

JSC NIKORA MANAGEMENT GROUP

SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2025

Together with the Independent Auditors' Report

CONTENTS:

INDEPENDENT AUDITORS' REPORT3

SEPARATE FINANCIAL STATEMENTS

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME6
SEPARATE STATEMENT OF FINANCIAL POSITION7
SEPARATE STATEMENT OF CHANGES IN EQUITY8
SEPARATE STATEMENT OF CASH FLOWS9

NOTES TO THE FINANCIAL STATEMENTS

1. General information 10
2. Basis of preparation 10
3. Critical accounting estimates and judgments 13
4. Financial instruments - Risk Management 14
5. Rental income 17
6. Revenue 18
7. Other expenses 18
8. Other gain net 18
9. Property, plant and equipment 19
10. Investment property 20
11. Intangible assets 20
12. Investment in subsidiaries 21
13. Investments in Associates and Joint Venture 21
14. Issued loans 22
15. Trade and other receivables 22
16. Certificates of deposit 23
17. Cash and cash equivalents 23
18. Share capital 23
19. Bonds and borrowings 24
20. Trade and other payables 25
21. Related party transactions 26
22. Commitments and Contingencies 26
23. Events after the reporting period 27
24. Summary of significant accounting policies 27

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Management of JSC Nikora Management Group

Opinion

We have audited the separate financial statements of JSC Nikora Management Group (the Company), which comprise the separate statement of financial position as at 31 December 2025, and the separate statement of profit or loss and other comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Company as at 31 December 2025, and its separate financial performance and its separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the separate financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the separate financial statements in Georgia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter**How the scope of our audit responded to the key audit matter****Assets measured at fair value****We have performed the following audit procedures to address the key audit matter:**

- We assessed the independence of the valuer from the Company and evaluated the reliability and competence of the valuer, including their certification status in accordance with applicable legislation
- With the assistance of our Real Estate Valuations expert, we assessed the methodology and key assumptions used, as well as their compliance with the requirements of IFRS 13 - Fair Value Measurement
- We verified and validated the data used by the valuer during the valuation process and assessed their appropriateness for the valuation objectives
- We assessed whether the disclosures in the financial statements are appropriate and in accordance with IFRS 13 Fair Value Measurement.

Responsibilities of Management and Those Charged with Governance for the separate financial statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's separate financial reporting process.

Auditor's Responsibilities for the Audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From matters communicated with the those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent audit report is Ivan Jelja.

Ivan Jelja (Auditor's registration number SARAS -A-954810)
Managing Partner
Baker Tilly Georgia LLC
15 May 2026
Tbilisi, Georgia

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
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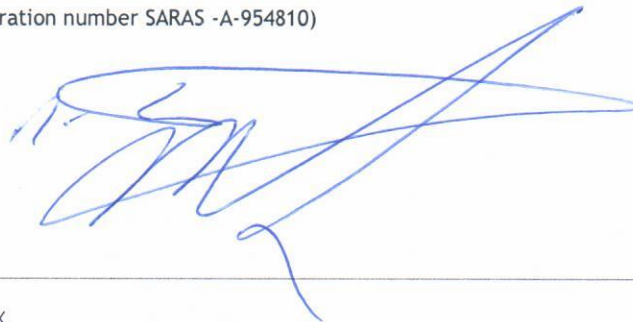
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The partner in charge of the audit resulting in this independent audit report is Ivan Jelia.

Ivan Jelia (Auditor's registration number SARAS -A-954810)
Managing Partner
Baker Tilly Georgia LLC
15 May 2026
Tbilisi, Georgia



JSC NIKORA MANAGEMENT GROUP

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

(In thousands of GEL)

	Note	2025	2024
Income from dividends		15,887	17,366
Rental income	5	2,069	3,877
Revenue	6	4,962	2,890
Salary expenses		(4,188)	(3,823)
Other expenses	7	(1,542)	(1,769)
Fair value change of investment property		(365)	2,220
Other gain net	8	65	1,985
Interest income		4,055	2,536
Interest expense		(7,925)	(6,462)
Foreign exchange gain/(loss) net		797	(705)
Profit before income tax		13,815	18,115
Income tax expenses		(2,216)	(2,538)
Profit for the year		11,599	15,577
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation of property and bearer plants		(74)	343
Total comprehensive Profit/(Loss)		(74)	343
Total comprehensive Profit for the year		11,525	15,920

Separate financial statements are presented in addition to consolidated financial statements for the year ended 31 December 2025 of JSC Nikora Management Group approved on behalf of the management on 15 May 2026 by:

General Director _____ Irakli Bokolishvili

Financial director _____ Irakli Gejadze

JSC NIKORA MANAGEMENT GROUP

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

(In thousands of GEL)

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General Director

Irakli Bokolishvili

Financial director

Irakli Gejadze

JSC NIKORA MANAGEMENT GROUP

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(In thousands of GEL)

JSC NIKORA MANAGEMENT GROUP

SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

(In thousands of GEL)

	Note	31.12.2025	31.12.2024
ASSETS			
Non-current assets			
Property, plant and equipment	9	8,953	8,726
Investment property	10	47,506	56,275
Intangible assets	11	66	92
Investments in subsidiary	12	88,410	84,467
Issued loans	14	20,490	16,510
Other Non-current assets		572	687
Total Non-current assets		165,997	166,757
Current assets			
Trade and other receivables	15	2,102	9,139
Issued loans	14	527	402
Certificates of deposit	16	22,673	-
Cash and cash equivalents	17	3	25
Total Current assets		25,305	9,566
Total assets		191,302	176,323
EQUITY AND LIABILITIES			
Equity			
Ordinary share capital	18	6,471	6,471
Preference share capital	18	22,715	22,701
Treasury share reserve	18	(417)	(417)
Revaluation reserve		2,682	2,756
Retained earnings		73,728	74,858
Total Equity		105,179	106,369
Non-current liabilities			
Bonds and Borrowings	19	78,101	23,626
Non-current liabilities to the group member companies		344	-
Total Non-current liabilities		78,445	23,626
Current liabilities			
Trade and other payables	20	1,174	3,090
Bonds and Borrowings	19	6,504	43,238
Total Current liabilities		7,678	46,328
Total equity and liabilities		191,302	176,323

JSC NIKORA MANAGEMENT GROUP**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(In thousands of GEL)

JSC NIKORA MANAGEMENT GROUP**SEPARATE STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 December 2025

(In thousands of GEL)

	Ordinary Share capital	Preference share capital	Ordinary treasury share reserve	Revaluation reserve	Retained Earnings	Total
1 January 2024	6,471	21,620	(417)	2,413	73,475	103,562
Profit for the year	-	-	-	-	15,577	15,577
Other comprehensive income	-	-	-	343	-	343
Dividends declared on ordinary shares	-	-	-	-	(12,742)	(12,742)
Dividends declared on preference shares	-	-	-	-	(1,452)	(1,452)
Sale of preference share	-	1,765	-	-	-	1,765
Purchase of preference share	-	(684)	-	-	-	(684)
31 December 2024	6,471	22,701	(417)	2,756	74,858	106,369
Profit for the year	-	-	-	-	11,599	11,599
Other comprehensive loss	-	-	-	(74)	-	(74)
Dividends declared on ordinary shares	-	-	-	-	(11,227)	(11,227)
Dividends declared on preference shares	-	-	-	-	(1,502)	(1,502)
Sale of preference share	-	135	-	-	-	135
Purchase of preference share	-	(121)	-	-	-	(121)
31 December 2025	6,471	22,715	(417)	2,682	73,728	105,179

