and JSC "Tbilisi Stock Exchange" are considered an organized market recognized by the National Bank only in the A and B category listing segments of the exchange.

Interest received by a resident entrepreneurial legal entity (other than a banking institution, credit union, microfinance organization, loan-issuing entity, and insurance organization) on the "Bonds" will be included in the profit of the resident legal entity and will be taxed at a 15% profit tax rate, only upon the distribution of the respective profit.

Interest received by a banking institution, credit union, microfinance organization, and loan-issuing entity will be included in the gross income of these enterprises and, after deductions, will be taxed at a 20% profit tax rate.

As of the date of drafting the prospectus, the issuer has not obtained a credit rating.

## **2. Terms of Public Offering**

### **2.1 Offering Terms, Expected Schedule, and Procedures Necessary for Participation in the Offering**

#### **2.1.1. Conditions that the offer must satisfy.**

The offer must satisfy the conditions provided by the legislation of Georgia and this prospectus.

#### **2.1.2. Indicative measure of the total amount of Issuance/offer.**

The amount of "Bonds" offered is up to 82,000, up to 82 million dollars, which will be issued through one or more issuance in US dollars or euros.

#### **2.1.3. The period during which it will be possible to purchase securities defined by the issuance, as well as a description of the process necessary to participate in it.**

The term of the offering of "Bonds" and the validity of the prospectus will begin with the publication of the approved preliminary prospectus and will end 12 months after approval. The validity period of the prospectus is determined to be 12 months from the approval of the preliminary prospectus. The offering process will be conducted in accordance with the procedure defined below:

##### **(a) "Bond" Offering Process**

The "Placement Agent" will carry out the offering of "Bonds" on behalf of the "Issuer", based on an agreement concluded with the "Issuer". Before the start of the offering, in order to ensure interest in the "Bonds", the "Placement Agent" and/or its authorized

intermediary/intermediaries have the right to send the approved Preliminary Prospectus to potential "Sophisticated (Experienced) Investors".

Potential investors can express their interest in purchasing "Bonds" by providing an application/notification to the "Placement Agent". Such expression of interest is possible through electronic communication or any other means recognized by the "Placement Agent". The final date for receiving application(s) for the purchase of "Bonds" is determined by agreement between the "Issuer" and the "Placement Agent". If such final date is not a "Business Day", the previous "Business Day" will be considered as the final date for receiving application(s).

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

If during the process of offering "Bonds" to potential investors, they express interest in acquiring more "Bonds" than offered by the preliminary or final "Prospectus", such demand will be partially satisfied, proportionally to the quantities specified in the applications submitted by investors or otherwise, as decided by the "Issuer" at its discretion. Furthermore, if a potential investor's application is partially satisfied, such potential investor has the right to refuse or continue participation in the process of purchasing "Bonds". The "Placement Agent" must be notified of such decision in writing, electronically, or in another form immediately (not later than 14:00 (Tbilisi time) of the "Business Day" following the day when the investor is informed about the correction of their application (in relation to the number of "Bonds")). Failure to notify the "Placement Agent" of such decision allows the "Placement Agent", at its discretion, to consider the investor's original application (in relation to the full number of requested "Bonds") or to reject the application.

After completing the process of offering "Bonds" to potential investors, the "Placement Agent" will make an announcement regarding the completion of the offering and notify those investors (individually or as a group) whose applications (including applications adjusted in terms of the number of "Bonds") have been satisfied. Such notification must contain a reference to the interest rate to be accrued on the "Bonds" and the number of "Bonds" for which potential investors' purchase requests have been satisfied. Upon making the announcement about the completion of the offering, those applications of potential investors that have been satisfied will be irrevocable and binding for such investors "Investors".

"Investors" must fully place the funds necessary to purchase the corresponding number of "Bonds" in a brokerage account no later than 2 "Business Days" before the "Issue Date". "Investors" must open such brokerage accounts with one of the "Placement Agents". The "Issuer" will deliver the purchased "Bonds" on the "Issue Date" to the same brokerage account. In exceptional cases, the "Placement Agent" may, at its discretion, give permission to the "Investor" to place the funds necessary for purchasing the "Bonds" in the "Issuer's" account opened with the "Placement Agent" (instead of the "Investor's" brokerage account opened with the "Placement Agent"). In this case, the delivery of "Bonds" will be carried out to the "Investor's" account opened with the "Depository" or another "Account Holder".

In case the investor acquires "Bonds" after their issue date during the primary placement period, they will be obliged to pay the accrued coupon for the date of acquisition along with the nominal value of the "Bond".

As an exception, the "Issuer" and/or the "Placement Agent", with the prior consent of the issuer, is authorized to establish certain benefits related to terms or conditions for potential investors (including but not limited to "Purchasing Investors").

After the placement of "Bonds", "Bondholders" are entitled to hold "Bonds" in the form of a record in an account opened with the "Depository" if they are participants of the central depository system themselves or with another "Account Holder".

In case the "Bonds" are transferred to another "Account Holder", the "Bondholders" must ensure that the respective "Account Holder" provides information about the "Investors" and their tax status to the "Payment and Calculation Agent" as soon as possible upon request.

## (b) Changes during the offering process

If, during the offering process (the time period from the start of the offering until the “issue date”), the “issuer” decides to change any material information concerning the “bonds” (such changes shall be subject to re-approval by the National Bank, which does not necessarily mean that such approval will be granted), for example, the number of securities, price, interest rate, offering period, etc., the “issuer” must provide “investors” with at least 14 (fourteen) calendar days to cancel their subscription request. After the expiration of this period, the “issuer” has the right to continue the offering under the amended terms.

If any material (significant) fact changes, as defined by the Order No. N179/04 of the President of the National Bank dated 7 October 2022, the investors who have already purchased the “bonds” are entitled to cancel such purchase and request the immediate redemption of the “bonds” for their principal amount and any accrued interest. The “investors” who do not cancel the purchase of the “bonds” shall be subject to the amended terms of the offering.

If, during the offering process, any non-material information changes, the “issuer” must notify the “bondholders” before making the relevant amendment to the “issuance prospectus” and provide them with a document reflecting such updated information.

### **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 allotment plan**

### **2.2.1. Categories of potential investors to whom the securities are being offered.**

Due to the nature of the “bonds”, their offering is planned to be made to all persons permitted under the “Securities Law”.

**2.2.2. The process of sending notifications to the persons who submit applications to purchase/subscribe to the securities, regarding the quantity allocated to them.**

Upon completion of the process of offering the “bonds” to potential investors, the “placement agent” shall make a statement regarding the completion of the offering and shall notify those investors (individually or in groups) whose applications (including applications adjusted in terms of the number of “bonds”) have been satisfied. Such notification shall contain an indication of the interest rate to be accrued on the “bonds” and the number of “bonds” for which the potential investors’ purchase requests were satisfied. Upon the issuance of the statement on the completion of the offering, the applications of those potential investors that have been satisfied shall become irrevocable and binding upon such investors. Trading may not commence prior to 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 unknown to the “issuer”.

**2.3 Price determination**

**2.3.1. Indication of the offering price of the securities, specifying any expenses or taxes imposed on the investor.**

The placement of the “bonds” will be carried out at a price equal to 100% of their nominal value. The “issuer” does not contemplate any alternative pricing for the securities. However, in the event that the final price differs from the announced price, the investor shall have the right to cancel the purchase or subscription application within at least 2 business days from the public disclosure of the final price.

**2.3.2. Description of the process for determining the final price of the offering and communication thereof to investors.**

The offering will be carried out at 100% of the nominal value, and the “issuer” does not contemplate any alternative pricing.

**2.4. Placement**

**2.4.1. Indication of the name and contact information of any legal entity and/or representative of the “bondholders” involved in the offering/placement.**

Not applicable to this issuance.

**2.4.2. Indication of the settlement agents and their address/contact information.**

JSC “Galt & Taggart” (Identification code: 211359206)

Address: 3 Pushkin Street, Tbilisi 0108

E-mail: gt@gt.ge ; sales@gt.ge

Telephone: (+995 32) 2 40 11 11

**2.4.3. Indication of the placement agent and its contact information; as well as key terms of the contract, specifying the quantities and placement commission.**

JSC “Galt & Taggart”:

JSC “Galt & Taggart” (Identification code: 211359206)

Address: 3 Pushkin Street, Tbilisi 0108

E-mail: 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 deduction of the placement commission) shall be at least 98.0% of the placed amount.

The placement of the “bonds” is carried out on the basis of letters of agreement executed with the placement agent on 1 May 2025.

**2.4.4. Indication of when the placement agreement shall be considered completed.**

The placement agreement shall be deemed completed upon the placement of the “bonds”, unless the term has been extended by agreement between the “company” and the “placement agent”.

## **Bond Issuance Terms**

The “Bonds” will benefit from the terms below:

The “Bonds” with an aggregate principal amount and nominal value of USD 82,000,000 (eighty-two million) or its equivalent in other currency, and which are issued as one or more independent issuances pursuant to the “Prospectus” and the “Term Sheet” on the basis of the decision of the Supervisory Board of the Company/“Issuer”, dated [●].

The terms of the Bonds and the rights of the Bondholders are governed by this Prospectus, including, without limitation, these terms and conditions of the Bonds (hereinafter referred to as the “Terms and Conditions of the Bonds” or the “Terms and Conditions”) and “term sheet” document (the “Term Sheet”).

