

3/28/2024

GEORGIA BIWEEKLY MARKET REPORT

Weekly Highlights

Real GDP growth was 6.9% in 4Q23

Georgia's real GDP increased by 6.9% y/y in 4Q23 according to Geostat, revised slightly upwards from the preliminary estimate of 6.8%. Overall, Georgia's economy grew by 7.5% y/y in 2023. Notably, Nominal GDP increased by 10.1% y/y to GEL 80.2bn (US\$ 30.5bn). With high economic growth and the GEL's appreciation, GDP per capita increased by 22.0% y/y, reaching US\$ 8,210 in 2023

Goods exports increased by 2.0% y/y in Feb-24

In Feb-24, goods exports increased by 2.0% y/y to US\$ 464.7mn, after falling 26.2% y/y in previous month. Similarly, goods imports also increased by 4.4% y/y to US\$ 1.1bn in February, following a 7.5% y/y reduction in previous month. Consequently, the trade deficit increased by 6.3% y/y to US\$ 650.6mn in Feb-24

IFI GEL Bonds

Issuer	Currency	Size of issue(mn)	Maturity	coupon rate	Rating (Fitch)	Coupon rate terms
ADB	GEL	30	15-Jul-24	9.51%	AAA	3m GEL CD NBG Rate + 20 bps
EBRD	GEL	92	20-Oct-26	10.28%	AAA	3m TIBR
EBRD	GEL	93	20-Jul-24	10.28%	AAA	3m TIBR

Perpetual Bonds

Georgian Issuer	Currency	Amount (mn)	First Reset Date	Current coupon	Rating (Fitch)	%	Z-Spread (bps)
TBC AT1	USD	125	3-Oct-24	10.775%	B-	12.88%	846.40
BGEO AT1	USD	100	28-Jun-24	11.125%	B-	13.45%	631.63

Domestic GEL Bonds

Issuer	Currency	Amount (mn)	Maturity	Yield	Fitch Rating	Coupon	Z-spread (bps)
Cellfire	GEL	65	Dec-23	n/a	--	TIBR6M + 3.50%	n/a
EVEK	GEL	50	Nov-24	n/a	--	Ref rate + 3.10%	n/a
Nikora trade	GEL	35	Nov-24	n/a	--	TIBR3M + 3.50%	n/a
Nikora	GEL	35	Nov-25	n/a	--	TIBR3M + 3.50%	n/a
TBC Leasing	GEL	100	Mar-26	n/a	BB	TIBR3M + 2.75%	n/a
TBC Leasing	GEL	15	Jun-26	n/a	BB	TIBR3M + 3.00%	n/a
Tegeta Motors	GEL	150	Dec-25	n/a	--	TIBR3M + 3.50%	n/a
Tegeta Motors	GEL	20	Dec-25	n/a	--	TIBR6M + 3.50%	n/a
MFO Crystal	GEL	25	Feb-25	n/a	B-	TIBR6M + 4.75%	n/a
MFO MBC	GEL	15	Dec-24	n/a	--	TIBR3M + 4.50%	n/a
MFO Rico Express	GEL	130	Mar-26	n/a	--	TIBR1D + 2.00%	n/a

Domestic FX Bonds USD

Issuer	Currency	Amount (mn)	Maturity	Yield	Fitch Rating	Coup. rate	Mid Price
Bakhvi Hydro Power	USD	1.2	Nov-27	n/a	--	9.4%	n/a
Energy Development C	USD	10	Jun-25	n/a	--	8.5%	n/a
Georgia Real Estate	USD	35	Oct-24	8.50%	--	8.5%	100
Geo. Renewable Powe	USD	80	Oct-27	7.00%	--	7.0%	100
Geosteel	USD	15	Apr-25	9.0%	--	9.0%	100
IG Development	USD	15	Jan-24	6.88%	--	6.88%	99.94
IG Development	USD	15	Jul-24	8.75%	--	8.5%	99.80
Lisi Lake Development	USD	12	Dec-24	6.75%	--	6.5%	99.72
Lisi Lake Development	USD	10	Dec-24	8.5%	--	8.5%	100
Silk Real Estate	USD	20	Apr-26	9.0%	--	9.0%	100.01
Georgia Capital	USD	150	Aug-28	8.19%	--	8.5%	101.20
Silk Real Estate	USD	20	Sep-26	8.63%	--	9.25%	101.23
Prime Concrete	USD	7.5	Sep-27	n/a	--	10.5%	n/a
Austrian-Georgian Dev	USD	15	Oct-25	n/a	--	9.0%	n/a
Tegeta Motors	USD	20	Apr-25	8.75%	--	8.5%	99.64

