

GEORGIA BIWEEKLY MARKET REPORT

Weekly Highlights

Annual inflation was 2.2% in Jun-24

In Jun-24, annual inflation reached 2.2%, up from the 2.0% print in previous month. This increase was primarily driven by a 2.8% y/y rise in domestic inflation (+2.5% y/y in May-24), followed by a 3.3% y/y increase in imported inflation (+3.8% y/y in May-24). Notably, core inflation, excluding volatile food, energy and tobacco prices, slowed to 1.4% y/y in Jun-24 from 1.7% y/y recorded in previous month. By categories, annual inflation in Jun-24 was mostly driven by price changes in transport (+11.0% y/y, +1.31ppts), food and non-alcoholic beverages (+1.9% y/y, +0.63ppts), hotels & restaurants (+7.5% y/y, +0.25ppts), alcoholic beverages & tobacco (+3.4% y/y, +0.23ppts) and education (+3.8% y/y, +0.17ppts) categories.

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-26 | 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 |

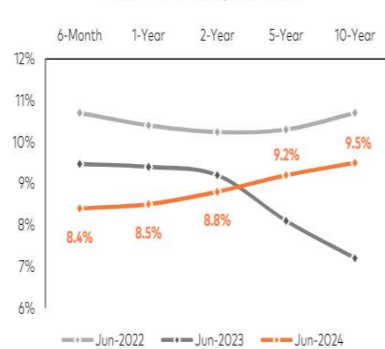
Short Term Central Bank Facilities

| | 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 |

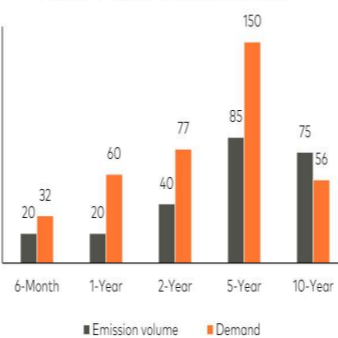
Geo Ministry of Finance T-Bills

| Term | Currency | Outstanding amount | % | Remaining placements |
|--------------|----------|--------------------|-----|----------------------|
| 6-month | GEL | 410 | 9.3 | 280 |
| 1-year | GEL | | 9.1 | 40 |
| 2-year | GEL | | 8.8 | 80 |
| 5-year | GEL | 8,203 | 8.5 | 2090 |
| 10-year | GEL | | 8.3 | 170 |
| Total | | 8613 | | 2660 |

T-bills / T-notes, yield curve



Emission volume vs. demand on latest T-bills / T-notes auctions, GEL mn



Monetary policy rate, inflation and FX rate



Nominal and real effective exchange rates



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

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



Georgian Lari (GEL) spot FX rates



GEL Interbank Deposit Rates (TIBR)



Customer deposit rates

| % p.a. | BGEO | TBC |
|------------|------|------|
| GEL | | |
| 3 months | 9.04 | 9.5 |
| 1 year | 9.25 | 10 |
| 2 years | 9.55 | 9.4 |
| USD | | |
| 3 months | 0.80 | 0.80 |
| 1 year | 1.50 | 1.5 |
| 2 years | 1.98 | 1.95 |
| EUR | | |
| 3 months | 0.00 | 0.3 |
| 1 year | 0.40 | 0.4 |
| 2 years | 0.60 | 0.6 |

Georgia Macro-Economic Data

| Key macro indicators | | 2023 | 2024F |
|------------------------------|------------|--------|-------|
| Real GDP growth (% change) | 7.5% | 7.0% | |
| GDP per capita (ppp) | 23,344 | 24,870 | |
| GDP per capita (US\$) | 8,210 | 8,693 | |
| Population (mn) | 3.7 | 3.7 | |
| Inflation (average) | 2.5% | 2.5% | |
| Gross reserves (US\$ bn) | 5.0 | 4.8 | |
| CAD (% of GDP) | 4.4% | 5.6% | |
| Fiscal deficit (% of GDP) | 2.5% | 2.5% | |
| Total public debt (% of GDP) | 39.2% | 39.0% | |
| Fitch/S&P/Moody's* | BB/BB/Baa2 | | |

