

January 22, 2025

Official Letter Reflecting a Change in a Non-Material Fact (Event)

MP Development LLC (ID 404960217)

MP Development LLC (ID 404960217, hereinafter referred to as the "Issuer" or the "Company") has made a non-material amendment to the prospectus of its bond issue with a total nominal value of up to 24,000,000 (twenty-four million) euros, which was approved by the National Bank of Georgia on July 12, 2024, under Resolution No. 283 (the "**Prospectus**").

Reason for the amendment:

This amendment reflects non-material adjustments to the issue prospectus as outlined below. Specifically, the amendment concerns the loan agreement signed on September 5, 2014, between the creditor, G-star LLC (175403482, Bulgaria), and the debtor, MP Development LLC (ID: 404960217), with a loan obligation of USD 5,349,000 and a maturity date of January 31, 2027. The only change under this agreement is the substitution of the creditor; all other terms and conditions remain unchanged.

Content of the Amendment:

The Prospectus defines the subordination of loans between the Company and its creditors, as established by the legal relationship defined in the loan agreement. Additionally, a subordination agreement was signed on August 8, 2024, between the Company, G-star LLC (as the subordinated creditor), and the Bondholders' Representative (the "**Subordination Agreement**").

In accordance with one of the loan agreements of the Issuer, which was entered into between G-Star LLC and the Company on September 5, 2014 (including any amendments or appendices thereto), at the time of the Prospectus approval, the Issuer's loan obligation under this agreement was USD 5,349,000, with a maturity date set for January 31, 2027 (hereinafter referred to as the "**Loan Agreement**"). Additionally, the creditor's claims under this very "Loan Agreement" were the ones subordinated pursuant to the terms of the "Subordination Agreement."

On January 16, 2025, an "Agreement on the Assignment (Cession) of the Right to Claim under the Loan Agreement" (the "**Cession Agreement**") was signed between G-star LLC (the "**Original Creditor**") and Riverside Invest LLC (ID: 405097452, the "**New Creditor**"). Under the Cession Agreement, the Original Creditor fully assigned its rights, claims, and obligations under the Loan Agreement to the New Creditor.

Pursuant to Article 199 of the Civil Code of Georgia, *"The holder of the claim (creditor) may assign the claim to a third party without the debtor's consent, provided that it does not contradict the essence of the obligation, the agreement with the debtor, or the law. An agreement prohibiting assignment is only valid if the debtor has a legitimate interest in such a provision."*

Under the terms of the Cession Agreement, the creditor is substituted in compliance with the Prospectus and in full accordance with the terms of the Subordination Agreement. The New Creditor acknowledges and agrees to the terms of both the Loan Agreement and the Subordination Agreement, as well as those outlined in the Prospectus. Furthermore, by signing the Cession Agreement, the New Creditor confirms that it has received all relevant documentation and information related to both the Loan Agreement and the Subordination Agreement, and agrees to assume all rights and obligations of the Original Creditor under these agreements. The New Creditor additionally confirms that in the event of any conflict between the provisions of the Cession Agreement and the Prospectus, the terms of the Prospectus will prevail.

In light of the above and considering that despite the change of the creditor under the "Loan Agreement," the identity of the claim remains intact, the legal status of the debtor, namely the "Issuer," is unaffected.

As previously mentioned, since the legal status of the "Issuer" does not change, this modification does not have a material impact on the operations and/or financial position of the "Issuer." Therefore, this change qualifies as a non-material change for the purposes of the "Prospectus."

It should also be noted that since only the creditor is being changed, with all other terms and conditions of the "Loan Agreement" and the associated rights and obligations, as well as the terms and conditions of the "Subordination Agreement" and the rights and obligations therein, remaining unchanged, this adjustment will not have a significant impact on the activities and/or financial position of the "Issuer." Consequently, it will not affect an investor's decision to invest in, or withdraw from, the relevant securities. The obligations assumed by the "Issuer," including those that could potentially influence bondholder decisions, remain unchanged; among other things, the terms of settlement related to the loan obligation under the "Loan Agreement" and the legal status of the debtor ("Issuer") vis-à-vis the creditor are unaffected. This non-material change only involves the replacement of the creditor, who will assume the same rights and obligations as the "Original Creditor."

As for the bondholders' meeting, according to subparagraph "i" of paragraph "a" of section 2.6.8 of the "Prospectus," a meeting of bondholders is required only when a decision impacts the interests of the bondholders. As the situation for the bondholders remains unchanged, the "Issuer" considers it unnecessary to convene a meeting of bondholders.

