

# MANAGEMENT DISCUSSION AND ANALYSIS

*FOR 6 MONTHS AND Q2 ENDED 30 JUNE 2025*



## FINANCIAL AND NON-FINANCIAL HIGHLIGHTS

### REVENUE

('000 GEL)

Q2 2025

**143,768**

-11.2% from Q2 2024  
-5.3% from Q1 2025

6M 2025

**295,652**

-4.8% from 6M 2024

### RESULTS FROM OPERATING ACTIVITIES

('000 GEL)

Q2 2025

**14,150**

-67.9% from Q2 2024  
-33.2% from Q1 2025

6M 2025

**35,346**

-52.9% from 6M 2024

### ADJUSTED EBITDA

('000 GEL)

Q2 2025

**32,237**

-46.5% from Q2 2024  
-23.4% from Q1 2025

6M 2025

**74,298**

-31.0% from 6M 2024

### ADJUSTED EBITDA MARGIN

Q2 2025

**22.42%**

-14.8 points from Q2 2024  
-5.3 points from Q1 2025

6M 2025

**25.13%**

-9.5 points from 6M 2024

### NET CASH INVESTMENT IN PP&E

('000 GEL)

Q2 2025

**24,821**

-39.5% from Q2 2024  
-45.2% from Q1 2025

6M 2025

**70,104**

-17.4% from 6M 2024

### NET DEBT TO ADJUSTED EBITDA

30 Jun 2025

**5.8**

5.0 as at 31 December 2024

6.26 as at 30 June 2024

### TONS

('000)

Q2 2025

**3,246**

-9.4% from Q2 2024  
-9.3% from Q1 2025

6M 2025

**6,265**

-8.1% from 6M 2024

### TKM

('million)

Q2 2025

**929**

-10.6% from Q2 2024  
+7.8% from Q1 2025

6M 2025

**1,791**

-8.7% from 6M 2024

### NUMBER OF PASSENGERS

('000)

Q2 2025

**428**

-15.2% from Q2 2024  
+22.5% from Q1 2025

6M 2025

**777**

-21.5% from 6M 2024

### PASSENGER-KILOMETERS

('million)

Q2 2025

**94**

-22.2% from Q2 2024  
+18.4% from Q1 2025

6M 2025

**173**

-23.1% from 6M 2024



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# I. CONSOLIDATED STATEMENT OF PROFIT OR LOSS

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

6 month period ended 30 June		TOTAL		CHANGE		
GEL '000	Note	6M 2025	6M 2024	%	% constant currency	Absolute
Revenue	1	295,652	310,704	(4.8)	(7.3)	(15,052)
Other income	2	1,886	15,090	(87.5)	(87.8)	(13,204)
Employee benefits expense	3	(124,131)	(116,463)	6.6	3.8	(7,668)
Electricity, consumables and maintenance costs	4	(33,811)	(41,837)	(19.2)	(21.3)	8,027
Other expenses	5	(71,725)	(59,765)	20.0	16.9	(11,960)
Adjusted EBITDA		74,298	107,728	(31.0)	(32.8)	(33,430)
Adjusted EBITDA margin		25.13%	34.67%	NA	NA	(9.54)
Depreciation and amortization expense		(31,340)	(31,599)	(0.8)	(3.4)	259
Impairment gain/(loss) on trade receivables		(1,185)	(1,152)	2.9	0.2	(33)
Results from operating activities		35,346	74,976	(52.9)	(54.1)	(39,631)
Share of results of equity accounted investees	6	6,427	-	100.0	100.0	6,427
Net finance income/(cost)	7	22,927	(72,814)	(131.5)	(130.7)	95,741
Profit and total comprehensive income		64,700	2,163	2,891.2	2,813.5	62,537



## CONSOLIDATED STATEMENT OF PROFIT OR LOSS (QUARTERLY)

6 month period ended 30 June

GEL '000	Note	Q2 2025	Q2 2024	y-o-y %	Q1 2025	q-o-q %
Revenue	1	143,768	161,828	(11.2)	151,883	(5.3)
Other income	2	1,566	3,874	(59.6)	320	389.4
Employee benefits expense	3	(62,901)	(59,870)	5.1	(61,231)	2.7
Electricity, consumables and maintenance costs	4	(15,422)	(20,976)	(26.5)	(18,388)	(16.1)
Other expenses	5	(36,634)	(24,591)	49.0	(35,091)	4.4
Adjusted EBITDA		32,237	60,265	(46.5)	42,061	(23.4)
Adjusted EBITDA margin		22.42%	37.24%	NA	27.69%	NA
Depreciation and amortization expense		(15,693)	(15,243)	3.0	(15,647)	0.3
Impairment gain/(loss) on trade receivables		(535)	(943)	(43.3)	(650)	(17.7)
Results from operating activities		14,150	44,079	(67.9)	21,196	(33.2)
Share of results of equity accounted investees	6	1,859	-	100.0	4,568	(59.3)
Net finance income/(cost)	7	14,334	(58,440)	(124.5)	8,593	66.8
Profit and total comprehensive income		30,343	(14,361)	(311.3)	34,357	(11.7)

# 1. REVENUE

Most of the Group's revenue (about 57% in first six month ended 2025) is derived from freight transportation. Thus, its results are particularly sensitive to cargo flows. These mainly comprise transit shipments, which accounted for around

68% of freight transportation revenue in 6 month period ended 30 June, 2025. A substantial proportion of GR's transit transportation comes from trade between Europe and Central Asia.

## REVENUE BREAKDOWN

6 month period ended 30 June

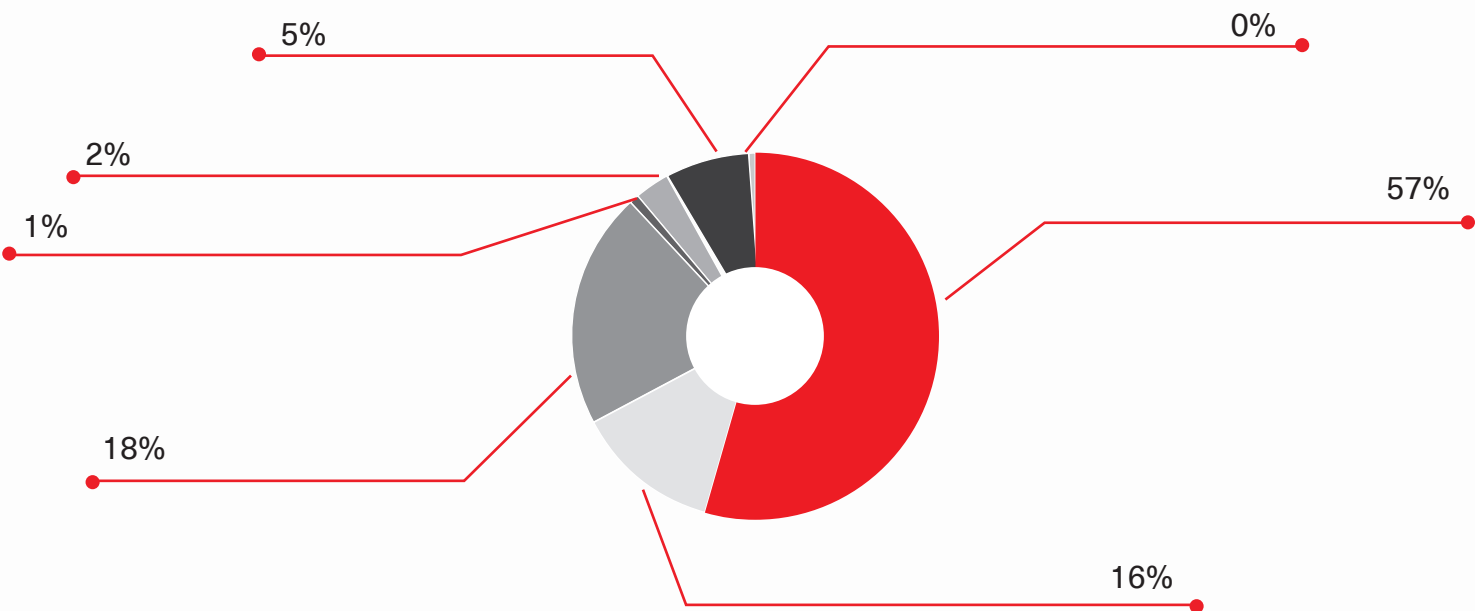
GEL '000	Note	TOTAL		CHANGE		
		6M 2025	6M 2024	%	% constant currency	Absolute
Freight transportation	1.1	168,471	173,422	(2.9)	(5.4)	(4,951)
Freight handling	1.2	45,971	41,974	9.5	6.7	3,998
Logistical service	1.3	52,889	66,763	(20.8)	(22.8)	(13,874)
Rent of wagons and other rental income		2,182	2,579	(15.4)	(17.6)	(396)
Freight car cross-border charge	1.4	7,038	7,907	(11.0)	(13.3)	(869)
Passenger traffic	1.5	13,448	16,755	(19.7)	(21.8)	(3,306)
Grant revenue*	1.5	4,269	-	100.0	100.0	4,269
Other		1,384	1,305	6.1	3.3	79
<b>Revenue</b>		<b>295,652</b>	<b>310,704</b>	<b>(4.8)</b>	<b>(7.3)</b>	<b>(15,052)</b>
Other income	2	1,886	15,090	(87.5)	(87.8)	(13,204)

