

MANAGEMENT DISCUSSION AND ANALYSIS

FOR FY 2024 AND Q4 2024

FINANCIAL AND NON-FINANCIAL HIGHLIGHTS

REVENUE

('000 GEL)

Q4 2024

FY 2024

157,857

648,337

+8.1% from Q4 2023
-9.5% from Q3 2024

+3.4% from FY 2023

RESULTS FROM OPERATING ACTIVITIES

('000 GEL)

Q4 2024

FY 2024

35,035

141,736

+482.9% from Q4 2023
+10.4% from Q3 2024

+46.2% from FY 2023

ADJUSTED EBITDA

('000 GEL)

Q4 2024

FY 2024

50,567

220,576

+732.8% from Q4 2023
-18.8% from Q3 2024

+31.4% from FY 2023

ADJUSTED EBITDA MARGIN

Q4 2024

FY 2024

32.03%

34.02%

+27.9 points from Q4 2023
-3.7 points from Q3 2024

+7.3 points from FY 2023

NET CASH INVESTMENT IN PP&E

('000 GEL)

Q4 2024

FY 2024

38,709

150,725

+24.8% from Q4 2023
+42.5% from Q3 2024

+8.2% from FY 2023

NET DEBT TO ADJUSTED EBITDA

31 Dec 2024

31 Dec 2023

5.0

6.5

5.8 as at 30 September 2024

TONS

('000)

Q4 2024

FY 2024

3,274

13,674

-0.6% from Q4 2023
-8.5% from Q3 2024

+0.9% from FY 2023

TKM

('million)

Q4 2024

FY 2024

934

3,922

+1.9% from Q4 2023
-9.0% from Q3 2024

+3.1% from FY 2023

NUMBER OF PASSENGERS

('000)

Q4 2024

FY 2024

410

2,077

-18.9% from Q4 2023
-39.4% from Q3 2024

-9.0% from FY 2023

PASSENGER-KILOMETERS

('million)

Q4 2024

FY 2024

90

478

-20.5% from Q4 2023
-44.5% from Q3 2024

-11.2% from FY 2023

MAIN DEVELOPMENTS IN 2024

- In December 2024, Fitch affirmed the Company's long-term outlook to "Stable" and verified its "BB-" rating. In December 2024, "S&P" maintained the rating at "BB-" with "Stable" outlook.
- Following a change in the company's shareholder in December 2022, the Supervisory Board's composition was revised. Two members left their roles in the Board and three new members were appointed.

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I. CONSOLIDATED STATEMENT OF PROFIT OR LOSS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December		TOTAL		CHANGE		
GEL '000	Note	2024	2023	%	% constant currency	Absolute
Revenue	1	648,337	627,173	3.4	(0.2)	21,164
Other income	2	22,807	8,993	153.6	144.9	13,815
Employee benefits expense	3	(233,224)	(239,056)	(2.4)	(5.8)	5,831
Electricity, consumables and maintenance costs	4	(87,654)	(74,722)	17.3	13.3	(12,932)
Other expenses	5	(145,428)	(154,566)	(5.9)	(9.1)	9,138
Adjusted EBITDA		220,576	167,821	31.4	26.9	52,754
Adjusted EBITDA margin		34.02%	26.76%	NA	NA	7.26
Depreciation and amortization expense	6	(59,325)	(76,895)	(22.8)	(25.5)	17,570
Impairment gain/(loss) on trade receivables	7	(3,777)	6,016	(162.8)	(160.6)	(9,793)
EBIT		141,736	96,943	46.2	41.2	44,794
Share of results of equity accounted investees	8	15,738	-	100.0	100.0	15,738
Net finance income/(cost)	9	(89,290)	(10,166)	778.3	748.3	(79,124)
Profit and total comprehensive income		68,184	86,776	(21.4)	(24.1)	(18,592)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (QUARTERLY)

For the period ended

GEL '000	Note	Q4 2024	Q4 2023	y-o-y %	Q3 2024	q-o-q %
Revenue	1	157,857	145,970	8.1	174,507	(9.5)
Other income	2	12,262	2,419	406.9	724	1,593.6
Employee benefits expense	3	(61,550)	(63,312)	(2.8)	(55,211)	11.5
Electricity, consumables and maintenance costs	4	(24,598)	(18,256)	34.7	(21,218)	15.9
Other expenses	5	(36,839)	(60,748)	(39.4)	(48,824)	(24.5)
Adjusted EBITDA		50,567	6,072	732.8	62,280	(18.8)
Adjusted EBITDA margin		32.03%	4.16%	NA	35.69%	NA
Depreciation and amortization expense	6	(11,114)	(22,112)	(49.7)	(16,612)	(33.1)
Impairment gain/(loss) on trade receivables	7	(983)	6,889	(114.3)	(1,641)	(40.1)
EBIT		35,035	(9,151)	(482.9)	31,725	10.4
Share of results of equity accounted investees	8	3,436	-	100.0	12,302	(72.1)
Net finance income/(cost)	9	(45,669)	(6,626)	589.2	29,193	(256.4)
Profit and total comprehensive income		(7,199)	(15,777)	(54.4)	73,220	(109.8)

1. REVENUE

Most of the Group's revenue (about 55% in 2024) is derived from freight transportation. Thus, its results are particularly sensitive to cargo flows. These mainly comprise transit shipments, which accounted for around 71% of freight trans-

portation revenue in 2024. A substantial proportion of GR's transit transportation comes from trade between Europe and Central Asia.

REVENUE BREAKDOWN

For the year ended 31 December

GEL '000	Note	TOTAL		CHANGE		
		2024	2023	%	% constant currency	Absolute
Freight transportation	1.1	363,203	346,537	4.8	1.2	16,666
Freight handling	1.2	86,491	82,729	4.5	1.0	3,762
Logistical service	1.3	129,534	132,213	(2.0)	(5.4)	(2,679)
Rent of wagons and other rental income	1.4	3,829	4,158	(7.9)	(11.1)	(329)
Freight car cross-border charge	1.5	15,609	15,705	(0.6)	(4.0)	(96)
Passenger traffic	1.6	36,669	41,219	(11.0)	(14.1)	(4,550)
Grant revenue*	1.6	8,726	0	100.0	100.0	8,726
Other	1.7	4,276	4,612	(7.3)	(10.5)	(336)
Revenue		648,337	627,173	3.4	(0.2)	21,164
Other income	2	22,807	8,993	153.6	144.9	13,815

REVENUE BREAKDOWN (QUARTERLY)

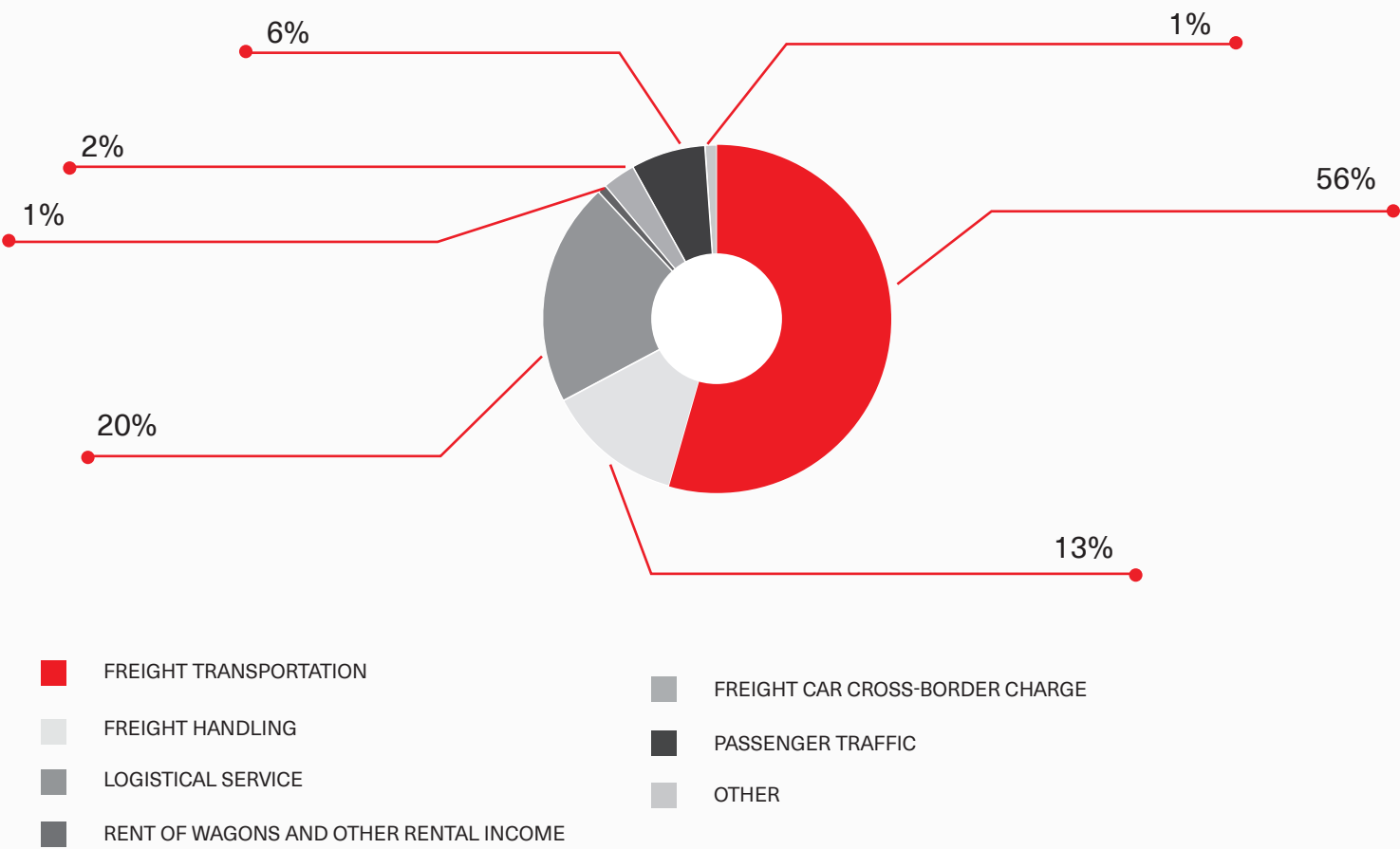
For the period ended

GEL '000	Note	Q4 2024	Q4 2023	y-o-y	Q3 2024	q-o-q
Freight transportation	1.1	93,385	85,055	9.8	96,395	(3.1)
Freight handling	1.2	23,618	19,565	20.7	20,899	13.0
Logistical service	1.3	30,699	26,993	13.7	32,072	(4.3)
Rent of wagons and other rental income**	1.4	(34)	1,028	(103.3)	1,285	(102.6)
Freight car cross-border charge	1.5	3,667	4,215	(13.0)	4,035	(9.1)
Passenger traffic	1.6	6,616	8,335	(20.6)	13,298	(50.2)
Grant revenue*	1.6	6,159	0	100.0	2,567	139.9
Other**	1.7	(6,253)	780	(901.7)	3,956	(258.1)
Revenue		157,857	145,970	8.1	174,507	(9.5)
Other income	2	12,262	2,419	406.9	724	1,593.6

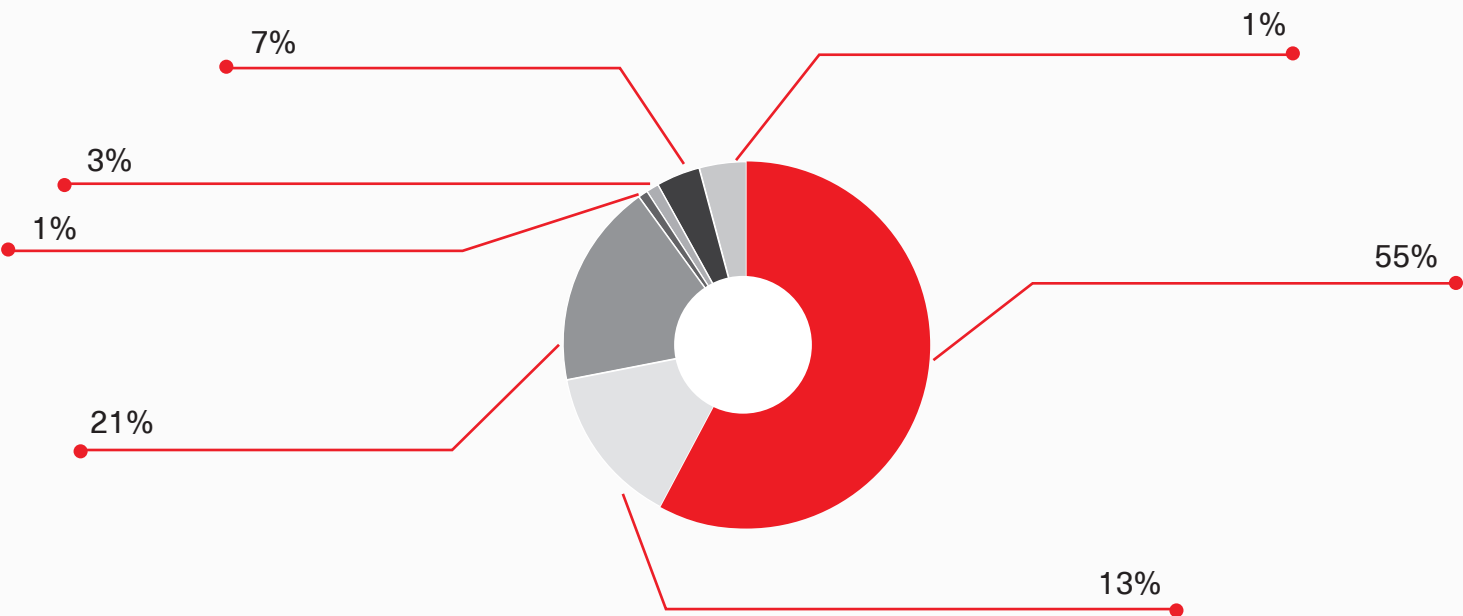
*In June 2024, the Railway Transport Agency and JSC Georgian Railway signed an initial Public Service Contract (PSC) to ensure compliance with EU railway safety regulations, supporting sector reform and European integration by enhancing service quality, transparency and accountability.

