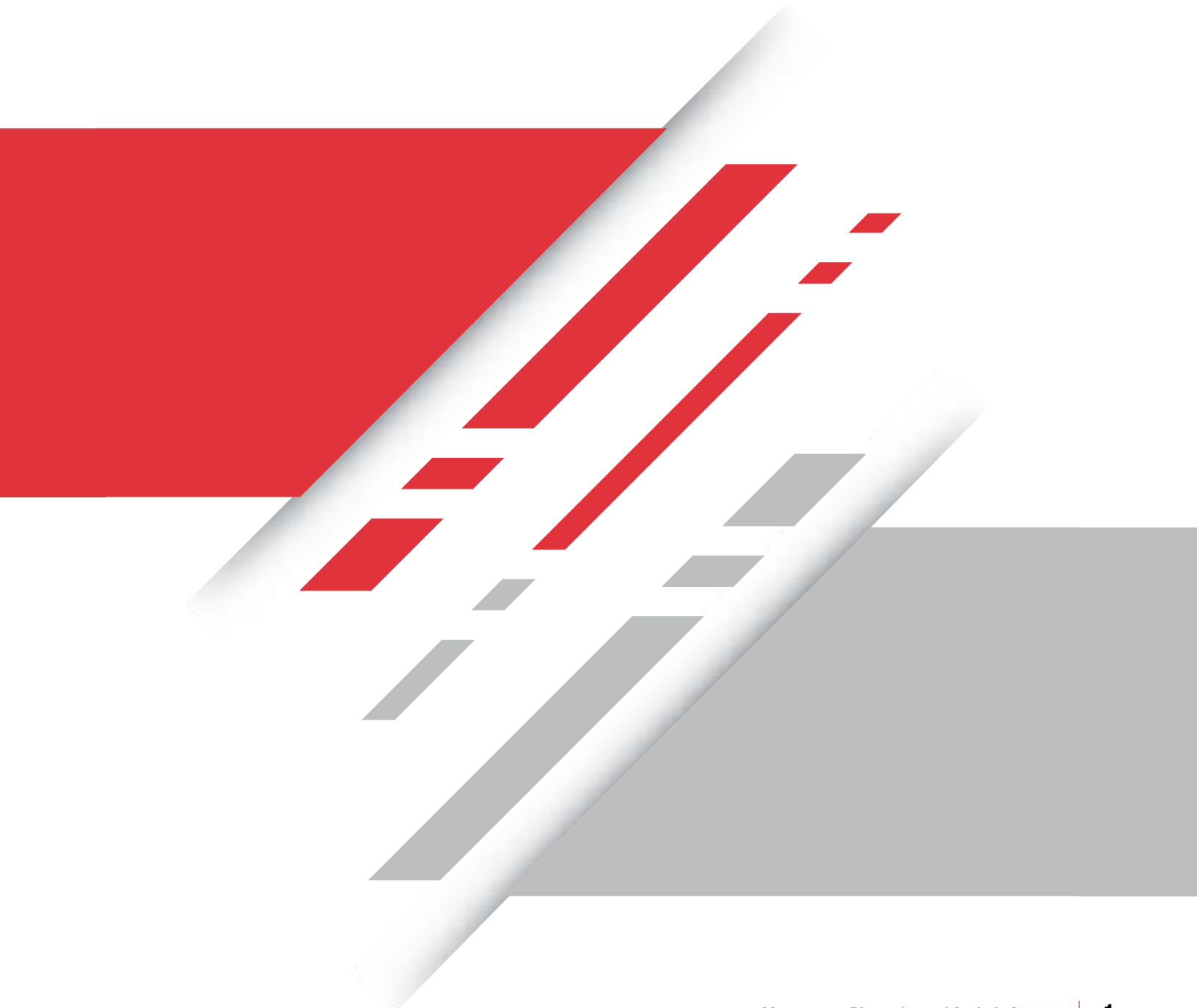


MANAGEMENT DISCUSSION AND ANALYSIS FOR 6 MONTHS AND Q2 ENDED 30 JUNE 2023



FINANCIAL AND NON-FINANCIAL HIGHLIGHTS

Revenue

Q2 2023

167,782

-1.1% from Q2 2022
+21.6% from Q1 2023

6M 2023

305,719

-1.7% from 6M 2022

Results from operating activities

Q2 2023

35,806

-45.8% from Q2 2022
+92.4% from Q1 2023

6M 2023

54,415

-47.0% from 6M 2022

Adjusted EBITDA

Q2 2023

53,821

-33.9% from Q2 2022
+46.1% from Q1 2023

6M 2023

90,666

-31.4% from 6M 2022

Adjusted EBITDA margin

Q2 2023

32.08%

-15.9 points from Q2 2022
+5.4 points from Q1 2023

6M 2023

29.66%

-12.8 points from 6M 2022

Net cash investment in PP&E

Q2 2023

38,199

-2277.5% from Q2 2022
+8.9% from Q1 2023

6M 2023

73,288

+119.5% from 6M 2022

Net debt to Adjusted EBITDA

30 Jun 2023

4.42

3.93 as at 31-Dec-2022
5.35 as at 30-Jun-2022

Tons ('000)

Q2 2023

3,501

-8.2% from Q2 2022
+11.1% from Q1 2023

6M 2023

6,652

-2.4% from 6M 2022

TKM (in million)

Q2 2023

996

-10.9% from Q2 2022
+13.0% from Q1 2023

6M 2023

1,877

-5.3% from 6M 2022

N of Passengers ('000)

Q2 2023

569

+169.8% from Q2 2022
+20.5% from Q1 2023

6M 2023

1,041

+66.8% from 6M 2022

Passenger-kilometers (in million)

Q2 2023

177

+50.9% from Q2 2022
+20.5% from Q1 2023

6M 2023

333

+66.0% from 6M 2022

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I. PROFIT OR LOSS STATEMENT

PROFIT AND LOSS STATEMENT

6-month period ended 30 June	TOTAL		CHANGE			
	'000 GEL	6M 2023	6M 2022	%	% constant currency	Absolute
Revenue		305,719	311,103	-1.7%	15.6%	-5,384
Other income		3,515	10,648	-67.0%	-61.2%	-7,133
Impairment gain/(loss) on trade receivables		-592	3,698	-116.0%	-118.8%	-4,290
Employee benefits expense		-119,862	-97,380	23.1%	44.8%	-22,481
Depreciation and amortization		-35,659	-33,177	7.5%	26.4%	-2,482
Electricity, consumables and maintenance costs		-38,683	-35,785	8.1%	27.1%	-2,898
Other expenses		-60,023	-56,407	6.4%	25.2%	-3,616
Result from operating activities		54,415	102,700	-47.0%	-37.7%	-48,284
Net finance income/(costs)		32,532	58,942	-44.8%	-35.1%	-26,410
Profit before income tax		86,947	161,642	-46.2%	-36.7%	-74,694
Income tax expense		-499	-402	24.1%	46.0%	-97
Profit and total comprehensive income		86,449	161,240	-46.4%	-36.9%	-74,791
Adjusted EBITDA		90,666	132,179	-31.4%	-19.3%	-41,512
Adjusted EBITDA Margin		29.7%	42.5%	NA	NA	-12.8%

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

PROFIT AND LOSS STATEMENT(QUARTERLY)

For the period ended

'000 GEL	Q2 2023	Q2 2022	y-o-y	Q1 2023	q-o-q
Revenue	167,782	169,661	-1.1%	137,937	21.6%
Other income	-288	8,510	-103.4%	3,803	-107.6%
Impairment loss/gain on trade receivables	-640	3,940	-116.2%	47	-1461.7%
Employee benefits expense	-62,761	-51,141	22.7%	-57,100	9.9%
Depreciation and amortization	-17,376	-19,350	-10.2%	-18,283	-5.0%
Electricity, consumables and maintenance costs	-19,958	-18,025	10.7%	-18,725	6.6%
Other expenses	-30,954	-27,588	12.2%	-29,069	6.5%
Result from operating activities	35,806	66,006	-45.8%	18,610	92.4%
Net finance income/loss	-31,412	71,999	-143.6%	63,943	-149.1%
Profit before income tax	4,394	138,005	-96.8%	82,553	-94.7%
Income tax expense(benefit)	-268	-312	-14.1%	-231	16.0%
Profit and total comprehensive income	4,126	137,693	-97.0%	82,322	-95.0%
Adjusted EBITDA	53,821	81,417	-33.9%	36,845	46.1%
Adjusted EBITDA Margin	32.1%	48.0%	NA	26.7%	NA

**Adjusted EBITDA and EBITDA in previous reports are calculated using the same methodology*

1.1 REVENUE

REVENUE BREAKDOWN

6-month period ended 30 June	TOTAL		CHANGE		
'000 GEL	6M 2023	6M 2022	%	% constant currency	Absolute
Freight transportation	170,388	191,155	-10.9%	4.8%	-20,768
Freight handling	40,410	40,201	0.5%	18.2%	208
Logistical service	67,973	61,240	11.0%	30.5%	6,733
Rent of wagons and other rental income	2,029	2,890	-29.8%	-17.4%	-860
Freight car cross-border charge	3,932	3,642	8.0%	27.0%	290
Passenger traffic	18,015	9,842	83.0%	115.3%	8,173
Other	2,973	2,133	39.4%	63.9%	840
Revenue	305,719	311,103	-1.7%	15.6%	-5,384
Other income	3,515	10,648	-67.0%	-61.2%	-7,133

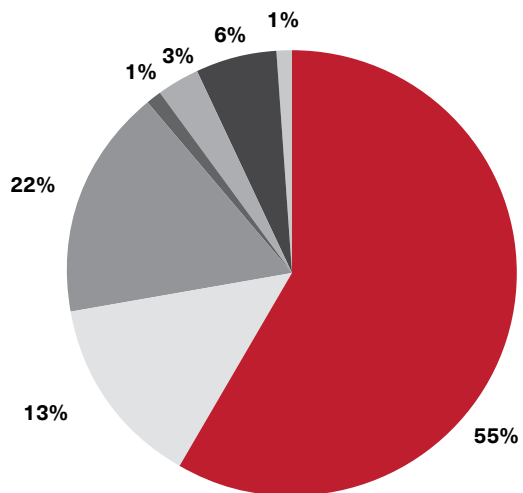
REVENUE BREAKDOWN (QUARTERLY)