The principal amount and interest in connection with the Bonds will be calculated in accordance with the terms of the agreement on the services of a calculation and paying agent, executed between, on one hand, the Issuer and, on the other hand, JSC Galt and Taggart as the calculation agent (the “Calculation and Paying Agent”) (the “Calculation Agency Agreement”). The payment of the principal amount and interest in connection with the Bonds will be made in accordance with the Georgian legislation and this foregoing Prospectus. Each Bondholder (as defined below) is entitled to inspect a copy of the Calculation Agency Agreement, which will be available at the specified address of the Calculation and Paying Agent (also electronically, in the case of requesting from the e-mails of the Calculation and Paying Agent or the Issuer, indicated in this Prospectus). Accordingly, it is believed that the Bondholder was properly informed/introduced to, is deemed to have notice of and be bound by all the provision of the Calculation Agency Agreement applicable to them.

For avoidance of any doubt, the offering terms and conditions specified in this Prospectus independently and individually refer to the Bonds and the Bondholders for each specific issuance of the Bonds.

### **2. Form, Principal Amount and Title**

The Bonds are issued in dematerialized form and will exist only as an entry/record on the securities account. Nominal value of a single bond is/will be USD 1,000 (one thousand) or EUR 1,000 (one thousand).

Crediting dematerialized securities on the securities account opened for the Bondholders creates title of the Bondholders over those dematerialized securities that are credited on their respective individual segregated accounts opened with the Depository (as defined below) or the Account Provider (as defined below). The title to the dematerialized securities is evidenced by the credit balance on the securities account which is confirmed by the account extract issued by the respective Account Provider.

Crediting dematerialized securities to a securities account opened for the Bondholders / the Investors creates the proportional co-ownership rights of the Bondholder / the Investor in relation to the number of Bonds credited to such securities account, proportionally to the entirety of the identical bonds credited on the omnibus segregated account with the Depository or the Account Provider, on which the Bonds of the corresponding Bondholders / Investors are credited.

### **3. Bond Offering and placement procedure**

#### **(a) Bond Offering Process**

The Placement Agent (as defined in the “Term Sheet”) carries out the offering of the Bonds on behalf of the Issuer and on the basis of the agreement concluded with the Issuer. Within the public offering, in order to procure interest in the Bonds, the Placement Agent and/or its authorized intermediary/intermediaries are entitled to send the approved Prospectus to potential investors.

Following the approval of the Prospectus by the National Bank of Georgia, the Issuer carries out the public offering of the Bonds in accordance with Georgian legislation. The Issuer, the Placement Agent and/or a financial intermediary(ies) involved in the placement process will provide potential investors, in accordance with their preference, with an electronic link to the Prospectus, its scanned version or a printed copy. The final Prospectus will be provided to potential investors (including by publicly announcing) before or right after the commencement of the sale of publicly offered Bonds or in the process of such sale.

Potential investors may express interest of purchasing Bonds by submitting an application/notice to the Placement Agent. It is possible to express such interest via electronic means of communication or any other means accepted by the Placement Agent. The deadline for accepting the application(s) for Bond purchase is determined unilaterally by the Placement Agent. If such deadline is not a Business Day, the preceding Business Day will be deemed as the final day for accepting the applications.

Final interest (coupon) rate to be accrued on the Bonds is determined in the process of offering of the Bonds to potential investors, based on their expressed interest (Book-building). Such final interest rate generally falls within the range of interest rate included in the preliminary Term Sheet and the final interest rate will be reflected in the final Term Sheet. Determining the final interest (coupon) rate is not considered to be a material (significant) change and only requires being reflected in the final Term sheet.

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, either in proportion to the numbers indicated in the relevant applications from the investors, or otherwise. Furthermore, if the application of a potential investor has been satisfied only partially, such potential investor is entitled to refuse or continue to participate in the process of Bond purchasing. The Placement Agent must be notified of such decision immediately (no later than 2 p.m. Tbilisi time of the Business Day following the day when the investor was informed of correction of its application (with respect to the number of Bonds)). Failure to notify the Placement Agent of such decision entitles the Placement Agent, at its discretion, to continue to consider the initial application of the investor (with respect to full number of Bonds requested), or refuse the application.

After the completion of the process for accepting application/notifications from the potential investors for the Bond purchase (“Book-building”), the “Placement Agent” will announce the final amount of the offer and will provide the respective notification (individually or jointly) to those investors whose purchase applications (including in the modified amounts) have been satisfied. Said notification shall include the number of Bonds in relation to which the purchase orders of potential investors have been satisfied. Upon the announcement of the completion of the offering, the applications of the potential investors that have been satisfied are irrevocable and binding upon such investors (“Subscribing Investors”). The issuer and/or the Placement Agent are entitled to make a placement of the Bonds at the Deferred Price from the Issuance Date until the date of the expiry of the Offer Period (including the last day), as indicated in the Term Sheet. The deferred placement of the Bonds will take place at the Deferred Price. The investors are allowed to express interest to acquire the deferred Bonds by informing the Placement Agent. Notifying the Placement Agent about the willingness to purchase the Bonds is permitted via electronic means of communication and/or by any other means allowed by the Placement Agent.

Subscribing Investors and those investors who acquire the Bonds before the Deferred Placement Date must place the funds required for purchasing the relevant number of Bonds on a brokerage account in full amount and no later than 2 Business Days before the Issuance Date or the Deferred Placement Date. Subscribing Investors shall open such brokerage accounts with the Placement Agent. The Issuer delivers the purchased Bonds to the same respective brokerage account either on the Issue Date or on the Deferred Placement Date. Subscribing Investors shall open such brokerage accounts with the Placement Agent. The Issuer will deliver the issued and placed Bonds to the same respective brokerage account either on the Issuance Date or on the Deferred Placement Date. In exceptional cases, the

Placement Agent may at its discretion allow the Subscribing Investor to place funds required for purchasing Bonds on the nominal holding account of the Issuer held with the Placement Agent instead of the Subscribing Investor's brokerage account opened with the Placement Agent. The Bonds will be delivered to the account of the Subscribing Investor held with the Depository or an Account Provider

**(b) Changes during public offering**

If the Issuer decides to change the information with regard to the Bonds during the public Offering Period, it shall take the necessary measures established by the Securities Act and applicable securities market regulations.

**(c) Disposal of the Bonds**

The Bonds may be disposed in accordance with Georgian legislation (including the Securities Act) within the jurisdiction of Georgia. Disposal of and transfer of title to the Bonds shall be valid only if after such disposal, the bonds are credited on the securities account opened for the Bondholder. After the placement of the Bonds, the Issuer is authorized to submit an application to the Georgian Stock Exchange (the "GSE") or the Tbilisi Stock Exchange (the "TSE") for the Bonds to be admitted to listing on the GSE's or the TSE's official list and to trading on the GSE or the TSE. In case of a positive decision on such admission, the Bonds may be traded on the GSE or the TSE pursuant to the GSE or the TSE rules and applicable securities laws for securities admitted for trading on the GSE or the TSE. For the avoidance of any doubt, the decision for the admission of the Bonds to the official listing of the GSE or the TSE does not require any type of consent or verification by the Bondholders.

Bonds may be alienated only within the territory of Georgia, in accordance with the Georgian legislation (including in accordance with the Securities Law).

**(d) Price Setting**

The final volume of the offering to potential investors shall be determined in the process of the Bond offering based on the volume/conditions of the demand for the purchase of Bonds (as a result of Book-building), in accordance with the procedure set forth in subsection 2(a) of the Bonds' Terms and Conditions.

**(e) Placement**

The Issuer and/or the Placement Agent shall be authorized to place Bonds at the Deferred Placement Price from the Issuance Date to the end of the Offer Period (including the last day of the latter date). The deferred placement of Bonds will be carried out at the Deferred Placement Price. Investors can express interest in the purchase of deferred Bonds by providing a purchase application/notice to the Placement Agent. The desire to purchase Bonds may be notified by any means of electronic communication and/or other means permitted by the Placement Agent.

Subscribing Investors and those investors who purchase Bonds on the Deferred Placement Date (hereinafter collectively referred to as "Investor(s)") are obliged to fully place the respective amounts for Bonds in the brokerage account at least 2 (two) Business Days before the Issuance and Placement Date. Investor's said brokerage account shall be opened with the Placement Agent as the Account Provider. Bonds purchased by the Investor on the Issuance and Placement Date or on the Deferred Placement Date will be delivered to the Investor's account held with the Depository or an Account Provider.

After the placement, the Bondholders will be entitled to hold the Bonds in a book-entry form through the Central Depository if they are participants in the Central Depository system or through another Account Provider.

If the full number of Bonds provided for by the final Prospectus is not placed at the date of completion of the offering, the Bonds which were not placed shall be deemed cancelled (will be cancelled) and the Issuer shall provide information on the number of placed Bonds to the National Bank of Georgia, the stock exchange – if the securities

are admitted on the stock exchange and will also declare the number of placed Bonds in accordance with the procedure established by the Georgian legislation.

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

Once the Bonds have been placed, the Issuer intends to apply to the GSE or the TSE for the admittance of the Bonds to the trading system and listing on the GSE or the TSE.

**4. Status**

The Bonds constitute unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves. The requirements for/claims before/against the Issuer that are related to the Bonds and arising out of or in connection with the Bonds shall always be equal with respect to payment to the claims of the other non-subordinated creditors of the Issuer, except for the claims that have the prevailing nature in accordance with the imperative norms of the legislation.