** As a consequence of accounting adjustments in the classification of operations, in Q4 2024 a negative revenue was recorded in the category of "Rent of wagons and other rental income" and "other".

REVENUE BREAKDOWN FOR 2024



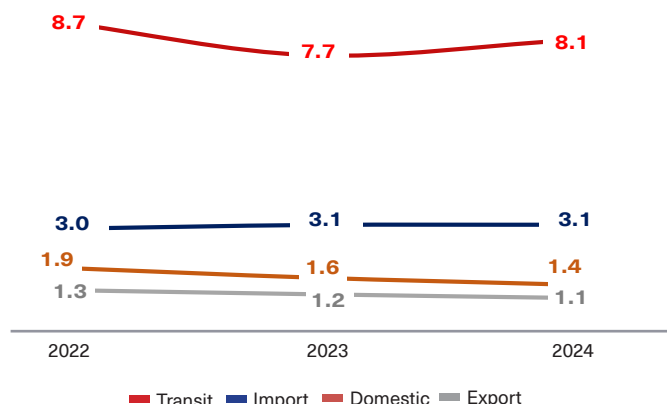
REVENUE BREAKDOWN FOR 2023



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 2024 was about 59%, 22%, 8% and 10%, respectively. 99.9% of revenue

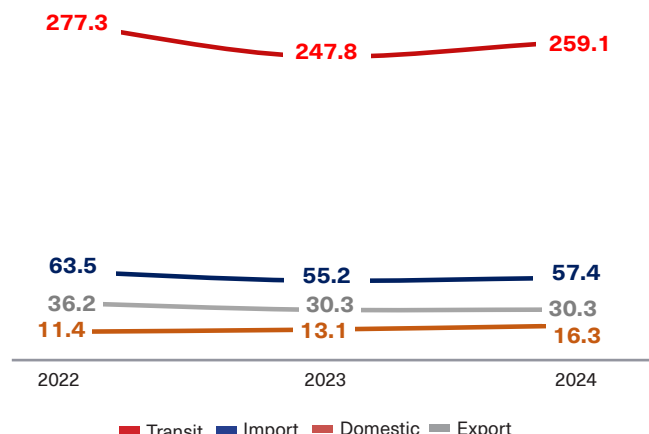
TRANSPORTED TONS (MLN)



from freight transportation is denominated in USD.

The following charts represent the freight transportation breakdown by directions:

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.

AVERAGE RATES

	Q4 2024	Q4 2023	% Change	Q3 2024	% Change	2024	2023	% Change
USD	2.76	2.69	2.4	2.71	1.6	2.72	2.63	3.5
CHF	3.15	3.04	3.6	3.13	0.5	3.09	2.93	5.7

REPORTING DATE SPOT RATES

	31-Dec-24	31-Dec-23	% Change	30-Sep-24	% Change	31-Dec-22
USD	2.81	2.69	4.4	2.73	2.8	2.70
CHF	3.11	3.21	(3.0)	3.23	(3.8)	2.93

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 2024, compared to 57% in the previous year.

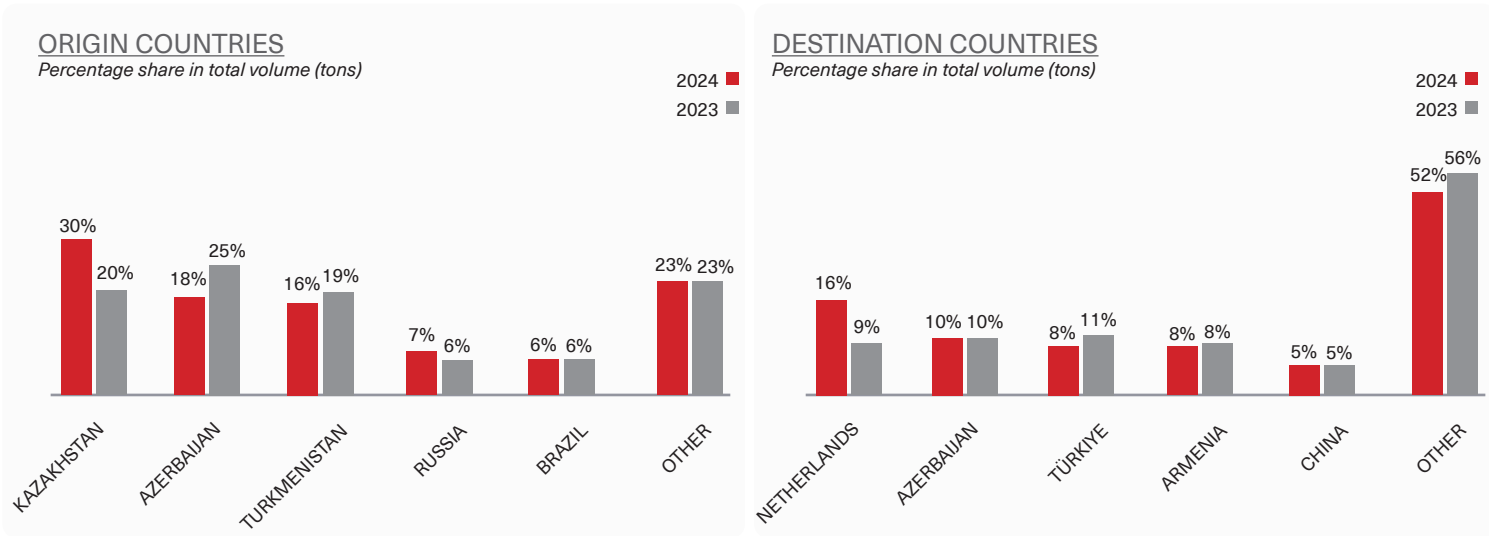
	TOTAL		CHANGE	
For the year ended 31 December	2024	2023	%	% constant currency
Revenue (million GEL)	259.1	247.8	4.6	1.0
Freight Volume (million tons)	8.1	7.7	5.3	NA
Freight Turnover (million ton-km)	3,045.1	2,885.8	5.5	NA
Revenue / ton-km (in Tetri)	8.51	8.59	(0.9)	(4.3)

MAIN FACTORS INFLUENCING PERFORMANCE

Freight volume – 5% increase in freight volume primarily was driven by increased transportation from Kazakhstan, by 730.5 thousand tons in 2024, compared to 2023. However, this reduction was partially offset by decreased transportation from Azerbaijan by 435.3 thousand tons.

Revenue / tkm (in Tetri) – 4% decrease in constant curren-

cy in 2024 was driven by a lower share of transportation on Azerbaijan-Türkiye route, which is relatively more profitable direction. Meanwhile, the share of transported cargo on Kazakhstan-Netherland route and Kazakhstan-China route, which are relatively less profitable directions, increased compared to the previous year.



MAIN DIRECTIONS OF CARGO FLOW IN 2024

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

Heavy fuel oil – is primarily transported along the Kazakhstan-Netherlands route (73%) and the Kazakhstan-Black Sea Ports route (17%), specifically Batumi Sea Port, Poti Sea Port and Parto Tskali.

Light fuel oil – is mainly transported via the Turkmenistan-Black Sea Ports route (85%), followed by the Turkmenistan-Italy route (8%) and the Azerbaijan-Black Sea Ports route (6%).

Diesel fuel – is primarily transported along the Russia-Armenia route (57%), the Azerbaijan-Black Sea Ports route (33%) and the Turkmenistan-Black Sea Ports route (9%).

Gas oil – is mainly transported on the Kazakhstan-Netherlands route (32%), the Uzbekistan-USA route (28%) and the Azerbaijan-Black Sea Ports route (26%).

Special petrol – is primarily transported on the Russia-Arme-

nia route, accounting for 57% of the total product.

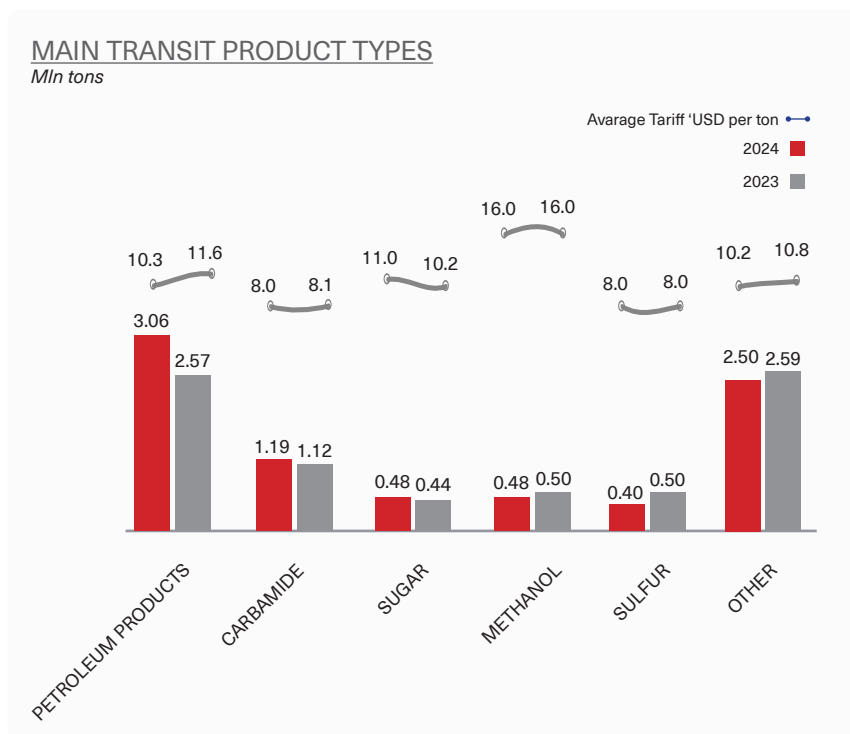
Motor fuel – is mainly transported along the Russia-Azerbaijan route (51%), the Romania-Azerbaijan route (24%) and the Latvia-Azerbaijan route (18%).

Carbamide – is mainly transported along the Turkmenistan-Black Sea Ports route (61%) and the Azerbaijan-Ukraine route (10%).

Sugar – is primarily transported along the Brazil-Azerbaijan route (57%), the Brazil-Uzbekistan route (27%) and the Brazil-Armenia route (12%).

Methanol – is primarily transported on the Azerbaijan-Netherlands route (24%), the Azerbaijan-Türkiye route (21%), the Azerbaijan-Italy route (15%) and the Azerbaijan-Romania route (11%).

Sulfur – is transported almost entirely on the Kazakhstan-Poti Sea Port route, accounting for 96% of the total product.



