

Silk Real Estate LLC

**Condensed Consolidated Interim
Financial Statements
for the six months ended 30 June 2025**

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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 2025, and the condensed consolidated interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month 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.

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 2025 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Nikoloz Chochua



KPMG Georgia LLC
Tbilisi, Georgia
13 August 2025

Silk Real Estate LLC
Condensed Consolidated Interim Statement of Financial Position as at 30 June 2025

'000 GEL	Note	30 June 2025	31 December 2024
Assets			
Property and equipment	6	500,089	436,562
Investment property	7	218,570	211,348
Intangible assets		4,478	6,901
Prepayments for non-current assets	6 (b)	12,745	24,260
Investments in equity accounted investees		49	2,387
Loans receivable	9	12,129	5,885
Non-current assets		748,060	687,343
Loans receivable	9	10,638	13,331
Inventories	13	68,100	59,950
Prepayments and other assets		26,294	15,864
Trade and other receivables		16,367	8,525
Cash and cash equivalents	8	84,608	98,453
Current assets		206,007	196,123
Total assets		954,067	883,466
Equity	10		
Capital		666,457	646,457
Accumulated losses		(147,791)	(127,945)
Equity attributable to owners of the Company		518,666	518,512
Non-controlling interests		19,662	16,893
Total equity		538,328	535,405
Liabilities			
Loans and borrowings	12	266,084	284,393
Trade and other payables		374	468
Non-current liabilities		266,458	284,861
Loans and borrowings	12	115,932	43,202
Trade and other payables		33,349	19,998
Current liabilities		149,281	63,200
Total liabilities		415,739	348,061
Total equity and liabilities		954,067	883,466

The condensed consolidated interim statement of financial position is to be read in conjunction with the notes to, and forming part of, the condensed consolidated financial statements set out on pages 8 to 29.

Silk Real Estate LLC
Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income
for the six months ended 30 June 2025

'000 GEL	Note	For the six months ended 30 June	
		2025	2024
Revenue	4	133,129	119,204
Other income		8,449	8,399
Operating costs	5	(61,196)	(54,700)
Wages and other employee benefits		(54,375)	(52,515)
Depreciation and amortization		(14,574)	(12,763)
Other expenses		(1,513)	(1,400)
Results from operating activities		9,920	6,225
Interest income		2,796	1,584
Net foreign exchange loss		(10,909)	(5,997)
Interest expense		(8,543)	(10,180)
Net finance costs		(16,656)	(14,593)
Share of (loss)/profit of equity accounted investees		(2,338)	5,041
Loss before income tax		(9,074)	(3,327)
Income tax		-	-
Loss and total comprehensive income for the period		(9,074)	(3,327)
Loss and total comprehensive income attributable to:			
Owners of the Company		(11,843)	(6,506)
Non-controlling interests	11	2,769	3,179

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


 Director
 Mamuka Shurgaia

Silk Real Estate LLC
Condensed Consolidated Interim Statement of Changes in Equity for the six months ended 30 June 2025

000 GEL	Note	Capital	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance as at 1 January 2024		492,242	(48,205)	444,037	17,304	461,341
Total comprehensive income						
Loss and total comprehensive income for the period		-	(6,506)	(6,506)	3,179	(3,327)
Total transactions with owner, recorded directly in equity						
Other transactions with the parent entity	10	80,902	(80,902)	-	-	-
Fair value adjustment on received related party loans		-	7,640	7,640	-	7,640
Acquisition of non-controlling interests without a change in control	11	-	(2,788)	(2,788)	(956)	(3,744)
Capital contribution	10	21,500	-	21,500	-	21,500
Balance 30 June 2024		594,644	(130,761)	463,883	19,527	483,410
Balance as at 1 January 2025		646,457	(127,945)	518,512	16,893	535,405
Total comprehensive loss						
Loss and total comprehensive loss for the period		-	(11,843)	(11,843)	2,769	(9,074)
Total transactions with owner, recorded directly in equity						
Modification effect on issued related party loans		-	(191)	(191)	-	(191)
Fair value adjustment on received related party loans	12	-	(7,812)	(7,812)	-	(7,812)
Capital contribution	10	20,000	-	20,000	-	20,000
Balance 30 June 2025		666,457	(147,791)	518,666	19,662	538,328

The condensed consolidated interim statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 8 to 29.

Silk Real Estate LLC
Condensed Consolidated Interim Statement of Cash Flows for the six months ended 30 June 2025

'000 GEL	Note	For the six months ended 30 June	
		2025	2024
Cash flows from operating activities			
Loss before income tax		(9,074)	(3,327)
<i>Adjustments for:</i>			
Depreciation and amortization		14,574	12,763
Share of loss/(profit) of equity accounted investees		2,338	(5,041)
Loss on disposal/write off of property and equipment, investment property and intangible assets		278	-
Net finance costs		16,656	14,593
<i>Changes in:</i>			
Inventories		(5,887)	(21)
Trade and other receivables		(1,842)	(725)
Prepayments and other assets		(10,430)	(2,644)
Trade and other payables		3,203	(481)
Cash flows from operations before income taxes and interest paid		9,816	15,117
Interest paid		(16,673)	(11,353)
Net cash (used in)/from operating activities		(6,857)	3,764
Cash flows from investing activities			
Issuance of related party loans		(3,158)	(1,550)
Interest received		1,658	248
Acquisition of non-controlling interests		-	(924)
Acquisition of property and equipment, intangible assets and investment property		(54,425)	(39,898)
Net cash used in investing activities		(55,925)	(42,124)
Cash flows from financing activities			
Capital contribution	10	14,000	21,260
Proceeds from borrowings		58,866	52,711
Dividends paid to NCI		-	(243)
Repayment of borrowings		(22,166)	(8,891)
Net cash from financing activities		50,700	64,837
Net (decrease)/increase in cash and cash equivalents		(12,082)	26,477
Cash and cash equivalents at 1 January		98,453	40,779
Effect of movements in exchange rates on cash and cash equivalents		(1,763)	(77)
Cash and cash equivalents at 30 June	8	84,608	67,179