For the period ended	Q2 2023	Q2 2022	y-o-y	Q1 2023	q-o-q
'000 GEL					
Freight transportation	89,134	104,002	-14.3%	81,254	9.7%
Freight handling	21,728	23,019	-5.6%	18,681	16.3%
Logistical service	43,976	35,187	25.0%	23,997	83.3%
Rent of wagons and other rental income	1,026	1,033	-0.7%	1,003	2.3%
Freight car cross-border charge*	-164	-450	-63.6%	4,096	-104.0%
Passenger traffic	9,924	6,145	61.5%	8,091	22.7%
Other	2,158	724	198.1%	815	164.8%
Revenue	167,782	169,661	-1.1%	137,937	21.6%
Other income	-288	8,510	-103.4%	3,803	-107.6%

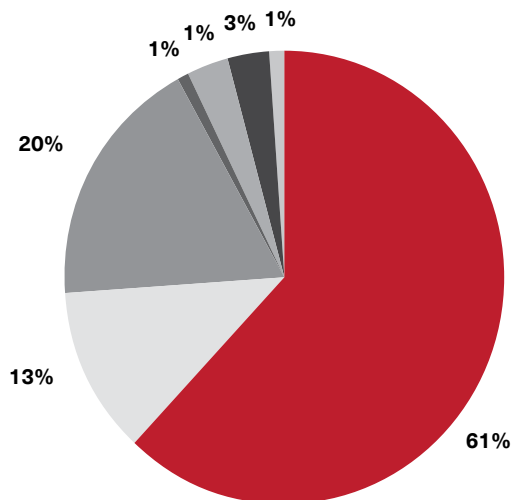
*Negative revenue in freight car cross-border charge was due to special pricing agreements with neighbouring railways.

The following charts represent revenue breakdown for the six months ended 30 June 2023 and 2022:

As at the end of June 2023



As at the end of June 2022



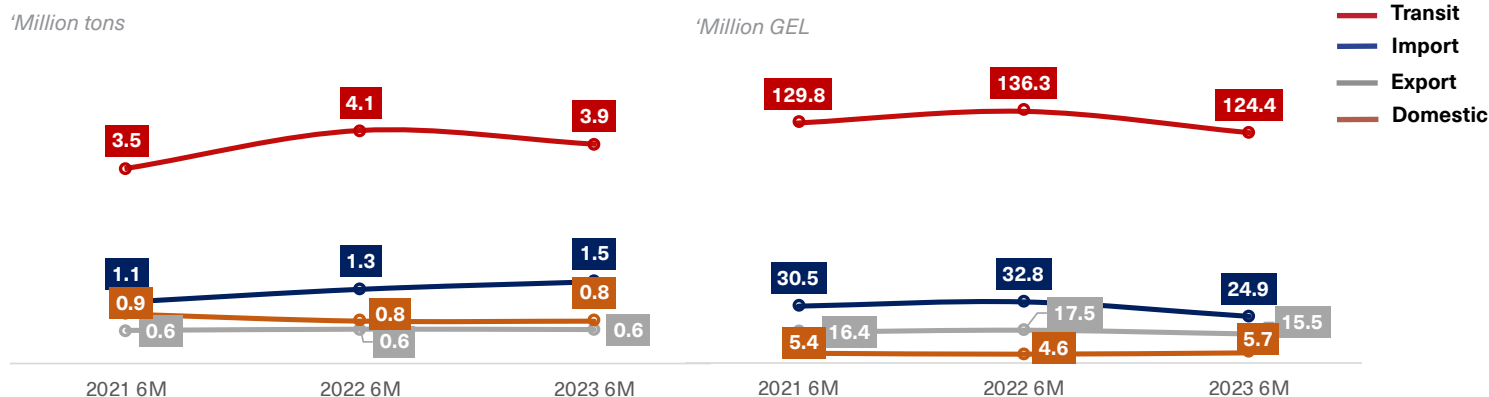
- Freight transportation
- Freight handling
- Logistical service
- Rent of wagons and other rental income
- Freight car cross-border charge
- Passenger traffic
- Other

FREIGHT TRANSPORTATION

The Group's freight transportation consists of domestic, import, export and transit transportation. The split between above-mentioned directions in 6 months 2023 was about

11 percent, 22 percent, 9 percent and 58 percent, respectively. 99.9 percent of revenue from freight transportation is denominated in USD.

The following charts represent the freight transportation breakdown by directions:



Transportation revenue depends on multiple factors, some of which are stated here:

Transportation volume – expressed in tons.

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

Revenue per ton-kilometer – the term refers to the average

revenue that the Group receives per ton-kilometer. This parameter varies according to the cargo type mix and transportation direction mix.

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

EXCHANGE RATES

	6M 2023	6M 2022	% Change	30-Jun-23	31-Dec-22	30-Jun-22	31-Dec-21
USD	2.60	3.05	-15%	2.62	2.70	2.93	3.10
CHF	2.85	3.24	-12%	2.92	2.93	3.08	3.38

TRANSPORTATION BY DIRECTIONS

IMPORT TRANSPORTATION

Import represents the movement of cargo from foreign countries to Georgia. The share of imported cargo in total transported volume was around 22 percent during the 6

months ended 30 June 2023, compared to 19 percent in same period of previous year.

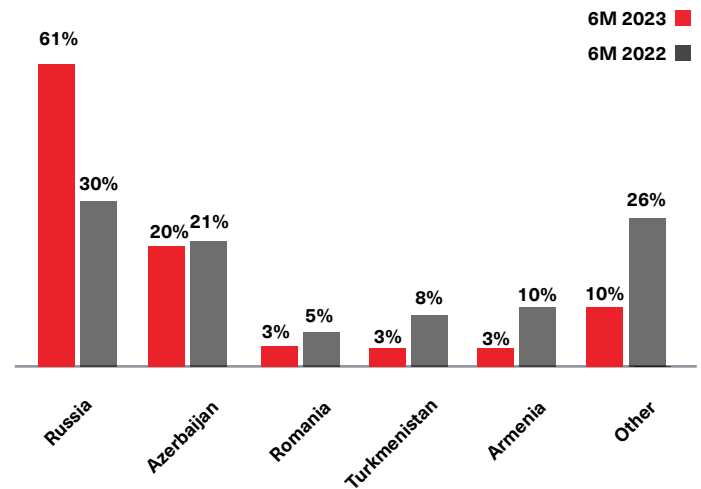
6-Month period ended 30 June	TOTAL		CHANGE	
	6M 2023	6M 2022	%	% constant currency
Revenue (million GEL)	24.9	32.8	-24.0%	-10.7%
Freight volume (million tons)	1.5	1.3	10.4%	NA
Freight turnover (million ton-km)	178.8	232.4	-23.0%	NA
Revenue / ton-km (in Tetri)	13.93	14.11	-1.3%	16.1%

MAIN FACTORS INFLUENCING PERFORMANCE

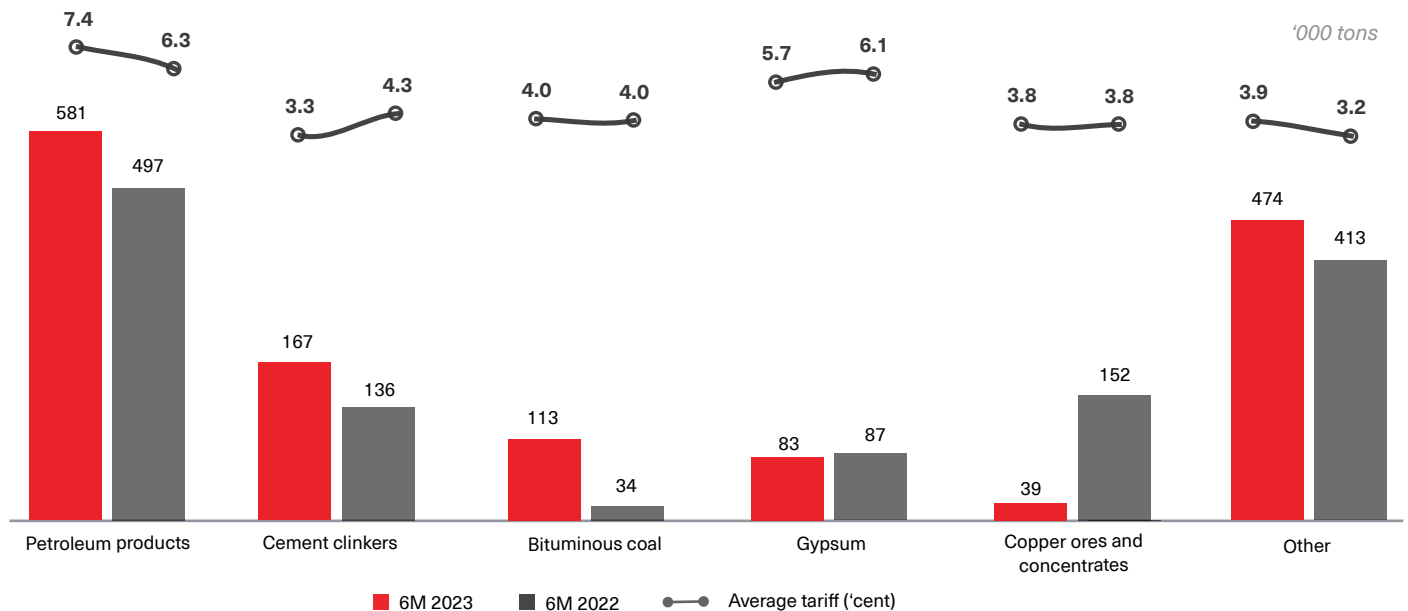
Freight turnover – 23 percent decrease in freight turnover was due to decreased transportation from Armenia and Romania, by 35 million tkm and by 5 million tkm respectively, during the 6 months ended 30 June 2023, compared to same period of 2022.

Revenue/ton-km (in Tetri) – 16 percent increase at constants currency was due to increased share in transportation from Russia (relatively more profitable direction) while the share of transported cargo from Armenia and Romania (relatively less profitable directions) decreased during 6 months ended 30 June 2023, compared to same period of previous year.