Eurobonds

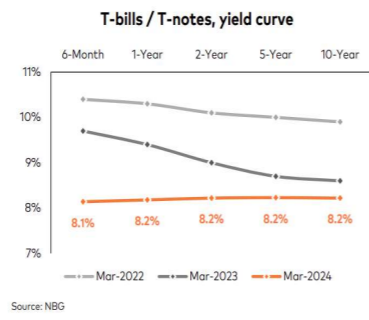
Georgian Issuer	Currency	Amount (mn)	Maturity	Mid yield	Rating (Fitch)	Coupon rate	Z-Spread (bps)
GEO Sovereign	USD	500	Apr-26	7.63%	BB	2.75%	279.81
GEORAIL	USD	500	Jun-28	7.78%	BB-	4.00%	316.31
TBC	USD	300	Jun-24	6.78%	BB-	5.70%	128.55
Silknet	USD	300	Jan-27	8.98%	B	8.37%	423.89

Short Term Central Bank Facilities

	O/N	6 months	2 years	Issuer
GEL	9.00%	10.50%	10.50%	NBG
USD	5.30%	5.00%	4.46%	US FED
EUR	3.90%	3.60%	2.80%	ECB

Geo Ministry of Finance T-Bills

Term	Currency	Outstanding amount	%	Remaining placements
6-month	GEL	410	9.3	380
1-year	GEL		9.1	40
2-year	GEL		8.8	80
5-year	GEL	7,569	8.5	2670
10-year	GEL		8.3	170
Total		7979		3340



Georgian Lari (GEL) spot FX rates



GEL Interbank Deposit Rates (TIBR)



Customer deposit rates

% p.a.	BGEO	TBC
GEL		
3 months	9.85	9.7
1 year	10.1	10.4
2 years	9.83	10.8
USD		
3 months	0.80	1.3
1 year	1.50	2
2 years	2.00	2.45
EUR		
3 months	0.00	0.5
1 year	0.40	0.7
2 years	0.60	0.9

Georgia Macro-Economic Data

	2023E	2024F
Real GDP growth (% change)	7.5%	6.0%
GDP per capita (ppp)	22,481	24,844
GDP per capita (US\$)	8,210	8,861
Population (mn)	3.7	3.7
Inflation (average)	2.5%	3.0%
Gross reserves (US\$ bn)	5.0	5.2
CAD (% of GDP)	4.5%	4.7%
Fiscal deficit (% of GDP)	2.4%	2.5%
Total public debt (% of GDP)	39.0%	38.0%
Fitch/S&P/Moody's*		BB/BB/Baa2

Source: Official data, Rating agencies, Galt & Taggart
*Latest sovereign credit ratings

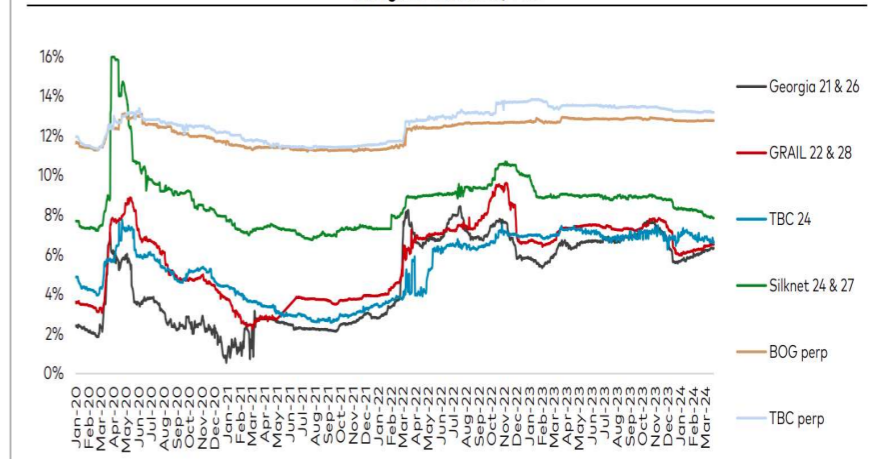
Bond Market News

Ministry of Finance T-bills/T-notes:

7.3-year GEL 75.0mn (US\$ 27.7mn) Benchmark bonds were sold at the auction held at NBG on March 19, 2024. Total demand was 1.8x higher and the weighted average yield was fixed at 7.997%, down by 0.294ppts from previous auction held in Feb-24.