JSC NIKORA MANAGEMENT GROUP

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(In thousands of GEL)

JSC NIKORA MANAGEMENT GROUP
SEPARATE STATEMENT OF CASH FLOWS
For the year ended 31 December 2025
(In thousands of GEL)

	Note	2025	2024
Cash flows from operating activities			
Profit before income tax		13,815	18,115
Adjustments for:			
Depreciation and amortisation	9-11	312	244
Gain on disposal of property, plant and equipment		(1,096)	(2,839)
Penalties charged to the supplier		268	-
Impairment losses of investment in subsidiaries		1,470	1,662
Gain from disposal of shares in subsidiaries		(30)	(696)
Income from dividends		(15,887)	(17,366)
Interest income		(4,055)	(2,536)
Interest expenses		7,925	6,462
Fair value change of investment property		365	(2,220)
Foreign exchange (gain)/loss		(797)	705
Movements in working capital			
Decrease in trade and other receivables		2,762	258
Decrease in trade and other payables		(1,595)	(5,893)
Cash inflow from operating activities			
Interest paid	19	(8,039)	(6,413)
Income tax paid		(2,216)	(2,252)
Net cash outflow from operating activities		(6,798)	(12,769)
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,113)	(516)
Purchase of investment property		(6,156)	(29,011)
Cash received from disposal of investment property		19,603	30,533
Payments for loans issued		(17,118)	(1,042)
Repayment of loans issued		13,096	4,087
Interest received		3,299	2,674
Increased investment in subsidiary		(4,769)	(7,172)
Acquisition of subsidiaries		(341)	-
Proceeds from disposal of investment in subsidiaries and capital reduction of the subsidiary company		50	1,612
Acquisition of associates		-	(10,539)
Proceeds from disposal of investment in associates		30	14,418
Dividends received		15,887	17,256
Payments for acquisition of certificate of deposits	16	(22,000)	-
Net cash inflow from investing activities		468	22,300
Cash flows from financial activities			
Proceeds from borrowings and bonds	19	67,980	37,637
Repayment of borrowings and bonds	19	(49,088)	(34,292)
Acquisition of preference shares		(135)	(407)
Sale of preference shares		135	1,492
Dividends paid		(12,538)	(14,381)
Net cash inflow/(outflow) from financing activities		6,354	(9,951)
Net increase/ (decrease) in cash and cash equivalents		24	(420)
Effect of changes in foreign exchange rate		(46)	296
Cash and cash equivalents at the beginning of the year	17	25	149
Cash and cash equivalents at the end of the year	17	3	25

JSC NIKORA MANAGEMENT GROUP

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(In thousands of GEL)

1. General information

JSC Nikora Management Group (the “Company”) is the ultimate parent company of the Group- JSC Nikora Management Group. The Company was established in Georgia in 1998. On February 2, 2026, JSC “Nikora” changed its name to JSC “Nikora Management Group”.

JSC Nikora Management Group owns immovable properties - land and buildings - which are leased out to its subsidiaries, and the lease income is the main source of income for the Company. It also provides general management and consulting services and royalty to its subsidiaries.

The following table shows the Company’s subsidiaries for the year ended 31 December 2025 and 31 December 2024:

Name	31.12.2025	31.12.2024	Identification Number	Type of operations
Nikora Trade JSC	96.6%	96.6%	206255808	Retail
Mila Sakartvelo LLC	50%	50%	400095008	Trade
Nikora LLC	100%	100%	400132183	Manufacturing - Meat products
Korida LLC	100%	100%	215133193	Manufacturing- Meat products
Oceane LLC	100%	100%	200265239	Manufacturing - Sea products
Chveni Fermeri LLC	100%	100%	200265220	Manufacturing - Dairy products
Mzareuli I LLC	90%	80%	200104699	Manufacturing - Bakery products
Kulinari LLC	100%	100%	405099389	Manufacturing - Salads
Partner LLC	100%	100%	400132192	Distribution
Intrade LLC	100%	100%	200115883	Import
Multitrade LLC	100%	100%	200273765	Import
Vakijvris kalmakhi LLC	94%	94%	237074857	Agricultural activity - Trout farm
Napareulis dzveli marani LLC	100%	100%	231260827	Agricultural activity - vineyards
Nikora Bakuriani LLC	50%	50%	426112823	Real estate
Ref L LLC	50%	50%	400387149	Real estate
Ref B LLC	80%	80%	400402872	Dormant
Den Braven Georgia LLC	100%	100%	205026498	Dormant
Intrade Poti LLC	100%	100%	215149097	Dormant
Nikora Kakheti LLC	100%	100%	231278131	Dormant
Nikora Agro LLC	100%	100%	200271482	Dormant
Web Trade LLC	100%	100%	400178017	Dormant
Krtsanisi 14 LLC	100%	100%	404561620	Dormant
Royal Kaspia LLC	50%	50%	200255721	Dormant
Lazi_Holding LLC	67%	67%	419982308	Dormant
Nugeshi LLC	100%	100%	404865231	Dormant
Iberti LLC	-	50%	200109140	Dormant
Nikora 1 LLC	100%	100%	200178155	Dormant
Food and Drink LLC	100%	100%	204514515	Dormant

2. Basis of preparation

2.1 Statement of compliance

These separate financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs).

The preparation of separate financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the most appropriate application in applying the accounting policies. The areas where significant judgments and estimates have been made in preparing the separate financial statements are disclosed in Note 3.

2.2 Basis of measurement

The separate financial statements have been prepared under the historical cost bases, except fair value accounted Land and Buildings within property, plant and equipment and Investment property. The reporting period for the Company is the calendar year from January 1 to December 31. Amounts are rounded to the nearest thousand, unless otherwise stated.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(In thousands of GEL)

2.3 Going concern

These separate financial statements have been prepared on the assumption that the Company is a going concern and will continue its operations for the foreseeable future. The management and shareholder have the intention to further develop the business of the Company in Georgia. In adopting the going concern basis for preparing the separate financial statements, the management have considered the Company’s and the Group’s business activities, objectives and strategy, principal risks and uncertainties in achieving its objectives, and performance. The management have performed a robust assessment of the Group’s consolidated financial forecasts across a range of scenarios over 12 months from the date the consolidated financial statements are authorised for issue, incorporating extreme downside scenario, which involved examining the level of disruption that may cause the Group to fail. Based on this, management believes that the ability of the Group to continue operating as going concern within 12 months of the approval of the consolidated financial statements is not materially uncertain

2.4 Adoption of new or revised standards and interpretations

2.4.1. New and amended standards which became effective from 1 January 2025

The following amended standards became effective from 1 January 2025, but did not have any material impact on the Company:

The following agenda decisions were issued in 2025 that might be relevant for the preparation of financial statements for annual periods beginning on or after 1 January 2025. The ‘Date issued’ refers to the date of approval by the IASB according to the IASB’s website:

