

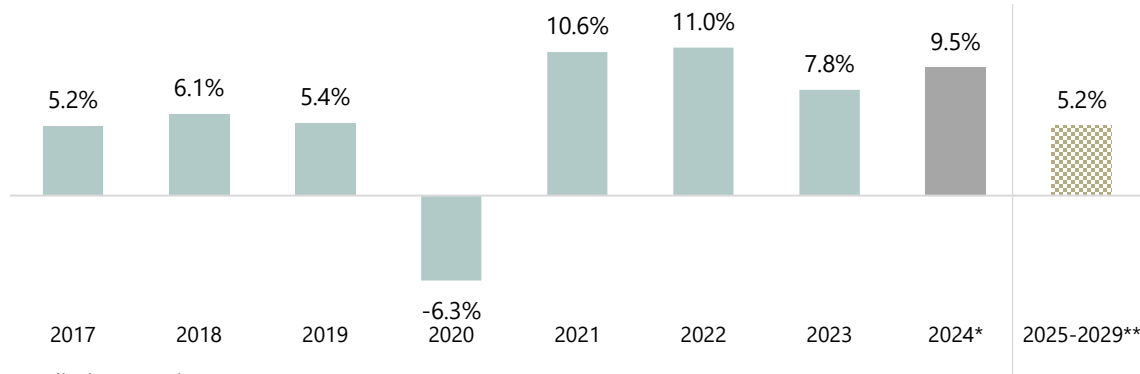
MACROECONOMIC OVERVIEW

4Q24 & FY24 RESULTS

STRONG GDP GROWTH IN 2024, WITH MODERATION EXPECTED IN 2025

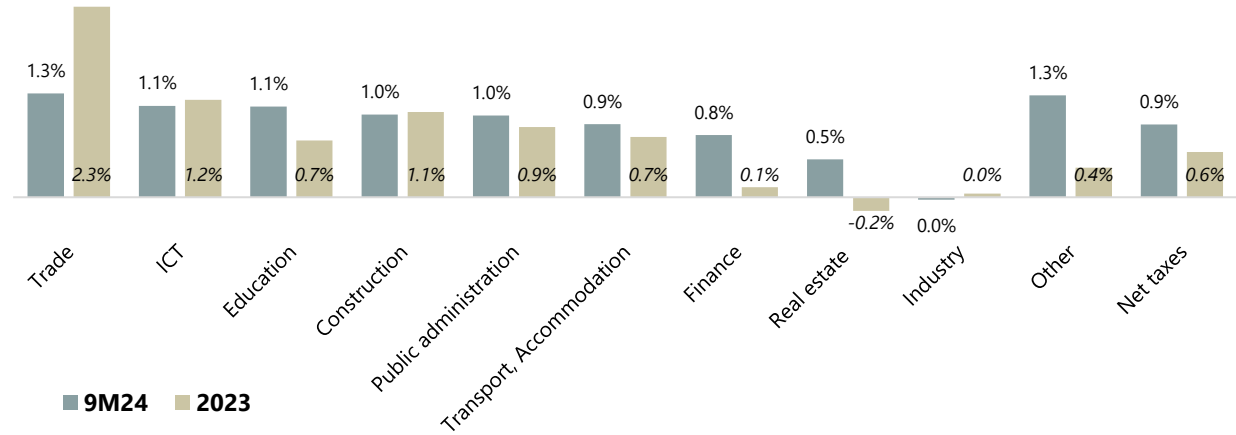


GEORGIA'S ECONOMY CONTINUED TO EXPAND IN 2024, WITH PRELIMINARY ECONOMIC GROWTH AT 9.5% Y-O-Y IN 2024

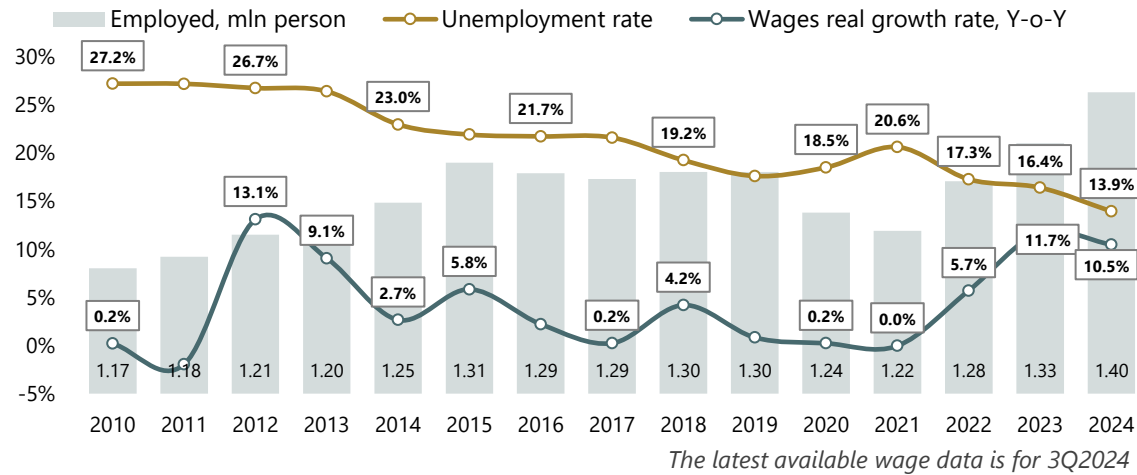


*Preliminary estimate
** IMF Forecast

GDP GROWTH DECOMPOSITION BY SECTORS IN 9M24 (9.9%) AND 2023

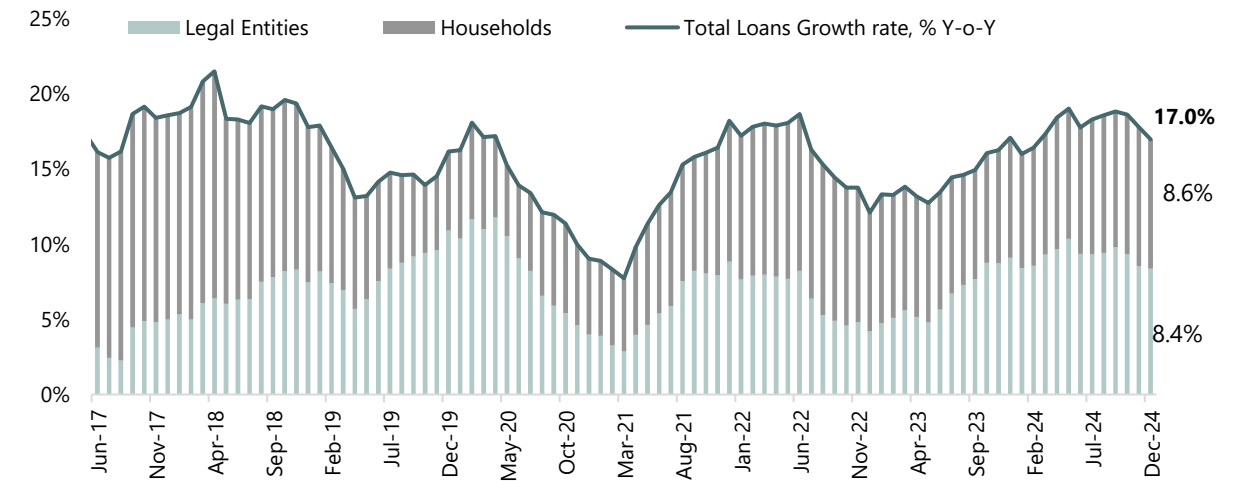


THE UNEMPLOYMENT RATE FELL TO A RECORD LOW IN 2024, DRIVEN BY STRONG ECONOMIC PERFORMANCE



Georgia Capital PLC | Source: Geostat, NBG, IMF, WEO (October 2024)

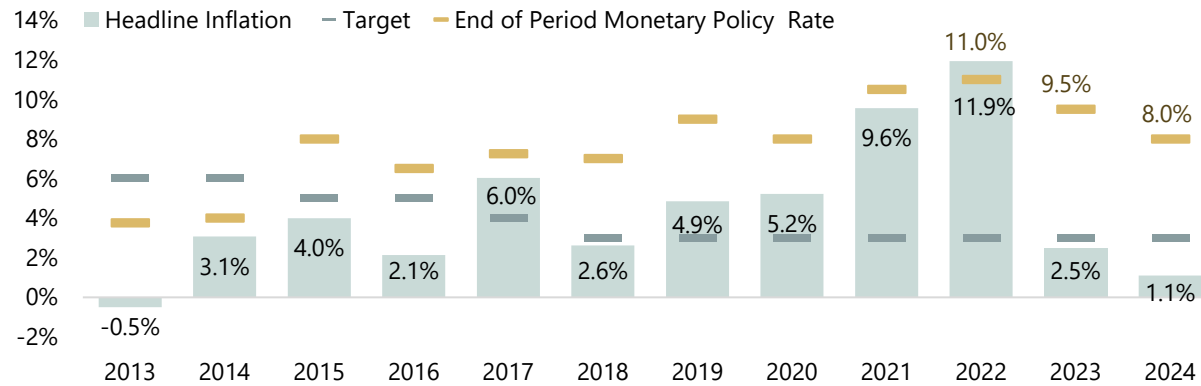
LOAN GROWTH DECOMPOSITION BY SECTORS (ON A CONSTANT CURRENCY BASIS)



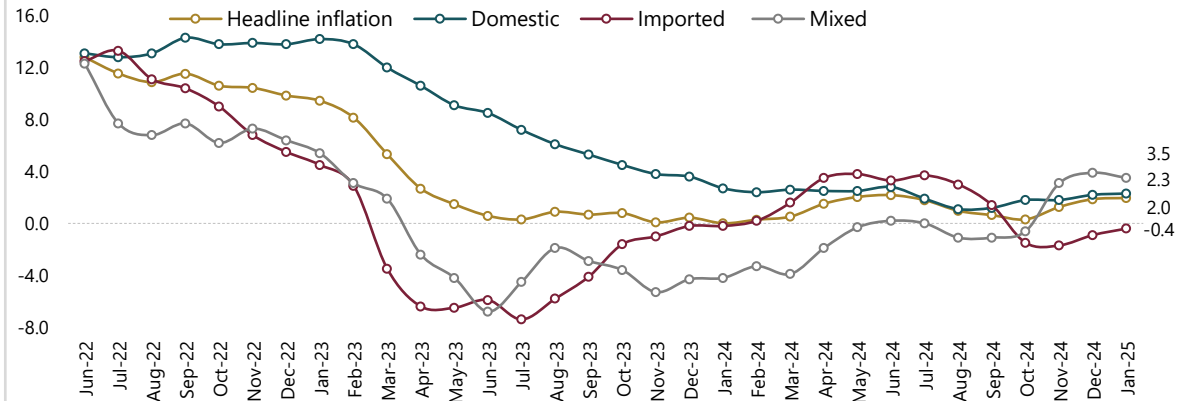
INFLATION REMAINS BELOW TARGET BUT HAS INCREASED IN THE PAST THREE MONTHS



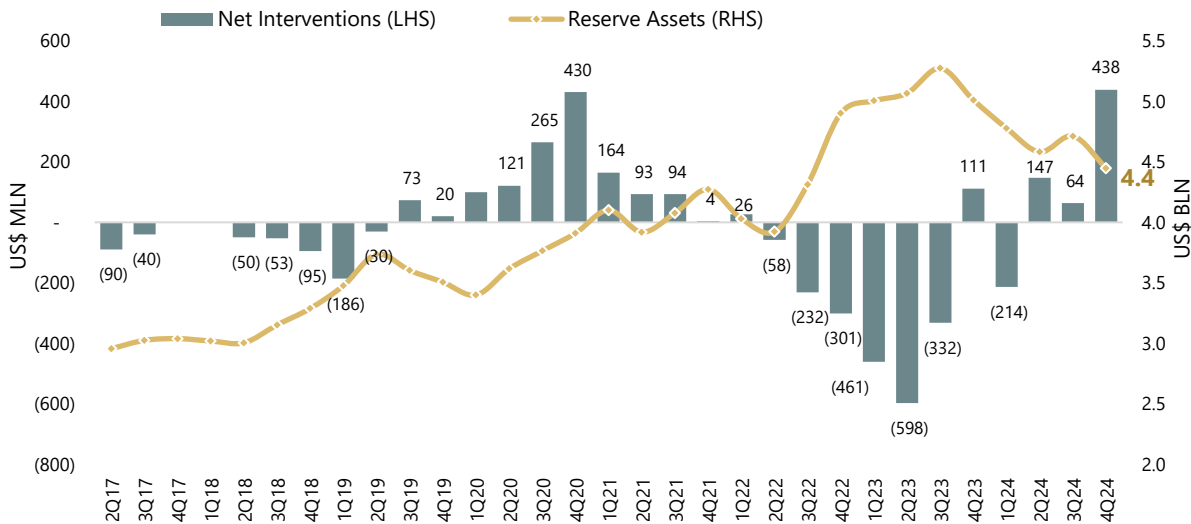
ANNUAL INFLATION HAS REMAINED BELOW THE 3% TARGET SINCE APRIL 2023, WITH 2024 INFLATION AT 1.1% Y-O-Y