Bond Market News

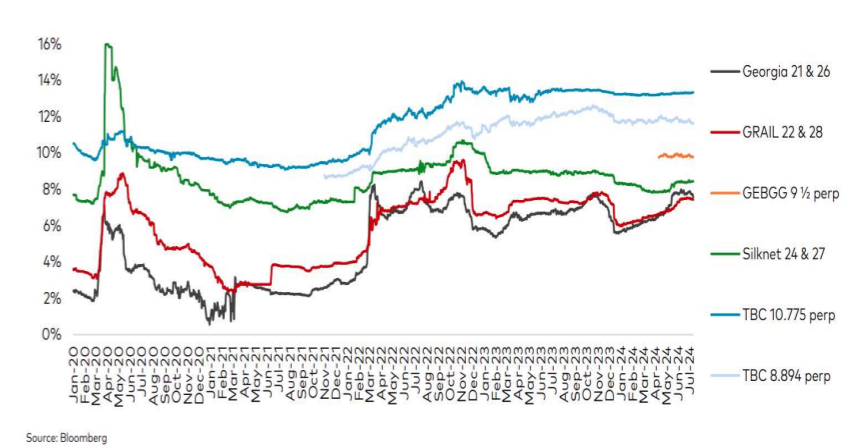
Ministry of Finance T-bills/T-notes:

10-year GEL 30.0mn (US\$ 10.9mn) Benchmark bonds were sold at the auction held at NBG on July 9, 2024. Total demand was 3.1x higher and the weighted average yield was fixed at 9.910%, up by 0.833ppts from previous auction held in Jun-24.

1-year GEL 20.0mn (US\$ 7.3mn) Benchmark bonds were sold at the auction held at NBG on July 9, 2024. Total demand was 3.2x higher and the weighted average yield was fixed at 7.852%, down by 0.096ppts from previous auction held in Jun-24.

The nearest treasury security auction is scheduled for July 16, 2024, where GEL 75.0mn nominal value 7-year Benchmark Bonds will be sold.

Georgian Eurobonds, YTM



Weekly Highlights

International visitors at 1.5mn in 2Q24

In 2Q24, international visitors to Georgia increased by 4.6% y/y to 1.5mn persons. This growth was driven by a 9.2% y/y increase in tourist arrivals, which accounted for 77.4% of total arrivals. Meanwhile, same-day arrivals declined by 8.8% y/y in the same period. Accordingly, we estimate tourism revenues at US\$ 1.1bn (+9.8% y/y) in 2Q24. Türkiye was the top source country by international arrivals (24.1% of total) in 2Q24, followed by Russia (20.4% of total) and Armenia (12.8% of total). Notably, most visitors traveled to Georgia via land (61.8% of total), followed by air (37.6% of total). Overall, 2.7mn international visitors traveled to Georgia in 1H24, with tourist arrivals comprising 2.1mn individuals (99.8% of 1H19 level). Additionally, there were 0.6mn same-day arrivals, recovering at 51.2% of 1H19 level. Based on our estimate, tourism revenues reached US\$ 1.9bn (+6.2% y/y) in 1H24.

International reserves at US\$ 4.6bn

In Jun-24 Gross international reserves decreased by 9.6% y/y to US\$ 4.6bn in Jun-24, according to NBG. On a monthly basis, the reserves were down by 0.4% (-US\$ 19.0mn). Notably, there was one FX auction in June, where NBG sold US\$ 60.0mn. Other changes in reserves were attributed to the government and/or banking sector FX operations, and likely also to NBG's FX trading via BMatch platform (information will be available on 25 July).

"Meama" Is Expanding Its Exporting Markets

Company "Meama" is expanding its exporting markets. The director of the company, Temur Bostoghanishvili declares, that the company's products are currently presented in Germany and the Baltic countries. Soon, he plans to open a new facility in Austria.

"In a short period of time, we have made a lot of progress. We are already operating in Germany and the Baltic countries. Soon, we will be represented in Austria. Then, we plan to enter England and France. The British market is quite real and the facility will be opened very soon, as we already have a good system of logistics across Europe. After that, comes North America. We plan to supply America from Germany at the first stage, but later it is also planned to build a factory in America.

