



INVESTOR PRESENTATION

SILKNET

სილქნეტი

Q1 2024 RESULTS AND SUBSEQUENT EVENTS

June 2024

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Business overview and Q1 24 highlights



Economic environment



Key segments



Appendix

Silknet at a glance

Overview

 **2,012 employees**¹

 **~1,400 Macro; ~400 Micro base stations**¹

 **99% 4G/LTE population coverage**

 **72% of homes passed**¹ with FTTH

 **4,000+ km of fiber backbone length**

 **47 shops**¹

 **Moody's B1/stable; Fitch B+/stable**
Sustainalytics 26.0 ESG risk ratings

Financial performance

GEL m	2021	2022	2023	Q1 23	Q1 24
Commercial revenue	370	428	488	115	125
Carrier services	44	45	49	11	12
Total revenue	413	473	536	125	137
EBITDAaL ³	214	270	324	76	84
margin	52%	57%	60%	60%	61%
CAPEX ⁴	83	84	77	11	16
% of revenue	20%	18%	14%	9%	11%
OpFCF ⁵	131	186	247	64	68



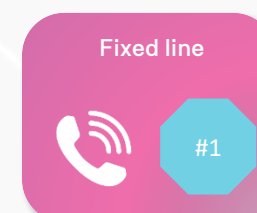
1,883k subs¹
53% of revenue²
34% market share¹



343k subs¹
25% of revenue²
31% market share¹



251k subs¹
10% of revenue²
35% market share¹



150k subs¹
2% of revenue²
58% market share¹

Source: Company information, GNCC

Notes:
1 As of 31 March 2024; Number of Silknet's pay TV subscribers as of 31 March 2024 uploaded to the Georgian National Communications Commission's website – 293k – is erroneous and will be corrected shortly.

2 As of Q1 24
3 EBITDAaL is defined as EBITDA less depreciation of right-of-use assets and less interest expenses on recognized lease liabilities. EBITDA is defined as Profit/(loss) and total comprehensive income/(loss) for the year plus Depreciation and amortization plus Change in fair value of investment property plus Finance costs less Finance income, plus Income tax expense/(benefit) plus Net change in fair value of financial instrument at FVTPL, plus Net foreign exchange gain/(loss), and specific items which have non-recurring and/or non-operating nature

4 Capital expenditures excl. telecom operating licences and right-of-use assets less material and non-recurring items

5 EBITDAaL less capital expenditures defined above

6 Certain figures included in this presentation may not be an arithmetic aggregation of the figures which precede them due to rounding

Q1 24 highlights and subsequent events

 **+9%** y/y growth in total revenue in **Q1 24** see slide 6

 **+11%** y/y growth in EBITDAaL in **Q1 24** see slide 6

Continued to grow above key competitors in main segments:

 **79%** and **43%** share of net adds¹ in **mobile** and **FTTH**, respectively see slides 16-21

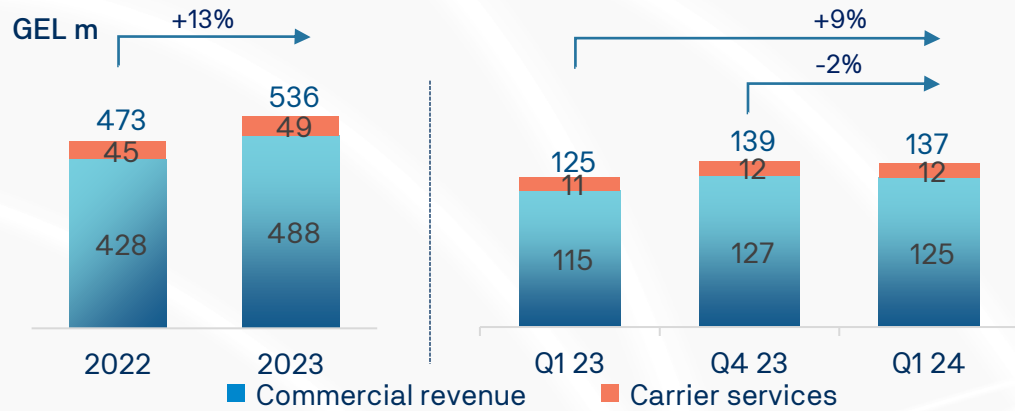
 **9.0% real GDP growth** in 4M 24.
Inflation within the central bank's target – 0.6% average CPI in 5M 24. see slides 13 and 14