**5. Covenants**

**Important information:** For the avoidance of any doubt, as defined by the Prospectus, Terms and Conditions independently and individually refer to the Bonds and the Bondholders for each specific issuance of the Bonds.

**(a) Change of Activity:**

The Issuer shall procure that no material change is made to the general nature of the business of the Group, taken as a whole, from that carried on at the Issuance Date. At the time of preparing the Prospectus, the main lines of business of the Group include any of the fields/directions related to the real estate and hospitality.

**(b) Continuation of activities, retention of powers and legal force:**

- (i) The Issuer must take all necessary measures, and shall ensure that all of its Significant Subsidiaries take all necessary measures to maintain the continued existence of its and their business legal entities (except as provided in subsection 4(c) (the “Merger”) of the Terms and Conditions) and business activities, as well as all important intellectual property, all necessary permits, licenses, consent and powers related to and/or necessary for the smooth implementation of its (their) activities.
- (ii) The Issuer shall take all necessary measures, obtain and retain all the powers, permits, licenses and exercises and ensure the implementation of all necessary procedures that are mandatory by the Georgian legislation for the lawful fulfilment of its obligations under the Bonds and for the authenticity, enforcement and admissibility as evidence of Bonds in Georgia.

**(c) Mergers:**

- (I) The Issuer shall ensure that without the prior written consent of the Bondholders who, individually or collectively, own (directly or through an Account Provider) at least 51% of outstanding Bonds, will not carry out the following: (c.1) reorganization (whether in the form of a merger, division or conversion with another legal entity) or (c.2) in one or more related transactions, directly or indirectly, consolidation or merger, and for this purpose the sale, alienation, transfer, lease or other disposal of the entire consolidated property or a significant part thereof; except in case of the satisfaction of one of the following conditions:
  - (i) immediately after the transaction referred to in (c.1) or (c.2) above:
    - a. The Person formed as a result of the reorganization or the recipient of the property (hereinafter referred to as the “Legal Successor”) is still the Issuer, or if such Person is not Issuer, then this

Legal Successor shall explicitly impose all rights and obligations arising from Bonds and related agreements in view and with the inclusion of the necessary conditions/standards required for the authenticity of the imposition of such rights and obligations on the Legal Successor;

- b. Legal Successor (unless it is Issuer) shall retain or be a successor to the Issuer in relation to all important governmental permits, licenses, consents and powers and must meet all important regulatory requirements in the jurisdiction in which it operates.
    - (ii) no Event of Default or Potential Event of Default has occurred, and will not occur as a result of such reorganization or similar transaction.
    - (iii) The transactions specified in paragraphs (c.1) or (c.2) of this section do not cause Material Adverse Effect.
- (II) The Issuer shall ensure that without the prior written consent of the Bondholders who, individually or collectively, own (directly or through an Account Provider), at least 51% of the outstanding Bonds, any Significant Subsidiary will not carry out the following: (c.1) reorganization (whether in the form of a merger, division or conversion with another legal entity) or any other corporate change; (c.2) Consolidation by one or more related transactions, directly or indirectly, or mergers and for this purpose the sale, alienation, transfer, lease or other disposal of the total consolidated property or assets of a Significant Subsidiary; Except for when one of the following conditions is satisfied:
- (i) immediately after the transaction referred to in (c.1) or (c.2) above:
    - a. The Entity formed as a result of the reorganization or the recipient of the property (hereinafter referred to as the Legal Successor) still remains to be a Significant Subsidiary; or
    - b. Legal Successor (unless it is a Significant Subsidiary) shall retain or be an appropriate successor to all important governmental permits, licenses, consents and powers and must meet all important regulatory requirements in the jurisdiction in which it operates;
  - (ii) no Event of Default or Potential Event of Default has occurred, and will not occur as a result of such reorganization or similar transaction; or
  - (iii) The transactions specified in paragraphs (c.1) or (c.2) of this section do not cause Material Adverse Effect.
- (III) Regardless of the above, any Significant Subsidiary shall be authorised to consolidate with the Issuer or the Subsidiary (which as a result of the transaction described in this paragraph shall be considered a Significant Subsidiary for the purposes of this Prospectus), to consolidate or merge (in any form of reorganization) through one or more related transactions, directly or indirectly, sale, alienate, transfer, lease or carry out other kind of a disposal of the entire consolidated property or assets or a significant part thereof.
- (IV) Regardless of the foregoing, section 4(c) does not apply to (i) transactions between the Issuer and any of its 100% Subsidiaries, (ii) the issuance, sale or other disposal of its property through leasing in the course of ordinary activities, or (iii) any existing or future asset or income, as well as a part thereof, subject to securitization, acceptable amounts, assets-backed financing or similar financing where all liabilities shall be satisfied only from these assets or revenues provided that the value of such assets or revenues is and the total amount of revenue value shall not exceed 80% (eighty percent) of the Issuer's Total Consolidated Assets stemming from the Group's consolidated balance sheet which is prepared in accordance with the International Financial Reporting Standards for the last Fiscal Period.

**(d) Disposals:**

(I) Except as otherwise provided in these Terms and Conditions, and without prejudice to and in consideration of the provision of 4(c) (Mergers) and 4(e) (Transactions with Affiliates), without the prior written consent of the Bondholders who, individually or collectively, own (directly or through an Account Provider), at least 51% of the outstanding Bonds, the Issuer, neither itself nor through any of its Significant Subsidiaries, shall not sell, alienate, lease or otherwise dispose its assets, or revenues, in whole or in part, one or more (related or independent) transactions to any other Person, except for the Issuer or its Subsidiary, in which the Issuer holds the majority of the shares. This restriction shall not apply to cases where:

- (i) The following conditions are collectively met:
  - i. All such transactions shall be carried out on the principle of arm's-length, at Fair Market Value and on market conditions; and
  - ii. In relation to any transaction, when more than 10% (ten percent) of the Issuer's Total Consolidated Assets are alienated from the consolidated balance sheet of the Group prepared in accordance with the International Financial Reporting Standards for the last Fiscal Period, the Issuer shall provide the Bondholders with a written conclusion of the Independent Appraiser that the transaction was carried out at Fair Market Value;

(II) At the same time, section 4(d) does not apply to:

- (i) the transactions between the Issuer and any of its 100% Subsidiaries;
- (ii) the lease, sale or other disposal of the Issuer's or its 100% Subsidiary's property through the ordinary course of activity (which, for the avoidance of any doubt, including the disposal of apartments, land or other similar types of property to existing owners and/or other owners within the course of the housing process, which is necessary for the ordinary activities of the Issuer);
- (iii) any existing or future asset or income, as well as a part thereof, subject to securitization, any receivables, assets backed financing or similar financing where all liabilities shall be satisfied only from these assets or from revenues provided that the value of such assets or revenues and the total amount of revenue value shall not exceed 80% (eighty percent) of the Issuer's Total Consolidated Assets stemming from the consolidated balance sheet of the Group which is prepared in accordance with the International Financial Reporting Standards for the last Fiscal Period.
- (iv) any disposal transaction of which the total amount of net income received does not exceed the highest of the following two indicators: 10% (ten percent) or 8,000,000 (eight million) USD (or its equivalent in other currencies) of the Group's Total Consolidated Assets based on the consolidated balance of the Group prepared in accordance with the International Financial Reporting Standards for the last Fiscal Period.

(III) For the avoidance of any doubt, the restrictions provided for by this paragraph shall not apply to the sale of real estate (apartments) by the Group.

(IV) For the avoidance of any doubt, regardless of the reservations of this paragraph, the Issuer may dispose the apartments.

**(e) Transactions with Affiliates**

- (i) Neither the Issuer nor any of its Significant Subsidiaries shall directly or indirectly carry out or permit any activity or transaction (including purchase, sale, alienation, transfer, lease, transfer or exchange of property or services) with the Affiliate or in their favour (hereinafter referred to as "Transactions with Affiliates"), including the issuance/receipt of internal loans within the Group, except where the terms of such transaction (taking into account the condition of the relevant Affiliate) meet the principle of the extended arm and are not less favorable to the Issuer or for its Significant Subsidiary than the transactions carried out with Fair Market

Value and under the terms would be with a Person that is not/are affiliate(s) with the Issuer or its Significant Subsidiary.