Date issued	Topic
Feb 2025	<p>Classification of Cash Flows related to Variation Margin Calls on ‘Collateralised-to-Market’ Contracts (IAS 7)</p> <p>The decision clarified the classification of cash flows from variation margin calls on collateralised derivative contracts as operating or financing activities.</p>
April 2025	<p>Recognition of Revenue from Tuition Fees (IFRS 15)</p> <p>The decision provided some guidance on recognising revenue from tuition, particularly regarding performance obligations and timing.</p>
April 2025	<p>Recognition of Intangible Assets from Climate-related Expenditure (IAS 38)</p> <p>The decision clarified when costs for climate initiatives (such as research and development) create intangible assets or are expensed, emphasising the need to assess future economic benefits.</p>
April 2025	<p>Guarantees Issued on Obligations of Other Entities</p> <p>The decision addressed accounting for guarantees given on obligations of other entities, ensuring proper recognition and measurement.</p>
July 2025	<p>Assessing Indicators of Hyperinflationary Economies (IAS 29)</p> <p>The decision provides guidance on how to apply the IAS 29 indicators when assessing if an economy has become hyperinflationary.</p>

2.4.2. New accounting pronouncement which are effective after 31 December 2025

The following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2025. The Company has not early adopted any of the amendments effective after 31 December 2025 and it expects they will have an insignificant effect, when adopted, on the financial statement of the Company:

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(In thousands of GEL)

Title	Key requirements	Effective date
<p>Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7</p>	<p>In May 2024, the IASB issued targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice. These amendments:</p> <p>(a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;</p> <p>(b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;</p> <p>(c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and</p> <p>(d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).</p> <p>The amendments in (b) are most relevant to financial institutions, but the amendments in (a), (c) and (d) are relevant to all entities.</p> <p>The amendments to IFRS 9 and IFRS 7 will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted.</p>	<p>1 January 2026</p>
<p>Annual Improvements to IFRS Accounting Standards – Volume 11</p>	<p>The IASB has made the following improvements in September 2024:</p> <p>IFRS 1, ‘First-time Adoption of International Financial Reporting’ – to improve consistency between IFRS 1 and IFRS 9, ‘Financial Instruments’, in relation to the requirements for hedge accounting, and to improve the understandability of IFRS 1; IFRS 7, ‘Financial Instruments: Disclosures’ – to improve consistency in the language used in IFRS 7 with the language used in IFRS 13, ‘Fair Value Measurement’;</p> <p>IFRS 9 – to clarify how a lessee accounts for the derecognition of a lease liability when it is extinguished, and to address an inconsistency between IFRS 9 and IFRS 15, ‘Revenue from Contracts with Customers’, in relation to the term ‘transaction price’;</p> <p>IFRS 10, ‘Consolidated Financial Statements’ – to clarify the requirements in relation to determining de facto agents of an entity; and</p> <p>IAS 7, ‘Statement of Cash Flows’ – to replace the term ‘cost method’ with ‘at cost’, since the term is no longer defined in IFRS Accounting Standards.</p>	<p>1 January 2026</p>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(In thousands of GEL)

<p>Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7</p>	<p>In December 2024, the IASB issued targeted amendments to IFRS 7 and IFRS 9 to allow entities to better reflect nature- dependent electricity contracts in the financial statements. The amendments:</p> <p>(a) clarify the application of the ‘own-use’ criteria to nature- dependent electricity contracts;</p> <p>(b) permit hedge accounting if these contracts are used as hedging instruments; and</p> <p>(c) add new disclosure requirements to enable users of financial statements to better understand the effect of these contracts on an entity’s financial performance and cash flows.</p> <p>The amendments to IFRS 9 and IFRS 7 will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted.</p>	<p>1 January 2026</p>
<p>IFRS 18, ‘Presentation and Disclosure in Financial Statements’</p>	<p>In April 2024, the IASB issued IFRS 18 in response to investors’ concerns about comparability and transparency of entities’ performance reporting. The new presentation requirements introduced in IFRS 18 will increase comparability of the financial performance of similar entities, especially related to how ‘operating profit or loss’ is defined. The new disclosure requirements for ‘management-defined performance measures’ will enhance transparency. IFRS 18 is effective from 1 January 2027 and has not yet been adopted by the Company/Group.</p>	<p>1 January 2027</p>
<p>IFRS 19, ‘Subsidiaries without Public Accountability: Disclosures’</p>	<p>In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS Accounting Standards. IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.</p>	<p>1 January 2027</p>

3. Critical accounting estimates and judgments

In the application of the Company’s accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Useful lives of property, plant and equipment

The estimation of the useful life of an item of property, plant and equipment is a matter of management judgment based upon experience with similar assets. In determining the useful life of an asset, management considers the expected usage, estimated technical obsolescence, physical wear and tear and the physical environment in which the asset is operated. Changes in any of these conditions or estimates may result in adjustments for future depreciation rates.

3.2 Valuation of Land and Buildings

Land and buildings within property, plant and equipment and investment property are stated in the statement of financial position at their revalued amounts. The fair value of the Land and Buildings was determined by external, independent property valuers. Management uses significant assumptions. Significant and unanticipated changes to these assumptions and estimates could result in significantly different results than those recorded in the separate financial statements.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(In thousands of GEL)

3.3 Impairment of Investments in subsidiaries

The Company assesses at the end of each reporting period if there is any indicator that an asset may be impaired. In assessing whether there is any indication that an asset may be impaired, the company consider, as a minimum, the following indications: the carrying amount of the investment in the separate financial statements exceeds the carrying amounts in the consolidated financial statements of the investee's net assets, including associated goodwill; or the dividend exceeds the total comprehensive income of the subsidiary, in the period the dividend is declared. The Company reviews future forecast budgets to identify impairments of investments in subsidiaries. Due to uncertainties related to the future period, the actual result may differ significantly from the result recorded in the separate financial statements.

3.4 Impairment of financial assets

The Company assesses the probability of the uncollectable trade receivables and issued loans. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables and twelve month and lifetime expected credit loss for issued loans. Significant and unanticipated changes to these assumptions and estimates included within the impairment of financial assets could result in significantly different results than those recorded in the financial statements.

4. Financial instruments - Risk Management

The Company is exposed through its operations to the following financial risks:

- Credit risk
- Interest rate risk
- Foreign currency risk
- Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these separate financial statements. There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Major categories of financial instruments

The Company's principal financial liabilities comprise bonds and borrowings, trade and other payables. The main purpose of these financial instruments is to raise finance for the Company's operations. The Company has financial assets such as other assets, trade and other receivables, loans issued and cash and cash equivalents. The following table shows major categories of financial instruments:

	<u>31.12.2025</u>	<u>31.12.2024</u>
Issued loans	21,017	16,912
Trade and other receivables net	832	803
Certificates of deposit	22,673	-
Cash and cash equivalents	3	25
Total financial assets	<u>44,525</u>	<u>17,740</u>
Trade and other payables	718	743
Bonds and borrowings	84,605	66,864
Total financial liabilities	<u>85,323</u>	<u>67,607</u>

Fair value of financial instruments

Some assets and liabilities included in the Company's separate financial statements require disclosure of, fair value. The fair value measurement of the Company's financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs;
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The estimated fair values of financial instruments have been determined by the Company using available market information, where it exists, and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to determine the estimated fair value. Georgia continues to display some characteristics of an emerging market and economic conditions continue to limit the volume of activity in the financial markets. Market quotations may be outdated or reflect distress sale transactions and therefore not represent fair values of financial instruments. Management has used all available market information in estimating the fair value of financial instruments.

Financial assets carried at amortised cost. The estimated fair value of interest-bearing instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Discount rates used depend on credit risk of the counterparty. Carrying amounts of trade receivables and other financial assets approximate fair values due to their short-term maturities.

Liabilities carried at amortised cost. The estimated fair value of interest-bearing instruments with stated maturity was estimated based on expected cash flows discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Management of the Company considers that the carrying amounts of financial liabilities recorded in the financial statements approximate their fair values.

