

JSC GEORGIAN RAILWAY



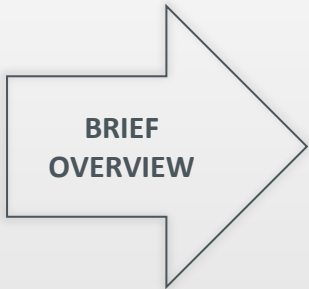
**VERTICALLY INTEGRATED RAILROAD COMPANY
WITH FULLY DEREGULATED FREIGHT AND
PASSENGER TARIFF POLICY**



**MONOPOLY RAILWAY OPERATOR IN GEORGIA, DIRECTLY
OWNED BY THE GOVERNMENT OF GEORGIA
IN 2022, GEORGIAN RAILWAY ⁽¹⁾ CELEBRATED 150 YEAR
SINCE IT IS FOUNDATION**

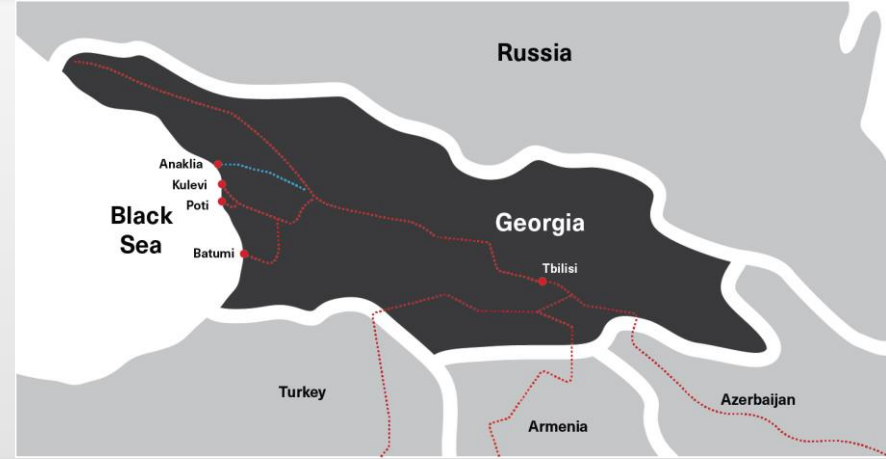
Note: (1) Before December 2022, the Company was indirectly owned by the Government of Georgia through JSC Partnership Fund. In December 2022, the ownership has changed and is directly under Ministry of Economy and Sustainable Development.

GEORGIAN RAILWAY OVERVIEW



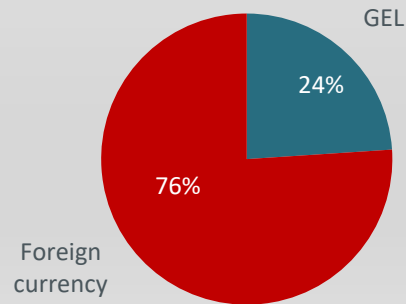
- Monopoly railway operator in Georgia, directly owned by the Government;
- Vertically integrated railroad company with fully deregulated freight and passenger tariff policy;
- 3 strategic business units (SBU): freight, passenger transportation and infrastructure;
- Freight Transportation SBU is GR's key business segment with ca. 76% share in GR's nine month period ended 30 September 2022 revenue. Over 59% of freight volume is transit in 2022;
- Unique strategic location. A key segment of the TRACECA corridor, the shortest route from the Caspian Sea and Central Asia to the Black Sea and the Mediterranean basin;
- Total number of employees: 12,378 people. At 31 December 2022

