



ALMA

ALMA GROUP

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2023

Together with the Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

To the Management and owners of ALMA Group

Opinion

We have audited the consolidated and separate financial statements of ALMA LLC (the "Company") and its subsidiary (the "Group"), which comprise the consolidated and separate statement of financial position as at 31 December 2023, and the consolidated and separate statement of comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group/Company as at 31 December 2023, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and Law of Georgia „On Accounting, Reporting and Audit“.

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 consolidated and separate financial statements section of our report. We are independent of the Group/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 consolidated and 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's/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 Group/ Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

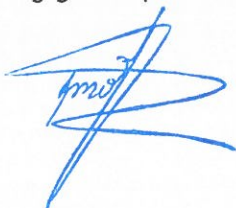
Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and 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 Group's/ 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 Group's/ 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 consolidated and 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 Group/ Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group/Company to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

The engagement partner responsible for the audit resulting in this independent auditor's report is:



Ekaterine Kopaliani (Registration number **SARAS-A-932874**)

For and on behalf of BDO Audit LLC

Tbilisi, Georgia

12 July 2024

ALMA GROUP

CONSOLIDATED AND SEPARATE STATEMENT OF TOTAL COMPREHENSIVE INCOME

For the year ended 31 December 2023

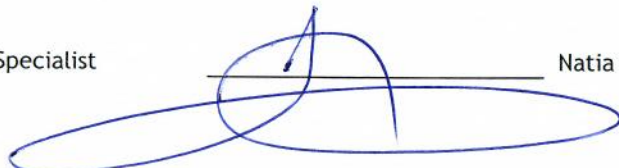
(In GEL)

	Note	Group		Company	
		2023	2022	2023	2022
Revenue	6	53,726,030	44,152,765	50,215,080	41,155,100
Cost of sale	7	(18,901,114)	(16,803,802)	(16,176,738)	(14,459,480)
Gross Profit		34,824,916	27,348,963	34,038,342	26,695,620
General and Administrative expenses	8	(6,479,842)	(7,276,220)	(5,506,454)	(6,258,789)
Recovery/(Expense) on bad and doubtful debts	24	68,817	(848,401)	7,694	(890,689)
Recovery of non-current assets	18	1,036,412	127,280	1,036,412	127,280
Gain/(Loss) from non-current asset disposal, net	9	419,096	(141,318)	418,213	(141,318)
Impairment of investment in other companies	19	-	(10,000)	-	-
Other income, net	10	640,425	(25,413)	227,256	34,323,868
Gain/(Loss) on disposal of subsidiary, net	11	19,930,872	-	(14,279,578)	-
Gain from the sale of the subsidiary's share, net	19	5,387,781	-	1,412,173	-
Operating profit		55,828,477	19,174,891	17,354,058	53,855,972
Finance income	12	2,811,628	1,414,125	3,432,227	1,399,498
Finance costs	13	(19,181,027)	(11,948,824)	(11,926,740)	(11,477,781)
Foreign exchange gain/loss, net	14	(374,200)	7,136,470	(400,622)	6,892,543
Share of post-tax profits of equity accounted joint ventures	20	(4,355,034)	1,887,893	(4,355,034)	1,887,894
Dividends received from subsidiary		-	4,500	-	4,500
Profit before income tax		34,729,844	17,669,055	4,103,889	52,562,626
Income tax expenses		-	-	-	-
Total comprehensive profit for the period		34,729,844	17,669,055	4,103,889	52,562,626
Total comprehensive income attributable to:					
Owners of the parent		34,715,340	17,703,680		
Non-controlling interest		14,504	(34,625)		
		34,729,844	17,669,055		

The consolidated and separate financial statements for the year ended 31 December 2023 were approved on behalf of the management on 12 July 2024 by:

Director  Giorgi Trapaidze

Senior Financial Analyst and Reporting Specialist

 Natia Davitadze

Notes on pages 9-47 are the integral part of these consolidated and separate financial statements.

ALMA GROUP

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

(In GEL)

		Group		Company	
	Note	31.12.2023	31.12.2022	31.12.2023	31.12.2022
ASSETS					
Non-current assets					
Intangible assets	15	49,379,236	53,392,108	49,375,761	53,388,404
Right-of-use assets	16	7,116,783	7,513,461	7,116,783	7,440,388
Property, plant and equipment	17	29,055,538	28,553,401	28,004,104	27,465,477
Investment properties	18	114,796,348	121,571,706	14,662,177	28,285,643
Investments in subsidiaries	19	-	-	31,011,604	58,401,562
Investments in joint ventures	20	39,469,254	21,709,893	39,469,254	21,709,893
Investments in equity instruments		122,409	122,409	39,060	39,060
Goodwill	5	245,133	245,133	-	-
Prepayments for non-current assets	21	4,109,235	1,618,623	4,109,235	1,618,623
Loans granted	22	-	528,777	7,062,308	7,027,856
		<u>244,293,936</u>	<u>235,255,511</u>	<u>180,850,286</u>	<u>205,376,906</u>
Current assets					
Inventories	23	1,794,341	1,480,912	1,648,314	1,350,948
Tax assets		-	11,147,663	-	-
Loans granted	22	17,808,195	41,225,960	18,262,895	41,519,526
Trade and other receivables	24	14,759,728	10,458,271	14,300,196	10,243,093
Cash and cash equivalents	25	1,009,319	1,779,860	579,202	1,572,846
		<u>35,371,583</u>	<u>66,092,666</u>	<u>34,790,607</u>	<u>54,686,413</u>
Total assets		<u><u>279,665,519</u></u>	<u><u>301,348,177</u></u>	<u><u>215,640,893</u></u>	<u><u>260,063,319</u></u>
OWNER'S EQUITY AND LIABILITIES					
Owner's equity					
Charter capital		1,326,533	1,326,533	1,326,533	1,326,533
Retained earnings		107,938,102	73,222,762	111,934,191	107,830,302
		<u>109,264,635</u>	<u>74,549,295</u>	<u>113,260,724</u>	<u>109,156,835</u>
Non-controlling interest		103,313	88,809	-	-
		<u>109,367,948</u>	<u>74,638,104</u>	<u>113,260,724</u>	<u>109,156,835</u>
Liabilities					
Lease Liabilities	16	7,088,837	7,244,510	7,088,837	7,220,557
Other liabilities	26	5,479,208	6,761,357	5,479,208	6,761,357
Contract liabilities	6	9,224,306	10,890,744	9,224,306	10,890,744
Deffered income	27	-	3,889,387	-	-
Borrowings	28	71,649,442	94,364,265	18,583,335	62,430,804
Trade and other payables	29	4,562,514	8,827,036	-	-
		<u>98,004,307</u>	<u>131,977,299</u>	<u>40,375,686</u>	<u>87,303,462</u>
Other liabilities	26	1,934,994	1,831,403	1,934,994	1,831,403
Tax liabilities		706,122	-	646,440	478,413
Lease Liabilities	16	830,564	655,455	830,564	609,857
Contract liabilities	6	5,218,743	4,889,248	5,218,743	4,889,248
Borrowings	28	45,133,039	48,880,773	44,937,688	36,996,673
Deffered income	27	3,889,387	3,889,387	-	-
Trade and other payables	29	14,580,415	34,586,508	8,436,054	18,797,428
		<u>72,293,264</u>	<u>94,732,774</u>	<u>62,004,483</u>	<u>63,603,022</u>
Total owner's equity and liabilities		<u><u>279,665,519</u></u>	<u><u>301,348,177</u></u>	<u><u>215,640,893</u></u>	<u><u>260,063,319</u></u>

Notes on pages 9-47 are the integral part of these consolidated and separate financial statements

ALMA GROUP

CONSOLIDATED AND SEPARATE STATEMENT ON CHANGES IN EQUITY

For the year ended 31 December 2023

(In GEL)

Group	Charter capital	Retained Earnings	Non-controlling interest	Total
31 December 2021	<u>1,326,533</u>	<u>55,519,082</u>	<u>123,434</u>	<u>56,969,049</u>
Total comprehensive income	-	17,703,680	(34,625)	17,669,055
31 December 2022	<u>1,326,533</u>	<u>73,222,762</u>	<u>88,809</u>	<u>74,638,104</u>
Total comprehensive income	-	34,715,340	14,504	34,729,844
31 December 2023	<u><u>1,326,533</u></u>	<u><u>107,938,102</u></u>	<u><u>103,313</u></u>	<u><u>109,367,948</u></u>

Company	Charter capital	Retained Earnings	Total
31 December 2021	<u>1,326,533</u>	<u>55,267,676</u>	<u>56,594,209</u>
Total comprehensive income	-	52,562,626	52,562,626
31 December 2022	<u>1,326,533</u>	<u>107,830,302</u>	<u>109,156,835</u>
Total comprehensive income	-	4,103,889	4,103,889
31 December 2023	<u><u>1,326,533</u></u>	<u><u>111,934,191</u></u>	<u><u>113,260,724</u></u>

Notes on pages 9-47 are the integral part of these consolidated and separate financial statements.

ALMA GROUP
CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

(In GEL)

		Group		Company	
	Note	2023	2022	2023	2022
Cash flows from operating activities					
Profit before income tax		34,729,844	17,669,055	4,103,889	52,562,626
Adjustments for:					
Depreciation and amortisation	15-18	12,675,662	8,836,360	8,677,316	8,737,197
Impairment of Inventory	8	368,469	327,591	368,469	327,591
Impairment of non-current assets	18	(1,036,412)	(127,280)	(1,036,412)	(127,280)
Impairment of investment in other companies		-	10,000	-	-
(Impairment)/recovery of trade receivables	24	(68,817)	848,401	(7,694)	890,689
Finance income	12	(2,811,628)	(1,414,125)	(3,432,227)	(1,399,498)
Finance costs	13	19,181,027	11,948,824	11,926,740	11,477,781
Loss/(Gain) from PPE disposals	9	(419,096)	141,318	(418,213)	141,317
Income from the share sale	19	(5,387,781)	-	(1,412,173)	-
Share of post-tax profits of equity accounted joint ventures	20	4,355,034	(1,887,893)	4,355,034	(1,887,893)
The difference between the actual value of an asset included in capital and the book value	10	-	-	-	(34,210,450)
Deferred income	10	(3,889,387)	-	-	-
Gain/(Loss) on disposal of subsidiary, net	11	(19,930,872)	-	14,279,578	-
Foreign exchange loss, net	14	374,200	(7,136,470)	400,622	(6,892,543)
Cash inflows from operating activities before changes in operating assets and liabilities		38,140,243	29,215,781	37,804,929	29,619,537
Movements in working capital					
Decrease/(Increase) in inventories		(681,898)	324,890	(665,835)	333,990
Decrease/(Increase) in trade and other receivables		3,881,635	5,088,407	(1,387,731)	5,021,825
Increase in trade and other payables		(12,212,162)	7,317,087	(6,254,160)	3,214,868
Decrease in contract liabilities		(2,744,352)	(4,922,922)	(2,744,352)	(4,922,922)
(Decrease)/Increase in tax payables		11,853,785	(11,538,612)	168,027	129,797
Decrease in other liabilities		(1,953,191)	(2,004,384)	(1,953,191)	(2,004,384)
Cash inflow from operating activities		36,284,060	23,480,247	24,967,687	31,392,711
Interest paid	17, 29	(12,737,082)	(8,709,857)	(7,665,270)	(8,365,366)
Net cash inflows from operating activities		23,546,978	14,770,390	17,302,417	23,027,345
Cash flows from investing activities					
Purchase of property, plant and equipment		(3,152,318)	(3,400,713)	(3,135,615)	(3,364,851)
Purchase of investment properties		(38,802,041)	(42,570,627)	(25,782,041)	(255,627)
Acquisition of subsidiary, net of cash acquired		(68,500)	(46,633)	-	(118,241)
Proceeds from PPE disposals		34,827	366,063	32,284	366,063
Proceeds from investment property disposals		6,590,120	1,363,483	6,590,120	1,363,483
Purchase of Intangible assets		(135,040)	(107,984)	(135,040)	(104,911)
Loans granted	22	(2,315,165)	(30,191,090)	(2,555,845)	(37,580,012)
Proceeds from the sale of a share in a subsidiary		-	5,387,780	-	5,387,780
Net cash inflow from disposal of subsidiary	11	13,826,355	-	15,559,345	-
Interest received		1,464,469	147,690	1,465,067	147,666
Repayments of loans granted	22	26,208,078	1,533,912	26,328,455	2,134,412
Received dividends		-	4,500	-	4,500
Net cash inflow/(outflow) from investing activities		3,650,785	(67,513,619)	18,366,730	(32,019,738)
Cash flows from financial activities					
Proceeds from borrowings	28	73,301,011	78,122,879	52,876,591	33,711,179
Repayment of borrowings	28	(100,674,950)	(24,836,870)	(88,957,071)	(24,236,870)
Payments for the principal portion of the lease liability	16	(577,227)	(579,237)	(567,736)	(532,730)
Net cash (outflow)/inflow from financing activities		(27,951,166)	52,706,772	(36,648,216)	8,941,579
Net decrease in cash and cash equivalents		(753,403)	(36,457)	(979,069)	(50,814)
Cash and cash equivalents at the beginning of the year	25	1,779,860	1,826,003	1,572,846	1,629,153
Effect of changes in foreign exchange rate on cash and cash equivalents	14	(17,138)	(9,686)	(14,575)	(5,493)
Cash and cash equivalents at the end of the year	25	1,009,319	1,779,860	579,202	1,572,846

Notes on pages 9-47 are the integral part of these consolidated and separate financial statements.

ALMA GROUP

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2023

(In GEL)

1. General information

Alma LLC (hereinafter the Company) with identification number 204873388 was registered on 17 November 1995 by the Vaki district court, under the law of Georgia.

ALMA LLC is a leading company in outdoor advertising market in Georgia since 1995. Until October 2013 the company was known as "Alma Plus". The company has an exclusive right for advertising at Tbilisi and Batumi international airports and holds technology printing house since 2002. Today Alma owns billboards not only in Tbilisi but in other big cities of Georgia. The company owns a 20-year exclusive right for placing advertisements on Tbilisi Transport Company LLC movable and immovable property, a 30-year exclusive right to place advertisements on Batumi Autotransport LLC property, and a 15-year exclusive right for outdoor advertising on real estate located on the right and left banks of the river Mtkvari within the administrative boundaries of Tbilisi Municipality.

The Company's legal address is N 6 Vani St. Tbilisi, Georgia.

The director of the company is Giorgi Trapaidze.

As at 31 December 2023 and 2022 the Company was 100%-owned by Meridian Malta LTD a duly registered and operating under the laws of Malta. The companies' ultimate controlling parties are Levan Pkhakadze (50%) and Samson Pkhakadze (50%).

