

Georgian Oil and Gas Corporation Challenging Year, Solid Outlook

FY15 was a challenging year for GOGC's core businesses. Gas sales were largely flat, while higher cost of gas weighed on operating expenses. FY15 top line grew 7.7% y/y on the back of electricity sales, as Gardabani CCPP commenced operations in Sep-15. FY15 adjusted EBITDA was down 14.2% y/y to US\$ 53.3mn. Keeping in mind the regional economic slowdown and household gas subsidies, we forecast flat gas sales in FY16, while high-margin electricity generation should drive a 54.7% y/y increase in adjusted EBITDA. End-2015 net debt-to-adjusted EBITDA came in at 2.6x, well below the 3.5x Eurobond covenant. We see the end-2016 ratio at 1.5x. Construction of Gardabani CCPP II is expected to commence in 2017. A feasibility study for the gas storage reservoir project is to be completed in early 2017.

Gas sales flat, top line boosted by electricity sales

FY15 revenue grew 7.7% y/y to US\$ 218.2mn. While sale of gas, the key revenue stream, was largely flat at US\$ 154.0mn, top line got a boost from the addition of electricity sales (US\$ 21.5mn), as the Gardabani power plant commenced operations in September 2015. We expect electricity sales to reach US\$ 82.1mn and drive revenue growth of 28.4% y/y in FY16, the first fully operational year for the plant.

Increased cost of gas weighs on profitability

FY15 adjusted EBITDA contracted 14.2% y/y to US\$ 53.3mn, as cost of gas, the key operating expense, surged 16.9% y/y. A new contract was signed with SOCAR in March 2016. Subsequently, average gas purchase price should decline, leading to annual savings of around US\$ 10.0mn, and higher volumes should be available for import. We expect FY16 adjusted EBITDA to grow 54.7% y/y to US\$ 82.5mn and the EBITDA margin to rebound from 24.4% in FY15 to 29.4% in FY16 on the back of high-margin electricity generation.

Major capital projects depend on availability of funding

The construction of Gardabani CCPP II is expected to commence in 2017. The 240MW power plant will replicate the technical characteristics of the Gardabani CCPP at an estimated cost of US\$ 160.0mn. The completion of a feasibility study for the US\$ 250.0mn underground gas storage reservoir, aimed at increasing Georgia's energy security, is now expected in 2017. The company is considering third-party equity contributions and/or project finance as potential financing options.

Compliant with Eurobond covenants

Net debt-to-adjusted EBITDA ratio deteriorated to 2.6x, largely due to the drop in adjusted EBITDA. Net debt also declined, as a decrease in the cash balance was more than offset by a new US\$ 30.0mn credit line, which is added to cash and cash equivalents per the Eurobond prospectus. On the back of significant expected growth in adjusted EBITDA and lower capital spending in FY16, we expect end-2016 net debt-to-adjusted EBITDA to come in at 1.5x, well below the Eurobond covenant of 3.5x.

GEOROG 05/17 Eurobond successfully refinanced

On April 19, 2016, GOGC successfully refinanced its outstanding GEOROG 05/17 US\$ 250mn Eurobond. The new Eurobond, GEOROG 04/21, carries a coupon rate of 6.75% and was placed at a yield of 7.00%. The net debt-to-adjusted EBITDA covenant was revised upward to 3.75x.

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Georgia | Energy Georgian Oil and Gas Corporation April 28, 2016

S&P / B+ / Negative Fitch / BB- / Stable Figure 1: Georgian Eurobond universe 8% ≥ 7% GEORG GEOROG 04/21 04/21 6% GEOROG 05/17 5% GRAIL GEBGG 07/22 07/17 4% modified duration 3% 2 0 3 5 4 6 Source: Bloomberg





Table 1: Key financials (US\$ '000) and margins

| | FY14 | FY15 | y/y change | | | | | | |
|---------------------------|-------------------------|-------------------|-------------|--|--|--|--|--|--|
| Revenue | 202,628.5 | 218,234.3 | 7.7% | | | | | | |
| Gross profit | 75,582.0 | 69,720.1 | -7.8% | | | | | | |
| Gross profit margi | n 37.3% | 31.9% | -535 bps | | | | | | |
| EBITDA | 63,477.4 | 54,367.5 | -14.4% | | | | | | |
| EBITDA margin | 31.3% | 24.9% | -641 bps | | | | | | |
| Adjusted EBITDA | 62,113.8 | 53,318.7 | -14.2% | | | | | | |
| Adjusted EBITDA margin | 30.7% | 24.4% | -622 bps | | | | | | |
| EBIT | 52,119.7 | 52,119.7 42,533.2 | | | | | | | |
| EBIT margin | 25.7% | 19.5% | -623 bps | | | | | | |
| Net income | 47,506.1 | 15,952.9 | -66.4% | | | | | | |
| Net profit margin | 23.4% | 7.3% | -1,613 bps | | | | | | |
| Assets | 660,500.1 | 588,849.6 | -10.8% | | | | | | |
| Equity | 362,719.5 | 300,689.8 | -17.1% | | | | | | |
| Liabilities | 297,780.6 | 288,159.8 | -3.2% | | | | | | |
| Source: Company da | ta, Galt & Taggart Rese | earch | | | | | | | |
| US\$-GEL 2012 | 2013 2014 | 2015 2016F | 2017F 2018F | | | | | | |
| Year-end 1.6 | 6 1.74 1.86 | 2.39 2.30 | 2.30 2.30 | | | | | | |
| Average 1.6 | 5 1.66 1.77 | 2.27 2.20 | 2.30 2.30 | | | | | | |
| Source: NBG, Galt & | Taggart Research | | | | | | | | |



Top line growth driven by electricity sales

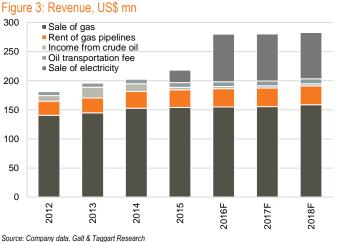
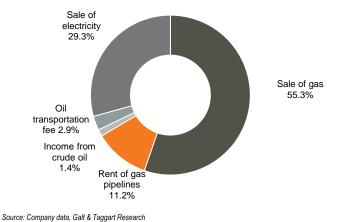


Figure 4: FY16 revenue breakdown



Source: Company data, Galt & Taggart Research

In FY15, top line increased 7.7% y/y to US\$ 218.2mn. Sale of gas, the leading revenue stream with a 70.6% share, was largely flat (up 0.8% y/y) in FY15 at US\$ 154.0mn. While the volume of gas sold increased 7.3% y/y to 1.3bcm, a 6.1% y/y drop in average sale price to US\$ 117.0 per mcm largely negated the potential impact. The introduction of gas price subsidies for households by the government of Georgia was the key reason behind the decrease in average sale price. Assuming the subsidies will stay intact for now, we forecast flat gas sales in FY16.

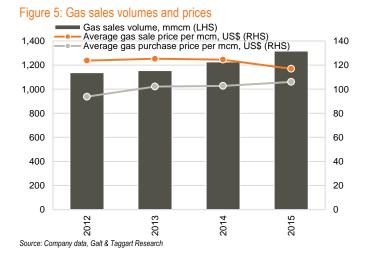
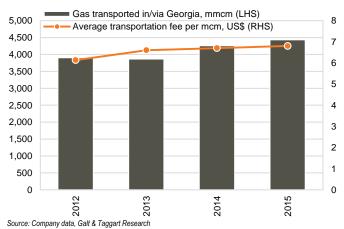


Figure 6: Gas transportation volumes and fees



Rent of gas pipelines and oil transportation revenues grew 5.4% v/v to US\$ 30.3mn and 2.4% y/y to US\$ 7.9mn, respectively. Gas pipeline rental and oil transportation revenues are tied to the Main Gas Pipeline System's and Western Route Export Pipeline's throughput volumes, respectively. Income from crude oil shrank 66.0% y/y to US\$ 4.5mn due to lower oil prices and a decrease in exploration activity. Notably, the decline was significant - equivalent to the y/y drop in adjusted EBITDA of US\$ 8.8mn. Against a backdrop of muted regional economic growth and challenges in the oil and gas sector, we forecast weak growth of 3.2% y/y in gas pipeline rental and 1.6% y/y in oil transportation revenues in FY16. We expect FY16 crude oil sales at US\$ 3.8mn, down 15.4% y/y.



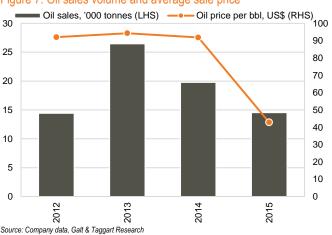
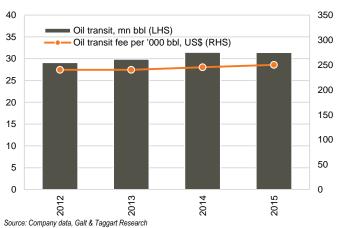


Figure 7: Oil sales volume and average sale price

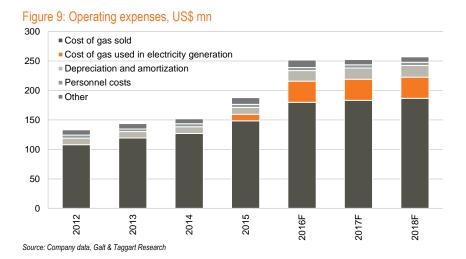




FY15 revenue growth was driven by the addition of electricity sales to the revenue mix. Gardabani CCPP, a gas-fired combined cycle power plant with 240 MW installed capacity, commenced operations in September 2015. Gardabani CCPP is one of four guaranteed capacity sources that receive 1) guaranteed payments for operating in stand-by mode and 2) a per kWh tariff for actual electricity supplied to the grid. FY15 electricity sales reached US\$ 21.5mn, comprised of US\$ 9.8mn in guaranteed capacity payments and US\$ 11.7mn in income from electricity generation. We expect electricity sales to reach US\$ 82.1mn and drive revenue growth of 28.4% y/y in FY16, the first fully operational year for the plant.

Gardabani CCPP benefits from a government-guaranteed IRR of 12.5% over the asset's life. GOGC fully financed the US\$ 240.0mn project through equity contributions and loans to both the power plant SPV and the Partnership Fund (a Georgian state-owned investment fund and the 100% owner of GOGC). GOGC's and PF's share ownership of the plant are at 51% and 49%, respectively, while GOGC retains managerial control of the SPV.

Cost of gas drives operating expenses up



Operating expenses increased 16.4% y/y to US\$ 176.7mn. Cost of gas, with an 84.0% share in total operating expenses, was the main culprit, increasing 16.9% y/y to US\$ 148.5mn. Cost of gas used in electricity generation played an important part, along with a 3.2% y/y increase in average gas purchase price due to a higher share of



more expensive gas (through SOCAR Sales and Purchase Agreement) purchased by GOGC from SOCAR.

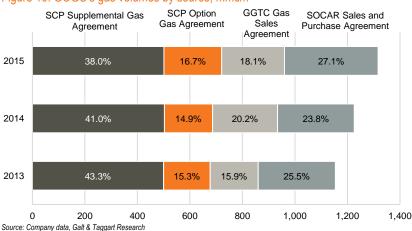


Figure 10: GOGC's gas volumes by source, mmcm

Average gas purchase price should decline and higher volumes should become available for import in 2016. A new contract was signed with the State Oil Company of the Azerbaijan Republic (SOCAR) in March 2016. The lower prices stipulated in the contract should lead to US\$ 10.0mn in annual savings. The new contract replaces the agreement that provided for the purchase of up to 350mmcm of gas from SOCAR at a fixed price of US\$ 186.0 per mcm. According to the revised agreement, GOGC will be able to purchase up to 350 mmcm of natural gas at discounted, oil-indexed prices. Additionally, SOCAR will be required to provide up to 200mmcm of gas to the social sector (household and power generation), if needed. GOGC will also have an option to buy an additional 200 mmcm of gas from SOCAR at US\$ 186.0 per mcm.