Other financial assets fair value using level 3 inputs was made in accordance with valuation pricing models based on discounted cash flow analysis using market inputs and management judgments given volatility of interest rates available on the market. The fair value using level 3 inputs was calculated using market rates based on the range from 6% to 12% per annum interest rate. Carrying amounts of other financial assets recorded in the financial statements approximate their fair values.

The estimation of loans issued fair value using level 2 inputs was made in accordance with valuation pricing models based on discounted cash flow analysis using market inputs and management judgments given the volatility of interest rates available on the market. For loans issued, the fair value using level 2 inputs was calculated using market rates based on the range from 11% to 12% per annum interest rate. Carrying amounts of loans issued recorded in the financial statements approximate their fair values.

The estimation of bonds and borrowings fair value using level 2 inputs was made in accordance with valuation pricing models based on discounted cash flow analysis using market inputs and management judgments given the volatility of interest rates available on the market. For bonds and borrowings, the fair value using level 2 inputs was calculated using market rates based on the range from 6% to 12% per annum interest rate under which the Company could get financing based on currency and maturity diversification. Carrying amounts of bonds and borrowings recorded in the financial statements approximate their fair values.

The fair value of cash and cash equivalents were determined using level 1 measurement and the fair value of other financial assets and liabilities were determined using level 3 measurement.

Capital management

The Company manages its capital to ensure that entities of the Company will be able to continue as a going concern while maximizing the return to the equity holder through the optimization of the debt and equity balance. Management of the Company reviews the capital structure on a regular basis. Based on the results of this review, the Company takes steps to balance its overall capital structure through the payment of dividends, capital contributions as well as taking of new loans and borrowings or redemption of existing loans and borrowings. Bonds and borrowings agreement imposed certain financial and non-financial covenants to the Company, For further information see Note 18 and 19.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(In thousands of GEL)

General objectives, policies and processes

The board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board receives monthly reports from the Company Financial Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

Foreign currency risk

Currency risk is the risk that the financial results of the Company will be adversely impacted by changes in exchange rates to which the Company is exposed. The Company undertakes certain transactions denominated in foreign currencies. The Company does not use any derivatives to manage foreign currency risk exposure. The table shows carrying amounts of the Company's foreign currency denominated monetary assets and liabilities:

	31.12.2025		31.12.2024	
	USD	EUR	USD	EUR
Financial assets				
Trade and other receivables	1,056	-	4,772	-
Cash and cash equivalents	-	-	19	-
Total financial assets	1,056	-	4,791	-
Financial liabilities				
Trade and other payables	512		319	-
Bonds and borrowings	23,318	80	27,889	74
Total financial liabilities	23,830	80	28,208	74
Net financial position	(22,774)	(80)	(23,417)	(74)

The Company's sensitivity to a 20% increase and decrease in the GEL against the relevant foreign currencies equals to GEL 4,570 thousand (2024: GEL 4,698 thousand) profit or loss. 20% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 20% change in foreign currency rates.

Interest rate risk

Interest rate risk is the risk that changes in floating interest rates will adversely impact the financial results of the Company. The Company does not use any derivatives to manage interest rate risk exposure. The Company is exposed to cash flow interest rate risk as entities in the Company borrow funds at floating interest rates. Company's borrowings at variable rate were denominated in USD and GEL.

A sensitivity analysis is performed by applying a simulation technique to the liabilities that represent major interest-bearing positions. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding, at the end of the reporting period was outstanding for the whole year. Based on the simulations performed, the impact on profit or loss of a 100 basis-point shift (being the maximum reasonable expectation of changes in interest rates [basis point: 1/100th of a percentage point]).

	31.12.2025		31.12.2024	
	Increase 100 base point	Decrease 100 base point	Increase 100 base point	Decrease 100 base point
Profit/(loss)	(845)	845	(668)	668

Limitations of sensitivity analysis. The above tables demonstrate the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear, and larger or smaller impacts should not be interpolated or extrapolated from these results.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(In thousands of GEL)

The sensitivity analyses do not take into consideration that the Company's assets and liabilities are actively managed. Additionally, the financial position of the Company may vary at the time that any actual market movement occurs. For example, the Company's financial risk management strategy aims to manage the exposure to market fluctuations. As investment markets move past various trigger levels, management actions could include selling investments, changing investment portfolio allocation and taking other protective action. Consequently, the actual impact of a change in the assumptions may not have any impact on the liabilities.

Other limitations in the above sensitivity analysis include the use of hypothetical market movements to demonstrate potential risk that only represent the Company's view of possible near-term market changes that cannot be predicted with any certainty; and the assumption that all interest rates move in an identical fashion.

Credit risk

Credit risk is the risk of financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company is mainly exposed to credit risk from its trade receivables, issued loans and cash and cash equivalents (excluding cash on hand). The Company credit risk is related to the receivables from subsidiaries and owners. The carrying amount of financial assets represents the maximum credit exposure. The table below shows the maximum exposure to credit risk:

	31.12.2025	31.12.2024
Issued loans	21,017	16,912
Trade and other receivables	832	803
Certificates of deposit	22,673	-
Cash and cash equivalents except cash on hand	3	25
Total	44,525	17,740

Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle borrowings and other financial liabilities as they are due. In order to manage liquidity risk, the Company systematically monitors expected future cash flows that are part of the asset and liability management process.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

	Less than 6 months	From 6 month to 1 year	1 - 5 year	More than 5 year	Total
Trade and other payables	718	-	-	-	718
Bonds and borrowings	7,974	7,063	101,944	6,980	123,961
Total 2025	8,692	7,063	101,944	6,980	124,679
Trade and other payables	743	-	-	-	743
Bonds and borrowings	8,652	40,691	20,470	10,414	80,227
Total 2024	9,395	40,691	20,470	10,414	80,970

5. Rental income

The Company's land and buildings are transferred to subsidiary under operating lease agreements. The table shows fixed and variable rental income.

	2025	2024
Variable rental income	493	2,332
Fixed rental income	1,576	1,545
Total	2,069	3,877

Variable rental income is related to JSC Nikora Trade and is calculated according to the sales of the stores located in the leased area.

JSC NIKORA MANAGEMENT GROUP**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(In thousands of GEL)

6. Revenue

	<u>2025</u>	<u>2024</u>
Revenue from royalty	2,280	1,800
Revenue from management services	2,682	1,090
Total	<u>4,962</u>	<u>2,890</u>

7. Other expenses

	<u>2025</u>	<u>2024</u>
Office expenses	(325)	(210)
Depreciation and amortization charge	(312)	(244)
Taxes other than income tax	(249)	(430)
Consulting expenses	(219)	(204)
Utility	(121)	(101)
Business trips and Representative expenses	(88)	(184)
Maintenance	(43)	(209)
Advertisement expenses	(31)	(25)
Fuel expenses	(24)	(27)
Charity	(18)	(23)
Insurance expenses	(8)	(13)
Other	(104)	(99)
Total	<u>(1,542)</u>	<u>(1,769)</u>

The cost of audit of the separate financial statements for the year 2025 is GEL 25 thousand.

