

“Silk Real Estate” LLC

**Interim Separate Financial Statements
for the 6-months period ended 30 June 2025**

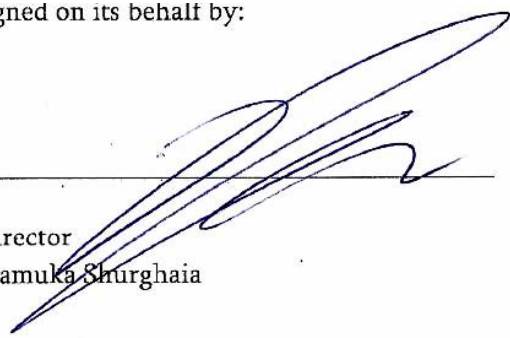
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„Silk Real Estate“ LLC
Separate Statement of Financial Position as at 30 June 2025

'000 GEL	Notes	June 30 2025	December 31 2024
Assets			
Investments in subsidiaries	3	823,933	822,622
Loans receivable	4	312,916	297,473
Non-current assets		1,136,849	1,120,095
Loans receivable	4	55,822	34,951
Trade and other receivables		8,155	-
Cash and cash equivalents	5	46,903	67,964
Current assets		110,880	102,915
Total assets		1,247,729	1,223,010
Equity			
Charter capital		666,457	646,457
Retained earnings		320,800	314,055
Total equity		987,257	960,512
Liabilities			
Loans and borrowings	7	201,927	184,918
Non-current liabilities		201,927	184,918
Loans and borrowings	7	30,028	49,203
Trade and other payables		28,517	28,377
Current liabilities		58,545	77,580
Total liabilities		260,472	262,498
Total equity and liabilities		1,247,729	1,223,010

These interim separate financial statements were approved by management on 13 August 2025 and are signed on its behalf by:



Director
Mamuka Shurghaia

„Silk Real Estate" LLC

Interim Separate Statement of Profit or Loss and Other Comprehensive Income for 2025

'000 GEL	6 months 2025	6 months 2024
Operating costs	(490)	(391)
Wages and other employee benefits	(410)	(334)
Other expenses	1,255	(3)
Results from operating activities	355	(728)
Interest income	12,527	11,085
Foreign exchange gain	2,711	5,238
Interest expense	(8,848)	(12,050)
Net finance costs	6,390	4,273
Loss before income tax	6,745	3,545
Income tax	-	-
Loss and total other comprehensive income for 6-months	6,745	3,545

„Silk Real Estate" LLC
Interim Separate Statement of Changes in Equity for 2025

'000 GEL	Notes	Charter Capital	Retained earnings	Total Equity
Balance as at 1 January 2024		492,242	376,460	868,702
Total comprehensive income				
Profit and total comprehensive income for the 6-months		-	3,545	3,545
Other transactions with the parent Company		80,902	(80,902)	-
Contribution to share capital		21,500	-	21,500
Balance as at 30 June 2024		594,644	299,103	893,747
 Balance as at 1 January 2025		 646,457	 314,055	 960,512
Total comprehensive income				
Profit and total comprehensive income for the 6-months		-	6,745	6,745
Contribution to share capital		20,000	-	20,000
Balance as at 30 June 2025		666,457	320,800	987,257

The Interim statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the interim separate financial statements set out on pages 5 - 12.

„Silk Real Estate“ LLC
Interim Separate Statement of Cash Flows for 2025

'000 GEL	Notes	6 months 2025	6 months 2024
Cash flows from operating activities			
Loss before income tax		6,745	3,545
Adjustments for:			
Net finance cost		(6,390)	(4,273)
Cash flows from operations before income taxes and interest paid		355	(728)
Interest paid		(5,762)	(4,864)
Net cash from operating activities		(5,407)	(5,591)
Cash flows from investing activities			
Investments made in subsidiaries		(33,987)	(21,293)
Issued loans to related parties		(8,302)	(30,718)
Interest received		1,212	246
Net cash used in investing activities		(41,077)	(51,764)
Cash flows from financing activities			
Proceeds from borrowings		26,585	80,585
Repayment of borrowings		(15,813)	(1,509)
Proceeds from bond issuance		14,000	-
Net cash from financing activities		24,772	79,075
Net increase in cash and cash equivalents		(21,712)	21,719
Cash and cash equivalents at 1 January		67,964	11,751
Effect of movements in exchange rates on cash and cash equivalents		651	(654)
Cash and cash equivalents at 30 June	5	46,903	32,816

The Interim statement of cash flows is to be read in conjunction with the notes to, and forming an integral part of, the interim separate financial statements set out on pages 5 - 12.

