

**Silk Real Estate LLC**

**Condensed Consolidated Interim  
Financial Statements  
for the six months ended 30 June 2024**

**Contents**

Independent Auditor's Report on Review of Condensed Consolidated Interim Financial Information	3
Condensed Consolidated Interim Statement of Financial Position	4
Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income	5
Condensed Consolidated Interim Statement of Changes in Equity	6
Condensed Consolidated Interim Statement of Cash Flows	7
Notes to the Condensed Consolidated Interim Financial Statements	8



KPMG Georgia LLC  
5<sup>th</sup> Floor GMT Plaza  
Mtatsminda District, Liberty Square N4 (plot 66/4)  
0105 Tbilisi, Georgia  
IN 404437695  
Telephone +995 322 93 5713  
Internet www.kpmg.ge

## **Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information**

To the Owners of Silk Real Estate LLC

### ***Introduction***

We have reviewed the accompanying condensed consolidated interim statement of financial position of Silk Real Estate LLC and its subsidiaries (the "Group") as at 30 June 2024, and the condensed consolidated interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the condensed consolidated interim financial information (the "condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

### ***Scope of Review***

We conducted our review in accordance with the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Other matter***

The corresponding figures for the six-month period ended 30 June 2023 are not reviewed and not audited.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2024 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Nikoloz Chochua

KPMG Georgia LLC  
Tbilisi, Georgia  
14 August 2024



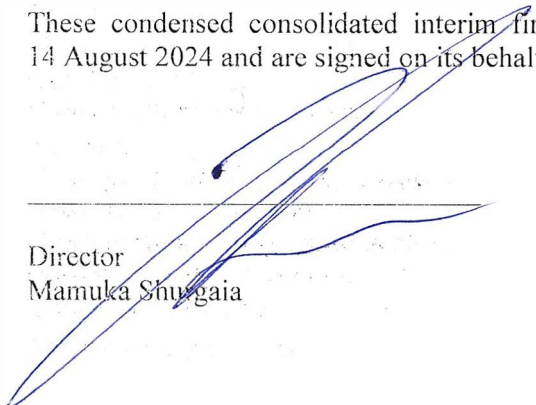
*Silk Real Estate LLC*  
*Condensed Consolidated Interim Statement of Financial Position as at 30 June 2024*

'000 GEL	Note	30 June 2024	31 December 2023
<b>Assets</b>			
Property and equipment	6	394,654	354,339
Investment property	7	250,600	242,890
Intangible assets		3,724	6,607
Prepayments for non-current assets	6 (b)	24,641	29,630
Investments in equity accounted investees		5,041	642
Loans receivable	9	16,309	14,537
<b>Non-current assets</b>		<b>694,969</b>	<b>648,645</b>
Loans receivable	9	6,312	5,198
Inventories		7,823	7,802
Prepayments and other assets		14,142	11,499
Trade and other receivables		10,071	9,106
Cash and cash equivalents	8	67,179	40,779
<b>Current assets</b>		<b>105,527</b>	<b>74,384</b>
<b>Total assets</b>		<b>800,496</b>	<b>723,029</b>
<b>Equity</b>			
Capital		594,644	492,242
Accumulated losses		(130,761)	(48,205)
<b>Equity attributable to owners of the Company</b>		<b>463,883</b>	<b>444,037</b>
Non-controlling interests		19,527	17,304
<b>Total equity</b>	10	<b>483,410</b>	<b>461,341</b>
<b>Liabilities</b>			
Loans and borrowings	12	266,197	223,130
Trade and other payables		1,558	599
<b>Non-current liabilities</b>		<b>267,755</b>	<b>223,729</b>
Loans and borrowings	12	19,073	18,413
Trade and other payables		30,258	19,546
<b>Current liabilities</b>		<b>49,331</b>	<b>37,959</b>
<b>Total liabilities</b>		<b>317,086</b>	<b>261,688</b>
<b>Total equity and liabilities</b>		<b>800,496</b>	<b>723,029</b>

**Silk Real Estate LLC**  
*Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income*  
*for the six months ended 30 June 2024*

'000 GEL	Note	<b>For the six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b> <b>(Unaudited and unreviewed)</b>
Revenue	4	119,204	115,077
Other income		8,399	7,014
Operating costs	5	(54,700)	(45,566)
Wages and other employee benefits		(52,515)	(47,506)
Depreciation and amortisation		(12,763)	(14,818)
Impairment reversal of trade and other receivables and loans receivable		-	2,469
Other expenses		(1,400)	(774)
<b>Results from operating activities</b>		<b>6,225</b>	<b>15,896</b>
Interest income		1,584	6,645
Net foreign exchange loss		(5,997)	(3,788)
Interest expense		(10,180)	(15,353)
<b>Net finance costs</b>		<b>(14,593)</b>	<b>(12,496)</b>
Share of profit of equity accounted investees (net of income tax)		5,041	-
<b>(Loss)/profit before income tax</b>		<b>(3,327)</b>	<b>3,399</b>
Income tax		-	-
<b>(Loss)/profit and total comprehensive (loss)/income for the year</b>		<b>(3,327)</b>	<b>3,399</b>
<b>(Loss)/profit and total comprehensive (loss)/income attributable to:</b>			
Owners of the Company		(6,506)	(225)
Non-controlling interests	11	3,179	3,624

These condensed consolidated interim financial statements were approved by management on 14 August 2024 and are signed on its behalf by:

  
 \_\_\_\_\_  
 Director  
 Mamuka Shuguaia

*Silk Real Estate LLC*  
*Condensed Consolidated Interim Statement of Changes in Equity for the six months ended 30 June 2024*

<b>000 GEL</b>	<b>Note</b>	<b>Capital</b>	<b>Accumulated losses</b>	<b>Total</b>	<b>Non-controlling interests</b>	<b>Total equity</b>
Balance as at 1 January 2023		671,140	(122,875)	548,265	12,091	560,356
<b>Total comprehensive income</b>						
Profit and total comprehensive income for the period (unaudited and unreviewed)		-	(225)	(225)	3,624	3,399
<b>Total transactions with owner, recorded directly in equity</b>						
Decrease in capital		(206,844)	-	(206,844)	-	(206,844)
<b>Balance 30 June 2023 (unaudited and unreviewed)</b>		<b>464,296</b>	<b>(123,100)</b>	<b>341,196</b>	<b>15,715</b>	<b>356,911</b>
Balance as at 1 January 2024		492,242	(48,205)	444,037	17,304	461,341
<b>Total comprehensive loss</b>						
Loss and total comprehensive loss for the period		-	(6,506)	(6,506)	3,179	(3,327)
<b>Total transactions with owner, recorded directly in equity</b>						
Other transactions with the parent entity	10	80,902	(80,902)	-	-	-
Fair value adjustment on received related party loans	10	-	7,640	7,640	-	7,640
Acquisition of non-controlling interests without a change in control	10	-	(2,788)	(2,788)	(956)	(3,744)
Capital contribution	10	21,500	-	21,500	-	21,500
<b>Balance 30 June 2024</b>		<b>594,644</b>	<b>(130,761)</b>	<b>463,883</b>	<b>19,527</b>	<b>483,410</b>