TRANSPORTATION VOLUME BY COUNTRIES OF ORIGIN



MAIN IMPORTED PRODUCT TYPES



MAIN DIRECTIONS OF CARGO

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

Motor fuel – mostly imported from Russia with 99 percent during 6 months ended 30 June 2023. Mentioned product was mainly intended to satisfy the domestic demand.

Oil bitumen – mostly imported from Russia with 98 percent, mainly transported to Rustavi with 98 percent share. Mentioned product is mainly used for making construction materials.

Diesel fuel – mostly imported from Russia with 84 percent, above mentioned product was mainly intended to satisfy the domestic demand.

Aviation fuel – mostly transported from Turkmenistan, Azerbaijan and Greece with 49 percent, 20 percent and 19 percent, respectively, in total imported aviation fuel. Aviation fuel was mostly used by domestic aviation companies in Georgia.

Special petrol – mostly imported from Romania during the 6 months ended 30 June 2023, mentioned product was mainly intended to satisfy the domestic demand.

Bituminous coal - mostly provided by Russia during 6 months ended 30 June 2023. Bituminous coal was mainly transported to Georgia's industrial cities, such as Kaspi and Rustavi with the share of 59 percent and 41 percent, respectively.

Cement clinkers – mostly provided by Azerbaijan during 6 months ended 30 June 2023. Cement clinkers was mainly transported to Kaspi and Rustavi with the share of 51 percent and 26 percent, respectively. Kaspi and Rustavi are Georgian cities, where the cement factories are located.

Gypsum – mostly provided by Azerbaijan during 6 months ended 30 June 2023. Imported gypsum was mainly transported to Kaspi and Rustavi, with 42 percent and 24 percent, respectively. Cement factories are located in mentioned Georgian cities. 33 percent of gypsum was directed to Tbilisi, where the drywalls are produced.

Copper ores and concentrates – was provided by Armenia during 6 months ended 30 June 2023. Mentioned products were directed to Poti, where a factory, producing non-ferrous metals for raw materials is located.

EXPORT TRANSPORTATION

Export represents the movement of cargo from Georgia to foreign countries. The share of exported cargo in total transported volume was around 9 percent in 6-month period end-

ed 30 June 2023, as well as in same period of 2022.

6-Month period ended 30 June	TOTAL		CHANGE	
	6M 2023	6M 2022	%	% constant currency
Revenue (million GEL)	15.5	17.5	-11.6%	3.9%
Freight volume (million tons)	0.6	0.6	-1.1%	NA
Freight turnover (million ton-km)	171.3	166.7	2.7%	NA
Revenue / ton-km (in Tetri)	9.03	10.50	-14.0%	1.2%

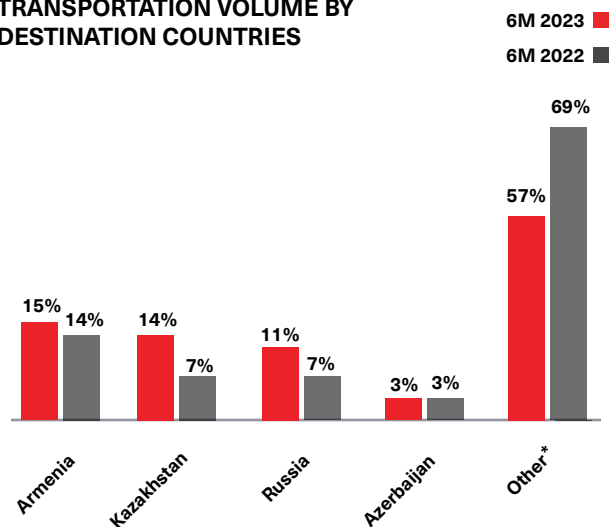
MAIN FACTORS INFLUENCING PERFORMANCE

Freight turnover – 3 percent increase was primarily due to increased transported to Kazakhstan and Russia and Armenia by 15 million tkm, 3 million tkm and 3 million tkm, in 6 months period ended 30 June 2023, compared to same period of 2022.

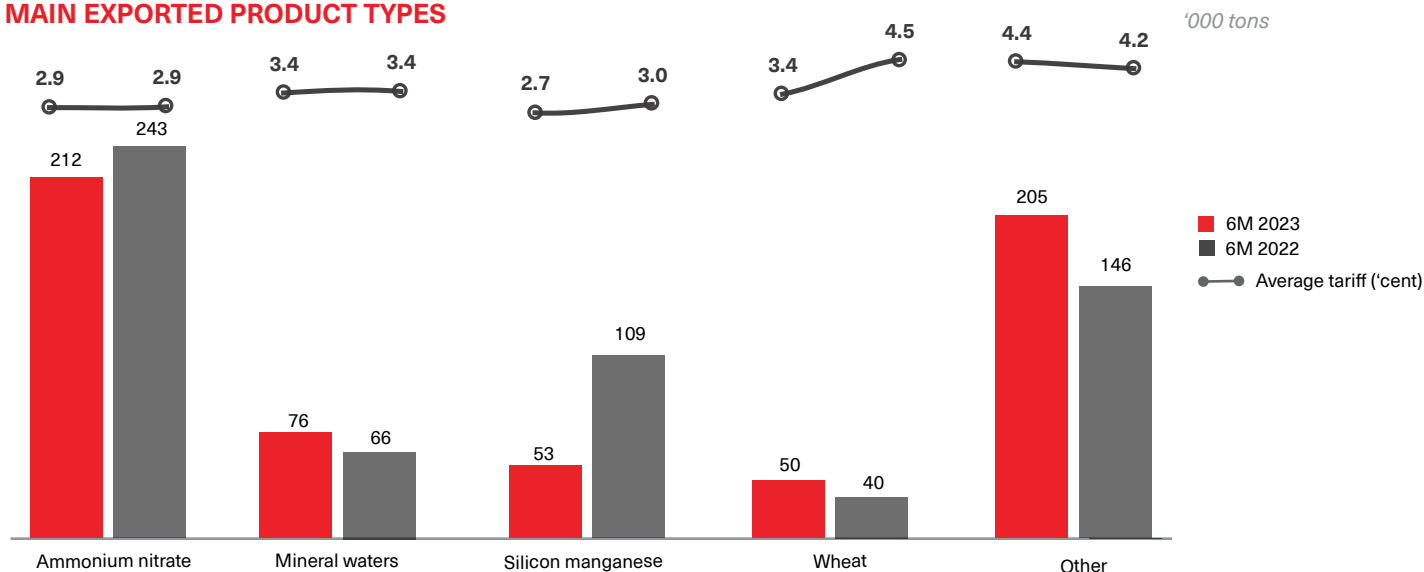
Revenue/ton-km (in Tetri) – 1 percent increase at constant currency was due to increased share in transportation to Russia (relatively more profitable direction) while the share of transported to other relatively less profitable countries decreased, in 6 months ended 30 June 2023, compared to same period of 2022.

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

TRANSPORTATION VOLUME BY DESTINATION COUNTRIES



MAIN EXPORTED PRODUCT TYPES



MAIN DIRECTIONS OF CARGO

Ammonium nitrate – The origin station of ammonium nitrate was Rustavi (due to fertilizer factory located there). Ammonium nitrate was mostly directed to Poti Seaport (98 percent share in total exported ammonium nitrate).

Mineral waters – Mainly originated from Borjomi with approximately 94 percent due to one of the biggest bottlers of mineral waters factory. Mineral waters were mainly transported to Russia and Kazakhstan with 68 percent and 20 percent in total exported mineral waters, respectively.

Silicon manganese – Mainly originated from Zestaponi with approximately 90 percent (due to the ferroalloys plant

located there). Silicon manganese was mainly directed to Batumi Seaport (68 percent share in total exported silicon manganese), before being carried by vessels to its final destinations, also silicon manganese was transported to Turkey and Italy with 14 percent and 10 percent share, respectively.

Wheat – the origin station of wheat was Poti due to one of the biggest grain warehouses in Georgia. Only destination country for wheat was Armenia during 6 months ended 30 June 2023.

DOMESTIC TRANSPORTATION

Domestic transportation represents the movement of cargo from one station to another, within Georgia. The share of domestic transportation in total transported volume was 11

percent in 6 month period ended 30 June 2023, as well as in same period of 2022.

6-Month period ended 30 June	TOTAL		CHANGE	
	6M 2023	6M 2022	%	% constant currency
Revenue (million GEL)	5.7	4.6	23.9%	45.7%
Freight volume (million tons)	0.7	0.8	-6.7%	NA
Freight turnover (million ton-km)	79.2	63.6	24.5%	NA
Revenue / ton-km (in Tetri)	7.14	7.18	-0.5%	17.0%

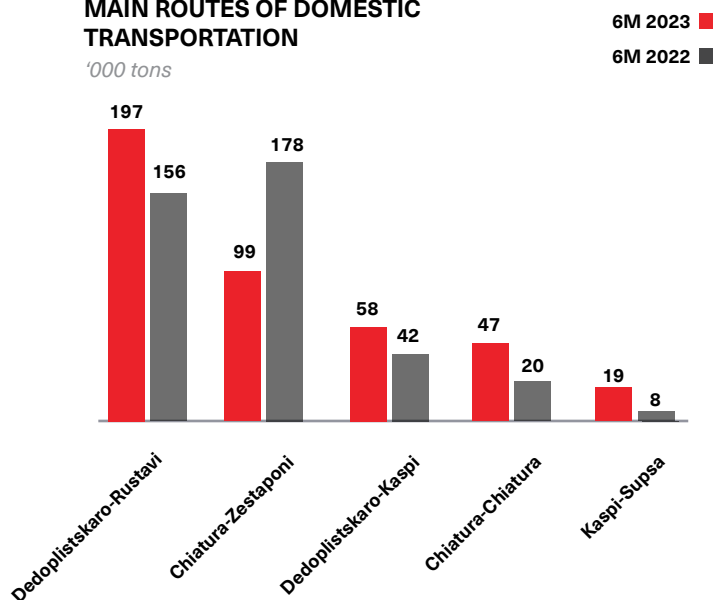
MAIN FACTORS INFLUENCING PERFORMANCE

Freight turnover – 25 percent increase was primarily due to increased transportation on Dedoplistskaro-Rustavi route in 6-month period ended 30 June 2023, compared to the same period of 2022.

