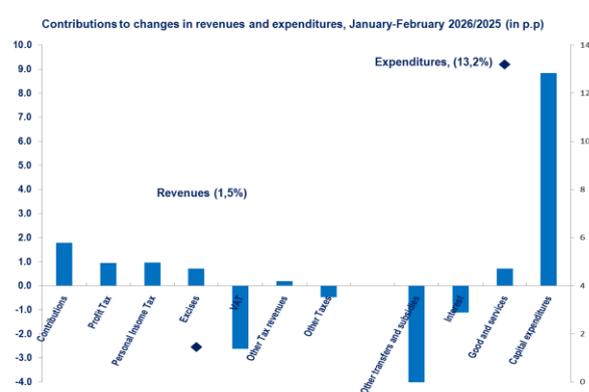
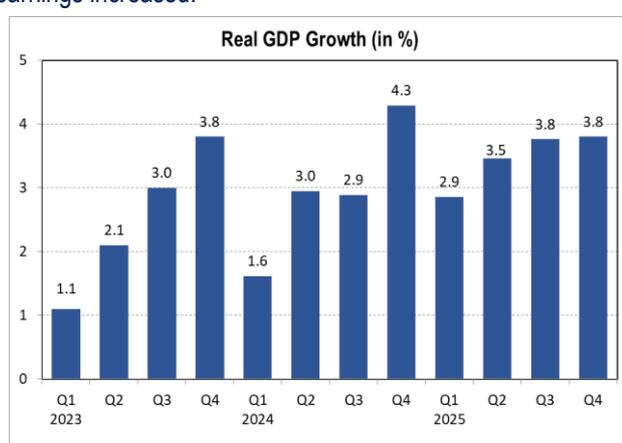




MONTHLY NEWSLETTER – February 2026

- The economic activity continued with its strong growth in the fourth quarter of 2025 as well, when real GDP registered an annual growth of 3.8%. The higher rate of economic growth is mainly due to the growth in services (mainly as a result of the trade and transport), construction (as a result of high growth in civil engineering and specialized construction works). From the expenditure approach, both private and public consumption had a positive contribution, as well as net export, while gross investment decreased, mainly as a result of the base effect. Previously, in the first three quarters, GDP grew by 2.9%, 3.5%, and 3.8% respectively, bringing the average GDP growth in 2025 as a whole to 3.5%.
- FDI** picked up in Q4 2025 and amounted to EUR 270 million. In 2025 as a whole, FDI amounted to EUR 468 million. They decreased compared to same period last year as a result of the decrease of debt instruments, while equity and reinvestment of earnings increased.



- Current account deficit** in Q4 2025 amounted to EUR 268 million, as a result of deficits in trade of goods and in primary income. In 2025 as a whole, the current account recorded a deficit of EUR 738 million, higher than the deficit in the same period of the last year.
- In Q4 2025, **unemployment rate** was 11.4% in the age category 15-74 and it has decreased by 0.5 p.p. compared to the same quarter last year. The **employment rate** was 46.8% in the age category 15-89, and compared to Q4 2024, it has increased by 0.6 p.p.
- Inflation** in February 2026 recorded a 2.9% annual growth, down from 3.2% in January 2026. In the first two months of the year, the inflation rate was 3.0%.
- Industrial production** in January 2026 decreased by 6.6% annually, as a result of the fall in Manufacturing (8.0%), while Electricity, gas, steam and air conditioning supply and Mining increased by 2.8% and 2.5%, respectively.
- In January 2026, **exports** of goods dropped by 8.3% on annual basis, while **import** of goods declined by 6.4%, which led to a decrease of the **trade deficit** by 2.3% compared to January 2025.
- In January 2026, **credit activity** increased by 13.6% on an annual basis, with household lending up by 11.2% and lending to enterprises increasing by 16.2%. Total **deposits** were higher by 10.5% (y/y), reflecting growth in both household deposits by 11.3%, and corporate deposits by 9.8%.
- In December 2025, **average net wage** recorded an annual growth of 7.6% in nominal terms and 3.3% growth in real terms. The average net wage amounted to Denar 46,889 (EUR 762), with the average gross wage amounting to Denar 70,520 (EUR 1,147).
- In the first two months of 2026, total budget revenues were realized 13,2% of the Budget for 2026. **Budget revenues** increased by 1.5% y/y, whereby tax revenues increased by 0,3% y/y and social contributions increased by 5,1% y/y. Higher tax revenues were driven by PIT, profit tax, excises, import duties and other tax revenues. Lower tax revenues are observed in VAT.
- Total expenditures in the first two months of 2026 were realized 16% of the Budget for 2026. **Budget expenditures** increased by 13,2% y/y. Current expenditures increased by 4,6% y/y. Capital expenditures recorded higher execution. **Budget deficit** stood at 1,5% of MoF- projected GDP for 2026.



