

Georgia Global Utilities JSC

Interim condensed consolidated financial statements for the six months ended

30 June 2022 (unaudited)

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Report on Review of Interim Financial Information

To the Shareholders and Supervisory Board of Georgia Global Utilities JSC

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Georgia Global Utilities JSC and its subsidiaries, which comprise the interim consolidated statement of financial position as at 30 June 2022 and the related interim consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and selected explanatory notes (interim financial information). Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion

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



Ruslan Khoroshvili
On behalf of EY LLC
Tbilisi, Georgia
7 December 2022

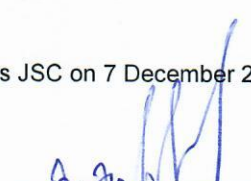
Interim consolidated statement of financial position**As at 30 June 2022***(Amounts expressed in thousands of Georgian Lari)*

	Note	30 June 2022 (unaudited)			31 December 2021 (represented)*		
		Water	Energy	Total	Water	Energy	Total
Assets							
Non-current assets							
Property, plant and equipment	6	639,033	278,037	917,070	611,037	300,621	911,658
Investment property		7,382	-	7,382	7,382	-	7,382
Right-of-use assets		226	1,386	1,612	337	1,254	1,591
Restructured trade receivables		201	-	201	83	-	83
Loans issued	13	-	8,034	8,034	-	-	-
Other non-current assets		4,040	1,118	5,158	4,324	1,712	6,036
Total non-current assets		650,882	288,575	939,457	623,163	303,587	926,750
Current assets							
Inventories		5,670	480	6,150	5,065	406	5,471
Trade and other receivables	7	29,465	3,206	32,671	23,559	2,366	25,925
Loans issued		-	-	-	-	14	14
Prepaid taxes other than income tax		299	2,726	3,025	244	1,262	1,506
Reimbursement assets		-	2,192	2,192	-	2,318	2,318
Prepayments		1,818	842	2,660	1,365	367	1,732
Financial assets held for trading		-	10,938	10,938	-	8,122	8,122
Other current assets		-	-	-	2,594	-	2,594
Cash at bank		40,955	18,923	59,878	59,894	36,948	96,842
Total current assets		78,207	39,307	117,514	92,721	51,803	144,524
Total assets		729,089	327,882	1,056,971	715,884	355,390	1,071,274
Equity							
Share capital	8	2	84,664	84,666	2	84,664	84,666
Additional paid-in capital		21,196	-	21,196	21,230	-	21,230
Retained earnings		154,136	(64,096)	90,040	102,750	(58,359)	44,391
Other reserves		(8,258)	17,417	9,159	(13,154)	18,305	5,151
Revaluation reserve for property, plant and equipment		4,385	-	4,385	4,385	-	4,385
Total equity		171,461	37,985	209,446	115,213	44,610	159,823
Liabilities							
Non-current liabilities							
Borrowings and bonds issued	9	472,383	275,372	747,755	510,119	297,648	807,767
Deferred revenue		28,146	-	28,146	26,874	-	26,874
Lease liabilities		146	1,225	1,371	167	1,191	1,358
Other non-current liabilities		57	520	577	25	550	575
Total non-current liabilities		500,732	277,117	777,849	537,185	299,389	836,574
Current liabilities							
Borrowings and bonds issued		14,256	9,067	23,323	15,509	9,680	25,189
Advances received		17,917	-	17,917	16,005	-	16,005
Trade and other payables	10	16,689	1,129	17,818	15,412	974	16,386
Provisions for liabilities and charges		1,286	-	1,286	1,401	-	1,401
Deferred revenue		5,568	-	5,568	5,545	-	5,545
Lease liabilities		95	112	207	197	118	315
Other current liabilities		186	-	186	5,579	-	5,579
Other taxes payable		899	2,472	3,371	3,838	619	4,457
Total current liabilities		56,896	12,780	69,676	63,486	11,391	74,877
Total liabilities		557,628	289,897	847,525	600,671	310,780	911,451
Total liabilities and equity		729,089	327,882	1,056,971	715,884	355,390	1,071,274

* Comparative financial information as at 31 December 2021 does not correspond to 2021 annual consolidated financial statements following changes in presentation as detailed in Note 3.

Approved for issue and signed on behalf of Georgia Global Utilities JSC on 7 December 2022:


 José Miguel Santos Gonzalez
 Chief Executive Officer


 Giorgi Gureshidze
 Chief Financial Officer

The accompanying notes on pages 5 to 15 are an integral part of these Interim condensed consolidated financial statements.

Interim consolidated statement of financial position**As at 30 June 2022***(Amounts expressed in thousands of Georgian Lari)*

	Note	30 June 2022 (unaudited)			31 December 2021 (represented)*		
		Water	Energy	Total	Water	Energy	Total
Assets							
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Prepaid taxes other than income tax		299	2,726	3,025	244	1,262	1,506
Reimbursement assets		–	2,192	2,192	–	2,318	2,318
Prepayments		1,818	842	2,660	1,365	367	1,732
Financial assets held for trading		–	10,938	10,938	–	8,122	8,122
Other current assets		–	–	–	2,594	–	2,594
Cash at bank		40,955	18,923	59,878	59,894	36,948	96,842
Total current assets		78,207	39,307	117,514	92,721	51,803	144,524
Total assets		729,089	327,882	1,056,971	715,884	355,390	1,071,274
Equity							
Share capital	8	2	84,664	84,666	2	84,664	84,666
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Deferred revenue		28,146	–	28,146	26,874	–	26,874
Lease liabilities		146	1,225	1,371	167	1,191	1,358
Other non-current liabilities		57	520	577	25	550	575
Total non-current liabilities		500,732	277,117	777,849	537,185	299,389	836,574
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Advances received		17,917	–	17,917	16,005	–	16,005
Trade and other payables	10	16,689	1,129	17,818	15,412	974	16,386
Provisions for liabilities and charges		1,286	–	1,286	1,401	–	1,401
Deferred revenue		5,568	–	5,568	5,545	–	5,545
Lease liabilities		95	112	207	197	118	315
Other current liabilities		186	–	186	5,579	–	5,579
Other taxes payable		899	2,472	3,371	3,838	619	4,457
Total current liabilities		56,896	12,780	69,676	63,486	11,391	74,877
Total liabilities		557,628	289,897	847,525	600,671	310,780	911,451
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* Comparative financial information as at 31 December 2021 does not correspond to 2021 annual consolidated financial statements following changes in presentation as detailed in Note 3.