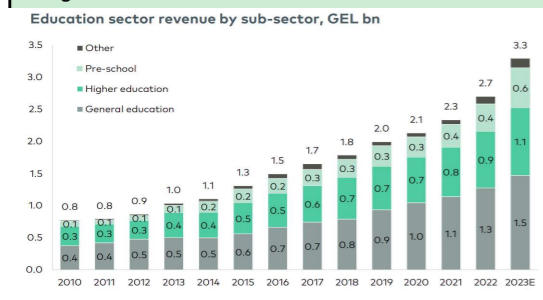
We are moving forward at a fairly good pace, we don't have bureaucracy, I think we are quite flexible compared to big companies," the company's director says.

According to him, exports to international markets will be divided into two types. In the case of certain countries, the company will be represented by logistics, e-commerce and distribution services, while in other cases, by e-commerce and physical facilities.



| Global Equity Indexes | | | |
|-----------------------|-----------------|-------------|-----------|
| Prev. Close | Div. Yield | Performance | Date |
| DJIA | | | |
| 38,225.26 | -- | | 2-May-24 |
| 39,869.38 | -- | 4.12% | 16-May-24 |
| 38,061.30 | -- | -4.75% | 30-May-24 |
| 39,291.37 | -- | 3.13% | 10-Jul-24 |
| 39,853.87 | -- | 1.41% | 24-Jul-24 |
| DAX | | | |
| 17,993.19 | -- | | 2-May-24 |
| 18,684.25 | -- | 3.70% | 16-May-24 |
| 18,482.05 | -- | -1.09% | 30-May-24 |
| 18,341.55 | -- | -0.77% | 10-Jul-24 |
| 18,146.85 | -- | -1.07% | 24-Jul-24 |
| MSCI | | | |
| | Div. Yield | | |
| | from 05/29/2020 | | |
| 3,321.81 | 2.85% | | 2-May-24 |
| 3,464.05 | 2.85% | 4.11% | 16-May-24 |
| 3,423.68 | 2.85% | -1.18% | 30-May-24 |
| 3,583.60 | 2.85% | 4.46% | 10-Jul-24 |
| 3,499.68 | 2.85% | -2.40% | 24-Jul-24 |

Georgia's education sector revenues reached GEL 3.3bn in 2023



Commodity price dynamics report

| Overview | | | | | | |
|----------------------|---------|--------|---------|---------|---------|------------|
| INDEX | VALUE | CHANGE | %CHANGE | HIGH | LOW | TIME (EDT) |
| BOOMTRND | 237.07 | -0.08 | -0.04% | 238.07 | 237.01 | 7:08 AM |
| Bloomberg Commodity | | | | | | |
| CMCOTRND | 1594.01 | -2.72 | -0.17% | 1594.27 | 1592.34 | 7:09 AM |
| UBS Bloomberg CMC | | | | | | |
| CRYTRND | 340.78 | -4.04 | -1.18% | 340.78 | 340.78 | 7/9/2024 |
| Reuters/Jeffries CRB | | | | | | |
| RISGLTRND | 3309.97 | -8.28 | -0.24% | 3318.73 | 3300.88 | 7:08 AM |
| Rogers International | | | | | | |
| SPICSTRND | 3703.03 | -32.69 | -0.88% | 3742.82 | 3701.95 | 7/9/2024 |
| S&P 500 | | | | | | |

| Energy | | | | | | |
|-----------------------|-----------|--------|--------|---------|----------|------------|
| INDEX | UNITS | PRICE | CHANGE | %CHANGE | CONTRACT | TIME (EDT) |
| CLCOOM | USD/bbl | 81.28 | -0.12 | -0.15% | Aug 2024 | 7:00 AM |
| WTI Crude Oil (Nymex) | | | | | | |
| COCOOM | USD/bbl | 84.49 | -0.07 | -0.08% | Sep 2024 | 7:00 AM |
| Brent Crude (ICE) | | | | | | |
| YENCOM | USD/gal | 291.08 | -4.66 | -1.58% | Aug 2024 | 7:01 AM |
| RBOB Gasoline (Nymex) | | | | | | |
| NGHCOM | USD/MMBtu | 2.28 | -0.02 | -0.87% | Aug 2024 | 7:00 AM |
| Natural Gas (Nymex) | | | | | | |
| HODCOM | USD/gal | 291.00 | -1.98 | -0.68% | Aug 2024 | 7:00 AM |
| Heating Oil (Nymex) | | | | | | |