STRATEGIC LOCATION

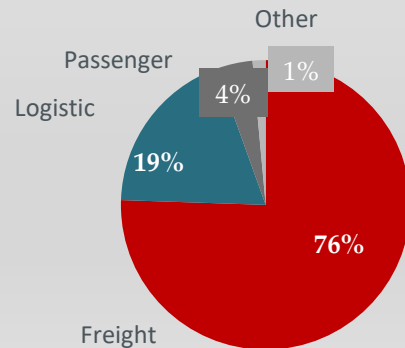


REVENUE BREAKDOWN

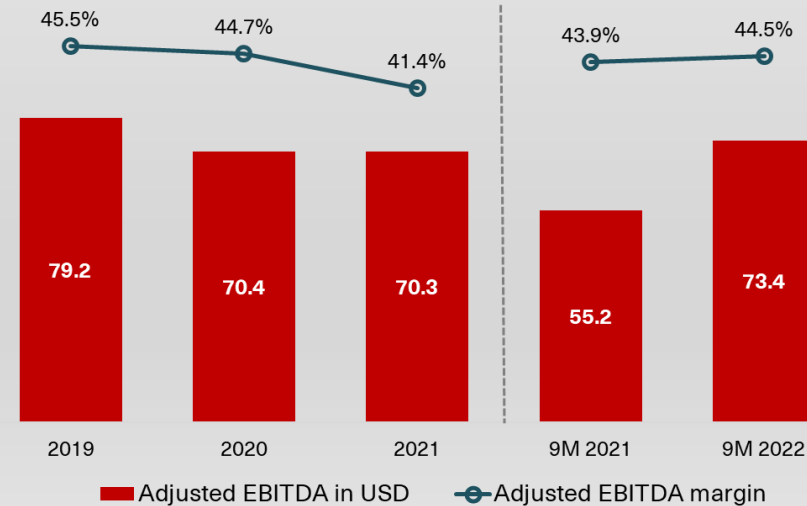
By currency



By business segment

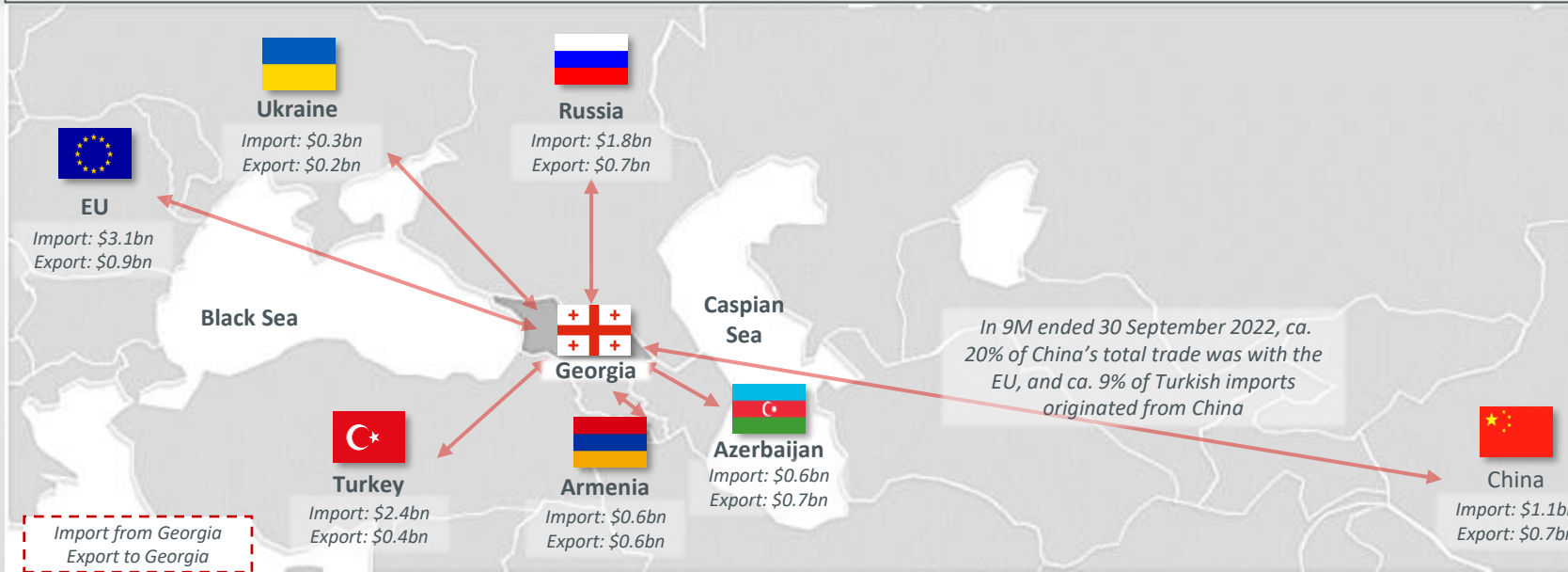


ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN



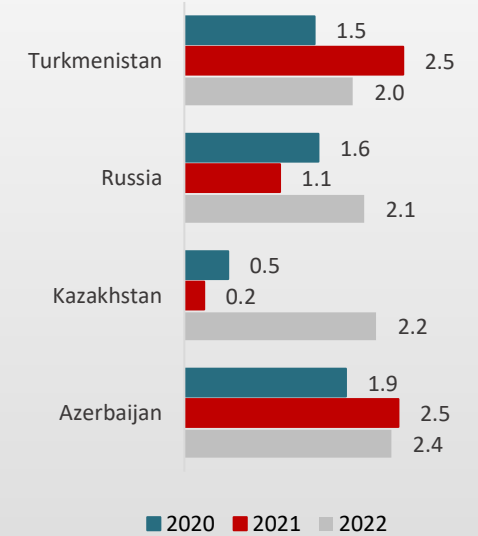
UNIQUE STRATEGIC LOCATION...

Positioned to capitalize on increasing trade flows between Europe, the Caspian Region and Central Asia



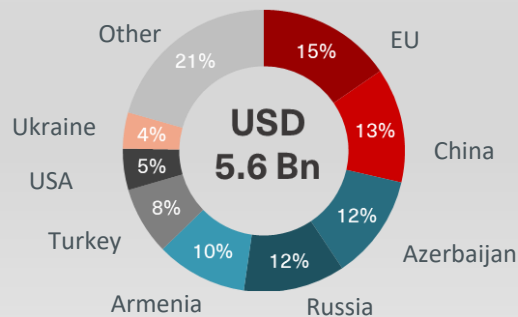
GR'S TRANSPORTATION VOLUME

MT, As at 31 December



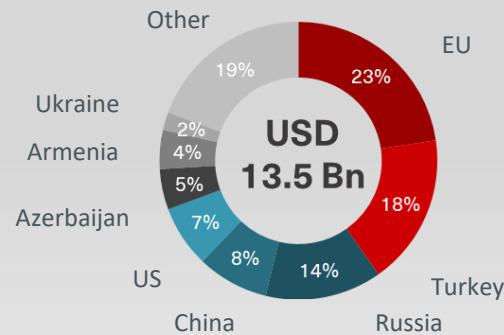
GEORGIA'S TOTAL EXPORT

As at 31 December, 2022 ⁽²⁾



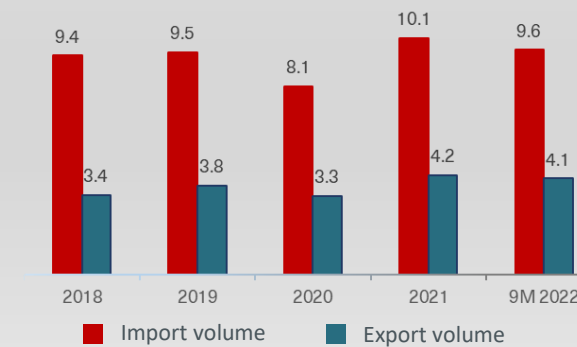
GEORGIA'S TOTAL IMPORT

As at 31 December, 2022 ⁽²⁾



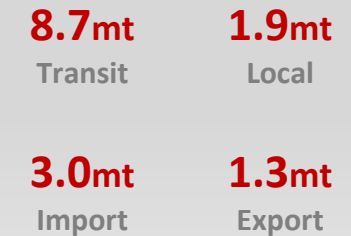
GEORGIA IS A NET IMPORTER

USD, bn



GR'S FREIGHT VOLUME

As at 31 December, 2022



Sources: Geostat.ge (for import and export statistics by countries)* Preliminary data., Company data for GR's transportation and freight volumes
Note: (1) GR's cargo volumes (both import into Georgia and transit) by origination countries. (2) Preliminary data.

VERTICALLY INTEGRATED BUSINESS MODEL

WELL-INVESTED ASSET BASE*

As at 31 December, 2022

114 units
of own working locomotives

3,920 units
of own rolling stock

586
containers


DEVELOPED INFRASTRUCTURE*

As at 31 December, 2022

2,401 km
Own rail track length
(Including Abkhazia and Samachablo)