Approved for issue and signed on behalf of Georgia Global Utilities JSC on 7 December 2022:

José Miguel Santos Gonzalez
Chief Executive Officer

Giorgi Gureshidze
Chief Financial Officer

The accompanying notes on pages 5 to 15 are an integral part of these Interim condensed consolidated financial statements.

Interim consolidated statement of profit or loss and other comprehensive income**For the six months ended 30 June 2022***(Amounts expressed in thousands of Georgian Lari)*

	Note	For the six months ended 30 June 2022 (unaudited)				For the six months ended 30 June 2021 (unaudited, represented*)			
		Water	Energy	Elimination	Total	Water	Energy	Elimination	Total
Revenue from water supply and related services	11	86,233	-	-	86,233	80,665	-	-	80,665
Revenue from electric power sales	12	12,731	19,244	(27)	31,948	10,817	20,432	(1,865)	29,384
Other revenue		643	-	-	643	743	-	-	743
Total revenue and gains		99,607	19,244	(27)	118,824	92,225	20,432	(1,865)	110,792
Electricity and transmission costs		(11,117)	(338)	-	(11,455)	(11,839)	(275)	-	(12,114)
Cost of electric power sales		(27)	-	27	-	(1,865)	-	1,865	-
Salaries and other employee benefits		(10,552)	(576)	-	(11,128)	(9,791)	(444)	-	(10,235)
Allowance for expected credit losses	7	(3,205)	-	-	(3,205)	(3,209)	-	-	(3,209)
Taxes other than income tax		(3,421)	(1,159)	-	(4,580)	(3,018)	(1,360)	-	(4,378)
General and administrative expenses		(1,877)	(190)	-	(2,067)	(1,649)	(161)	-	(1,810)
Professional fees		(865)	(361)	-	(1,226)	(759)	(286)	-	(1,045)
Raw materials, fuel and other consumables		(1,582)	(96)	-	(1,678)	(1,552)	(25)	-	(1,577)
Maintenance expenditure		(948)	(1,218)	-	(2,166)	(905)	(1,367)	-	(2,272)
Charge for provisions and legal claims related expenses		(12)	-	-	(12)	(229)	-	-	(229)
Other operating expenses		(2,963)	(843)	-	(3,806)	(2,774)	(1,042)	-	(3,816)
Gain from sale of non-core assets		-	-	-	-	1,161	-	-	1,161
Other income		507	-	-	507	505	-	-	505
		(36,062)	(4,781)	27	(40,816)	(35,924)	(4,960)	1,865	(39,019)
EBITDA		63,545	14,463	-	78,008	56,301	15,472	-	71,773
Finance income		1,979	646	-	2,625	998	586	-	1,584
Finance costs	9	(19,815)	(11,706)	-	(31,521)	(19,634)	(12,734)	-	(32,368)
Net foreign exchange gain		22,862	(27)	-	22,835	16,619	22	-	16,641
Depreciation and amortisation	6	(18,193)	(5,585)	-	(23,778)	(18,825)	(6,564)	-	(25,389)
Non-recurring expenses		1,008	(3,506)	-	(2,498)	(477)	(1,328)	-	(1,805)
Profit before income tax expense		51,386	(5,715)	-	45,671	34,982	(4,546)	-	30,436
Income tax expense		-	-	-	-	-	-	-	-
Profit for the period		51,386	(5,715)	-	45,671	34,982	(4,546)	-	30,436
Other comprehensive income									
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>		-	-	-	-	-	-	-	-
Gain/(loss) from currency translation differences		4,896	(888)	-	4,008	1,684	(2,676)	-	(992)
Net other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods		4,896	(888)	-	4,008	1,684	(2,676)	-	(992)
Other comprehensive (income)/(loss) for the period		4,896	(888)	-	4,008	1,684	(2,676)	-	(992)
Total comprehensive income/(loss) for the period		56,282	(6,603)	-	49,679	36,666	(7,222)	-	29,444

* Comparative financial information for six months ended 30 June 2021 does not correspond to 2021 semi-annual interim condensed consolidated financial statements following changes in presentation as detailed in Note 3.

The accompanying notes on pages 5 to 15 are an integral part of these interim condensed consolidated financial statements

Interim consolidated statement of changes in equity**For the six months ended 30 June 2022***(Amounts expressed in thousands of Georgian Lari)*

	Share capital	Additional paid-in capital	Other reserves	Retained earnings	Revaluation reserve for property, plant and equipment	Total	Out of which Water	Out of which Energy
Balance as at 31 December 2020	104,666	19,191	7,551	55,161	4,813	191,382	78,901	112,481
–out of which Water	2	19,191	(14,883)	69,778	4,813	78,901	78,901	–
–out of which Energy	104,664	–	22,434	(14,617)	–	112,481	–	112,481
Profit for the year	–	–	–	30,436	–	30,436	34,982	(4,546)
Foreign currency translation reserve	–	–	(992)	–	–	(992)	1,684	(2,676)
Total comprehensive income for the period	–	–	(992)	30,436	–	29,444	36,666	(7,222)
Share-based payments	–	1,007	–	–	–	1,007	1,007	–
Dividends declared	(9,471)	–	–	–	–	(9,471)	–	(9,471)
Transfers to parent under share-based compensation program	–	–	(412)	–	–	(412)	(412)	–
Balance as at 30 June 2021	95,195	20,198	6,147	85,597	4,813	211,950	116,162	95,788
–out of which Water	2	20,198	(13,611)	104,760	4,813	116,162	116,162	–
–out of which Energy	95,193	–	19,758	(19,163)	–	95,788	–	95,788
Balance as at 31 December 2021	84,666	21,230	5,151	44,391	4,385	159,823	115,213	44,610
–out of which Water	2	21,230	(13,154)	102,750	4,385	115,213	115,213	–
–out of which Energy	84,664	–	18,305	(58,359)	–	44,610	–	44,610
Profit for the year	–	–	–	45,671	–	45,671	51,386	(5,715)
Foreign currency translation reserve	–	–	4,008	–	–	4,008	4,896	(888)
Total comprehensive income for the year	–	–	4,008	45,671	–	49,679	56,282	(6,603)
Transfers to parent under share-based compensation program	–	(33)	–	–	–	(33)	(33)	–
Balance as at 30 June 2022	84,666	21,197	9,159	90,062	4,385	209,469	171,462	38,007
–out of which Water	2	21,197	(8,258)	154,136	4,385	171,462	171,462	–
–out of which Energy	84,664	–	17,417	(64,074)	–	38,007	–	38,007

The accompanying notes on pages 5 to 15 are an integral part of these interim condensed consolidated financial statements.