*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. Additionally, introduction of tariffs on import of certain categories of goods by the United States in April 2025 has contributed to global economic uncertainty. These measures affect international trade flows and investor sentiment. The introduction of tariffs and other protectionist measures, the volatility in the global price of oil and the ongoing military conflict between the Russian Federation and Ukraine has further increased uncertainty in the business environment.

The condensed consolidated interim financial statements reflect management's assessment of the impact of the Georgian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

(b) Organisation and operations

The condensed consolidated interim financial statements include the financial statements of Silk Real Estate LLC (the "Company") and its subsidiaries as detailed in note 15 (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, Radisson Collection Hotel located in Tsinandali, Georgia and Telegraph Hotel located in Tbilisi (together referred as "Hotels", see note 17 for further details);
- Ownership and operation of the Park Hotel in Tsinandali, Georgia (see note 15);
- 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.

In 2025, the Telegraph Building owned by the Group has been successfully reconstructed and commenced operations as a 5-star, 239-room hotel in June 2025. The hotel operates under The Leading Hotels of the World brand.

For the six months period ended 30 June 2025, operations of Telegraph Hotel are being presented as separate reportable segment in operating segments disclosure, please see note 17.

In 2023, the Group has issued a USD 40 million bond on the Georgian Stock Exchange, followed by a EUR 7 million bond issuance in 2024 (see note 12).

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 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 16.

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 2024 ("last annual consolidated financial statements"), which are publicly available on the Company's web page 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 ("IFRSs"). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements..

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	
	2025	2024
Revenue from casino operations	85,303	71,428
Revenue from casino live games	51,867	42,213
Revenue from slot machines	33,436	29,215
Revenue from hotels and Complex Republic operations	43,126	42,676
Food and beverage revenue	24,686	22,677
Room revenue	14,971	16,412
Other hotel revenue	3,469	3,587
Other revenue	4,700	5,100
	133,129	119,204

The Group's operations and main revenue streams are those described in the last annual financial statements. Approximately 36% of total revenue in six months 2025 (six months 2024: 40%) is attributable to contracts with customers. Due to the nature of the hotel and casino business, which is mainly cash-based, the Group does not have any material contract assets and/or contract liabilities.

Approximately 64% of revenue in six months 2025 (six months 2024: 60%) is related to casino revenue stream, which is mainly attributable to casino games, such as Poker, Baccarat, Blackjack, American Roulette, Slot Machines. The payout for stakes placed on these gaming activities is typically known at the time when the stake is placed. This stake is termed "fixed-odds stake". Such contracts fulfil the definition of a financial instrument under IFRS 9 *Financial instruments* and are therefore exempt from IFRS 15.

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.

Effective from 1 January 2025, amendments were made to the Tax Code of Georgia, according to which, the company is now subject to 20% tax on revenue from slot machines as defined by the Tax Code of Georgia (up from the previous rate of 15%).

The above regulatory changes, together with increased revenue from casino operations, led to an increase in tax expense by GEL 3.2 million, with total tax expense for the six months ended 30 June 2025 amounting to GEL 9.6 million (six months 2024: GEL 6.4 million).

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 2025, the Group acquired property plant and equipment with a cost, excluding capitalised borrowing costs, of GEL 66,329 thousand (six months ended 30 June 2024: GEL 47,387 thousand).

Additions made to property plant and equipment include purchases related to Telegraph Hotel reconstruction project in amount of GEL 45,765 thousand (six months ended 30 June 2024: GEL 35,134 thousand). Capitalized borrowing costs related to the construction of the Hotel in Telegraph Building (see note 1 (a)) equaled GEL 7,985 thousand for the six months ended 30 June 2025 (six months ended 30 June 2024: 2,837 thousand).

During the six months ended 30 June 2025, the reconstruction of the Telegraph Hotel was completed and the hotel commenced operations in June 2025.

Additions made to property plant and equipment include purchases related to Radisson Blu Hotel Batumi renovation project in amount of GEL 10,613 thousand (six months ended 30 June 2024: GEL 3,376 thousand).

(a) Security

At 30 June 2025 major part of the Group's property and equipment (approximately 94%) is pledged as a security to the bank loans (31 December 2024: approximately 95%).

(b) Prepayments for non-current assets

As at 30 June 2025, prepayment for non-current assets amounted GEL 12,745 thousand (31 December 2024: GEL 24,260 thousand) out of which GEL 5,211 thousand (31 December 2024: 8,651 thousand) is attributable to Radisson Blu Hotel Batumi renovation and GEL 4,802 thousand (31 December 2024: GEL 15,359 thousand) is attributable to reconstruction of Telegraph Hotel.

