

# INVESTOR PRESENTATION

2024 AND Q4 2024

UNAUDITED CONSOLIDATED FINANCIAL RESULTS





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# KEY PERFORMANCE INDICATORS

BASED ON UNAUDITED FINANCIAL STATEMENTS

## REVENUE

GEL'000

656,848 +5% from FY 2023

## OPEX

GEL'000

529,203 -2% from FY 2023

## NET INCOME

GEL'000

67,877 -22% from FY 2023

## ADJUSTED EBITDA

GEL'000

221,095 +31% from FY 2023

## CASH AND CASH eq.

GEL'000

318,301 +14% from FY 2023

## CAPEX

GEL'000

150,725 +8% from FY 2023

S&P Global

FitchRatings

### CREDIT RATING

BB-

### DATE OF ASSIGNMENT / REVIEW

December  
2024

### OUTLOOK

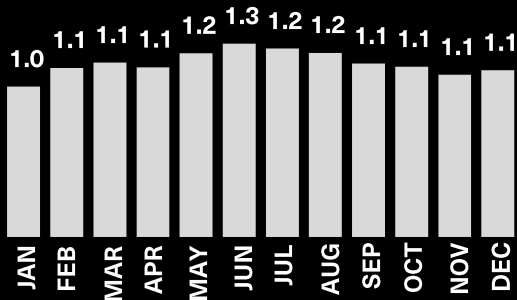
STABLE

BB-

December  
2024

STABLE

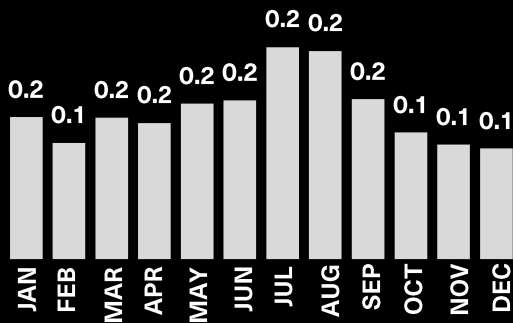
## FREIGHT VOLUME



13.7m

+1% from FY 2023

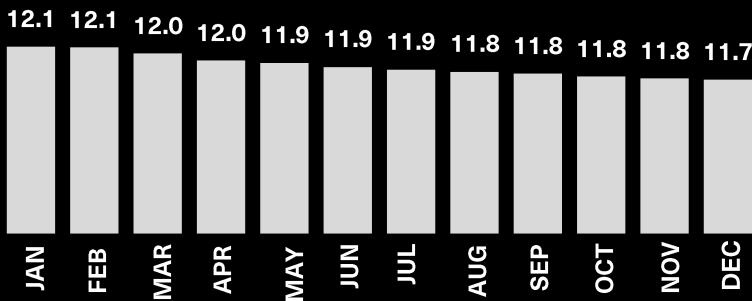
## PASSENGERS TRANSPORTED



2.1m

-9% from FY 2023

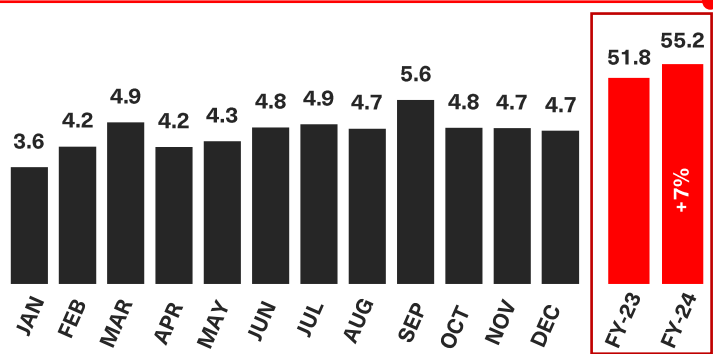
## NUMBER OF EMPLOYEES



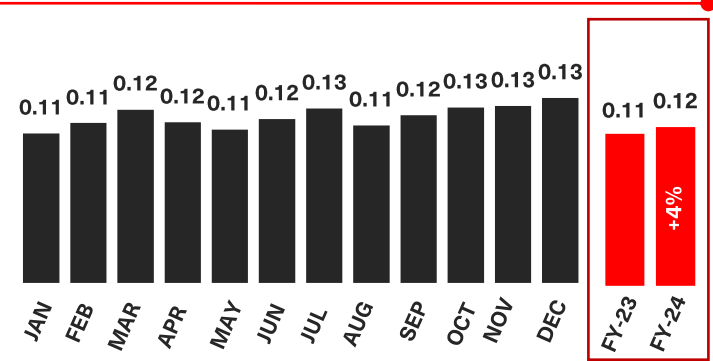
11,770 -3% from FY 2023

# KEY OPERATING MEASURES 2024

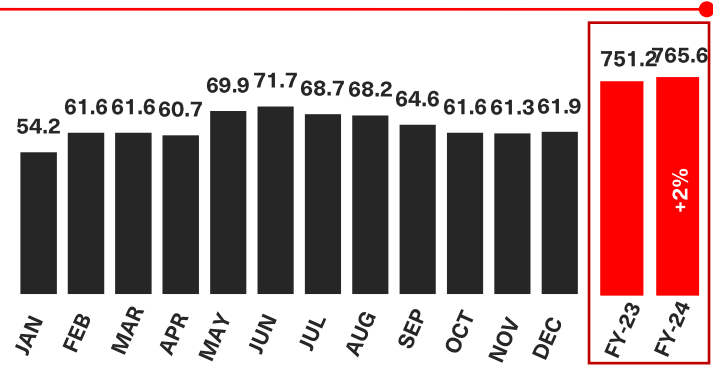
REVENUE PER AVG. N. OF EMPLOYEES (GEL '000)<sup>(1)</sup>



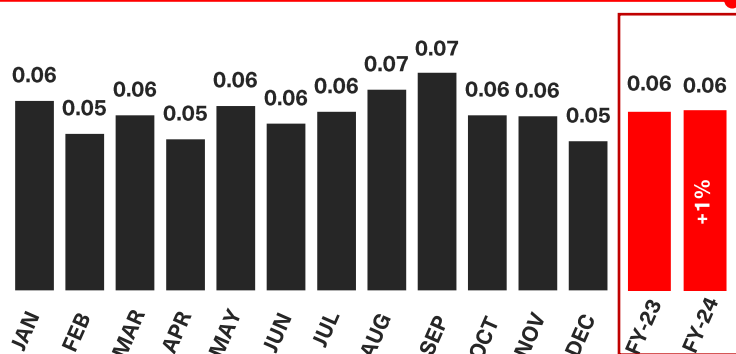
FREIGHT REVENUE PER TON-KM (GEL)<sup>(3)</sup>



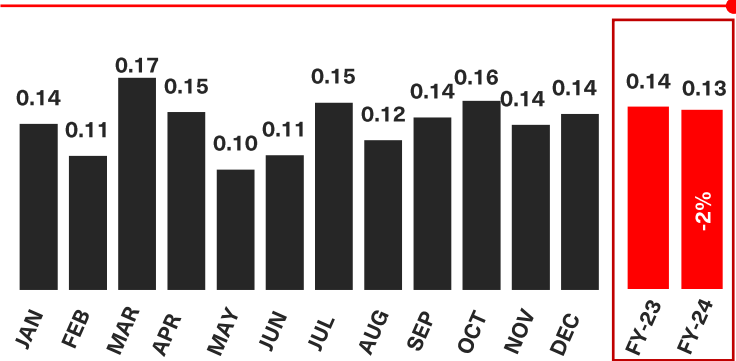
TON-KM PER AVG. N. OF FREIGHT SBU EMPLOYEES ('000)



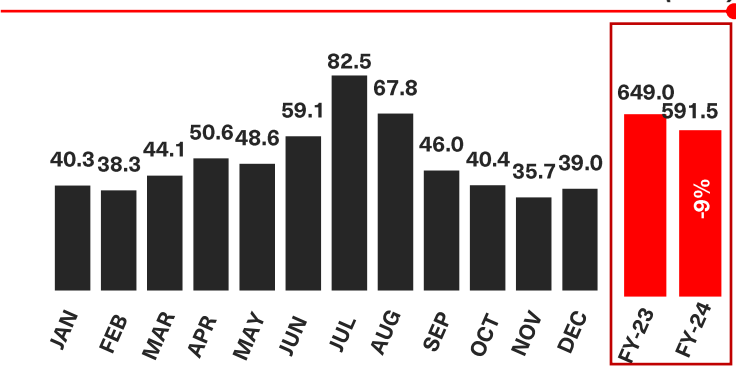
PASSENGER REVENUE PER PASS-KM (GEL)<sup>(2)</sup>



OPERATING EXPENSES PER TON-KM (GEL)



PASS-KM PER AVG. N. OF PASS. SBU EMPLOYEES ('000)



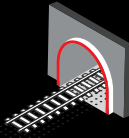
As of 31 December, 2024



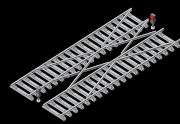
98% FULLY ELECTRIFIED RAILWAY NETWORK



1,408KM  
NETWORK  
LENGTH



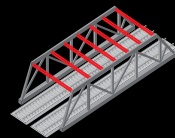
46  
RAILROAD  
TUNNELS



293KM  
DOUBLE-TRACK  
LINE LENGTH



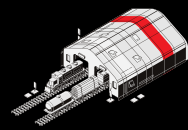
4,198  
N OF ROLLING  
STOCK



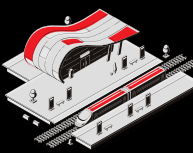
1,350  
RAILROAD  
BRIDGES



586  
CONTAINERS



94  
FREIGHT  
STATIONS



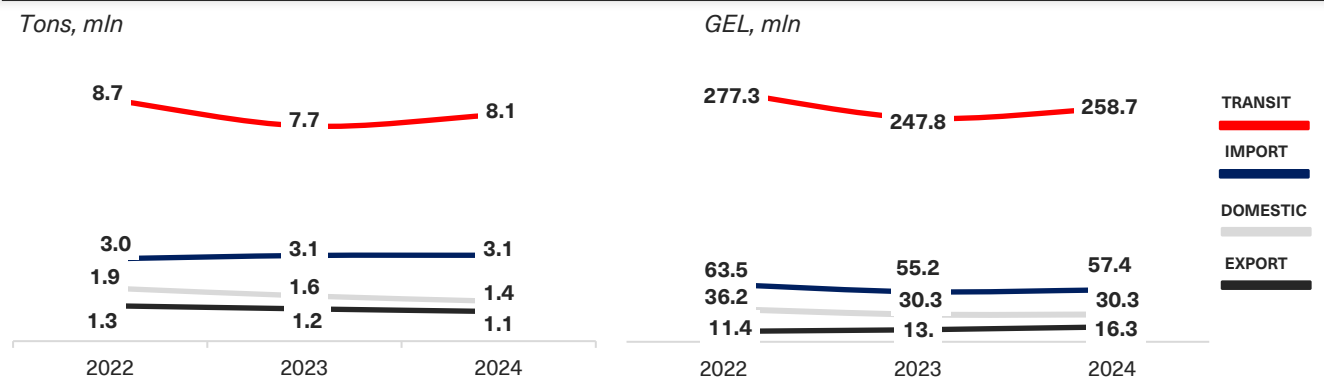
28  
PASSENGER  
STATIONS

Notes: (1) average number; (2) passenger-kilometer; (3) ton-kilometer

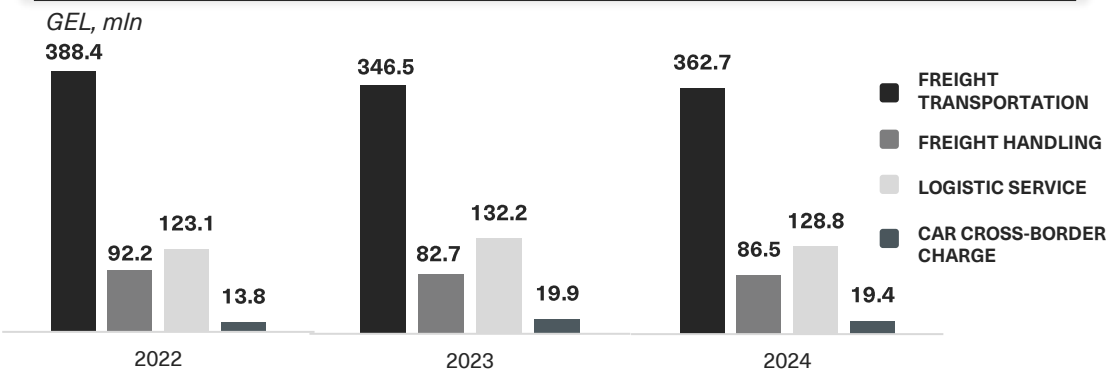
# FREIGHT TRANSPORTATION SEGMENT OVERVIEW

- Freight Transportation SBU is the Group's key business segment, accounted for 71% of the GR's revenue in 2024;
- Conducts all the Group's freight operations: Freight Transportation; Freight Handling; Rent of wagons and other rental income; Freight car cross-border charge;
- Most of the freight is transported from Kazakhstan and Azerbaijan to Georgia and Black sea ports;
- GR is mainly a transit railway and transports a large portion of its cargo using third-party rolling stock. In 2024, 35% of total cargo was transported by GR wagons;
- This reduces the need to own rolling stock and limits CAPEX requirement to support future growth;
- Number of employees 5,047 by the end of December of 2024.