Interim consolidated statement of cash flows**For the six months ended 30 June 2022***(Amounts expressed in thousands of Georgian Lari)*

	For the six months ended 30 June 2022 (unaudited)			For the six months ended 30 June 2022 (unaudited, represented*)			
	Note	Water	Energy	Total	Water	Energy	Total
Cash flows from operating activities							
Profit before income tax		51,386	(5,715)	45,671	34,982	(4,546)	30,436
<i>Adjustments for:</i>							
Depreciation and amortization	6	18,193	5,585	23,778	18,825	6,564	25,389
Allowance for expected credit losses	7	3,205	-	3,205	3,209	-	3,209
Charge for provisions and legal claims related expenses		12	-	12	229	-	229
Net foreign exchange gain		(22,862)	27	(22,835)	(16,619)	(22)	(16,641)
Finance income		(1,979)	(646)	(2,625)	(998)	(586)	(1,584)
Finance costs		19,815	11,706	31,521	19,634	12,734	32,368
Net loss from disposal of property, plant and equipment and investment property		39	-	39	320	-	320
Gain from sale of non-core assets		-	-	-	(1,161)	-	(1,161)
Bonus termination		-	(1,306)	(1,306)	-	-	-
Non-recurring expenses, net		(1,008)	3,506	2,498	-	976	976
Share-based payment expense		-	-	-	403	-	403
<i>Working capital changes</i>							
Change in inventories		(605)	(74)	(679)	(468)	(97)	(565)
Change in trade and other receivables		(10,104)	(840)	(10,944)	(15,968)	(3,082)	(19,050)
Change in prepaid taxes other than income tax		(55)	(1,464)	(1,519)	(822)	(557)	(1,379)
Change in prepayments		(455)	(476)	(931)	(154)	22	(132)
Change in trade and other payables		(603)	155	(448)	(720)	(846)	(1,566)
Change in deferred revenue – current portion		23	-	23	(302)	-	(302)
Change in advances received		1,912	-	1,912	(2,371)	-	(2,371)
Change in other current liabilities		(2,723)	-	(2,723)	-	-	-
Change in other tax payables		(2,939)	309	(2,630)	(1,327)	(1,027)	(2,354)
Operating cash flows after working capital changes		51,252	10,767	62,019	36,692	9,533	46,225
Change in deferred revenue – non-current portion		1,272	-	1,272	820	-	820
Net cash flows from operating activities before investment in trading securities		52,524	10,767	63,291	37,512	9,533	47,045
Net investment in trading securities		-	(3,064)	(3,064)	-	(8,308)	(8,308)
Net cash from operating activities		52,524	7,703	60,227	37,512	1,225	38,737
Cash flows from investing activities							
Purchase of property, plant and equipment and intangible assets		(43,651)	(1,285)	(44,936)	(40,481)	(4,534)	(45,015)
Proceeds from sale of property, plant and equipment		-	2,456	2,456	1,347	-	1,347
Proceeds from sale of investment property		746	-	746	-	-	-
Loans issued		-	(7,883)	(7,883)	-	-	-
Interest received		1,979	542	2,521	998	586	1,584
Net cash used in investing activities		(40,926)	(6,170)	(47,096)	(38,136)	(3,948)	(42,084)
Cash flows from financing activities							
Payment of principal portion of lease liabilities		(126)	(174)	(300)	(115)	(118)	(233)
Proceeds from borrowings		-	-	-	4,920	1,899	6,819
Repayment of borrowings and acquisition of bonds issued		(11,159)	(6,889)	(18,048)	(12)	-	(12)
Interest paid		(18,737)	(11,521)	(30,258)	(19,745)	(12,192)	(31,937)
Distribution to the Parent	8	-	-	-	-	(9,471)	(9,471)
Transfers to parent under share-based compensation program		-	-	-	(414)	-	(414)
Net cash used in financing activities		(30,022)	(18,584)	(48,606)	(15,366)	(19,882)	(35,248)
Effect of foreign exchange rate changes on cash and cash equivalents		(516)	(974)	(1,490)	(845)	(510)	(1,355)
Net change in cash and cash equivalents		(18,940)	(18,025)	(36,965)	(16,835)	(23,115)	(39,950)
Cash and cash equivalents at the beginning of the period		59,894	36,948	96,842	55,577	63,262	118,839
Cash and cash equivalents at the end of the period		40,954	18,923	59,877	38,742	40,147	78,889

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(Amounts expressed in thousands of Georgian Lari)

1. Corporate information

These interim condensed consolidated financial statements of Georgia Global Utilities JSC (“the Company”) include the financial statements of Georgia Global Utilities JSC and its subsidiaries, collectively referred to as the “Group”.

On 3 February 2022, FCC Aqualia S.A. (“Aqualia”), a Spanish-based multinational holding specialized in water business, acquired 65% ordinary shares in the Company from Georgia Capital JSC (the Group’s immediate controlling parent as at 31 December 2021), and became the controlling shareholder of the Group, surpassing Georgia Capital plc in this capacity. As at 30 June 2022, the Company’s immediate controlling parent is Aqualia Georgia LLC, 100% owned by Aqualia. Accordingly, Aqualia became the new controlling shareholder of the Group.