1. Reporting entity

(a) Organisation and operations

The Company is a limited liability company as defined under the Law of Georgia on Entrepreneurs and was registered as a legal entity on 7 April 2017.

The Company's registered office is Republic square, Mtatsminda district, Tbilisi, Georgia, and the Company's identification number is 404535240.

The principal activity of SRG Real Estate LLC is to act as a holding company to its subsidiaries. The principal activities of the subsidiaries are:

- Ownership and operation of the Radisson Blu Hotels located in Tbilisi and Batumi, Georgia and Radisson Collection Hotel located in Tsinandali, Georgia (together referred to as “Hotels”)
- Ownership and operation of the Park Hotel in Tsinandali, Georgia;
- Operation of the land-based casinos in Tbilisi and Batumi (together referred to as the “casinos”). Casinos in Tbilisi and Batumi are located in the Radisson Blu Hotels;
- Ownership and operation of Complex Republic;
- Development and management of real estate properties located in different regions of Georgia;

In 2025, the successful reconstruction of the “Telegraph Building,” owned by the company's subsidiary Silk Road Business Centre LLC, was completed. In June 2025, the property began operating as a five-star hotel with 239 rooms. The hotel operates under The Leading Hotels of the World brand.

In 2024, Silk Real Estate LLC issued bonds with a total value of EUR 7 million on the Georgian Stock Exchange. The bonds carry a 7.00% annual gross coupon rate and have a maturity period of one year.

On April 13, 2023, the company issued bonds with a total value of USD 20 million, carrying a 9.00% annual gross coupon rate, with a maturity date of April 13, 2026 (3 years). As of May 25, 2023, the company's bonds were admitted to Category A listing of the Georgian Stock Exchange and included in its trading system.

The owners of the Company are as follows:

Name	30 June 2025	31 December 2024
Silk Road Group Holding LLC	95%	95%
Amphidon Holding (Malta) Limited	5%	5%
Total	100%	100%

In 2020 the Company's intermediate parent reorganized, as a result of which the Company has a new beneficial owner, Yerkin Tatishev, with indirect minority holding (36.51%) in the Company.

The Company's ultimate parent remains Silk Road Group Holding (Malta) Limited – an entity controlled by an individual George Ramishvili.

2. Basis of accounting

Statement of compliance

This condensed interim financial report has been prepared in accordance with IAS 34 “Interim Financial Reporting”, and should be read in conjunction with the Group’s most recent annual financial statements for the year ended 31 December 2024, which are publicly available on the Company’s website at www.sre.ge.

This condensed interim financial report does not include all the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS). However, it includes selected explanatory notes to disclose events and transactions that are significant to an understanding of the changes in the Company’s financial position and performance since the most recent annual financial statements.

Functional and presentation currency

The national currency of Georgia is the Georgian Lari (“GEL”), which is the Company’s functional currency and the currency in which these interim financial statements are presented. All financial information presented in GEL has been rounded to the nearest thousand.