## REVENUE BREAKDOWN (QUARTERLY)

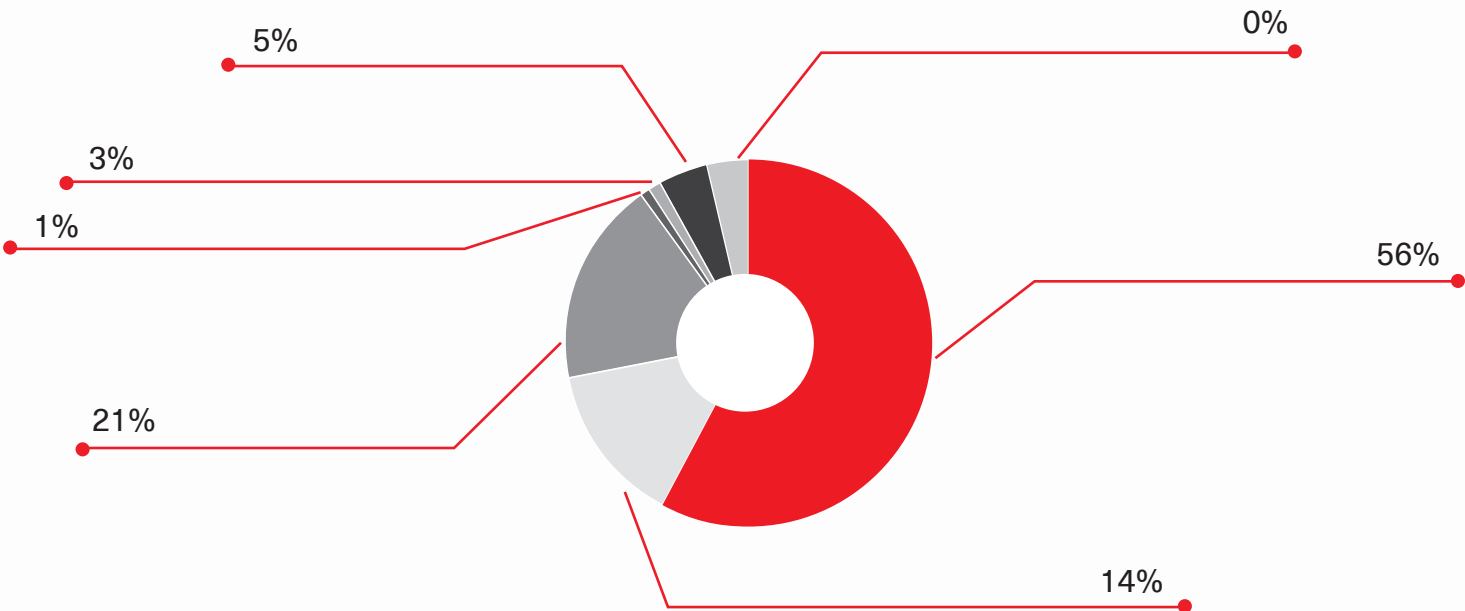
6 month period ended 30 June

GEL '000	Note	Q2 2025	Q2 2024	y-o-y	Q1 2025	q-o-q
Freight transportation	1.1	83,732	91,100	(8.1)	84,739	(1.2)
Freight handling	1.2	22,531	22,200	1.5	23,440	(3.9)
Logistical service	1.3	22,846	33,159	(31.1)	30,043	(24.0)
Rent of wagons and other rental income		1,211	1,293	(6.3)	972	24.6
Freight car cross-border charge	1.4	3,861	4,259	(9.3)	3,177	21.5
Passenger traffic	1.5	7,701	9,147	(15.8)	5,747	34.0
Revenue from Public Service Contract*	1.5	1,269	0	100.0	3,000	(57.7)
Other		617	669	(7.8)	766	(19.5)
<b>Revenue</b>		<b>143,768</b>	<b>161,827</b>	<b>(11.2)</b>	<b>151,883</b>	<b>(5.3)</b>
Other income	2	1,566	3,874	(59.6)	320	389.4

REVENUE BREAKDOWN FOR Q2 2025



REVENUE BREAKDOWN FOR Q2 2024



- FREIGHT TRANSPORTATION
- FREIGHT CAR CROSS-BORDER CHARGE
- FREIGHT HANDLING
- LOGISTICAL SERVICE
- RENT OF WAGONS AND OTHER RENTAL INCOME
- PASSENGER TRAFFIC
- OTHER

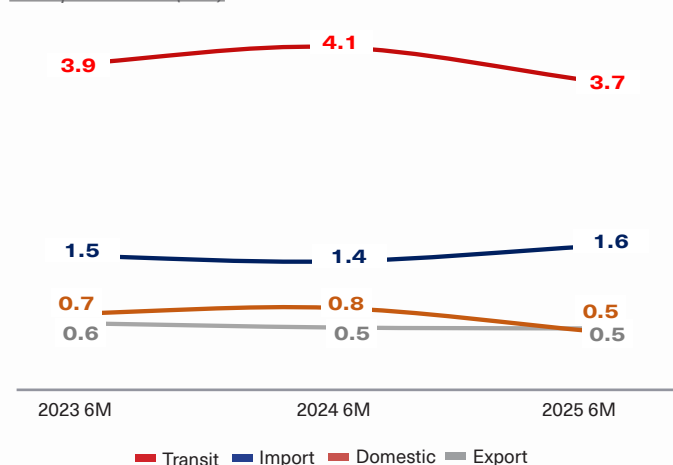
## 1.1 FREIGHT TRANSPORTATION

The Group's freight transportation consists of transit, import, export and domestic transportation. The split by tons between above-mentioned directions in the first six months of 2025 was about 59%, 25%, 9% and 8%, respectively. 99.9% of revenue from freight transportation is denominated

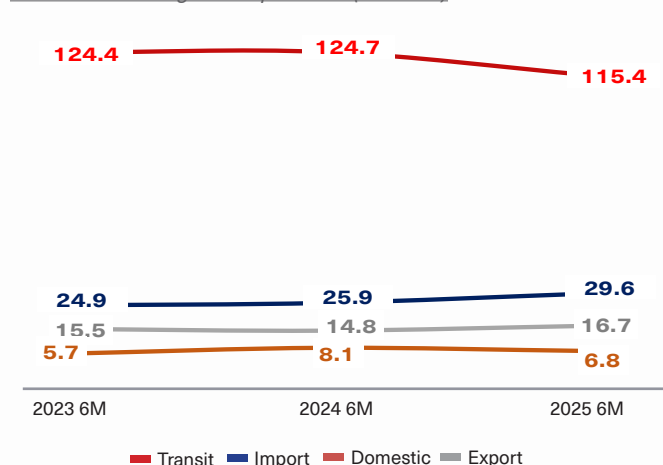
in USD.

The following charts represent the freight transportation breakdown by directions:

*Transported tons (mln)*



*Revenue from freight transportation (GEL mln)*



The revenue generated from transportation services is influenced by several key factors:

Transportation volume – Expressed in tons.

Transportation turnover – Calculated by multiplying the transported tons by the distance traveled, expressed in ton-kilometers.

Revenue per ton-kilometer – This metric indicates the aver-

age revenue received per ton-kilometer, which varies based on cargo type and transportation direction.

GEL/USD exchange rate – As the Group's tariffs are mostly denominated in USD, fluctuations in the exchange rate between USD and GEL can significantly impact profitability, since revenues are reported in GEL and most operating expenses are in Georgian Lari.

### EXCHANGE RATES

	6M 2025	6M 2024	% change	30-Jun-25	30-Jun-24	31-Dec-24	31-Dec-23
USD	2.78	2.71	2.7	2.72	2.81	2.81	2.69
CHF	3.22	3.04	5.9	3.41	3.13	3.11	3.21



# TRANSPORTATION BY DIRECTIONS

## TRANSIT TRANSPORTATION

Transit represents the movement of cargo from one foreign county to another one, through Georgia. The share of transit transportation in total transported volume was 59% in the

first six months of 2025, compared to 60% in the same period of the previous year.

6 month period ended 30 June	TOTAL		CHANGE	
	6M 2025	6M 2024	%	% constant currency
Revenue (million GEL)	115.4	124.7	(7.4)	(9.8)
Freight Volume (million tons)	3.7	4.1	(10.6)	NA
Freight Turnover (million ton-km)	1,359.2	1,544.1	(12.0)	NA
Revenue / ton-km (in Tetri)	8.49	8.07	5.2	2.5

## MAIN FACTORS INFLUENCING PERFORMANCE

Freight volume – 11% decrease in freight volume primarily was driven by decreased transportation from Kazakhstan, by 478.3 thousand tons in the first six months of 2025, compared to the same period of the previous year.

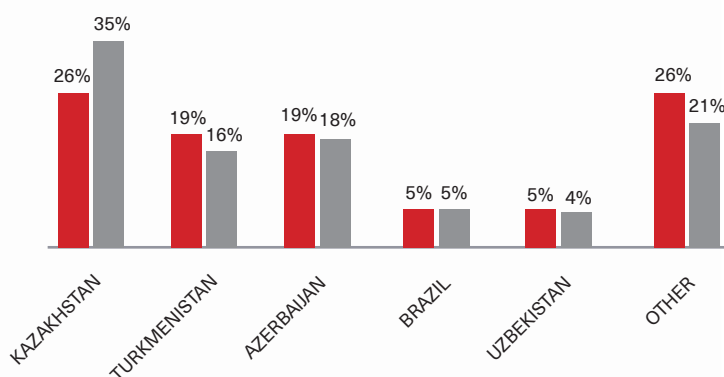
in the first six months of 2025, was driven by a higher share of transportation on Azerbaijan-Black Sea Ports route, which is relatively more profitable direction.

Revenue / tkm (in Tetri) – 3% increase in constant currency

### ORIGIN COUNTRIES

Percentage share in total volume (tons)

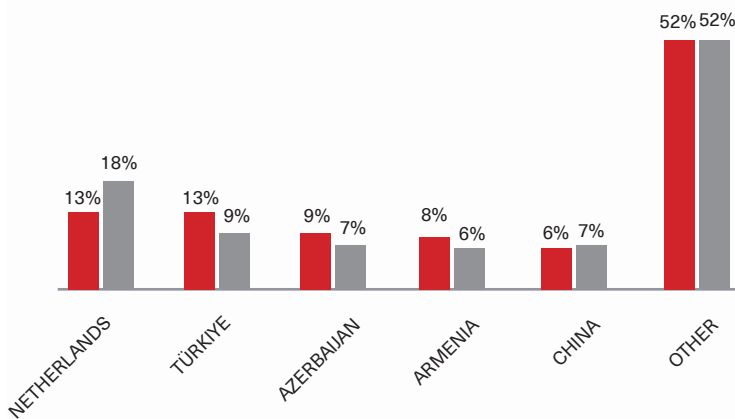
6M 2025 ■  
6M 2024 ■



### DESTINATION COUNTRIES

Percentage share in total volume (tons)

6M 2025 ■  
6M 2024 ■



## MAIN PRODUCT TYPES AND DIRECTIONS IN THE SECOND QUARTER OF 2025

Petroleum products include heavy fuel oil, light fuel oil, diesel fuel, aviation fuel, gas oil, special petrol and petroleum coke.

Heavy fuel oil – is primarily transported along the Kazakhstan-Netherlands route (74%), the Kazakhstan-Türkiye route (13%) and the Kazakhstan-Black Sea Ports route (8%).

Light fuel oil – is mainly transported via the Turkmenistan-Black Sea Ports route (71%) and the Azerbaijan-Black Sea Ports route (23%).

Diesel fuel – is primarily transported along the Russia-Armenia route (51%), the Azerbaijan-Black Sea Ports route (36%) and the Russia-Azerbaijan route (11%).

Aviation fuel – is primarily transported along the Türkiye-Armenia route (36%), the Israel-Armenia route (21%), the Greece-Armenia route (18%), the Romania-Armenia route (11%).

Gas oil – is mainly transported on the Uzbekistan-USA route (32%), the Kazakhstan-Netherlands route (27%), the Azerbaijan-Türkiye route (23%) and the Azerbaijan-Black Sea

Ports route (11%).

Special petrol – is primarily transported on the Russia-Armenia route (36%), the Egypt-Armenia route (26%) and the Romania-Armenia route (23%).

Petroleum coke – is mainly transported on the Azerbaijan-China route (88%) and the Azerbaijan-Egypt route (12%).

Carbamide – is mainly transported along the Turkmenistan-Black Sea Ports route (40%), the Azerbaijan-Ukraine route (15%) and the Azerbaijan-Canada route (12%).