The Company is the parent company of the following enterprises (collectively referred to as the "Group"), which are included in the Group's consolidated financial statements:

Subsidiary company	Activity	Share/voting rights (%)		Investment in subsidiaries	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
JSC Laguna	The main activity is sport & health activities	100%	100%	907,000	907,000
Lomsia LLC	Hotel	100%	100%	-	-
Krakeni 8 LLC	The main activity is to provide advertising products and services to individual and corporate customers	75%	75%	390,321	390,321
Startup Studio LLC	Investing in innovative start-ups	100%	100%	118,983	118,241
Kostava Towers LLC	Development of construction projects	100%	100%	-	-
Alma Lisi LLC	Construction of residential and non-residential buildings	88.16%	100%	29,595,300	-
Sakeni by Biograpi LLC	Construction of residential and non-residential buildings	-	100%	-	56,986,000
JSC Winthrop Center	Construction of residential and non-residential buildings	100%	-	-	-
Milenium Towers LLC	Construction of residential and non-residential buildings	100%	-	-	-

All subsidiaries are registered and located in Georgia.

Investment in equity instruments of the company are:

Name of the company	Activity	Share/voting rights (%)		Investment in subsidiaries	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
W-Media LLC	The main activity is to provide advertising products and services to individual and corporate customers	50%	50%	39,060	39,060
Geo Tech LLC	Owens 10% shares of Outdoor.ge LLC	100%	100%	-	-
Hisni by Biograpi LLC	Construction of residential and non-residential buildings	50%	50%	8,070,446	8,613,393
Matiani by Biograpi LLC	Construction of residential and non-residential buildings	50%	50%	11,306,514	13,096,500
Sakeni by Biograpi LLC	Construction of residential and non-residential buildings	50%	-	20,092,295	-
Onyx Wings Studio LLC	Computer games	16.33%	16.33%	83,349	83,349
Ino Hub LLC	BCI Research based on AI algorithm	10%	10%	-	-

All Investment in equity instruments is registered and located in Georgia.

2. Basis of preparation

a) Statement of compliance

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

The preparation of consolidated and 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 consolidated financial statements are disclosed in Note 3.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2023

(In GEL)

2. Basis of preparation (continued)**b) Basis of measurement**

The consolidated and separate financial statements have been prepared under the historical cost bases.

The reporting period for the Group/Company is the calendar year from January 1 to December 31. These consolidated and separate financial statements are presented in Georgian Lari (GEL), which is the Group's functional and presentation currency.

c) Going concern

These consolidated and separate financial statements have been prepared on the assumption that the Group is a going concern and will continue its operations for the foreseeable future. The management of the group/company and the founders want to develop the group's/company's activity in Georgia. The group/company is profitable for the year ending 31 December 2023 and has positive cash flows from operating activities. On this basis, management believes that the Group's/Company's ability to continue as a going concern within 12 months after the approval of the consolidated financial statements is not related to material uncertainty.

Principal accounting policies applied in the preparation of these consolidated financial statements are disclosed in note 33. These policies have been consistently applied to all the periods presented, unless otherwise stated.

A) Standards and Amendments Mandatorily Effective from 1 January 2023

IFRS 17 Insurance Contracts. IFRS 17 introduces an internationally consistent approach to the accounting for insurance contracts. Prior to IFRS 17, significant diversity has existed worldwide relating to the accounting for and disclosure of insurance contracts, with IFRS 4 permitting many previous (non-IFRS) accounting approaches to continue to be followed. IFRS 17 will result in significant changes for many insurers, requiring adjustments to existing systems and processes. The new standard takes the view that insurance contracts combine features of a financial instrument and a service contract, and that many generate cash flows that vary substantially over time. It therefore takes the approach of:

- Combining current measurement of future cash flows with recognising profit over the period that services are provided under the contract
- Presenting insurance service results (including insurance revenue) separately from insurance finance income or expenses, and
- Requiring an entity to make an accounting policy choice for each portfolio whether to recognise all insurance finance income or expenses for the reporting period in profit or loss, or to recognise some in other comprehensive income.

Disclosure of Accounting Policies (Amendment to IAS 1 and IFRS Practice Statement 2). In February 2021, the IASB issued amendments to IAS 1, which change the disclosure requirements with respect to accounting policies from 'significant accounting policies' to 'material accounting policy information'. The amendments provide guidance on when accounting policy information is likely to be considered material. The amendments to IAS 1 are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted. As IFRS Practice Statements are non-mandatory guidance, no mandatory effective date has been specified for the amendments to IFRS Practice Statement 2.

Definition of Accounting Estimates (Amendment to IAS 8). In February 2021, the IASB issued amendments to IAS 8, which added the definition of Accounting Estimates in IAS 8. The amendments also clarified that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from correction of prior period errors.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12). In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption under IAS 12.15, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.

2. Basis of preparation (continued)**B) NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE****Standards and Amendments Mandatorily Effective from 1 January 2024**

Supplier Finance Arrangements (Amendment to IAS 7 and IFRS 7). On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (the Amendments). These Amendments arose as a result of a submission received by the IFRS Interpretations Committee (the Committee) about the presentation requirements for liabilities and associated cash flows arising out of supply chain financing arrangements and related disclosures. In December 2020, the Committee published an Agenda Decision Supply Chain Financing Arrangements—Reverse Factoring that addressed this submission based on the requirements in IFRS Accounting Standards existing at that time. During this process, the feedback from stakeholders indicated limitations of the then existing requirements to address important information needs of users to understand the effects of supplier finance arrangements on an entity's financial statements and to compare one entity with another. In response to this feedback, the IASB undertook a narrow-scope standard setting, leading to the Amendments. The Amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The Amendments also provide guidance on characteristics of supplier finance arrangements.

Lease Liability in a Sale and Leaseback (Amendment to IFRS 16). The IFRS Interpretations Committee issued an agenda decision in June 2020 - Sale and leaseback with Variable Payments. This matter was referred to the IASB for standard setting for some aspects. The IASB issued the final amendments in September 2022. The Amendments provide a requirement for the seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

Classification of Liabilities as Current or Non-Current (Amendment to IAS 1). The IASB issued amendments to IAS 1 - Classification of Liabilities as Current or Non-current in January 2020, which have been further amended partially by amendments Non-current Liabilities with Covenants issued in October 2022. The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period. As a result of the COVID-19 pandemic, the Board deferred the effective date of the amendments by one year to annual reporting periods beginning on or after 1 January 2024.

Amendment - Noncurrent Liabilities with Covenants (Amendment to IAS 1). Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current

D) Standards and Amendments Mandatorily Effective from 1 January 2025

Lack of Exchangeability (Amendment to IAS 21) On 15 August 2023, the IASB issued Lack of Exchangeability which amended IAS 21 The Effects of Changes in Foreign Exchange Rates (the Amendments). The Amendments arose as a result of a submission received by the IFRS Interpretations Committee (the Committee) about the determination of the exchange rate when there is a long-term lack of exchangeability. IAS 21, prior to the Amendments, did not include explicit requirements for the determination of the exchange rate when a currency is not exchangeable into another currency, which led to diversity in practice. The Committee recommended that the IASB develop narrow-scope amendments to IAS 21 to address this issue. After further deliberations, the IASB issued an exposure draft of the proposed amendments to IAS 21 in April 2021 and the final amendments were issued in August 2023. The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

The Group/Company is currently assessing the possible impact of the new standard on its consolidated/separate financial statements.

Other

The Group/Company does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the consolidated/separate financial statements.

3. Critical accounting estimates and judgments

In the application of the Group's/Company's accounting policies, which are described in note 33, 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.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of property and equipment; investment properties and intangible assets

The estimation of the useful life of an item of property and equipment; investment properties and intangible assets 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. During the reporting period the Group/Company did not change useful life of an item of property and equipment, investment properties and intangible assets.

Impairment of financial assets

The Group/Company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade and other receivables are grouped based on similar credit risk and aging. The expected loss rates are based on the Group's/Company's historical credit losses experienced over the three-year period prior to the period end. The Group/Company applied exemption B5.5.50 and B5.5.51 of IFRS 9 and did not use incorporate forecasts of future conditions of financial assets. Therefore, the historical loss rates are not adjusted for current and forward-looking information on macroeconomic factors affecting the Group's/Company's customers.

Impairment of non-financial assets

The Group/Company periodically evaluates the recoverability of the carrying amount of its assets. Whenever events or changes in circumstances indicate that the carrying amounts of those assets may not be recoverable, the Group/Company estimates the recoverable amount of the asset. This requires the Group/Company to make judgments regarding long-term forecasts of future revenues and costs related to the assets subject to review. In turn, these forecasts are uncertain in that they require assumptions about demand for products and future market conditions. Significant and unanticipated changes to these assumptions and estimates included within the impairment reviews could result in significantly different results than those recorded in the financial statements.

Provisions and Contingent Liabilities

A provision is recognized when there is a current liability - a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of such liabilities can be reliably measured. Contingent assets are not reflected in the consolidated/separate financial statements, but the information on them is disclosed when inflow of economic benefits is possible. If economic benefits are sure to occur, an asset and related income are recognized in the consolidated/separate financial statements for the period, when the evaluation change occurred.

4. Financial instruments - Risk Management

The activities of the Group/Company are exposed to various risks. Risk management is a critical component of its activities. Risk is inherent in the Group's/Company's activities, but it is managed through a process of ongoing identification, measurement and daily monitoring, subject to risk limits and other controls. Everyone within the Group/Company is accountable for the risk exposures relating to his or her responsibilities. The main financial risks inherent to the Group's/Company's operations are those related to credit, liquidity and market movements in interest and foreign exchange rates. A summary description of the Group's/Company's risk management policies in relation to those risks is disclosed below.

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4. Financial instruments - Risk Management (continued)

Principal financial instruments

The principal financial instruments used by the Group/Company, from which financial instrument risk arises, are as follows:

- Cash and cash equivalents
- Trade and other receivables
- Loans granted
- Trade and other payables
- Lease liabilities
- Borrowings
- Other liabilities

Principal financial instruments can be presented as follows:

	Group		Company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Financial assets				
Trade and other receivables	14,283,649	10,304,343	13,954,686	10,092,353
Loans granted	17,808,195	41,754,737	25,325,203	48,547,382
Cash and cash equivalents	1,006,283	1,778,160	579,202	1,572,846
	33,098,127	53,837,240	39,859,091	60,212,581
Financial liabilities				
Trade and other payables	19,142,929	43,413,544	8,436,054	18,797,428
Borrowings	116,782,481	143,245,038	63,521,023	99,427,477
Lease Liabilities	7,919,401	7,899,965	7,919,401	7,830,414
Other liabilities	7,414,202	8,592,760	7,414,202	8,592,760
	151,259,013	203,151,307	87,290,680	134,648,079

Fair value measurement

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 best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the quantity held by the entity.

A portfolio of financial assets and liabilities that are not traded in an active market is measured at the fair value using valuation techniques. The selected measurement method uses observable market data, minimally based on non-market data and considers all the factors that market participants have taken into consideration when determining price. The best evidence of the fair value of a certain financial instrument at initial recognition is the price of the transaction - the fair value of the consideration paid or received. If a Group/Company decides that the fair value at initial recognition differs from the transaction price and the fair value is not supported by the quoted price on the active markets of the similar assets or liabilities, also, its value is not based on the measurement techniques that uses only observable market data, in such cases the financial instruments are initially measured at fair value, adjusted for the difference between this value and the transaction price. Any difference between this value and the initial value obtained through the measurement method will be later recognized in profit or loss during the life of the instrument, but no later than the assessment is fully based on the observable market data or when the transaction is closed.

Fair value measurements are analysed by level in the fair value hierarchy as follows:

Level 1: are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: measurements are valuation techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This category includes instruments that are evaluated using the following data: quoted market prices at active markets for similar financial instruments; Quoted prices for similar instruments that are less active; Or other methods of evaluation, within which all the important data is directly or indirectly observable, due to market data;

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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(In GEL)

4. Financial instruments - Risk Management (continued)

Level 3: measurements are valuations not based on solely observable market data. This category includes all the instruments within which the evaluation methods are not based on the observable data and unobservable inputs have a significant impact on the valuation of the instrument. This category includes instruments that are evaluated based on quoted prices for similar instruments within which significant adjustments or assumptions are required to reflect differences between instruments.

Fair value assessment used for financial instruments accounted at amortized cost - trade and other receivables, trade and other payable and borrowed funds was based on level 2 and level 3 hierarchy. The fair values in level 3 and level 2 of fair value hierarchy were estimated using the discounted cash flows valuation technique. The fair value of unquoted fixed interest rate instruments was estimated 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. There were no changes in valuation technique for level 3 and level 2 measurements of assets and liabilities not measured at fair values during the year ended 31st December 2023 and 2022. The fair value of cash and cash equivalents is estimated based on Level 1. The Group/Company for the purposes of fair value measurement for investment property measured at cost used level 2 and level 3 measurements as valuations techniques.

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

- Credit risk
- Liquidity risk
- Market risk
 - Interest rate risk
 - Currency risk

In common with all other businesses, the Group/Company is exposed to risks that arise from its use of financial instruments. This note describes the Group's/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 consolidated financial statements.

Credit risk

Credit risk is the risk of financial loss to the Group/Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's/Company's receivables from customers. The Group's/Company's exposure to credit risk is influenced mainly by the characteristics of each customer. Credit risk also arises from cash and cash equivalents.

The Group's/Company's Management has established a credit policy under which each customer is analyzed separately for creditworthiness before the Group's/Company's standard payment and delivery terms and conditions are offered. The Group's/Company's review includes external ratings when available and in some cases bank references.

The Group/Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to separately significant exposures and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on ageing analysis and overdue status for each customer separately.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk would be as follows:

	Group		Company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Total financial assets				
Trade and other receivables	16,064,707	12,195,419	15,811,619	11,998,151
Loans granted	17,808,195	41,754,737	25,325,203	48,547,382
Cash and cash equivalents	1,006,283	1,778,160	579,202	1,572,846
	34,879,185	55,728,316	41,716,024	62,118,379

Additional information about lifetime of trade and other receivables is disclosed in the Note 24.

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4. Financial instruments - Risk Management (continued)

Liquidity risk

Liquidity risk arises from the Group's/Company's management of working capital. It is the risk that the Group/Company will encounter difficulties in meeting its current financial obligations as they fall due that may affect adversely the Group's/Company's on-going operations and performance. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group/Company controls these types of risks according to the maturity analysis and determines the Group's/Company's strategy for the future financial period. To manage liquidity risk, the Group/Company regularly monitors future cash flows, which is the asset/liability management process.

The maturity analysis of financial liabilities of the Group/Company listed below is based on the remaining contractual obligations.