3. Investment in subsidiaries

(a) Subsidiaries

Entity	Principal Activity	Date of Incorporation	ownership percentage as at 30 June 2025	ownership percentage as at 31 December 2024	Ownership type
Georgian Hotel Management LLC	Operation of Tbilisi Radisson Blu Iveria Hotel	9 August 2010	96%	96%	Direct
Argo Management LLC	Operation of Batumi Radisson Blu Hotel	30 November 2010	96%	96%	Indirect, through Georgian Hotel Management LLC
Riviera Beach LLC	Club operation	18 May 2012	100%	100%	Direct
Silk Road Service LLC	Pooling of purchases for the group companies	31 December 2015	100%	100%	Direct
Development Solution LLC	Real Estate development service	10 July 2006	100%	100%	Direct
Development solutions Medea LLC	Dormant entity	7 September 2009	-%	100%	Indirect, through Development Solution LLC
Tsinandali Savane LLC	Holding entity	17 February 2016	100%	100%	Direct
Tsinandali Estate LLC	Operation of Tsinandali Radisson Collection Hotel	27 June 2008	100%	100%	Indirect, through Tsinandali Savane LLC
Tsinandali LLC	Museum operation	3 October 2005	100%	100%	Direct
Georgian Wine Institute LLC	Wine tasting and training service	26 December 2011	100%	100%	Indirect, through Tsinandali LLC
SRG Investments LLC	Corporate service provider to the Group	27 May 2011	100%	100%	Direct
Limoni 2009 LLC	Operation of casinos	11 August 2009	88%	88%	Direct
Medea Operating company LLC	Ownership of Batumi Radisson Blu Hotel and related casino	5 November 2010	100%	100%	Direct
F Telecom LLC	Real estate development	2 October 2006	100%	100%	Direct
Riviera LLC	Holding entity	12 July 2012	100%	100%	Direct
Batumi Riviera LLC	Real estate development	30 May 2018	100%	100%	Indirect, through Riviera LLC
Center Plaza LLC	Real estate development	14 July 2005	100%	100%	Direct

Entity	Principal Activity	Date of Incorporation	ownership percentage as at 30 June 2025	ownership percentage as at 31 December 2024	Ownership type
Club Savane LLC	Night club operation	11 April 2018	100%	100%	Indirect, through Centre Plaza LLC
Tsinandali Villas LLC	Real estate development	19 February 2016	100%	100%	Direct
	Ownership of Tbilisi Radisson Blu				
New Hotel JSC	Hotel	30 September 2005	100%	100%	Direct
Silk Road Business Centre LLC	Real estate development	27 August 1997	100%	100%	Direct
Misaktsieli LLC	Real estate development	7 August 2008	100%	100%	Direct
New Office LLC	Real estate development	7 August 2008	50%	100%	Direct
Iveria Center LLC	Real estate development	6 August 2013	50%	50%	Indirect, through New Office LLC
Restaurant Tsinandali LLC	Hospitality sector	2 April 2018	100%	50%	Indirect, through Iveria Centre LLC
Hotel Medea + JSC	Real estate development	17 April 2007	100%	100%	Direct
Adjara Investment LLC	Holding entity	30 August 2017	100%	100%	Direct
					Indirect, through Adjara Investments
Adjara Resort JSC	Real estate development	3 January 2006	100%	100%	LLC
					Indirect, through Adjara Investments
Adjara Real Estate LLC	Real estate development	23 August 2006	100%	100%	LLC
					Indirect, through Adjara Real Estate
Bobokvati LLC	Real estate development	23 March 2007	100%	100%	LLC and Adjara Resorts JSC
Kobuleti Resort LLC	Real estate development	17 April 2007	-%	100%	Indirect, through Adjara Resorts JSC
Silk Road Group Travel LLC	Hospitality sector	4 September 2009	51%	51%	Direct
					Indirect, through Silk Road Business
Telegraph Hotel JSC	Hospitality sector	5 February 2020	-%	100%	Centre LLC
Limoni Real Estate LLC	Real estate development	21 April 2017	100%	100%	Direct
Green-cape Botanico LLC	Real estate development	18 August 2020	51%	51%	Joint venture
	Hotel management service provider				
Silk Hospitality LLC*	to the Group	26 March 2021	100%	100%	Direct
Tsinandali Resorts LLC (a)	Operation of Park Hotel Tsinandali	1 March 2018	51%	51%	Direct
Unifarm LLC	Real estate development	10 July 1996	100%	100%	Indirect, through Center Plaza LLC
Silk Play LLC	Real estate development	19 June 2024	100%	100%	Direct
Silk Entertainment LLC	Real estate development	15 April 2024	100%	100%	Direct
Sakanela Development LLC	Real estate development	27 March 2024	100%	100%	Direct
	Management of Riviera Yacht Club				
Riviera Yacht Club LLC	LLC in Batumi	7 November 2024	100%	100%	Indirect, through Batumi Riviera LLC
Silk Road LLC	Dormant company	22 March 2021	100%	100%	Direct

(b) Acquisition of subsidiary

In 2024, the company, through its subsidiary Central Plaza LLC, acquired an additional 50% stake in Unifarm LLC.

In 2024, the company established Silk Play LLC, Silk Entertainment LLC, and Sakanela Development LLC — subsidiary companies formed for the development and management of real estate and entertainment complexes.