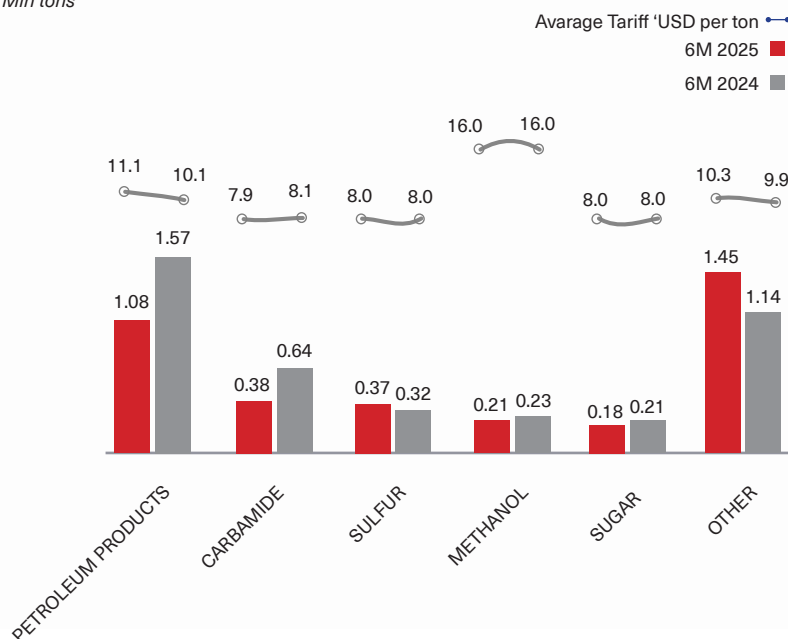
Sulfur – 99% of the product is transported via the Turkmenistan-Black Sea Ports route.

Methanol – is primarily transported on the Azerbaijan-Türkiye route (27%), the Azerbaijan-Italy route (22%), the Azerbaijan-Slovenia route (9%), the Azerbaijan-Spain route (8%).

Sugar – is primarily transported along the Brazil-Azerbaijan route (79%), the Brazil-Uzbekistan route (11%) and the Brazil-Kazakhstan route (10%).

### MAIN TRANSIT PRODUCT TYPES

Mln tons



## IMPORT TRANSPORTATION

Import represents the movement of cargo from foreign countries into Georgia. The share of imported cargo in total transported volume was around 25% in the first six

months of 2025, compared to 20% in the same period of the previous year.

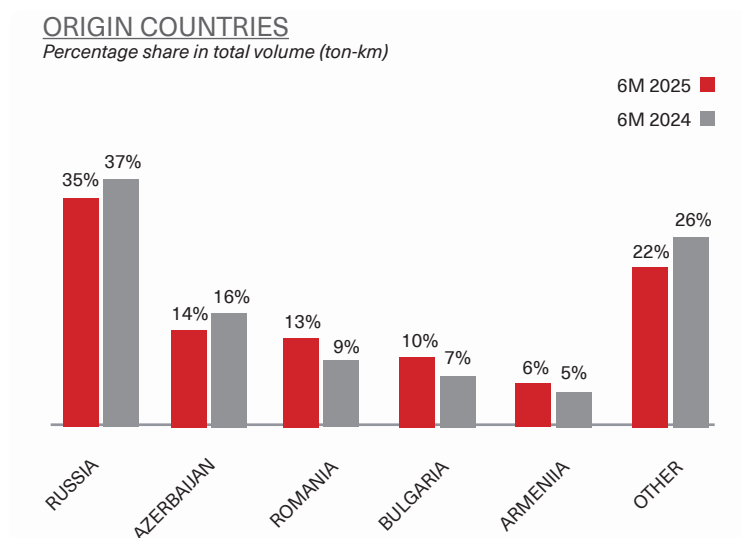
6 month period ended 30 June	TOTAL		CHANGE	
	6M 2025	6M 2024	%	% constant currency
Revenue (million GEL)	29.6	25.9	14.3	11.4
Freight Volume (million tons)	1.6	1.4	14.2	NA
Freight Turnover (million ton-km)	222.2	184.2	20.6	NA
Revenue / ton-km (in Tetri)	13.32	14.05	(5.2)	(7.7)

## MAIN FACTORS INFLUENCING PERFORMANCE

Freight turnover – 21% increase in freight turnover primarily was driven by increased transportation from Romania, Bulgaria, Russia, Kazakhstan and Armenia by 12.8 million tkm, 9.7 million tkm, 8.2 million tkm, 6.0 million tkm and 5.1 million tkm, respectively, in the first six months of 2025, compared to the same period of the previous year.

rency in the first six months of 2025 was driven by an increased share of transportation from Romania, 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 the previous year.

Revenue / ton-km (in Tetri) – 8% decrease in constant cur-





MAIN PRODUCT TYPES AND DIRECTIONS IN THE SECOND QUARTER OF 2025

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

Motor fuel - 96% of the product is imported from Russia, mostly intended to meet the domestic demand.

Bitumen - primarily imported from Russia (67%) and Turkmenistan (33%) to Rustavi and primarily used in the production of construction materials.

Diesel fuel - is sourced mainly from Russia (85%) to fulfill local demand.

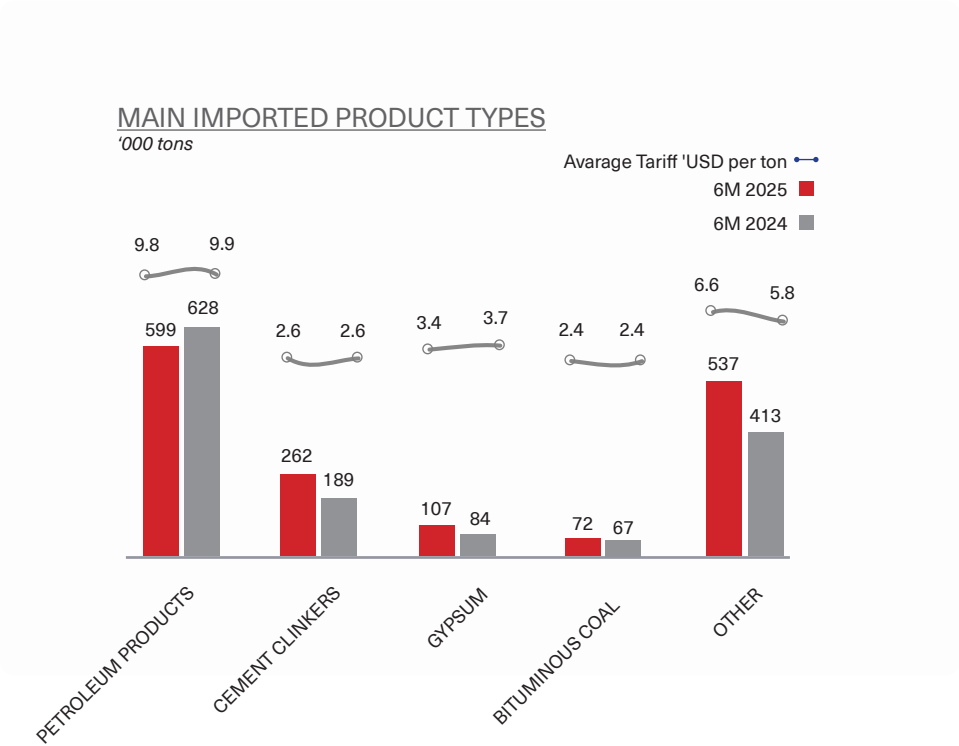
Aviation fuel - imported from Romania (56%) and Türkiye (32%), is predominantly used by domestic aviation companies in Georgia.

Special petrol - primarily imported from Bulgaria (66%) and Romania (28%), is intended for domestic use.

Cement clinkers - sourced from Azerbaijan, are mostly distributed to Rustavi (56%) and Kaspi (27%), where local cement factories are located.

Gypsum - imported from Azerbaijan and is allocated to Kaspi (37%) and Rustavi (32%), while 29% is sent to Tbilisi, where plasterboards are produced.

Bituminous coal - is imported from Russia and distributed to Rustavi and Kaspi, with distribution shares of 49% and 49%, respectively.



## EXPORT TRANSPORTATION

Export refers to the transportation of goods from Georgia to international directions. The share of exported cargo in the total transported volume was around 9% in the first six

months of 2025, compared to 8% in the same period of the previous year.

6 month period ended 30 June	TOTAL		CHANGE	
	6M 2025	6M 2024	%	% constant currency
Revenue (million GEL)	16.7	14.8	12.7	9.8
Freight Volume (million tons)	0.5	0.5	(2.2)	NA
Freight Turnover (million ton-km)	152.3	153.5	(0.8)	NA
Revenue / ton-km (in Tetri)	10.93	9.63	13.6	10.7

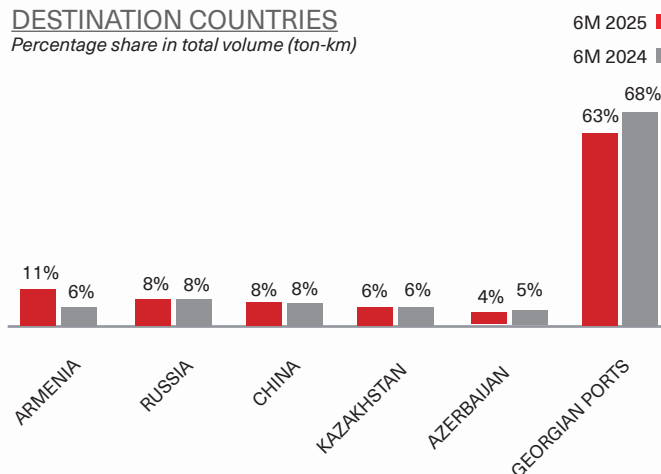
## MAIN FACTORS INFLUENCING PERFORMANCE

**Freight turnover** – In the first six months of 2025, a 1% decrease in freight turnover primarily was driven by decreased transportation to Georgian ports by 12.7 million tkm, compared to the same period of the previous year. However, this decrease was partially offset by increased transportation to Armenia by 8.1 million tkm.

**Revenue / ton-km (in Tetri)** – 11% increase in constant currency in the first six months of 2025 was driven by a higher share of transportation to Armenia, which is relatively more profitable direction. Meanwhile, the share of transportation to Georgian ports, which is relatively less profitable direction, decreased compared to the same period of the previous year.

### DESTINATION COUNTRIES

Percentage share in total volume (ton-km)



## MAIN PRODUCT TYPES AND DIRECTIONS IN THE SECOND QUARTER OF 2025

**Ammonium nitrate** – is exported from Rustavi, where the fertilizer factory is located, to Poti Sea Port (95%) and Armenia (5%).

**Mineral waters** – mainly sourced from Borjomi, where one of the largest bottlers is located and are distributed to Russia (58%), Kazakhstan (29%) and Uzbekistan (10%).

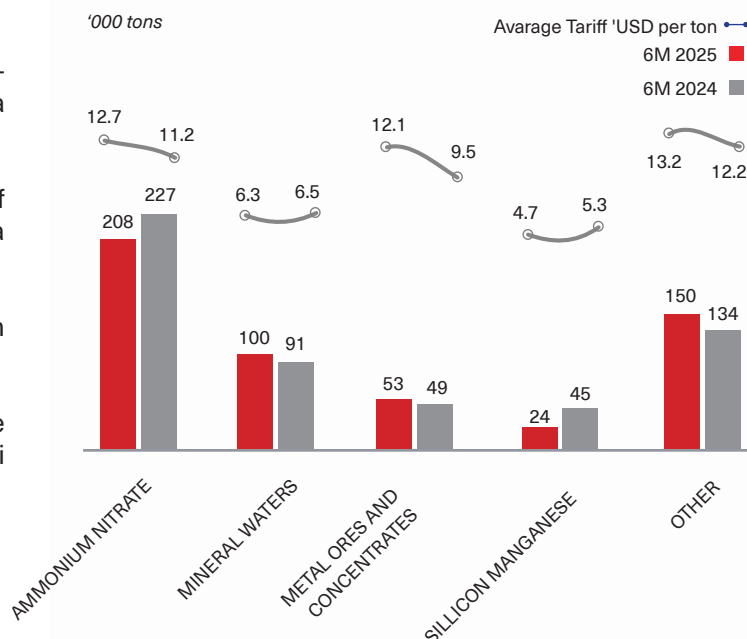
**Metal ores and concentrates** – are fully transported from Tbilisi to China (72%) and Bulgaria (28%).