- (ii) In the case of such Transaction with an Affiliate, where the total value of transactions or related transactions exceeds 10% (ten percent) of the Group's total assets for the last Fiscal Period, based on the consolidated balance sheet prepared in accordance with the International Financial Reporting Standards, the Issuer shall provide the Bondholders with the Independent Appraiser's written conclusion that the transaction has been carried out at Fair Market Value and conditions are fair from the financial perspective of the Issuer or its Significant Subsidiary, taking into account the circumstances.
- (iii) The following transactions will not be considered as Transactions with Affiliates and thus are not subject to the reservations set forth in subsets (i) and (ii):
  - (a) an employment contract signed by a member of the Group in the usual manner of his/her/its activities, which is consistent with the past practices of a member of the Group;
  - (b) Transactions made between the Issuer and its 100% Subsidiary;
  - (c) payment of a reasonable amount of compensation to members of the governing bodies who are not otherwise considered Affiliates for the Issuer;
  - (d) any loan or other financing means issued to the Issuer from any direct or indirect founder/shareholder of the Issuer to finance the ordinary activities of the Issuer, obtained on market terms;
- (f) Payment of Taxes and Other requirements:** The Issuer and its Significant Subsidiary must pay the Taxes imposed on them in a timely manner (income, profit, property, etc.), provided that the Issuer or its Significant Subsidiary for the purposes of this Prospectus will not be liable for non-payment of Taxes, if (a) the amount or the validity of the imposition is appealed in good faith and in accordance with the legal procedure and/or an adequate reserve is created for this amount in accordance with the International Financial Reporting Standards or other requirements, or (b) the amount of such Taxes, together with other accrued taxes or other similar claims, does not exceed \$3,000,000 (three million) (or equivalent thereof).
- (g) Restricted Payments:** The Issuer shall not (and shall also ensure that none of its Subsidiaries) (g.1) announces the issuance of dividends, or issue dividends in cash or otherwise, or make a similar distribution (including in the redemption or other form of the shares), including, in addition to issuing dividends in favour of the Issuer or its Subsidiary, and their distribution (and if the Subsidiary is not a 100% Subsidiary of the Issuer, in favor of other shareholders in proportion to their shares); or (g.2) directly or indirectly voluntarily purchase, redeem or in any other manner acquire its own share capital or shares. Any such action as defined in paragraphs (g.1) or (g.2) shall be considered as Restricted Payments if:
  - (i) By the time such payment is made and continues or if by making such payment, an Event of Default or a Potential Event of Default may occur;
  - (ii) such Restricted Payment, when aggregated with all other Restricted Payments previously made after June 30, 2025 exceeds the sum of the following two components:
    - (a) 50% (fifty percent) of the Issuer's individual net profit (calculated by the International Financial Reporting Standards, exclusion of income / (loss) effect from net curative difference) for the period beginning on June 30, 2025 and ends on the last day of the last financial year, or 6 (six) months of financial period; and
    - (b) 100% (one hundred percent) of net revenue received from the issuance or sale of shares by the issuer after June 30, 2025 and 100% (one hundred percent) of net income received from the conversion of any liability of the Issuer into capital or the exchange of shares during the same period.

For the avoidance of any doubt, the Issuer may transfer cash to any Significant Subsidiary in any form, including, but not limited to, cash flow and/or loan agreement in the capital, in the event that cumulatively satisfies subsections 4(g) and 4(h)(i)(b) of the Terms.

**(h) Indebtedness:**

- (i) The Issuer shall not be permitted to create, incur, assume or otherwise become liable in respect of any Indebtedness (as defined below in the “Definitions”), other than incurring indebtedness, through which the following covenants shall be met:

**a) Obligation/Operating Profit, Debt/EBITDA**

The Issuer is authorized to incur additional Indebtedness only if, in the period from the Bond issuance date through 31 December 2027 (inclusive), the Debt/EBITDA ratio does not exceed 7.0:1 upon incurring such additional Indebtedness, and after the end of that period, the Debt/EBITDA ratio does not exceed 6.5:1 upon incurring such additional Indebtedness;

Where:

**Numerator (DEBT) is calculated as follows:** Company’s any total Indebtedness which for balance-sheet liabilities shall be computed in accordance with the individual IFRS financial statements prepared for the last period prior to the incurrance of the new Indebtedness, plus new Indebtedness that the Issuer would like to incur;

**Denominator (EBITDA) will be calculated as follows:** For the period of the last twelve months, profit before tax and interest, as well as profit before accrual of depreciation and amortization on assets and other non-cash incomes or expenses, which for the relevant line items is is computed according to the individual IFRS financial statements from individual financial report (same as operating cash flows before changes in operating assets and liabilities in accordance with the statement of cash flows), prepared for the last period prior to the incurrance.

For the purposes of calculating the formula set forth in subsection 4(h)(I)(a)(i) of the foregoing, the following Liabilities (hereinafter collectively, Permitted Liabilities): Obligations that have not occurred and/or continue as a result of the takeover of such Obligations will not occur, an Event of Default or a Potential Event of Default will not occur and Obligations of the Issuer and any of its Subsidiaries (including subordinated Obligations in respect of liabilities arising from Bonds, provided that the final repayment period of such subordinated Obligation exceeds the Maturity Date of the Bonds), the total principal amount of the outstanding amount for any date does not exceed/shall not exceed 5 (five) million USD (or equivalents in other currencies(s)). However, Subordinated Funding of the Founder will not be used for the purposes of calculating the formula set forth in subsection 4(h)(I)(a)(i) of the foregoing.

**b) Debt Service Coverage Ratio**

Upon incurring additional Indebtedness, the Debt Service Coverage Ratio (DSCR) shall be no less than 1.2:1;

Where:

**Numerator is calculated as follows:** For the period of the last 12 (twelve) months, before the payment of profit taxes and interest rates, as well as profits before depreciation and depreciation and other non-cash expenses and income accruals, which are calculated for the relevant articles from the individual financial statements prepared in accordance with the Company’s IFRS standards

(According to the same cash flow reporting, “cash flows from operating activities to changes in operating assets and liabilities”), prepared for the last period prior to the incurrence.

**Denominator is calculated as follows:** The service expense of Issuer’s Indebtedness, calculated as the sum of the principal amount and interest rate required for the service for the period of the last 12 (twelve) months (individually, for the Issuer); For the avoidance of any doubt, the said denominator does not contain the amounts (1) covered and paid in advance for the respective period and (2) the principal amount of such existing Indebtedness, for the refinancing/coverage of which the Issuer has undertaken/incurred other Indebtedness.

(ii) Substantially identical factual indicators of these financial ratios that are specified in sub-paragraphs 4(h)(I)(a) and 4(h)(I)(b) are calculated and disclosed in the Principal Financial Ratios section of this Prospectus.

(iii) The relevant indicators of the coefficients set forth in subdivisions 4(h)(I)(a) and 4(h)(i)(b) shall be calculated in accordance with the financial statements set forth respectively. If the coefficients are calculated by the end of the year, the audited financial data should be used. Unless the Company prepares any consolidated or individual financial statements in compliance with the requirements of the legislation due to non-substantial differences in accordance with IFRS, and in such case, any individual or consolidated reporting data required by law will be used to calculate the ratios.

**(i) Financial Information:**

(i) The Issuer hereby undertakes that:

- (a) After the end of the financial year, but not later than 15 May, it will deliver to the Bondholders the Issuer's audited annual financial statements prepared in accordance with IFRS;
- (b) After the end of the second quarter of each of the financial years, but not later than 30 August, it will deliver to the Bondholders the Issuer's unaudited interim financial statements for six months, prepared in accordance with IFRS;
- (c) Comply with other current or periodic reporting requirements as defined by the applicable securities market legislation.

(ii) For the purposes of paragraph 5 (i)(i), the Issuer will be considered to have delivered aforementioned information to the Bondholders, if such information has been made publicly available in accordance with the Georgian legislation;

(iii) If the Bondholders, who (directly or through an Account Provider) own more than 25% of the Bonds outstanding, shall assume, that the Event of Default has occurred, they can demand written information regarding the event of the Event of Default or the Potential Event of Default from the Issuer and the Issuer is obligated to disclose this information to these Bondholders. The written demand can be presented as one document signed by the Bondholders or the Account Providers or as many documents with the same contents. This type of demand can also be received through the decision of the Bondholder meeting.

**(j) Maintenance of Insurance:** The Issuer provides the insurance of real estate of its and its Significant Subsidiaries, except for the land, from the risk of damage and destruction, with insurers of good reputation as per the Issuer and its Significant Subsidiaries’ determination, to the extent that such companies with similar property and condition are insured in Georgia.

Notwithstanding the above, the Issuer shall be entitled not to insure the real estate registered under cadastral code #01.14.03.038.010.01.500 (Georgia, Tbilisi, Petre Kavtaradze No. 3) (hereinafter - the "Building") until 1 November 2027, provided that the Building is demolished by that date. For the avoidance of any doubt, the above exception shall no longer apply and the Issuer shall again be subject to the insurance obligation if: (a) the Issuer fails to complete the demolition of the Building within the aforementioned period; or (b) after completing the demolition of the Building, the Issuer constructs a new real estate property. In the case provided under subparagraph (b) of this paragraph (j), the Issuer's insurance obligation shall arise no later than 90 (ninety) calendar days from the date the new building (real estate asset) is put into operation.

- (k) Compliance with Applicable Laws:** The Issuer is obliged to ensure that he/she and its Significant Subsidiaries at any time substantially complied with and comply with the requirements of the applicable legislation, including the instructions and legal acts of the authorities.

## 6. Interest

Unless redeemed/canceled ahead of schedule in accordance with the conditions set forth in this Prospectus, each Bond will accrue interest, payable in one of the frequencies indicated below: (a) monthly; (b) quarterly; (c) biannually; the coupon shall be paid on the specific dates, the frequency of which is determined in the Term Sheet. The date of payment of each interest provided for in this paragraph is hereinafter referred to as the "Interest Payment Date". Maximum maturity period of the Bonds does/will not exceed 5 years, and the annual fixed rate will be determined within the range of 1.00%-15.00%.

The detailed information regarding the issuance of the Bonds, such as the total amount of the issuance, denomination, frequency of the coupon payment, exact date of the issuance, maturity period and annual rate, is determined by this Prospectus and the final Term Sheet for each respective issuance.

Interest rates on Bonds will be accrued before the date of their repayment / redemption, except when the Bondholder has not received the principal amount at the moment. In this case, the accrual of interest rate will continue at the existing rate until the amount payable on such a Bond is fully paid to the corresponding Bondholder.

If interest is required to be calculated for a period of less than one year/a complete Interest Period (as defined below), the relevant day-count fraction will be determined on the basis of a 365-day year.