IMPORT TRANSPORTATION

Import represents the movement of cargo from foreign countries into Georgia. The share of imported cargo in total

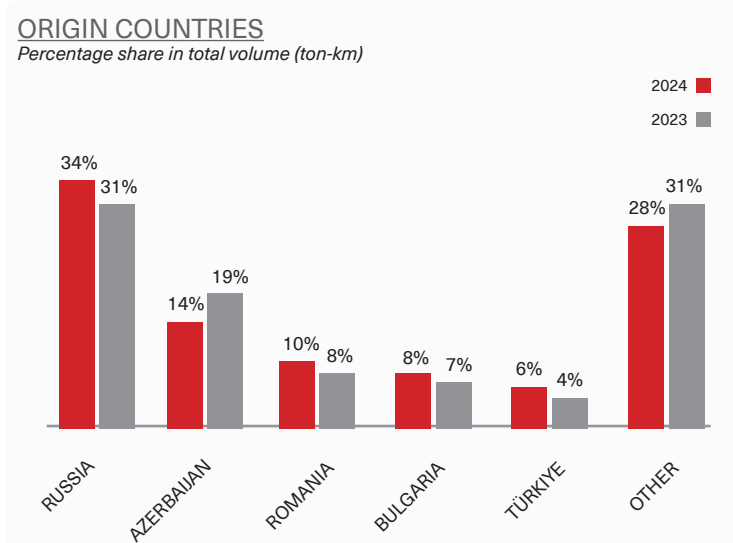
transported volume was around 22% in 2024, compared to 23% in the previous year.

For the year ended 31 December	TOTAL		CHANGE	
	2024	2023	%	% constant currency
Revenue (million GEL)	57.4	55.2	4.0	0.4
Freight Volume (million tons)	3.1	3.1	0.3	NA
Freight Turnover (million ton-km)	424.4	412.8	2.8	NA
Revenue / ton-km (in Tetri)	13.53	13.38	1.1	(2.3)

MAIN FACTORS INFLUENCING PERFORMANCE

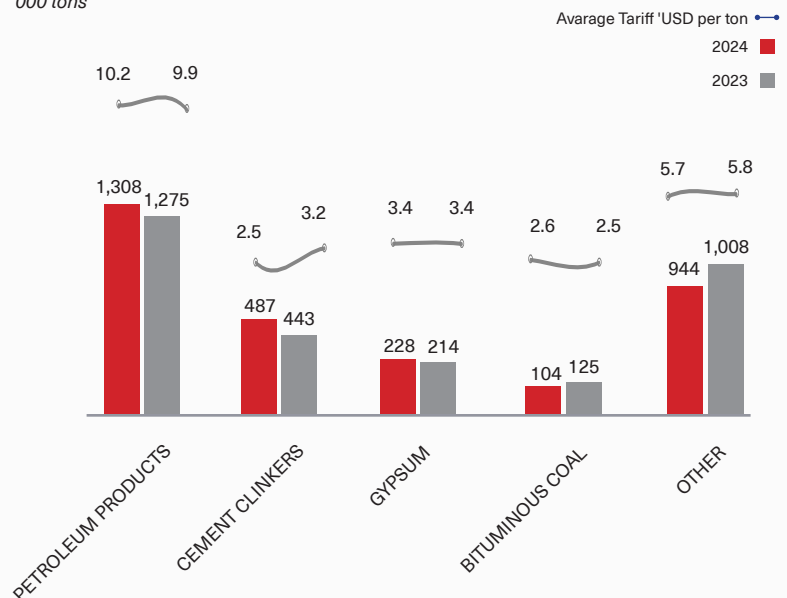
Freight turnover – 3% increase in freight turnover primarily was driven by increased transportation from Russia, Türkiye, Bulgaria, China and Romania by 16.0 million tkm, 9.1 million tkm, 8.0 million tkm, 7.2 million tkm and 7.1 million tkm, respectively, in 2024, compared to 2023. However, this increase was partially offset by decreased transportation from Azerbaijan and Armenia by 20.0 million tkm and 16.5 million tkm, respectively.

Revenue / ton-km (in Tetri) – 2% decrease in constant currency in 2024 was driven by an increased share of transportation from Türkiye, which is relatively less profitable direction. Meanwhile, the share of transported cargo from Azerbaijan, which is relatively more profitable direction, decreased compared to the previous year.



MAIN IMPORTED PRODUCT TYPES

'000 tons



MAIN DIRECTIONS OF CARGO FLOW IN 2024

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

Motor fuel - imported from Russia (65%) and Belarus (22%), mostly intended to meet the domestic demand.

Bitumen - imported from Russia (64%) and Turkmenistan (36%), is mainly distributed to Rustavi (99%) and is primarily used in the production of construction materials.

Diesel fuel - is sourced mainly from Russia (79%) and Azerbaijan (12%) to fulfill local demand.

Aviation fuel - imported from Türkiye (34%), Greece (20%) and Egypt (17%), is predominantly used by domestic aviation companies in Georgia.

Special petrol - primarily imported from Bulgaria (50%) and Romania (33%), is intended for domestic use.

Cement clinkers - sourced from Azerbaijan, are mostly distributed to Rustavi (63%) and Kaspi (21%), where local cement factories are located.

Gypsum - imported from Azerbaijan and is allocated to Kaspi (40%) and Rustavi (29%), while 30% is sent to Tbilisi, where plasterboards are produced.

Bituminous coal - is imported from Russia and distributed to Kaspi and Rustavi, with distribution shares of 61% and 39%, 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 8% in 2024, compared to 9% in the previous year.

For the year ended 31 December	TOTAL		CHANGE	
	2024	2023	%	% constant currency
Revenue (million GEL)	30.3	30.3	(0.0)	(3.4)
Freight Volume (million tons)	1.1	1.2	(8.7)	NA
Freight Turnover (million ton-km)	299.1	334.2	(10.5)	NA
Revenue / ton-km (in Tetri)	10.14	9.07	11.8	7.9

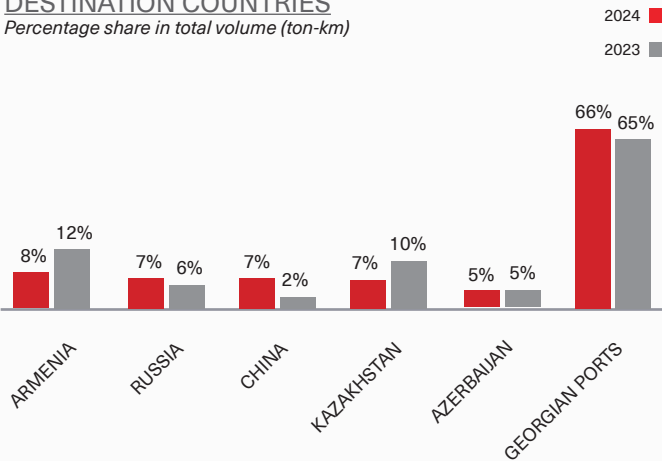
MAIN FACTORS INFLUENCING PERFORMANCE

Freight turnover – In 2024, a 11% decrease in freight turn-over primarily was driven by reduced transportation to Armenia and Kazakhstan down by 15.3 million tkm and 14.0 million tkm, respectively, compared to 2023.

Revenue / ton-km (in Tetri) – 8% increase in constant currency in 2024 was driven by a higher share of transportation to Russia, which is relatively more profitable direction. Meanwhile, the share of transportation to Armenia, which is relatively less profitable direction, decreased compared to the previous year.

DESTINATION COUNTRIES

Percentage share in total volume (ton-km)



MAIN DIRECTIONS OF CARGO FLOW IN 2024

Ammonium nitrate – is transported from Rustavi, where the fertilizer factory is located and is transported to Poti Sea Port (97%).

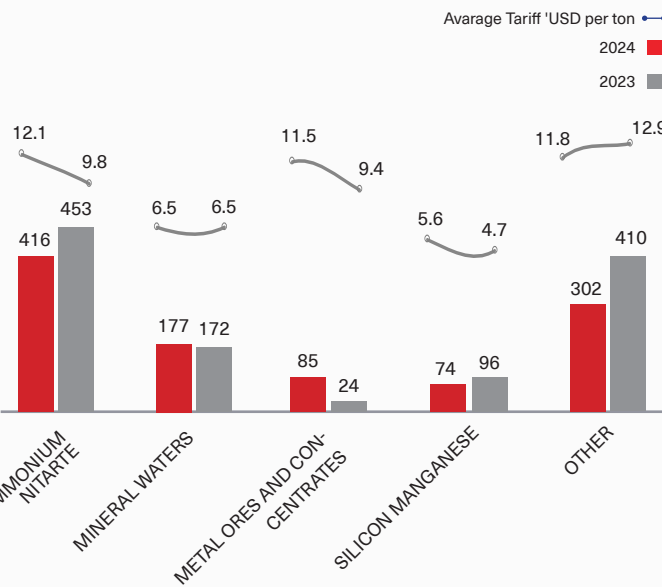
Mineral waters – mainly sourced from Borjomi, where one of the largest bottlers is located and are distributed to Russia (56%), Kazakhstan (32%) and Uzbekistan (9%).

Metal ores and concentrates – are fully transported from Tbilisi to China (76%) and Bulgaria (23%).

Silicon manganese – is sourced from Zestaponi, where the ferroalloys plant is located and is transported to Batumi Sea Port (99%).

MAIN EXPORTED PRODUCT TYPES

'000 tons



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 10% in 2024, compared to 12% in the previous year.

For the year ended 31 December	TOTAL		CHANGE	
	2024	2023	%	% constant currency
Revenue (million GEL)	16.3	13.1	24.2	20.0
Freight Volume (million tons)	1.4	1.6	(11.8)	NA
Freight Turnover (million ton-km)	153.4	171.6	(10.6)	NA
Revenue / ton-km (in Tetri)	10.64	7.66	38.9	34.1

MAIN FACTORS INFLUENCING PERFORMANCE

Freight turnover – A 11% decrease in freight turnover was primarily attributed to a reduction in transportation along the Dedoplistskaro-Kaspi, internal Chiatura and Rustavi-Paro Tskali routes in 2024, compared to 2023.

Revenue / ton-km (in Tetri) – 39% increase in 2024 was mostly driven by increased average tariff on limestone (by 68%) and cement clinkers (by 27%) transportation.

MAIN DIRECTIONS OF CARGO FLOW IN 2024

Limestone – is sourced from Dedoplistskaro, where open quarries are located and is distributed to Rustavi (90%) and Kaspi (10%), where cement factories are situated.

Manganese ores and concentrates - are sourced from Chiatura, home to a manganese mine and are distributed to Zestaponi (88%) and Chiatura (12%), where ferroalloy factories are located.

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

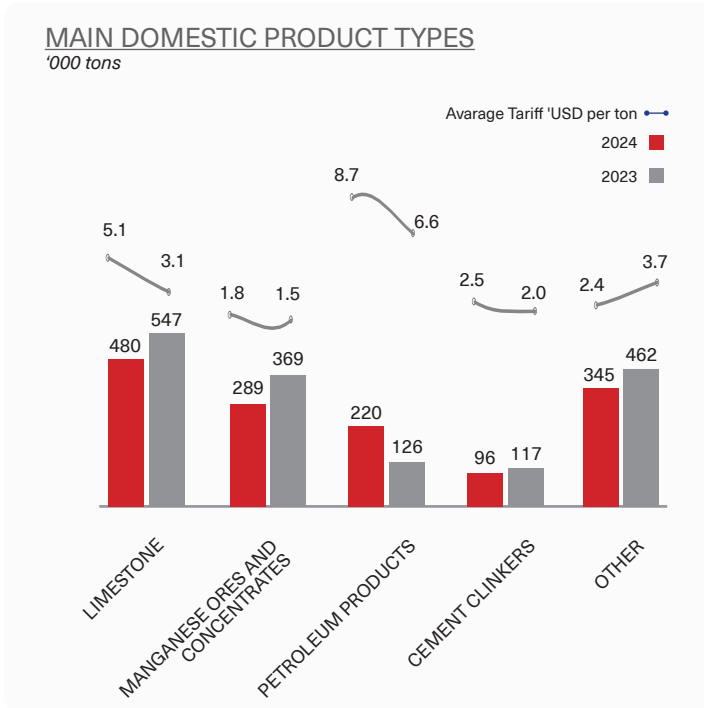
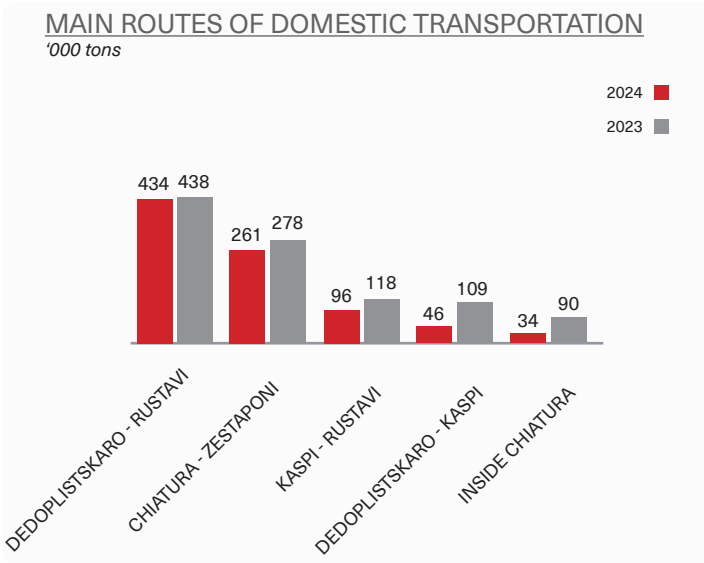
Motor petrol – is distributed primarily to Tbilisi (79%) and Samtredia (16%) for domestic use.