In June 2022, as part of the second stage of Georgia Capital’s transaction to dispose 80% of its investment in the Group’s water utility business to Aqualia, the Group set up an intermediate holding entity, Georgian Renewable Power Operations JSC (GRPO), with view of subsequent contribution of the renewable energy business to GRPO (namely, Group’s subsidiaries Svaneti Hydro JSC, Qartli Wind Farm LLC, Hydrolea LLC and its subsidiaries, collectively referred to as “Renewable Energy subsidiaries”) and its divestment to Georgia Capital JSC. Contribution of the Renewable Energy subsidiaries to GRPO occurred in September 2022, subsequent to the reporting date. As at the date of approval of these interim condensed consolidated financial statements, divestment of GRPO to Georgia Capital JSC has occurred (Note 14). In preparation of these interim condensed consolidated financial statements, the management exercised significant judgment in concluding that Renewable Energy subsidiaries did not meet definition of a disposal group or a discontinued operation as at 30 June 2022, as they were not ready for distribution at that date due regulatory permissions and concurrence of the Group’s Eurobond holders for the divestment being outstanding.

Other than as described above, there was no other material change in the composition of the Group, its business segments, legal address and ultimate controlling parent as compared to 31 December 2021.

2. Operating environment

As a result of the war in Ukraine, many leading countries and economic unions have announced severe economic sanctions on Russia, including Russian banks, other entities and individuals. Since the start of the war, there has been a significant volatility of the Russian Ruble against foreign currencies, as well as significant loss of value on the securities markets in Russia and of Russian companies listed in other markets. The situation is still unfolding, but it has already resulted in a humanitarian crisis and huge economic losses in Ukraine, Russia and the rest of the world. Ukraine and Russia are important trade partners of Georgia. It is expected that the war will have a negative impact on the Georgian economy. As the war is still waging, it is impossible to reliably assess the impact this may have on the Company’s business as there is uncertainty over the magnitude of the impact on the economy in general. The Company’s management is monitoring the economic situation in the current environment.

The Group is constantly monitoring impact of the war in Ukraine on its business. To the extent information is available, effects of the war are reflected in valuations of investment properties (Note 13) and trading securities (Note 13) as at 30 June 2022.

3. Basis of preparation

These interim condensed consolidated financial statements for the six months ended 30 June 2022 were prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements of the Group as at and for the year ended 31 December 2021, signed and authorized for release on 28 April 2022.

Basis of consolidation used in preparation of these interim condensed consolidated financial statements is consistent with that used and disclosed in the Group’s annual consolidated financial statements as at and for the year ended 31 December 2021.

The interim condensed consolidated financial statements have been prepared on a historical cost basis, except for investment properties and derivative financial instruments that have been measured at fair value.

The interim condensed consolidated financial statements are presented in thousands of Georgian Lari unless otherwise indicated.

(Amounts expressed in thousands of Georgian Lari)

3. Basis of preparation (continued)

The preparation of the interim condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported income and expense, assets and liabilities and disclosure of contingencies at the date of the interim condensed consolidated financial statements. Although these estimates and assumptions are based on management's best judgment at the date of the interim condensed consolidated financial statements, actual results may differ from these estimates.

Assumptions and significant estimates in these interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021.

Adoption of new or revised standards and interpretations

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial statements of the Group:

- ▶ Reference to the Conceptual Framework – Amendments to IFRS 3
- ▶ Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- ▶ Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
- ▶ IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
- ▶ IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities.

Change in presentation

In 2022, in connection with the upcoming divestment of GRPO to Georgia Capital JSC (Note 1), the Group amended presentation of its consolidated financial statement to present separately contribution of Water and Energy businesses to the total Group's balances, results of operations and cash flows. Comparative information and explanatory notes have been amended accordingly. Represented comparative information as at 31 December 2021 was not subject to audit.

4. Segment information

Management organized the Group into the following two operating segments based on products sold and services rendered:

Electric power generation and sales

The segment owns hydroelectric and wind power stations that generate electric power for own consumption and for sale to external customers.

Water supply and wastewater collection services

The segment provides water supply and wastewater collection services which is the core activity of the Group.

Management monitors the operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance, as explained below, is measured according to IFRS standards in the same manner as profit or loss in the consolidated financial statements.

Transactions between segments are accounted for at actual transaction prices.

The Group's operations are concentrated in Georgia. All non-current assets of the Group are located in Georgia.

(Amounts expressed in thousands of Georgian Lari)

4. Segment information (continued)

Water supply and wastewater collection services (continued)

The following table present financial results of the Group's operating segments for the six months ended 30 June 2022 (unaudited):

	<i>GGU Water</i>		<i>GGU Energy</i>		<i>Total</i>	
	<i>Electric power generation and sales</i>	<i>Water supply and wastewater collection services</i>	<i>Intersegment transactions</i>	<i>Electric power generation and sales</i>		<i>Eliminations</i>
Revenue from water supply and related services	-	86,233	-	-	-	86,233
Revenue from electric power sales ¹	15,005	-	(2,274)	19,244	(27)	31,948
Other revenue	-	643	-	-	-	643
Total revenue (Sub-note 1)	15,005	86,876	(2,274)	19,244	(27)	118,824
Electricity and transmission costs	(58)	(13,333)	2,274	(338)	-	(11,455)
Cost of electric power sales	(27)	-	-	-	27	-
Salaries and other employee benefits (Sub-note 2)	(836)	(9,716)	-	(576)	-	(11,128)
Allowance for ECLs	-	(3,205)	-	-	-	(3,205)
Taxes other than income tax	(141)	(3,280)	-	(1,159)	-	(4,580)
General and administrative expenses	(116)	(1,761)	-	(190)	-	(2,067)
Professional fees	(65)	(800)	-	(361)	-	(1,226)
Raw materials, fuel and other consumables	(47)	(1,535)	-	(96)	-	(1,678)
Maintenance expenditure	(7)	(941)	-	(1,218)	-	(2,166)
Charge for provisions and legal claims related expenses	-	(12)	-	-	-	(12)
Other operating expenses	(925)	(2,038)	-	(843)	-	(3,806)
Other income	6	501	-	-	-	507
EBITDA	12,789	50,756	-	14,463	-	78,008
Finance income (Sub-note 3)	224	1,755	-	646	-	2,625
Finance costs (Sub-note 3)	(987)	(18,828)	-	(11,706)	-	(31,521)
Foreign exchange losses	1,107	21,755	-	(27)	-	22,835
Depreciation and amortization	(1,234)	(16,959)	-	(5,585)	-	(23,778)
Non-recurring expenses, net (Sub-note 4)	-	1,008	-	(3,506)	-	(2,498)
Profit before income tax expense	11,899	39,487	-	(5,715)	-	45,671
Income tax expense	-	-	-	-	-	-
Profit for the period	11,899	39,487	-	(5,715)	-	45,671