(c) Other commitments

As at 30 June 2025 and 30 June 2024, the Group has investment obligations for the construction of investment property towards the Government of Georgia of USD 17.8 million (31 December 2024: USD 19.9 million). From these investment obligations, USD 15 million and GEL 5 million relates to Bobokvati project, that, as at the date of signing these condensed consolidated interim financial statements, is due in 2029 (31 December 2024: USD 15 million and GEL 5 million).

As at 30 June 2025, the capital commitments borne by the Group amounted to GEL 21,869 thousand, which is mainly attributable to development of Batumi Riviera residential complex in Adjara region (31 December 2024: nil).

(d) Impairment of property and equipment

At each balance sheet date the Group assesses whether there is any indication that the recoverable amount of the Group's assets has declined below the carrying value. The management determined that the Group's property and equipment is related to the five larger cash-generating units (CGU):

- Hotel and Casino in Tbilisi, Georgia;
- Hotel and Casino in Batumi, Georgia;
- Hotels in Tsinandali, Georgia;
- Telegraph Hotel in Tbilisi, Georgia;
- Complex Republic.

As at 31 December 2024, management has identified impairment indicators for Telegraph Hotel cash generating unit, which was primarily driven by the revised future cash flow forecasts (including capital expenditures) following the amended business plan and updated discount rate. As a result, management has conducted an impairment test. Based on these analysis, the recoverable amount of Telegraph hotel CGU was estimated to be significantly different from its carrying value as at 31 December 2024.

The management adopted discounted cash flow (DCF) method based on 'Value in use' (VIU) concept and based the valuation on income approach adopting a 5-year DCF to arrive at a net present value of property. Since it is assumed that the property will continue generating cash flows beyond the projection period, its value at that point ('terminal value') was estimated and discounted to present value. Key assumptions used in the in the estimation of recoverable amount were average daily rate (ADR), occupancy rate, discount rate of 12.2% and a long-term growth rate of 2.2%.

As at 31 December 2024, the carrying value of Telegraph hotel was GEL 215,848 thousand, which was higher than its recoverable amount of GEL 201,809 thousand. As a result, impairment losses of GEL 14,039 thousand was recognised in the Group's last annual consolidated statement of profit or loss and other comprehensive income.

The key assumptions to which the impairment analysis is most sensitive include:

- Discount rate – an increase of 1% point in the discount rate used would have resulted in an increase of impairment loss of approximately GEL 23,857 thousand. 1% point decrease in discount rate would have resulted in no impairment loss.
- Long-term growth rate – a decrease of 1% point in long-term growth rate used would have resulted in increase of impairment loss of approximately GEL 15,998 thousand. 1% point decrease in long-term growth rate would have resulted in no impairment loss.
- ADR in the impairment model varies from USD 150 to USD 230 over the projection period and is derived from external market data. A decrease of 5% in average daily rate projection used would have resulted in an increase of impairment loss of approximately GEL 12,911 thousand. 5% increase in average daily rate projection used would have resulted in a decrease of impairment loss of approximately GEL 12,911 thousand.
- The occupancy rate also reflects external industry trends and range from 40% to 75% over the projected period. A decrease of 5% in occupancy rate projection use would have resulted in and increase of impairment loss of approximately GEL 12,911 thousand. 5% increase in occupancy rate projection used would have resulted in a decrease of impairment loss of approximately GEL 12,911 thousand.

As at 31 December 2024 no impairment indicators were identified for other cash generating units.

As at 30 June 2025 no impairment indicators were identified by the management for cash generating units of the Group.

7. Investment property

During the six months ended 30 June 2025, the Group acquired Investment Property with a cost, excluding capitalised borrowing costs, of GEL 6,788 thousand (six months ended 30 June 2024: GEL 7,105 thousand).

In 2024, following extensive design and planning works, the Group successfully obtained a construction permit for Tower 1, which is to be built on one of the two land plots owned by Batumi Riviera LLC and is expected to be completed by 31 December 2029. The project will consist of a 43-storey complex with approximately 130,000 square meters of space, primarily designated for residential use. Construction is expected to commence in 2025.

Regarding other three towers, which are planned to be built on the second land plot, active design and development activities have not yet begun. At this stage, only a general concept and allocation plan for the full project has been developed, and no construction permit has been obtained for the respective land.

As a result of the above developments, as of 31 December 2024, the land plot with approved construction permits and corresponding capitalised costs amounting to GEL 29,026 thousand and GEL 23,444 thousand were reclassified from investment properties to inventories (see note 13).

(a) Description of investment property

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

- Property 1 – Land plots and improvements of Tsinandali Villas, located in Tsinandali, Georgia;
- Property 2 – Land plot located in Tbilisi, Georgia, owned by Sakanela Development LLC (the land plot was transferred to Sakanela Development LLC free of charge in 2024 by the entity under common control);
- Property 4 – Land plots on Rustaveli Avenue, located in Tbilisi, Georgia, owned by New Office LLC (see note 15);
- 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 15);
- Property 7 – Building on 37 Rustaveli Avenue, Tbilisi, Georgia, owned by Centre Plaza LLC;

- Properties 3 and 8 – Underground facilities near Rose Revolution square, located in Tbilisi, Georgia, owned by New Office LLC, Silk Entertainment LLC and Centre Plaza LLC (see note 15);
- 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 2025 and 31 December 2024, major part of the investment property is held for capital appreciation or for undetermined future use and as a result, the Group did not have material rental income either in 2025 or 2024.

