11/16/2022

IFI GEL Bonds

GEORGIA BIWEEKLY MARKET REPORT

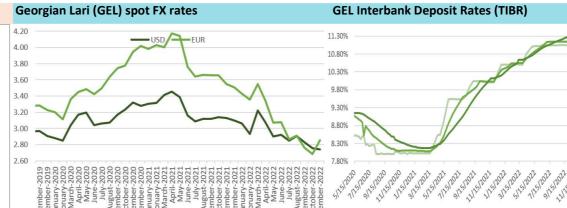
Weekly Highlights

International reserves at US\$ 4.4bn in Oct-22

Gross international reserves increased by 10.8% y/y to US\$ 4.4bn in October 2022, according to NBG. On a monthly basis, the reserves were up by 1.7% (+US\$ 72.5mn). Change in reserves was attributed to the government and banking sector FX operations.

Construction permit issuance increased by 8.8% y/y in 9M22

Number of issued construction permits increased by 8.8% y/y to 8,082 (5.4mn square meters) in 9M22, according to Geostat. The majority of permissions were issued for residential buildings (+14.5% y/y, 74.8% of total), followed by trade buildings (+9.4% y/y, 6.5% of total) and industrial buildings and warehouses (+5.6% y/y, 4.9% of total). Regarding the completion of construction buddings, 1,843 objects (up 7.9% y/y) of 1.9mn square meters were completed in 9M22, with 38.0% located in Tbilisi, 11.6% in Mtskheta-Mtianeti, 11.4% in Kakheti and 9.2% in Imereti.



III OLL DOINGS								
Issuer	Currency	Size of issue(mn)	Maturity	coupon rate	Rating (Fitch)	Coup	on rate terms	
ADB	GEL	30	15-Jul-24	10.97%	AAA	3m GEL CD NBG Rate + 20) bps => next fixing date 15/10/22	
EBRD	GEL	92	20-Oct-26	10.77%	AAA		3m TIBR	
EBRD	GEL	93	20-Jul-24	10.77%	AAA	3m TIBR		
Perpertual Bonds	5							
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-	12,76%	1033	
BGEO AT1	USD	100	28-Jun-24	11.125%	B-	12.23%	694	
Domestic GEL Bo	nds							
Issuer	Currency	Amount (mn)	Maturity	Yield	Rating (Fitch)	Coupon	Z-spread (bps)	
Geo. Beer Company	GEL	25	Dec-23	n/a		15.5%	n/a	
EVEX	GEL	50	Nov-24	n/a		13.60%	n/a	
Nikora trade	GEL	35	Nov-24	n/a		13.62%	n/a	
TBC Leasing	GEL	58.4	Mar-23	n/a		13.37%	n/a	
Domestic FX Bon	ds							
Issuer	Currency	Amount (mn)	Maturity	Yield	Rating (Fitch)	Coup. rate	Z-spread (bps)	
Georgia Real Estate	USD	35	Oct-22	7.50%		8.50%	n/a	
GLC Georgia	USD	12	Jul-23	n/a		5.75%	n/a	
GLC Georgia	EUR	3	Jul-23	n/a		4.75%	n/a	
Lisi Lake Development	USD	12	Dec-23	n/a		8%	n/a	
Nikora Trade	USD	35	Nov-24	n/a		13.60%	n/a	
Evex Hospitals	USD	50	Dec-22	n/a		13.60%	n/a	
KTW	USD	10	Dec-23	n/a		9.00%	n/a	
IG Development	USD	15	Jan-24	9%		6.75%	n/a	
IG Development	USD	15	Jul-24	8.60%		8.50%	n/a	
Eurobonds								
Georgian Issuer	Currency	Amount (mn)	Maturity	Mid yield	Rating (Fitch)	Coupon rate	Z-Spread (bps)	
GEO Sovereign	USD	500	Apr-26	6.95%	BB	2.75%	323	
GEORAIL	USD	500	Jul-28	8.10%	BB-	4.00%	562	
Georgia Capital	USD	300	Mar-28	10.50%	-	6.13%	679	
BGEO	USD	350	Jul-23	4.92%	BB-	6%	61	
ТВС	USD	300	Jun-24	6.41%	BB-	5.70%	242	
Silknet	USD	300	Jan-27	6.41%	В	8.37%	668	