Profitability down in FY15, set to improve in FY16

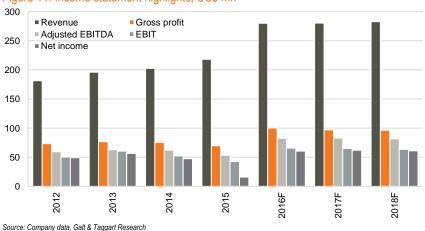
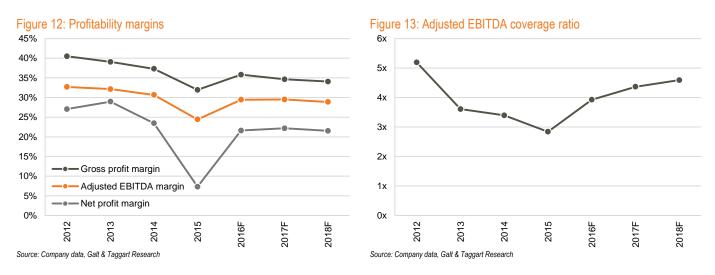


Figure 11: Income statement highlights, US\$ mn

FY15 adjusted EBITDA decreased 14.2% y/y to US\$ 53.3mn, while EBIT shrank 18.4% y/y to US\$ 42.5mn. Significant depreciation of GEL against US\$ in FY15 triggered an FX loss (an unrealized non-cash charge due to the revaluation of the Eurobond), resulting in a 66.4% y/y drop in net income to US\$ 16.0mn. In FY16, we expect electricity sales to contribute US\$ 41.3mn to adjusted EBITDA, driving 54.7% y/y growth to US\$ 82.5mn. Net income is also expected to rebound and reach US\$ 60.5mn.





The adjusted EBITDA margin contracted to 24.4% in FY15 from 30.7% in FY14, while the net profit margin fell from 23.4% to 7.3%. In FY16, we see the adjusted EBITDA margin at 29.4% and the net profit margin at 21.6%. We also expect the adjusted EBITDA coverage ratio to improve from 2.8x in FY15 to 3.9x in FY16.

Cash collection deteriorated



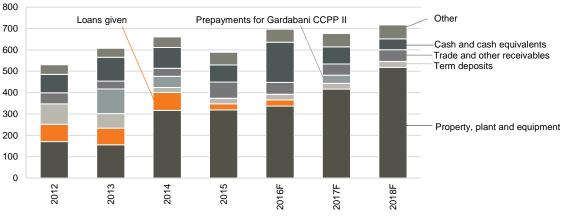
In FY15, operating cash flows were barely positive at US\$ 1.6mn, reflecting a doubled receivables balance of US\$ 75.8mn at year-end. Receivables due from SOCAR Gas Export and Import (SGEI) accounted for around US\$ 60.0mn. As SGEI pays an annualized interest rate of LIBOR +16.0% on overdue payables, we assume that SGEI will significantly reduce the outstanding balance in 2016. To this effect, GOGC has signed a settlement agreement with SOCAR, which grants GOGC an option for the set-off of receivables against payables with SOCAR's subsidiaries.

GOGC paid US\$ 12.9mn in dividends in FY15. We expect FY16 dividends at US\$ 21.7mn. We also assume Gardabani CCPP II-related investing outflows in FY17 and FY18, while we do not include gas storage reservoir-related investing outflows, as the project is still on feasibility study stage.

Figure 14: Cash flows, US\$



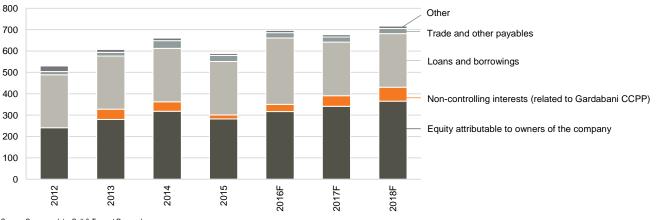
Figure 15: Asset composition, US\$ mn



Source: Company data, Galt & Taggart Research

Despite a significant drop in operating cash inflows, GOGC had considerable liquidity on hand as of end-2015 in the form of US\$ 79.8mn in cash and a US\$ 30.0mn credit line. Moreover, GOGC does not have debt repayments due in 2016. The Partnership Fund fully repaid its US\$ 60.0mn loan to GOGC in September 2015, leading to the improvement in GOGC's liquidity profile.

Figure 16: Equity and liabilities composition, US\$ mn



Source: Company data, Galt & Taggart Research

GOGC's capital structure is largely the same since the initial Eurobond issuance in 2012, with a tilt towards equity funding (equity to invested capital of 54.5%) versus debt. By end-2016, GOGC's debt level will increase as the outstanding 05/17 bonds have not been tendered in full.



Eurobond successfully refinanced

On April 19, 2016 GOGC refinanced its outstanding GEOROG 05/17 US\$ 250mn Eurobond with a new US\$ 250mn Eurobond maturing in 5 years. The new Eurobond has a coupon rate of 6.75% and was placed at a yield of 7.00%. On April 4, 2016, GOGC initiated a tender offer for the purchase of the outstanding 05/17 Eurobonds. Around 75% of the outstanding bonds have been purchased by GOGC, while the rest remain to be redeemed in May 2017.

Table 2: GEOROG 04/21 Eurobond details

| lssuer | JSC Georgian Oil and Gas Corporation |
|--------------------------|--|
| Rating | S&P B+ Negative / Fitch BB- Stable |
| Issue Size | US\$ 250mn |
| Settlement Date | 26 April 2016 |
| Maturity Date | 26 April 2021 |
| Coupon | 6.750% per annum |
| Issue Price | 98,960% |
| Pricing Benchmark | US Treasury 1.250% due March 2021 |
| Benchmark Treasury Yield | 1.245% |
| Spread to Benchmark | 575.5bps |
| Yield to Maturity | 7.00% |
| Interest Pavable | Semi-annually on 26 April and 26 October of each year commencing on 26 October 2016 |
| Covenant | The ratio of net debt-to-EBITDA for the most recent annual financial period does not exceed 3.75 |
| Source: Company data | |

Investment pipeline unaltered

The construction of Gardabani CCPP II is expected to commence in 2017. The 240MW power plant will replicate the technical characteristics of the Gardabani CCPP at an estimated cost of US\$ 160.0mn. This represents a significant savings in comparison to the costs incurred for the construction of Gardabani CCPP, leveraging the experience gained in the process.

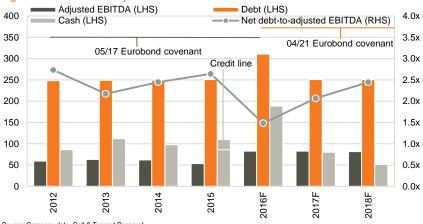
The completion of a feasibility study for the US\$ 250.0mn underground gas storage reservoir is now expected in 2017. The reservoir would be a strategically important gas storage facility for Georgia, increasing energy security by ensuring gas supply in critical situations and by mitigating the seasonal imbalance between supply and demand. The storage capacity would be 230-250 mmcm, about 10-15% of current annual consumption. Notably, Georgia is currently the only country in the region with no gas storage.

The investment projects will mostly be financed with GOGC's operating cash and debt. The company is also considering third-party equity contributions and/or project finance as potential financing options. Government guarantees related to the return on these two projects or other forms of state support have not yet been established, but GOGC expects the new power plant will have a state-guaranteed IRR, as is currently the case with Gardabani CCPP.



Leverage at a comfortable level

Figure 17: Net debt-to-adjusted EBITDA breakdown



Source: Company data, Galt & Taggart Research

End-2015 net debt-to-adjusted EBITDA deteriorated to 2.6x, largely due to the decrease in adjusted EBITDA, but was still comfortably below the 05/17 Eurobond covenant of 3.5x. Net debt also declined, as a decrease in the cash balance was more than compensated by a US\$ 30.0mn credit line, opened in late 2015. Per the Eurobond prospectus, the credit line amount is added to cash and cash equivalents when calculating the net debt-to-adjusted EBITDA ratio. On the back of significant expected growth in adjusted EBITDA and lower capital spending in FY16, we expect end-2016 net debt-to-adjusted EBITDA at 1.5x, before deteriorating by end-2017 to 2.1x due to Gardabani CCPP II-related investments.



Financial statements

Income statement

| US\$, '000 | 2012 | 2013 | 2014 | 2015 | 2016F | 2017F | 2018F |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Revenue | 181,407.3 | 195,838.3 | 202,628.5 | 218,234.3 | 280,194.5 | 280,282.6 | 282,962.3 |
| Sale of gas | 140,742.1 | 144,653.4 | 152,781.9 | 153,991.4 | 154,931.0 | 155,604.7 | 158,716.8 |
| Rent of gas pipelines | 23,976.8 | 25,649.6 | 28,759.4 | 30,313.9 | 31,280.9 | 31,716.1 | 32,191.9 |
| Income from crude oil | 9,686.5 | 18,350.2 | 13,355.6 | 4,545.0 | 3,845.8 | 3,862.5 | 3,978.4 |
| Oil transportation fee | 7,001.9 | 7,185.2 | 7,731.7 | 7,918.8 | 8,048.8 | 8,199.3 | 8,363.3 |
| Sale of electricity | - | - | - | 21,465.3 | 82,088.0 | 80,900.0 | 79,712.0 |
| | | | | | | | |
| Operating expenses | (137,925.4) | (143,865.2) | (151,872.4) | (176,749.9) | (215,696.5) | (216,689.8) | (221,116.0) |
| Cost of gas | (107,935.6) | (119,322.4) | (127,046.5) | (148,514.3) | (179,838.3) | (183,219.5) | (186,609.5) |
| Personnel costs | (5,152.4) | (4,390.4) | (5,219.0) | (5,154.7) | (5,223.3) | (5,386.0) | (5,493.7) |
| Taxes, other than on income | (3,729.3) | (3,664.7) | (3,771.0) | (3,950.3) | (3,994.8) | (4,107.7) | (4,189.9) |
| Impairment of assets related to Namakhvani project | (4,533.5) | - | - | - | - | - | - |
| Other | (5,272.9) | (5,521.8) | (4,478.3) | (7,296.3) | (8,655.9) | (4,916.6) | (5,002.4) |
| Other income | 6,745.1 | 8,359.9 | 1,363.6 | 1,048.8 | 1,008.8 | 1,634.3 | 1,714.6 |
| Operating expenses excluding depreciation and amortization | (126,623.8) | (132,899.2) | (140,514.8) | (164,915.6) | (197,712.3) | (197,629.7) | (201,295.5) |
| operating expenses excluding depreciation and amonization | (120,020.0) | (102,000.2) | (140,014.0) | (104,010.0) | (107,712.0) | (107,020.7) | (201,235.5) |
| EBITDA | 61,528.7 | 71,299.0 | 63,477.4 | 54,367.5 | 83,491.0 | 84,287.2 | 83,381.4 |
| Adjusted EBITDA | 59,317.1 | 62,939.1 | 62,113.8 | 53,318.7 | 82,482.2 | 82,652.9 | 81,666.8 |
| | | | | | | | |
| Depreciation and amortization | (11,301.7) | (10,966.0) | (11,357.7) | (11,834.3) | (17,984.1) | (19,060.1) | (19,820.5) |
| | 50 007 0 | 00.000.0 | 50 1 10 7 | 40 500 0 | 05 500 0 | 05 007 0 | 00 500 0 |
| Results from operating activities | 50,227.0 | 60,333.0 | 52,119.7 | 42,533.2 | 65,506.8 | 65,227.0 | 63,560.9 |
| Finance income | 17.560.5 | 24,483.9 | 6,778.0 | 13,633.7 | 26,675.9 | 7,864.1 | 8,046.0 |
| Interest income on bank deposits | 13,423.1 | 14,698.6 | - | 4,204.1 | 7,793.6 | - | - |
| Interest income on loans given | 2,436.9 | 7,992.6 | - | 2,379.5 | 2,745.2 | - | - |
| Unwinding of discount on finance lease receivable | 1,700.5 | 1,792.7 | 1,799.1 | 1,490.2 | 1,799.1 | 1,800.1 | 1,800.1 |
| Reversal of impairment on trade and other receivables | - | - | - | - | - | - | - |
| Customer late payment penalties | - | - | 4,978.9 | 5,559.9 | 7,458.5 | 6,064.0 | 6,246.0 |
| Net foreign exchange gain | - | - | - | - | 6,879.5 | - | - |
| | | | | | | | |
| Finance costs | (11,706.8) | (17,724.3) | (5,968.8) | (38,301.4) | (21,007.5) | - | - |
| Interest expense on bond issue | (11,287.7) | (17,453.2) | - | (9,585.1) | (21,007.5) | - | - |
| Net foreign exchange loss | (276.2) | (271.1) | (5,898.6) | (28,716.2) | - | - | - |
| Interest expense on bank overdrafts | (106.6) | - | (70.2) | - | - | - | - |
| Interest expense on loans from the Government of Georgia | (36.3) | - | - | - | - | - | - |
| Net finance income | 5,853.7 | 6,759.6 | 809.2 | (24,667.7) | 5,668.4 | 7,864.1 | 8,046.0 |
| Profit before income tax | 56,080.8 | 67,092.6 | 52,929.0 | 17,865.6 | 71,175.2 | 73,091.2 | 71,606.9 |
| Income tax expense | (7,011.6) | (10,406.3) | (5,422.9) | (1,912.6) | (10,676.3) | (10,963.7) | (10,741.0) |
| Profit from continuing operations | 49,069.1 | 56,686.3 | 47,506.1 | 15,952.9 | 60,498.9 | 62,127.5 | 60,865.9 |
| | TJ,003.1 | 50,000.5 | ו.000.1 | 10,002.0 | 00,400.9 | 02,121.3 | 00,000.0 |
| Profit and total comprehensive income for the year | 49,069.1 | 56,686.3 | 47,506.1 | 15,952.9 | 60,498.9 | 62,127.5 | 60,865.9 |
| Profit and total comprehensive income attributable to: | | | | | | | |
| Owners of the Company | 49,069.1 | 57,007.9 | 48,506.2 | 33,485.9 | 44,304.4 | 46,515.1 | 45,835.6 |
| Non-controlling interests | - | (321.6) | (1,000.1) | (17,533.0) | 16,194.5 | 15,612.4 | 15,030.3 |
| Source: Company data, Galt & Taggart Research | | | | | | | |