(b) Security

As at 30 June 2025 and 31 December 2024 part of the Group's investment property (approximately 15% and 16%, respectively) is pledged under the Group's secured bank loans.

8. Cash and cash equivalents

'000 GEL	30 June 2025	31 December 2024
Cash on hand	11,722	10,432
Bank balances	72,886	88,021
	84,608	98,453

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

As at 30 June 2025 Group holds the cash balance in amount of GEL 5,709 thousand within the related party commercial bank (31 December 2024: GEL 293 thousand).

9. Loans receivable

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

	30 June 2025	31 December 2024
Non-current assets		
Related party loans	12,185	5,941
Current assets		
Related party loans	10,638	13,331
Total	22,823	19,272
Less: allowance for impairment loss	(56)	(56)
	22,767	19,216

10. Capital and reserves

(a) Capital

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

'000 GEL	<u>30 June 2025</u>	<u>30 June 2024</u>
Balance at the beginning of the period	646,457	492,242
Increase in capital	20,000	102,402
	<u>666,457</u>	<u>594,644</u>

During six-months period ended 30 June 2025, capital of the Company was increased by GEL 20,000 thousand out of which GEL 14,000 thousand was settled in cash till 30 June 2025.

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. On 30 April 2024, based on the shareholders's resolution, capital of the Company was legally increased by GEL 80,902 thousand and mentioned loans with respective interest accrued were fully netted-off with capital receivable.

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

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

(b) Capital management

The Group management seeks to maintain a sufficient capital base for meeting the Group's operational and strategic needs, and to maintain confidence of market participants. This is achieved with efficient cash management, constant monitoring of Group's revenues and profit, and long-term investment plans mainly financed by the Group's operating cash flows. Furthermore, the management ensures, before any capital reductions, that the Company will be in compliance the respective legislation norms and will maintain sufficient capital base. With these measures the Group aims for steady profits growth.

(c) Dividends

Under the Georgian legislation, limited liability companies shall maintain distributable reserves to the extent that their total assets cover total liabilities and issued capital, as recorded in the consolidated financial statements prepared in accordance with IFRS Accounting Standards.

No dividends were declared or paid by the Company and the Group entities during the six months ended 30 June 2025 and 30 June 2024.

(d) Security

As at 30 June 2025 and 31 December 2024, the Company's shareholding in Tsinandali Estates LLC (see note 15) is pledged in respect of secured bank loans (see note 12).

As at 30 June 2025 and 31 December 2024, the Company's shareholdings in Georgian Hotel Management LLC, Medea Operating company LLC, Limoni 2009 LLC, Limoni Real Estate LLC and New Hotel JSC are pledged in respect of secured bank loans (see note 12).

As at 30 June 2025 and 31 December 2024 the Company's shareholding in Tsinandali Resorts LLC (see note 17) 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 2025

'000 GEL	Georgian Hotel Management	Iveria Centre	Limoni 2009
NCI percentage	4%	50%	12%
Total assets	55,056	23,337	105,934
Total liabilities	(30,213)	(2,755)	(36,038)
Net assets	24,843	20,582	69,896
Carrying amount of NCI	994	10,291	8,377
Profit and total comprehensive income	1,195	1,578	18,791
Profit and total comprehensive income attributable to NCI	48	789	2,255
Net increase/(decrease) in cash and cash equivalents	1,549	(28)	7,405

30 June 2024

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

In 2024, the Company entered into an agreement with non-controlling shareholder of Tsinandali Resorts LLC to acquire remaining 49% of equity interest for a consideration of USD 1,150 thousand, payable till 30 December 2025. Although legal ownership will transfer to the Company upon full repayment of the contract price, per agreement the non-controlling shareholder has no longer access to the future returns of Tsinandali Resorts LLC and cannot interfere in the management. As a result, non-controlling interest of GEL 795 thousand was derecognized and the difference between the purchase price (recognized as payable) and the derecognised non-controlling interest was accounted directly in equity. As at 30 June 2025, the Company has repaid GEL 2,067 thousand to the non-controlling shareholder (31 December 2024: GEL 2,067 thousand).

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.

'000 GEL	30 June 2025	31 December 2024
Non-current liabilities		
Bank loans	189,842	142,661
Loans from related parties	22,033	29,458
Loans from third parties	378	1,638
Bonds issued	53,831	110,636
	266,084	284,393
Current liabilities		
Current portion of bank loans	20,452	18,453
Current portion of third party loans	13,925	108
Current portion of related party loans	1,511	197
Bonds issued	80,044	24,444
	115,932	43,202

During six months 2025, the Group has obtained commercial bank loans in amount of EUR 14.9 million with Interest rate of 7.5% + 6M Euribor with maturity till 28 December 2036.

During six months 2025, Company obtained loan from its parent entity, in amount of USD 5 million with maturity till 31 July 2025.

(a) Fair value adjustments on related party loans

In 2024, the Company has received GEL and USD denominated loans from the parent entities, on non-market terms (0% nominal interest rate). As a result, at initial recognition, the parent entity loans were discounted using market rate of interest of 13.25% and 12% for loans denominated in GEL and USD, respectively and the difference between the carrying amount and the fair value of loan, in the amount of GEL 25,883 thousand was recognised directly in equity.