Revenue/ton-km (in Tetri) – 17 percent increase at constant currency was mainly due to product direction mix. The share of domestic volume transported to Supsa and Khashuri (relatively more profitable directions) increased by 5 percent, while the share of transported cargo to relatively less profitable directions decreased in 6 months ended 30 June 2023, compared to same period of 2022.

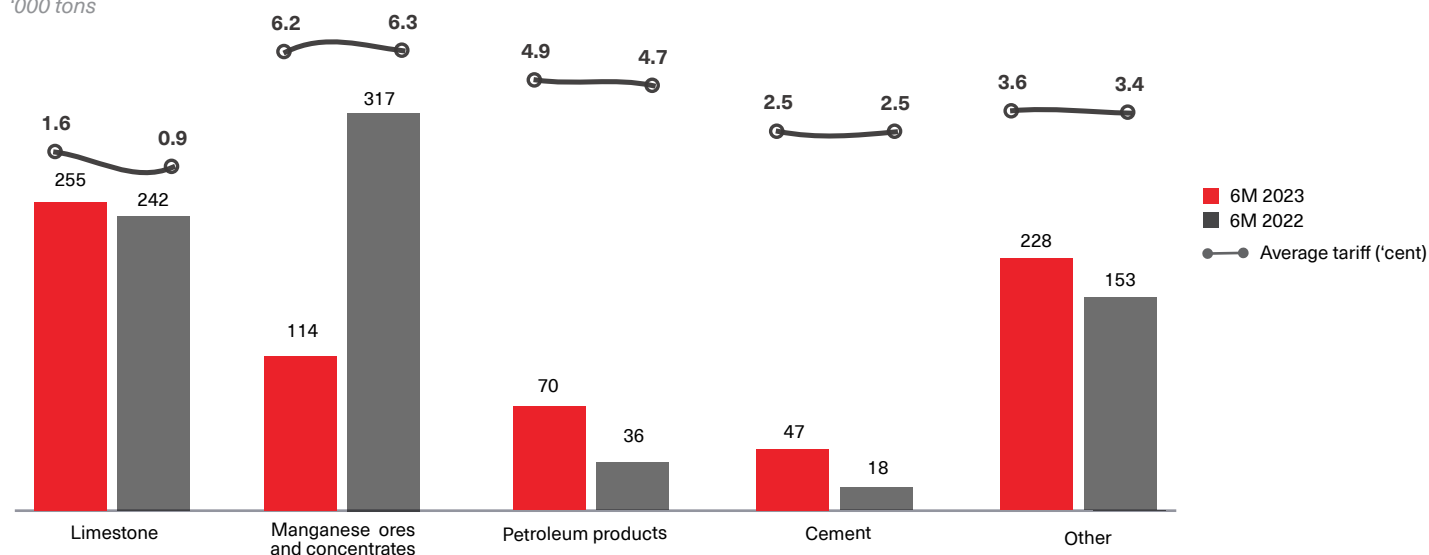
MAIN ROUTES OF DOMESTIC TRANSPORTATION

'000 tons



MAIN DOMESTIC PRODUCT TYPES

'000 tons



MAIN DIRECTIONS OF CARGO

Limestone – the origin station of limestone was Dedoplistskaro (due to open quarries where limestone is mined). 77 percent and 23 percent of the transported domestic limestone was directed to Kaspi and Rustavi, respectively, where the main cement factories of the Country are located.

Manganese ores and concentrates – the origin station of manganese ores and concentrates was Chiatura (due to manganese mine). Mentioned product is directed to Zestaponi and Chiatura due to ferroalloys factories located in this cities, which are responsible for processing manganese ores and concentrates.

Petroleum products include motor petrol and diesel fuel:

Motor petrol – mentioned product was mainly transported to Tbilisi and Samtredia with 73 percent and 14 percent respectively mainly for domestic use.

Diesel fuel – mentioned product was mainly transported to Tbilisi, Samtredia and Kobuleti with 60 percent, 23 percent and 11 percent respectively, mainly for domestic use.

Cement – Mainly originated from Kaspi with approximately 95 percent. Cement clinkers are directed to Rustavi, due to cement factories located there.

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 58 percent in

6 months ended 30 June 2023, compared to 61 percent in same period of 2022.

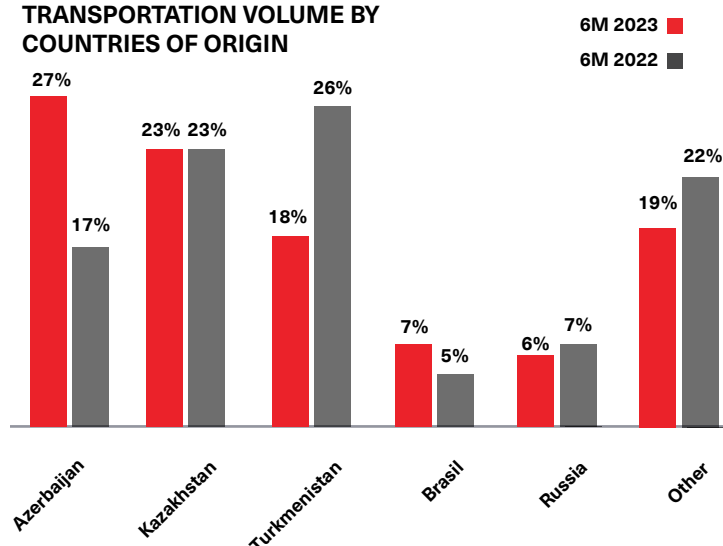
6-Month period ended 30 June	TOTAL		CHANGE	
	6M 2023	6M 2022	%	% constant currency
Revenue (million GEL)	124.4	136.3	-8.8%	7.3%
Freight volume (million tons)	3.9	4.1	-5.9%	NA
Freight turnover (million ton-km)	1,447.5	1,519.1	-4.7%	NA
Revenue / ton-km (in Tetri)	8.59	8.97	-4.2%	12.6%

MAIN FACTORS INFLUENCING PERFORMANCE

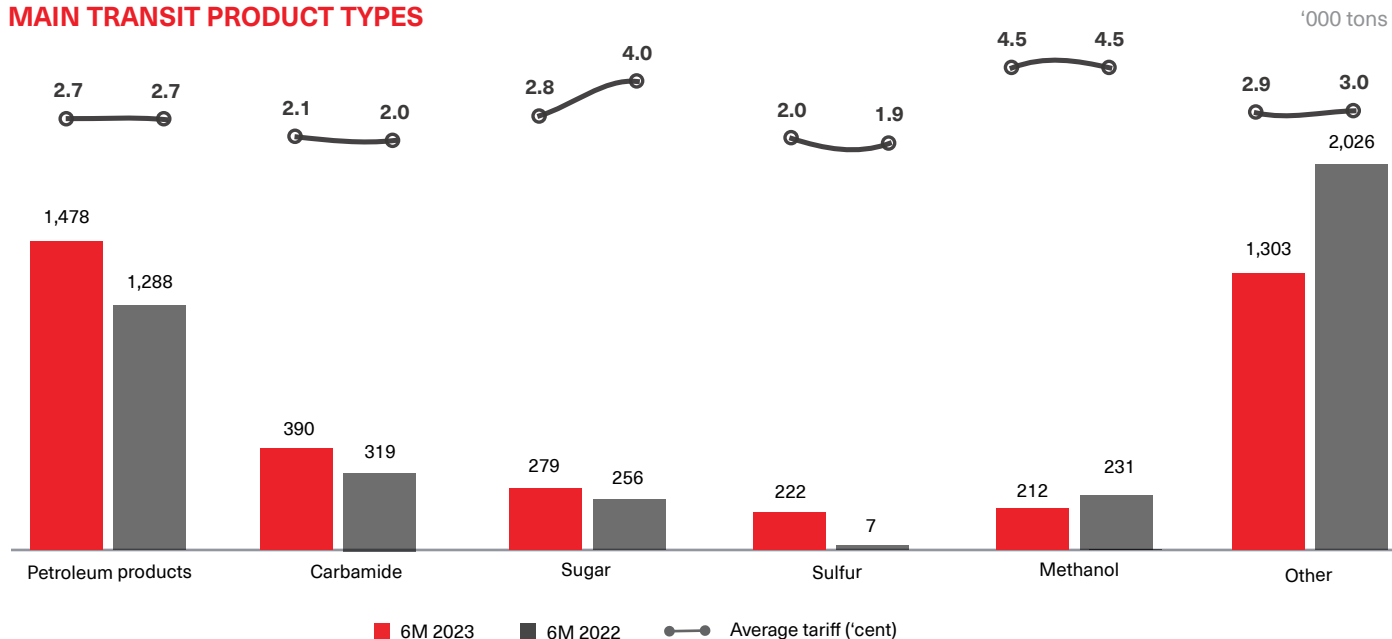
Freight turnover – 5 percent decrease was mainly due to decreased transportation from Kazakhstan and Turkmenistan by 79,000 tons and 399,000 tons, respectively, which was partially offset by increased transportation from Azerbaijan by 331,000 tons, in 6 months ended 30 June 2023, compared to the same period of 2022.

Revenue/ton-km (in Tetri) – 13 percent increase at constant currency was mainly due to increased transportation on Kazakhstan- Netherlands and Azerbaijan-Turkey routes (relatively more profitable routes), while the transported volume on Kazakhstan-Turkey route (relatively less profitable route) decreased in 6 months ended 30 June 2023, compared to the same period of 2022.

TRANSPORTATION VOLUME BY COUNTRIES OF ORIGIN



MAIN TRANSIT PRODUCT TYPES



MAIN DIRECTIONS OF CARGO

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

Heavy fuel oil – two main transit routes for heavy fuel oil transit transportation were Kazakhstan-Netherlands and Kazakhstan-Turkey, representing 67% and 21%, respectively, in 6 months ended 30 June 2023.

Light fuel oil – the two main transit routes for transited light fuel oil were from Turkmenistan to Black Sea Ports (Batumi, Poti, Parto Tskali) and Turkmenistan-Italy, representing 66% and 28%, respectively, in 6 months ended 30 June 2023.