The nearest treasury security auction is scheduled for March 26, 2024, where GEL 100.0mn nominal value 5-year Benchmark Bonds will be sold..

Georgian Eurobonds, YTM



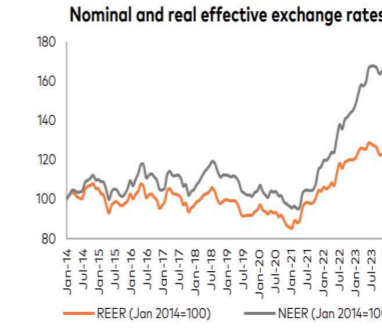
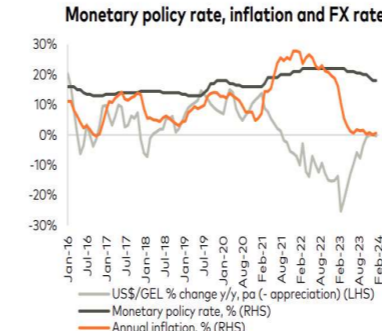
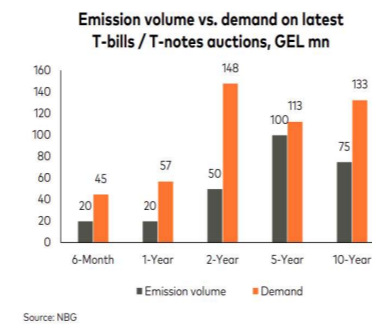
Weekly Highlights

NBG cut its key rate by 75bps to 8.25%

On March 13, 2024, the NBG's Monetary Policy Committee reduced its key rate by 75bps to 8.25% considering the low inflation environment along with reduced inflationary risks related to Red Sea tensions. The regulator also emphasized that local economic activity is gradually approaching its potential trend indicating the neutralization of demand-driven inflationary pressures. Based on NBG's estimate, inflation is expected to remain below the target of 3.0% at the beginning of 2024, while stabilizing close to it in the medium term. The next committee meeting is scheduled for 8 May 2024.

Nominal wages up 15.3% y/y in 4Q23

In 4Q23, average monthly nominal wages in Georgia increased by 15.3% y/y (+14.8% in real terms, adjusted for a sharp reduction in annual inflation) to GEL 2,045, after growing by 16.3% y/y in 3Q23, according to Geostat. By economic activity, the highest monthly average wages were observed in the following sectors: information and communication (GEL 4,309, +17.3% y/y), financial and insurance (GEL 3,110, +14.1% y/y) and construction (GEL 3,063, +20.8% y/y). The lowest average monthly wages were in education (GEL 1,157, +15.0% y/y), water supply (GEL 1,320, +16.1% y/y) and agriculture (GEL 1,463, +24.1% y/y) in 4Q23.



Sources: TBC Capital, Galt & Taggart, Bank of Georgia, NBG, GEOSTAT, MarketWatch, Trading Economics...

*n/a – currently not available, subject of further research



Moody's improves outlook on Georgia's sovereign credit rating from negative to stable

The international rating agency Moody's improved the outlook of Georgia's sovereign credit rating from negative to stable and confirmed the rating at the Ba2 level.

According to the agency, the improved outlook accredits to the assessment of Georgia's vulnerability to geopolitical risks at a lower level.

The strengths of the rating are high economic growth, the Georgian economy's resilience to shocks, strong institutional framework, fiscal stability and low inflation.

The rating reflects the situation of Georgia's balancing the risks, and despite geopolitical shocks, retaining economic sustainability and high economic growth.

According to the agency's assessment, the economic growth for Georgia is expected at the level of 5.5% in 2024.



