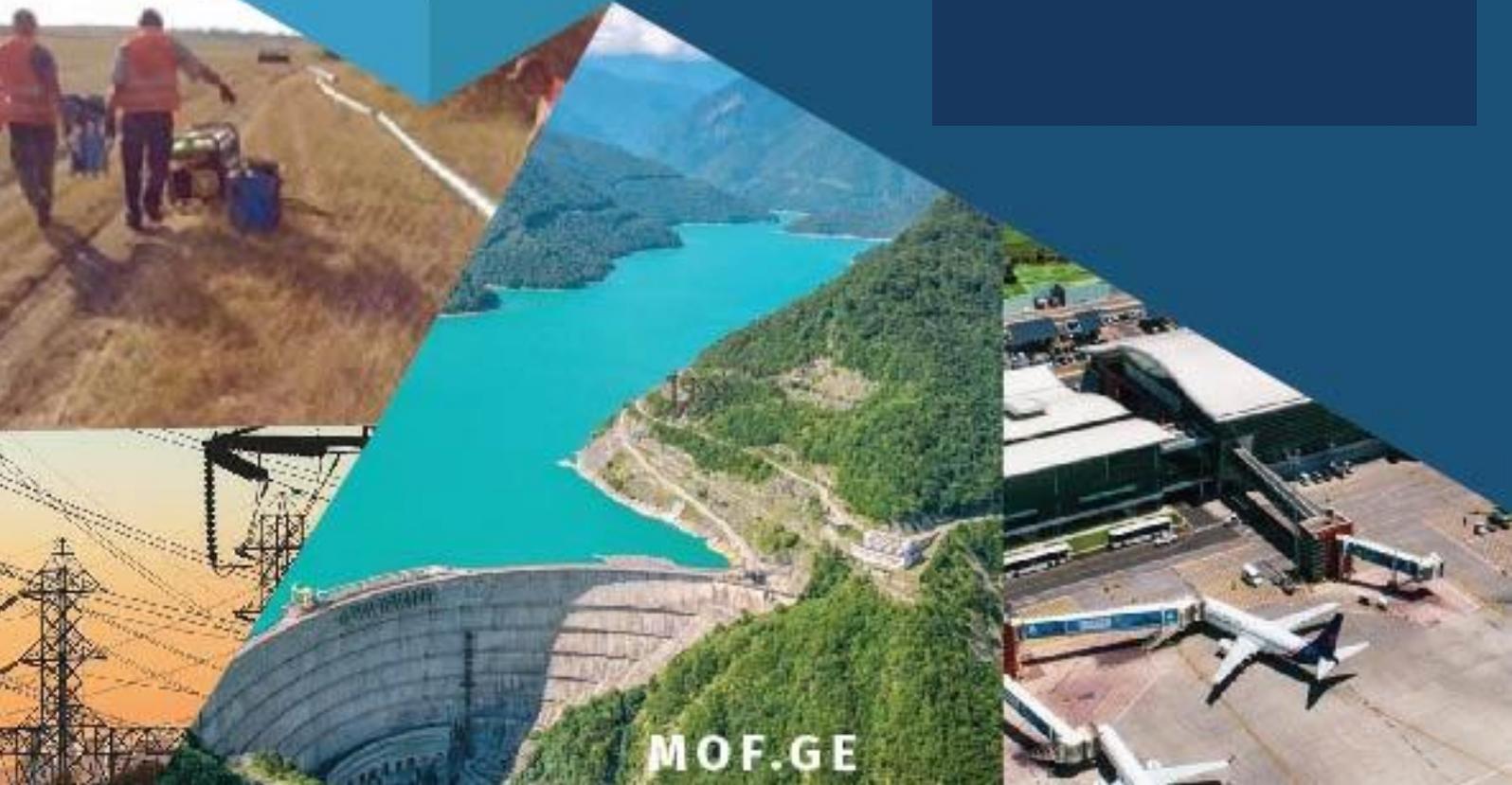




ფინანსთა
სამინისტრო

SOE Aggregate Report and Fiscal Risks Analysis

November
2023

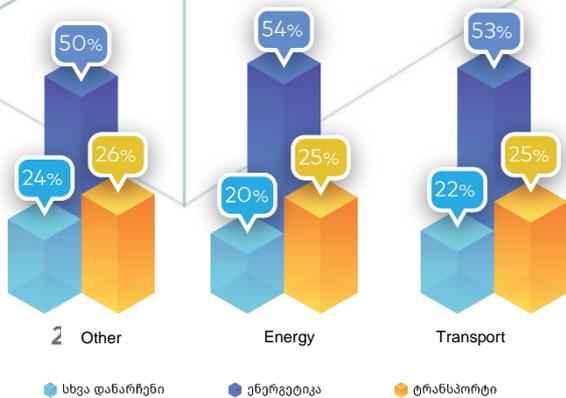


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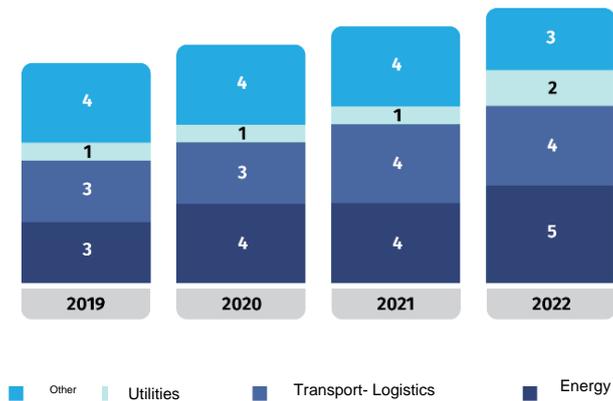
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Review of the SOE Portfolio

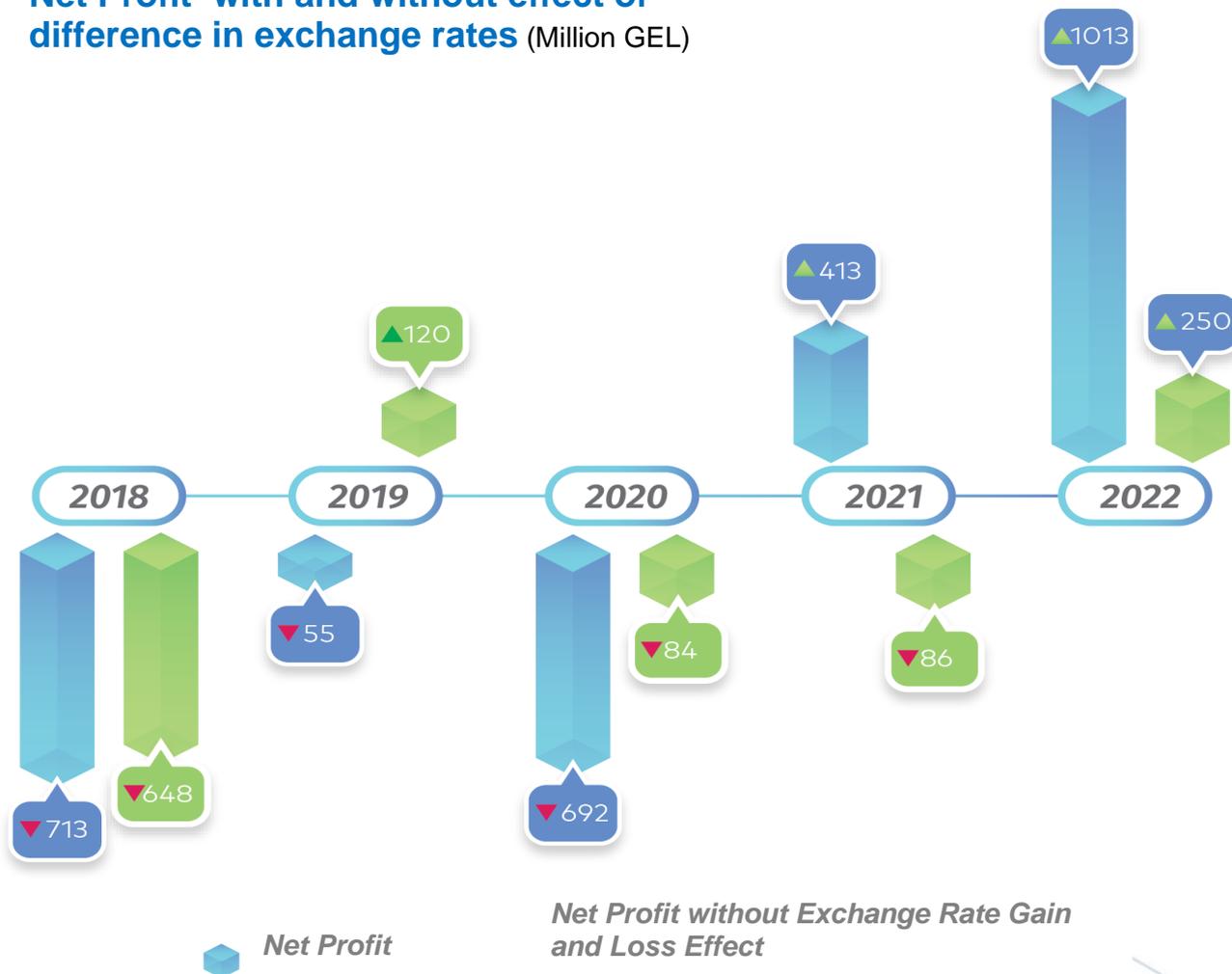
Overall 310 enterprises, of which:



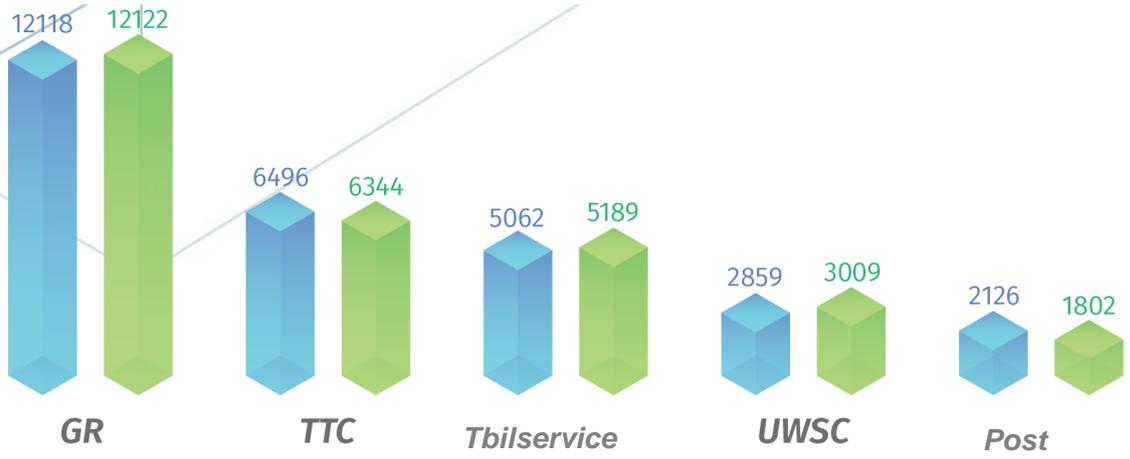
Assets (Billion GEL)



Net Profit with and without effect of difference in exchange rates (Million GEL)



Number of Employees| TOP 5
Total Number of Employees: up to 62, 000



Enterprise Name

2021

2022

Executive Summary

Fiscal risk is defined as the possibility of short- to medium-term deviations in fiscal variables compared with what was anticipated in the government budget or other fiscal forecast, caused by macroeconomic shocks and the realization of contingent liabilities of the government. Sources of fiscal risks specific to Georgia include:

- Macroeconomic risks;
- State-owned enterprises;
- Public and private partnership projects;
- Legal claims;
- Climate change and natural disasters associated with climate change.

SOE Sector remained profit making for the last two years. However, major driver of these profits was foreign exchange rate reevaluation effects, as most of the enterprises have liabilities denominated in foreign currency, this highlights their vulnerability to external factors. Consequently, in the event of a depreciation of the national currency, profit levels can be reversed. To mitigate FX risk, it is advisable to increase the share of the national currency in the debt portfolio of SOEs, while simultaneously continuing corporate governance reforms in the sector.

The Public-Private Partnership (PPP) format is a unique tool for the government to develop critical infrastructure and introduce private sector know-how. Additionally, one of the key characteristics of PPP projects is risk-sharing between private and public partners. Critical assessment of the value-for-money of PPP projects and the risks associated with them is crucial.

Since 2017, the Ministry of Finance has been analyzing and publishing information about fiscal risks. The PPP portfolio remains concentrated in the energy sector. At the moment, contingent liabilities arising from PPP projects, particularly from Power Purchase Agreements (PPAs), have been significantly reduced.

It is necessary to maintain the achieved result in this aspect and avoid increasing the risk level excessively. To ensure the country's fiscal sustainability in the long term and to determine appropriate policies to respond to potential long-term risks, it is important to analyze and assess long-term fiscal risks. The Ministry of Finance, with expert support from international partner organizations, has been progressively covering

and enhancing the assessment of fiscal risks caused by natural events, climate change and demographic related fiscal risks.

SOE News



In 2022, as in 2021, state-owned enterprises were maintaining a high level of net profit. The total profit of the sector, including the Marabda-Kartsakhi Railway, amounted to GEL 1.4 billion in 2022, which was a historical maximum. More than 86% of the net profit came from the gain received from the difference in the exchange rates, meaning that the enterprise profit of the last 2 years was not sustainable and in case of currency devaluation, this figure might turn into loss. Enterprises at this moment have a unique opportunity to reduce currency vulnerability by replacing foreign loans with the domestic ones. This will also have an indirect positive effect on the development of the local capital market.



According to the Resolution N 573 (December 14, 2022) of the Government of Georgia, the 2023-2026 Comprehensive Reform Strategy of the Georgian SOEs and the 2023-2024 Strategy Action Plan were approved and 3 pilot SOEs for the reform were identified. The Strategy was developed in active cooperation with the Ministry of Economy and Sustainable Development of Georgia and with the support of international partner organizations, in accordance with the standards established by the Resolution N 629 (December 20, 2019) of the Government of Georgia *on Approving the Rules for Development, Monitoring and Evaluation of Policy Documents*. The ongoing reform in the sector aims to increase the efficiency of state corporations based on the measures to be implemented at the institutional and legislative level. For implementing main reform directions in practice (introduction of corporate governance standards in state-owned enterprises, ensuring the commercial goals of enterprises, determining the policy of enterprise ownership, promoting competition, strategic management of enterprises), concept of the *Law on State -Owned Enterprises* has also been developed to create a clear legal framework.



In June 2023, within the framework of the ongoing reform in the sector, 50% of shares of the 3 pilot enterprises (JSC Georgian Railway, LLC Georgian Gas Transportation Company, LLC United Airports of Georgia) were transferred to the Ministry of Finance, which implies piloting a dual model of ownership. On June 8, 2023, the Ministry of Finance and the LEPL National State Property Agency, in accordance with the Decree N475¹ (March 10, 2023) of the Government of Georgia, signed the agreements on transfer of 50% of the state-owned shares of LLC United Airports of Georgia and 50% of the state-owned shares of JSC Georgian Railway with the right of management. In the latter agreement Ministry of Economy and Sustainable Development was also identified as the party and it retained for management 50% of the state-owned share of LLC Georgian Gas Transportation Company. The Ministry of Finance of Georgia and the National Agency of the State Property, from the effective date of the agreement regarding LLC United Airports of Georgia and JSC Georgian Railway to date, within the scope of the partner/shareholder powers, provided for in the enterprise charter and the effective legislation, make relevant decisions unanimously, with a unified position, including on such issues as: disposal of the property owned by the enterprises or their encumbrance; transfer of the property with the right of use; withdrawing property from the capital of enterprises and adding state property to the capital; reviewing and approving the draft financial reports (balance sheet and profit and loss statement) and annual budget (business plan) of an enterprise. As regards the exercising partner/ shareholder's authority of LLC the Georgian Gas Transportation Company, the Ministry of Finance of Georgia has been performing this role since the entry into force of the agreement to date by mutual agreement with the Ministry of Economy and Sustainable Development of Georgia, including in relation to such issues as: assuming liabilities by the company, specifically, taking loans and/or

¹ Decree N 475 of the Government of Georgia (March 10, 2023) On Direct and Free Transfer of 50% State-owned Share of LLC United Airports of Georgia and 50% State-owned Shares of LLC Georgia Gas

Transportation Company with the right to manage to the Ministry of Finance of Georgia.

credits, making investments, making cash contributions to the company's capital, transferring the company's property with the right to use it, reviewing and approving the draft financial statements (balance sheet and profit and loss statement) and annual budget (business plan) of an enterprise. In addition, the Ministries of Finance and the Economy and Sustainable Development of Georgia need the consent of the LEPL National Agency of State Property for a number of issues (for example, making non-monetary contributions to the capital of the company, alienation of fixed assets owned by the company, making decisions on withdrawal of property from the capital, liquidation, dissolution, reorganization or insolvency).



Ensuring full compliance with the corporate governance code remains a challenge in state-owned enterprises, including pilot ones. Evaluation of corporate governance practices is being completed /prepared for the JSC Georgian Railway and LLC Gas Transportation Company, which will serve as a kind of a guide for the enterprises when planning the activities to be implemented in this direction.



In order to determine the coverage area for the comprehensive enterprise reform, it is important to sectorize – classify the SOEs into public corporations and state-owned enterprises belonging to governmental sector.

The Ministry of Finance of Georgia performed the mentioned task for the first time in April 2020, and the list of sectorized SOEs was approved under the Order N96 (April 24, 2020) of the Minister of Finance of Georgia. With the amendment introduced to the Budget Code of Georgia in January 2023, the concept of a state enterprise belonging to the governmental sector was defined as a state enterprise, created with equity participation of the state in accordance with the budget classification of Georgia, managed either by the central government or relevant body of the autonomous republic or the relevant body of a municipality, and listed in the register approved by the Order of the Minister of Finance of Georgia. Based on the aforementioned legislative amendment, and, given that good practice envisages revisiting SOE sectorization register approximately once in every 3 years, the Minister of Finance under his Order N45 (February 15, 2023) approved updated register of SOE sectorization, which included an expanded area of state enterprises and specified sectors for some companies. As a result, 52 enterprises were assigned to the sector of public corporations and 325 enterprises - to the governmental sector.



Pursuant to the Budget Code of Georgia, in order to increase the coverage area of analytical and statistical data on state finances, the list of information to be submitted to the MOF quarterly and annually by state enterprises belonging to the government sector was approved under the Order N46 (February 15, 2023) of the Minister of Finance, based on the budget classification of Georgia..



Government of Georgia under its Decree N1012 (June 10, 2022), approved the rules for financial supervision of state-owned enterprises. Based on the mentioned decree, the Ministry of Finance performs the role of financial supervisor in relation to 7 main state enterprises. This role of the Ministry of Finance mainly involves the agreeing on the basic parameters of the enterprise budget, dividend policy, investment and borrowing decisions,

statements of corporate intent (hereinafter, the SCI, a document that defines the financial and non-financial goals to be achieved by the enterprise within the limits of the established risks in a 4-year perspective). Enterprises submitted SCIs to the Ministry of Finance in October 2022, for the first time. Managing enterprises on the basis of SCI represents a good international standard of strategic governance of enterprises, which contributes to the development of predictability and result-oriented management practices. In addition, enforcement of financial supervision rules is generally an important tool for ensuring financial transparency of enterprises, improvement of governance standards and timely response to potential risks. The Ministry of Finance continues to introduce best practices in this direction.

Review of SOE Sector (Register)

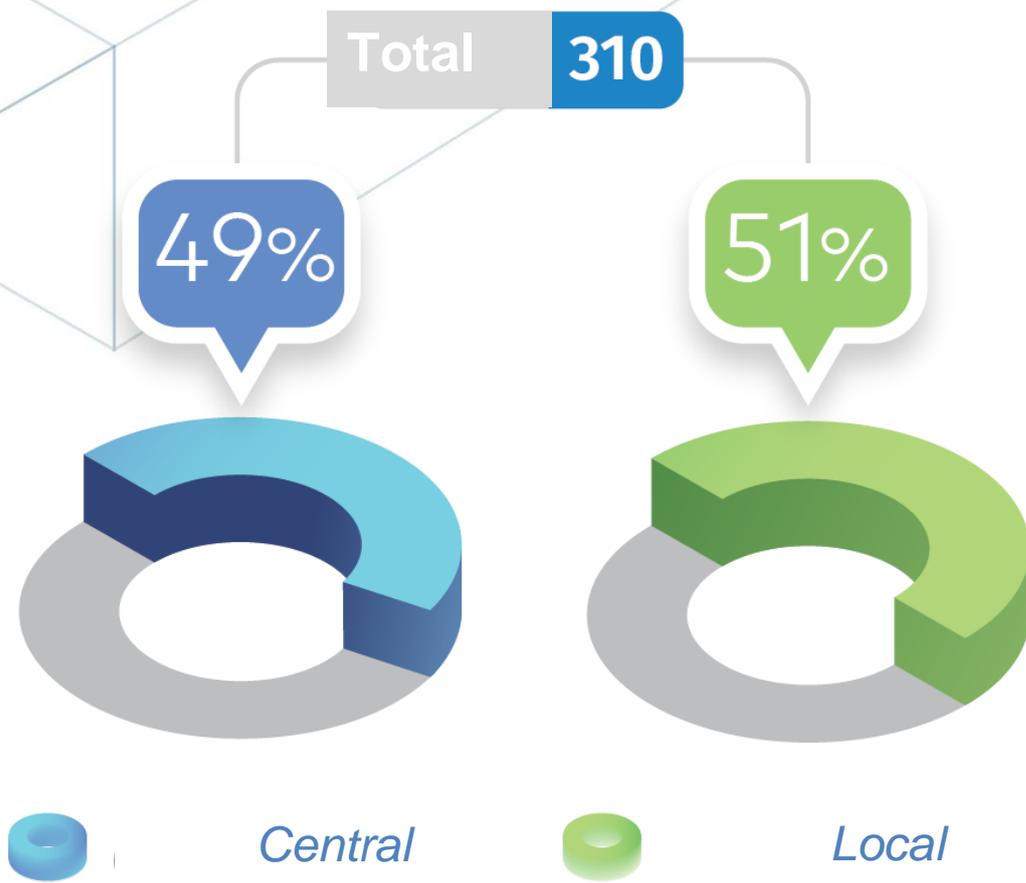
The fiscal risk analysis document covers 94% of state-owned enterprises (enterprises created with state, municipality equity participation) by turnover.

The Unified Register of State Enterprises includes information provided by public agencies, the National Statistics Office of Georgia and other administrative sources, enterprises created with equity participation of the central and local governments, which are classified as enterprises important for fiscal risk analysis. Such enterprises are:

- a) all central government enterprises;
- b) municipal enterprises in which the state's share is more than 25% and whose annual turnover exceeds GEL 200 thousand, or the annual paid salaries exceed GEL 15 thousand.