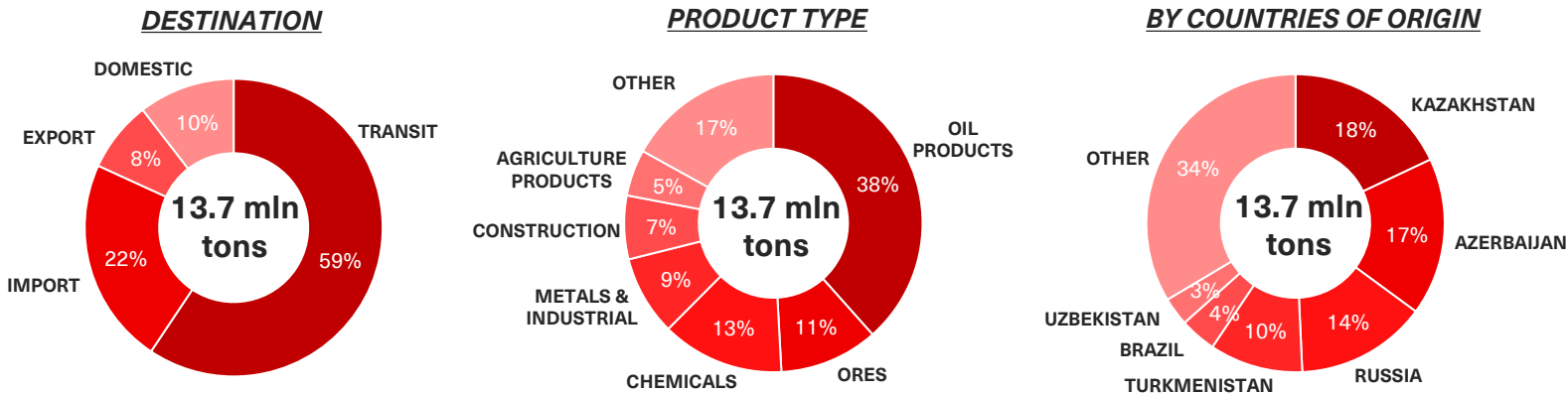
VOLUME DYNAMICS



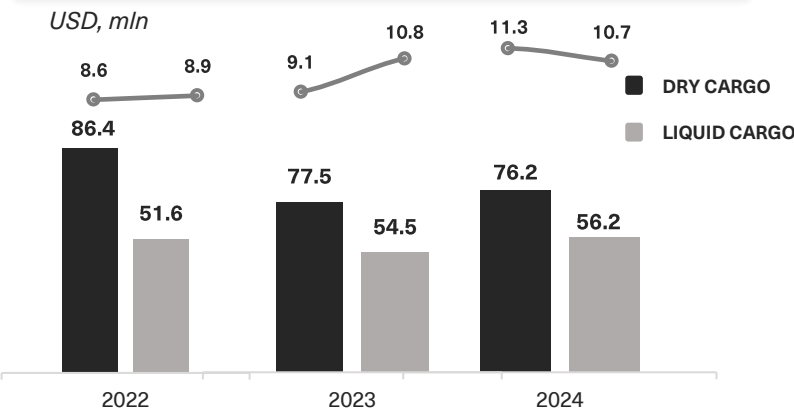
REVENUE DYNAMICS



FREIGHT VOLUME STRUCTURE



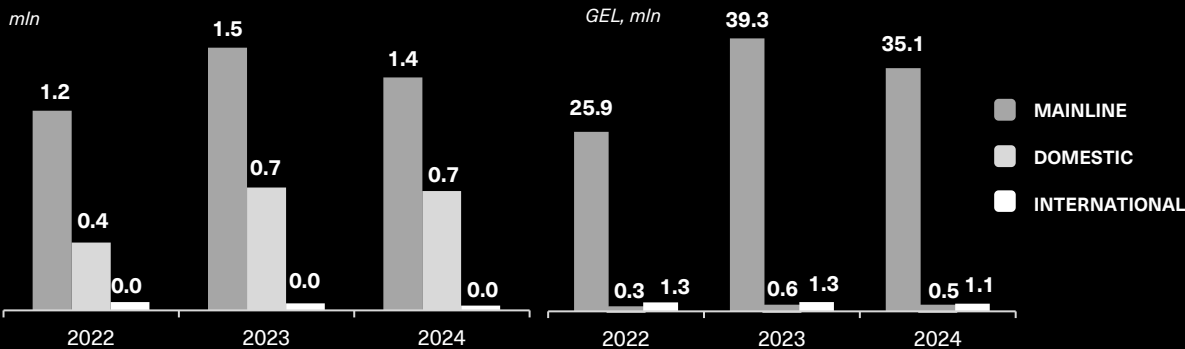
REVENUE DYNAMICS



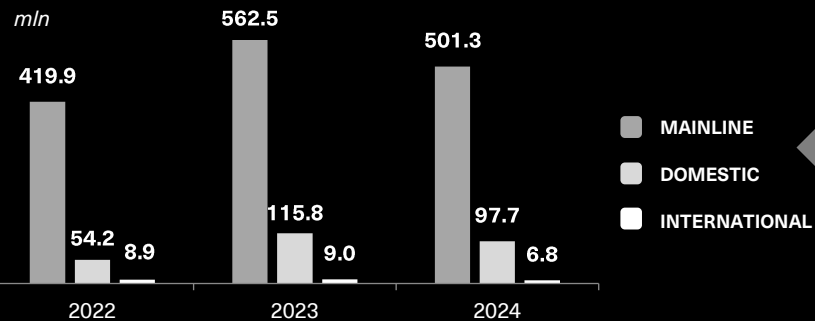
# PASSENGER TRANSPORTATION SEGMENT

- GR as a passenger railway of Georgia and has strategically important social function;
- Passenger SBU transports passengers within Georgia and on international routes, connecting Georgia with Azerbaijan and Armenia;
- In June 2024, the Railway Transport Agency and JSC Georgian Railway signed an initial Public Service Contract (PSC) to ensure compliance with EU railway safety regulations, supporting sector reform and european integration by enhancing service quality, transparency and accountability. The compensation for the period from July to December, 2024, reached up to GEL 8.7 million;
- GR modernized the railroad and electric supply infrastructure between Tbilisi and Batumi (315km), incl. the 40km mountainous Gorge region, after which the speed of the passenger train increased from 80km/h to 120km/h.

## PASSENGER DYNAMICS



## PASSENGER-KILOMETERS



The Group raised the tariff on Tbilisi-Batumi-Tbilisi Stadler trains by 40% in 25 July 2022

# FREIGHT FORWARDING SERVICES

- GR Transit and GR Transit Line – freight forwarders, which serve oil products transportation mainly from Azerbaijan, Kazakhstan and Turkmenistan;
- GR Logistics and Terminals owns container terminal and other necessary infrastructure to develop positions in container transportation market;
- GR Property Management operates GR's railway-related assets such as land, depots and stations, and non-core assets.

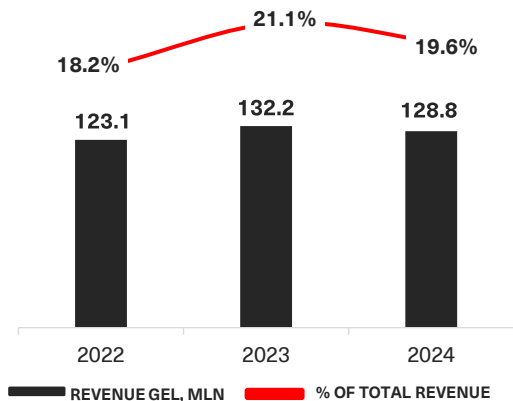


GR Transit and GR Transit Line

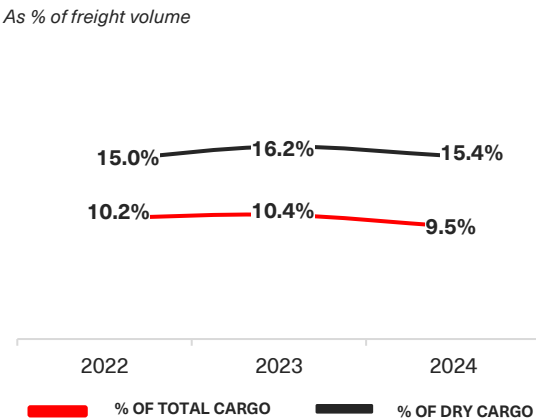
GR Logistics and Terminals

GR Property Management

## LOGISTIC REVENUE EVOLUTION



## SHARE OF CONTAINERIZED CARGO



# FREIGHT TRANSPORTATION

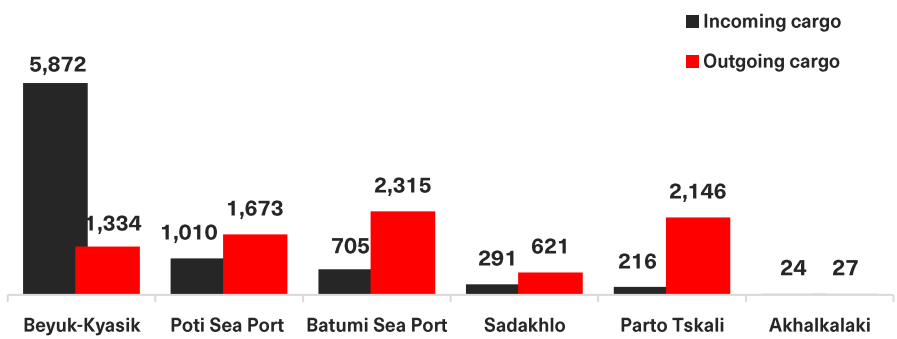
## TRANSIT

	2024	2023	%	% const. curr.
Revenue (GEL mln)	258.7	247.8	4.4	0.8
Freight volume (tons mln)	8.1	7.7	5.3	NA
Freight turnover (ton-km mln)	3,045.1	2,885.8	5.5	NA
Revenue/ton-km (in Tetri)	8.50	8.59	(1.1)	(4.5)

Increased transportation from Kazakhstan, partially offset by decreased transportation from Azerbaijan

Decreased share of relatively more profitable directions, such as Azerbaijan-Türkiye route and increased share of less profitable directions such as Kazakhstan-Netherland and Kazakhstan-China routes

### TRANSIT BORDER CROSSINGS



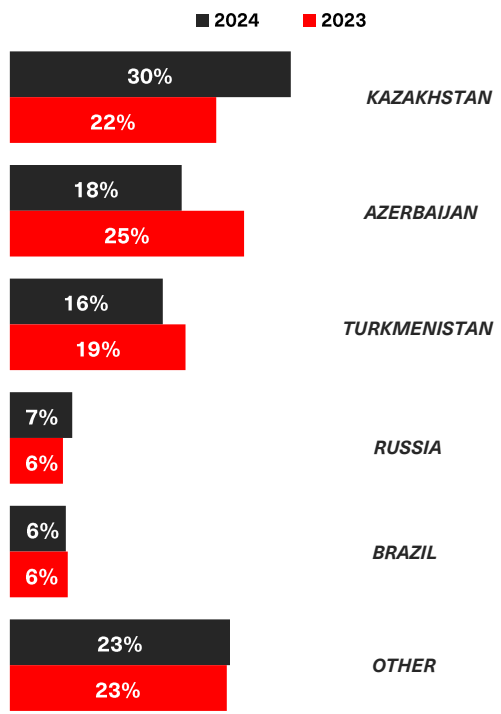
#### BEYUK-KYASIK AS BORDER CROSSING

- Highest 72% share of Beyuk-Kyasik in incoming volumes.
- Main origin countries for incoming cargoes were Kazakhstan, Azerbaijan and Turkmenistan with 2,416 thousand tons, 1,477 thousand tons and 1,314 thousand tons, respectively.