**Silicon manganese** – is sourced from Zestaponi, where the ferroalloys plant is located and is fully transported to Batumi Sea Port.

### MAIN EXPORTED PRODUCT TYPES

'000 tons

Average Tariff 'USD per ton



## 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

8% in the first six months of 2025, compared to 12% in the same period of the previous year.

6 month period ended 30 June	TOTAL		CHANGE	
	6M 2025	6M 2024	%	% constant currency
Revenue (million GEL)	6.8	8.1	(16.1)	(18.3)
Freight Volume (million tons)	0.5	0.8	(38.3)	NA
Freight Turnover (million ton-km)	57.4	80.8	(28.9)	NA
Revenue / ton-km (in Tetri)	11.87	10.05	18.1	15.0

### MAIN FACTORS INFLUENCING PERFORMANCE

**Freight turnover** – A 29% decrease in freight turnover was primarily attributed to a reduction in transportation along Dedoplistskaro-Rustavi and Chiatura-Zestaponi routes in the first six months of 2025, compared to the same period of the previous year.

**Revenue / ton-km (in Tetri)** – 15% increase in the first six months of 2025 was mostly driven by increased transportation share of petroleum products (relatively more profitable product) while the share of limestone decreased (relatively less profitable product).

### MAIN PRODUCT TYPES AND DIRECTIONS IN THE SECOND QUARTER OF 2025

Petroleum products include motor petrol, diesel fuel, special fuel and gas oil.

**Motor petrol** – is distributed primarily to Tbilisi and its surroundings (Gachiani, Vaziani, Veli and Lilo) (73%) and Samtredia (16%) for domestic use.

**Diesel fuel** – is distributed to Tbilisi and its surroundings (Avchala, Gachiani, Vaziani, Veli and Lilo) (54%), Samtredia (18%) and Batumi (16%) for domestic use.

**Special fuel** – is distributed to Tbilisi and its surroundings (Avchala and Lilo) (63%), Samtredia (18%) and Dzegvi (13%) primarily for domestic use.

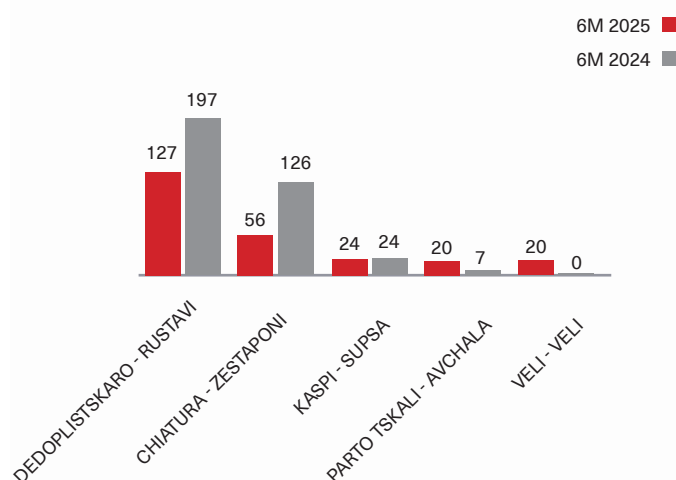
**Gas oil** – is transported from Parto Tskali to Tbilisi and its surroundings (Avchala and Lilo) (66%) and Samtredia (22%) primarily for domestic use.

**Limestone** – is transported from Dedoplistskaro, where open quarries are located, to Rustavi, where cement factories are situated.

**Manganese ores and concentrates** – are sourced from Chiatura, home to a manganese mine and are transported to Zestaponi, where ferroalloy factories are located.

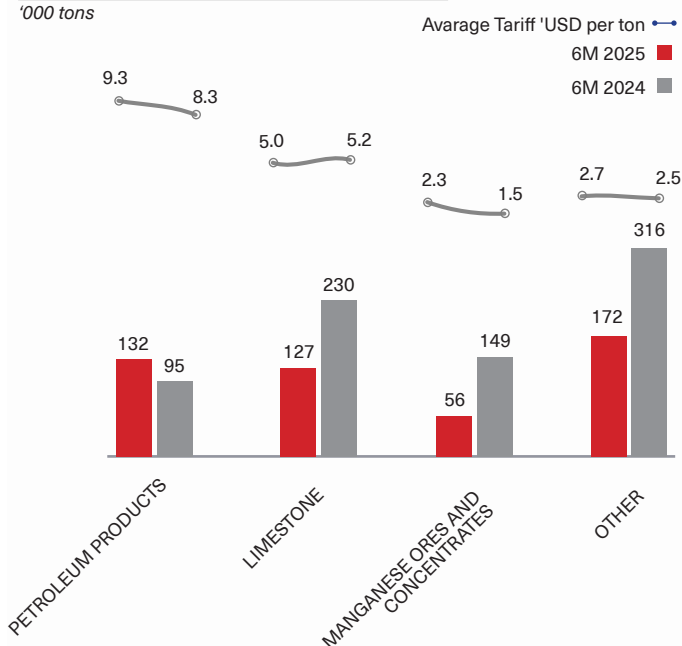
### MAIN ROUTES OF DOMESTIC TRANSPORTATION

'000 tons



### MAIN DOMESTIC PRODUCT TYPES

'000 tons





# 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, 75% of

incoming freight arrives through land border crossings, underscoring the significance of the East-West transportation axis. On the other hand, 72% of outgoing cargo is shipped from ports, emphasizing the role of maritime transport via the Black Sea. This data highlights that the primary route or 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.*

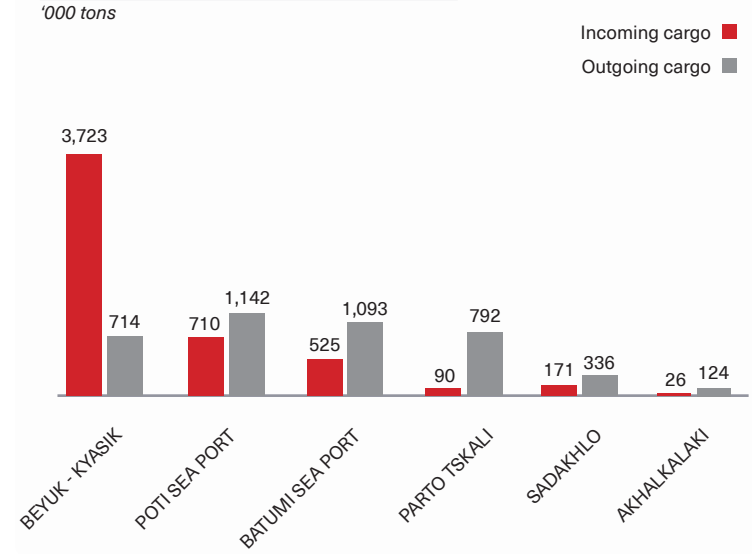
### RAILWAY FREIGHT VOLUMES BY THE BORDER CROSSINGS

**Incoming rail volume** - The main entry point for incoming cargo was the Beyuk-Kyasik station, which accounted for 71% of the total incoming cargo and 95% of the cargo arriving from land border crossings. A relatively smaller proportion of the overall incoming cargo, with shares of 14% and 10%, was transported from the Poti Sea Port and Batumi Sea Port, respectively.

**Outgoing rail volume** – 72% of outgoing cargoes leave the country through Batumi Sea Port, Poti Sea Port and Parto Tskali. Conversely, Beyuk-Kyasik serves as the primary land departure point, representing 17% of the total volume leaving the country and facilitating 61% of the entire volume departing via land borders.

FREIGHT BY BORDER CROSSINGS

'000 tons



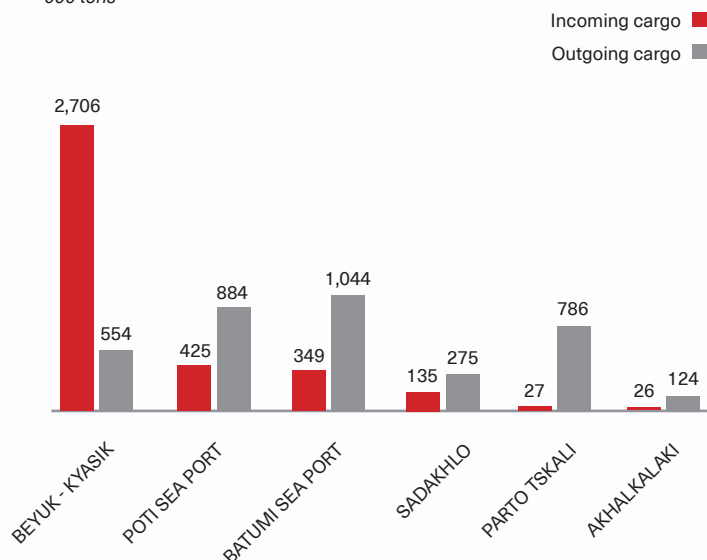
## BORDER CROSSINGS OF TRANSIT PRODUCTS

In the first six months of 2025, Beyuk-Kyasik station received the largest portion of incoming volume, accounting for 74%, down from 77% in the same period of the previous year. The primary countries of origin for these cargoes were Kazakhstan (948 thousand tons), Turkmenistan (711 thousand tons) and Azerbaijan (682 thousand tons).

Meanwhile, Black Sea Ports handled the majority of outgoing volume comprising 75% of the total in the first six months of 2025, down from 80% in the same period of the previous year. The main destinations for these cargoes were Netherlands (475 thousand tons), Azerbaijan (337 thousand tons) and Armenia (275 thousand tons).

## TRANSIT BORDER CROSSING

'000 tons



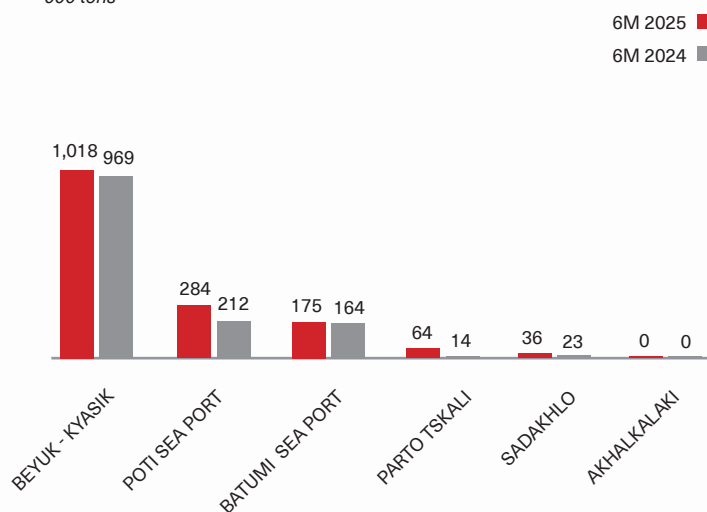
## BORDER CROSSINGS OF IMPORTED PRODUCTS

In the first six months of 2025, Beyuk-Kyasik station handled 65% of total imports, down from 70% in the same period of the previous year. Russia was the main origin country of the station, primarily transporting petroleum products (456 thousand tons), while Azerbaijan mainly transported cement clinkers (424 thousand tons).

