



# **RUSSIAN CAPITAL IN GEORGIAN BUSINESS:**

Primary Study of the Communications, Banking,  
Mining, and Mineral Waters Sectors

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# INTRODUCTION:

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Russian malign influence still defines the post-Soviet region's most pressing political, economic and social challenges. While Russian hybrid strategies in the [cyber war](#) and information sphere have been much [discussed and analysed](#), there is often a lack of up-to-date empirical evidence documenting Russian influences in different Georgian business sectors.

The Kremlin has long been weaponizing corruption and money flows in both its foreign and domestic politics. Corrupt practices are being deliberately exported as a tool to weaken and destabilize democratic institutions, most especially in post-Soviet countries. Counter-disinformation efforts are increasingly moving beyond the narrow media lens and are recognizing money and business as vectors of malign influence and as key tools of nonlinear warfare.

It is important to identify these business connections and influences, since they often transcend the boundaries of business and have spill-over effects on the media, politics, civil society, and related domains. Hence, the business sector is generally related to socio-political actors and influences public perceptions and long-term attitudes. Closely investigating such links – between political, civil and media actors and business companies owned by Russian citizens – is essential to understand not only the degree of dependence on Russian capital in Georgian business and in strategic fields that might raise security concerns, but also for a more comprehensive understanding of the country's information environment. Such an inquiry can provide a clearer picture of funding sources behind some malign political, media, and civil actors that actively spread disinformation in the country.

In 2015, the Institute for Development of Freedom of Information (IDFI) published the report [“Russian Capital in Georgian Business”](#). This report detailed the work, resources, and connections of companies owned by Russian citizens in the sectors of electricity, water resources, tourism, oil, gas, mining, mineral waters, communications, electric locomotive construction, banking, and big investments from other sectors operating in Georgia.

After the Russian annexation of Crimea in 2014, the US and the EU imposed a range of sanctions on Russian companies, oligarchs, and individuals. The sanctions were seen as the central element of US policy to counter and deter malign Russian activities. As of January 2022, the Treasury Department's Office of Foreign Assets (OFAC) had placed major Russian companies and more than 275 of their subsidiaries and affiliates on the Sectoral Sanctions Identifications (SSI) List. According to the Congressional Research Service report, the list includes major state-owned companies in the financial, energy and defense sectors.

On 24 February 2022, in response to the Russian Federation launching large-scale military assault on Ukraine, the US Treasury Department announced a [new package of sanctions](#) against Russian financial institutions. In particular, the largest Russian banks Sberbank and VTB Bank were among the sanctioned. Sanctions will also apply to VTB Bank Georgia. According to the White House, any assets of VTB Bank that are in contact with the US financial system will be frozen. In addition, the sanctions impose restrictions on transactions in dollars, euros, pounds and other currencies for sanctioned banks, which will take effect on March 26.

The National Bank of Georgia (NBG) [announced](#) after the imposition of sanctions that "both VTB Bank Georgia and the NBG are fully prepared for the current situation. The bank is solvent, and the interests of its depositors are fully protected. JSC VTB Bank (Georgia) continues to operate under these restrictions. In case of need for additional liquidity, the NBG is ready to provide the bank with the appropriate financial resources," - the NBG said in a statement on February 25. On March 3, the NBG has [announced](#) about the transfer of VTB Bank's individual clients' loans and deposit accounts to Basisbank JSC. It was also stated that a certain part of legal entities' loans and deposit accounts will be transferred to Liberty Bank JSC. These steps essentially cause the cease of VTB Bank operations indefinitely.

# METHODOLOGY

## Primary data collection strategy:

IDFI's team, together with the experts, identified and analyzed official documents, state registry public materials, licenses, and media resources. The materials used in this study mainly include the database of the Public Registry, reporting portal (reportal.ge), websites, public social media accounts (including LinkedIn), and media reports in Georgian, Russian and English. For the next stage of the investigation, IDFI will conduct expert interviews to identify major companies or to inquire about their activities within a business sector.

At this stage<sup>1</sup> the companies were monitored from 5 broad angles:

- Information about owners and shareholders and their links with the Russian government circles; their business and political background, straight fundings and investments from Russia;
- Spheres of their business activities and other interest areas;
- Projects, political parties/actors, organizations, media, events, activism, and other related spheres that are funded and supported by them;
- Their partners and the organizations associated with them;
- Their possible connections with Georgian political groups/parties/politicians/public officials/activists/journalists; public links between their activities and lobbying tendencies;

In addition, secondary data such as research reports will be analyzed and cross-referenced in the study.

## Aim of the Study:

At the first stage of the research, IDFI has collected and researched the information from public services, internet and other open sources on four following sectors:

- **Communications;**
- **Banking;**
- **Natural resources extraction;**
- **Mineral waters.**

Data on companies already studied in the 2015 report is updated. The investigation revealed several relevant business companies as well as individuals that might be further investigated by the media and other interested bodies.

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<sup>1</sup> The study is divided into three stages and gradually comprehends the above-mentioned directions and strategic sectors.



## Selection of the companies

As the peculiarities of the different business sectors needed to be taken into account, there was not one consistent standard on how IDFI selected companies for study across different fields. Each field provides different methods and ways of obtaining information about companies.

At this first stage of the research, 4 business sectors were selected: communications, banking, mining and mineral waters.

The scope of study in the field of communications includes all companies operating in the mobile phone market, fixed telephone market, and internet market. These companies are registered with the National Communications Commission. In regards to the broadcasting sector, Russian malign influence in this direction is better understood via content analysis, which exceeds the scope of this study. However, this study covers several examples of the broadcasters, who gain the public attention.

Within the sector of **banking**, all 14 banks registered by the National Bank, the owners, and shareholders of which are publicly available on the National Bank's website, are analyzed.

As for **mining and mineral waters**, the companies operating in these sectors require special licenses to operate. Therefore, information about them can be obtained from the National Agency for Mineral Resources.