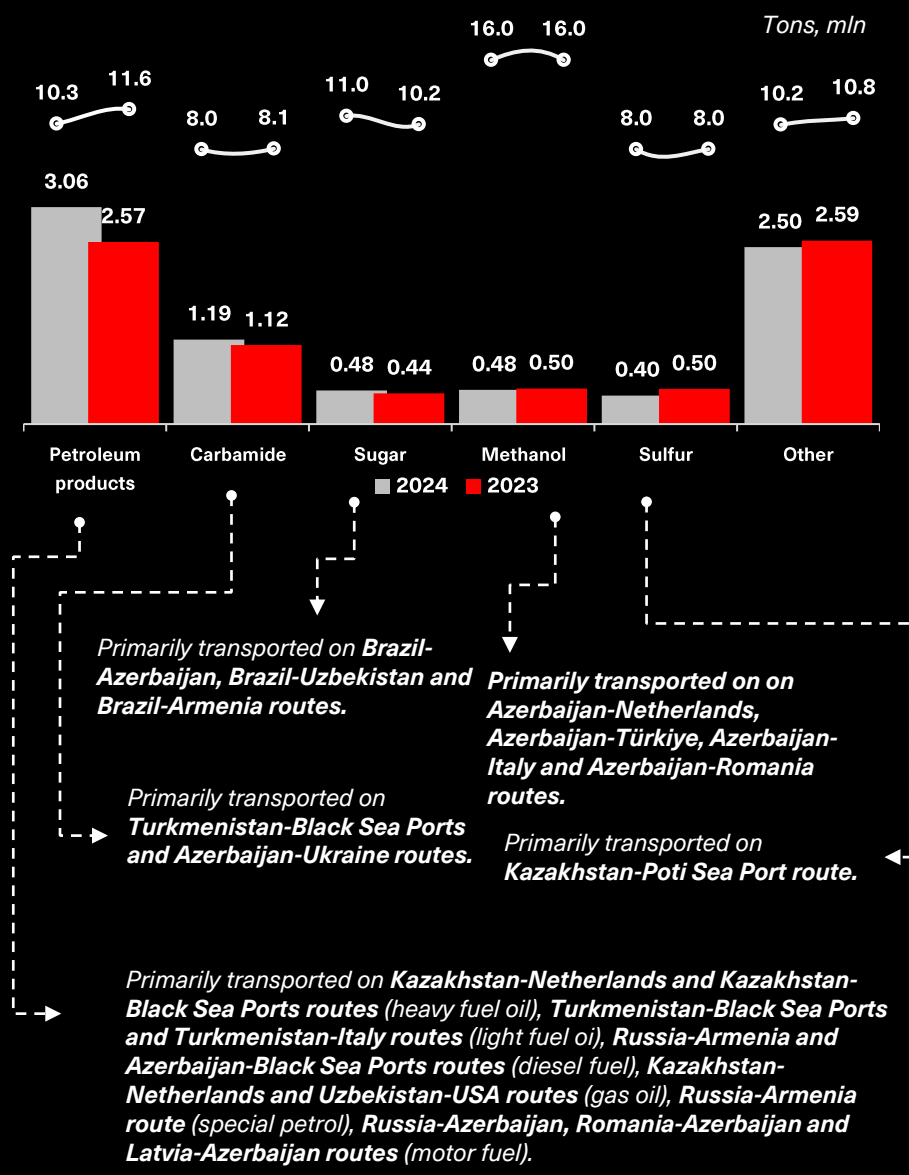
#### BLACK SEA PORTS AS BORDER CROSSINGS

- Highest 76% share of Black Sea Ports (Poti, Batumi and Parto Tskali) in outgoing volumes.
- Main destination countries were Netherlands, Türkiye and China with 1,310 thousand tons, 669 thousand tons and 416 thousand tons, respectively.

### TRANSPORTATION VOLUME BY COUNTRIES OF ORIGIN



## MAIN TRANSIT PRODUCT TYPES AND TOP DIRECTIONS



# FREIGHT TRANSPORTATION

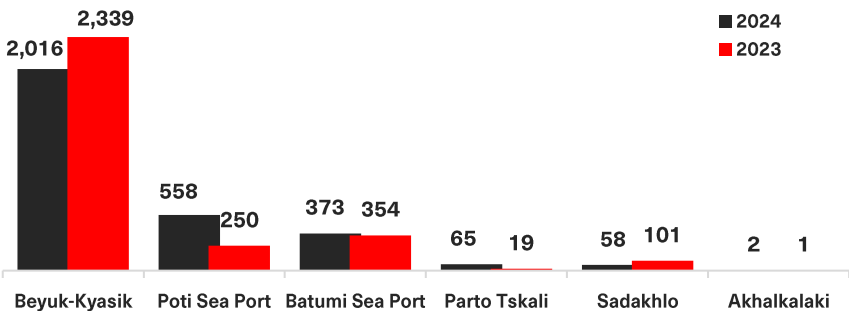
## IMPORT

	2024	2023	%	% const. curr.
Revenue (GEL mln)	57.4	55.2	3.8	0.3
Freight volume (tons mln)	3.1	3.1	0.3	NA
Freight turnover (ton-km mln)	424.4	412.8	2.8	NA
Revenue/ton-km (in Tetri)	13.52	13.38	1.0	(2.4)

Increased transportation from Russia, Türkiye, Bulgaria, China and Romania partially offset by decreased transportation from Azerbaijan and Armenia

Increased share of relatively less profitable directions, such as Türkiye and decreased share of more profitable directions, such as Azerbaijan

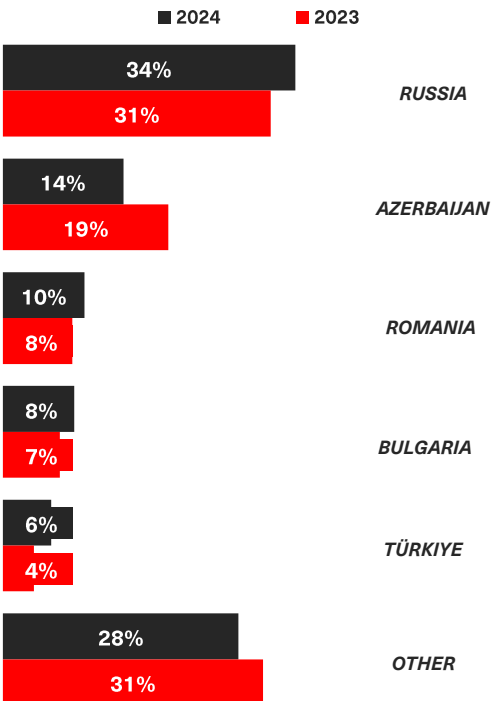
### IMPORT BORDER CROSSINGS



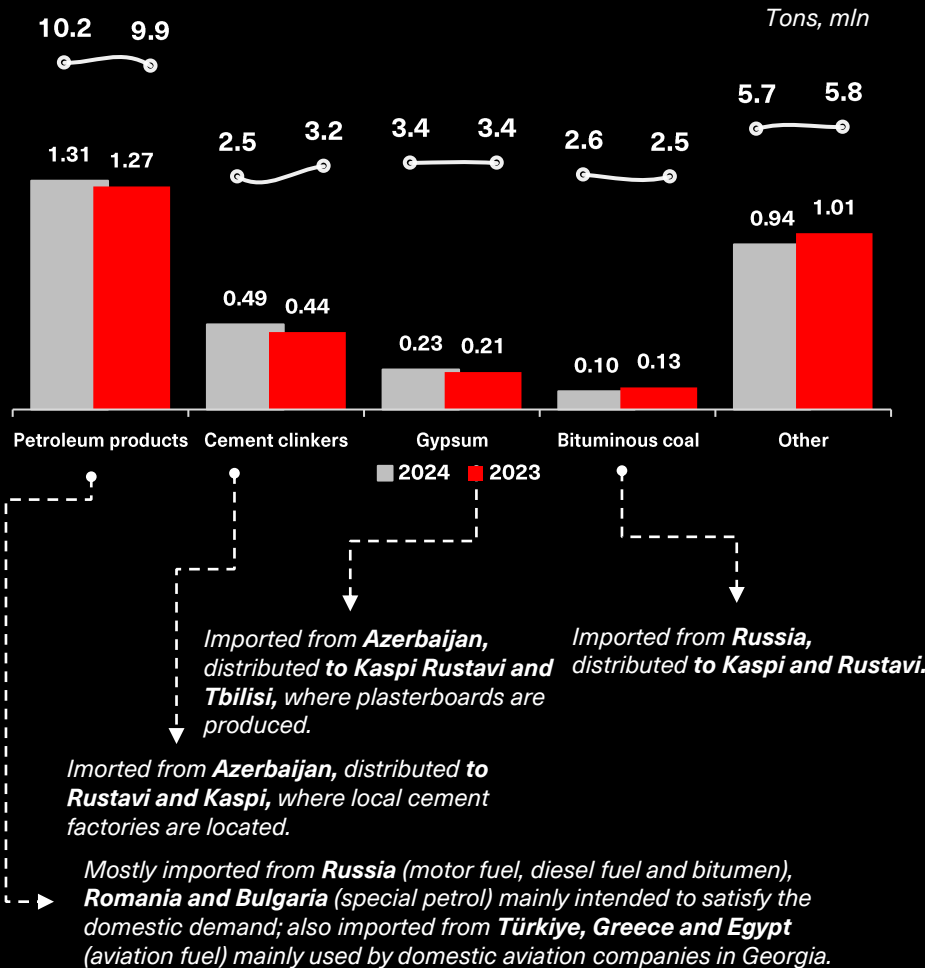
### BEYUK-KYASIK AS BORDER CROSSING BLACK SEA PORTS AS BORDER CROSSINGS

- Highest 66% share of Beyuk-Kyasik in total import.
- 10% decrease, compared to 2023 due to decreased import from Russia by 426 thousand tons.
- Main origin countries using Beyuk-Kyasik station - Russia (mostly petroleum product transportation) and Azerbaijan (mostly cement clinkers transportation) with 953 thousand tons and 832 thousand tons, respectively.
- The share of Black Sea Ports (Poti, Batumi and Parto Tskali) for imported product was 32%.
- 12% increase in share was due to increased transportation from Russia, Bulgaria, Romania and Türkiye.
- The main importer countries using Black Sea Ports for entering country were Russia, Bulgaria, Romania and Türkiye (mostly petroleum products transportation) with 339 thousand tons, 154 thousand tons, 126 thousand tons and 108 thousand tons, respectively.

### TRANSPORTATION VOLUME BY COUNTRIES OF ORIGIN



## MAIN IMPORTED PRODUCT TYPES AND TOP DIRECTIONS





# FREIGHT TRANSPORTATION

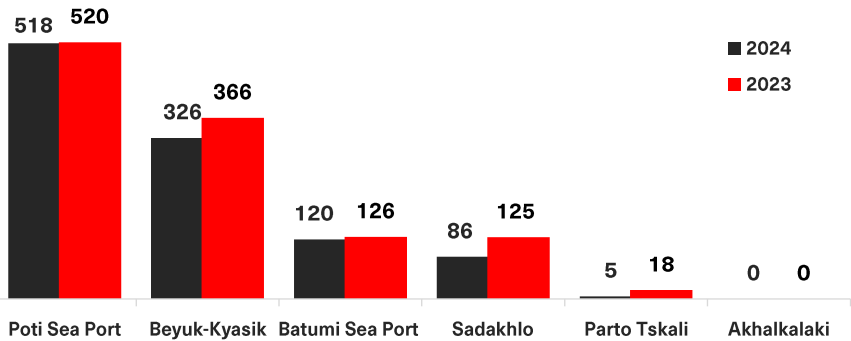
## EXPORT

	2024	2023	%	% const. curr.
Revenue (GEL mln)	30.3	30.3	(0.0)	(3.4)
Freight volume (tons mln)	1.1	1.2	(8.7)	NA
Freight turnover (ton-km mln)	299.1	334.2	(10.5)	NA
Revenue/ton-km (in Tetri)	10.13	9.07	11.7	7.9

Decreased transportation to Armenia and Kazakhstan

Increased share of relatively more profitable directions, such as Russia and decreased share of less profitable directions, such as Armenia

### EXPORT BORDER CROSSINGS



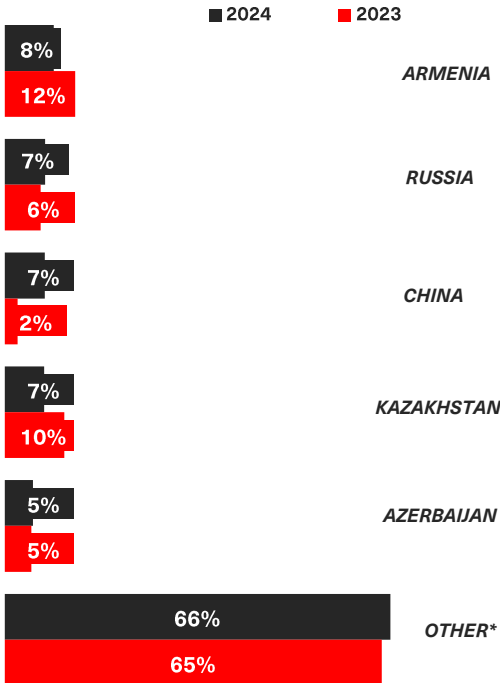
#### BEYUK-KYASIK AS BORDER CROSSING

- 31% share of Beyuk-Kyasik in total export.
- Main destination countries using Beyuk-Kyasik station were Russia and Kazakhstan with 108 thousand and 107 thousand tons, respectively, mostly for mineral water transportation.

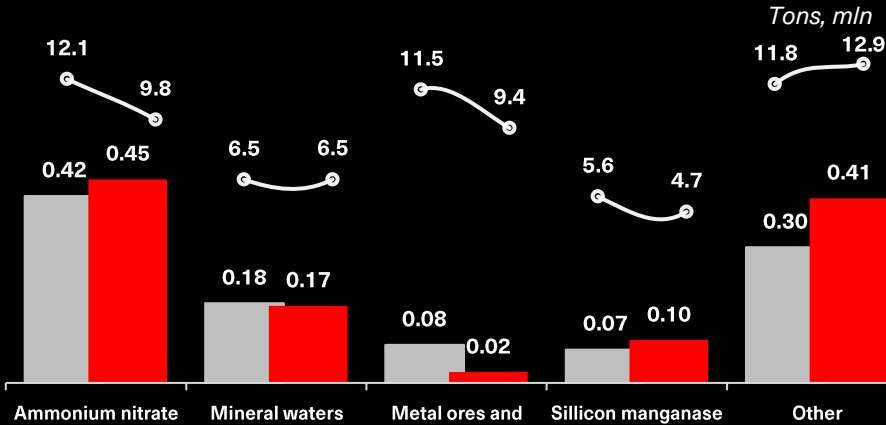
#### BLACK SEA PORTS AS BORDER CROSSINGS

- The share of Black Sea Ports (Poti, Batumi and Parto Tskali) for exported product was 58%.
- Main exported products were ammonium nitrate (405 thousand tons) and sillico manganese (74 thousand tons).

