



Issuance of Georgian Depositary Notes

25 November 2020 - JSC Silknet (“Silknet” or the “Company”), a leading Georgian telecommunications operator, announced today that the Company has launched Georgian Depositary Notes (GeDNs) linked to USD 200m, 5-year 11% senior unsecured bonds listed on the Global Exchange Market of Euronext Dublin (“the Notes”).

The GeDN program is a debut depositary instrument issued in Georgia and it aims to expand the local demand for Silknet’s Notes. The USD200,000 minimum denomination of the Notes effectively prevents many Georgian investors from investing in Eurobonds in general, in light of virtual absence of local institutional investors. Hence, the GeDNs’ USD1,000 denomination ensures that private and corporate entities are able to indirectly invest in the Notes.

The GeDN prospectus was approved by the National Bank of Georgia and the GeDNs are in the process of being listed on the Georgian Stock Exchange. Silknet acts as the issuer and the program sponsor, while the Georgian Central Securities Depository (“GCSD”) acts as the GeDN depositary. Notes converted to GeDNs are kept at the local custodian in the GCSD’s name. Bank of Georgia acts as the sole local custodian as of now, however TBC Bank is expected to act as an alternative local custodian in the near future. The terms and conditions of the GeDNs mostly match those of the Notes.

Parties interested in buying GeDNs or selling the Notes through conversion to GeDNs should contact Georgian brokers. Silknet is obliged to maintain a minimum of USD200,000 nominal value GeDNs to facilitate the smooth conduct of the program. Silknet does not undertake to provide liquidity to the market and does not intend to issue any new Notes in connection with the GeDNs.

We hope that the new instrument will contribute to the further development of the capital market in Georgia.

About Silknet

Silknet is the country’s largest fixed network provider offering households and businesses the full range of telecommunication services, such as mobile services, fixed broadband, Pay TV and fixed telephony.

Silknet is rated B1/Stable by Moody’s and B+/Stable by Fitch Ratings.

Silknet has a broad subscriber base in Georgia:

- c. 1.66 million mobile customers
- c. 221,000 fixed line customers
- c. 293,000 fixed broadband customers
- c. 230,000 pay TV customers

(As at 30/09/2020; source: Georgian National Communications Commission; Pay TV does not include mobile streaming application subscribers)

Silknet is part of Silk Road Group, one of the Caucasus’s leading investment groups.