Short Term Ce	ntral Bank Fa	acilities			T-bills / T-notes, yield curve			
	O/N	6 months	2 years	Issuer	1-bills / 1-flotes, yield curve			
GEL	9.00%	9.10%	10.17%	NBG	6-Month 1-Year 2-Year 5-Year 10-Year			
USD	0.00%	0.21%	0.27%	US FED	12%			
EUR	n/a	-0.55%	-0.64%	ECB	11%			
Geo Ministry o	of Finance T-I	Bills			9.9%			
Maturity	Currency	Outstanding amount	%	Remaining placements	10% 9.5% 9.2% 9.2% 9.5%			
6-month	GEL	120	9.9	20				
1-year	GEL	295	9.5	30	8%			
2-year	GEL	1300	9.2	80	7%			
5-year	GEL	3307	9.2	180	Nov-2020 Nov-2021 Nov-2022			
10-year	GEL	1371	9.5	200	Source: NBG			
Total		6393		510				

Bond market news

Ministry of Finance T-Bills: 2-year GEL 80.0mn (US\$ 28.8mn) Benchmark bonds were sold at the auction held at NBG on November 1, 2022. Total demand was c.1.9x higher and the weighted average yield was fixed at 9.205%, down by 0.218ppts from previous auction held in Oct-22. 6-month GEL 20.0mn (US\$ 7.2mn) T-Bills were sold at the auction held at NBG on November 1, 2022. Total demand was 1.5x higher and the weighted average yield was fixed at 9.973%, down by 0.103ppts from previous auction held in Oct-22. 1-year GEL 30.0mn (US\$ 11.0mn) T-Bills were sold at the auction held at NBG on November 8, 2022. Total demand was 3.1x higher and the weighted average yield was fixed at 9.493%, down by 0.237ppts from previous auction held in Oct-22.



Corporate Eurobonds: Bank of Georgia Group Eurobonds (GEBGG) closed at 5.24% yield, trading at 100.51 (-0.28% w/w). Georgia Capital Eurobonds (GEOCAP) were trading at 93.67 (unchanged w/w), yielding 11.43%. Georgian Railway Eurobonds (GRAIL) traded at 77.25 (+1.26% w/w), yielding 9.31%. Georgian Sovereign Eurobonds (GEORG) closed at 86.70 (+1.56% w/w) at 7.19% yield to maturity

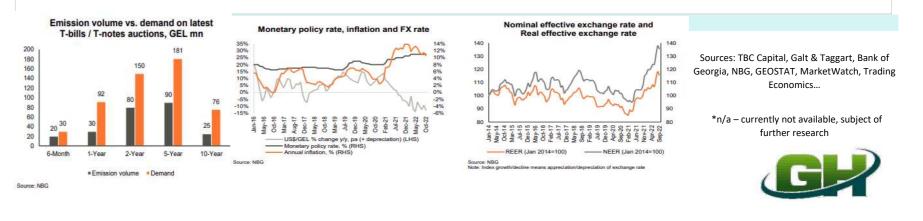
Weekly Highlights

Real GDP growth was 8.8% y/y in Sep-22

The economic growth in Georgia eased to 8.8% y/y in Sep-22, after a 10.5% y/y growth in previous month, based on Geostat's rapid estimates. Cumulatively, in 9M22, the real growth came in at 10.2% y/y. Growth in September was recorded in transport, IT services, construction, hospitality and industry sectors, while it reduced in real estate sector. Considering strong ongoing data, we revised 2022 growth projection upwards to 10.2%, from our baseline projection of 9.2% (see more here).

Inflation retreated to 10.6% y/y in Oct-22

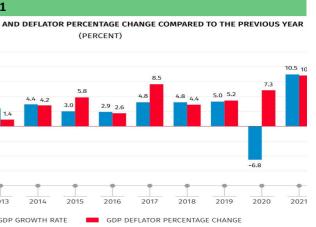
Annual CPI inflation retreated to 10.6% in Oct-22 from a 11.5% inflation in previous month. Core inflation (non-food, non-energy, and non-tobacco) also retreated to 7.3% (-0.2ppts m/m) in October. By categories, annual inflation was mostly driven by price changes in food and non-alcoholic beverages (+15.8% y/y, 5.22ppts), transport (+11.6% y/y, 1.38ppts), housing, water, electricity, gas and other fuels (+13.5% y/y, 1.31ppts), and restaurants and hotels (+16.8% y/y, 0.71ppts) categories. On a monthly basis, there was a 0.5% inflation in Oct-22, driven by price changes in food and non-alcoholic beverages (+1.4% m/m) and transport (-2.0% m/m) categories.