 **Orange and Silknet** announce strategic alliance
to reinforce digital services in Georgia see slide 11

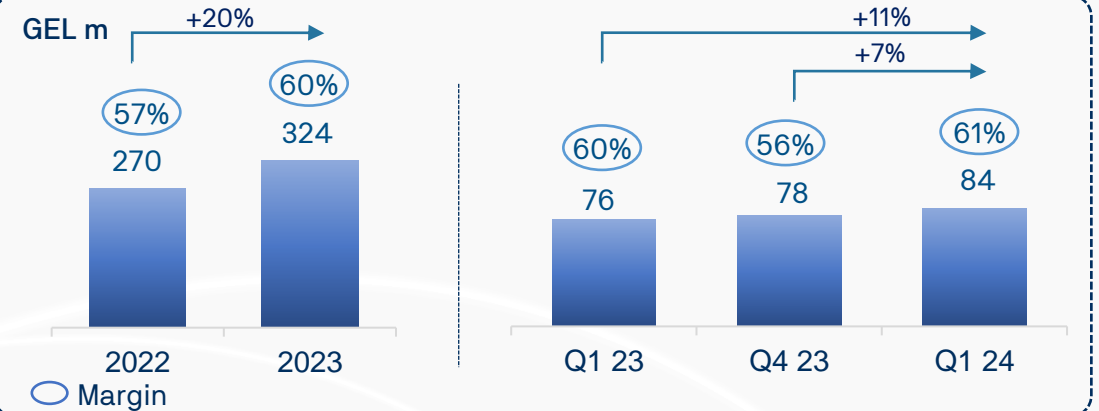
Note: ¹ calculated based on average subscribers for mobile and eop subscribers for FTTH
Source: Company information, NBG, Geostat