Financial data obtained from various administrative sources were used for the evaluation of the enterprises against the mentioned indicators. Based on the mentioned data, a financial database for 2022 was created for these enterprises.

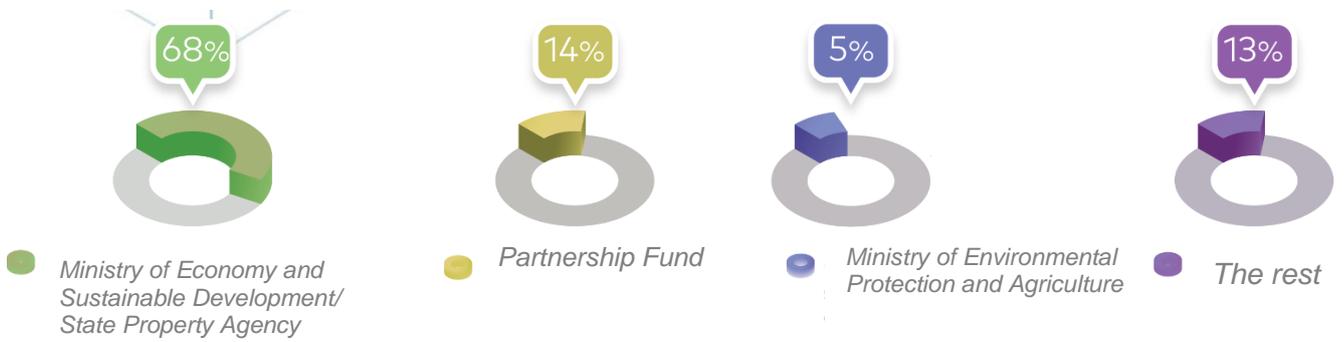
Based on the criteria mentioned above, 310 SOEs are presented for the analysis of fiscal risks, of which 152 are owned by the central government, and 158 are owned by the local government. In addition, these companies have 93 subsidiary enterprises in total.



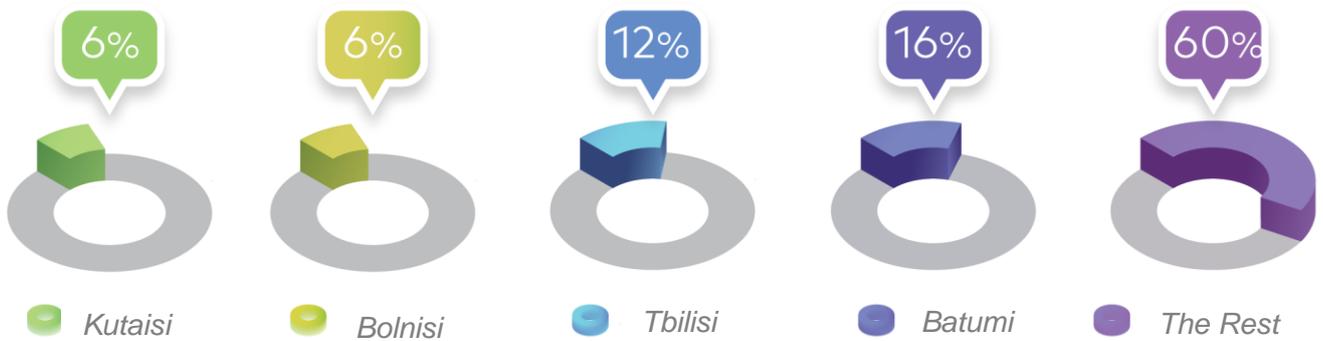
 Number of State-Owned Enterprises in Management of Central and Local Governments

Quantitative Distribution of Enterprises by central Government Shareholders

(Total – 152)

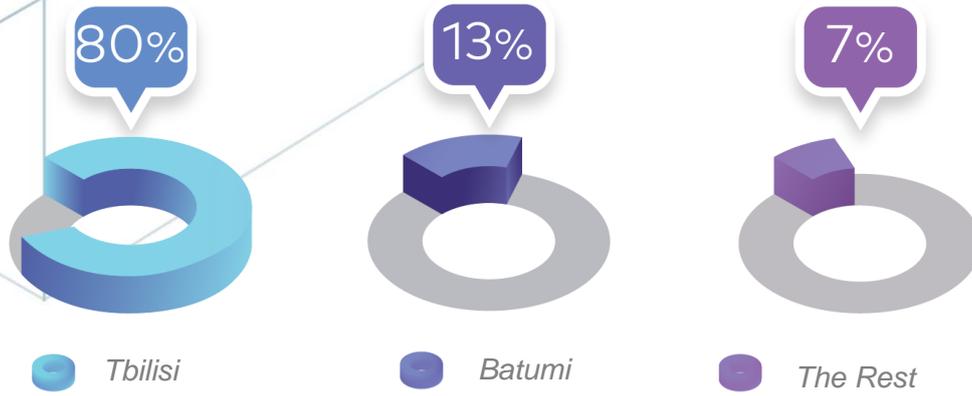


Enterprise Distribution among Municipalities

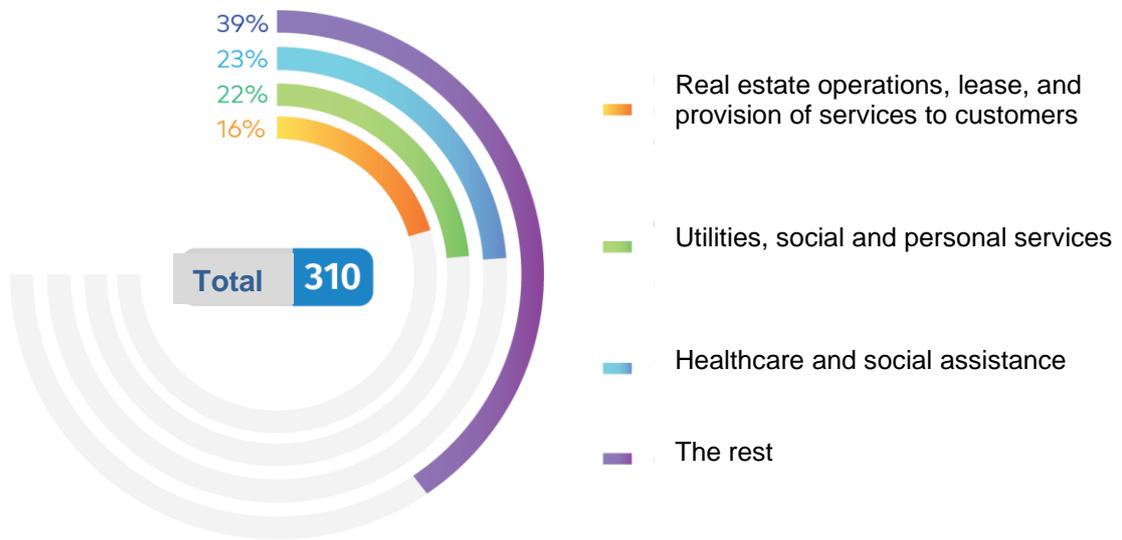


45 Companies out of 158 managed by municipalities are located in Tbilisi and Batumi and the share of their annual turnover in total turnover of municipality enterprises equals 94 percent.

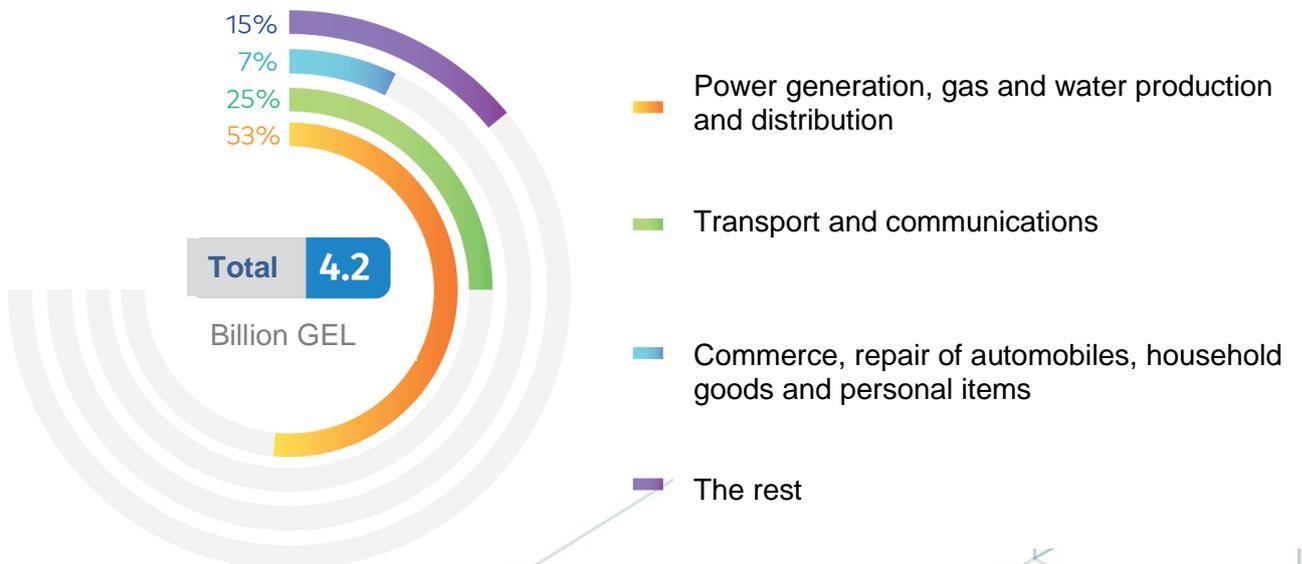
Enterprise Distribution by Revenue among Municipalities



Quantitative Distribution of Enterprises by Sectors

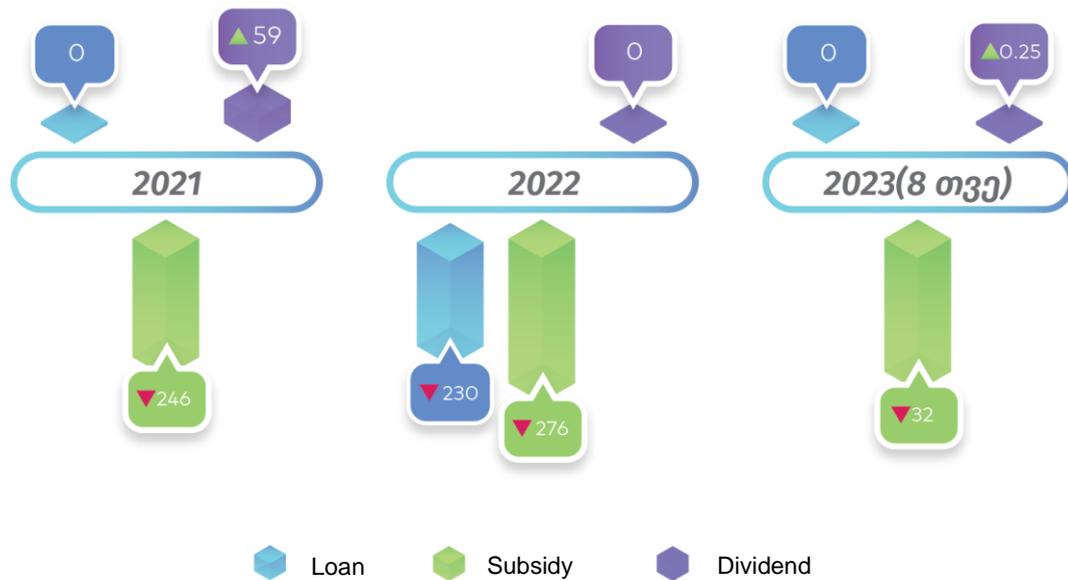


Distribution of Enterprise Turnover by Sectors



71 enterprises are operating in the healthcare sector, however their share in the total revenue of SOEs is only 1%. On the other hand, 22 enterprises of the energy sector generate 53% of the SOE gross revenue.

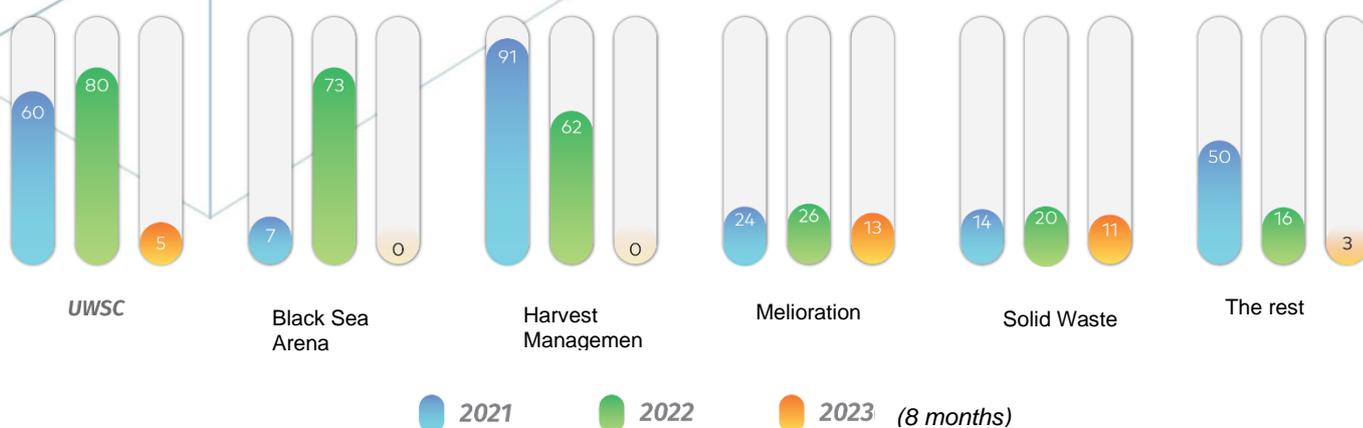
Funding received by State-Owned Enterprises
(million GEL)



Within the scope of the Governmental Decree No. 2423 (December 26, 2022), JSC Georgian Oil and Gas Corporation received a loan from the state budget, as an assistance, in the amount of GEL 230 million. The purpose of the loan was to purchase increased volumes of option gas in accordance with the option gas contract signed between the Corporation and the *South Caucasus Pipeline*

Option Gas Company on October 30, 2003, and to ensure the financial stability and liquidity of the "borrower" for funding operating expenses in 2022-23. Loan repayment is planned in 2 stages in 2023-2024.

Subsidies received by enterprises (Million GEL)



Georgian Amelioration LLC, Solid Waste Management Company of Georgia LLC, United Airports of Georgia LLC, Black Sea Arena Georgia LLC, United Water Supply Company of Georgia LLC rely on regular financial assistance from the state budget. Funds received from the budget in the form of subsidies are directed to the implementation of infrastructure projects as well as for covering operational costs.

In 2022, LLC **Black Sea Arena Georgia** received GEL 73.2 million for organizing various events planned for 2023-2024. This amount included both artists' fees and other expenses related to the organization of events.

The subsidy allocated by the state to **the United Water Supply Company of Georgia** in 2021 was GEL 60 million, and in 2022 it was GEL 80 million. These funds were used to cover the loans received from

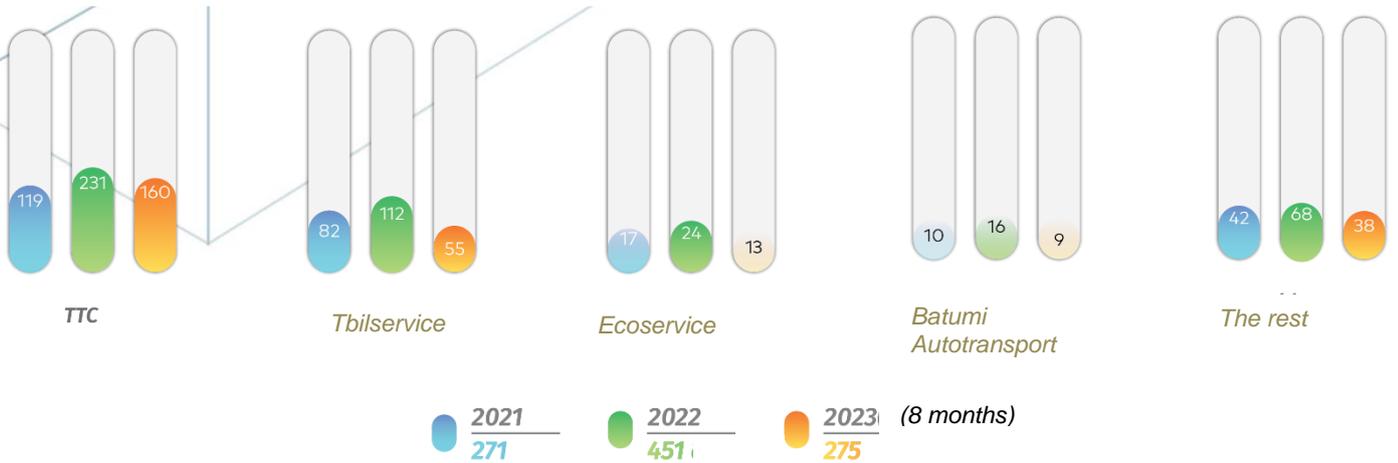
international donor organizations and to finance operational costs.

Enterprises created with equity participation of local governments, which carry out their activities in health care, utility services, construction and other sectors, also constantly need support from the local budget. In 2022, municipalities allocated GEL 450.7 million. In this amount the share of enterprises only from Tbilisi municipality equaled 81%.

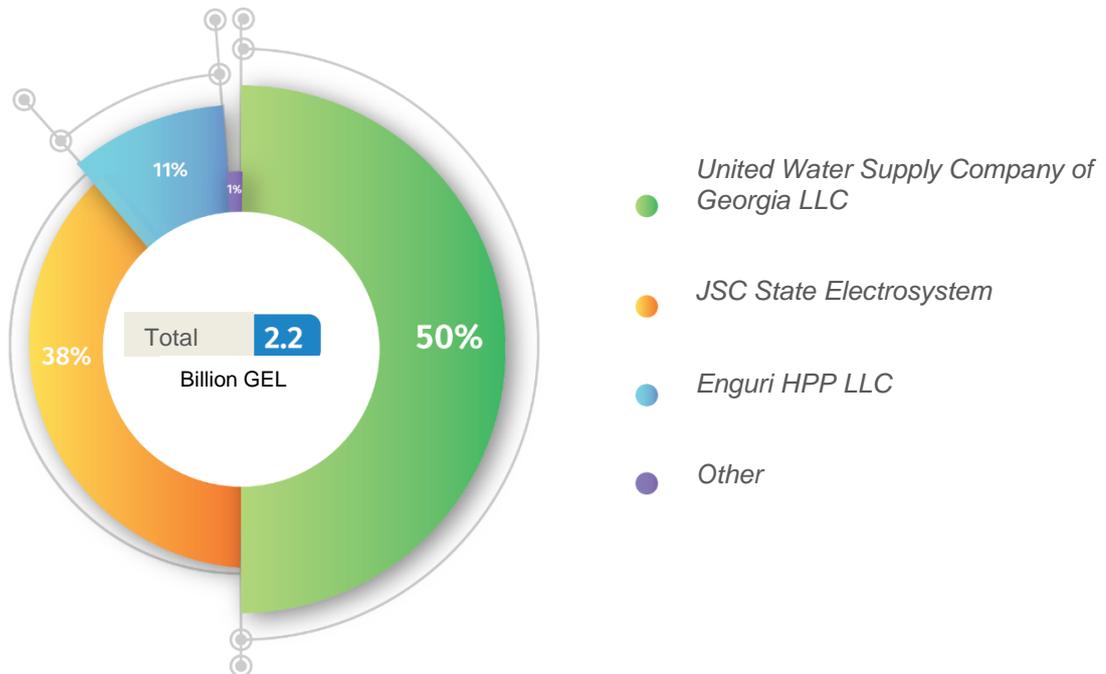
In 2022, the subsidy given to **Tbilisi Transport Company LLC** exceeded GEL 230 million, which was allocated to finance the improvement of transport infrastructure, modernization and reconstruction projects of the rolling stock of city passenger transport.

Targeted transfers allocated from the state budget increase every year for uninterrupted operation of Tbiliservice Group LLC.

Subsidies received by municipal enterprises (Million GEL)



Funds on-lent to SOEs as of December 31, 2022 (Billion GEL)



Dividends Paid by State – Owned Enterprises

- In 2022, the meeting of the Commission for reviewing proposals and making decisions on the distribution and use of the net profit of enterprises operating with the state's equity participation was held on November 24, 2022.
- Decision was made regarding distribution of the net profit of 11 enterprises - GEL 27.3 million, according to which GEL 0.3 million was directed to the state budget as a dividend, and GEL 27 million remained at

the disposal of the enterprises for reinvestment, of which the amount left at the disposal of JSC UES "Sakrusenergo" equaled GEL 25.8 million.

- In 2023, the meeting of the Commission for reviewing proposals and making decisions on the distribution and use of the net profit of enterprises operating with the state's equity participation was held on March 28, 2023.
- The Commission made a decision on the distribution of retained earnings of JSC Infectious Diseases, AIDS And Clinical Immunology Scientific-Practical Center, operating with the state share participation,

for 2017-2020 in the amount of GEL 1.7 million, according to which the said amount remained at the disposal of the enterprise for reinvestment.

Methodology on Introduction of Best Practices for Identification, Analysis and Funding Mechanisms of Quasi- Fiscal Activities

What is a quasi-fiscal activity?

A quasi-fiscal activity is an activity that is carried out by a state-owned enterprise openly, at the behest of the government or implicitly, and the amount paid for the supply of goods/services in such operations is below the market price. More generally, quasi-fiscal is any activity that would not be undertaken by a profit-oriented /commercial enterprise. Such activities mainly serve social and political purposes.

An example of a quasi-fiscal activity is the supply of water to the population at a price below the market price or at cost, as well as an inappropriately large number of employees and /or payroll in a state-owned enterprise.

If the state does not compensate enterprises for such activities from the budget, SOEs themselves have to take on the burden of quasi-fiscal activities, which worsens their financial results.

For the effective management of fiscal risks arising from quasi-fiscal activities, it is important for the state to develop a policy that will alleviate or reduce to zero the burden associated with uncompensated quasi-fiscal activities for enterprises. Also, the subsequent emergence of such a burden for state enterprises should be avoided. In addition, the implementation of the aforementioned is appropriate only if any other type of inefficiency is eliminated at the level of the enterprise, and the amount allocated for the financing of quasi-fiscal activity is practically returned to the state budget for the following reporting year in the form of a dividend paid by the enterprise..

Forms of Quasi-Fiscal Activities

Quasi-fiscal activity may be explicit (defined by the company's charter or by a legal act of the government/ ministry/ agency) and implicit (the company carries out quasi-fiscal activities without being mandated by a legal

act). An example of an implicit quasi-fiscal activity is the excess number of employees in a state-owned enterprise for social and/or political purposes.