MIXED INFLATION HAS BEEN PICKING UP OVER THE PAST THREE MONTHS



NET NBG INTERVENTIONS ON THE FX MARKET AND OFFICIAL RESERVE ASSETS



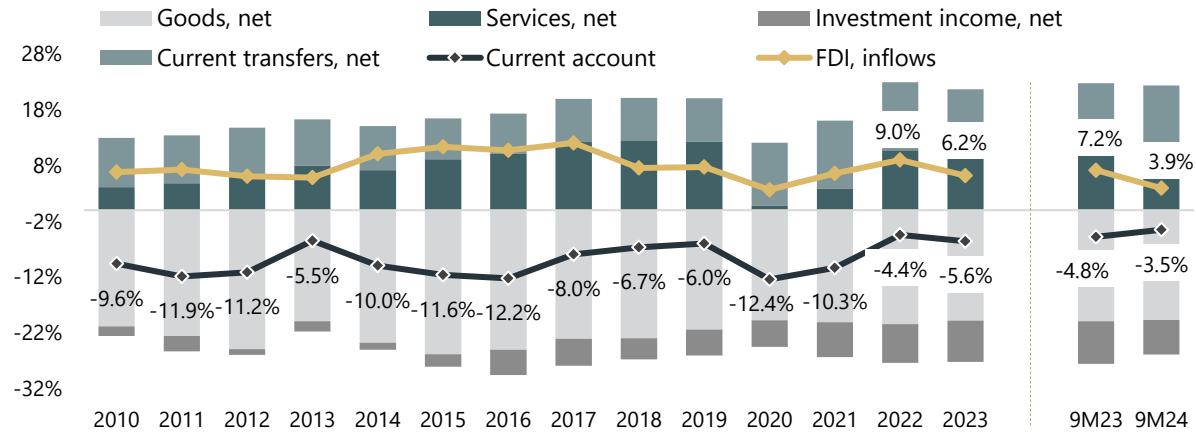
POLITICAL INSTABILITY AND UNCERTAINTY CONTRIBUTED TO GEL DEPRECIATION THROUGHOUT THE YEAR, RESULTING IN A 4.2% Y-O-Y DECLINE BY THE END OF 2024



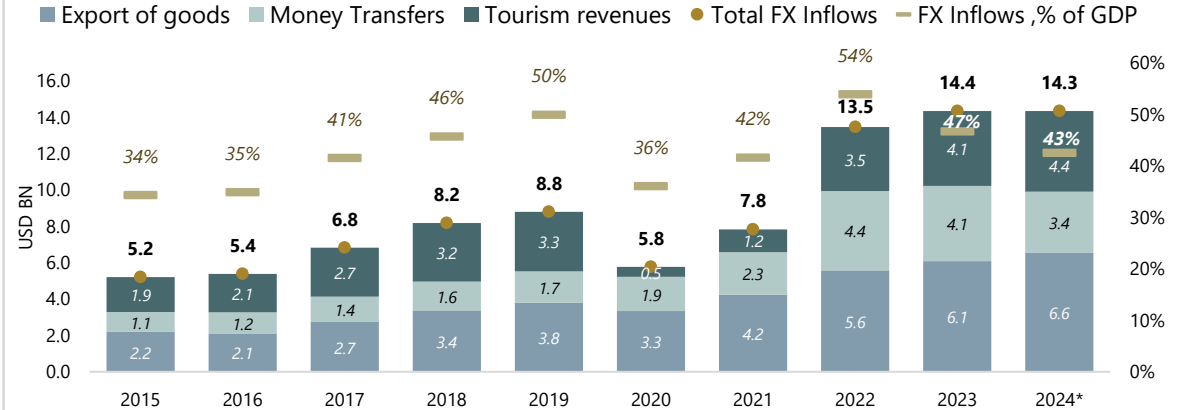
STRONG FX INFLOWS AND HIGH GROWTH SUPPORTED THE DELEVERAGING OF THE COUNTRY'S EXTERNAL BALANCE SHEET



CAB NARROWED TO -3.5% OF GDP, SUPPORTED BY GROWTH IN THE TRANSFER AND SERVICES BALANCE

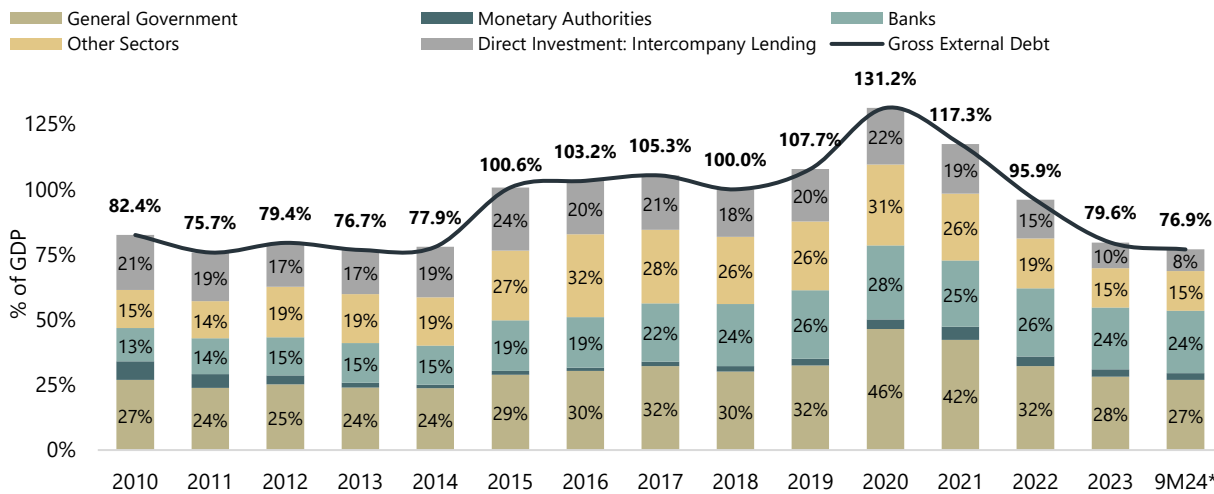


TOTAL FX INFLOWS DECREASED SLIGHTLY BY 0.1% Y-O-Y AND AMOUNTED TO US\$ 14.3 BLN IN 2024



* Preliminary estimated 2024 GDP.

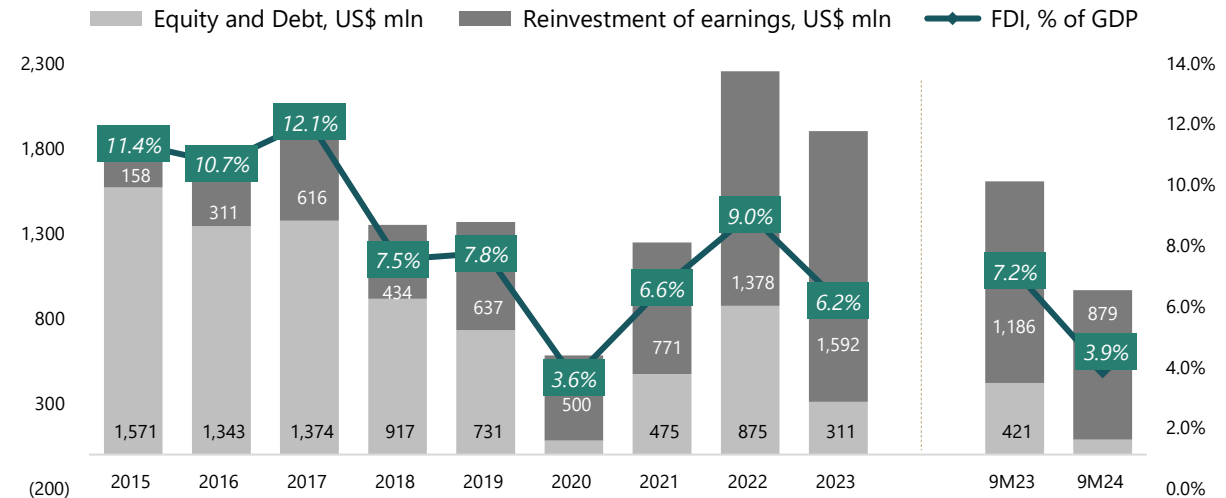
GROSS EXTERNAL DEBT AS A PERCENT OF GDP REACHES ITS LOWEST LEVEL SINCE 2013



* GDP data from the last four quarters is summed up to estimate the 9M24 indicator.

Georgia Capital PLC | Source: NBG, Geostat.

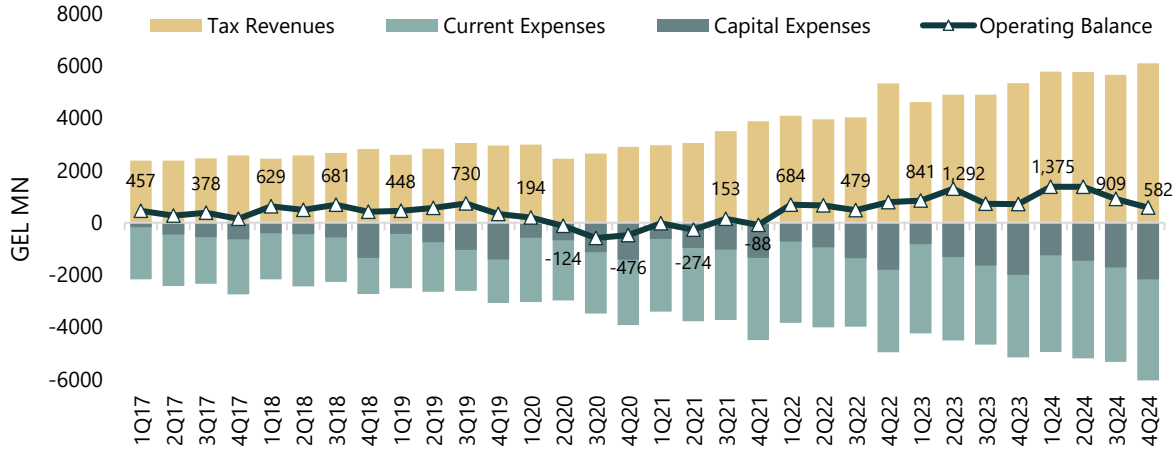
FDI (COMPONENTS AND % OF NOMINAL GDP)



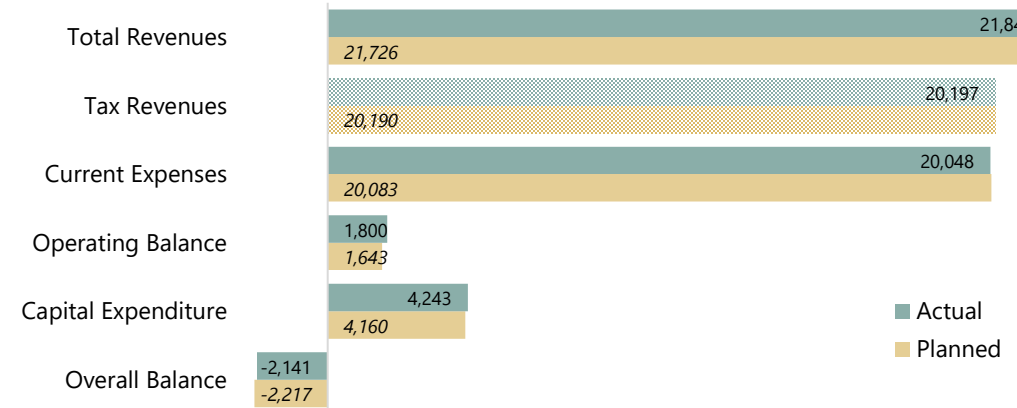
GENERAL GOVERNMENT TOTAL DEBT (% OF GDP) LOWEST SINCE 2014 AMID SOLID GROWTH AND EXCHANGE RATE GAINS



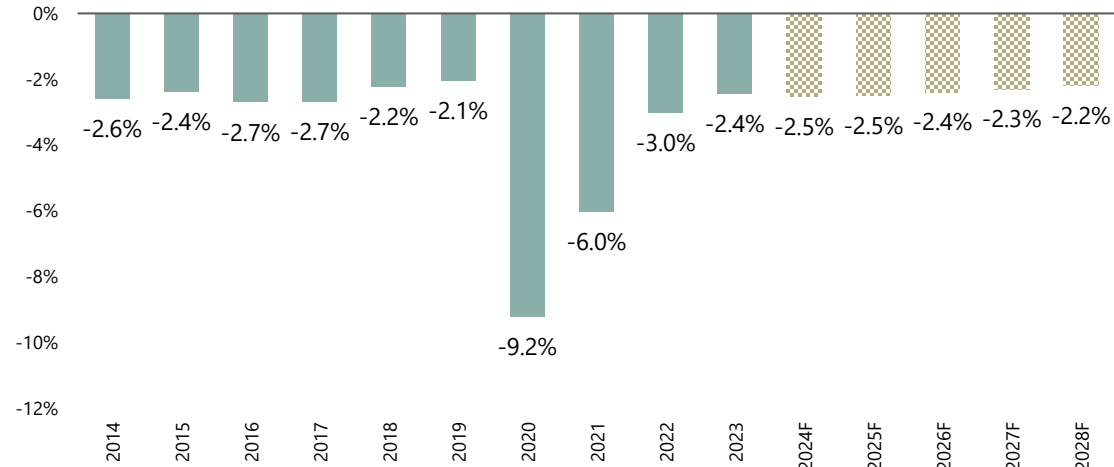
INCREASING OPERATING BALANCE ON THE BACK OF STRONG REVENUE COLLECTION



CENTRAL GOVERNMENT 2024-YEAR BUDGET PERFORMANCE (COMPARED TO THE PLANNED 2024 BUDGET), GEL MLN

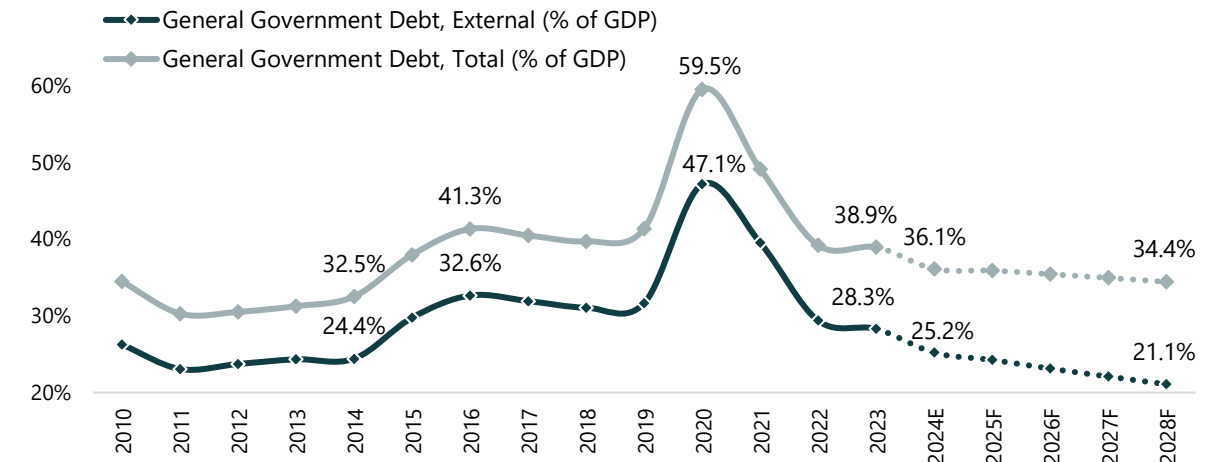


FISCAL DEFICIT*, % OF GDP



* IMF modified

GENERAL GOVERNMENT TOTAL DEBT AT US\$ 11.8 BN (36% OF GDP **), LOWEST SINCE 2014



** Preliminary estimated 2024 GDP.



MACROECONOMIC WRAP-UP



STRONG GDP GROWTH - MODERATION IS EXPECTED



INFLATION REMAINS BELOW TARGET, BUT PICKING UP



THE NBG INTERVENED SIGNIFICANTLY TO CURB NEGATIVE EXPECTATIONS



RISING EXPORTS AND TOURISM REVENUES OFFSET DECLINING REMITTANCES FROM RUSSIA



GENERAL GOVERNMENT TOTAL DEBT (% OF GDP) LOWEST SINCE 2014

SOVEREIGN RATINGS WITH FAVOURABLE MACRO FUNDAMENTALS



| Key Ratings Highlights | | | |
|------------------------|--------|----------|---------------|
| Rating Agency | Rating | Outlook | Affirmed |
| MOODY'S | Ba2 | Stable | March 2024 |
| S&P Global | BB | Stable | February 2025 |
| Fitch Ratings | BB | Negative | December 2024 |