100
Own and operating
freight stations

30
Passenger
stations


Own repairs &
maintenance facilities

FULL SCOPE OF SERVICES*

As at 31 December, 2022

14.8 Mt
Freight forwarding volume

1.6mn
Passengers

As at 30 September, 2022

19% of revenue
from logistic services

Vertical integration provides resilient and flexible business model




GR's monopoly position



Efficient cost control
all over the value chain



High entry barriers



Operating flexibility



Providing clients with full scope of freight &
transportation services



Flexible tariff regulation










* Preliminary data

WELL-INVESTED INFRASTRUCTURE & DIVERSIFIED RAILCAR FLEET

BRIEF OVERVIEW

- Infrastructure SBU operates, maintains and manages GR's principal infrastructure assets, incl. track, subgrade, signaling, electric power lines etc.
- GR is 100% owner and monopoly operator of all railway infrastructure in Georgia
- GR's rail network is connected to Azerbaijani, Armenian and Turkish railways (BTK route). It is also connected with the Russian railways through Abkhazia (inactive at the moment).
- Current railroad capacity: 27 mln tons of cargo annually. It is expected to be extended to 48mt by 2023 (Modernization Project)
- GR's growth strategy is focused on the modernization of the existing infrastructure to facilitate freight growth and decrease operating expenses
- GEL 1,824mn book value of PPE as at 30 September 2022

KEY NUMBERS*

 2,401km Network length	 98% Fully electrified	 100 Freight stations
 293km Double-Track line length	 42 Railroad tunnels	 586 Containers
 1,348 Railroad bridges	 3,920⁽¹⁾ Number of rolling stock	 30 Passenger stations

As of 31 December 2022*

ROLLING STOCK	
Working locomotives	114
<i>Electric</i>	66
<i>Diesel</i>	23
<i>EMU</i>	25
Working freight railcars	3,803
<i>Box Car</i>	1,132
<i>Cement Hopper</i>	30
<i>Grain Hopper</i>	785
<i>Open Top Box Car</i>	412
<i>Other</i>	65
<i>Platform Car</i>	185
<i>Refrigerator Car</i>	53
<i>Tank Car</i>	1,141
Total number of rolling stock	3,920