Persistent organic growth

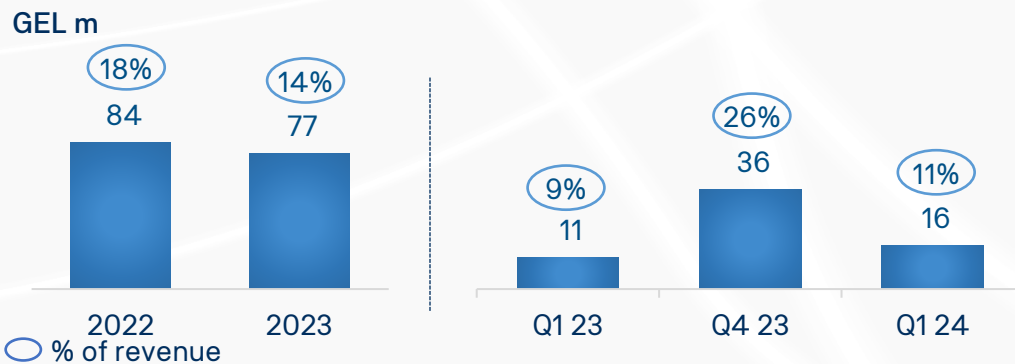
Revenue



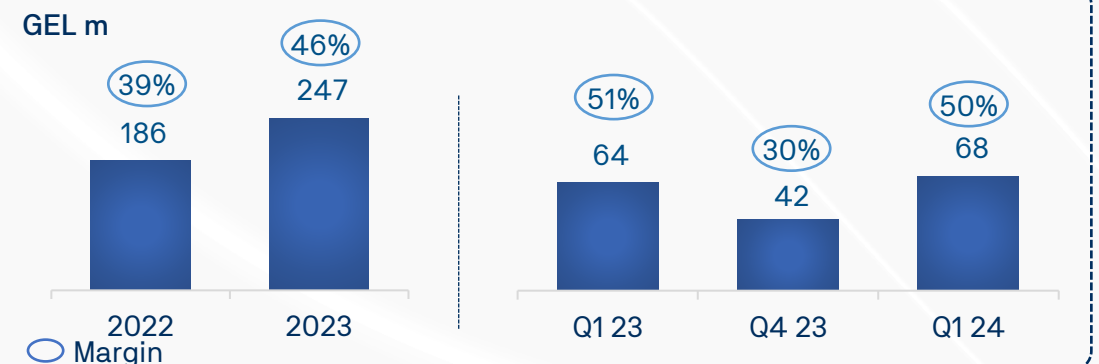
EBITDAaL¹



Capital expenditures²



Operating free cash flow³



Source: Company information

Notes:

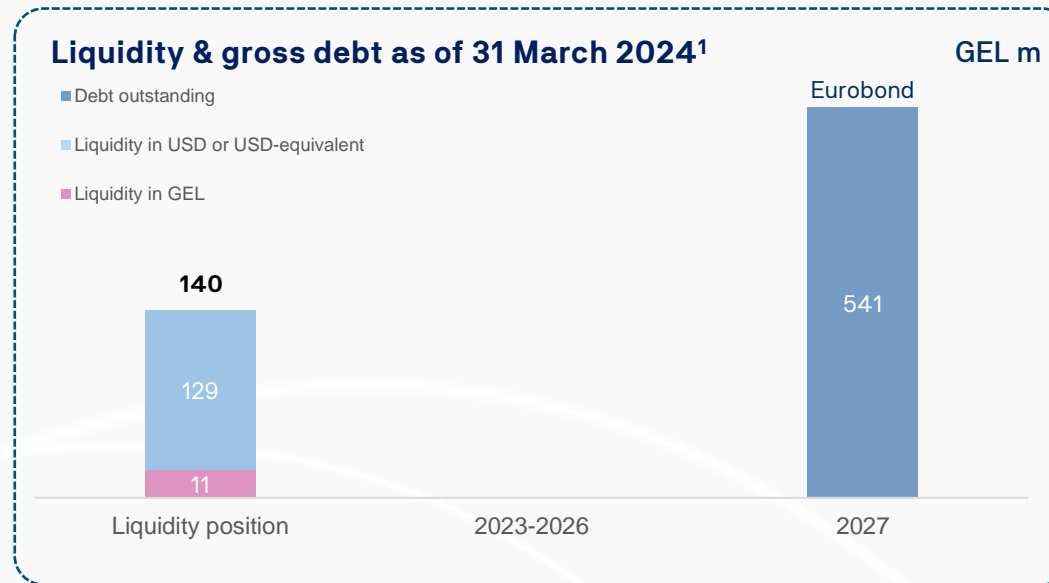
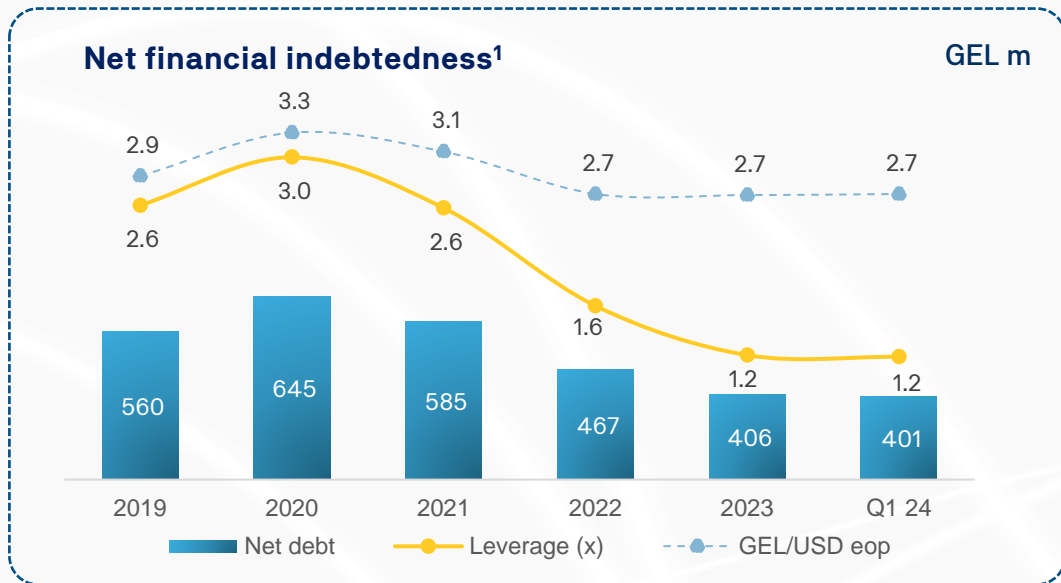
1 EBITDAaL is defined as EBITDA less depreciation of right-of-use assets and less interest expenses on recognized lease liabilities