Meanwhile, Black Sea Ports accounted for 33% of total imports in the first six months of 2025, up from 28% in the same period of the previous year. Russia, Romania and Bulgaria primarily used Black Sea Ports for transporting petroleum products, with volumes of 200 thousand tons, 99 thousand tons and 97 thousand tons, respectively.

## IMPORT BORDER CROSSING

'000 tons



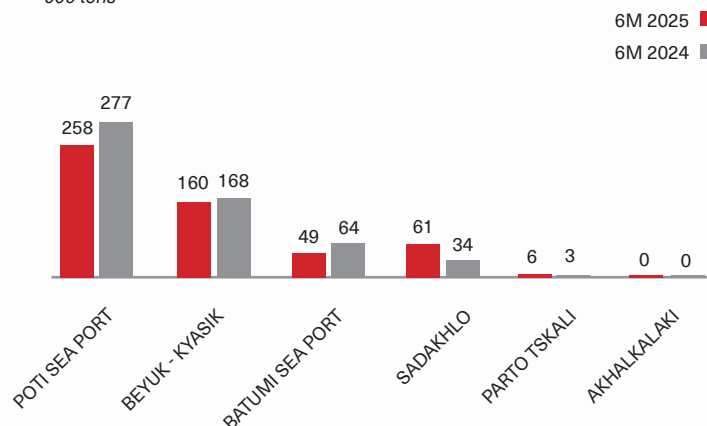
## BORDER CROSSINGS OF EXPORTED PRODUCTS

In the first six months of 2025, Black Sea Ports handled 61% of total exports, up from 58% in the same period of the previous year. The main exported goods were ammonium nitrate (198 thousand tons) and silico manganese (24 thousand tons).

Beyuk-Kyasik station accounted for 30% of total exports in the first six months of 2025, down slightly from 31% in the same period of the previous year. The main destinations for cargo exported through this station were Russia (60 thousand tons) and Kazakhstan (48 thousand tons), mainly consisting of mineral water.

## EXPORT BORDER CROSSING

'000 tons



## CONTAINER TRANSPORTATION

Approximately 13% of the total transported volume in the first six months of 2025 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.

<i>6 month period ended 30 June</i>	<b>6M 2025</b>	<b>6M 2024</b>	<b>q-o-q %</b>	<b>Q2 2025</b>	<b>Q2 2024</b>	<b>y-o-y %</b>	<b>Q1 2025</b>	<b>q-o-q %</b>
NUMBER OF CONTAINERS								
20 feet	19,512	19,458	0.3	10,393	9,830	5.7	9,119	14.0
40 feet	17,970	11,522	56.0	8,245	6,234	32.3	9,725	(15.2)
TOTAL	37,482	30,980	21.0	18,638	16,064	16.0	18,844	(1.1)
NUMBER OF CONTAINERS IN TEU	55,452	42,502	30.5	26,883	22,298	20.6	28,569	(5.9)
TONS '000	795.5	600.3	32.5	401.5	316.8	26.8	394.0	1.9

<i>6 month period ended 30 June</i>	<b>6M 2025</b>	<b>6M 2024</b>	<b>q-o-q %</b>	<b>Q2 2025</b>	<b>Q2 2024</b>	<b>y-o-y %</b>	<b>Q1 2025</b>	<b>q-o-q %</b>
REVENUE (GEL '000)								
20 feet containers	10,589	9,411	12.5	5,620	4,493	25.1	4,969	13.1
40 feet containers	8,995	5,420	66.0	4,128	2,878	43.4	4,867	(15.2)
TOTAL	19,584	14,831	32.1	9,748	7,372	32.2	9,836	(0.9)
AVERAGE TARIFF IN GEL								
20 feet containers	542.7	483.7	12.2	540.8	457.1	18.3	544.9	(0.8)
40 feet containers	500.6	470.4	6.4	500.7	461.7	8.4	500.5	0.0
AVERAGE TARIFF IN GEL	522.5	478.7	9.1	523.0	458.9	14.0	522.0	0.2

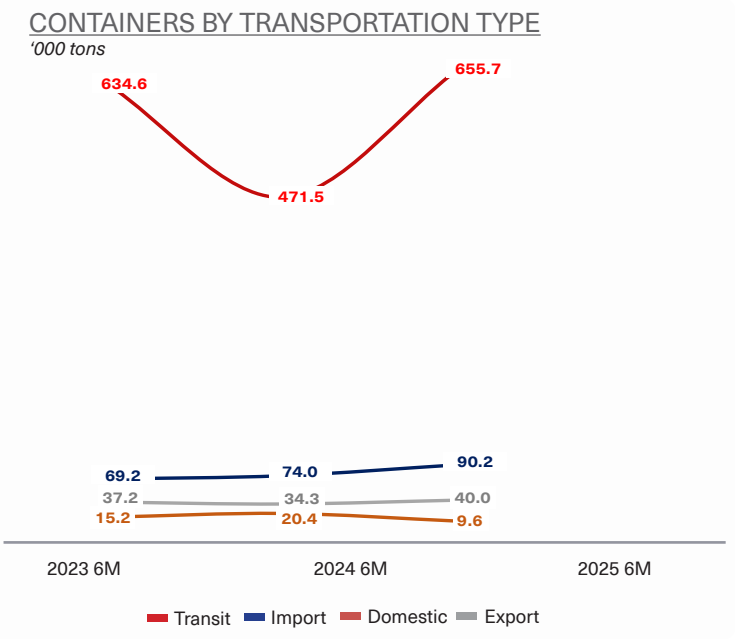
\*Average tariff represents revenue divided by number of containers



The Group's container transportation consists of transit, import, export and domestic transportation routes. The split between mentioned directions in the first six months of 2025 was about 82%, 11%, 5% and 1%, respectively, compared to 79%, 12%, 6% and 3%, respectively, in the same period of the previous year.

Number of containers – 21% increase was due to a rise in the number of containers transported from Kazakhstan by 4.3 thousand units and from China by 1.7 thousand units in the first six months of 2025, compared to the same period of the previous year.

Average tariff on containers (in GEL) - 9% increase was mainly due to increased number of containers transported to China, which is relatively more profitable direction, while the number of containers transported to Georgian ports, which is relatively less profitable direction, decreased in the first six months of 2025, compared to the same period of the previous year.



## 1.2 FREIGHT HANDLING

### General description

Freight handling revenue stems from the following sources:

- | Revenue from station services, such as railcar marshaling, freight pick-up, delivery at customer facilities and other related services;
- | Revenue from 24-hour railcar delays, for which a fee is paid by customers for the return of GR's own railcar after an initial 24 hours following its delivery at an agreed destination; and
- | Revenue from other services, such as cargo loading/unloading, storage and accelerated service fees.

### Currency and tariff setting

Most of the freight handling revenue (about 62% in 2025) was denominated in USD, while the rest was denominated in GEL. The Group sets its tariffs independently.

### Drivers

The revenue from this source largely changes in line with transportation volumes (in tons). The correlation, however, is not perfect as there are many other influential factors.

## FREIGHT HANDLING

<i>GEL '000</i>	<b>TOTAL</b>		<b>CHANGE</b>	
<i>6 month period ended 30 June</i>	<b>6M 2025</b>	<b>6M 2024</b>	<b>%</b>	<b>Absolute</b>
STATION SERVICES	28,614	28,552	0.2	63
24-HOUR SERVICE	16,785	12,789	31.2	3,996
OTHER	572	633	(9.7)	(61)
<b>TOTAL</b>	<b>45,971</b>	<b>41,974</b>	<b>9.5</b>	<b>3,998</b>

### Factors influencing performance

An 9.5% increase during the six month ended 30 June 2025, compared to the same period of the previous year, was mainly driven by a GEL 4.0 million increase in revenue from 24-hour services.

## 1.3 LOGISTICAL SERVICES

### General description

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

### Drivers

Revenue from this source mainly fluctuates based on transportation turnover and volumes measured in tons.

### Currency and tariff setting

Almost 100% of revenue from logistical services is in USD.

## LOGISTICAL SERVICE REVENUE

<i>GEL '000</i>	<b>TOTAL</b>		<b>CHANGE</b>	
<i>6 month period ended 30 June</i>	<b>6M 2025</b>	<b>6M 2024</b>	<b>%</b>	<b>Absolute</b>
LOGISTICAL SERVICE REVENUE	52,889	66,763	(20.8)	(13,874)

## Factors influencing performance

In the first six months of 2025, compared to the same period in 2024, revenue from logistics services decreased by 20.8% (GEL 13.9 million).

### 1.4 FREIGHT CAR CROSS-BORDER CHARGES

#### 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 CHARGES

<i>GEL '000</i>	<b>TOTAL</b>		<b>CHANGE</b>	
	<b>6M 2025</b>	<b>6M 2024</b>	<b>%</b>	<b><i>Absolute</i></b>
<i>6 month period ended 30 June</i>				
FREIGHT CAR CROSS-BORDER CHARGES	7,038	7,907	(11.0)	(869)

## Factors influencing changes

In the first six months of 2025, compared to the same period in 2024, Freight car cross-border charges decreased

by 11%. The decrease is mainly due to reduced transportation of tank cars and grain carriers.

### 1.5 PASSENGER TRAFFIC

#### General description

Passenger transportation comprises domestic and international services. Domestic transportation includes regional and long-distance transportation. Long-distance traffic accounts for the majority of the Group's passenger traffic, while the regional services, in particular suburban services, typically serve the low-income segments of society, with symbolic/minimal ticket fares. Georgian rail lines are linked to Azerbaijan and Armenia and international transportation services are provided to both countries.

#### Currency and tariff setting

Tariffs for domestic trains are set independently by the Group, in GEL. As a social partner to the Government of Georgia, the Group's maintains affordable passenger transportation services by setting tariffs much below its market

prices. At the same time, GR maintains certain passenger trains even when such routes are not economically feasible. 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.

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

#### Drivers

Passenger revenue changes in line with the tariffs and the number of passengers transported.



## PASSENGER TRANSPORTATION

GEL '000	TOTAL		CHANGE	
6 month period ended 30 June	6M 2025	6M 2024	%	Absolute
REVENUE FROM PASSENGER TRANSPORTATION	13,448	16,755	(19.7)	(3,306)
GRANT REVENUE	4,269	-	100.0	4,269
NUMBER OF PASSENGERS '000	777	991	(21.5)	(214)
Revenue per passenger (GEL)	17.30	16.91	2.3	0.4

### Factors influencing performance

Revenue from passenger transportation declined by 19.7% in the first six months of 2025 compared to the same period in 2024. The decrease was primarily driven by a reduction on mainline passengers by 24% and domestic passengers by 17%.

way received compensation of GEL 4.3 million under the Public Service Contract (PSC), which is an agreement between JSC Georgian Railway and the Government of Georgia to compensate the losses incurred on unprofitable passenger routes.