Note: (1) Sum of working locomotives and railcars
* Preliminary data

INVESTMENT PROGRAMME WITH FOCUS ON MODERNISATION

BRIEF OVERVIEW

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

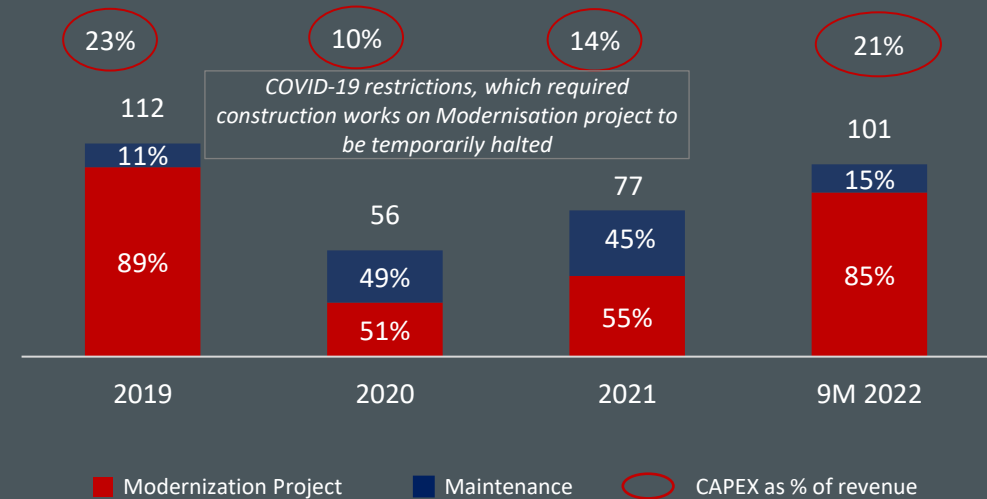
MAJOR ACTIVE CAPEX PROJECTS



MODERNISATION PROJECT

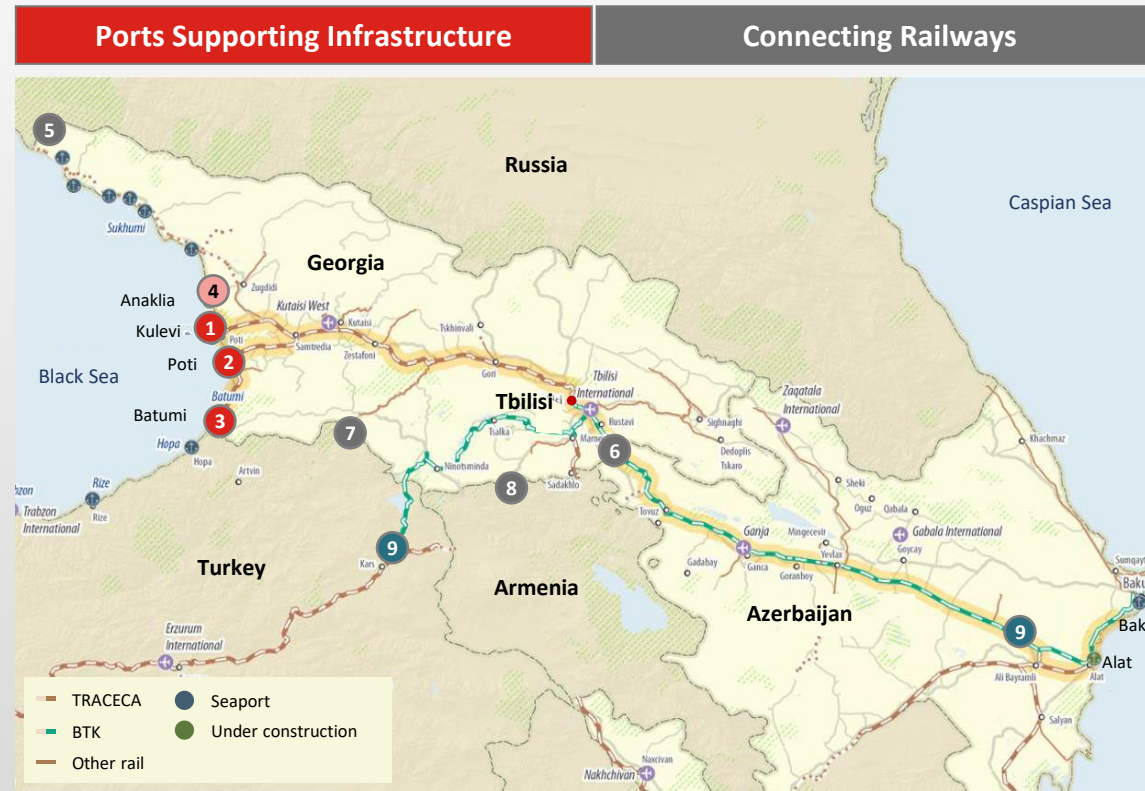
HISTORICAL CAPEX SPLIT

GEL, mn



...WITH WELL-DEVELOPED INFRASTRUCTURE AND NUMBER OF INTERNATIONAL PROJECTS

1 KULEVI
<ul style="list-style-type: none"> Liquid cargo Operated by Vitol, SOCAR Current capacity of 10mt p.a. Expandable to 20mt p.a.
2 POTI
<ul style="list-style-type: none"> Liquid and dry cargo Free Economic Zone near Poti Current capacity of 600k TEU Planning to increase capacity with est. investment of USD 300mn
3 BATUMI
<ul style="list-style-type: none"> Liquid and dry cargo Current capacity of ca. 15mt p.a. Expandable to 28mt p.a.
RAIL FERRIES
<ul style="list-style-type: none"> Rail ferry connection to Bulgaria, Russia, Ukraine and Turkey Rail ferries connecting Azerbaijan ports with Central Asia
4 DEEP-SEA PORT ⁽¹⁾
<ul style="list-style-type: none"> Construction of a new Anaklia Deep Sea Port for handling large vessels with all required infrastructure Alternatively – reconstruction of Poti to make it a deep-sea port



5 AZERBAIJAN
<ul style="list-style-type: none"> Largest GR rail connection, originating or receiving well over half of GR tonnage
6 TURKEY
<ul style="list-style-type: none"> Active connection after Baku-Tbilisi-Kars Project Currently operating in test regime
7 ARMENIA
<ul style="list-style-type: none"> Operated under concession to Russian Railways as South Caucasus Railways (SCR) Currently only other active GR rail connection

Note: (1) Potential project (2) Baku-Tbilisi-Kars railway line



Green Bond Framework is aligned with the ICMA Green Bonds Principles 2018

GREEN EUROBOND

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

USE OF PROCEEDS

- Eligible projects in line with “Clean transportation” category of the Green Bond Principles:
 - Modernization , maintenance and energy efficiency of existing electrified interurban railway lines
 - Investments into new electrified railway line and extensions
 - Acquisition and maintenance of freight and passenger rolling stock
 - Acquisition, modernization and maintenance of trackside infrastructure