2 Capital expenditures excl. telecom operating licences and right-of-use assets less material and non-recurring items

3 EBITDAaL less capital expenditures defined above

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Reduced leverage = financial resilience



- On 31 January 2022 we issued USD 300m 8.375% Eurobonds due 2027 and refinanced all outstanding debt instruments. We repurchased USD 50m of Eurobond 2022 substantially upon issuance and additional USD 50m on the open market throughout 2022, with USD 200m nominal amount outstanding as of now. The repurchased notes are not cancelled and are held by Silknet.
- We keep most of the liquidity in hard currencies, thus partially hedging the open FX position of Eurobonds and invest most of our liquidity in USD-linked instruments (see slide 8).
- Following the robust cash generation in the last two years and Lari appreciation, our leverage fell significantly.

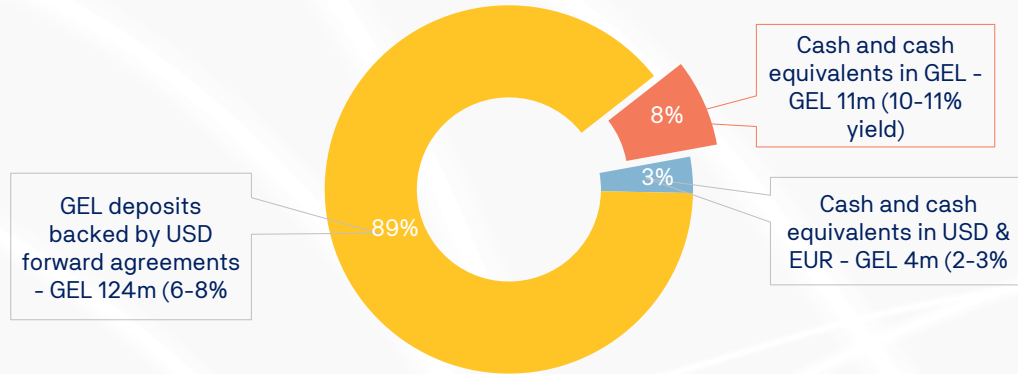
Source: Company information

Notes:
¹ Net Financial Indebtedness (defined as Loans and borrowings plus Subordinated loans less cash and Cash equivalents) and gross debt are based on the carrying amounts of loans and borrowings, with accrued interest. Leverage is calculated by dividing Net Financial Indebtedness by EBITDA. Other than the net financial indebtedness presented above, we have the letters of credits & guarantees with the aggregate amount of GEL 22.0m (most of these guarantees are part of the company's ordinary course of business and are already included in working capital (trade payables)). The calculation of Net Financial Indebtedness may differ from Indebtedness calculated in accordance with the Terms and Conditions of the Eurobond.