In 6 month period ended 30 June, 2025, JSC Georgian Rail-

## 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: continuing

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	
6 month period ended 30 June	6M 2025	6M 2024	%	Absolute
CONTINUING OPERATIONS	961	8,037	(88.0)	(7,077)
NON-CONTINUING OPERATIONS	925	7,052	(86.9)	(6,127)
TOTAL	1,886	15,090	(87.5)	(13,204)

### Factors influencing performance

Other income decreased by GEL 13.2 million in the six-month period ended 30 June 2025 compared to the same period of the previous year. The decline was primarily due to higher income in the prior year in continuing operations

related to proceeds from a successful litigation, as well as in non-continuing operations, driven by realization of scrap in the first six month of 2024.

## OPERATING EXPENSES

### General description

In six month period ended 30 June, 2025, total operating expenses increased by GEL 11.4 million, compared to the same period previous year. The increase was mainly caused

by a rise in employee benefits expenses, as well as security and other operating expenses and freight car cross-border charges.

### OPERATING EXPENSES BREAKDOWN

GEL '000

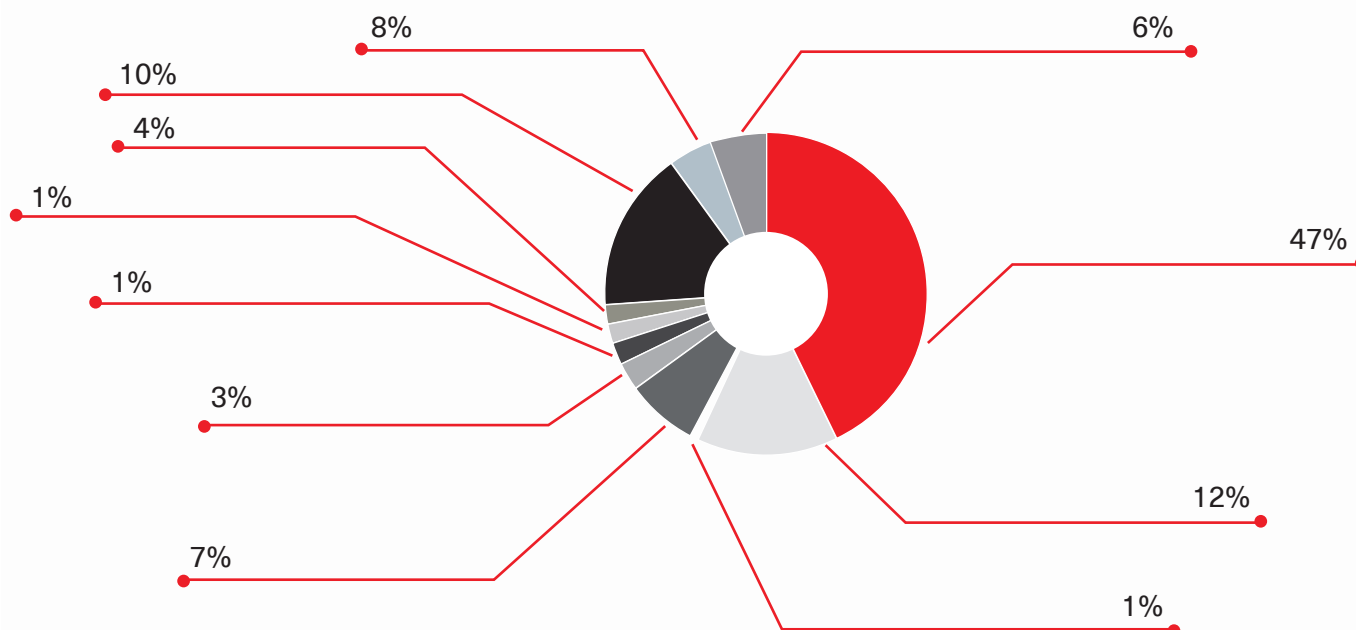
6 month period ended 30 June	Note	TOTAL		CHANGE		
		6M 2025	6M 2024	%	% Constant Currency	Absolute
EMPLOYEE BENEFITS EXPENSE	3	124,131	116,463	6.6	3.8	7,668
DEPRECIATION AND AMORTIZATION EXPENSES		31,340	31,599	(0.8)	(3.4)	(259)
IMPAIRMENT (GAIN)/LOSS ON TRADE RECEIVABLES		1,185	1,152	2.8	0.2	33
ELECTRICITY	4.1	18,976	20,299	(6.5)	(8.9)	(1,323)
MATERIALS	4.2	7,924	7,640	3.7	1.0	283
REPAIR AND MAINTENANCE	4.2	3,498	10,184	(65.7)	(66.5)	(6,687)
FUEL		3,413	3,713	(8.1)	(10.5)	(300)
FREIGHT CAR CROSS-BORDER CHARGES	5.1	10,723	6,050	77.2	72.6	4,673
LOGISTICAL SERVICES	5.2	27,074	28,795	(6.0)	(8.4)	(1,721)
SECURITY AND OTHER OPERATING EXPENSES	5.3	19,693	12,328	59.7	55.6	7,365
TAXES, OTHER THAN ON INCOME	5.4	14,236	12,593	13.0	10.1	1,643
<b>TOTAL</b>		<b>262,192</b>	<b>250,817</b>	<b>4.5</b>	<b>1.8</b>	<b>11,375</b>

### OPERATING EXPENSES BREAKDOWN (QUARTERLY)

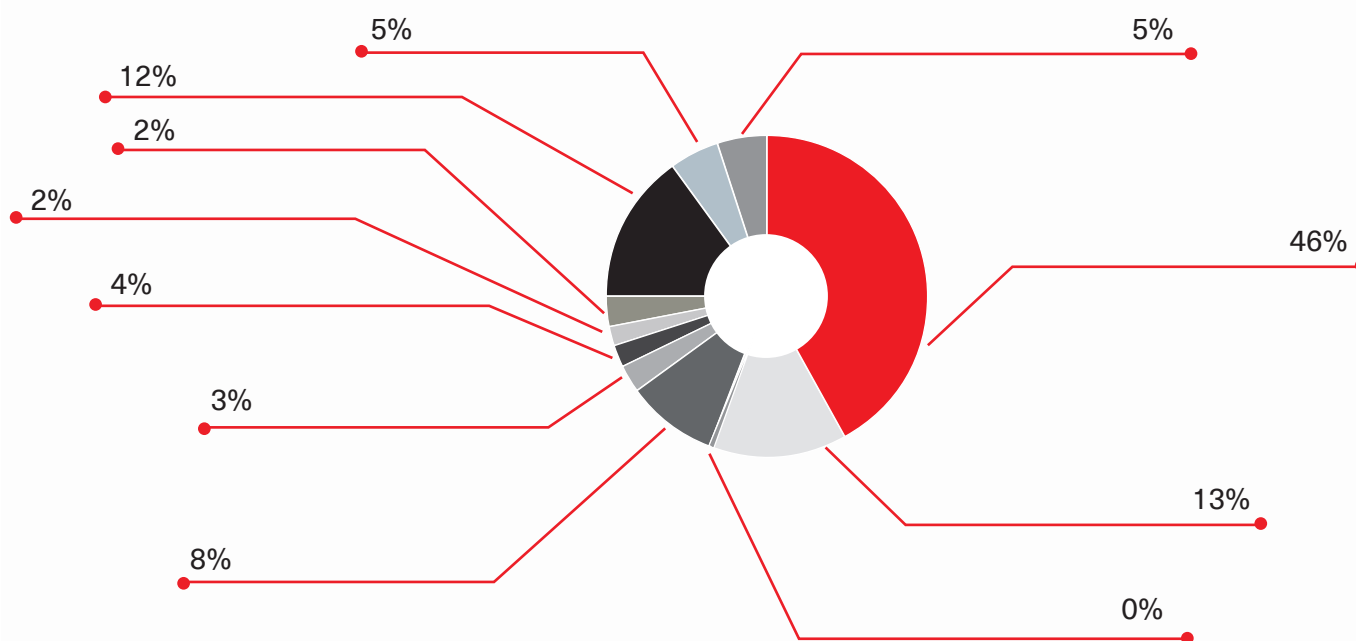
GEL '000

6 month period ended 30 June	Note	Q2 2025	Q2 2024	y-o-y	Q1 2025	q-o-q
EMPLOYEE BENEFITS EXPENSE	3	62,901	59,870	5.1	61,231	2.7
DEPRECIATION AND AMORTIZATION EXPENSES		15,693	15,243	2.9	15,647	0.3
IMPAIRMENT (GAIN)/LOSS ON TRADE RECEIVABLES		535	943	(43.2)	650	(17.6)
ELECTRICITY	4.1	8,418	9,446	(10.9)	10,559	(20.3)
MATERIALS	4.2	3,720	4,427	(16.0)	4,204	(11.5)
REPAIR AND MAINTENANCE	4.2	1,647	5,262	(68.7)	1,851	(11.0)
FUEL		1,638	1,840	(11.0)	1,775	(7.7)
FREIGHT CAR CROSS-BORDER CHARGES	5.1	5,839	3,638	60.5	4,884	19.6
LOGISTICAL SERVICES	5.2	11,291	7,958	41.9	15,783	(28.5)
SECURITY AND OTHER OPERATING EXPENSES	5.3	12,573	6,512	93.1	7,120	76.6
TAXES OTHER THAN INCOME TAX	5.4	6,931	6,484	6.9	7,304	(5.1)
<b>TOTAL</b>		<b>131,185</b>	<b>121,623</b>	<b>7.9</b>	<b>131,007</b>	<b>0.1</b>

## COST STRUCTURE FOR 6M 2025



## COST STRUCTURE FOR 6M 2024



### 3. EMPLOYEE BENEFITS EXPENSES

#### General description

JSC Georgian Railway is one of the largest corporate employers and taxpayers in Georgia. This highlights the Company's significance for the country, along with the other important economic and social benefits it provides to the nation and its employees.

The Group's salary cost is fixed and denominated in GEL. Therefore, it is not affected by changes in transported volume or the number of passengers, nor by fluctuations in foreign exchange rates.