Diesel fuel – three main transit routes for transited diesel fuel were from Azerbaijan to Black Sea Ports (Batumi, Poti, Parto Tskali), Russia-Armenia and Azerbaijan-Turkey, representing 43%, 25% and 20%, respectively.

Gas oil – two main transit routes for transited gas oil were Azerbaijan-Italy and from Azerbaijan-Turkey, representing 45% and 30%, respectively.

Special petrol – the main transit route for special petrol transit transportation was Russia-Armenia, representing 83%.

Carbamide – main transit routes for carbamide transit were from Turkmenistan to Black Sea Ports (Batumi, Poti, Parto Tskali), Azerbaijan-Romania, Azerbaijan-Ukraine and Azerbaijan-Spain, representing 70%, 8%, 6% and 5%, respectively.

Methanol – main transit routes were Azerbaijan-Turkey, Azerbaijan-Romania, Azerbaijan-Italy, Azerbaijan-Netherlands and Azerbaijan-Latvia, each accounting for 27%, 22%, 15%, 12% and 11%, respectively.

Sugar – main transit routes were Brazil-Azerbaijan, Brazil-Uzbekistan and Brazil-Armenia, each accounting for 47%, 42%, and 11%, respectively.

Sulfur – main transit route was from Kazakhstan- to Black Sea Ports (Poti) accounting for 96%.

RAIL FREIGHT VOLUMES BY BORDER CROSSINGS

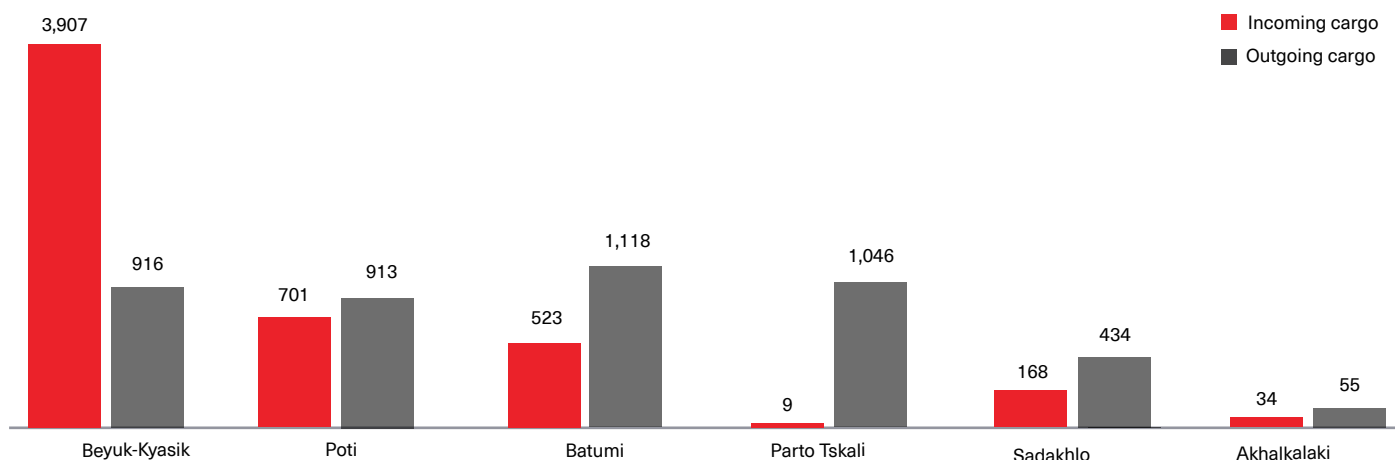
The JSC Georgian Railway operates three railway border crossings that link Georgia with its neighboring countries – Azerbaijan, Armenia, and Turkey. The Beyuk-Kyasik station connects the Company to Azerbaijan, and its corresponding border crossing station in Georgia is Gardabani. The Sadakhlo station links Georgia to Armenia, while the Akhalkalaki station connects it to Turkey. Additionally, the Company is linked to Black Sea Ports, including Poti Port, Batumi 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, 77 percent

of incoming freight arrives through land border crossings, underscoring the significance of the East-West transportation axis. On the other hand, 69 percent 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.*

'000 tons



INCOMING RAIL VOLUME - Beyuk-Kyasik station has the largest portion, contributing to 95 percent of cargo arriving from land border crossings and constituting 73 percent of the total incoming cargo. Notably, the primary entry points for incoming cargo were Poti Port and Batumi Sea Port, responsible for 57 percent and 42 percent of the volume entering the country through ports, respectively. However, these ports represent a relatively smaller proportion of the overall incoming cargo, standing at just 13 percent and 10 percent, respectively.

OUTGOING RAIL VOLUME – the majority (69 percent) of outgoing cargoes exit the country via Parto Tskali, Batumi Sea Port and Poti Port. On the other hand, Beyuk-Kyasik stands out as the key land departure point, accounting for 20 percent of the total volume leaving the country and facilitating 65 percent of the entire volume departing via land borders.

BORDER CROSSINGS OF IMPORTED PRODUCT

The share of Beyuk-Kyasik in total import was 83 percent in 6 months ended 30 June 2023, compared to 61 percent in the same period of 2022. 12 percent increase in share was due to increased transportation from Russia by 542,000 tons. Main origin countries using Beyuk-Kyasik station for volume transportation were Russia (mostly petroleum product transportation) and Azerbaijan (mostly cement clinkers transportation) with 864,000 tons and 286,000 tons respectively.

The share of Black Sea Ports (Poti, Batumi and Parto Tskali) used for imported product was 14 percent in 6 months ended 30 June 2023, compared to 29 percent in the same period of 2022. 15 percent decrease in share was due to decreased transportation from Russia, Bulgaria and Romania. The main importer countries using Black Sea Ports for entering country were Romania and Russia (mostly petroleum products transportation) with 44,000 tons and 28,000 tons and Brazil (mostly sugar transportation) with 31,000 tons.

BORDER CROSSINGS OF EXPORTED PRODUCT

The share of Black Sea Ports (Poti, Batumi and Parto Tskali) in total export was 51 percent in 6 months ended 30 June 2023, compared to 65 percent in the same period of 2022. Main exported products were ammonium nitrate (209,000 tons) and sillico manganese (36,000 tons).

The share of Beyuk-Kyasik in total export was 34 percent in 6 months ended 30 June 2023, compared to 21 percent in the same period of 2022. Main destination countries for exported cargo, leaving the country through Beyuk-Kyasik station, were Kazakhstan and Russia with 84,000 and 63,000 tons, respectively, mostly with mineral water transportation.

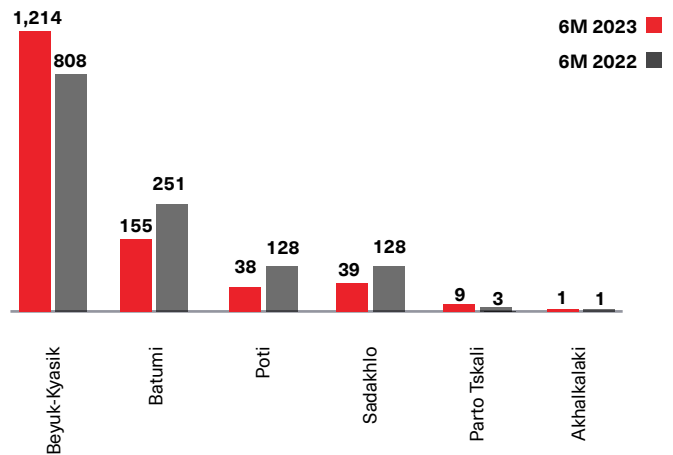
The share of Sadakhlo in total export was 15 percent in 6 months ended 30 June 2023, compared to 14 percent in the same period of 2022. The only destination country was Armenia with 54,000 tons (mostly wheat transportation).

BORDER CROSSINGS OF TRANSIT PRODUCT

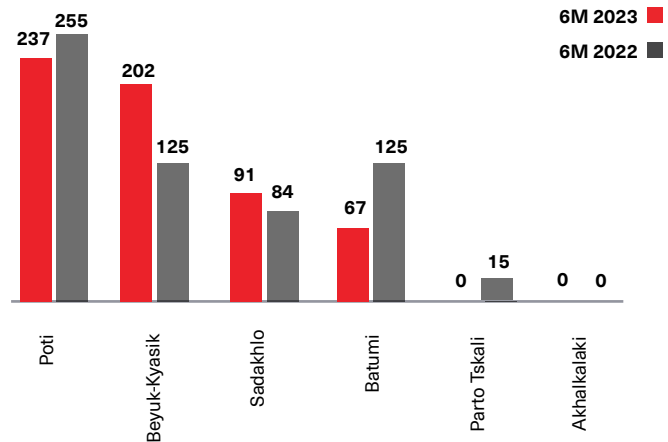
Beyuk-Kyasik station has the highest share in incoming volumes. Share of Beyuk-Kyasik station was 69 in 6 months ended 30 June 2023, compared to 77 percent in the same period of 2022. Main origin countries for incoming cargoes were Azerbaijan, Kazakhstan and Turkmenistan with 1,040,000 tons, 882,000 tons and 688,000 tons, respectively.

Black Sea Ports (Poti, Batumi and Parto Tskali) has the highest share in outgoing volumes. Share of Black Sea Ports was 71 percent in 6 months ended 30 June 2023, compared to 75 percent in the same period of 2022. Main destination countries were Turkey, Netherlands and Italy, with 440,000 tons, 354,000 tons and 253,000 tons, respectively.

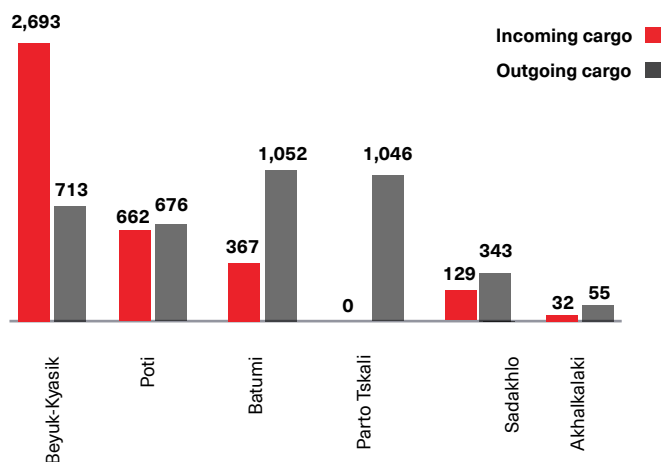
IMPORT BORDER CROSSINGS ('000 TONS)



EXPORT BORDER CROSSINGS ('000 TONS)



TRANSIT BORDER CROSSINGS ('000 TONS)



CONTAINER TRANSPORTATION

Approximately 11% of the total transported volume in 6 months ended 30 June 2023 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.