'000 GEL	Note	For the six months ended 30 June	
		2024	2023 (Unaudited and unreviewed)
<b>Cash flows from operating activities</b>			
(Loss)/profit before income tax		(3,327)	3,399
<i>Adjustments for:</i>			
Depreciation and amortisation		12,763	14,818
Reversal of impairment trade and other receivables and loans receivable		-	(2,469)
Share of profit of equity accounted investees (net of income tax)		(5,041)	-
Net finance costs		14,593	12,496
<i>Changes in:</i>			
Inventories		(21)	(328)
Trade and other receivables		(725)	(2,138)
Prepayments and other assets		(2,644)	3,043
Trade and other payables		(481)	(645)
<b>Cash flows from operations before income taxes and interest paid</b>		<b>15,117</b>	<b>28,176</b>
Interest paid		(11,353)	(14,803)
<b>Net cash from operating activities</b>		<b>3,764</b>	<b>13,373</b>
<b>Cash flows from investing activities</b>			
Issuance of related party loans		(1,550)	(587)
Repayments of issued related party loans		-	130
Interest received		248	350
Acquisition of non-controlling interests		(924)	(43,129)
Acquisition of property and equipment, intangible assets and investment property		(39,898)	(24,397)
<b>Net cash used in investing activities</b>		<b>(42,124)</b>	<b>(67,633)</b>
<b>Cash flows from financing activities</b>			
Capital contribution	10	21,260	-
Proceeds from borrowings		52,711	132,864
Dividends paid to NCI		(243)	-
Repayment of borrowings		(8,891)	(39,874)
<b>Net cash from financing activities</b>		<b>64,837</b>	<b>92,990</b>
<b>Net increase in cash and cash equivalents</b>			
Cash and cash equivalents at 1 January		40,779	53,912
Effect of movements in exchange rates on cash and cash equivalents		(77)	467
<b>Cash and cash equivalents at 30 June</b>	8	<b>67,179</b>	<b>93,109</b>

\*Material non-cash transactions are disclosed in Note 10.

## 1. Reporting entity

### (a) Georgian business environment

The Group’s operations are primarily located in Georgia. Consequently, the Group is exposed to the economic and financial markets of Georgia, which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in Georgia.

The ongoing military conflict between the Russian Federation and Ukraine has further increased uncertainty in the business environment. The condensed consolidated interim financial statements reflect management’s assessment of the impact of the Georgian business environment on the operations and the financial position of the Group. The future business environment may differ from management’s assessment.

### (b) Organisation and operations

The condensed consolidated financial statements include the financial statements of Silk Real Estate LLC (the “Company”) and its subsidiaries as detailed in note 14 (together referred to as the Group and individually as the “Group entities”).

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

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

The principal activity of Silk Real Estate LLC is to act as a holding company to the Group entities. The principal activities of the Group entities 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 as “Hotels”, see note 16 for further details);
- Ownership and operation of the Park Hotel in Tsinandali, Georgia (see note 14);
- Operation of the land based casinos in Tbilisi and Batumi (together referred as “Casinos”). Casinos in Tbilisi and Batumi are located in the Radisson Blu Hotels;
- Ownership and operation of Complex Republic;
- Development and management of real estate properties located in different regions of Georgia.

As at 30 June 2024 Telegraph Building owned by the Group is under construction to redesign and develop as a hotel. The 5 star, 239-room hotel is planned to commence operations in 2025.

In 2023, the Group has issued a USD 40 million bond on the Georgian Stock Exchange (see note 12).

The owners of the Company are as follows:

Name	<u>30 June 2024</u>	<u>31 December 2023</u>
Silk Road Group Holding LLC	95%	95%
Amphidon Holding (Malta) Limited	5%	5%
<b>Total</b>	<b><u>100%</u></b>	<b><u>100%</u></b>

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

The Group’s ultimate parent remains Silk Road Group Holding (Malta) Limited – an entity controlled by an individual George Ramishvili. Related party transactions are detailed in note 15.



## 2. Basis of accounting

### Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2023, which are published on the company's web page [www.sre.ge](http://www.sre.ge)

These condensed consolidated interim financial statements do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements.

## 3. Use of estimates and judgements

In preparing these condensed consolidated interim financial statements, management has made judgements and estimates about the future that affect the application of accounted policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last consolidated annual financial statements.

## 4. Revenue

### (a) Revenue

'000 GEL	For the six months ended 30 June 2024	2023 unaudited and unreviewed
<b>Revenue from casino operations</b>	<b>71,428</b>	<b>70,022</b>
Revenue from casino live games	42,213	40,480
Revenue from slot machines	29,215	29,542
<b>Revenue from hotels and Complex Republic operations</b>	<b>42,676</b>	<b>39,462</b>
Food and beverage revenue	22,677	20,977
Room revenue	16,412	14,194
Other hotel revenue	3,587	4,291
<b>Other revenue</b>	<b>5,100</b>	<b>5,593</b>
	<b>119,204</b>	<b>115,077</b>

The Group's operations and main revenue streams are those described in the last annual financial statements. Approximately 40% of total revenue in six months 2024 (2023: 39%) is attributable to contracts with customers. Due to the nature of the hotel and casino business, which is mainly cash-based, the Group does not have any material contract assets and/or contract liabilities.

Approximately 60% of revenue in six months 2024 (2023 61%) is related to casino revenue stream, which is mainly attributable to casino games, such as Poker, Baccarat, Blackjack, American Roulette, Slot Machines. The payout for stakes placed on these gaming activities is typically known at the time when the stake is placed. This stake is termed "fixed-odds stake". Such contracts fulfil the definition of a financial instrument under IFRS 9 *Financial instruments* and are therefore exempt from IFRS 15.

**(b) Seasonality**

The Groups, Tsinandali Estate, A Radisson Collection Hotel, segment is subject to seasonal fluctuations as a result of geographical location. In particular, hotel operations are adversely affected by winter weather conditions, which occur from January to March. Therefore, the first half of the year typically results in lower revenues and results for this segment.

For 12 months ended 30 June 2024 Tsinandali Estate, A Radisson Collection Hotel, segment reported revenue of GEL 22,569 thousand (12 months ended 30 June 2023: GEL 20,409 thousand) and EBITDA of GEL 3,974 thousand (12 months ended 30 June 2023: GEL 2,753 thousand).

**5. Operating costs**

In 2023, the Georgian Parliament approved changes in gambling regulations which constituted introduction of new taxes to offline gaming business. The tax changes came into force on 1 January 2024. Following changes came into force in relation to taxation:

- 15% tax on Revenue from Slot machines as defined by the Tax Code of Georgia;
- 5% tax on withdrawals made by players from Slot machines.

The impact of the above regulations resulted in additional tax expense in amount of 6.4 million GEL for six months ended 30 June 2024 (2023: nil).