Common size income statement

| | 2012 | 2013 | 2014 | 2015 | 2016F | 2017F | 2018F |
|--|--------|--------|---------|---------------|--------|-----------|---------------|
| Revenue | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Sale of gas | 77.6% | 73.9% | 75.4% | 70.6% | 55.3% | 55.5% | 56.1% |
| Rent of gas pipelines | 13.2% | | 14.2% | 13.9% | 11.2% | 11.3% | 11.4% |
| Income from crude oil | 5.3% | | 6.6% | 2.1% | 1.4% | 1.4% | 1.4% |
| Oil transportation fee | 3.9% | 3.7% | 3.8% | 3.6% | 2.9% | 2.9% | 3.0% |
| Sale of electricity | - | - | - | 9.8% | 29.3% | 28.9% | 28.2% |
| Operating expenses | 76.0% | 73.5% | 75.0% | 81.0% | 77.0% | 77.3% | 78.1% |
| Cost of gas | 59.5% | 60.9% | 62.7% | <u>68</u> .1% | 64.2% | 65.4% | 65 .9% |
| Personnel costs | 2.8% | 2.2% | 2.6% | 2.4% | 1.9% | 1.9% | 1.9% |
| Taxes, other than on income | 2.1% | 1.9% | 1.9% | 1.8% | 1.4% | 1.5% | 1.5% |
| Impairment of assets related to Namakhvani project | 2.5% | - | - | - | - | - | - |
| Other | 2.9% | 2.8% | 2.2% | 3.3% | 3.1% | 1.8% | 1.8% |
| Other income | 3.7% | 4.3% | 0.7% | 0.5% | 0.4% | 0.6% | 0.6% |
| Operating expenses excluding depreciation and amortization | 69.8% | 67.9% | 69.3% | 75.6% | 70.6% | 70.5% | 71.1% |
| | 03.070 | 01.370 | 03.370 | 13.070 | 70.070 | 10.5% | / 1.1/0 |
| EBITDA | 33.9% | 36.4% | 31.3% | 24.9% | 29.8% | 30.1% | 29.5% |
| Adjusted EBITDA | 32.7% | 32.1% | 30.7% | 24.4% | 29.4% | 29.5% | 28.9% |
| | | | | | | | |
| Depreciation and amortization | 6.2% | 5.6% | 5.6% | 5.4% | 6.4% | 6.8% | 7.0% |
| Results from operating activities | 27.7% | 30.8% | 25.7% | 19.5% | 23.4% | 23.3% | 22.5% |
| Finance income | 9.7% | 12.5% | 3.3% | 6.2% | 9.5% | 2.8% | 2.8% |
| Interest income on bank deposits | 7.4% | | - 0.070 | 1.9% | 2.8% | 2.070 | 2.070 |
| Interest income on loans given | 1.3% | | - | 1.1% | 1.0% | - | - |
| Unwinding of discount on finance lease receivable | 0.9% | 0.9% | 0.9% | 0.7% | 0.6% | - 0.6% | - 0.6% |
| • | 0.9% | 0.9% | 0.9% | | | | 0.0% |
| Reversal of impairment on trade and other receivables | - | | - | - | - | - | - |
| Customer late payment penalties | - | - | 2.5% | 2.5% | 2.7% | 2.2% | 2.2% |
| Net foreign ex change gain | - | - | - | - | 2.5% | - | - |
| Finance costs | 6.5% | | 2.9% | 17.6% | 7.5% | - | - |
| Interest expense on bond issue | 6.2% | | - | 4.4% | 7.5% | - | - |
| Net foreign ex change loss | 0.2% | 0.1% | 2.9% | 13.2% | - | - | - |
| Interest expense on bank overdrafts | 0.1% | - | 0.0% | - | - | - | - |
| Interest expense on loans from the Government of Georgia | 0.0% | - | - | - | - | - | - |
| Net finance income | 3.2% | 3.5% | 0.4% | 11.3% | 2.0% | 2.8% | 2.8% |
| Profit before income tax | 30.9% | 34.3% | 26.1% | 8.2% | 25.4% | 26.1% | 25.3% |
| Income tax expense | 3.9% | 5.3% | 2.7% | 0.9% | 3.8% | 3.9% | 3.8% |
| Profit from continuing operations | 27.0% | 28.9% | 23.4% | 7.3% | 21.6% | 22.2% | 21.5% |
| | | | | | | | |
| Profit and total comprehensive income for the year | 27.0% | 28.9% | 23.4% | 7.3% | 21.6% | 22.2% | 21.5% |
| Profit and total comprehensive income attributable to: | | | | | | | |
| Owners of the Company | 27.0% | 29.1% | 23.9% | 15.3% | 15.8% | 16.6% | 16.2% |
| Non-controlling interests | - | 0.2% | 0.5% | 8.0% | 5.8% | 5.6% | 5.3% |
| Source: Company data, Galt & Taggart Research | | | | | | | |



Georgia | Energy Georgian Oil and Gas Corporation April 28, 2016

Statement of changes in equity

| Share capital, 1 January Increase in share capital Decrease in share capital FX rate translation adjustment Share capital, 31 December Fair value adj. res. for non-cash owner cont., 1 Jan. FX rate translation adjustment | 286,638.3 18,672.4 (185.9) | 307,417.2 151.5 | 293,468.9 35,756.6 | 307,303.6 | 255,084.1 | 265,609.1 | 265,609.1 |
|---|----------------------------------|--------------------|-----------------------|------------|------------|------------|------------|
| Decrease in share capital FX rate translation adjustment Share capital, 31 December Fair value adj. res. for non-cash owner cont., 1 Jan. FX rate translation adjustment | (185.9) | 151.5 | 35,756.6 | 10 001 0 | | | , |
| FX rate translation adjustment Share capital, 31 December Fair value adj. res. for non-cash owner cont., 1 Jan. FX rate translation adjustment | () | | | 16,831.3 | - | - | - |
| Share capital, 31 December Fair value adj. res. for non-cash owner cont., 1 Jan. FX rate translation adjustment | 0.000 4 | - | - | - | - | - | - |
| Fair value adj. res. for non-cash owner cont., 1 Jan. FX rate translation adjustment | 2,292.4 | (14,099.8) | (21,921.8) | (69,050.7) | 10,525.0 | - | - |
| FX rate translation adjustment | 307,417.2 | 293,468.9 | 307,303.6 | 255,084.1 | 265,609.1 | 265,609.1 | 265,609.1 |
| FX rate translation adjustment | | | | | | | |
| | (1,386.8) | 7,808.6 | 11,101.4 | 33,591.4 | (4,861.6) | - | - |
| Fair value adj. res. for non-cash owner cont., 31 Dec. | () | , | | , | ()/ | | |
| Additional paid-in-capital, 1 January | 42,937.2 | 43,289.7 | 41,305.1 | 38,483.6 | 29,946.1 | 31,181.7 | 31,181.7 |
| FX rate translation adjustment | 352.5 | (1,984.6) | (2,821.5) | (8,537.4) | 1,235.6 | - | - |
| Additional paid-in-capital, 31 December | 43,289.7 | 41,305.1 | 38,483.6 | 29,946.1 | 31,181.7 | 31,181.7 | 31,181.7 |
| Retained earnings, 1 January | 53,978.3 | 60.315.1 | 107,350.7 | 123,642.4 | 115,316.3 | 142,198.5 | 166,969.0 |
| Profit and total comprehensive income for the year | 49,069.1 | 57,007.9 | 48,506.2 | 33,485.9 | 44,304.4 | 46,515.1 | 45,835.6 |
| Contributions by and distributions to owners | (43,156.1) | (5,025.2) | (23,573.8) | (13,332.9) | (21,174.6) | (21,744.6) | (21,303.1) |
| Dividends to equity holders | (24,223.9) | (5,025.2) | (18,687.8) | (12,933.3) | (21,174.6) | (21,744.6) | (21,303.1) |
| Other cash distributions | (| (0,02012) | - | (12,00010) | (21,1110) | (21,1110) | (21,00011) |
| Distributions of non-cash assets net of tax | (18,932.2) | - | (549.3) | (399.5) | - | - | - |
| Transfer of subsidiary retained earnings | (, | - | (4,336.7) | - | - | - | - |
| FX rate translation adjustment | 423.7 | (4,947.1) | (8,640.6) | (28,479.2) | 3,752.4 | - | _ |
| Retained earnings, 31 December | 60,315.1 | 107,350.7 | 123,642.4 | 115,316.3 | 142,198.5 | 166,969.0 | 191,501.6 |
| Total contributions by and distributions to owners | 24,399.5 | 52,134.2 | 60,688.9 | 36,984.3 | 23,129.8 | 24,770.5 | 24,532.6 |
| Equity attributable to owners of the Company | 240,694.8 | 279,606.1 | 318,012.4 | 282,520.8 | 316,302.0 | 341,072.5 | 365,605.1 |
| Non-controlling interests, 1 January | - | - | 48,057.9 | 44,707.0 | 18,169.0 | 34,409.1 | 50,021.5 |
| Profit and total comprehensive income for the year | - | (321.6) | (1,000.1) | (17,533.0) | 16,194.5 | 15,612.4 | 15,030.3 |
| Foundation of subsidiary with non-controlling interests | - | 50,485.2 | - | - | - | - | - |
| Other contributions | - | - | 928.2 | - | - | - | - |
| FX rate translation adjustment | - | (2,105.6) | (3,279.0) | (9,005.0) | 45.6 | - | - |
| Non-controlling interests, 31 December | • | 48,057.9 | 44,707.0 | 18,169.0 | 34,409.1 | 50,021.5 | 65,051.7 |
| Total equity | 240,694.8 | 327,664.0 | 362,719.5 | 300,689.8 | 350,711.1 | 391,094.0 | 430,656.8 |