Implicit quasi-fiscal activity shall be prohibited. Non-commercial services (NCSOs) are not allowed to be implemented by the state enterprise, unless they are clear and their cost is fully compensated from the state budget;

In addition, there are the following types of quasi-fiscal activities:

Non-Commercial Services (NCSO): setting a less-than-commercial tariff. For instance, artificially low tariff- setting for utility services, such as power, water supply;

Non-Core Functions: obligations assigned by the government, e.g. obligation to incur capital expenditures, which are not related to the core business of the company;

Subsidized Procurement: payment of higher-than-market price, e.g. procurement of agriculture produces at higher-than-market prices from local farmers to incentivize such farmers;

Abuse of Monopoly Position: accepting the commercially unfair price from consumers (more than justified in commercial terms), use of additional income for cross-subsidizing the other activities of the enterprise (practice of funding one activity from profits earned in other activities);

Super-Dividends: payment of more dividends by an enterprise than possible with profits earned in a reporting period. Such payments are made mainly through the sale of enterprise assets (one-off transactions) or from other accumulated reserves.

Price Adjustment for Short-Term Higher Income Generation Purposes: setting higher prices for goods and services to make sure that SOE profits and dividends increase in a short-run, even when it reduces the share of an enterprise at the market and its profits in a medium term..

In addition to the above, commercial and non-commercial services of the state enterprise are distinguished.

Existing Practices

Ministry of Finance of Georgia started identifying, analyzing and publishing quasi-fiscal activities from 2017. According to the recent experience, explicit quasi-

fiscal activities are carried out in 3 enterprises. However, implicit quasi-fiscal activities should be of a much larger volume.

An example of implicit quasi-fiscal activity is over-employment.

Impact of Quasi-fiscal Activities on SOE Financial Results

Million GEL

Engurhesi LLC	2021		2022	
	Without quasi-fiscal activity	Quasi-fiscal activity	Without quasi-fiscal activity	Quasi-fiscal activity
Total Revenue	133.6		158.2	
Operational Income	96.1		109.6	
Non-operational Income	37.5		48.6	
Total Expenses	91.2	29.6	98.7	49.2
Operational Expenses	88.0	29.6	95.4	49.2
Non-operational Expenses	3.2		3.3	
Unearned Profit				49.2
Profit before Taxes	72.0	-29.6	108.7	-49.2
Profit Tax				
Net Profit	72.0	-29.6	108.7	-49.2

- The table shows that Engurhesi LLC lost about GEL 50 million revenue, representing approximately 57% of the HPP's annual

generation, due to supplying electricity free of charge to the population of occupied Abkhazia..

Million GEL

JSC Georgian Railway	2021		2022	
	Without quasi-fiscal activity	Quasi-fiscal activity	Without quasi-fiscal activity	Quasi-fiscal activity
Total Revenue	664.7	15.3	901.4	38.6
Operational Income	556.8	14.8	646.5	28.2
Non-operational Income	107.9	0.5	245.8	10.3
Total Expenses	611.5	37.8	496.4	46.1
Operational Expenses	391.4	37.7	429.6	42.4

JSC Georgian Railway	2021		2022	
	Without quasi-fiscal activity	Quasi-fiscal activity	Without quasi-fiscal activity	Quasi-fiscal activity
Non-operational Expenses	220.1	0.1	66.8	3.6
Unearned Profit	0	22.5	0	7.5
Profit before Taxes	75.7	-22.5	404.9	-7.5
Profit Tax	-0.5	0	-644.0	.0
Net Profit	75.2	-22.5	404.2	-7.5

- In 2022, JSC Georgian Railway's revenue from cargo turnover amounted to GEL 388.4 million, from which it subsidizes passenger transportation. In order to achieve break-even point in this area, the

company lost approximately GEL 7.5 million in 2022. In addition, it is a challenge to reflect the infrastructure wear and tear component in the passenger fare or cover it from other funds available to the company.

Million GEL

JSC Georgian Oil and Gas Corporation	2021		2022	
	Without quasi-fiscal activity	Quasi-fiscal activity	Without quasi-fiscal activity	Quasi-fiscal activity
Total Revenue	1250.6		1511.1	
Operational Income	1114.6		1353.4	
Non-operational Income	136.0		157.7	
Total Expenses	1113.0		1402.0	
Operational Expenses	1065.9		1379.6	
Non-operational Expenses	47.1		31.4	
Unearned Profit		302.1		336.7
Profit before Taxes	439.7	-302.1	445.8	-336.7
Profit Tax				
Net Profit	439.7	-302.1	445.8	-336.7

- The company continues to experience significant losses by supplying social gas. In 2022, this indicator reached GEL 336 million. For eliminating the short-

term liquidity problem, in 2022 the corporation had to use the support from the state in the form of a short-term loan of GEL 230 million.

Review of SOE Financial Results

117 enterprises submitted their 2022-year financial statements.

- Excluding the Marabda-Kartsakhi railway, **the net profit of state-owned enterprises in 2022 constituted GEL 1.0 billion**, of which the gain generated from the change in the foreign exchange rates was GEL 787.3 million. The net profit including the Marabda-Kartsakhi railway, reached GEL 1.4 billion, while the profit received from the change in the foreign exchange rates equaled GEL 1 171 million;
- As can be seen from the aggregated results of state-owned enterprises, the 2021-year trend and the net

profit figure for 2022 were also mainly due to the profit from the change in foreign exchange rates..

- Although the dynamics in the SOE sector in the last 2 years have improved dramatically compared to prior periods, this emphasizes the vulnerability of the sector only against external factors, mainly the foreign exchange rate change risks. In case of devaluation of the national currency, the state enterprises will experience the same amount of losses in the next reporting period(s). The current period is a unique opportunity for enterprises to reduce their dependence on foreign currency by larization of a certain part of their loans.

Below are the total financial results of state enterprises including and excluding the Marabda-Kartsakhi railway².

Balance Sheet

Million GEL

Aggregated (Including Marabda - Kartsakhi Railway)	2018	2019	2020	2021	2022
Assets	11,951	12,575	13,394	14,457	15,516
Current Assets	2,623	2,464	2,465	2,481	3,666
Long-term Assets	9,328	10,112	10,930	11,975	11,850
Equity	4,302	4,322	3,570	4,928	6,347
Owner's Equity	5,418	5,216	6,721	7,042	9,096
Equity Injections	2,772	2,765	2,148	2,147	68
Retained Earnings	70	45	188	338	988
Accumulated Loss	-3,828	-4,174	-6,166	-5,490	-5,050
Other Equity	-130	471	679	891	1,246
Liabilities	7,650	8,253	9,824	9,528	9,169
Current Liabilities	1,691	1,047	2,203	1,893	2,396
Long-term Liabilities	5,958	7,207	7,621	7,635	6,773
Total Equity and Liabilities	11,951	12,575	13,394	14,457	15,516

Profit & Loss Statement

Million GEL

Aggregated (Including Marabda - Kartsakhi Railway)	2018	2019	2020	2021	2022
Revenue	2,958	3,242	3,801	4,757	6,706
Operational Income	2,636	2,943	3,064	3,688	4,885
Non-operational Income	322	299	737	1,069	1,820
Incl. Gain from Change in Foreign Exchange Rates	140	109	218	800	1,171
Expenses	3,771	3,477	4,940	4,257	5,348
Operational Expenses	3,264	2,828	3,292	3,680	5,010
Depreciation/ Amortization	317	278	354	315	321

² The activities of the Marabda-Kartsakhi railway do not provide for profit generation, and the mentioned company is not included in the state corporations or government sector. Therefore, we deem it

expedient to review the total financial results of state enterprises without the Marabda-Kartsakhi railway. However, for the sake of transparency, we included both versions.

Non-operational Expenses	507	650	1,648	577	338
Incl. Interest Expenses	171	171	431	360	185
Incl. Loss from change in Foreign Exchange Rates	272	436	1,171	137	24
Other Non-operational Expenses	64	43	50	40	128
Profit before Taxes	-813	-235	-1,138	500	1,358
Profit Tax	3	2	2	2	1
Net Profit	-816	-237	-1,075	537	1,356

Financial Ratios

Aggregated (Including Marabda - Kartsakhi Railway)	2018	2019	2020	2021	2022
ROA	-7%	-2%	-8%	4%	9%
ROE	-19%	-5%	-30%	11%	21%
Current Ratio	155%	235%	112%	131%	153%
Debt to Equity	178%	191%	275%	193%	144%

Balance Sheet

Million GEL

Aggregated (Without Marabda-Kartsakhi Railway)	2018	2019	2020	2021	2022
Assets	10,490	11,040	11,715	12,607	13,582
Current Assets	2,365	2,216	2,220	2,235	3,431
Long-term Assets	8,125	8,824	9,495	10,372	10,151
Equity	4,966	5,169	4,799	6,034	7,109
Owner's Equity	5,361	5,159	6,663	6,985	9,038
Equity Injections	2,742	2,765	2,148	2,147	68
Retained Earnings	70	45	188	338	988
Accumulated Loss	-3,077	-3,241	-4,850	-4,298	-4,201
Other Equity	-130	441	650	861	1,216
Liabilities	5,524	5,871	6,916	6,573	6,473
Current Liabilities	1,673	1,023	2,175	1,864	2,376
Long-term Liabilities	3,851	4,848	4,741	4,710	4,097
Total Equity and Liabilities	10,490	11,040	11,715	12,607	13,582

Profit & Loss Statement

Million GEL

Aggregated (Without Marabda-Kartsakhi Railway)	2018	2019	2020	2021	2022
Revenue	2,824	3,170	3,599	4,472	6,322
Operational Income	2,636	2,943	3,064	3,688	4,885
Non-operational Income	188	227	535	784	1,437
Incl. Gain from change in Foreign Exchange Rates	5	37	15	515	787
Expenses	3,534	3,223	4,355	4,095	5,307

Operational Expenses	3,244	2,806	3,270	3,656	4,985
Depreciation/ Amortization	315	277	352	314	320
Non-operational Expenses	290	417	1,085	440	323
Incl. Interest Expenses	160	162	415	343	170
Incl. Loss from change in Foreign Exchange Rates	70	212	623	16	24
Other Non-operational Expenses	60	43	50	40	128
Profit before Taxes	-710	-53	-756	376	1,014
Profit Tax	3	2	2	2	1
Net Profit	-713	-55	-692	413	1,013

Financial Ratios

Aggregated (Without Marabda-Kartsakhi Railway)	2018	2019	2020	2021	2022
ROA	-7%	0%	-6%	3%	7%
ROE	-14%	-1%	-14%	7%	14%
Current Ratio	141%	216%	102%	120%	144%
Debt to Equity	111%	114%	144%	109%	91%

SOE Risk Rating

N	Enterprise	2018	2019	2020	2021	2022
1	JSC Georgian Oil and Gas Corporation	Low	High ³	High	High	High
2	JSC Georgian Railway	Very High	High	High	Medium	Medium
3	JSC Georgian State Electrosystem	Very High	Very High	Medium	Medium	Medium
4	LLC Energotrans	Very High	Very High	<i>Merged with the State Electrosystem</i>		
5	LLC United Water Supply Company of Georgia	Very High	Very High	High	Medium	High

³ Based on 2022 financial ratios, JSC Georgian Oil and Gas Corporation bears medium risk, although it has been assigned a high-risk status due to its large volume of quasi-fiscal risks. In particular, lately, the financial burden related to maintaining natural gas consumer tariffs in the household sector by the corporation is increasing sharply.

6	LLC Engurhesi	Medium	Medium	Very High	Medium	Medium
7	JSC Electricity System	Medium	Very High ⁴	Very High	Very High	Very High
8	LLC Georgian Gas Transportation Company	Low	Low	Low	Low	Low
9	LLC Marabda - Kartsakhi Railway	Very High	Very High	Very High	Very High	Very High
10	LLC United Airports of Georgia	Low	Low	Medium	Low	Low
11	JSC Partnership Fund (Individual)	Very High	Low	Medium	Medium	Low
12	LLC Georgian Post	High	Medium	Low	Low	Medium
13	JSC UES SAKRUSENERGO	Low	Low	Low	Low	Low
14	JSC Georgian Energy Development Fund	Medium	Low	Low	Medium	Medium
15	LLC Tbilisi Transport Company	Very High	Medium	Medium	Medium	Medium

Results of SOEs



JSC Partnership Fund

State share: 100%

Name of economic activity: other activities related to financial services not included in other groups, except for insurance and pension funds

Executive Director: Besik Bugianishvili

⁴ Based on the financial ratios of 2022, JSC Electricity System Commercial Operator (ESCO) bears medium risk, although it has been assigned a very high-risk status since ESCO is obliged to purchase in a guaranteed manner (PPA) the electricity generated from newly built power plants, whether or not it receives the payment from consumers for the electricity sold, which is a risk for the company.

Chairman of the Supervisory Board: Davit Saganelidze

Main activity:

- **Investment activity** - making investments in priority sectors: energy, agriculture, production, real estate and tourism, infrastructure and logistics.

The company's risk rating improved from medium to low risk, which is explained by a number of circumstances:

- The scale of the company's activities has declined and the fiscal risks associated with the company have decreased proportionally. In particular, the large enterprises managed by the company - Georgian Railway and Georgian Oil and Gas Corporation were returned to the Ministry of Economy and Sustainable Development;

- In 2022, the company repaid the remaining loan to Credit Europa Bank early, prior to maturity date;
- The Partnership Fund's loan to the Georgian Railway in the amount of GEL 18.1 million will be netted off against the share in Gardabani thermal power plant in November of this year, in accordance with the Decree of the Government of Georgia;
- The company canceled the existing loan to the Oil and Gas Corporation;
- Apart from the above, the company has no other loans;
- Dividends received by the company represented one of the sources for repaying the fund's loans.

At the moment, the audit process has not been completed in the company. Unaudited individual statements of the Fund are presented below, and consolidated statements are not available:

Balance Sheet

Million GEL

JSC Partnership Fund (Individual)	2018	2019	2020	2021	2022
Assets	1.786	1.736	1.605	1.583	395
Current Assets	105	12	67	35	92
Long-term Assets	1.681	1.724	1.537	1.548	303
Equity	1.507	1.563	1.408	1.416	345
Owner's Equity	100	100	100	100	100
Equity Injections	2.664	2.675	2.084	0	0
Retained Earnings	0	0	0	0	245
Accumulated Loss	-1.256	-1.212	-775	-769	0
Other Equity	0	0	0	2.085	0
Liabilities	279	173	196	167	50
Current Liabilities	245	133	146	59	50

Incl. Current Loans	239	127	144	57	49
Long-term Liabilities	34	40	51	108	0
Incl. Long-term Loans	34	40	51	108	0
Total Equity and Liabilities	1.786	1.736	1.605	1.583	395

Profit & Loss Statement

Million GEL

JSC Partnership Fund (Individual)	2018	2019	2020	2021	2022
Revenue	99	100	74	36	488
Operational Income	88	90	50	12	453
Non-operational Income	11	10	25	25	34
Incl. Gain from Change in Foreign Exchange Rates	0	0	0	8	16
Expenses	778	55	69	29	401
Operational Expenses	744	21	40	17	388
Depreciation/ Amortization	1	1	1	1	1
Non-operational Expenses	34	33	29	12	12
Incl. Interest Expenses	32	20	13	12	12
Incl. Loss from change in Foreign Exchange Rates	2	14	14	0	0
Other Non-operational Expenses	0	0	1	0	0
Profit before Taxes	-680	45	5	7	87
Profit Tax	1	1	2	1	0
Net Profit	-681	44	4	7	87

Financial Ratios

JSC Partnership Fund (Individual)	2018	2019	2020	2021	2022
ROA	-38%	3%	0%	0%	22%
ROE	-45%	3%	0%	0%	25%
Current Ratio	43%	9%	46%	60%	183%

Debt to Equity

18% 11% 14% 12% 15%

Year	2018	2019	2020	2021	2022
Return on Assets	High Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk
Return on Equity	High Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk
Current Ratio	Very High Risk	Very High Risk	Very High Risk	Very High Risk	Low Risk
Overall Risk Rating	High Risk	Low Risk	Medium Risk	Medium Risk	Low Risk

JSC Georgian Railway



Share of the State: 100% (Starting from June, 2023, 50% of company shares was transferred to the Ministry of Finance with the right to manage).

Economic Activity: railway freight transportation, passenger transportation

Director General: David Peradze

Chairman of the Supervisory Board: Konstantine Guntsadze

Main Activity:

- **Freight transportation**, including the rental of freight cars;
- **Transportation of passengers;**
- **Infrastructure** - maintenance and management of tracks, embankments, railway alarms, power lines and other equipment, as well as construction of railway lines.
- According to the audited statements of the company, the net profit at the end of 2022 amounted to GEL 397 million;
- Despite positive trends, infrastructure depreciation is the biggest challenge for the enterprise at the moment. It is necessary to develop a plan of the company's investment priorities in the near future, which, on the one hand, is going to ensure the safe and uninterrupted operation of the railway and, on the other hand, will not worsen the company's solvency.

Balance Sheet

Million GEL

JSC Georgian Railway	2018	2019	2020	2021	2022
Assets	2.264	2.314	2.348	2.260	2.400
Current Assets	319	330	389	272	339
Long-term Assets	1.945	1.983	1.959	1.988	2.061
Equity	529	523	359	413	781
Owner's Equity	1.054	1.053	1.054	1.055	1.055
Equity Injections	0	0	0	0	0
Retained Earnings	0	0	0	0	0
Accumulated Loss	-625	-630	-795	-742	-374
Other Equity	100	100	100	101	101
Liabilities	1.735	1.790	1.988	1.847	1.618
Current Liabilities	352	243	185	153	163
Incl. Current Loans	134	65	74	16	14
Long-term Liabilities	1.383	1.547	1.803	1.694	1.455
Incl. Long-term Loans	1.337	1.501	1.703	1.591	1.378
Total Equity and Liabilities	2.264	2.314	2.348	2.260	2.400

Profit & Loss Statement

Million GEL

JSC Georgian Railway	2018	2019	2020	2021	2022
Revenue	459	519	528	665	940
Operational Income	444	504	502	557	691
Non-operational Income	15	15	27	108	249

Incl. Gain from Change in Foreign Exchange Rates	0	0	0	84	219
Expenses	1.174	524	693	612	543
Operational Expenses	1.089	396	373	391	472
Depreciation/ Amortization	114	81	76	58	67
Non-operational Expenses	85	128	320	220	70
Incl. Interest Expenses	47	43	128	101	64
Incl. Loss from change in Foreign Exchange Rates	38	85	192	0	0
Other Non-operational Expenses	0	0	0	119	6
Profit before Taxes	-715	-5	-164	53	397
Profit Tax	1	1	1	1	1
Net Profit	-717	-6	-165	53	397

Financial Ratios

JSC Georgian Railway	2018	2019	2020	2021	2022
ROA	-32%	0%	-7%	2%	17%
ROE	-135%	-1%	-46%	13%	51%
Current Ratio	91%	136%	210%	178%	208%
Debt to Equity	328%	342%	553%	447%	207%

Year	2018	2019	2020	2021	2022
Return on Assets	High Risk	High Risk	High Risk	Medium Risk	Medium Risk
Return on Equity	High Risk	High Risk	High Risk	Medium Risk	Medium Risk
Current Ratio	Very High Risk	Medium Risk	Very Low Risk	Low Risk	Very Low Risk
Debt to Equity	Very High Risk				
Overall Risk Rating	Very High Risk	High Risk	High Risk	Medium Risk	Medium Risk

JSC Georgian Oil and Gas Corporation



საქართველოს
ნავთობისა და გაზის
კორპორაცია

Share of the State: 100%

Economic Activity: Wholesale trade with natural gas

Director General: Giorgi Chikovani

Chairman of the Supervisory Board: Vazha Khidasheli

Main Activity:

- Natural gas (import of natural gas and subsequent wholesaling for the purpose of supplying it to power generation facilities and the population, as well as the lease of pipelines to the LLC Georgian Gas Transportation Company. In addition, the recipient of the lease amount is LLC Owner of the Natural Gas Transmission Network of Georgia, the subsidiary company of JSC Georgian Oil and Gas Corporation LLC);

- Electricity (a relatively new direction – power is generated through thermal power plants located in Gardabani. Power is supplied to wholesale distribution companies. In addition, for example, the Gardabani thermal plant receives a significant part of its income from the provision of guaranteed capacity);
- Oil (sale of the state's share in the oil extracted by oil companies on the territory of Georgia, as well as the lease of the oil pipeline transferred through financial leasing to BP).
 - In 2022, the corporation suffered an operating loss, which was expected given the developments in the energy sector, however, it was the first time in recent years that the corporation group had an operating loss.
 - The growing level of quasi-fiscal activities is a big threat to the financial indicators of the corporation.
 - In 2022, the net profit of the corporation group decreased by approximately 20% compared to 2021 and equaled GEL 109 million. Achieving this indicator of net profit is mainly determined by the gain from the change in foreign exchange rates (GEL 134 million).

Balance Sheet

Million GEL

JSC Georgian Oil and Gas Corporation	2018	2019	2020	2021	2022
Assets	1.693	1.882	1.844	1.901	2.264
Current Assets	552	490	442	538	978
Long-term Assets	1.141	1.392	1.403	1.363	1.285
Equity	988	1.052	907	1.045	1.023
Owner's Equity	627	643	646	646	695
Equity Injections	72	60	60	60	68
Retained Earnings	481	541	403	503	543
Accumulated Loss	0	0	0	0	0
Other Equity	-191	-192	-201	-164	-282
Liabilities	705	830	937	856	1.241
Current Liabilities	47	121	937	856	1.183
Incl. Current Loans	0	0	0	711	797
Long-term Liabilities	658	710	0	0	57
Incl. Long-term Loans	0	0	0	0	57
Total Equity and Liabilities	1.693	1.882	1.844	1.901	2.264

Profit & Loss Statement

Million GEL

JSC Georgian Oil and Gas Corporation	2018	2019	2020	2021	2022
Revenue	687	914	1.024	1.251	1.511
Operational Income	643	874	997	1.115	1.353
Non-operational Income	44	40	27	136	158
Incl. Gain from Change in Foreign Exchange Rates	0	0	0	114	134

Expenses	538	796	1.021	1.113	1.402
Operational Expenses	474	730	863	1.066	1.371
Depreciation/ Amortization	38	41	59	71	63
Non-operational Expenses	65	65	158	47	31
Incl. Interest Expenses	43	28	51	46	31
Incl. Loss from change in Foreign Exchange Rates	22	38	103	0	0
Other Non-operational Expenses	0	0	0	1	0
Profit before Taxes	149	118	3	138	109
Profit Tax	0	0	0	0	0
Net Profit	150	120	3	138	109

Financial Ratios

JSC Georgian Oil and Gas Corporation	2018	2019	2020	2021	2022
ROA	9%	6%	0%	7%	5%
ROE	15%	11%	0%	13%	11%
Current Ratio	1186%	406%	47%	63%	83%
Debt to Equity	71%	79%	103%	82%	121%

Year	2018	2019	2020	2021	2022
Return on Assets	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk
Return on Equity	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk
Current Ratio	Very Low Risk	Very Low Risk	Very High Risk	Very High Risk	Very High Risk
Debt to Equity	Low Risk	Low Risk	Medium Risk	Low Risk	Medium Risk
Overall Risk Rating	Low Risk	Low Risk	High Risk	Medium Risk	Medium Risk

JSC Georgian State Electrosystem



Share of the State: 100%

Economic Activity: Power Transmission

Director General: Giorgi Gigineishvili

Chairman of the Supervisory Board: Jorg Maties

Main Activity:

- Electricity transmission and dispatching (the only licensee); The GSE carries out technical management of the system to ensure a stable mode of electricity supply and consumption and, transmits power generated or imported in

Georgia to distribution energy companies, direct consumers, or electricity systems of neighboring countries without the right to buy and sell electricity. In addition, it ensures the construction of international and domestic power transmission lines and substations.