	Group			31.12.2023
	Up to 1 year	1 year to 5 years	Over 5 years	
Financial assets				
Cash and cash equivalents	1,006,283	-	-	1,006,283
Trade and other receivables	14,283,649	-	-	14,283,649
Loans granted	19,383,861	-	-	19,383,861
	34,673,793	-	-	34,673,793
Financial liabilities				
Trade and other payables	19,142,929	-	-	19,142,929
Other Liabilities	1,934,994	4,664,838	814,370	7,414,202
Lease Liabilities	830,564	2,957,534	4,131,303	7,919,401
Borrowings	52,270,464	70,177,717	23,725,353	146,173,534
	74,178,951	77,800,089	28,671,026	180,650,066
	Company			31.12.2023
	Up to 1 year	1 year to 5 years	Over 5 years	
Financial assets				
Cash and cash equivalents	579,202	-	-	579,202
Trade and other receivables	13,954,686	-	-	13,954,686
Loans granted	19,881,356	8,284,665	-	28,166,021
	34,415,244	8,284,665	-	42,699,909
Financial liabilities				
Trade and other payables	8,436,054	-	-	8,436,054
Other Liabilities	1,934,994	4,664,838	814,370	7,414,202
Lease Liabilities	830,564	2,957,534	4,131,303	7,919,401
Borrowings	45,462,359	10,712,101	23,725,353	79,899,813
	56,663,971	18,334,473	28,671,026	103,669,470
	Group			31.12.2022
	Up to 1 year	1 year to 5 years	Over 5 years	
Financial assets				
Cash and cash equivalents	1,778,160	-	-	1,778,160
Trade and other receivables	10,304,343	-	-	10,304,343
Loans granted	44,110,869	560,426	-	44,671,295
	56,193,372	560,426	-	56,753,798
Financial liabilities				
Trade and other payables	43,413,544	-	-	43,413,544
Other Liabilities	1,831,403	6,021,215	740,142	8,592,760
Lease Liabilities	655,455	3,040,319	4,204,191	7,899,965
Borrowings	46,344,019	88,654,174	39,082,214	174,080,407
	92,244,421	97,715,708	44,026,547	233,986,676

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(In GEL)

4. Financial instruments - Risk Management (continued)

	Company			31.12.2022
	Up to 1 year	1 year to 5 years	Over 5 years	
Financial assets				
Cash and cash equivalents	1,572,846	-	-	1,572,846
Trade and other receivables	10,092,353	-	-	10,092,353
Loans granted	45,139,077	8,318,995	-	53,458,072
	56,804,276	8,318,995	-	65,123,271
Financial liabilities				
Trade and other payables	18,797,428	-	-	18,797,428
Other Liabilities	1,831,403	6,021,215	740,142	8,592,760
Lease Liabilities	609,857	3,016,366	4,204,191	7,830,414
Borrowings	29,767,124	47,966,383	39,082,214	116,815,721
	51,005,812	57,003,964	44,026,547	152,036,323

Market risk

Market risk is the risk that the fair value of a financial instrument will decrease because of changes in market factors. Market risk arises from the Group's/Company's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates (currency risk) and interest rates (interest rate risk).

Interest rate risk

The interest rate risk is the risk (with variable value) related to the interest-bearing assets, liabilities, because of the variable rate. The Group/Company is exposed to cash flow interest rate risk as the Group/Company borrow funds at floating interest rates. As at 31 December 2023 the Group's/Company's borrowings at variable rate were denominated in USD.

Currency risk

Currency risk is defined as the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group/Company is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.

Currency risk analysis in foreign currencies can be presented as follows:

	Group				31.12.2023
	GEL	USD	EUR	CNY	
Financial assets					
Cash and cash equivalents	950,418	22,218	33,647	-	1,006,283
Trade and other receivables	8,518,841	7,545,866	-	-	16,064,707
Loans granted	13,509,427	4,298,768	-	-	17,808,195
	22,978,686	11,866,852	33,647	-	34,879,185
Financial liabilities					
Trade and other payables	18,219,413	918,549	4,126	841	19,142,929
Other Liabilities	2,254,241	5,159,961	-	-	7,414,202
Lease Liabilities	5,470,659	1,620,287	828,455	-	7,919,401
Borrowings	79,129,905	37,652,576	-	-	116,782,481
	105,074,218	45,351,373	832,581	841	151,259,013
Open balance sheet position	(82,095,532)	(33,484,521)	(798,934)	(841)	

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4. Financial instruments - Risk Management (continued)

	Company				31.12.2023
	GEL	USD	EUR	CNY	
Financial assets					
Cash and cash equivalents	527,316	18,239	33,647	-	579,202
Trade and other receivables	8,265,753	7,545,866	-	-	15,811,619
Loans granted	13,583,126	11,742,077	-	-	25,325,203
	<u>22,376,195</u>	<u>19,306,182</u>	<u>33,647</u>	<u>-</u>	<u>41,716,024</u>
Financial liabilities					
Trade and other payables	7,512,580	918,507	4,126	841	8,436,054
Other Liabilities	2,254,241	5,159,961	-	-	7,414,202
Lease Liabilities	5,470,659	1,620,287	828,455	-	7,919,401
Borrowings	33,076,315	30,444,708	-	-	63,521,023
	<u>48,313,795</u>	<u>38,143,463</u>	<u>832,581</u>	<u>841</u>	<u>87,290,680</u>
Open balance sheet position	<u>(25,937,600)</u>	<u>(18,837,281)</u>	<u>(798,934)</u>	<u>(841)</u>	

	Group				31.12.2022
	GEL	USD	EUR	CNY	
Financial assets					
Cash and cash equivalents	1,109,192	623,824	23,403	21,741	1,778,160
Trade and other receivables	10,012,460	1,548,391	634,568	-	12,195,419
Loans granted	10,774,802	30,575,615	404,320	-	41,754,737
	<u>21,896,454</u>	<u>32,747,830</u>	<u>1,062,291</u>	<u>21,741</u>	<u>55,728,316</u>
Financial liabilities					
Trade and other payables	37,238,733	6,170,965	3,846	-	43,413,544
Other Liabilities	2,394,376	6,198,384	-	-	8,592,760
Lease Liabilities	5,226,162	1,782,554	891,249	-	7,899,965
Borrowings	70,550,833	72,694,205	-	-	143,245,038
	<u>115,410,104</u>	<u>86,846,108</u>	<u>895,095</u>	<u>-</u>	<u>203,151,307</u>
Open balance sheet position	<u>(93,513,650)</u>	<u>(54,098,278)</u>	<u>167,196</u>	<u>21,741</u>	

	Company				31.12.2022
	GEL	USD	EUR	CNY	
Financial assets					
Cash and cash equivalents	974,108	553,598	23,399	21,741	1,572,846
Trade and other receivables	9,876,535	1,487,048	634,568	-	11,998,151
Loans granted	11,154,712	37,392,670	-	-	48,547,382
	<u>22,005,355</u>	<u>39,433,316</u>	<u>657,967</u>	<u>21,741</u>	<u>62,118,379</u>
Financial liabilities					
Trade and other payables	12,633,401	6,160,181	3,846	-	18,797,428
Other Liabilities	2,394,376	6,198,384	-	-	8,592,760
Lease Liabilities	5,226,162	1,713,003	891,249	-	7,830,414
Borrowings	33,232,913	66,194,564	-	-	99,427,477
	<u>53,486,852</u>	<u>80,266,132</u>	<u>895,095</u>	<u>-</u>	<u>134,648,079</u>
Open balance sheet position	<u>(31,481,497)</u>	<u>(40,832,816)</u>	<u>(237,128)</u>	<u>21,741</u>	

The following table details the Group's/Company's sensitivity to a 20% increase and decrease in the USD and EUR against the GEL. 20% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign currency exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the period for a 20% change in foreign currency rates.

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4. Financial instruments - Risk Management (continued)

Impact on profit before tax and equity based on asset values is presented in the table below:

	GEL/USD + 20%	GEL/USD - 20%	GEL/EUR + 20%	GEL/EUR - 20%
	Group			
Profit/(loss) 2023	(6,696,904)	6,696,904	(159,787)	159,787
Profit/(loss) 2022	(10,819,656)	10,819,656	33,439	(33,439)
	Company			
Profit/(loss) 2023	(3,767,456)	3,767,456	(159,787)	159,787
Profit/(loss) 2022	(8,166,563)	8,166,563	(47,426)	47,426

Capital management

The Group/Company manages its capital to ensure that entities of the Group/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. The management of the Group/Company reviews the capital structure on a regular basis.

5. Business combinations and goodwill impairment test

On 9 July 2021 Alma LLC purchased a 75% share of Krakeni 8 LLC. From the mentioned operation, the company generated goodwill GEL245,133.

As of 31.12.2023 the recoverable amount of goodwill is determined based discounted cashflow method. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows.

For the year ended 31 December 2023 and 2022 impairment testing indicated that previously recognized goodwill was not impaired. The (pre-tax) discount rate used to measure the CGU's value in use was 17.58% and 20.21%, respectively. The recoverable amounts of both CGU's have been determined from value in use calculations based on cash flow projections from budgets covering a five-year period to 31 December 2028 and 2027.

6. Revenue

	Group		Company	
	2023	2022	2023	2022
Revenue from advertising activities	50,309,467	41,692,095	46,818,288	38,652,769
Revenue from sale of banners	3,416,563	2,460,670	3,396,792	2,502,331
	53,726,030	44,152,765	50,215,080	41,155,100

The vast majority of the Group's/Company's contracts are fulfilled within the next 12 months for which the practical expedients in paragraph 121(a)(b) of IFRS 15 applies, and the Group/Company does not disclose remaining performance obligations.

Reconciliation of contract liabilities is disclosed as follows:

	Group/Company	
	2023	2022
At 1 January	15,779,992	19,077,386
Interest on contract liabilities	1,407,409	1,625,528
Amounts included in contract liabilities that was recognised as revenue during the period	(3,064,209)	(3,806,726)
Cash received in advance of performance and not recognised as revenue during the period	319,857	(1,116,196)
At 31 December	14,443,049	15,779,992

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6. Revenue (continued)

In addition, in case of three advertising contracts the group/company does not meet practical expedients of IFRS 15 paragraph 121(a)(b) as during the period it has received advance considerations for long term advertising services. The amount of revenue that will be recognised in future periods on these contracts when those remaining performance obligations will be satisfied is analysed as follows:

	Group/Company			
At 31 December 2023	2024	2025	2026-2028	Total
JSC TBC Bank (10year contract)	2,306,076	2,306,076	6,918,230	11,530,382
JSC TBC Bank (3year contract)	886,903	-	-	886,903
	<u>3,192,979</u>	<u>2,306,076</u>	<u>6,918,230</u>	<u>12,417,285</u>

	Group/Company			
At 31 December 2022	2023	2024	2025-2028	Total
JSC TBC Bank (10year contract)	2,000,768	2,000,768	8,003,073	12,004,609
JSC TBC Bank (3year contract)	1,182,574	886,903	-	2,069,477
	<u>3,183,342</u>	<u>2,887,671</u>	<u>8,003,073</u>	<u>14,074,086</u>

7. Cost of Sales

	Group		Company	
	2023	2022	2023	2022
Depreciation and Amortisation	(6,922,481)	(6,054,258)	(6,922,481)	(6,054,258)
Personnel expenses	(4,666,362)	(3,626,216)	(3,511,700)	(2,390,595)
Cost of social networks service	(1,559,613)	(1,055,877)	-	-
Utilities	(1,323,381)	(1,252,506)	(1,304,473)	(1,248,144)
Cost of materials	(1,074,160)	(1,182,376)	(1,074,160)	(1,185,249)
Rent expenses	(946,960)	(1,185,703)	(962,214)	(1,185,949)
Amortization of right-of-use assets	(926,057)	(966,862)	(919,609)	(915,281)
Repair and maintenance	(790,307)	(642,263)	(790,307)	(642,263)
Other	(691,793)	(837,741)	(691,794)	(837,741)
	<u>(18,901,114)</u>	<u>(16,803,802)</u>	<u>(16,176,738)</u>	<u>(14,459,480)</u>

8. General and administrative expenses

	Group		Company	
	2023	2022	2023	2022
Employee benefits	(2,013,553)	(1,625,799)	(1,420,250)	(910,306)
Professional services*	(1,817,420)	(1,779,260)	(1,649,433)	(1,715,167)
Depreciation and amortisation	(662,248)	(708,402)	(618,164)	(662,650)
Tax expenses	(489,280)	(528,611)	(430,818)	(509,376)
Impairment of inventories	(368,469)	(327,591)	(368,469)	(327,591)
Communication expense	(124,427)	(117,463)	(114,723)	(112,075)
Amortization of right-of-use assets	(93,039)	(106,507)	(93,039)	(106,507)
Bank fee	(63,865)	(168,419)	(56,090)	(62,985)
Utilities	(60,801)	(22,268)	(30,749)	(20,400)
Rent	(45,327)	(43,788)	-	-
Marketing and advertising expenses	(14,402)	(9,870)	(104,508)	(47,169)
Write off an advance paid for an intangible asset	-	(1,174,250)	-	(1,174,250)
Other	(727,011)	(663,992)	(620,211)	(610,313)
	<u>(6,479,842)</u>	<u>(7,276,220)</u>	<u>(5,506,454)</u>	<u>(6,258,789)</u>

*Professional services expense for 2023 and 2022 includes key management compensation in the amount of GEL1,373,253 and GEL1,262,165, respectively.

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9. Net (loss)/gain from non-current asset disposal

	Group		Company	
	2023	2022	2023	2022
Cost of sold non-current asset	(9,195,422)	(3,005,936)	(9,193,763)	(3,005,936)
Property, plant and equipment	(477,963)	(930,052)	(476,304)	(930,052)
Investment properties	(8,717,459)	(2,075,884)	(8,717,459)	(2,075,884)
Income from sale of non-current asset	9,614,518	2,864,618	9,611,976	2,864,618
Property, plant and equipment	255,754	536,790	253,212	536,790
Investment properties	9,358,764	2,327,828	9,358,764	2,327,828
	419,096	(141,318)	418,213	(141,318)

10. Other income, net

	Group		Company	
	2023	2022	2023	2022
Lease income from LEPL Georgian Public Broadcaster contract*	3,889,387	-	-	-
Income from sports complex Laguna JSC and Hotel Lomsia LLC	936,413	514,283	-	-
Rental Income of investment property	680,669	426,402	335,744	587,848
Effect of changes in the lease agreement	(7,632)	63,852	-	63,852
The difference between the actual value of an asset included in capital and the book value**	-	-	-	34,210,450
Expenses related to investment property	(4,150,887)	(257,062)	(203,637)	(257,062)
Expense from sports complex Laguna JSC and Hotel Lomsia LLC	(783,569)	(488,622)	-	-
Other income/(expense), net	76,044	(284,266)	95,149	(281,220)
	640,425	(25,413)	227,256	34,323,868

*Additional information is disclosed in the Note 27

**Additional information is disclosed in the Note 19

11. Gain/(Loss) on disposal of subsidiary, net

In the reporting period of 2023, the 50% share of the Sakeni by Biograpi LLC was sold and the company left the group.