Common size statement of changes in equity

| Share capital 119.1% 93.8% 80.9% 102.2% 72.7% 67.9% 61.7% Increase in share capital 7.8% 0.0% 9.9% 5.6% -< | | | 2012 | 2013 | 2014 | 2015 | 2016F | 2017F | 2018F |
|--|--|-----|--------|--------|--------|--------|--------|---------|----------|
| Decrease in share capital 0.1% - | Share capital, 1 January | | 119.1% | 93.8% | 80.9% | 102.2% | 72.7% | 67.9% | 61.7% |
| FX rate translation adjustment 1.0% 4.3% 6.0% 23.0% 3.0% - Share capital, 31 December 127.7% 89.6% 84.7% 84.8% 75.7% 67.9% 61.7% Fair value adj. res. for non-cash owner cont., 1 Jan. 70.2% 52.0% 44.8% 50.4% 33.6% 31.4% 28.5% Fair value adj. res. for non-cash owner cont., 31 Dec. 70.8% 49.6% 41.7% 39.2% 35.0% 31.4% 28.5% Additional paid-in-capital, 1 January 17.8% 13.2% 11.4% 12.8% 8.5% 8.0% 7.2% Additional paid-in-capital, 31 December 18.0% 12.6% 10.6% 0.8% 2.8% 0.4% - - Additional paid-in-capital, 31 December 18.0% 12.6% 10.6% 10.9% 8.9% 8.0% 7.2% Retained earnings, 1 January 22.4% 18.4% 29.6% 41.1% 32.9% 36.4% 38.8% Profit and total comprehensive income for the year 20.4% 17.4% 13.4% 11.1% 12.6% 11.9% 10.6% Other cash distributions to owners | Increase in share capital | | 7.8% | 0.0% | 9.9% | 5.6% | - | - | - |
| Share capital, 31 December 127.7% 89.6% 84.7% 84.8% 75.7% 67.9% 61.7% Fair value adj, res. for non-cash owner cont., 1 Jan. 70.2% 52.0% 44.8% 50.4% 33.6% 31.4% 28.5% Fx rate translation adjustment 0.6% 2.4% 3.1% 11.2% 1.4% - - Fair value adj. res. for non-cash owner cont., 31 Dec. 70.8% 49.6% 41.7% 39.2% 35.0% 31.4% 28.5% Additional paid-in-capital, 1 January 17.8% 13.2% 11.4% 12.8% 8.5% 8.0% 7.2% Additional paid-in-capital, 31 December 18.0% 12.6% 10.6% 10.0% 8.9% 8.0% 7.2% Retained earnings, 1 January 22.4% 18.4% 29.6% 41.1% 32.9% 36.4% 38.8% Profit and total comprehensive income for the year 20.4% 17.4% 13.4% 11.1% 12.6% 41.9% 29.9% 44.9% 60.0% 5.6% 4.9% Other cash distributions to owners < | Decrease in share capital | | 0.1% | - | - | - | - | - | - |
| Fair value adj. res. for non-cash owner cont., 1 Jan. 70.2% 52.0% 44.8% 50.4% 33.6% 31.4% 28.5% FX rate translation adjustment 0.6% 2.4% 3.1% 11.2% 1.4% - - Fair value adj. res. for non-cash owner cont., 31 Dec. 70.8% 49.6% 41.7% 39.2% 35.0% 31.4% 28.5% Additional paid-in-capital, 1 January 17.8% 13.2% 11.4% 12.8% 8.5% 8.0% 7.2% Additional paid-in-capital, 31 December 18.0% 12.6% 10.0% 8.9% 8.0% 7.2% Retained earnings, 1 January 22.4% 18.4% 29.6% 41.1% 32.9% 36.4% 38.8% Profit and total comprehensive income for the year 20.4% 17.4% 13.4% 11.1% 12.6% 11.9% 10.6% Contributions by and distributions to owners 17.9% 1.5% 6.5% 4.4% 6.0% 5.6% 4.9% Dividends to equity holders 10.1% 1.5% 6.5% 4.4% 6.0% 5.6% 4.9% Dividends to equity holders 10.1% 1. | FX rate translation adjustment | | 1.0% | 4.3% | 6.0% | 23.0% | 3.0% | - | - |
| FX rate translation adjustment 0.6% 2.4% 3.1% 11.2% 1.4% - Fair value adj. res. for non-cash owner cont., 31 Dec. 70.8% 49.6% 41.7% 39.2% 35.0% 31.4% 28.5% Additional paid-in-capital, 1 January 17.8% 13.2% 11.4% 12.8% 8.5% 8.0% 7.2% Additional paid-in-capital, 31 December 18.0% 12.6% 10.6% 0.8% 2.8% 0.4% - - Additional paid-in-capital, 31 December 18.0% 12.6% 10.6% 41.1% 32.9% 36.4% 38.8% Profit and total comprehensive income for the year 20.4% 17.4% 13.4% 11.1% 12.6% 11.9% 10.6% Dividends to equity holders 10.1% 1.5% 6.5% 4.4% 6.0% 5.6% 4.9% Dividends to equity holders 10.1% 1.5% 6.5% 4.4% 6.0% 5.6% 4.9% Other cash distributions 0 - - - - - - - - - - - - - - | Share capital, 31 December | | 127.7% | 89.6% | 84.7% | 84.8% | 75.7% | 67.9% | 61.7% |
| FX rate translation adjustment 0.6% 2.4% 3.1% 11.2% 1.4% - Fair value adj. res. for non-cash owner cont., 31 Dec. 70.8% 49.6% 41.7% 39.2% 35.0% 31.4% 28.5% Additional paid-in-capital, 1 January 17.8% 13.2% 11.4% 12.8% 8.5% 8.0% 7.2% Additional paid-in-capital, 31 December 18.0% 12.6% 10.6% 0.8% 2.8% 0.4% - - Additional paid-in-capital, 31 December 18.0% 12.6% 10.6% 41.1% 32.9% 36.4% 38.8% Profit and total comprehensive income for the year 20.4% 17.4% 13.4% 11.1% 12.6% 11.9% 10.6% Dividends to equity holders 10.1% 1.5% 6.5% 4.4% 6.0% 5.6% 4.9% Dividends to equity holders 10.1% 1.5% 6.5% 4.4% 6.0% 5.6% 4.9% Other cash distributions 0 - - - - - - - - - - - - - - | Fair value adi res, for non-cash owner cont, 1 Jan | | 70.2% | 52.0% | 44 8% | 50.4% | 33.6% | 31.4% | 28.5% |
| Fair value adj. res. for non-cash owner cont., 31 Dec. 70.8% 49.6% 41.7% 39.2% 35.0% 31.4% 28.5% Additional paid-in-capital, 1 January 17.8% 13.2% 11.4% 12.8% 8.5% 8.0% 7.2% Additional paid-in-capital, 31 December 18.0% 12.6% 10.6% 0.4% - - Additional paid-in-capital, 31 December 18.0% 12.6% 10.6% 0.6% 0.4% - Retained earnings, 1 January 22.4% 18.4% 29.6% 41.1% 32.9% 36.4% 38.8% Profit and total comprehensive income for the year 20.4% 17.4% 13.4% 11.1% 12.6% 11.9% 10.6% Contributions by and distributions to owners 17.9% 1.5% 6.5% 4.4% 6.0% 5.6% 4.9% Distributions of non-cash assets net of tax 7.9% - | , | | | | | | | - | - 20.070 |
| FX rate translation adjustment 0.1% 0.6% 0.8% 2.8% 0.4% - Additional paid-in-capital, 31 December 18.0% 12.6% 10.6% 10.0% 8.9% 8.0% 7.2% Retained earnings, 1 January 22.4% 18.4% 29.6% 41.1% 32.9% 36.4% 38.8% Profit and total comprehensive income for the year 20.4% 17.4% 13.4% 11.1% 12.6% 11.9% 10.6% Contributions by and distributions to owners 17.9% 1.5% 6.5% 4.4% 6.0% 5.6% 4.9% Other cash distributions 0.1% 1.5% 5.2% 4.3% 6.0% 5.6% 4.9% Other cash distributions 0.1% 1.5% 5.2% 4.3% 6.0% 5.6% 4.9% Other cash distributions 0.2% 0.1% - <th< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>31.4%</td><td>28.5%</td></th<> | | | | | | | | 31.4% | 28.5% |
| FX rate translation adjustment 0.1% 0.6% 0.8% 2.8% 0.4% - Additional paid-in-capital, 31 December 18.0% 12.6% 10.6% 10.0% 8.9% 8.0% 7.2% Retained earnings, 1 January 22.4% 18.4% 29.6% 41.1% 32.9% 36.4% 38.8% Profit and total comprehensive income for the year 20.4% 17.4% 13.4% 11.1% 12.6% 11.9% 10.6% Contributions by and distributions to owners 17.9% 1.5% 6.5% 4.4% 6.0% 5.6% 4.9% Other cash distributions 0.1% 1.5% 5.2% 4.3% 6.0% 5.6% 4.9% Other cash distributions 0.1% 1.5% 5.2% 4.3% 6.0% 5.6% 4.9% Other cash distributions 0.2% 0.1% - <th< td=""><td>Additional paid in conital 1 January</td><td></td><td>17 00/</td><td>12 00/</td><td>11 40/</td><td>10 00/</td><td>0 50/</td><td>0.00/</td><td>7.00/</td></th<> | Additional paid in conital 1 January | | 17 00/ | 12 00/ | 11 40/ | 10 00/ | 0 50/ | 0.00/ | 7.00/ |
| Additional paid-in-capital, 31 December 18.0% 12.6% 10.6% 10.0% 8.9% 8.0% 7.2% Retained earnings, 1 January 22.4% 18.4% 29.6% 41.1% 32.9% 36.4% 38.8% Profit and total comprehensive income for the year 20.4% 17.4% 13.4% 11.1% 12.6% 11.9% 10.6% Contributions by and distributions to owners 17.9% 1.5% 6.5% 4.4% 6.0% 5.6% 4.9% Other cash distributions 0 10.1% 1.5% 5.2% 4.3% 6.0% 5.6% 4.9% Other cash distributions of non-cash assets net of tax 7.9% 0.2% 0.1% - | | | | | | _ | | 0.0% | 1.2% |
| Retained earnings, 1 January 22.4% 18.4% 29.6% 41.1% 32.9% 36.4% 38.8% Profit and total comprehensive income for the year 20.4% 17.4% 13.4% 11.1% 12.6% 11.9% 10.6% Contributions by and distributions to owners 17.9% 1.5% 6.5% 4.4% 6.0% 5.6% 4.9% Dividends to equity holders 10.1% 1.5% 5.2% 4.3% 6.0% 5.6% 4.9% Other cash distributions 10.1% 1.5% 5.2% 4.3% 6.0% 5.6% 4.9% Other cash distributions of non-cash assets net of tax 7.9% 0.2% 0.1% - <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>-</td> <td>-</td> | | | | | | | | - | - |
| Profit and total comprehensive income for the year 20.4% 17.4% 13.4% 11.1% 12.6% 11.9% 10.6% Contributions by and distributions to owners 17.9% 1.5% 6.5% 4.4% 6.0% 5.6% 4.9% Dividends to equity holders 10.1% 1.5% 5.2% 4.3% 6.0% 5.6% 4.9% Other cash distributions - | Additional paid-in-capital, 31 December | | 18.0% | 12.6% | 10.6% | 10.0% | 8.9% | 8.0% | 7.2% |
| Contributions by and distributions to owners 17.9% 1.5% 6.5% 4.4% 6.0% 5.6% 4.9% Dividends to equity holders 10.1% 1.5% 5.2% 4.3% 6.0% 5.6% 4.9% Other cash distributions - <td>Retained earnings, 1 January</td> <td></td> <td>22.4%</td> <td>18.4%</td> <td>29.6%</td> <td>41.1%</td> <td>32.9%</td> <td>36.4%</td> <td>38.8%</td> | Retained earnings, 1 January | | 22.4% | 18.4% | 29.6% | 41.1% | 32.9% | 36.4% | 38.8% |
| Dividends to equity holders 10.1% 1.5% 5.2% 4.3% 6.0% 5.6% 4.9% Other cash distributions - | Profit and total comprehensive income for the year | | 20.4% | 17.4% | 13.4% | 11.1% | 12.6% | 11.9% | 10.6% |
| Dividends to equity holders 10.1% 1.5% 5.2% 4.3% 6.0% 5.6% 4.9% Other cash distributions - | Contributions by and distributions to owners | | 17 9% | 1.5% | 6.5% | 4 4% | 6.0% | 5.6% | 4 9% |
| Other cash distributions< | | | | | | - | - | - | |
| Distributions of non-cash assets net of tax 7.9% - 0.2% 0.1% - - - Transfer of subsidiary retained earnings - - 1.2% - - - - FX rate translation adjustment 0.2% 1.5% 2.4% 9.5% 1.1% - - Retained earnings, 31 December 25.1% 32.8% 34.1% 38.4% 40.5% 42.7% 44.5% Total contributions by and distributions to owners 10.1% 15.9% 16.7% 12.3% 6.6% 6.3% 5.7% Equity attributable to owners of the Company 100.0% 85.3% 87.7% 94.0% 90.2% 87.2% 84.9% Non-controlling interests, 1 January - - 13.2% 14.9% 5.2% 8.8% 11.6% Profit and total comprehensive income for the year - 0.1% 0.3% 5.8% 4.6% 4.0% 3.5% Guther contributions - - - - - - - - - - - - - - - - - | | | - | - | - | - | - | - | - |
| Transfer of subsidiary retained earnings - - 1.2% - | | 1.1 | 7.9% | - | 0.2% | 0.1% | - | - | - |
| FX rate translation adjustment 0.2% 1.5% 2.4% 9.5% 1.1% - - Retained earnings, 31 December 25.1% 32.8% 34.1% 38.4% 40.5% 42.7% 44.5% Total contributions by and distributions to owners 10.1% 15.9% 16.7% 12.3% 6.6% 6.3% 5.7% Equity attributable to owners of the Company 100.0% 85.3% 87.7% 94.0% 90.2% 87.2% 84.9% Non-controlling interests, 1 January - - 13.2% 14.9% 5.2% 8.8% 11.6% Profit and total comprehensive income for the year - 0.1% 0.3% 5.8% 4.6% 4.0% 3.5% Other contributions - - 0.3% - - - - - FX rate translation adjustment - 0.6% 0.9% 3.0% 0.0% - - - Non-controlling interests, 31 December - - - - - - - - - - - - - - - - </td <td></td> <td></td> <td>-</td> <td>-</td> <td></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> | | | - | - | | - | - | - | - |
| Retained earnings, 31 December 25.1% 32.8% 34.1% 38.4% 40.5% 42.7% 44.5% Total contributions by and distributions to owners 10.1% 15.9% 16.7% 12.3% 6.6% 6.3% 5.7% Equity attributable to owners of the Company 100.0% 85.3% 87.7% 94.0% 90.2% 87.2% 84.9% Non-controlling interests, 1 January - - 13.2% 14.9% 5.2% 8.8% 11.6% Profit and total comprehensive income for the year - 0.1% 0.3% 5.8% 4.6% 4.0% 3.5% Foundation of subsidiary with non-controlling interests - 15.4% - - - - FX rate translation adjustment - 0.6% 0.9% 3.0% 0.0% - - Non-controlling interests, 31 December - 14.7% 12.3% 6.0% 9.8% 12.8% 15.1% | , , | | 0.2% | 1.5% | | 9.5% | 1.1% | - | - |
| Equity attributable to owners of the Company 100.0% 85.3% 87.7% 94.0% 90.2% 87.2% 84.9% Non-controlling interests, 1 January - - 13.2% 14.9% 5.2% 8.8% 11.6% Profit and total comprehensive income for the year - 0.1% 0.3% 5.8% 4.6% 4.0% 3.5% Foundation of subsidiary with non-controlling interests - 15.4% - - - - - Other contributions - - 0.3% - - - - - FX rate translation adjustment - 0.6% 0.9% 3.0% 0.0% - - Non-controlling interests, 31 December - 14.7% 12.3% 6.0% 9.8% 12.8% 15.1% | | | | | | | | 42.7% | 44.5% |
| Non-controlling interests, 1 January - - 13.2% 14.9% 5.2% 8.8% 11.6% Profit and total comprehensive income for the year - 0.1% 0.3% 5.8% 4.6% 4.0% 3.5% Foundation of subsidiary with non-controlling interests - 15.4% - < | Total contributions by and distributions to owners | r. | 10.1% | 15.9% | 16.7% | 12.3% | 6.6% | 6.3% | 5.7% |
| Non-controlling interests, 1 January - - 13.2% 14.9% 5.2% 8.8% 11.6% Profit and total comprehensive income for the year - 0.1% 0.3% 5.8% 4.6% 4.0% 3.5% Foundation of subsidiary with non-controlling interests - 15.4% - < | | _ | | | | | | | |
| Profit and total comprehensive income for the year - 0.1% 0.3% 5.8% 4.6% 4.0% 3.5% Foundation of subsidiary with non-controlling interests - 15.4% - | Equity attributable to owners of the Company | | 100.0% | 85.3% | 87.7% | 94.0% | 90.2% | 87.2% | 84.9% |
| Foundation of subsidiary with non-controlling interests - 15.4% -< | Non-controlling interests, 1 January | | - | - | 13.2% | 14.9% | 5.2% | 8.8% | 11.6% |
| Other contributions - - 0.3% - | Profit and total comprehensive income for the year | | - | 0.1% | 0.3% | 5.8% | 4.6% | 4.0% | 3.5% |
| Other contributions - - 0.3% - | | | - | 15.4% | - | - | - | - | - |
| Non-controlling interests, 31 December - 14.7% 12.3% 6.0% 9.8% 12.8% 15.1% | | | - | - | 0.3% | - | - | - | - |
| | FX rate translation adjustment | | - | 0.6% | 0.9% | 3.0% | 0.0% | - | - |
| | Non-controlling interests, 31 December | | - | 14.7% | | 6.0% | 9.8% | 12.8% 📕 | 15.1% |
| Total equity 100.0% 1 | | | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |



Georgia | Energy Georgian Oil and Gas Corporation April 28, 2016

Statement of financial position

| Assets | | US\$, '000 | 2012 | 2013 | 2014 | 2015 | 2016F | 2017F | 2018F |
|---|---|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Prepayments for non-current assets - 115,000.7 55,182.3 88.18 942.3 38.22.7 1,038 Finance lease receivable 27,694.8 28,142.6 27,925.0 23,142.5 25,613.3 27,618.4 29,418.5 Loans given 51,501.2 51,336.8 27,646.4 29,418.5 20,440.7 25,132.5 - | | | | | | | | | |
| Intragingle assets 99.6 65.7 54.2 35.9 93.3 41.2 64.3 Inano given 51,501.2 51,336.8 74,460.7 25,613.2 - | Property, plant and equipment | | 170,610.2 | | | | | - / | |
| Finance lases receivable 27,694.8 28,142.6 27,925.0 23,142.5 25,818.3 27,618.4 29,418.5 Loans given 51,501.2 51,336.8 74,460.7 25,513.2 - | Prepayments for non-current assets | | - | 115,090.7 | | | | | |
| Loans given 51,5012 51,366.8 74,460.7 25,613.2 - | Intangible assets | | 99.6 | | | 35.9 | 39.3 | | 43.3 |
| Other mon-current assets 64.6 -< | Finance lease receivable | | 27,694.8 | 28,142.6 | | 23,142.5 | 25,818.3 | 27,618.4 | 29,418.5 |
| Equity accounted investees - - - 2.834.6 6.76.1 7.017.7 7.715.1 Term deposits 63.636.1 23.086.5 23.080.8 25.501.7 26.022.8 26.643.3 3.032.5 3.032.5 Non-current assets 313.606.6 372.979.9 496.118.3 402.726.2 399.444.8 519.223.3 586.353.1 Loans given 29.474.2 27.100.7 8.844.2 2.406.4 28.019.5 - - Non-current assets held for distribution - 667.1 - 7.74.1 7764.3 7.64.3 Current tax assets 3.996.5 622.6 - 1.529.9 1.545.3 1.498.9 1.498.9 Prepayments for current assets and expenses 12.055.3 11.552.2 12.528.4 20.104.0 16.746.8 16.244.4 16.244.4 Traid cash equivalents 86.118.2 112.043.4 97.552.6 79.78.9 52.02.0 52.442.6 54.122.5 Total assets 530.156.3 607.552.3 660.500.1 588.849.6 696.200.3 | Loans given | | 51,501.2 | 51,336.8 | 74,460.7 | 25,613.2 | - | - | - |
| Deferred tax assets - - - 1107.0 6,004.8 3,126.3 3,032.5 2,023.5 3,032.5 3,02, | Other non-current assets | | 64.6 | - | - | - | - | - | - |
| Term deposits 63.636.1 23.085.3 23.809.8 25.501.7 26.02.8 26.543.3 27.074.2 Non-current assets 313.606.6 372.979.9 496.118.3 402.762.2 399.444.8 519.223.3 586.353.1 Loans given 29.404.2 27.100.7 8.844.2 2.406.4 28.019.5 - <td>Equity accounted investees</td> <td></td> <td>-</td> <td>-</td> <td>-</td> <td>2,364.6</td> <td>6,376.1</td> <td>7,013.7</td> <td>7,715.1</td> | Equity accounted investees | | - | - | - | 2,364.6 | 6,376.1 | 7,013.7 | 7,715.1 |
| Non-current assets 313,606.6 372,979.9 496,118.3 402,726.2 399,444.8 519,223.3 586,353.1 Loans given 29,404.2 27,100.7 8,844.2 2,406.4 28,019.5 - - Non-current assets held for distribution - 657.1 - 734.1 764.3 764.3 764.3 Inventories 322.9 378.4 106.2 3,684.9 40,028.8 4,202.2 4,414.8 Current tax assets 3,996.5 622.6 - 1,529.9 1,545.3 1,498.9 1,498.9 Taxes other than on income 597.6 421.6 7,819.8 2,095.7 2,116.7 2,053.2 2,053.2 2,053.2 2,053.2 2,053.2 2,053.2 2,053.2 2,053.2 2,053.3 1,552.2 1,528.4 20,104.0 16,746.8 16,244.4 16,244.4 16,244.4 16,244.4 16,244.4 16,244.4 16,244.4 16,244.4 16,244.4 16,244.4 16,244.4 16,244.4 16,244.4 16,244.4 16,244.4 16,244.4 | Deferred tax assets | | - | - | 1,107.0 | 6,004.8 | 3,126.3 | 3,032.5 | 3,032.5 |
| Loans given 29,404.2 27,100.7 8,844.2 2,406.4 28,019.5 - - Non-current assets held for distribution . 657.1 . 734.1 764.3 764.3 764.3 Inventories | Term deposits | | 63,636.1 | 23,085.3 | 23,809.8 | 25,501.7 | 26,022.8 | 26,543.3 | |
| Non-current assets held for distribution - 657.1 - 734.1 764.3 764.3 764.4 Inventories 322.9 378.4 106.2 3,684.9 4,028.8 4,230.2 4,441.8 Current tax sasets 3,996.5 622.6 - 1,529.9 1,545.3 1,148.9 1,498.9 Taxes other than on income 597.6 421.6 7,819.8 2,095.7 2,116.7 2,053.2 2,053.2 Prepayments for current assets and expenses 12,055.3 11,552.2 12,728.4 20,104.0 16,746.8 16,244.4 16,244.4 16,244.4 16,244.4 16,244.4 16,244.8 176,43.8 180,212.7 76a and cash equivalents 86,118.2 112,043.4 97,552.6 79,789.6 188,243.8 79,853.8 50,997.7 Current assets 530,156.3 607,552.3 660,500.1 588,849.6 696,200.3 676,410.7 716,475.8 Equity and liabilities - - - - - - - - - - - - <td>Non-current assets</td> <td></td> <td>313,606.6</td> <td>372,979.9</td> <td>496,118.3</td> <td>402,726.2</td> <td>399,444.8</td> <td>519,223.3</td> <td>586,353.1</td> | Non-current assets | | 313,606.6 | 372,979.9 | 496,118.3 | 402,726.2 | 399,444.8 | 519,223.3 | 586,353.1 |
| Inventories 322.9 378.4 106.2 3,684.9 4,028.8 4,230.2 4,441.8 Current tax assets 3,996.5 622.6 - 1,529.9 1,545.3 1,498.9 1,498.9 Prepayments for current assets and expenses 12,055.3 11,552.2 12,528.4 20,104.0 16,746.8 16,244.4 16,244.4 Trade and other receivables 52,151.9 36,589.3 37,530.6 75,778.9 55,290.3 52,542.6 54,122.5 Term deposits 31,903.2 45,207.0 - <td>Loans given</td> <td></td> <td>29,404.2</td> <td>27,100.7</td> <td>8,844.2</td> <td>2,406.4</td> <td>28,019.5</td> <td>-</td> <td>-</td> | Loans given | | 29,404.2 | 27,100.7 | 8,844.2 | 2,406.4 | 28,019.5 | - | - |
| Current tax assets 3,996.5 622.6 - 1,529.9 1,545.3 1,498.9 1,498.9 Taxes other than on income 597.6 421.6 7,819.8 2,095.7 2,116.7 2,053.2 2,053.2 Prepayments for current assets and expenses 12,055.3 11,552.2 12,528.4 2,0104.0 16,746.8 16,244.4 16,244.4 16,244.4 16,244.4 16,244.4 16,244.4 16,244.4 16,244.4 16,244.4 16,244.4 16,244.4 16,244.4 16,244.4 16,244.4 16,244.4 16,244.4 16,245.5 51,157.187.5 30,192.7 Current assets 216,549.8 234,572.4 164,381.8 186,123.4 296,755.5 157,187.5 130,122.7 Total assets 530,156.3 607,552.3 660,00.1 588,849.6 696,200.3 676,410.7 716,475.8 Equity and liabilities 50,717.2 (122,687.4) (122,687.4) (122,687.4) (122,687.4) (122,687.4) (122,687.4) (122,687.4) (122,687.4) (122,687.4) (122,687.4) (122,687.4) < | Non-current assets held for distribution | | - | 657.1 | - | 734.1 | 764.3 | 764.3 | 764.3 |
| Taxes other than on income 597.6 421.6 7,819.8 2,095.7 2,116.7 2,053.2 2,053.2 Prepayments for current assets and expenses 12,055.3 11,552.2 12,263.4 20,104.0 16,746.8 16,244.4 16,244.8 79,853.6 597.6 77.78.9 55,203.3 55,262.5 79,789.6 188,243.8 79,853.8 50.995.7 16,361.8 166,723.4 296,755.5 157,167.5 130,122.7 Total assets 236,722.4 164,381.8 166,200.3 676,410.7 716,475.8 Equity and liabilities 307,417.2 293,468.9 307,303.6 255,084.1 265,609.1 265,609.1 265,609.1 265,609.1 265,609.1 265,609.1 216,649.8 </td <td>Inventories</td> <td></td> <td>322.9</td> <td>378.4</td> <td>106.2</td> <td>3,684.9</td> <td>4,028.8</td> <td>4,230.2</td> <td>4,441.8</td> | Inventories | | 322.9 | 378.4 | 106.2 | 3,684.9 | 4,028.8 | 4,230.2 | 4,441.8 |
| Prepayments for current assets and expenses 12,055.3 11,552.2 12,528.4 20,104.0 16,746.8 16,244.4 16,244.4 Trade and other receivables 52,151.9 36,589.3 37,300.6 75,778.9 55,290.3 52,542.6 54,122.5 Term deposits 31,092.2 45,207.0 - | Current tax assets | | 3,996.5 | 622.6 | - | 1,529.9 | 1,545.3 | 1,498.9 | 1,498.9 |
| Trade and other receivables 52,151.9 36,589.3 37,530.6 75,778.9 55,290.3 52,542.6 54,122.5 Term deposits 31,903.2 45,207.0 - </td <td>Taxes other than on income</td> <td></td> <td>597.6</td> <td>421.6</td> <td>7,819.8</td> <td>2,095.7</td> <td>2,116.7</td> <td>2,053.2</td> <td>2,053.2</td> | Taxes other than on income | | 597.6 | 421.6 | 7,819.8 | 2,095.7 | 2,116.7 | 2,053.2 | 2,053.2 |
| Term deposits 31,903.2 45,207.0 -< | Prepayments for current assets and expenses | | 12,055.3 | 11,552.2 | 12,528.4 | 20,104.0 | 16,746.8 | 16,244.4 | 16,244.4 |
| Term deposits 31,903.2 45,207.0 -< | Trade and other receivables | | 52,151.9 | 36,589.3 | 37,530.6 | 75,778.9 | 55,290.3 | 52,542.6 | |
| Current assets 216,549.8 234,572.4 164,381.8 186,123.4 296,755.5 157,187.5 130,122.7 Total assets 530,156.3 607,552.3 660,500.1 588,849.6 696,200.3 676,410.7 716,475.8 Equity and liabilities Share capital 307,417.2 293,468.9 307,303.6 255,084.1 265,609.1 265,609.1 265,609.1 265,609.1 262,609.1 Fair value adj. res. for non-cash owner cont. (170,327.2) (162,518.6) (121,878.4) (122,687.4) (132,687.4) (132,687.4) (132,687.4) (142,687.4) (131,81.7) (131,81.7) | Term deposits | | 31,903.2 | | - | - | - | - | - |