- The revenue portion of the GSE is regulated by the regulator. It is necessary to plan infrastructure projects in such a way that the commercial interests of the company are not compromised and the company does not face short- and medium-term liquidity problems;
- After the completion of the rehabilitation, the company maintains the trend of financial recovery. In 2022, the net profit of the company increased to GEL 304 million, which was determined by the growth in revenues as a result of the increase in the volume of transmitted (including transit power) and exported power, and also, by the gain received from the change in foreign exchange rates (GEL 168 million).

Balance Sheet

Million GEL

JSC Georgian State Electrosystem	2018	2019	2020	2021	2022
Assets	1.130	946	1.387	1.490	1.701
Current Assets	117	144	149	67	224
Long-term Assets	1.013	802	1.238	1.424	1.476
Equity	-127	334	-93	152	503
Owner's Equity	643	645	663	663	665
Equity Injections	0	0	0	0	0
Retained Earnings	0	57	0	235	0
Accumulated Loss	-781	-380	-770	-769	-231
Other Equity	12	11	14	23	68
Liabilities	1.257	612	1.480	1.339	1.198
Current Liabilities	633	104	313	211	230
Incl. Current Loans	556	32	173	130	135
Long-term Liabilities	624	508	1.167	1.128	968
Incl. Long-term Loans	459	455	1.050	872	713
Total Equity and Liabilities	1.130	946	1.387	1.490	1.701

Profit & Loss Statement

Million GEL

JSC Georgian State Electrosystem	2018	2019	2020	2021	2022
Revenue	245	244	380	448	539
Operational Income	237	190	197	297	356
Non-operational Income	8	54	184	151	184
Incl. Gain from Change in Foreign Exchange Rates	1	32	0	138	168
Expenses	198	187	418	214	235
Operational Expenses	171	115	157	173	193

Depreciation/ Amortization	47	35	47	65	71
Non-operational Expenses	27	71	261	41	42
Incl. Interest Expenses	21	10	23	40	42
Incl. Loss from change in Foreign Exchange Rates	6	61	230	0	0
Other Non-operational Expenses	0	0	8	0	0
Profit before Taxes	47	57	-38	235	304
Profit Tax	0	0	10	0	0
Net Profit	47	57	-48	235	304

Financial Ratios

JSC Georgian State Electrosystem	2018	2019	2020	2021	2022
ROA	4%	6%	-3%	16%	18%
ROE	-37%	17%	51%	155%	61%
Current Ratio	18%	138%	48%	32%	98%
Debt to Equity	-989%	183%	-1590%	883%	238%

Year	2018	2019	2020	2021	2022
Return on Assets	Medium Risk	Medium Risk	High Risk	Medium Risk	Medium Risk
Return on Equity	High Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk
Current Ratio	Very High Risk	Medium Risk	Very High Risk	Very High Risk	Very High Risk
Debt to Equity	Very Low Risk	High Risk	Very Low Risk	Very High Risk	Very High Risk

Overall Risk Rating

Medium Risk Medium Risk Medium Risk Medium Risk Medium Risk

JSC Electricity System Commercial Operator



Share of the State: 100%

Economic Activity: Power Distribution

Director General: Kakhaber Keburia

Main Activity:

- Purchase and sale of balancing electricity and guaranteed capacity (performs the purchase - sale of guaranteed capacity from thermal power plants and corresponding payments)
- Import/export of electricity.
- JSC Electricity System Commercial Operator (ESCO) has a natural monopoly on the supply of balancing electricity.
- ESCO is a party to guaranteed electricity purchase agreements (PPA)

Balance Sheet*Million GEL*

JSC Electricity System	2018	2019	2020	2021	2022
Assets	87	76	98	148	124
Current Assets	86	74	97	144	120
Long-term Assets	1	2	1	4	4
Equity	14	13	17	24	27
Owner's Equity	0	0	0	0	0
Equity Injections	0	0	0	0	0
Retained Earnings	13	13	17	24	26
Accumulated Loss	0	0	0	0	0
Other Equity	0	0	0	0	1
Liabilities	73	63	81	124	98
Current Liabilities	73	63	81	124	98
Incl. Current Loans	0	0	0	0	0
Long-term Liabilities	0	0	0	0	0
Incl. Long-term Loans	0	0	0	0	0

Total Equity and Liabilities	87	76	98	148	124
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Profit & Loss Statement

Million GEL

JSC Electricity System	2018	2019	2020	2021	2022
Revenue	524	572	655	737	711
Operational Income	522	571	649	735	703
Non-operational Income	2	1	6	3	8
Incl. Gain from Change in Foreign Exchange Rates	0	0	0	0	0
Expenses	524	571	651	730	710
Operational Expenses	524	571	648	729	702
Depreciation/ Amortization	0	1	1	1	0
Non-operational Expenses	0	0	3	0	7
Incl. Interest Expenses	0	0	0	0	0
Incl. Loss from change in Foreign Exchange Rates	0	0	1	0	1
Other Non-operational Expenses	0	0	2	0	7
Profit before Taxes	0	1	4	7	2
Profit Tax	0	0	0	0	0
Net Profit	0	1	4	7	2

Financial Ratios

JSC Electricity System	2018	2019	2020	2021	2022
ROA	0%	1%	4%	5%	1%
ROE	1%	4%	23%	29%	6%
Current Ratio	118%	118%	120%	117%	123%
Debt to Equity	531%	469%	466%	510%	368%

Year	2018	2019	2020	2021	2022
Return on Assets	Medium Risk				
Return on Equity	Medium Risk				
Current Ratio	High Risk				
Debt to Equity	Very High Risk				
Overall Risk Rating	Medium Risk				

LLC United Water Supply Company of Georgia



საქართველოს გაერთიანებული
წყარბმარჩარბაბის კომპანია
UNITED WATER SUPPLY COMPANY OF GEORGIA

Share of the State: 100%

Economic Activity: Water accumulation, treatment and distribution

Director General: Aleksandre Tevdoradze

Main Activity: water extraction, treatment and supply of drinking and technical water to customers in different cities and villages of Georgia; design, construction, and operation of water supply and drainage systems.

- The company has been steadily showing operational losses in recent years, which was due to the social nature of the tariff and possibly other unannounced quasi-fiscal activities. In 2022, the company will experience a significantly increased operating loss compared to 2021, which was mainly determined by the

depreciation of long-term assets (GEL 342 million).

- Improvement of amortized infrastructure, reduction of water losses, improvement of metering systems, and tariff policy remain a challenge for the company.
- GEL 80 million from the company's total income in 2022 was a subsidy received from the state, which should be used to cover the loan obligation received from international donor organizations in 2023.
- The non-profitability of the utilities sector, depending on its content, is at some extent justified, however, it is necessary to compensate the non-commercial components through a transparent procedure. As a result, the level of subsidies may remain unchanged, however, a commercial tariff can be set, and the tariff be subsidized using the appropriate methodology.
- In 2022, the number of company customers reached 374 thousand. The income generated from the main activity increased, while the operating expenses amounted to GEL 451,178 thousand, which included the depreciation cost of long-term assets (GEL 342,037 thousand). The company ended 2022 with a loss of GEL 129 million.

Balance Sheet

Million GEL

LLC United Water Supply Company of Georgia	2018	2019	2020	2021	2022
Assets	853	1.080	1.192	1.428	1.511
Current Assets	76	81	32	141	305
Long-term Assets	777	999	1.161	1.287	1.206
Equity	16	22	-110	133	263
Owner's Equity	381	383	383	440	442
Equity Injections	0	0	0	0	0
Retained Earnings	0	0	0	0	0
Accumulated Loss	-504	-590	-796	-760	-888
Other Equity	139	229	303	453	709
Liabilities	837	1.058	1.303	1.295	1.248
Current Liabilities	75	125	143	64	179
Incl. Current Loans	0	0	0	3	79
Long-term Liabilities	762	933	1.159	1.231	1.069
Incl. Long-term Loans	0	0	0	1.213	1.027
Total Equity and Liabilities	853	1.080	1.192	1.428	1.511

Profit & Loss Statement

Million GEL

LLC United Water Supply Company of Georgia	2018	2019	2020	2021	2022
Revenue	41	46	76	218	334
Operational Income	39	42	72	108	131
Non-operational Income	3	5	3	110	203
Incl. Gain from Change in Foreign Exchange Rates	0	0	0	107	191
Expenses	82	131	281	181	463

Operational Expenses	71	77	79	170	451
Depreciation/ Amortization	16	17	19	21	20
Non-operational Expenses	11	54	202	11	12
Incl. Interest Expenses	9	53	17	18	12
Incl. Loss from change in Foreign Exchange Rates	2	2	199	0	0
Other Non-operational Expenses	0	0	-14	-7	0
Profit before Taxes	-40	-85	-205	37	-129
Profit Tax	0	0	0	0	0
Net Profit	-40	-85	-205	37	-129

Financial Ratios

LLC United Water Supply Company of Georgia	2018	2019	2020	2021	2022
ROA	-5%	-8%	-17%	3%	-9%
ROE	-250%	-380%	186%	28%	-49%
Current Ratio	102%	65%	22%	221%	170%
Debt to Equity	5181%	4741%	-1181%	973%	474%

Year	2018	2019	2020	2021	2022
Return on Assets	High Risk	High Risk	High Risk	Medium Risk	High Risk
Return on Equity	High Risk	High Risk	Medium Risk	Medium Risk	High Risk
Current Ratio	High Risk	Very High Risk	Very High Risk	Very Low Risk	Low Risk
Debt to Equity	Very High Risk	Very High Risk	Very Low Risk	Very High Risk	Very High Risk
Overall Risk Rating	Very High Risk	Very High Risk	High Risk	Medium Risk	High Risk

JSC UES SAKRUSENERGO



Share of the State: 50% (the remaining 50% share is owned by the Russian Federation, represented by JSC Federal Grid Company of Unified Energy System).

Director General: Bachana Suladze

Chairman of the Supervisory Board: Aleksey Molsky

Balance Sheet

Million GEL

JSC UES SAKRUSENERGO	2018	2019	2020	2021	2022
Assets	107	122	134	147	160
Current Assets	28	43	56	57	43
Long-term Assets	79	79	78	90	116
Equity	107	121	132	146	159
Owner's Equity	230	230	230	232	232
Equity Injections	2	2	2	0	0
Retained Earnings	0	0	0	0	0
Accumulated Loss	-125	-111	-100	-86	-73
Other Equity	0	0	0	0	0

Liabilities	0	1	1	1	1
Current Liabilities	0	0	1	1	1
Incl. Current Loans	0	0	0	0	0
Long-term Liabilities	0	1	1	0	0
Incl. Long-term Loans	0	0	0	0	0
Total Equity and Liabilities	107	122	134	147	160

Profit & Loss Statement

Million GEL

JSC UES SAKRUSENERGO	2018	2019	2020	2021	2022
Revenue	36	36	32	38	38
Operational Income	35	33	29	34	31
Non-operational Income	1	3	3	4	6
Incl. Gain from Change in Foreign Exchange Rates	0	1	0	0	0
Expenses	21	22	21	23	25
Operational Expenses	20	22	21	23	25
Depreciation/ Amortization	4	4	4	4	4
Non-operational Expenses	1	0	0	0	0
Incl. Interest Expenses	1	0	0	0	0
Incl. Loss from change in Foreign Exchange Rates	0	0	0	0	0
Other Non-operational Expenses	0	0	0	0	0
Profit before Taxes	15	14	11	15	13
Profit Tax	0	0	0	0	0
Net Profit	15	14	11	14	13

Financial Ratios

JSC UES SAKRUSENERGO	2018	2019	2020	2021	2022
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ROA	14%	11%	8%	10%	8%
ROE	14%	12%	9%	10%	8%
Current Ratio	5893%	15199%	6974%	6627%	5112%
Debt to Equity	0%	1%	1%	1%	1%

Year	2018	2019	2020	2021	2022
Return on Assets	Medium Risk				
Return on Equity	Medium Risk				
Current Ratio	Very Low Risk				
Debt to Equity	Very Low Risk				
Overall Risk Rating	Low Risk				

LLC Georgian Gas Transportation Company



Share of the State: 100%

Economic Activity: Transportation through Pipelines

Director General: Mikheil Shalamberidze

Main Activity: The only licensed company with a permanent license period (the license was issued in 2009), which provides for the right to carry out natural gas transportation. The company manages the main gas pipeline system and related infrastructure in the territory of Georgia, which the company took under lease (with the obligation to operate and maintain).

The main revenues of the company, which it receives from the use of the main gas pipeline system, consist of the following activities:

- Transit of natural gas (from the Russian Federation to the Republic of Armenia);
 - Natural gas transportation (throughout Georgia, mainly for distribution companies, industrial enterprises and thermal power plants);
 - Sales of gas (for other customers in Georgia based on individual negotiations between the parties).
- The company ended 2022 with an increased profit compared to 2021. According to the audited financial statements of 2022, the company generated GEL 9.9 million higher revenue in 2022 compared to 2021, which was due to increased natural gas consumption.
- The company's revenues, which it generates from the operation of the main gas pipeline

system, consist, among other things, of the income received from the transportation of natural gas for distribution companies, industrial enterprises, and thermal power plants throughout Georgia. For the years 2020-2022, the natural gas transportation tariff was determined by the three-year resolution of the Georgian National Energy and Water Supply

Regulatory Commission (GNERC), in the amount of GEL 18.95 per 1000 cubic meters of gas transported. According to the company's audited report, the tariff set for 2023-2025 is GEL 15.83 per 1000 cubic meters of transported natural gas.

Balance Sheet

Million GEL

LLC Georgian Gas Transportation Company	2018	2019	2020	2021	2022
Assets	141	173	200	205	391
Current Assets	108	114	112	115	254
Long-term Assets	33	59	88	90	137
Equity	103	141	169	178	370
Owner's Equity	56	34	4	5	5
Equity Injections	14	14	0	0	0
Retained Earnings	32	52	85	98	148
Accumulated Loss	0	0	0	0	0
Other Equity	0	40	80	76	217
Liabilities	38	33	31	26	21
Current Liabilities	19	13	14	12	13
Incl. Current Loans	0	0	0	0	0
Long-term Liabilities	19	20	17	14	8
Incl. Long-term Loans	0	0	0	0	0
Total Equity and Liabilities	141	173	200	205	391

Profit & Loss Statement

Million GEL

LLC Georgian Gas Transportation Company	2018	2019	2020	2021	2022
Revenue	108	120	122	110	127
Operational Income	104	117	117	104	114
Non-operational Income	4	4	6	6	13

Incl. Gain from Change in Foreign Exchange Rates	0	0	0	0	0
Expenses	93	100	90	86	91
Operational Expenses	93	100	90	85	90
Depreciation/ Amortization	2	2	3	3	3
Non-operational Expenses	0	0	0	0	2
Incl. Interest Expenses	0	0	0	0	0
Incl. Loss from change in Foreign Exchange Rates	0	0	0	0	2
Other Non-operational Expenses	0	0	0	0	0
Profit before Taxes	16	20	32	25	36
Profit Tax	0	0	0	0	0
Net Profit	16	20	32	25	36

Financial Ratios

LLC Georgian Gas Transportation Company	2018	2019	2020	2021	2022
ROA	11%	11%	16%	12%	9%
ROE	15%	14%	19%	14%	10%
Current Ratio	569%	906%	787%	927%	1943%
Debt to Equity	37%	23%	18%	15%	6%

Year	2018	2019	2020	2021	2022
Return on Assets	Medium Risk				
Return on Equity	Medium Risk				
Current Ratio	Very Low Risk				
Debt to Equity	Very Low Risk				

Overall Risk Rating

Low Risk

Low Risk

Low Risk

Low Risk

Low Risk

JSC Georgian Energy Development Fund

**Share of the State:** 100%**Economic Activity:** Consulting activities in Business and Other Management Issues**Director General:** Jaba Khmaladze

Main Activity: Conducting preliminary research works in the field of energy, technical and economic evaluation of energy projects, and preparation of report and assessment of project's environmental impact. As a result of the conducted studies, a design for the construction of a power plant is prepared, which the fund implements as follows: it attracts an investor with whom it establishes an enterprise (or with 100% equity participation it will establish itself) and the said enterprise implements the power plant project.

- The company ended the year 2022 with a loss, which was mainly due to the impairment of the company's investment portfolio in 2022 (expense GEL 430,000 - as a result of the annual standard impairment test).

Balance Sheet

Million GEL

JSC Georgian Energy Development Fund	2018	2019	2020	2021	2022
Assets	72	83	77	67	69
Current Assets	31	51	58	58	56
Long-term Assets	41	32	19	9	13
Equity	72	82	77	67	69
Owner's Equity	56	56	50	48	49
Equity Injections	0	0	0	0	0
Retained Earnings	16	25	26	18	20
Accumulated Loss	0	0	0	0	0
Other Equity	0	0	0	0	0
Liabilities	0	1	0	1	0
Current Liabilities	0	1	0	1	0
Incl. Current Loans	0	0	0	0	0
Long-term Liabilities	0	0	0	0	0

Incl. Long-term Loans	0	0	0	0	0
Total Equity and Liabilities	72	83	77	67	69

Profit & Loss Statement

Million GEL

JSC Georgian Energy Development Fund	2018	2019	2020	2021	2022
Revenue	3	13	5	8	8
Operational Income	1	0	0	2	0
Non-operational Income	3	13	5	6	7
Incl. Gain from Change in Foreign Exchange Rates	0	0	0	0	0
Expenses	2	3	4	18	8
Operational Expenses	2	3	4	18	8
Depreciation/ Amortization	0	0	0	0	0
Non-operational Expenses	1	0	0	0	0
Incl. Interest Expenses	0	0	0	0	0
Incl. Loss from change in Foreign Exchange Rates	0	0	0	0	0
Other Non-operational Expenses	1	0	0	0	0
Profit before Taxes	1	10	1	-11	0
Profit Tax	0	0	0	0	0
Net Profit	1	10	1	-11	0

Financial Ratios

JSC Georgian Energy Development Fund	2018	2019	2020	2021	2022
ROA	1%	12%	2%	-16%	0%
ROE	1%	12%	2%	-16%	0%
Current Ratio	102017%	3422%	108940%	8953%	36355%
Debt to Equity	0%	2%	0%	1%	0%

Year	2018	2019	2020	2021	2022
Return on Assets	Medium Risk	Medium Risk	Medium Risk	High Risk	High Risk
Return on Equity	Medium Risk	Medium Risk	Medium Risk	High Risk	High Risk
Current Ratio	Very Low Risk				
Debt to Equity	Very Low Risk				
Overall Risk Rating	Low Risk	Low Risk	Low Risk	Medium Risk	Medium Risk

LLC Engurhesi



Share of the State: 100%

Economic Activity: Power Generation by Hydro Power Plants

Director General: Levan Mebonia

Chairman of the Supervisory Board: Koba Chumburidze

Main Activity:

- Generation and sale of electricity. The company is responsible for the operation of

the Enguri Hydro Power Station, Vardnili HPP Cascade, and several small hydro power stations located in the Kodori valley in the territory of the Autonomous Republic of Abkhazia .

- Even though Enguri HPP carries a heavy burden of supplying a significant part of the generated electricity to the occupied Abkhazia free of charge, the company still manages to make a profit. In 2021 and 2022, the net profit of the company amounted to GEL 42 and 60 million, respectively. However, in both cases, more than 80% of the net profit came from the profit derived from the change in foreign exchange rates.

Balance Sheet

Million GEL

LLC Engurhesi	2018	2019	2020	2021	2022
Assets	371	383	416	479	522
Current Assets	31	31	16	5	7
Long-term Assets	340	352	400	474	516
Equity	182	177	123	165	257
Owner's Equity	208	208	208	208	241
Equity Injections	0	0	0	0	0
Retained Earnings	0	-8	-54	42	0
Accumulated Loss	-26	-34	-42	-96	17
Other Equity	0	10	10	10	0
Liabilities	188	206	293	314	265
Current Liabilities	4	3	24	24	25
Incl. Current Loans	0	1	9	7	0
Long-term Liabilities	184	203	269	290	240
Incl. Long-term Loans	0	185	263	284	224
Total Equity and Liabilities	371	383	416	479	522

Profit & Loss Statement

Million GEL

LLC Engurhesi	2018	2019	2020	2021	2022
Revenue	63	62	52	134	158
Operational Income	62	60	39	96	110
Non-operational Income	1	1	12	38	49
Incl. Gain from Change in Foreign Exchange Rates	1	0	0	37	48
Expenses	43	69	106	91	99
Operational Expenses	40	61	59	88	95
Depreciation/ Amortization	1	0	0	0	5
Non-operational Expenses	3	8	46	3	3
Incl. Interest Expenses	3	2	3	4	3

Incl. Loss from change in Foreign Exchange Rates	0	6	42	1	0
Other Non-operational Expenses	0	0	1	1	0
Profit before Taxes	21	-8	-54	42	60
Profit Tax	0	0	0	0	0
Net Profit	21	-8	-54	42	60

Financial Ratios

LLC Engurhesi	2018	2019	2020	2021	2022
ROA	6%	-2%	-13%	9%	11%
ROE	11%	-4%	-44%	26%	23%
Current Ratio	818%	1029%	67%	21%	27%
Debt to Equity	103%	116%	239%	190%	103%

Year	2018	2019	2020	2021	2022
Return on Assets	Medium Risk	High Risk	High Risk	Medium Risk	Medium Risk
Return on Equity	Medium Risk	High Risk	High Risk	Medium Risk	Medium Risk
Current Ratio	Very Low Risk	Very Low Risk	Very High Risk	Very High Risk	Very High Risk
Debt to Equity	Medium Risk	Medium Risk	Very High Risk	High Risk	Medium Risk
Overall Risk Rating	Low Risk	Medium Risk	Very High Risk	Medium Risk	Medium Risk

LLC Tbilisi Transport Company



Share of the State: 100% (Tbilisi Municipality is holder of 100% share)

Economic Activity: Urban and suburban passenger land transport

Director General: Giorgi Sharkov

Main Activity: Provision of bus, metro and cable car transport services in Tbilisi, arrangement of parking spaces within the administrative boundaries of Tbilisi Municipality.