Key macroeconomic indicators and projections

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026*
Real GDP growth, %	2.8	1.1	2.9	3.9	-4.7	4.5	2.8	2.6	3.0	3.5	3.8
Nominal GDP, million EUR	9,657	10,038	10,744	11,262	10,852	11,836	13,243	14,668	15,668	16,950	18,014
Average annual inflation, %	-0.2	1.4	1.5	0.8	1.2	3.2	14.2	9.4	3.5	4.1	2.5
Budget balance, % of GDP	-2.7	-2.7	-1.8	-2.0	-8.0	-5.3	-4.4	-4.6	-4.3	-4.0	-3.5
General government debt, e.o.p., % of GDP	39.9	39.4	40.4	40.5	50.8	51.4	49.7	49.5	53.0	51.6	53.3
Current account balance, % of GDP	-2.6	-0.8	0.2	-3.0	-2.9	-2.8	-6.1	1.3	-2.2	-4.4	-3.8
Average unemployment rate, %	23.7	22.3	20.6	17.1	16.2	15.4	14.4	13.1	12.4	11.5	10.1
Average exchange rate MKD/EUR	61.6	61.6	61.5	61.5	61.7	61.6	61.6	61.6	61.5	61.6	61.5
Foreign reserves, e.o.p., % of GDP	27.1	23.3	26.7	29.0	31.0	30.8	29.2	30.9	32.1	29.1	30.9**

*MoF projections, unless otherwise noted
**Actual for February 2026, ratio based on MoF projections

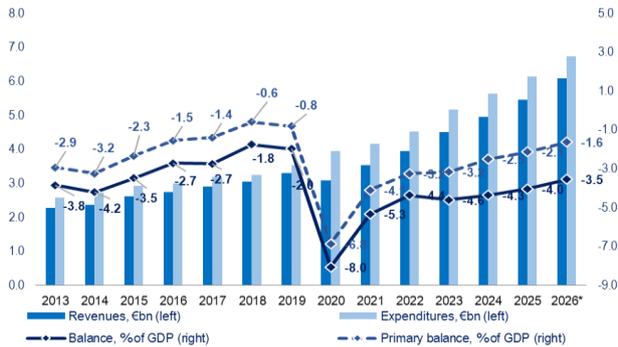
Latest GDP and inflation estimates and forecasts

	Real GDP growth, %		Average inflation, %	
	2025	2026	2025	2026
IMF, WEO (October 2025)	3.4	3.2	3.9	3.0
European Commission (November 2025)	3.2	3.3	3.9	3.2
World Bank (October 2025)	3.1	3.0	3.8	2.5
National Bank (November 2025)	3.5	4.0	3.9	2.5
MoF, North Macedonia (November 2025)	3.5	3.8	3.9	2.5

Credit rating, latest

	Rating	Outlook
Standard & Poor's, January 2026	BB-	Stable
Fitch, September 2025	BB+	Stable

Budget revenues, expenditures and deficit



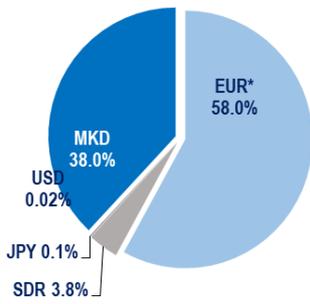
*2026 Budget data and MoF GDP forecast

General government and total public debt



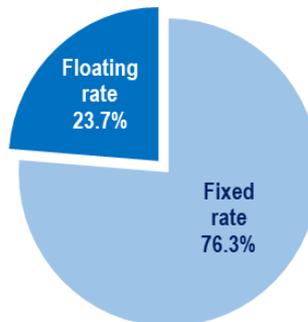
Starting Q2 2019, public debt also includes non-guaranteed debt of SOEs

GG debt - Currency structure, Q4 2025

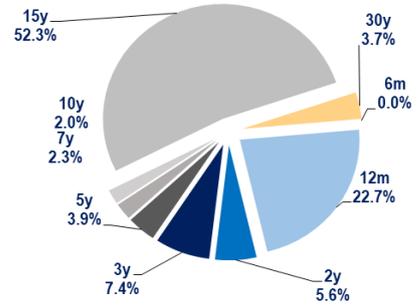


*Includes FX-linked domestic government securities

GG debt - Interest rate structure, Q4 2025



Domestic government securities - original maturity, February 2026



Domestic government securities, EUR m

Outstanding, February 28th 2026	4,303.3
- Of which without FX clause	3,429.8
- Of which with FX clause	873.6
Total planned net issuance for 2026	400.0
Of which net issued by February 2026	115.5

Yields on domestic government securities issued on the primary market during February 2026

in %	3m	6m	12m	2y	3y	5y	7y	10y	15y	30y
Without FX clause			4,00	4,20					5,10	
With FX clause										

Republic of North Macedonia outstanding eurobonds, 27.02.2026

Maturity date	Rating		Original/outstanding size (mn)	Coupon	Price	Yield	Bid Spread	
	S&P	F					vs. BM	vs. MS
Jun-26	BB-	BB+	€ 700	3.675%	100.02	3.487	148	141
Mar-28	BB-	BB+	€ 700	1.625%	95.73	3.862	186	167
Mar-27	BB-	BB+	€ 500	6.960%	103.03	3.892	97	86
Jan-30	BB-	BB+	€ 500	3.875%	99.48	4.021	182	171
Jan-34	BB-	BB+	€ 500	4.750%	99.29	4.858	240	229