**6. Property and equipment**

Major part of buildings are properties used in the Hotels', Casinos and Complex Republic operations (see note 1 (b)). Historical cost was determined at the cost of constructing and purchase of the property and equipment and all the related expenditures directly attributable to bringing the assets to a working condition for its intended use. Lands mainly represent lands attached to the above buildings.

During the six months ended 30 June 2024, the Group acquired property plant and equipment with a cost, excluding capitalised borrowing costs, of GEL 47,387 thousand (six months ended 30 June 2023: GEL 12,106 thousand).

Capitalized borrowing costs related to the construction of the Hotel in Telegraph Building (see Note 1 (a)) equaled GEL 2,837 thousand for the six-months period ended 30 June 2024 (six months period ended 30 June 2023: 755 thousand).

**(a) Security**

At 30 June 2024 and 31 December 2023 major part of the Group's property and equipment (approximately 93% and 94%, respectively) is pledged as a security to the bank loans.

**(b) Prepayments for non-current assets**

As at 30 June 2024, prepayment for non-current assets amounted GEL 24,641 thousand (31 December 2023: GEL 29,630 thousand) out of which GEL 22,380 thousand (31 December 2023: GEL 29,109 thousand) is attributable to construction of Telegraph Hotel.

**(c) Other commitments**

As at 30 June 2024 and 30 June 2023, the Group has investment obligations for the construction of investment property towards the Government of Georgia of USD 22.5 million. From these investment obligations, USD 15 million relates to Bobokvati project, that, as at the date of signing these consolidated financial statements, is due in 2029.

## 7. Investment property

During the six months ended 30 June 2024, the Group acquired Investment Property with a cost, excluding capitalised borrowing costs, of GEL 7,105 thousand (six months ended 30 June 2023: GEL 1,663 thousand). The amount of capitalised borrowing costs related to purchase of the land and the construction of the Batumi Riviera complex was GEL 605 thousand (30 June 2023: 520 thousand).

### (a) Description of investment property

The Group's investment property comprises of the following immoveable properties:

- Property 1 – Land plots and improvements of Tsinandali Villas, located in Tsinandali, Georgia;
- Property 4 – Land plots on Rustaveli Avenue, located in Tbilisi, Georgia, owned by New Office LLC (see note 14);
- Property 5 – Land parcel in village Misaktsieli, located in Misaktsieli, Georgia;
- Property 6 – Land plot on the Sanapiro Street, located in Tbilisi, Georgia, owned by Centre Plaza LLC (see note 14);
- Property 7 – Building on 37 Rustaveli Avenue, Tbilisi, Georgia, owned by Centre Plaza LLC;
- Properties 3 and 8 – Underground facilities near Rose Revolution square, located in Tbilisi, Georgia, owned by New Office LLC and Centre Plaza LLC (see note 14);
- Property 9 – Land plots of Batumi Riviera, located in Batumi, Georgia;
- Property 10 – Land plots located in Kobuleti, Georgia;
- Property 11 – Land plots located in Batumi, Georgia;
- Property 12 – Land plots located in Khelvachauri, Georgia;
- Property 13 – Land plots located in Tbilisi, Georgia;
- Property 14 – Land plots located in Poti, Georgia;
- Property 15 – Land plots located in Abastumani, Georgia.

Management has classified the properties as investment properties as the properties are either held to earn rental income, or for the capital appreciation, or for undetermined future use (properties held for undetermined future use will be reclassified to property and equipment if and when the Group starts developing the property for the own use). The ancillary services to be provided to tenants will be a relatively insignificant component of the arrangement as a whole for the properties held for earning the rent income. Insignificant parts of certain properties are held by the Group for own use but is classified as investment property as represents insignificant components of the total investment properties.

As at 30 June 2024 and 31 December 2023, major part of the investment property is held for capital appreciation or for undetermined future use and as a result, the Group did not have material rental income either in 2024 or 2023.

### (b) Security

As at 30 June 2024 and 31 December 2023 part of the Group's investment property (approximately 55% and 59%, respectively) is pledged under the Group's secured bank loans.

## 8. Cash and cash equivalents

'000 GEL	30 June 2024	31 December 2023
Cash on hand	10,282	9,520
Bank balances	56,897	31,259
	67,179	40,779

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

## 9. Loans receivable

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

	<u>30 June 2024</u>	<u>31 December 2023</u>
<b>Non-current assets</b>		
Related party loans	16,344	14,572
<b>Current assets</b>		
Related party loans	<u>6,312</u>	<u>5,198</u>
<b>Total</b>	<u>22,656</u>	<u>19,770</u>
Less: allowance for impairment loss	<u>(35)</u>	<u>(35)</u>
	<u>22,621</u>	<u>19,735</u>

## 10. Capital and reserves

### (a) Capital

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

<b>'000 GEL</b>	<u>30 June 2024</u>	<u>31 December 2023</u>
Balance at the beginning of the period	492,242	671,140
Increase in capital	102,402	27,948
Decrease in capital	-	(206,846)
	<u>594,644</u>	<u>492,242</u>

During six-months period ended 30 June 2024, capital of the Company was increased based on decision of owners and capital receivable amount was netted-off with outstanding loans and borrowings towards parent entity. See note 10 (b).

During six-months period ended 30 June 2024, capital of the Company was increased by cash contributions of GEL 21,500 thousand, which was mostly settled in cash in 2024.

In June 2023, related party loans with a carrying amount of GEL 206,846 thousand were transferred by the respective counterparties to the Company's parent entity, Silk Road Group Holding LLC. Subsequently Silk Road Group Holding LLC reduced the Company's capital by GEL 206,846 thousand and settled its payable towards the Company, incurred by the above transaction against, its receivable from Company as a result of the capital reduction.

As at 30 June 2024 the Company does not have subscribed capital as defined under the new Georgian legislation.

### (b) Other transactions with the parent entity

In 2023, the Company signed agreements with the parent entity to receive cash of EUR 15,000 thousand and GEL 43,700 thousand with the following terms: principal and interest repayment at maturity of 31 December 2080; interest rate of 9% and 10%, respectively, and the Company's unconditional right to extend the maturity in every consecutive 50 years. Although the instruments were legally structured through loan agreements, as the Company has unconditional right to defer the payments indefinitely, total transaction value of GEL 75,866 thousand was classified as equity.

In 2024, the Company's capital was legally increased by the shareholder by GEL 80,902 and mentioned loans with respective interests accrued were fully netted-off with capital receivable.

**(c) Capital management**

The Group has no formal policy for capital management, but management seeks to maintain a sufficient capital base for meeting the Group’s operational and strategic needs, and to maintain confidence of market participants. This is achieved with efficient cash management, constant monitoring of Group’s revenues and profit, and long-term investment plans mainly financed by the Group’s operating cash flows. Furthermore, the management ensures, before any capital reductions, that the Company will be in compliance the respective legislation norms and will maintain sufficient capital base. With these measures the Group aims for steady profits growth.