#### EMPLOYEE BENEFITS EXPENSES

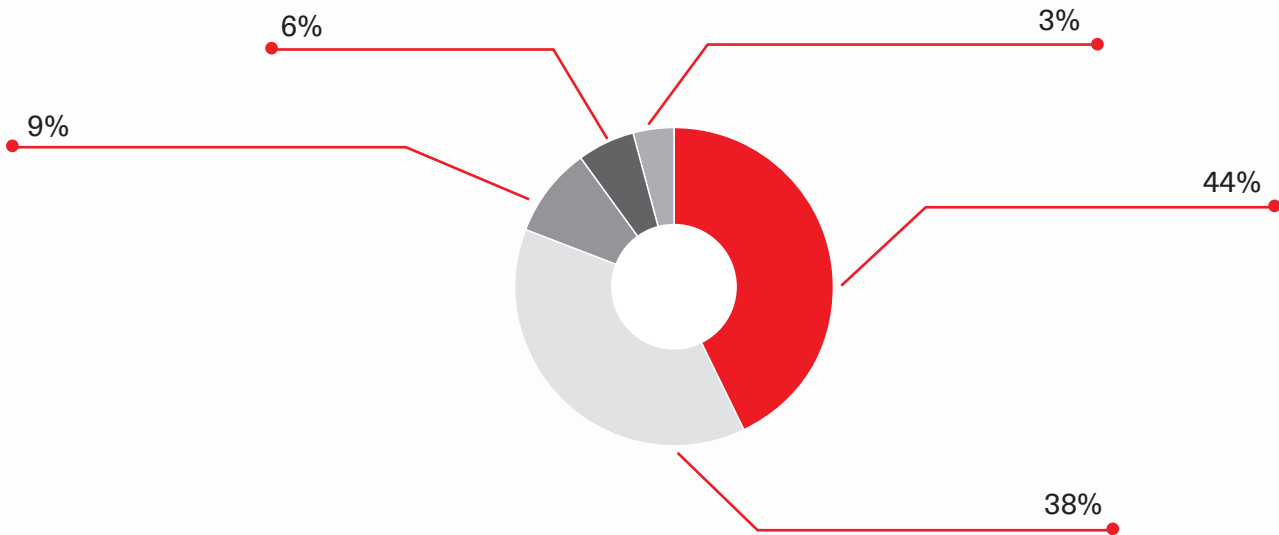
<i>GEL '000</i>	<b>TOTAL</b>		<b>CHANGE</b>	
<i>6 month period ended 30 June</i>	<b>6M 2025</b>	<b>6M 2024</b>	<b>%</b>	<i>Absolute</i>
SALARY	100,912	92,664	8.9	8,248
BONUS-REWARD	4,123	3,752	9.9	371
OTHER BENEFITS	19,096	20,047	(4.7)	(951)
<b>TOTAL</b>	<b>124,131</b>	<b>116,463</b>	<b>6.6</b>	<b>7,668</b>

#### Factors influencing changes

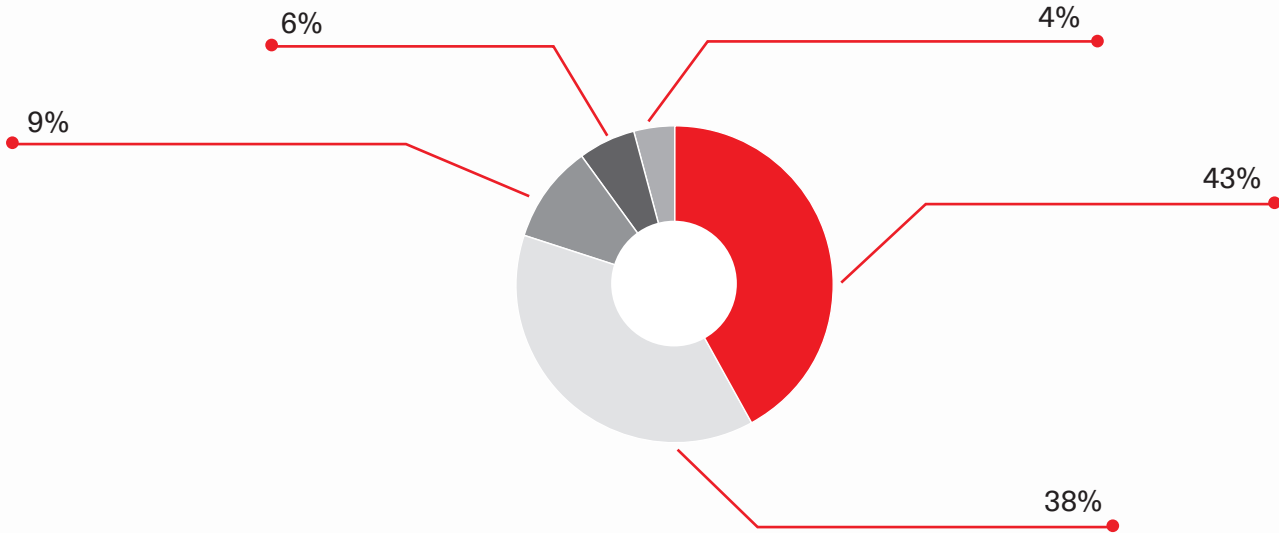
Total employee benefits expenses increased by GEL 7.7 million in first 6 month of 2025 compared to same period of

2024, mainly due to the increase in average salary by around 10% starting from January 2025.

DISTRIBUTION OF STAFF BY BUSSINESS UNITS AS AT THE END OF JUNE 2025



DISTRIBUTION OF STAFF BY BUSSINESS UNITS AS AT THE END OF JUNE 2024



- FREIGHT SBU
- PASSENGER SBU
- SUBSIDIARIES
- INFRASTRUCTURE SBU
- HEAD OFFICE



## 4.1 ELECTRICITY EXPENSES

### General description

Approximately 98% of GR's railway network is electrified. Before September 2011, the Company purchased most of its electricity on the open market in Georgia. However, in September 2011, the Company entered into a 10-year agreement for the purchase of electricity with fixed tariffs (the "Electricity Agreement"), securing a price for more than 90% of the Company's needs. The remaining amount was procured on the open market. The Electricity Agreement expired in September 2021 however and since then the Company has been purchasing electricity on the open market

with tariffs denominated in GEL.

Electricity expenses are split into two categories: electricity expenses for traction, which is driven by transportation turnover (the Group uses electric locomotives for freight transportation, 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	
6 month period ended 30 June	6M 2025	6M 2024	%	Absolute
ELECTRICITY EXPENSES FOR TRACTION	15,921	17,469	(8.9)	(1,548)
UTILITY EXPENSES	3,055	2,830	7.9	225
TOTAL	18,976	20,299	(6.5)	(1,323)

### Factors influencing changes

Total electricity expenses decreased by approximately 6.5% (GEL 1.3 million) in 2024, compared to 2023. This reduction was mainly driven by GEL 1.5 million decrease in electricity

expenses of traction, which in term was due to decrease in cargo transportation by 8% during the six months period of 2025, compared to the same period of 2024.

### PURCHASED ELECTRICITY AND WEIGHTED AVERAGE TARIFF

GEL '000	6M 2025			6M 2024		
6 month period ended 30 June	GWh	Gross ton-km (million)	Weighted av. tariff (GEL)	GWh	Gross ton-km (million)	Weighted av. tariff (GEL)
JANUARY	12.9	597.6	0.245	12.5	551.6	0.232
FEBRUARY	10.7	485.4	0.245	12.6	592.9	0.235
MARCH	11.3	519.5	0.246	13.2	599.8	0.235
APRIL	11.5	543.0	0.231	12.3	580.8	0.232
MAY	11.8	562.4	0.199	13.6	665.8	0.199
JUNE	11.9	578.1	0.195	13.6	664.0	0.218
TOTAL	70.2	3,286.0	0.227	77.8	3,655.0	0.225

## 4.2 MATERIALS, REPAIR AND MAINTENANCE EXPENSES

### General description

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

The Group’s materials, repair and maintenance expenses

are all tied to its rolling stock equipment balance, its utilization level and its transportation volume. When transportation by the Group’s rolling stock increases, so too do the expenses for materials, repairs and maintenance. However, this expense can also decreased when there is an increase in capital expenditures on the fleet and infrastructure, which thus reduces the need for repairs and maintenance.

### MATERIALS, REPAIR AND MAINTENANCE EXPENSES

GEL '000	TOTAL		CHANGE	
6 month period ended 30 June	6M 2025	6M 2024	%	Absolute
MATERIALS EXPENSES	7,924	7,640	3.7	283
REPAIR AND MAINTENANCE EXPENSES	3,498	10,184	(65.7)	(6,687)
TOTAL	11,421	17,825	(35.9)	(6,404)

### Factors influencing changes

In the first six months of 2025, material, repair and maintenance expenses decreased by GEL 6.4 million, primarily driven by a GEL 6.7 million reduction in repair and maintenance costs.

This decline was due to higher expenditures on machinery and rolling stock repairs during the same period of 2024.

## 5.1 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	
6 month period ended 30 June	6M 2025	6M 2025	%	Absolute
FREIGHT CAR CROSS-BORDER CHARGE	10,723	6,050	77.2	4,673

### Factors influencing changes

Freight car cross-border charge expenses increased by 77.2% (GEL 4.7 million) in the first six months of 2025, compared to the same period of the previous year, primarily due

to increased usage of semi-wagons and platform cars of foreign railways.

## 5.2 LOGISTICAL SERVICE EXPENSES

### General description

Expenses for logistical services refer to costs incurred by the Group's logistics business for international transportation and/or for other modes of transport.

### LOGISTICAL SERVICE EXPENSES

GEL '000	TOTAL		CHANGE	
6 month period ended 30 June	6M 2025	6M 2024	%	Absolute
LOGISTICAL SERVICE EXPENSES	27,074	28,795	(6.0)	(1,721)

### Factors influencing changes

Logistical service expenses declined by 6.0% (GEL 1.7 million) in the first six months of 2025 compared to the same period in 2024.

*\*Logistical revenue and expenditure should be taken into consideration jointly (see pg. 18 Logistical Service Revenue).*

## 5.3 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	
6 month period ended 30 June	6M 2025	6M 2024	%	Absolute
SECURITY	7,397	6,036	22.5	1,361
OTHER OPERATING EXPENSES	12,295	6,292	95.4	6,004
TOTAL	19,693	12,328	59.7	7,365

### Factors influencing changes

Security and other operating expenses increased by GEL 7.4 million in the first six months of 2025 compared to the same period in 2024. The increase was mainly due to higher

law provisions in other category, as well as increased tariff on security service.

## 5.4 TAXES, OTHER THAN ON INCOME

### General description

Land tax is determined by the municipalities in which the land is located, while property tax is calculated at 1% of the average book value of the asset. Railway infrastructure as-

sets, such as rail and transmission lines, are exempt from property tax.

### TAXES, OTHER THAN ON INCOME

GEL '000	TOTAL		CHANGE	
6 month period ended 30 June	6M 2025	6M 2024	%	Absolute
PROPERTY TAX	6,119	5,966	2.6	152
LAND TAX	6,087	5,705	6.7	382
OTHER TAXES	2,030	534	280.0	1,496
TOTAL	14,236	12,593	13.0	1,643

### Factors influencing changes

Taxes, other than on income increased by GEL 1.6 million in the first six months of 2025 compared to the same period in 2024. The increase was mainly driven by a GEL 1.5 million rise in other taxes, primarily due to higher customs

fees. These fees are reimbursed by customers, with the related revenue offsetting the expense and resulting in no net financial impact.

## 6. SHARE OF RESULTS OF EQUITY ACCOUNTED INVESTEEES

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.

### SHARE OF RESULTS OF EQUITY ACCOUNTED INVESTEEES

GEL '000	TOTAL		CHANGE	
6 month period ended 30 June	6M 2025	6M 2024	%	Absolute
Share of results of equity accounted investees	6,427	-	100.0	6,427

### Factors influencing changes

The Group's profit from its associate Gardabani TPP amounted to GEL 6.4 million in the six months ended 30 June 2025.

\* The Company began consolidating its share of profit from the investee starting from the third quarter of 2024.

## 7. 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.

Finance cost mainly entails 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, however,

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 revenues are mostly denominated in hard currencies (USD and CHF). As most of the tariffs are set in USD, the Group's revenue creates a natural economic hedge against foreign exchange fluctuations.