Balance Sheet

Million GEL

LLC Tbilisi Transport Company	2018	2019	2020	2021	2022
Assets	424	406	531	719	661
Current Assets	221	80	84	92	91
Long-term Assets	203	326	448	627	570
Equity	383	344	491	615	614
Owner's Equity	521	554	851	1.147	1.240
Equity Injections	0	0	0	0	0
Retained Earnings	0	0	0	0	0
Accumulated Loss	-138	-210	-360	-532	-626
Other Equity	0	0	0	0	0
Liabilities	42	62	40	105	47
Current Liabilities	19	31	12	75	15
Incl. Current Loans	0	0	0	0	0
Long-term Liabilities	23	31	28	30	32
Incl. Long-term Loans	0	0	0	0	0
Total Equity and Liabilities	424	406	531	719	661

Profit & Loss Statement

Million GEL

LLC Tbilisi Transport Company	2018	2019	2020	2021	2022
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Revenue	149	174	89	112	260
Operational Income	140	153	85	109	256
Non-operational Income	9	21	4	4	5
Incl. Gain from Change in Foreign Exchange Rates	0	0	0	2	0
Expenses	205	245	239	285	354
Operational Expenses	205	245	231	268	334
Depreciation/ Amortization	16	21	1	1	1
Non-operational Expenses	0	0	8	18	20
Incl. Interest Expenses	0	0	0	0	0
Incl. Loss from change in Foreign Exchange Rates	0	0	0	0	0
Other Non-operational Expenses	0	0	8	18	20
Profit before Taxes	-56	-71	-150	-173	-94
Profit Tax	0	0	0	0	0
Net Profit	-56	-71	-150	-173	-94

Financial Ratios

LLC Tbilisi Transport Company	2018	2019	2020	2021	2022
ROA	-13%	-18%	-28%	-24%	-14%
ROE	-15%	-21%	-31%	-28%	-15%
Current Ratio	1167%	261%	683%	123%	600%
Debt to Equity	11%	18%	8%	17%	8%

Year	2018	2019	2020	2021	2022
Return on Assets	High Risk				
Return on Equity	High Risk				
Current Ratio	Very Low Risk	Very Low Risk	Very Low Risk	High Risk	Very Low Risk
Debt to Equity	Very Low Risk				
Overall Risk Rating	Medium Risk				

LLC Georgian Post



Share of the State: 100%

Economic Activity: Postal activities with universal service obligation

Director General: Levan Chikvaдзе

Main Activity: Georgia Post LLC successfully cooperates with more than 190 countries of the world and operates more than 80 service centers throughout the country.

LLC Georgian Post provides its customers with services included in the field of universal postal and shipping

services, in particular, it carries out: receiving, processing, sending, shipping and delivery of postal items (written correspondence, parcels, EMS mail, air mail) both within the country and abroad; receiving payments for utility bills; money transfer services.

➤ Compared to 2021, the company's operating income declined in 2022. By operational income categories, income from postal services, retail trade, and other services decreased, while income from shipping and terminal services increased. The percentage distribution of operational income by activities for 2022 was as follows:

- Income from postal services - 49%;
- Income from shipping - 36%;
- Income from retail trade - 13%.
- Income from other services - 2%

➤ The company ended the year 2022 with a loss, which is due to a reduction in income, as well as by loss from the change in foreign exchange rates during the reporting period (GEL 5.8 Million).

Balance Sheet

Million GEL

LLC Georgian Post	2018	2019	2020	2021	2022
Assets	84	88	91	127	113
Current Assets	43	37	45	51	36
Long-term Assets	41	50	45	76	76
Equity	47	50	66	97	92
Owner's Equity	48	50	59	59	59
Equity Injections	0	0	0	0	0
Retained Earnings	0	0	7	2	0
Accumulated Loss	0	0	0	0	-4
Other Equity	0	0	0	37	37
Liabilities	37	38	24	30	21
Current Liabilities	28	23	23	29	19
Incl. Current Loans	0	0	0	0	0
Long-term Liabilities	9	15	2	1	2
Incl. Long-term Loans	0	0	0	0	0
Total Equity and Liabilities	84	88	91	127	113

Profit & Loss Statement

Million GEL

LLC Georgian Post	2018	2019	2020	2021	2022
Revenue	103	86	83	96	80
Operational Income	98	83	75	93	73
Non-operational Income	5	3	8	3	6
Incl. Gain from Change in Foreign Exchange Rates	0	0	1	0	3

Expenses	104	85	76	102	85
Operational Expenses	100	85	76	95	75
Depreciation/ Amortization	4	5	5	5	4
Non-operational Expenses	4	0	0	7	10
Incl. Interest Expenses	0	0	0	0	0
Incl. Loss from change in Foreign Exchange Rates	0	0	0	2	6
Other Non-operational Expenses	4	0	0	4	4
Profit before Taxes	0	1	7	-6	-5
Profit Tax	0	0	0	0	0
Net Profit	0	1	7	31	-5

Financial Ratios

LLC Georgian Post	2018	2019	2020	2021	2022
ROA	0%	1%	7%	24%	-5%
ROE	-1%	2%	10%	32%	-6%
Current Ratio	152%	165%	197%	175%	194%
Debt to Equity	78%	75%	37%	31%	23%

Year	2018	2019	2020	2021	2022
Return on Assets	High Risk	Medium Risk	Medium Risk	Medium Risk	High Risk
Return on Equity	High Risk	Medium Risk	Medium Risk	Medium Risk	High Risk
Current Ratio	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk

Year	2018	2019	2020	2021	2022
Debt to Equity	Low Risk	Low Risk	Very Low Risk	Very Low Risk	Very Low Risk
Overall Risk Rating	Medium Risk	Low Risk	Low Risk	Low Risk	Medium Risk

LLC Georgian Amelioration



Economic Activity: The main activity of the company is the supply of irrigation and drainage water throughout the country

Director General: Tamaz Mgebrishvili

Chairman of the Supervisory Board: Revaz Asatiani

Main Activity: The main activity of the company is the supply of irrigation and drainage water throughout the country. Services are provided through 20 service centers, which are represented in four regions across the country (Shida Kartli, Kvemo Kartli, Kakheti, and Western Georgia). The company manages hydro facilities and special amelioration systems, which mainly consist of various hydraulic-technical parts, main water distribution lines, tunnels, drainage channels, and others.

Balance Sheet

Million GEL

LLC Georgian Amelioration	2018	2019	2020	2021	2022
Assets	72	81	101	72	119
Current Assets	18	31	26	26	39
Long-term Assets	55	50	74	46	81
Equity	56	46	69	37	63

Owner's Equity	907	900	922	897	888
Equity Injections	0	0	0	0	0
Retained Earnings	0	0	0	0	0
Accumulated Loss	-851	-854	-854	-865	-829
Other Equity	0	0	0	5	5
Liabilities	16	35	32	36	56
Current Liabilities	16	17	17	15	15
Incl. Current Loans	0	0	14	11	12
Long-term Liabilities	0	18	15	21	41
Incl. Long-term Loans	0	0	0	0	0
Total Equity and Liabilities	72	81	101	72	119

Profit & Loss Statement

Million GEL

LLC Georgian Amelioration	2018	2019	2020	2021	2022
Revenue	23	25	30	35	36
Operational Income	5	6	3	6	6
Non-operational Income	18	19	27	29	29
Incl. Gain from Change in Foreign Exchange Rates	0	0	0	0	0
Expenses	62	56	119	49	75
Operational Expenses	61	53	118	47	74
Depreciation/ Amortization	7	6	6	8	7
Non-operational Expenses	1	3	1	2	0
Incl. Interest Expenses	1	1	0	0	0
Incl. Loss from change in Foreign Exchange Rates	0	0	0	0	0
Other Non-operational Expenses	0	1	1	2	0

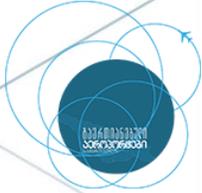
Profit before Taxes	-39	-31	-89	-14	-39
Profit Tax	0	0	0	0	0
Net Profit	-39	-31	-89	-14	-39

Financial Ratios

LLC Georgian Amelioration	2018	2019	2020	2021	2022
ROA	-54%	-38%	-88%	-19%	-33%
ROE	-70%	-67%	-129%	-37%	-62%
Current Ratio	114%	179%	160%	180%	254%
Debt to Equity	28%	77%	47%	97%	89%

Year	2018	2019	2020	2021	2022
Return on Assets	High Risk	High Risk	High Risk	High Risk	High Risk
Return on Equity	High Risk	High Risk	High Risk	High Risk	High Risk
Current Ratio	High Risk	Low Risk	Low Risk	Low Risk	Very Low Risk
Debt to Equity	Very Low Risk	Low Risk	Very Low Risk	Low Risk	Low Risk
Overall Risk Rating	High Risk	High Risk	Medium Risk	Medium Risk	Medium Risk

LLC United Airports of Georgia



Share of the State: 100% (from June 2023, 50% of the company's share was transferred to the Ministry of Finance of Georgia with the right to manage it).

Economic Activity: Services related to air transport

Director General: Irakli Karkashadze

Chairman of the Supervisory Board: Mariam Kvrivishvili

Main Activity:

- The company is engaged in the development, operation, and supervision of civil airports in Georgia.
- The company is the owner of Tbilisi, Batumi, and Kutaisi international airports, and Mestia and Ambrolauri local airports. The company operates Kutaisi, Mestia, and Ambrolauri airports, while Tbilisi and Batumi airports operate based on concession and lease agreements.
- According to the Decree N1436 (August 7, 2023) of the Government of Georgia in October 2023, the existing real estate of

Telavi Airport was included in the capital of the United Airports of Georgia, and the company was also assigned to operate Telavi Airport. The operation is planned to start after the completion of the rehabilitation works in May 2024.

- According to the 2022-year audited report of the United Airports of Georgia LLC, in 2022 the company began to gradually exit the pandemic force majeure. Along with the removal of restrictions in countries, the number of flights and, accordingly, the number of passengers increased, which was reflected in the company's income. Compared to 2019, the rate of passenger flow in 2022 recovered to 86%, and the number of flights was restored by 87%.
- In 2022, the operating income of the company amounted to GEL 86 million, which was an improvement compared to 2021.

Balance Sheet

Million GEL

LLC United Airports of Georgia	2018	2019	2020	2021	2022
Assets	441	444	402	429	411
Current Assets	65	70	39	50	66
Long-term Assets	376	374	363	379	345
Equity	294	296	260	279	311
Owner's Equity	395	394	395	395	360
Equity Injections	0	0	0	0	0
Retained Earnings	0	0	0	0	0
Accumulated Loss	-101	-98	-135	-116	-90
Other Equity	0	0	0	0	40
Liabilities	147	148	143	150	100
Current Liabilities	7	12	36	46	10
Incl. Current Loans	0	0	29	0	0
Long-term Liabilities	140	136	107	104	90
Incl. Long-term Loans	0	12	0	0	0
Total Equity and Liabilities	441	444	402	429	411

Profit & Loss Statement

Million GEL

LLC United Airports of Georgia	2018	2019	2020	2021	2022
Revenue	69	72	41	69	92
Operational Income	65	68	35	67	86
Non-operational Income	4	4	5	2	6
Incl. Gain from Change in Foreign Exchange Rates	0	1	2	0	0
Expenses	69	70	77	50	73
Operational Expenses	69	70	77	45	64
Depreciation/ Amortization	12	11	11	12	14
Non-operational Expenses	0	0	0	5	8
Incl. Interest Expenses	0	0	0	0	1
Incl. Loss from change in Foreign Exchange Rates	0	0	0	2	7
Other Non-operational Expenses	0	0	0	2	0
Profit before Taxes	0	2	-37	19	19
Profit Tax	0	0	0	0	0
Net Profit	0	2	-37	19	19

Financial Ratios

LLC United Airports of Georgia	2018	2019	2020	2021	2022
ROA	0%	0%	-9%	4%	5%
ROE	0%	1%	-14%	7%	6%

Current Ratio	929%	578%	110%	107%	686%
Debt to Equity	50%	50%	55%	54%	32%

Year	2018	2019	2020	2021	2022
Return on Assets	Medium Risk	Medium Risk	High Risk	Medium Risk	Medium Risk
Return on Equity	Medium Risk	Medium Risk	High Risk	Medium Risk	Medium Risk
Current Ratio	Very Low Risk	Very Low Risk	High Risk	High Risk	Very Low Risk
Debt to Equity	Very Low Risk	Low Risk	Low Risk	Low Risk	Very Low Risk
Overall Risk Rating	Low Risk	Low Risk	Medium Risk	Low Risk	Low Risk

LLC Marabda – Kartsakhi Railway



Share of the State: 100%

Economic Activity: Construction of above-ground and underground railways

Director General: Levan Kankava

Chairman of the Supervisory Board:

Gia Saganelidze

Main Activity: Implementation of the project that implies building Baku-Tbilisi-Karsi railway line on the territory of Georgia, from Marabda up to the border with the Republic of Turkey (Kartsakhi), which will connect the railway networks of the Republic of Azerbaijan and the Republic of Turkey.

- At the stage of sectorization of state enterprises, the company belongs neither to the public corporations nor the governmental sector. The main activity of the company is the construction of the railway line on the territory of Georgia, which will connect the railway networks of Azerbaijan and Turkey, and its operation does not involve profit generation. Therefore, we do not deem it expedient to

consider the Marabda-Kartsakhi railway in the consolidated financial results of the SOE portfolio. However, for the sake of transparency, we still include the information about it.

- In 2022, the net profit of the company amounted to GEL 343,710 thousand, which was due to the gain from the change in foreign exchange rates.
- The project is fully financed through a credit line (the loan was received from the Ministry of Transport of the Republic of Azerbaijan - the credit line of USD 775 million) and as of December 31, 2022, USD 24,872 thousand remained available. The loan was disbursed in 2 tranches :
 - First tranche - USD 200 million; annual interest rate - 1%; the tranche is fully used;
 - Second tranche - USD 575 million; annual interest rate 5%; as of December 31, 2022, the company had USD 24,872,000 left within the second tranche of the credit line (as of December 31, 2021: USD 41,355,000).
- The company's loan is not part of the state debt.

Balance Sheet

Million GEL

LLC Marabda - Kartsakhi Railway	2018	2019	2020	2021	2022
Assets	1.461	1.535	1.679	1.850	1.934
Current Assets	258	248	245	246	236
Long-term Assets	1.203	1.288	1.434	1.604	1.699
Equity	-664	-847	-1.229	-1.105	-761

Owner's Equity	57	57	57	57	57
Equity Injections	30	0	0	0	0
Retained Earnings	0	0	0	0	0
Accumulated Loss	-751	-933	-1.316	-1.192	-848
Other Equity	0	30	30	30	30
Liabilities	2.126	2.382	2.908	2.955	2.696
Current Liabilities	19	23	28	29	20
Incl. Current Loans	0	0	0	0	0
Long-term Liabilities	2.107	2.359	2.881	2.926	2.675
Incl. Long-term Loans	2.107	2.359	2.881	2.926	2.675
Total Equity and Liabilities	1.461	1.535	1.679	1.850	1.934

Profit & Loss Statement

Million GEL

ILC Marabda - Kartsakhi Railway	2018	2019	2020	2021	2022
Revenue	134	72	202	285	384
Operational Income	0	0	0	0	0
Non-operational Income	134	72	202	285	384
Incl. Gain from Change in Foreign Exchange Rates	134	72	202	285	384
Expenses	237	254	585	161	40
Operational Expenses	20	22	22	24	25
Depreciation/ Amortization	2	2	2	2	1
Non-operational Expenses	217	233	563	137	15
Incl. Interest Expenses	11	9	15	17	15
Incl. Loss from change in Foreign Exchange Rates	202	224	547	121	0
Other Non-operational Expenses	4	0	0	0	0
Profit before Taxes	-103	-183	-383	124	344
Profit Tax	0	0	0	0	0
Net Profit	-103	-183	-383	124	344

Financial Ratios

LLC Marabda - Kartsakhi Railway	2018	2019	2020	2021	2022
ROA	-7%	-12%	-23%	7%	18%
ROE	15%	22%	31%	-11%	-45%
Current Ratio	1365%	1077%	882%	844%	1162%
Debt to Equity	-320%	-281%	-237%	-267%	-354%

Year	2018	2019	2020	2021	2022
Return on Assets	High Risk	High Risk	High Risk	Medium Risk	Medium Risk
Return on Equity	Medium Risk	Medium Risk	Medium Risk	High Risk	High Risk
Current Ratio	Very Low Risk				
Debt to Equity	Very Low Risk				
Overall Risk Rating	Very High Risk				

SOE Sensitivity Analysis

Introduction

This chapter presents an analysis of the financial risks for 6 main SOEs. It includes: the purpose of the analysis, the main assumptions used therein and the modeled macroeconomic scenarios, as well as the main findings and conclusions of the risk analysis.

Six enterprises addressed in the analysis are:

1. Engurhesi;
2. Georgian Railway;
3. Oil and Gas Corporation;
4. Georgian State Electrosystem;
5. Marabda-Kartsakhi Railway;
6. United Water Supply Company of Georgia.

These state-owned enterprises were selected based on their financial importance. The total assets of these companies in 2022 amounted to 67% of the total assets of state-owned enterprises considered in the fiscal risk analysis.

Objectives of Sensitivity Analysis

The purpose of the sensitivity analysis is to estimate the financial consequences of the fiscal risks facing the Government of Georgia at the "top level" for the next five years, arising from several large state-owned enterprises. The main task that the analysis answers is: what financial impact will severe economic shocks have on state enterprises and their owner - the state. The modeled scenarios include GDP growth, exchange rate, and interest rate shocks.

The analysis is carried out at a high level and the quantitative depiction of risks is intended to be indicative and not precise, as the analysis is based on forecasts of financial indicators and external factors, as well as on assumptions about the impact of these external factors on financial indicators, and there is inevitable uncertainty in connection with forecasts and assumptions.

The model includes three-year historical (2020-2022) and five-year pro-forma (2023-2027) financial projections. Financial statements include top-level income statements, balance sheets, and cash flow statements for the reporting period. The main financial ratios are calculated from the said financial statements.

Economic Scenarios

The model considers 5 scenarios of the macroeconomic perspective of Georgia.

- Scenario 1 - baseline scenario, based on financial forecasts of each enterprise for the current and next years (2023 - 2027);
- Scenario 2 - allows a severe shock to GDP, which implies GDP growth only by 0.5% and 0.3% in 2024 and 2025, respectively (compared to the baseline scenario, which foresees 5.2% growth and 5% growth for 2025), under conditions of leaving other assumptions unchanged;
- Scenario 3 - allows a severe exchange rate shock by devaluing the GEL by approximately 30% in 2024 and maintaining such a rate in the following years, in the conditions of leaving other assumptions unchanged;
- Scenario 4 - allows for an interest rate shock with 0.5 standard deviation in 2024-2027, keeping other assumptions unchanged;
- Scenario 5 - allows shocks to all three macroeconomic variables simultaneously (GDP, exchange rate, interest rate), according to the magnitudes and duration of shocks described in scenarios 2-4;

The assumptions are based on the scenarios prepared by the Ministry of Finance of Georgia for the analytical purposes.

It is necessary to emphasize that the assumptions given in scenarios 2-5 do not represent the vision of the Ministry regarding the Georgia's economic development forecasts in the coming years. Instead, the scenarios provide an opportunity (based on Georgia's recent past) to depict the consequences that may occur as a result of the severe shocks' impact on the economy. The purpose of the scenarios is to measure the impact on state-owned

enterprises and their actual owner - the state, in case of severe shocks' occurrence.

Figures of economic assumptions in the prepared baseline scenario with consideration of forecasts are presented in Table 1 below.

Table 1. Baseline Scenario : 5 -year forecasts

Baseline scenario assumptions	2023	2024	2025	2026	2027
Real GDP growth	6.5%	5.2%	5.0%	5.0%	5.0%
Exchange rate GEL /USD	2.67	2.67	2.67	2.67	2.67
Interest rates					
Interest rate on GEL loans	9.5%	8.1%	7.6%	7.1%	6.6%
Interest rate on loans in foreign currency	3.5%	5.4%	5.6%	5.7%	5.9%

In the baseline scenario, the growth forecast of Georgia's economy decreases for 2024 and is characterized by a slight downward trend for the following year, the exchange rate is unchanged and interest rates fluctuate and remain more or less stable at one level.

The economic assumptions for the stress scenarios (Scenarios 2-5) are given in Table 2 below:

Table 2. Macroeconomic Assumptions of Alternate Scenarios

DSA Assumptions	2023	2024	2025	2026	2027
Scenario 2: Shock of real GDP growth	6.5%	0.5%	0.3%	5.0%	5.0%
Scenario 3: GEL/ USD exchange rate shock	2.67	3.81	3.81	3.81	3.81
Scenario 4: Shock of Interest Rates					
Interest rate on GEL loans	9.5%	8.8%	8.3%	7.8%	7.3%
Interest rate on loans in foreign currency	3.5%	6.1%	6.3%	6.4%	6.6%
Scenario 5: Combined shock – simultaneous shocks of GDP, foreign exchange rates and interest rates					

Financial risk analysis is based on a medium-term (5-year) forecast period and uses annual data. The purpose of this analysis is not to reveal all the financial risks faced by the enterprises used in the analysis. For example, the analysis does not include the risks listed below, even though some or all enterprises may be exposed to these risks:

- Credit risks arising from non-payment of service fees or late payments by enterprise customers;
- Risks specific to the sector, such as the impact of changes in natural gas and electricity consumer prices and volumes for Enguri HPP, Oil and Gas Corporation, and the Georgian State Electrosystem;

- Market share risks, such as increasing market share by competitors, or the emergence of alternative forms of transportation may reduce the Georgian Railway and Marabda-Kartsakhi turnover volumes;
- Risks related to construction and project management, which may be the main financial risk for such state-owned enterprises as the United Water Supply Company of Georgia and the Marabda-Kartsakhi railway.

As with any model, this one is only as accurate as the underlying forecast data and assumptions used in it. The information provided by the enterprises was not audited.

Analysis Results

Baseline Scenario Projections

Before presenting the results of the scenario analysis, Table 3 below presents the aggregated

financial performance of the baseline scenario for all six enterprises. As the table shows:

- The projected volume of net profit after taxes in 2023 is GEL 272 million. The projected net profit decreases by 2024, and is characterized by a growing trend in the following years;
- Expected return on equity (ROE) for 2023 is 11%. As for return on assets (ROA), the mentioned indicator is around 4% in 2024-2027.
- The ratio of liabilities to the total volume of assets for this group of state enterprises is 75% for 2023. As for the breakdown of this data, there is a noticeable variation between enterprises, for example, it is about 40% for the Oil and Gas Corporation, 53% for Engurhesi, 63% for the Georgian State Electrosystem, and 100% for the Marabda-Kartsakhi railway. As a rule, enterprises with high debt-to-asset ratios have little ability to cope with severe economic shocks.