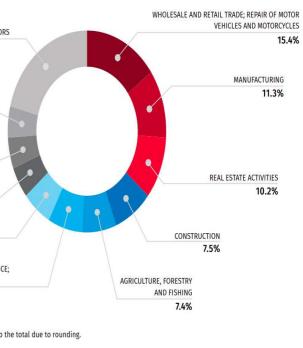


Customer	deposit	rates	Georgia Macro	-Economic Da	ta
% p.a.	BGEO	TBC	Inflation Rate	11.80%	Mar-22
				12.80%	Apr-22
GEL				13.30%	May-22
3 months	10.70	10.70		12.80%	Jun-22
1 year	11.60	10.95		11.50%	Jul-22
2 years	12.35	10.75		10.90%	Aug-22
USD				11.50%	Sep-22
3 months	0.25	0.25	GDP Growth	14.90%	2022(I)
1 year	0.60	0.60		7.10%	2022(II)
2 years	0.85	1.95		ТВА	2022(III)
EUR				ТВА	2022(IV)
3 months	0.00	0.00	Unemployment	22.10%	2021 (II)
1 year	0.45	0.00		19.50%	2021 (III)
2 years	0.00	0,00		19.00%	2021 (IV)
				19.40%	2022 (I)
				18.10%	2022 (II)
			Foreign Trade Balance	\$ (0.51)	Mar-22
			USD bn +/-	\$ (0.58)	Apr-22
				\$ (0.66)	May-22
				\$ (0.66)	Jun-22
	Georgia	21 & 26		\$ (0.58)	Jul-22
	GRAIL 2	2 & 28		\$ (0.74)	Aug-22
- Autor	BOG 23		FX Reserves	\$ 3.51	Feb-22
a worth		P 24	USD bn +/-	\$ 3.54	Mar-22
1.		4 & 27		\$ 3.35	Apr-22
				\$ 3.37	May-22
22222222	-BOG pe	rp		\$ 3.45	Jun-22
Jun-22 Jul-22 Aug-22 Sep-22 Oct-22 Nov-22		p		\$ 3.59	Jul-22
, ζũΟŽ				\$ 3.80	Aug-22