The period beginning on and including the Issuance Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an "Interest Period".

The "Interest Rate Determination Date" for each interest period shall be one calendar day before the first day of that period.

## 7. Redemption and Purchase of the Bonds

**(a) Redemption:** The Issuer may redeem the Bond(s) prior to their maturity for cancellation by offering to the Bondholder(s) payment of the outstanding principal amount together with accrued and unpaid interest to the date of redemption. In case of the consent of the Bondholder(s) to the said offer, the Bonds, in the relevant part, will be considered redeemed as a result of the principal amount unpaid by the Issuer on the date of withdrawal and the amount of accrued and unpaid interest. For avoidance of any doubt, the Bonds, in the relevant part, will be considered redeemed only with the consent of the relevant Bondholder(s) to the Issuer's offer, and to accept or reject the said offer is the absolute and unconditional discretion of the respective Bondholder(s). Unless previously redeemed, or

purchased and cancelled, the Bonds will be redeemed at their principal amount (nominal) on the date specified in the Term Sheet of the respective issuance. The Bonds may not be withdrawn at the discretion of the Issuer, except as provided in the Prospectus (including in accordance with these Terms and Conditions).

**(b) Redemption for Taxation:** The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 calendar days' notice to the Bondholders and Account Providers who have the respective credit balance on the securities account opened with the Account Provider or the Depository (which notice shall be irrevocable), at their principal amount (together with interest accrued to the date fixed for redemption), if (b.1) the Issuer provides evidentiary documentation that it has or will become obliged to pay additional amounts of Tax related to the Bonds as a result of any change in, or amendment to, the laws or regulations of Georgia, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issuance Date, and (b.2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

**(c) Purchase:** The Issuer and its Subsidiaries may at any time purchase the Bonds in the open market or otherwise at any price. The Bonds so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Condition 10(a).

**(d) Call Option:** The Issuer is entitled to prematurely redeem the Bonds (the "Call Option"); however, the Issuer is not permitted to redeem the Bonds during the first year after the issuance of the Bonds. After the period of 1 (one) year from the date of the issuance, the Issuer is permitted to redeem the Bonds at any time and at the redemption price, which constitutes the sum of (1) the accrued and unpaid coupon until the redemption date (if applicable) and (2) 100.5% of the nominal value, or, if the redemption takes place 6 (six) months prior to the Maturity Date or at any time within the specified period, then 100.25% of the nominal value. In the event of the Call Option, the Bonds may be redeemed in whole or in part. For the avoidance of any doubt, in the event of the Call Option, the Bondholders shall be notified no less than 15 (fifteen) Business Days in advance. Additionally, in the event of the Call Option in whole or in part, the Bonds owned by each of the Bondholders will be redeemed in the same proportion as their respective holdings in the Bonds (*pro rata*).

## 8. Settlement & Payments

### (a) Method of Payment:

- (i) Principal amount and interest on each Bond shall be calculated for those Investors who have the respective credit records on the securities account opened and held with either the Account Provider or the Depository 3 (three) Business Days before the due date, as of 6 p.m. Tbilisi time of the respective date (the "**Record Date**"). Payments shall be made by bank transfer in USD or EUR (as per the denomination of the respective Bonds) to the bank accounts of the Investors with the respective credit records on the securities account opened and held with either the Account Provider or the Depository. The Investors with the respective credit records on the securities account opened and held with either the Account Provider or the Depository shall procure that the Depository and/or the Account Provider has updated, complete and correct information regarding their respective bank account details where any payments pertaining to the Bonds shall be made. None of the Issuer, the Depository nor the Calculation and Paying Agent or the Placement Agent shall be responsible for non-payment of any amount due if the Bondholder or the Account Provider has failed to provide its bank account details to the Depository, or to update its bank account details as of the Record Date, as requested by the Issuer or the Depository.
- (ii) If the brokerage account of a Bondholder is not opened with the Account Provider, then any transaction fees assessed on the payment (transfer) may be deducted from the payment. If the account of the Bondholder is not for the USD or EUR (as per the denomination of the respective Bonds), then the payment may be made to the Bondholder net of currency conversion fees.

- (iii) Without prejudice to the Bondholders' rights under these Terms and Conditions to receive full payments of interest and principal when due, if the amount of interest or principal being paid on any due date is less than the amount then due, then the Issuer shall pay or cause to be paid to all Bondholders their respective pro rata shares of the funds available for payment on such date.
- (iv) The processes and limitations relating to settlement shall be additionally established by the legislation, as well as by the rules and procedures developed by the Depository and other relevant securities market participants, and in accordance with the agreement entered into with the Calculation and Payment Agent.

**(b) Appointment of Agents:** The Calculation and Paying Agent, the Placement Agent and the Depository and their respective specified offices are listed in the Term Sheet as well as at the end of the Prospectus. The Calculation and Paying Agent, the Placement Agent, and the Depository act solely as agents of the Issuer and for the purposes of this Prospectus and offering do not assume any obligation or relationship of agency or trust for or with any Bondholder or Account Provider. The Issuer reserves the right at any time with the notification to the Bondholders to vary or terminate the appointment of the Calculation and Paying Agent and/or the Placement Agent and to appoint additional or other Calculation and Paying Agent and/or the Placement Agent, provided that the Issuer shall at all times maintain a Calculation and Paying Agent.

Notice of any such change or any change of contact details shall promptly be given to the Bondholders in accordance with the process set out by the sub-chapter 13, "Notices".

**(c) Calculation and Payment:** any payment to be made in relation to the Bonds (including interest) shall be calculated and paid in accordance with the terms of this Prospectus and Georgian law. Furthermore, the amount(s) due as calculated by the Calculation and Paying Agent, except for manifest error, shall be binding on the Issuer. The Calculation and Paying Agent shall calculate the amounts at least 3 Business Days before the relevant payment date and notify the Issuer. At least 1 Business Day before the relevant payment date, the Issuer must place relevant funds in USD or in EUR (as per the denomination of the Bonds) on its brokerage account maintained with the Calculation and Paying Agent and instruct the latter to transfer such funds. If there are sufficient funds on the Issuer's account, the Calculation and Paying Agent is entitled, but not obliged, to transfer payments due on Bonds without relevant instructions from the Issuer to the accounts of the Account Providers under the list shared to the Calculation and Paying Agent by the Depository, in the amounts proportionate to the Bonds in their ownership, regarding which the Calculation and Paying Agent shall notify the Depository, and in case the funds on the Issuer's account are not sufficient - notify the Issuer, the Depository and the Bondholders accordingly.

If the amount of interest payable in relation to the Bonds, as calculated in accordance with these Terms and Conditions, is not a multiple of USD 0.01, such amount shall be rounded to the nearest USD 0.01 (amounts of USD 0.005–0.009 shall be rounded up).

**(d) Payments subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and regulations of Georgia.

**(e) Delay in Payment / Non-Business Days:** The Bondholders will not be entitled to any interest, penalty or other payment for any delay in payment after the due date in receiving the amount due on a Bond if the due date is not a Business Day. The due payment 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 after deduction of any applicable Georgian withholding tax.

## 10. Events of Default

If any of the following cases arise and continue (hereinafter referred to as the Event of Default), on the basis of the Bondholders' Special Decision or the decision of the Bondholders of at least 75% of the outstanding Bonds at that moment, the Bondholders may provide the Issuer with a written notice that the requirements arising from the Bonds are declared to be due and are subject to payment by 100% of the principal amount, together with the accrued and unpaid coupon (if any), and the Issuer is obligated to satisfy such due demands.

The Events of Default are as follows:

(I) Failure to fulfil the payment obligation: the Issuer has not paid the principal amount of any Bond and the accrued coupon, and such breach has not been remedied within 10 (ten) Business Days from the date of the respective payment; OR

(II) Violation of other liabilities: The Issuer has not fulfilled one or more obligations under the Prospectus (except as required by subsection 9(i) of the Prospectus) and such breach is not subject to remediation, and is also substantial; OR

(III) Cross-Default: (i) Any other existing or future Debt of the Issuer or any of its Significant Subsidiaries shall be paid (or may be) expired prior to the established date of its payment for any default (regardless of description); or (ii) any such Debt by the Issuer or any of its Significant Subsidiaries has not been paid on the date of payment or (subject to the circumstances) during any initial concessionary period; or (iii) the Issuer or any of its Significant Subsidiaries fails to pay any amount payable by it pursuant to any existing or future Warranty in connection with any Debt. The case of cross-default referred to in paragraph 9(III) shall occur if such unfulfilled obligation(s) listed in subsection 9(III) of the Terms and Conditions remains unfulfilled for a period of 6 months and exceeds USD 5,000 000; OR

(IV) Insolvency: The occurrence of any of the following events: (a) The Issuer or any of the Significant Subsidiaries shall approve, confirm or agree to initiate liquidation or bankruptcy proceedings or appoint a liquidation commission, interim manager or similar person; (b) the Issuer or any of the Significant Subsidiaries submit an application any court or arbitration forum or any agency requesting its bankruptcy, insolvency, dissolution or liquidation or any decision by any agency in connection with the foregoing, except as such application is submitted where such submission (x) is initiated by any Person who is not a "holding company" of any member of the Group or any of the Group; and (y) distilled or rejected within 60 (sixty) days from the date of submission; (c) the imposition of supervision, temporary administration, external management, liquidation, rehabilitation or bankruptcy management against the Issuer or any Significant Subsidiary; (d) convening a creditors' meeting of the Issuer or any Significant Subsidiary for the purpose of reviewing the settlement; or (e) the initiation of liquidation without any court in respect of the Issuer or any Significant Subsidiary, or the implementation of a similar act/action without any court; OR