Table 3. Main Financial Indicators – Baseline Scenario

Baseline Scenario	2023	2024	2025	2026	2027
Net Profit after taxes (Million GEL)	272	113	177	205	213
Net worth (Million GEL)	2 564	2 976	3 742	4 922	5 215
Return on equity (ROE) (%)	11%	4%	5%	4%	4%
Return on assets (ROA) (%)	2%	4%	4%	4%	4%
Debt to Total Assets ratio (D/(D+E)) (%)	75%	67%	64%	59%	58%
Interest coverage ratio	1,4	1,4	1,8	1,9	2,0
Current ratio (CR)	0,9	0,5	0,6	0,8	0,9
Quick ratio (QR)	0,9	0,5	0,5	0,7	0,9

The impact of various economic shocks on the financial forecasts of the baseline scenario of the six enterprises in question is described below. In this discussion, emphasis is placed on the impact of

economic shocks on the 3 main financial indicators/ratios of state-owned enterprises:

- Aggregated net profit after taxes;

- Aggregated net worth of state enterprises; and
- Ratio of debt to total assets of a given group of enterprises.

with other assumptions of the baseline scenario remaining unchanged.

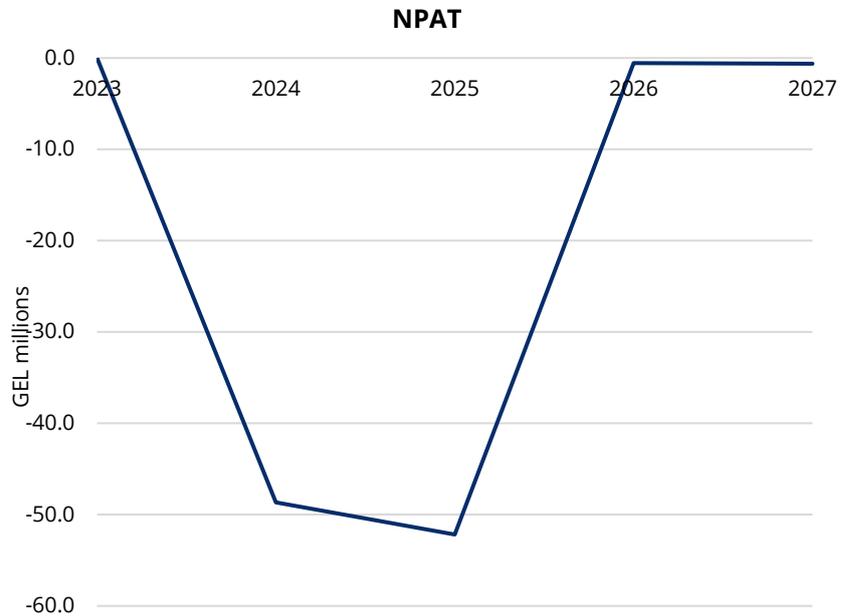
The effects of low economic growth on the combined 3 key financial indicators of the enterprises described above are shown in Graphs 1-3 below. The impact is substantial, though not as large as the impact of the exchange rate shock described in the following scenario.

Low growth scenario

Low economic growth assumes GDP growth of 0.5% in 2024, 0.3% in 2025, and 5.0% in 2026-2027,

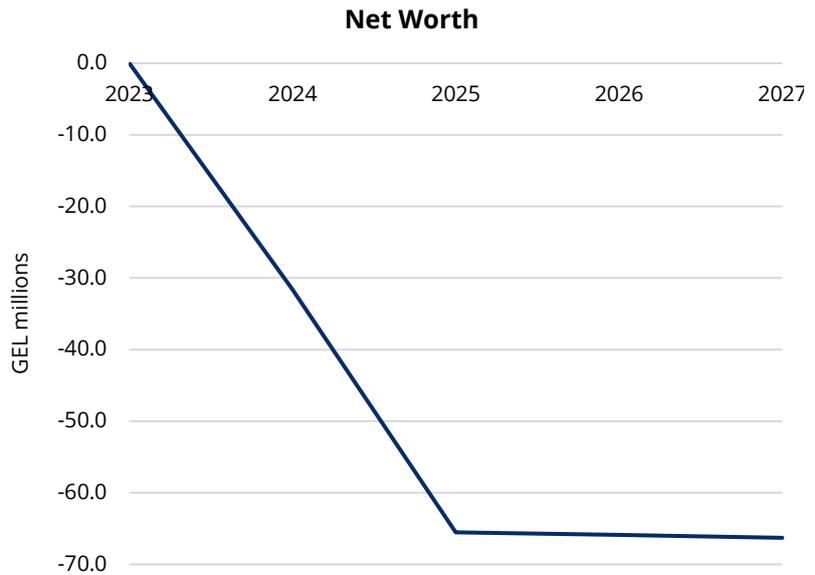
Graph 1. Decline in enterprise net profit for low economic growth scenario

In this scenario, low economic growth reduces the projected Net Profit of enterprises after taxes by approximately GEL 49 and GEL 52 million for the years 2024 and 2025 respectively.



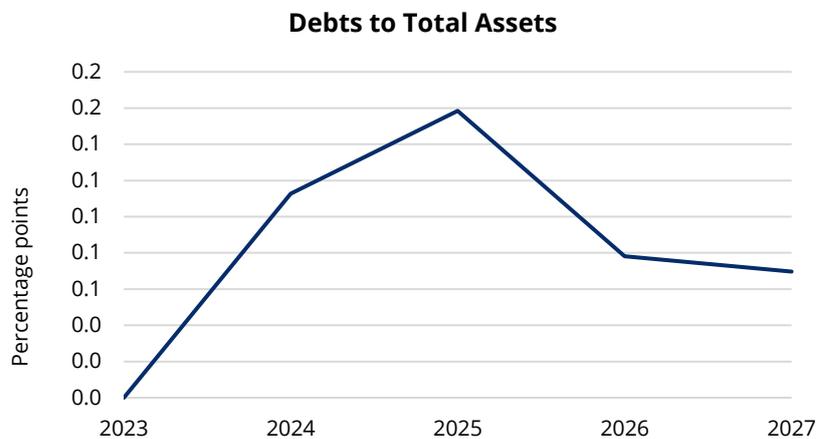
Graph 2. Reduction of SOE Net Worth in conditions of low economic growth

In conditions of low economic growth, the net worth of state enterprises will decrease by approximately GEL 32 million for 2024 compared to the baseline scenario. The loss determined by declining net worth increases in 2025 and continues in subsequent years.



Graph 3. SOE debt to total assets ratio in conditions of low economic growth

In conditions of low economic growth, the ratio of debt to total assets increases slightly with a declining trend in the following years.



Exchange rate shock scenario

In the exchange rate shock scenario, GEL devaluation for 2024 is about 30%, and the 2024 rate is maintained in the following years.

The impact of the exchange rate shock on the financial results and positions of enterprises is very

important, as shown in the graphs 4-6 below. Since enterprises have debts of up to GEL 7,254 million and their largest share is denominated in foreign currencies (mainly dollars and euros), the negative effect of the exchange rate shock is very large. When the GEL exchange rate drops, the loan service costs increase proportionally.

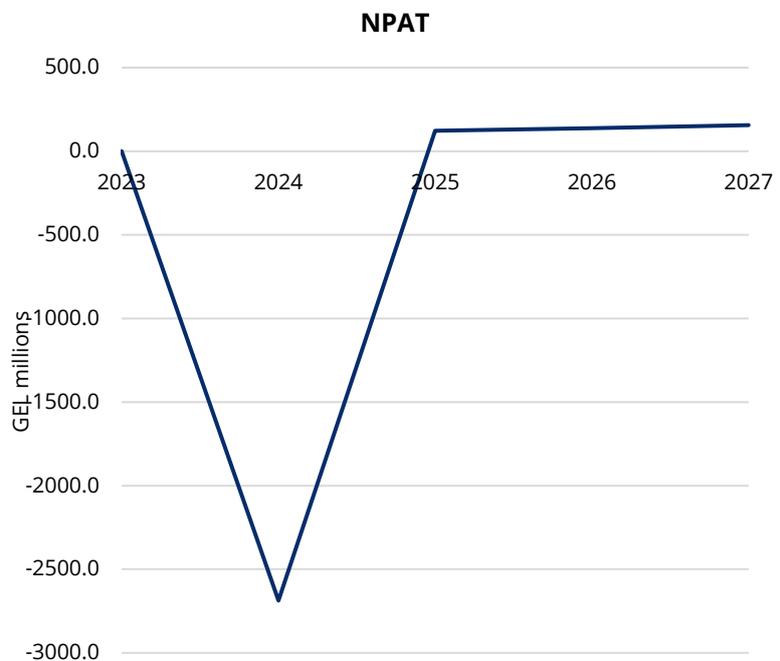
Since few enterprises earn income in foreign currency (e.g. Oil and Gas Corporation), the negative effect of exchange rate depreciation is somewhat mitigated.

Graph 4. Reduction of enterprise net profit in conditions of foreign exchange rate shock

An exchange rate shock has a significant impact on the net profit of enterprises after taxes.

In the conditions of the mentioned shock, it is expected that the Net Profit after taxes will decrease to approximately GEL 2 687 million. Such an effect is caused by the denomination of state enterprises' loans in foreign currency.

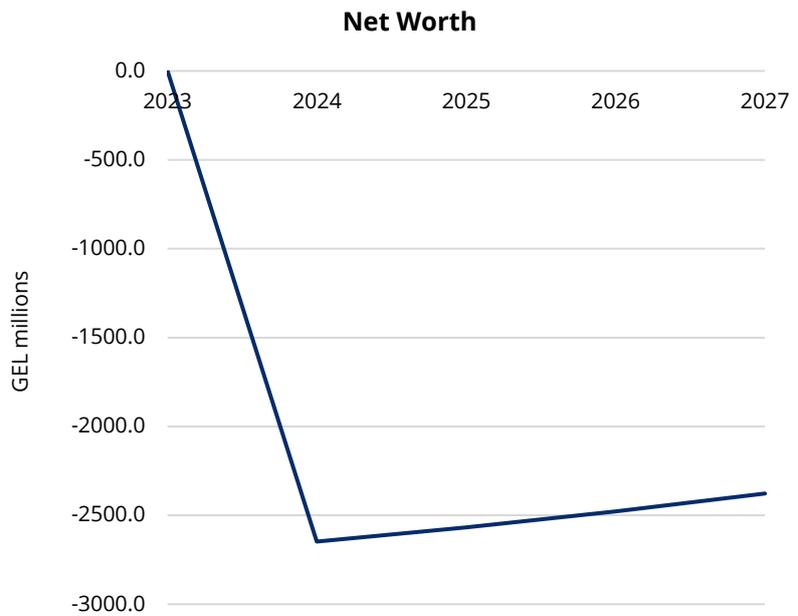
The reduced amount of net profit after taxes of state-owned enterprises is about 4% of GDP.



Graph 5. Reduction of the SOEs' Net Worth in conditions of exchange rate shock

The shock of the exchange rate leads to a reduction in the net worth of enterprises by almost the same amount, thus the net profit after taxes equals about GEL 2 648 million.

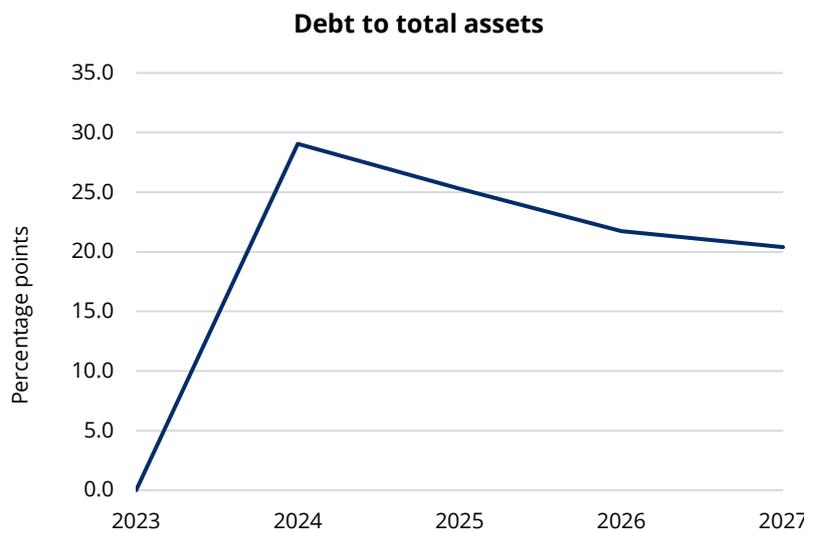
Net worth reduction trend mostly seems permanent. Partial improvement in the net worth indicator is expected.



Graph 6. Growth of the SOE debt to total assets ratio in conditions of exchange rate shock

The debt-to-total assets ratio of state-owned enterprises increases by 29% under the conditions of exchange rate shock occurrence.

In the baseline scenario, the ratio of debt to total assets for state-owned enterprises equaled 75% for 2023. An exchange rate shock causes this rate to rise to 100% by 2024.



Interest Rate Shock Scenario

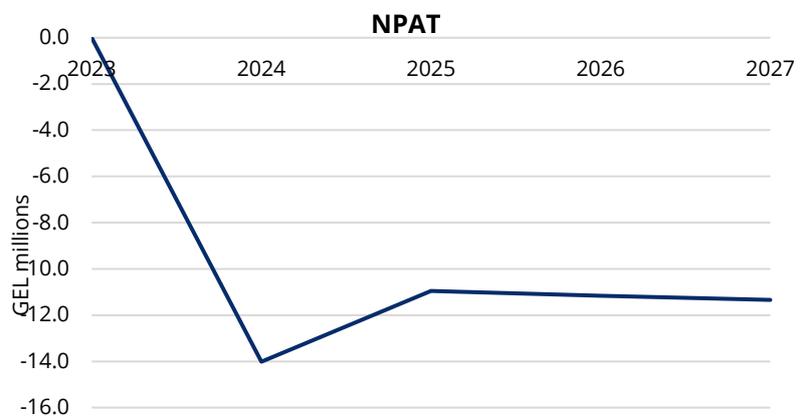
The interest rate scenario assumes an interest rate shock during 2024-2027 with 0.5 standard deviation, holding other assumptions constant.

The impact of the interest rate shock on the financial performance of state-owned enterprises is shown in graphs 7-9 below. The negative effect is

obvious, however, it is insignificant compared to the effects caused by the exchange rate shock. Since most of the enterprises have the largest share of their loan portfolio with the fixed interest rate, the negative effect of the interest rate growth is mitigated to some extent and therefore the enterprises are protected from the risk of interest rate increase.

Graph 7. Decline in Net Profit of enterprises due to interest rate shock

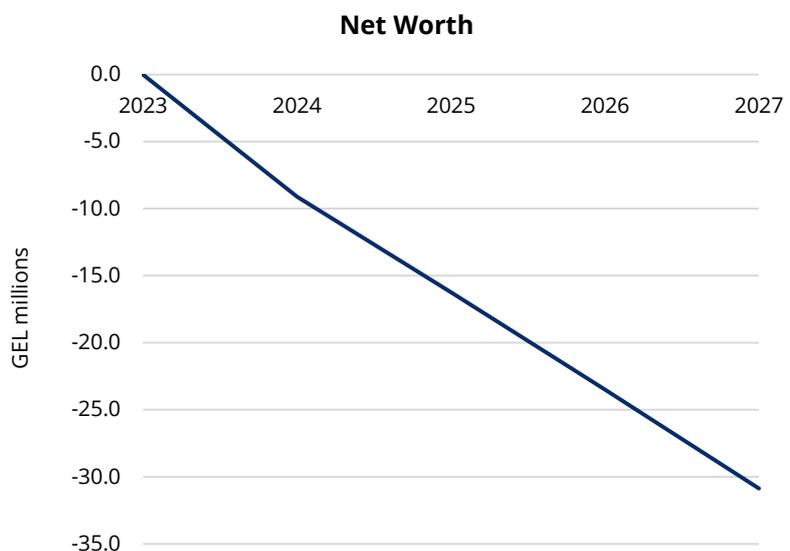
The increase in the interest rate reduces the projected Net Profit of the enterprises after taxes by approximately GEL 11-14 million.



Graph 8. Reduction of enterprise Net Worth due to interest rate shock

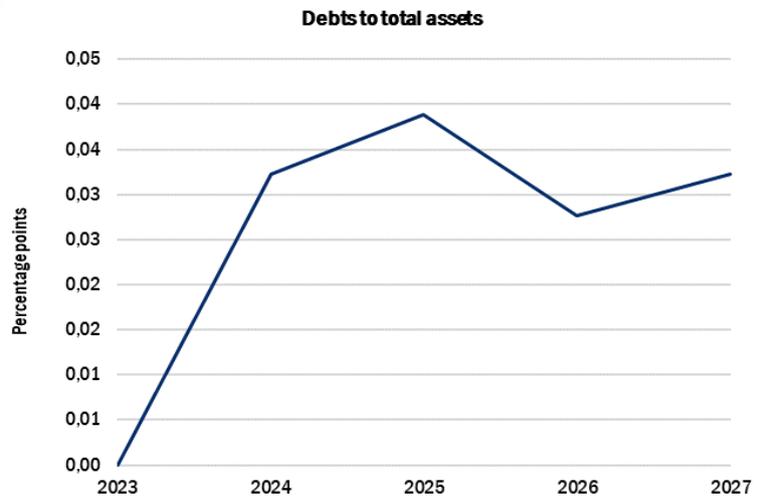
Due to the materialization of the interest rate shock, the total net worth of enterprises decreases by approximately GEL 9-31 million.

Net Worth loss caused by the shock is permanent.



Graph 9. Growth of the SOE debt to total assets ratio given the interest rate shock scenario

The interest rate shock leads to a slight increase in the enterprise debt-to-total assets ratio in 2024.



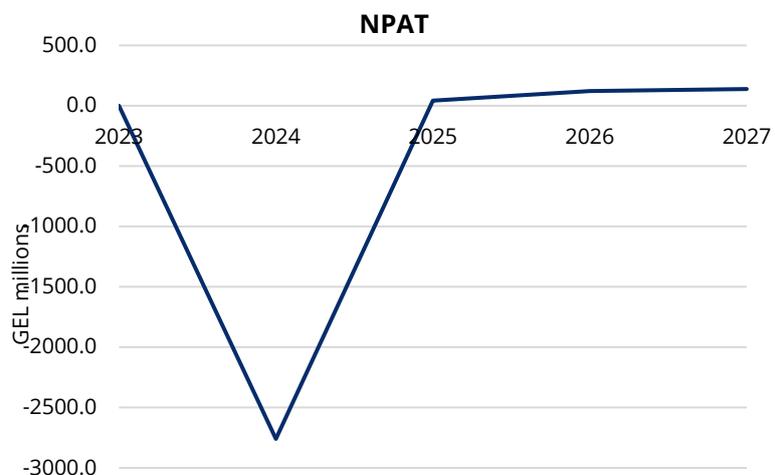
Combined Shock Scenario

Under a combined shock scenario, all three macroeconomic indicators (GDP, exchange rate, interest rates) experience a shock simultaneously, with the range and duration of each shock being the same as described in the previous scenarios.

The impact of combined shocks on the financial characteristics and positions of state-owned enterprises is very important, mostly due to changes in the exchange rate, as described earlier. The results are shown in graphs 10-12 below.

Graph 10. Decline in Net Profit after Taxes for Combined Shock Scenario

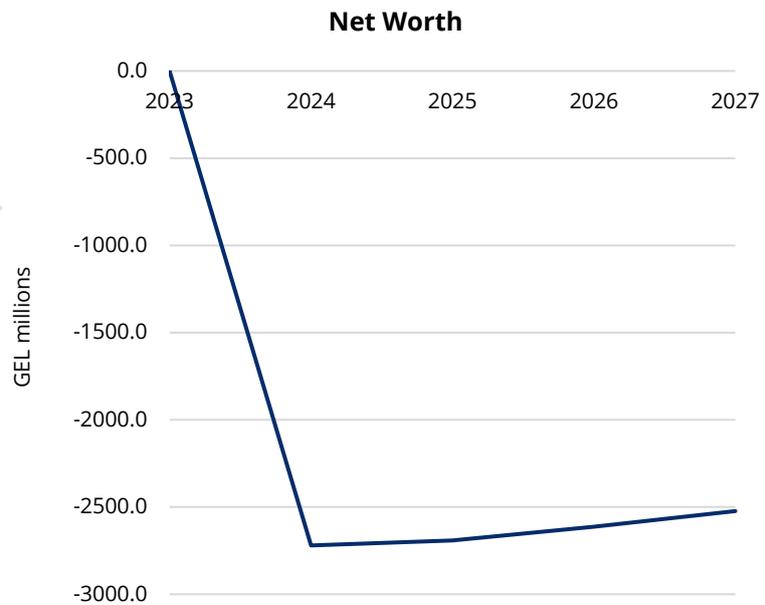
The combination of low economic growth, currency devaluation, and interest rate has a significant impact on the Net Profit of enterprises. Under the conditions of the combined shock, the planned Net Profit after taxes decreases by approximately GEL 2,760 million. Such a reduction is about 4% of the GDP.



Graph 11. Reduction of Enterprise Net Worth for Combined Shock Scenario

Under the Combined Shock Scenario, the total net worth of enterprises decreases by almost the same amount as the net profit after taxes, specifically, by approximately GEL 2,720 million.

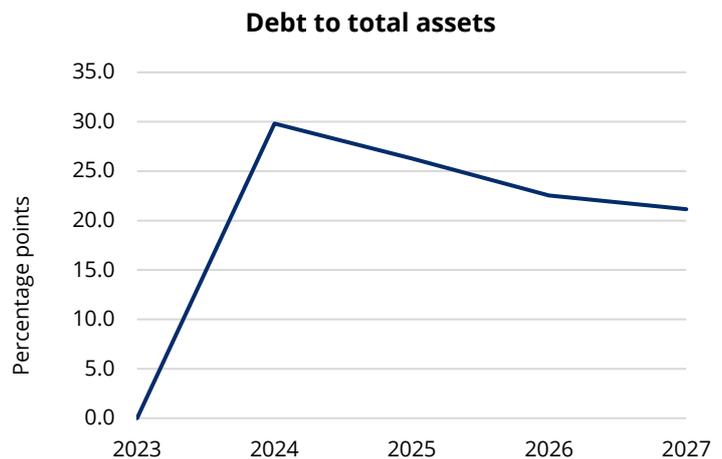
A slight recovery of net worth loss is expected in the subsequent period.



Graph 12. Growth in Enterprise Debt to Total Assets Ratio for Combined Shock Scenario

Under the combined shock scenario, the ratio of enterprise debt to total assets increases up to 30%.

In the baseline scenario, the ratio of enterprise debt to total assets is 75% for 2023. A combined economic shock causes this rate to rise to 100% in 2024.



Conclusions

Although the enterprises plan to improve their indicators for the next 5 years, their high ratio of debt to total assets (an average 70%) indicates that they are significantly affected by economic shocks. Most of their total debt - GEL 7,254 million is denominated in foreign currency, which means that the enterprises and their owner (state) are very vulnerable to the shock of currency devaluation. The presented analysis emphasizes that the foreign exchange rate risk is currently the most important macroeconomic risk faced by this group of enterprises. All six analyzed companies significantly depend on exchange rate changes. The given analysis indicates that the impact of the exchange

rate shock is very high on the total indicators of enterprises: the reduction of net profit and net worth after taxes is about GEL 2,700 million, and the ratio of companies' debt to total assets increases by 29%. The negative change in net profit after taxes is about 4% of Georgia's GDP.