Global Equity Indexes

Index	Prev. Close	Div. Yield	Performance	Date
DJIA				
	38,519.72	--		4-Feb-24
	38,773.12	--	0.65%	16-Feb-24
	39,131.12	--	0.91%	26-Feb-24
	39,005.42	--	-0.32%	13-Mar-24
	39,786.91	--	1.96%	27-Mar-24
DAX				
	16,617.29	--		4-Feb-24
	17,148.00	--	3.09%	16-Feb-24
	17,426.65	--	1.60%	26-Feb-24
	17,954.15	--	2.94%	13-Mar-24
	18,496.55	--	2.93%	27-Mar-24
MSCI				
		Div. Yield		
		from 05/29/2020		
	3,233.53	2.85%		4-Feb-24
	3,296.29	2.85%	1.90%	16-Feb-24
	3,334.40	2.85%	1.14%	26-Feb-24
	3,398.58	2.85%	1.89%	13-Mar-24
	3,435.82	2.85%	1.08%	27-Mar-24

S&P 500 sector review: last week performance

Sector	ETF Ticker	Price, \$	W/W return	YTD, %	52-week low, \$	52-week high, \$	12 month outlook
S&P 500	SPY	521.2	2.2	2.7	392.1	522.2	Positive
Communications	XLK	81.8	3.5	2.4	55.5	81.8	Positive
Industrials	XLI	125.2	2.9	4.7	96.4	125.6	Negative
Discretionary	XLY	182.7	2.8	0.3	141.6	185.0	Positive
Technology	XLK	209.9	2.2	2.0	143.3	211.0	Positive
Financials	XLF	41.4	1.9	3.3	31.0	41.9	Neutral
Energy	XLE	92.4	1.7	6.8	76.6	93.4	Positive
Utilities	XLU	63.9	1.5	3.8	56.2	70.0	Positive
Materials	XLB	91.4	1.0	5.9	74.5	91.9	Negative
Staples	XLP	75.6	0.9	1.5	66.2	77.5	Neutral
Health Care	XLV	145.4	0.4	-1.2	123.1	147.9	Neutral
Real Estate	XLRE	38.6	-0.4	-0.1	32.2	40.5	Neutral

Commodity price dynamics report

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME EDT
Energy						
CLSCOM	USD/bbl	83.00	+1.65	+2.03%	May 2024	2:02 PM
WTICOM	USD/bbl	87.42	+1.32	+1.54%	May 2024	2:01 PM
BRNCOM	USD/bbl	278.02	+7.55	+2.81%	Apr 2024	2:01 PM
NGSCOM	USD/MMBtu	1.73	+0.03	+1.82%	May 2024	2:02 PM
HSCOM	USD/gal	2.8120	+0.134	+5.21%	Apr 2024	2:02 PM
Precious and Industrial Metals						
GCSCOM	USD/oz	2342.30	-30.20	-1.30%	Jun 2024	2:06 PM
XAUSDCUR	USD/oz	2221.75	-28.56	-1.28%	N/A	2:16 PM
SI1COM	USD/oz	28.01	-0.28	-1.04%	May 2024	2:06 PM
HC1COM	USD/lb	401.25	+1.25	+0.31%	May 2024	2:06 PM
XPTUSD1UR	USD/oz	910.43	+0.55	+0.11%	N/A	2:16 PM
Agriculture						
C1SCOM	USD/bu	441.25	-44.50	-10.08%	May 2024	2:02 PM
W1SCOM	USD/bu	559.25	+5.75	+1.03%	May 2024	2:02 PM
CC1COM	USD/MT	3768.00	-77.00	-2.04%	May 2024	1:28 PM
CT1COM	USD/bu	91.01	-0.34	-0.38%	May 2024	2:01 PM
LC1COM	USD/bu	180.38	+1.70	+0.95%	Jun 2024	2:02 PM

Georgian Equities

Equities	London STEx				
Issuer	Price (GBX)	MarkCap (£ mn)	Div. Yield	Rec.Date	Earnings per share
BGEO	5050.0	£ 2,307.82	-	28-Mar-24	15.2
CGEO	1326.0	£ 560.74	-	28-Mar-24	15.7
TBCG	3215.0	£ 1,753.21	-	28-Mar-24	14.7
Total Top 4		£ 4,621.77			

Georgian Stock Exchange Market

A Listing

Ticker	Issuer	Type of Security	Volume	Size of Issue	Trading Currency	Charter Capital	ISIN
GEB	Bank of Georgia JSC	Stock	27,993,660	43,308,125	GEL	43,308,125	GE1100000276

B Listing

Ticker	Issuer	Type of Security	Volume	Size of Issue	Trading Currency	Charter Capital	ISIN
BANK	Liberty Bank JSC	Stock	4,489,682,955	29,000,000,000	GEL	44,896,829.55	GE1100000300
GIGB	Green Insurance Georgia JSC	Stock	9,000,000	9,000,000	GEL	9,000,000	GE1100003965
MEHBB	Metro Euphoria Hotel Batumi JSC	Stock	54,476,929	54,476,929	GEL	54,476,929	GE1100003932