Diesel fuel – is distributed to Tbilisi (58%), Samtredia (22%) and Batumi (14%) for domestic use.

Special fuel - is distributed to Tbilisi (44%), Samtredia (27%) and Dzegvi (23%) primarily for domestic use.

Aviation fuel - is distributed to Tbilisi (55%) and Kutaisi (45%) for use by aviation companies located in those areas.

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



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, 74% of

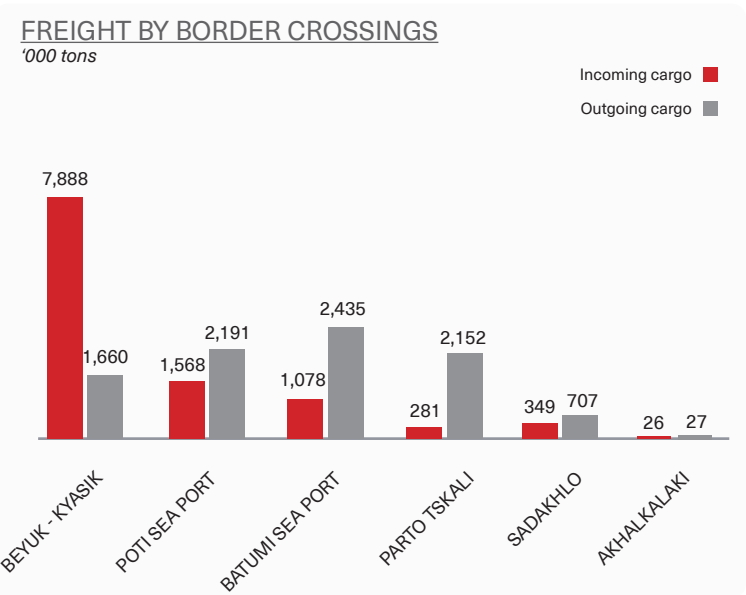
incoming freight arrives through land border crossings, underscoring the significance of the East-West transportation axis. On the other hand, 74% of outgoing cargo is shipped from ports, emphasizing the role of maritime transport via the Black Sea. This data highlights that the primary route for freight volumes in Georgia is from the East, primarily through Azerbaijan, with a subsequent departure from the country via maritime transport.

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

RAILWAY FREIGHT VOLUMES BY THE BORDER CROSSINGS

Incoming rail volume - The main entry point for incoming cargo was the Beyuk-Kyasik station, which accounted for 70% 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 – 74% 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 18% of the total volume leaving the country and facilitating 69% of the entire volume departing via land borders.



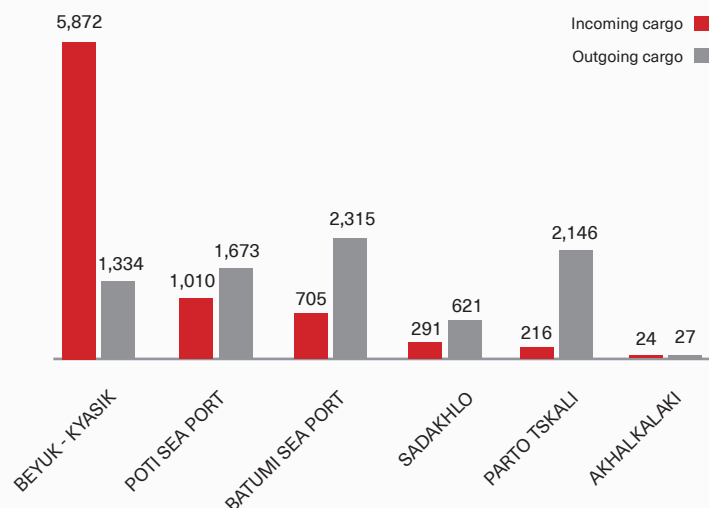
BORDER CROSSINGS OF TRANSIT PRODUCTS

In 2024, Beyuk-Kyasik station received the largest portion of incoming volume, accounting for 72%, up slightly from 70% in 2023. The primary countries of origin for these cargoes were Kazakhstan (2,416 thousand tons), Azerbaijan (1,477 thousand tons) and Turkmenistan (1,314 thousand tons).

Meanwhile, Black Sea Ports handled the majority of outgoing volume comprising 76% of the total in 2024, up from 73% in 2023. The main destinations for these cargoes were Netherlands (1,310 thousand tons), Turkey (669 thousand tons) and China (416 thousand tons).

TRANSIT BORDER CROSSING

'000 tons



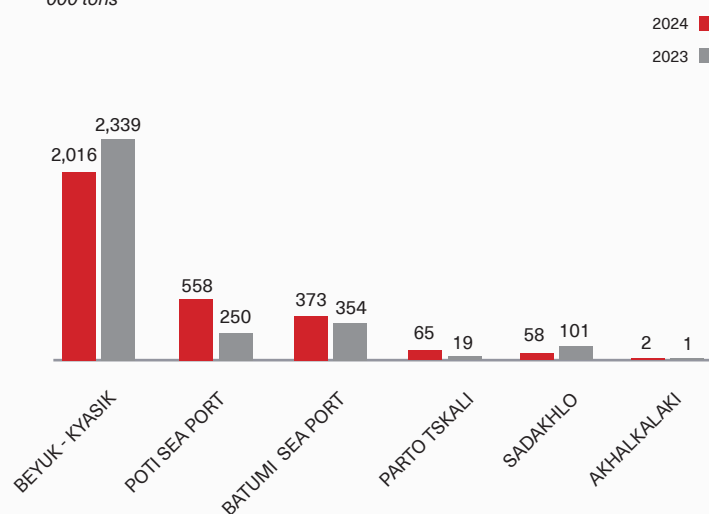
BORDER CROSSINGS OF IMPORTED PRODUCTS

In 2024, Beyuk-Kyasik station handled 66% of total imports, down from 76% in 2023. This 11% drop was mainly due to a decrease in imports from Russia by 426 thousand tons. Russia was the main origin country of the station, primarily transporting petroleum products (953 thousand tons), while Azerbaijan mainly transported cement clinkers (832 thousand tons).

Meanwhile, Black Sea Ports accounted for 32% of total imports in 2024, up from 20% in 2023. This 12% increase was mainly due to higher imports from Russia, Bulgaria, Romania and Türkiye. These countries primarily used Black Sea Ports for transporting petroleum products, with volumes of 339 thousand tons from Russia, 154 thousand tons from Bulgaria, 126 thousand tons from Romania and 108 thousand tons from Türkiye.

IMPORT BORDER CROSSING

'000 tons



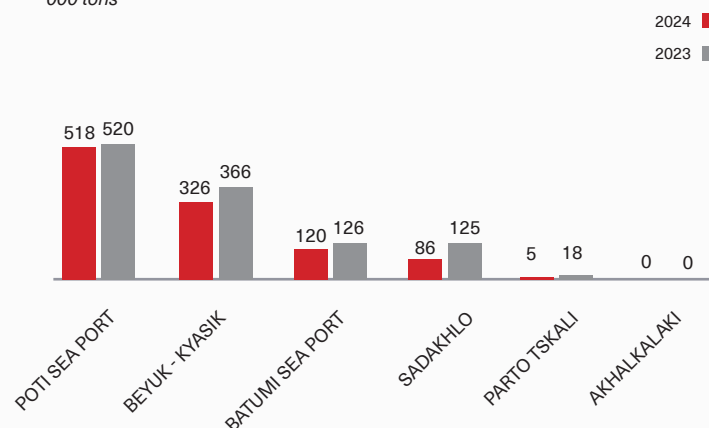
BORDER CROSSINGS OF EXPORTED PRODUCTS

In 2024, Black Sea Ports handled 58% of total exports, slightly up from 57% in 2023. The main exported goods were ammonium nitrate (405 thousand tons) and silico manganese (74 thousand tons).

Beyuk-Kyasik station accounted for 31% of total exports in 2024, down from 32% in 2023. The main destinations for cargo exported through this station were Russia (108 thousand tons) and Kazakhstan (107 thousand tons), mainly consisting of mineral water.

EXPORT BORDER CROSSING

'000 tons



CONTAINER TRANSPORTATION

Approximately 9% of the total transported volume in 2024 was for the containerized goods and the rest was for bulk and breakbulk. Although container transport has a relative-

ly low share, its volumes has been increasing slowly but steadily over the recent years.

<i>For the year ended 31 December</i>	2024	2023	2022
NUMBER OF CONTAINERS			
20 feet	39,555	46,292	48,351
40 feet	26,696	25,655	20,006
TOTAL	66,251	71,947	68,357
<i>% Change</i>	<i>(7.9)</i>	<i>5.3</i>	<i>19.7</i>
NUMBER OF CONTAINERS IN TEU			
	92,947	97,602	88,363
<i>% Change</i>	<i>(4.8)</i>	<i>10.5</i>	<i>19.1</i>
TONS '000			
	1,293.2	1,415.6	1,502.6
<i>% Change</i>	<i>(8.6)</i>	<i>(5.8)</i>	<i>25.1</i>

<i>For the year ended 31 December</i>	2024	2023	2022
REVENUE (GEL '000)			
20 feet containers	19,857	19,762	21,046
40 feet containers	11,958	13,565	13,156
TOTAL	31,814	33,327	34,202
<i>% Change</i>	<i>(4.5)</i>	<i>(2.6)</i>	<i>15.0</i>
AVERAGE TARIFF IN GEL			
20 feet containers	502.0	426.9	435.3
40 feet containers	447.9	528.7	657.6
AVERAGE TARIFF IN GEL	480.2	463.2	500.3
<i>% Change</i>	<i>3.7</i>	<i>(7.4)</i>	<i>(4.0)</i>

*Average tariff represents revenue divided by number of containers

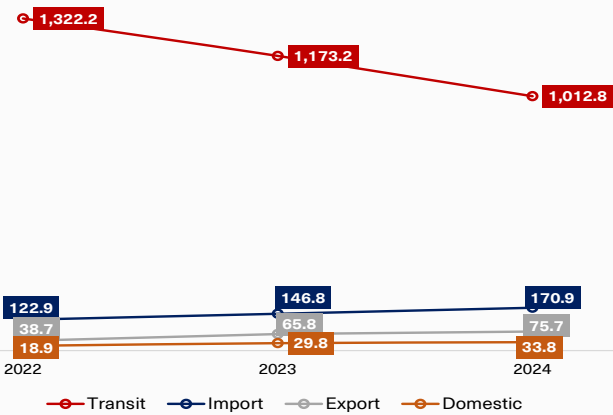
The Group's container transportation consists of transit, import, export and domestic transportation routes. The split between mentioned directions in 2024 was about 78%, 13%, 6% and 3%, respectively, compared to 83%, 10%, 5% and 2%, respectively, in 2023.

Number of containers – 8% decrease was due to a reduction in the number of containers transported to Azerbaijan by 5.0 thousand units and to Kazakhstan by 1.1 thousand units in 2024 compared to 2023.

Average tariff on containers (in GEL) - 4% increase was mainly due to increased number of containers transported from Armenia to Bulgaria, which is relatively more profitable direction, while the number of containers transported to Kazakhstan, which is relatively less profitable direction, decreased in 2024, compared to 2023.

CONTAINERS BY TRANSPORTATION TYPE

'000 tons



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 68% in 2024) 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>	TOTAL		CHANGE	
<i>For the year ended 31 December</i>	2024	2023	%	Absolute
STATION SERVICES	59,034	57,161	3.3	1,873
24-HOUR SERVICE	25,533	23,082	10.6	2,451
OTHER	1,924	2,487	(22.6)	(562)
TOTAL	86,491	82,729	4.5	3,762

Revenue from freight handling for Q4 2024 increased by 20.7%, compared to Q4 2023 and by 13.0%, compared to Q3 2024.