### TRANSPORTATION VOLUME BY DESTINATION COUNTRIES



### MAIN EXPORTED PRODUCT TYPES AND TOP DIRECTIONS



Sourced from **Borjomi**, where one of the largest bottlers is located, distributed to **Russia, Kazakhstan and Uzbekistan**.

Transported from **Tbilisi** to **China and Bulgaria**.

Transported from **Rustavi**, where the fertilizer factory is located, transported to **Poti Sea Port**.

Sourced from **Zestaponi**, where the ferroalloys plant is located, transported to **Batumi Sea Port**.

\* "Other" category includes cargo transported to the seaports of **Poti** and **Batumi** by Georgian Railway before leaving the country by sea.

# FREIGHT TRANSPORTATION

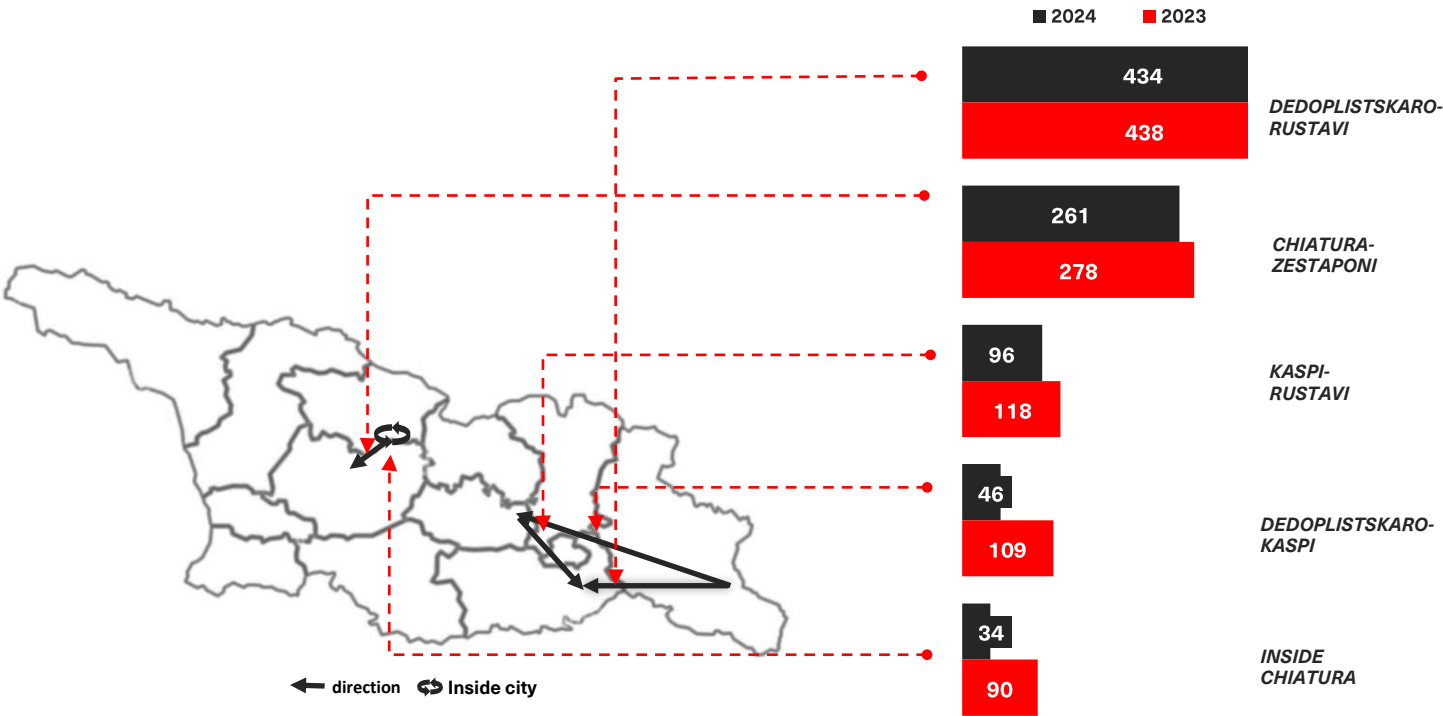
## DOMESTIC

	2024	2023	%	% const. curr.
Revenue (GEL mln)	16.3	13.1	24.0	19.8
Freight volume (tons mln)	1.4	1.6	(11.8)	NA
Freight turnover (ton-km mln)	153.4	171.6	(10.6)	NA
Revenue/ton-km (in Tetri)	10.62	7.66	38.6	33.9

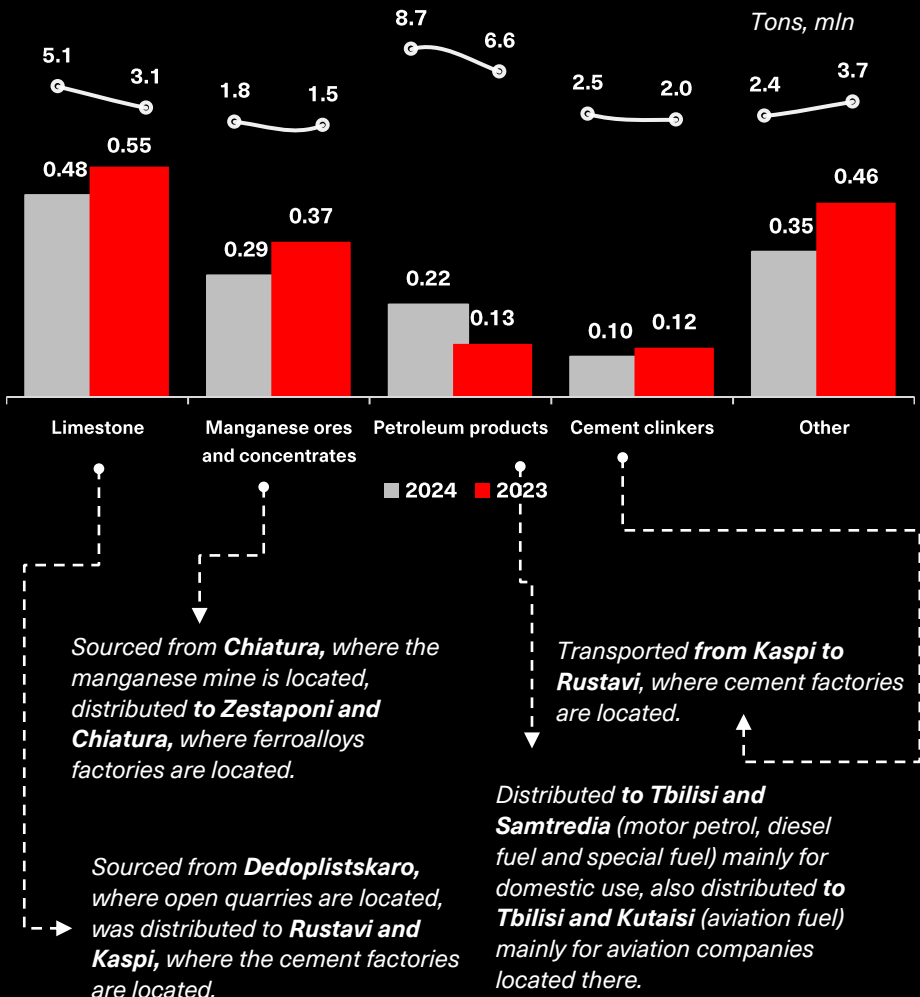
Decreased transportation along the Dedoplistskaro-Kaspi, internal Chiatura and Rustavi-Parto Tskali routes

Increased average tariff on limestone (by 68%) and cement clinkers (by 27%) transportation

### MAIN ROUTES OF DOMESTIC TRANSPORTATION



### MAIN DOMESTIC PRODUCT TYPES AND TOP DIRECTIONS

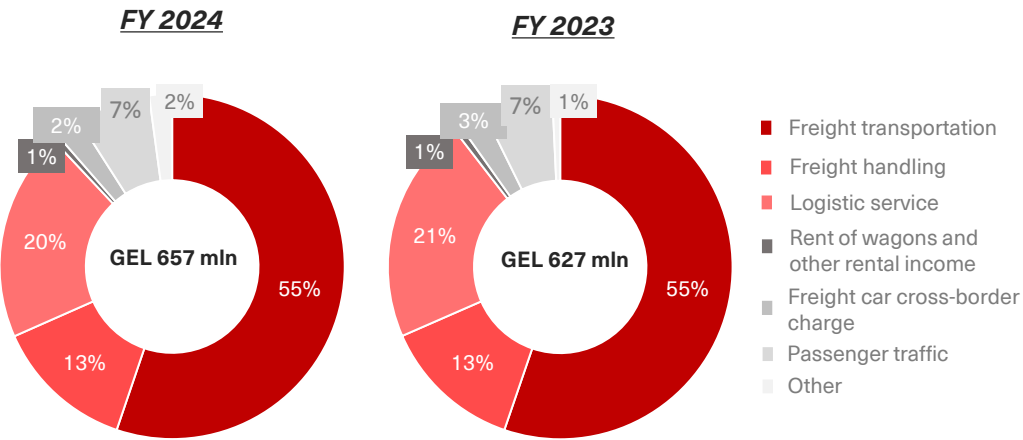




# REVENUE BREAKDOWN

GEL '000	2024 (Unaudited)	2023 (Audited)	%	Abs. change
Freight transportation	362,659	346,537	4.7	16,122
Freight handling	86,491	82,729	4.5	3,762
Logistical services	128,847	132,213	(2.5)	(3,366)
Rent of wagons and other rental income	3,829	4,158	(7.9)	(329)
Freight car cross-border charge	15,609	15,705	(0.6)	(96)
Passenger transportation	36,669	41,219	(11.0)	(4,550)
Revenue from PSC*	8,726	0	100.0	8,726
Other	14,018	4,612	203.9	9,406
Revenue	656,848	627,173	4.7	29,675
Other income	28,258	8,993	214.2	19,265

## INCOME FROM OPERATIONS (as % of total)



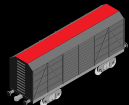
## MAIN FACTORS INFLUENCING PERFORMANCE

### FREIGHT TRANSPORTATION



- Tariffs denominated in USD;
- Upturn in revenue caused by increased transported volume by 1%.

### FREIGHT CAR CROSS-BORDER CHARGE



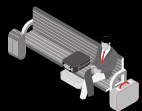
- The increase was attributed to a rise in effective tariffs in the Azerbaijani direction, as well as an increased share of revenue from CIS countries.

### FREIGHT HANDLING



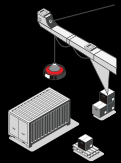
- Increase in revenue from 24-hour services and station services.

### PASSENGER TRANSPORTATION



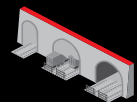
- The decline was primarily due to a reduction in the number of passengers transported, especially on mainline and international routes, which are the more profitable segments.
- In 2024, JSC Georgian Railway received compensation of GEL 8.7 million under the Public Service Obligation (PSO) contract.

### LOGISTICAL SERVICES



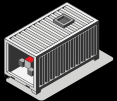
- Reduced transportation by GR's subsidiary, which provides container transportation.

### OTHER REVENUE



- The increase was primarily due to income generated from scrap realization. However, it was partially by a lower income from the sale of materials (excluding scrap metal).

### OTHER INCOME



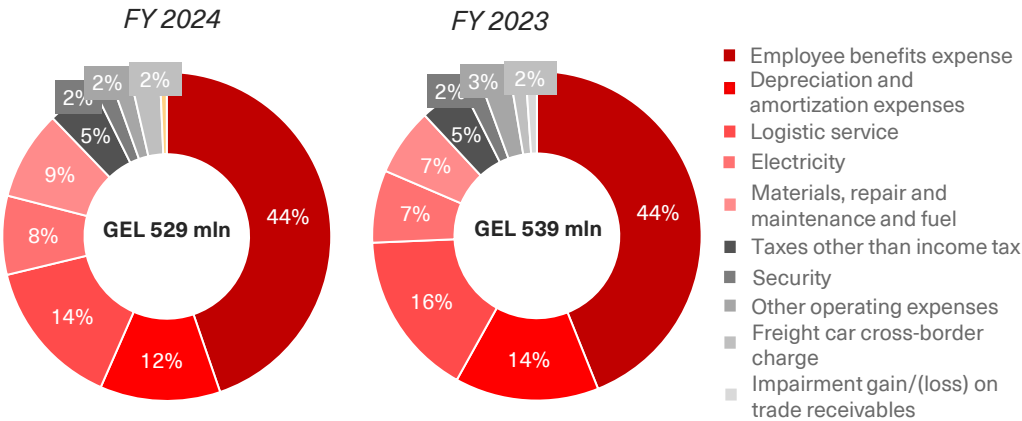
- The increase was primarily due to the profit generated from associate entity (GEL 15.7 million), as well as proceeds from successful litigation.