**(d) Security**

As at 30 June 2024 and 31 December 2023, the Company’s shareholding in Tsinandali Estates LLC (see note 14) is pledged in respect of secured bank loans (see note 12).

As at 31 December 2023, the Company’s shareholding in Tsinandali Estates LLC was pledged in respect of the Partners’ Agreement which was revoked during 2024.

As at 30 June 2024 and 31 December 2023, the Company’s sharholdings in Georgian Hotel Management LLC, Medea Operating company LLC, Limoni 2009 LLC, Limoni Real Estate LLC and New Hotel JSC are pledged in respect of secured bank loans (see note 12).

As at 30 June 2024 and 31 December 2023 the Company’s shareholding in Tsinandali Resorts LLC (see note 16) is pledged in respect of secured bank loans (see note 12).

**11. Non-controlling interests**

The following table summarises the information relating to each of the Group’s subsidiaries that has material NCI, before any intra-group eliminations.

**30 June 2024**

'000 GEL	Georgian Hotel Management	Iveria Centre	Limoni 2009
<b>NCI percentage</b>	<b>4%</b>	<b>50%</b>	<b>12%</b>
Total assets	38,143	24,639	117,382
Total liabilities	(21,134)	(5,634)	(41,148)
<b>Net assets</b>	<b>17,009</b>	<b>19,005</b>	<b>76,234</b>
<b>Carrying amount of NCI</b>	<b>680</b>	<b>9,503</b>	<b>9,148</b>
Profit and total comprehensive income	744	3,438	13,621
<b>Profit and total comprehensive income attributable to NCI</b>	<b>30</b>	<b>1,719</b>	<b>1,634</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(1,119)</b>	<b>(290)</b>	<b>6,228</b>

**31 December 2023**

'000 GEL	Georgian Hotel Management	Iveria Centre	Limoni 2009	Tsinandali Resorts*
<b>NCI percentage</b>	<b>4%</b>	<b>50%</b>	<b>12%</b>	<b>49%</b>
Total assets	40,102	20,791	102,085	8,799
Total liabilities	(23,228)	(5,196)	(39,459)	(6,683)
<b>Net assets</b>	<b>16,874</b>	<b>15,595</b>	<b>62,626</b>	<b>2,116</b>
<b>Carrying amount of NCI</b>	<b>650</b>	<b>7,783</b>	<b>7,515</b>	<b>1,033</b>
Profit and total comprehensive income	4,178	3,971	41,940	528
<b>Profit and total comprehensive income attributable to NCI</b>	<b>167</b>	<b>1,987</b>	<b>5,033</b>	<b>259</b>
<b>Dividends declared attributable to NCI</b>	<b>-</b>	<b>-</b>	<b>(6,240)</b>	<b>-</b>
<b>Other equity movements attributable to NCI</b>	<b>(883)</b>	<b>5,677*</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,743</b>	<b>(26)</b>	<b>(3,485)</b>	<b>(144)</b>

\* During 2024, the Group acquired remaining 49% of Tsinandali Resorts LLC from non-controlling shareholder for USD 1,150 thousand, payable till 30 December 2025.

## 12. Loans and borrowings

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

<b>'000 GEL</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
<b><i>Non-current liabilities</i></b>		
Bank loans	121,700	106,583
Loans from related parties	8,653	9,771
Loans from third parties	739	682
Loan from Parent	24,250	-
Bonds issued	110,855	106,094
	<b>266,197</b>	<b>223,130</b>
<b><i>Current liabilities</i></b>		
Current portion of bank loans	14,753	14,434
Current portion of third party loans	1,025	1,008
Current portion of related party loans	219	243
Bonds issued	3,076	2,728
	<b>19,073</b>	<b>18,413</b>

During six months 2024, the Group has obtained commercial bank loans in amount of 6.9 million EUR with Interest rate of 7.5% + 6M Euribor.

During six-months period ended 30 June 2024, Company obtained loans from its parent entity, in amount of 18 million GEL and 5 million USD with maturity till 31 December 2030 on non-market terms (6.6 % and 10% nominal interest rates for USD and GEL denominated loans respectively). As a result, at initial recognition, the parent loans were discounted using market rate of interest of 10% and 15% respectively and the difference between the carrying amount and the fair value of loans, in the amount of GEL 7,640 thousand was recognized directly in equity.

The Group's property and equipment, investments in subsidiaries, intangible assets and investment property are pledged in respect of secured bank loans and secured loans. In 2023, the Group has issued a USD 40 million bond in two tranches. The first tranche of USD 20 million offers a coupon of 9.00% p.a. (gross) with a maturity of 3 years. The second tranche of USD 20 million offers a coupon of 9.25% p.a. (gross) with a maturity of 3 years. As a result, in 2023 Silk Real Estate LLC became a publicly listed company on the Georgian Stock Exchange.

## 13. Contingencies

### (a) Taxation contingencies

The taxation system in Georgia is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are sometimes subject to varying interpretation. A tax year remains open for review by the tax authorities during the three subsequent calendar years, however under certain circumstances a tax year may remain open longer.

These circumstances may create tax risks in Georgia that are more significant than in other countries with more developed taxation systems. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Georgian tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

## 14. Subsidiaries

Entity	Principal Activity	Date of Incorporation	Group's ownership percentage as at 30 June 2024	Group's ownership percentage as at 31 December 2023	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%	100%	Indirect, through Development Solution LLC
Tsinandali Savane LLC	Holding entity	17 February 2016	100%	100%	Direct
Tsinandali Estates LLC	Operation of Tsinandali Radisson Collection Hotel	27 June 2008	100%	100%	Indirect, through Tsinandali Savane LLC
Tsinandali LLC	Museum operation	3 October 2005	100%	100%	Direct
Georgian Wine Institute LLC	Wine tasting and training service	26 December 2011	100%	100%	Indirect, through Tsinandali LLC
SRG Investments LLC	Corporate service provider to the Group	27 May 2011	100%	100%	Direct
Limoni 2009 LLC	Operation of casinos	11 August 2009	88%	88%	Direct
Medea Operating company LLC	Ownership of Batumi Radisson Blu Hotel and related casino	5 November 2010	100%	100%	Direct
F Telecom LLC	Real estate development	2 October 2006	100%	100%	Direct
Riviera LLC	Holding Entity	12 July 2012	100%	100%	Direct
Batumi Riviera LLC	Real estate development	30 May 2018	100%	100%	Indirect, through Riviera LLC
Center Plaza LLC	Real estate development	14 July 2005	100%	100%	Direct
Club Savane LLC	Night club operation	11 April 2018	100%	100%	Indirect, through Centre Plaza LLC
Tsinandali Villas LLC	Real estate development	19 February 2016	100%	100%	Direct
New Hotel JSC	Ownership of Tbilisi Radisson Blu Hotel	30 September 2005	100%	100%	Direct
Silk Road Business Centre LLC	Real estate development	27 August 1997	100%	100%	Direct
Misaktsieli LLC	Real estate development	7 August 2008	100%	100%	Direct from 2022
New Office LLC	Real estate development	7 August 2008	100%	100%	Direct from 2022
Iveria Center LLC	Real estate development	6 August 2013	50%	50%	Indirect, through New Office LLC