Factors influencing performance

A 4.5% increase during 2024, compared to the previous year, was mainly driven by increase in revenue from station

services and 24-hour services by GEL 1.9 million and GEL 2.5 million, respectively.

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>	TOTAL		CHANGE	
<i>For the year ended 31 December</i>	2024	2023	%	Absolute
LOGISTICAL SERVICE REVENUE	129,534	132,213	(2.0)	(2,679)

Revenue from logistical services for Q4 2024 increased by 13.7%, compared to Q4 2023, but decreased by 4.3% compared to Q3 2024.

Factors influencing performance

Revenue from logistical services declined due to reduced transportation by GR's subsidiary, which provides container transportation. The decrease was primarily driven by de-

cline in carbamide transportation.

**Logistical revenue and expenditures should be taken into consideration jointly (See pg. 30 Logistical Service Expenses).*

1.4 RENT OF WAGONS AND OTHER RENTAL INCOME

General description

The Group rents out wagons not used in its transportation operations and other property in order to accommodate greater utilization of its assets.

Drivers

Rent of wagons and other rental income changes in accordance with the availability of the Group's wagons not being used in transportation operations as well as demand for that specific type of wagon in the region.

Currency and tariff setting

Revenue from the rent of wagons and other operating leases is mostly denominated in USD.

RENT OF WAGONS AND OTHER RENTAL INCOME

<i>GEL '000</i>	TOTAL		CHANGE	
<i>For the year ended 31 December</i>	2024	2023	%	Absolute
RENT OF WAGONS AND OTHER RENTAL INCOME	3,829	4,158	(7.9)	(329)

Rent of wagons and other rental income for Q4 2024 decreased by 103.3%, compared to Q4 2023 and by 102.7%, compared to Q3 2024.

Factors influencing performance

Rent of wagons and other rental income decreased by 7.9% (GEL 0.3 million) in 2024, compared to 2023. This decrease was due to lower income generated from rent of wagons.

1.5 FREIGHT CAR CROSS-BORDER CHARGES

General description

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

Currency and tariff setting

Revenue from freight car cross-border charges 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>	TOTAL		CHANGE	
<i>For the year ended 31 December</i>	2024	2023	%	Absolute
FREIGHT CAR CROSS-BORDER CHARGES	15,609	15,705	(0.6)	(96)

Freight car cross-border charge revenue for Q4 2024 decreased by 13.0%, compared to Q4 2023 and by 9.1%, compared to Q3 2024.

Factors influencing performance

In 2024, the revenue from freight car cross-border charges saw a slight decrease of GEL 0.1 million compared to 2023.

1.6 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 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. The compensation for the period from July to December, 2024, reached up to GEL 8.7 million.

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

<i>GEL '000</i>	TOTAL		CHANGE	
<i>For the year ended 31 December</i>	2024	2023	%	Absolute
REVENUE FROM PASSENGER TRANSPORTATION	36,669	41,219	(11.0)	(4,550)
GRANT REVENUE	8,726	0	100.0	8,726
NUMBER OF PASSENGERS '000	2,077	2,283	(9.0)	(206)
Revenue per passenger (<i>GEL</i>)	17.65	18.05	(2.2)	(0.4)

Revenue from passenger transportation for Q4 2024 decreased by 20.6% compared to Q4 2023 and decreased by 50.3% compared to Q3 2024.

Factors influencing performance

Revenue from passenger transportation fell by 11.0% in 2024 compared to 2023. This 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. Additionally, the average tariff per passenger fell by 2.2% in 2024 compared to the previous year, further impacting overall revenue.

In 2024, JSC Georgian Railway received compensation of GEL 8.7 million under the Public Service Obligation (PSO) contract, which is an agreement between JSC Georgian Railway and the Government of Georgia to compensate for losses incurred on unprofitable passenger routes.

1.7 OTHER REVENUE

General description

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

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

OTHER REVENUE

<i>GEL '000</i>	TOTAL		CHANGE	
<i>For the year ended 31 December</i>	2024	2023	%	Absolute
REVENUE FROM SALE OF MATERIALS (SCRAP)	1,461	-	100.0	1,461
OTHER	2,815	4,612	(39.0)	(1,796)
TOTAL	4,276	4,612	(7.3)	(336)

Other revenue for Q4 2024 decreased by 901.7% compared to Q4 2023 and decreased by 258.1% when compared to Q3 2024.

Factors influencing performance

Other revenue decreased by GEL 0.3 million in 2024 compared to 2023, mainly due to a reduction in income from the

sale of materials (excluding scrap metal). This was partially offset by an increase in income from scrap metal sales.

2. OTHER INCOME

General description

Other income mainly includes profit generated from an associate entity. In February 2024, Georgia Railway purchased 21.716% shares of Gardabani Thermal Power Plant (TPP), using accounts receivable from a former shareholder JSC "Development Fund of Georgia".

Other income also coincides penalties from clients and sup-

pliers, sales of fixed assets, provision reversals and etc. To better illustrate the operational profitability of the Group, other income is split into two categories: continuing operations (such as clients' and suppliers' penalties) and non-continuing operations (such as provision reversals or sale of fixed assets), which are not recurring part of the business.

OTHER INCOME

<i>GEL '000</i>	TOTAL		CHANGE	
<i>For the year ended 31 December</i>	2024	2023	%	Absolute
CONTINUING OPERATIONS	10,097	5,717	76.6	4,380
NON-CONTINUING OPERATIONS	12,710	3,276	288.0	9,434
TOTAL	22,807	8,993	153.6	13,814

Other income for Q4 2024 increased by 406.9% compared to Q4 2023 and increased by 1,593.6% compared to Q3 2024.

Factors influencing performance

Other income increased by GEL 13.8 million in 2024 compared to 2023, primarily due to the increased revenue from realization of scrap, as well as proceeds from successful litigation.

OPERATING EXPENSES

General description

In 2024, total operating expenses decreased approximately by GEL 9.8 million, compared to the previous year. The de-

cline was mainly caused by a decrease in depreciation and amortization expenses and logistical service expenses.

OPERATING EXPENSES BREAKDOWN

GEL '000

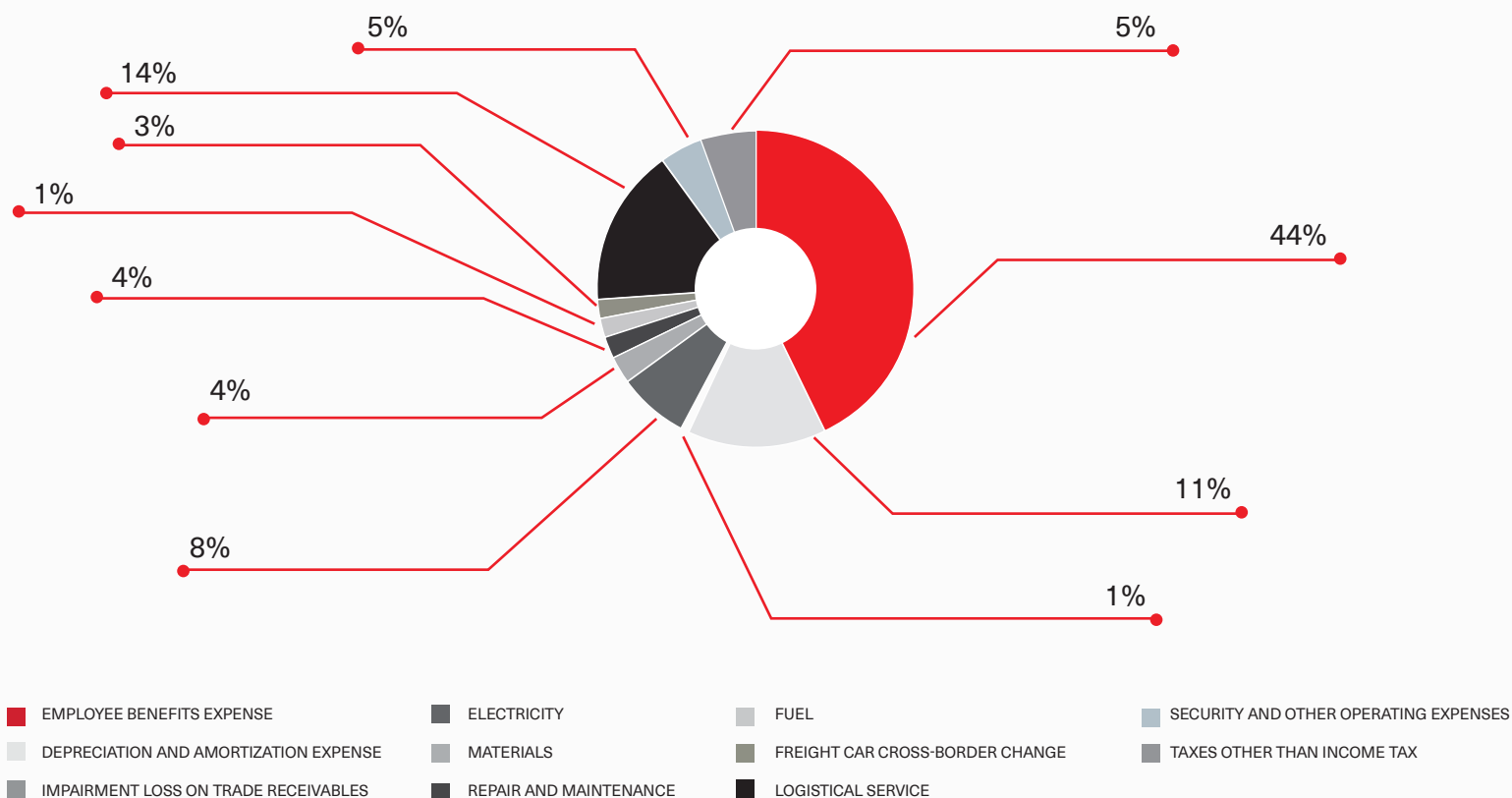
For the year ended 31 December	Note	TOTAL		CHANGE		
		2024	2023	%	% Constant Currency	Absolute
EMPLOYEE BENEFITS EXPENSE	3	233,224	239,056	(2.4)	(5.8)	(5,831)
DEPRECIATION AND AMORTIZATION EXPENSES	6	59,325	76,895	(22.8)	(25.5)	(17,570)
IMPAIRMENT (GAIN)/LOSS ON TRADE RECEIVABLES	7	3,777	(6,016)	(162.8)	(160.6)	9,793
ELECTRICITY	4.1	40,418	38,677	4.5	0.9	1,741
MATERIALS	4.2	20,999	14,482	45.0	40.0	6,518
REPAIR AND MAINTENANCE	4.2	18,967	12,824	47.9	42.9	6,144
FUEL	4.3	7,269	8,739	(16.8)	(19.7)	(1,471)
FREIGHT CAR CROSS-BORDER CHARGES	5.1	15,177	8,325	82.3	76.1	6,852
LOGISTICAL SERVICES	5.2	76,614	88,461	(13.4)	(16.3)	(11,847)
SECURITY AND OTHER OPERATING EXPENSES	5.3	27,519	32,558	(15.5)	(18.4)	(5,039)
TAXES OTHER THAN INCOME TAX	5.4	26,119	25,223	3.6	0.0	896
TOTAL		529,408	539,224	(1.8)	(5.2)	(9,815)

OPERATING EXPENSES BREAKDOWN (QUARTERLY)