\*Public Service Contract

# COST BREAKDOWN

GEL '000	2024 (Unaudited)	2023 (Audited)	%	Abs. change
Employee benefits expense	233,224	239,056	(2.4)	(5,831)
Depreciation and amortization expense	61,699	76,895	(19.8)	(15,196)
Impairment loss/(gain) on trade receivables	3,493	(6,016)	(158.1)	9,509
Electricity	40,418	38,677	4.5	1,741
Materials	19,620	14,482	35.5	5,138
Repair and maintenance	18,966	12,824	47.9	6,142
Fuel	7,266	8,739	(16.9)	(1,474)
Freight car cross-border charge	15,177	8,325	82.3	6,852
Logistic services	76,486	88,461	(13.5)	(11,975)
Security and other operating expenses	27,312	32,558	(16.1)	(5,246)
Taxes other than income tax	25,542	24,604	3.8	938
<b>TOTAL</b>	<b>529,203</b>	<b>538,604</b>	<b>(1.7)</b>	<b>(9,402)</b>

## COST BREAKDOWN (as % of total)



## MAIN FACTORS INFLUENCING PERFORMANCE

### PAYROLL EXPENSES



- The reduction was primarily driven by a 2.9 percent decrease in total salary costs, mainly due to a 3.1 percent reduction in the number of employees.

### D&A EXPENSES



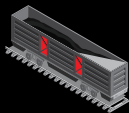
- In 2024, the useful life of certain assets was reassessed and adjusted, leading to a reduction in depreciation and amortization expenses.

### ELECTRICITY



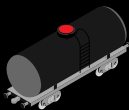
- The rise was mainly driven by 2% increase in electricity consumption, which in term was due to increase in cargo transportation, as well as 3% higher average electricity tariff.

### FREIGHT CAR CROSS-BORDER CHARGE



- The lower cost in 2023 was mainly due to certain discount from the neighboring railway, as well as the reversal of some historically incurred costs

### FUEL



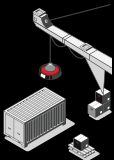
- Decreased expenses mainly due to a decrease in fuel consumption, as well as decrease in average fuel tariff.

### SECURITY AND OTHER



- Decreased expenses primarily due to higher expenses related to software and hardware services in 2023.

### LOGISTICAL SERVICE



- The decline was primarily driven by a reduction of GEL 5.8 million in freight forwarding expenses of GR's subsidiary, which provides oil product transportation. Additionally, in 2023 tariff adjustment of GEL 5.6 million was made to the expenses of GR's subsidiary responsible for container transportation.

### MATERIALS, REPAIR AND MAINTENANCE



- Increased repair and maintenance expenses due to more repair works for machinery and rolling stock;
- Increased materials expenses mainly driven by a higher volume of purchased materials, particularly related to the track superstructure.



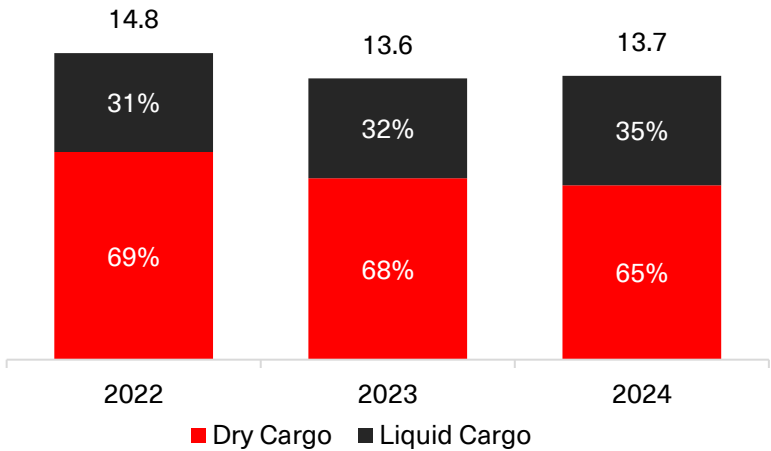
# SOLID TRACK RECORD OF REVENUE GENERATION

## REVENUE ANALYSIS

- Total revenue increased by 5 percent in 2024, reaching GEL 656.8 mln. Freight traffic revenue category increased by 5 percent, while revenue from passenger transportation decreased by 11 percent.
- Most part of the Group's revenue is denominated in USD, representing natural hedge against national currency depreciation risk.
- The average revenue per passenger-km from 2023 to 2024 increased from 4.99 to 6.43 Tetri which can be explained by the increased share of higher-priced seats sold, as new trains with improved services were added for long-distance routes and increased tariff;
- The main bottleneck of the infrastructure was a mountainous region located in the center of Georgia. De-bottlenecking of existing infrastructure and increasing the throughput capacity of the rail line from 27mt to 48mt annually had a positive impact on the Group's financial performance.

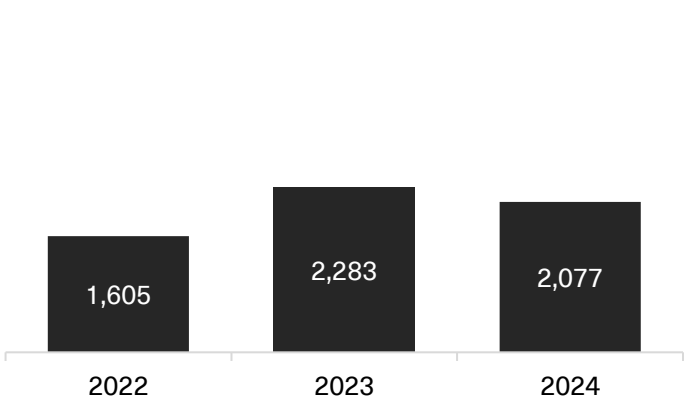
## FREIGHT VOLUME

Mln tons



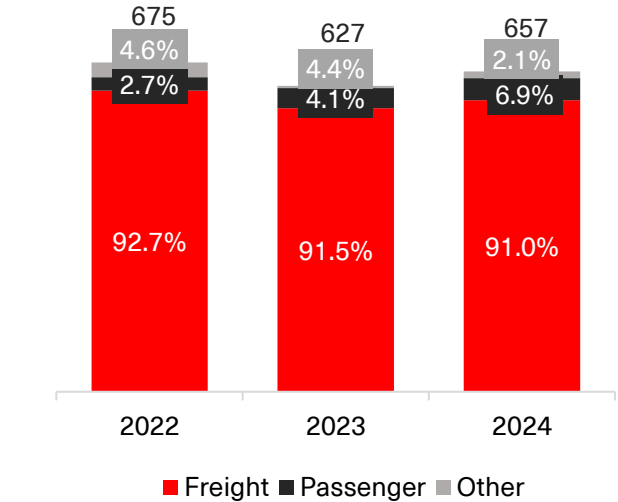
## NUMBER OF PASSENGERS TRANSPORTED

'000



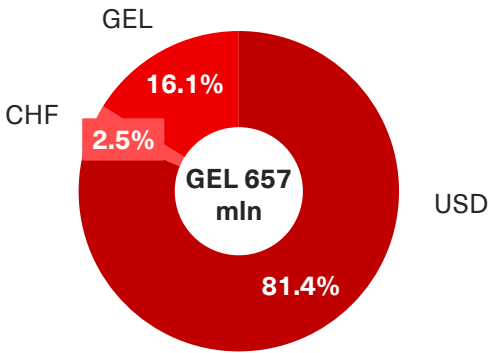
## REVENUE BREAKDOWN

GEL, mln

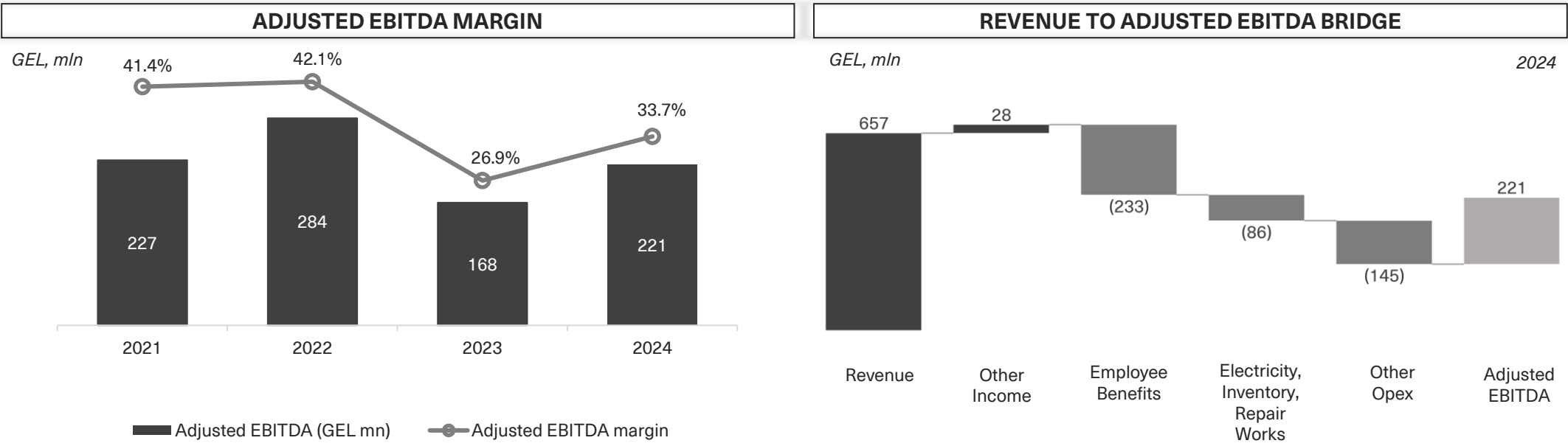


## REVENUE SPLIT BY CURRENCIES

FY 2024



# SIGNIFICANT HIGHLIGHTS



LIQUIDITY & SOLVENCY RATIOS		RATIO CALCULATION	
<b>SOLVENCY</b>			
Net Debt to Adjusted EBITDA	5.01	Net Debt to Adjusted EBITDA – Net financial indebtedness divided by adjusted EBITDA	
Debt to Equity	1.52	Debt to Equity – Loans and borrowings divided by total equity	
Debt to Assets	0.55	Debt to Assets – Loans and borrowing divided by total assets	
		Current Ratio – Current Assets divided by current liabilities	
		Quick Ratio – Current Assets minus inventories divided by current Liabilities	
		Cash Ratio – Cash and cash equivalents divided by total current liabilities	
<b>LIQUIDITY</b>			
Current Ratio	2.49		
Quick Ratio	2.23		
Cash Ratio	1.97		



# BALANCE SHEET OVERVIEW

## BALANCE SHEET

<i>In thousand GEL</i>	31-Dec-24 (Unaudited)	31-Dec-23 (Audited)	% Change	Abs. Change
<b>Total assets</b>	<b>2,589,913</b>	<b>2,495,961</b>	<b>3.8</b>	<b>93,952</b>
<b>Changes are mainly due to:</b>				
Property, plant and equipment	1,968,634	1,921,379	2.5	47,255
Other receivable	0	53,037	(100.0)	(53,037)
Investments	73,607	27	100.0	73,580
Prepayments and other current assets	9,290	3,562	160.8	5,728
<b>Total Equity</b>	<b>936,010</b>	<b>868,044</b>	<b>7.8</b>	<b>67,966</b>
<b>Total Liabilities</b>	<b>1,653,903</b>	<b>1,627,917</b>	<b>1.6</b>	<b>25,986</b>
<b>Changes are mainly due to:</b>				
Loans and borrowings (LT)	1,411,083	1,339,840	5.3	71,243
Trade and other payables (ST)	122,477	142,117	(13.8)	(19,640)

## DRIVERS OF SIGNIFICANT CHANGES

### PROPERTY, PLANT AND EQUIPMENT (PPE)



- Increase due to the construction of a new rail network and other engineering works, mostly associated with the Modernization Project.

### INVESTMENTS



- The loan issued to the former shareholder, JSC Development Fund of Georgia (formerly JSC Partnership Fund), has been recovered through the exchange of a 21.7% ownership stake in Gardabani Thermal Power Plant (Gardabani TPP). As a result, the loan amount has been reclassified from the other receivables to the investments account. Additionally, as of 31 December 2024, initial cost of an investment increased by GEL 17.8 million of profit generated by the entity.

### PREPAYMENTS AND OTHER CURRENT ASSETS



- Increase due to higher advance payments for software services and supplies related to signaling, centralization and blocking systems.

### LOANS AND BORROWINGS (LT)



- Increase due to the GEL depreciation against foreign currencies, as well as the temporary reclassification of a secured loan from long-term to short-term loans and borrowings as of 31 December 2023.

### TRADE AND OTHER PAYABLES (ST)



- Decrease due to the payment for constructing and designing signaling, centralization and blocking systems on the Kashuri-Zestafoni segment, this increase was partially offset by increased payables for software services.