During the six months ended 30 June 2025, the Company made partial repayment of the above-mentioned loans in the amounts of GEL 8,000 thousand and USD 2,800 thousand, respectively. The effect of early repayment, amounting to GEL 7,812 thousand, was recognised as a direct deduction from equity.

(b) Covenants

The Group's bonds issued and secured bank loans are subject to various financial and non-financial covenants, linked to adjusted EBITDA, DEBT, EBITDA, DSCR and ICR ratios and operations, structure, financing and investing activities of the Company and its subsidiaries. As at 30 June 2025 and 31 December 2024, the Group has complied with all covenants and expects to comply for at least 12 months after the reporting date. Accordingly, bonds issued and bank loans (excluding balances contractually repayable within 12 months from the reporting date) are classified as non-current as at 30 June 2025.

(c) Security

The Group's property and equipment, investments in subsidiaries, intangible assets and investment property is pledged in respect of secured bank loans and secured loans (see notes 6, 7 and 10).

13. Inventories

'000 GEL	30 June 2025	31 December 2024
Development property*	58,686	52,470
Consumables and operating supplies	9,414	7,480
Total	68,100	59,950

*During the six months ended 30 June 2025, the additions to Batumi Riviera's Tower 1 construction project, excluding capitalised borrowing costs, amounted GEL 4,974 thousand (six months ended 30 June 2024: GEL 3,630 thousand).

During the six months ended 30 June 2025, the amount of capitalised borrowing costs related to the construction of the Batumi Riviera Tower 1 project amounted GEL 1,242 thousand (six months ended 30 June 2024: 605 thousand).

14. 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 condensed consolidated interim financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

15. Subsidiaries

Entity	Principal Activity	Date of Incorporation	Group's ownership percentage as at 30 June 2025	Group's 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	Liquidated during 2025	7 September 2009	-	100%	Indirect, through Development Solution LLC
Tsinandali Savane LLC	Holding entity	17 February 2016	100%	100%	Direct
Tsinandali Estates LLC	Operation of Tsinandali Radisson Collection Hotel	27 June 2008	100%	100%	Indirect, through Tsinandali Savane LLC
Tsinandali LLC	Museum operation	3 October 2005	100%	100%	Direct
Georgian Wine Institute LLC	Wine tasting and training service	26 December 2011	100%	100%	Indirect, through Tsinandali LLC
SRG Investments LLC	Corporate service provider to the Group	27 May 2011	100%	100%	Direct
Limoni 2009 LLC	Operation of casinos	11 August 2009	88%	88%	Direct
Medea Operating company LLC	Ownership of Batumi Radisson Blu Hotel and related casino	5 November 2010	100%	100%	Direct
F Telecom LLC	Real estate development	2 October 2006	100%	100%	Direct
Riviera LLC	Holding Entity	12 July 2012	100%	100%	Direct
Batumi Riviera LLC	Real estate development	30 May 2018	100%	100%	Indirect, through Riviera LLC
Center Plaza LLC	Real estate development	14 July 2005	100%	100%	Direct
Club Savane LLC	Night club operation	11 April 2018	100%	100%	Indirect, through Centre Plaza LLC
Tsinandali Villas LLC	Real estate development	19 February 2016	100%	100%	Direct
New Hotel JSC	Ownership of Tbilisi Radisson Blu Hotel	30 September 2005	100%	100%	Direct
Silk Road Business Centre LLC	Real estate development	27 August 1997	100%	100%	Direct
Misaktsieli LLC	Real estate development	7 August 2008	100%	100%	Direct
New Office LLC	Real estate development	7 August 2008	100%	100%	Direct
Iveria Center LLC	Real estate development	6 August 2013	50%	50%	Indirect, through New Office LLC
Restaurant Tsinandali LLC	Hospitality sector	2 April 2018	50%	50%	Indirect, through Iveria Centre LLC

Entity	Principal Activity	Date of Incorporation	Group's ownership percentage as at 30 June 2025	Group's ownership percentage as at 31 December 2024	Ownership type
Hotel Medea + JSC	Real estate development	17 April 2007	100%	100%	Direct
Adjara Investment LLC	Holding entity	30 August 2017	100%	100%	Direct
Adjara Resort JSC	Real estate development	3 January 2006	100%	100%	Indirect, through Adjara Investments LLC
Adjara Real Estate LLC	Real estate development	23 August 2006	100%	100%	Indirect, through Adjara Investments LLC
Bobokvati LLC	Real estate development	23 March 2007	100%	100%	Indirect, through Adjara Real Estate LLC and Adjara Resorts JSC
Kobuleti Resort LLC	Liquidated during 2025	17 April 2007	-	100%	Indirect, through Adjara Resorts JSC
Silk Road Group Travel LLC	Hospitality	4 September 2009	51%	51%	Direct
Telegraph Hotel JSC	Liquidated during 2025	5 February 2020	-	100%	Indirect, through Silk Road Business Centre LLC
Limoni Real Estate LLC	Real estate development	21 April 2017	100%	100%	Direct
Green-cape Botanico LLC	Real estate development	18 August 2020	51%	51%	Joint venture
Silk Hospitality LLC	Hotel management service provider to the Group	26 March 2021	100%	100%	Direct
Tsinandali Resorts LLC	Operation of Park Hotel Tsinandali	1 March 2018	51%	51%	Direct
Unipharm LLC	Real estate development	10 July 1996	100%	100%	Indirect, through Centre Plaza LLC
Silk Play LLC	Real estate development	19 June 2024	100%	100%	Direct
Silk Entertainment LLC	Real estate development	15 April 2024	100%	100%	Direct
Sakanela Development LLC	Real estate development	27 March 2024	100%	100%	Direct
Riviera Yacht Club LLC	Operation of yacht club in Batumi	7 November 2024	100%	100%	Indirect, through Batumi Riviera LLC
Silk Road LLC	Dormant entity	22 March 2021	100%	100%	Direct