	Group		Company	
	2023	2022	2023	2022
The post-tax gain on disposal of subsidiary was determined as follows:				
Cash consideration received	15,559,345	-	15,559,345	-
Total consideration received	15,559,345		15,559,345	
Cash disposed of	(1,732,990)	-	(1,732,990)	-
Net assets disposed (other than cash):				
Investment properties	(22,775,550)	-	(56,986,000)	-
Inventories	(2,635)	-	(2,635)	-
Tax assets	(4,176)	-	(4,176)	-
Loans granted	(381,000)	-	(381,000)	-
Trade and other receivables	(8,994,682)	-	(8,994,682)	-
Borrowings	9,951,090	-	9,951,090	-
Trade and other payables	4,109,741	-	4,109,741	-
Contract liabilities	2,029,558	-	2,029,558	-
Tax liabilities	241,500	-	241,500	-
Non-controlling interest	22,114,396	-	22,114,396	-
	6,288,242		(27,922,208)	
Gain/(Loss) on disposal of subsidiary operation	21,847,587		(12,362,863)	
The post-tax gain on disposal of subsidiary was determined as follows:				
Revenue	4,678	-	4,678	-
General and Administrative expenses	(143,422)	-	(143,422)	-
Other income, net	102,563	-	102,563	-
Finance income	188	-	188	-
Finance costs	(170,528)	-	(170,528)	-
Foreign exchange gain/loss, net	22,796	-	22,796	-
	(183,725)		(183,725)	
Gain from selling of subsidiary after tax	20,114,597		(14,095,853)	
Profit/(loss) for the year	19,930,872		(14,279,578)	

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12. Financial income

	Group		Company	
	2023	2022	2023	2022
LTD Velajio	1,135,271	842,430	1,135,271	842,429
LTD Isani Towers	1,040,949	116,623	1,040,949	116,623
GLOBAL INVESTORS LIMITED	513,629	513,378	513,629	513,376
JSC Wissol Petroleum Georgia	234,384	26,340	234,384	26,340
JSC Bank of Georgia	64,543	40,050	64,538	40,026
LTD Matiani by Biografy	24,180	10,774	24,180	10,774
LTD Priem property Group	22,003	21,528	22,003	21,528
LTD Sakeni by Biografy	603	-	603	-
JSC TBC Bank	233	1,604	233	1,604
LTD Zugdidi palace	-	28,049	-	28,049
LLC MP Development	-	284	-	284
LTD Kostava Towers	-	-	701,018	108,268
JSC Laguna	-	-	21,273	17,260
LTD Lomsia	-	-	12,029	4,847
LTD Startup Studio	-	-	6,447	2,914
LTD Alma Lisi	-	-	2,191	-
Fair value change*	(224,167)	(186,935)	(346,521)	(334,824)
	2,811,628	1,414,125	3,432,227	1,399,498

* Additional information is disclosed in the Note 22.

13. Financial cost

	Group		Company	
	2023	2022	2023	2022
Finance cost on borrowings	(14,148,493)	(9,171,788)	(8,323,913)	(8,559,314)
Finance cost on other liabilities	(1,429,178)	-	-	-
Finance cost on contract liabilities	(1,407,409)	(1,625,528)	(1,407,409)	(1,625,528)
Finance cost on lease	(836,583)	(838,284)	(836,054)	(831,793)
Finance cost on license	(826,641)	(993,867)	(826,641)	(993,867)
Fair value change	(532,723)	680,643	(532,723)	532,721
	(19,181,027)	(11,948,824)	(11,926,740)	(11,477,781)

* Additional information is disclosed in the Note 28.

14. Foreign exchange gain/(loss), net

	Group		Company	
	2023	2022	2023	2022
Effect on Cash and Cash Equivalents	(17,138)	(9,686)	(14,575)	(5,493)
Effect on other financial instruments	(357,062)	7,146,156	(386,047)	6,898,036
	(374,200)	7,136,470	(400,622)	6,892,543

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15. Intangible assets

	Group		
	Licenses	Other intangible assets	Total
Historical cost			
At 31 December 2021	67,013,833	151,548	67,165,381
Additions	31,081	99,473	130,554
At 31 December 2022	67,044,914	251,021	67,295,935
Additions	5,040	130,000	135,040
Write-off	(176,720)	(17,000)	(193,720)
At 31 December 2023	66,873,234	364,021	67,237,255
Amortization			
At 31 December 2021	(9,718,967)	(65,916)	(9,784,883)
Amortization charge for the period	(4,090,973)	(27,971)	(4,118,944)
At 31 December 2022	(13,809,940)	(93,887)	(13,903,827)
Amortization charge for the period	(4,091,808)	(56,104)	(4,147,912)
Write-off	176,720	17,000	193,720
At 31 December 2023	(17,725,028)	(132,991)	(17,858,019)
Net book value			
At 31 December 2022	53,234,974	157,134	53,392,108
At 31 December 2023	49,148,206	231,030	49,379,236

	Company		
	Licenses	Other intangible assets	Total
Historical cost			
At 31 December 2021	67,013,833	150,180	67,164,013
Additions	31,081	96,400	127,481
At 31 December 2022	67,044,914	246,580	67,291,494
Additions	5,040	130,000	135,040
Write-off	(176,720)	(17,000)	(193,720)
At 31 December 2023	66,873,234	359,580	67,232,814
Amortization			
At 31 December 2021	(9,718,967)	(65,409)	(9,784,376)
Amortization charge for the period	(4,090,973)	(27,741)	(4,118,714)
At 31 December 2022	(13,809,940)	(93,150)	(13,903,090)
Amortization charge for the period	(4,091,808)	(55,875)	(4,147,683)
Write-off	176,720	17,000	193,720
At 31 December 2023	(17,725,028)	(132,025)	(17,857,053)
Net book value			
At 31 December 2022	53,234,974	153,430	53,388,404
At 31 December 2023	49,148,206	227,555	49,375,761

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16. Leases

For advertisements placement the Group/Company rents small pieces of lands, buildings and other places. The group/company has lease contracts with various companies, individuals and municipal bodies. 23 of those contracts represent lease for piece of lands, out of which 22 is denominated in GEL, one is denominated in USD. Two of the lease contracts represent lease of Buildings, one is denominated in USD and one is denominated in EUR. Other 56 Lease contracts represent lease of different places for advertising, out of which 48 is denominated in GEL, 8 is denominated in USD. All lease payments are fixed throughout the lease term.

Right-of-use assets would be as follows:

	Group			
	Land	Place for Advertising	Building	Total
At 1 January 2023	2,152,291	3,717,045	1,644,125	7,513,461
Addition	9,108	679,935	-	689,043
Amortization	(215,780)	(417,473)	(385,843)	(1,019,096)
Effect of modification to lease terms	-	-	(66,625)	(66,625)
At 31 December 2023	1,945,619	3,979,507	1,191,657	7,116,783

	Company			
	Land	Place for Advertising	Building	Total
At 1 January 2023	2,152,291	3,717,045	1,571,052	7,440,388
Addition	9,108	679,935	-	689,043
Amortization	(215,780)	(417,473)	(379,395)	(1,012,648)
At 31 December 2023	1,945,619	3,979,507	1,191,657	7,116,783

	Group			
	Land	Place for Advertising	Building	Total
At 1 January 2022	2,526,640	3,695,158	621,637	6,843,435
Addition	-	593,498	1,455,642	2,049,140
Amortization	(224,626)	(404,299)	(444,444)	(1,073,369)
Effect of modification to lease terms	(149,723)	(167,312)	11,290	(305,745)
At 31 December 2022	2,152,291	3,717,045	1,644,125	7,513,461

	Company			
	Land	Place for Advertising	Building	Total
At 1 January 2022	2,526,640	3,695,158	496,983	6,718,781
Addition	-	593,498	1,455,642	2,049,140
Amortization	(224,626)	(404,299)	(392,863)	(1,021,788)
Effect of modification to lease terms	(149,723)	(167,312)	11,290	(305,745)
At 31 December 2022	2,152,291	3,717,045	1,571,052	7,440,388

Lease liabilities would be as follows:

	Group			
	Land	Place for Advertising	Building	Total
At 1 January 2023	2,302,952	4,206,219	1,390,794	7,899,965
Addition	9,108	679,935	-	689,043
Interest expense	257,681	505,875	73,027	836,583
Lease payments	(162,837)	(281,947)	(132,443)	(577,227)
Lease payments - non-cash	(104)	-	(102,123)	(102,227)
Interest Paid	(219,008)	(505,875)	(28,580)	(753,463)
Interest Paid - non-cash	(38,673)	-	(44,447)	(83,120)
Effect of modification to lease terms	-	-	(58,993)	(58,993)
Foreign exchange Expense	(2,034)	4,819	66,055	68,840
At 31 December 2023	2,147,085	4,609,026	1,163,290	7,919,401

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16. Leases (Continued)

	Company			
	Land	Place for Advertising	Building	Total
At 1 January 2023	2,302,952	4,206,219	1,321,243	7,830,414
Addition	9,108	679,935	-	689,043
Interest expense	257,681	505,875	72,498	836,054
Lease payments	(162,837)	(281,947)	(122,952)	(567,736)
Lease payments - non-cash	(104)	-	(102,123)	(102,227)
Interest Paid	(219,008)	(505,875)	(28,051)	(752,934)
Interest Paid - non-cash	(38,673)	-	(44,447)	(83,120)
Foreign exchange Expense	(2,034)	4,819	67,122	69,907
At 31 December 2023	2,147,085	4,609,026	1,163,290	7,919,401

	Group			
	Land	Place for Advertising	Building	Total
At 1 January 2022	2,716,141	4,181,639	721,167	7,618,947
Addition	-	593,498	1,144,797	1,738,295
Interest expense	305,815	454,910	77,559	838,284
Lease payments	(162,100)	(254,425)	(162,712)	(579,237)
Lease payments - non-cash	(7,514)	-	(70,034)	(77,548)
Interest Paid	(251,915)	(441,312)	(44,834)	(738,061)
Interest Paid - non-cash	(44,557)	(2,179)	(32,725)	(79,461)
Effect of modification to lease terms	(183,592)	(205,778)	19,773	(369,597)
Foreign exchange Expense	(69,326)	(120,134)	(262,197)	(451,657)
At 31 December 2022	2,302,952	4,206,219	1,390,794	7,899,965

	Company			
	Land	Place for Advertising	Building	Total
At 1 January 2022	2,716,141	4,181,639	592,572	7,490,352
Addition	-	593,498	1,144,797	1,738,295
Interest expense	305,815	454,910	71,068	831,793
Lease payments	(162,100)	(254,425)	(116,205)	(532,730)
Lease payments - non-cash	(7,514)	-	(70,034)	(77,548)
Interest Paid	(251,915)	(441,312)	(38,343)	(731,570)
Interest Paid - non-cash	(44,557)	(2,179)	(32,725)	(79,461)
Effect of modification to lease terms	(183,592)	(205,778)	19,773	(369,597)
Foreign exchange Expense	(69,326)	(120,134)	(249,660)	(439,120)
At 31 December 2022	2,302,952	4,206,219	1,321,243	7,830,414

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17. Property and equipment

		Group						
	Historical cost	Builboards and advertising constructions	Land	Construction in progress	Buildings	Transportation	Furniture, office equipment and others	Total
At 31 December 2021		35,356,238	2,305,305	101,693	1,531,031	1,938,810	986,687	42,219,764
Addition		3,571,532	-	110,986	-	92,714	455,238	4,230,470
Transfer from Construction in progress to Builboards and advertising constructions		-	(1,398,305)	-	(1,531,031)	-	-	(2,929,336)
Disposals		(634,695)	-	-	-	(572,106)	(52,723)	(1,259,524)
At 31 December 2022		38,293,075	907,000	212,679	-	1,459,418	1,389,202	42,261,374
Addition		3,955,076	-	-	-	37,596	224,055	4,216,727
Disposals		(291,460)	-	-	-	(468,732)	(194,434)	(954,626)
At 31 December 2023		41,956,691	907,000	212,679	-	1,028,282	1,418,823	45,523,475
Accumulated depreciation								
At 31 December 2021		(9,922,358)	-	-	(72,159)	(466,323)	(526,412)	(10,987,252)
Depreciation charge for the period		(2,700,034)	-	-	-	(190,046)	(255,272)	(3,145,352)
Accumulated depreciation from under common control business combination		-	-	-	72,159	-	-	72,159
Disposals		152,768	-	-	-	189,957	9,747	352,472
At 31 December 2022		(12,469,624)	-	-	-	(466,412)	(771,937)	(13,707,973)
Depreciation charge for the period		(2,826,751)	-	-	-	(115,839)	(239,703)	(3,182,293)
Disposals		113,267	-	-	-	191,497	117,565	422,329
At 31 December 2023		(15,183,108)	-	-	-	(390,754)	(894,075)	(16,467,937)
Net book value								
At 31 December 2022		25,823,451	907,000	212,679	-	993,006	617,265	28,553,401
At 31 December 2023		26,773,583	907,000	212,679	-	637,528	524,748	29,055,538

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17. Property and equipment (continued)

	Company						
Historical cost	Builboards and advertising constructions	Land	Construction in progress	Buildings	Transportation	Furniture, office equipment and others	Total
At 31 December 2021	35,356,238	1,398,305	101,693	1,531,031	1,938,810	737,386	41,063,463
Addition	3,571,532	-	110,986	-	92,714	407,827	4,183,059
Transfer from Construction in progress to Builboards and advertising constructions	-	(1,398,305)	-	(1,531,031)	-	-	(2,929,336)
Disposals	(634,695)	-	-	-	(572,106)	(49,756)	(1,256,557)
At 31 December 2022	38,293,075	-	212,679	-	1,459,418	1,095,457	41,060,629
Addition	3,955,076	-	-	-	37,596	203,417	4,196,089
Disposals	(291,460)	-	-	-	(468,732)	(157,368)	(917,560)
At 31 December 2023	41,956,691	-	212,679	-	1,028,282	1,141,506	44,339,158
Accumulated depreciation							
At 31 December 2021	(9,922,358)	-	-	(72,159)	(466,323)	(459,579)	(10,920,419)
Depreciation charge for the period	(2,700,034)	-	-	-	(190,046)	(208,015)	(3,098,095)
Accumulated depreciation from under common control business combination	-	-	-	72,159	-	-	72,159
Disposals	152,768	-	-	-	189,957	8,478	351,203
At 31 December 2022	(12,469,624)	-	-	-	(466,412)	(659,116)	(13,595,152)
Depreciation charge for the period	(2,826,751)	-	-	-	(115,839)	(195,284)	(3,137,874)
Disposals	113,267	-	-	-	191,497	93,208	397,972
At 31 December 2023	(15,183,108)	-	-	-	(390,754)	(761,192)	(16,335,054)
Net book value							
At 31 December 2022	25,823,451	-	212,679	-	993,006	436,341	27,465,477
At 31 December 2023	26,773,583	-	212,679	-	637,528	380,314	28,004,104

As at 31 December 2023 and 2022 buildings and advertising constructions have been pledged as security for Group's/Company's bank loans under a mortgage (Note 28).