# LEVERAGE OVERVIEW

## GREEN EUROBONDS

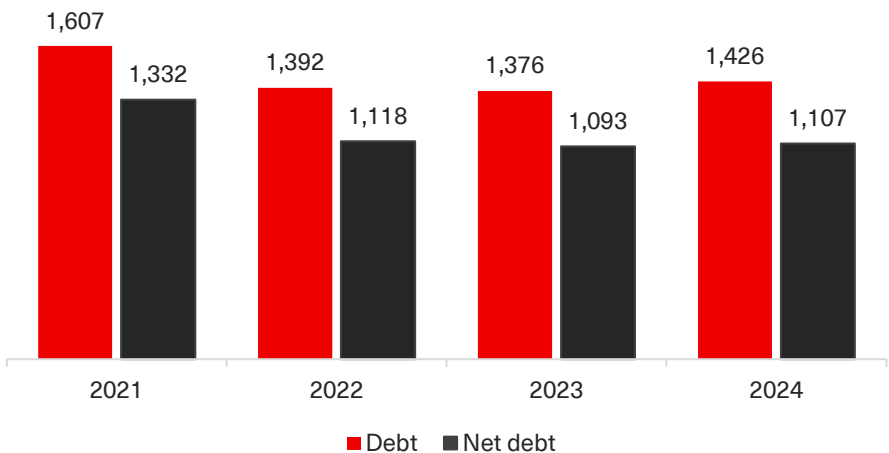
▪ Loan amount	500mm
▪ Currency	USD
▪ Issue date	17/06/2021
▪ Maturity date	17/06/2028
▪ Interest	4.00%
▪ Interest payment	Semiannual
▪ Payment dates	17 Jun and 17 Dec
▪ Purpose	Refinancing Eurobonds due 2022

## CREDIT SUISSE DEBT

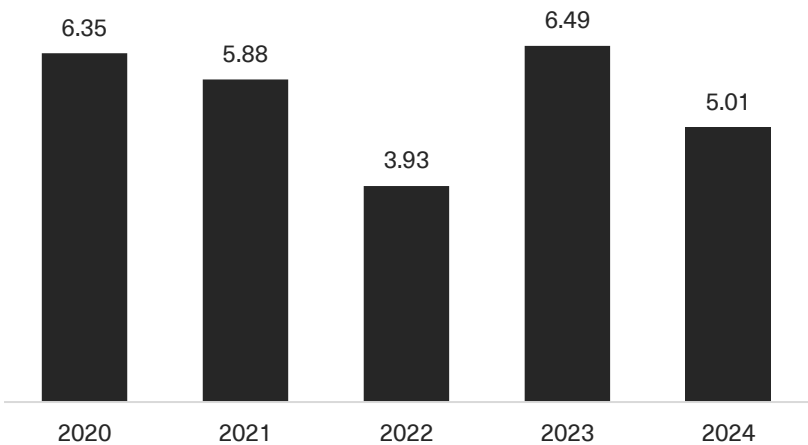
▪ Loan amount	43.6 mm
▪ Currency	USD
▪ First utilization	07/15/2016
▪ Maturity date	11/10/2026
▪ Interest	SOFR + adj. spread +1.25%
▪ Interest payments	Semiannual
▪ Payment dates	10 May and 10 Nov
▪ Purpose	New passenger trains
▪ Remaining principal	8.7 mm

## DEBT

GEL, mln



## NET DEBT/EBITDA



# CAPITAL INVESTMENT PROGRAMME

## BRIEF OVERVIEW

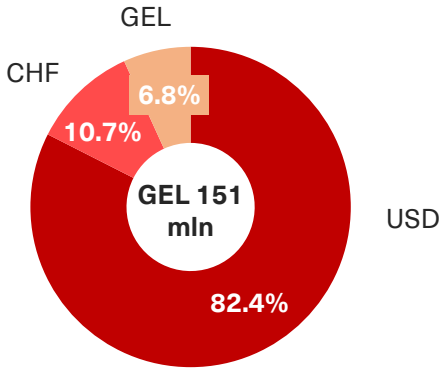
- GR's main investments support long run growth potential, through investments in infrastructure;
- GR is mainly a transit railway, the Group transports a large portion of its cargo using third-party rolling stock, thus minimizing its fleet CAPEX requirements;
- Modernization Project is the key GR's CAPEX program aiming to increase transportation capacity of the gorge region in central Georgia.

## MAJOR ACTIVE CAPEX PROJECTS

### MODERNIZATION PROJECT

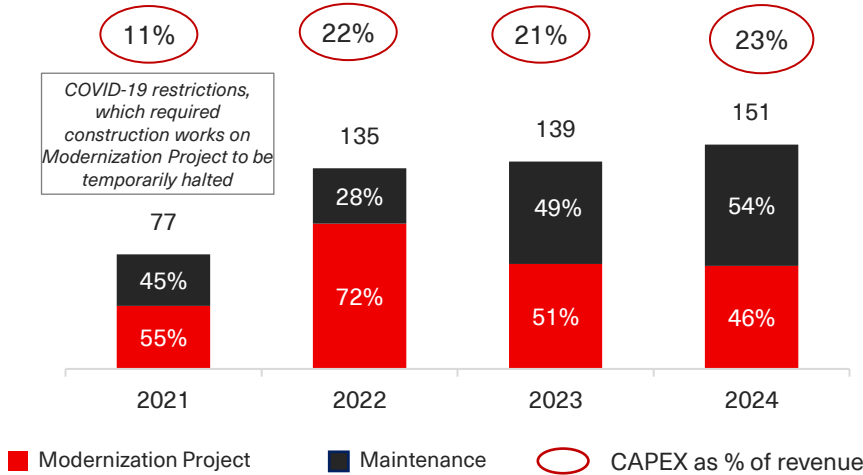
- Over GEL 1.1 billion invested in 2010 – 2024;
- Key goal: increase transportation capacity from 27 million tons to 48 million tons with further expansion to 100 million tons per annum;

## CAPEX SPLIT BY CURRENCIES



## HISTORICAL CAPEX SPLIT

GEL, mln

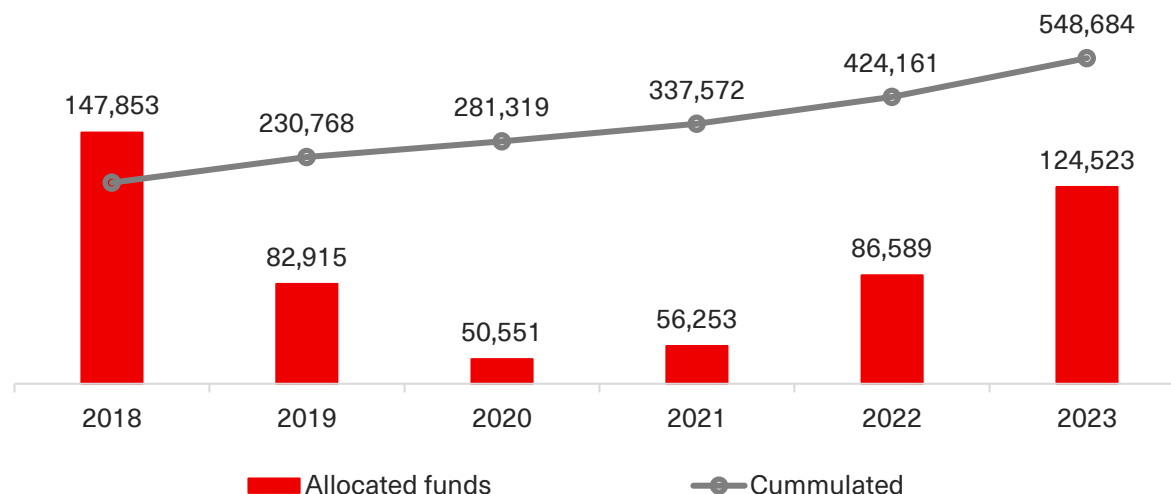




# GREEN BOND ALLOCATION AND AVOIDED CO2 EMISSIONS

## GREEN BOND ALLOCATION

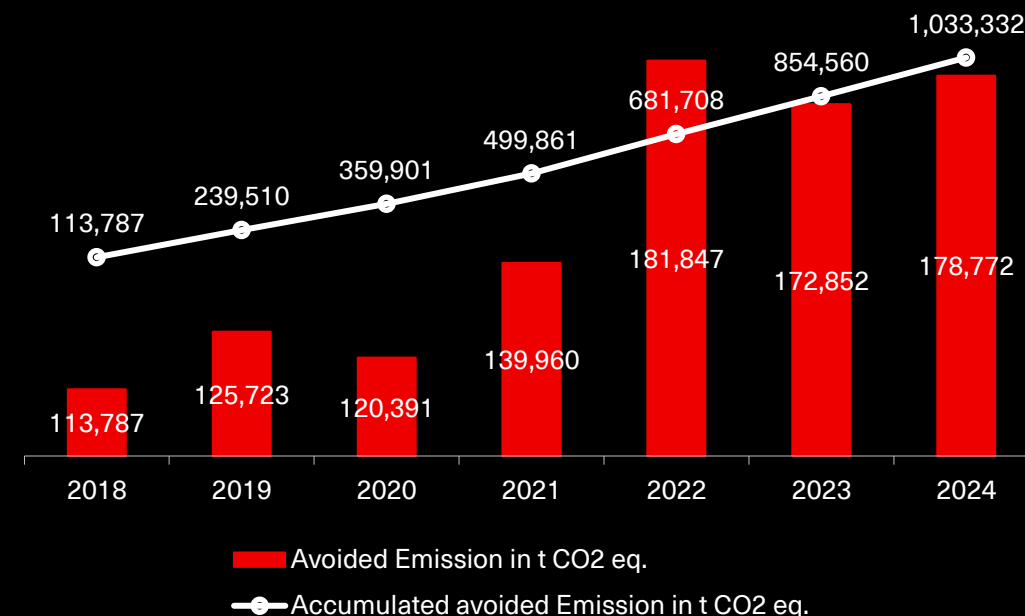
USD, '000



### From 2018 to 2023

- USD 199.3 million from total USD 548.7 million is allocated on the Modernization Project. The Project is designed to modernize rail infrastructure, increase safety and capacity of the main line
- USD 72.9 million from total USD 548.7 million is allocated on the acquisition and maintenance cost of the Company's wagon and locomotive fleet;
- USD 144.6 million from total USD 548.7 million is allocated on the costs related to freight and passenger stations, logistic terminals and platforms;
- USD 92.9 million from total USD 548.7 million is allocated on the extensions, modernization, maintenance, energy efficiency and electrification of existing electrified railway lines;
- USD 39.0 million from total USD 548.7 million is allocated on the costs related to signaling, centralization and blocking systems.

## AVOIDED CO2 EMISSIONS



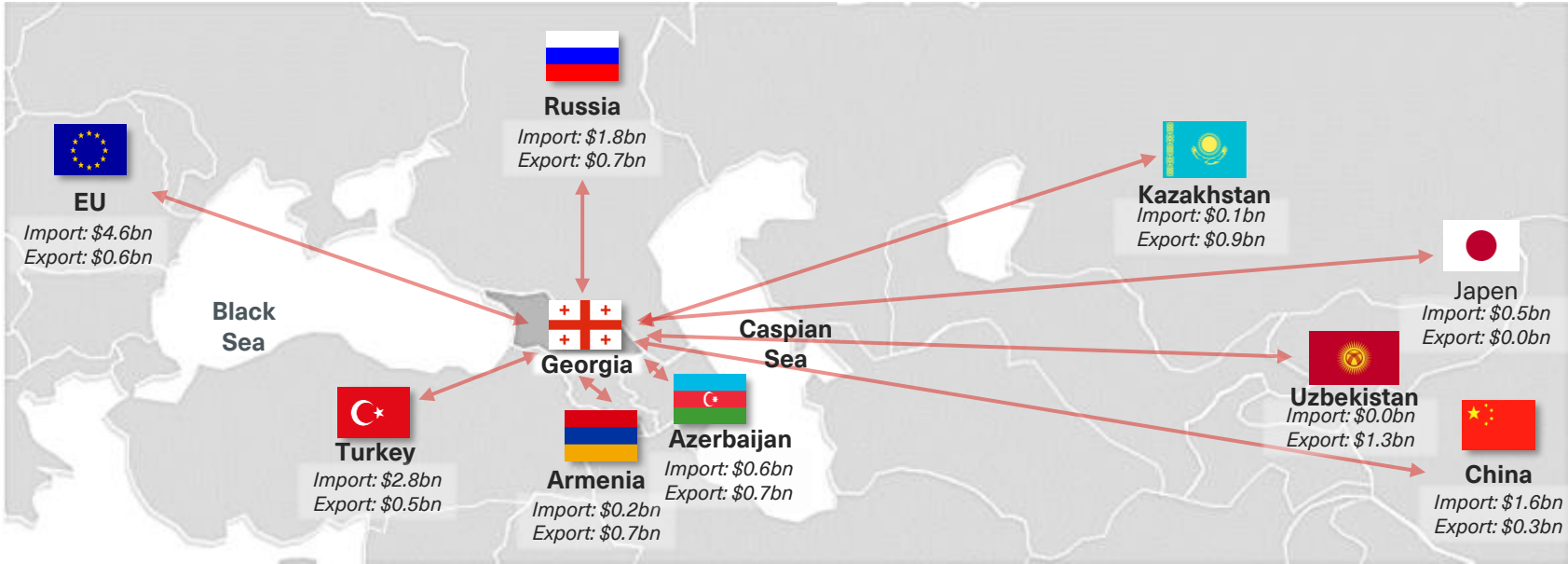
**Avoided about 1,033,000 t CO2 eq. in the last 7 year;**