16. Related parties

(a) Parent and ultimate controlling party

As at 30 June 2025 and as at the date these condensed consolidated interim 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.

	For the six months ended 30 June	
	2025	2024
'000 GEL		
Salaries and other benefits	6,104	4,230

(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	
			30 June	31 December
	2025	2024	2025	2024
Other revenue and income*:				
Entities under common control	2,640	3,774	3,900	3,542
Parent company	709	268	6,256*	233
Operating expenses:				
Entities under common control	(651)	(39)	(1,379)	(847)
Acquisition of Property	-	(3,900)	-	-
Loans issued:				
Entities under common control	3,158	(1,550)	22,767	19,216
Loans received and other equity transactions:				
Entities under common control	(431)	(1,577)	(4,472)	(4,693)
Parent company	(2,232)	32,601	(31,486)	(24,873)

* Outstanding balance from parent entity as at 30 June 2025, represents unpaid capital contribution related to capital increase made during six months 2025, see note 10.

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 month 2025 interest income of GEL 1,138 thousand (six month 2024: GEL 1,584 thousand) was accrued on loans to related parties.

During six month 2025 interest expense of GEL 1,479 thousand (six month 2024: GEL 3,085 thousand) was accrued on loans and borrowings from related parties.

* During six month 2025 other revenue with entities under common control mainly includes consulting services of GEL 1,568 thousand (six month 2024: GEL 1,568 thousand) provided to Silknet JSC in relation to strategy development, funding, investment decisions and certain regulatory matters.

17. Operating segments

The Group has six 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;
- Telegraph 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 2025 '000 GEL	Radisson Blu Iveria Hotel, Tbilisi	Radisson Blu Hotel, Batumi	Tsinandali Estate, A Radisson Collection Hotel	Telegraph Hotel	Hotels	Eliminations	Hotels after eliminations	Casino Tbilisi	Casino Batumi	Casinos	Eliminations	Casinos after eliminations
Revenue	23,630	7,982	10,731	702	43,045	(5,365)	37,680	64,412	32,442	96,854	(25)	96,829
Other operating income	-	-	-	1,568	1,568	(71)	1,497	441	382	823	(24)	799
Depreciation and amortization	(3,697)	(2,648)	(1,548)	(320)	(8,213)	-	(8,213)	(1,073)	(765)	(1,838)	-	(1,838)
Direct costs and expenses	(15,000)	(7,025)	(8,926)	(5,258)	(36,209)	5,885	(30,324)	(42,955)	(32,103)	(75,058)	5,467	(69,591)
Overhead costs*	(1,361)	(776)	(568)	(1,229)	(3,934)	67	(3,867)	(645)	(79)	(724)	45	(679)
Segment operating profit	3,572	(2,467)	(311)	(4,537)	(3,743)	516	(3,227)	20,180	(123)	20,057	5,463	25,520
Interest income	238	29	5	-	272	(17)	255	1,688	222	1,910	(1,586)	324
Interest expense	(17)	-	(1,313)	(464)	(1,794)	1,711	(83)	-	-	-	-	-
Net FOREX	(48)	55	968	(15,005)	(14,030)	-	(14,030)	(856)	(71)	(927)	-	(927)
Share of profit of equity accounted investees	-	-	-	-	-	-	-	-	-	-	-	-
Segment profit/(loss) before tax	3,745	(2,383)	(651)	(20,006)	(19,295)	2,210	(17,085)	21,012	28	21,040	3,877	24,917
Income tax expense	-	-	-	-	-	-	-	-	-	-	-	-
Segment profit/(loss) after tax	3,745	(2,383)	(651)	(20,006)	(19,295)	2,210	(17,085)	21,012	28	21,040	3,877	24,917
Net operating profit	8,630	957	1,805	(2,988)	8,404	449	8,853	21,898	721	22,619	5,418	28,037
Segment adjusted EBITDA	7,269	181	1,237	(4,217)	4,470	516	4,986	21,253	642	21,895	5,463	27,358
Capex and other additions	2,855	10,613	1,272	53,781	68,521	-	68,521	2,049	335	2,384	-	2,384