Selected consolidated statement of financial position information reviewed by the management of the Group as at 30 June 2022 is as follows (unaudited):

	<i>GGU Water</i>	<i>GGU Energy</i>	<i>GGU Consolidated</i>
Cash and cash equivalents	40,955	18,923	59,878
Total assets	729,089	327,882	1,056,971
Borrowings and bonds issued	486,639	284,439	771,078
Lease liability	241	1,337	1,578
Total liabilities	557,628	289,897	847,525
Total equity	171,461	37,985	209,446

(Amounts expressed in thousands of Georgian Lari)

4. Segment information (continued)

Water supply and wastewater collection services (continued)

The following table present restated financial results of the Group's operating segments for the six months ended 30 June 2021 (unaudited):

	GGU Water		GGU Energy		Eliminations	Total
	Electric power generation and sales	Water supply and wastewater collection services	Intersegment transactions	Electric power generation and sales		
Revenue from water supply and related services	-	80,665	-	-	-	80,665
Revenue from electric power sales ¹	13,325	-	(2,508)	20,432	(1,865)	29,384
Other revenue	-	743	-	-	-	743
Total revenue (Sub-note 1)	13,325	81,408	(2,508)	20,432	(1,865)	110,792
Electricity and transmission costs	(66)	(14,281)	2,508	(275)	-	(12,114)
Cost of electric power sales	(1,865)	-	-	-	1,865	-
Salaries and other employee benefits (Sub-note 2)	(949)	(8,842)	-	(444)	-	(10,235)
Allowance for ECLs	-	(3,209)	-	-	-	(3,209)
Taxes other than income tax	(147)	(2,871)	-	(1,360)	-	(4,378)
General and administrative expenses	(93)	(1,556)	-	(161)	-	(1,810)
Professional fees	(45)	(714)	-	(286)	-	(1,045)
Raw materials, fuel and other consumables	(58)	(1,494)	-	(25)	-	(1,577)
Maintenance expenditure	(7)	(898)	-	(1,367)	-	(2,272)
Charge for provisions and legal claims related expenses	-	(229)	-	-	-	(229)
Other operating expenses	(837)	(1,937)	-	(1,042)	-	(3,816)
Gain from sale of non-core assets	-	1,161	-	-	-	1,161
Other income	15	490	-	-	-	505
EBITDA	9,273	47,028	-	15,472	-	71,773
Finance income (Sub-note 3)	31	972	-	581	-	1,584
Finance costs (Sub-note 3)	(1,369)	(18,265)	-	(12,734)	-	(32,368)
Foreign exchange losses	1,098	15,521	-	22	-	16,641
Depreciation and amortization	(1,387)	(17,438)	-	(6,564)	-	(25,389)
Non-recurring expenses, net (Sub-note 4)	-	(477)	-	(1,328)	-	(1,805)
Profit before income tax expense	7,646	27,341	-	(4,551)	-	30,436
Income tax expense	-	-	-	-	-	-
Profit for the period	7,646	27,341	-	(4,551)	-	30,436

Selected consolidated statement of financial position information reviewed by the management of the Group as at 31 December 2021 is as follows:

	GGU Water	GGU Energy	Eliminations	GGU Consolidated
Cash and cash equivalents	38,746	40,145	-	78,891
Total assets	675,056	409,178	(1,927)	1,082,307
Borrowings and bonds issued	501,690	309,053	-	810,743
Lease liability	316	1,292	-	1,608
Total liabilities	558,894	313,390	(1,927)	870,357
Total equity	116,162	95,788	-	211,950

The majority of revenue and cost elements were directly attributed to the relevant segments. The allocation principles and methods used by the management for revenue and costs elements, which cannot be directly attributed to the relevant operating segments, were:

- Revenue** – during the six months ended 30 June 2022 and 2021 the Group consumed electric power generated by Zhinvali Hydro Power Plant (HPP) and Tetrikhevi HPP. For the purpose of segment disclosure in 2021, the revenue from the internally used electric power was recorded at a regulated tariff set by the GNERC (Decree No. 82, dated 29 December 2020). For the purpose of segment disclosure in 2020, the revenue from the internally used electricity was recorded at a regulated tariff set by GNERC (decree No. 50, dated 27 December 2017).

(Amounts expressed in thousands of Georgian Lari)

4. Segment information (continued)

Water supply and wastewater collection services (continued)

2. **Salaries and benefits** – The costs of salaries and other benefits except that of administrative staff were attributed directly to the appropriate segments based on actual expenditure. Salaries and benefits of the administrative staff were allocated proportionally based on the number of employees in each operating segment.
3. **Finance income and finance costs** were allocated according to the amount of borrowings received for each segment.
4. **Non-recurring expenses, net** – for the six months ended 30 June 2022, non-recurring expenses include expense related to M1 write-off, termination-related cash-based employee compensation, income from sale of M1 and income related to gain of late redemption of bonds issued. For the six months ended 30 June 2021, non-recurring expenses include effect of reassessment of insurance reimbursement asset and charity expenses.