(V) The Issuer or any of its Significant Subsidiaries: (a) has no ability to pay expired debts on time; or (b) by answering or otherwise agreeing to initiate involuntary bankruptcy proceedings against it and to appoint a manager of a significant part of his or her property for that purpose; or (c) the agency or court of competent jurisdiction declares the Issuer insolvent or bankrupt, or makes an order or ruling on the initiation of involuntary bankruptcy proceedings or the appointment of the Issuer or any Significant Subsidiaries or the manager of a significant portion of its property; OR

(VI) The Issuer's shareholders will approve any plan to cancel the liquidation or registration of the Issuer; OR

(VII) Unfulfilled decisions, governmental or judicial measures: The total value of unfulfilled decisions, rulings or orders made by the court or other duly authorised state body in connection with the imposition or payment of the amount by the Issuer or any of its Significant Subsidiaries exceeds USD 3,000,000 or its equivalent in any other currency/currencies, or any such unfulfilled final/legal actionable decision, ruling or order shall result in (a) the complete or partial resignation of the management of the Issuer or any of its Significant Subsidiaries, or the full or partial restriction of the powers of the Issuer or any of its Significant Subsidiaries; or (b) the capital (fully or most thereof) of the Issuer or any of its Significant Subsidiaries, or

seizure, nationalization, expropriation, or forcible alienation of 20% (twenty percent) or any part of its revenues or assets (the balancing value of which constitutes 20% (twenty percent) or more of the total own equity); OR

(VIII) Similar circumstances: Any event that has a similar effect on the events mentioned in subsection 9(IV) (“Insolvency”) or sub-paragraph 9(VII) (“Unfulfilled Decisions, Government or Judicial Measures”) shall occur; OR

(IX) Enforcement Proceedings: In respect of the Issuer or any Significant Subsidiary, any execution proceedings have been initiated or transferred to the ownership or alienation of the secured person; OR

(X) Authority and Consents: The Issuer has not exercised, fulfilled or failed any action, condition or measure (including, without obtaining any necessary consent, decree, approval, authorization (authority), exception (relief), submission, license, order, record, registration or other authority, or did not contribute to their extraction), the implementation, execution or acceptance of which at any time was necessary so that (i) the Issuer can legally exercise its essential (material) rights, and the fulfilment of payment obligations arising from the Bonds and related agreements, the fulfilment of these Clause 4 (Covenants) and other essential (material) obligations arising from the Bonds and related agreements and (ii) ensure the binding force (authenticity) and execution of such obligations; OR

(XI) Authenticity and Illegality: “Issuer” disputes the authenticity or validity of the Bonds, the Prospectus, or denies any of its substantive obligations, or the fulfilment of/under the Bonds, the Prospectus, respectively, any one or more obligations are or become unlawful, or any such obligation has become unfulfilled or is no longer deemed legal, valid and mandatory.

The Issuer has undertaken an obligation, immediately after it becomes known to the Issuer, to notify the Bondholders of any Event of Default or the occurrence of such event or circumstance which, by providing the notification, the passage of time and/or the issuance of written confirmation, will become the Event of Default (hereinafter referred to as the “Potential Event of Default”).

By this Prospectus, the Issuer also undertakes to provide the Bondholders, within 14 (fourteen) calendar days from the publication of the annual audited financial statements, within 14 (fourteen) calendar days from each Interest Payment Date, and within 14 (fourteen) calendar days from receipt of a request to that effect from the Bondholders, a certificate signed by any two directors of the Issuer (or, if the Issuer has only one director, by that director), confirming that, as of a date not more than 5 (five) calendar days prior to the date of such certificate (the “Certification Date”), and to the best of the Issuer’s knowledge after due and reasonable inquiry, no Event of Default or Potential Event of Default has occurred, and that the Issuer has complied with the obligations set out in these Terms and Conditions since the previous Certification Date or, if such certificate is being provided for the first time, since the approval of the Prospectus. In the event that an Event of Default or a Potential Event of Default has occurred, or the Issuer has failed to comply with the obligations set forth in these Terms and Conditions, the Issuer shall provide the Bondholders with information regarding such circumstances.

## **11. Meetings of Bondholders, Modification and Waiver**

### **a) Meetings of Bondholders:**

This paragraph of the Terms and Conditions contains provisions for convening Bondholders meetings to resolve issues that affect the interest of the Bondholders, including in the present Terms and Conditions, in order to give consent to amendments and additions, with 75% (seventy-five percent) of the votes cast in accordance with the Prospectus (Special Decision). The quorum of any meeting convened for the consideration of a “Special Decision” shall be two or more persons who hold or represent at least half of the total principal amount of outstanding Bonds at a given time during the review, or at any Recurring Meeting - two or more Bondholders, regardless of the amount of Bonds they own or represent, except where the activities of such meeting include, including the consideration of the following

proposals: The following issues must be made only through a Special Decision: (i) any change in any financial condition of Bonds; (ii) a change in the payment date of any principal amount or interest in relation to Bonds; (iii) a change in the method of calculating the amount of any payable amount with respect to Bonds; (iv) a change in the amount or interest amount payable in relation to Bonds; (v) a statement of consent to the exchange, replacement or conversion of bonds in the shares or other liabilities or securities of the issuer or any other person, (vi) the change of the settlement currency in connection with the bonds (except for the changes required by the relevant regulatory legislation), (vii) a change in the amount of votes required to obtain the quorum or Special Decision required for the Bondholders meetings, (or (viii) a change in the definition of Event of Default relevant to these Terms and Conditions; (ix) the announcement of an Event of Default”, the initiation of appropriate enforcement procedures, the determination of the relevant authorized person, and other issues related to the enforcement procedure. . In such cases, the necessary amount of quorum of any congregation convened for the consideration of a Special Decision is 2 (two) or more persons who hold or represent at least two-thirds of the principal amount of the outstanding Bonds at the time of consideration, or at the Recurring Meeting - not less than one third. Any appropriately accepted Special Decision is binding for the Bondholders (regardless of whether they attended the meeting on which such a decision was made).

The Bondholders of at least 10% (ten percent) of the outstanding Bonds (and/or their respective Account Providers) and/or the Issuer may convene such meeting.

The decision made in writing by the Bondholders who hold 75 percent (seventy-five percent) or more of the outstanding Bonds at the time of the decision has the same power as the Special Decision. Such a decision may be submitted in writing by documents of the same form and content, each of which is signed by one or more Bondholders. The decision made at the Bondholder’s meeting shall enter into force after its public publication under paragraph 13 (the “Notifications”) of these Terms and conditions.

Any other decision, claim, consent and/or any other action/decision mentioned in the Bondholders meeting that does not qualify as a Special Decision shall be made by a majority of at least 51% (forty-one percent) of the votes cast (the “Ordinary Decision”) and shall only be valid and binding if made as a regular decision. The Issuer and/or at least 10% of the principal amount of the Bonds (and/or the Account Providers acting on their behalf shall have the right to convene such meeting. The quorum of the meeting convened for the reception of the Ordinary Decision is 2 (two) or more persons, who own or represent more than 25% (twenty-five percent) of the total principal amount of the outstanding Bonds at the time to be considered, or in respect of any Recurring Meeting - 2 (two) or more persons who own or represent the Bonds, regardless of the principal amount of the proprietary or represented Bonds.

A written decision signed by or on behalf of the Bondholders who own at least 51% of the outstanding Bonds will enter into force in the same way as the Ordinary Decision. Such a decision may be submitted in writing by documents of the same form and content, each of which is signed by one or more Bondholders. The decision made at the Bondholder’s meeting shall enter into force after its public publication in accordance with Article 13 (the “Notifications”) of these Terms and Conditions.

#### **b) Convening of Bondholders’ Meeting:**

The Issuer or those Bondholders who collectively own at least 10% (ten percent) of the outstanding principal amount of the Bonds (the Initiator of the Meeting) may convene a meeting at any time. The Initiator of the Meeting shall send a notification to the Bondholders and the Issuer at least 14 (fourteen) calendar days in advance. The notification must be sent pursuant to Article 13 (the “Notifications”). The message shall indicate the day, time, and place of the congregation. An issuer and/or his/her representative shall have the right to attend the meeting.

The Bondholders represented at the meeting or their representatives shall elect the chairperson between each other or in case of inability to elect a chairperson, the Issuer shall appoint the chairperson. The chairman is possible, but not necessary, to be a Bondholder. If a third party is nominated as chairperson, the said person shall be impartial. The chairperson of the re-held meeting shall not necessarily be the same person who was the chairperson of the original meeting.

None of the issues (except for the election of the chairperson) may be discussed at the meeting unless a quorum is drawn up at the start of the discussion. If there is no quorum after 15 (fifteen) minutes after the appointed time for the congregation, the congregation shall be disbanded. In any case, the meeting shall be postponed until and at the time and place decided by the chairperson and which shall not be less than 14 (fourteen) days and not later than 42 (forty-two) calendar days, as well as the time and place determined by the chairperson

### **c) Voting:**

All the issues set forth on the meeting shall be resolved by raising the hand unless a secret ballot is requested (before raising the hand or announcing the result) by the chairperson, the Issuer, or one or more persons representing 2% (two percent) of the Bonds. In case of a secret ballot, the decision will be announced by the chairperson.