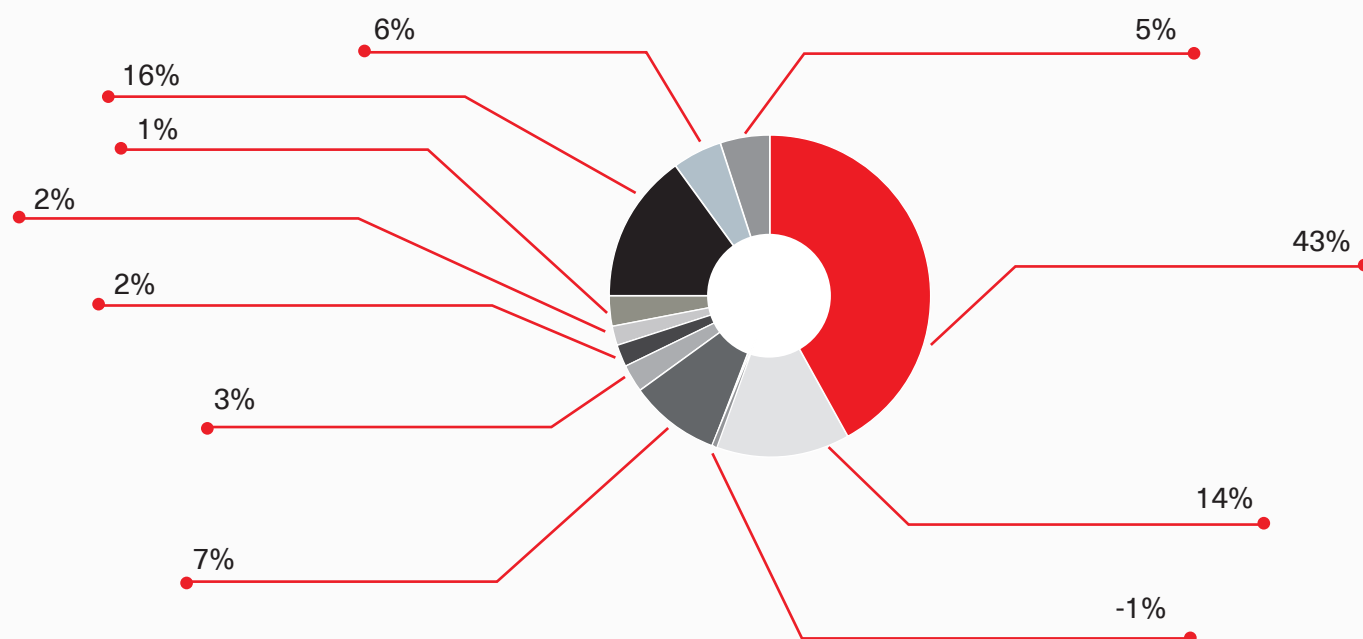
GEL '000

For the year ended 31 December	Note	Q4 2024	Q4 2023	y-o-y	Q3 2024	q-o-q
EMPLOYEE BENEFITS EXPENSE	3	61,550	63,312	(2.8)	55,211	11.5
DEPRECIATION AND AMORTIZATION EXPENSES	6	11,114	22,113	(49.7)	16,612	(33.1)
IMPAIRMENT (GAIN)/LOSS ON TRADE RECEIVABLES	7	983	(6,889)	(114.3)	1,641	(40.1)
ELECTRICITY	4.1	10,195	10,393	(1.9)	9,924	2.7
MATERIALS	4.2	5,757	3,214	79.1	7,602	(24.3)
REPAIR AND MAINTENANCE	4.2	6,914	2,604	165.5	1,869	270.0
FUEL	4.3	1,732	2,046	(15.3)	1,823	(5.0)
FREIGHT CAR CROSS-BORDER CHARGES	5.1	4,989	3,232	54.4	4,138	20.6
LOGISTICAL SERVICES	5.2	16,392	44,352	(63.0)	31,427	(47.8)
SECURITY AND OTHER OPERATING EXPENSES	5.3	8,103	6,613	22.5	7,089	14.3
TAXES OTHER THAN INCOME TAX	5.4	7,356	6,551	12.3	6,170	19.2
TOTAL		135,085	157,540	(14.3)	143,506	(5.9)

COST STRUCTURE FOR 2024



COST STRUCTURE FOR 2023



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

GEL '000	TOTAL		CHANGE	
For the year ended 31 December	2024	2023	%	Absolute
SALARY	180,102	185,424	(2.9)	(5,321)
BONUS-REWARD	10,346	10,858	(4.7)	(511)
OTHER BENEFITS	42,776	42,774	0.0	2
TOTAL	233,224	239,056	(2.4)	(5,831)

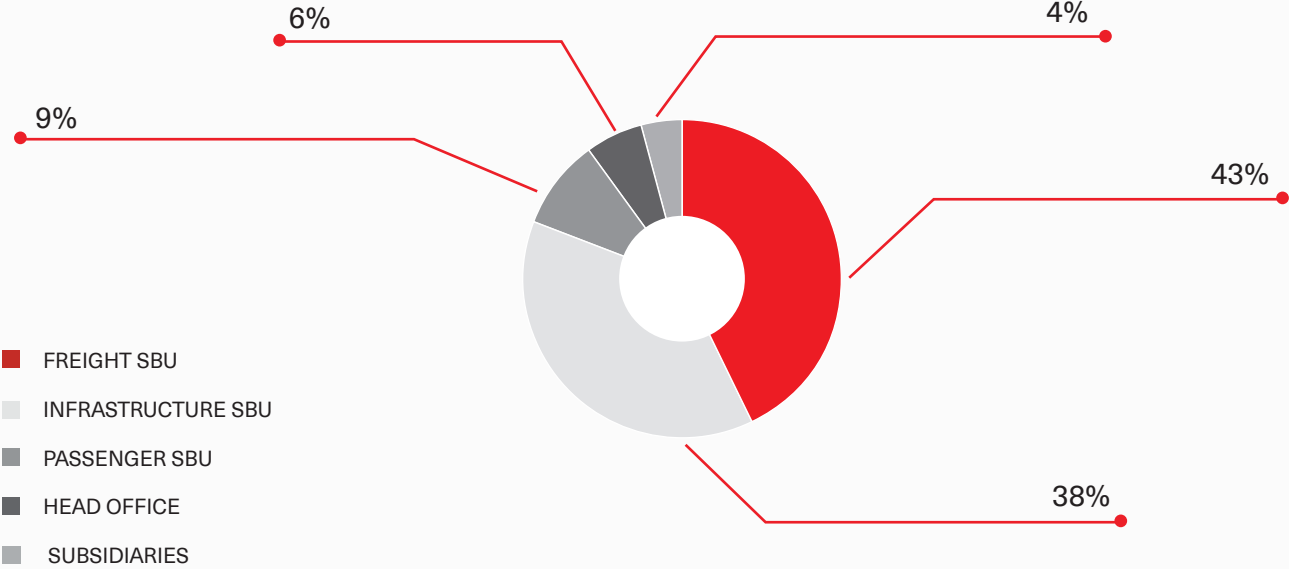
Employee benefits expenses for Q4 2024 decreased by 2.8% compared to Q4 2023 and increased by 11.5% compared to Q3 2024.

Factors influencing changes

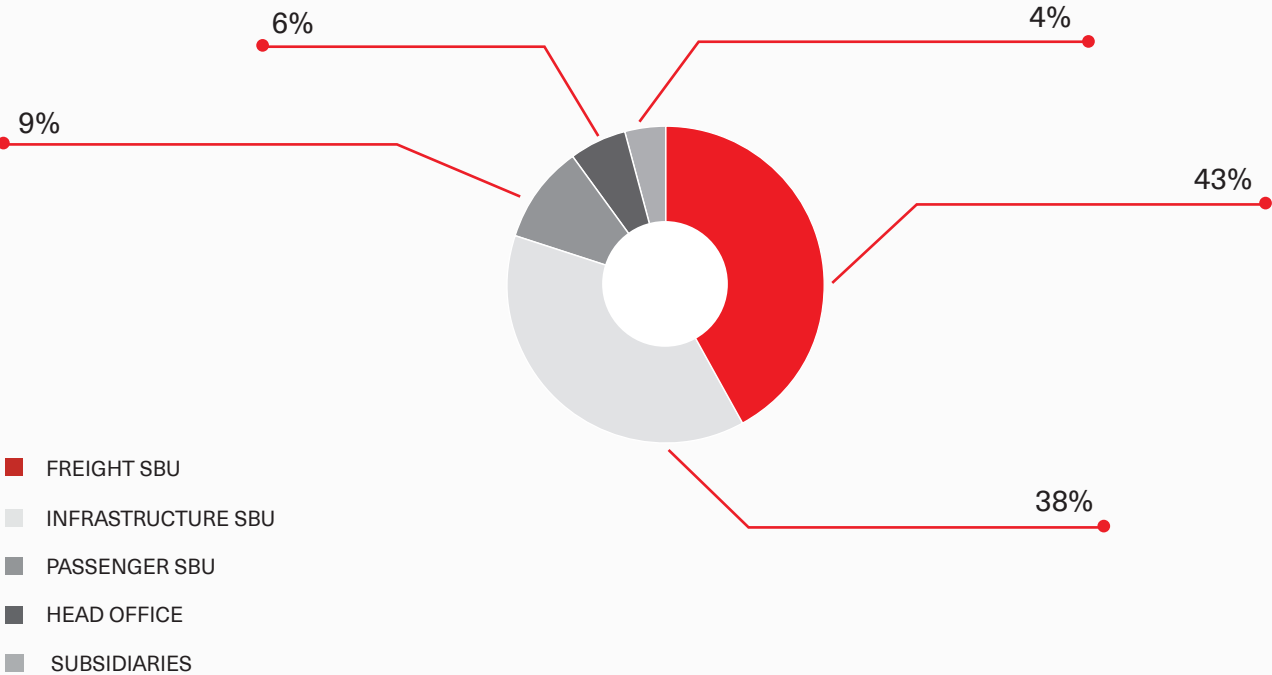
In 2024, employee benefits expenses fell by 2.4 percent (GEL 5.8 million) compared to the previous year. This reduction was primarily driven by a 2.9 percent decrease in total

salary costs, mainly due to a 3.1 percent reduction in the number of employees.

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



DISTRIBUTION OF STAFF BY BUSSINESS UNITS AS AT THE END OF DECEMBER 2023



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	
For the year ended 31 December	2024	2023	%	Absolute
ELECTRICITY EXPENSES FOR TRACTION	34,997	33,451	4.6	1,545
UTILITY EXPENSES	5,422	5,226	3.7	196
TOTAL	40,418	38,677	4.5	1,741

Electricity expenses in Q4 2024 decreased by 1.9% compared to Q4 2023, however increased by 2.7%, compared to Q3 2024.

Factors influencing changes

Total electricity expenses increased by approximately 4.5% (GEL 1.7 million) in 2024, compared to 2023. This rise was mainly driven by 2% increase in electricity consumption, which in term was due to increase in cargo transportation,

as well as 2% higher average electricity tariff in 2024, compared to 2023. (see table: "Purchased Electricity and Weighted Average Tariff").

PURCHASED ELECTRICITY AND WEIGHTED AVERAGE TARIFF

GEL '000	2024			2023		
For the year ended 31 December	GWh	Gross ton-km (million)	Weighted av. tariff (GEL)	GWh	Gross ton-km (million)	Weighted av. tariff (GEL)
JANUARY	12.5	551.6	0.232	12.4	532.7	0.234
FEBRUARY	12.6	592.9	0.235	11.2	495.5	0.233
MARCH	13.2	599.8	0.235	12.8	581.8	0.225
APRIL	12.3	580.8	0.232	11.7	522.3	0.223
MAY	13.6	665.8	0.199	13.5	653.3	0.158
JUNE	13.6	664.0	0.218	13.4	632.4	0.193
JULY	13.9	644.1	0.218	14.0	642.3	0.205
AUGUST	13.8	657.6	0.220	13.9	633.9	0.211
SEPTEMBER	12.8	604.5	0.228	12.9	587.5	0.234
OCTOBER	12.4	593.7	0.224	13.0	602.9	0.243
NOVEMBER	12.3	565.8	0.233	11.7	510.0	0.240
DECEMBER	12.8	561.7	0.225	12.6	552.9	0.233
TOTAL	155.9	7,282.4	0.225	153.2	6,947.4	0.219

Note: The table above includes only electricity consumed for traction

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	
For the year ended 31 December	2024	2023	%	Absolute
MATERIALS EXPENSES	20,999	14,482	45.0	6,518
REPAIR AND MAINTENANCE EXPENSES	18,967	12,824	47.9	6,144
TOTAL	39,967	27,305	46.4	12,661

Materials, repair and maintenance expenses for Q4 2024 increased by 117.8% compared to Q4 2023 and by 33.8% compared to Q3 2024.

Factors influencing changes

In 2024, the GEL 12.7 million increase was primarily due to a GEL 6.1 million increase in repair and maintenance expenses, primarily due to more repair works for machinery and rolling stock and a GEL 6.5 million rise in material expenses,

mainly driven by a higher volume of purchased materials, particularly related to the track superstructure compared to the previous year.

4.3 FUEL EXPENSES

General description

The Group's fuel consumption principally relates to diesel locomotives carrying out shunting operations. It should be noted that the main driver for these operations is dry cargo. In everyday business processes, diesel locomotives are used for railcar marshaling, freight pick-up and delivery at customer facilities.