<b>Entity</b>	<b>Principal Activity</b>	<b>Date of Incorporation</b>	<b>Group's ownership percentage as at 30 June 2024</b>	<b>Group's ownership percentage as at 31 December 2023</b>	<b>Ownership type</b>
Restaurant Tsinandali LLC	Hospitality sector	2 April 2018	50%	50%	Indirect, through Iveria Centre LLC
Hotel Medea + JSC	Real estate development	17 April 2007	100%	100%	Direct
Adjara Investment LLC	Holding entity	30 August 2017	100%	100%	Direct
Adjara Resort JSC	Real estate development	3 January 2006	100%	100%	Indirect, through Adjara Investments LLC
Adjara Real Estate LLC	Real estate development	23 August 2006	100%	100%	Indirect, through Adjara Investments LLC
Bobokvati LLC	Real estate development	23 March 2007	100%	100%	Indirect, through Adjara Real Estate LLC and Adjara Resorts JSC
Kobuleti Resort LLC	Real estate development	17 April 2007	100%	100%	Indirect, through Adjara Resorts JSC
Silk Road Group Travel LLC	Hospitality	4 September 2009	51%	51%	Direct
Telegraph Hotel JSC	Hospitality	5 February 2020	100%	100%	Indirect, through Silk Road Business Centre LLC
Limoni Real Estate LLC	Real estate development	21 April 2017	100%	100%	Direct
Green-cape Botanico LLC	Real estate development	18 August 2020	51%	51%	Joint venture
Silk Hospitality LLC	Hotel management service provider to the Group	26 March 2021	100%	100%	Direct
Tsinandali Resorts LLC***	Operation of Park Hotel Tsinandali	1 March 2018	100%	51%	Direct
Unipharm LLC*	Real estate development	10 July 1996	100%	50%	Indirect, through Centre Plaza LLC
Silk Play LLC**	Real estate development	19 June 2024	100%	0%	Direct
Sakanela Development LLC**	Real estate development	27 March 2024	100%	0%	Direct
Silk Entertainment LLC**	Real estate development	15 April 2024	100%	0%	Direct

\* During six-months period ended 30 June 2024, the Group acquired additional 50% of Unipharm LLC for non-cash consideration of GEL 933 thousand.

\*\* During six-months period ended 30 June 2024, the Group established Silk Play LLC, Silk Entertainment LLC and Sakanela Development LLC subsidiaries for development and operation of real estate, entertainment complex.

\*\*\* During six-months period ended 30 June 2024, the Group acquired 49% of Tsinandali Resorts LLC from non-controlling shareholder for USD 1,150 thousand, payable till 30 December 2025.



## 15. Related parties

### (a) Parent and ultimate controlling party

As at 30 June 2024 and as at the date these consolidated financial statements were authorised for issue, the Company's immediate parent company is Silk Road Group Holding LLC. The annual consolidated financial statements of Silk Road Group Holding LLC are publicly available through the website of Service for Accounting, Reporting and Auditing Supervision.

The Company's ultimate parent company is Silk Road Group Holding (Malta) Limited. In 2020 the Company's intermediate parent reorganized, as a result of which the Company has a new beneficial shareholder, Yerkin Tatishev, with indirect minority holding (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. No publicly available financial statements are produced by the Company's ultimate parent company or any other intermediate parent company.

### (b) Key management remuneration

Key management received the following remuneration during the year, which is included in wages and other employee benefits.

'000 GEL	For the six months ended 30 June	
	2024	2023 (Unaudited and unreviewed)
Salaries and other benefits	4,230	3,559

### (c) Related party transactions

The Group's related party transactions are disclosed below.

'000 GEL	Transaction value for the period ended 30 June		Outstanding balance as at	
	2023 (Unaudited and unreviewed)		30 June	31 December
	2024	unreviewed)	2024	2023
<b>Other revenue and income*:</b>				
Entities under common control	3,774	1,764	2,491	2,164
<b>Operating expenses:</b>				
Entities under common control	(1,475)	(33)	(454)	(1,206)
<b>Acquisition of non-controlling interests from related party</b>	(924)	-	(1,991)	-
<b>Acquisition of Property</b>	(3,900)	-	-	-
<b>Loans issued:</b>				
Entities under common control	(1,550)	1,390	22,542	19,735
Parent company	-	-	-	-
<b>Loans received and other equity transactions:</b>				
Entities under common control	(1,577)	(770)	(8,781)	(4,809)
Parent company	32,601	(1,255)	(24,250)	(5,269)

Transaction values for loans and sales transactions represent original cash proceeds and do not consider settlement of the transactions. All outstanding balances with related parties, except for the loans receivable and loans and borrowings, are to be settled in cash within one year of the reporting date. None of the related party balances are secured.

For related party transactions on loans and borrowings, recognised directly in equity, see note 10.

During six months of 2024 interest income of GEL 1,584 thousand (2023: GEL 1,390 thousand) was accrued on loans to related parties.

During six months of 2024 interest expense of GEL 3,085 thousand (2023: GEL 2,025 thousand) was accrued on loans and borrowings from related parties.

## 16. Operating segments

The Group has five reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the board of directors and shareholders, review internal management reports on at least a quarterly basis.

The Group classifies its Group entities into five operating segments under IFRS 8; and further classifies all its Group entities as "Greenbox" and "Yellowbox" operations. All operating segments are presented separately and are included in "Greenbox" category.

Under "Greenbox" category fall all operating segments and Group entities, which a) are major cash-generating units in the Group, or b) are in the active development stage of the major cash-generating unit in the Group, or c) generate mainstream revenues from their core activities including management or consulting services to third parties or to the Group entities. Group entities with a core activity of holding investments in "Greenbox" entities are also attributable to "Greenbox" category. All reportable segments are attributable to "Greenbox" category. Entities or operating segments where the non-controlling interest is significant, are excluded from the "Greenbox" category.

Under "Yellowbox" category fall Group entities, which a) hold assets for further development; and b) does not generate revenues from their core activities (although may generate some incidental income from non-core activities); and c) any other entity or operating segment that is not a "Greenbox".

The following summary describes the operations in each of the Group's reportable segments:

- Radisson Blu Iveria Hotel, Tbilisi;
- Radisson Blue Hotel, Batumi;
- Tsinandali Estate, A Radisson Collection Hotel;
- Casino Tbilisi;
- Casino Batumi.

Further details on the operations of the segments are described in note 1 (b).

Information regarding the results of each reportable segment is set out below. Performance is measured based on segment Net Operating Profit (NOP), calculated as segment operating profit adjusted for overhead costs and depreciation and amortization), as included in the internal management reports that are reviewed by the board of directors and shareholders. Segment NOP is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Management also uses Adjusted EBITDA as an alternative performance measure for each segment.