| Georgia is favorably placed among peers | | |
|---|----------------|----------------------|
| Country | Country Rating | Fitch Rating Outlook |
| Armenia | BB- | Stable |
| Azerbaijan | BBB- | Stable |
| Czech Republic | AA- | Stable |
| Georgia | BB | Negative |
| Kazakhstan | BBB | Stable |
| Turkey | BB- | Stable |
| Uzbekistan | BB- | Stable |

| General Facts | |
|--|---|
| | |
| <ul style="list-style-type: none"> Area: 69,700 sq. km Population (2024): 3.7 million Capital: Tbilisi; | <ul style="list-style-type: none"> Life expectancy: 75.0 years Official language: Georgian Literacy: 100% Currency (code): Lari (GEL) |

| Economy |
|---|
| <ul style="list-style-type: none"> Nominal GDP (Geostat) 2023: GEL 80.9 billion (US\$30.8 billion) Real GDP growth rate 2023: 7.8% Real GDP ten-year annual average growth rate: 5.1% GDP per capita 2023 (PPP, international dollar) IMF: 24,849 Annual inflation 2024: 1.1% General Government external debt to GDP 2023: 28.3% |

GEORGIA'S KEY ECONOMIC DRIVERS



Liberal economic policy

Top performer compared to peers across a wide range of international rankings

- Liberty Act (effective January 2014) ensures a credible fiscal framework; Fiscal deficit/GDP capped at 3%; Public debt/GDP capped at 60%.
- Following the emergency clause activation after the COVID-19 shock, the fiscal framework has returned within the rule bounds, as specified in the Liberty Act.
- Business friendly environment and low tax regime (attested by favorable international rankings).

Regional logistics and tourism hub

A natural transport and logistics hub, connecting land-locked energy rich countries in the east and European markets in the west

- Access to a market of 2.8 billion customers without customs duties: Free trade agreements with EU, China, Hong Kong, CIS and Turkey and GSP with USA, Canada, Japan, Norway and Switzerland; FTA with Israel and India under consideration. Georgia's preferential trading regimes support the country's resilience to regional external shocks.
- The importance of Georgia's strategic location has grown further as a reliable logistics hub following Russia's war in Ukraine.
- Tourism inflows fell sharply to US\$ 542 million in 2020 from US\$ 3.2 billion in 2019 due to COVID-19 but have bounced back to US\$ 4.1 billion in 2023 and US\$ 4.4 in 2024.

Strong FDI

An influx of foreign investors on the back of the economic reforms have boosted productivity and accelerated growth

- FDI stood at US\$ 1.9 billion (6.2% of GDP) in 2023.
- FDI has averaged 8.0% of GDP since 2010.

Support from international community

Georgia and the EU signed an Association Agreement and DCFTA in June 2014, and Georgia was granted a European perspective in June 2022

- Visa-free travel to the EU is another major success in Georgian foreign policy. Georgian passport holders were granted free visa entrance to the EU countries from 28 March 2017.
- Georgia applied for EU membership together with Ukraine and Moldova in March 2022, and on 14 December 2023, the European Council granted the candidate status to Georgia.
- Strong political support from NATO, EU, US, UN and member of WTO since 2000; Substantial support from DFIs, the US and EU.

Energy transit hub potential

Developed, stable and competitively priced energy sector

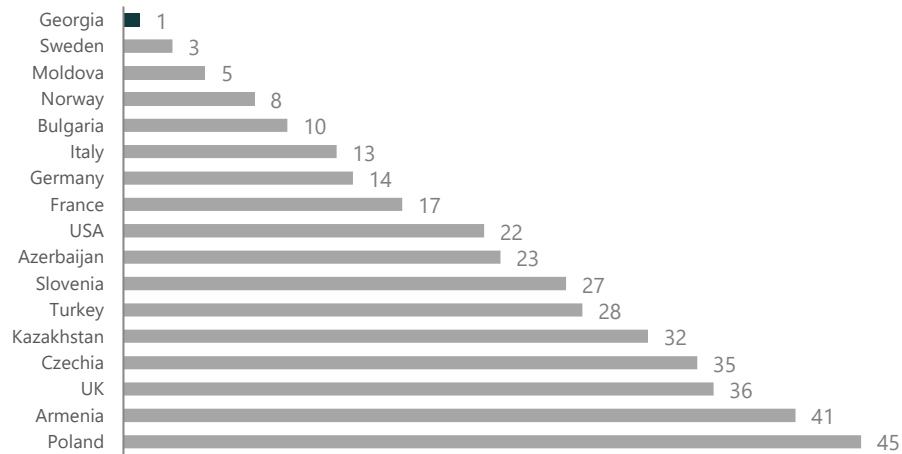
- Only 20% of hydropower capacity utilized; 155 renewable (HPPs/WPPs/SPPs) energy power plants are in various stages of construction or development.
- Georgia imports natural gas mainly from Azerbaijan.
- Significantly boosted transmission capacity in recent years, a new 400 kV line to Turkey and 500 kV line to Azerbaijan built, other transmission lines to Armenia and Russia upgraded.
- Additional 2,000 MW transmission capacity development in the pipeline, facilitating cross-border electricity trade and energy swaps to Eastern Europe.
- Georgia's energy transit hub role has become particularly crucial in light of energy diversification efforts from Western countries since the beginning of Russia's war in Ukraine.
- Significant recent projects include the Trans-Anatolian Pipeline (TANAP), inaugurated in November 2019, and the Black Sea underwater electric cable project, signed in December 2022, linking Azerbaijani energy resources with Europe through Georgia and Turkey.

Stable political environment

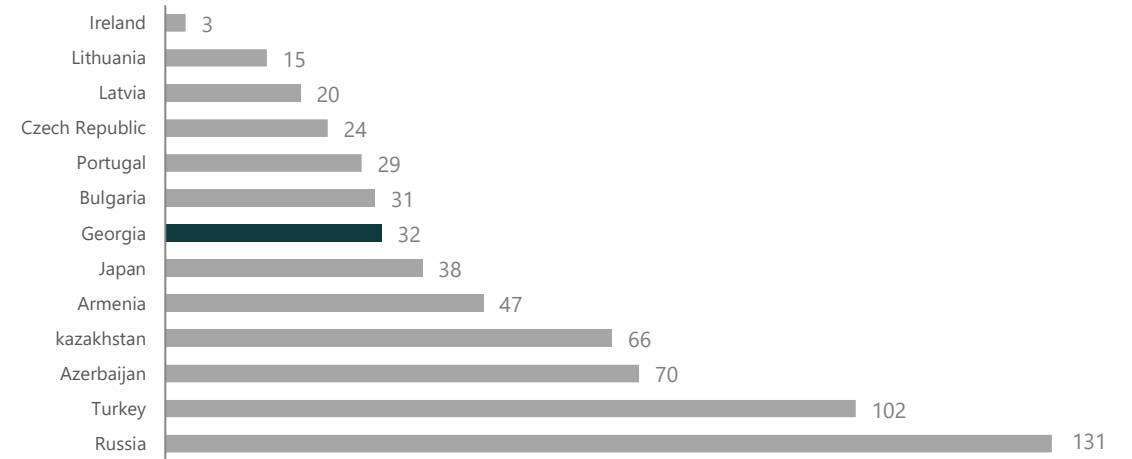
- Georgia underscored its commitment to European values by securing a democratic transfer of political power in successive parliamentary, presidential, and local elections and by signing an Association Agreement and free trade agreement with the EU.
- New constitution amendments passed in 2013 to enhance governing responsibility of Parliament and reduce the powers of the Presidency.
- Russia began issuing visas to Georgians in March 2009; Georgia abolished visa requirements for Russians – Russia announced the easing of visa procedures for Georgian's citizens effective December 23, 2015.
- Starting from May 15, 2023, visa requirements eliminated as per a decree issued by Vladimir Putin. In addition, direct flight ban (introduced in July 2019 unilaterally) was lifted.
- Member of WTO since 2000, allowed Russia's access to WTO; In 2013 trade restored with Russia.
- In 2024, Russia accounted for 10% of Georgia's exports and 11% of imports, as economic dependence has declined over the years.

INSTITUTIONAL ORIENTED REFORMS

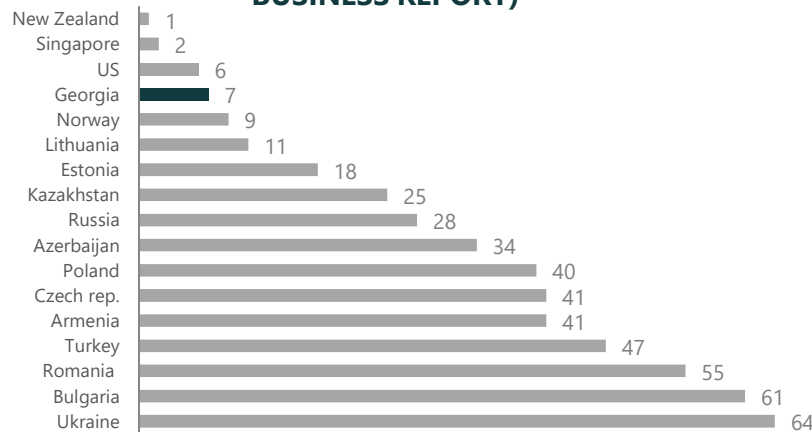
**OPEN BUDGET INDEX, 2023 | INTERNATIONAL BUDGET PARTNERSHIP
(BUDGET TRANSPARENCY)**



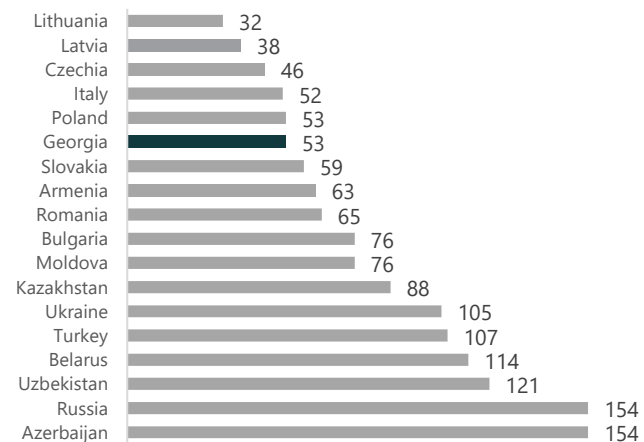
ECONOMIC FREEDOM INDEX | 2024 (HERITAGE FOUNDATION)



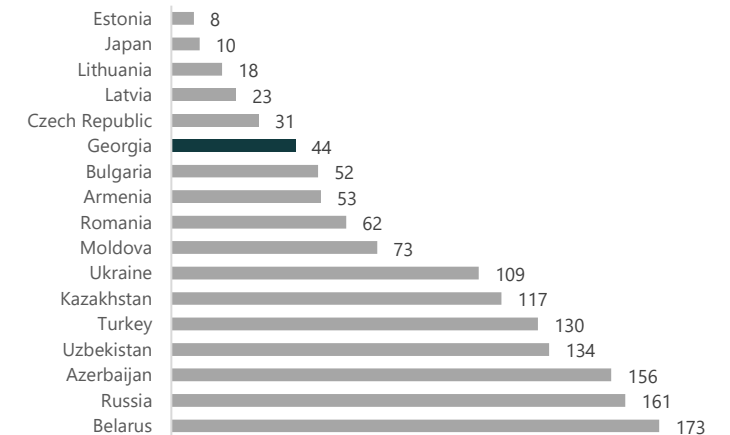
**EASE OF DOING BUSINESS | 2020 (WB DOING
BUSINESS REPORT)**



CORRUPTION PERCEPTION INDEX | 2024 (TI)