Precious and Industrial Metals

| Precious and Industrial Metals | | | | | | |
|--------------------------------|--------|---------|--------|---------|----------|------------|
| INDEX | UNITS | PRICE | CHANGE | %CHANGE | CONTRACT | TIME (EDT) |
| GCOCOM | USD/oz | 2379.40 | +1.60 | +0.07% | Aug 2024 | 8:58 AM |
| Gold (Comex) | | | | | | |
| XAUUSDCLR | USD/oz | 2373.42 | +3.33 | +0.14% | N/A | 7:09 AM |
| Gold Spot | | | | | | |
| SILCOM | USD/oz | 21.21 | -0.15 | -0.70% | Sep 2024 | 8:58 AM |
| Silver (Comex) | | | | | | |
| HG1COM | USD/lb | 457.55 | -0.20 | -0.04% | Sep 2024 | 8:58 AM |
| Copper (Comex) | | | | | | |
| XPTUSDCLR | USD/oz | 995.30 | +3.90 | +0.39% | N/A | 7:08 AM |
| Platinum Spot | | | | | | |

Georgian Equities

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 |

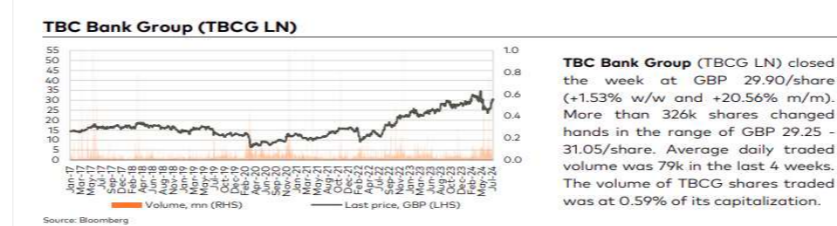
B Listing

| Ticker | Issuer | Type of Security | Volume | Size of Issue | Trading Currency | Charter Capital | ISIN |
|--------|---------------------------------|------------------|------------|---------------|------------------|-----------------|--------------|
| GIGB | Green Insurance Georgia JSC | Stock | 9,000,000 | 9,000,000 | GEL | 15,000,000 | GE1100003965 |
| MEHBB | Metro Euphoria Hotel Batumi JSC | Stock | 54,476,929 | 54,476,929 | GEL | 54,476,929 | GE1100003932 |

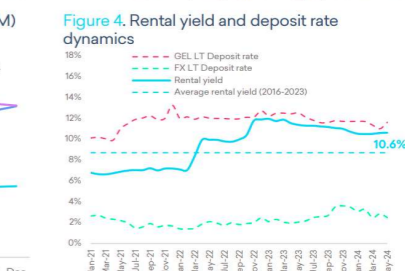
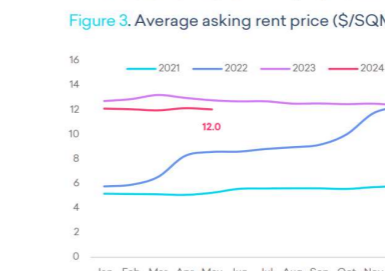
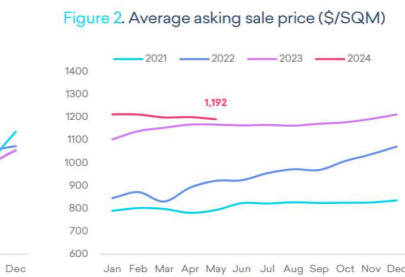
Admitted to Trading

| 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 |
| BANK | Liberty Bank JSC | Stock | 4,489,682,955 | 29,000,000,000 | GEL | 44,896,829.55 | GE1100000300 |
| UGB | VTB Bank Georgia JSC | Stock | 209,008,277 | 209,008,277 | GEL | 209,008,277 | GE1100000029 |

Equities overview by Galt and Taggart



Tbilisi Residential Market Update



Tegeta Motors' 30-million multi-currency program

Tegeta Holding has successfully launched a new \$30 million multi-currency program with the support of TBC Capital. The issuance includes €10 million and \$5 million in bonds, with fixed interest rates of 6.75% for euros and 8.5% for dollars.

This program, part of a broader initiative approved in May 2024, is aimed at expanding Tegeta's operations in local and international markets. Tegeta continues to be a key player in Georgia's capital market, reflecting strong investor trust and engagement.

For more details, visit the full article: www.bm.ge



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