In order to identify companies in Georgian communications sector that are directly or indirectly owned by Russian citizens or Russian companies, the main players in the market were investigated. Hence, the study covers all the main areas of the sector – mobile operators, fixed telephone and Internet services, as well as the web hosting market, including domain registration.<sup>2</sup>

Georgian Broadcasting Law Restricts media ownership in Georgia to offshore companies to ensure the transparency of TV companies' finances. At the same time, the law allows foreign nationals (with some exceptions) to own a stake in broadcasting. Even though this direction will be briefly assessed in the study, IDFI considers that the impact of media or the foreign malign influences through it may only be measured by analyzing the content that it provides to consumers rather than merely by observing the ownership.

**The following companies were looked into for the study:<sup>3</sup>**

**All four mobile operators operating in Georgia:**

- MagtiCom - 41.57%;
- Silknet - 33.5%;
- Veon Georgia - 24.9%;
- GlobalCell - 0.001%.

**13 companies operating in the fixed telephony market, serving at least more than 1,000 subscribers:**

- |   |                                   |
|---|-----------------------------------|
| ● Silknet – 57%   | ● CGC – 2.5%                      |
| ● Akhali Kselebi [New Networks] – 22.8%                     | ● Inex phone – 2.8%               |
| ● Akhteli – merged with the Akhali Kselebi on 24 June 2021; | ● MagtiCom – 1.5%                 |
| ● Geonet – 3.9%   | ● City Telecom – 0.6%             |
| ● Lagi – 3.8%   | ● Servicenet – 0.6%               |
| ● Ltd Maiponi [MyPhone LLC] – 3.6%                          | ● Georgian railway – 0.5%         |
|   | ● Global Ertv [Global One] – 0.3% |

**Eight companies operating in the fixed internet market, which own at least 1% of the market:**

- |                                   |   |
|-----------------------------------|---|
| ● MagtiCom – 48.6% of the market; | ● Akhteli (merged with the Akhali Kselebi); |
| ● Silknet – 31.17%                | ● CGC – 1.4%;                               |
| ● Akhali Kselebi – 4.8%;          | ● ilink – 1.34%;                            |
| ● Sky Tel – 5.3%;                 | ● Georgian Link – 1.06%.                    |

**Ten largest hosting providers operating in Georgia, which are also the main players in the market:**

- |                            |               |
|----------------------------|---------------|
| ● Proservice;              | ● Datacenter; |
| ● Claud9;                  | ● UGT;        |
| ● Expert Solution Georgia; | ● Hostnodes;  |
| ● Sisneti;                 | ● Clean Net;  |
| ● Serv.ge;                 | ● My Go.      |

<sup>2</sup> Companies operating in the hosting market also offer domain registration services to their customers, although the Communications Commission does not have separate statistics on the situation in the domain market. Hosting companies basically provide both services to clients.

<sup>3</sup> Listed with market shares



## Mobile operators

According to the National Communications Commission, there are four mobile operators in Georgia - MagtiCom, Silknet, Veon Georgia, and Global Cell. As of 21 September 2021, mobile operators have a total of 5,142,263 users. The market is divided across three companies, Global Cell owns only 67 subscribers.

As for the main market players, their shares are distributed as follows: **MagtiCom 41.57%; Silknet 33.5%; Veon Georgia 24.9%**.

### Veon Georgia

#### Beneficiary Owner - Michael Fridman, Alfa group

Cellular communication company "Veon Georgia" entered Georgia in 2007 under the name of "Mobitel" and founded the cellular communication company "Beeline". "Mobitel" was a member of the Russian "VimpelCom Group". At the beginning of 2017, VimpelCom Group was rebranded, after which it was renamed as Veon. In 2017, the name of "Mobitel" was changed to "Veon Georgia".

Veon Group offers cellular communications brands, TV channels, and various digital services to 680 million citizens in nine countries, including Georgia, Kazakhstan, Kyrgyzstan, Ukraine, Uzbekistan, etc. According to Veon Group's [annual report](#), Veon Georgia (Beeline) partnered with Educare, to translate 164 of Khan Academy's computer programming lessons into Georgian. The lessons are freely accessible online. Since its launch in April 2019, more than 80,000 users have benefitted from the programme. Considering this, the activities of this company outside the business sector is less relevant.

According to the latest data of November 2021, the official owners of "Veon Georgia" are offshore companies "WaterTrail Industries" (71%) and "Investico Alliance" (29%).

According to the same data, the company's supervisory board does not include Russian citizens, as it did years ago. Currently, the members of the Supervisory Board of "Veon Georgia" are Turkish citizens Muhterem Kaan Terzioglu, Alex Bolis, an Italian citizen, and German citizen Michael Schultz. The general director of the company is Lasha Tabidze, a citizen of Georgia.

Due to the fact that the owner companies of Veon Georgia – WaterTrail Industries and Investico Alliance – are registered offshore, it is currently not possible to use open-source data to determine precisely who or which companies are behind them and how they are related to Veon Group. However, Veon Group itself states in its [annual report](#) that over 2021 they have increased their stake in their subsidiary – Veon Georgia – from 80% to 100%.

47.9% stocks share of Veon Group belong to LetterOne company, founded by Russian oligarch of Ukrainian origin [Mikhail Fridman](#). Important to notice, that another Fridman corporation, Alfa Group, owns the Borjomi mineral water production in Georgia.

According to Forbes, together with colleagues and fellow billionaires German Khan and Alexei Kuzmichev, Mikhal Fridman controls Alfa Group and LetterOne. The trio have been partners since 1989 when they started commodities trader Alfa-Eco.

Mikhail Fridman is among the top-20 Russian billionaires with around USD 14 billion in assets, as estimated before the start of the war in Ukraine. In January 2018, the United States Treasury Department [released a list](#) of officials and oligarchs in Russia whose assets exceed USD 1 billion.