The finalists of the Business Award 2022 are known					Georgian Equities					GDP of Georgia in 2021	
In TBC business (support pr	oiect Busines	s Award 2022 th	e jury has identified	he finalist companies. In total, 15						REAL GDP GROWTH RATE AND DEFLATOR PERCE
finalists were sel		-		c july has lucituricu	ine manst companies. In total, 15	Equities	London StEx				(PE
1. The best produ		nonmations	•			lssuer	Price (GBX)	MarkCap (£ mn)	Div.	.Date Earnings	15.0
POSTED Logic		TOM Kids						Markeap (E min)	Yield	per share	12.0 -
2. The best innov						BGEO	2370.0	£ 1,133.1		lov-22 15.2	9.0 7.4 6.4
Kernelo • Calen		•				CGEO	730.0	£ 327.2		lov-22 15.7	6.0 - 3.6 4.4 4.2 3.0
3. Outstanding so						TBCG	2145.0	£ 1,180.8		lov-22 14.7	3.0 - 0.4 1.4
-				Georgian strollers fa	ton	Total Top 4	GeoStEx	£ 2,641.3	32		0.0
4. Outstanding ro	•		0/ (/	Seorgian Stroners ia		lesses					-3.0 -
Abbe Timeo • S		•	-			Issuer	Size of Issue (GEL)	volume (GEL)			-6.0 -
						BGEO	43,308,125	27,993,660			-9.0 -
5. Outstanding co		•				Liberty Bank	29,000,000,000.00	5,502,254,354.0	00		-12.0
 Veli.Store Pazza Episode This year, business award participants will have the opportunity to win 2 special awards - for gender equality and 						Green Insurance Georgia	9,000,000	4,000,944.00			2011 2012 2013 2014 2015
•		•		• •	and GCPF (Global climate partnership						REAL GDP GROWTH RATE
-			•	• • •	ss award for 7 years, this year a record	Metro Euphoria Hotel Batumi Admitted to Trading	54,476,929	54,476,929.00)		
• •			• •	•	The goal of the project is to encourage		volume (mn CEL)	MarkCan (mn Cl	-1.)		
	•	•	•		ne formation of a business society. There	Issuer Telasi	volume (mn GEL)		:L)		GDP STRUCTU
					December.Project partners are VISA	Telasi	112.429	224.858			
			Produce in Georgi		December. Project partners are VISA	Sarajishvili	1.8	11.661			OTHER SECTORS
			founce in Georgi	a .		Isani-Kartu	2.38	0.358			20.7%
Global Equity Ind	dexes]		Khasuri Glass Tare	2.74	0.137			20.770
Prev. Close	Div. Yield	Performance	Date	Tourist arriv	als recovery slowed in Oct-22	Tramsmsheni	0.9	1.450			•
DJIA				In Oct-22 internation	nal visitors to Georgia increased by 115.2%	VTB Bank Georgia	209.008	209.000			
32,283.40		-5.79%	30-Aug-22	1 '	nd persons. This growth was mainly driven	C C					EDUCATION
30,076.68		-7.34%	24-Sep-22		t arrivals (c.78% of total arrivals), as strong	Total Stock Market Cap.		447.46	¢		4.7%
29,202.88		-2.99%	12-Oct-22	1 ·	arrivals mostly reflect last year's low base.	Local da Partar av Artesia					
30,333.59		3.73%	22-Oct-22	Despite high growth	, tourist arrivals recovery slowed in	Bank of Georgia Group (E	BGEO LN)	1.0			HUMAN HEALTH AND SOCIAL
33,536.70		9.55%	16-Nov-22	October, accounting	for 78.5% pre-pandemic level in Oct-22,	21 Martin		0.7 sha	res closed at G		WORK ACTIVITIES
DAX					covery in previous month. Meanwhile,	13 marthuman	many man	1 N 0.5 that	n 455k shares trad		4.8%
12,892.99		-5.69%	30-Aug-22	1 '	covery stood at 43.3% of Oct-19 level, after	11 9 7	portun	0.2 0.1 trac	led volume was 9	are. Average daily 98k in the last 4	FINANCIAL AND INSURANCE
12,531.63 12,220.25		-2.88% -2.55%	24-Sep-22	· ·	Sep-22. Russia was the top source country	Jan-17 Jan-17 Jan-17 Jan-18 Jan-18 Jan-18 Jan-19 Jan-19 Jan-19 Jan-19 Jan-19 Jan-19 Sep-18 Sep-18 Sep-19 Sep-19	Mar-20 Mar-20 Mar-20 Jun-20 Jun-21 Jun-21 Jun-21 Mar-21 Mar-21 Mar-21 Mar-21 Cod-21 Oct-21 Cod-21 Co	trac	led was at	of BGEO shares 0.93% of its	ACTIVITIES
12,220.25		-2.55% 4.29%	12-Oct-22 22-Oct-22	1 '	vals (24.7% of total), followed by Turkey	Volume, mn (RHS)	Last price, GBP (LI	ня) сар	italization.		5.2% TRANSPORTATION
14,378.51		4.29%	16-Nov-22	· "	Armenia (16.5% of total). Most visitors	Source: Bloomberg					AND STORAGE
	Div. Yield			(34.0% of total).	via land (65.1% of total), followed by air	TBC Bank Group (TBCG L	N)				6.3%
(54.0% 01 total).			otal international arrivals stood at 3.8mn	27 25 23			Bank Group (7 week at GBP 21.7		PUBLIC ADMINISTRATION AND DEFENCE;		
1,882.33		-4.18%	30-Aug-22	1 '	y/y, c.57% of 2019 level), of which tourist	19 17 August Martin Mart		₩ 0.6 W/W	and +24.86% r	m/m). More than	COMPULSORY SOCIAL SECURITY
1,734.01	2.85%	-8.55%	24-Sep-22		mn persons (up 137.9% y/y , 68.8% of	13 11	manny	0.3 ran	ge of GBP 21.0	5 - 22.30/share.	6.5%
1,672.13	2.85%	-3.70%	12-Oct-22	10M19 level).				8888 0.0 the	last 4 weeks. The	volume of TBCG	
1,698.33	2.85%	1.54%	22-Oct-22	,		「 「 本 本 本 本 本 本 本 本 本 本 本 本 本	Last price, GBP (LH	a a a o	res traded was italization.	at U.//% of its	
1,913.56		11.25%	16-Nov-22			Source: Bloomberg					Note: Individual figures may not sum up to the total due to rounding.
Selected Internatio	nal Equities	5	1		We estimate tourism revenues at US\$	Georgia Capital (CGEO LN)				
Russia	Ukraine		2.8bn in 10M22 (almost full recovery	14 12 1 1 12		0.40 0.35 Geo	orgia Capital (CC	GEO LN) shares			
1	Div.Yield 0.00%	P/E 0.46	Kernel holding	Div.Yield P/E 11.25% 0.74		10 Kent & Malman	A	0.25 w/w	and +19.17% r	/share (+13.54% m/m). More than	
Gaznram		0.40	Kerner norung	11.2370 0.74	recover faster than arrivals mostly	: hn	munum	0.15 0.303	6 - 7.25/share. Ave	the range of GBP erage daily traded	
Gazprom		7.04		0.000/ 1.00							
Novatek	0.00%	7.01	MHP SE	0.00% 1.94	because of the influx of migrants		8888555555588	0.00 volu	ime was 34k in the ime of CGEO sha	res traded was at	
		7.01 0.18 3.91	MHP SE Astartra holding DTEK	0.00% 1.94 0.00% 1.9 0.00% 1	because of the influx of migrants	2 0 8 8 8 8 9 8 8 9 8 9 8 9 8 9 8 9 8 9 8	Sep 20 Sep 20	May-22 Jul-22 Sep-22 Sep-22 Sep-22		res traded was at	Website: https://www.llcgeoholding.org/

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GDP STRUCTURE IN 2021

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