As at 31 December 2023 and 2022 Group's/Company's fully depreciated assets of GEL980,768 and GEL792,906 were included in property and equipment.

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18. Investment property

	Group			
Historical cost	Land	Construction in progress	Buildings	Total
At 31 December 2021	26,204,682	358,578	19,203,751	45,767,011
Addition	67,655,422	-	8,910,413	76,565,835
Recovery (Impairment)	66,528	-	60,752	127,280
Transfer of PPE to Investment property	1,398,305	-	1,531,031	2,929,336
Disposed	-	-	(1,821,152)	(1,821,152)
At 31 December 2022	95,324,937	358,578	27,884,795	123,568,310
Addition	26,238,602	-	1,768,999	28,007,601
Recovery (Impairment)*	249,955	-	786,457	1,036,412
Disposed investment property as a result of disposal of subsidiary	(22,775,550)	-	-	(22,775,550)
Disposed	(1,209,112)	-	(8,452,240)	(9,661,352)
At 31 December 2023	97,828,832	358,578	21,988,011	120,175,421
Accumulated depreciation				
At 31 December 2021	-	-	(1,559,218)	(1,559,218)
Depreciation charge for the period	-	-	(498,695)	(498,695)
Transfer of PPE to Investment property	-	-	(72,159)	(72,159)
Disposals	-	-	133,468	133,468
At 31 December 2022	-	-	(1,996,604)	(1,996,604)
Depreciation charge for the period	-	-	(4,326,361)	(4,326,361)
Disposals	-	-	943,892	943,892
At 31 December 2023	-	-	(5,379,073)	(5,379,073)
Net book value				
At 31 December 2022	95,324,937	358,578	25,888,191	121,571,706
At 31 December 2023	97,828,832	358,578	16,608,938	114,796,348

	Company			
Historical cost	Land	Construction in progress	Buildings	Total
At 31 December 2021	26,204,682	358,578	19,203,751	45,767,011
Addition	5,039,314	-	1,015,913	6,055,227
Recovery (Impairment)	66,528	-	60,752	127,280
Transfer of PPE to Investment property	1,398,305	-	1,531,031	2,929,336
Disposed	(22,410,514)	(358,578)	(1,827,610)	(24,596,702)
At 31 December 2022	10,298,315	-	19,983,837	30,282,152
Addition	26,238,602	-	1,768,999	28,007,601
Recovery (Impairment)*	249,955	-	786,457	1,036,412
Disposed	(34,780,020)	-	(8,452,240)	(43,232,260)
At 31 December 2023	2,006,852	-	14,087,053	16,093,905
Accumulated depreciation				
At 31 December 2021	-	-	(1,559,218)	(1,559,218)
Depreciation charge for the period	-	-	(498,600)	(498,600)
Transfer of PPE to Investment property	-	-	(72,159)	(72,159)
Disposals	-	-	133,468	133,468
At 31 December 2022	-	-	(1,996,509)	(1,996,509)
Depreciation charge for the period	-	-	(379,111)	(379,111)
Disposals	-	-	943,892	943,892
At 31 December 2023	-	-	(1,431,728)	(1,431,728)
Net book value				
At 31 December 2022	10,298,315	-	17,987,328	28,285,643
At 31 December 2023	2,006,852	-	12,655,325	14,662,177

* The Group/Company conducted an impairment test as at 31 December 2023. The recoverable amount of the investment property was determined by its fair value. Impairment/impairment recovery testing is performed when circumstances indicate that assets may be impaired or may be subject to impairment recovery.

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18. Investment property (continued)**Fair value of Group's investment property as at 31 December 2023 measured under Direct Sales Comparison Approach:**

Discription	Carrying amount	Fair value GEL
Land located on Natenadze and Kostava streets in Akhaltsikhe with buildings and structures	1,918,176	2,597,091
A plot of land in the vicinity of Imedadze Street, Tbilisi 01.14.09.004.007	898,521	898,521
Aleksidze parking lot N68 01.10.13.039.032.01.03.068 and N67 01.10.13.039.032.01.03.067	76,600	76,600
Apartment Aleksidze 12 01.10.13.039.032.01.01.126	4,491,537	5,890,360
2 apartments located at 31 Khvichiya Street, Tbilisi	186,510	186,510
Tbilisi Chavchavadze 74b floor 5b N4 01.14.10.0002.001.01.004	149,850	149,850
Gudauri, in the multifunctional complex N block, 4 apartments	80,270	161,009
Gudauri, in the multi-functional complex, block N, parking lot N74 71.62.58.378.01.02.074	1,703,043	1,703,043
7 parking lots located at Chavchavadze 74b	537,178	797,747
Two apartments on the 18th and 19th floors of 74b Chavchavadze Avenue, Tbilisi	635,864	635,864
Apartment, Tbilisi, Mikheil Bukhaidze st. #44, floor 5, apartment 27, 42.9 m2, 01.16.06.054.046.02.01.027	407,617	960,536
Batumi, Tamar Mepe Ave. #14 Block "A", Art. 5; #504; 05.34.22.120.01.01.504	867,810	867,810
A plot of land on the right bank of Mtkvari 01.10.13.016.122	459,678	669,231
Apartment Dusheti district Kaishaurebi village 71.62.58.547.01.01.019	16,527	31,322
Land, Tbilisi village near Kvemo Lisi	33,570,908	36,334,000
	46,000,089	51,959,494

For the fair value explanatory notes as of 31 December 2023, the Group has determined the fair value of the following investment properties: 33,209 sq/m plot of land with a building located on Kostava Street in Tbilisi, with carrying amount of GEL66,563,263. The range of estimates most likely to be expected to be within the fair value of the property is GEL85,204,000 - GEL121,839,000.

The carrying amount of remaining investment property as at 31 December 2023 does not differ materially from its fair value.

Fair value of Company's investment property as at 31 December 2023 measured under Direct Sales Comparison Approach:

Discription	Carrying amount	Fair value GEL
Land located on Natenadze and Kostava streets in Akhaltsikhe with buildings and structures	1,918,176	2,597,091
A plot of land in the vicinity of Imedadze Street, Tbilisi 01.14.09.004.007	898,521	898,521
Aleksidze parking lot N68 01.10.13.039.032.01.03.068 and N67 01.10.13.039.032.01.03.067	76,600	76,600
Apartment Aleksidze 12 01.10.13.039.032.01.01.126	4,491,537	5,890,360
2 apartments located at 31 Khvichiya Street, Tbilisi	186,510	186,510
Tbilisi Chavchavadze 74b floor 5b N4 01.14.10.0002.001.01.004	149,850	149,850
Gudauri, in the multifunctional complex N block, 4 apartments	80,270	161,009
Gudauri, in the multi-functional complex, block N, parking lot N74 71.62.58.378.01.02.074	1,703,043	1,703,043
7 parking lots located at Chavchavadze 74b	537,178	797,747
Two apartments on the 18th and 19th floors of 74b Chavchavadze Avenue, Tbilisi	635,864	635,864
Apartment, Tbilisi, Mikheil Bukhaidze st. #44, floor 5, apartment 27, 42.9 m2, 01.16.06.054.046.02.01.027	407,617	960,536
Batumi, Tamar Mepe Ave. #14 Block "A", Art. 5; #504; 05.34.22.120.01.01.504	867,810	867,810
A plot of land on the right bank of Mtkvari 01.10.13.016.122	459,678	669,231
Apartment Dusheti district Kaishaurebi village 71.62.58.547.01.01.019	16,527	31,322
	12,429,181	15,625,494

The carrying amount of remaining investment property as at 31 December 2023 does not differ materially from its fair value.

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18. Investment property (continued)**Fair value of Group's investment property as at 31 December 2022 measured under Direct Sales Comparison Approach:**

Description	Carrying amount	Fair value GEL
St. A plot of land located on Atoneli Street in Tbilisi with a 252 sq/m restaurant and 100 sq/m auxiliary space on the first floor of the building located on it.	1,918,176	2,597,091
A plot of land located on Chavchavadze avenue in Tbilisi with a 128 sq/m space	898,521	898,521
Land Tbilisi River, right bank of Mtkvari next to Atlantida Restaurant 06/004	76,600	76,600
Land located on Natenadze and Kostava streets in Akhaltsikhe with buildings and structures located thereon	4,491,537	5,890,360
A plot of land in the vicinity of Imedadze Street, Tbilisi 01.14.09.004.007	186,510	186,510
75 square meter land located in Tbilisi, Chavchavadze Av. #37 (along the fence).	149,850	149,850
Aleksidze parking lot N68 01.10.13.039.032.01.03.068 and N67 01.10.13.039.032.01.03.067	80,270	161,009
Apartment Aleksidze 12 01.10.13.039.032.01.01.126	1,703,043	1,703,043
Batumi Hotel 2 apartments 28-01, 28-02	537,178	797,747
Sighnaghi, 9 April street 5 56.14.42.071	635,864	635,864
2 apartments located at 31 Khvichiya Street, Tbilisi	407,617	960,536
Tbilisi Chavchavadze 74b floor 5b N4 01.14.10.0002.001.01.004	867,810	867,810
Gudauri, in the multifunctional complex N block, 4 apartments	459,678	669,231
Gudauri, in the multi-functional complex, block N, parking lot N74 71.62.58.378.01.02.074	16,527	31,322
7 parking lots located at Chavchavadze 74b	155,601	155,601
6 plots of land in the vicinity of the village of Kvemo Lisi and Lisi Lake	7,339,143	7,339,143
Two apartments on the 18th and 19th floors of 74b Chavchavadze Avenue, Tbilisi	1,986,252	1,986,252
4 flats located at 74b Chavchavadze avenue, Tbilisi	2,256,499	2,256,499
Tbilisi 43 Shartava Street, B106, 01.10.13.015.069.01.01.106	187,734	187,734
Apartment, Tbilisi, Mikheil Bukhaidze st. #44, floor 5, apartment 27, 42.9 m2, 01.16.06.054.046.02.01.027	263,035	263,035
Apartment Tbilisi Belashvili st. 22/68a, floor 18, apartment 194 01.13.02.010.090.01.01.194	323,846	453,802
Batumi, Tamar Mepe Ave. #14 Block "A", Art. 5; #504; 05.34.22.120.01.01.504	197,097	197,097
Tbilisi Krtsanisi I alley #2 flat 27. 01.18.06.018.080.01.01.027	174,843	174,843
Apartment Tbilisi Krtsanisi alley #17 Block A 01.18.06.012.145 01.18.06.012.145.01.04.009	270,603	358,350
Tbilisi Krtsanisi I alley #2 flat 68. 01.18.06.018.080.01.01.068	124,512	124,512
Tbilisi Krtsanisi I alley #2 flat 73. 01.18.06.018.080.01.01.073	113,708	113,708
46/50 Kostava St. Tbilisi 01.15.03.011.002.01.561	988,932	988,932
46/50 Kostava Street, Tbilisi, parking lot 01.15.03.011.02.01.562	27,020	27,020
A plot of land on the right bank of Mtkvari 01.10.13.016.122	1,148,350	1,148,350
4,061 square meter land located in Tbilisi, Vazha Pshavela Av.	22,775,550	56,986,000
	50,761,906	88,386,372

For the fair value explanatory notes as of 31 December 2022, the Group has determined the fair value of the following investment properties: 33,209 sq/m plot of land with a building located on Kostava Street in Tbilisi, with carrying amount of GEL70,510,513. The range of estimates most likely to be expected to be within the fair value of the property is GEL68,839,000 - GEL115,382,000.

The carrying amount of remaining investment property as at 31 December 2022 does not differ materially from its fair value.

Fair value of Company's investment property as at 31 December 2022 measured under Direct Sales Comparison Approach:

Description	Carrying amount	Fair value GEL
St. A plot of land located on Atoneli Street in Tbilisi with a 252 sq/m restaurant and 100 sq/m auxiliary space on the first floor of the building located on it.	1,918,176	2,597,091
A plot of land located on Chavchavadze avenue in Tbilisi with a 128 sq/m space	898,521	898,521
Land Tbilisi River, right bank of Mtkvari next to Atlantida Restaurant 06/004	76,600	76,600
Land located on Natenadze and Kostava streets in Akhaltsikhe with buildings and structures located thereon	4,491,537	5,890,360
A plot of land in the vicinity of Imedadze Street, Tbilisi 01.14.09.004.007	186,510	186,510
75 square meter land located in Tbilisi, Chavchavadze Av. #37 (along the fence).	149,850	149,850
Aleksidze parking lot N68 01.10.13.039.032.01.03.068 and N67 01.10.13.039.032.01.03.067	80,270	161,009
Apartment Aleksidze 12 01.10.13.039.032.01.01.126	1,703,043	1,703,043
Batumi Hotel 2 apartments 28-01, 28-02	537,178	797,747
Sighnaghi, 9 April street 5 56.14.42.071	635,864	635,864
2 apartments located at 31 Khvichiya Street, Tbilisi	407,617	960,536
Tbilisi Chavchavadze 74b floor 5b N4 01.14.10.0002.001.01.004	867,810	867,810
Gudauri, in the multifunctional complex N block, 4 apartments	459,678	669,231
Gudauri, in the multi-functional complex, block N, parking lot N74 71.62.58.378.01.02.074	16,527	31,322
7 parking lots located at Chavchavadze 74b	155,601	155,601
6 plots of land in the vicinity of the village of Kvemo Lisi and Lisi Lake	7,339,143	7,339,143
Two apartments on the 18th and 19th floors of 74b Chavchavadze Avenue, Tbilisi	1,986,252	1,986,252
4 flats located at 74b Chavchavadze avenue, Tbilisi	2,256,499	2,256,499
Tbilisi 43 Shartava Street, B106, 01.10.13.015.069.01.01.106	187,734	187,734
Apartment, Tbilisi, Mikheil Bukhaidze st. #44, floor 5, apartment 27, 42.9 m2, 01.16.06.054.046.02.01.027	263,035	263,035
Apartment Tbilisi Belashvili st. 22/68a, floor 18, apartment 194 01.13.02.010.090.01.01.194	323,846	453,802
Batumi, Tamar Mepe Ave. #14 Block "A", Art. 5; #504; 05.34.22.120.01.01.504	197,097	197,097
Tbilisi Krtsanisi I alley #2 flat 27. 01.18.06.018.080.01.01.027	174,843	174,843
Apartment Tbilisi Krtsanisi alley #17 Block A 01.18.06.012.145 01.18.06.012.145.01.04.009	270,603	358,350
Tbilisi Krtsanisi I alley #2 flat 68. 01.18.06.018.080.01.01.068	124,512	124,512
Tbilisi Krtsanisi I alley #2 flat 73. 01.18.06.018.080.01.01.073	113,708	113,708
46/50 Kostava St. Tbilisi 01.15.03.011.002.01.561	988,932	988,932
46/50 Kostava Street, Tbilisi, parking lot 01.15.03.011.02.01.562	27,020	27,020
A plot of land on the right bank of Mtkvari 01.10.13.016.122	1,148,350	1,148,350
	27,986,356	31,400,372

The carrying amount of remaining investment property as at 31 December 2022 does not differ materially from its fair value.