PROJECT EVALUATION

- Georgian Railway’s Corporate Department, together with the Economic Department will evaluate projects against the eligibility and exclusion criteria on ongoing basis
- Projects that meet the criteria will be eligible for the green bond financing/refinancing

REPORTING

- GR commits to publish an annual Green Bond Allocation and Impact Report on the Group’s website, until full allocation of the proceeds, and in the event of any material changes until the maturity date of the bond

AVOIDED CO2 EMISSIONS

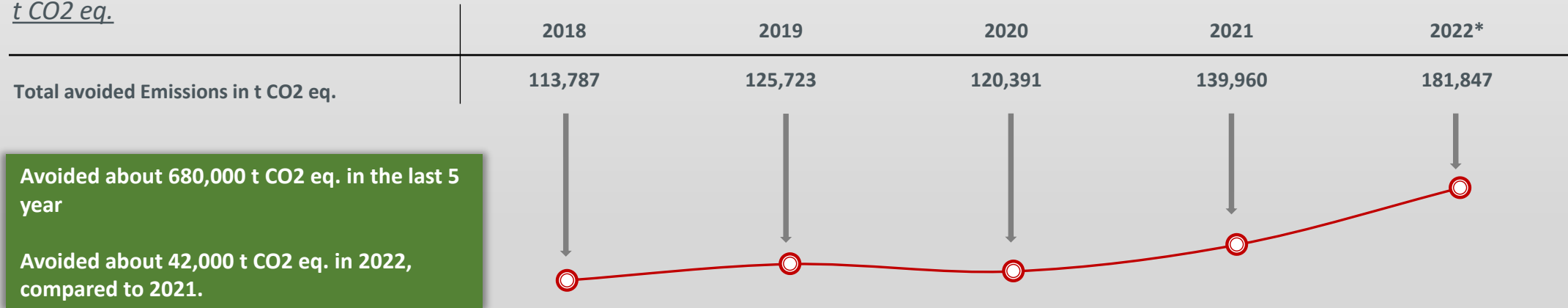
Railway is one of the most environment-friendly transportation modes. According to International Energy Agency (IEA)¹ achieving the ambitious goals of the Paris Agreement will require a transport modal shift, particularly from road and air transport to rail

Georgian Railway owns and operates fully electrified railway network and owns electric locomotives and EMUs for transporting the freight and passengers. GR uses diesel locomotives only for shunting operations and for non-electrified sidings.

ZERO DIRECT EMISSIONS

To estimate the greenhouse gas emissions avoided in Georgia due to the existence of JSC Georgian Railway, company compared the greenhouse gases emitted into the atmosphere by energy consumed as a result of rail transport to the emissions in the absence of railway. Minibuses – for passengers and trailers – for freight was used as an alternative type of transportation.

t CO2 eq.



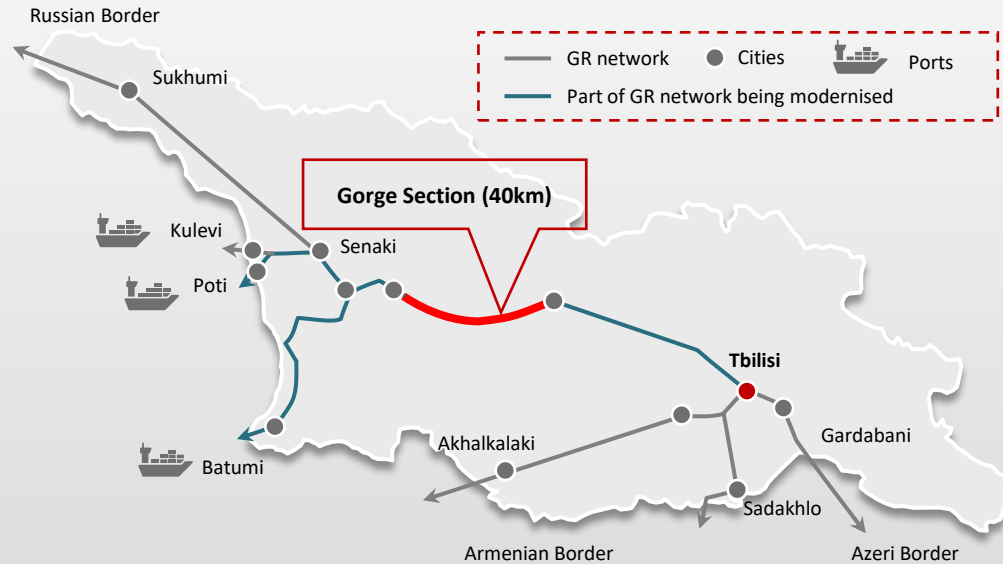
Avoided about 680,000 t CO2 eq. in the last 5 year

Avoided about 42,000 t CO2 eq. in 2022, compared to 2021.