If a secret ballot is requested, it shall be held in such a manner and (in accordance with the conditions below) and time (immediately or after the postponement of the meeting), as the chairperson points out. The result of a secret ballot shall be considered as a decision of the meeting on which the date of the meeting was requested. The request for a vote will not prevent the continuation of the meeting for the purpose of reviewing other issues.

The requested secret ballot on the election of the chairperson or the holding of a repeat meeting shall be held immediately and only once.

All persons at the meeting have 1 (one) vote on each unit of the Bond that he/she holds or represents (at least in specific cases). A person who has more than 1 (one) vote is not obliged to use or vote uniformly. In the case of an equal number of votes, both in the case of a hand lift and a secret vote, the chairperson shall have a decisive vote by adding the other votes that he/she may have.

A protocol on the progress of all meetings and the decision made on it shall be drawn up, and if it is necessary to be signed by the chairperson of the meeting or the next successful meeting, the issues considered as definitive evidence shall be considered. Until the counterparty is approved, each meeting for which the minutes of the meeting are drawn up and signed shall be deemed duly convened and carried out, and all decisions or processes are properly made. Any decision made at the Bondholders meeting shall enter into force upon the proper decision is made and signed by its chairperson.

The Issuer shall notify the Bondholders of any decision at the Bondholders meeting (except in the case of the terms of the Bonds and/or any changes in the rights related to the Bonds) within 14 (fourteen) days (in accordance with Article 13 (Notifications), but the failure to fulfil this obligation shall not result in the annulment of the decision. In the event of any changes in the Terms and Conditions and/or the rights related to the Bonds, the Issuer shall immediately make information public about such changes, but the failure to fulfil these obligations will not result in the annulment of the decision.

## **12. Enforcement**

On the basis of a Special Decision or a written decision of 75% of the Bondholders, the Bondholders are authorized to initiate enforcement proceedings in relation to an Event of Default envisaged under Article 9 of the Terms and Conditions, in accordance with the procedure and conditions determined by the Special Decision or the written decision of 75% of the Bondholders.

For the avoidance of any doubt, the Bondholders are authorized to initiate enforcement proceedings after the expiry of a 30 (thirty) calendar-day period following the entry into force of the Special Decision or the written decision of 75% of the Bondholders pursuant to sub-paragraph (a) of Article 10 of the Terms and Conditions. During this period, the Issuer is entitled to challenge the Special Decision or the written decision of 75% of the Bondholders before the dispute resolution body specified in the Prospectus.

### **13. Invalidity of Provisions**

The invalidity or loss of any provision of the Terms and Conditions will not affect any other provisions of the Terms and Conditions. If the scope of any provision of these Terms and Conditions is so wide that it is inadmissible to be enforced, that provision shall be enforced to the maximum extent and to the extent permitted by law.

The Prospectus is prepared in the Georgian language; however, in consideration of the pool of investors, it might later be translated into another language(s). In case of any discrepancies between the Georgian version and any of its translations, the Georgian version prevails.

### **14. Notices**

The Issuer's notification must be provided to the Bondholders either by posting a notice (including, without limitation, by publishing on the Issuer or stock exchange website), or by sending a notice to the Account Providers, on their email or physical address as referred to in this Prospectus.

If a notification is delivered by posting or sending it to the relevant e-mail, any such notification shall be deemed duly delivered on the date of its publication or its e-mail, or, if the notification has been posted or sent to the e-mail more than once, the notification shall be deemed to be properly delivered - On the date of its first disclosure or e-mail first sending. In the event that the notification is delivered by sending to the address, any such notification will be deemed to have been delivered properly on the 4th Business Day from the date of its sending.

The Bondholders shall send a notification to the Account Providers to its e-mail or address specified in this Prospectus, unless the Account Provider notifies the Bondholders otherwise in writing.

For the avoidance of any doubt, in the case of sending the notification provided for by this paragraph in a material form to the relevant address, the notification shall be deemed to be duly sent and it does not require sending it by additional e-mail. The Issuer will provide the Account Providers with information on convening the meeting of the Bondholders and/or publish a notification through the LEPL Georgian Legislative Herald.

Any public source determined by the legislation shall be used for the purpose of disclosure of regulated information (<https://reportal.ge/>; <https://gse.ge/>; LEPL – Legislative Herald of Georgia, the website of the Issuer, on which regulated information will be published, including the fulfilment of the obligations established by Article 9 of the NBG Transparency Rule (181/04):

- a) Any changes in the public securities holder's rights, including changes in the terms of the securities that may have an indirect impact on the public securities owner's rights or that result from changes in loan terms and interest rates;
- b) Information on interest rates on loan securities, periodic payments, conversion/exchange, purchase or cancellation rights, or repayment.
- c) Information necessary to properly exercise the rights of public securities holders;
- d) Information on the place, time, agenda of the general meeting and the right to participate in the general meeting.
- e) The Issuer plans to use the following sources for various types of regulated information, in case of changes of which it will inform the Bondholders accordingly:
  - e.1) periodic financial statements: <https://reportal.ge/>;

e.2) other current accounts: the website of the issuer or the Georgian Stock Exchange or the Tbilisi Stock Exchange, or the website of Reportal (<https://reportal.ge/>);

e.3) Information related to meetings/decisions and other related issues: LEPL Legislative Herald of Georgia

## 15. Definitions

The expressions used in these Terms and Conditions (unless the context shall require otherwise) shall have the following meanings:

**“Recurring Meeting”** is a recurring meeting of Bondholders, by which the predecessor meeting continues, where the quorum necessary for decision-making has failed.

**Affiliated Person** or **“Affiliate”** with respect to any particular Person is (a) any other Person who is directly or indirectly related to him who controls or is controlled directly or indirectly by this particular Person or is under common control with that Person, or (b) any other Person who is the director or officer of this particular Person or a member of the supervisory board.

**“Bondholder”** means the owner of the Bonds.

**“Business Day”** is any day (except Saturday and Sunday) when commercial banks make payments and conduct ordinary activities (including foreign exchange transactions) in Tbilisi.

**“Fair Market Value”** in relation to the transaction is the value that would have been received between an informed and interested seller during a commercial operation between unrelated persons (on which no coercion or pressure is carried out on the alienation) and also an informed and interested buyer (with no coercion or pressure on the purchaser). The Bondholders are entitled to rely on an Independent Appraiser report on the “fair market value” of the transaction, without additional inquiry or evidence.

**“Group”** refers to the Issuer and its Subsidiaries together.

**“Control”**, in the form used in these definitions, implies the ability to determine the directions of the Issuer's management, policies and activities, by owning equity equity, contractual relations or otherwise.

**“International Financial Reporting Standards”** (“IFRS”) are international Financial Reporting Standards (formerly International Accounting Standards) issued by the International Council of Accounting Standards and the definitions issued by the International Financial Reporting Interpretation Commission of the same Council (taking into account the changes and additions made to it periodically).

**“Fiscal Period”** is any reporting period in relation to which the issuer has prepared consolidated or individual financial statements in accordance with the International Financial Reporting Standards, which is audited or reviewed by Auditors.

**“Obligation”** to any Person implies (without duplication) at any moment:

- (i) all debts/liabilities arising from the loans of funds by this Person,
- (ii) all liabilities of this Person arising from bonds, bills or other similar instruments,

- (iii) All liabilities of this Person arising from credits or similar instruments (including reimbursement obligations), excluding any credit, warranties or other similar instruments issued within its ordinary business activities.
- (iv) All liabilities of this Person in connection with the payment of a deferred and unpaid sale price of property, assets or services that do not include trade and other obligations related to the issuer's usual business activities.
- (v) the liabilities of other Person secured on the assets of this Person (the value of which must be determined by the balance sheet value reflected in the financial statements prepared in accordance with the International Financial Reporting Standards for the last financial year) by the Collateral measure, irrespective of whether or not the person fulfills the obligations of the said other Person,
- (vi) all debts of other Person that are guaranteed or insured by this Person to the extent of the liability undertaken by this Person,
- (vii) any amount attracted through the issuance of securities, if such securities are subject to redemption.
- (viii) net liabilities derived from any foreign exchange or interest rate hedge agreement, and
- (ix) the amount attracted under any other operation (including any forward-looking purchase or sale agreements) that is identical to the loan in economic or commercial content, and
- (x) The extent of any Person obligation on any date shall be determined by the total amount of all unclaimed liabilities mentioned above as of this date, and the total amount of the maximum extent of all the liabilities (which may arise if materialized by the condition that causes the origin of this obligation).

Net financial debt for any person on the date of determination means (without duplication) the debt minus the money on the hand.

**“Independent Appraiser”** is an audit company or a third party – an expert selected by the issuer on a particular issue provided that the firm or third party is not an Affiliated Person with the issuer.

**“Issuance Date”** means the date when the Bonds are issued, as shown in the Prospectus chapter - “Conditions of Offering”.

**“Significant Subsidiary”** is any Subsidiary of the issuer:

(i) whose revenues for the last Fiscal Period amounted to more than 5% of the group's consolidated revenues, or which, at the end of the last Fiscal Period, held more than 5% of the group's consolidated total assets (according to the issuer's consolidated financial statements prepared in accordance with the International Financial Reporting Standards for the last Fiscal Period); OR

(ii) to which virtually all assets and liabilities are transferred from the Subsidiary of the issuer who represented a “significant subsidiary” before the moment of such transfer.