Another factor affecting fuel expenses is the nature of the cargo (i.e. import, export, local, or transit). While transit cargo is mainly served at one of the Group's stations, most local, export and import cargoes are served in two stations (i.e. the origin and destination stations).

FUEL EXPENSES

GEL '000	TOTAL		CHANGE	
For the year ended 31 December	2024	2023	%	Absolute
FUEL EXPENSES	7,269	8,739	(16.8)	(1,471)

Fuel expenses for Q4 2024 decreased by 15.3% compared to Q4 2023 and by 5.0% compared to Q3 2024.

Factors influencing changes

Total fuel expenses decreased by 16.8% (GEL 1.5 million) in 2024, compared to 2023. This reduction was mainly due to a decrease in fuel consumption, as well as decrease in average fuel tariff.

FUEL CONSUMPTION

	2024	2023	2022
CONSUMPTION ('000 TONS)	2,614	3,047	3,532
FUEL EXPENSES ('000 GEL)	7,269	8,739	10,486
AVG. TARIFF	2.78	2.87	2.97

5.1 FREIGHT CAR CROSS-BORDER CHARGE EXPENSES

General description

Freight car cross-border charge expenses represent short-term rent expenses derived from the usage of other railways' railcars on the Group's network, for which it is charged a daily fee. This expense counters 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 GR transports using other railways companies' railcars.

FREIGHT CAR CROSS-BORDER CHARGE EXPENSES

GEL '000	TOTAL		CHANGE	
For the year ended 31 December	2024	2023	%	Absolute
FREIGHT CAR CROSS-BORDER CHARGE	15,177	8,325	82.3	6,852

Freight car cross-border charge expenses for Q4 2024 increased by 54.4% compared to Q4 2023 and by 20.6% compared to Q3 2024.

Factors influencing changes

Freight car cross-border charge expenses increased by 82.3% (GEL 6.9 million). 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.

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	
	2024	2023	%	Absolute
For the year ended 31 December				
LOGISTICAL SERVICE EXPENSES	76,614	88,461	(13.4)	(11,847)

Expenses for logistical services for Q4 2024 decreased by 63.0% compared to Q4 2023 and by 47.8% compared to Q3 2024.

Factors influencing changes

Expenses for logistical services in 2024 decreased by 13.4% (GEL 11.8 million), compared to 2023. This 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.

**Logistical revenue and expenditure should be taken into consideration jointly (see pg. 19 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	
	2024	2023	%	Absolute
For the year ended 31 December				
SECURITY	13,166	12,364	6.5	802
OTHER OPERATING EXPENSES	14,353	20,193	(28.9)	(5,840)
TOTAL	27,519	32,558	(15.5)	(5,039)

Security and other operating expenses for Q4 2024 increased by 22.5% compared to Q4 2023 and by 14.3% compared to Q3 2024.

Factors influencing changes

Security and other operating expenses decreased by GEL 5.0 million in 2024 compared to 2023. This reduction was

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

5.4 TAXES OTHER THAN INCOME TAX

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 INCOME TAX

GEL '000	TOTAL		CHANGE	
For the year ended 31 December	2024	2023	%	Absolute
PROPERTY TAX	12,357	12,469	(0.9)	(112)
LAND TAX	11,474	10,980	4.5	493
OTHER TAXES	2,288	1,774	29.0	515
TOTAL	26,119	25,223	3.6	896

Taxes other than income tax for Q4 2024 increased by 12.3% compared to Q4 2023 and by 19.2% compared to Q3 2024.

Factors influencing changes

Taxes other than income tax increased by 3.6% (GEL 0.9 million) in 2024, compared to the previous year. This increase was primarily driven by increased taxes related to customs services, as well as increased land tax.

6. DEPRECIATION AND AMORTIZATION EXPENSES

General description

The Group's depreciation and amortization expenses are mainly affected by capital additions and property retirements from disposal, sale, or abandonment. The expenses are denominated in GEL and thus are not affected by fluctuations in foreign exchange rates.

DEPRECIATION AND AMORTIZATION EXPENSES

GEL '000	TOTAL		CHANGE	
For the year ended 31 December	2024	2023	%	Absolute
DEPRECIATION AND AMORTIZATION	59,325	76,895	(22.8)	(17,570)

Depreciation and amortization expenses for Q4 2024 decreased by 49.7% compared to Q4 2023 and by 33.1% compared to Q3 2024.

Factors influencing changes

The Group's depreciation and amortization expense was GEL 59.3 million in 2024, as compared to GEL 76.9 million in 2023. In 2024, the useful life of certain assets was reassessed and adjusted, leading to a GEL 17.6 million reduction in depreciation and amortization expenses.

7. IMPAIRMENT LOSS/(GAIN) ON TRADE RECEIVABLES

General description

The allowance account with respect to trade receivables is used to record impairment losses until all possible opportunities for recovery have been exhausted; once that point has been reached, the relevant amounts are written off directly against the given financial asset.

IMPAIRMENT GAIN/LOSS ON TRADE RECEIVABLES

GEL '000	TOTAL		CHANGE	
For the year ended 31 December	2024	2023	%	Absolute
IMPAIRMENT LOSS/(GAIN) ON TRADE RECEIVABLES	3,777	(6,016)	(162.8)	9,793

Factors influencing changes

In 2024, the Group recognized a GEL 3.8 million impairment loss on trade receivables, primarily due to the impairment of certain receivables from partnering railways.



8. 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	
	2024	2023	%	Absolute
For the year ended 31 December				
Share of results of equity accounted investees	15,738	0	100.0	15,738

Factors influencing changes

Profit from the associate entity amounted to GEL 15.7 million in 2024.

9.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	TOTAL		CHANGE	
	2024	2023	%	Absolute
INTEREST INCOME	24,318	37,229	(34.7)	(12,911)
IMPAIRMENT GAIN/(LOSS) ON FINANCIAL ASSETS	(681)	265	(357.0)	(946)
GAIN ON MODIFICATION OF FINANCIAL INSTRUMENTS	4,051	1,365	196.8	2,686
UNWINDING OF DISCOUNT ON PROVISIONS	(2,544)	0	(100.0)	(2,544)
INTEREST EXPENSE	(58,765)	(61,090)	(3.8)	2,325
NET FOREIGN EXCHANGE GAIN/(LOSS)	(55,669)	12,065	(561.4)	(67,734)
NET FINANCE INCOME/(COST)	(89,290)	(10,166)	778.3	(79,124)

Factors influencing changes

In 2024, the Group reported a GEL 89.3 million net finance loss, compared to a GEL 10.2 million net finance loss in 2023. The difference of GEL 79.1 million was primarily due to fluctuation of GEL against foreign currencies.

The Group showed a net foreign exchange loss of GEL 55.7 million in 2024 due to the depreciation of GEL against USD by 4.4 percent as of December 31, 2024, compared to December 31, 2023 (GEL/USD exchange rate of 2.8068 versus 2.6894). Conversely, in 2023 the Group experienced a net

foreign exchange gain of GEL 12.1 million due to GEL appreciation against the USD by 0.5 percent as of December 31, 2023, compared to December 31, 2022 (GEL/USD exchange rate of 2.6894 versus 2.7020).

Interest income in 2024 decreased by 12.9 million GEL compared to 2023, mainly due to lower interest rates on GEL denominated deposits, as well as increased share of USD denominated deposits, which naturally have lower interest rates.



II. BALANCE SHEET

NON-CURRENT ASSETS

GEL '000	TOTAL		CHANGE	
As at 31 December	2024	2023	%	Absolute
PROPERTY, PLANT AND EQUIPMENT	1,971,748	1,921,379	2.6	50,369
OTHER NON-CURRENT ASSETS	46,537	158,909	(70.7)	(112,373)
OTHER RECEIVABLE	0	53,037	(100.0)	(53,037)
INVESTMENTS	73,607	27	100.0	73,580
TOTAL	2,091,892	2,133,352	(1.9)	(41,461)

Factors influencing changes

Property, plant and equipment – The increase of GEL 50.4 million in property, plant and equipment was primarily due to the construction of a new rail network and other engineering works, mostly associated with the Modernization Project.

Other non-current assets – GEL 112.4 million reduction in other non-current assets as of 31 December 2024 was primarily driven by the reclassification of receivables related to the Tbilisi Bypass project to other current assets (see page 36 current assets). The Project remained suspended during both 2024 and 2023. Initially recognized as prepayments for non-current assets, the related balance was reclassified as a financial asset in light of management's expectation of cash recovery. According to the agreement terms, if the buy-

er formally suspends the Project, the construction service provider is required to refund the prepayment. Although formal cancellation had not occurred as of 31 December 2024, management anticipates it will take place in 2025.

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 15.7 million of profit generated by the entity.

CURRENT ASSETS

GEL '000	TOTAL		CHANGE	
As at 31 December	2024	2023	%	Absolute
INVENTORIES	39,506	37,330	5.8	2,175
TRADE AND OTHER RECEIVABLES	27,870	30,905	(9.8)	(3,035)
CURRENT TAX ASSETS	2,896	7,265	(60.1)	(4,369)
OTHER CURRENT ASSETS	103,480	0	100.0	103,480
PREPAYMENTS AND OTHER CURRENT ASSETS	898	3,562	(74.8)	(2,664)
CASH AND CASH EQUIVALENTS	318,300	283,547	12.3	34,753
TOTAL	492,950	362,609	35.9	130,341

Factors influencing changes

Inventories – GEL 2.2 million increase in inventories was largely due to increased construction and repair works in 2024, compared to 2023.

Trade and other receivables – GEL 3.0 million decrease was primarily driven by lower trade and other receivables, main-

ly due to increased receivables from one of the Company's subsidiaries.

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

EQUITY

GEL '000	TOTAL		CHANGE	
As at 31 December	2024	2023	%	Absolute
CHARTER CAPITAL	1,055,121	1,055,031	0.0	90
NON-CASH OWNER CONTRIBUTION RESERVES	100,602	100,602	0.0	0
RETAINED EARNINGS	(219,405)	(287,589)	(23.7)	68,184
TOTAL	936,318	868,044	7.9	68,274

In 2024, total equity increased by GEL 68.3 million compared to 2023, primarily driven by a net income of GEL 68.2 million. This resulted in a reduction of retained earnings loss from GEL 287.6 million to GEL 219.4 million.

NON-CURRENT LIABILITIES

GEL '000	TOTAL		CHANGE	
As at 31 December	2024	2023	%	Absolute
LOANS AND BORROWINGS	1,411,083	1,339,840	5.3	71,243
ADVANCED RECEIVED FROM THE GOVERNMENT	46,593	46,593	0.0	0
TRADE AND OTHER PAYABLES	34,992	36,714	(4.7)	(1,722)
TOTAL	1,492,668	1,423,147	4.9	69,521

Factors influencing changes

Loans and borrowings – As of 31 December 2024 loans and borrowings increased by GEL 71.2 million due to the GEL depreciation against foreign currencies, as well as the tem-

porary reclassification of a secured loan from long-term to short-term loans and borrowings as of 31 December 2023.

CURRENT LIABILITIES

GEL '000	TOTAL		CHANGE	
As at 31 December	2024	2023	%	Absolute
LOANS AND BORROWINGS	14,593	36,298	(59.8)	(21,705)
TRADE AND OTHER PAYABLES	117,610	142,117	(17.2)	(24,507)
LIABILITIES TO THE GOVERNMENT	4,712	4,712	0.0	0
PROVISIONS	9,571	11,214	(14.6)	(1,643)
OTHER CURRENT LIABILITIES	9,370	10,429	(10.2)	(1,059)
TOTAL	155,856	204,770	(23.9)	(48,914)

Factors influencing changes

Trade and other payables – The GEL 24.5 million decrease was mainly due to the payment of GEL 26.8 million to sup-

plier for constructing and designing signaling, centralization and blocking systems on the Kashuri-Zestafoni segment.

III. CASH FLOW STATEMENT

By the end of 31 December, 2024, the Group held GEL 318.3 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 related 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>	TOTAL		CHANGE	
<i>For the year ended 31 December</i>	2024	2023	%	Absolute
CASH RECEIPTS FROM CUSTOMERS	634,857	620,993	2.2	13,864
CASH PAID TO SUPPLIERS AND EMPLOYEES	(416,028)	(444,178)	(6.3)	28,149
NET CASH FROM OPERATING ACTIVITIES	218,829	176,815	23.8	42,013

Factors influencing changes

Net cash from operating activities increased by GEL 42.0 million in 2024 compared to 2023. This change was primarily driven by an increase in cash receipts from customers due to increased revenue from freight transportation and related services, which in turn was positively influenced by USD appreciation against GEL, as the most of the Group's revenue is denominated in USD.