8. Other gain net

	<u>2025</u>	<u>2024</u>
Impairment losses of investment in subsidiaries	(1,470)	(1,662)
Gain on disposal of PPE and investment property	1,096	2,839
Penalties charged to the supplier	268	-
Proceeds from the sale of equity instruments	30	617
Gain from disposal of shares in subsidiaries (net)	-	79
Other Gain (net)	141	112
Total	<u>65</u>	<u>1,985</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(In thousands of GEL)

9. Property, plant and equipment

Cost or valuation	Land	Buildings	Plant and equipment	Office Equipment	Construction in progress	Total
01.01.2024	3,360	3,769	1,531	1,125	-	9,785
Addition	-	135	233	219	287	874
Reclassification to investment property	-	(250)	-	-	(287)	(537)
Revaluation	227	32	-	-	-	259
31.12.2024	3,587	3,686	1,764	1,344	-	10,381
Addition	-	405	545	142	-	1,092
Reclassification to investment property	-	(504)	-	-	-	(504)
Disposals	-	-	-	(1)	-	(1)
Revaluation	(3)	(157)	-	-	-	(160)
31.12.2025	3,584	3,430	2,309	1,485	-	10,808
Accumulated depreciation						
01.01.2024	-	-	(554)	(968)	-	(1,522)
Depreciation	-	(85)	(75)	(58)	-	(218)
Reclassification to investment property	-	1	-	-	-	1
Revaluation	-	84	-	-	-	84
31.12.2024	-	-	(629)	(1,026)	-	(1,655)
Depreciation	-	(86)	(107)	(93)	-	(286)
Revaluation	-	86	-	-	-	86
31.12.2025	-	-	(736)	(1,119)	-	(1,855)
Net book value						
01.01.2024	3,360	3,769	977	157	-	8,263
31.12.2024	3,587	3,686	1,135	318	-	8,726
31.12.2025	3,584	3,430	1,573	366	-	8,953

As at 31 December 2025 and 2024 land, buildings and other tangible assets have been pledged to secure borrowings of the Company.

Valuation technique and significant unobservable inputs

The fair value of the Land and Buildings as of 31 December 2025 and 2024 was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The Company uses land and buildings for administrative purposes.

The management estimates, that the administrative building is not specific due to its purpose, scale and other characteristics and there is an active market for such assets in Georgia, therefore the fair value is determined based on the principles of market approach. Market approach was used in the case of land valuation. The fair value is classified as level 2. There was no change in valuation technique between periods. Fair value is measured based on the highest and best use of the assets listed above, which are not different from their current use. If the revalued property were measured at cost, net book value would be GEL2,255 (2024: 2,255) thousand for land and GEL2,629 (2024: 2,350) thousand for buildings.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(In thousands of GEL)

10. Investment property

Fair value	Land	Buildings	CIP	Total
01.01.2024	33,729	26,445	-	60,174
Addition	15,582	8,576	223	24,381
Reclassification from PPE	-	537	-	537
Disposals	(17,079)	(13,958)	-	(31,037)
Revaluation	1,802	418	-	2,220
31.12.2024	34,034	22,018	223	56,275
Addition	134	2,596	1,041	3,771
Reclassification from PPE	-	504	-	504
Reclassification	(2)	2	-	-
Disposals	(3,067)	(9,612)	-	(12,679)
Revaluation	62	(427)	-	(365)
31.12.2025	31,161	15,081	1,264	47,506

As at 31 December 2024 part of the Land valued at GEL 6,611 thousand and part of buildings valued at GEL 12,684 thousand have been pledged to secure borrowings of the Company.

As at 31 December 2025 part of the Land valued at GEL 24,096 thousand, part of buildings valued at GEL 11,766 thousand and CIP valued at GEL 134 thousand have been pledged to secure borrowings of the Company.

The fair value of the land and buildings as of 31 December 2025 and 2024 was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. Investment property are leased out to subsidiaries or are vacant. For further information see Note 5.

As of 31 December 2025, land and buildings with carrying amounts of GEL 1,041 thousand and GEL 674 thousand, respectively, were pledged as security for the Company's obligations to creditors.

As at 31 December 2025 and 2024 land and buildings are not specific due to its purpose, scale and other characteristics and there is an active market for such assets in Georgia, therefore the fair value is determined based on the principles of market approach. Market approach was used in the case of land valuation. The fair value is classified as level 2.

As at 31 December 2025 and 2024 fair value is measured based on the highest and best use of the assets listed above, which are not different from their current use.

11. Intangible assets

Historical cost	Programs	License	Total
01.01.2024	255	18	273
31.12.2024	255	18	273
31.12.2025	255	18	273
Accumulated amortization			
01.01.2024	(155)	-	(155)
Amortization	(26)	-	(26)
31.12.2024	(181)	-	(181)
Amortization	(26)	-	(26)
31.12.2025	(207)	-	(207)
Net book Value			
01.01.2024	100	18	118
31.12.2024	74	18	92
31.12.2025	48	18	66

JSC NIKORA MANAGEMENT GROUP

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(In thousands of GEL)

12. Investment in subsidiaries

Subsidiary	Activity	Share 2025	Share 2024	31.12.2025	31.12.2024
JSC Nikora Trade	Retail	97%	97%	66,560	66,557
Korida LLC	Manufacturing	100%	100%	2,800	2,800
Mzareuli 1 LLC	Manufacturing	90%	80%	2,164	1,864
Napareulis dzveli marani LLC	Agricultural activity	100%	100%	3,896	2,496
Nikora LLC	Manufacturing	100%	100%	1,640	1,640
Vakijvris kalmakhi LLC	Manufacturing	94%	94%	1,008	1,008
Chveni fermeri LLC	Manufacturing	100%	100%	460	460
Nikora Bakuriani LLC	Real estate	50%	50%	347	347
Oceane LLC	Manufacturing	100%	100%	307	307
Kulinari LLC	Manufacturing	100%	100%	3,307	1,837
Intrade LLC	Import and distribution	100%	100%	2	2
Multitrade LLC	Import	100%	100%	6,000	6,000
Ref L LLC	Real estate	50%	50%	1,400	1,400
Ref B LLC	Real estate	80%	80%	2,240	-
Allowance for Impairment losses of investment in Napareulis dzveli marani LLC		-	-	(414)	(414)
Allowance for Impairment losses of investment in Kulinari LLC		-	-	(3,307)	(1,837)
Total				88,410	84,467

All subsidiaries are registered and operate in Georgia. Voting rights are equal to the shares owned. Investments in subsidiaries are accounted in separate financial statement at cost. 26 percent of JSC Nikora Trade's share have been pledged to secure borrowings of the Company and the member of the Group - JSC Nikora Management Group.

The table below shows dividends declared in subsidiaries:

	2025	2024
Nikora Trade JSC	7,931	8,643
Korida LLC	1,588	1,988
Nikora LLC	1,507	2,358
Intrade LLC	1,501	1,059
Partner LLC	2,970	2,790
Oceane LLC	251	417
Alma Veko Georgia LLC	139	-
Mila Sakartvelo LLC	-	111
Total	15,887	17,366

13. Investments in Associates and Joint Venture

As of 31 December 2024, the Company held a investment in a joint venture, LLC Alma Veko Georgia (ID No. 400358741) and the Company's ownership interest in the investee was 50%. During 2025, the Company reduced its interest from 50% to 40%. The carrying amount of the investment was nil as of the end of both reporting periods. During the establishment process and throughout the year 2025 and 2024, the Group made no investment in LLC Alma Veko.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(In thousands of GEL)

14. Issued loans

	<u>31.12.2025</u>	<u>31.12.2024</u>
Long term		
Nikora LLC	9,040	6,740
Nikora Trade JSC	3,600	3,600
Multitrade LLC	1,000	-
Korida LLC	1,360	1,360
Partner LLC	1,900	1,900
Intrade LLC	1,230	1,230
Chveni Fermeri LLC	1,240	840
Oceane LLC	-	300
Mzareuli 1 LLC	1,120	520
Nikora Bakuriani LLC	-	20
	<u>20,490</u>	<u>16,510</u>
Short term		
Nikora Bakuriani LLC	42	-
Interest receivable	485	402
	<u>527</u>	<u>402</u>
Total	<u>21,017</u>	<u>16,912</u>

Loans are issued to subsidiaries. The Company has no experience with loan impairments and does not recognize any provisions for impairment. Based on the relevant contract, interest is payable quarterly, monthly, or at the end of the loan's contractual terms, while the principal is repaid at the end of those same terms.