All operations of the Group are located in Georgia. There are no customers in any of the segments that represent more than 10% of revenue.

**Condensed consolidated interim statement of profit or loss and other comprehensive income for the six months ended 30 June 2024 '000 GEL**

	<b>Radisson Blu Iveria Hotel, Tbilisi</b>	<b>Radisson Blu Hotel, Batumi</b>	<b>Tsinandali Estate, A Radisson Collection Hotel</b>	<b>Hotels</b>	<b>Eliminations</b>	<b>Hotels after eliminations</b>	<b>Casino Tbilisi</b>	<b>Casino Batumi</b>	<b>Casinos</b>	<b>Eliminations</b>	<b>Casinos after eliminations</b>
<b>Revenue</b>	23,293	9,651	9,677	<b>42,621</b>	(5,671)	36,950	48,262	36,005	<b>84,267</b>	-	84,267
<b>Other operating income</b>	-	-	-	-	(32)	(32)	346	387	<b>733</b>	(3)	730
Depreciation and amortization	(3,345)	(1,352)	(1,828)	<b>(6,525)</b>	-	(6,525)	(1,061)	(693)	<b>(1,754)</b>	-	(1,754)
Direct costs and expenses	(14,058)	(6,869)	(7,584)	<b>(28,511)</b>	4,834	(23,677)	(36,769)	(35,520)	<b>(72,289)</b>	5,499	(66,790)
Overhead costs*	(1,261)	(829)	(921)	<b>(3,011)</b>	(2)	(3,013)	(21)	(63)	<b>(84)</b>	37	(47)
<b>Segment operating profit</b>	<b>4,629</b>	<b>601</b>	<b>(656)</b>	<b>4,574</b>	<b>(871)</b>	<b>3,703</b>	<b>10,757</b>	<b>116</b>	<b>10,873</b>	<b>5,533</b>	<b>16,406</b>
Interest income	393	38	47	<b>478</b>	(45)	433	2,970	39	<b>3,009</b>	(2,451)	558
Interest expense	(17)	-	(1,311)	<b>(1,328)</b>	1,297	(31)	-	-	-	-	-
Net FOREX	320	(38)	(1,366)	<b>(1,084)</b>	-	(1,084)	1,104	66	<b>1,170</b>	-	1,170
Share of profit of equity accounted investees (net of income tax)	-	-	-	-	-	-	-	-	-	-	-
<b>Segment profit/(loss) before tax</b>	<b>5,325</b>	<b>601</b>	<b>(3,286)</b>	<b>2,640</b>	<b>381</b>	<b>3,021</b>	<b>14,831</b>	<b>221</b>	<b>15,052</b>	<b>3,082</b>	<b>18,134</b>
Income tax expense	-	-	-	-	-	-	-	-	-	-	-
<b>Segment profit/(loss) after tax</b>	<b>5,325</b>	<b>601</b>	<b>(3,286)</b>	<b>2,640</b>	<b>381</b>	<b>3,021</b>	<b>14,831</b>	<b>221</b>	<b>15,052</b>	<b>3,082</b>	<b>18,134</b>
<b>Net operating profit</b>	<b>9,235</b>	<b>2,782</b>	<b>2,093</b>	<b>14,110</b>	<b>(869)</b>	<b>13,241</b>	<b>11,839</b>	<b>872</b>	<b>12,711</b>	<b>5,496</b>	<b>18,207</b>
<b>Segment adjusted EBITDA</b>	<b>7,974</b>	<b>1,953</b>	<b>1,172</b>	<b>11,099</b>	<b>(871)</b>	<b>10,228</b>	<b>11,818</b>	<b>809</b>	<b>12,627</b>	<b>5,533</b>	<b>18,160</b>

**Condensed consolidated  
interim statement of profit or  
loss and other comprehensive  
income for the six months  
ended**

30 June 2024 '000 GEL

	Other unallocated “Greenbox” entities	Elimination	Other unallocated “Greenbox” entities after eliminations	Total “Greenbox” entities after eliminations	Other unallocated “Yellowbox” entities	Eliminations	Other unallocated “Yellowbox” entities after eliminations	Eliminations	Total
<b>Revenue</b>	15,397	(6,288)	9,109	<b>130,326</b>	1,890	(80)	<b>1,810</b>	(1,071)	131,065
<b>Other Operating income</b>	1,134	(1)	1,133	<b>1,831</b>	1,906	(4)	<b>1,902</b>	(190)	3,543
Depreciation and amortization	(363)	-	(363)	<b>(8,642)</b>	(1,346)	-	<b>(1,346)</b>	-	(9,988)
Direct costs and expenses	(5,246)	1,168	(4,078)	<b>(94,545)</b>	(2,030)	83	<b>(1,947)</b>	718	(95,774)
Overhead costs*	(17,801)	463	(17,338)	<b>(20,398)</b>	(2,767)	1	<b>(2,766)</b>	543	(22,621)
<b>Segment operating profit</b>	<b>(6,879)</b>	<b>(4,658)</b>	<b>(11,537)</b>	<b>8,572</b>	<b>(2,347)</b>	-	<b>(2,347)</b>	-	<b>6,225</b>
Interest income	9,688	(7,988)	1,700	<b>2,691</b>	1,329	(35)	<b>1,294</b>	(2,401)	1,584
Interest expense	(19,862)	9,183	(10,679)	<b>(10,710)</b>	(1,906)	35	<b>(1,871)</b>	2,401	(10,180)
Net FOREX	(4,423)	-	(4,423)	<b>(4,337)</b>	(1,660)	-	<b>(1,660)</b>	-	(5,997)
Share of profit of equity accounted investees (net of income tax)	-	-	-	-	5,041	-	<b>5,041</b>	-	5,041
<b>Segment profit/(loss) before tax</b>	<b>(21,476)</b>	<b>(3,463)</b>	<b>(24,939)</b>	<b>(3,784)</b>	<b>457</b>	-	<b>457</b>	-	<b>(3,327)</b>
Income tax expense	-	-	-	-	-	-	-	-	-
<b>Segment profit/(loss) after tax</b>	<b>(21,476)</b>	<b>(3,463)</b>	<b>(24,939)</b>	<b>(3,784)</b>	<b>457</b>	-	<b>457</b>	-	<b>(3,327)</b>
<b>Net operating profit</b>	<b>11,285</b>	<b>(5,121)</b>	<b>6,164</b>	<b>37,612</b>	<b>6,807</b>	<b>(1)</b>	<b>6,806</b>	<b>(543)</b>	<b>43,875</b>
<b>Segment adjusted EBITDA</b>	<b>(6,516)</b>	<b>(4,658)</b>	<b>(11,174)</b>	<b>17,214</b>	<b>4,040</b>	-	<b>4,040</b>	-	<b>21,254</b>

Condensed consolidated interim statement of profit or loss and other comprehensive income for the six months ended 30 June 2023 '000 GEL (unaudited and unreviewed)

