



NATURAL MINERAL WATER
PRODUCTION PROJECT

INVESTMENT OFFER

SHORT VERSION



Borjomi, Georgia, 2026

1. Executive Summary

The project envisages the establishment of a modern production hub for the manufacturing of natural mineral water **ZANAVI from BORJOMI** in the Borjomi Municipality of the Samtskhe-Javakheti region, Georgia. The production hub will be located adjacent to the Borjomi railway cargo station, where a bottling plant, finished goods warehouses, and a loading station will be set up at a single location.

The project is built upon existing and legally secured assets: long-term mineral water extraction licenses No.10001448 and No.1299; three real estate properties with cadastral codes 64.23.03.085, 64.23.03.086, and 64.23.03.500 (www.napr.gov.ge); the trademark **ZANAVI**; the domains zanavi.ge and borjomimineralwater.ge; as well as the capability for an uninterrupted supply of natural CO₂.

The investor is offered the acquisition of an 80% equity stake in Borjomi Mineral Water LLC. According to the preliminary structure, the investor shall purchase the 80% stake in the company for GEL 5,760,000, which amounts to approximately USD 2,100,000. At a later stage, the company's capital will be increased by GEL 10,800,000, out of which the investor will make a cash contribution of GEL 8,640,000 (approximately USD 3,200,000), while the Georgian side will contribute real estate, the trademark, and the domains into the equity.

The total value of the project is USD 6,700,000. The funds contributed by the investor to the equity will be directed toward the reconstruction and renovation of existing buildings, the installation of a 12 km pipeline from the deposit to the plant, the procurement of a bottling line, and the financing of working capital required prior to the commencement of production.

The market logic of the project is based on the growing demand for bottled and especially carbonated natural water. The European Union, the post-Soviet space, and the Gulf countries have been identified as priority markets. The competitive positioning of the product is derived from the reputation of the Borjomi region, carbonation with natural CO₂, the organic nature of the mineral water, the historical awareness of the trademark, and a reduced production and logistics cost model.

Key Parameters of the Project

Parameter	Data
Project Company	Borjomi Mineral Water LLC
Brand	ZANAVI from BORJOMI
Product	Natural mineral water; in prospect - fruit juice-flavored mineral water and carbonated natural fruit juice
Investor's Share	80%
Georgian Side's Share	20%
Total Project Value	USD 6,700,000
Approved Extractable Reserve	13,578 m ³ per year; 37.2 m ³ per day
Validity of Mineral Water Extraction Licenses	Until October 18, 2042 (10.4 m ³ per day) and until July 8, 2046 (26.8 m ³ per day)
Production Location	Borjomi, territory adjacent to the railway cargo station

2. Project Assets and Resource Base

2.1. Mineral Water Deposit and Licenses

The mineral water deposit is located in Borjomi, adjacent to the village of Tsemi, approximately 1 km south of the village of Tbi, on the left bank of the Borjormula River. The springs have been known since ancient times, and studies conducted at various periods confirm the stability of their chemical composition and physical characteristics.

The water is described as bacteriologically pure and of the highest quality. Its temperature varies stably within the range of 14.0–21.5°C; its composition is hydrocarbonate-chloride-calcium-sodium; the total mineralization amounts to 4.0–4.2 g/L; the content of naturally dissolved CO₂ is 1458 mg/L; and the pH is 6.4.

Giorgi Talakhadze owns two long-term licenses: a license for the extraction of 10.4 m³ of mineral water per day, valid until October 18, 2042, and a license for the extraction of 26.8 m³ of mineral water per day, valid until July 8, 2046. The extractable reserves approved by the licenses amount to 13,578 m³ per year, or 37.2 m³ per day.

According to Grant Thornton's valuation, the market value of the licenses is approximately USD 2,700,000. The licenses constitute the legal and resource core of the project.

2.2. Real Estate and Logistic Location

The production hub will be established adjacent to the Borjomi railway cargo station. The factory will be arranged within an existing building on an 1,835 sq.m plot of land, with the cadastral code 64.23.03.085. Finished goods warehouses and the loading point will be organized within existing buildings on 1,203 sq.m and 157 sq.m plots of land, with the cadastral codes 64.23.03.086 and 64.23.03.500, respectively.

Basic utilities - electricity, natural gas, water, and sewage - are provided at all three plots of land. The location is situated approximately 300 meters away from the international central highway; the distance to the Poti Sea Port is 210 km, to the Batumi Sea Port is 220 km, and to the Tbilisi and Kutaisi International Airports is approximately 150 km.

Situating the enterprise at a single location reduces construction and logistical costs, as there is no longer a need to purchase expensive land plots at another location and build a factory from scratch.