Admitted to Trading

Ticker	Issuer	Type of Security	Volume	Size of Issue	Trading Currency	Charter Capital	ISIN
AEST	Telasi JSC	Stock	112,429,418	112,429,418	GEL	112,429,418	GE1100000474
ENIS	Sarajshvili JSC	Stock	1,813,667	1,813,667	GEL	10,353,989.13	GE1100000482
UGB	VTB Bank Georgia JSC	Stock	209,008,277	209,008,277	GEL	209,008,277	GE1100000029

Equities overview by Galt and Taggart

Bank of Georgia Group (BGEO LN)

Bank of Georgia Group (BGEO LN) shares closed at GBP 47.85/share (-1.24% w/w and +4.70% m/m). More than 379k shares traded in the range of GBP 46.85 - 49.45/share. Average daily traded volume was 70k in the last 4 weeks. The volume of BGEO shares traded was at 0.83% of its capitalization.

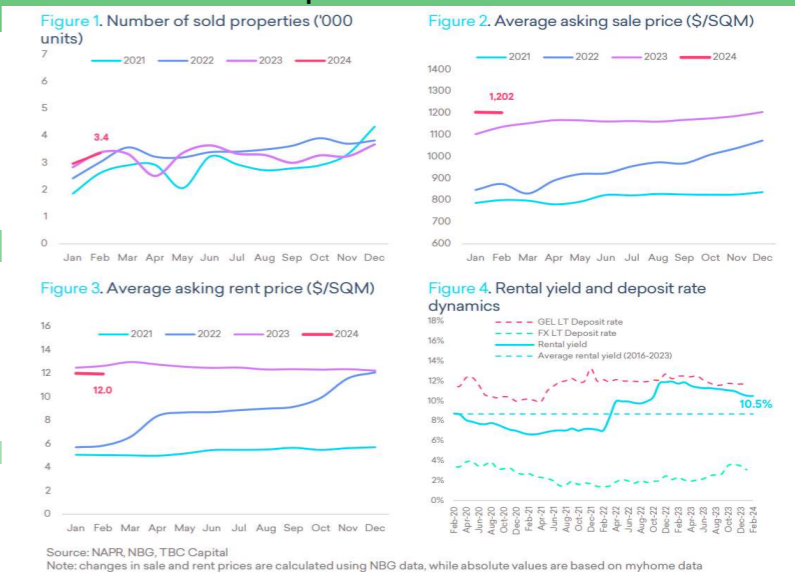
TBC Bank Group (TBCG LN)

TBC Bank Group (TBCG LN) closed the week at GBP 31.45/share (-2.78% w/w and +6.25% m/m). More than 273k shares changed hands in the range of GBP 31.30 - 32.70/share. Average daily traded volume was 63k in the last 4 weeks. The volume of TBCG shares traded was at 0.49% of its capitalization.

Georgia Capital (CGEO LN)

Georgia Capital (CGEO LN) shares closed at GBP 13.12/share (-4.51% w/w and +5.98% m/m). More than 392k shares traded in the range of GBP 12.90 - 13.64/share. Average daily traded volume was 116k in the last 4 weeks. The volume of CGEO shares traded was at 0.92% of its capitalization.

Tbilisi Residential Market Update



APM Terminal Poti to invest at least 200 MLN in Poti Port Project

APM Terminals Poti is ready to make a significant investment and commence the expansion project, the company announced.

APM Terminals Poti (JSC Poti Sea Port Corporation) proposes to invest at least USD 200 million in the port expansion project subsequent to the Georgian government's issuance of a decree authorizing the signing of an agreement between the Government of Georgia and APM Terminals Poti.

The new facilities in Poti support the growth of international trade through the Georgian Transit Corridor, greatly contributing to the country's economy and development of the Middle Corridor.

The expanded port will employ several hundreds of people, with the absolute majority being locals. Part of the investment will be in modern technology and equipment, including fully electric Ship-To-Shore cranes – a first for Georgian ports, and which will enable APM Terminals to offer world-class levels of productivity to ships calling Poti.

The construction is planned to boost Poti Sea Port's yearly container capacity by at least 400,000 TEU, reaching an overall capacity of more than one million TEU.

Source: www.bm.ge

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