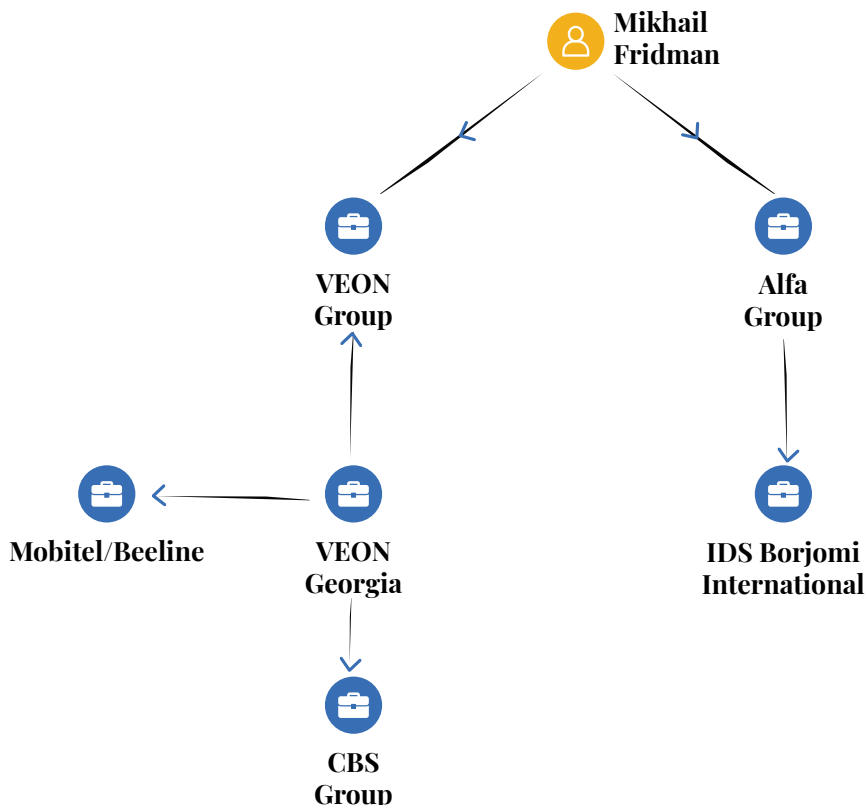
The Treasury Department stressed that this was not a list of sanctions, although in the media the document was assessed as a kind of warning signal to those who operate in Russia and have significant influence. Putin’s government has a significant influence on such major actors.

Importantly, following the publication of this list, in April 2018, several Russian oligarchs on the list were sanctioned for Russian interference in the US elections, occupation of the Crimean peninsula and support for the Assad regime in Syria. As US Treasury Secretary Steven T. Mnuchin [noted](#): “Russian oligarchs and elites who profit from this corrupt system will no longer be insulated from the consequences of their government’s destabilizing activities.” Mikheil Fridman was not included in the list of sanctioned people.

Fridman himself denies any close ties to Russian President Vladimir Putin, although as [The Economist writes](#), he is constantly funding various types of state activities and initiatives.

In early 2022, Spain [re-launched an investigation](#) that started in 2019 regarding Michael Fridman. According to Spanish law enforcement, Fridman deliberately bankrupted the USD 1.2 billion company Zed WorldWide, which he later bought for \$20 million. The investigation into the case was terminated in 2020, but was resumed after some new evidence was discovered. Fridman denies any connections to the crime.

**Figure 1:**  
Fridman’s business connections in Georgia.





Media interest in Fridman since the February 2022 hostilities in Ukraine: sanctions against Russia have hit the German chemical giant BASF. BASF and Michael Fridman's company LetterOne are co-owners of Wintershall Dea, a natural gas and oil company: LetterOne owns 33% of the company and BASF 67%.

On February 28, 2022, Mikhail Fridman was included in the EU sanctions list due to his material and financial support to and benefits received from Russian individuals responsible for the annexation of Crimea and the destabilisation in Ukraine.<sup>4</sup>

## Fixed Phone and Internet Companies

The fixed telephone market in Georgia has been declining significantly in recent years. According to National Communications Commission data, in January 2019, the number of fixed telephone users lay at over 570,000 while by November 2021, that number dropped to only 341,742.

Consequently, the revenues of this sector have been decreasing. In January 2019, the total revenues of this market were about GEL 2.8 million (approximately USD 1 million), which decreased to GEL 1.9 million (approximately USD 600,000) by November 2021. This data refers directly to the fixed telephone market, which is calculated independently of the Internet market. However, it should be noted that companies offer customers both Internet services and landline services.

The second-largest company in the market is Akhali Kselebi LLC, which controls 22.78% as of November 2021 (79,291 subscribers) of the fixed telephony market. The same company owns 4.7% of the fixed internet market and provides services to 45,599 subscribers throughout Georgia. As of November 2021, the fixed internet market in Georgia includes 970,067 subscribers.

Apart from "Akhalki Kselebi LLC" (see below), no other major company in the fixed telephone and internet market has ties with any Russian company or Russian citizens.

## Fridon Injia's Interests in Communications

A holder of dual Georgian-Russian citizenship, Fridon Injia, was the Georgia's Minister of Communications in 1992-1998. Currently, he, together with his family, owns several phone and internet provider companies.



Fridon Injia was also a majoritarian member of the parliament in 2000-2004, holding the position through the party listing of the Labor Party. Fridon Injia later became a member of the Tbilisi City Council for the 2017-2021 convocation from the listing of the Alliance of Patriots. Injia donated a total of GEL 118,400 to the AoP Party between 2015-2020. In 2021, he donated GEL 25,000 to the [European Socialists](#), and in 2014 GEL 50,000 to the Christian-Democratic movement.

<sup>4</sup> Official Journal of the European Union, COUNCIL IMPLEMENTING REGULATION (EU) 2022/336, L 58/1, 28.2.2022.

In 2014, Injia's wife Lali Rukhaia also donated GEL 14,970 to the Alliance of Patriots.

Injia's entry into the telecommunications business also coincides with his time in the government. In 2001, the prosecution fired him during his tenure. He was accused of embezzling USD 14 million while holding the position, but parliament did not lift Injia's immunity and closed the case (Source: [Transparency International - Georgia](#)).

Fridon Injia is a member of the Parliament of Georgia of the 10th convocation, who was invited to the Parliament through the "[Alliance of Patriots \(AoP\)](#)" party list. The party is publicly positioning itself with anti-Western narratives and stresses the importance of closer ties with Russia.

### Fridon Injia's companies in the communications sector include:

- Akhali Kselebi
- System Net
- Fopnet
- CGC

Through Akhali Kselebi and CGC, Fridon Injia controls 25.19% of the fixed-line telephone market. As of November 2021, 341,742 people were using this service in Georgia. Injia's companies also provide services to 6.2% of the fixed internet market. There are a total of 970,067 subscribers in this market. As for System Net and Fopnet, they mainly operate in the wholesale market.

#### 1 Akhali Kselebi

One of Injia's companies is Akhali Kselebi LLC is the second largest company in the Georgian fixed telephone retail market, with a share of 22.78%. Akhali Kselebi LLC also controls 4.7% of the fixed internet retail market. The company provides Internet services to more than 45,000 subscribers living in different regions of Georgia.

### Shares of the company in Akhali Kselebi are distributed as follows:

- Fridon Injia – 46.238%
- LTD System Net – 10%
- Avtandil Iashvili – 33.177% (Injia's business partner)
- 10% of the shares are owned by 6 different people

Fridon Injia and his family own 49.89% of the LTD System Net. The main shareholders of the company are:

- Ilia Injia (Fridon Injia's son) – 24.709%
- Khatuna Injia ((Fridon Injia's daughter) – 5.714%
- Fridon Injia – 15.318%
- Lali Rukhaia ((Fridon Injia's wife) – 4.149%
- Avtandil Iashvili (Injia's business partner) – 29.349%
- 20% of the shares are owned by 11 people.

For its part, Injia's System Net owns shares in CGC (Georgian Central Communications Corporation). CGC provides Internet, television and landline telephone services to the population of Rustavi. Its total share in the fixed telephony market is 2.49% (8,517 users). In addition, it owns 1.4% (13,865) of fixed internet subscribers. The shareholders of this company are:

- System Net – 49.89%
- LTD Jeneri – 13%
- Movemvasia Shipping & Trading Company (Liberia) – 13%
- COSMOTE technical services (Greece) – 25%

Fridon Injia's spouse Lali Rukhaia, a dual citizen of Georgia and Russia, is the manager of Injia's shares in Akhali Kselebi LLC. Rukhaia is also the chairman of the company's supervisory board.

The family ties go over the director of the company – Fridon Injia's son, Ilia Injia, who is also a dual Russian-Georgian citizen. Ilia Injia and Lali Rukhaia hold managerial positions in other companies of Fridon Injia as well.

Amid the political crisis following the 2020 parliamentary elections, Fridon Injia left the AoP with several other members of the party and founded the new parliamentary fraction European Socialists.

Fridon Injia's interests in the communications business are not limited to owning Akhali Kselebi, and System Net. Fridon Injia also owns Fopnet Ltd.

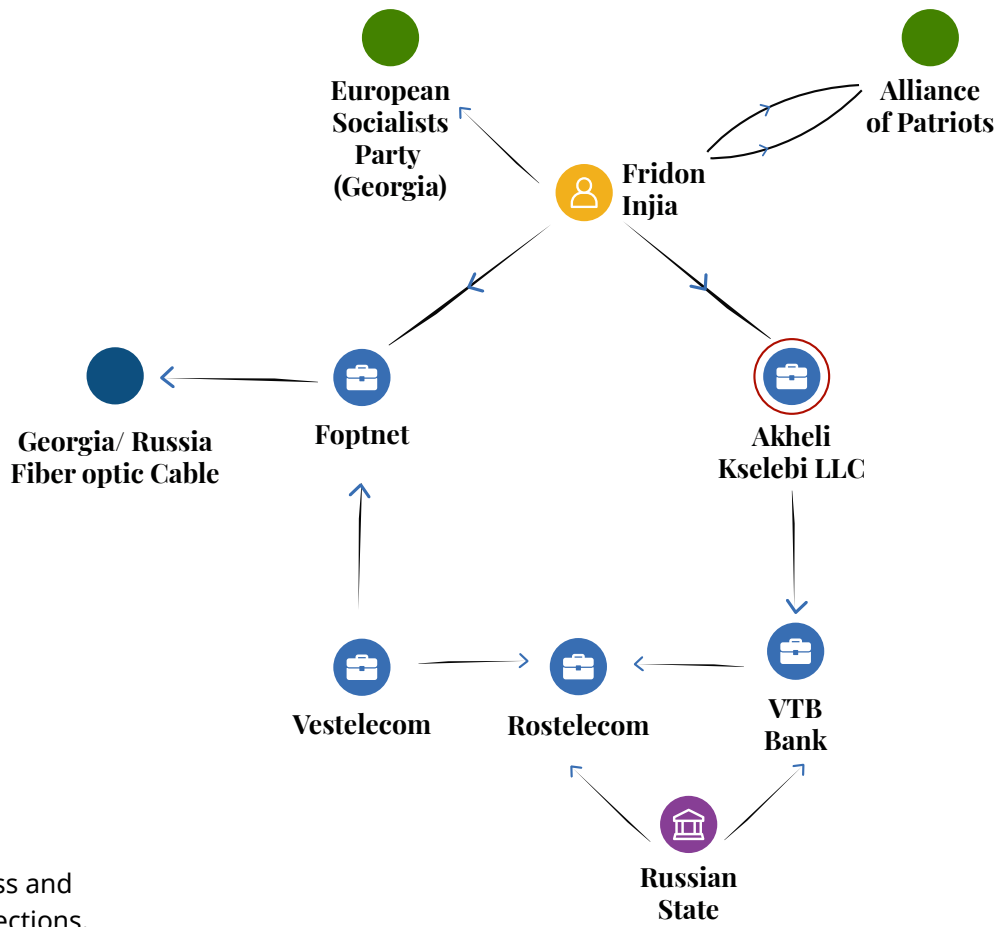
#### 2 Fopnet

### Fopnet is owned by:

- System Net (Injia's company) – 50%
- Fridon Injia – 22.3%
- Ilia Injia (Fridon Injia's son) – 3%
- Avtandil Iashvili (Injia's business partner) – 14.3%
- 10% of the shares are owned by 4 people

According to the official website of "Fopnet", the company provides services through long-distance, international, and transit telecommunication channels, using a network of state-of-the-art technologies built on fibre-optic cables. Services are provided through long-distance channels from Tbilisi to Bolnisi, Gori, Khashuri, Zestaponi, Kutaisi, Poti, Zugdidi, Batumi (main Georgian cities).

The company provides services through international channels from Tbilisi to Russia, CIS, Europe, and Asia, using direct connections with the operators of fiber-optic highways in neighbouring countries, including two operators in Azerbaijan and three in Armenia. Fopnet owns Georgia-Russia fiber optic cable. Moreover, according to Fopnet's website, its partner is the Russian company Vestelcom, which in turn is a subsidiary of the Russian communications [company Rostelcom](#).



**Figure 1:** Injia’s business and political connections.

# BROADCASTERS

## R.B.G. Broadcasting company

Broadcasting company R.B.G. (405085740) was registered in 2015. R.B.G. has an authorization for private, specialized, entertainment broadcasting. The owners are Russian citizen Olga Milieva (90%) and Georgian citizen Irakli Adamia (10%). The television is known in the market as "[1 Entertainment Channel](#)" and mainly broadcasts Georgian translations of Russian Public Broadcaster (ORT) programs. According to [their website](#), its concept includes "traditional values of family television and is intended for people of all ages and social classes". R.B.G. broadcasts educational-entertaining programs: comedy, children, music, documentaries, and feature films.

According to the Communications Commission, the total revenue of the broadcaster in 2020 is GEL 582,752. The section "about us" on the website was last updated in 2018 and mentions that its financing comes mainly from "funds received from private legal transactions and contributions (loans) by the founders".

[According to a survey](#) conducted by the Communication Commission in 2015, ORT is one of the most-watched foreign language channels in Georgia.

In Georgia TV ratings are measured by two companies – TV MR Georgia and Tri Media Intelligence. These companies measure only those channels that are chosen by the customers. For example, TV MR Georgia measures the ratings of only 13 TV channels operating in Georgia, not including R.B.G. Consequently, it is currently impossible to determine the rating of the mentioned TV channel from publicly available sources.

According to Georgian law, TV channels operating in Georgia are required to provide the Communications Commission with information on revenues that are over GEL 7,000 (approximately USD 2,300). This information is published on the Communications Commission's website. Because this data has not been published yet, it was necessary to contact the Communications Commission and request public information about the financial sources of R.B.G. The Communications Commission responded that they have not received the complete information about their revenues from the TV channel and as soon as they are provided with this information they will publish it on their website.

# BANKING

As part of this study, 14 commercial banks registered in Georgia were studied. Out of the main actors, only VTB Bank Georgia is owned by the Russian company Vetebe Bank.

According to the annual reports of banks published in December 2020, the total capital of VTB Bank Georgia reached GEL 309 million, which is 4% of the entire market.

The main players in the Georgian banking market are:

- **TBC Bank - 37%**
- **Bank of Georgia - 33%**
- **12 other banks - 30%**

VTB Bank Georgia was the fourth largest with total capital by December 2020 (2021 reports have not been published at the time of writing this blog).

VTB Bank Georgia is a former United Georgian Bank. According to the data submitted to the National Bank in 2021, 97.38% of VTB Bank Georgia is owned by the Russian Vetebe Bank and 1.47% by Lacarpa Enterprise Limited. The beneficial owner of the bank is the Russian Federation with 59.34%.

It is noteworthy that Russian VTB Bank owns several dozen financial and credit organizations in Europe and Asia. VTB Bank in Georgia is one among them. The shares of the United Georgian Bank were acquired by the Russian VTB in 2005. The company was rebranded in December 2006 and renamed as VTB Bank Georgia.

The members of the Supervisory Board of VTB Bank (Georgia) are Russian citizens. The council is chaired by Sergey Stepanov, a Russian citizen, the deputy is Ilnar Shaimardanov, Georgian citizen Merab Kakulia, Gocha Matsaberidze, as well as Russian citizens Yulia Kopitova and Asia Zakharova.

Archil Kontselidze has been the General Director of VTB Bank Georgia since 2009.

As mentioned in the introduction, since the war in Ukraine started, the National Bank of Georgia has joined International sanctions and VTB [started to transfer](#) its portfolio to other banks.



## MINING AND MINERAL WATER

A total of 3,069 companies were identified in the mining and mineral water sector. Company data was processed according to the ownership, shareholders and management.

After identifying Russian connections (according to citizenship and/or affiliations), background checks were conducted on over 120 companies and individuals. The data outlined below reflect the most relevant findings.

Some of the identified companies are either owned by Russian or Russian-Georgian dual citizens. In terms of political ties, influential names (primarily in Russian, but also in Georgian context), and/or appearances in political donations, several cases were separated for further investigation:

### 1 RMG (Rich Metals Group)

The company with a gold mining license for the period of 2014-2042. The company's name is connected with the removal the status of the National Heritage from the Sakdrisi monument,

which resulted in the explosive demolition of the latter. Owned by RMG Copper (3.79%) and Mining Investments LLC (96.21%). The chairperson of the supervisory board is Russian citizen Dimitri Troitski, deputy chairman is Russian citizen Dimitry Korzhev. According to the financial audit documents of 2020 [published](#) by RMG Gold, the parent company of Mining Investments LLC is Eulachon Limited, and its beneficial owner is Dimitri Troitski. These documents also show that the total income of the company in 2020 amounted to GEL 371,154,000, out of which GEL 278,646,000 was income from gold sales.

According to Forbes [data](#) from 2017, Dmitry Troitsky ranks 184th among Russia's richest businessmen. He has been pursuing business activity in Russia with his friend Dmitry Korzhev since 1993.

In addition to gold, RMG Gold and RMG Copper also hold 6 additional licenses for various minerals, including quartz, mineral waters and stone gravel. Moreover, another company affiliated with RMG Gold, RMG Auramine LLC holds licenses of gold (2016-2041) and freshwater (2019-2039). According to the [audit documents](#) published by the company, from September 2019 its main activities have been extraction of minerals containing gold, zinc, lead and copper. All the supplies are sold to RMG Copper. The company had a total income of GEL 50,099,000 from sold supplies in 2020.

RMG Auramine LLC is owned by Caucasian Mining Group LLC which in turn is owned by Pamtilon Holdings Limited, registered in Cyprus. Beneficial owners of the latter are not disclosed. However, the general director of the RMG Auramine LLC is Tornike Lipartia, who holds the same position in RMG Gold; and the members of the supervisory council of Caucasian Mining Group LLC (parent company) are Dimitry Korzhev, holding the same position in RMG Gold and Kakhaber Mchedlishvili, holding the same position in Mining Investments LLC (parent company of RMG Gold).

In the [research published](#) by IDFI in 2020, a number of individuals were identified who are likely affiliated with RMG Gold and have donated a total sum of GEL 800,000 to the ruling political party before the 2020 parliamentary elections.

A Georgian-German archeological team headed by Dr. Thomas Stollner of Bochum's German Mining Museum was investigating the Sakdrisi-Kachagiani hill in the Bolnisi district. The group of scientists concluded that Sakdrisi's gold mine, dating back 5,000 years, was the oldest gold mine, which they confirmed on the basis of the laboratory research result. Together with civil activists, they called on the government and RMG not to launch gold mining works on the location, and to allow scientists to thoroughly explore the territory and set up a museum.

In April 2015, the Georgian Ministry of Environment and Natural Resources Protection published a [report](#) on environmental impact, which also mentioned RMG Gold. **The report states that the company's actions, without due decision of the ecological expertise, entailing pollution/degradation of the soil as a result of ore leaching, had caused GEL 29,153,880 worth of damage to the environment. The same report also suggests that RMG Copper's pouring of open-cast acidic water into the river Kazretula had caused GEL 1,078,188 worth of damage to the environment.**<sup>5</sup>

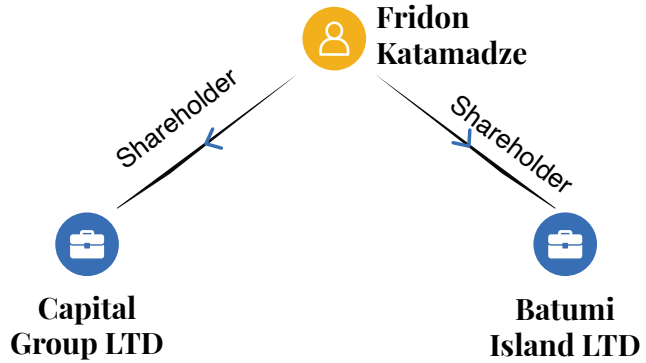
## 2 Capital Group

Capital Group Ltd (with a Gold Mining License for the period of 01.08.2019 - 01.06.2044) is 50% owned by Pridon Katamadze, a dual citizen of Georgia and Russia. He has been closely associated with the project that envisioned construction of an artificial island in the center of Batumi. He is the director of the company implementing the project Ambassadori Batumi Island LLC. The company is owned by Limited Liability Company Batumi Island (18%), owned itself by Pridon Katamadze (100%), and Limited Liability Company Property Assets Investment LTD (82%), registered in British Virgin Islands. The beneficial owners of the latter are not disclosed. The land where the island should be built (90 ha) was directly handed over to the company by the government.

<sup>5</sup> <https://idfi.ge/en/russian-capital-in-georgian-business-full-report>

Before August 2019, Capital Group had another owner, who obtained a gold mining license for GEL 788,305 in May 2019. On 14 August 2019 the shares of the company were transferred to Fridon Katamadze and his partner free of charge.

**Figure 3:**  
Fridon Katamadze’s business ownership

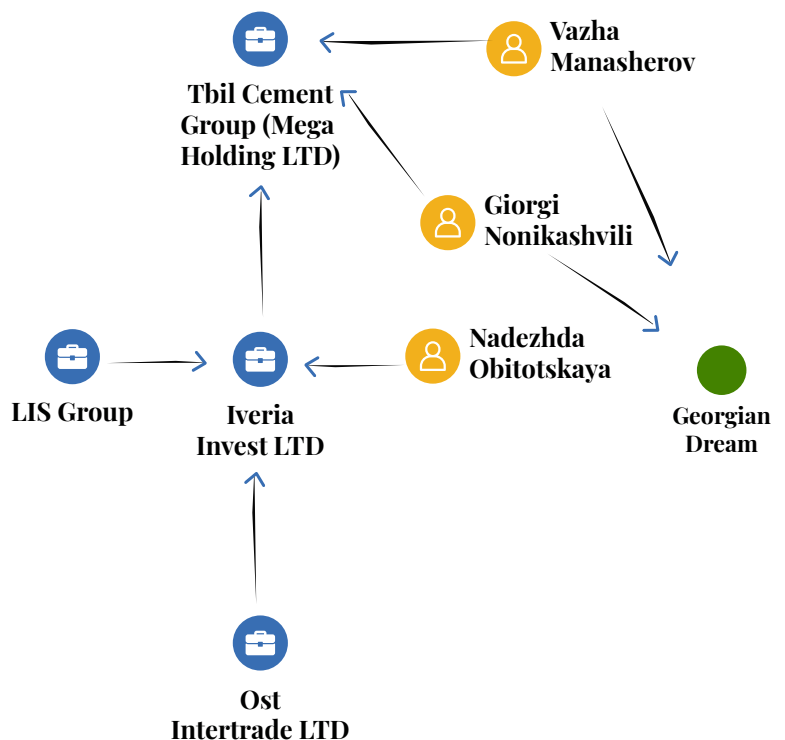


**3 Mega Holding (TbilCement Group)**

Mega Holding LLC (formerly named Tbil Cement Group, with a license for stone gravel extraction for the period of 2020-2025) is a holding of concrete manufacturers and construction companies. Factory is located in Zahesi, Mtskheta and according to their official website, they produce 120 cubic metres of concrete and more than 14 tons of cement. Company is owned by Vazha Manasherov (17%), Rusudan Tsitlanadze (19.6%), Mikheil Datikasvhili (12.25%), Giorgi Nonikashvili (1.15%) and Iveria Pro LTD (50%). Two of the Georgian shareholders, Vazha Manasherov and Giorgi Nonikashvili, are donors to the ruling Georgian Dream coalition.

One of the shareholders of the Mega Holding (Tbil Cement Group) is Iveria Pro Ltd. (50%), which is in turn owned by Iveria Invest Ltd. (100%). The shareholders of the latter are the Russian company Ost InterTrade Ltd. (20%) and the Lithuanian company LIS Group (10%), as well as a Russian citizen Nadezhda Obitotskaya (19%). The registration addresses of the two legal entities and that of Ms. Obitotskaya are identical. Trustees of the foreign companies and individuals in Georgia are the shareholders of TbilCement Group. Hence, in the ownership spiral (see Figure 5), an indirect Russian ownership can be observed. In this case too, the political affiliations are expressed in the donations made to the incumbent.

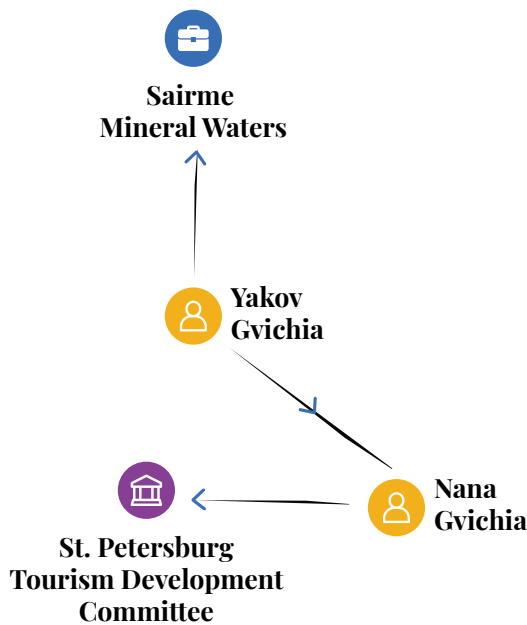
**Figure 4:**  
Connections around TbilCement Group



#### 4 Sairme Mineral Water

Sairme Mineral Water Ltd (with a total of 3 licenses of fresh water (2010-2030), underground fresh water (2011-2036) and carbonated mineral water(2019-2031)) is 100% owned by Russian citizen Yakov Gvichia. Supervisory Board member, Gia Gvichia, who is also a Russian citizen, is a billionaire and appears on the list of Russia's top billionaires every year. He owned breweries in St. Petersburg and is currently the owner of a glass factory there. His sister, Nana Gvichia, is chair of the St. Petersburg Tourism Development Committee.

**Figure 5:**  
Sairme Mineral Waters  
Ltd Ownership



#### 5 Borjomi (IDS Borjomi Georgia)

LLC IDS Borjomi Georgia extracts and produces mineral and still water - Borjomi, Likani as well as table still water - Borjomi Springs, Bakuriani. The company owns bottling factories no. 1 and no. 3

IDS Borjomi Georgia was formerly known as Georgian Glass and Mineral Waters Company. The latter made a foundation for the creation of the international company IDS Borjomi International, by the company co-owned by Badri Patarkatsishvili. In early 2013, the Patarkatsishvili family announced it sold ISD Borjomi International controlling interest to the major investment company Alfa Group, belonging to Russian billionaire Mikhail Fridman for USD 300 million.

#### 6 Gruzvinprom

Gruzvinprom obtained mineral waters extraction license in Georgia. The company is owned by another company named Bolero & Company. In turn, Bolero & Company is part of Georgia's largest industrial-trading group of enterprises, which also includes "Gruzwinprom" Ltd, "K and Georgian Spirits" Ltd, "Universal Spirits" Ltd, and a bulk stock terminal in the Poti Port Free Industrial Zone.



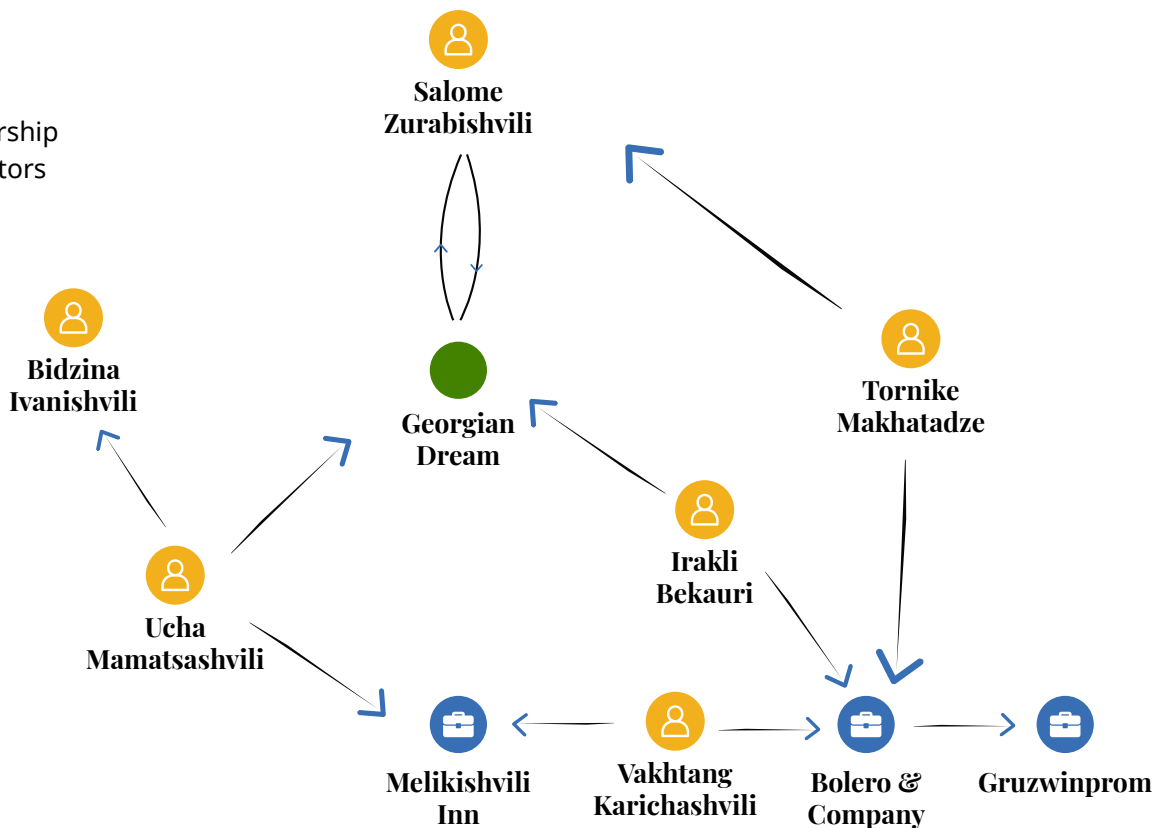
The International Consortium of Investigative Journalists (ICIJ), which examined the leak of about 12 million documents from 14 offshore service providers known as the Pandora Papers, says that Bidzina Ivanishvili established 12 companies in the British Virgin Islands, an offshore haven, between 1998 and 2016 and Brightstone Finance, which is a shareholder of Poti FIZ Management Company, is one of the 12 companies. According to the ICIJ, Ivanishvili founded Brightstone Finance to finance debt-equity of certain projects of the Georgian Co-Investment Fund. More specifically, the Pandora Papers read that established in 2015, Brightstone Finance is a controlling shareholder of Georgia-based Eurasian Invest, a company that through several other firms holds sizable stakes in Poti Free Industrial Zone, near Georgia’s key port of Poti. The profitability of the Poti Free Industrial Zone is directly related to cargo turnover in the Poti port.<sup>6</sup>

The only stakeholder of the Bolero & Co is Vakhtang Karichashvili, a dual citizen of Georgia and Russia, which makes him the beneficial owner of all the companies established by Bolero & Co, including Gruzvinprom. Similarly to the above-discussed cases, nearly all of the managers of these companies have made donations to the ruling political party Georgian Dream.

Furthermore, Vakhtang Karichashvili owns another company named Melikishvili Inn with his business partner Ucha Mamatsashvili, who also holds dual citizenship of Russia and Georgia and is a relative of Bidzina Ivanishvili.

On the other hand, the companies are noticed at the receiving end of the state procurements. According to TI Georgia, one of Krichashvilis' companies, Universal Spirits, was one of 10 companies receiving the biggest amount of money from simplified public procurements in 2020. Universal Spirits LLC received 19 contracts worth GEL 5.7 million in 2020 through simplified public procurement. 18 of these contracts were signed with the state-owned company Akura. Universal Spirits has been getting simplified public contracts since 2015. It has not participated in public tenders.

**Figure 6:**  
GRUZVINPROM ownership  
and ties to political actors



6 <https://agenda.ge/en/news/2021/3036>



# MAIN FINDINGS SUMMARY:

This report identified well-known Russian businessmen, such as Russian oligarch of Ukrainian origin Mikhail Fridman (LetterOne company) connections (ownership, shareholding) to the **communications** sector. His another corporation - Alfa Group owns Borjomi **mineral water** production in Georgia. Mikhail Fridman was included in the EU sanctions list due to his material and financial support to and benefits received from Russian individuals responsible for the annexation of Crimea and the destabilisation in Ukraine.

The **communications sector** shows the influence of Fridon Injia and his family. Injia, who is a former member of Alliance of Patriots is notorious for his anti-western statements and appeals for closer ties with Russia. With Akhali Kselebi and CGC, Fridon Injia controls 24.19% share of the landline telephone market and 6.2% of the fixed internet connection market in Georgia. Injia owns Fopnet - Optic-fibre Telecommunication Network LTD. This company has a business-partnership with Vestelcom Russian company, which is a subsidiary of Russian [Rostelecom communications](#) corporation.

The requested data on the financial state of the broadcasters in Georgia has not been available by this stage of the study.

Only VTB Bank Georgia's Russian ownership by VTB bank was identified in the **banking sector**. The bank's beneficiary shareholder is Russian Federation with 59.34% share. Following the war in Ukraine, the National Bank of Georgia joined the international sanctions and VTB [started to transfer](#) its portfolio to other banks.

More than 120 companies and individuals were researched in the **natural resources extraction and mineral waters sector**, to identify Russian connections.

Russian connections, ownership and controlling interests, as well as ties to the ruling party in the sector were confirmed for following companies: RMG Gold, Sairme Mineral Water LTD, Capital Group LTD, Mega Holding LTD, Gruzvinprom and Mixor LTD.

The above-mentioned companies hold **mineral water**, gold and coal extraction licenses. For example, Sairme Mineral Water LTD holds five different licenses for mineral water extraction. Company's owner and one of the supervisory board members are Russian citizens. The mentioned member of the board, Gia Gvichia is a billionaire, well-known in Russia. His sister, Nana Gvichia is a chairperson for Saint-Petersburg Tourism Development Committee.

Mixor LTD extracts mineral waters. One of the company's shareholders is Keystone Investments LTD, which, in its turn, is owned by Temur Anchabadze a Russian citizen. Keystone Investments is a part of Anchabadze's business group and is mentioned on its own webpage as a part of South Stream project, designed to increase the supply of Russian natural gas to Europe and additional gas transportation to Central and Southern Russian regions.

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