Condensed consolidated interim statement of profit or loss and other comprehensive income for the six months ended 30 June 2025 '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
Revenue	16,381	(7,549)	8,832	143,341	2,508	(47)	2,461	(1,147)	144,655
Other Operating income	185	-	185	2,481	1,381	(2)	1,379	(1,718)	2,142
Depreciation and amortization	(498)	-	(498)	(10,549)	(1,250)	-	(1,250)	-	(11,799)
Direct costs and expenses	(964)	1,166	202	(99,713)	(2,526)	49	(2,477)	1,044	(101,146)
Overhead costs*	(18,054)	404	(17,650)	(22,196)	(3,557)	-	(3,557)	1,821	(23,932)
Segment operating profit	(2,950)	(5,979)	(8,929)	13,364	(3,444)	-	(3,444)	-	9,920
Interest income	16,534	(13,246)	3,288	3,867	836	(39)	797	(1,868)	2,796
Interest expense	(22,026)	13,138	(8,888)	(8,971)	(1,479)	39	(1,440)	1,868	(8,543)
Net FOREX	3,043	-	3,043	(11,914)	1,005	-	1,005	-	(10,909)
Share of profit of equity accounted investees	-	-	-	-	(2,338)	-	(2,338)	-	(2,338)
Segment profit/(loss) before tax	(5,399)	(6,087)	(11,486)	(3,654)	(5,420)	-	(5,420)	-	(9,074)
Income tax expense	-	-	-	-	-	-	-	-	-
Segment profit/(loss) after tax	(5,399)	(6,087)	(11,486)	(3,654)	(5,420)	-	(5,420)	-	(9,074)
Net operating profit	15,602	(6,383)	9,219	46,109	1,363	-	1,363	(1,821)	45,651
Segment adjusted EBITDA	(2,452)	(5,979)	(8,431)	23,913	(2,194)	-	(2,194)	-	21,719
Capex and other additions	1,002	-	1,002	71,907	10,555	-	10,555	-	82,462

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

	Radisson Blu Iveria Hotel, Tbilisi	Radisson Blu Hotel, Batumi	Tsinandali Estate, A Radisson Collection Hotel	Hotels	Eliminations	Hotels after eliminations	Casino Tbilisi	Casino Batumi	Casinos	Eliminations	Casinos after eliminations
Revenue	23,293	9,651	9,677	42,621	(5,671)	36,950	48,262	36,005	84,267	-	84,267
Other operating income	-	-	-	-	(32)	(32)	346	387	733	(3)	730
Depreciation and amortization	(3,345)	(1,352)	(1,828)	(6,525)	-	(6,525)	(1,061)	(693)	(1,754)	-	(1,754)
Direct costs and expenses	(14,058)	(6,869)	(7,584)	(28,511)	4,834	(23,677)	(36,769)	(35,520)	(72,289)	5,499	(66,790)
Overhead costs*	(1,261)	(829)	(921)	(3,011)	(2)	(3,013)	(21)	(63)	(84)	37	(47)
Segment operating profit	4,629	601	(656)	4,574	(871)	3,703	10,757	116	10,873	5,533	16,406
Interest income	393	38	47	478	(45)	433	2,970	39	3,009	(2,451)	558
Interest expense	(17)	-	(1,311)	(1,328)	1,297	(31)	-	-	-	-	-
Net FOREX	320	(38)	(1,366)	(1,084)	-	(1,084)	1,104	66	1,170	-	1,170
Share of profit of equity accounted investees	-	-	-	-	-	-	-	-	-	-	-
Segment profit/(loss) before tax	5,325	601	(3,286)	2,640	381	3,021	14,831	221	15,052	3,082	18,134
Income tax expense	-	-	-	-	-	-	-	-	-	-	-
Segment profit/(loss) after tax	5,325	601	(3,286)	2,640	381	3,021	14,831	221	15,052	3,082	18,134
Net operating profit	9,235	2,782	2,093	14,110	(869)	13,241	11,839	872	12,711	5,496	18,207
Segment adjusted EBITDA	7,974	1,953	1,172	11,099	(871)	10,228	11,818	809	12,627	5,533	18,160
Capex and other additions	2,994	3,376	864	7,234	-	7,234	722	137	859	-	859

**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
Revenue	15,397	(6,288)	9,109	130,326	1,890	(80)	1,810	(1,071)	131,065
Other Operating income	1,134	(1)	1,133	1,831	1,906	(4)	1,902	(190)	3,543
Depreciation and amortization	(363)	-	(363)	(8,642)	(1,346)	-	(1,346)	-	(9,988)
Direct costs and expenses	(5,246)	1,168	(4,078)	(94,545)	(2,030)	83	(1,947)	718	(95,774)
Overhead costs*	(17,801)	463	(17,338)	(20,398)	(2,767)	1	(2,766)	543	(22,621)
Segment operating profit	(6,879)	(4,658)	(11,537)	8,572	(2,347)	-	(2,347)	-	6,225
Interest income	9,688	(7,988)	1,700	2,691	1,329	(35)	1,294	(2,401)	1,584
Interest expense	(19,862)	9,183	(10,679)	(10,710)	(1,906)	35	(1,871)	2,401	(10,180)
Net FOREX	(4,423)	-	(4,423)	(4,337)	(1,660)	-	(1,660)	-	(5,997)
Share of profit of equity accounted investees	-	-	-	-	5,041	-	5,041	-	5,041
Segment profit/(loss) before tax	(21,476)	(3,463)	(24,939)	(3,784)	457	-	457	-	(3,327)
Income tax expense	-	-	-	-	-	-	-	-	-
Segment profit/(loss) after tax	(21,476)	(3,463)	(24,939)	(3,784)	457	-	457	-	(3,327)
Net operating profit	11,285	(5,121)	6,164	37,612	1,766	(1)	1,765	(543)	38,834
Segment adjusted EBITDA	(6,516)	(4,658)	(11,174)	17,214	(1,001)	-	(1,001)	-	16,213
Capex and other additions	41,821	-	41,821	49,914	9,366	-	9,366	-	59,280