**The international IPCC 2006 methodology is used to calculate greenhouse gas (CO2, CH4, N2O) emissions from the railway sector².*

MODERNISATION – ONGOING GREEN PROJECT OF STRATEGIC IMPORTANCE

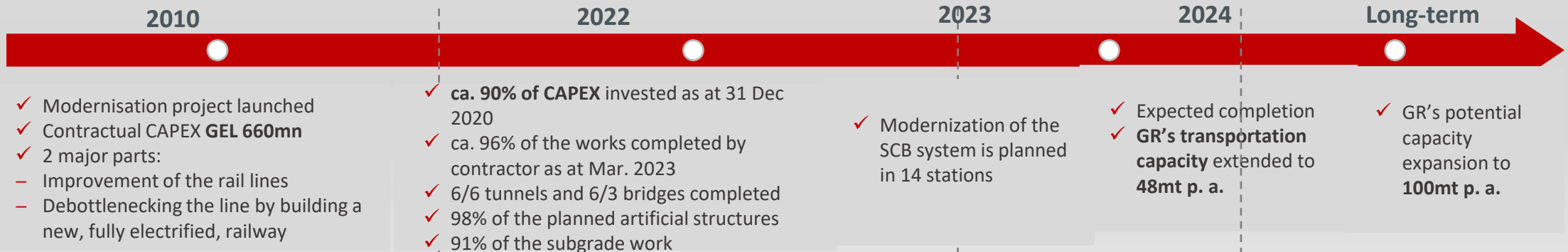
PROJECT MAP



KEY BENEFITS OF THE PROJECT

- Increase speed of the passenger trains from 80km/h to 120km/h and at the crossing area, from 50km/h to 80km/h
- Reduced electricity consumption, lower CO2 emissions
- Greater resource efficiency, savings in operating costs of up to 10%
- Increase the capacity of the Group's infrastructure
- Lower maintenance CAPEX
- Increase transportation speed along the line, offering improved services for freight and passenger customers
- Further increase the safety level of transportation
- Implementation of modern signaling system (SCB)

MODERNISATION PROJECT EVOLUTION



ANAKLIA DEEP SEA PORT RAIL LINK – FUTURE GREEN PROJECT OF STRATEGIC IMPORTANCE

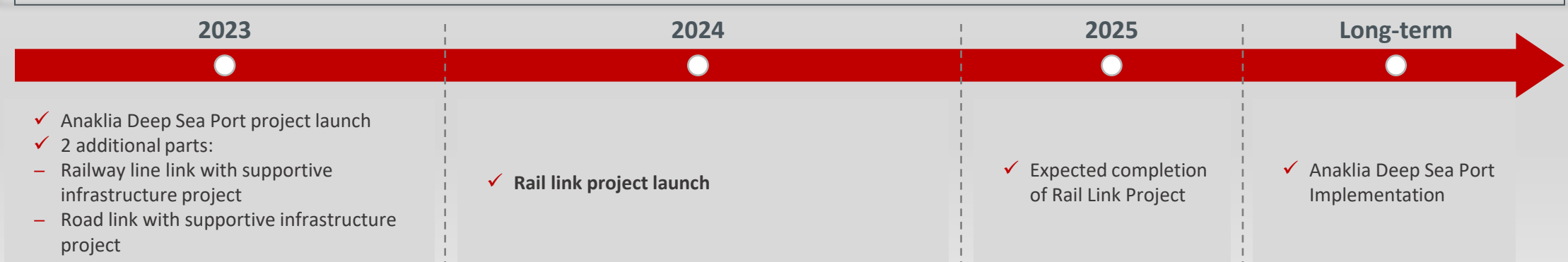
PROJECT MAP



OBJECTIVES OF THE PROJECT

- The construction of the railway link to the Anaklia deep sea port with its railway supportive infrastructure.
- Support countries transit potential to attract more freight.
- Increase in railway freight traffic and freight revenue.

ANAKLIA DEEP PROJECT EVOLUTION



Thank You for Your Attention

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