Robust cash position with hefty returns

Most of the liquidity in FX

Total liquidity as of 31 March 2024 - GEL140m



Finance income yield in Q1 24



Key takeaways

We keep most of the liquidity in hard currencies, thus partially hedging the open FX position of Eurobonds. As of 31 March 2024, GEL 129m (or 92% of cash and cash equivalents & investment securities) was cash and cash equivalents denominated in USD/EUR or USD-equivalent instruments, e.g.:

- GEL 124m in local bank deposits backed by USD forward agreements
- GEL 4m in USD and EUR deposits at local banks

Solid investment performance in Q1 24, supported by large position in local bank deposits backed by USD forward agreements, yielding competitive finance income among comparable instruments available in hard currencies

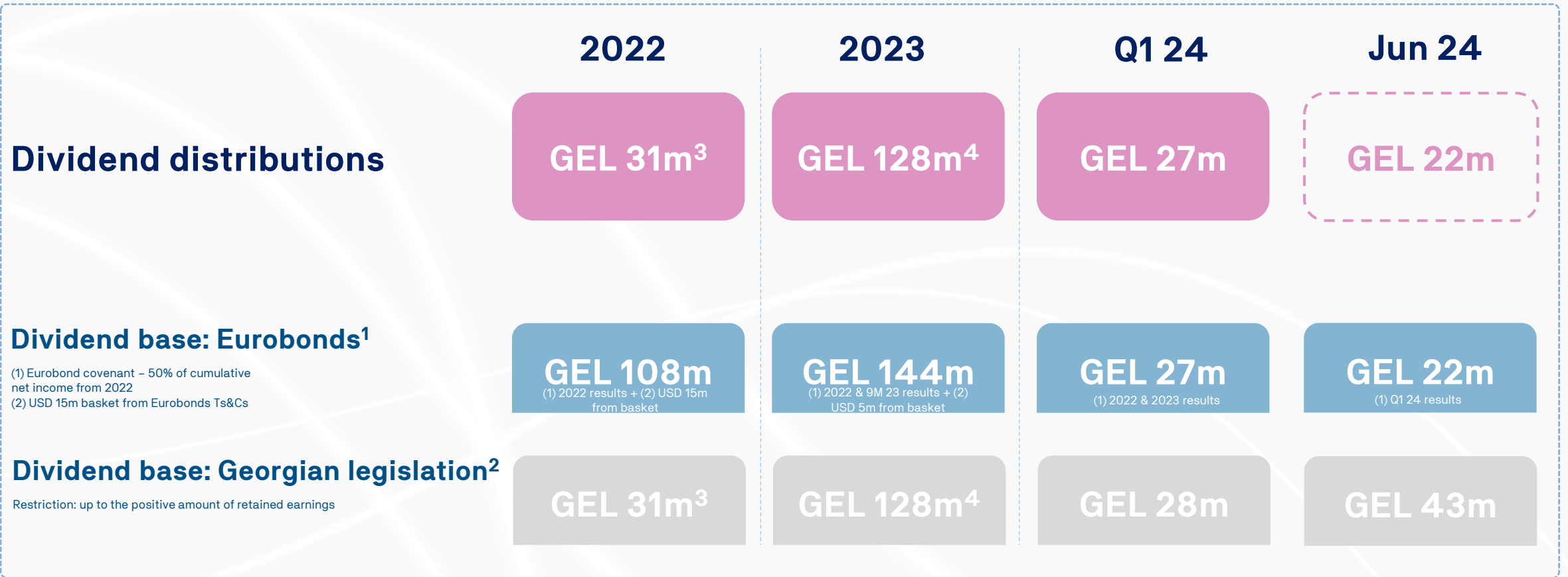
FX sensitivity¹

Change in GEL m	-10%	GEL/USD	+10%
Revenue	(2)		2
Operating expenses	4		(4)
EBITDAaL	2		(2)
CAPEX	7		(7)
OpFCF	9		(9)
Net debt service	4		(4)
FCF	13		(13)
Net income	62		(62)
Leverage (x)	(0.15)		0.15

c. 3% of revenues, c. 21% of operating expenses and c. 72% of CAPEX are denominated in USD or EUR

Source: Company information
Notes: 1 In 2024
Certain figures included in this presentation may not be an arithmetic aggregation of the figures which precede them due to rounding

Strong performance allows increased distributions



Notes:

¹ Dividend base of USD 15m basket is translated into GEL by eop GEL/USD exchange rate

² The new Law of Entrepreneurs came in force in January 2022, that allows dividend distributions up to the positive amount of retained earnings