| Total assets 530,156.3 607,552.3 660,500.1 588,849.6 696,200.3 676,410.7 716,475.8 Equity and liabilities | Cash and cash equivalents | | 86,118.2 | 112,043.4 | 97,552.6 | 79,789.6 | 188,243.8 | 79,853.8 | 50,997.7 |
| Equity and liabilities Share capital 307,417.2 293,468.9 307,303.6 255,084.1 265,609.1 265,609.1 265,609.1 265,609.1 265,609.1 265,609.1 265,609.1 265,609.1 265,609.1 226,87.4) (122,687.4) (131,617.3) 31,811.7 31,181.7 31,181.7 31,181.7 31,181.7 31,181.7 31,601.2 34,409.1 50,021.5 65,051.7 Total equity 240,694.8 327,664.0 362,719.5 300,689.8 < | Current assets | | 216,549.8 | 234,572.4 | 164,381.8 | 186,123.4 | 296,755.5 | 157,187.5 | 130,122.7 |
| Equity and liabilities Share capital 307,417.2 293,468.9 307,303.6 255,084.1 265,609.1 265,609.1 265,609.1 265,609.1 265,609.1 265,609.1 265,609.1 265,609.1 265,609.1 226,87.4) (122,687.4) (131,617.3) 31,811.7 31,181.7 31,181.7 31,181.7 31,181.7 31,181.7 31,601.2 34,409.1 50,021.5 65,051.7 Total equity 240,694.8 327,664.0 362,719.5 300,689.8 < | Total assets | | | | | | | | 716,475.8 |
| Share capital 307,417.2 293,468.9 307,303.6 255,084.1 265,609.1 266,609.1 265,609.1 265,609.1 265,609.1 265,609.1 265,609.1 265,609.1 265,609.1 265,609.1 226,609.1 212,687.4 (122,687.4) (142,198.5) (160,690.5) (170,70.5) (160,690.5) (160,690.5) (160,690.5) (160,690.5) (160,690.5) (160,650.5) (160,650.5) (161,610.5) (160,650.5) | | | | | , | , | | , | |
| Fair value adj. res. for non-cash owner cont. (170,327.2) (162,518.6) (151,417.1) (117,825.8) (122,687.4) (122,687.4) (122,687.4) Additional paid-in-capital 43,289.7 41,305.1 38,483.6 29,946.1 31,181.7 | Equity and liabilities | | | | | | | | |
| Additional paid-in-capital 43,289.7 41,305.1 38,483.6 29,946.1 31,181.7 31,18 | Share capital | | 307,417.2 | 293,468.9 | 307,303.6 | 255,084.1 | 265,609.1 | 265,609.1 | 265,609.1 |
| Additional paid-in-capital 43,289.7 41,305.1 38,483.6 29,946.1 31,181.7 31,18 | Fair value adj. res. for non-cash owner cont. | | (170,327.2) | (162,518.6) | (151,417.1) | (117,825.8) | (122,687.4) | (122,687.4) | (122,687.4) |
| Equity attributable to owners of the company Non-controlling interests240,694.8 -279,606.1 48,057.9318,012.4 44,707.0282,520.8 18,169.0316,302.0 34,409.1341,072.5 50,021.5365,605.1 65,051.7Total equity240,694.8 240,694.8327,664.0 327,664.0362,719.5 300,689.8300,689.8 350,711.1391,094.0 391,094.0430,656.8 430,656.8Loans and borrowings Deferred tax liabilities245,176.0 5,774.1245,175.9 9,494.9245,176.0 7,621.3245,176.0 6,258.7245,176.0 6,842.8245,176.0 7,184.9245,176.0 7,544.2Non-current liabilities250,950.1 250,950.1254,670.9 252,797.3251,434.7 252,018.8252,360.9 252,720.2252,720.2Loans and borrowings Dividend payable3,072.4 19,315.53,282.2 - <b< td=""><td>Additional paid-in-capital</td><td></td><td>43,289.7</td><td>41,305.1</td><td>38,483.6</td><td>29,946.1</td><td>31,181.7</td><td>31,181.7</td><td>31,181.7</td></b<> | Additional paid-in-capital | | 43,289.7 | 41,305.1 | 38,483.6 | 29,946.1 | 31,181.7 | 31,181.7 | 31,181.7 |
| Equity attributable to owners of the company Non-controlling interests240,694.8 -279,606.1 48,057.9318,012.4 44,707.0282,520.8 18,169.0316,302.0 34,409.1341,072.5 50,021.5365,605.1 65,051.7Total equity240,694.8 240,694.8327,664.0 327,664.0362,719.5 300,689.8300,689.8 350,711.1391,094.0 391,094.0430,656.8 430,656.8Loans and borrowings Deferred tax liabilities245,176.0 5,774.1245,175.9 9,494.9245,176.0 7,621.3245,176.0 6,258.7245,176.0 6,842.8245,176.0 7,184.9245,176.0 7,544.2Non-current liabilities250,950.1 250,950.1254,670.9 252,797.3251,434.7 252,018.8252,360.9 252,720.2252,720.2Loans and borrowings Dividend payable3,072.4 19,315.53,282.2 - <b< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>191,501.6</td></b<> | | | | | | | | | 191,501.6 |
| Non-controlling interests-48,057.944,707.018,169.034,409.150,021.565,051.7Total equity240,694.8327,664.0362,719.5300,689.8350,711.1391,094.0430,656.8Loans and borrowings245,176.0 <t< td=""><td></td><td></td><td>240,694.8</td><td>279,606.1</td><td></td><td></td><td></td><td>341,072.5</td><td></td></t<> | | | 240,694.8 | 279,606.1 | | | | 341,072.5 | |
| Loans and borrowings245,176.0245 | | | - | 48,057.9 | 44,707.0 | 18,169.0 | 34,409.1 | 50,021.5 | 65,051.7 |
| Deferred tax liabilities5,774.19,494.97,621.36,258.76,842.87,184.97,544.2Non-current liabilities250,950.1254,670.9252,797.3251,434.7252,018.8252,360.9252,720.2Loans and borrowings3,072.43,528.24,453.25,445.765,345.75,445.75,445.7Trade and other payables14,982.817,655.936,008.828,313.125,062.924,312.724,313.7Dividend payable19,315.5Current tax liabilities836.6VAT payable1,140.83,062.32,780.12,104.12,190.92,300.42,415.4Provisions-971.0904.7862.2870.9897.0923.9Current liabilities38,511.525,217.444,983.436,725.193,470.432,955.833,098.8Total liabilities289,461.6279,888.3297,780.6288,159.8345,489.2285,316.8285,819.0 | Total equity | | 240,694.8 | 327,664.0 | 362,719.5 | 300,689.8 | 350,711.1 | 391,094.0 | 430,656.8 |
| Non-current liabilities 250,950.1 254,670.9 252,797.3 251,434.7 252,018.8 252,360.9 252,720.2 Loans and borrowings 3,072.4 3,528.2 4,453.2 5,445.7 65,345.7 5,445.7 5,445.7 Trade and other payables 14,982.8 17,655.9 36,008.8 28,313.1 25,062.9 24,312.7 24,313.7 Dividend payable 19,315.5 - </td <td>Loans and borrowings</td> <td></td> <td>245,176.0</td> <td>245,175.9</td> <td>245,176.0</td> <td>245,176.0</td> <td>245,176.0</td> <td>245,176.0</td> <td>245,176.0</td> | Loans and borrowings | | 245,176.0 | 245,175.9 | 245,176.0 | 245,176.0 | 245,176.0 | 245,176.0 | 245,176.0 |
| Loans and borrowings3,072.43,528.24,453.25,445.765,345.75,445.75,445.7Trade and other payables14,982.817,655.936,008.828,313.125,062.924,312.724,313.7Dividend payable19,315.5Current tax liabilities836.6VAT payable1,140.83,062.32,780.12,104.12,190.92,300.42,415.4Provisions-971.0904.7862.2870.9897.0923.9Current liabilities38,511.525,217.444,983.436,725.193,470.432,955.833,098.8Total liabilities289,461.6279,888.3297,780.6288,159.8345,489.2285,316.8285,819.0 | Deferred tax liabilities | | 5,774.1 | 9,494.9 | 7,621.3 | 6,258.7 | 6,842.8 | 7,184.9 | 7,544.2 |
| Trade and other payables 14,982.8 17,655.9 36,008.8 28,313.1 25,062.9 24,312.7 24,313.7 Dividend payable 19,315.5 - <t< td=""><td>Non-current liabilities</td><td></td><td>250,950.1</td><td>254,670.9</td><td>252,797.3</td><td>251,434.7</td><td>252,018.8</td><td>252,360.9</td><td>252,720.2</td></t<> | Non-current liabilities | | 250,950.1 | 254,670.9 | 252,797.3 | 251,434.7 | 252,018.8 | 252,360.9 | 252,720.2 |
| Dividend payable 19,315.5 - | Loans and borrowings | | 3,072.4 | 3,528.2 | 4,453.2 | 5,445.7 | 65,345.7 | 5,445.7 | 5,445.7 |
| Dividend payable 19,315.5 - | Trade and other payables | | 14,982.8 | 17,655.9 | 36,008.8 | 28,313.1 | 25,062.9 | 24,312.7 | 24,313.7 |
| Current tax labilities - - 836.6 - </td <td></td> <td></td> <td></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> | | | | - | - | - | - | - | - |
| VAT payable 1,140.8 3,062.3 2,780.1 2,104.1 2,190.9 2,300.4 2,415.4 Provisions - 971.0 904.7 862.2 870.9 897.0 923.9 Current liabilities 38,511.5 25,217.4 44,983.4 36,725.1 93,470.4 32,955.8 33,098.8 Total liabilities 289,461.6 279,888.3 297,780.6 288,159.8 345,489.2 285,316.8 285,819.0 | 1 3 | | - | - | 836.6 | - | - | - | - |
| Provisions 971.0 904.7 862.2 870.9 897.0 923.9 Current liabilities 38,511.5 25,217.4 44,983.4 36,725.1 93,470.4 32,955.8 33,098.8 Total liabilities 289,461.6 279,888.3 297,780.6 288,159.8 345,489.2 285,316.8 285,819.0 | | | 1,140.8 | 3,062.3 | | 2,104.1 | 2,190.9 | 2,300.4 | 2,415.4 |
| Current liabilities 38,511.5 25,217.4 44,983.4 36,725.1 93,470.4 32,955.8 33,098.8 Total liabilities 289,461.6 279,888.3 297,780.6 288,159.8 345,489.2 285,316.8 285,819.0 | | | - | , | , | , | , | , | , |
| Total liabilities 289,461.6 279,888.3 297,780.6 288,159.8 345,489.2 285,316.8 285,819.0 | | | 38.511.5 | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | , |



Common size statement of financial position

| | 2012 | 2013 | 2014 | 2015 | 2016F | 2017F | 2018F |
|---|---------|----------|---------|---------|----------|---------|----------|
| Assets | | | | | | | |
| Property, plant and equipment | 32.2% | 25.6% | 48.0% | 54.2% | 48.4% | 61.6% | 72.3% |
| Prepayments for non-current assets | | 18.9% | 7.9% | 0.1% | 0.1% | 5.7% | 0.1% |
| Intangible assets | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Finance lease receivable | 5.2% | | 4.2% | 3.9% | 3.7% | 4.1% | 4.1% |
| Loans given | 9.7% | 8.4% | 11.3% | 4.3% | - | - | - |
| Other non-current assets | 0.0% | - | - | - | - | - | - |
| Equity accounted investees | - | - | - | 0.4% | 0.9% | 1.0% | 1.1% |
| Deferred tax assets | - | - | 0.2% | 1.0% | 0.4% | 0.4% | 0.4% |
| Term deposits | 12.0% | 3.8% | 3.6% | 4.3% | 3.7% | 3.9% | 3.8% |
| Non-current assets | 59.2% | 61.4% | 75.1% | 68.4% | 57.4% | 76.8% | 81.8% |
| Loans giv en | 5.5% | 4.5% | 1.3% | 0.4% | 4.0% | - | - |
| Non-current assets held for distribution | - | 0.1% | - | 0.1% | 0.1% | 0.1% | 0.1% |
| Inventories | 0.1% | 0.1% | 0.0% | 0.6% | 0.6% | 0.6% | 0.6% |
| Current tax assets | 0.8% | 0.1% | - | 0.3% | 0.2% | 0.2% | 0.2% |
| Taxes other than on income | 0.1% | 0.1% | 1.2% | 0.4% | 0.3% | 0.3% | 0.3% |
| Prepayments for current assets and expenses | 2.3% | 1.9% | 1.9% | 3.4% | 2.4% | 2.4% | 2.3% |
| Trade and other receivables | 9.8% | 6.0% | 5.7% | 12.9% | 7.9% | 7.8% | 7.6% |
| Term deposits | 6.0% | 7.4% | - | - | - | - | - |
| Cash and cash equivalents | 16.2% | 18.4% | 14.8% | 13.6% | 27.0% | 11.8% | 7.1% |
| Current assets | 40.8% | 38.6% | 24.9% | 31.6% | 42.6% | 23.2% | 18.2% |
| Total assets | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| | | | | | | | |
| Equity and liabilities | | | | | | | |
| Share capital | 58.0% | 48.3% | 46.5% | 43.3% | 38.2% | 39.3% | 37.1% |
| Fair value adj. res. for non-cash owner cont. | 32.1% | 26.7% | 22.9% | 20.0% | 17.6% | 18.1% | 17.1% |
| Additional paid-in-capital | 8.2% | 6.8% | 5.8% | 5.1% | 4.5% | 4.6% | 4.4% |
| Retained earnings | 11.4% | 17.7% | 18.7% | 19.6% | 20.4% | 24.7% | 26.7% |
| Equity attributable to owners of the company | 45.4% | 46.0% | 48.1% | 48.0% | 45.4% | 50.4% | 51.0% |
| Non-controlling interests | - | 7.9% | 6.8% | 3.1% | 4.9% | 7.4% | 9.1% |
| Total equity | 45.4% | 53.9% | 54.9% | 51.1% | 50.4% | 57.8% | 60.1% |
| Loans and borrowings | 46.2% | 40.4% | 37.1% | 41.6% | 35.2% | 36.2% | 34.2% |
| Deferred tax liabilities | 1.1% | 1.6% | 1.2% | 1.1% | 1.0% | 1.1% | 1.1% |
| Non-current liabilities | 47.3% | 41.9% | 38.3% | 42.7% | 36.2% | 37.3% | 35.3% |
| Loans and borrowings | 0.6% | 0.6% | 0.7% | 0.9% | 9.4% | 0.8% | 0.8% |
| Trade and other pay ables | 2.8% | | 5.5% | 4.8% | 3.6% | 3.6% | 3.4% |
| Dividend pay able | 3.6% | | - | - | - | - | - |
| Current tax liabilities | | - | 0.1% | - | - | - | - |
| VAT payable | 0.2% | 0.5% | 0.4% | 0.4% | 0.3% | 0.3% | 0.3% |
| Provisions | 0.270 | 0.3% | 0.4% | 0.4% | 0.3% | 0.3% | 0.3% |
| Current liabilities | 7.3% | 4.2% | 6.8% | 6.2% | 13.4% | 4.9% | 4.6% |
| Total liabilities | 54.6% | 46.1% | 45.1% | 48.9% | 49.6% | 42.2% | 39.9% |
| Total equity and liabilities | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Source: Company data, Galt & Taggart Research | 100.070 | 100.0 /0 | 100.070 | 100.070 | 100.0 /0 | 100.070 | 100.0 /0 |



Statement of cash flows

| US\$, '00 | 0 2012 | 2013 | 2014 | 2015 | 2016F | 2017F | 2018F |
|--|------------|------------|------------|------------|------------|-------------|------------|
| Cash flows from operating activities | | | | | | | |
| Cash receipts from customers | 59,790.5 | 224,320.0 | 209,561.1 | 187,498.9 | 305,892.1 | 284,026.9 | 282,395.7 |
| Cash paid to suppliers and employees | 108,031.9) | 133,556.9) | 161,864.8) | 181,985.2) | 198,114.8) | 197,989.4) | 201,479.0) |
| VAT refund from the State | - | - | 8,494.5 | 5,197.8 | - | 109.5 | 115.0 |
| Cash from operations before income taxes and interest | 51,758.6 | 90,763.1 | 56,190.8 | 10,711.5 | 107,777.3 | 86,147.0 | 81,031.7 |
| Income tax paid | (7,870.3) | (2,681.2) | (4,399.6) | (7,534.6) | (7,017.3) | (10,481.4) | (10,381.8) |
| Interest paid | (8,674.0) | (17,140.6) | (17,218.8) | (18,024.1) | (21,007.5) | (18,941.8) | (17,794.1) |
| Interest received | 4,490.5 | 20,485.5 | 10,654.9 | 16,490.3 | 17,997.2 | 25,527.7 | 13,432.8 |
| Net cash from (used in) operating activities | 39,704.8 | 91,426.8 | 45,227.3 | 1,643.0 | 97,749.8 | 82,251.6 | 66,288.6 |
| Cash flows from investing activities | | | | | | | |
| Acquisition of property, plant and equipment and int. assets | (13,996.0) | (70,652.7) | (77,744.1) | (44,901.3) | (22,996.4) | (136,496.0) | (73,310.7) |
| Decrease/(Increase) in term deposit | (85,238.5) | 29,506.1 | 42,021.5 | - | 555.2 | (520.5) | (530.9) |
| Repayment of loans given | - | 2,228.5 | - | 52,865.9 | - | 28,019.5 | - |
| Loans given | (78,745.2) | - | - | (1,058.1) | - | - | - |
| Acquisition of non-current assets held for distribution | (4,023.0) | - | - | - | - | - | - |
| Investing in other companies | (64.8) | - | - | - | - | - | - |
| Acquisition of equity accounted investee | - | - | - | (2,494.5) | (4,091.8) | - | - |
| Net cash from (used in) investing activities | 182,067.4) | (38,918.1) | (35,722.6) | 4,412.0 | (26,533.0) | (108,997.0) | (73,841.6) |
| Cash flows from financing activities | | | | | | | |
| Dividends paid | (28,765.9) | (24,262.7) | (18,687.8) | (12,933.3) | (21,174.6) | (21,744.6) | (21,303.1) |
| Proceeds from borrowings | 240,684.4 | - | 16,918.1 | - | 59,900.0 | - | - |
| Repayment of borrowings | (6,383.6) | (377.5) | (16,855.8) | - | - | (59,900.0) | - |
| Other cash distributions to owners | (1,332.3) | - | - | - | - | - | - |
| Cash distributed on the transfer of subsidiaries | - | - | (5,320.4) | - | - | - | - |
| Net cash from (used in) financing activities | 204,202.6 | (24,640.2) | (23,945.9) | (12,933.3) | 38,725.4 | (81,644.6) | (21,303.1) |
| Net increase in cash and cash equivalents | 61,637.0 | 26,698.7 | (13,683.7) | (6,520.1) | 105,162.0 | 108,390.0) | (28,856.1) |
| Cash and cash equivalents, 1 January | 21,001.6 | 86,118.2 | 112,043.4 | 97,552.6 | 79,789.6 | 188,243.8 | 79,853.8 |
| Effect of FX rate fluctuations on cash and cash equivalents | 3,307.2 | 3,174.6 | 6,846.4 | 10,398.8 | - | - | - |
| FX rate translation adjustment | 172.4 | (3,948.1) | (7,653.5) | (21,641.7) | 3,292.2 | - | - |
| Cash and cash equivalents, 31 December | 86,118.2 | 112,043.4 | 97,552.6 | 79,789.6 | 188,243.8 | 79,853.8 | 50,997.7 |
| Source: Company data Galt & Taggart Research | | | | | | | |