5. Property, plant and equipment

The movements in property, plant and equipment during the six months ended 30 June 2022 were as follows:

	<i>Land plots</i>	<i>Real estate</i>	<i>Water Infrastruc-ture assets</i>	<i>Energy Infrastruc-ture assets</i>	<i>Vehicles</i>	<i>Fixtures and fittings</i>	<i>CIP</i>	<i>Total</i>	<i>Out of which Water</i>	<i>Out of which Energy</i>
Gross carrying amount										
31 December 2021	7,826	40,419	775,848	404,975	33,711	11,684	27,461	1,301,924	937,210	364,714
–out of which Water	6,571	40,419	775,848	48,185	32,888	10,303	22,996	937,210	937,210	–
–out of which Energy	1,255	–	–	356,790	823	1,381	4,465	364,714	–	364,714
Additions	–	–	8,511	69	117	21	38,270	46,988	45,425	1,563
Disposals	–	(25)	–	(199)	–	(6)	(2)	(232)	(74)	(158)
Transfers	180	458	20,081	517	2,077	277	(23,590)	–	–	–
Impairment	–	–	–	(38,753)	–	–	–	(38,753)	–	(38,753)
Translation	(68)	–	–	(19,287)	(47)	(75)	(283)	(19,760)	–	(19,760)
								1,290,16		
30 June 2022	7,938	40,852	804,440	347,322	35,858	11,901	41,856	7	982,561	307,606
–out of which Water	6,751	40,852	804,440	48,730	34,989	10,569	36,230	982,561	982,561	–
–out of which Energy	1,187	–	–	298,592	869	1,332	5,626	307,606	–	307,606
Accumulated depreciation and impairment										
31 December 2021	352	10,390	275,544	80,702	15,782	6,582	914	390,266	326,173	64,093
–out of which Water	352	10,390	275,544	17,475	15,721	6,469	222	326,173	326,173	–
–out of which Energy	–	–	–	63,227	61	113	692	64,093	–	64,093
Depreciation charge	–	320	14,075	6,601	1,442	497	–	22,935	17,386	5,549
Disposals	–	(4)	–	(23)	–	(4)	–	(31)	(31)	–
Impairment	–	–	–	(36,305)	–	–	–	(36,305)	–	(36,305)
Translation	–	–	–	(3,756)	(4)	(8)	–	(3,768)	–	(3,768)
30 June 2022	352	10,706	289,619	47,219	17,220	7,067	914	373,097	343,528	29,569
–out of which Water	352	10,706	289,619	18,534	17,150	6,945	222	343,528	343,528	–
–out of which Energy	–	–	–	28,685	70	122	692	29,569	–	29,569
Net book value										
31 December 2021	7,474	30,029	500,304	324,273	17,929	5,102	26,547	911,658	611,037	300,621
–out of which Water	6,219	30,029	500,304	30,710	17,167	3,834	22,774	611,037	611,037	–
–out of which Energy	1,255	–	–	293,563	762	1,268	3,773	300,621	–	300,621
30 June 2022	7,586	30,146	514,821	300,103	18,638	4,834	40,942	917,070	639,033	278,037
–out of which Water	6,399	30,146	514,821	30,196	17,839	3,624	36,008	639,033	639,033	–
–out of which Energy	1,187	–	–	269,907	799	1,210	4,934	278,037	–	278,037

(Amounts expressed in thousands of Georgian Lari)

5. Property, plant and equipment (continued)

The movements in property, plant and equipment during the six months ended 30 June 2021 were as follow:

	Total							Total	Out of which Water	Out of which Energy
	Land plots	Real estate	Water Infrastructure assets	Energy Infrastructure assets	Vehicles	Fixtures and fittings	CIP			
Gross carrying amount										
31 December 2020	7,003	35,896	697,937	423,157	32,411	10,840	28,032	1,235,276	854,534	380,742
–out of which Water	5,664	35,896	697,937	47,117	31,572	9,424	26,924	854,534	854,534	–
–out of which Energy	1,339	–	–	376,040	839	1,416	1,108	380,742	–	380,742
Additions	–	–	8,208	1,399	69	30	35,253	44,959	41,254	3,705
Disposals	(5)	(148)	(118)	(5)	(289)	(422)	(41)	(1,028)	(609)	(419)
Transfers	–	3,036	19,130	28	923	135	(23,252)	–	–	–
Translation	(47)	–	–	(13,277)	(29)	(16)	(154)	(13,523)	–	(13,523)
30 June 2021	6,951	38,784	725,157	411,302	33,085	10,567	39,838	1,265,684	895,179	370,505
–out of which Water	5,659	38,784	725,157	47,141	32,275	9,585	36,578	895,179	895,179	–
–out of which Energy	1,292	–	–	364,161	810	982	3,260	370,505	–	370,505
Accumulated depreciation and impairment										
31 December 2020	378	9,982	246,407	30,851	13,409	5,623	1,572	308,222	291,844	16,378
–out of which Water	378	9,982	246,407	15,360	13,371	5,523	823	291,844	291,844	–
–out of which Energy	–	–	–	15,491	38	100	749	16,378	–	16,378
Depreciation charge	–	308	14,885	7,523	1,384	554	–	24,654	18,107	6,547
Disposals	–	(47)	(4)	(3)	(153)	(2)	–	(209)	(209)	–
Translation	–	–	–	(865)	(2)	(5)	(26)	(898)	–	(898)
30 June 2021	378	10,243	261,288	37,506	14,638	6,170	1,546	331,769	309,742	22,027
–out of which Water	378	10,243	261,288	16,420	14,588	6,002	823	309,742	309,742	–
–out of which Energy	–	–	–	21,086	50	168	723	22,027	–	22,027
Net book value										
31 December 2020	6,625	25,914	451,530	392,306	19,002	5,217	26,460	927,054	562,690	364,364
–out of which Water	5,286	25,914	451,530	31,757	18,201	3,901	26,101	562,690	562,690	–
–out of which Energy	1,339	–	–	360,549	801	1,316	359	364,364	–	364,364
30 June 2021	6,573	28,541	463,869	373,796	18,447	4,397	38,292	933,915	585,437	348,478
–out of which Water	5,281	28,541	463,869	30,721	17,687	3,583	35,755	585,437	585,437	–
–out of which Energy	1,292	–	–	343,075	760	814	2,537	348,478	–	348,478