All of the above indicates that in the event of the exchange rate shock, in addition to the planned budget contributions, the state will have to make approximately GEL 2,700 million contributions to the mentioned enterprises, which will be an additional financial burden.

The analysis indicates that state-owned enterprises are much less responsive to economic downturns

and increased interest rates than to exchange rate depreciation. In addition, it is expected that economic downturns and interest rate growth are

expected to be correlated and combined with exchange rate reduction, ultimately leading to major negative effects as described in this analysis.

Annexes

Annex 1 State enterprises

	Name of the enterprise	Share of the state %	Founder	PC /GG	Industry	Turnover 2022 (Thousand GEL)
1	JSC Elmavalmshebeli	12.76	Ministry of Economy and Sustainable Development of Georgia	GG	Manufacturing industry	502
2	LLC Rose Revolution Park	100	Tbilisi Municipality	PC	Providing communal, social and personal services	90
3	JSC Remmsheni	100	Ministry of Economy and Sustainable Development of Georgia	GG	Real estate operations, leasing and customer service	17
4	LLC GeoExpertise	100	Chamber of Commerce and Industry of Georgia	GG	Real estate operations, leasing and customer service	159
5	LLC . Tbilisi N3 Preventive Medicine Center	100	Tbilisi Municipality	GG	Health care and social assistance	215
6	JSC Mshenebeli	51	Ministry of Economy and Sustainable Development of Georgia	GG	Construction	-
7	JSC Boris Paichadze National Stadium	91,53	Tbilisi Municipality	GG	Providing communal, social and personal services	551
8	LLC V. Sanikidze War Veterans Clinical Hospital	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	61
9	LLC National Rehabilitation-Adaptation Center	100	Ministry of Economy and Sustainable Development of Georgia	GG	Manufacturing industry	99
10	LLC Childrens and Adults Pathology and Pathanatomy Research Centre	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	-
11	LLC Irma Chanturia Wine Laboratory	100	Ministry of Economy and Sustainable Development of Georgia	PC	Real estate operations, leasing and customer service	2 174
12	JSC Georgian Railway	100	Ministry of Economy and Sustainable Development of Georgia	PC	Transport and communication	559 874
13	LLC Tbilisi Transport Company	100	Tbilisi Municipality	GG	Transport and communication	236 836
14	JSC N. Makhviladze Scientific-Research Institute of Labor Medicine and Ecology	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	-
15	LLC City Blood Transfusion Station	100	Tbilisi Municipality	GG	Health care and social assistance	19
16	LLC Hermes	100	Tbilisi Municipality	PC	Providing communal, social and personal services	4 478

17	LLC Georgian Market	100	Ministry of Economy and Sustainable Development of Georgia	GG	Real estate operations, leasing and customer service	-
18	LLC Georgian TV and Radio Center	100	Ministry of Economy and Sustainable Development of Georgia	GG	Transport and communication	5 420
19	LLC Georgian Post	100	Ministry of Economy and Sustainable Development of Georgia	PC	Transport and communication	75 448
20	LLC Tbilisi State Concert Hall	100	Ministry of Economy and Sustainable Development of Georgia	GG	Real estate operations, leasing and customer service	1 720
21	JSC Georgian Press	15	Ministry of Economy and Sustainable Development of Georgia	GG	Trade; Repair of automobiles, household goods and personal items	-
22	LLC Alpine Club	100	Tbilisi Municipality	GG	Providing communal, social and personal services	0
23	JSC Georgian Tungo and. Essential Oil	100	Ministry of Economy and Sustainable Development of Georgia	GG	Providing communal, social and personal services	-
24	LLC Gurjistan Newspaper	51	Ministry of Economy and Sustainable Development of Georgia	GG	Providing communal, social and personal services	-
25	JSC Kakheti Energy Distribution	100	Ministry of Economy and Sustainable Development of Georgia	GG	Production and distribution of electricity, gas and water	-
26	LLC Marabda-Kartsakhi Railway	100	Ministry of Economy and Sustainable Development of Georgia		Construction	3 780
27	LLC Georgian Amelioration	100	Ministry of Environment Protection and Agriculture of Georgia	GG	Agriculture. Hunting and forestry	8 075
28	LLC Service- 7	100	Ministry of Economy and Sustainable Development of Georgia	PC	Providing communal, social and personal services	3 549
29	LLC Royal District Theater	49	Tbilisi Municipality	GG	Real estate operations, leasing and customer service	259
30	LLC Georgian Lottery Company	70	Ministry of Economy and Sustainable Development of Georgia	PC	Providing communal, social and personal services	-
31	LLC Newspaper Vrastan	51	Ministry of Economy and Sustainable Development of Georgia	GG	Providing communal, social and personal services	-
32	LLC Tskneti Outpatient Medical Facility	100	Tbilisi Municipality	GG	Health care and social assistance	38
33	JSC Energotekkomplekti	25	Ministry of Economy and Sustainable Development of Georgia	GG	construction	7
34	LLC Sportmshenservice	100	Ministry of Economy and Sustainable Development of Georgia	GG	Providing communal, social and personal services	5 457

35	JSC Saktransgazmretsvi	100	Ministry of Economy and Sustainable Development of Georgia	GG	Production and distribution of electricity, gas and water	-
36	LLC GCCI Service	100	Chamber of Commerce and Industry of Georgia	GG	Real estate operations, leasing and customer service	170
37	LLC Logos	100	Ministry of Economy and Sustainable Development of Georgia	GG	Real estate operations, leasing and customer service	-
38	JSC Georgian State Electrosystem	100	Ministry of Economy and Sustainable Development of Georgia	PC	Production and distribution of electricity, gas and water	361 476
39	LLC Mushtaidi Culture and Recreation Park	100	Tbilisi Municipality	PC	Providing communal, social and personal services	1 007
40	LLC State Construction Company	100	Ministry of Economy and Sustainable Development of Georgia	GG	construction	173
41	JSC Electricity System Commercial Operator	100	Ministry of Economy and Sustainable Development of Georgia	GG	Production and distribution of electricity, gas and water	689 854
42	LLC Abkhazia Psychoneurological Dispensary	100	State body Autonomous Republic of Abkhazia	GG	Health care and social assistance	-
43	LLC EXPRESS	70	Ministry of Economy and Sustainable Development of Georgia	PC	Real estate operations, leasing and customer service	258
44	LLC Tbilisi №4 Family Medicine Center	100	Tbilisi Municipality	GG	Health care and social assistance	505
45	LLC Rehabilitation	100	Ministry of Economy and Sustainable Development of Georgia	PC	Real estate operations, leasing and customer service	168
46	LLC Georgian Gas Transportation Company	100	Ministry of Economy and Sustainable Development of Georgia	PC	Transport and communication	145 329
47	LLC Tbilaviamsheni	100	Ministry of Economy and Sustainable Development of Georgia	PC	trade; Repair of automobiles, household goods and personal items	14
48	LLC Sakgeoservice	100	Ministry of Economy and Sustainable Development of Georgia	GG	Real estate operations, leasing and customer service	-
49	JSC Georgian Oil and Gas Corporation	100	Ministry of Economy and Sustainable Development of Georgia	PC	Production and distribution of electricity, gas and water	947 576
50	LLC Tbilservicegroup	100	Tbilisi Municipality	GG	Providing communal, social and personal services	141 977
51	LLC Medical Center Diomedi	100	State body Autonomous Republic of Abkhazia	GG	Health care and social assistance	260
52	LLC Phonichala Outpatient Medical Facility	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	22
53	LLC Agriculture Logistics and Service Company	100	Ministry of Environment Protection and Agriculture of	GG	Agriculture. Hunting and forestry	13 750

			Georgia/ AAP Agriculture Project Management Agency			
54	LLC Sakaeronavigatsia	100	Ministry of Economy and Sustainable Development of Georgia	PC	trade; Repair of automobiles, household goods and personal items	159 049
55	LLC Adult Polyclinic N25, Tbilisi	100	Tbilisi Municipality	GG	Health care and social assistance	100
56	JSC Dughabi	48,55	Ministry of Economy and Sustainable Development of Georgia	GG	manufacturing industry	-
57	LLC Lilo Medical Center	100	Tbilisi Municipality	GG	Health care and social assistance	16
58	LLC Tbilisi Mental Health Center	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	12
59	JSC UES SAKRUSENERGO	50	Ministry of Economy and Sustainable Development of Georgia	PC	Production and distribution of electricity, gas and water	36 000
60	LLC Specialized Epidemiological Surveillance Center for Disinfection, Disinsection and Sterilization	100	Ministry of Economy and Sustainable Development of Georgia	GG	Providing communal, social and personal services	-
61	LLC Outpatient Medical Rehabilitation Center	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	-
62	JSC Business Center Agromontage	58,57	Ministry of Economy and Sustainable Development of Georgia	GG	Real estate operations, leasing and customer service	-
63	LLC Sports Palace	100	Tbilisi Municipality	PC	Real estate operations, leasing and customer service	2 113
64	JSC Scientific-Practical Center for AIDS and Clinical Immunology of Infectious Pathology	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	910
65	LLC Kutaisi N4 Mixed Polyclinic	100	Kutaisi Municipality	GG	Health care and social assistance	367
66	LLC Kutaisi Regional Blood Bank	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	93
67	LLC Kutaisi Press House	100	Ministry of Economy and Sustainable Development of Georgia	GG	Real estate operations, leasing and customer service	-
68	LLC Kutaisi Elevator	100	Kutaisi Municipality	GG	Providing communal, social and personal services	-
69	LLC Kutaisi Adult Polyclinic N5	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	57
70	LLC B. Gabashvili Culture and Recreation Park	100	Kutaisi Municipality	GG	Real estate operations, leasing and customer service	487

71	LLC LJ & Company - Center for Tuberculosis and Infectious Diseases of Western Georgia	5	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	5 584
72	LLC Kutaisi D. Nazarishvili Family Medicine and Family Medicine Training Center	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	397
73	LLC IGS	50	Ministry of Economy and Sustainable Development of Georgia	GG	Manufacturing industry	9
74	LLC Chance Oil	100	Ministry of Economy and Sustainable Development of Georgia	GG	trade; Repair of automobiles, household goods and personal items	-
75	LLC Imeretimsheni -2000	4,7619	Ministry of Economy and Sustainable Development of Georgia	GG	Construction	-
76	LLC IDP Family Medicine Center - Bichvinta	100	State body Autonomous Republic of Abkhazia	GG	Health care and social assistance	41
77	LLC Construction Materials	100	Ministry of Economy and Sustainable Development of Georgia	GG	Construction	-
78	LLC Vardisubani	70	Ministry of Economy and Sustainable Development of Georgia	GG	Hotels and restaurants	-
79	LLC MTA	100	Ministry of Economy and Sustainable Development of Georgia	GG	Transport and communication	14 395
80	LLC Football Club Kolkheti 1913	100	Municipality of Poti	GG	Providing communal, social and personal services	-
81	Laboratory Research Center	100	Municipality of Poti	GG	Health care and social assistance	-
82	LLC Poti Free Industrial Zone	10	Ministry of Economy and Sustainable Development of Georgia	GG	Real estate operations, leasing and customer service	3 634
83	LLC Football Club Magaroeli	100	Chiatura Municipality	GG	Providing communal, social and personal services	-
84	LLC Kvemo Kartli Regional Blood Transfusion Station	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	-
85	LLC Rustavi Mental Health Center	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	11
86	LLC Rustavi Skin and Venereal Diseases Dispensary	100	Rustavi municipality	GG	Health care and social assistance	109
87	LLC Khurotmodzgvani	100	Rustavi municipality	GG	Real estate operations, leasing and customer service	47
88	LLC Gema	100	Rustavi municipality	GG	trade; Repair of automobiles, household goods and personal items	135
89	LLC Basketball Club - Rustavi 1991	100	Rustavi municipality	GG	Providing communal, social and personal services	-

90	LLC Rustavi Municipal Road Transport Enterprise	100	Rustavi municipality	GG	Transport and communication	243
91	LLC Gori Dental Clinic	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	-
92	LLC Kurta Hospital	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	-
93	LLC Nikoza Outpatient Facility	100	Gori Municipality	GG	Health care and social assistance	29
94	LLC Football Club "Miner"	100	Municipality of Tkibuli	GG	Providing communal, social and personal services	-
95	JSC Tsekavshiri Zugdidi Food Factory	51	Ministry of Economy and Sustainable Development of Georgia	GG	Real estate operations, leasing and customer service	142
96	LLC Zugdidi Pharmacy	100	Ministry of Economy and Sustainable Development of Georgia	PC	Trade; Repair of automobiles, household goods and personal items	0
97	LLC Zugdidi Polyclinic for Internally Displaced Persons from Abkhazia	100	State body Autonomous Republic of Abkhazia	GG	Health care and social assistance	173
98	LLC Zugdidi Municipal Transport	100	Zugdidi Municipality	GG	Transport and communication	-
99	JSC Sanatorium Gelati	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	-
100	JSC Sanatorium Imereti	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	-
101	JSC Sanatorium megobroba	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	-
102	LLC Geguty Polyclinic	100	Tskaltubo municipality	GG	Health care and social assistance	62
103	LLC Ambrolauri Service Center	100	Municipality of Ambrolauri	GG	Providing communal, social and personal services	520
104	LLC New Transport	100	Municipality of Ambrolauri	GG	Transport and communication	-
105	LLC Largvisi Outpatient Medical Facility	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	-
106	LLC Akhagori District Polyclinic	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	-
107	LLC Akhagori District Hospital	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	-
108	LLC Tsinagri Medical Facility	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	-

109	LLC Restaurant “Bagdati”	51	Ministry of Economy and Sustainable Development of Georgia	GG	Real estate operations, leasing and customer service	8
110	LLC Des-Effect	100	Municipality of Bolnisi	GG	Providing communal, social and personal services	-
111	LLC Hospital Polyclinic Association	100	Municipality of Bolnisi	GG	Health care and social assistance	17
112	LLC Kvishi Outpatient Medical Facility	100	Municipality of Bolnisi	GG	Health care and social assistance	9
113	LLC Communal Services	100	Municipality of Bolnisi	GG	Providing communal, social and personal services	-
114	LLC Newspaper “Bolnisi”	100	Municipality of Bolnisi	GG	Providing communal, social and personal services	-
115	LLC Bolnisi Culture and Recreation Park	100	Municipality of Bolnisi	GG	Providing communal, social and personal services	7
116	LLC Football Club “Sioni”	100	Municipality of Bolnisi	GG	Providing communal, social and personal services	1 269
117	LLC Bolnisi -2000	70	Ministry of Economy and Sustainable Development of Georgia	GG	Real estate operations, leasing and customer service	-
118	LLC Borjomi Improvement Services	100	Municipality of Borjomi	GG	Transport and communication	18
119	JSC Universal	32,5	Ministry of Economy and Sustainable Development of Georgia	GG	Real estate operations, leasing and customer service	-
120	LLC Kojori Outpatient Medical Facility	100	Tbilisi Municipality	GG	Health care and social assistance	10
121	JSC Tbilisresmsheni	100	Ministry of Economy and Sustainable Development of Georgia	GG	Construction	-
122	LLC Kumisi Outpatient Facility	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	0
123	LLC Gardabanproeqti	100	Municipality of Gardabani	GG	Real estate operations, leasing and customer service	-
124	LLC Chateau Zegaani	2,807052	Ministry of Economy and Sustainable Development of Georgia	GG	Manufacturing industry	371
125	JSC Akhtala Resort	99	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	508
126	LLC Shida Kartli Primary Healthcare Center	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	1
127	LLC Shiraqi	100	Dedoplistskaro municipality	GG	Providing communal, social and personal services	-

128	LLC Barisakho Outpatient Facility	100	Dusheti municipality	GG	Health care and social assistance	-
129	LLC Shatili Outpatient Facility	100	Dusheti municipality	GG	Health care and social assistance	-
130	LLC Automotive Enterprise - 2 - 2006	100	Dusheti municipality	GG	Transport and communication	429
131	JSC Grace	42,7	Ministry of Economy and Sustainable Development of Georgia	GG	Real estate operations, leasing and customer service	-
132	LLC Kvirila	100	Zestafoni municipality	GG	Real estate operations, leasing and customer service	58
133	LLC Manglisi Hospital Polyclinic	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	-
134	LLC Tetrtskaro Service Group	100	Tetrtskaro municipality	GG	Providing communal, social and personal services	2 410
135	JSC Alazani	50	Ministry of Economy and Sustainable Development of Georgia	GG	Real estate operations, leasing and customer service	-
136	JSC Akura	99,1	Ministry of Environment Protection and Agriculture of Georgia/AAP Agriculture Project Management Agency	PC	Manufacturing industry	82
137	LLC Deo-Clack	20	Ministry of Economy and Sustainable Development of Georgia	GG	Manufacturing industry	-
138	LLC Telavi Psychoneurological Dispensary	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	47
139	LLC Child Health Center	100	Telavi Municipality	GG	Health care and social assistance	145
140	LLC Terjola	100	Terjoli municipality	GG	Manufacturing industry	-
141	LLC Akhali Gantiadi	100	Kaspi Municipality	GG	Providing communal, social and personal services	0
142	LLC Grigol Ormotsadze Center Neuron	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	-
143	LLC Lanchkhuti	100	Lanchkhuti Municipality	GG	trade; Repair of automobiles, household goods and personal items	-
144	LLC Guria Medical Center	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	-
145	LLC Marneuli Municipality Automobile Fleet	100	Marneuli municipality	GG	Transport and communication	451
146	LLC Mestia Municipality Transport	100	Mestia Municipality	GG	Transport and communication	977

147	LLC Autozaz	5,3	Ministry of Economy and Sustainable Development of Georgia	GG	Real estate operations, leasing and customer service	-
148	JSC Glass	0,1	Ministry of Economy and Sustainable Development of Georgia	GG	Manufacturing industry	79 173
149	LLC Dastaqari	100	Tbilisi Municipality	GG	Health care and social assistance	2
150	LLC Devebi	0,6667	Ministry of Economy and Sustainable Development of Georgia	GG	Hotels and restaurants	-
151	LLC Adam Beridze Soil and Food Diagnostic Center "Anaseuli"	100	Ministry of Economy and Sustainable Development of Georgia	GG	Agriculture. Hunting and forestry	193
152	LLC Ozurgeti Transport Company	100	Ozurgeti municipality	GG	Transport and communication	2
153	JSC Samtredia 2002	90	Ministry of Economy and Sustainable Development of Georgia	GG	Real estate operations, leasing and customer service	-
154	LLC Samtredia Herald	100	Samtredia municipality	GG	Providing communal, social and personal services	-
155	LLC Sports Complex - Samtredia	100	Samtredia municipality	GG	Real estate operations, leasing and customer service	-
156	LLC Sachkhere Water Supply	100	Sachkheri municipality	GG	Production and distribution of electricity, gas and water	1 197
157	JSC Sachkhere Production Company	75	Ministry of Economy and Sustainable Development of Georgia	GG	Mining industry	-
158	LLC Forming Sands	49	Ministry of Economy and Sustainable Development of Georgia	GG	Mining industry	717
159	JSC Sachkheregas	99,8	Sachkheri municipality	PC	Production and distribution of electricity, gas and water	6 958
160	JSC Sachkhere District Hospital-Polyclinic Association	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	1 897
161	LLC Senaki HospitalPolyclinic Association	100	Senaki municipality	GG	Health care and social assistance	104
162	LLC Information Center	100	Senaki municipality	GG	Providing communal, social and personal services	-
163	LLC Senaki Children's Hospital	100	Senaki municipality	GG	Health care and social assistance	40
164	LLC Outpatient -polyclinic association	100	Senaki municipality	GG	Health care and social assistance	30
165	LLC Senaki Mental Health Center	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	-

166	LLC Panacea	100	Kazbegi Municipality	GG	trade; Repair of automobiles, household goods and personal items	110
167	LLC Media Center	100	Municipality of Kvareli	GG	Providing communal, social and personal services	5
168	LLC Kevri	71,9	Ministry of Economy and Sustainable Development of Georgia	GG	Agriculture. Hunting and forestry	-
169	LLC Tsageri AutoTractor Park	100	Municipality of Tsageri	GG	Construction	170
170	LLC East Georgia Mental Health Center	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	0
171	LLC Tsalka Municipality AutoService	100	Municipality of Tsalki	GG	Transport and communication	-
172	JSC Autotrans	36,4	Ministry of Economy and Sustainable Development of Georgia	GG	Transport and communication	4
173	JSC Khashuri glass factory	23,1	Ministry of Economy and Sustainable Development of Georgia	GG	Manufacturing industry	127
174	LLC Mzia Nikolaishvili Surami Polyclinic	100	Khashuri Municipality	GG	Health care and social assistance	20
175	LLC Khashuri Disinfection, Disinsection, Deratization and Sterilization Service	100	Khashuri Municipality	GG	Providing communal, social and personal services	-
176	JSC Khobi Petroleum Product	51	Ministry of Economy and Sustainable Development of Georgia	GG	trade; Repair of automobiles, household goods and personal items	-
177	LLC Khobi Cleaning and Lighting	100	Khobi Municipality	GG	Providing communal, social and personal services	27
178	LLC Abkhazia	100	Khoni municipality	GG	Production and distribution of electricity, gas and water	-
179	LLC Abkhazia	100	Khoni municipality	GG	Health care and social assistance	-
180	LLC Acad. B. Naneishvili National Center for Mental Health	5	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	15 217
181	LLC Batumi Seaport	100	Ministry of Economy and Sustainable Development of Georgia	PC	trade; Repair of automobiles, household goods and personal items	58 833
182	LLC Adjara Asset Management Company	100	Batumi Municipality	GG	Real estate operations, leasing and customer service	-
183	LLC Batumi Oil Refinery	100	Batumi Municipality	PC	Real estate operations, leasing and customer service	559
184	JSC Batumi Bus Station	30	Batumi Municipality	GG	Real estate operations, leasing and customer service	335