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19. Investments in subsidiaries

Alma LLC founded Sakeni by Biograpi LLC on September 29, 2022. Alma LLC contributed lands with an absolute value of GEL56,986,000 to the capital of Sakeni by Biograpi LLC. And the profit from the said operation amounted to GEL34,210,450. In the reporting period of 2023, the 50% share of the said company was sold and the company left the group. Additional information is disclosed in the Note 20.

Alma LLC founded Startup Studio LLC on April 19, 2022. Alma LLC contributed GEL118,983 to the capital of tartup Studio LLC.

Alma LLC founded Alma Lisi LLC on November 16, 2022. Alma LLC contributed land worth 33,570,908 to the capital of Alma Lisi LLC. During the reporting period, Alma LLC sold an 11.84% share to Roman Ichvaidze, and the value of the investment amounted to GEL29,595,300. The profit of the group/company from the said operation amounted to GEL5,387,781 and GEL1,412,173, respectively.

	2023	2022
JSC Laguna	907,000	907,000
LTD Kraken 8	390,321	390,321
LTD Startup Studio	118,983	118,241
LTD Sakeni By Biograpi	-	56,986,000
LTD Alma Lisi	29,595,300	-
	31,011,604	58,401,562

20. Investments in joint ventures

LLC Hisni by Biograpi

	Group/Company	
As at 31 December	2023	2022
Current assets	2,326,415	34,571
Non-current assets	76,025,209	38,906,878
Current liabilities	18,406,688	(129,371)
Non-current liabilities	29,082,936	21,560,455
Net assets (100%)	30,862,000	17,510,365
Group share of net assets (50%)	15,431,000	8,755,183
Period ended 31 December		
Revenues	364,551	99,490
Profit from continuing operations	(3,579,973)	3,775,786
Group share of post-tax profits (50%)	(1,789,987)	1,887,893

LLC Matiani By Biograpi

	Group/Company	
As at 31 December	2023	2022
Current assets	2,487,849	42,237
Non-current assets	47,129,898	26,767,783
Current liabilities	4,070,259	32,069
Non-current liabilities	-	581,283
Net assets (100%)	45,547,488	26,196,668
Group share of net assets (50%)	22,773,744	13,098,334
Period ended 31 December		
Revenues	67,655	5,085
Profit from continuing operations	(1,085,894)	1,470
Group share of post-tax profits (50%)	(542,947)	-

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20. Investments in joint ventures (continued)

LLC Sakeni By Biograpi

	Group/Company	
	2023	2022
As at 31 December		
Current assets	16,015,707	-
Non-current assets	57,007,860	-
Current liabilities	21,748,996	-
Non-current liabilities	11,028,475	-
Net assets (100%)	40,246,096	-
Group share of net assets (50%)	20,123,048	-
Period ended 31 December		
Revenues	1,411,082	-
Profit from continuing operations	(4,044,199)	-
Group share of post-tax profits (50%)	(2,022,100)	-

Investments in joint ventures can be presented as follows:

	Group/Company	
	2023	2022
LLC Sakeni By Biograpi	20,092,295	-
LLC Matiani By Biograpi	12,553,553	13,096,500
LLC Hisni By Biograpi	6,823,407	8,613,393
	39,469,254	21,709,893

21. Prepayments for non-current assets

	Group/Company	
	31.12.2023	31.12.2022
Prepayments For PPE	3,981,343	1,490,731
Prepayments For Intangible asset	127,892	127,892
	4,109,235	1,618,623

22. Loans granted

	Maturity Date	Currency	Interest Rate	Group	
				31.12.2023	31.12.2022
LTD Matiani by Biograpi	10/19/2024	USD	7.6%	-	493,651
LTD Matiani by Biograpi	6/9/2023	USD	6.5%	-	35,126
				-	528,777

Short term loans granted would be as follows:

	Maturity Date	Currency	Interest Rate	Group	
				31.12.2023	31.12.2022
LTD Velajio	12/31/2024	GEL	11.5%	12,914,614	10,583,994
GLOBAL INVESTORS LIMITED	12/31/2024	USD	12%	4,588,584	4,314,183
LTD Prime Property Group	12/31/2024	GEL	13%	212,811	190,808
LTD Velajio	12/31/2024	USD	6.5%	91,185	86,343
LTD Millenium Tower	12/28/2024	GEL	13%	1,001	-
LLC Hisni by Biograpi	2/5/2023	USD	10%	-	16,327,485
JSC Wissol Petroleum Georgia	12/25/2023	USD	7.6%	-	9,063,253
JSC Wissol Petroleum Georgia	12/25/2023	EUR	7.6%	-	404,320
LLC Hisni by Biograpi	6/4/2023	USD	9.9%	-	140,615
LLC Hisni by Biograpi	2/6/2023	USD	10.6%	-	73,983
LLC Matiani by Biograpi	12/31/2023	USD	7.6%	-	40,976
				17,808,195	41,225,960

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22.Loans granted (continued)

	Maturity Date	Currency	Interest Rate	Company	
				31.12.2023	31.12.2022
LTD Kostava Towers	9/26/2025	USD	11%	7,062,308	6,499,078
LLC Matiani by Biograpi	10/19/2024	USD	7.6%	-	493,652
LLC Matiani by Biograpi	6/9/2023	USD	6.5%	-	35,126
				7,062,308	7,027,856

	Maturity Date	Currency	Interest Rate	Company	
				31.12.2023	31.12.2022
LTD Velajio	12/31/2024	GEL	11.5%	12,914,614	10,583,994
GLOBAL INVESTORS LIMITED	12/31/2024	USD	12%	4,588,584	4,314,183
JSC Laguna	12/31/2024	GEL	12%	247,556	192,983
LTD Prime Property Group	12/31/2024	GEL	13%	212,811	190,808
LTD Alma Lisi	12/31/2024	GEL	14%	93,191	-
LTD Velajio	12/31/2024	USD	6.5%	91,185	86,343
LTD Lomsia	1/29/2024	GEL	13.4%	57,876	50,847
LTD Startup Studio	12/31/2024	GEL	13.8%	56,077	49,630
LTD Millenium Tower	12/28/2024	GEL	13%	1,001	-
LLC Hisni by Biograpi	2/5/2023	USD	10%	-	16,327,485
JSC Wissol Petroleum Georgia	12/25/2023	USD	7.6%	-	9,063,253
JSC Wissol Petroleum Georgia	12/25/2023	EUR	7.6%	-	404,320
LLC Hisni by Biograpi	6/4/2023	USD	9.9%	-	140,615
LLC Hisni by Biograpi	2/6/2023	USD	10.6%	-	73,983
LLC Matiani by Biograpi	12/31/2023	USD	7.6%	-	40,976
LTD Sakeni by Biograph	1/20/2023	GEL	14%	-	106
				18,262,895	41,519,526

	Group		Company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Outstanding principle	13,324,944	38,617,393	20,758,099	45,260,906
Interest receivable	4,483,251	3,137,344	4,567,104	3,286,476
	17,808,195	41,754,737	25,325,203	48,547,382

Reconciliation of assets from financing transactions can be presented as follows:

	Group	Company
Year ended 31 December 2022	41,754,737	48,547,382
Loan issued	2,315,165	2,555,845
Accrued interest	2,971,019	3,713,977
Loan repayment	(26,208,078)	(26,328,455)
Fair value change	(224,167)	(346,521)
Interest received	(1,399,693)	(1,400,296)
Foreign exchange gain/loss, net	(1,400,788)	(1,416,729)
Year ended 31 December 2023	17,808,195	25,325,203

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22. Loans granted (continued)

	Group	Company
Year ended 31 December 2021	12,479,679	12,619,802
Loan issued	30,191,090	37,580,012
Accrued interest	1,559,405	1,692,691
Loan repayment	(1,533,912)	(2,134,412)
Fair value change	(186,936)	(334,824)
Interest received	(106,036)	(106,036)
Foreign exchange gain/loss, net	(648,553)	(769,851)
Year ended 31 December 2022	41,754,737	48,547,382

The Group/Company determined that credit risk associated with issued loans has not been significantly increased since initial recognition as these financial instruments are considered to have a low risk of default at the reporting date. Thus, the Group/Company applies 5.5.10 and B.5.5.22-B.5.5.24 of IFRS 9 and does not recognize impairment for above-mentioned assets in accordance with IFRS 9.

23. Inventories

	Group		Company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Raw materials for typographic	642,100	843,814	642,100	843,814
Spare parts for billboards and machinery	947,185	453,593	947,185	453,593
Inventories in the subsidiary	143,748	127,685	-	-
Other	61,308	55,820	59,029	53,541
	1,794,341	1,480,912	1,648,314	1,350,948

24. Trade and other receivables

	Group		Company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Financial receivables				
Trade receivables	12,916,953	11,017,291	12,334,886	10,619,827
Receivables from related parties	174,178	81,316	503,157	281,512
Receivables from sale of non-current asset	2,973,576	1,096,812	2,973,576	1,096,812
Financial receivables	16,064,707	12,195,419	15,811,619	11,998,151
less: allowance for doubtful debts	(1,781,058)	(1,891,076)	(1,856,933)	(1,905,798)
Financial receivables	14,283,649	10,304,343	13,954,686	10,092,353
Non-financial receivables				
Prepayments	476,079	153,928	345,510	150,740
	14,759,728	10,458,271	14,300,196	10,243,093

The Group/Company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade and other receivables. To measure expected credit losses on a collective basis, trade and other receivables are grouped based on similar credit risk and aging. The expected loss rates are based on the Group's/Company's historical credit losses experienced over the three year period prior to the period end. The Group/Company applied exemption B5.5.50 and B5.5.51 of IFRS 9 and did not used incorporate forecasts of future conditions of financial assets. Therefore, the historical loss rates are not adjusted for current and forward-looking information on macroeconomic factors affecting the Group's/Company's customers.

The lifetime expected loss provision for trade receivables is as follows:

	Group					
31.12.2023	Current	0 to 30 days	31 to 60 days	61 to 120 days	>120 days	Total
Expected loss rate	1%	1%	3%	10%	50%	
Trade Receivables						
Gross carrying amount	10,905,322	697,112	397,946	947,669	3,116,658	16,064,707
Loss provision	109,053	6,971	11,938	94,767	1,558,329	1,781,058

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24. Trade and other receivables(continued)

31.12.2023	Company					Total
	Current	0 to 30 days	31 to 60 days	61 to 120 days	>120 days	
Expected loss rate	1%	1%	3%	10%	50%	
Trade Receivables						
Gross carrying amount	10,559,040	653,503	386,782	932,354	3,279,940	15,811,619
Loss provision	105,590	6,535	11,603	93,235	1,639,970	1,856,933

31.12.2022	Group					Total
	Current	0 to 30 days	31 to 60 days	61 to 120 days	>120 days	
Expected loss rate	1%	1%	3%	10%	50%	
Trade Receivables						
Gross carrying amount	6,446,587	642,356	531,533	1,208,077	3,366,866	12,195,419
Loss provision	64,466	6,424	15,946	120,808	1,683,432	1,891,076

31.12.2022	Company					Total
	Current	0 to 30 days	31 to 60 days	61 to 120 days	>120 days	
Expected loss rate	1%	1%	3%	10%	50%	
Trade Receivables						
Gross carrying amount	6,174,205	637,235	548,543	1,244,640	3,393,528	11,998,151
Loss provision	61,742	6,372	16,456	124,464	1,696,764	1,905,798

Movements in the impairment allowance for trade receivables can be presented as follows:

	Group		Company	
	2023	2022	2023	2022
Opening provision for impairment of trade receivables	1,891,076	1,306,956	1,905,798	1,271,302
Increase during the year	(68,817)	848,401	(7,694)	890,689
Reversal of previously written off receivables as collectible	-	-	-	-
Receivable written off during the year as uncollectible	(41,201)	(264,281)	(41,171)	(256,193)
Impairment loss during the year	(110,018)	584,120	(48,865)	634,496
At 31 December	1,781,058	1,891,076	1,856,933	1,905,798

Additional information about liquidity and currency of trade and other receivables is disclosed in the Note 4. The carrying amounts of Group's/Company's trade and other receivables approximate their fair values.

25. Cash and cash equivalents

	Group		Company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Cash on hand in GEL	3,036	1,700	-	-
Cash at bank in GEL	950,272	1,109,192	527,316	974,108
Cash at bank in foreign currencies	56,011	668,968	51,886	598,738
	1,009,319	1,779,860	579,202	1,572,846

Cash and cash equivalents distribution by currency is disclosed in Note 4.

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26. Other liabilities

The Group has exclusive right to place advertisements in Tbilisi and Batumi International airports and to place advertisements into outdoor waiting area Kutaisi, Zugdidi and Tbilisi. Other liabilities regarding the mentioned rights of advertising would be as follows:

	Group/Company	
	31.12.2023	31.12.2022
Non-Current		
TAV Urban Georgia LLC	3,089,681	4,077,962
TAV Batumi Operations LLC	480,618	634,351
Tbilisi Assembly	1,456,513	1,524,545
Zugdidi Assembly	140,602	157,472
Kutaisi Assembly	311,794	367,027
	5,479,208	6,761,357
Current		
TAV Urban Georgia LLC	1,375,669	1,286,023
TAV Batumi Operations LLC	213,993	200,048
Tbilisi Assembly	220,582	220,582
Zugdidi Assembly	32,626	32,626
Kutaisi Assembly	92,124	92,124
	1,934,994	1,831,403

27. Deferred income

During the 2022 year reporting period, LLC Kostava Towers purchased the land with the buildings located on it from the LEPL Georgian Public Broadcaster. The aforementioned purchase agreement provided for the free transfer of the building to the LEPL Georgian Public Broadcaster for two years. Accordingly, the company recognized the estimated lease rent for two years as deferred income, from which in the 2023 year the company recognized 3,889,387 GEL of other income.