6. Trade and other receivables

	30 June 2022 (unaudited)			31 December 2021		
	Water	Energy	Total	Water	Energy	Total
Non-current						
Trade receivables for water supply services from general population	240	–	240	121	–	121
	240	–	240	121	–	121
Less allowance for expected credit losses	(39)	–	(39)	(38)	–	(38)
Total restructured trade receivables, net	201	–	201	83	–	83
Current						
Trade receivables for water supply services from general population	30,644	–	30,644	28,069	–	28,069
Trade receivables for water supply services from legal entities	23,508	–	23,508	19,671	–	19,671
Trade receivables for installation of water meters	179	–	179	325	–	325
Trade receivables for connection service	4,236	–	4,236	3,756	–	3,756
Trade receivables for electric power sales	4,661	3,206	7,867	1,510	2,366	3,876
	63,228	3,206	66,434	53,331	2,366	55,697
Less allowance for expected credit losses	(36,681)	–	(36,681)	(33,829)	–	(33,829)
Total current trade receivables, net	26,547	3,206	29,753	19,502	2,366	21,868
Other receivables	4,072	–	4,072	5,373	–	5,373
Less allowance for expected credit losses	(1,154)	–	(1,154)	(1,316)	–	(1,316)
Total other receivables, net	2,918	–	2,918	4,057	–	4,057
Total current trade and other receivables, net	29,465	3,206	32,671	23,559	2,366	25,925

*(Amounts expressed in thousands of Georgian Lari)***6. Trade and other receivables (continued)**

As at 30 June 2022, the Group recognized GEL 4,072 of other receivables, which relate to the income that is not in scope of IFRS 15 (31 December 2021: GEL 5,372), and mainly comprise the penalties on illegal connections.

The carrying amounts of the Group's trade and other receivables approximate their fair values and are mostly denominated in GEL and USD.

The movements in the ECL allowance for the trade and other receivables are as follows:

	<i>Non-current trade and other receivables</i>	<i>Current trade and other receivables</i>	<i>Total</i>
31 December 2020	126	30,330	30,456
Allowance/(reversal) for expected credit losses	(68)	3,277	3,209
Bad debts written off	-	(476)	(476)
30 June 2021 (unaudited)	58	33,131	33,189
31 December 2021	38	35,145	35,183
Allowance/(reversal) for expected credit losses	(39)	3,244	3,205
Bad debts written off	-	(554)	(554)
30 June 2022 (unaudited)	(1)	37,875	37,874

7. Equity**Share capital**

As at 30 June 2022 and 31 December 2021, share capital as presented in these interim condensed consolidated financial statements comprised of GEL 84,666 representing 84,665,263 ordinary shares of GGU with nominal value of GEL 1 (one) each.

	<i>Number of ordinary shares</i>	<i>Nominal amounts</i>
31 December 2020	104,665,263	104,666
Reduction of share capital (a)	(9,470,790)	(9,471)
30 June 2021 (unaudited)	95,194,473	95,195
Reduction of share capital (a)	(10,529,210)	(10,529)
31 December 2021	84,665,263	84,666
30 June 2022 (unaudited)	84,665,263	84,666

(a) As at 30 June 2021, the Group recognized reduction in share capital in the interim condensed consolidated statement of changes in equity attributed to GEL 9,471 distribution to the shareholder settled in cash through proceeds from GGU subsidiaries (31 December 2021: additional reduction of GEL 10,529, aggregate amount of GEL 20,000 for the whole year).

8. Borrowings and bonds issued

	<i>Total</i>			
	<i>30 June 2022 (Unaudited)</i>		<i>31 December 2021</i>	
	<i>Current liabilities</i>	<i>Non-current liabilities</i>	<i>Current liabilities</i>	<i>Non-current liabilities</i>
Eurobonds issued	22,981	741,457	25,007	801,716
Loans from Georgian financial institutions	48	3,260	48	3,481
Loans from entities under common control	294	3,038	109	2,136
Other loans			25	434
Total borrowings and bonds issued	23,323	747,755	25,189	807,767
- Out of which Water	14,256	472,383	15,509	510,119
- Out of which Energy	9,067	275,372	9,680	297,648

(Amounts expressed in thousands of Georgian Lari)

8. Borrowings and bonds issued (continued)

As at 30 June 2022, the Group has USD-denominated Eurobonds issued of GEL 764,438 (31 December 2021: GEL 826,723).

As at 30 June 2022, borrowings comprise of EUR denominated loans of GEL 266 (31 December 2021: GEL 317), USD denominated loans of GEL 3,042 (31 December 2021: GEL 5,916) and GEL denominated loans of GEL 3,332 (31 December 2021: nil).

As at 30 June 2022, the Group's borrowings from shareholders are denominated in USD with a fixed interest rate of 10% with average maturity of 2 years (31 December 2021: 2 years).

As at 30 June 2022, the Group's borrowings from other related parties are denominated in USD with a fixed interest rate of 10% with average maturity of 2 years.

Borrowings and bonds issued matures on average in 3 years (2021: 4 years).

At 30 June 2022 and 31 December 2021, the Group does not have any undrawn borrowing facilities.

During the six months period ended 30 June 2022, the Group incurred borrowings costs of GEL 31,673 (six months period ended 30 June 2021: GEL 33,228) of which GEL 152 has been capitalized to property, plant and equipment (six months period ended 30 June 2021: GEL 860).

9. Trade and other payables

	30 June 2022 (unaudited)			31 December 2021		
	Water	Energy	Total	Water	Energy	Total
Trade payables	5,632	1,083	6,715	5,124	941	6,065
Payables for non-current assets	4,761	-	4,761	4,290	-	4,290
Payables to employees	5,605	-	5,605	5,619	-	5,619
Other payables	691	46	737	379	33	412
Total trade and other payables	16,689	1,129	17,818	15,412	974	16,386

Trade and other payables are non-interest bearing and are normally settled within 60 days.