	Radisson Blu Iveria Hotel, Tbilisi;	Radisson Blue Hotel, Batumi;	Tsinandali Estate, A Radisson Collection Hotel;	Hotels	Eliminations	Hotels after eliminations	Casino Tbilisi;	Casino Batumi	Casinos	Eliminations	Casinos after eliminations
<b>Revenue</b>	22,644	8,310	8,090	<b>39,044</b>	(4,889)	34,154	49,303	32,880	<b>82,182</b>	-	82,182
<b>Other operating income</b>	-	-	-	-	-	-	501	393	<b>894</b>	-	894
Depreciation and amortization	(3,194)	(1,068)	(3,358)	<b>(7,620)</b>	-	(7,620)	(1,106)	(680)	<b>(1,786)</b>	-	(1,786)
Direct costs and expenses	(13,727)	(5,686)	(6,785)	<b>(26,197)</b>	4,061	(22,137)	(31,358)	(30,093)	<b>(61,451)</b>	4,752	(56,699)
Overhead costs*	(1,389)	(761)	(1,146)	<b>(3,296)</b>	-	(3,296)	(97)	(87)	<b>(184)</b>	-	(184)
<b>Segment operating profit</b>	<b>4,334</b>	<b>796</b>	<b>(3,200)</b>	<b>1,930</b>	<b>(828)</b>	<b>1,102</b>	<b>17,242</b>	<b>2,413</b>	<b>19,655</b>	<b>4,752</b>	<b>24,407</b>
Interest income	971	-	-	<b>971</b>	(45)	925	4,327	-	<b>4,327</b>	(4,327)	-
Interest expense	(17)	-	(1,638)	<b>(1,655)</b>	107	(1,548)	-	-	-	-	-
Net FOREX	147	1	938	<b>1,087</b>	-	1,087	(774)	(186)	<b>(960)</b>	-	(960)
<b>Segment profit/(loss) before tax</b>	<b>5,435</b>	<b>797</b>	<b>(3,900)</b>	<b>2,332</b>	<b>(767)</b>	<b>1,565</b>	<b>20,796</b>	<b>2,227</b>	<b>23,023</b>	<b>425</b>	<b>23,447</b>
Income tax expense	-	-	-	-	-	-	-	-	-	-	-
<b>Segment profit/(loss) after tax</b>	<b>5,435</b>	<b>797</b>	<b>(3,900)</b>	<b>2,332</b>	<b>(767)</b>	<b>1,565</b>	<b>20,796</b>	<b>2,227</b>	<b>23,023</b>	<b>425</b>	<b>23,447</b>
<b>Net operating profit</b>	<b>8,917</b>	<b>2,624</b>	<b>1,305</b>	<b>12,846</b>	<b>(828)</b>	<b>12,018</b>	<b>18,446</b>	<b>3,180</b>	<b>21,626</b>	<b>4,752</b>	<b>26,377</b>
<b>Segment adjusted EBITDA</b>	<b>7,528</b>	<b>1,863</b>	<b>159</b>	<b>9,550</b>	<b>(828)</b>	<b>8,721</b>	<b>18,348</b>	<b>3,093</b>	<b>21,441</b>	<b>4,752</b>	<b>26,193</b>

**Condensed consolidated interim statement of profit or loss and other comprehensive income for the six months ended 30 June 2023 '000 GEL (unaudited and unreviewed)**

	<b>Other unallocated "Greenbox" entities</b>	<b>Eliminations</b>	<b>Other unallocated "Greenbox" entities after eliminations</b>	<b>Total "Greenbox" entities after eliminations</b>	<b>Other unallocated "Yellowbox" entities</b>	<b>Eliminations</b>	<b>Other unallocated "Yellowbox" entities after eliminations</b>	<b>Eliminations</b>	<b>Total</b>
Revenue	13,457	(5,197)	8,260	<b>124,597</b>	v	-	<b>2,741</b>	(100)	127,238
<b>Other operating income</b>	-	-	-	<b>894</b>	4,516	(2)	<b>4,514</b>	(3,397)	2,011
Depreciation and amortization	(541)	-	(541)	<b>(9,947)</b>	(2,097)	-	(2,097)	-	(12,043)
Direct costs and expenses	(11,754)	1,271	(10,483)	<b>(89,319)</b>	(2,455)	2	<b>(2,453)</b>	3,397	(88,375)
Overhead costs*	(10,370)	-	(10,370)	<b>(13,851)</b>	(1,654)	-	(1,654)	100	(15,405)
<b>Segment operating profit</b>	<b>(9,208)</b>	<b>(3,926)</b>	<b>(13,134)</b>	<b>12,375</b>	<b>1,051</b>	-	<b>1,051</b>	-	<b>13,426</b>
Interest income	11,536	(5,464)	6,071	<b>6,997</b>	1,906	(33)	<b>1,873</b>	(2,225)	6,645
Interest expense	(23,274)	9,730	(13,544)	<b>(15,092)</b>	(2,518)	33	<b>(2,486)</b>	2,225	(15,353)
Net FOREX	(4,671)	-	(4,671)	<b>(4,544)</b>	756	-	<b>756</b>	-	(3,788)
Impairment of financial assets	2,469	-	2,469	<b>2,469</b>	-	-	-	-	2,469
<b>Segment profit/(loss) before tax</b>	<b>(23,149)</b>	<b>340</b>	<b>(22,809)</b>	<b>2,204</b>	<b>1,195</b>	-	<b>1,195</b>	-	<b>3,399</b>
Income tax expense	-	-	-	-	-	-	-	-	-
<b>Segment profit/(loss) after tax</b>	<b>(23,149)</b>	<b>340</b>	<b>(22,809)</b>	<b>2,204</b>	<b>1,195</b>	-	<b>1,195</b>	-	<b>3,399</b>
<b>Net operating profit</b>	<b>1,703</b>	<b>(3,926)</b>	<b>(2,223)</b>	<b>36,172</b>	<b>4,802</b>	-	<b>4,802</b>	(100)	<b>40,875</b>
<b>Segment adjusted EBITDA</b>	<b>(8,668)</b>	<b>(3,926)</b>	<b>(12,593)</b>	<b>22,321</b>	<b>3,148</b>	-	<b>3,148</b>	-	<b>25,469</b>

\*Overhead costs represent fixed costs that cannot be avoided or are not directly affected by the scale of operations, which mainly comprises of property tax, remuneration for the management companies for both greenbox and yellowbox entities, insurance costs and audit and other consulting fees.