Common size statement of cash flows

| | 2012 | 2013 | 2014 | 2015 | 2016F | 2017F | 2018F |
|--|--------|--------|--------|-------|--------|--------|-------|
| Cash flows from operating activities | | | | | | | |
| Cash receipts from customers | 88.1% | 114.5% | 103.4% | 85.9% | 109.2% | 101.3% | 99.8% |
| Cash paid to suppliers and employees | 59.6% | 68.2% | 79.9% | 83.4% | 70.7% | 70.6% | 71.2% |
| VAT refund from the State | - | - | 4.2% | 2.4% | - | 0.0% | 0.0% |
| Cash from operations before income taxes and interest | 28.5% | 46.3% | 27.7% | 4.9% | 38.5% | 30.7% | 28.6% |
| Income tax paid | 4.3% | 1.4% | 2.2% | 3.5% | 2.5% | 3.7% | 3.7% |
| Interest paid | 4.8% | 8.8% | 8.5% | 8.3% | 7.5% | 6.8% | 6.3% |
| Interest received | 2.5% | 10.5% | 5.3% | 7.6% | 6.4% | 9.1% | 4.7% |
| Net cash from (used in) operating activities | 21.9% | 46.7% | 22.3% | 0.8% | 34.9% | 29.3% | 23.4% |
| Cash flows from investing activities | | | | | | | |
| Acquisition of property, plant and equipment and int. assets | 7.7% | 36.1% | 38.4% | 20.6% | 8.2% | 48.7% | 25.9% |
| Decrease/(Increase) in term deposit | 47.0% | 15.1% | 20.7% | - | 0.2% | 0.2% | 0.2% |
| Repayment of loans given | - | 1.1% | - | 24.2% | - | 10.0% | - |
| Loans given | 43.4% | - | - | 0.5% | - | - | - |
| Acquisition of non-current assets held for distribution | 2.2% | - | - | - | - | - | - |
| Investing in other companies | 0.0% | - | - | - | - | - | - |
| Acquisition of equity accounted investee | - | - | - | 1.1% | 1.5% | - | - |
| Net cash from (used in) investing activities | 100.4% | 19.9% | 17.6% | 2.0% | 9.5% | 38.9% | 26.1% |
| Cash flows from financing activities | | | | | | | |
| Dividends paid | 15.9% | 12.4% | 9.2% | 5.9% | 7.6% | 7.8% | 7.5% |
| Proceeds from borrowings | 132.7% | - | 8.3% | - | 21.4% | - | - |
| Repay ment of borrowings | 3.5% | 0.2% | 8.3% | - | - | 21.4% | - |
| Other cash distributions to owners | 0.7% | - | - | - | - | - | - |
| Cash distributed on the transfer of subsidiaries | - | - | 2.6% | - | - | - | - |
| Net cash from (used in) financing activities | 112.6% | 12.6% | 11.8% | 5.9% | 13.8% | 29.1% | 7.5% |
| Net increase in cash and cash equivalents | 34.0% | 13.6% | 6.8% | 3.0% | 37.5% | 38.7% | 10.2% |
| Cash and cash equivalents, 1 January | 11.6% | 44.0% | 55.3% | 44.7% | 28.5% | 67.2% | 28.2% |
| Effect of FX rate fluctuations on cash and cash equivalents | 1.8% | 1.6% | 3.4% | 4.8% | - | _ | - |
| FX rate translation adjustment | 0.1% | 2.0% | 3.8% | 9.9% | 1.2% | - | - |
| Cash and cash equivalents, 31 December | 47.5% | 57.2% | 48.1% | 36.6% | 67.2% | 28.5% | 18.0% |
| | | | | | | | |

Source: Company data, Galt & Taggart Research

Note: Financial statements have been prepared by translating company-reported audited GEL numbers into US\$ (using year-end and average annual FX rates, whichever more appropriate)



Georgia | Energy Georgian Oil and Gas Corporation April 28, 2016

Financial ratios

| | 2012 | 2013 | 2014 | 2015 | 2016F | 2017F | 2018F |
|---|--------|---------|--------|-------|--------|--------|--------|
| Profitability | | | | | | | |
| Return on Revenue | | | | | | | |
| Gross profit margin | 40.5% | 39.1% | 37.3% | 31.9% | 35.8% | 34.6% | 34.1% |
| EBITDA margin | 33.9% | 36.4% | 31.3% | 24.9% | 29.8% | 30.1% | 29.5% |
| Adjusted EBITDA margin | 32.7% | 32.1% | 30.7% | 24.4% | 29.4% | 29.5% | 28.9% |
| EBIT margin | 27.7% | 30.8% | 25.7% | 19.5% | 23.4% | 23.3% | 22.5% |
| EBT margin | 30.9% | 34.3% | 26.1% | 8.2% | 25.4% | 26.1% | 25.3% |
| Net profit margin | 27.0% | 28.9% | 23.4% | 7.3% | 21.6% | 22.2% | 21.5% |
| Return on Investment | | | | | | | |
| Operating ROA / Basic earning power | 9.5% | 9.9% | 7.9% | 7.2% | 9.4% | 9.6% | 8.9% |
| Return on assets (ROA) | 9.3% | 9.3% | 7.2% | 2.7% | 8.7% | 9.2% | 8.5% |
| Operating ROE | 20.9% | 18.4% | 14.4% | 14.1% | 18.7% | 16.7% | 14.8% |
| Return on equity (ROE) | 20.4% | 17.3% | 13.1% | 5.3% | 17.3% | 15.9% | 14.1% |
| Return on common equity | 16.0% | 19.3% | 15.5% | 6.3% | 22.8% | 23.4% | 22.9% |
| Return on capital employed (ROCE) | 10.2% | 10.4% | 8.5% | 7.7% | 10.9% | 10.1% | 9.3% |
| Return on invested capital (ROIC) | 5.1% | 9.0% | 4.7% | 0.5% | 5.9% | 6.3% | 5.8% |
| Solvency | | | | | | | |
| Component percentage / debt ratios | | | | | | | |
| Liabilities to assets | 54.6% | 46.1% | 45.1% | 48.9% | 49.6% | 42.2% | 39.9% |
| Liabilities to invested capital | 59.2% | 48.6% | 48.6% | 52.3% | 52.2% | 44.5% | 42.0% |
| Liabilities to equity | 120.3% | 85.4% | 82.1% | 95.8% | 98.5% | 73.0% | 66.4% |
| Liabilities to EBITDA | 4.70x | 3.93x | 4.69x | 5.30x | 4.14x | 3.39x | 3.43x |
| Debt-to-assets | 46.8% | 40.9% | 37.8% | 42.6% | 44.6% | 37.1% | 35.0% |
| Debt-to-invested capital | 50.8% | 43.2% | 40.8% | 45.5% | 47.0% | 39.1% | 36.8% |
| Debt-to-equity | 103.1% | 75.9% | 68.8% | 83.3% | 88.5% | 64.1% | 58.2% |
| Debt-to-EBITDA | 4.03x | 3.49x | 3.93x | 4.61x | 3.72x | 2.97x | 3.01x |
| Net debt-to-assets | 30.6% | 22.5% | 23.0% | 23.9% | 17.6% | 25.2% | 27.9% |
| Net debt-to-invested capital | 33.2% | 23.7% | 24.8% | 25.5% | 18.5% | 26.6% | 29.3% |
| Net debt-to-equity | 67.4% | 41.7% | 41.9% | 46.8% | 34.9% | 43.7% | 46.4% |
| Net debt-to-EBITDA | 2.64x | 1.92x | 2.40x | 2.59x | 1.46x | 2.03x | 2.39x |
| Net debt-to-adjusted EBITDA | 2.73x | 2.17x | 2.45x | 2.64x | 1.48x | 2.07x | 2.44x |
| Long-term debt-to-assets | 46.2% | 40.4% | 37.1% | 41.6% | 35.2% | 36.2% | 34.2% |
| Long-term debt-to-invested capital | 50.1% | 42.5% | 40.0% | 44.5% | 37.1% | 38.2% | 36.0% |
| Long-term debt-to-equity | 101.9% | 74.8% | 67.6% | 81.5% | 69.9% | 62.7% | 56.9% |
| Long-term debt-to-EBITDA | 3.98x | 3.44x | 3.86x | 4.51x | 2.94x | 2.91x | 2.94x |
| Financial leverage (equity multiplier) | 2.20x | 1.85x | 1.82x | 1.96x | 1.99x | 1.73x | 1.66x |
| Coverage | | | | | | | |
| EBITDA coverage | 5.38x | 4.09x | 3.47x | 2.90x | 3.97x | 4.45x | 4.69x |
| Adjusted EBITDA coverage | 5.19x | 3.61x | 3.40x | 2.84x | 3.93x | 4.36x | 4.59x |
| EBIT coverage | 4.39x | 3.46x | 2.85x | 2.27x | 3.12x | 3.44x | 3.57x |
| Adjusted EBIT coverage | 4.39x | 3.46x | 2.85x | 2.27x | 3.12x | 3.44x | 3.57x |
| FFO to debt | 0.24x | 0.27x | 0.24x | 0.11x | 0.25x | 0.32x | 0.32x |
| FFO to finance costs | 5.28x | 3.88x | 3.22x | 1.48x | 3.74x | 4.29x | 4.53x |
| Liquidity | | | | | | | |
| Current ratio | 5.62x | 9.30x | 3.65x | 5.07x | 3.17x | 4.77x | 3.93x |
| Quick ratio (acid test) | 5.61x | 9.29x | 3.65x | 4.97x | 3.13x | 4.64x | 3.80x |
| Cash ratio | 2.24x | 4.44x | 2.17x | 2.99x | 2.01x | 2.42x | 1.54x |
| Cash flow | | | | | | | |
| Cash flow to revenue | 21.9% | 46.7% | 22.3% | 0.8% | 34.9% | 29.3% | 23.4% |
| Cash return on assets | 10.1% | 16.1% | 7.1% | 0.3% | 15.2% | 12.0% | 9.5% |
| Cash return on capital | 11.2% | 17.2% | 7.6% | 0.3% | 16.1% | 12.6% | 10.0% |
| Cash return on equity | 17.4% | 32.2% | 13.1% | 0.5% | 30.0% | 22.2% | 16.1% |
| Cash flow to operating income | 79.1% | 151.5% | 86.8% | 3.9% | 149.2% | 126.1% | 104.3% |
| Cash flow to debt | 31.2% | 36.8% | 18.2% | 0.7% | 34.8% | 29.3% | 26.4% |
| Interest coverage | 6.87x | 6.50x | 4.00x | 1.61x | 5.99x | 5.90x | 5.31x |
| Debt repayment | 6.22x | 242.17x | 2.68x | - | - | 1.37x | - |
| Dividend payment | 1.64x | 18.19x | 2.42x | 0.13x | 4.62x | 3.78x | 3.11x |
| Reinvestment | 2.84x | 1.29x | 0.58x | 0.04x | 4.25x | 0.60x | 0.90x |
| Investing and financing | 1.79x | 1.44x | 0.76x | 0.19x | 8.02x | 0.43x | 0.70x |
| Retained cash flows to net debt | 0.88x | 0.17x | -0.10x | 0.08x | 0.60x | -0.74x | -0.16x |
| Source: Company data, Galt & Taggart Research | | | | | | | |



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