As at 31 December 2025 and 2024 issued loans have been pledged to secure borrowings of the Company and the member of the Group - JSC Nikora Management Group.

15. Trade and other receivables

	<u>31.12.2025</u>	<u>31.12.2024</u>
Trade receivables	832	803
Receivables from disposal of investment property	1,056	4,772
Prepaid taxes	-	2,791
Receivables from disposal of shares in subsidiaries	50	370
Dividends receivables	111	111
Prepaid dividends	-	199
Other	53	93
Total	<u>2,102</u>	<u>9,139</u>

Trade receivables are short-term receivables from subsidiaries, which arise from consulting and other services provided to subsidiaries. The company has not experience of impairment of trade receivables and does not recognize any provision for impairment.

As at 31 December 2025 and 2024, all trade and other receivables have been pledged to secure borrowings of the Company and the member of the Group - JSC Nikora Management Group.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(In thousands of GEL)

16. Certificates of deposit

As of 31 December 2025, the outstanding balance represents a six-month certificate of deposit acquired by the Company in September 2025 from a bank operating in Georgia. The Company paid GEL 22 million to acquire the certificate. The certificate bears interest at an effective interest rate of 11.5% to 12.5%. Accrued interest amounted to GEL 673 thousand as of 31 December 2025. Considering the bank's high credit rating, together with the short-term nature and high liquidity of the instrument, the expected credit loss was assessed as nil. The certificate of deposit is a standard deposit instrument, and the issuing bank is not obliged to redeem the deposit before its maturity date.

One of the Company's certificates of deposit, purchased for GEL 7 million, has been pledged as collateral for a GEL 4 million credit line obtained by the Company. The outstanding bank loan balance under this credit line amounts to GEL 1,018 thousand.

17. Cash and cash equivalents

	<u>31.12.2025</u>	<u>31.12.2024</u>
Cash on bank accounts in foreign currency	-	19
Cash on bank accounts in national currency	3	6
Total	<u>3</u>	<u>25</u>

18. Share capital

As at 31 December 2025 JSC Nikora Management Group has 6,471 thousand (2024: 6,471 thousand) authorized ordinary shares at the par value 1 GEL. The Company has authorized 160 preference shares (issued 160 and 160 as 31 December 2025 and 31 December 2024 respectively), at the par value USD 50,000. Issued ordinary and preferred shares are fully paid.

The table below shows ordinary shares holders:

	Voting rights		Quantity	
	<u>31.12.2025</u>	<u>31.12.2024</u>	<u>31.12.2025</u>	<u>31.12.2024</u>
Sukhiashvili Vasil	23%	23%	1,488,235	1,488,235
Gubanovi Oleg	10%	10%	647,057	647,057
Dumbadze David	11%	11%	679,413	679,413
Cirekidze Taliko	9%	9%	582,353	582,353
Salukvadze Maka	6%	6%	388,236	388,236
Tsertsvadze Guram	5%	5%	323,529	323,529
Nikolaishvili Irakli	3%	3%	177,942	177,942
Sukhiashvili Nika	1%	1%	71,177	71,177
Sukhiashvili Sopo	1%	1%	71,177	71,177
Taradini Dementi	2%	2%	129,412	129,412
GREENMOON LTD	13%	13%	860,580	860,580
Gubanova Ekaterina	2%	2%	129,412	129,412
Gubanova Olga	2%	2%	129,412	129,412
Gubanova Ksenia	2%	2%	129,412	129,412
Nikolaishvili Anton	1%	1%	58,235	58,235
Jerenashvili Tamar	2%	2%	129,412	129,412
Jerenashvili Rusudan	1%	1%	58,235	58,235
JSC Nikora Management Group (treasury shares)	6%	6%	417,359	417,359
Total	<u>100%</u>	<u>100%</u>	<u>6,470,588</u>	<u>6,470,588</u>

JSC NIKORA MANAGEMENT GROUP

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(In thousands of GEL)

The table below shows preference shares holders:

	Quantity		Amount	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Isaevi Andrei	78	78	12,248	12,248
Pelicans venture corp	20	20	2,692	2,692
JSC Galt and Taggart (nominal holder)	2	3	244	365
Maziashvili Archil	6	6	498	498
Fichkhaia Tamar	4	4	485	485
Vachnadze Giorgi	13	13	1,602	1,602
Tsertsvadze Guram	3	3	365	365
Tsertsvadze Eka	1	-	135	-
Janjgava Ivane	1	1	83	83
Nareshelashvili Irakli	1	1	117	117
Kiknadze Nodar	1	1	125	125
Gvazava Otari	1	1	120	120
Nizharadze Taras	10	10	1,430	1,430
Tikhonova Daria	1	1	139	139
Panasiuk Katerina	1	1	135	135
Panasiuk Oleksandr	2	2	269	269
Kavelashvili Tamar	4	4	536	536
Gubanovi Oleg	8	8	1,088	1,088
Taradini Dementi	3	3	404	404
Redeemed preference shares	-	-	-	-
Total	160	160	22,715	22,701

The holders of ordinary shares are not entitled to a fixed income. The number of fully paid shares corresponds to the voting right. The holders of ordinary shares are entitled to receive dividends declared by the Company.

The holders of non-redeemable preference shares are entitled to receive an annual dividend. Prior to the charter amendment, this rate was variable and subject to the discretion of ordinary shareholders. Preference shares carry no voting rights. For the years 2024-2025, dividends were declared and paid to preference shareholders at an annual rate of 6.85% of the shares' nominal value. As disclosed in Note 23, 'Events after the reporting period,' the Company amended its charter in January 2026. Under the revised terms, preference shareholders are now entitled to a fixed annual dividend of USD 3,425 (or its equivalent in GEL) per share.

As of 31 December 2025, the Group had GEL 417 thousand (2024: 417 thousand) treasury ordinary shares, which are recorded at a total nominal value of GEL 417 thousand (2024: 417 thousand). The difference between the amount paid/received at the redemption/resale of own shares and the face value was recorded in retained earnings for the period when the shares were redeemed/sold

19. Bonds and borrowings

	31.12.2025	31.12.2024
Bank borrowings with floating interest rates	18,474	23,626
Bonds with floating interest rates	59,627	-
Total non-current borrowings	78,101	23,626
Bank borrowings with floating interest rates	6,295	7,918
Borrowings with fixed interest rates from related parties	93	88
Bonds with floating interest rates	116	35,232
Total current borrowings	6,504	43,238
Total borrowings	84,605	66,864

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(In thousands of GEL)

The following table shows reconciliation of liabilities from financing transactions:

	31.12.2025	31.12.2024
1 January	66,864	62,918
Proceeds from borrowings	8,348	37,637
Bonds emission	59,632	-
Principal paid	(14,088)	(34,292)
Repayment of bonds	(35,000)	-
Interest expense (netted by 3 for the year 2024) relevant state subsidy	7,925	6,462
Interest paid	(8,039)	(6,416)
Effect of changes in foreign exchange rate	(1,037)	555
31 December	84,605	66,864

Bank loan maturities range from 1 to 8 years. Borrowings denominated in Georgian lari (GEL) bear a floating annual interest rate linked to the Tbilisi Interbank Offered Rate (2025 and 2024: 8%), plus a margin ranging from 3.5% to 4.3%. Borrowings denominated in USD bear a floating annual interest rate linked to The Secured Overnight Financing Rate (2025: 3.57%), plus a margin ranging from 3.5% to 5.0%. Borrowings with fixed interest rates are denominated in USD, and EUR. USD and EUR-denominated borrowings bear an annual interest rate of 6.85%. The borrowings are secured by fixed assets, investment property, inventories, trade receivables, issued loans, deposits, and investment in subsidiaries. For additional information, refer to the relevant notes on these assets.