³ GEL 31m dividend was declared in December 2021, before the new Law of Entrepreneurs came in force, out of which GEL 30m (USD 10m) was paid in 2022

⁴ GEL 128m was declared and fully paid in 2023 in addition to GEL 2m dividend payable

Key regulatory developments

5G

We decided not to participate in the 5G spectrum auctions held in August 2023, following the public consultation process whereby the Communications Commission (the “GNCC”) failed to meet Silknet’s key requirements, as follows:

1. Mandatory access requirement for mobile virtual network operators (“MVNOs”). The GNCC lifted such an obligation from one of the four combined lots only, while failing to conduct a comprehensive market study / regulatory impact assessment (“RIA”) justifying such obligation. Silknet has requested to either abolish the MVNO access obligation altogether or grant an option to the operators to opt out of such obligation paying higher spectrum fees.
2. Onerous coverage and speed obligations were not substantially eased. Such obligations in their entirety would be unparalleled in the EU, combining the strictest individual obligations in certain countries into one package, and the GNCC has failed to provide any justification to this effect.

Magticom has also opted not to participate in the auctions, thus, of the three mobile network operators in Georgia, only Cellfie (formerly Veon Georgia) has participated and obtained licenses.

In the meantime, Silknet has found a way to launch 5G service in December 2023, utilizing its existing frequencies. This was made possible thanks to the spectrum technological neutrality in Georgia. For now, 5G covers the center of Tbilisi. The company believes that its current spectrum holdings, the widely deployed gigabit-LTE technology in urban areas and the newly available 5G are sufficient to offer high-quality mobile data service to its subscribers in the short and medium term.

However, for the longer term, we hope that in the future the GNCC will find a way to constructively collaborate with the operators on the 5G implementation on additional spectrum.

Wholesale
network
access

- The GNCC is conducting the mobile and fixed broadband market reviews involving international experts financed under the EU funded project.
- According to the draft report shared with the operators, Magticom is pre-defined as having single SMP on wholesale local and central access markets as well as on mobile wholesale access market (covers MVNO access, national roaming and co-location services).
- The GNCC has initiated formal consultation process on mobile market review; Public consultation on fixed broadband market is yet to commence.

Strategic alliance with Orange

What we gain

Silknet's strategic partnership under the Orange Alliance program, effective from 3 June 2024, is set to enhance Silknet's capabilities in the B2C, B2B and ICT sectors, leveraging Orange's extensive expertise and innovative solutions.

The Orange Alliance program develops partnerships between Orange and selected telecommunications operators outside of Orange footprint.

Through this partnership, Silknet will benefit from Orange's experience as one of the world's leading operators in three key areas:

- Expertise and know-How: Silknet will gain access to Orange's reservoir of knowledge and experience in the telecom and ICT sectors.
- B2B ICT Services: One of the initial focuses of this alliance will be on enhancing B2B ICT services, helping to drive the digital transformation in Georgia.
- Innovative Solutions and platforms: Silknet will gain access to Orange's comprehensive portfolio of B2C products and services, including its platforms and applications.

Platform approach

- Network effect: the more members in the alliance, the more experience and know-how is shared
- Future platforms will be developed for larger number of customers, allowing to invest more to be competitive in the changing telecoms and technology landscape.



