



ALLOCATION REPORT AND IMPACT (key) REPORT

Approved by the Green Bond Committee, dated JUNE 15, 2026, in line with the
GREEN FINANCIAL FRAMEWORK December, 2024

70, V. Pshavela Av, 17th Floor
Tbilisi, 0186, Georgia
Phone: +995 577 08 09 22

giorge@edgeorgia.ge; infoedgorgia@gmail.com;

Table of Contents

About The Company

3

Use of Proceeds

4

Green Financing Instruments' Allocation Timeline

5

Key Metrics

6

Sashuala Cascade Generation in 2023, 2024, 2025 Years

7

CO₂ Emission Reduction from Renewable Energy
Projects in Georgia

8

Existing-Operating

9

Financial Highlights

10

Conclusion

11

About the Company

- **Green-Energy Holding LLC** (the "GEH"), a limited liability company incorporated on October 10, 2024, under the laws of Georgia, operates in the clean energy sector through its subsidiaries (collectively, the "Group"). The Group's mission is to strengthen Georgia's renewable energy infrastructure through strategic investments in hydropower and wind energy projects, thereby generating sustainable, clean energy for the country's benefit. Green Energy Holding LLC supports Georgia's transition to a green economy through the development of renewable energy projects and the use of green financial instruments, including green bonds and loans.
- This approach is consistent with global sustainability goals and promotes clean energy development, climate sustainability and environmental responsibility. The issuance of green instruments aims to finance renewable energy projects, attract investors and strengthen their confidence.



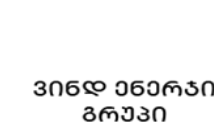
EDG
ENERGY DEVELOPMENT GEORGIA



Surebi HPP



KUTAI SI ENERGY GROUP



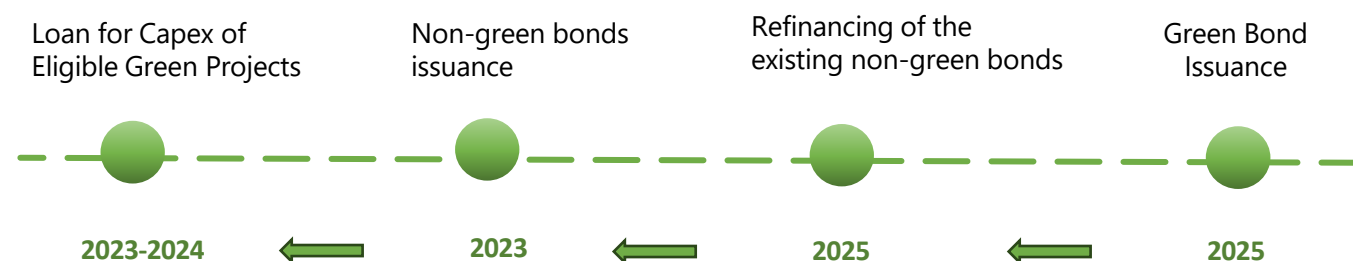
**WIND ENERGY
GROUP**

Use of Proceeds

- ❖ The Green Bond Committee reviewed the intended use of proceeds from the green bond issuance, and as per the Resolution N2 dated March 31, 2025, the Green Bond Committee directed funds toward refinancing the existing non-green bond (ISIN: GE2700604459)
- ❖ The aforementioned non-green bond, in turn, was used to refinance a loan that had been utilized for capital expenditures (CAPEX), specifically to finance the construction of run-of-river hydropower plants — "Sashuala HPP 1," "Sashuala HPP 2," and "Sashuala HPP"
- ❖ These solutions fully meet the criteria set out in GEH's Green Financing Framework. The plants are located on the natural flow of the river, have no artificial reservoirs, and feature only minimal impoundment, thereby ensuring full compliance with both the National Bank of Georgia's Green Taxonomy and the International Capital Market Association's (ICMA) Green Bond Principles.

Eligible Green Category	Eligibility Criteria	Green project example	Relevant EU taxonomy NACE codes	Relevant Sustainable Development Goals (SDGs)
Renewable energy	(i) the electricity generation facility is a run-of-river plant and does not have an artificial reservoir or has a small storage capacity, or (ii) the power density of the electricity generation facility exceeds 10 W/m² (or 5 W/m² for facilities commissioned before 2019), or (iii) the life cycle greenhouse gas (GHG) emissions from hydropower production are less than 50 gCO₂e/kWh (or less than 100 gCO₂e/kWh for facilities commissioned before 2019). - Wind power electricity generation facilities	- Sashuala 2, commissioned in 2019; - Sashuala 1, commissioned in 2021; - Sashuala Hydroelectric Power Plant, commissioned in 2022	D.35.1.1 (wind energy, hydropower)	  

Green Financing Instruments' Allocation Timeline



Look-Back Period

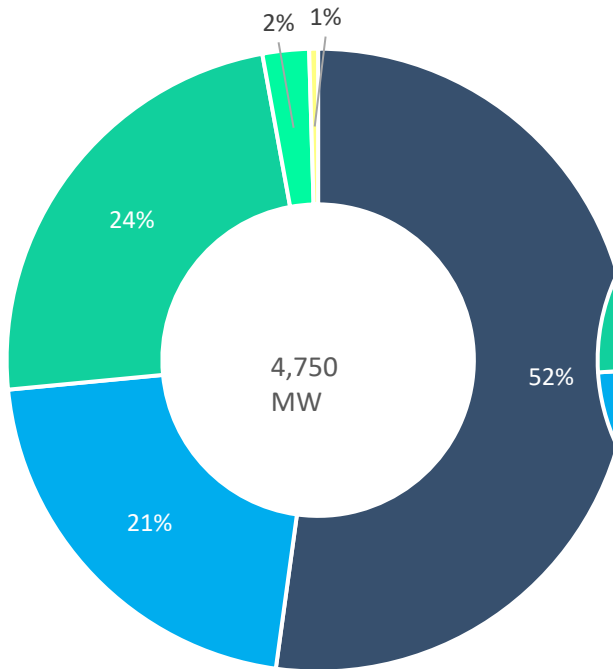
The majority of refinancing is limited to capital expenditures and, therefore, has not defined a look-back period for refinancing, in line with the market practice for CAPEX.

As per the FRAMEWORK, the total amount received from the Green Bonds – Green Financing Instruments' allocation was used toward refinancing the existing non-green bond (ISIN: GE2700604459). Therefore, mentioned non-green bond, in turn, was used to refinance a loan that had been utilized for capital expenditures (CAPEX);

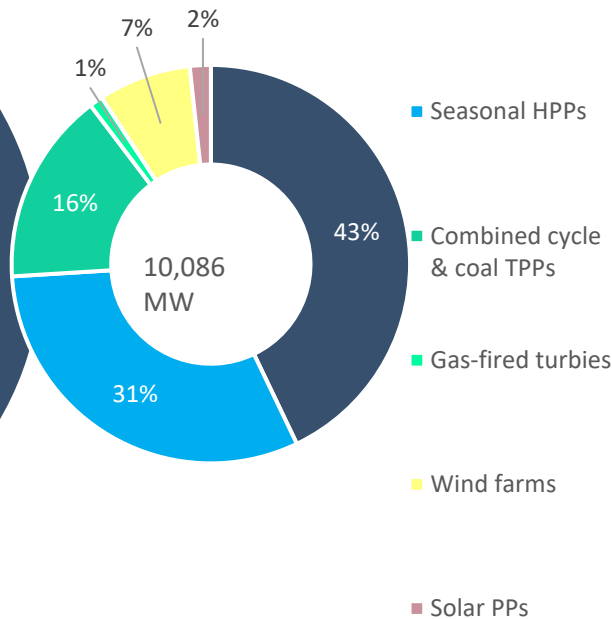
Loans	Amount
Funds received from Green Bonds issuance	\$10,000,000
Refinancing of the existing non-green bonds	\$10,000,000
Funds received from Non-Green Bonds issuance	\$10,000,000
Refinancing of the Loans 2023-2024	\$10,000,000

Key Metrics

Existing Installed Capacity



Target Installed Capacity for 2032



Electricity
consumption (2025)

15.1 TWh



Export (2025)

0.511 TWh



Direct consumer
consumption (2025)

3.4 TWh



Total deficit filled
with import and
thermal
generation (2025)

4.329 TWh



Hydro generation
(10M 2025)

10.98 GW



Total renewable
generation (2025)

11.8 GWh

Sashuala Cascade Generation in 2023, 2024, 2025 Years

Small Hydropower Plant Total Generation (HPP 0, HPP 1, HPP 2)

2023: 75 TWh

2024: 72 TWh

2025: 57 TWh

CO₂ Emission Reduction from Renewable Energy Projects in Georgia

Methodology

Annual CO₂ Reduction = Electricity Generation (MWh) × Grid
Emission Factor (tCO₂/MWh)

Applied GEF: 0.40 tCO₂/MWh

2023 Ears: 30,000 tCO₂

2024 Ears: 28,800 tCO₂

2025 Ears: 22,800 tCO₂

Total Generation (2023-2025 ears): 204,000 MWh

Total CO₂ Avoided: 81,600 tones

- ❖ The hydropower cascade significantly contributes to reducing greenhouse gas emissions and supports decarbonization of Georgia's power sector.

Existing-Operating

Energy Development Georgia (EDG) owns and operates cascade HPPs on Riv. Sashuala in Chokhatauri, Guria region of Western Georgia.



Sashuala HPP 1

Installed capacity: 8,0
Generation: 34 GWh
Start date: 2020
Efficiency ratio: 49%
PPA tariff: 0.06 USD/kWh
PPA due: 28.07.2031



Sashuala HPP 2

Installed capacity: 5,0
Generation: 23 GWh
Start date: 2019
Efficiency ratio: 52%
PPA tariff: 0.06 USD/kWh
PPA due: 28.07.2031



Sashuala HPP 0

Installed capacity: 2.25
Generation 10.5GWh
Start date: 2022
Efficiency ratio: 52,2%
PPA tariff: N/A
PPA due: N/A
Total Project Cost: 3.7
mln USD
Debt/Equity Ratio: 1.79
Cost per MW: 1.66

Total Project Cost for Sashuala HPP1 and HPP2: 17.9 mln USD

Debt/Equity: 6.36

Cost per MW: 1.38

Financial highlights

Key highlights of operating assets

15,25MW
Installed capacity

~ 66,9 GWh
Generation (P50)

50 %
*Average Capacity
Factor (P50)*

100 %
Cash collection rate

37% of Generation
*benefits from PPAs
and/or falls in
electricity deficit
months*

~67%
*PPA Coverage as a %
of Generation*

Stable Generations

***Favorable Market
Outlook***

2025 March:

The company started inaugural green bonds and today successfully operates on the market

2022 March:

The company first started inaugural senior bonds and today successfully operates on the market

2022 December:

Sashuala HPP 0 was commissioned and started operations

2022 July:

First time export of electricity to Turkey

2021 February:

Sashuala HPP 1 was commissioned and started operations

2019 December:

Sashuala HPP 2 was commissioned and started operations

Conclusion

- Green-Energy Holding LLC ("GEH") has successfully allocated the net proceeds of its Green Financing Instruments in full compliance with the Green Financing Framework adopted in December 2024
- The Group's assets have proven to be both environmentally impactful and financially resilient. Approximately 67% of generation benefits from Power Purchase Agreements (PPAs), providing long-term revenue stability through July 2031
- From an environmental perspective, the hydropower cascade has made a significant contribution to Georgia's decarbonization goals. Applying a grid emission factor of 0.40 tCO₂/MWh, the Sashuala plants collectively avoided an estimated 81,600 tonnes of CO₂ emissions over the 2023–2025 period — equivalent to a meaningful reduction in Georgia's power sector carbon footprint. As run-of-river facilities with no artificial reservoirs and only minimal impoundment, the plants operate in full harmony with the natural river flow, minimising ecological disruption while maximising clean energy output
- GEH remains firmly committed to expanding Georgia's renewable energy infrastructure through responsible green financing, transparent reporting, and continued investment in hydropower and wind energy projects — contributing to the country's long-term energy security, environmental sustainability, and alignment with global climate objectives