**Avoided about 6,000 t more CO2 eq. in 2024, compared to 2023.**

**ZERO DIRECT EMISSIONS**

# UNIQUE STRATEGIC LOCATION...

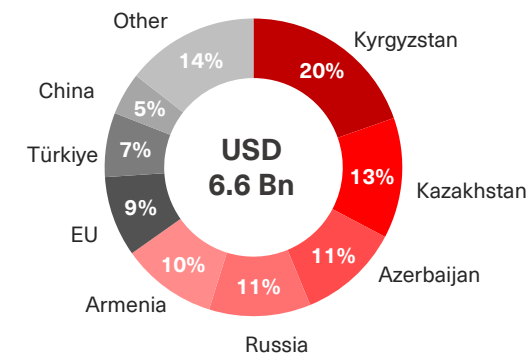
POSITIONED TO CAPITALISE ON INCREASING TRADE FLOWS BETWEEN EUROPE, THE CASPIAN REGION AND CENTRAL ASIA\*



Import from Georgia  
Export to Georgia

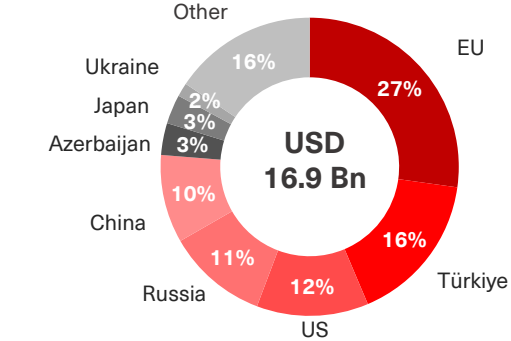
## GEORGIA'S TOTAL EXPORT\*

As of 31 December, 2024<sup>(2)</sup>



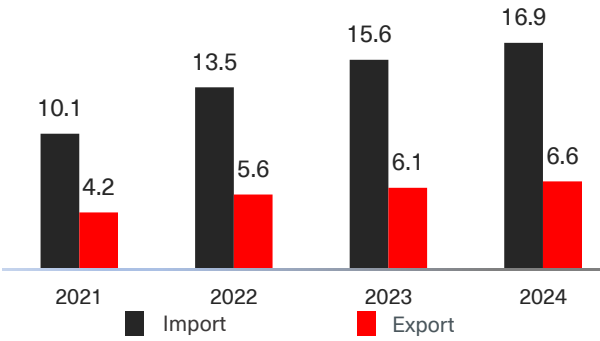
## GEORGIA'S TOTAL IMPORT\*

As of 31 December, 2024<sup>(2)</sup>



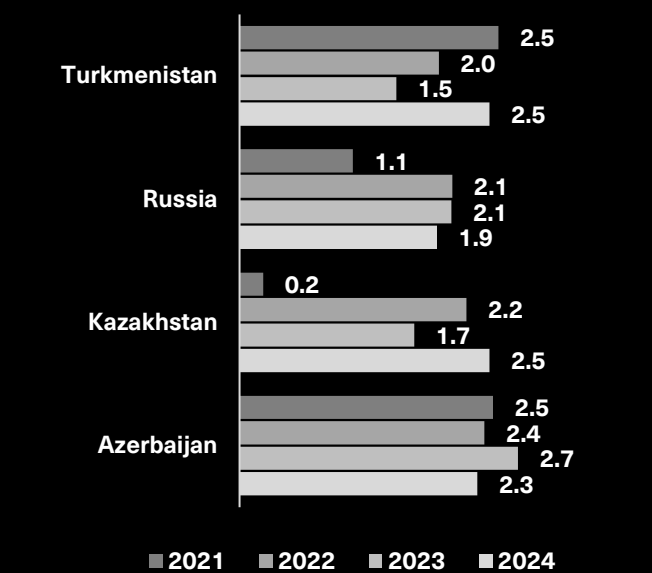
## GEORGIA IS A NET IMPORTER\*

USD, bn



## GR'S TRANSPORTATION<sup>(1)</sup>

Mln tons, As of 31 December, 2024



## GR'S FREIGHT VOLUME

As of 31 December, 2024



Sources: Geostat.ge (for total import and export statistics and import and export statistics by countries). \*Preliminary data, Company data for GR's transportation and freight volumes.  
Note: (1) GR's cargo by origin countries; (2) Preliminary data.

# ...WITH WELL DEVELOPED INFRASTRUCTURE AND MODE NUMBER OF INTERNATIONAL PROJECTS

## 1 KULEVI

- Liquid cargo
- Operated by Vitol, SOCAR
- Current capacity of 10 mln tons p.a.
- Expandable to 20 mln tons p.a.

## 2 POTI

- Liquid and dry cargo
- Free Economic Zone near Poti
- Current capacity of 600k TEU
- Planning to increase capacity with est. investment of USD 300mln

## 3 BATUMI

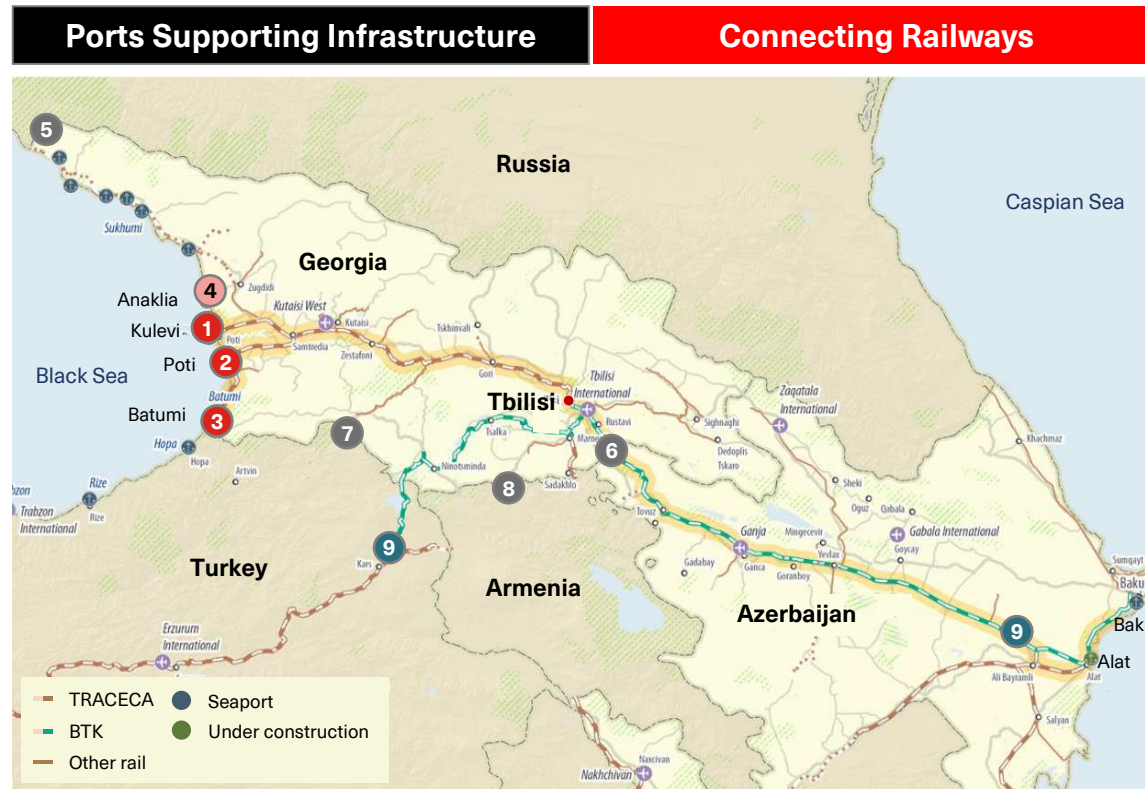
- Liquid and dry cargo
- Current capacity of ca. 15 mln tons p.a.
- Expandable to 28 mln tons p.a.

## RAIL FERRIES

- Rail ferry connection to Bulgaria, Russia, Ukraine and Turkey
- Rail ferries connecting Azerbaijan ports with Central Asia

## 4 DEEP-SEA PORT<sup>(1)</sup>

- Construction of a new Anaklia Deep Sea Port for handling large vessels with all required infrastructure
- Alternatively – reconstruction of Poti to make it a deep-sea port



## Ports Supporting Infrastructure

## Connecting Railways

## INTERNATIONAL PROJECTS AND INITIATIVES

### 9 BTK<sup>(2)</sup> PROJECT

- Connecting Azerbaijan and Turkey with a railway link through Georgia;
- Reconstruction of a 178km long railway in Georgia;
- Started operating in test regime in 2017, expected completion in 2025.

### Feeders On Caspian And Black Sea

- Adding additional feeder in Caspian Sea connecting Kazakhstan and Azerbaijan. Operating since 2019, capacity 225 TEU
- Additional feeder connecting Poti port with Ukraine (Odessa). Operating since 2019, capacity 1,200 TEU

## 5 RUSSIA

- Inactive link through Abkhazian part of Georgian Railway

## 6 AZERBAIJAN

- Largest GR rail connection, originating or receiving well over half of GR tonnage

## 7 TURKEY

- Active connection after Baku-Tbilisi-Kars Project
- Currently operating in test regime

## 8 ARMENIA

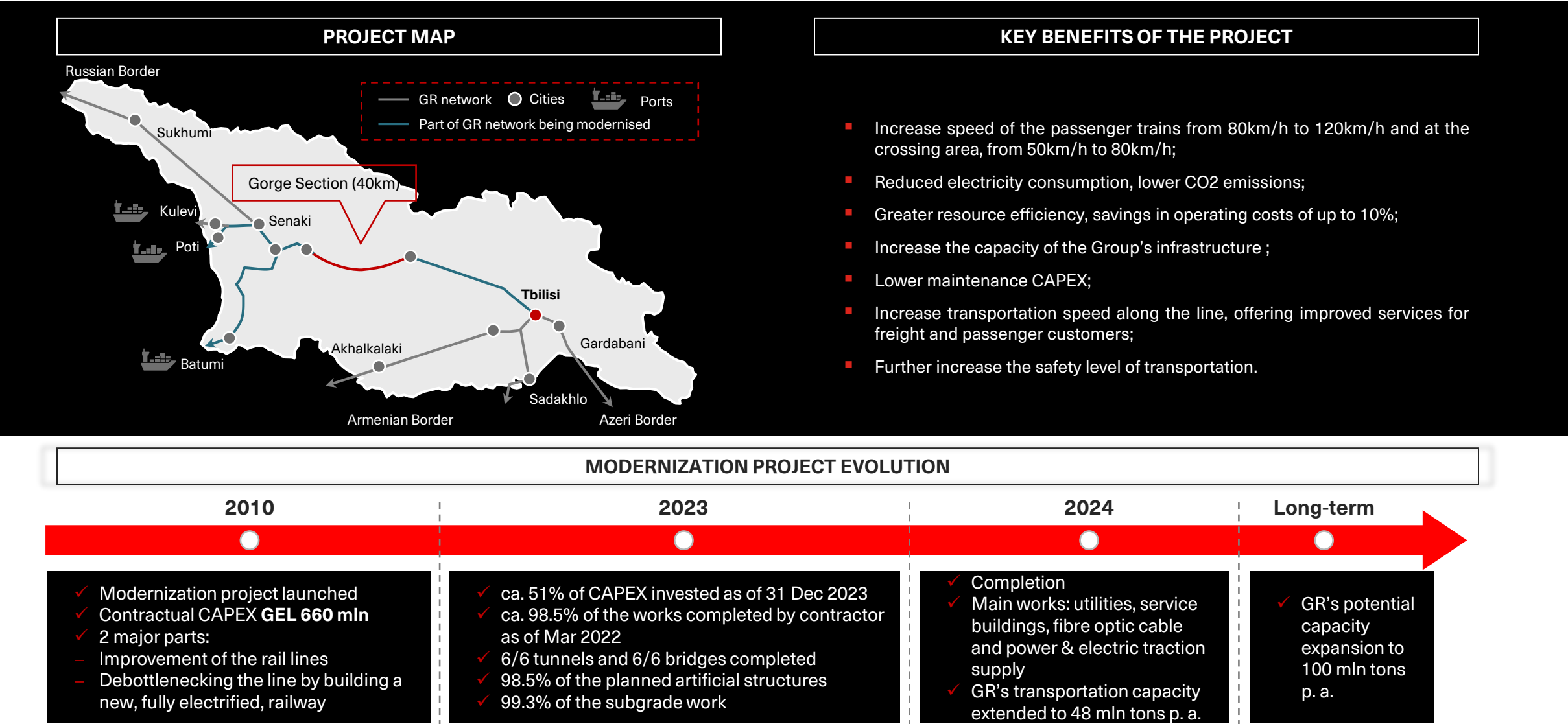
- Operated under concession to Russian Railways as South Caucasus Railways (SCR)
- Currently only other active GR rail connection

## CHINA-TURKEY ROUTE

- A new route from China to Georgia and through Georgia to Turkey, Europe and the countries of the Mediterranean Basin;
- Increasing importance of BTK line.