### FINANCE INCOME AND COST

GEL '000

6 month period ended 30 June

	TOTAL		CHANGE	
	6M 2025	6M 2024	%	Absolute
INTEREST INCOME	12,038	11,730	2.6	307
IMPAIRMENT GAIN/(LOSS) ON FINANCIAL ASSETS	(399)	328	(221.8)	(727)
INTEREST EXPENSE	(29,130)	(29,223)	(0.3)	93
NET FOREIGN EXCHANGE GAIN/(LOSS)	40,419	(55,649)	(172.6)	96,068
NET FINANCE INCOME/(COST)	22,927	(72,814)	(131.5)	95,741

### Factors influencing changes

In the first six months ended 30 June 2025 the Group showed GEL 22.9 million net finance income, compared to net finance loss of GEL 72.8 million in the same period of 2024. The difference of GEL 95.7 million was mainly due to the fluctuation of GEL against foreign currencies.

The Group recorded a net foreign exchange gain of GEL 40.4 million in the six-month period ended 30 June 2025,

due to a 3.1 percent appreciation of the GEL against the USD (GEL/USD exchange rate of 2.7236 versus 2.8101 as of 30 June 2025 and 31 December 2024, respectively). Conversely, in the six-month period ended 30 June 2024, the Group experienced a net foreign exchange loss of GEL 55.6 million, resulting from a 4.5 percent depreciation of the GEL against the USD (GEL/USD exchange rate of 2.8101 versus 2.6894 as of 30 June 2024 and 31 December 2023, respectively).



## II. BALANCE SHEET

GEL '000	TOTAL		CHANGE	
	30-Jun-2025	31-Dec-2024	%	Absolute
<b>TOTAL ASSETS</b>	2,618,967	2,584,842	1.3	34,125
CHANGES ARE MAINLY DUE TO:				
PROPERTY, PLANT AND EQUIPMENT	1,992,433	1,971,748	1.0	20,685
INVESTMENT IN GOVERNMENT BONDS	7,979	-	100.0	7,979
TRADE AND OTHER RECEIVABLES	44,894	27,870	61.1	17,024
TERM DEPOSIT	44,784	-	100.0	44,784
CASH AND CASH EQUIVALENTS	245,484	318,300	(22.9)	(72,816)
<b>TOTAL LIABILITIES</b>	1,617,385	1,648,524	(1.9)	(31,139)
CHANGES ARE MAINLY DUE TO:				
LOANS AND BORROWINGS (LT)	1,364,109	1,411,083	(3.3)	(46,974)
TRADE AND OTHER PAYABLES (LT)	38,356	34,922	9.6	3,364
TRADE AND OTHER PAYABLES (ST)	121,189	117,610	3.0	3,579

### Factors influencing changes

Property, plant and equipment – GEL 20.7 million increase in property, plant and equipment was primarily due to the capitalization of locomotive repair costs.

Investment in Government bonds – GR acquired 2.75% coupon rate Government Bonds in the second quarter of 2025, which matures in April 2026. The investment will generate additional interest income for the Company.

Trade and other receivables – GEL 17.0 million increase was due to higher receivables of the Company's subsidiary.

Loans and borrowings (LT) – GEL 47.0 million decrease in long-term borrowings was mainly due to GEL appreciation against USD (see pg. 31 Finance Income and Cost).

Trade and other payables (LT) – GEL 3.4 million increase due to reclassification of the payables related to the Modernization Project from short-term to long-term payables.

Trade and other payables (ST) – GEL 3.6 million increase in trade and other payables was mainly due to higher amounts of guarantees withheld from contractors.

*\*For the information on cash and cash equivalents, please refer to page 38 Cash Flow Statement.*

### III. CASH FLOW STATEMENT

By the end of 30 June, 2025, the Group held GEL 246.0 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 costs re-

lated to Modernization Project, which was finalized in 2024. The Group mainly relies on its cash generated from operating activities for funding its current and future cash requirements.

#### OPERATING ACTIVITIES

<i>GEL '000</i>	<b>TOTAL</b>		<b>CHANGE</b>	
<i>6 month period ended 30 June</i>	<b>6M 2025</b>	<b>6M 2024</b>	<b>%</b>	<b>Absolute</b>
CASH RECEIPTS FROM CUSTOMERS	306,151	304,691	0.5	1,460
CASH PAID TO SUPPLIERS AND EMPLOYEES	(228,598)	(213,694)	7.0	(14,904)
NET CASH FROM OPERATING ACTIVITIES	77,553	90,997	(14.8)	(13,444)

##### Factors influencing changes

Net cash from operating activities decreased by GEL 13.0 million in the first six months of 2025, compared to the same period of the previous year. The decrease was mainly driven

by higher cash outflows to suppliers and employees, primarily due to higher employee benefits expenses and increase in freight car cross-border charge.

#### INVESTING ACTIVITIES

<i>GEL '000</i>	<b>TOTAL</b>		<b>CHANGE</b>	
<i>6 month period ended 30 June</i>	<b>6M 2025</b>	<b>6M 2024</b>	<b>%</b>	<b>Absolute</b>
ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT	(70,104)	(84,843)	(17.4)	14,739
ACQUISITION OF ASSOCIATE	-	(4,343)	(100.0)	4,343
PROCEEDS FROM SALE OF PROPERTY, PLANT AND EQUIPMENT	-	5,598	(100.0)	(5,593)
INTEREST RECEIVED	12,055	11,730	2.8	325
INVESTMENT IN GOVERNMENT BONDS	(7,958)	-	100.0	(7,958)
INCREASE/DECREASE IN TERM DEPOSITS	(44,784)	(30,034)	49.1	(14,750)
INVESTMENT IN JOINT VENTURE	-	(414)	(100.0)	414
NET CASH USED IN INVESTING ACTIVITIES	(110,791)	(102,305)	8.3	(8,486)

##### Factors influencing changes

Cash used in investing activities increased by GEL 8.5 million in the first six months of 2025, compared to the same period of the previous year. This increase was mainly due to the opening of a term deposit in the amount of GEL 44.8

million (GEL 30.0 million in 2023), which matures before the yearend, when the amount will be transferred back to cash and cash equivalents.

## FINANCING ACTIVITIES

<i>GEL '000</i>	<b>TOTAL</b>		<b>CHANGE</b>	
<i>6 month period ended 30 June</i>	<b>6M 2025</b>	<b>6M 2024</b>	<b>%</b>	<b><i>Absolute</i></b>
PROCEEDS FROM BORROWINGS	501	-	100.0	501
REPAYMENT OF BORROWINGS	(5,983)	(5,837)	2.5	(146)
INTEREST PAID	(28,042)	(29,899)	(6.2)	1,857
NET CASH USED IN FINANCING ACTIVITIES	(33,524)	(35,736)	(6.2)	2,212

### Factors influencing changes

Cash used in financing activities decreased by GEL 2.2 million in the first six months of 2025, compared to the same period of the previous year, mainly due to the GEL appreciation against foreign currencies.

## APPENDIX

### APPENDIX 1

#### BREAKDOWN OF FREIGHT TRANSPORTATION IN TONS

<i>'000 tons</i>	TOTAL		CHANGE	
<i>6 month period ended 30 June</i>	6M 2025	6M 2024	%	<i>Absolute</i>
LIQUID CARGOES	2,222	2,540	(12.5)	(319)
OIL PRODUCTS	2,222	2,540	(12.5)	(319)
DRY CARGOES	4,043	4,280	(5.5)	(237)
ORES	496	541	(8.2)	(45)
GRAIN	195	62	212.3	132
FERROUS METALS AND SCRAP	195	215	(9.1)	(20)
SUGAR	188	223	(16.0)	(36)
CHEMICALS AND FERTILIZERS	710	973	(27.0)	(262)
CONSTRUCTION FREIGHT	350	477	(26.7)	(127)
INDUSTRIAL FREIGHT	319	308	3.3	10
CEMENT	45	42	7.1	3
OTHER	1,547	1,440	7.4	107
TOTAL	6,265	6,821	(8.1)	(556)

#### BREAKDOWN OF FREIGHT TRANSPORTATION IN TONS

<i>'000 tons</i>	TOTAL		CHANGE	
<i>6 month period ended 30 June</i>	6M 2025	6M 2024	%	<i>Absolute</i>
IMPORT	1,577	1,381	14.2	196
EXPORT	533	545	(2.2)	(12)
DOMESTIC	487	790	(38.3)	(303)
TRANSIT	3,668	4,105	(10.6)	(437)
TOTAL	6,265	6,821	(8.1)	(556)

## 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 2025	6M 2024	%	Absolute
LIQUID CARGOES	684	797	(14.2)	(113)
OIL PRODUCTS	684	797	(14.2)	(113)
DRY CARGOES	1,107	1,166	(5.0)	(58)
ORES	127	108	17.9	19
GRAIN	41	11	268.5	30
FERROUS METALS AND SCRAP	49	46	8.1	4
SUGAR	72	83	(13.6)	(11)
CHEMICALS AND FERTILIZERS	255	345	(26.0)	(90)
CONSTRUCTION FREIGHT	42	63	(33.9)	(21)
INDUSTRIAL FREIGHT	33	31	3.8	1
CEMENT	7	9	(17.0)	(1)
OTHER	481	469	2.5	12
TOTAL	1,791	1,963	(8.7)	(172)

### BREAKDOWN OF FREIGHT TRANSPORTATION IN TON-KILOMETERS

<i>In million ton-kilometers</i>	TOTAL		CHANGE	
<i>6 month period ended 30 June</i>	6M 2025	6M 2024	%	Absolute
IMPORT	222	184	20.6	38
EXPORT	152	153	(0.8)	(1)
DOMESTIC	57	81	(28.9)	(23)
TRANSIT	1,359	1,544	(12.0)	(185)
TOTAL	1,791	1,963	(8.7)	(172)



## APPENDIX 3

According to Condition 3 (d) of the “Terms and Conditions of the Notes” (The U.S. \$500,000,000 4% Notes due 17 June 2028 issued by Georgian Railway JSC on 10 June 2021), 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.

Given table sets forth 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:

<b>GEL '000</b>	<b>30-Jun-25</b>	<b>31-Dec-24</b>
<b>NET FINANCIAL INDEBTEDNESS AS AT:</b>		
FINANCIAL INDEBTEDNESS	1,378,043	1,425,676
LESS:		
CASH AND CASH EQUIVALENTS	245,484	318,300
TERM DEPOSITS*	44,784	-
<b>NET FINANCIAL INDEBTEDNESS:</b>	<b>1,087,775</b>	<b>1,107,376</b>
 <b>THE MOST RECENT 2 CONSECUTIVE SEMI-ANNUAL PERIOD ENDED</b>		
RESULTS FROM OPERATING ACTIVITIES	102,105	141,736
DEPRECIATION ADD-BACK	59,066	59,325
IMPAIRMENT (GAIN)/LOSS ON TRADE RECEIVABLES	3,809	3,777
SHARE OF RESULTS OF EQUITY ACCOUNTED INVESTEEES	22,165	15,738
<b>ADJUSTED EBITDA</b>	<b>187,146</b>	<b>220,576</b>
<b>NET FINANCIAL INDEBTEDNESS/ADJUSTED EBITDA</b>	<b>5.8</b>	<b>5.0</b>

*\*For consistency of comparatives, we have added term deposits to Q2 2025 ratio calculation as it matures before the yearend. Otherwise the ratio would have been 6.1.*