6-Month period ended 30 June	Q2 2023	Q2 2022	y-o-y	Q1 2023	q-o-q	6M 2023	6M 2022	q-o-q
Number of containers								
20 feet	12,741	11,834	7.7%	10,860	17.3%	23,601	20,816	13.4%
40 feet	7,832	5,710	37.2%	5,938	31.9%	13,770	9,912	38.9%
Total	20,573	17,544	17.3%	16,798	22.5%	37,371	30,728	21.6%
Number of container in TEU								
	28,405	23,254	22.2%	22,736	24.9%	51,141	40,640	25.8%
Tons '000								
	412	390	5.7%	344	20.0%	756	672	12.6%
Revenue (GEL '000)								
20 feet	6,004	5,021	19.6%	3,652	64.4%	9,656	8,673	11.3%
40 feet	4,712	3,635	29.6%	2,564	83.8%	7,276	6,199	17.4%
Total	10,716	8,656	23.8%	6,217	72.4%	16,932	14,873	13.8%
Average tariff (GEL)								
20 feet	471.2	424.3	11.1%	336.3	40.1%	409.1	416.7	-1.8%
40 feet	601.6	636.6	-5.5%	431.8	39.3%	528.4	625.4	-15.5%
Total	520.9	493.4	5.6%	370.1	40.7%	453.1	484.0	-6.4%

* Average tariff represents revenue divided by number of containers

Number of containers - 22 percent increase was due to increased containers transported to Georgia by 2,036 units, from Azerbaijan by 1,067 units and from China by 1,557 units, which was partially offset by decreased number of containers transported from Italy by 1,223 in 6 months ended 30 June 2023, compared to same period of 2022.

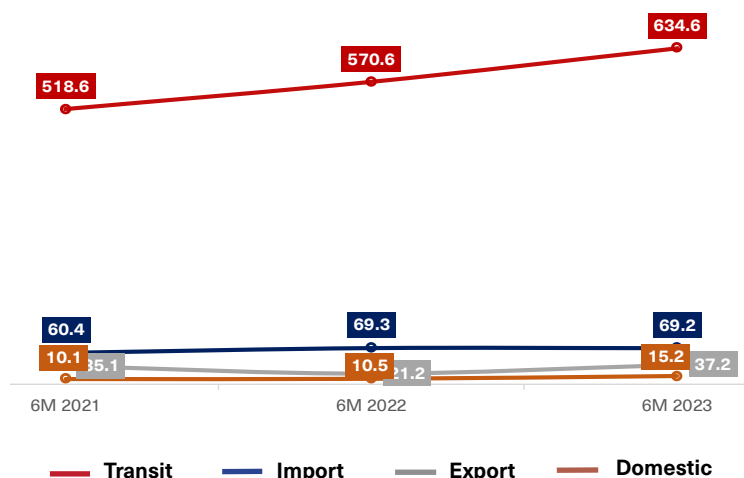
Revenue/number of containers (in GEL) - 6 percent decrease was mainly due to decreased number of containers

to China (relatively more profitable direction), while the number of containers to Georgia (relatively less profitable direction) increased in 6 months ended 30 June 2023, compared to same period of 2022.

The Group's container transportation consists of transit, import, export and domestic transportation routes. The split between mentioned directions in 6 month period ended 30 June 2023, was about 84 percent, 9 percent, 5 percent and 2 percent, respectively, compared to 85 percent, 10 percent, 3 percent and 2 percent respectively, in same period of 2022.

In 2021, Covid-19 had a significant effect on the volume of containers transported by Georgian ports, nonetheless, the share of containerized cargo transported by the Group remained considerably stable at around 10% in total transported volume. Container transportation increased by 22 percent in 6 months ended 30 June 2023, compared to same period of 2022.

CONTAINERS BY TRANSPORTATION TYPE (‘000 TONS)



FREIGHT HANDLING

General description

Revenue from freight handling comprises several components:

- 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, representing a fee paid by customers for the return of GR's own railcar after initial 24 hours from its delivery at an agreed destination;
- Revenue from other services, such as cargo loading/unloading, storage, accelerated service fees and other sources.

Currency and tariff setting

Most of the freight handling revenue, about 68 percent in 6M 2023, was denominated in USD, while the rest was denominated in GEL (32 percent). The Group sets its tariffs independently.

Driver

The revenue from this source largely changes in line with transportation volumes in tons. The correlation, however, is not perfect as many other factors influence it.

FREIGHT HANDLING

'000 GEL	TOTAL		CHANGE	
	6M 2023	6M 2022	%	Absolute
Station services	27,597	30,793	-10.4%	-3,196
24-hour service	11,663	8,809	32.4%	2,854
Other	1,150	599	92.0%	551
Total	40,410	40,201	0.5%	208

Revenue from freight handling increased by 0.5 percent (GEL 0.2 million) mainly due to an increase in 24-hour services, which was partially offset by decreased revenue from station services (decrease was due to GEL apprecia-

tion against USD, as station services are dominated in USD) in 6 months of 2023, compared to the same period of previous year.

LOGISTICAL SERVICES

General description

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

Currency and tariff setting

Revenue from logistical services is denominated in USD and GEL, with 75 percent and 25 percent, respectively.

Driver

Revenue from this source mainly changes in line with transportation turnover and volumes in tons.

LOGISTICAL SERVICES

'000 GEL	TOTAL		CHANGE	
	6M 2023	6M 2022	%	Absolute
Revenue from logistical services	67,973	61,240	11.0%	6,733

The Group's revenue from logistic services was GEL 68.0 million for the six months ended 30 June 2023, as compared to GEL 61.2 million for the corresponding period in 2022, reflecting an increase of 11.0% (or GEL 6.7 million).

This increase in revenue from logistic services was primarily due to increased revenue from GR's subsidiary providing container transportation.

**Logistical revenue and expenditures should be taken into consideration jointly. (See pg.24 Logistical service expenses)*

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.

PASSENGER TRANSPORTATION

6-month period ended 30 June	TOTAL		CHANGE	
	6M 2023	6M 2022	%	Absolute
Revenue ('000 GEL)	18,015	9,842	83.0%	8,173
Number of passengers ('000)	1,041	624	66.8%	417

Revenue from passenger transportation has increased by 83.0 percent in the first six months of 2023, compared to same period of 2022, and the number of passengers has increased by 66.8 percent. Mentioned change in revenue

is related to the significant increase in the number of passengers transported, as well as increased tariff on mainline transportation from July 2022.

1.2 OTHER INCOME

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-con-

tinuing operations (such as gain or loss from sale of fixed assets and other items which are not expected to reoccur in the following periods).

'000 GEL	TOTAL		CHANGE	
	6M 2023	6M 2022	%	Absolute
6-month period ended 30 June				
Continuing operations	2,410	2,084	15.7%	326
Non-continuing operations	1,105	8,563	-87.1%	-7,458
Total	3,515	10,648	-67.0%	-7,133

The Group's other income was GEL 3.5 million in the six months ended 30 June 2023, as compared to GEL 10.6 million for the corresponding period in 2022.

Higher income from continuing operation was due to increase in accrued penalties on creditors in the first half of

2023, compared to same period of 2022.

In 6 month period ended 30 June 2022, the Group had higher income from non-continuing operations than in 6 month period ended 30 June 2023, mainly due to realization of fixed assets and realization of scrap metal in 2022.

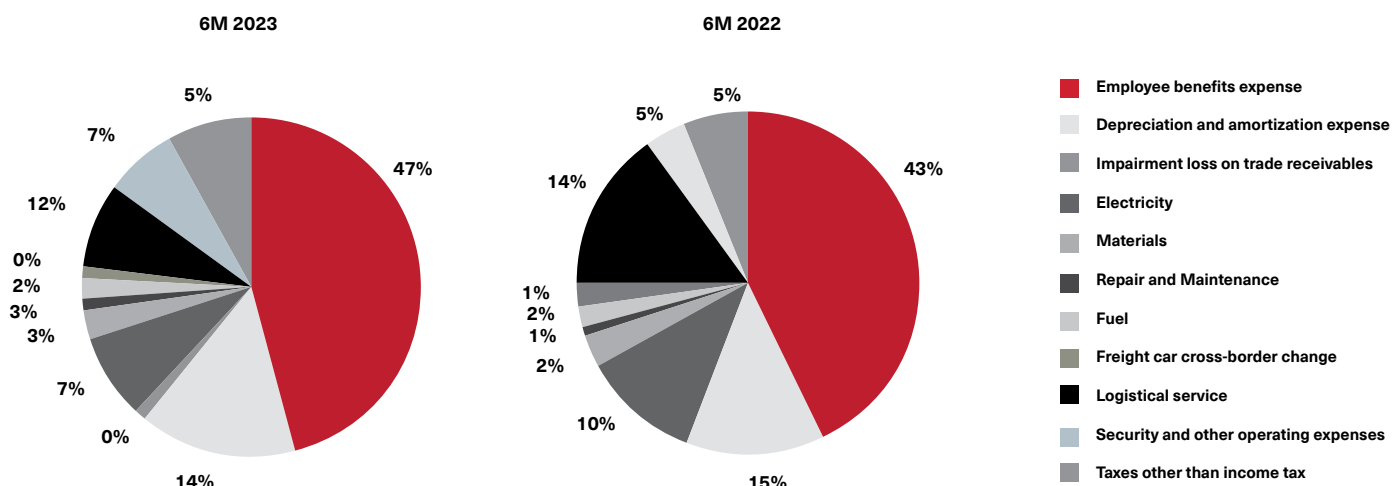
1.3 OPERATING EXPENSES

Total operating expenses for the first half of 2023 increased approximately by GEL 35.8 million, compared to the same period of the previous year. The increase was mainly caused by an increase in employee benefits expense, security and

other operating expenses, repair and maintenance expense, depreciation and amortization expense and materials expense.