10. Revenue from water supply and related services

	For the six months ended 30 June 2022 (unaudited)	For the six months ended 30 June 2021 (unaudited, restated)
Revenue from water supply to legal entities	58,837	53,623
Revenue from water supply to general population	24,603	24,147
Total revenue from water supply before charges for related services	83,440	77,770
Charges for connection service	2,521	2,284
Charges for installation of water meters	272	611
Total revenue from water supply and related services	86,233	80,665

*(Amounts expressed in thousands of Georgian Lari)***11. Revenue from electric power sales**

	<i>For the six months ended 30 June 2022 (unaudited)</i>			
	<i>Water</i>	<i>Energy</i>	<i>Eliminations</i>	<i>Total</i>
Revenue from electric power sales to government-related entities	434	11,397	-	11,831
Revenue from electric power sales to legal entities	12,297	7,847	(27)	20,117
Total revenue from electric power sales	12,731	19,244	(27)	31,948

	<i>For the six months ended 30 June 2021 (unaudited)</i>			
	<i>Water</i>	<i>Energy</i>	<i>Eliminations</i>	<i>Total</i>
Revenue from electric power sales to government-related entities	225	14,777	-	15,002
Revenue from electric power sales to legal entities	10,592	5,655	(1,865)	14,382
Total revenue from electric power sales	10,817	20,432	(1,865)	29,384

12. Related parties disclosures

In accordance with IAS 24, *Related Party Disclosures*, parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

The volumes of related party transactions, outstanding balances at the period and year end, and related expense and income for the periods ended 30 June 2022 and 31 December 2021 are as follows:

	<i>30 June 2022 (unaudited)</i>		<i>31 December 2021</i>	
	<i>The Parent and other shareholders</i>	<i>Entities under common control</i>	<i>The Parent and other shareholders</i>	<i>Entities under common control</i>
Assets				
Trade and other receivables	-	2,048	-	2,282
Prepayments	-	85	-	654
Reimbursement asset	-	2,192	-	2,318
Loans issued	-	8,034	-	-
Financial assets held for trading(a)	7,902	-	8,122	-
Other current assets	-	-	2,594	-
Borrowings as at 1 January	-	2,245	-	-
Proceeds from borrowings and interest accrued during the year	-	1,087	-	2,245
Borrowings as at 30 June/31 December	-	3,332	-	2,245
Other liabilities				
Advances received	-	526	-	527
Trade and other payables	-	142	-	187

- (a) In March 2021, the Group purchased 2,493 notes worth USD 2,500 thousand issued by the Parent as a tap issue to the original notes issued in 2018 on Irish Stock Exchange. The notes accrue annual 6.125% and mature in 2024. The financial assets are at fair value through profit or loss as held for trading. During 2022 half year the Group recognized GEL 231 of finance income on the notes.

(Amounts expressed in thousands of Georgian Lari)

12. Related parties disclosures (continued)

	<i>Entities under common control</i>	
	<i>For the six months ended 30 June 2022 (unaudited)</i>	<i>For the six months ended 30 June 2021 (unaudited, restated)</i>
Income and expenses		
Revenue from water supply	854	1,073
Other revenue	238	443
Other income	–	12
Professional fees	–	(3)
Insurance expenses	(1,190)	(1,077)
Non-recurring expenses	–	(976)
Other operating expenses	(235)	(24)
Finance income	231	–

Directors' compensation

Total compensation to key management for the six months ended 30 June 2022 and 2021 was as follows:

	<i>For the six months ended 30 June 2022 (unaudited)</i>	<i>For the six months ended 30 June 2021 (unaudited, restated)</i>
Salaries and benefits	1,039	1,193
Bonuses	1,722	662
Termination-related cash-based employee compensation	1,316	–
Employee share-based compensation	33	1,257
Total management compensation	4,110	3,112

Following change in controlling shareholder of the Group (Note 1), share-based programs in settled in shares of the previous controlling parent, Georgia Capital plc, have been terminated.

13. Fair value measurement

Investment properties

The Group measures fair value of its investment properties at the end of each reporting period. The real estate market in Georgia is relatively illiquid and inert, with market values tending to be stable over prolonged periods of time. Pricing of real estate in Georgia is often performed in US Dollars. Significant judgment is exercised in determination on whether fair value changes over the interim period since the date of the last revaluation are material and thus warrant recognition in the interim condensed consolidated financial statements.

The management of the Group considered market information available as at reporting date and determined that the real estate prices in GEL as at 30 June 2022 increased up to 8.9% since 31 December 2021. The management compared the valuations as adjusted for the above changes to the fair value ranges determined by independent appraisers at the previous valuation date and reflected in the consolidated statement of financial position as at 31 December 2021, and concluded that valuations of individual properties as at 30 June 2022 continue to remain within those ranges and, thus, no further revaluation is required to be recognized in these interim condensed consolidated financial statements.

There were no transfers between levels during the six months ended 30 June 2022 and 2021. There were no changes in valuation techniques for Level 2 and 3 recurring fair value measurements during the six months ended 30 June 2022 and 2021.

(Amounts expressed in thousands of Georgian Lari)

13. Fair value measurement (continued)

Financial instruments

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. The fair values of fixed and floating rate borrowings (Level 2 of fair value hierarchy) approximate the carrying values of the instruments. Management assessed that the fair values of cash at banks, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Loans issued

As at 30 June 2022, the Group's loans issued of GEL 8,034 is USD denominated fixed interest rate of 10% loans issued to Related party with maturity of 2 years (31 December 2021: nil).

14. Events after the reporting period

Renewable Energy Segment disposal

In June 2022, as part of the second stage of Georgia Capital's transaction to dispose 80% of its investment in the Group's water utility business to Aqualia, the Group set up an intermediate holding entity, Georgian Renewable Power Operations JSC (GRPO), with view of subsequent contribution of the renewable energy business to GRPO (namely, Group's subsidiaries Svaneti Hydro JSC, Qartli Wind Farm LLC, Hydrolea LLC and its subsidiaries, collectively referred to as "Renewable Energy subsidiaries") and its divestment to Georgia Capital JSC. In September 2022, investments in the Renewable Energy subsidiaries with carrying value of GEL 112,850 as at 31 December 2021 were transferred to GRPO in exchange for equity instruments issued by GRPO which reduced Company's share capital by nominal amount of GEL 86,847. In October 2022, GRPO was disposed to Georgia Capital JSC.

Redemption of bonds issued

On 7 September 2022, the Group has redeemed its Eurobonds issued with carrying value amounting to GEL 756,006 (USD 244,062) as at 31 December 2021. The redemption was carried out at the price of 103.875%, plus accrued and unpaid interest in accordance with terms and conditions of the Notes, and the total redemption amount was GEL 733,307 (USD 255,463). The Group obtained borrowings obtained from its shareholders (FCC Aqualia S.A. and Georgia Capital JSC) in amounts of GEL 476,338 (USD 164,100) and GEL 261,324 (USD 90,000), respectively, for the purposes of the Eurobonds settlement.