**“Account Provider”** is JSC Galt and Taggart, as well as any other financial institution that, under Georgian legislation, is authorized to open and maintain a securities account for a client.

**“Depositary”** or **“Central Depositary”** is JSC Central Securities Depository of Georgia (I/N: 204935400).

**“Person”** is any natural or legal entity, corporation, firm, partnership, joint venture, association, trustee association, institution, organization or state body, regardless of whether it has the status of a separate legal entity.

**“Repo Operation”** means a securities redemption or resale agreement, as well as a reversal or reversal agreement, a securities resale or loans agreement, as well as any agreement relating to securities and has a similar nature to the above.

**“Restricted Payment”** has the value assigned by paragraph 4(g) of the Terms and Conditions;

**“Securities Law”** means the Law of Georgia adopted on December 24, 1998 on the Securities Market, taking into account the amendments thereto;

**“Collateral”** means any collateral, mortgage, loan, seizure or other provision (including any other provision similar to the foregoing in any jurisdiction);

**“Subsidiary”** in relation to any Person (hereinafter referred to as “First Person”) means any second person (hereinafter referred to as “Second Person”) (a) whose activities and policies are directly or indirectly controlled by the “First Person”, or (b) in which “First Person” directly or indirectly holds more than 50 percent of the capital, voting shares, or shares;

**“Tax”** means any tax, duty, fee, or other similar payment, regardless of the jurisdiction in which it originates (including the accrued penalties and fines) and in what form it is imposed.

**“Potential Event of Default”** means an event or circumstance that, on the basis of sending/receiving a notification, expiring time and/or issuing a certificate/certificate, shall be considered as an Event of Default.

**“Owned property”** means any existing or future real estate and/or movable property that, within the scope of operational activity, in order to meet the requirement. The issuer has owned or received a secured loan on the basis of the contract(s) of the Secured Loan and/or in accordance with the contract(s) related to this Agreement(s) (e.g. mortgage, pledge, etc.).

**“Term Sheet”** is a document of the terms of the offer, which establishes the terms of the offer by disclosing the information available or the estimated information by the date of its submission;

**“Final Term Sheet”** is a Term Sheet that sets the final terms of the offer

**“Deferred Placement Price”** is specified in the Term Sheet.

**“Material Adverse Effect”** means a substantially negative change or substantially negative impact: (a) the business, results of operations, property, (financial or otherwise) the business of the issuer or the group; (b) the ability of the Issuer to fulfill its obligations pursuant to Bonds or related agreements; or (c) the authenticity or execution of the Bonds or related agreements;

**“Gross Consolidated Assets”** means the consolidated total assets of the said Person and its consolidated Subsidiaries as presented in the latest available consolidated statements prepared and disclosed by the said Person in accordance with the International Financial Reporting Standards.

**“Equity Capital”** in relation to any Person meaning such Person, or such Person related to the authorized capital, capital and/or share/shares, existing or future issued, any and all shares/shares, rights, contributions, purchase rights, warranties/warrants, options or other types of capital (or any equivalent (regardless of the name));

**“Subordinated Funding of the Founder”** means any funds provided to the Issuer by any Parent, any Parent any Affiliate or its Affiliate in exchange for or in accordance with any securities, instrument or contract, except for “equity participation”, which in each case is issued by any of the foregoing Person and is in its possession, in conjunction with any such securities, instruments or contracts and any securities or instruments other than “equity participation” issued in the course of any obligation under any

**“Subscribing Investor”** is an investor whose application, submitted to express interest in purchasing the Bonds, has been accepted, and the decision to approve that application has been confirmed again by the investor in accordance with the procedure established by this Prospectus.

“Subordinated Funding of the Founder”; However, provided that such “Subordinated Funding of the Founder”:

- (I) does not cover or require any depreciation, withdrawal or other payment of the principal amount or the so-called “Sinking Fund” by the end of the first year after the expiration of the Bonds Repayment Date (except for the conversion or exchange of this type of financing into the Issuer Equity Participation instrument (except for the “Disqualified Shares”) or any funding that meets the requirements of this definition);
- (II) until the end of the first year after the expiration of the Bonds) does not require payment of cash interest interest, deduction, increase in borrowed funds, or other similar payments;
- (III) does not include a change in Control or similar provisions and does not cause or have any right to declare an Event of Default or to perform any enforcement action by the end of the first year of the expiration of the Bonds’ Maturity Date.
- (IV) does not provide or require any type of Collateral measure for any assets of the Issuer or its Subsidiary;
- (V) does not include any type of covenant (financial or otherwise) other than the obligation to pay for the Subordinated Funding of the Founder; and
- (VI) On the basis of its terms or other agreements, fully subordinated and entitled to payment in relation to the lower level bonds and Guarantees under the terms of subordination, payment blocking and restriction of enforcement, which is a general practice for such financing in view of all material aspects.

To exclude any doubt, the terms that are not explained in this subchapter of the Terms and Conditions have the meaning given by law.

## **15. Applicable legislation and jurisdiction**

(a) Applicable legislation: The Prospectus and the Bonds, as well as any non-contractual obligations arising from or related to them, are regulated and interpreted in accordance with the legislation of Georgia.

(b) Jurisdiction: The courts of Georgia have exclusive competence in any dispute arising out of the prospectus or bonds (including any claim, dispute or non-agreement regarding the release, termination or authenticity of the prospectus and/or bonds, or any non-contractual obligations arising from the prospectus or bonds).

## **Taxation of Bonds in Georgia**

The following is a general description of certain material Georgian tax considerations relating to the Bonds. It does not purport to be a complete analysis of all tax considerations relating to the Bonds. Prospective purchasers of the Bonds should consult their own tax advisers as to acquiring, holding and disposing of the Bonds and receiving payments of interest, principal and/or other amounts under the Bonds and the consequences of such actions under the tax laws. This overview is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date. The information and analysis contained within this section are limited to taxation issues, and prospective investors should not apply any information or analysis set out below to other areas, including (but not limited to) the legality of transactions involving the Bonds.

### **Withholding Tax on Interest**

Pursuant to the Tax Code of Georgia, interest paid to Bondholders (resident and nonresident individuals and nonresident legal person) will be subject to withholding tax at the source of payment at the rate of 5% (five percent). Further, the abovementioned interest taxed at source shall not be included by a recipient resident individual in his gross income.

Payments of interest on the Bonds will be exempt from withholding tax at the source and such payments will not be included in gross income of Bondholder, if the Bonds are issued by a resident legal entity by public offering before 1 January 2026 and allowed on the organized market recognized by the NBG (listing A and B category of the GSE or the TSE).

The interest accrued on the Bonds is exempt from withholding the income tax at the source and it shall not be considered a gross income of Bondholder, if the Bonds are issued by a resident of Georgia and allowed to trade in a foreign country recognized stock exchange.

Interest paid to Bondholders that are registered in countries having preferential taxation systems and recognized as offshore jurisdictions by the Government of Georgia, will be subject to taxation at the rate of 15%.

The applicability of Georgian withholding tax on interest may be affected by a double tax treaty between Georgia and the country of residency of the non-resident Bondholder.

### **Taxation of Bond Alienation**

Revenue received by a resident legal entity issued by the public offering in Georgia and from the Bonds issued, which are allowed to be traded on an organized market recognized by the National Bank of Georgia is exempt from taxation to a resident of Georgia and non-resident individuals and non-resident legal entities.

If the exemption mentioned above does not apply, the following tax liabilities may arise:

#### ***Taxation of profit from sale of Bonds by Non-Resident Legal Entity Bondholders:***

Profit of non-resident legal entities (taxable object - difference between initial and sale prices) will be taxed at a 15 percent tax rate. If such sale triggers a tax exposure, the selling non-resident entity will be under an obligation to properly report and pay such profit tax to the Georgian tax authorities, or if the sale is done through a Georgian brokerage company, such brokerage company will be responsible for withholding the applicable tax. The applicability of Georgian profit tax may be affected by a double tax treaty between Georgia and the country of residency of the selling entity.

***Taxation of profit from sale of Bonds by Non-Resident Individual Bondholders:***

Profit of non-resident individuals (taxable object - difference between initial and sale prices) is taxed at a 20 percent rate. If such sale triggers a tax exposure, a relevant non-resident individual will be under an obligation to properly report and pay such income tax to the Georgian tax authorities, or if the sale is done through a Georgian brokerage company, such brokerage company will be responsible for withholding the applicable tax. The applicability of Georgian income tax may be affected by a double tax treaty between Georgia and the country of residency of the seller individual.

Exemptions may be available to certain individual Bondholders if such individuals maintain ownership of Bonds for more than two calendar years and not use them in economic activity.

***Taxation of profit from sale of Bonds by Resident Legal Entity Bondholders:***

The surplus income received by the resident legal entity of Georgia (the difference between the initial and sale prices) shall be taxed in accordance with the rules established by the legislation of Georgia, when distributing the profit. (15% rate).

***Taxation of profit from sale of Bonds by Resident Individual Bondholders:***

Income from resident individuals (taxable object - difference between initial and sale prices) will be taxed at a 20 percent rate. If the sale is done through a Georgian brokerage company, such brokerage company will be responsible for withholding the applicable tax.

Exemptions may be available to certain individual Bondholders if such individuals maintain ownership of Bonds for more than two calendar years and not use them in economic activity.

**Tax on Payment of Principal**

The principal amount received by the Bondholders on redemption of the Bonds shall not be treated as their 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.