

MIRA INFORM REPORT

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|----------------------|------------|
| Report No. : | 525724 |
| Report Date : | 24.08.2018 |

IDENTIFICATION DETAILS

| | |
|--------------------------------|---|
| Name : | GLK GROUP LLC SHPS |
| Registered Office : | Kavtaradzi Street 1, Apartment 44, Vake-Saburtalo District Tbilisi 0186 |
| Country : | Georgia |
| Date of Incorporation : | 22.03.2013 |
| Legal Form : | Limited Liability Company |
| Line of Business : | Trading as importers, wholesalers and retailers of sanitary ware, wallpapers, laminate and wooden products. |
| No. of Employees : | 8 |

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

| | |
|------------------------|---|
| MIRA's Rating : | B |
|------------------------|---|

| Credit Rating | Explanation | Rating Comments |
|---------------|-------------|---|
| B | Medium Risk | Business dealings permissible on a regular monitoring basis |

| | |
|-------------------------------|---------------|
| Maximum Credit Limit : | LARI 25,000 |
| Status : | Moderate |
| Payment Behaviour : | No Complaints |
| Litigation : | Clear |

NOTES:

Any query related to this report can be made on e-mail: while quoting report number, name and date.

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ECGC Country Risk Classification List

| Country Name | Previous Rating (31.12.2017) | Current Rating (01.04.2018) |
|--------------|---------------------------------|--------------------------------|
| Georgia | C1 | C1 |

| Risk Category | ECGC Classification |
|----------------------|------------------------|
| Insignificant | A1 |
| Low Risk | A2 |
| Moderately Low Risk | B1 |
| Moderate Risk | B2 |
| Moderately High Risk | C1 |
| High Risk | C2 |
| Very High Risk | D |

GEORGIA - ECONOMIC OVERVIEW

Georgia's main economic activities include cultivation of agricultural products such as grapes, citrus fruits, and hazelnuts; mining of manganese, copper, and gold; and producing alcoholic and nonalcoholic beverages, metals, machinery, and chemicals in small-scale industries. The country imports nearly all of its needed supplies of natural gas and oil products. It has sizeable hydropower capacity that now provides most of its electricity needs.

Georgia has overcome the chronic energy shortages and gas supply interruptions of the past by renovating hydropower plants and by increasingly relying on natural gas imports from Azerbaijan instead of from Russia. Construction of the Baku-Tbilisi-Ceyhan oil pipeline, the South Caucasus gas pipeline, and the Baku-Tbilisi-Kars railroad are part of a strategy to capitalize on Georgia's strategic location between Europe and Asia and develop its role as a transit hub for gas, oil, and other goods.

Georgia's economy sustained GDP growth of more than 10% in 2006-07, based on strong inflows of foreign investment, remittances, and robust government spending. However, GDP growth slowed following the August 2008 conflict with Russia, and sunk to negative 4% in 2009 as foreign direct investment and workers' remittances declined in the wake of the global financial crisis. The economy rebounded in the period 2010-17, but FDI inflows, the engine of Georgian economic growth prior to the 2008 conflict, have not recovered fully. Unemployment remains persistently high.

The country is pinning its hopes for faster growth on a continued effort to build up infrastructure, enhance support for entrepreneurship, simplify regulations, and improve professional education, in order to attract foreign investment and boost employment, with a focus on transportation projects, tourism, hydropower, and agriculture. Georgia had historically suffered from a chronic failure to collect tax revenues; however, since 2004 the government has simplified the tax code, increased tax enforcement, and cracked down on petty corruption, leading to higher revenues. The government has received high marks from the World Bank for improvements in business transparency. Since 2012, the Georgian Dream-led government has continued the previous administration's low-regulation, low-tax, free market policies, while modestly increasing social spending and amending the labor code to comply with International Labor Standards. In mid-2014, Georgia concluded an association agreement with the EU, paving the way to free trade and visa-free travel. In 2017, Georgia signed Free Trade Agreement (FTA) with China as part of Tbilisi's efforts to diversify its economic ties. Georgia is seeking to develop its Black Sea ports to further facilitate East-West trade.

Source : CIA

COMPANY NAME

GLK GROUP LLC SHPS (CORRECT)
GLK GROUP LLC (REQUESTED)

ADDRESS

Area : The Left Bank Of River Kura, Back Side Of Santo Qinia
Town : Tbilisi 0186
Country : Georgia
Telephone : (995 32) 294 5608 / Mobile (995 599) 507 744 (Managing Director)
Fax : (995 32) 294 5608
E-Mail : info@deutsches-haus.ge
Website : www.deutsches-haus.ge
Trading Style : Deutsches Haus
Extended Name : GLK Group LLC Shazguduli Pasukhismbgeblobis Sazagadoeba
English Translation : "GLK Group LLC" Ltd
Also known as : GLK Group LLC

SENIOR COMPANY PERSONNEL

| Name | Position |
|------------------|-------------------|
| Giorgi Peranidze | Managing Director |

Total Employees : 8

PAYMENTS

No complaints have been heard regarding payments from local suppliers or banks.

Subject is a member of Deutsches Haus Group of Companies.

We consider it is acceptable to deal with subject for SMALL amounts, although it is normal accepted practice for international suppliers to deal on secured terms with Georgian importers.