2.3. Brand, Domains, and CO₂ Source

The trademark **ZANAVI** belongs to Giorgi Talakhadze under Sakpatenti Certificate M 17790. He also owns the domains required for the project: zanavi.ge and borjomimineralwater.ge.

The carbonation of the mineral water is planned using natural CO₂ obtained from an underground borehole. The CO₂ is produced by Aspindza Product LLC, in which Giorgi Talakhadze holds a 25% equity stake. The purity of the natural CO₂ produced by the company is described as exceeding 99.9%. This provides the project with a marketing, technological, and strategic advantage.

3. Product, Market, and Competitive Positioning

3.1. Product Concept

In the first phase, the company plans to produce natural mineral water in four varieties: 0.75-liter glass bottles, 0.5-liter glass bottles, 0.5-liter aluminum cans, and 0.33-liter aluminum cans. The start of production is scheduled within six months from the realization of the investment.

In the long term, two additional products under the same brand are under consideration: fruit juice-flavored mineral water utilizing 100% natural fruit juices, and carbonated natural fruit juice. The logic of this line relies on three components: natural mineral water, natural juice, and natural CO₂.

3.2. Market Rationale

According to the full document, demand for natural products and bottled water is increasing. Grant Thornton's business plan indicates that mineral water consumption has grown by 35% over a six-year period. Consumers are increasingly considering health factors and often choose sparkling water instead of sugary carbonated beverages.

The ZANAVI trademark possesses a commercial history: in the first decade of the 21st century, the mineral water was sold in Georgia, Armenia, Azerbaijan, Russia, Ukraine, Belarus, Kazakhstan, Uzbekistan, Lithuania, Poland, Greece, Cyprus, Germany, Israel, Canada, and the USA. Production was halted in 2010 due to the expiration of the license active at that time.

3.3. Competitive Advantages

- The high reputation of the Borjomi region in the international mineral water market.
- Approved long-term licenses and a legally secured water resource.
- The natural composition of the water and the absence of additional chemical additives.
- The capability for carbonation with natural CO₂, which sharply differentiates the product from mass-market beverages carbonated with industrial CO₂.
- The logistically favorable location of the production hub near the railway cargo station.
- The experience of the Georgian side in the business of mineral water, natural CO₂, and natural juices.
- Ownership of the ZANAVI brand and the respective domains.

4. Investment and Corporate Structure

The founder structure is defined as follows: Investor - 80%; Giorgi Talakhadze - 20%.

Giorgi Talakhadze is a Doctor of Technical Sciences, a former Member of Parliament, and an individual with experience working in various public positions in the Borjomi Municipality. He also participates in Aspindza Product LLC and Borjomi Product Company LLC, and owns the hotel EcoRest Likani Palace located in Borjomi (www.ecorest.ge).

The scheme for establishing the company and transferring the shares to the investor involves three main stages:

1. Borjomi Mineral Water LLC has already been established with an authorized capital of GEL 7,200,000. Following the successful conclusion of preliminary negotiations, Giorgi Talakhadze will contribute licenses No. 10001448 and No. 1299 into the capital.
2. The investor will acquire an 80% stake in the company for GEL 5,760,000, approximately USD 2,100,000.
3. At a later stage, the company's capital will be increased by GEL 10,800,000, approximately USD 4,000,000. Giorgi Talakhadze will contribute real estate, the trademark, and domains into the capital at a value of GEL 2,160,000, approximately USD 800,000, while the investor will make a cash contribution of GEL 8,640,000, approximately USD 3,200,000.

According to the position of the Georgian side, CAPEX costs must be fully financed from the funds contributed by the investor to the capital. The basis for this is stated to be the Georgian side's in-kind contribution: licenses, land plots with buildings, trademark, domains, GR, and know-how. The Georgian side's 20% stake is considered Non-dilutable until the completion of the initial investment phase.

If this structure is unacceptable to the investor, an Equity Loan alternative is discussed in the document: the investor temporarily covers the contribution related to the Georgian side's 20% as well, as a loan, which the company will repay in the future from profits or dividends.

5. Operational Plan

The production process includes: water accumulation from the grifons and springs, transfer to an accumulation tank, pumping to the plant through a 12 km pipeline, a 12-hour retention in receiving reservoirs, three-stage filtration, cooling to 4-6°C, saturation with CO₂, bottling, light-screen inspection, drying, labeling, marking, packaging, palletizing, and warehousing.

Procurement of a complete production line set from KOSME, an Italian company and subsidiary of Germany's KRONES AG, is identified as one of the options for factory equipment. The cost of the complete set, including transportation, customs clearance, installation, and commissioning, amounts to approximately USD 1,500,000, excluding customs VAT in Georgia (in the case of purchasing a Chinese-made production line, the amount stands at approximately USD 300,000).