28. Borrowings

Non-current	Maturity Date	Currency	Interest Rate	Group		Company	
				31.12.2023	31.12.2022	31.12.2023	31.12.2022
JSC Bank of Georgia 8770533	12/15/2025	GEL	Annual Basis +4.25%	20,179,711	12,497,910	-	-
JSC TBC Bank 12332952	12/14/2025	GEL	Annual Basis +4.25%	20,179,711	12,497,910	-	-
LLC ARC Promotion	9/26/2025	USD	11%	7,207,866	6,499,641	-	-
Vasil Phkhakadze	12/25/2033	GEL	13%	5,012,466	-	5,012,466	-
Levan Phkhakadze	12/28/2033	GEL	13%	5,007,123	-	5,007,123	-
JSC Bank of Georgia 5908150	12/26/2028	USD	5.31% + SOFR	3,982,887	4,829,346	3,982,887	4,829,346
JSC TBC Bank 12332976	2/14/2026	GEL	Annual Basis +4.25%	2,757,917	219,000	-	-
JSC Bank of Georgia 8770563	2/16/2026	GEL	Annual Basis +4.25%	2,740,902	219,000	-	-
JSC Bank of Georgia 5852913	11/30/2028	USD	5.31% + SOFR	1,794,328	6,511,126	1,794,328	6,511,126
Zugdidi Palace LLC	6/29/2028	GEL	13.85%	1,363,188	-	1,363,188	-
Zurab Zhordholiani	11/21/2026	GEL	12%	1,111,211	-	1,111,211	-
Levan Phkhakadze	11/2/2033	GEL	13%	312,132	-	312,132	-
JSC Bank of Georgia 7416696	8/26/2031	USD	5.5% + LIBOR	-	20,022,546	-	20,022,546
JSC Bank of Georgia 6306559	8/8/2031	GEL	15%	-	15,329,646	-	15,329,646
JSC Bank of Georgia 7454584	8/1/2031	USD	5.5% + LIBOR	-	6,581,370	-	6,581,370
Levan Phkhakadze	12/31/2029	USD	6.1%	-	4,875,816	-	4,875,816
JSC Bank of Georgia 6875044	10/30/2030	GEL	16%	-	2,335,148	-	2,335,148
JSC Bank of Georgia 6387693	9/26/2031	GEL	15%	-	1,945,806	-	1,945,806
				71,649,442	94,364,265	18,583,335	62,430,804

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28. Borrowings (continued)

Current	Maturity Date	Currency	Interest Rate	Group		Company	
				31.12.2023	31.12.2022	31.12.2023	31.12.2022
JSC Bank of Georgia 9358250	12/16/2024	GEL	13.25%	17,345,007	-	17,345,006	-
Soso Pkhakadze	12/28/2024	USD	9%	11,911,430	-	11,911,430	-
Levan Pkhakadze	12/28/2024	USD	9%	11,910,979	-	11,910,979	-
Outdoor.ge LLC	8/2/2024	GEL	11.7%	1,486,882	1,653,142	1,486,882	1,653,142
JSC Bank of Georgia 10022330	5/7/2024	GEL	13.5%	1,438,307	-	1,438,307	-
JSC Bank of Georgia 5908150	8/18/2022	USD	5.31% + SOFR	830,952	768,630	830,952	768,630
JSC Bank of Georgia 8770533	12/15/2025	GEL	Annual Basis +4.25%	92,812	5,941,181	-	-
JSC TBC Bank 12332952	12/14/2025	GEL	Annual Basis +4.25%	66,258	5,941,181	-	-
JSC TBC Bank 12332976	2/14/2026	GEL	Annual Basis +4.25%	18,464	182	-	-
JSC Bank of Georgia 8770563	2/16/2026	GEL	Annual Basis +4.25%	17,816	1,556	-	-
JSC Bank of Georgia 5852913	11/30/2028	USD	5.31% + SOFR	14,132	1,091,931	14,132	1,091,931
JSC Bank of Georgia 8837489	2/6/2023	USD	9%	-	16,345,104	-	16,345,104
JSC Bank of Georgia 8858339	1/15/2024	USD	12%	-	6,791,932	-	6,791,932
Vasil Pkhakadze	9/16/2023	GEL	12.85%	-	4,576,581	-	4,576,581
JSC Bank of Georgia 6306559	8/8/2031	GEL	15%	-	2,157,855	-	2,157,855
JSC Bank of Georgia 7416696	8/26/2031	USD	5% + LIBOR	-	1,855,575	-	1,855,575
JSC Bank of Georgia 8697070	12/31/2022	USD	10%	-	692,990	-	692,990
JSC Bank of Georgia 7454584	8/1/2031	USD	5% + LIBOR	-	644,497	-	644,497
JSC Bank of Georgia 6875044	4/20/2023	GEL	16%	-	202,286	-	202,286
JSC Bank of Georgia 6387693	10/30/2030	GEL	13%	-	156,634	-	156,634
JSC Bank of Georgia 8897054	10/30/2030	USD	9%	-	59,516	-	59,516
				<u>45,133,039</u>	<u>48,880,773</u>	<u>44,937,688</u>	<u>36,996,673</u>

	Group		Company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Outstanding principle	115,065,074	141,703,087	62,696,997	98,158,953
Interest payable	1,717,407	1,541,951	824,026	1,268,524
	<u>116,782,481</u>	<u>143,245,038</u>	<u>63,521,023</u>	<u>99,427,477</u>

Borrowings from JSC Bank of Georgia have been secured by a pledge over the Group's property and equipment and investment property (Note 17,18). Additional information about borrowings is disclosed in Note 4.

Reconciliation of liabilities from financing transactions can be presented as follows:

	Group	Company
Year ended 31 December 2022	143,245,038	99,427,477
Loan received	73,301,011	52,876,591
Accrued interest	14,148,493	8,323,913
Loan repayment	(100,674,950)	(88,957,071)
Interest paid	(11,983,619)	(6,912,336)
Fair value change	532,723	532,723
Interest Paid - non-cash	(131,988)	(131,988)
Foreign exchange gain/loss, net	(1,654,227)	(1,638,286)
Year ended 31 December 2023	116,782,481	63,521,023

	Group	Company
Year ended 31 December 2021	96,958,975	96,958,975
Loan received	78,122,879	33,711,179
Accrued interest	9,171,788	8,559,314
Loan repayment	(24,836,870)	(24,236,870)
Loan repayment - non-cash	(583,982)	(583,982)
Interest paid	(7,971,796)	(7,633,796)
Fair value change	(680,644)	(532,721)
Foreign exchange gain/loss, net	(6,935,312)	(6,814,622)
Year ended 31 December 2022	143,245,038	99,427,477

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28. Borrowings (continued)

Loan agreements signed with JSC Bank of Georgia provide for the following covenants:

Covenant	Comment
Group, as a legal entity or other organizational structure, which does not represent legal entity must not allow main field of activity to change, to reorganize (transformation, merger, division) or to be liquidated or/and any other similar restructuring, deal, or other activity.	Satisfies
Group must not allow their own assets/property or part of it/them to be used as a means of provision or/and burden otherwise in favor of any third party.	Satisfies
During any 12 (twelve) months period Group must not dispose of their own asset/property (or part of it/them) in any way, or/and purchase any other third party's any form of asset/property or/and part of it/them.	Unsatisfying
During any 12 (twelve) months period group must not make investments, or to be charged with any kind of liabilities or bear the costs, except the case, when these investments, or/and costs or/and liabilities corresponds issued credit's (or/and other bank products which are provided for in the agreement) target, or/and is realized within the scope of groups usual activities.	Unsatisfying
Group must not be charged with any additional credits, loans or/and similar liabilities.	Unsatisfying
Group must not pay dividends during any calendar year, furthermore, client can pay dividends only in case if there is no violation of contract or/and other related contract(s), or/and any other contract(s) or/and agreement client may have with bank or/and if paying dividends does not create danger of this kind of violation.	Satisfies
Group must prepare financial reporting of their own and their subsidiary company in compliance with the rules and procedures established by the current legislation, furthermore upon request of the bank, (a) preparing of financial reporting must correspond to International Financial Reporting Standards, and (b) audit of financial reporting must be conducted by the auditor/auditing company acceptable to the bank.	Satisfies
Based on the contract or/and other related agreement, client must not allow any kind of damage to bank (it's employees, representatives or/and any other authorized person) or charging them with any kind of costs, which can be caused by actions of client, or any other related third person (despite the case, when damage/cost is caused by bank, it's employees, representatives or/and any other authorized person) , negligence, official indifference or intended action, if this circumstances arise client must fully compensate this kind of damage/cost to the bank.	Satisfies
Group must only use bank's products or/and services, including unequivocally bank turnover and 100 (hundred) % balance on bank accounts must be produced/possessed with help of bank.	Unsatisfying
Group must provide assurance that statements and guarantees, liabilities or/and other conditions which are provided by the contract or/and other related contract(s) are executed.	Satisfies

Certain covenants provided in the Group/Company loan agreements have been breached as at December 31, 2023. In the event of breach of covenants, the lender has the right but not the obligation to demand part or full repayment of the borrowings. Before the 31 December 2023, the Group/Company reached an agreement with the lender to avoid full or partial repayment of within 12 months of the publication of the 2023 financial statements due to the breach of the financial covenant. Consequently, borrowings are presented as non-current according to the agreement as at 31 December 2023 and as at 31 December 2022.

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29. Trade and other payables				
	Group		Company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Current:				
Financial payables				
Trade payables	2,912,731	7,820,533	2,789,569	7,722,551
Trade payables from related parties	255,925	296,537	255,925	296,537
Obligation arising from the sale of share*	-	5,387,780	-	5,387,780
Payables from the purchase of non-current assets	11,411,759	21,081,658	5,390,560	5,390,560
Total Current Liabilities	14,580,415	34,586,508	8,436,054	18,797,428
Non-Current				
Payables from the purchase of non-current assets	4,562,514	8,827,036	-	-
Total Non-Current Liabilities	4,562,514	8,827,036	-	-
Total Liabilities	19,142,929	43,413,544	8,436,054	18,797,428

*The advance received for the realization of the 25% share of Alma Lisi LLC.

Carrying amounts of financial liabilities within trade payables approximate fair values due to their short-term maturities. Trade payables distribution by currency is disclosed in Note 4.

30. Commitments and contingencies

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 Group/Company may be assessed additional taxes, penalties and interest. The Group/Company believes that it has already made all tax payments, and therefore no allowance has been made in the consolidated financial statements. Tax years remain open to review by the tax authorities for three years.

As at 31 December 2023, potential income tax on future dividends of the Group/Company was GEL15,992,291 and GEL16,697,484, respectively. Accumulated profit from 1 January 2008 to 31 December 2016 for which income tax have already been paid are not taxable again.

Operating environment - Emerging markets such as Georgia are subject to different risks than more developed markets, including economic, political and social, and legal and legislative risks. Laws and regulations affecting businesses in Georgia continue to change rapidly, tax and regulatory frameworks are subject to varying interpretations. The future economic direction of Georgia is heavily influenced by the fiscal and monetary policies adopted by the government, together with developments in the legal, regulatory, and political environment.

Legal proceedings - From time to time and in the normal course of business, claims against the Group/Company are received from citizens and counterparties. Management is of the opinion that no material unaccrued losses will be incurred and accordingly no provision has been made in these consolidated and separate financial statements.

Management report - In accordance with the Law on accounting, reporting and auditing (article 7) the Group/Company has an obligation to prepare and submit Consolidated Management Report to the State Regulatory Authority, together with Independent Auditors' Report no later than 1 October of the year following the reporting period. The Group/Company has prepared Consolidated and Separate Management Report at the date of issue of the consolidated and Separated financial statements.

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31. Related party transaction and outstanding balances

Details of balances between the Group/Company and other related parties are disclosed below:

	Relationship	Group		Company	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
Trade and other payables		5,646,485	5,687,097	5,646,485	5,687,097
Outdoor.ge LLC	Other	5,390,560	5,390,560	5,390,560	5,390,560
Wissol Petroleum Georgia JSC	Other	225,770	223,629	225,770	223,629
Krakeni 8 LLC	Other	20,263	-	20,263	-
Smart Retail JSC	Other	9,792	7,140	9,792	7,140
Wissol Auto Express LLC	Other	100	65,768	100	65,768
Trade and other receivables		158,928	79,237	344,230	202,275
Vellagio LLC	Other	52,663	45,499	52,663	45,499
Kiosk Georgia LLC	Other	38,998	4,456	38,998	4,456
Wissol Petroleum Georgia JSC	Other	38,907	-	38,907	-
Smart Retail JSC	Other	18,000	11,241	18,000	11,241
Wissol Auto Express LLC	Other	9,612	-	9,612	-
WenGeorgia JSC	Other	748	17,120	748	17,120
Rustavi Mall LLC	Other	-	921	-	921
Lomsia LLC	Under common control	-	-	329,710	200,800
Krakeni 8 LLC	Under common control	-	-	14,520	1,475
Loans granted		17,901,386	41,754,842	25,325,203	48,547,381
Vellagio LLC	Other	13,005,799	10,670,337	13,005,799	10,670,337
GLOBAL INVESTORS LIMITED	Other	4,588,584	4,314,183	4,588,584	4,314,183
Prime Proptert Group LLC	Other	212,811	190,808	212,811	190,808
Alma Lisi LLC	Under common control	93,191	-	93,191	-
Millenium Tower LLC	Other	1,001	-	1,001	-
Hisni by Biograpi LLC	Under common control	-	16,542,081	-	16,542,081
Wissol Petroleum Georgia JSC	Other	-	9,467,573	-	9,467,573
Matiani by Biograpi LLC	Under common control	-	569,754	-	569,754
Sakeni by Biograpi LLC	Under common control	-	106	-	106
Kostava Towers LLC	Under common control	-	-	7,062,308	6,499,079
Laguna JSC	Under common control	-	-	247,556	192,983
Lomsia LLC	Under common control	-	-	57,876	50,847
Startup studio LLC	Under common control	-	-	56,077	49,630
Borrowings		33,537,770	11,105,540	37,004,200	11,105,540
Levan Fkhadze	Final Beneficial	15,513,665	4,875,816	17,230,233	4,875,816
Soso Fkhadze	Final Beneficial	11,911,431	-	11,911,431	-
Vasil Fkhadze	Final Beneficial	3,392,800	4,576,581	5,012,466	4,576,581
Outdoor.ge LLC	Other	1,486,882	1,653,143	1,486,882	1,653,143
Zugdidi Palace LLC	Other	1,232,992	-	1,363,188	-

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31. Related party transaction and outstanding balances (continued)

Details of transactions between the Group/Company and other related parties are disclosed below:

	Relationship	Group		Company	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
Revenue		1,309,788	1,001,018	989,519	1,001,018
Biograpi Living LLC	Other	387,972	-	58,799	-
Wissol Petroleum Georgia JSC	Other	342,631	628,965	342,631	628,965
V-Geo restaurants LLC	Other	236,199	-	186,514	-
Kiosk Georgia LLC	Other	144,548	30,591	95,394	30,591
Wissol Auto Express LLC	Other	136,704	14,835	70,912	14,835
Zugdidi Palace LLC	Other	22,912	-	-	-
Smart Retail JSC	Other	16,065	10,150	16,065	10,150
WenGeorgia JSC	Other	14,411	-	14,411	-
Outdoor.ge LLC	Other	8,019	-	-	-
MP Development LLC	Other	300	2,643	300	2,643
Matiani By Biograpi	Under common control	28	-	28	-
Rustavi Mall LLC	Other	-	254,968	-	254,968
Vellagio LLC	Other	-	44,629	-	44,629
D&B Georgia JSC	Other	-	13,169	-	13,169
Hisni by Biograpi LLC	Under common control	-	1,068	-	1,068
Sakeni by Biograpi LLC	Under common control	-	-	156,641	-
Krakeni 8 LLC	Under common control	-	-	47,824	-
Cost of sale		(57,379)	(57,694)	(72,633)	(57,940)
Wissol Petroleum Georgia JSC	Other	(38,573)	(38,573)	(38,573)	(38,573)
MP Development LLC	Other	(12,000)	-	(12,000)	-
Wissol Auto Express LLC	Other	(6,806)	(7,121)	(6,806)	(7,121)
MP Property LLC	Other	-	(12,000)	-	(12,000)
Kostava Towers LLC	Under common control	-	-	(15,254)	(246)
General and administrative expenses		(391,399)	(198,343)	(391,399)	(198,343)
Vasil Pkhakadze	Final Beneficial	(259,589)	(153,931)	(259,589)	(153,931)
Krakeni 8 LLC	Under common control	(77,665)	-	(77,665)	-
Levan Pkhakadze	Final Beneficial	(43,665)	(35,249)	(43,665)	(35,249)
Biograpi Living LLC	Other	(8,475)	-	(8,475)	-
Wissol Petroleum Georgia JSC	Other	(2,005)	-	(2,005)	-
Wissol Auto Express LLC	Other	-	(9,163)	-	(9,163)
Inventory purchases		277,644	270,038	277,644	270,038
Wissol Petroleum Georgia JSC	Other	261,264	270,038	261,264	270,038
Smart Retail JSC	Other	16,380	-	16,380	-
PPE purchases		17,514,101	-	17,514,101	-
Wissol Petroleum Georgia JSC	Other	17,513,300	-	17,513,300	-
MP Development LLC	Other	801	-	801	-
Net gain/loss from non-current asset disposal		4	4,753	(749)	4,753
MP Development LLC	Other	4	331	4	331
Wissol Petroleum Georgia JSC	Other	-	4,294	-	4,294
Rustavi Mall LLC	Other	-	128	-	128
Krakeni 8 LLC	Under common control	-	-	(753)	-

ALMA GROUP

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2023

(In GEL)

31. Related party transaction and outstanding balances (continued)

	Relationship	Group		Company	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
Finance cost		(2,411,993)	(916,543)	(2,469,318)	(916,543)
Levan Pkhakadze	Final Beneficial	(958,447)	(11,933)	(958,447)	(11,933)
Soso Fkhadze	Final Beneficial	(620,692)	-	(620,692)	-
Vasil Pkhakadze	Final Beneficial	(619,926)	(718,185)	(619,926)	(718,185)
Outdoor.ge LLC	Other	(121,740)	(185,590)	(121,740)	(185,590)
Zugdidi Palace LLC	Other	(91,188)	-	(91,188)	-
Wissol Petroleum Georgia JSC	Other	-	(835)	-	(835)
Sakeni by Biograpi LLC	Under common control	-	-	(57,325)	-
Finance income		2,970,415	1,559,405	3,713,976	1,692,690
Vellagio LLC	Other	1,135,271	842,429	1,135,271	842,429
Hisni by Biograpi LLC	Under common control	1,040,949	116,623	1,040,949	116,623
GLOBAL INVESTORS LIMITED	Other	513,629	513,376	513,629	513,376
Wissol Petroleum Georgia JSC	Other	234,384	26,340	234,384	26,340
Matiani by Biograpi LLC	Under common control	24,179	10,774	24,179	10,774
Prime Propert Group LLC	Other	22,003	21,528	22,003	21,528
Zugdidi Palace LLC	Other	-	28,049	-	28,049
MP Property LLC	Other	-	286	-	286
Kostava Towers LLC	Under common control	-	-	701,018	108,265
Laguna JSC	Under common control	-	-	21,273	17,259
Lomsia LLC	Under common control	-	-	12,029	4,847
Startup studio LLC	Under common control	-	-	6,447	2,914
Alma Lisi LLC	Under common control	-	-	2,191	-
Sakeni by Biograpi LLC	Under common control	-	-	603	-

Key management personnel compensation can be presented as follows:

	Group		Company	
	2023	2022	2023	2022
Short-term employee benefits	235,388	320,608	12,626	8,040

32. Events after the reporting period

Borrowing

After the reporting period, the company borrowed a loan of GEO18,659,342 from JSC Bank of Georgia.

After the reporting period, the company borrowed a loan of GEL1,020,000 from the shareholder Levan Pkhakadze.

Investment in subsidiaries

On January 5, 2024, Alma LLC founded AE Energy LLC and contributed 50,000GEL to capital.

On February 12, 2024 AE Energy LLC bought 100% of Kartli Generation LLC.

On March 3 and 26, 2024 Millennium Tower LLC acquired 100%-100% shares of Base Asset Management LLC and Treatment-Prophylactic Center LLC.

Loans Granted

After the reporting period, the company granted loans to related parties in the following amounts:

Company	Loan issued
Vellagio LLC	9,545,954
Millenium Tower LLC	8,922,161
AE Energy LLC	4,084,249
Alma Lisi LLC	110,000
Lomsia LLC	80,000
Kostava Towers LLC	50,000
Laguna JSC	20,000

33. Summary of significant accounting policies

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

Foreign currency translation**(a) Functional and presentation currency**

Items included in the consolidated and separate financial statements are measured using the currency of the primary economic environment in which the Group/Company operates ('the functional currency'). Consolidated and Separate Financial statements are presented in Georgian Lari, which is the Group's/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 consolidated and 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 consolidated and separate statement of comprehensive income within "Foreign exchange gain (loss), net".

The closing official rates of the National Bank of Georgia of exchange used for translating foreign currency balances to Georgian Lari were:

	Official rate of the National Bank of Georgia	
	USD	EUR
Exchange rate as at 31 December 2023	2.6894	2.9753
Exchange rate as at 31 December 2022	2.7020	2.8844

Financial instruments**Financial assets**

Financial assets arise principally from the provision of goods and services to customers (e.g. trade receivables), 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. Group's/Company's financial assets are classified as "Financial assets at amortized cost".

Cash and cash equivalents include all bank placements or receivables with original maturities of less than three months.

The Group/Company uses a simplified approach for expected credit loss for trade receivables and contractual assets. According to simplified approach expected credit loss is calculated using migration matrix. Simplified approach recognizes loss for whole portfolio regardless of significant increase of credit risk after initial recognition. The expected loss rates are based on the Group's/Company's historical credit losses experienced over the three year period prior to the period end. The Group/Company applied exemption B5.5.50 and B5.5.51 of IFRS 9 and did not used incorporate forecasts of future conditions of financial assets. Therefore, the historical loss rates are not adjusted for current and forward-looking information on macroeconomic factors affecting the Group's/Company's customers. Impairment allowance is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For the receivables carried at amortised cost, such allowance is recorded on a separate allowance account with the loss being recognized in the statement of comprehensive income. When a receivable is uncollectible, it is written off against the allowance account for financial assets. Subsequent recoveries of amounts previously written off are credited in profit or loss.

The Group/Company has estimated the risk of credit losses on cash and cash equivalents as immaterial due to their rapid liquidity. Consequently, the Group/Company does not recognize impairment for above-mentioned assets in accordance with IFRS 9.

33. Summary of significant accounting policies (continued)**Financial liabilities**

Financial liabilities could be classified for one of these categories - "Financial liability at fair value through profit or loss" and "Financial liability at amortized cost". The Group/Company has estimated which business model was sufficient to the Group's/Company's financial liabilities.

Other financial liabilities are initially recognised at fair value plus transaction costs that are directly attributable to their release. The liabilities of such interest are subsequently recorded at amortized cost using the effective interest rate method which ensures accrual of interest on the carrying amount of the financial liability at constant rate. Interest expenses for any financial liability include the initial transaction costs and any additional charges for the redemption of the obligation.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset, and the net amount reported in the consolidated/separate 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.

Impairment of non-financial assets

The carrying amounts of the Group's/Company's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for leases of low value assets leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group/Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the updated discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

Revenue from contracts to customers**General review**

The Group/Company recognises revenue for transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

33.Summary of significant accounting policies (continued)

The Group/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 obligation and timeliness of revenue recognition

The main part of the Group's/Company's revenue comprises providing indoor advertising services at Tbilisi, Batumi and Kutaisi international airports and in Metro as well and providing outdoor advertising services to individual and corporate customers in different cities of Georgia (including bus advertising), also selling banners and other related goods or services. Detailed accounting policies are provided below:

Revenue from providing advertising goods and services to consumers

Income from regular service operations, such as providing outdoor and indoor advertising services (billboard advertising, digital screen advertising, advertising in Metro stations and bus advertising, etc.) to customers, is recognized over time, in the period, when the service was transferred in accordance with monthly value of the agreement. The vast majority of the Group's/Company's contracts are short-term by nature except two advertising contracts under which the Group/Company has received substantial advance payments to provide 3 to 10-year advertising services in the future.

The group/Company measures the amount of revenue to recognise on delivery of the goods by calculating a financing component at the interest rate that would have applied had the group borrowed the funds.

Income from sale of banners and other one-time services (assembling, installation etc.) are recognized when the control for the goods is transferred to the customer and other services are delivered. The value of the transaction is usually paid in advance, or immediately when the consumer purchases goods or services or the next one month. Therefore, income is recognized at the time when the ownership is transferred to customers or service is rendered.

Define the contract cost

The main contractual value of the Group's/Company's income is fixed and therefore, the income from each contract is determined by the fixed price. The contract value also includes fines and penalties.

The group/company, except for the mentioned three long-term advertising contract, does not have any contracts where the period between the rendered services to the customer and payment by the customer exceeds one year. As a consequence, except above mentioned contracts, the group/company does not adjust any of the transaction prices for the time value of money. Under one long term advertising contract the Group/Company received non-cash consideration and is measured at fair value.

Distribution of value between the obligations to be fulfilled

The essential part of the Group's/Company's contracts is fixed payment. Each case has an independent contract that does not include additional services. Accordingly, the Group/Company distributes the entire contract price to specific transactions.

Used exemption

The Group/Company has used following exceptions:

- Does not consider a significant component of financing when the difference between the date of transaction control on the asset and the date of reimbursement for the user is less than one year; and
- Additional expenses for concluding a contract will be recognized in their expenses if the duration of the amortization period does not exceed one year.

Current and deferred income tax

Income tax expense represents the sum of the tax currently payable. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are not taxable or deductible in the current period. The Group's/Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

33. Summary of significant accounting policies (continued)

Owing to the specific nature of the taxation system in Georgia for the financial period of 2016, 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.

Taxes other than income tax

The Group/Company recognised taxes other than income tax when obligating event occurred. The obligating events are an event that raises a liability to pay a tax. Taxes are calculated in accordance with Georgian legislation.

Property and equipment

All property and equipment is carried at its historical cost less any accumulated depreciation and accumulated impairment losses.

Charging depreciation on the property and equipment or particular items starts when such property and equipment are ready to use in the manner intended by the management of the Group/Company. Depreciation of property and equipment is charged so as to write off the depreciable amount over the useful life of an asset and is calculated using a straight-line method. Depreciation charge per period is allocated between administrative and other expenses according the economic function.

See below the table of useful lives of property and equipment per category:

Class	Useful Life
Land	Not depreciated
Construction in progress	Not depreciated
Billboards and advertising constructions	10-20
Buildings	40
Transportation	10
Furniture, office equipment and others	5-10

The assets' useful lives are reviewed and adjusted if appropriate at the end of each reporting period. Construction in progress consists of property and equipment under construction and other non-current assets.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization 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.

See below the table of useful lives of intangible assets per category:

Class	Useful Life
Licenses	6-30
Other intangible assets	5-10

Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property initially is recognized at cost. The Group/Company chooses cost model for accounting of investment property.

Charging depreciation on the investment property starts when such property are ready to use in the manner intended by the management of the Group/Company. Depreciation of investment property is charged so as to write off the depreciable amount over the useful life of an asset and is calculated using a straight-line method. Depreciation charge per period is allocated between administrative expenses and other expenses according the economic function. Depreciation, other than land, is calculated on a straight-line basis during 40 years.

Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Movements in goods for resale are accounted for weighted average cost basis.

33.Summary of significant accounting policies (continued)**Government grants related to assets**

Government grants, including non-monetary grants at fair value is recognized when there is reasonable assurance that: (a) The entity will comply with the conditions attaching to them; and (b) The grants will be received.

Grants related to assets are presented as received grant in the consolidated statements of financial position. Received grant is recognised in profit or loss on a systematic basis over the useful life of the asset.

Provisions, Contingent Liabilities and Contingent Assets

Contingent liabilities are not reflected in the consolidated/separate financial statements, except for the cases when the outflow of economic benefits is likely to origin and the amount of such liabilities can be reliably measured. The information on contingent liabilities is disclosed in the Notes to the consolidated/separate financial statements with the exception of cases, when the outflow of economic benefits is unlikely.

Contingent assets are not reflected in the consolidated/separate financial statements, but the information on them is disclosed when inflow of economic benefits is possible. If economic benefits are sure to occur, an asset and related income are recognized in the consolidated/separate financial statements for the period, when the evaluation change occurred.

Recognition of expenses

Expenses are recognized in the statement of comprehensive income if there arises any decrease of future economic profit related to the decrease of an asset or increase of a liability that can be reliably assessed. Expenses are recognized in the statement of comprehensive income 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 consolidated/separate statement of financial position.

Recognition of Interest income and expense

For all financial instruments measured at amortised cost, interest income or expense is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. Interest income and expense are recognized in the statement of profit and loss. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term bonus if the Group/Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Dividend income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will be flown to the and the amount of income can be measured reliably).

Investment in subsidiary

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.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group/Company are recognised at the proceeds received, net of direct issue costs. Investments in equity instruments are classified as "Financial assets at fair value through profit or loss".

33. Summary of significant accounting policies (continued)

Base of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries).

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

The consolidated financial statements present the results of the company and its subsidiaries (the Group) as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated/separate financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

Charter capital

The amount of Group's/Company's authorised charter capital is defined by the Group's/Company's Charter. The changes in the Group's/Company's Charter (changes in charter capital, ownership, etc.) shall be made only based on the decision of the Group's/Company's owner. The authorised capital is recognised as charter capital in the equity of the Group/Company to the extent that it was contributed by the owners to the Group/Company. Charter capital is recognized at the fair value of the contributions received by the Group/Company.