Additionally, there was a decrease in cash paid to suppliers and employees, primarily due to lower logistic expenses and employee benefit expenses, which also contributed to the rise in net cash from operating activities.

INVESTING ACTIVITIES

<i>GEL '000</i>	TOTAL		CHANGE	
<i>For the year ended 31 December</i>	2024	2023	%	Absolute
ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT	(150,725)	(139,342)	8.2	(11,383)
PURCHASE OF A COMPANY SHARE	(4,343)	0	(100.0)	(4,343)
PROCEEDS FROM SALE OF PROPERTY, PLANT AND EQUIPMENT	11,129	262	(4142.6)	10,867
INTEREST RECEIVED	24,426	34,133	(28.4)	(9,707)
INCREASE/DECREASE IN TERM DEPOSITS	0	4,071	(100.0)	(4,071)
INVESTMENT IN SUBSIDIARIES	(462)	0	(100.0)	(462)
NET CASH USED IN INVESTING ACTIVITIES	(119,975)	(100,876)	18.9	(19,098)

Factors influencing changes

Cash used in investing activities increased by GEL 19.1 million in 2024 compared to 2023. This increase was mainly due higher capital expenditures related to the Moderniza-

tion Project and lower interest received mainly due to lower rates on deposits.

FINANCING ACTIVITIES

GEL '000	TOTAL		CHANGE	
For the year ended 31 December	2024	2023	%	Absolute
REPAYMENT OF BORROWINGS	(11,829)	(11,346)	4.3	(483)
INTEREST PAID	(58,903)	(55,511)	6.1	(3,391)
NET CASH USED IN FINANCING ACTIVITIES	(70,732)	(66,858)	5.8	(3,874)

Factors influencing changes

Cash used in financing activities increased by GEL 3.9 million in 2024, compared to 2023, mainly due to the GEL depreciation against foreign currencies.

NOTES TO MANEGEMENT DISCUSSION AND ANALYSIS

NOTE 1

BREAKDOWN OF FREIGHT TRANSPORTATION IN TONS

'000 tons	TOTAL		CHANGE	
For the year ended 31 December	2024	2023	%	Absolute
LIQUID CARGOES	5,268	4,805	9.6	474
OIL PRODUCTS	5,268	4,805	9.6	474
DRY CARGOES	8,406	8,747	(3.9)	(341)
ORES	1,465	1,758	(16.6)	(292)
GRAIN	150	163	(7.5)	(12)
FERROUS METALS AND SCRAP	507	506	0.1	1
SUGAR	539	517	4.4	23
CHEMICALS AND FERTILIZERS	1,820	1,644	10.7	176
CONSTRUCTION FREIGHT	944	1,129	(16.4)	(185)
INDUSTRIAL FREIGHT	676	683	(1.1)	(7)
CEMENT	71	80	(11.0)	(9)
OTHER	2,234	2,268	(1.5)	(34)
TOTAL	13,674	13,551	0.9	122

BREAKDOWN OF FREIGHT TRANSPORTATION IN TONS

'000 tons	TOTAL		CHANGE	
For the year ended 31 December	2024	2023	%	Absolute
IMPORT	3,073	3,065	0.3	8
EXPORT	1,054	1,155	(8.7)	(101)
DOMESTIC	1,430	1,621	(11.8)	(192)
TRANSIT	8,117	7,710	5.3	407
TOTAL	13,674	13,551	0.9	122

BREAKDOWN OF FREIGHT TRANSPORTATION IN TONS (QUARTERLY)

'000 tons

<i>For the year ended 31 December</i>	Q4 2024	Q4 2023	y-o-y %	Q3 2024	q-o-q %
LIQUID CARGOES	1,292	1,104	17.0	1,436	(10.0)
OIL PRODUCTS	1,292	1,104	17.0	1,436	(10.0)
DRY CARGOES	1,982	2,190	(9.5)	2,144	(7.5)
ORES	264	440	(40.0)	347	(24.0)
GRAIN	53	18	195.9	36	47.5
FERROUS METALS AND SCRAP	157	131	20.0	135	16.8
SUGAR	73	18	299.0	243	(70.1)
CHEMICALS AND FERTILIZERS	463	531	(13.0)	385	20.3
CONSTRUCTION FREIGHT	232	293	(20.8)	234	(0.9)
INDUSTRIAL FREIGHT	167	200	(16.3)	200	(16.6)
CEMENT	15	16	(9.1)	14	4.1
OTHER	558	542	2.9	549	1.7
TOTAL	3,274	3,295	(0.6)	3,579	(8.5)

BREAKDOWN OF FREIGHT TRANSPORTATION IN TONS (QUARTERLY)

'000 tons

<i>For the period ended</i>	Q4 2024	Q4 2023	y-o-y %	Q3 2024	q-o-q %
IMPORT	851	792	7.4	840	1.3
EXPORT	256	291	(12.0)	253	1.4
DOMESTIC	280	427	(34.5)	360	(22.3)
TRANSIT	1,886	1,784	5.7	2,126	(11.3)
TOTAL	3,274	3,295	(0.6)	3,579	(8.5)

NOTE 2

BREAKDOWN OF FREIGHT TRANSPORTATION IN TON-KILOMETERS

<i>In million ton-kilometers</i>	TOTAL		CHANGE	
<i>For the year ended 31 December</i>	2024	2023	%	Absolute
LIQUID CARGOES	1,670	1,464	14.1	206
OIL PRODUCTS	1,670	1,464	14.1	206
DRY CARGOES	2,252	2,341	(3.8)	(88)
ORES	386	452	(14.5)	(66)
GRAIN	28	40	(30.8)	(12)
FERROUS METALS AND SCRAP	108	100	7.7	8
SUGAR	199	188	5.9	11
CHEMICALS AND FERTILIZERS	652	588	10.9	64
CONSTRUCTION FREIGHT	126	166	(24.3)	(40)
INDUSTRIAL FREIGHT	62	84	(25.8)	(22)
CEMENT	14	20	(30.7)	(6)
OTHER	678	703	(3.6)	(25)
TOTAL	3,922	3,804	3.1	118

BREAKDOWN OF FREIGHT TRANSPORTATION IN TON-KILOMETERS

<i>In million ton-kilometers</i>	TOTAL		CHANGE	
<i>For the year ended 31 December</i>	2024	2023	%	Absolute
IMPORT	424	413	2.8	12
EXPORT	299	334	(10.5)	(35)
DOMESTIC	153	172	(10.6)	(18)
TRANSIT	3,045	2,886	5.5	159
TOTAL	3,922	3,804	3.1	118

BREAKDOWN OF FREIGHT TRANSPORTATION IN TON-KILOMETERS (QUARTERLY)

In million ton-kilometers

<i>For the period ended</i>	Q4 2024	Q4 2023	y-o-y	Q3 2024	q-o-q
LIQUID CARGOES	416	339	22.6	457	(8.9)
OIL PRODUCTS	416	339	22.6	457	(8.9)
DRY CARGOES	517	577	(10.3)	569	(9.1)
ORES	69	121	(43.2)	86	(19.8)
GRAIN	8	3	159.0	8	3.6
FERROUS METALS AND SCRAP	29	23	23.8	33	(14.0)
SUGAR	26	5	423.5	89	(70.9)
CHEMICALS AND FERTILIZERS	168	190	(11.4)	139	21.1
CONSTRUCTION FREIGHT	31	39	(18.4)	31	1.7
INDUSTRIAL FREIGHT	16	24	(34.7)	15	4.2
CEMENT	2	3	(22.6)	3	(3.9)
OTHER	168	169	(0.6)	165	1.6
TOTAL	934	916	1.9	1,026	(9.0)

BREAKDOWN OF FREIGHT TRANSPORTATION IN TON-KILOMETERS (QUARTERLY)

In million ton-kilometers

<i>For the year ended 31 December</i>	Q4 2024	Q4 2023	y-o-y	Q3 2024	q-o-q
IMPORT	123	116	5.7	118	4.3
EXPORT	74	86	(14.1)	72	3.0
DOMESTIC	33	43	(23.1)	39	(14.7)
TRANSIT	704	671	4.9	797	(11.8)
TOTAL	934	916	1.9	1,026	(9.0)

NOTE 3

BREAKDOWN OF FREIGHT TRANSPORTATION IN TONS

'000 tons	2024				2023			
For the period ended	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
LIQUID CARGOES	1,144	1,397	1,436	1,292	1,155	1,287	1,259	1,104
OIL PRODUCTS	1,144	1,397	1,436	1,292	1,155	1,287	1,259	1,104
DRY CARGOES	2,094	2,186	2,144	1,982	1,996	2,214	2,346	2,190
ORES	490	364	347	264	404	452	463	440
GRAIN	40	22	36	53	76	44	25	18
FERROUS METALS AND SCRAP	122	92	135	157	120	123	133	131
SUGAR	49	174	243	73	103	210	186	18
CHEMICALS AND FERTILIZERS	480	493	385	463	378	282	452	531
CONSTRUCTION FREIGHT	249	227	234	232	259	269	308	293
INDUSTRIAL FREIGHT	133	176	200	167	83	202	198	200
CEMENT	22	20	14	15	16	26	21	16
OTHER	509	618	549	558	559	607	561	542
TOTAL	3,238	3,583	3,579	3,274	3,151	3,501	3,604	3,295

BREAKDOWN OF FREIGHT TRANSPORTATION IN TONS

'000 tons	2024				2023			
For the period ended	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
IMPORT	660	721	840	851	683	773	816	792
EXPORT	275	270	253	256	279	319	266	291
DOMESTIC	390	400	360	280	338	376	480	427
TRANSIT	1,913	2,192	2,126	1,886	1,851	2,033	2,043	1,784
TOTAL	3,238	3,583	3,579	3,274	3,151	3,501	3,604	3,295

NOTE 4

BREAKDOWN OF FREIGHT TRANSPORTATION IN TON-KILOMETERS

<i>In million ton-kilometers</i>	2024				2023			
<i>For the period ended</i>	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
LIQUID CARGOES	351	446	457	416	347	393	384	339
OIL PRODUCTS	351	446	457	416	347	393	384	339
DRY CARGOES	573	593	569	517	534	602	627	577
ORES	142	90	86	69	92	127	112	121
GRAIN	8	3	8	8	17	13	6	3
FERROUS METALS AND SCRAP	24	22	33	29	22	25	30	23
SUGAR	20	64	89	26	39	77	66	5
CHEMICALS AND FERTILIZERS	169	176	139	168	136	99	163	190
CONSTRUCTION FREIGHT	35	29	31	31	41	42	45	39
INDUSTRIAL FREIGHT	15	17	15	16	12	24	24	24
CEMENT	4	4	3	2	4	7	5	3
OTHER	157	188	165	168	171	187	176	169
TOTAL	924	1,039	1,026	934	881	996	1,011	916

BREAKDOWN OF FREIGHT TRANSPORTATION IN TON-KILOMETERS

<i>In million ton-kilometers</i>	2024				2023			
<i>For the period ended</i>	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
IMPORT	86	99	118	123	80	99	118	116
EXPORT	76	77	72	74	78	94	77	86
DOMESTIC	40	41	39	33	36	44	49	43
TRANSIT	722	822	797	704	688	760	768	671
TOTAL	924	1,039	1,026	934	881	996	1,011	916

NOTE 5

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:

GEL '000	31-Dec-24	31-Dec-23
NET FINANCIAL INDEBTEDNESS AS AT:		
FINANCIAL INDEBTEDNESS	1,425,676	1,376,138
LESS:		
AVAILABLE CREDIT FACILITIES	0	0
CASH	318,300	283,547
NET FINANCIAL INDEBTEDNESS:	1,107,376	1,092,591
	2024	2023
RESULTS FROM OPERATING ACTIVITIES	141,736	96,943
DEPRECIATION ADD-BACK	59,325	76,895
IMPAIRMENT (GAIN)/LOSS ON TRADE RECEIVABLES	3,777	(6,016)
SHARE OF RESULTS OF EQUITY ACCOUNTED INVESTEEES	15,738	0
ADJUSTED EBITDA	220,576	167,821
NET FINANCIAL INDEBTEDNESS/ADJUSTED EBITDA	5.0	6.5

ASSUMPTIONS

Adjusted EBITDA is calculated by adding back depreciation and amortization as well as impairment losses on financial and non-financial assets to the results from operating activities. Financial result variances at constant currency are obtained by converting the comparable period of the current-year results, denominated into GEL at the average foreign exchange rates for the prior period.