In 2024, the company entered into an agreement with the non-controlling shareholder of Tsinandali Resort LLC to acquire the remaining 49% ownership interest for a consideration of USD 1,150 thousand, to be settled by December 30, 2025. Although legal ownership will transfer to the company only upon full settlement of the purchase price, under the terms of the agreement, the non-controlling shareholder no longer has rights to future economic benefits from Tsinandali Resort LLC and cannot participate in its management

4. Loans receivable

Loans are issued to related parties. None of the loans are secured.

	30 June 2025	31 December 2024
Related party short-term loans	55,822	34,951
Related party long-term loans	312,916	297,473
Total	368,738	332,424

5. Cash and cash equivalents

'000 GEL	30 June 2025	31 December 2024
Bank balances	46,903	67,964
	46,903	67,964

Bank balances include current accounts and call deposits with original maturities of three months or less.

6. Capital and reserves

(a) Charter capital

Charter capital represents the nominal amount of capital in the founding documentation of the Company.

'000 ლარი	30 June 2025	31 December 2024
Balance at the beginning of the period	646,457	492,242
Capital increase	20,000	154,215
	666,457	646,457

During the six-month period ended 30 June 2025, the Company's capital increased by GEL 20,000 thousand, of which GEL 14,000 thousand represented a cash contribution.

As at 30 June 2025, the Company does not have subscribed capital in as defined under the new Georgian legislation.

(b) Other transactions with the parent Company

In 2024, the shareholder legally increased the Company's capital by GEL 80,902, and the respective loans, along with the accrued interest, were fully offset against the capital contribution receivable.

(c) Capital management

The Group does not have a formal capital management policy; however, management aims to maintain an adequate capital base to support the Group's operational and strategic objectives and to preserve market participants' confidence. This is achieved through effective cash management, continuous monitoring of the Group's revenues and profits, and long-term investment plans primarily financed by the Group's operating cash flows. Furthermore, prior to any capital reduction, management ensures that the Company complies with regulatory requirements and maintains an adequate capital base. Through these measures, the Group aims for stable profit growth.

7. Loans and borrowings

This note provides information about the contractual terms of the Company’s interest-bearing loans and borrowings, which are measured at amortised cost.

'000 GEL	30 June 2025	31 December 2024
Non-current liabilities		
Loans from related parties	92,983	74,283
Bonds	108,944	110,635
	201,927	184,918
Current liabilities		
Current portion of related party loans	4,539	24,759
Current portion of bonds	25,489	24,444
	30,028	49,203

In 2024, Silk Real Estate LLC issued local bonds with a total value of EUR 7 million on the Georgian Stock Exchange, carrying a 7.00% annual gross coupon rate and a maturity of one year.

In 2023, the Company issued local bonds with a total value of USD 40 million in two tranches. The first tranche, amounting to USD 20 million, carries a 9.00% annual gross coupon rate and a maturity of 3 years. The second tranche, also amounting to USD 20 million, carries a 9.25% annual gross coupon rate and a maturity of 3 years. As a result, in 2023, Silk Real Estate LLC became a publicly listed company on the Georgian Stock Exchange. Under a joint surety agreement, the Company’s key operating subsidiaries and subsidiaries holding operational assets act as co-guarantors to secure the bonds issued by the Company.

8. Related parties

As of 30 June 2025, and the date of authorization of this condensed interim financial report for issuance, the Company's immediate parent is Silk Road Group Holding LLC. The annual financial statements of Silk Road Group Holding LLC are publicly available on the website of the Service for Accounting, Reporting and Auditing Supervision.

The Company's ultimate parent is Silk Road Group Holding (Malta) Limited. In 2020, a reorganization of the Company's intermediate parent took place, as a result of which the Company acquired a new beneficial shareholder, Yerkyn Tatishev, who holds an indirect minority interest of 36.51% in the Company. The Company's ultimate parent remains Silk Road Group Holding (Malta) Limited, which is controlled by an individual, Giorgi Ramishvili.

9. Subsequent events

After 30 June 2025, the following movements occurred in the balances of the Company's loans and borrowings:

- The Company received a loan of USD 8 million from the parent company, with a maturity date in February 2026;
- The Company repaid EUR 7 million worth of bonds, which had been listed on the Georgian Stock Exchange with a 7.00% annual gross coupon rate