The structure of the factory provides for the creation of a modern laboratory where both the mineral water prepared for bottling and the finished products will be tested. The quality control system is critically important, as the company plans to supply only high-quality products to the domestic and international markets.

The core personnel will include a Director, Chief Technologist, Technical Manager, Marketing Manager, Logistics Specialist, Chemist-Laboratorian, Accountant, and workers. In total, 27 people will be employed at the factory. The average salary per employee will be the equivalent of USD 700 per month in GEL, including income tax and pension fund contributions.

6. Investment Costs and Financial Logic

Below are the main project costs extracted from the investment plan of the full document:

Expense / Asset	Value (USD)	Financial Source
Licenses for mineral water extraction	2,700,000	Already owned by the Georgian side
Land plot and building shell for production	550,000	Giorgi Talakhadze
Land plots and building shells for finished goods warehouses	250,000	Giorgi Talakhadze
Reconstruction and renovation of the building intended for production	488,000	Funds contributed by the investor
Reconstruction and renovation of buildings intended for warehouses	182,000	Funds contributed by the investor
Construction of a 12 km pipeline	432,000	Funds contributed by the investor
Procurement of the mineral water production line	1,500,000	Funds contributed by the investor
Additional machinery, plants, and equipment	350,000	Funds contributed by the investor
Water pumping station	55,000	Funds contributed by the investor
Glass bottle molding die	46,000	Funds contributed by the investor
Bottle and label design	25,000	Funds contributed by the investor
Working capital financing	122,000	Investor
Total Project Value	6,700,000	Total

The full document states that according to the old business plan, the total volume of assets and investments to be implemented amounted to USD 13,538,731, whereas in the present offer, it has been reduced to USD 6,700,000. This reduction is due to the new location, additionally acquired real estate properties, and the concentration of the factory and warehouses into a single production hub.

The financial analysis is based on the business plan prepared by Grant Thornton on May 15, 2019. According to the document, in the event of successful sales, a positive cash flow can be generated within 12 months from the start of operations. Should the investor express interest, the Georgian side is prepared to commission Grant Thornton to conduct a financial recalculation of the business plan with updated parameters.

7. Regulatory and Tax Environment

The manufacturing of the products under consideration in this project does not require special patenting. The technology, conditions, and methods of mineral water production are regulated by Resolution No. 574 of the Government of Georgia dated December 15, 2022. Following the commencement of product manufacturing, the company will initiate the procedure to obtain an ISO 22000:2018 compliance certificate and, as necessary, implement EFSA, ESMA, and SFDA recommendations within the production processes.

Due to the ownership of the licenses, the company pays a natural resource fee of GEL 39,200 per year (approximately USD 15,000) prior to the start of production. After bottling begins, a natural resource regulation fee of GEL 1.5 per every 1,000 liters of bottled mineral water is added. According to the document, the company producing the well-known brand BORJOMI pays 10 times more in similar fees and regulation costs.

- The sale of company shares at their respective capital value is not subject to taxation in Georgia; in the event of a sale at a premium, it is taxed at 20% of the value added.
- The corporate income tax on distributed dividends is 15%, and the dividend tax is 5%.
- Aside from the distribution of dividends, the company is not subject to corporate income tax under other circumstances.
- VAT stands at 18%, while the export of products from Georgia is zero-rated (not taxed) for VAT.
- The annual property tax is 1% of the value of the property.

8. Investment Conclusion

The project combines a natural resource, the strong reputation of the Borjomi region, legally secured licenses, a pre-determined production location, the capability for natural CO₂ supply, and a plan for entering international markets. The assets provided by the Georgian side mitigate the project's initial risks and establish readiness for a swift transition into the production phase.

The main proposition for the investor is the acquisition of an 80% equity stake in Borjomi Mineral Water LLC and the utilization of the funds contributed to the capital to ensure the construction, equipping, pipeline installation, and commencement of production at the enterprise. The summary economic logic of the project lies in the fact that the updated location and already existing assets reduce the required volume of investment, while the natural characteristics of the product and its connection to the Borjomi region enhance its commercial potential. The project is designed for an investor interested in entering the premium natural mineral water production sector, prepared to finance the creation of production infrastructure, and wishing to participate in the development of an export-oriented Georgian brand targeted at international markets.

This short version has been prepared based on the core text of the full investment offer and is intended for initial business communication with the investor.

Should you wish to receive the full version of the investment offer and its appendices, please write to us via email at: zanavi.ge@gmail.com

They can also be viewed and downloaded on the website:
www.borjomimineralwater.ge