In November 2022, JSC Nikora Management Group issued bonds with the total value of GEL35,000 thousand with scheduled maturities 3 years. Bonds rate are floating and tied to TIBR3M +3.5 % annually (TIBR3M average rate as of 31 December 2024 was 8.3087). The bond were redeemed by the Company in accordance with the terms specified in the prospectus.

In September 2025, JSC Nikora Management Group issued bonds with a total nominal value of GEL 60 million and a maturity term of five years. The bonds bear floating interest at a rate of TIBR3M + 3.5% per annum (the TIBR3M rate as of 31 December 2025 was 8.0786%). Interest is payable quarterly. The bonds are the Company's direct unsecured obligations that are equal in priority and equal to the Company's unsecured and non-subordinated obligations

Bonds and borrowings agreement set out certain financial and non-financial covenants to the Company. In the event of a breach of covenants, the lender has the right but not the obligation to demand part or full repayment of the liabilities. The agreements includes restrictions on the payment of dividends.

Under the bond prospectus and loan agreements with individual banks, the Company is required to comply with certain financial covenants, which are measured based on ratios calculated at the level of the consolidated financial statements of JSC Nikora Management Group. As of 31 December 2025, the Group complied with this requirement.

Under the main bank loan agreement, the Company is required to maintain certain financial ratios, which are calculated based on specific non-IFRS financial measures at both the fully and partially consolidated levels. Based on the bank's calculation as of 31 December 2025, the Group complied with this requirement.

20. Trade and other payables

	31.12.2025	31.12.2024
Trade payables	718	743
Salaries payable	193	1,793
Dividends payable	-	10
Tax payables	30	-
Payable related to the repurchase of shares in a subsidiary	233	544
Total	1,174	3,090

JSC NIKORA MANAGEMENT GROUP

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(In thousands of GEL)

21. Related party transactions

Transactions	Relationship	2025	2024
Revenue	Subsidiaries	4,962	2,886
Revenue	Associates	1	-
Rental income	Subsidiaries	2,012	3,733
Interest income	Subsidiaries	2,589	2,264
Interest income	Associates	-	9
Interest expense	Subsidiaries	-	124
Interest expense	Owners	6	6
Income from dividends	Subsidiaries	15,748	17,366
Income from dividends	Associates	139	-
Purchase of property, plant and equipment	Subsidiaries	-	2
Proceeds from disposal of property, plant and equipment	Subsidiaries	-	13,910
Proceeds from disposal of property, plant and equipment	Associates	-	13,858
Other administrative expenses	Subsidiaries	-	164
Other loss	Subsidiaries	54	70
Other income	Subsidiaries	2	749
Other expenses	Subsidiaries	9	-
Gain on disposal of PPE and investment property	Other	262	-
Balances			
Issued loan	Subsidiaries	21,017	16,912
Trade and other receivables	Subsidiaries	943	913
Trade and other payables	Subsidiaries	5	8
Bonds and borrowings	Owners	93	88
Trade and other receivables	Owners	-	189
Non-current liabilities to the group member companies	Subsidiaries	344	-
Key management compensation		1,625	1,140
Liability to the key management at the end of the year		60	1,167

22. Commitments and Contingencies

Contractual obligations - As at 31 December 2025 the Company had no material unrecognized contractual obligations.

Suretyship - The Company, as well as all member companies of Group - JSC Nikora Management Group, is a surety of all current and future bank loans taken from JSC TBC Bank based on a certain framework agreement concluded between the bank and the group member companies of Group - JSC Nikora Management Group, accordingly the Company has undertaken the liability jointly. Total balances of such loans as of 31 December 2025 amount to 102,646 (guarantee 15,834 thousand GEL). Management believes that there will be no economic benefits flow from the Company regarding this relationship, and all the above-mentioned companies will independently service the respective loans. Due to these reasons, no provision was recognized in the financial statements.

Suretyship - In 2025, JSC Nikora Management Group assumed joint liability under a surety agreement to secure a mortgage loan taken by an individual shareholder who holds both ordinary and preferred shares. As at 31 December 2025, the outstanding loan balance under this surety amounted to EUR 756,000. As of that date, the company had not incurred any outflows of economic resources related to this joint liability. Management believes that no future outflows of economic resources will arise from this obligation, as the borrower is expected to service the loan independently. Accordingly, no related provision has been recognized in these financial statements.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(In thousands of GEL)

Legal proceedings - As at 31 December 2025 the Company was not engaged in any significant litigation proceedings. Management is of the opinion that no material unaccrued losses will be incurred and accordingly no provision has been made in these separate financial statements.

Taxes - Georgian tax legislation in particular may give rise to varying interpretations and amendments. In addition, as management’s interpretation of tax legislation may differ from that of the tax authorities, transactions may be challenged by the tax authorities, and as a result the Company may be assessed additional taxes, penalties and interest. The Company believes that it has already accrued all tax liabilities, and therefore no allowance has been made in the separate financial statements. Tax years remain open to review by the tax authorities for three years.

Covenants in accordance with bond agreement - Details are provided in note 19.

23. Events after the reporting period

In 2026 before the authorisation of financial statement:

- JSC Nikora Management Group declared dividends to ordinary shareholders of up to GEL 9,453,500 during 2026, of which GEL 2,363,368 had been paid to shareholders.
- In 2024-2025, dividends were declared and paid to preferred shareholders at an annual rate of 6.85% of the nominal value of preferred shares. In January 2026, the Company amended its charter, under which preferred shareholders are entitled to a fixed annual dividend of USD 3,425 per share.
- The Company received dividends amounted to GEL13,141,799 from its subsidiaries.

There have been no other after reporting date events that require additional adjustments or disclosure in the financial statements.

Approval of financial statement. On 15 May 2026 the management approved financial statement, the Company owners have the power to amend the financial statements after the issue.

24. Summary of significant accounting policies

Principal accounting policies applied in the preparation of these separate financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

24.1 Foreign currency translation

(a) Functional and presentation currency

Items included in the separate financial statements are measured using the currency of the primary economic environment in which the Company operates (‘the functional currency’). Separate financial statements are presented in Georgian Lari, which is the Company’s functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are premeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are included in the separate statement of profit or loss and other comprehensive income for the period. Foreign exchange gains and losses that relate to financial instruments are presented in the separate statement of comprehensive income.

Official rate of the National Bank of Georgia	USD	EUR
Exchange rate as at 31.12.2025	2.6951	3.1737
Exchange rate as at 31.12.2024	2.8068	2.9306

24.2 Property plant and equipment

Land and buildings within property, plant and equipment are stated in the statement of financial position at their revalued amounts, the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Revaluations are performed with a sufficient regularity by independent valuator such that the carrying amounts do not differ materially from those that would be determined using fair values at the reporting date.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(In thousands of GEL)

Any revaluation increase arising on the revaluation of such property is recognized in other comprehensive income (except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged) and is shown as revaluation reserve in shareholder's equity. A decrease in the carrying amount arising on the revaluation of such property and equipment is charged to profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to accumulated profit.

Other items of property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost comprises purchase price including import duties and non-refundable purchase taxes and other directly attributable costs. When an item of property and equipment comprises major components having different useful lives, they are accounted for as separate items of property and equipment. Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes directly attributable expenditures, site preparation, installation and assembly costs, professional fees and for qualifying assets, capitalized in accordance with the Company's accounting policy.

Expenditure to replace a component of an item of property and equipment that is accounted for separately is capitalized with the carrying amount of the component being written off. Other subsequent expenditure is capitalized if future economic benefits arise from the expenditure. All other expenditure, including repair and maintenance, is recognized in profit or loss as incurred. The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Depreciation is charged to profit or loss or is added to the cost of other asset on a straight-line basis over the estimated useful lives of the individual assets. Depreciation commences when assets are available for use.

The estimated useful lives are as follows:

	Useful life
Buildings	17-70
Plant and equipment	2-20
Office equipment	2-10

24.3 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. The Company recognizes an investment property as an asset when, (a) it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and (b) the cost of the investment property can be measured reliably.

Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise. Depreciation is not accrued on investment property recognised at fair value.

Rental income and operating expenses from investment property are included in rental income and other expenses, respectively.

An investment property derecognised (eliminated from the statement of financial position) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

24.4 Investment in subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investments in subsidiaries are accounted for under the cost method from the date that control commences until the date that control ceases.

Income from dividends are recognised in profit or loss in the period when dividend is declared.

24.5 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives, useful lives of intangible assets are 2-4 year. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset.

24.6 Impairment of tangible and intangible assets

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit or loss and other comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit or loss and other comprehensive income.

24.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits with banks, and other short-term, highly liquid investments with original maturities of three months or less. These balances are measured at amortized cost using the effective interest method. Restricted balances are excluded from cash and cash equivalents for the purposes of the statement of cash flows. Balances that are restricted from use or exchange for at least twelve months after the reporting period are classified as other non-current assets.

24.8 Short-term investments in certificates of deposit

Separately presented certificates of deposit comprise bank certificates of deposit held by the Company with original maturities of more than three months but less than twelve months. These instruments are classified as financial assets measured at amortized cost because (i) they are held within a business model whose objective is to collect contractual cash flows, and (ii) their contractual terms give rise solely to payments of principal and interest on the principal amount outstanding. On initial recognition, certificates of deposit are measured at fair value plus directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest rate method, less any allowance for expected credit losses. Interest income is recognized in profit or loss using the effective interest method.

24.9 Financial instruments

Financial assets

Financial assets are classified into three measurement categories: those to be measured subsequently at amortised cost, those to be measured subsequently at fair value through other comprehensive income (FVOCI) and those to be measured subsequently at fair value through profit or loss (FVPL). The Company's management has assessed which business models apply to the financial assets held by the Company and has classified financial assets within "financial assets measured at amortised cost" category.

Financial assets at amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables, issued loans), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade and other receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade and other receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade and other receivables. For trade and other receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the statement of comprehensive income. On confirmation that the trade and receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provision for loans issued are recognised using the expected credit loss model. The Company assesses whether the credit risk on a financial instrument has increased compared to initial recognition. If there is no significant increase in credit risk, the Company assesses the expected 12 months credit loss and recognizes full interest income. In the event of a significant increase in credit risk, the expected credit loss is estimated, and the full interest income is recognised. For loans issued with impaired credit, the expected credit loss is estimated, and the net interest income is recognised.

The Company's financial assets measured at amortised cost comprise other financial assets, trade and other receivables, loans issued and cash and cash equivalents in the statement of financial position. Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company has classified financial liabilities within "fair value through profit or loss" and "Other financial liabilities" category. Other financial liabilities include the following items: Borrowings and trade and other payables.

Other financial liabilities are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Offset of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

24.10 Revenue from contract with customers

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services. The Company uses five-step model for all contracts with customers.

The five steps in the model are as follows:

- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts;
- Recognise revenue when (or as) the Company satisfies a performance obligation.

The Company recognises revenue when or as a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer.

Performance obligations and timing of revenue recognition

The Company’s main revenue stream is management and consulting services and royalty to its subsidiaries. Revenue from providing services is recognised over time in the accounting period in which the services are rendered.

Determining the transaction price

The Company’s contract prices are fixed. The Company recognizes revenue monthly, according to contract.

Allocating amounts to performance obligations

The Company provides management services to its subsidiaries. Each management services are considered as a single performance obligation. Therefore, there is no judgement involved in allocating the contract price to performance obligations.

24.11 Leasing

The Company has mainly leased buildings with lands to subsidiaries for temporary use, from which it receives monthly income. The Company does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset, therefore the company classifies leases as an operating lease. The company recognises rental income on a straight-line basis, according to lease payments.

24.12 Income taxation

The Company recognises the income tax payable on the distribution of dividends as a liability and an expense in the period in which the dividends are declared regardless of the period for which the dividends are declared or the period in which the dividends are ultimately distributed. Owing to the specific nature of the taxation system in Georgia, there are no differences between the carrying amounts and tax bases of the assets and liabilities of companies registered in Georgia that could result in deferred tax assets or deferred tax liabilities.

24.13 Taxes other than income tax

Taxes other than income tax are recognised when obligating events have occurred. “The obligating events” is an event that raises a liability to pay a tax. Taxes are calculated in accordance with Georgian legislation. Prepaid taxes are recognised as assets.

24.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made to the amount of the obligation. Also, If the Company has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

The onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfill it.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(In thousands of GEL)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

24.15 Contingent assets and liabilities

Contingent liabilities are not recognised in the separate financial statements. They are disclosed in the notes to the separate financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are recognised only when the contingency is resolved.

24.16 Expenses

Expenses are recognised in the separate income statement if there arises any decrease of economic benefit related to the decrease of an asset or increase of a liability that can be reliably assessed. Expenses are recognised in the separate income statement immediately, if the expenses do not result in future economic profit any more, or if future economic profit do not meet or stop to meet the requirements of recognition as an asset in the separate financial statement.

24.17 Share capital and treasury shares

Share capital is determined by the owners of the company. Share capital includes ordinary shares, the holders of which have voting rights and non-redeemable preferred shares, that do not have voting rights. Preferred shares are recorded in equity when owners of which, are entitled to receive an annual dividend at the fixed interest rate which is not constant and dividends distribution to preference shareholders is at the discretion of the common shareholders. Otherwise, they are recorded as liabilities.

Purchased own shares are recognized at fair value. The difference between the amount paid/received at the redemption/resale of own shares and the face value was recorded in retained earnings for the period when the shares were redeemed/sold.

Redeemed shares from the owner for the purpose of subsequent reissuance, are recognized as treasury shares. Purchased own shares for cancelation, are recognized as a reduction of share capital.

24.18 Dividends

Dividends are recorded as a liability and deducted from equity in the period in which they are declared and approved. Any dividends declared after the reporting period and before the financial statements are authorised for issue are disclosed in the subsequent events note.