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Opinion on maximum credit : LARI 25,000

Trade risk assessment: Normal

PRINCIPAL BANKERS

NAME : TBC BANK JSC
Branch : Marjanishvili Street 7
Town : Tbilisi 0102
Telephone : (995 32) 227 2727
Fax : (995 32) 277 2774

The company also has an account with :

Terabank JSC
Tsminda Ketevan Dedophali Avenue 3
Tbilisi 0103
Telephone : (995 32) 255 0000
Fax : (995 32) 255 0000

FINANCIAL INFORMATION

Private companies in Georgia are not required to publish or disclose balance sheets. However, the subject interviewed offered the following information:

Sales Turnover : LARI 1,070,000 – 2016 – exact
: LARI 1,230,000 - 2017 - exact
: LARI 1,400,000 - 2018 – projected
Net Profit : LARI 103,000 – 2016 – exact
: LARI 118,000 – 2017 – exact

Value of current contracts: EURO 40,000 (as of August 2018)

Total Value of Stock Held: LARI 820,000 (as of August 2018)

Total Invested Capital: LARI 30,000 (as of August 2018)

Financial year ends 31 December.

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LEGAL STATUS AND HISTORY

Date Started : 22 March 2013

History : The subject company was established in Tbilisi on 22 March 2013.

ID Code : 404982998

Authorised Capital : LARI 300,000

Paid-Up Capital : LARI 200,000

Shazguduli Pasukhismbgeblobis Sazagadoeba (limited liability company) ShPS) with the following director and shareholders :

Director

Giorgi Peranidze
(Georgian national / Personal No.: 01008040731)

| Shareholders | Percentage |
|--|-------------------|
| 1. Giorgi Petashvili (Georgian national / Personal No.: 01018002645) | 34% |
| 2. Levan Tabidze (Georgian national / Personal No.: 01010006427) | 33% |
| 3. Konstantine Odikadze (Georgian national / Personal No.: 01024035990) | 33% |

Affiliated companies of the subject company:

Subject is a member of Deutsches Haus Group of Companies, which includes the following companies:

ASSOCIATES

1. Lana ShPS
Eristavi Street 1
Adigeni
Managing Director: Giorgi Petashvili
Est.: 16/12/1997
C.R. No.: 17/4-25
ID Code: 222720330
Shareholders:
 - Giorgi Petashvili 90%
 - Tamar Gavasheli 10%

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2. Ji En Pi ShPS

Tornike Eristavi Street 62
Adigeni District
Managing Director: Giorgi Petashvili
Est.: 01/12/2006
ID Code: 222729206
Sole Shareholder: Giorgi Petashvili

Other Associate

Sevko ShPS
Budapeshti Street 8, Apartment 37
Vake-Saburtalo District
Tbilisi
Managing Director: Konstantine Odikadze
Est.: 21/02/2007
ID Code: 205194528
Shareholders:
- Giorgi Ghvinepadze 50%
- Davit Ghvinepadze 25%
- Konstantine Odikadze 25%

ACTIVITIES

The Company is involved in the following activities :

Trading as importers, wholesalers and retailers of sanitary ware, wallpapers, laminate and wooden products.

NACE Code: 4673

Imports from Poland and Germany.

Subject does not export, all sales are domestic.

Distributors for Kaldewai (German), Conmetall (German) and Deante (Poland).

FACILITIES

The Company has the following facilities:

Rented premises comprising administrative offices located at the heading address as well as 3 retail outlets and storage facilities located elsewhere in Tbilisi (see 'Branch Offices' below).

REGISTERED OFFICE

Kavtaradzi Street 1, Apartment 44
Vake-Saburtalo District
Tbilisi 0186

BRANCH OFFICES

1. The left bank of river Mtkvari, back side of Mountain Chemistry Building
Tbilisi
Telephone: (995 32) 294 5608
2. Adam Mitskevich Street 25B
Tbilisi
Telephone: (995 32) 214 6737
3. Ak. Tsereteli Avenue 140
Tbilisi
Mobile: (995 577) 727 406

SPECIAL NOTE

You enquired on: GLK GROUP LLC. Please note that subject is also known by this name. Subject's correct registered name is as per heading.

The address which you provided: 1 P. KAVTARADZE STREET, APT. 44 applies to subject's registered office address. Please note that subject's administrative office address is as per heading.

The tax number which you provided: 404982998 is incorrect. Please note that the correct tax number is as per heading.

Interviewed: Giorgi Petashvili (Shareholder).

FOREIGN EXCHANGE RATES

| Currency | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1 | INR 70.07 |
| UK Pound | 1 | INR 90.25 |
| Euro | 1 | INR 81.05 |
| GEL | 1 | INR 27.16 |

Note: Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

| | |
|-----------------------------|------|
| Analysis Done by : | VIVR |
| Report Prepared by : | NIT |

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RATING EXPLANATIONS

| Credit Rating | Explanation | Rating Comments |
|---------------|------------------|--|
| A++ | Minimum Risk | Business dealings permissible with minimum risk of default |
| A+ | Low Risk | Business dealings permissible with low risk of default |
| A | Acceptable Risk | Business dealings permissible with moderate risk of default |
| B | Medium Risk | Business dealings permissible on a regular monitoring basis |
| C | Medium High Risk | Business dealings permissible preferably on secured basis |
| D | High Risk | Business dealing not recommended or on secured terms only |
| NB | New Business | No recommendation can be done due to business in infancy stage |
| NT | No Trace | No recommendation can be done as the business is not traceable |

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)