Based on the foregoing, the Prospectus should be amended as follows:

(i) In the "Loans Received" section of the Prospectus (document pagination p. 95; PDF format pagination p. 111), the fourth paragraph in the categories of loans received should be amended as follows:

“Loans received from the founders - the ‘Company’ has obligations towards Velagio LLC.”

(ii) In Section 2.6 of the “Terms” of the Prospectus, the first and second paragraphs of the clause (PDF format pagination p. 155), prior to subclause 2.6.1. ("Subordination"), should be amended and reworded as follows:

“The terms and conditions of the ‘Bonds’ and the rights of the ‘Bondholders’ shall be governed by this ‘Prospectus,’ including the ‘Terms of Issue of the Bonds,’ and the Subordination Agreement entered into between ‘Vellagio’ LLC, ‘Riverside Invest’ LLC (collectively, the ‘Subordinated Creditors’), and the Bondholders in accordance with the provisions of this ‘Prospectus’ (hereinafter referred to as the ‘Subordination Agreement’). In the event of any conflict between the provisions of the ‘Prospectus’ and the ‘Subordination Agreement,’ the provisions of the ‘Prospectus’ shall prevail.

According to the terms of the ‘Subordination Agreement,’ the ‘Company’ will be required to fulfill its obligations to the ‘Bondholders’ first and foremost and, once these obligations are properly met, will be entitled to fulfill its obligations under the ‘Subordinated Loans’ (as defined below), subject to the ‘Company’ continuing to make monthly disbursements to the Founders in the total amount not exceeding 800,000 GEL, and provided that the Company maintains a DSCR (Debt Service Coverage Ratio with Initial Money) of no less than 1.1. For this purpose, the Debt Service Coverage Ratio (DSCR), including starting cash, shall be calculated using the following formula: cash received from operating activities for the period, minus net cash used in investing activities, plus borrowed funds (equity and/or debt financing), plus cash and cash equivalents at the beginning of the period, divided by the principal and interest paid to service subordinated and unsubordinated borrowings and lease obligations.”

(iii) Section 2.6.1. (“Subordination”) of Sub-section “a” in the "Terms" of the "Prospectus" (PDF pagination p. 156) should be amended and rewritten as follows:

“Loan Agreement signed on September 5, 2014 (Creditor: G-star LLC (175403482; Bulgaria); Debtor: MP Development LLC (ID 404960217); Loan Obligation: USD 5,349,000; Term: up to and including January 31, 2027), Considering the Agreement on the Assignment (Cession) of the Right to Claim under the Loan Agreement dated January 16, 2025, which was concluded between the original creditor, G-star LLC (175403482; Bulgaria), and the new creditor, Riverside Invest LLC (registered no. 405097452);”

(iv) In the definitions of terms in the "Terms" section of the "Prospectus" (PDF format pagination p. 179), the definition of "Subordinated Creditors" shall be amended and stated as follows:

"Subordinated Creditors" means LLC "Vellagio" and LLC "Riverside Invest".

(v) In the definitions of terms in the "Terms" section of the "Prospectus" (PDF format pagination p. 180), paragraph 4 of the definition of "Subordinated Loans" shall be clarified as follows:

"Loan Agreement signed on September 5, 2014 (Creditor: G-star LLC (175403482; Bulgaria); Debtor: MP Development LLC (ID 404960217); Loan Obligation: USD 5,349,000; Term: up to and including January 31, 2027), Considering the Agreement on the Assignment (Cession) of the Right to Claim under the Loan Agreement dated January 16, 2025, which was concluded between the original creditor, G-star LLC (175403482; Bulgaria), and the new creditor, Riverside Invest LLC (registered no. 405097452);"

Probable Impact of the Amendment on the Decision of Existing or Potential Investors:

As these amendments are intended to make non-substantive adjustments to the Prospectus and do not constitute a material change, the Issuer considers that these amendments will not impact the decision of either existing or potential investors. Nevertheless, the official letter reflecting this amendment will become an integral part of the Prospectus.

Signed on behalf of MP Development LLC:

Signed by:

Name, Surname: Papuna Katsitadze

Position: Director

Signature:

Date of signature:

Signed by:

Name, Surname: Tamar Gamgoneishvili

Position: Director

Signature:

Date of signature:

Signed by:

Name, Surname: Levan Pkhakadze

Position: Chairman of the Supervisory Board

Signature:

Date of signature:

Signed on behalf of Galt & Taggart JSC:

Signed by:

Name, Surname: Irakli Kirtava

Position: General Director

Signature:

Date of signature:

Signed on behalf of TBC Capital LLC:

Signed by:

Name, Surname: Tina Simonishvili

Position: Director's Authorized Representative

Signature:

Date of signature: