

# MANAGEMENT DISCUSSION AND ANALYSIS

*FOR 6 MONTHS AND Q2 ENDED 30 JUNE 2024*





## FINANCIAL AND NON-FINANCIAL HIGHLIGHTS

### REVENUE (*'000 GEL*)

Q2 2024

**163,713**

-2.4% from Q2 2023  
+7.5% from Q1 2024

6M 2024

**315,973**

+3.4% from 6M 2023

### RESULTS FROM OPERATING ACTIVITIES (*'000 GEL*)

Q2 2024

**44,414**

+24.0% from Q2 2023  
+43.5% from Q1 2024

6M 2024

**75,363**

+38.5% from 6M 2023

### ADJUSTED EBITDA (*'000 GEL*)

Q2 2024

**60,600**

+12.6% from Q2 2023  
+27.5% from Q1 2024

6M 2024

**108,115**

+19.2% from 6M 2023

### ADJUSTED EBITDA MARGIN

Q2 2024

**37.02%**

+4.9 points from Q2 2023  
+5.8 points from Q1 2024

6M 2024

**34.22%**

+4.6 points from 6M 2023

### NET CASH INVESTMENT IN PP&E (*'000 GEL*)

Q2 2024

**41,037**

+7.3% from Q2 2023  
-6.3% from Q1 2024

6M 2024

**84,843**

+15.7% from 6M 2023

### NET DEBT TO ADJUSTED EBITDA 30 Jun 2024

**6.24**

6.49 as at 31 December 2023

4.40 as at 30 June 2023

### TONS (*'000*)

Q2 2024

**3,583**

+2.3% from Q2 2023  
+10.7% from Q1 2024

6M 2024

**6,821**

+2.5% from 6M 2023

### TKM (*'million*)

Q2 2024

**1,039**

+4.3% from Q2 2023  
+12.4% from Q1 2024

6M 2024

**1,963**

+4.6% from 6M 2023

### NUMBER OF PASSENGERS (*'000*)

Q2 2024

**525**

-7.7% from Q2 2023  
+12.7% from Q1 2024

6M 2024

**991**

-4.8% from 6M 2023

### PASSENGER-KILOMETERS (*'million*)

Q2 2024

**161**

-9.2% from Q2 2023  
+25.2% from Q1 2024

6M 2024

**289**

-7.8% from 6M 2023

### MAIN DEVELOPMENTS IN THE FIRST SIX MONTHS OF 2024

<sup>1</sup> In July 2024, Fitch affirmed the Company's long-term outlook to "positive" from "stable" and verified its "BB-" rating, while in December 2022 "S&P" revised rating to "BB-" from "B+" with "positive" outlook.



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# I. PROFIT OR LOSS STATEMENT

## PROFIT AND LOSS STATEMENT

6 month period ended 30 June	TOTAL		CHANGE		
	6M 2024	6M 2023	%	% constant currency	Absolute
<i>GEL '000</i>					
Revenue	315,973	305,719	3.4	(0.8)	10,254
Other income	9,821	3,515	179.4	168.2	6,306
Employee benefits expense	(116,463)	(119,862)	(2.8)	(6.7)	3,398
Electricity, consumables and maintenance costs	(41,837)	(38,683)	8.2	3.8	(3,154)
Other expenses	(59,378)	(60,023)	(1.1)	(5.0)	645
Adjusted EBITDA	108,115	90,666	19.2	14.5	17,449
<i>Adjusted EBITDA margin</i>	<i>34.22%</i>	<i>29.66%</i>	<i>NA</i>	<i>NA</i>	<i>4.56%</i>
Depreciation and amortization expense	(31,599)	(35,659)	(11.4)	(14.9)	4,060
Impairment gain/(loss) on trade receivables	(1,152)	(592)	94.6	86.8	(560)
EBIT	75,363	54,415	38.5	33.0	20,948
Finance income and cost	(72,814)	32,532	(323.8)	(314.9)	(105,346)
Profit before income tax	2,550	86,947	(97.1)	(97.2)	(84,397)
Income tax expense	(387)	(499)	(22.4)	(25.5)	112
Profit and total comprehensive income	2,163	86,448	(97.5)	(97.6)	(84,286)

\*Adjusted EBITDA is determined by the same method as EBITDA of previous periods was calculated.



## PROFIT AND LOSS STATEMENT (QUARTERLY)

6 month period ended 30 June

GEL '000	Q2 2024	Q2 2023	y-o-y %	Q1 2024	q-o-q %
Revenue	163,713	167,782	(2.4)	152,259	7.5
Other income	1,989	(288)	790.6	7,832	(74.6)
Employee benefits expense	(59,870)	(62,762)	(4.6)	(56,593)	5.8
Electricity, consumables and maintenance costs	(20,976)	(19,957)	(20.3)	(19,958)	(10.9)
Other expenses	(24,256)	(32,585)	5.1	(20,862)	0.5
<b>Adjusted EBITDA</b>	<b>60,600</b>	<b>53,820</b>	<b>12.6</b>	<b>47,515</b>	<b>27.5</b>
<i>Adjusted EBITDA margin</i>	<i>37.02%</i>	<i>32.08%</i>	<i>NA</i>	<i>31.21%</i>	<i>NA</i>
Depreciation and amortization expense	(15,243)	(17,376)	(12.3)	(16,356)	(6.8)
Impairment gain/(loss) on trade receivables	(943)	(639)	47.6	(209)	351.2
<b>EBIT</b>	<b>44,414</b>	<b>35,806</b>	<b>24.0</b>	<b>30,950</b>	<b>43.5</b>
Finance income/(cost)	(58,439)	(31,412)	86.0%	(14,374)	306.6
Profit before income tax	(14,025)	4,394	(419.2)	16,575	(184.6)
Income tax expense	(335)	(268)	25.0	(52)	544.2
<b>Profit and total comprehensive income</b>	<b>(14,360)</b>	<b>4,126</b>	<b>(448.0)</b>	<b>16,523</b>	<b>(186.9)</b>

\* As a consequence of accounting adjustments in the classification of operations, the Q2 of 2023 resulted in a negative revenue being recorded within the category of other income.

## 1.1 REVENUE

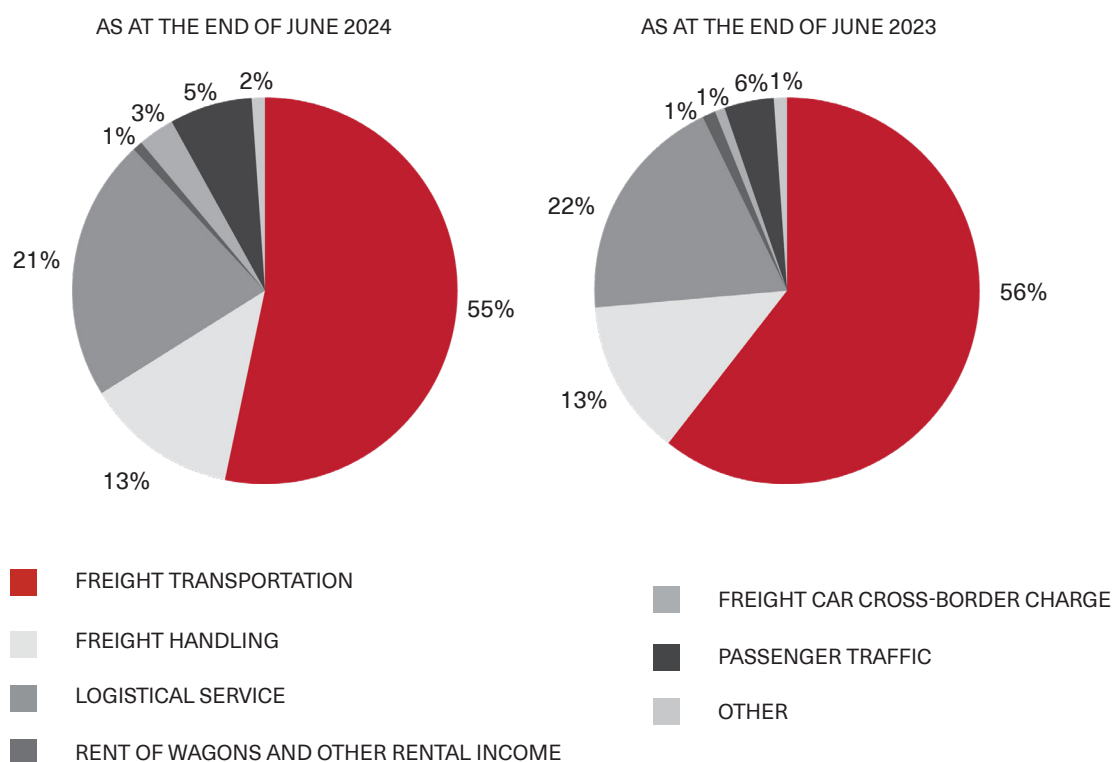
Most of the Group's revenue (about 55% in 6 month period ended 30 June, 2024) is derived from freight transportation. Thus, its results are particularly sensitive to cargo flows. These mainly comprise transit shipments, which ac-

counted for around 71% of freight transportation revenue in 6M 2024. A substantial proportion of transit transportation comes from trade between Europe and Central Asia.

### REVENUE BREAKDOWN

6 month period ended 30 June	TOTAL		CHANGE		
GEL '000	6M 2024	6M 2023	%	% constant currency	Absolute
Freight transportation	173,422	170,388	1.8	(2.3)	3,035
Freight handling	41,974	40,410	3.9	(0.3)	1,564
Logistic service	66,763	67,973	(1.8)	(5.7)	(1,210)
Rent of wagons and other rental income	2,579	2,029	27.1	22.0	549
Freight car cross-border charge	7,907	3,932	101.1	93.1	3,975
Passenger traffic	16,755	18,015	(7.0)	(10.7)	(1,260)
Other	6,574	2,973	121.1	112.3	3,600
<b>Revenue</b>	<b>315,973</b>	<b>305,719</b>	<b>3.4</b>	<b>(0.8)</b>	<b>10,254</b>
Other income	9,821	3,515	179.4	168.2	6,306

The following charts represent revenue breakdown for the nine months ended 30 June 2024 and 2023:



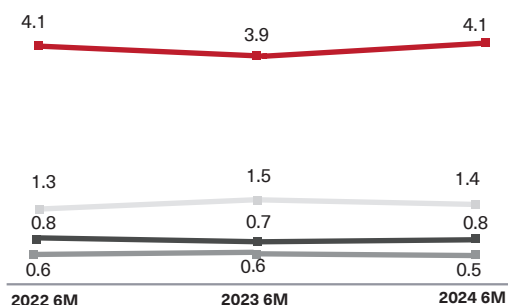
## FREIGHT TRANSPORTATION

The Group's freight transportation consists of domestic, import, export and transit transportation. The split by tons between above-mentioned directions in the first six

months of 2024 was about 12%, 20%, 8% and 60%, respectively. 99.9% of revenue from freight transportation is denominated in USD.

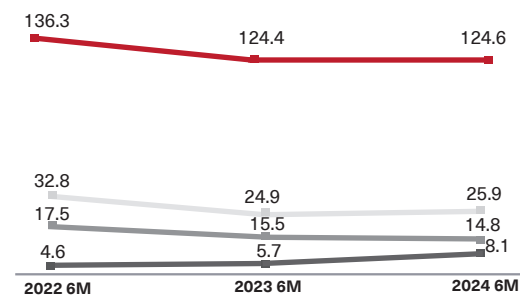
The following charts present the Group's freight transportation breakdown by directions:

Mln tons



— TRANSIT      — EXPORT  
— IMPORT      — DOMESTIC

GEL mln



— TRANSIT      — EXPORT  
— IMPORT      — DOMESTIC

Transportation revenue is determined by multiple factors, some of which are listed below:

Transportation volume – expressed in tons.

Transportation turnover – computed by multiplying the transported tons by the distance covered. Expressed in ton-kilometers.

Revenue per ton-kilometer – the term refers to the average revenue that the Group receives per ton-kilometer. This pa-

rameter varies according to the cargo type mix and transportation direction mix.

GEL/USD exchange rate – majority of the Group's tariffs are denominated in USD. Changes in the USD/GEL exchange rate can have a significant impact on the Group's profitability, as the Group reports its revenue in GEL and most of its operating expenses are denominated in Georgian Lari.

## EXCHANGE RATES

	6M 2024	6M 2023	y-o-y %	30-Jun-24	30-Jun-23	31-Dec-23	31-Dec-22
USD	2.71	2.60	4.16	2.81	2.62	2.69	2.70
CHF	3.04	2.85	6.91	3.13	2.92	3.21	2.93

# TRANSPORTATION BY DIRECTIONS

## IMPORT TRANSPORTATION

Import represents the movement of cargo from foreign countries to Georgia. The share of imported cargo in total transported volume was around 20% during the 6 months

period ended 30 June 2024, compared to 22% in same period of previous year.

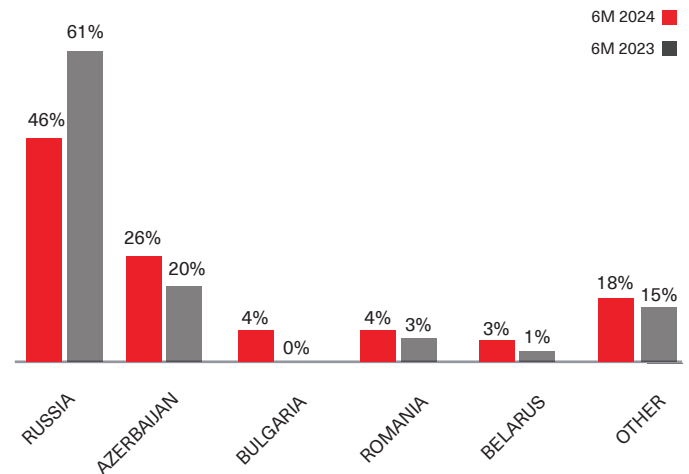
6 month period ended 30 June	TOTAL		CHANGE	
	6M 2024	6M 2023	%	% constant currency
Revenue (million GEL)	25.9	24.9	3.9	(0.2)
Freight Volume (million tons)	1.4	1.5	(5.2)	NA
Freight Turnover (million ton-km)	184.2	178.8	3.0	NA
Revenue / ton-km (in Tetri)	14.04	13.93	0.8	(3.2)

## MAIN FACTORS INFLUENCING PERFORMANCE

Freight turnover – 3% increase in freight turnover primarily was driven by increased transportation from Bulgaria, Türkiye and Romania by 12.8 million tkm, 2.2 million tkm and 1.2 million tkm, respectively, during the 6 months ended 30 June, compared to same period of 2023. However, this increase was partially offset by decreased transportation from Russia, by 11.1 million tkm.

### ORIGIN COUNTRIES

Percentage share in total volume transported



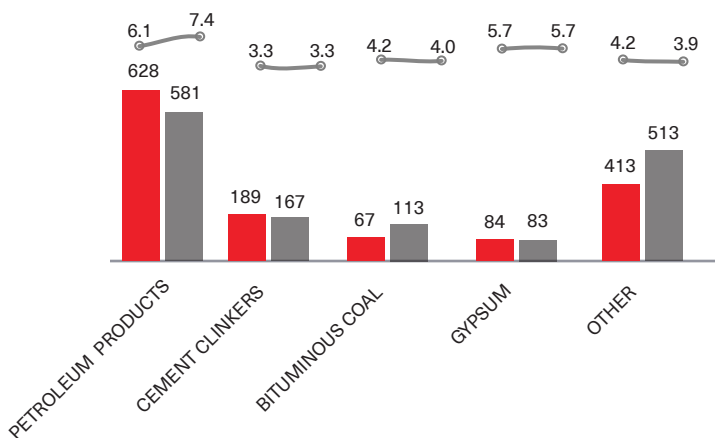
### MAIN IMPORTED PRODUCT TYPES

'000 tons

Average Tariff 'cent

6M 2024

6M 2023



Revenue / ton-km (in Tetri) – 3% decrease in constant currency in 6 month period ended 30 June 2024 was driven by a increased share of transportation from Bulgaria, which is relatively less profitable direction. Meanwhile, the share of transported cargo from Russia, which is relatively more profitable direction, decreased compared to the same period of previous year.



## MAIN DIRECTIONS OF CARGO DURING 6 MONTHS PERIOD ENDED 30 JUNE 2024

Petroleum products include motor fuel, bitumen, diesel fuel, aviation fuel and special petrol.

Motor fuel – imported from Russia and Belarus, with shares of 69% and 28%, respectively, mostly intended to satisfy the domestic demand.

Bitumen – imported from Russia and Turkmenistan with share of 75% and 25%, mainly distributed to Rustavi (99% share), mostly used for making construction materials.

Diesel fuel - imported from Russia and Azerbaijan, with shares of 73% and 17%, respectively, mainly intended to satisfy the domestic demand.

Aviation fuel – imported from Greece, Turkmenistan and Türkiye with shares of 43%, 27% and 11%, respectively, mostly used by domestic aviation companies in Georgia.

Special petrol – imported from Bulgaria, Romania and Greece with shares of 45%, 32% and 10% respectively, mainly intended to satisfy the domestic demand.

Bituminous coal - imported from Russia, distributed to Rustavi and Kaspi, with shares of 50% and 50%, respectively.

Cement clinkers - imported from Azerbaijan, was mainly distributed to the Georgian cities of Rustavi and Poti, with shares of 69% and 14%, respectively, where the cement factories are located.

Gypsum – imported from Azerbaijan, was distributed to Kaspi and Rustavi, with shares of 39% and 22%, respectively. 36% of gypsum was directed to Tbilisi, where the plasterboards are produced.



## EXPORT TRANSPORTATION

Export refers to the transportation of goods from Georgia to international directions. The share of exported cargo in total transported volume was around 8% during the 6

months period ended 30 June 2024, compared to 9% in same period of previous year.

6 month period ended 30 June	TOTAL		CHANGE	
	6M 2024	6M 2023	%	% constant currency
Revenue (million GEL)	14.8	15.5	(4.5)	(8.3)
Freight Volume (million tons)	0.5	0.6	(8.7)	NA
Freight Turnover (million ton-km)	153.5	171.3	(10.4)	NA
Revenue / ton-km (in Tetri)	9.62	9.03	(6.6)	(2.3)

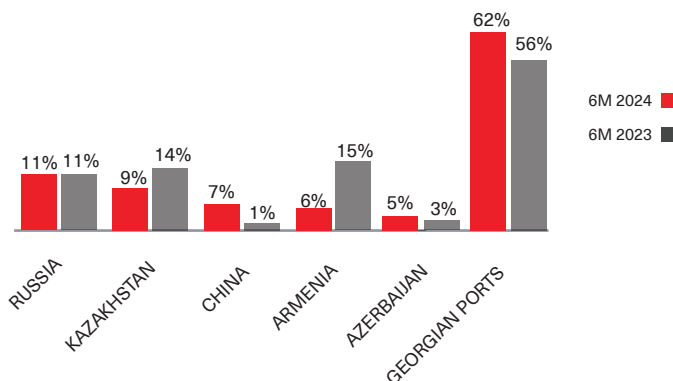
## MAIN FACTORS INFLUENCING PERFORMANCE

**Freight turnover** – In 6 month period ended 30 June 2024, a 10% decrease in freight turnover primarily was driven by reduced transportation to Armenia and Kazakhstan down by 21.3 million tkm and 12.8 million tkm, respectively, compared to same period of 2023. However, this increase was partially offset by increased transportation to Türkiye, by 10.5 million tkm.

**Revenue / ton-km (in Tetri)** – 2% decrease in constant currency in first six months of 2024 was driven by a lower share of transportation to Kazakhstan relatively more profitable direction, while the share of transportation to China increased, relatively less profitable direction.

### DESTINATION COUNTRIES

Percentage share in total volume transported



## MAIN DIRECTIONS OF CARGO DURING 6 MONTHS PERIOD ENDED 30 JUNE 2024

**Ammonium nitrate** – was transported from Rustavi, where the fertilizer factory is located, to Poti Sea Port and Armenia, with shares of 96% and 3% respectively.

**Mineral waters** – mainly originated from Borjomi, where one of the largest bottlers of mineral water factories is located, were distributed to Russia, Kazakhstan and Uzbekistan, with shares of 62%, 27% and 8%, respectively.

**Silicon manganese** – originated from Zestaponi, where the ferroalloys plant is located, was distributed to Batumi Sea Port, with share of 99%.

**Metal ores and concentrates** – 100% of the product was transported from Tbilisi to China and Bulgaria, with shares of 90% and 10%.

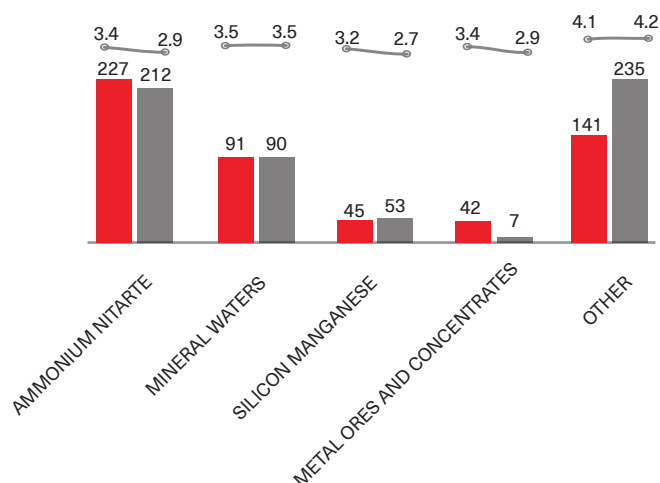
### MAIN EXPORTED PRODUCT TYPES

'000 tons

Average Tariff 'cent

6M 2024

6M 2023



## DOMESTIC TRANSPORTATION

Domestic transportation represents the movement of cargo from one station to another, within Georgia. The share of domestic transportation in total transported volume was

12% during the 6 months period ended 30 June 2024, compared to 11% in same period of previous year.

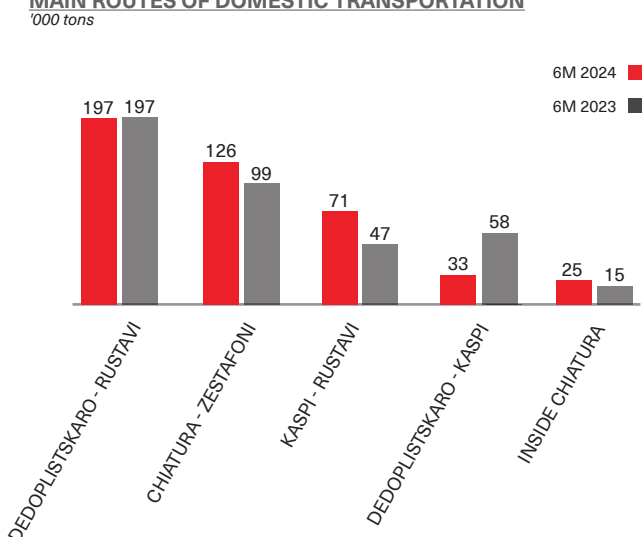
6 month period ended 30 June	TOTAL		CHANGE	
	6M 2024	6M 2023	%	% constant currency
Revenue (million GEL)	8.1	5.7	43.5	37.8
Freight Volume (million tons)	0.8	0.7	10.5	NA
Freight Turnover (million ton-km)	80.8	79.2	2.0	NA
Revenue / ton-km (in Tetri)	10.05	7.14	40.7	35.1

### MAIN FACTORS INFLUENCING PERFORMANCE

**Freight turnover** – 2% increase in freight turnover primarily was driven by increased transportation on Chiatura-Zestaponi and Kaspi-Rustavi routes during 6 months period ended 30 June 2024, compared to same period of 2023.

**Revenue / ton-km (in Tetri)** – 35% increase in constant currency during 6 months ended 30 June 2024 was driven by product direction mix. The share of domestic volume transported from Chiatura and Partotskali, which are relatively more profitable directions, increased by 3% and 7%, respectively. Meanwhile, the share of transported cargo from Dedeplistsarko, which is relatively less profitable direction, decreased compared to the same period of previous year.

### MAIN ROUTES OF DOMESTIC TRANSPORTATION



### MAIN DIRECTIONS OF CARGO DURING 6 MONTHS PERIOD ENDED 30 JUNE 2024

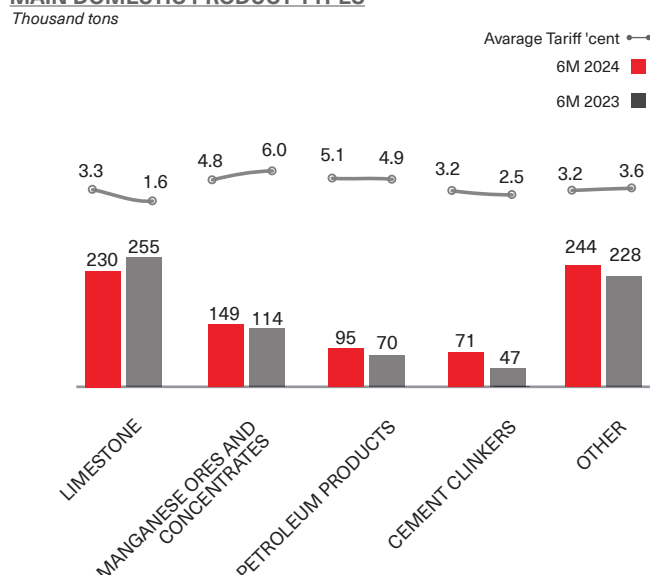
**Limestone** - originated from Dedoplistskaro where the open quarries are located and was distributed to Rustavi and Kaspi, where cement factories are located, with 86% transported to Rustavi and 14% to Kaspi.

**Manganese ores and concentrates** – originated from Chiatura, where the manganese mine is located and was directed to Chiatura and to Zestaponi (where the ferroalloy plant is located).

Petroleum products include motor petrol, diesel fuel and heavy fuel oil.

**Motor petrol** – distributed to Tbilisi and Samtredia, with shares of 79% and 17%, respectively, mainly for domestic use.

### MAIN DOMESTIC PRODUCT TYPES





Diesel fuel – distributed to Tbilisi, Samtredia and Batumi, with shares of 46%, 25% and 15%, respectively, mainly for domestic use.

Special fuel – distributed to Tbilisi, Dzegvi and Samtredia, with shares of 40%, 30% and 24%, respectively mainly for domestic use.

Aviation fuel – distributed to Tbilisi and Kutaisi, with shares of 55% and 45%, respectively mainly for aviation companies located there.

Cement clinkers - was transported from Kaspi to Rustavi, where cement factories are located.

## TRANSIT TRANSPORTATION

Transit represents the movement of cargo from one foreign country to another one, through Georgia. The share of transit transportation in total transported volume was 60%

during the 6 months period ended 30 June 2024, compared to 58% in same period of previous year.

6 month period ended 30 June	TOTAL		CHANGE	
	6M 2024	6M 2023	%	% constant currency
Revenue (million GEL)	124.6	124.4	0.2	(3.8)
Freight Volume (million tons)	4.1	3.9	5.7	NA
Freight Turnover (million ton-km)	1,544.1	1,447.5	6.7	NA
Revenue / ton-km (in Tetri)	8.07	8.59	(6.1)	(9.8)

## MAIN FACTORS INFLUENCING PERFORMANCE

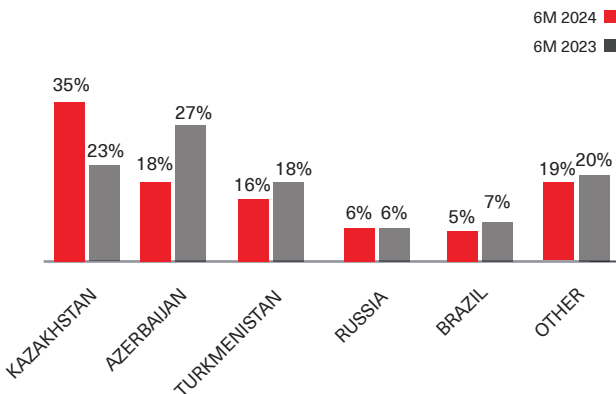
Freight turnover – 7% increase in freight turnover primarily was driven by increased transportation from Kazakhstan, by 540 thousand tons during 6 month period ended 30 June 2024, compared to same period of 2023. However, this increase was partially offset by decreased transportation from Azerbaijan by 281 thousand tons.

rency in 6 month ended 30 June 2024 was driven by a lower share of transportation on China-Azerbaijan route, which is relatively more profitable direction. Meanwhile, the share of transported cargo on Kazakhstan-Netherlands route and Kazakhstan-China route, which is relatively less profitable direction, increased compared to the same period of previous year.

Revenue / ton-km (in Tetri) – 10% decrease in constant cur-

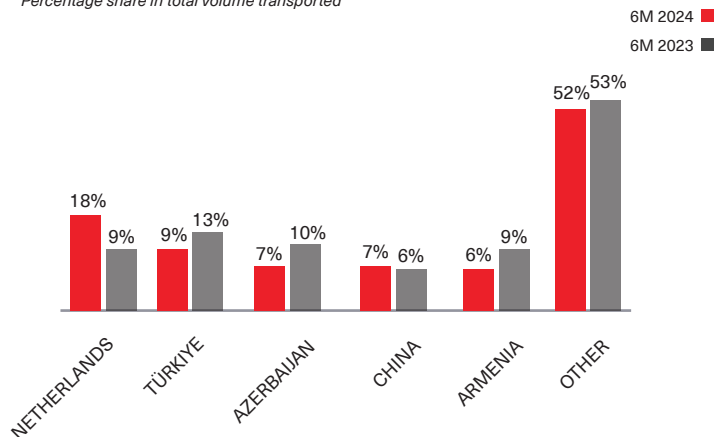
### ORIGIN COUNTRIES

Percentage share in total volume transported



### DESTINATION COUNTRIES

Percentage share in total volume transported



**MAIN DIRECTIONS OF CARGO DURING 6 MONTHS PERIOD ENDED 30 JUNE 2024**

Petroleum products include heavy fuel oil, light fuel oil, gas oil and special petrol.

Heavy fuel oil – primarily transported on Kazakhstan-Netherlands and Kazakhstan- Black Sea Ports (specifically, Batumi Sea Port, Poti Sea Port and Parto Tskali) routes with 76% and 16% share, respectively .

Light fuel oil – primarily transported on Turkmenistan-Black Sea Ports (specifically, Batumi Sea Port, Poti Sea Port and Parto Tskali) and Turkmenistan-Italy routes with 80% and 17% share, respectively.

Gas oil – primarily transported on Kazakhstan-Netherlands, Uzbekistan-USA and Azerbaijan-Italy routes with 45%, 23%and 16% share, respectively.

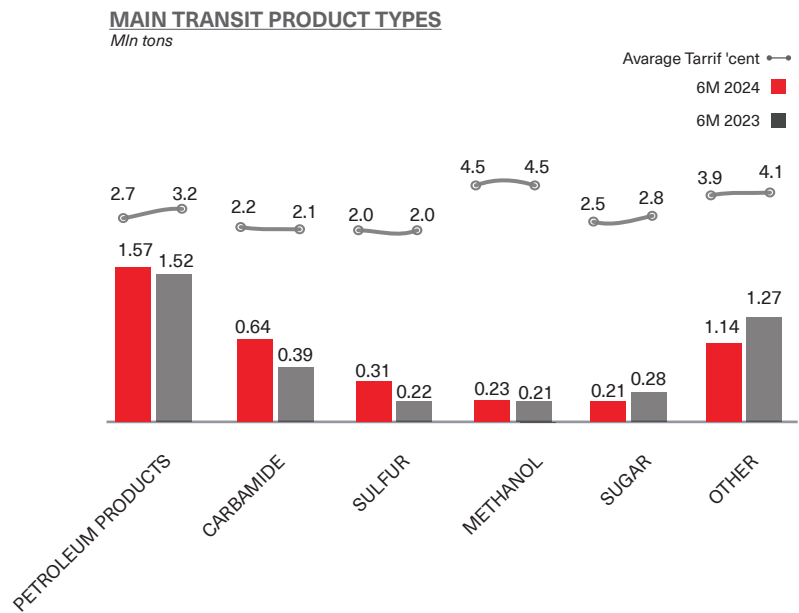
Special petrol – 83% of the product was primarily transported on Russia-Armenia route.

Carbamide – primarily transported on Turkmenistan-Black Sea Ports and Azerbaijan-Ukraine routes with 69% and 13% share, respectively.

Sulfur – 96% of the product was transported on Kazakhstan-Poti Sea Port route.

Methanol – primarily transported on Azerbaijan-Türkiye, Azerbaijan-Netherlands, Azerbaijan-Israel, Azerbaijan-Italy routes with 28%, 24%, 13% and 12% share, respectively.

Copper ores and concentrates – primarily transported on Armenia-China and Armenia-Bulgaria routes with 71% and 11% share, respectively.



# TRANSPORTATION BY BORDER CROSSING

## RAIL FREIGHT VOLUMES BY BORDER CROSSING

The JSC Georgian Railway operates three railway border crossings that link Georgia with its neighboring countries – Azerbaijan, Armenia and Türkiye. The Beyuk-Kyasik station connects the Company to Azerbaijan and its corresponding border crossing station in Georgia is Gardabani. The Sadakhlo station links Georgia to Armenia, while the Akhalkalaki station connects it to Türkiye. Additionally, the Company is linked to Black Sea Ports, including Poti Sea Port, Batumi Sea Port and Parto Tskali (Kulevi) Port.

The provided freight data indicates the points of entry and exit for cargo into and out of the country. Notably, 76% of

incoming freight arrives through land border crossings, underscoring the significance of the East-West transportation axis. On the other hand, 71% of outgoing cargo is shipped from ports, emphasizing the role of maritime transport via the Black Sea. This data highlights that the primary route for freight volumes in Georgia is from the East, primarily through Azerbaijan, with a subsequent departure from the country via maritime transport.

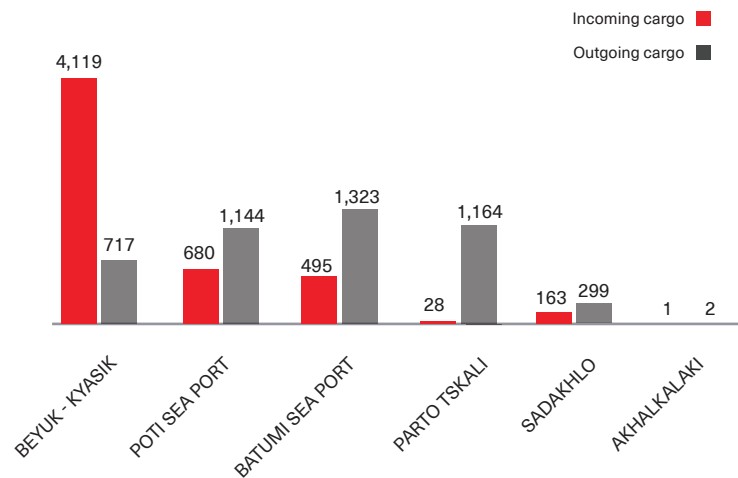
\* The Company also has a rail line connection with Russia through Abkhazia, which is currently not operational.

## RAILWAY FREIGHT VOLUMES BY THE BORDER CROSSINGS

Incoming rail volume - The main entry point for incoming cargo was the Beyuk-Kyasik station, which accounted for 75% of the total incoming cargo and 96% of the cargo arriving from land border crossings. A relatively smaller proportion of the overall incoming cargo, with shares of 12% and 9%, was transported from the Poti Sea Port and Batumi Sea Port, respectively.

Outgoing rail volume – 78% of outgoing cargoes leave the country through Parto Tskali, Batumi Sea Port and Poti Sea Port. Conversely, Beyuk-Kyasik serves as the primary land departure point, representing 15% of the total volume leaving the country and facilitating 70% of the entire volume departing via land borders.

**FREIGHT BY BORDER CROSSINGS**  
'000 tons

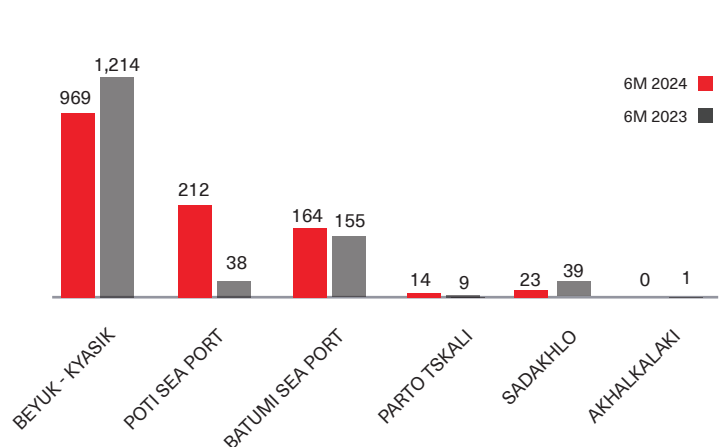


## BORDER CROSSINGS OF IMPORTED PRODUCTS

The share of Beyuk-Kyasik in total import was 70% in 6 months ended 30 June 2024, compared to 83% in the same period of 2023. The 13% decrease in share primarily was driven by decreased transportation from Russia by 366 thousand tons. The main origin countries using Beyuk-Kyasik station for volume transported were Russia, mostly for petroleum product transportation and Azerbaijan, mostly for cement clinkers transportation with 498 thousand tons and 352 thousand tons, respectively.

The share of Black Sea Ports in total import was 28% in 6 months ended 30 June 2024, compared to 14% in the same period of 2023. 14% increase in share primarily was driven by increased transportation from Russia, Bulgaria, Türkiye and Romania. The main importer countries using Black Sea Ports for entering country were Russia, Bulgaria, Romania and Türkiye mostly for petroleum products transportation with 132 thousand tons, 56 thousand tons, 49 thousand tons and 39 thousand tons, respectively.

**IMPORT BORDER CROSSING**  
'000 tons





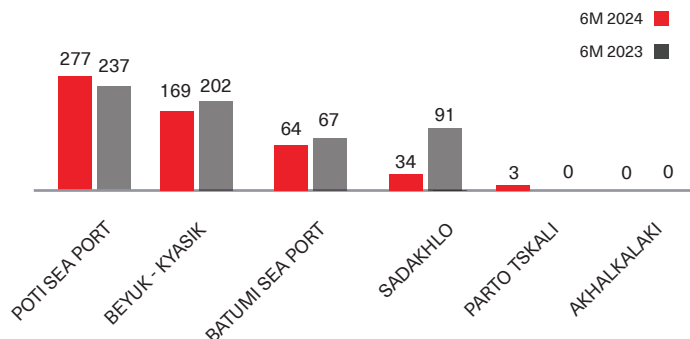
## **BORDER CROSSINGS OF EXPORTED PRODUCTS**

The share of Black Sea Ports in total export was 58% in 6 months ended 30 June 2024, compared to 55% in the same period of 2023. The main exported products were ammonium nitrate and sillico manganese, accounting for 219 thousand tons and 45 thousand tons, respectively.

The share of Beyuk-Kyasik in total export was 31% in 6 months ended 30 June 2024, compared to 34% in same period of 2023. The main destination countries for exported cargo, leaving the country through Beyuk-Kyasik station, were Russia and Kazakhstan with 59 thousand and 51 thousand tons, respectively, mostly for mineral water transportation.

### **EXPORT BORDER CROSSING**

'000 tons



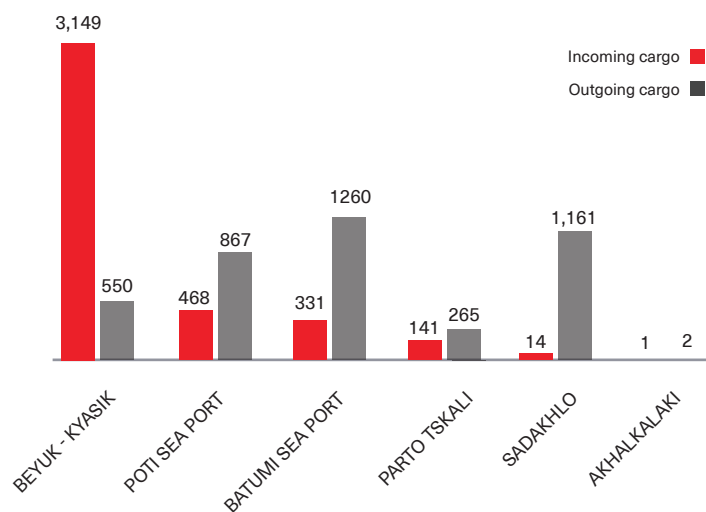
## **BORDER CROSSINGS OF TRANSIT PRODUCTS**

Beyuk-Kyasik station has the highest share in incoming volumes. The share of Beyuk-Kyasik station was 77% in 6 months ended 30 June 2024, compared to 73% in the same period of 2023. The main origin countries for incoming cargo were Kazakhstan, Azerbaijan and Turkmenistan with 1,426 thousand tons, 759 thousand tons and 674 thousand tons, respectively.

Black Sea Ports have the highest share in outgoing volumes. The share of Black Sea Ports was 80% in 6 months ended 30 June 2024, compared to 71% in the same period of 2023. The main destination countries were Netherlands, Türkiye and China with 737 thousand tons, 349 thousand tons and 298 thousand tons, respectively.

### **TRANSIT BORDER CROSSING**

'000 tons



## CONTAINER TRANSPORTATION

Approximately 9% of the total transported volume in 6 months ended 30 June 2024 was for the containerized goods and the rest was for bulk and breakbulk. Although

container transport has a relatively low share, its volumes has been increasing slowly but steadily over the recent years.

### CONTAINERS TRANSPORTED

Amt	6 month period ended 30 June							
	Q2 2024	Q2 2023	y-o-y %	Q1 2024	q-o-q %	6M 2024	6M 2023	q-o-q %
20 FEET	9,830	12,741	(22.8)	9,628	2.1	19,458	23,601	(17.6)
40 FEET	6,234	7,832	(20.4)	5,288	17.9	11,522	13,770	(16.3)
TOTAL	16,064	20,573	(21.9)	14,916	7.7	30,980	37,371	(17.1)

### REVENUE FROM CONTAINER TRANSPORTATION

GEL 000'	6 month period ended 30 June							
	Q2 2024	Q2 2023	y-o-y %	Q1 2024	q-o-q %	6M 2024	6M 2023	q-o-q %
20 FEET	4,493	5,110	(12.1)	4,918	(8.6)	9,411	9,656	(2.5)
40 FEET	2,879	3,761	(23.3)	2,541	13.3	5,420	7,276	(25.5)
TOTAL	7,372	8,871	(16.9)	7,459	(1.2)	14,831	19,932	(12.4)

### AVERAGE TARIFF

GEL	6 month period ended 30 June							
	Q2 2024	Q2 2023	y-o-y %	Q1 2024	q-o-q %	6M 2024	6M 2023	q-o-q %
20 FEET	457.1	401.0	14.0	510.8	(10.5)	483.7	409.1	18.2
40 FEET	461.7	480.2	(3.9)	480.6	(3.9)	470.4	528.4	(11.0)
TOTAL	458.9	431.2	6.4	500.1	(8.2)	478.7	453.1	5.7

\*Average tariff represents revenue divided by number of containers

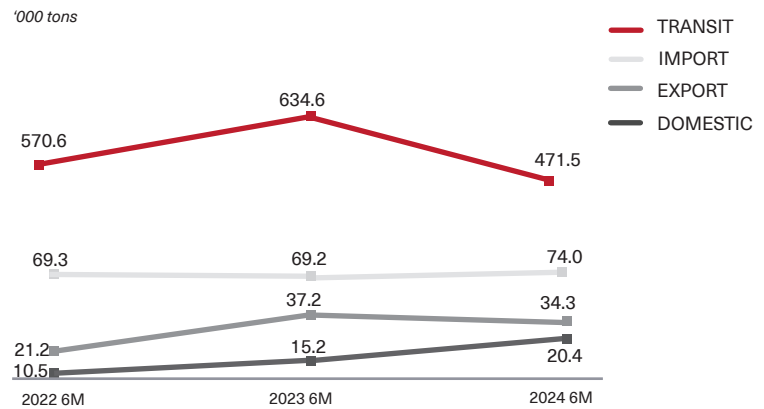
	6 month period ended 30 June							
	Q2 2024	Q2 2023	y-o-y %	Q1 2024	q-o-q %	6M 2024	6M 2023	q-o-q %
NUMBER OF CONTAINERS IN TEU	22,298	28,405	(21.5)	20,204	10.4	42,502	51,141	(16.9)
TONS '000	317	412	(23.2)	284	11.8	600	756	(20.6)

Number of containers – 22% decrease was due to decreased containers transported to Azerbaijan by 2.4 thousand units and to Kazakhstan by 1.3 thousand units in 6 months ended 30 June 2024, compared to the same period of 2023.

Average tariff on containers (in GEL) – 6% increase was mainly due to increased number of containers transported to Bulgaria which is relatively more profitable direction, while the number of containers transported to Kazakhstan, which is relatively less profitable direction, decreased in 6 months ended 30 June 2024, compared to the same period of 2023.

The Group's container transportation consists of transit, import, export and domestic transportation. The split between mentioned directions in 6 months ended 30 June 2024 was about 79%, 12%, 6% and 3%, respectively, compared to 84%, 9%, 5% and 2%, respectively, in the same period of 2023.

## CONTAINERS BY TRANSPORTATION TYPE



## FREIGHT HANDLING

### General description

Freight handling revenue stems from the following sources:

- | Station services, such as railcar marshaling, freight pick-up, delivery at customer facilities and other related services;
- | 24-hour railcar delays, represented by a fee paid by customers for the return of GR's own railcars after an initial 24 hours from its delivery at an agreed destination;
- | Other services, such as cargo loading/unloading, stor-

- | age, accelerated service fees and other sources.

### Currency and tariff setting

setting Most of the freight handling revenue, about 68% in 6M 2024, was denominated in USD, while the rest was denominated in GEL with 31%. The Group sets its tariffs independently.

## FREIGHT HANDLING

GEL '000	TOTAL		CHANGE	
	6M 2024	6M 2023	%	Absolute
6 month period ended 30 June				
STATION SERVICES	28,552	27,597	3.5	955
24-HOUR SERVICE	12,789	11,663	9.7	1,126
OTHER	633	1,150	(44.9)	(517)
<b>TOTAL</b>	<b>41,974</b>	<b>40,410</b>	<b>3.9</b>	<b>1,564</b>

### Factors influencing changes

The increase in revenue from freight handling by 3.9 percent (GEL 1.6 million) in the first six months of 2024, compared to the same period in 2023, was mainly driven by a

increase in revenue from 24-hour and station services, by GEL 1.1 million and GEL 1.0 million, respectively.



## **LOGISTIC SERVICES**

### **General description**

Revenue from logistic services is generated by GR's subsidiaries.

### **Currency and tariff setting**

Revenue from logistical services is denominated in USD and GEL, with 19% and 81%, respectively.

## **LOGISTIC SERVICES**

<i>GEL '000</i>	TOTAL		CHANGE	
<i>6 month period ended 30 June</i>	6M 2024	6M 2023	%	<i>Absolute</i>
REVENUE FROM LOGISTIC SERVICES	66,763	67,973	(1.8)	(1,210)

### **Factors influencing changes**

In the first six months of 2024, compared to the same period in 2023, revenue from logistics services decreased by 1.8% (GEL 1.2 million), mainly due to a decline in revenue

from GR's subsidiary, which provides container transportation services.

## **FREIGHT CAR CROSS-BORDER CHARGE**

### **General description**

Freight car cross-border charge revenue is derived when the Group's railcars are used by other national railways.

### **Currency and tariff setting**

Revenue from freight car cross-border charge is denominated in CHF and tariffs are set by the Council for Rail Transport of CIS States (CRT CIS).

### **Drivers**

Freight car cross-border charge revenue changes in line with the number of days the Group's railcars are used by other railway companies, which in its turn depends on the cargo mix and the availability of freight cars in the region.

## **FREIGHT CAR CROSS-BORDER CHARGE**

<i>GEL '000</i>	TOTAL		CHANGE	
<i>6 month period ended 30 June</i>	6M 2024	6M 2023	%	<i>Absolute</i>
FREIGHT CAR CROSS-BORDER CHARGE	7,907	3,932	101.1	3,975

### **Factors influencing changes**

The increase in the freight car cross-border charge was attributed to a rise in an effective tariff on the Azerbaijan di-

rection, as well as an increased share of wagons used by partnering railways.

## **PASSENGER TRAFFIC**

### **General description**

GR's passenger transportation services comprise domestic and international routes. Meanwhile, long-distance traffic accounts for the majority of the Group's passenger traffic, while regional (shorter-distance) services, in particular suburban services, typically serve the low-income segments of society, with symbolic/minimal ticket fares. Georgia is linked by rail to Azerbaijan and Armenia and thus international transportation services are provided to both countries.

### **Currency and tariff setting**

Tariffs for domestic trains are set independently by the Group in GEL. At the behest of the GoG, the Group affordable ticket prices, below the market rate. At the same time, GR maintains certain passenger trains, even when such routes are not economically feasible.

Tariffs for international transportation are set through negotiations between countries and are denominated in CHF.

## **PASSENGER TRANSPORTATION**

<i>GEL '000</i>	TOTAL		CHANGE	
<i>6 month period ended 30 June</i>	6M 2024	6M 2023	%	<i>Absolute</i>
REVENUE IN GEL '000	16,755	18,015	(7.0)	(1,260)
NUMBER OF PASSENGERS '000	991	1,041	(4.8)	(50)

### **Factors influencing changes**

In the first six months of 2024, revenue from passenger transportation declined by 7.0% compared to the same period in 2023. The primary reason for this decline was a reduction in the number of passengers on mainline and

international routes, which are more profitable directions, while the number of passengers transported increased on the regional routes.

## **OTHER REVENUE**

### **General description**

Other revenue is mostly denominated in GEL and comprises items such as revenue from the sale of scrap, commu-

nication services, electricity transportation and repair services for third parties.

## **OTHER REVENUE**

<i>GEL '000</i>	TOTAL		CHANGE	
<i>6 month period ended 30 June</i>	6M 2024	6M 2023	%	<i>Absolute</i>
REVENUE FROM SALE OF MATERIALS (SCRAP)	5,153	420	100.0	4,733
OTHER	1,421	2,553	(44.3)	(1,132)
TOTAL	6,574	2,973	121.1	3,601

### **Factors influencing changes**

In the six-month period ending June 30, 2024, there was an increase of GEL 3.6 million in other revenue compared to the same period in 2023. This increase was primarily due

to income generated from scrap realization. However, it was partially offset by a lower in income from the sale of materials (excluding scrap metal).

## 1.2 OTHER INCOME

### General description

Other income mostly includes items such as penalties issued to clients and suppliers, the sale of fixed assets and provision reversals.

In order to better illustrate the operational profitability of the Group, other income is split into two categories: con-

tinuing operations (such as income from services of heavy equipment, penalties on creditors and debtors, etc.) and non-continuing operations (such as gain or loss from sale of fixed assets and other items which are not expected to reoccur in the following periods).

### **OTHER INCOME**

GEL '000	TOTAL		CHANGE	
	6M 2024	6M 2023	%	Absolute
6 month period ended 30 June				
CONTINUING OPERATIONS	8,037	2,410	233.5	5,628
NON-CONTINUING OPERATIONS	1,784	1,105	61.4	679
TOTAL	9,821	3,515	179.4	6,306

### Factors influencing changes

Total other income rose by GEL 6.3 million in the first six months of 2024 compared to the same period in 2023,

mainly due to income generated from successful litigation.



## 1.3 OPERATING EXPENSES

### General description

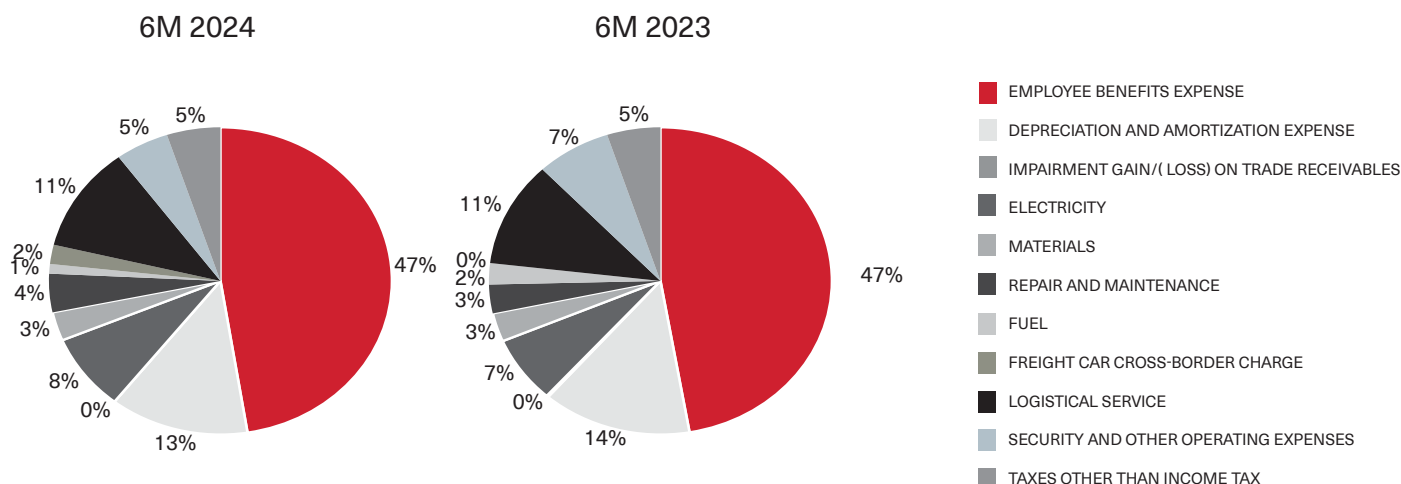
Total operating expenses for the three months ended 30 June 2024 decreased approximately by GEL 4.4 million, compared to the same period of the previous year. The de-

crease was mainly caused by an decrease in depreciation and amortization expense and employee benefits expense.

### OPERATING EXPENSES

GEL '000	TOTAL		CHANGE		
	6M 2024	6M 2023	%	% Constant Currency	Absolute
6 month period ended 30 June					
EMPLOYEE BENEFITS EXPENSE	116,463	119,862	(2.8)	(6.7)	(3,398)
DEPRECIATION AND AMORTIZATION EXPENSE	31,599	35,659	(11.4)	(14.9)	(4,060)
IMPAIRMENT GAIN/(LOSS) ON TRADE RECEIVABLES	1,152	592	94.6	86.8	560
ELECTRICITY	20,299	18,592	9.2	4.8	1,707
MATERIALS	7,640	7,752	(1.4)	(5.4)	(112)
REPAIR AND MAINTENANCE	10,184	7,631	33.5	28.1	2,553
FUEL	3,713	4,708	(21.1)	(24.3)	(995)
FREIGHT CAR CROSS-BORDER CHARGE	6,050	715	746.1	712.3	5,335
LOGISTIC SERVICES	28,795	28,848	(0.2)	(4.2)	(53)
SECURITY AND OTHER OPERATING EXPENSES	12,328	18,006	(31.5)	(34.3)	(5,678)
TAXES OTHER THAN INCOME TAX	12,206	12,454	(2.0)	(5.9)	(248)
<b>TOTAL</b>	<b>250,430</b>	<b>254,819</b>	<b>(1.7)</b>	<b>(5.6)</b>	<b>(4,388)</b>

The following charts represent the cost structure for the three months ended 30 June 2024 and 2023:



## EMPLOYEE BENEFITS EXPENSES

### General description

The Group's salary expenses are fixed and are denominated in GEL. As a result, there are not affected either by

transportation volume or by FX changes.

### EMPLOYEE BENEFITS EXPENSES

GEL '000	TOTAL		CHANGE	
	6M 2024	6M 2023	%	Absolute
6 month period ended 30 June				
SALARY	92,664	95,214	(2.7)	(2,549)
BONUS-REWARD	3,752	3,942	(4.8)	(190)
OTHER BENEFITS	20,047	20,706	(3.2)	(659)
TOTAL	116,463	119,862	(2.8)	(3,398)

### Factors influencing changes

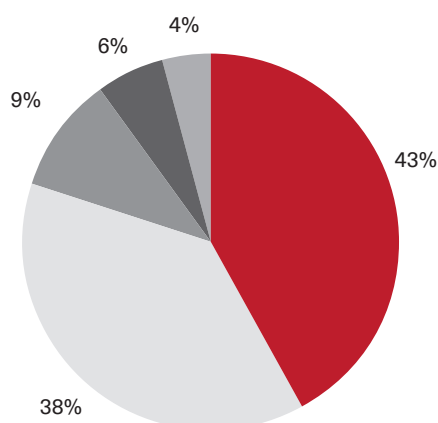
JSC Georgian Railway is one of the largest corporate employers and taxpayers in Georgia, highlighting its significance to the country, alongside the other important economic and social benefits it provides.

compared to the same period of the previous year. This reduction was primarily driven by a 2.7 percent decrease in total salary costs, mainly due to a 2.3 percent reduction in the number of employees, as well as a 3.2 percent decrease in other benefits, largely due to lower costs related to vocations.

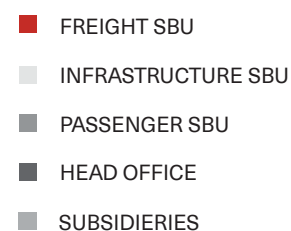
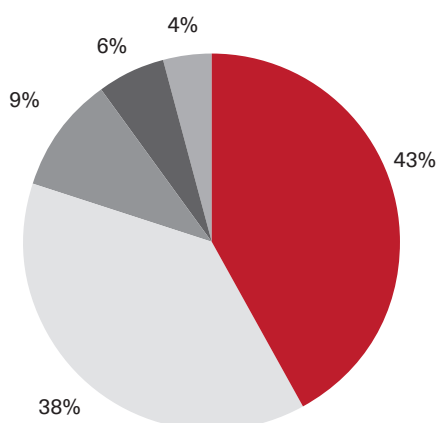
Employee benefits expenses for the six months ending June 30, 2024, fell by about 2.8 percent (GEL 3.4 million)

The following charts present headcounts by SBU and head office of the Company:

Distribution of staff by bussines units as at the end of June 2024



Distribution of staff by bussines units as at the end of June 2023



## ELECTRICITY EXPENSES

### General description

JSC Georgian Railway purchases electricity on the open market. The tariffs are denominated in GEL.

Electricity expenses are split into two categories: electricity expenses for traction, which are driven by transportation

turnover (the Group uses electric locomotives for freight transportation, electric trains (EMUs) for passenger transportation and diesel locomotives for shunting operations); and utility expenses, which are not related to transportation volume and are normally considered to be fixed.

### ELECTRICITY EXPENSES

GEL '000	TOTAL		CHANGE	
	6M 2024	6M 2023	%	Absolute
6 month period ended 30 June				
ELECTRICITY EXPENSES FOR TRACTION	17,469	15,728	11.1	1,741
UTILITY EXPENSES	2,830	2,864	(1.2)	(34)
TOTAL	20,299	18,592	9.2	1,707

### Factors influencing changes

There was about a 9.2 percent (GEL 1.7 million) increase in total electricity expenses mainly due to increased cargo

transportation during the six months ended 30 June 2024, compared to the same period of 2023.

### PURCHASED ELECTRICITY AND WEIGHTED AVERAGE TARIFF

GEL '000	6M 2024			6M 2023		
	GWh	Gross ton-km (million)	Weighted av. tariff (GEL)	GWh	Gross ton-km (million)	Weighted av. tariff (GEL)
6 month period ended 30 June						
JANUARY	12.5	551.6	0.232	12.4	532.7	0.234
FEBRUARY	12.6	592.9	0.235	11.2	495.5	0.233
MARCH	13.2	599.8	0.235	12.8	581.8	0.225
APRIL	12.3	580.8	0.232	11.7	522.3	0.223
MAY	13.6	665.8	0.199	13.5	653.3	0.158
JUNE	13.6	664.0	0.218	13.4	632.4	0.193
TOTAL	77.8	3,655	0.225	76.3	3,418.0	0.211

## **MATERIALS, REPAIR AND MAINTENANCE EXPENSES**

### **General description**

The Group purchases its inventory and uses relevant materials for repair works performed internally by its employees, all of which is presented under “materials expenses.” However, some repair works are outsourced and are presented under “repair and maintenance expenses.”

The Group's materials and repair and maintenance expenses are all tied to its rolling stock equipment balance,

its utilization rate and transportation volume. When transportation by the Group's rolling stock increases, so do the expenses for materials and repairs and maintenance. However, these expenses can also decrease where there is increased capital expenditure on the fleet and infrastructure, which reduces the need for repair and maintenance.

## **MATERIALS, REPAIR AND MAINTENANCE EXPENSES**

GEL '000	TOTAL		CHANGE	
	6M 2024	6M 2023	%	Absolute
6 month period ended 30 June				
MATERIALS EXPENSES	7,640	7,752	(1.4)	(112)
REPAIR AND MAINTENANCE EXPENSES	10,184	7,631	33.5	2,553
TOTAL	17,825	15,383	15.9	2,442

### **Factors influencing changes**

The GEL 2.4 million increase was mainly driven by a rise of GEL 2.6 million in repair and maintenance expenses during the first six months of 2024. This increase was pri-

marily due to higher costs related to the repair of machinery and rolling stock.

## **FREIGHT CAR CROSS-BORDER CHARGE EXPENSES**

### **General description**

Freight car cross-border charge expenses represent short-term rents derived from the usage of other railways' railcars on the Group's network, for which a daily fee is charged. This expense offsets the freight car cross-border charge

revenue. The expense is based on CHF tariffs and thus is tied to the GEL/CHF exchange rate and the amount of cargo transported by GR using other railway companies' railcars.

## **FREIGHT CAR CROSS-BORDER CHARGE EXPENSES**

GEL '000	TOTAL		CHANGE	
	6M 2024	6M 2023	%	Absolute
6 month period ended 30 June				
FREIGHT CAR CROSS-BORDER CHARGE	6,050	715	746.1	5,335

### **Factors influencing changes**

Freight car cross-border charge expenses increased by 746.1% (GEL 5.3 million) during the six months ended June

30, 2024, compared to the same period in 2023, primarily due to increased usage of tank cars and grain hoppers.



## SECURITY AND OTHER OPERATING EXPENSES

### General description

Security expenses mainly comprise the Group's buildings, depots and railway station protection expenses. Other operating expenses consist of items such as communication, legal costs, consulting services, membership fees, rent ex-

penses and advertising expenses.

Security and other operating expenses are mostly denominated in GEL and are mainly fixed.

### SECURITY AND OTHER OPERATING EXPENSES

GEL '000	TOTAL		CHANGE	
	6M 2024	6M 2023	%	Absolute
6 month period ended 30 June				
SECURITY	6,036	7,041	(14.3)	(1,004)
OTHER OPERATING EXPENSES	6,292	10,966	(42.6)	(4,674)
TOTAL	12,328	18,007	(31.5)	(5,678)

### Factors influencing changes

Security expenses decreased by 14.3% (GEL 1.0 million) in the six-month period ended June 30, 2024, compared to the same period in 2023. This decrease was mainly due to additional security costs incurred 2023 before GR entered into a long-term contract with a security company.

The reduction in other operating expenses during the same period was primarily due to higher costs related to software and hardware services, as well as railway equipment repair and maintenance in the first six months of 2023.

## 1.4 FINANCE INCOME AND COST

### General description

The finance income of the Group mainly consists of interest accrued on the Group's cash balances and foreign exchange gains.

Meanwhile, finance costs mainly consist of interest expenses on the Group's debt and foreign exchange losses. The main source of FX gains or losses is the Group's Eurobonds, which are denominated in USD. This is, how-

ever, partially offset by the Group's USD cash balances and receivables in foreign hard currencies. It must be noted that such FX gains or losses on Eurobonds are not monetary and will not be realized until maturity. The Group's revenue is mostly denominated in hard currencies (USD and CHF). As most tariffs are set in USD, the Group's revenue creates a natural economic hedge against foreign exchange fluctuations.

### FINANCE INCOME AND COST

GEL '000	TOTAL		CHANGE	
	6M 2024	6M 2023	%	Absolute
6 month period ended 30 June				
INTEREST INCOME	11,730	17,580	(33.3)	(5,850)
IMPAIRMENT GAIN/(LOSS) ON OTHER FINANCIAL ASSETS	328	286	14.7	42
INTEREST EXPENSE	(29,223)	(28,167)	3.7	(1,056)
FX GAIN/(LOSS)	(55,649)	42,833	(229.9)	(98,482)
NET FINANCE INCOME/(LOSS)	(72,814)	32,532	(323.8)	(105,346)

### Factors influencing changes

In the six months ended June 30, 2024, the Group reported a GEL 72.8 million net finance loss, compared to a GEL 32.5 million net finance income in the same period of 2023. The difference of GEL 105.3 million was primarily due to fluctuations in the GEL against foreign currencies.

The Group incurred a net foreign exchange loss of GEL 55.6 million due to the depreciation of the GEL against the USD as of June 30, 2024, compared to December 31, 2023 (GEL/USD exchange rate of 2.8101 versus 2.6894).

Conversely, the Group experienced a net foreign exchange gain of GEL 42.8 million due to the GEL's appreciation against the USD as of June 30, 2023, compared to December 31, 2022 (GEL/USD exchange rate of 2.6177 versus 2.7020).

Interest income during the first six months of 2024 decreased by GEL 5.9 million compared to the same period in 2023, mainly due to lower interest rates on deposits.

## 1.5 INCOME TAX EXPENSE/BENEFIT

### General description

In May 2016, the Parliament of Georgia adopted amendments to the Tax Code of Georgia, effective from 1 January 2017. According to the new tax code, the previously active

profit tax regulation was changed to the so-called “tax on distributed profits” model.

### INCOME TAX EXPENSE/BENEFIT

GEL '000	TOTAL		CHANGE	
	6M 2024	6M 2023	%	Absolute
INCOME TAX EXPENSE/BENEFIT	(387)	(499)	(22.4)	112

### Factors influencing changes

In May 2016, the Georgian Parliament approved changes to the Tax Code, adopting the Estonian tax model for businesses, except for profit-sharing companies. According to the model income tax is paid on the distributed profit instead of annual income, as well as undistributed profit is

tax-exempt. The new tax code is effective from January 1, 2017. Income tax expenses increased by GEL 0.1 million in the first six months of 2024, compared to the same period of 2023.

## II. BALANCE SHEET

### 2.1 NON- CURRENT ASSETS

'000 GEL	TOTAL		CHANGE	
	30-Jun-24	31-Dec-23	%	Abs. change
6 month period ended 30 June				
<b>TOTAL ASSETS</b>	<b>2,529,814</b>	<b>2,495,961</b>	<b>1.4</b>	<b>33,853</b>
<i>CHANGES ARE MAINLY DUE TO:</i>				
PROPERTY, PLANT AND EQUIPMENT (PP&E)	1,943,064	1,921,379	1.1	21,685
TRADE AND OTHER RECEIVABLES (ST)	56,105	30,905	81.5	25,200
<b>TOTAL LIABILITIES</b>	<b>1,659,519</b>	<b>1,627,918</b>	<b>1.9</b>	<b>(82,022)</b>
<i>CHANGES ARE MAINLY DUE TO:</i>				
LOANS AND BORROWINGS (LT)	1,417,970	1,339,840	5.8	78,130
LOANS AND BORROWINGS (ST)	14,538	36,298	(59.9)	(21,760)
TRADE AND OTHER PAYABLES (ST)	116,837	142,117	(17.8)	(25,280)

#### SIGNIFICANT CHANGES IN ASSETS

Property, plant and equipment (PP&E) – GEL 33.9 million increase in property, plant and equipment was mainly due to building of new rail network and new constructions (mainly due to Modernization Project).

Trade and other receivables (ST) – The GEL 25.2 million increase due to higher receivables of the Company's subsidiary, as well as due to successful litigation.

#### SIGNIFICANT CHANGES IN LIABILITIES

Loans and borrowings (LT) – secured loan of the Company was temporarily reclassified from long-term loans and borrowings to short-term loans and borrowings as of December, 31 2023.

Trade and other payables (ST) - The GEL 25.3 million decrease was due to a repayment of GEL 26.8 million to supplier for constructing and designing signaling centralization and blocking systems on the Kashuri-Zestafoni segment.



### III. CASH FLOW STATEMENT

By the end of 30 June, 2024, the Group held GEL 272.8 million of cash and cash equivalents. These cash resources are held to support working capital and fixed capital expenditures. Fixed capital expenditures mainly entail the Modernization Project, works on which is expected to be

finalized by 2024.

The Group mainly relies on its operating activities to fund its current and future cash requirements.

#### 3.1 OPERATING ACTIVITIES

GEL '000	TOTAL		CHANGE	
	6M 2024	6M 2023	%	Absolute
6 month period ended 30 June				
CASH RECEIPTS FROM CUSTOMERS	353,793	299,505	18.1	54,288
CASH PAID TO SUPPLIERS AND EMPLOYEES	(257,198)	(213,475)	20.5	(43,723)
NET CASH FROM OPERATING ACTIVITIES	96,595	86,030	(12.3)	10,565

#### Factors influencing changes

Net cash from operating activities increased by GEL 10.6 million in first half of 2024, compared to same period of 2023. This change was mainly driven by an increase in cash receipts from costumers, due to increase in transpor-

tations, as well as GEL appreciation against USD. This increase was partially offset by higher cash paid to suppliers, which in turn was primarily due to the payment related to centralization, signaling and blocking systems.

#### 3.2 INVESTING ACTIVITIES

GEL '000	TOTAL		CHANGE	
	6M 2024	6M 2023	%	Absolute
6 month period ended 30 June				
ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT	(84,843)	(73,333)	15.7	(11,509)
PURCHASE OF A COMPANY SHARE	(4,343)	45	100.0	4,343
INTEREST RECEIVED	11,730	17,580	(33.3)	(5,850)
DECREASE/(INCREASE) IN TERM DEPOSITS	0	(278)	(100.0)	278
INVESTMENT IN SUBSIDIARIES	(414)	0	(100.0)	(414)
NET CASH USED IN INVESTING ACTIVITIES	(77,869)	(55,986)	39.1	(21,883)

#### Factors influencing changes

Cash used in investing activities increased by GEL 21.9 million in the first six months of 2024, compared to the same period in 2023. This increase was primarily due to

higher capital expenditures related to the Modernization Project and lower interest received mainly due to lower rates on deposits.

### 3.3 FINANCING ACTIVITIES

GEL '000	TOTAL		CHANGE	
	6M 2024	6M 2023	%	Absolute
REPAYMENT OF BORROWINGS	(5,837)	(5,414)	7.8	(423)
INTEREST PAID	(29,899)	(27,424)	9.0	(2,474)
NET CASH USED IN FINANCING ACTIVITIES	(35,735)	(32,838)	8.8	(2,897)

#### **Factors influencing changes**

Cash used in financing activities increased by GEL 2.9 million during six month period of ended 30 June 2024, com-

pared to the same period 2023, mainly due to the GEL depreciation against foreign currencies.

## APPENDIX

### APPENDIX 1

#### BREAKDOWN OF FREIGHT TRANSPORTATION IN TONS

'000 tons 6 month period ended 30 June	TOTAL		CHANGE	
	6M 2024	6M 2023	%	Absolute
LIQUID CARGOES	2,540	2,442	4.0	99
OIL PRODUCTS	2,540	2,419	5.0	120
CRUDE OIL	1	22	(97.3)	(22)
DRY CARGOES	4,280	4,211	1.7	70
ORES	854	855	(0.1)	(1)
GRAIN	62	120	(48.3)	(58)
FERROUS METALS AND SCRAP	215	242	(11.4)	(28)
SUGAR	223	312	(28.5)	(89)
CHEMICALS AND FERTILIZERS	973	660	47.3	312
CONSTRUCTION FREIGHT	477	528	(9.7)	(51)
INDUSTRIAL FREIGHT	308	286	7.9	23
CEMENT	42	42	(1.5)	(1)
OTHER	1,127	1,165	(3.3)	(38)
TOTAL	6,821	6,652	2.5	168

#### BREAKDOWN OF FREIGHT TRANSPORTATION IN TONS

'000 tons 6 month period ended 30 June	TOTAL		CHANGE	
	6M 2024	6M 2023	%	Absolute
IMPORT	1,381	1,457	(5.2)	(75)
EXPORT	545	597	(8.7)	(52)
DOMESTIC	790	714	10.5	75
TRANSIT	4,105	3,884	5.7	220
TOTAL	6,821	6,652	2.5	168

## **BREAKDOWN OF FREIGHT TRANSPORTATION IN TONS (QUARTERLY)**

'000 tons

<i>6 month period ended 30 June</i>	Q2 2024	Q2 2023	<i>y-o-y %</i>	Q1 2024	<i>q-o-q %</i>
LIQUID CARGOES	1,397	1,287	8.5	1,144	22.1
OIL PRODUCTS	1,396	1,286	8.6	1,143	22.1
CRUDE OIL	0	1	(62.6)	0	(52.9)
DRY CARGOES	2,186	2,214	(1.3)	2,094	4.4
ORES	364	452	(19.3)	490	(25.6)
GRAIN	22	44	(48.6)	40	(43.4)
FERROUS METALS AND SCRAP	92	123	(24.7)	122	(24.4)
SUGAR	174	210	(17.0)	49	252.1
CHEMICALS AND FERTILIZERS	493	282	74.8	480	2.7
CONSTRUCTION FREIGHT	227	269	(15.5)	249	(8.9)
INDUSTRIAL FREIGHT	176	202	(13.2)	133	32.4
CEMENT	20	26	(24.9)	22	(8.3)
OTHER	618	607	1.8	509	21.4
TOTAL	3,583	3,501	2.3	3,238	10.7

## **BREAKDOWN OF FREIGHT TRANSPORTATION IN TONS (QUARTERLY)**

'000 tons

<i>6 month period ended 30 June</i>	Q2 2024	Q2 2023	<i>y-o-y %</i>	Q1 2024	<i>q-o-q %</i>
IMPORT	816	870	(6.2)	773	5.5
EXPORT	266	319	(16.5)	319	(16.4)
DOMESTIC	480	563	(14.9)	376	27.6
TRANSIT	2,043	2,335	(12.5)	2,033	0.5
TOTAL	3,604	4,086	(11.8)	3,501	3.0



## APPENDIX 2

### BREAKDOWN OF FREIGHT TRANSPORTATION IN TON-KILOMETERS

<i>In million ton-kilometers</i>	TOTAL		CHANGE	
<i>6 month period ended 30 June</i>	6M 2024	6M 2023	%	<i>Absolute</i>
LIQUID CARGOES	797	740	7.7	57
OIL PRODUCTS	797	731	9.0	66
CRUDE OIL	0	9	(99.5)	(9)
DRY CARGOES	1,166	1,137	2.5	29
ORES	232	219	6.0	13
GRAIN	11	31	(64.1)	(20)
FERROUS METALS AND SCRAP	46	47	(3.3)	(2)
SUGAR	83	116	(28.5)	(33)
CHEMICALS AND FERTILIZERS	345	235	47.0	110
CONSTRUCTION FREIGHT	63	83	(23.7)	(20)
INDUSTRIAL FREIGHT	31	36	(12.6)	(5)
CEMENT	9	12	(26.2)	(3)
OTHER	345	358	(3.6)	(13)
TOTAL	1,963	1,877	4.6	86

### BREAKDOWN OF FREIGHT TRANSPORTATION IN TON-KILOMETERS

<i>In million ton-kilometers</i>	TOTAL		CHANGE	
<i>6 month period ended 30 June</i>	6M 2024	6M 2023	%	<i>Absolute</i>
IMPORT	184	179	3.0	5
EXPORT	153	171	(10.4)	(18)
DOMESTIC	81	79	2.0	2
TRANSIT	1,544	1,448	6.7	97
TOTAL	1,963	1,877	4.6	86

## BREAKDOWN OF FREIGHT TRANSPORTATION IN TON-KILOMETERS (QUARTERLY)

In million ton-kilometers

6 month period ended 30 June	Q2 2024	Q2 2023	y-o-y %	Q1 2024	q-o-q %
LIQUID CARGOES	446	393	13.5	351	27.1
OIL PRODUCTS	446	393	13.5	351	27.1
CRUDE OIL	0	0	(92.7)	0	(63.3)
DRY CARGOES	593	602	(1.6)	573	3.4
ORES	90	127	(28.9)	142	(36.1)
GRAIN	3	13	(77.9)	8	(63.6)
FERROUS METALS AND SCRAP	22	25	(14.8)	24	(11.1)
SUGAR	64	77	(17.1)	20	225.3
CHEMICALS AND FERTILIZERS	176	99	78.4	169	4.1
CONSTRUCTION FREIGHT	29	42	(32.2)	35	(17.4)
INDUSTRIAL FREIGHT	17	24	(30.6)	15	15.1
CEMENT	4	7	(41.5)	4	2.6
OTHER	188	187	0.5	157	20.1
TOTAL	1,039	996	4.3	924	12.4

## BREAKDOWN OF FREIGHT TRANSPORTATION IN TONS (QUARTERLY)

In million ton-kilometers

6 month period ended 30 June	Q2 2024	Q2 2023	y-o-y %	Q1 2024	q-o-q %
IMPORT	99	99	0.2	86	15.4
EXPORT	77	94	(17.8)	76	0.7
DOMESTIC	41	44	(7.0)	40	0.6
TRANSIT	822	760	8.3	722	14.0
TOTAL	1,039	996	4.3	924	12.4

## APPENDIX 3

According to Condition 3 (d) of the “Terms and Conditions of the Notes” (The U.S. \$500,000,000 4% Notes issued by Georgian Railway JSC on 10 June 2021, with a maturity date set for 17 June 2028), Georgian Railway and/or its subsidiary is entitled to incur financial indebtedness if the ratio of net financial indebtedness of the issuer and its subsidiaries as of the date of such incurrence to the aggregate amount of EBITDA for the most recent consecutive semi-annual periods ending prior to the date of such determination for which consolidated financial statements have been delivered, does not exceed 3.5 to 1.

The given table sets forth the calculation of net financial indebtedness to adjusted EBITDA and according to the above-mentioned Condition 3 (d) of the “Terms and Conditions of the Notes.” However, this calculation is for information only and does not implicate that any specific date is the incurrence date (or “the date of determination”) as defined in Condition 3 of the “Terms and Conditions of the Notes.”

### CALCULATIONS OF THE RATIO OF NET FINANCIAL INDEBTEDNESS TO ADJUSTED EBITDA:

<i>GEL '000</i>	30-Jun-24	31-Dec-23
Financial indebtedness	1,432,508	1,393,655
<i>less:</i>		
Cash	286,626	286,626
Term deposits	30,034	-
Net Financial Indebtedness:	1,159,699	1,107,030
The most recent 2 consecutive semi-annual period ended:	<b>30 Jun 2024</b>	<b>31 Dec 2023</b>
Results from operating activities	118,509	97,561
Depreciation add-back	(72,835)	(76,895)
Impairment loss on trade receivables	5,456	6,016
Adjusted EBITDA	<b>185,889</b>	<b>168,440</b>
Net Financial Indebtedness/Adjusted EBITDA	<b>6.24</b>	<b>6.49</b>