# MODERNIZATION – ONGOING GREEN PROJECT OF STRATEGIC IMPORTANCE



# KEY HISTORICAL FINANCIAL HIGHLIGHTS

INCOME STATEMENT			
In thousand GEL	2022 (Audited)	2023 (Audited)	2024 (Unaudited)
Revenue	674,773	627,173	656,848
Other income	15,825	8,993	28,258
Payroll expenses/Employee benefits expense	(197,708)	(239,056)	(233,224)
Depreciation and amortization expenses	(66,585)	(76,895)	(61,699)
Electricity, consumables and maintenance costs	(80,207)	(74,722)	(86,269)
Impairment loss on trade receivables	840	6,016	(3,493)
Other expenses	(128,521)	(153,948)	(144,517)
RESULTS FROM OPERATING ACTIVITIES	218,417	97,561	155,903
Finance income	30,478	38,859	27,688
Finance costs	(70,493)	(61,090)	(61,309)
Net foreign exchange gain/(loss)	218,923	12,065	(53,829)
NET FINANCE COSTS	178,908	(10,166)	(87,450)
PROFIT BEFORE INCOME TAX	397,325	87,395	68,453
Income tax expense	(644)	(619)	(576)
PROFIT AND TOTAL COMPREHENSIVE INCOME	396,681	86,776	67,877

# KEY HISTORICAL FINANCIAL HIGHLIGHTS

BALANCE SHEET			
GEL '000	2022 (Audited)	2023 (Audited)	2024 (Unaudited)
Non-current Assets			
Property, plant and equipment	1,831,197	1,921,379	1,968,634
Other non-current assets	181,709	158,910	146,737
Other receivable	47,738	53,037	0
Investments	0	27	73,607
Total Non-current Assets	2,060,644	2,133,353	2,188,978
Current Assets			
Inventories	33,944	37,330	41,104
Current tax assets	3,363	7,265	3,308
Trade and other receivables	14,519	30,905	28,933
Prepayments and other current assets	8,347	3,562	9,290
Cash and cash equivalents	274,629	283,547	318,300
Term deposit	4,071	0	0
Total Current Assets	338,873	362,609	400,935
Total Assets	2,399,517	2,495,961	2,589,913
Equity			
Charter capital	1,055,031	1,055,031	1,055,121
Non-cash owner contribution reserve	100,602	100,602	100,601
Retained earnings	(374,365)	(287,589)	(219,713)
Total Equity	781,268	868,044	936,010
Non-current Liabilities			
Loans and borrowings	1,378,147	1,339,840	1,411,083
Advances received from the Government	46,594	46,593	46,593
Trade and other payables	30,242	36,714	34,992
Total Non-current Liabilities	1,454,983	1,423,147	1,492,668
Current liabilities			
Loans and borrowings	14,273	36,298	14,593
Trade and other payables	122,242	142,117	122,477
Liabilities to the Government	4,712	4,712	4,712
Provisions	13,981	11,214	9,571
Other current liabilities	8,058	10,429	9,882
Total current Liabilities	163,266	204,770	161,235
Total Liabilities	1,618,249	1,627,917	1,653,903
Total Equity and Liabilities	2,399,517	2,495,961	2,589,913

CASH FLOW STATEMENT			
GEL '000	2022 (Audited)	2023 (Audited)	2024 (Unaudited)
Net cash from operating activities	288,221	176,815	229,958
Net cash used in investing activities	(122,536)	(100,876)	(131,104)
Net cash (used in)/from financing activities	(96,802)	(66,858)	(70,732)
Net change in cash and cash equivalents	68,883	9,081	28,122
Cash and cash equivalents at the beginning of period	212,224	274,629	283,547
Effects of exchange rate changes on the balance of cash held in foreign currencies	(5,943)	(424)	(6,632)
Cash and cash equivalents at the end of the period	274,629	283,547	318,301



# CONSOLIDATED ACTIVITIES REPORT

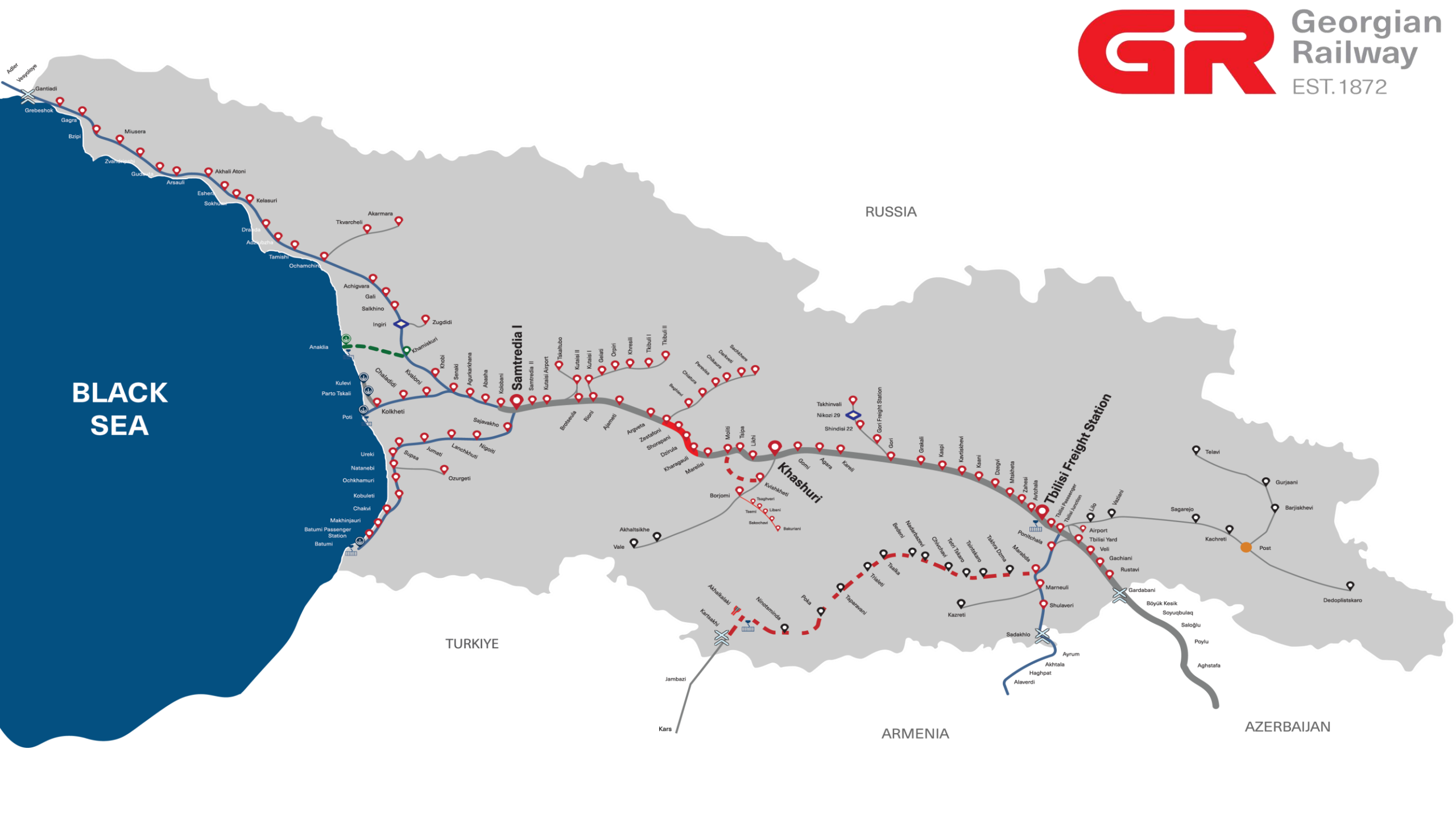
As of 31 December, 2023

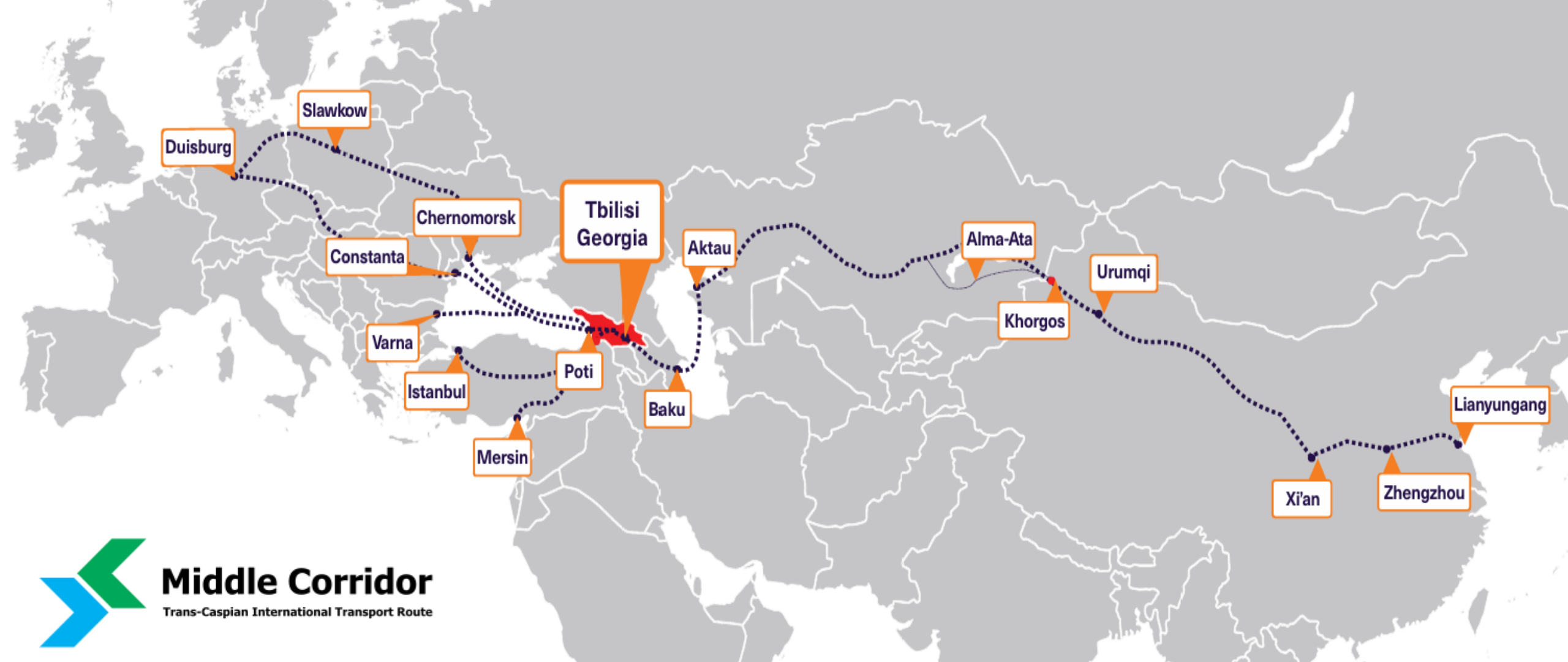
Georgia has undertaken to implement certain provisions of Directive 2012/34 (under Association Agreement) of the European Parliament and of the Council of 21 November 2012 establishing a single European rail area (recast) ("Directive 34"). This directive sets up rules applicable to the management of railway infrastructure and rail transport activities of railway undertakings.

*To comply with Directive 34, the Group took the first step in 2021 by preparing and publishing independent financial reports for each of the Company's SBUs. This report will be prepared and published annually on the Company's website .*

INTERNAL ACTIVITIES

STATEMENTS OF PROFIT OR LOSS	Freight Transportation Unit	Passenger Transportation Unit	Railway Infrastructure Unit	Head Office Unit	WBS Unit	Total GR Group
External Revenue	580,856	42,013	1,425	1,519	1,370	627,173
Other Income	2,140	2,239	2,642	1,880	93	8,993
Payroll expenses/Employee benefits expense	-112,144	-23,749	-80,529	-16,279	-6,354	-239,056
Depreciation and amortization expenses	-15,658	-11,811	-43,793	-1,339	-4,293	-76,895
Electricity, consumables and maintenance costs	-51,863	-8,446	-12,917	-1,159	-337	-74,722
Impairment Loss(gain) on trade receivables	6,072	1	-80	44	-21	6,016
Other expenses	-106,984	-7,053	-27,369	-7,228	-5,315	-153,948
Revenue from sales to the Units	1,938	0	96,461	0	12,978	111,377
Cost of purchases from the Units	-91,903	-14,733	-2,943	-1,797	0	-111,377
RESULTS FROM OPERATING ACTIVITIES	212,455	-21,539	-67,115	-24,359	-1,880	97,561
NET FINANCE INCOME / (COSTS)	30,113	-3,378	-49,560	12,663	-4	-10,166
PROFIT / (LOSS) BEFORE INCOME TAX	242,567	-24,918	-116,675	-11,696	-1,884	87,395
Corporate income tax	-204	0	0	-414	0	-619
NET PROFIT / (LOSS)	242,363	-24,918	-116,675	-12,110	-1,884	86,776





*In 2016, GR signed an agreement with Azerbaijan Railways and Kazakhstan Railways to create the Trans-Caspian International Transport Route (TITR). By 2017, the Association Coordination Committee was formed and now eight countries are involved: Kazakhstan, Azerbaijan and Georgia (the founding members), plus China, Türkiye, Ukraine, Poland and Romania.*

*In 2023, Singapore, Bulgaria and Lithuania also joined. The TITR aims to improve the Middle Corridor, attract more freight to the Caucasus Corridor, reduce administrative barriers and streamline cargo processing across different locations.*

*Starting in 2016, Georgia, Azerbaijan, Kazakhstan and Ukraine agreed on standardized competitive tariffs for the route. This agreement, signed in Baku, sets competitive rates for transporting goods between China, Central Asia, the Black Sea region, Ukraine and Europe. Regular transport services are provided at these approved rates, which are reviewed and set for the coming freight year and must be followed by all operators.*