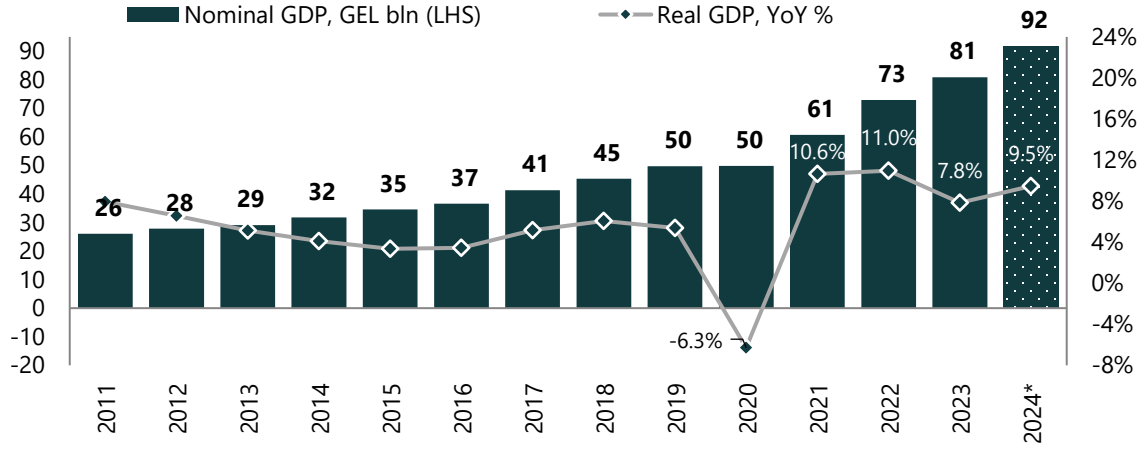


BUSINESS BRIBERY RISK, 2024 | TRACE INTERNATIONAL



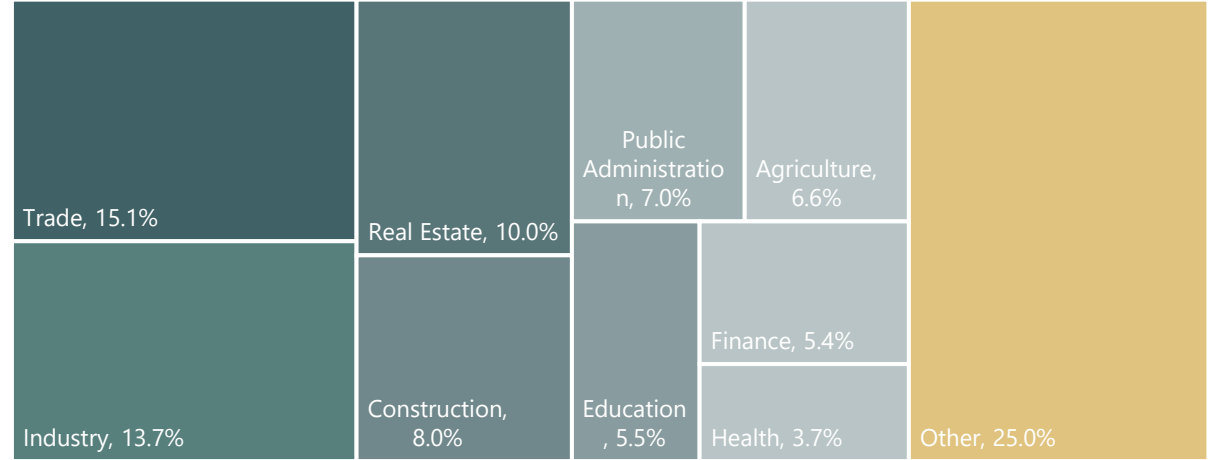
ECONOMIC GROWTH CONTINUING AT PACE

GROSS DOMESTIC PRODUCT

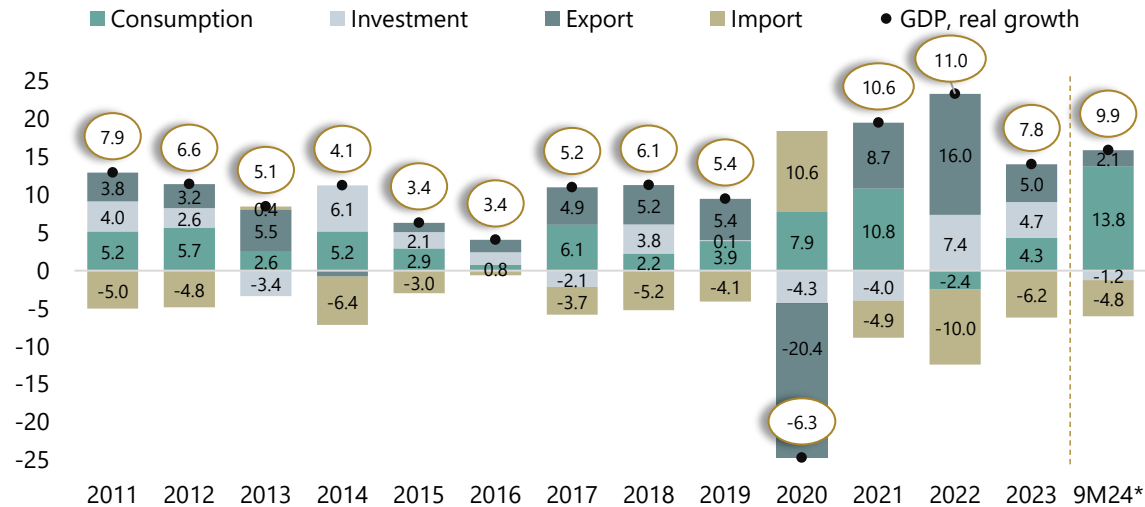


*Preliminary estimate.