'000 GEL	TOTAL		CHANGE		
	6M 2023	6M 2022	%	% const. curr.	Absolute
6-month period ended 30 June					
Employee benefits expense	119,862	97,380	23.1%	44.8%	22,481
Depreciation and amortization expense	35,659	33,177	7.5%	26.4%	2,482
Impairment loss/(gain) on trade receivables	592	-3,698	-116.0%	-118.8%	4,290
Electricity	18,592	22,361	-16.9%	-2.2%	-3,769
Materials	7,752	5,397	43.6%	68.9%	2,355
Repair and maintenance	7,631	3,557	114.5%	152.3%	4,074
Fuel	4,708	4,470	5.3%	23.9%	238
Freight car cross-border charge	715	2,599	-72.5%	-67.6%	-1,884
Logistical service	28,848	30,841	-6.5%	10.0%	-1,993
Security and other operating expenses	18,006	11,015	63.5%	92.3%	6,991
Taxes other than income tax	12,454	11,952	4.2%	22.6%	502
Total	254,819	219,051	16.3%	36.8%	35,768

The following charts represent the cost structure for the six months ended 30 June 2023 and 2022:



EMPLOYEE BENEFITS EXPENSES

The Group's salary expenses are fixed and are denominated in GEL. As a result, it is not affected neither by transporta-

tion volume, nor by FX changes.

'000 GEL	TOTAL		CHANGE	
	6M 2023	6M 2022	%	Absolute
Salary	95,214	77,422	23.0%	17,792
Bonus-reward	3,942	4,051	-2.7%	-109
Other benefits	20,706	15,907	30.2%	4,799
Total	119,862	97,380	23.1%	22,481

Employee benefits expenses during the six months ended 30 June 2023, compared to the same period of the previous year, increased about 23.1 percent (by GEL 22.5 million).

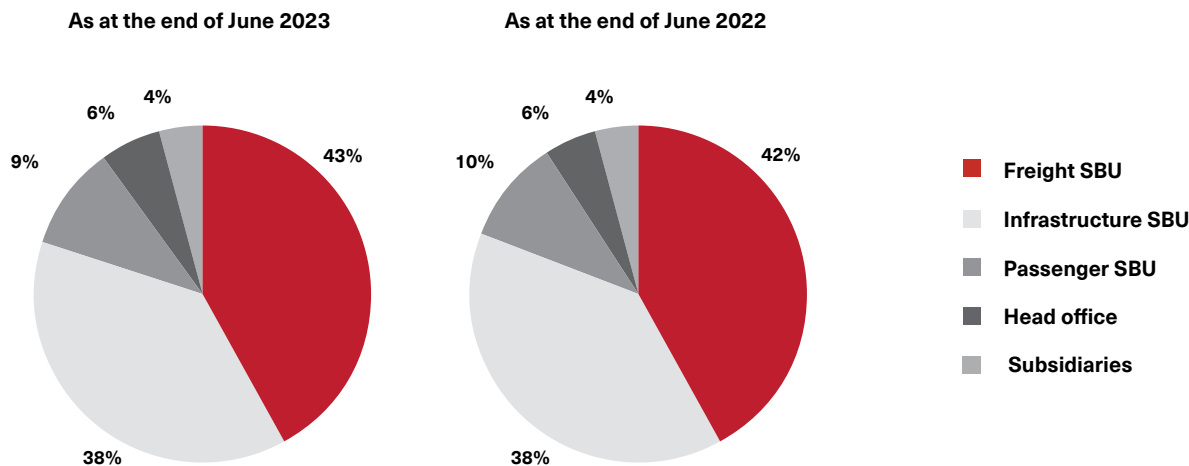
This increase in employee benefits expense was primarily due to increased salary expenses by GEL 17.8 million. From

January 2023, the Management increased the wages of approximately 12,000 employees.

Number of employees (excluding subsidiaries) by the end of June 2023 was equal to 11,729 and by the end of June 2022 was 11,881.

**In the second quarter of 2023, as part of the HR reform, 206 employees who reached the retirement age voluntarily left their jobs and were compensated with around GEL 2.0 million in total.*

The following charts show the headcount by strategic business units, head office and subsidiaries of the Company.



DEPRECIATION AND AMORTIZATION EXPENSES

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.

GEL '000	TOTAL		CHANGE	
	6M 2023	6M 2022	%	Absolute
Depreciation and amortization	35,659	33,177	7.48%	2,482

The Group's depreciation and amortization expense was GEL 35.7 million for the six months ended 30 June 2023, as compared to GEL 33.2 million for the corresponding period

in 2022, increase was due to constructions which were put into operations recently.

ELECTRICITY EXPENSES

General description

In September 2011, the Company entered into a 10-year agreement for the purchase of electricity at fixed tariffs (known as the Electricity Agreement), securing a set price for more than 90% of the Company's electricity needs. The Electricity Agreement expired in 2021 though, and the Company has since again been purchasing electricity on the open market. The tariffs are denominated in GEL.

Electricity expenses are split into two categories: electricity expenses for traction, which are driven by transportation turnover (the Group uses electric locomotives for freight transportation, electric trains (EMUs) for passenger transportation, and diesel locomotives for shunting operations); and utility expenses, which are not related to transportation volume and are normally considered to be fixed.

ELECTRICITY EXPENSES

'000 GEL	TOTAL		CHANGE	
	6M 2023	6M 2022	%	Absolute
6-month period ended 30 June				
Electricity expense of traction	15,728	18,710	-15.9%	-2,982
Utility expenses	2,864	3,651	-21.6%	-787
Total	18,592	22,361	-16.9%	-3,769

There was about a 16.9 percent (GEL 3.8 million) decrease in total electricity expenses mainly due to lower average tariff during the six months ended 30 June 2023, compared to the same period of 2022.

PURCHASED ELECTRICITY AND THE WEIGHTED AVERAGE TARIFF

6-month period ended 30 June	6M 2023			6M 2022		
	GWh	Gross ton-km (million)	Weighted av. tariff (GEL)	GWh	Gross ton-km (million)	Weighted av. tariff (GEL)
January	12.4	532.7	0.234	10.0	472.4	0.276
February	11.2	495.5	0.233	11.3	546.4	0.290
March	12.8	581.8	0.225	11.6	536.3	0.275
April	11.7	522.3	0.223	12.8	647.2	0.262
May	13.5	653.3	0.158	13.8	707.3	0.218
June	13.4	632.4	0.193	13.3	673.2	0.218
Total	75.1	3,418.0	0.211	73.6	3,582.8	0.257

Note: The table above only includes electricity consumed for traction

MATERIALS, REPAIR AND MAINTENANCE EXPENSES

GEL '000	TOTAL		CHANGE	
	6M 2023	6M 2022	%	Absolute
6-month period ended 30 June				
Materials expenses	7,752	5,397	43.6%	2,355
Repair and maintenance expenses	7,631	3,557	114.5%	4,074
Total	15,383	8,954	71.8%	6,429

Materials, Repair and maintenance expenses during the six months ended 30 June 2023, compared to the same period of the previous year, increased by about 71.8 percent

(by GEL 6.4 million). This increase was mainly due to more repair works of rolling stock and machinery as well as due to overhaul of passenger trains in the first quarter of 2023.

FREIGHT CAR CROSS-BORDER CHARGE EXPENSES

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.

GEL '000	TOTAL		CHANGE	
	6M 2023	6M 2022	%	Absolute
6-month period ended 30 June				
Freight car cross-border charge	715	2,599	-72.5%	-1,884

Freight car cross-border charge expenses decreased by 72.5% (GEL 1.9 million) in first half of 2023, compared to

2022. This decrease was mainly caused by decreased usage of semi-wagons and tank cars.

LOGISTICAL SERVICE EXPENSES

Expenses for logistics services refer to costs incurred by the Group's logistics business for international transportation

and/or for other types of transport.

GEL '000	TOTAL		CHANGE	
	6M 2023	6M 2022	%	Absolute
6-month period ended 30 June				
Logistical services	28,848	30,841	-6.5%	-1,993

Logistics services expenses decreased by 6.5 percent (or GEL 2.0 million) in the six months ended 30 June 2023,

primarily due to decreased freight forwarding expenses of GR's subsidiaries in Azerbaijan and Kazakhstan.

**Logistical revenue and expenditures should be taken into consideration jointly. (See pg.19 Logistical service revenue)*

SECURITY AND OTHER OPERATING EXPENSES

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.

GEL '000	TOTAL		CHANGE	
	6M 2023	6M 2022	%	Absolute
6-month period ended 30 June				
Security	6,854	4,863	40.9%	1,990
Other operating expenses	11,152	6,152	81.3%	5,001
Total	18,006	11,015	63.5%	6,991

Security and other operating expenses increased by GEL 7.0 million in the first half of 2023, compared to the same period of 2022.

months ended 30 June 2023, compared to same period of 2022.

Security expenses increased by GEL 2.0 million mainly due to increased average tariff on security service in the six

Other operating expenses increased mainly due GEL 4.7 million increase in software services and rail welding services.

TAXES OTHER THAN INCOME TAX

Land taxes are determined by the municipalities in which the land is located, while property taxes are calculated at 1% of the average book value of the asset. Meanwhile, railway

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

GEL '000	TOTAL		CHANGE	
	6M 2023	6M 2022	%	Absolute
6-month period ended 30 June				
Property tax	6,215	5,855	6.1%	359
Land tax	5,266	5,920	-11.1%	-654
Other taxes*	974	176	452.1%	797
Total	12,454	11,952	4.2%	502

*Other taxes include all subsidiaries' taxes (other than income tax).

In the first half of 2023, compared to the same period in 2022, taxes (other than income tax) increased by GEL 0.5

million mainly due to increased customs fees, which is reimbursed by customers.

IMPAIRMENT GAIN/LOSS ON TRADE RECEIVABLES

The allowance account with respect to trade receivables is used to record impairment losses until all possible oppor-

tunities for recovery have been exhausted; at that point the amounts are written off against the financial asset directly.