Reconciliation of reportable segment revenues:

	For the six months ended 30 June	
	2024	2023 (Unaudited and unreviewed)
'000 GEL		
Total revenue for reportable segments	131,362	127,238
Income from casino tips	(4,990)	(5,002)
Customer promotions and bonuses for Casinos	(7,168)	(7,158)
<b>Consolidated revenue</b>	<b>119,204</b>	<b>115,077</b>

'000 GEL	30 June 2024			
Condensed consolidated interim statement of financial position	“Greenbox” entities	“Yellowbox” entities	Eliminations	Consolidated
<b>ASSETS</b>				
Property and equipment	364,398	30,256	-	394,654
Investment property	5,343	245,257	-	250,600
Intangible assets	3,631	93	-	3,724
Prepayments for non-current assets	22,834	1,807	-	24,641
Investments	243,707	5,041	(243,707)	5,041
Loans receivable	11,408	4,901	-	16,309
<b>Total Non-Current Assets</b>	<b>651,321</b>	<b>287,355</b>	<b>(243,707)</b>	<b>694,969</b>
Loans receivable	83,655	53,358	(130,701)	6,312
Inventories	7,656	167	-	7,823
Prepayments and other assets	10,470	3,673	(1)	14,142
Trade and other receivables	7,878	24,521	(22,328)	10,071
Cash and cash equivalents	64,300	2,879	-	67,179
<b>Total Current Assets</b>	<b>173,959</b>	<b>84,598</b>	<b>(153,030)</b>	<b>105,527</b>
<b>Total Assets</b>	<b>825,280</b>	<b>371,953</b>	<b>(396,737)</b>	<b>800,496</b>
Loans and borrowings	311,276	85,622	(130,701)	266,197
Trade and other payables	1,011	547	-	1,558
<b>Total Non-Current Liabilities</b>	<b>312,287</b>	<b>86,169</b>	<b>(130,701)</b>	<b>267,755</b>
Loans and borrowings	17,163	1,910	-	19,073
Trade and other payables	48,316	4,374	(22,432)	30,258
<b>Total Current Liabilities</b>	<b>65,479</b>	<b>6,284</b>	<b>(22,432)</b>	<b>49,331</b>
<b>Total liabilities</b>	<b>377,766</b>	<b>92,453</b>	<b>(153,133)</b>	<b>317,086</b>
Charter capital	594,644	359,611	(359,611)	594,644
Accumulated losses	(166,657)	(80,111)	116,007	(130,761)
Non-controlling interests	19,527	-	-	19,527
<b>Total Equity</b>	<b>447,514</b>	<b>279,500</b>	<b>(243,604)</b>	<b>483,410</b>

'000 GEL Consolidated statement of financial position	31 December 2023			
	"Greenbox" entities	"Yellowbox" entities	Eliminations	Consolidated
<b>ASSETS</b>				
Property and equipment	325,589	28,750	-	354,339
Investment property	5,162	237,728	-	242,890
Intangible assets	6,509	98	-	6,607
Prepayments for non-current assets	29,630	-	-	29,630
Investments	237,772	642	(237,772)	642
Loans receivable	10,005	4,532	-	14,537
<b>Total Non-Current Assets</b>	<b>614,667</b>	<b>271,750</b>	<b>(237,772)</b>	<b>648,645</b>
Loans receivable	73,028	70,669	(138,499)	5,198
Inventories	7,621	181	-	7,802
Prepayments and other assets	9,010	2,489	-	11,499
Trade and other receivables	6,873	19,630	(17,397)	9,106
Cash and cash equivalents	38,575	2,204	-	40,779
<b>Total Current Assets</b>	<b>135,107</b>	<b>95,173</b>	<b>(155,896)</b>	<b>74,384</b>
<b>Total Assets</b>	<b>749,774</b>	<b>366,923</b>	<b>(393,668)</b>	<b>723,029</b>
Loans and borrowings	289,143	72,486	(138,499)	223,130
Trade and other payables	-	599	-	599
<b>Total Non-Current Liabilities</b>	<b>289,143</b>	<b>73,085</b>	<b>(138,499)</b>	<b>223,729</b>
Loans and borrowings	17,161	1,252	-	18,413
Trade and other payables	34,241	2,766	(17,461)	19,546
<b>Total Current Liabilities</b>	<b>51,402</b>	<b>4,018</b>	<b>(17,461)</b>	<b>37,959</b>
<b>Total liabilities</b>	<b>340,545</b>	<b>77,103</b>	<b>(155,960)</b>	<b>261,688</b>
Charter capital	494,242	356,537	(358,537)	492,242
Accumulated losses	(102,317)	(66,717)	120,829	(48,205)
Non-controlling interests	17,304	-	-	17,304
<b>Total Equity</b>	<b>409,229</b>	<b>289,820</b>	<b>(237,708)</b>	<b>461,341</b>

## 17. Alternative performance measures

### (a) Adjusted EBITDA

The Group believes that the presentation of Adjusted EBITDA and Adjusted EBITDA margin enhances a reader's understanding of the Group's financial performance. The management uses Adjusted EBITDA and Adjusted EBITDA margin to assess and evaluate the operating performance of the Group and its major segments (see note 16). In addition, Adjusted EBITDA and Adjusted EBITDA margin are frequently used by securities analysts, investors and other interested parties in the evaluation of companies that operate in the telecommunications sector. Adjusted EBITDA and Adjusted EBITDA margin are not presentations made in accordance with IFRS and the Group's use of the terms Adjusted EBITDA and Adjusted EBITDA margin may vary from other entities to differences in accounting policies or differences in the calculation methodology.

The Group calculates Adjusted EBITDA by adjusting profit from continuing operations to exclude following items:

- finance costs and finance income
- corporate income tax and any other taxes related to the distribution of dividends



- depreciation, amortization, excluding amortization of casino permit, revaluation, impairment (losses / reversals) of non-current assets
- net foreign exchange gain/(loss), including gain/(loss) on hedging instruments, currency forward contracts and any other gain/(loss) attributable to changes in foreign currency exchange rates
- specific items as explained below:

Specific items are identified by virtue of their size, nature or incidence. Specific items represent:

- non-recurring, non-underlying or non-operating income or costs that are either material by nature or size (such as bargaining gain on business acquisition, business acquisition related costs, costs related to fundraising and the listing of the Group’s securities, write off/impairment of issued loans and receivables, etc.).

**Reconciliation of adjusted EBITDA to profit from continuing operations**

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	<b>2023 (Unaudited and unreviewed)</b>
<b>'000 GEL</b>		
<b>Profit for the year</b>	(3,327)	3,399
Depreciation and amortization	12,763	14,818
Amortization of casino permit	(2,775)	(2,775)
Net foreign exchange loss	5,997	3,788
Interest income	(1,584)	(6,645)
Interest expense	10,180	15,353
Specific items*	-	(2,469)
<b>Adjusted EBITDA</b>	<b>21,259</b>	<b>25,469</b>

\*Specific items mainly comprise of impairment of loans receivable.

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	<b>2023 (Unaudited and unreviewed)</b>
<b>'000 GEL</b>		
Consolidated Adjusted EBITDA	21,259	25,469
Consolidated revenue	119,204	115,077
<b>Consolidated Adjusted EBITDA margin %</b>	<b>18%</b>	<b>22%</b>

**18. Subsequent events**

Subsequent to 30 June 2024, Silk Real Estate LLC issued a EUR 7 million bonds on Georgian Stock Exchange with a coupon of 7.00% p.a (gross) and with maturity of 1 year.