*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:

'000 GEL	For the six months ended 30 June	
	2025	2024
Total revenue for reportable segments	144,655	131,065
Income from casino tips	(6,301)	(4,856)
Customer promotions and bonuses for Casinos	(5,225)	(7,005)
Consolidated revenue	133,129	119,204

'000 GEL	30 June 2025			
Condensed consolidated interim statement of financial position	"Greenbox" entities	"Yellowbox" entities	Eliminations	Consolidated
ASSETS				
Property and equipment	466,662	33,427	-	500,089
Investment property	5,381	213,189	-	218,570
Intangible assets	4,389	89	-	4,478
Prepayments for non-current assets	12,745	-	-	12,745
Investments	250,695	-	(250,646)	49
Loans receivable	12,129	-	-	12,129
Total Non-Current Assets	752,001	246,705	(250,646)	748,060
Inventories	7,568	60,532	-	68,100
Loans receivable	75,843	6,280	(71,485)	10,638
Prepayments and other assets	15,437	10,886	(29)	26,294
Trade and other receivables	16,457	29,240	(29,330)	16,367
Cash and cash equivalents	82,508	2,100	-	84,608
Total Current Assets	197,813	109,038	(100,844)	206,007
Total Assets	949,814	355,743	(351,490)	954,067
Loans and borrowings	259,658	77,911	(71,485)	266,084
Trade and other payables	-	374	-	374
Total Non-Current Liabilities	259,658	78,285	(71,485)	266,458
Loans and borrowings	114,581	1,351	-	115,932
Trade and other payables	57,553	5,155	(29,359)	33,349
Total Current Liabilities	172,134	6,506	(29,359)	149,281
Total liabilities	431,792	84,791	(100,844)	415,739
Capital	666,457	352,438	(352,438)	666,457
Accumulated losses	(168,097)	(81,486)	101,792	(147,791)
Non-controlling interests	19,662	-	-	19,662
Total Equity	518,022	270,952	(250,646)	538,328

'000 GEL Consolidated statement of financial position	31 December 2024			
	“Greenbox” entities	“Yellowbox” entities	Eliminations	Consolidated
ASSETS				
Property and equipment	405,695	30,867	-	436,562
Investment property	5,371	205,977	-	211,348
Intangible assets	6,811	90	-	6,901
Prepayments for non-current assets	24,260	-	-	24,260
Investments	274,997	-	(272,610)	2,387
Loans receivable	5,885	-	-	5,885
Total Non-Current Assets	723,019	236,934	(272,610)	687,343
Loans receivable	86,039	59,464	(132,172)	13,331
Inventories	7,240	52,710	-	59,950
Prepayments and other assets	10,881	5,011	(28)	15,864
Trade and other receivables	6,391	26,564	(24,430)	8,525
Cash and cash equivalents	95,786	2,667	-	98,453
Total Current Assets	206,337	146,416	(156,630)	196,123
Total Assets	929,356	383,350	(429,240)	883,466
Loans and borrowings	329,294	87,271	(132,172)	284,393
Trade and other payables	-	468	-	468
Total Non-Current Liabilities	329,294	87,739	(132,172)	284,861
Loans and borrowings	41,951	1,251	-	43,202
Trade and other payables	41,685	2,798	(24,485)	19,998
Total Current Liabilities	83,636	4,049	(24,485)	63,200
Total liabilities	412,930	91,788	(156,657)	348,061
Capital	646,457	373,974	(373,974)	646,457
Accumulated losses	(146,924)	(82,412)	101,391	(127,945)
Non-controlling interests	16,893	-	-	16,893
Total Equity	516,426	291,562	(272,583)	535,405

18. 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 17). 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

	For the six months ended 30 June	
	2025	2024
'000 GEL		
(Loss) for the year	(9,074)	(3,327)
Depreciation and amortization	14,574	12,763
Amortization of casino permit	(2,775)	(2,775)
Share of profit of equity accounted investee	2,338	(5,041)
Net foreign exchange loss	10,909	5,997
Interest income	(2,796)	(1,584)
Interest expense	8,543	10,180
Adjusted EBITDA	21,719	16,213
	For the six months ended 30 June	
	2025	2024
'000 GEL		
Consolidated Adjusted EBITDA	21,719	16,213
Consolidated revenue	133,129	119,204
Consolidated Adjusted EBITDA margin %	16%	14%

19. Subsequent events

Subsequent to 30 June 2025, the following movements occurred on the Group's balance of loans and borrowings:

- The Group obtained a USD 8 million loan from the parent entity, bearing an interest rate of 0% and maturing in February 2026;
- The Group obtained a EUR 3.5 million loan from TBC Bank JSC, bearing an interest rate of 9.15% and maturing in February 2026;
- The Group obtained a EUR 3.5 million loan from Bank of Georgia JSC, bearing an interest rate of 9.15% and maturing in February 2026;
- The Group repaid an EUR 7 million bond placed on Georgian Stock Exchange with a coupon of 7.00% p.a (gross).

Subsequent to 30 June 2025, the Group purchased Kokhta Bakuriani hotel building from Kokhta Rooms Hotel Management LLC with purchase price of USD 6,750 thousand.