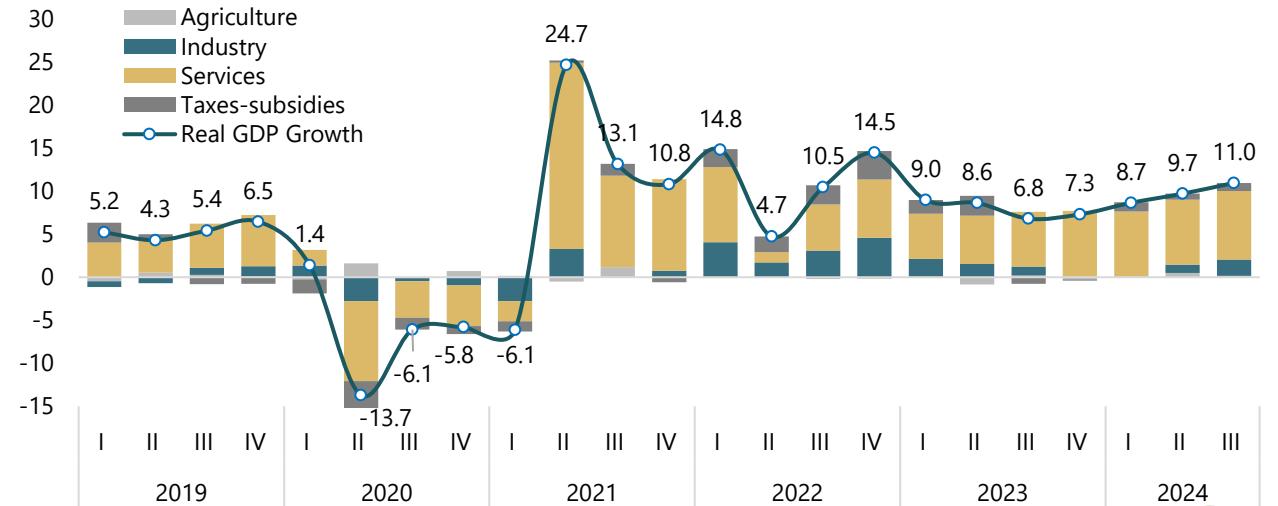
NOMINAL GDP STRUCTURE, 9M24



GDP GROWTH DECOMPOSITION BY CATEGORIES OF USE, %

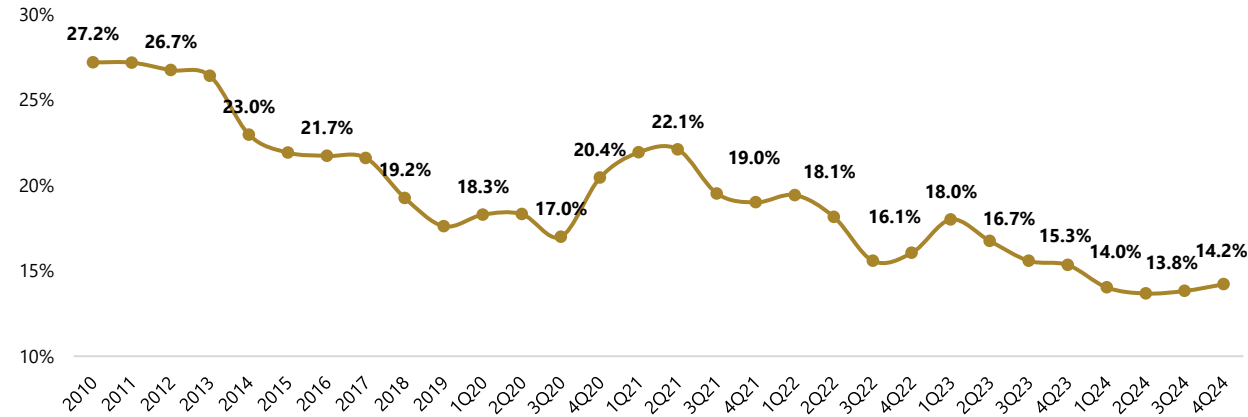


GDP GROWTH DECOMPOSITION BY SECTORS, % GROWTH DRIVEN MOSTLY BY SERVICE-RELATED SECTORS

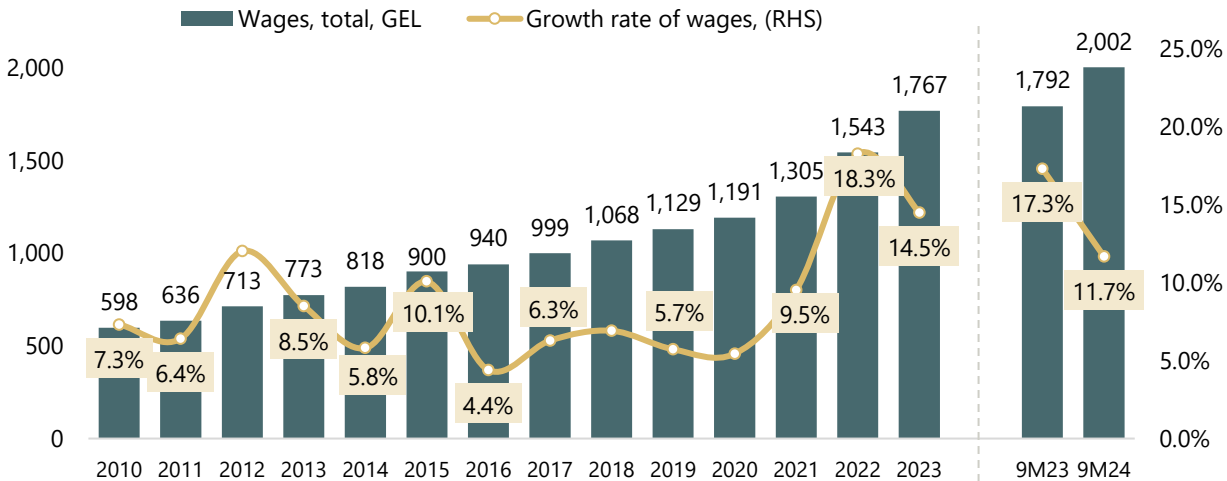


UNEMPLOYMENT RATE AT HISTORICAL LOWS

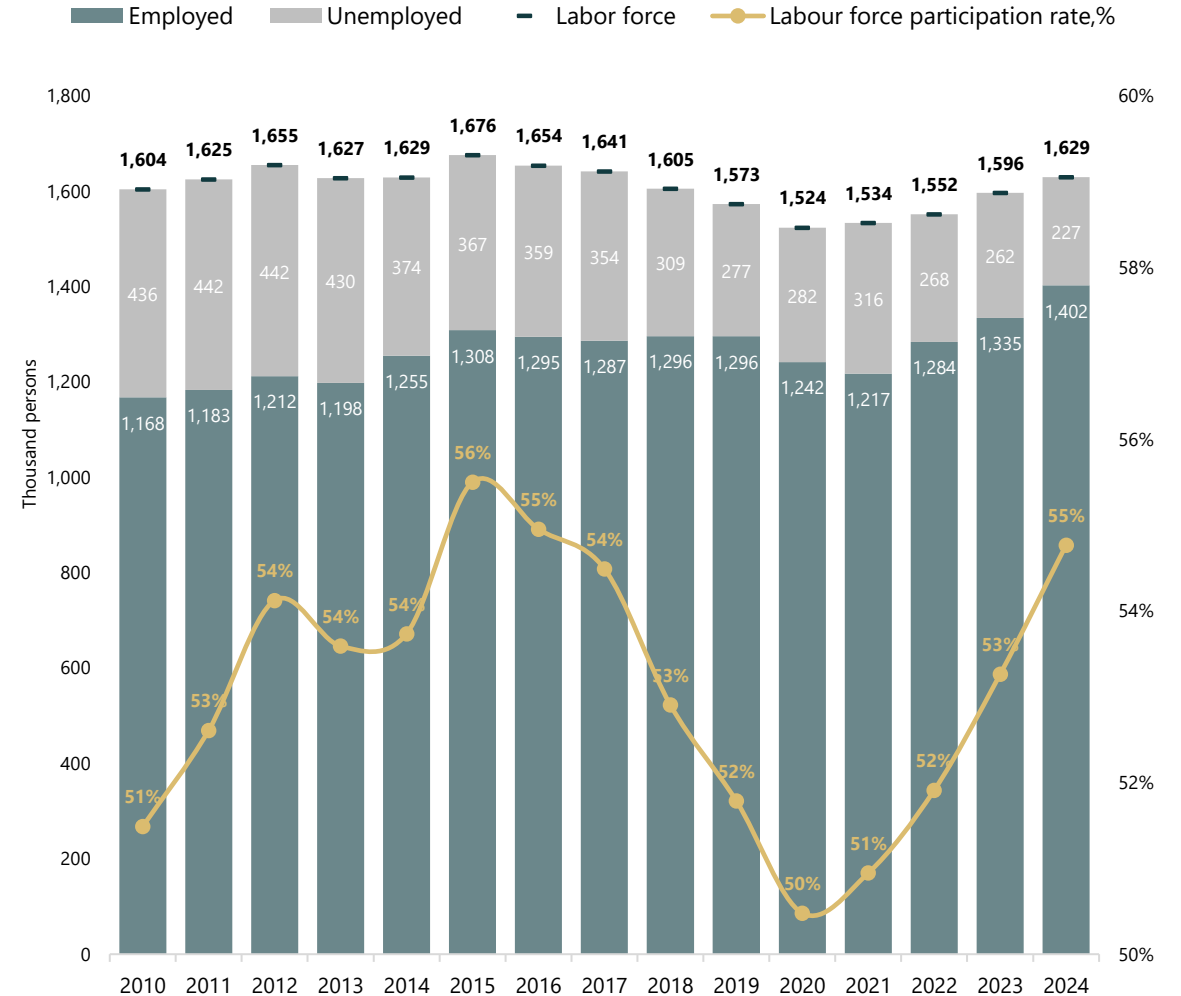
UNEMPLOYMENT RATE AT HISTORICAL LOWS, DOWN TO 13.9% IN 2024 FROM 16.4% IN 2023



AVERAGE MONTHLY NOMINAL EARNINGS OF EMPLOYEES AMOUNTED TO GEL 1,767 IN 2023



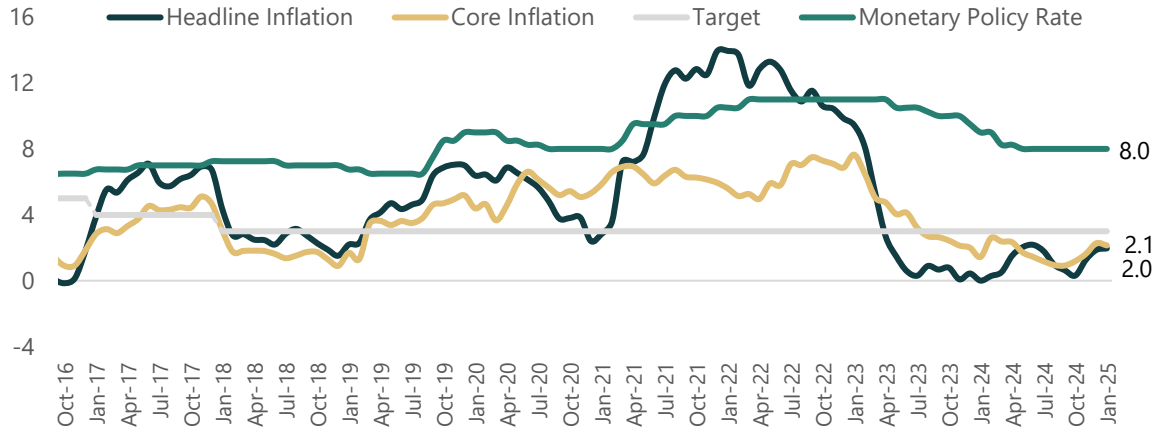
LABOR FORCE STRUCTURE



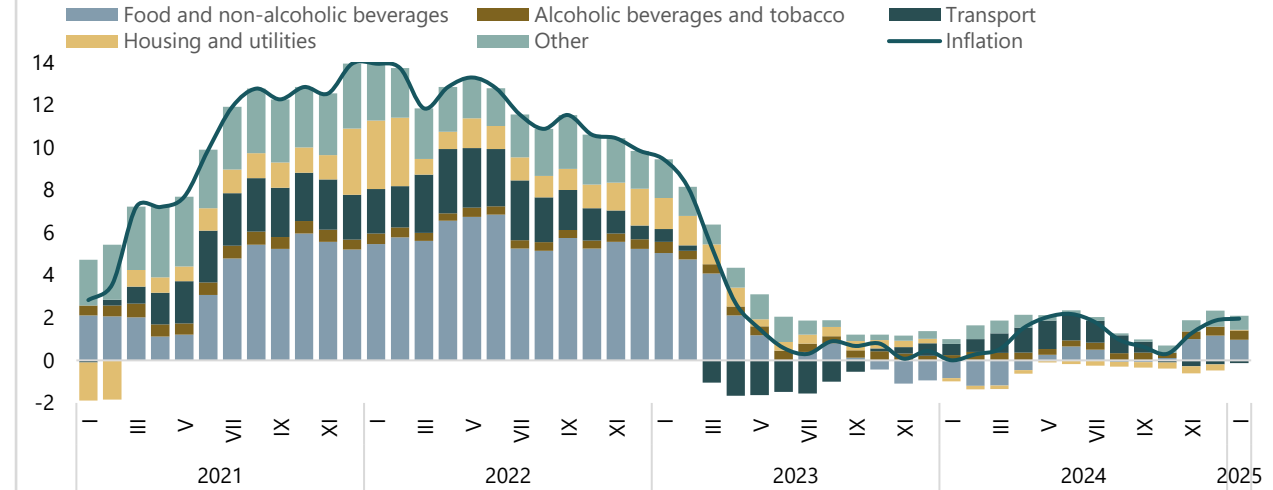
INFLATION BELOW THE TARGET LEVEL SINCE APRIL 2023



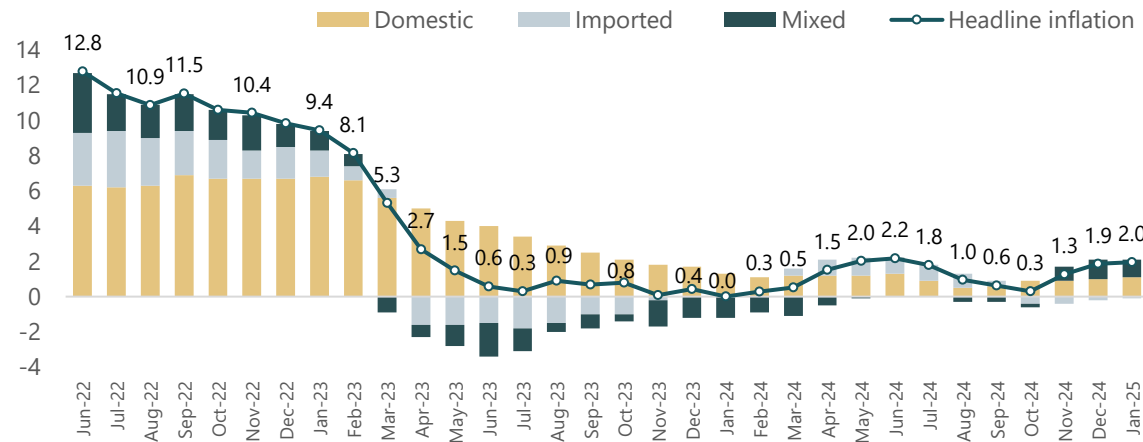
INFLATION Y-O-Y VS. INFLATION TARGET



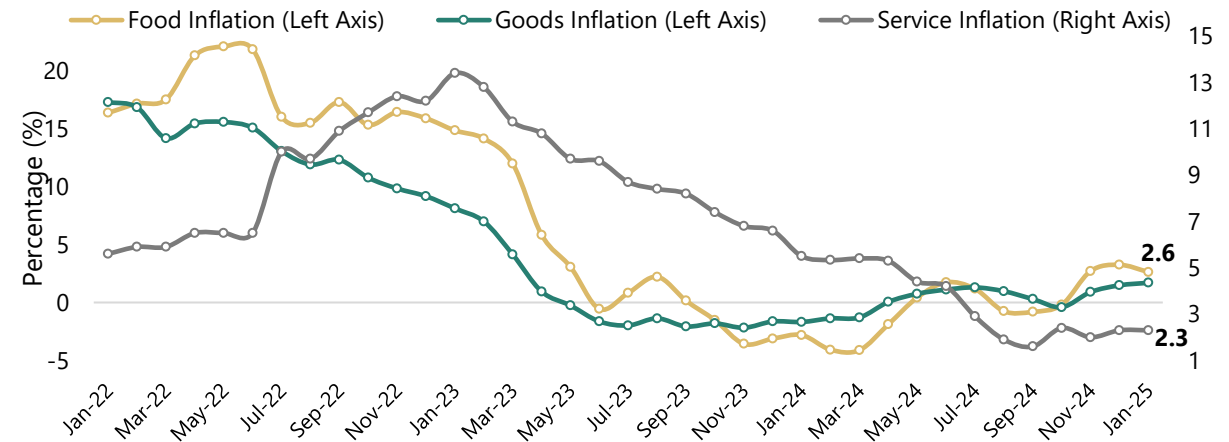
INFLATION COMPONENTS



DECOMPOSITION OF INFLATION



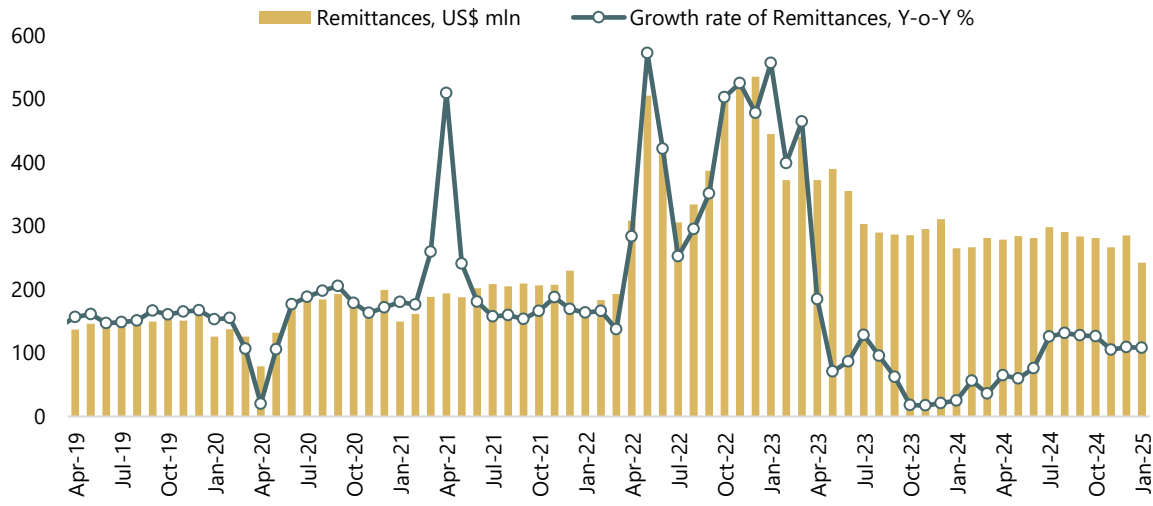
SERVICE INFLATION SUPPORTS BELOW-TARGET INFLATION



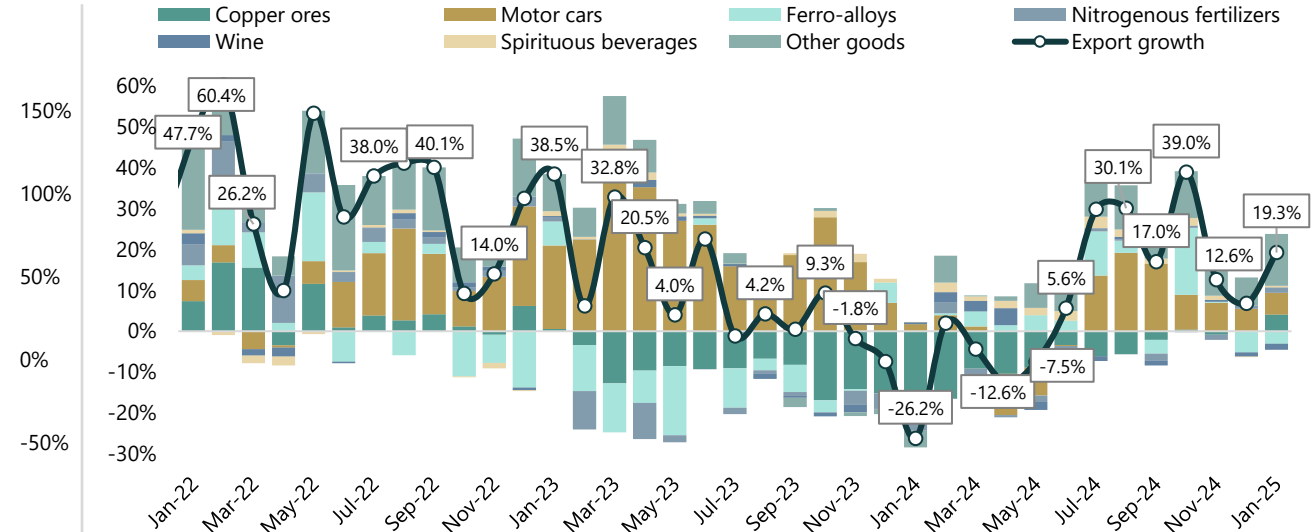
EXPORTS HAVE REBOUNDED, SHOWING A SIGNIFICANT POSITIVE TREND IN THE DOMESTIC COMPONENT, WITH STRONG PERFORMANCE OF RE-EXPORTED MOTOR CARS



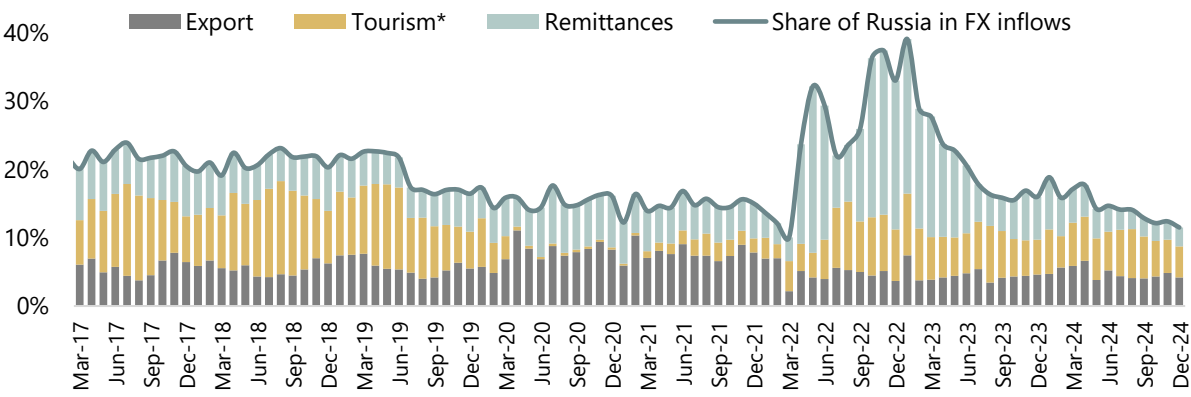
REMITTANCES STABILIZING AS DECLINE FROM RUSSIA IS OFFSET BY INCREASING TRANSFERS FROM OTHER COUNTRIES



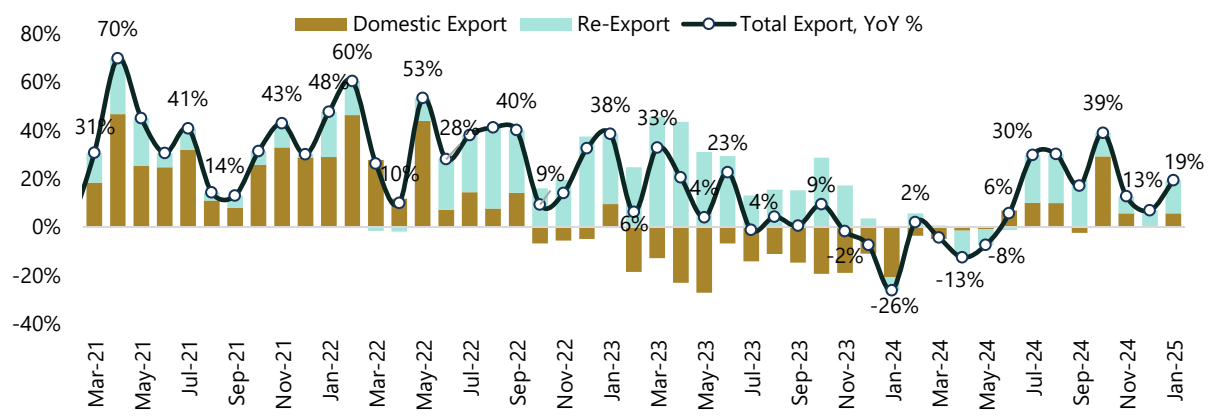
RE-EXPORTED MOTOR CARS CONTRIBUTING MOST TO THE SURGING EXPORT IN THE LAST QUARTERS



THE SHARE OF RUSSIA IN FX INFLOWS IS RETURNING TO PRE-WAR LEVELS



DOMESTIC EXPORTS CONTRIBUTION HAVE NOW TURNED POSITIVE IN Y-O-Y TERMS IN RECENT MONTHS

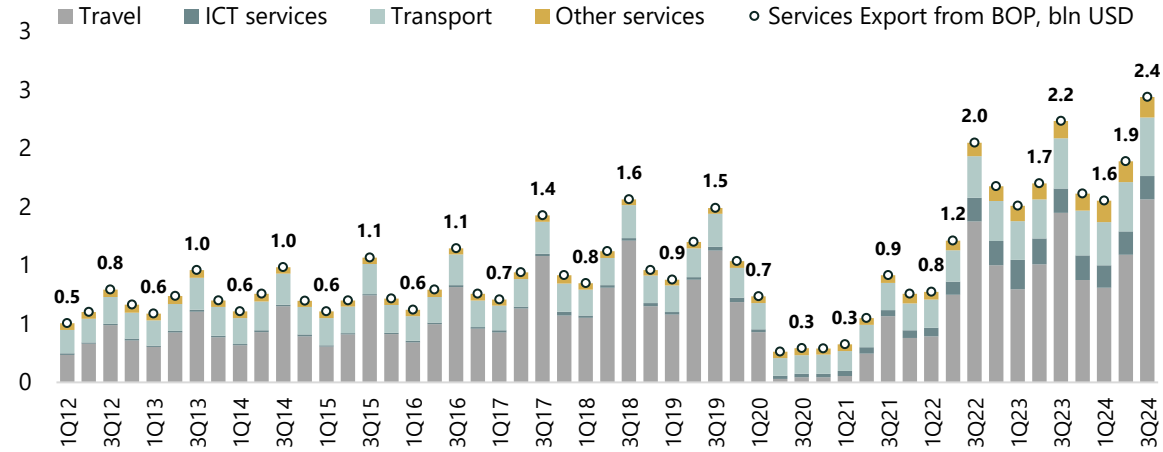


*Quarterly Tourism data distribution between months since 3Q23 represents GCAP estimates.

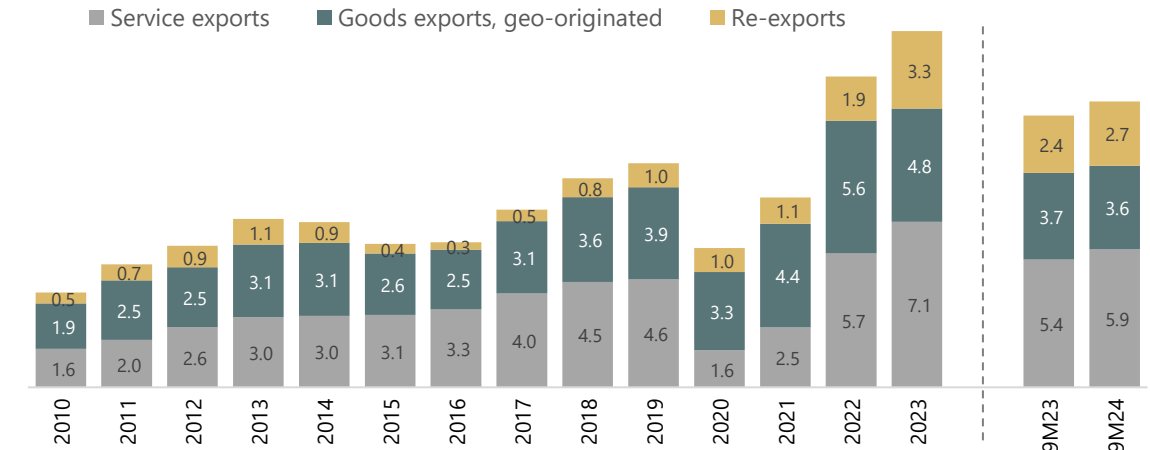
DIVERSIFICATION OF THE EXTERNAL EARNINGS ENHANCES RESILIENCE



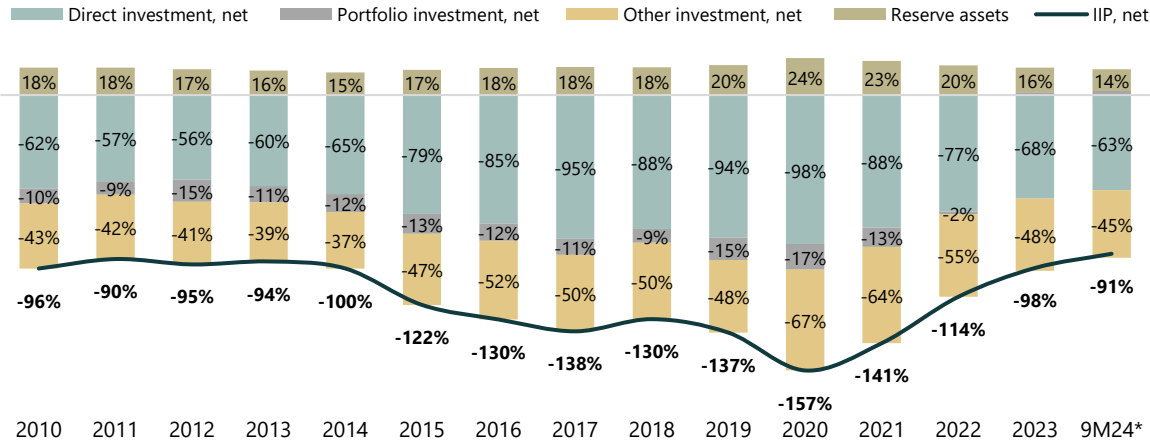
SINCE 2022, THE EXPORT OF ICT SERVICES HAS INCREASED - IN 2023 ICT EXPORTS TOTALLED US\$ 892 MLN WITH A 49% Y-O-Y GROWTH RATE



EXPORTS AND RE-EXPORTS, US\$ BILLION

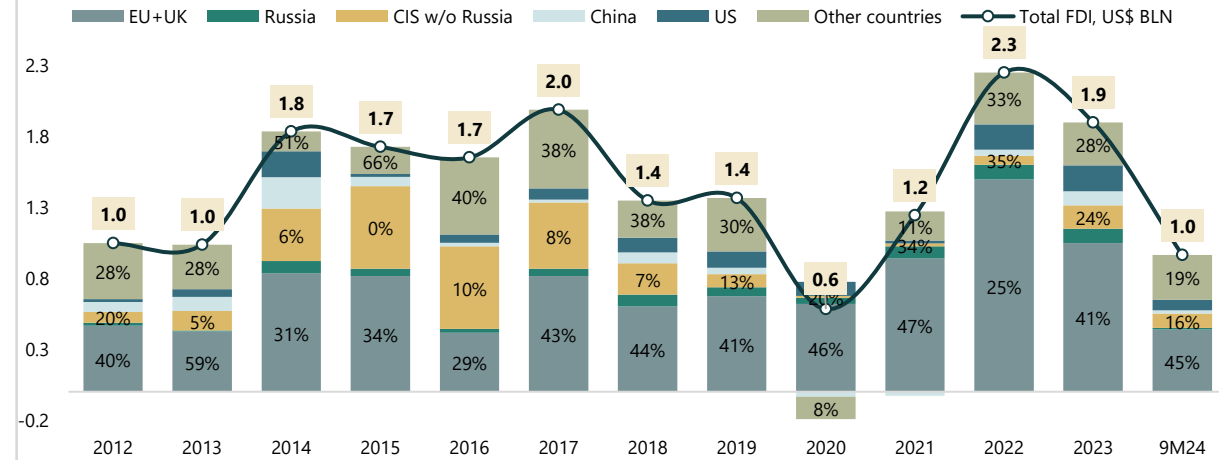


INTERNATIONAL INVESTMENT POSITION (% OF GDP) LOWEST SINCE 2011 ON THE BACK OF STRONG ECONOMIC GROWTH AND EXCHANGE RATE APPRECIATION



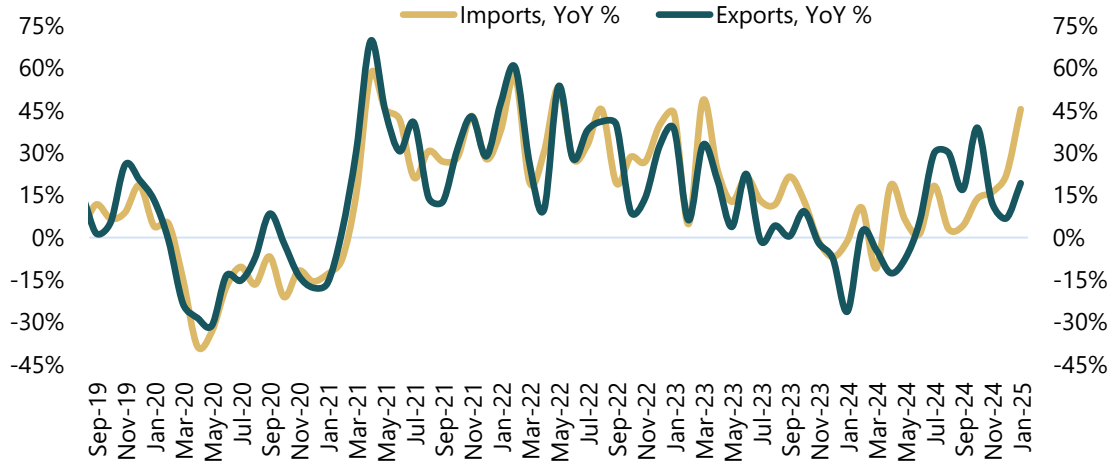
* GDP data from the last four quarters is summed up to estimate the 9M24 indicator.

FDI STRUCTURE BY COUNTRIES

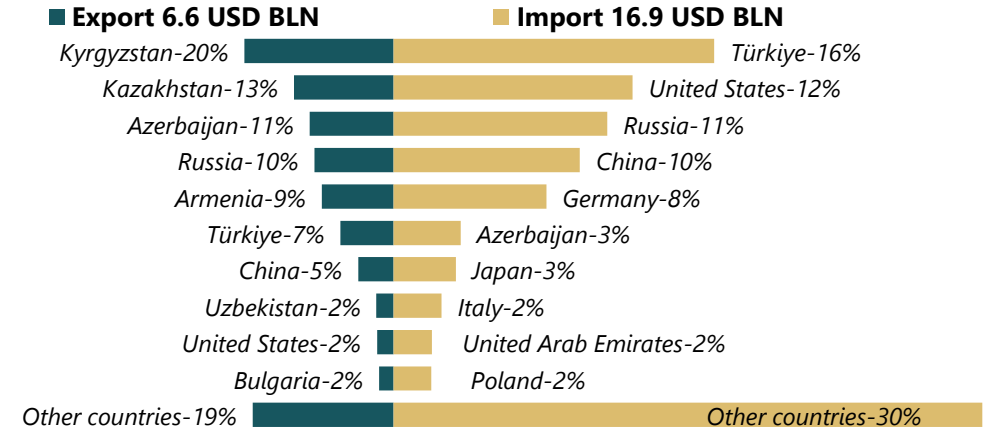


DIVERSIFIED FOREIGN TRADE

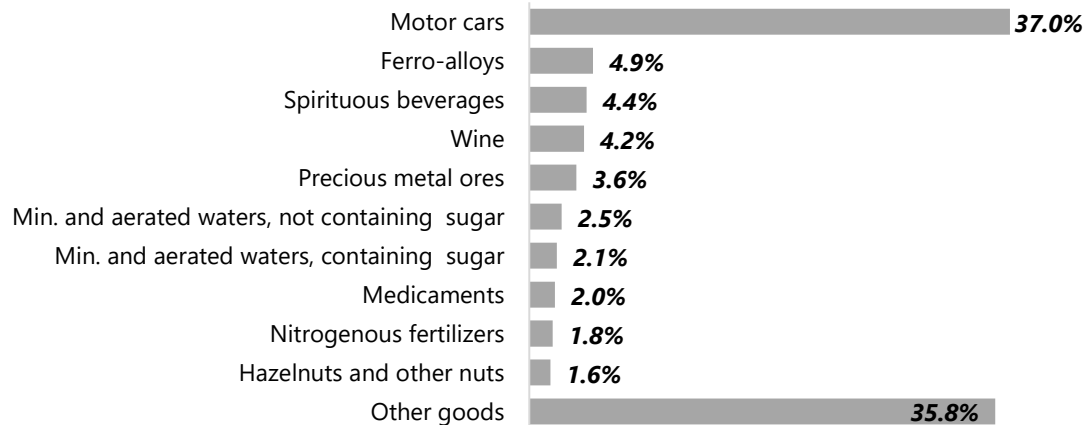
EXPORTS AND IMPORTS OF GOODS, Y-O-Y %



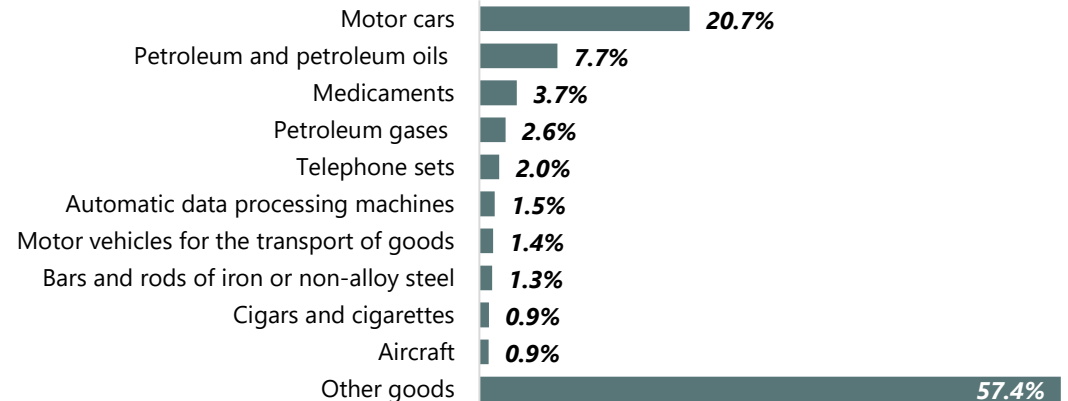
EXTERNAL TRADE BY COUNTRIES, 2024, SHARE IN TOTAL



EXPORT BY MAJOR GOODS, 2024, SHARE IN TOTAL



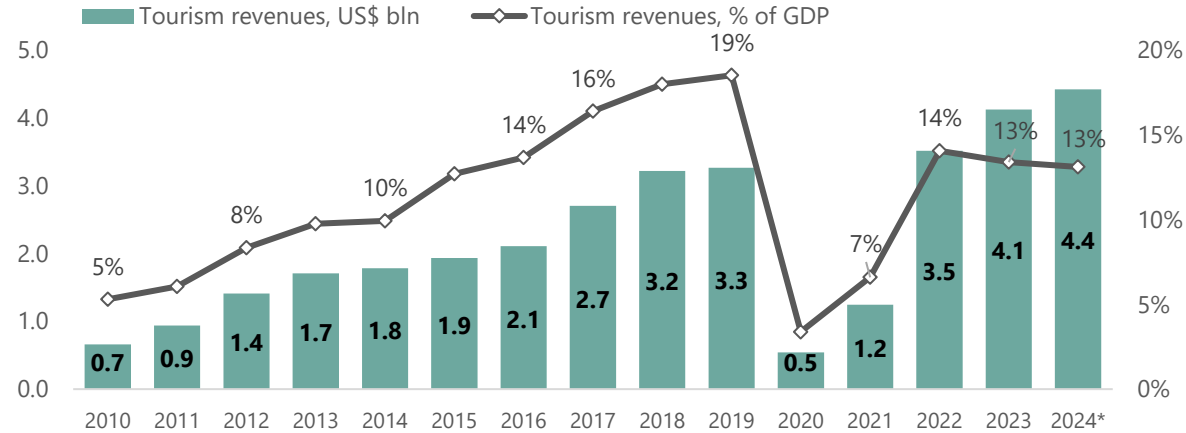
IMPORT BY MAJOR GOODS, 2024, SHARE IN TOTAL



TOURISM REVENUES BACK TO FULL STRENGTH, DESPITE LOWER NUMBER OF TRAVELERS COMPARED TO PRE-COVID LEVELS

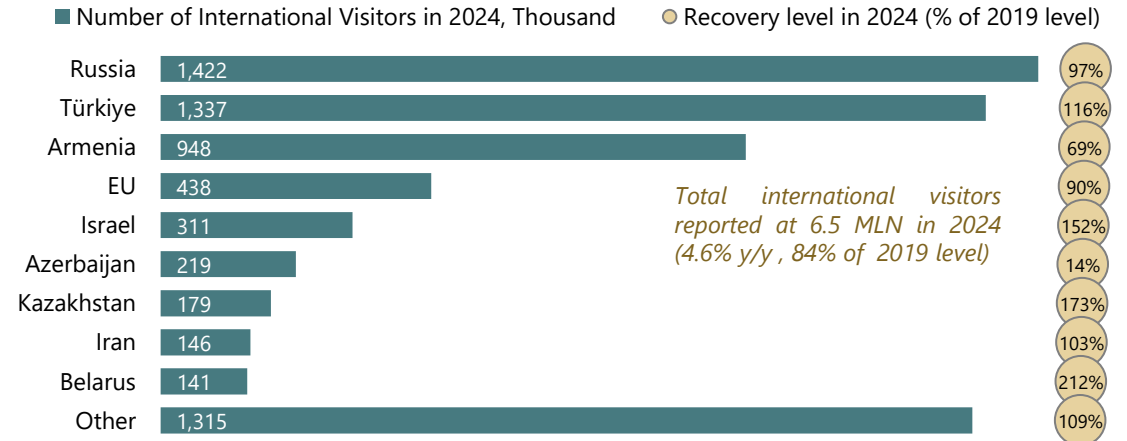


TOURISM REVENUES TO GDP

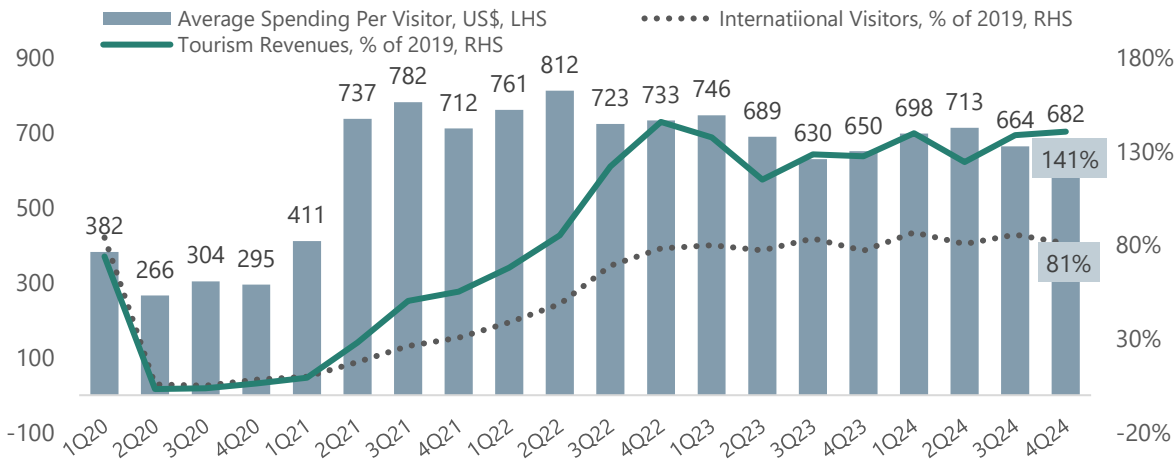


* Preliminary estimated 2024 GDP.

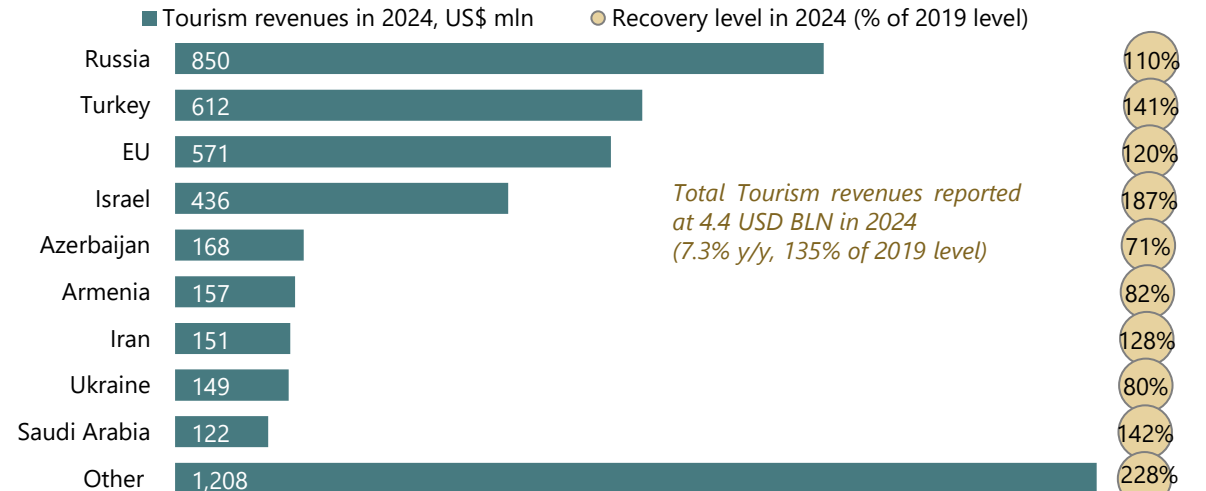
INTERNATIONAL VISITORS BY COUNTRY



AVERAGE SPENDING PER VISITOR



TOURISM REVENUES BY COUNTRY

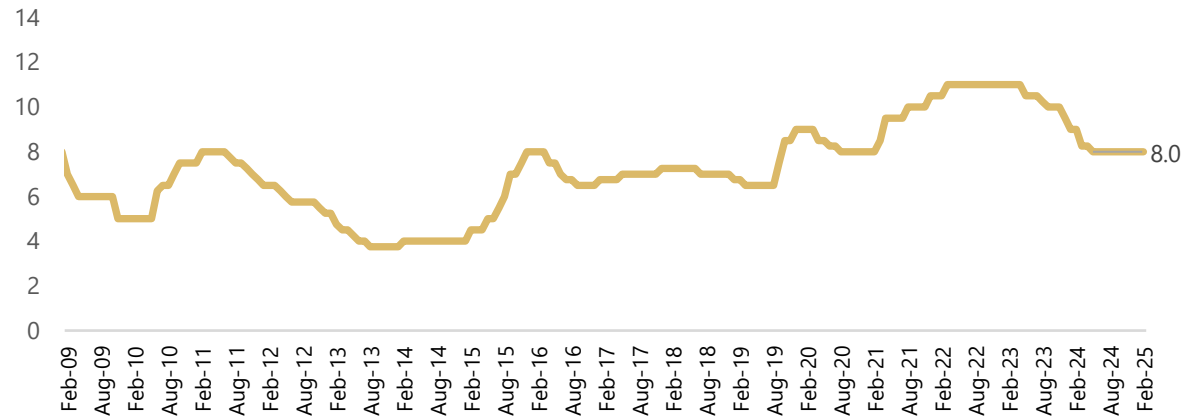


* EU contains EU countries and Great Britain.

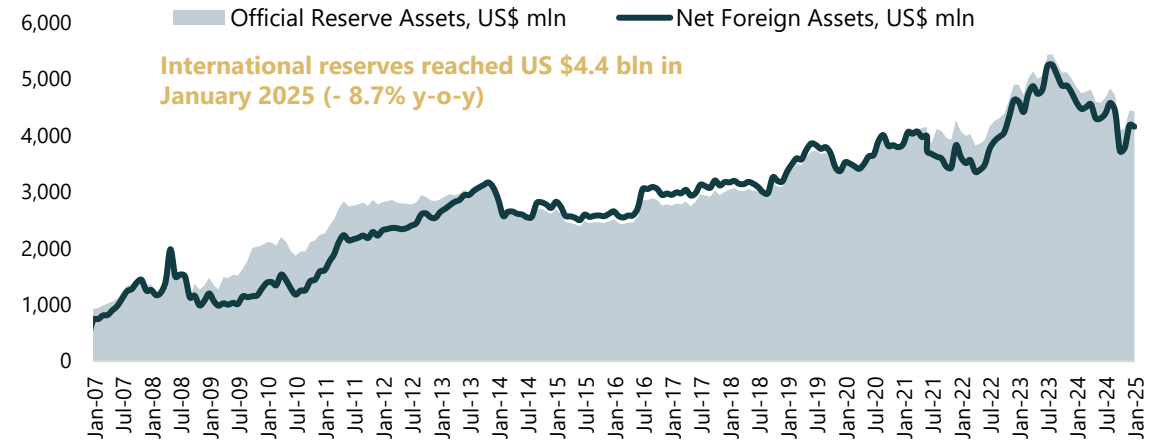
SIGNIFICANT NBG INTERVENTIONS TO CURB NEGATIVE EXPECTATIONS



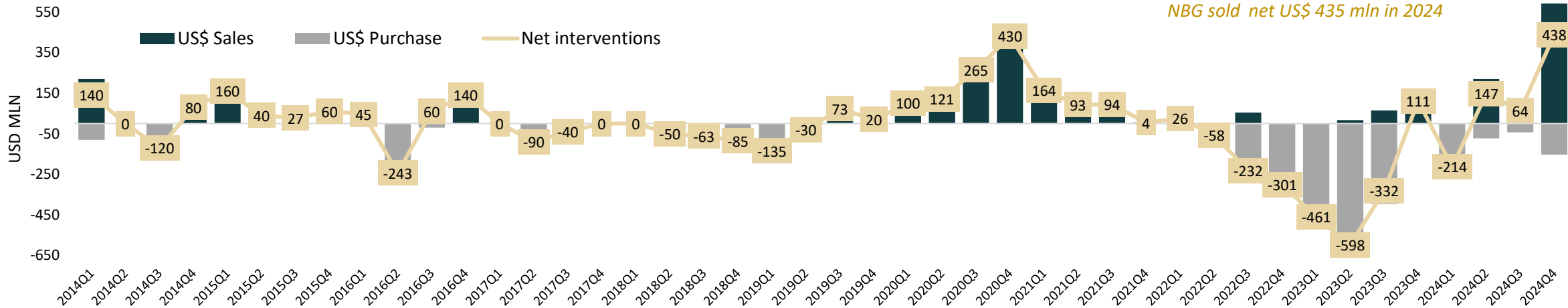
THE NBG CONTINUED TO EASE ITS TIGHTENED MONETARY POLICY STANCE WITH 150 BPS CUT IN 2024



INTERNATIONAL RESERVES



FOREIGN EXCHANGE MARKET INTERVENTIONS, US\$ MILLION

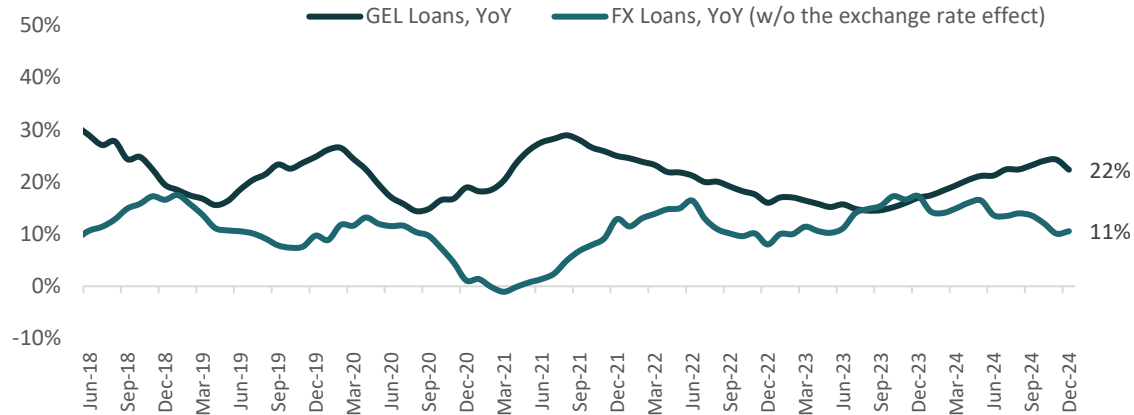


*Data from 2020Q2 contains information about Bmatch platform interventions.

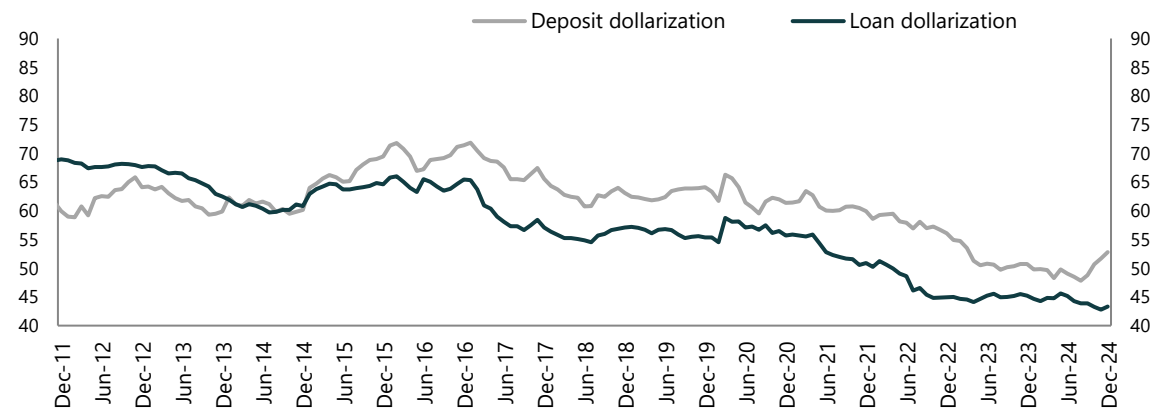
STRONG CREDIT GROWTH SUPPORTING ECONOMIC ACTIVITY



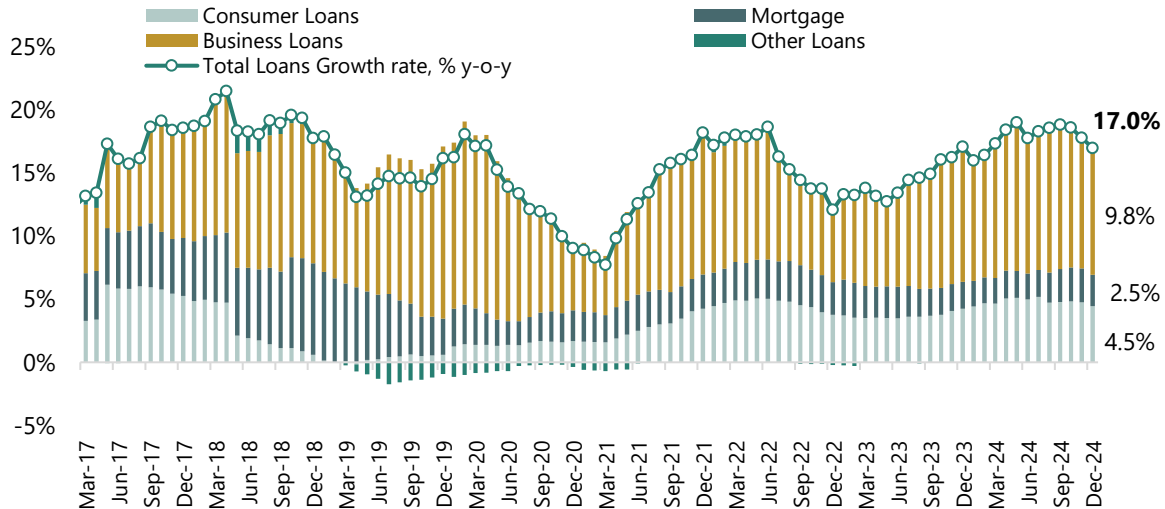
LOANS BY CURRENCIES



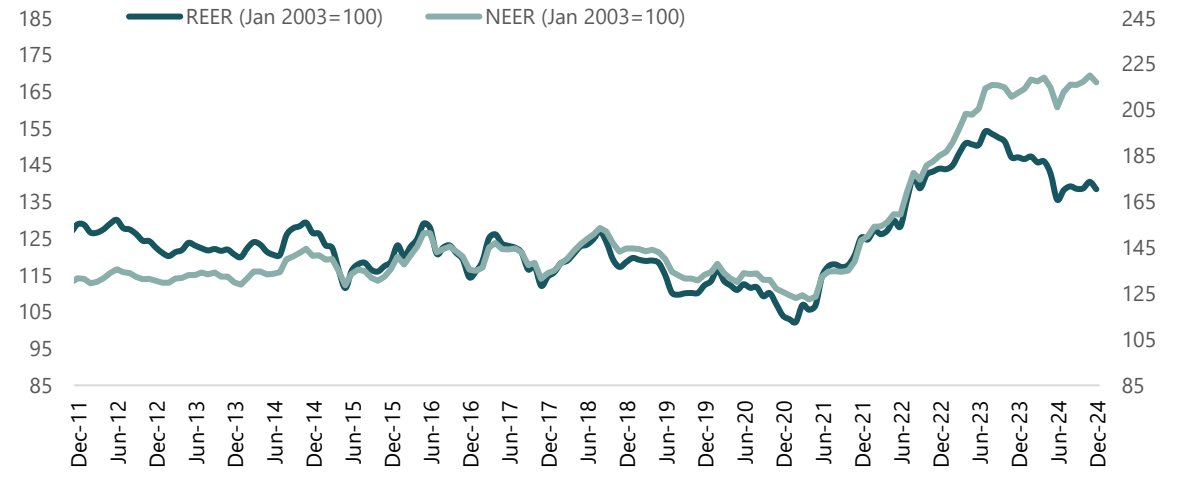
DOLLARIZATION RATIOS



LOANS GROWTH DECOMPOSITION BY PURPOSE (EXCHANGE RATE EFFECT EXCLUDED)



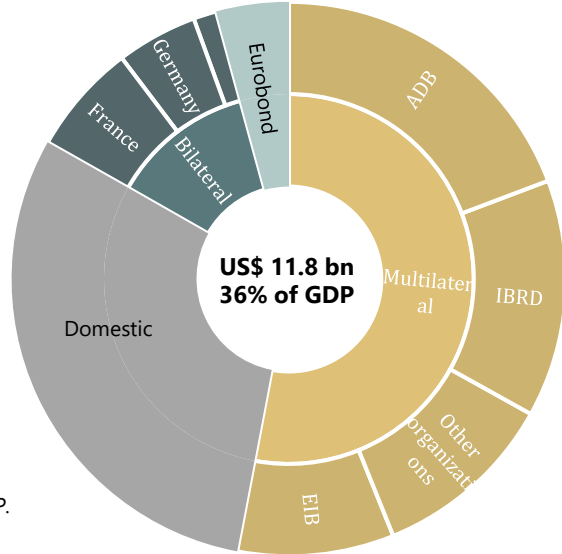
REAL (REER) AND NOMINAL (NEER) EFFECTIVE EXCHANGE RATES



FISCAL POSITION STRENGTHENS, WITH DECLINING DEBT LEVEL AS % OF GDP, RISING OPERATING SURPLUS AND A FAVORABLE DEBT STRUCTURE

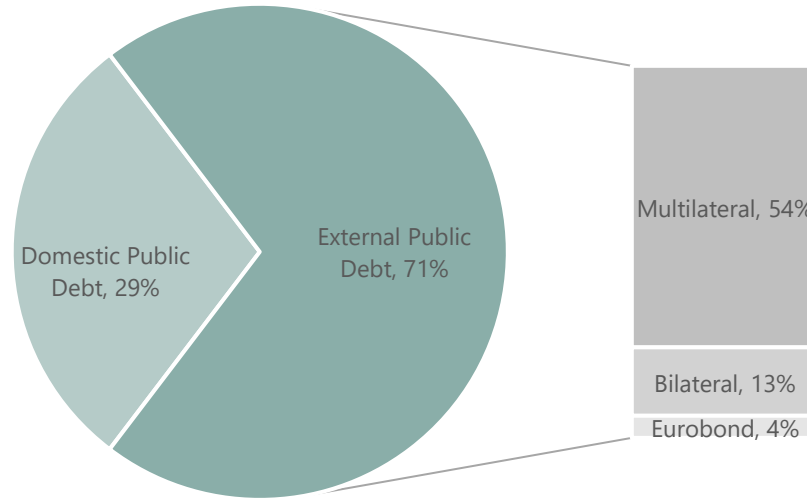


GENERAL GOVERNMENT TOTAL DEBT AT THE END OF 2024 AMOUNTED TO US\$ 11.8 BN (36% OF GDP **)

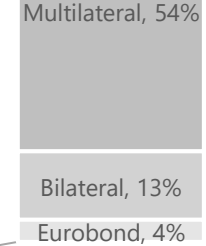


** Preliminary estimated 2024 GDP.

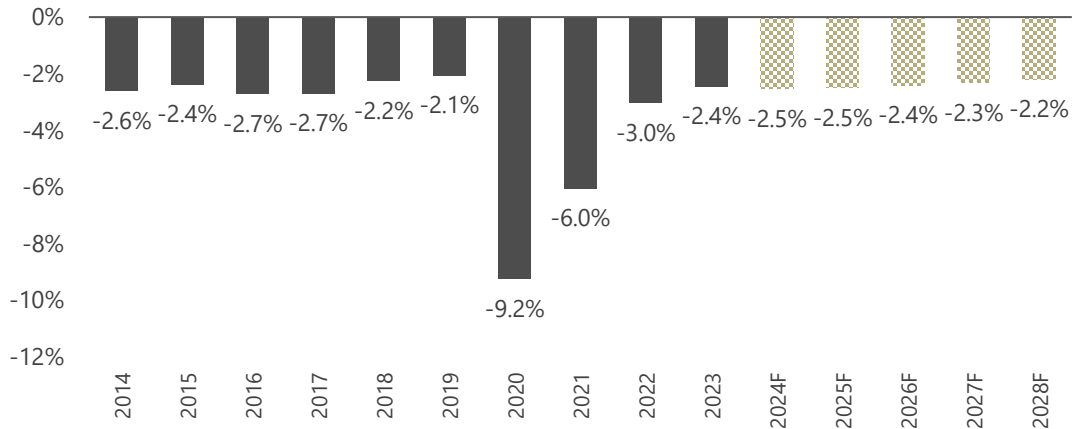
GENERAL GOVERNMENT DEBT STRUCTURE



48% of external debt consists of fixed rate credits; Average weighted interest rate was 3.28%, while remaining maturity totaled 9.5 years as of 31 October 2024



FISCAL DEFICIT*, % OF GDP



* IMF modified

INCREASING OPERATING BALANCE ON THE BACK OF STRONG REVENUE COLLECTION