GEL '000	TOTAL		CHANGE	
	6M 2023	6M 2022	%	Absolute
6-month period ended 30 June				
Impairment gain/loss on trade receivables	592	-3,698	-116.02%	4,290

The Group showed impairment loss on trade receivables of GEL 0.6 million, in the first 6 months of 2023, which was

caused by increased of overall gross receivables balance.

1.4 FINANCE INCOME AND COST

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

Finance cost mainly consist of interest expenses on the Group's debt and foreign exchange losses.

The main source of FX gains or losses is the Group's Eurobonds, which are denominated in USD. This is, however, partially offset by the Group's USD cash balances and re-

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

FINANCE INCOME AND COST

GEL '000	TOTAL		CHANGE	
	6M 2023	6M 2022	%	Absolute
6-month period ended 30 June				
Interest income	17,580	12,122	45.0%	5,458
Impairment reversal on other financial assets	286	0	100.0%	286
Impairment loss on other financial assets	0	-118	-100.0%	118
Interest expense	-28,167	-32,206	-12.5%	4,039
FX gain/loss	42,833	79,144	-45.9%	-36,311
Net finance income/loss	32,532	58,942	-44.8%	-26,410

In the six months ended 30 June 2023 the Group showed GEL 32.5 million net finance income, compared to net finance income of GEL 58.9 million in the same period of 2022. The difference of GEL 26.4 million was mainly due to the fluctuation of GEL against foreign currencies.

GEL/USD exchange rate fluctuation has significant effect on net finance income/cost. Due to GEL appreciation against USD by 10.6 percent as at 30 June 2023 compared to 31 December 2022 (GEL/USD exchange rate 2.6177 versus 2.7020), the Group experienced net foreign exchange

income of GEL 42.8 million.

Lower interest expense during the six months ended 30 June 2023, compared to the same period of 2022, was mainly due to GEL appreciation against USD.

Higher interest income by GEL 5.5 million in the six months ended 30 June 2023 compared to the same period of 2022, was mainly due to the higher average cash balances.

1.5 INCOME TAX EXPENSE/BENEFIT

GEL '000	TOTAL		CHANGE	
	6M 2023	6M 2022	%	Absolute
6-month period ended 30 June				
Income tax expense/benefit	-499	-402	24.1%	-97

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

so-called "tax on distributed profits" model. Income tax expenses increased by GEL 0.1 million in the first six months of 2023, compared to the same period of 2022.

II. BALANCE SHEET

'000 GEL	TOTAL		CHANGE	
	30-Jun-23	31-Dec-22	%	Absolute
TOTAL ASSETS	2,434,255	2,399,517	1.4%	34,738
<i>Changes are mainly due to:</i>				
Property, plant and equipment	1,867,288	1,831,197	2.0%	36,091
Trade and other receivables	27,244	14,519	87.6%	12,725
TOTAL LIABILITIES				
<i>Changes are mainly due to:</i>				
Loans and borrowings (ST)	1,330,449	1,378,147	-3.5%	-47,697
Trade and other payables	115,823	122,242	-5.3%	-6,419

SIGNIFICANT CHANGES IN ASSETS

Property, plant and equipment – GEL 36.1 million increase in property, plant and equipment was mainly due to building of new rail network and new constructions (mainly due to Modernization Project).

Trade and other receivables – GEL 12.7 million increase was due to the receivables of the subsidiary company, which have already been settled at the time of publication of the report.

SIGNIFICANT CHANGES IN LIABILITIES

Loans and borrowings (ST) – During first half of 2023 decrease of GEL 47.7 million in long-term borrowings was mainly due to GEL appreciation against USD.

Trade and other payables – GEL 6.4 million decrease, during the first half of 2023 was mostly due to decreased advances from costumers by GEL 3.4 million and decreased payables to other railways by GEL 3.3 million.

III. CASH FLOW STATEMENT

3.1 OPERATING ACTIVITIES

'000 GEL	TOTAL		CHANGE	
	6M 2023	6M 2022	%	Absolute
6-month period ended 30 June				
Cash receipts from customers	299,505	313,347	-4.4%	-13,841
Cash paid to suppliers and employees	-213,475	-188,994	13.0%	-24,482
Net cash from operating activities	86,030	124,353	-30.8%	-38,323

Net cash from operating activities decreased by GEL 38.3 million in the first half of 2023, compared to the same period of the previous year. The change was driven by increase in cash paid to suppliers and employees by GEL 24.5 million,

as well as decrease in cash receipts from customers by GEL 13.8 million in the first six months of 2023, compared to the same period of 2022, which in turn was due to GEL appreciation against USD, as well as slight decrease in freight traffic.

3.3 INVESTING ACTIVITIES

'000 GEL	TOTAL		CHANGE	
	6M 2023	6M 2022	%	Absolute
6-month period ended 30 June				
Acquisition of property, plant and equipment	-73,333	-67,864	8.1%	-5,470
Proceeds from sale of PP&E	45	34,480	-99.9%	-34,435
Interest received	17,580	10,506	67.3%	7,074
Decrease/(Increase) in term deposits	-278	-214	29.8%	-64
Issuance of the loan	0	-21,568	-100.0%	21,568
Net cash used in investing activities	-55,986	-44,660	25.4%	-11,326

Cash used in investing activities has increased by GEL 11.3 million in the first half of 2023, compared to the same period of the previous year, due to decrease in proceed from sale of

PP&E by GEL 34.4 million, which was partially offset by the loan of USD 7.0 million issued by the Group to parent company in the first half of 2022.

3.2 FINANCING ACTIVITIES

'000 GEL	TOTAL		CHANGE	
	6M 2023	6M 2022	%	Absolute
6-month period ended 30 June				
Repayment of borrowings	-5,414	-6,620	-18.2%	1,207
Interest paid	-27,424	-30,176	-9.1%	2,752
Net cash used in financing activities	-32,838	-36,796	-10.8%	3,958

Cash used in financing activities has decreased by GEL 4.0 million in the first half of 2023, compared to the same period

of the previous year, mainly due to GEL appreciation against foreign currencies.

APPENDIX

APPENDIX 1

BREAKDOWN OF FREIGHT TRANSPORTATION IN TONS

'000	TOTAL		CHANGE	
	6M 2023	6M 2022	%	Absolute
6-month period ended 30 June				
Import	1,457	1,320	10.4%	137
Export	597	604	-1.1%	-7
Domestic	714	766	-6.7%	-51
Transit	3,884	4,126	-5.9%	-242
Total	6,652	6,816	-2.4%	-163

BREAKDOWN OF FREIGHT TRANSPORTATION IN TONS (QUARTERLY)

'000	Q2 2023	Q2 2022	y-o-y	Q1 2023	q-o-q
Import	773	745	3.8%	683	13.2%
Export	319	267	19.3%	279	14.3%
Domestic	376	421	-10.6%	338	11.1%
Transit	2,033	2,383	-14.7%	1,851	9.8%
Total	3,501	3,815	-8.2%	3,151	11.1%

BREAKDOWN OF FREIGHT TRANSPORTATION IN TON-KILOMETERS

million	TOTAL		CHANGE	
	6M 2023	6M 2022	%	Absolute
6-month period ended 30 June				
Import	179	232	-23.0%	-54
Export	171	167	2.7%	5
Domestic	79	64	24.5%	16
Transit	1,448	1,519	-4.7%	-72
Total	1,877	1,982	-5.3%	-105

BREAKDOWN OF FREIGHT TRANSPORTATION IN TON-KILOMETERS (QUARTERLY)

'million	Q2 2023	Q2 2022	y-o-y	Q1 2023	q-o-q
Import	99	131	-24.6%	80	22.8%
Export	94	72	29.6%	78	20.7%
Domestic	44	35	24.1%	36	22.3%
Transit	760	879	-13.6%	688	10.5%
Total	996	1,117	-10.9%	881	13.0%

APPENDIX 2

BREAKDOWN OF FREIGHT TRANSPORTATION IN TONS

'000	TOTAL		CHANGE	
	6M 2023	6M 2022	%	Absolute
Liquid cargoes	2,442	2,242	8.9%	200
Oil products	2,419	2,041	18.5%	378
Crude oil	22	200	-88.9%	-178
Dry cargoes	4,211	4,574	-7.9%	-363
Ores	855	803	6.6%	53
Grain	120	112	7.0%	8
Ferrous metals and scrap	242	343	-29.2%	-100
Sugar	312	295	5.9%	17
Chemicals and fertilizers	660	916	-27.9%	-255
Construction freight	528	431	22.4%	97
Industrial freight	286	214	33.6%	72
Cement	42	9	362.4%	33
Other	1,165	1,452	-19.8%	-287
Total	6,652	6,816	-2.4%	-163

BREAKDOWN OF FREIGHT TRANSPORTATION IN TON-KILOMETERS

'million	TOTAL		CHANGE	
	6M 2023	6M 2022	%	Absolute
6-month period ended 30 June				
Liquid cargoes	740	740	0.0%	0
Oil products	731	664	10.1%	67
Crude oil	9	76	-88.5%	-68
Dry cargoes	1,137	1,241	-8.4%	-105
Ores	219	143	53.5%	76
Grain	31	34	-10.6%	-4
Ferrous metals and scrap	47	80	-41.1%	-33
Sugar	116	109	6.1%	7
Chemicals and fertilizers	235	326	-27.9%	-91
Construction freight	83	64	30.3%	19
Industrial freight	36	27	31.0%	8
Cement	12	2	389.2%	9
Other	358	455	-21.3%	-97
Total	1,877	1,982	-5.3%	-105

APPENDIX 3

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

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”.

'000 GEL	30-Jun-23	31-Dec-22
Financial indebtedness	1,344,083	1,392,420
<i>less:</i>		
Available credit facilities	0	0
Cash	271,437	274,629
Net Financial Indebtedness:	1,072,647	1,117,790
The most recent 2 consecutive semi-annual period ended:		
Results from operating activities	170,133	218,417
Depreciation add-back	69,067	-66,585
Impairment loss on trade receivables	3,450	840
Adjusted EBITDA	242,649	284,162
Net Financial Indebtedness/Adjusted EBITDA	4.42	3.93

