

PUBLIC AUCTION TERMS

A BRIEF DESCRIPTION

A public auction will be held to lease out property of JSC Borjomi Likani International with the right to build. The winner of the auction simultaneously acquires a Call Option to buy leased property. The conditions of Call Option have been provided below. }

The initial purchase price of the auction is 76,017,960.93 GEL (24,041,861.2 (twenty-four million forty-one thousand eight hundred sixty-one dollars and two cents) USD equivalent in GEL. This price is the amount payable without any deduction only in case the Call Option right is exercised for purchase of the leased property. This price shall not be considered as a fee for lease/right to build.

The annual fee for lease/right to build is 8% of the purchase price.

CONDITIONS

The public auction will be held on August 2nd, 2021, 14:00 at the following address: Tbilisi, Vukol Beridze Street N6, JSC Partnership Fund.

In order to participate in the public auction, the Bidder shall submit the following documentation:

(a) Bidder's Identification data;

Note: Any resident or non-resident legal entity or individual is eligible for participation.

(b) A power of attorney or other document (e.g. extract from the Entrepreneurial Registry) that proves the right to represent the Bidder;

(c) An unconditional and irrevocable bank guarantee (bid bond) of 100,000 (one hundred thousand) GEL issued by any commercial bank operating in Georgia in order to secure participation (participation implies the signing of the Agreement by the winning Bidder and payment of the first installment (annual fee of the lease/right to build)) in the public auction. The validity term of bank guarantee shall exceed 70 days from the date of the auction.

Registration and Application period: August 2nd, 2021 from 11:30 pm to 13:30 pm (After the expiration of the mentioned deadline the Bidder shall not be allowed to participate in the auction. If a Bidder appears in time and there is a queue, and the Bidder cannot begin the registration process until 14:30 due to reasons beyond its control, the Bidder shall be considered as appeared in time). The auction will be held even if only one person applies to participate in it.

The results of the auction and status of the winner shall be canceled and the amount under the unconditional and irrevocable bank guarantee submitted by the winner shall be demanded, if the winner of the auction:

(a) refuses to sign the Agreement. The non-submission of a bank guarantee for the performance of the Agreement shall also be considered as refusal;

(b) refuses to sign the protocol confirming the winning in the auction;

(c) violates the conditions established by the legislation of Georgia and the present rules for participation in the auction.

If the auction fails due to the reason that the participants attending the auction will not participate in the auction, a protocol on the failed public auction shall be drawn up and an unconditional and irrevocable bank guarantee submitted by the auction participants shall be demanded, but if the auction is held, the bank guarantee will be returned within 5 (five) calendar days after the end of the auction to the participant who did not participate in the auction and / or did not win.

The Bidder who could not win the auction has the right to consent to leave the guarantee for a reasonable period of time, if he wants to use the opportunity to conclude the Agreement at the price fixed by him, in case of cancellation of the auction results for the winning bidder. In such a case, the results of the auction will not be canceled, and rules that apply on winning Bidder shall also apply to such Bidder (including in the part of demanding a bank guarantee and canceling the auction results). In the presence of several such Bidders, the order is determined by the value of the price.

The Agreement shall be signed and the payment of the first year's fee for lease/right to build shall be made within 30 (thirty) calendar days after the end of the auction. At the same time, prior to the signing of the Agreement, an unconditional and irrevocable bank guarantee issued by any commercial bank operating in Georgia in the amount of 2,500,000.00 (two million five hundred thousand) USD shall be submitted to ensure the fulfillment of the Agreement. The text of the bank guarantee shall be acceptable for JSC Borjomi Likani International. The bank guarantee must be unconditional and irrevocable and shall exceed the term of right to build / lease (payment obligation) by at least 45 (forty-five) days.

Payment shall be made in US dollars, if the payment in GEL is not required by law, in which case the buyer is obliged to provide exchange of the amount transferred to the seller's account at a such exchange rate that the amount transferred in GEL to the seller's account is converted into US dollars at the above-mentioned amount.

The auction will be held publicly, which means that the process of recording and distribution is allowed.

The auction procedures may be terminated at any time by JSC Partnership Fund and/or the Owner (JSC Borjomi Likani International) unilaterally and by its absolute discretion, prior to the signing of the Agreement (including, the completion of closing stage of the Agreement). Therefore, the Bidder shall not be entitled to claim any damages and/or costs incurred hereunder (except for the right to receive back the submitted bank guarantee);

The auction may not be deemed as an any kind of offer and/or any obligation on the part of the JSC Partnership Fund and/or the Owner.

The auction will be held by JSC Partnership Fund as a shareholder of JSC Borjomi Likani International (Identification Number: 404408547) and thus the results of the auction shall be attributed solely to JSC Borjomi Likani International (including the Agreement shall be signed between the auction winner and JSC Borjomi International). The auction procedures will be carried out with the participation of the director of the Owner.

DESCRIPTION

A public auction will held to lease out the real estate (cadastral code: 64.23.05.031) and movable property/intangible assets (the exact list of the movable/intangible property will be set out in the Act of Acceptance) of JSC Borjomi Likani International. The auction winner automatically acquires a Call Option right for the above-mentioned property. The winner of the auction simultaneously acquires a Call Option to buy leased property. The conditions of Call Option has been provided below.

The starting price of the auction is 76,017,960.93 GEL (24,041,861.2 (twenty-four million forty-one thousand eight hundred sixty-one and two tenths) USD equivalent in GEL, that shall be paid by auction winner only in case Call Option right is exercised. The final price fixed at the auction shall be converted at the exchange rate set at the auction day (GEL/USD), but in any case, the final price shall not be less than 24,041,861.2 (twenty-four million forty-one thousand eight hundred sixty-one and two tenths) US Dollars.

Price step is 50 000 GEL, which shall be submitted even if only one person participates in the auction.

The term for lease/right to build and use of the Call Option right is 10 years. In case the Call Option right is exercised during this period, the amount of the paid lease/the right to build fee of the last two years prior to the purchase shall be deducted.

The annual lease/right to build fee is 8% of the purchase price (shall be fixed in US Dollars).

The winning Bidder shall submit a bank guarantee of 2,500,000 (two million five hundred thousand) USD in order to secure its obligations (the text shall be acceptable to JSC Borjomi Likani International). The non-refundable and unconditional bank guarantee shall exceed lease/the right to build fee payment obligation period by minimum of 45 (forty-five) days.

The subject of the auction can be found according to the cadastral code. In addition, the Bidder may visit the site in agreed manner with prior notice. The auction is announced for disposal of the assets, not the business, therefore financial information that is not published/publicly available shall not be available.

For detailed information, please contact JSC Partnership Fund at following e-mail: auctionbli@fund.ge.

Please note that (a) the text of the Agreement shall not be a subject to change, unless JSC Partnership Fund decides otherwise at its own discretion, and therefore, if the winner of the auction refuses to sign

the Agreement for any reason or for no reason, including for the reason that the terms of the Agreement are not acceptable for the winner. JSC Partnership Fund will issue a demand for payment under the bid bond: (b) The Owner shall not be liable for any ongoing/capital repairs or reimbursement of any costs incurred by the auction winner in this regard. Any offer regarding the terms and conditions of the Agreement providing that we (the Owner) should be obliged for any defects of the property (the auction is based on the so-called AS IS standard) and/or in any part ensure the hotel's income, or assume any other obligation (other than the sole obligation that the property shall be leased with the right to build and the property shall be transferred into ownership in case of payment of the purchase price), shall be considered as rejection for signing the Agreement and accordingly payment of the funds under the bid bond will be demanded.