



Partial Conversion of the Shareholder Subordinated Loan into Equity and Dividend Outlook for 2019

16 May 2019 - JSC Silknet ("Silknet" or the "Company"), a leading Georgian telecommunications operator, announced the partial conversion of the shareholder subordinated loan into equity and the dividend outlook for 2019.

The company has resolved to convert US\$5.9 million of the shareholder subordinated loan into equity and repay the remaining US\$13.0 million to the shareholder.

This US\$13.0 million payout to the shareholder will count towards the US\$15.0 million restricted payments cap stipulated under Silknet's US\$200 million Eurobond. The company has concluded that partial repayment of the subordinated debt is the most tax-efficient method of distributions to the shareholder in 2019.

In addition to the above repayment of the subordinated debt, in the course of 2019 Silknet expects to pay US\$2.0 million as dividends.

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. 1.77 million mobile customers
- c. 297,000 fixed line customers
- c. 278,000 fixed broadband customers
- c. 228,000 pay TV customers

(As at 31/12/2018; source: Georgian National Communications Commission)

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