185	LLC Batumi Regional Center for Infectious Diseases, AIDS and Tuberculosis	100	Batumi Municipality	GG	Health care and social assistance	399
186	LLC Adjara Technical Specialists Training Center	100	Batumi Municipality	GG	Health care and social assistance	35
187	LLC Batumi №1 Polyclinic	100	Batumi Municipality	GG	Health care and social assistance	577
188	LLC Newspaper Adjara	100	Batumi Municipality	GG	Providing communal, social and personal services	-
189	LLC Batumi Republican Clinical Hospital	100	Non-entrepreneurial (non-commercial) legal entity Medical Holding of Georgia	GG	Health care and social assistance	143
190	LLC Batumi Autotransport	100	Batumi Municipality	GG	Transport and communication	13 301
191	LLC Sanitation	100	Batumi Municipality	GG	Providing communal, social and personal services	12 803
192	LLC Batumi Water	100	Batumi Municipality	PC	Production and distribution of electricity, gas and water	23 070
193	LLC Dinamo Batumi	100	Batumi Municipality	PC	Providing communal, social and personal services	511
194	LLC Black Sea Flora and Fauna Research Center	100	Batumi Municipality	PC	Real estate operations, leasing and customer service	5 019
195	LLC Adjara Waste Management Company	100	Batumi Municipality	GG	Real estate operations, leasing and customer service	33
196	LLC Shopping Center - 2009	100	Batumi Municipality	PC	Real estate operations, leasing and customer service	3 833
197	LLC Goderdzi Resorts	100	Batumi Municipality	GG	Hotels and restaurants	4
198	LLC Keda AutoTransport Enterprise	100	Municipality of Kedi	GG	Transport and communication	-
199	LLC Keda Communal Service	100	Municipality of Kedi	GG	Providing communal, social and personal services	1 073
200	LLC Kobuleti Transregulation	100	Municipality of Kobuleti	GG	Transport and communication	995
201	JSC Kobuleti Resort Polyclinic	98	Municipality of Kobuleti	GG	Health care and social assistance	265
202	LLC Kobuleti Preventive Disinfection Station	100	Municipality of Kobuleti	GG	Providing communal, social and personal services	-
203	LLC Kobuleti Water	100	Municipality of Kobuleti	GG	Production and distribution of electricity, gas and water	949
204	LLC Engurhesi	100	Ministry of Economy and Sustainable Development of Georgia	PC	Production and distribution of electricity, gas and water	109 406

205	LLC Autoparking 2011	100	Tbilisi Municipality	GG	Real estate operations, leasing and customer service	753
206	JSC Georgian Film Development Center	100	Ministry of Economy and Sustainable Development of Georgia	GG	Providing communal, social and personal services	-
207	LLC Georgian Food Company	100	Ministry of Defense of Georgia / State Military Scientific Technical Center Delta	GG	Providing communal, social and personal services	-
208	LLC Delta International	100	Ministry of Defense of Georgia / State Military Scientific Technical Center Delta	PC	Trade; Repair of automobiles, household goods and personal items	5 091
209	LLC Delta Builder	100	Ministry of Defense of Georgia / State Military Scientific Technical Center Delta	GG	Construction	114 244
210	LLC Chkhorotsku Samegrelo	100	Chkhorotsku municipality	GG	Providing communal, social and personal services	-
211	LLC Infrastructure Development Partner Company	100	JSC Partnership Fund	GG	financial activity	-
212	NNLE Georgian Medical Holding	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	-
213	LLC Tolia 2020	100	Ministry of Justice of Georgia (Centre of professional training and retraining of convicted criminals)	GG	Providing communal, social and personal services	14
214	LLC Delta Textile	100	Ministry of Defense of Georgia / State Military Scientific Technical Center Delta	GG	Manufacturing industry	20 814
215	LLC Regional Hospital	100	Ministry of Economy and Sustainable Development of Georgia	GG	Health care and social assistance	-
216	LLC Imereti Greener	100	JSC Partnership Fund	GG	Agriculture. Hunting and forestry	3
217	LLC United Airports of Georgia	100	Ministry of Economy and Sustainable Development of Georgia	PC	trade; Repair of automobiles, household goods and personal items	77 113
218	JSC Georgian Energy Development Fund	100	Ministry of Economy and Sustainable Development of Georgia	GG	Real estate operations, leasing and customer service	10 839
219	LLC Ilia Garden	100	Tbilisi Municipality	PC	Real estate operations, leasing and customer service	419
220	JSC Partnership Fund/	100	State	GG	financial activity	649
221	JSC Borjomi Likani International	100	JSC Partnership Fund	GG	Hotels and restaurants	14 232
222	LLC Borjomi Likani	100	JSC Partnership Fund	GG	Hotels and restaurants	-
223	LLC New Technology Impex	10	JSC Partnership Fund	GG	Manufacturing industry	231

224	LLC Thermal Waters	100	Ministry of Economy and Sustainable Development of Georgia	PC	Production and distribution of electricity, gas and water	207
225	LLC Lagodekhi Shopping Center	100	JSC Partnership Fund	GG	Construction	-
226	LLC Georgian Black Sea Port	100	JSC Partnership Fund	GG	Real estate operations, leasing and customer service	-
227	LLC Anaklia Development Consortium	0,01	Ministry of Economy and Sustainable Development of Georgia	GG	Real estate operations, leasing and customer service	24
228	LLC State Food Provision	100	Ministry of Economy and Sustainable Development of Georgia	GG	Providing communal, social and personal services	48 893
229	LLC Rukhi Shopping Center	100	JSC Partnership Fund	GG	Real estate operations, leasing and customer service	464
230	JSC Aerostructure Technologies	33	JSC Partnership Fund /Ltd. project (33%), Elbit Systems Cyclone Ltd. (34%)	GG	Manufacturing industry	10 214
231	LLC Startup Georgia	100	JSC Partnership Fund	GG	financial activity	0
232	LLC Ecoservice Group	100	Tbilisi Municipality	GG	Providing communal, social and personal services	1 104
233	NNLE Peace Fund for a better future	100	JSC Partnership Fund	GG	financial activity	-
234	LLC Tbilisi Logistics Center	100	JSC Partnership Fund	GG	Real estate operations, leasing and customer service	-
235	LLC Perspective	100	Ministry of Justice of Georgia (National Agency for Crime Prevention, Enforcement of Non-custodial Sentences and Probation)	GG	Real estate operations, leasing and customer service	345
236	LLC Food Production Company	62,97	Ministry of Economy and Sustainable Development of Georgia	GG	Manufacturing industry	174
237	LLC Georgian Solid Waste Management Company	100	Ministry of Regional Development and Infrastructure of Georgia	GG	Providing communal, social and personal services	551
238	LLC Asset Management and Development Company	100	Ministry of Economy and Sustainable Development of Georgia	GG	Real estate operations, leasing and customer service	11 447
239	JSC Nenskra Hydro	7,54	JSC Partnership Fund/K Water (Korea) 90%	GG	Construction	172
240	LLC Black Sea Arena Georgia	100	Ministry of Economy and Sustainable Development of Georgia	GG	Providing communal, social and personal services	1 458
241	LLC Global Brand	100	JSC Partnership Fund	GG	Manufacturing industry	5
242	LLC Georgian Sectoral and Regional Development Company	100	JSC Partnership Fund	PC	financial activity	-

243	LLC Likani Residence	100	JSC Partnership Fund	GG	Hotels and restaurants	10
244	LLC KSH Caucasian Sus Heritage	49,9	JSC Partnership Fund	GG	Agriculture. Hunting and forestry	158
245	LLC East West Bridge	100	JSC Partnership Fund	GG	financial activity	-
246	LLC Partnership FundGreen Development	100	JSC Partnership Fund	GG	Hotels and restaurants	9
247	LLC Crop Management Company	100	Ministry of Economy and Sustainable Development of Georgia	GG	Manufacturing industry	38 718
248	LLC United Water Supply Company of Georgia	100	Ministry of Regional Development and Infrastructure of Georgia	GG	Production and distribution of electricity, gas and water	60 797
249	LLC Basketball Club Kutaisi-2010	100	Kutaisi Municipality	GG	Providing communal, social and personal services	-
250	LLC Georgian Traditions 2011	100	Kutaisi Municipality	GG	Providing communal, social and personal services	-
251	LLC Parking Service	100	Kutaisi Municipality	GG	Transport and communication	595
252	LLC Football Club "Kutaisi Martve"	100	Kutaisi Municipality	GG	Providing communal, social and personal services	-
253	LLC Ramaz Shengelia Stadium	100	Kutaisi Municipality	GG	Providing communal, social and personal services	-
254	LLC Kutaisi Transport Company	100	Kutaisi Municipality	GG	Transport and communication	2 540
255	LLC Poti Transport Company	100	Municipality of Poti	GG	Transport and communication	-
256	LLC Chiatura Transport Company	100	Chiatura Municipality	GG	Transport and communication	353
257	LLC Chiatura Water	100	Chiatura Municipality	GG	Production and distribution of electricity, gas and water	-
258	LLC Football Club "Rustavi"	100	Rustavi municipality	GG	trade; Repair of automobiles, household goods and personal items	-
259	LLC ANAKLIA-GANMUKHURI RESORTS	100	Zugdidi Municipality	GG	Construction	45
260	LLC Akhalkalaki Agrarian Market	100	Akhalkalaki Municipality	GG	Real estate operations, leasing and customer service	32
261	LLC Bolnisi Municipal Transport Service	100	Municipality of Bolnisi	GG	Transport and communication	902
262	LLC Bolnisi Agro Center	100	Municipality of Bolnisi	GG	Manufacturing industry	1
263	LLC Dusheti Agro Market	100	Dusheti municipality	GG	Real estate operations, leasing and customer service	33

264	LLC Municipalmsheni	100	Dusheti municipality	GG	Construction	761
265	LLC Telavi Municipality Improvement Service	100	Telavi Municipality	GG	Providing communal, social and personal services	2 227
266	LLC Women's Football Club Lanchkhuti	100	Lanchkhuti Municipality	GG	Providing communal, social and personal services	-
267	LLC Gza 2015	100	Municipality of Lentekhi	GG	Construction	131
268	LLC Marneuli Soptskali	100	Marneuli municipality	GG	Production and distribution of electricity, gas and water	870
269	LLC Marneuli Organic Waste Processing Enterprise	100	Marneuli municipality	GG	Manufacturing industry	13
270	LLC Martvili Central Group	79,8	Martvil municipality	GG	Providing communal, social and personal services	-
271	LLC Chuberi-Ushguli Specialized Outpatient Service	100	Mestia Municipality	GG	Health care and social assistance	-
272	LLC Mestia Hospital - Outpatient Association	100	Mestia Municipality	GG	Health care and social assistance	57
273	LLC Mtskheta Soptskali	100	Mtskheta Municipality	GG	Production and distribution of electricity, gas and water	-
274	LLC Mukhrani agrarian Market	100	Mtskheta Municipality	GG	Real estate operations, leasing and customer service	39
275	LLC Satsi	100	Ozurgeti municipality	GG	Production and distribution of electricity, gas and water	-
276	LLC Ozurgeti Municipality Football Club-“Swallow”	100	Ozurgeti municipality	GG	Providing communal, social and personal services	-
277	LLC Oni Service Group	100	Municipality of Oni	GG	Providing communal, social and personal services	525
278	LLC Sagarejo Municipality Information Newspaper Gareji Matsne	100	Municipality of Sagarejo	GG	Providing communal, social and personal services	-
279	LLC Sagarejo	100	Municipality of Sagarejo	GG	Providing communal, social and personal services	-
280	LLC Football Club “Sagarejos Gareji”	40	Municipality of Sagarejo	GG	Providing communal, social and personal services	1 277
281	LLC Clean Municipality 2018	100	Municipality of Sagarejo	GG	Providing communal, social and personal services	-
282	LLC Chokhatauri Agro Market	100	Chokhatauri municipality	GG	Real estate operations, leasing and customer service	30

283	LLC "Abkhazia"	100	Khoni municipality	GG	Health care and social assistance	-
284	LLC Khobi Municipality Water Supply	100	Khobi Municipality	GG	Production and distribution of electricity, gas and water	-
285	LLC Handball Club Batumi	100	Batumi Municipality	GG	Providing communal, social and personal services	-
286	LLC Basketball Club Batumi-2010	100	Batumi Municipality	GG	Providing communal, social and personal services	-
287	LLC International Arbitration at Adjara AR Chamber of Commerce	100	Batumi Municipality	GG	Real estate operations, leasing and customer service	-
288	LLC Handball Club "Batumi"	100	Batumi Municipality	GG	Providing communal, social and personal services	-
289	LLC Rugby Club "Batumi"	100	Batumi Municipality	GG	Providing communal, social and personal services	-
290	LLC Water Polo Club "Batumi"	100	Batumi Municipality	GG	Providing communal, social and personal services	-
291	LLC Adjara Project Management Company	100	Batumi Municipality	GG	Construction	2 178
292	LLC Adjara Expertise	100	Batumi Municipality	GG	Real estate operations, leasing and customer service	59
293	JSC Adjara Water Alliance	26	Batumi Municipality	GG	Production and distribution of electricity, gas and water	-
294	LLC Football Club "Betlemi"	100	Municipality of Kedi	GG	Providing communal, social and personal services	-
295	LLC Keda Water Supply	100	Municipality of Kedi	GG	Production and distribution of electricity, gas and water	-
296	LLC Rugbi Club "Piralebi"	100	Municipality of Kedi	GG	Providing communal, social and personal services	-
297	LLC Keda Tourism Development Support Center	100	Municipality of Kedi	GG	Hotels and restaurants	63
298	LLC Football Club "Shuqura"	100	Municipality of Kobuleti	GG	Providing communal, social and personal services	-
299	LLC Rugby Club "Ponto"	100	Municipality of Kobuleti	GG	Providing communal, social and personal services	-
300	LLC Khelvachauri Water Supply	100	Khelvachauri municipality	GG	Production and distribution of electricity, gas and water	-
301	LLC Football Club "Machakhela"	100	Khelvachauri municipality	GG	Providing communal, social and personal services	-

302	Georgian Natural Products LLC	100	JSC Partnership Fund	GG	trade; Repair of automobiles, household goods and personal items	-
303	Caucasus Clean Energy I, LLP	10	JSC Partnership Fund/ other international shareholders (90%)	GG	financial activity	-
304	Gazelle Fund LP	29,1	JSC Partnership Fund/ other international shareholders (70.90%)	GG	financial activity	-
305	LLC Imereti Agro Zone	100	Ministry of Environment Protection and Agriculture of Georgia/ AAP Rural Development Agency	GG	Agriculture. Hunting and forestry	-
306	LLC Delta CAA	25	Ministry of Defense of Georgia / State Military Scientific Technical Center Delta	GG	Manufacturing industry	-
307	LLC Delta +	50	Ministry of Defense of Georgia / State Military Scientific Technical Center Delta	GG	Manufacturing industry	-
308	LLC Cleaning and Improvement Service of Oni Municipality	100	Municipality of Oni	GG	Providing communal, social and personal services	267
309	LLC Batumi Republican Clinical Hospital	100	Batumi Municipality	GG	Health care and social assistance	1 945
310	LLC RS Asset Management	100	Ministry of Defense of Georgia / State Military Scientific Technical Center Delta	GG	Manufacturing industry	647

Annex 2 Subsidiaries of State-Owned Enterprises

N	Name of the enterprise	Share of the state %	Founder	sector PC/GG
1	JSC Agroinvest	100	Rehabilitation Ltd	GG
2	LLC Saknavtoproducti	100	Ajamenti Building Materials Factory Ltd	GG
3	LLC N2 Lung Disease Outpatient Clinic of Tbilisi	100	SS National Center for Tuberculosis and Lung Diseases	GG
4	JSC Georgian film	100	JSC Georgian Cinema Development Center	GG
5	JSC Georgian film - Real Estate	100	SS Georgian film	GG
6	JSC National Center for Tuberculosis and Lung Diseases	100	Non-entrepreneurial (non-commercial) legal entity Medical Holding of Georgia	GG

7	LLC GR Property Management	100	JSC Georgian Railway	PC
8	LLC GR Logistics and Terminals	100	JSC Georgian Railway	PC
9	LLC "Saqcigni"	100	Rehabilitation Ltd	GG
10	LLC Sakcoopservice	100	Rehabilitation Ltd	GG
11	JSC Energoremsheni	9	Rehabilitation Ltd	GG
12	JSC Georgian Railway Construction	100	JSC Georgian Railway	GG
13	LLC National Center of High Technologies of Georgia	100	Asset Management and Development Company Ltd	PC
14	LLC Tbilisi Children's Infectious Clinical Hospital	100	Non-entrepreneurial (non-commercial) legal entity Medical Holding of Georgia	PC
15	JSC Givi Zaldastanishvili American Academy in Tbilisi	0,1	Tbilaviamshen LLC	GG
16	LLC Georgia Transit	100	JSC Georgian Railway	PC
17	LLC Saqspectrans	100	Asset Management and Development Company Ltd	GG
18	LLC Nikoloz Kipshidze Central University Clinic	100	Non-entrepreneurial (non-commercial) legal entity Medical Holding of Georgia	PC
19	LLC Demetre 96	100	Asset Management and Development Company Ltd	GG
20	LLC Tbilisi N1 Lung Disease Outpatient Clinic	100	SS National Center for Tuberculosis and Lung Diseases	GG
21	LLC Scientific-Practical Center of Clinical Pathology	100	Rehabilitation Ltd	GG
22	LLC Tam-Veli	100	Tbilaviamshen LLC	GG
23	LLC Tam-Energy	100	Tbilaviamshen LLC	GG
24	LLC TAM-Kera	100	Tbilaviamshen LLC	GG
25	LLC TAM - Polymeri	100	Tbilaviamshen LLC	GG
26	LLC Samtomashveli	100	Asset Management and Development Company LLC	PC
27	LLC Lyceum of Fashion	100	Demetre 96 LLC	GG
28	LLC National Products Sales Service	100	Demetre 96 LLC	GG
29	JSC Builder	8	Rehabilitation LLC	GG
30	JSC Tam Tbilaviamsheni	94	Tbilaviamshen LLC	PC
31	LLC Mshntechnikosi	63	Rehabilitation LLC	GG
32	LLC Vakhtang Bochorishvili Anti-sepsis center	100	Rehabilitation LLC	GG

33	Kutaisi Regional Drug Center LLC	100	Mental Health and Drug Addiction Prevention Center LLC	GG
34	JSC Rioni	62	Rehabilitation LLC	GG
35	JSC Tkibuli Oil Products	76	Rehabilitation LLC	GG
36	LLC Samegrelo-Zemo Svaneti TV Radio Company "Samegrelo"	64	Rehabilitation LLC	GG
37	LLC Infrastructure Development Company	100	Rehabilitation LLC	GG
38	JSC Sanatorium "Rkinigzeli"	100	Rehabilitation LLC	GG
39	LLC Abastumani Lung Center	100	SS National Center for Tuberculosis and Lung Diseases	GG
40	JSC Marmarilo	56	Rehabilitation LLC	GG
41	LLC Regional Healthcare Center	100	Non-entrepreneurial (non-commercial) legal entity Medical Holding of Georgia	GG
42	LLC Saqenergotechremonti	46	Rehabilitation LLC	GG
43	LLC Ninotsminda Uboni	56	Rehabilitation LLC	GG
44	JSC Menji Resort	100	Asset Management and Development Company LLC	GG
45	LLC Tskaltubo Thermal Waters	100	Asset Management and Development Company LLC	GG
46	LLC Georgian Traditions	100	Rehabilitation LLC	GG
47	JSC Senaki Regional Hospital	100	Rehabilitation LLC	GG
48	LLC Tsalenjikha Agrarian Market	100	Georgian Market LLC	GG
49	LLC Tskaltubo Resort Development Company	100	Rehabilitation LLC	GG
50	LLC Georgian Maritime Company	100	Asset Management and Development Company LLC	PC
51	LLC Batumi Airport	100	Association of Airports of Georgia LLC	PC
52	LLC Cascade of Vardnili HPPs	100	Engurhesi LLC	PC
53	LLC GeoPress+	100	JSC Sakpresa	GG
54	LLC Gino Green City Corporation	49	LLC partnership fund-green development	GG
55	LLC GR TransShipment	100	JSC Georgian Railway	PC
56	LLC GR Transit	100	JSC Georgian Railway	PC

57	LLC "Magana HPP"	49	Energy Development Fund of JSC Georgia	GG
58	LLC Georgian Cargo	100	Post of Georgia LLC	GG
59	LLC GEO M Tex	49	Delta Textile LLC	GG
60	LLC Gardabani Thermal Power Plant	100	JSC Georgian Oil and Gas Corporation	PC
61	LLC GR Transit Line	100	JSC Georgian Railway	PC
62	JSC Calik Georgia Wind	15	Energy Development Fund of JSC Georgia	GG
63	LLC Georgia Solar Company	10	Energy Development Fund of JSC Georgia	GG
64	LLC Enguri Attraction	100	Engurhesi LLC	GG
65	LLC Anaklia Magazine	100	Anaklia Development Consortium LLC	GG
66	LLC Borjomi HPP	100	Energy Development Fund of JSC Georgia	GG
67	JSC Georgia Energy Exchange	50	JSC State Electric System of Georgia, commercial operator of JSC electric power system	GG
68	Georgia -Belarus Commerce – Economic Agency	10	Rehabilitation LLC	GG
69	LLC Mental Health and Drug Addiction Prevention Center	100	Non-entrepreneurial (non-commercial) legal entity Medical Holding of Georgia	GG
70	LLC Georgian Fruits and Vegetables Export Company	100	Tbilisi Logistics Center LLC	GG
71	LLC akhalsofeli HPP	100	Energy Development Fund of JSC Georgia	GG
72	LLC Georgian Product	100	Tbilisi Logistics Center LLC	GG
73	JSC Universal Medical Center	100	Non-entrepreneurial (non-commercial) legal entity Medical Holding of Georgia	GG
74	LLC Kvirila HPP	20	Energy Development Fund of JSC Georgia	GG
75	LLC Chordula HPP	45	Energy Development Fund of JSC Georgia	GG
76	LLC Enguri Hydroaccumulating HPP	50	Engurhesi LLC /Energy Development Fund of JSC Georgia	GG
77	JSC Namakhvani	100	Energy Development Fund of JSC Georgia	GG
78	LLC Inter-Glass -Georgia	40	Gas Transportation Company of Georgia LLC	GG
79	LLC Georgian Gas Reservoir Company	100	JSC Georgian Oil and Gas Corporation	GG

80	LLC Poti FIZ	100	Poti Free Industrial Zone LLC	GG
81	LLC GR Borjomi – Bakuriani	100	Jyar Property Management LLC	GG
82	LLC Gardabani Thermal Power Plant 2	100	JSC Georgian Oil and Gas Corporation	PC
83	LLC David Aghmashenebeli Kutaisi International Airport	100	Association of Airports of Georgia LLC	GG
84	LLC Biomass Energy	100	Energy Development Fund of JSC Georgia	GG
85	JSC Karcali Energy	100	JSC State Electric System of Georgia	PC
86	Georgian Post (Greece)I.K.E	100	Post of Georgia LLC	PC
87	GOGC Trading S.A.	100	JSC Georgian Oil and Gas Corporation	PC
88	LLC Georgian Post)	100	Post of Georgia LLC	PC
89	LLC Gardabani Thermal Power Plant 3	100	JSC Georgian Oil and Gas Corporation	GG
90	Georgia Gas Exchange	50	JSC Georgian Oil and Gas Corporation/Gas Transportation Company LLC	GG
91	LLC Georgia Natural Gas Transmission Grid Operator	100	JSC Georgian Oil and Gas Corporation	GG
92	LLC Agroservice Center	100	Agricultural Logistics and Services Company LLC	GG
93	JSC Gurjaani Oil Products	100	Rehabilitation LLC	GG