Business overview and Q1 24 highlights



Economic environment



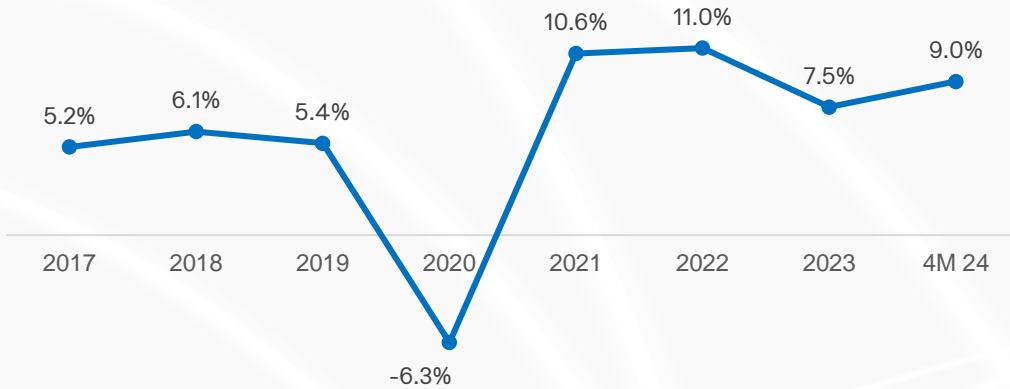
Key segments



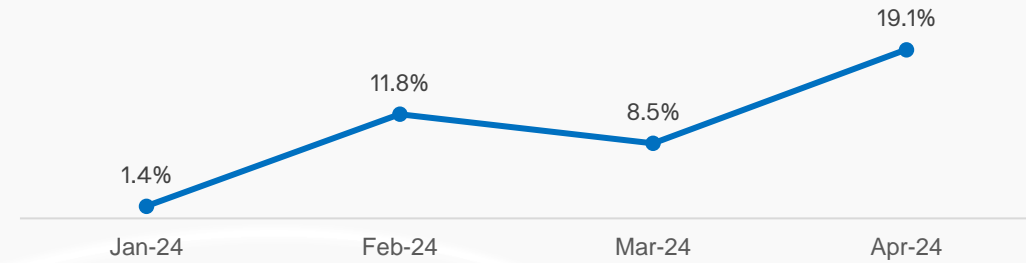
Appendix

Economy growing above the expectations, inflation below target

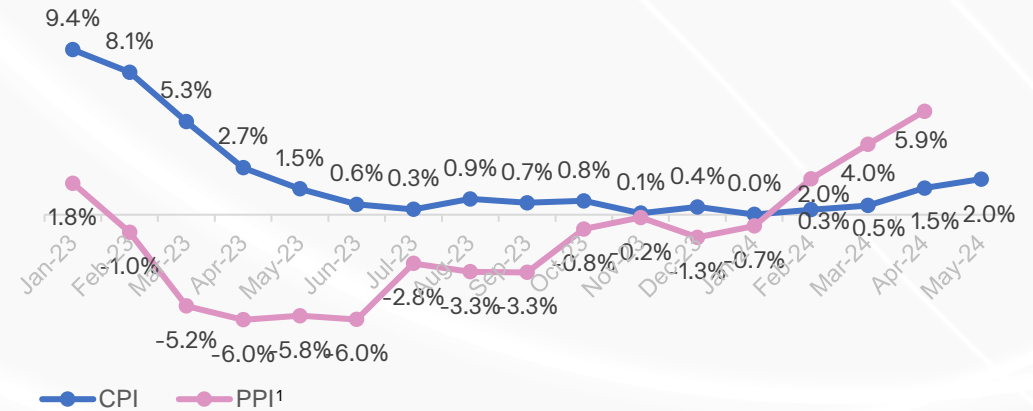
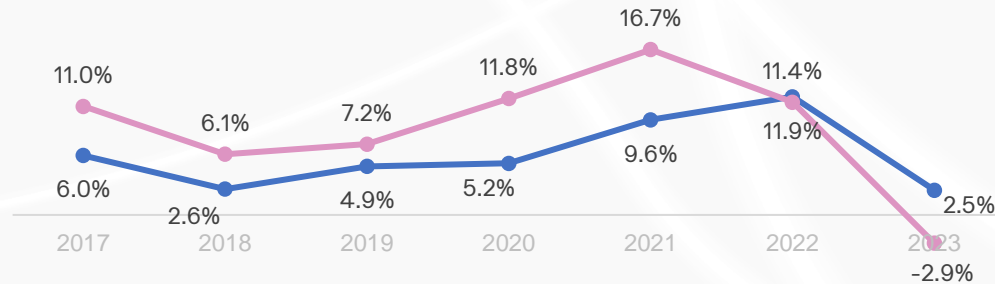
Real GDP growth



VAT turnover (y/y change)



Average inflation

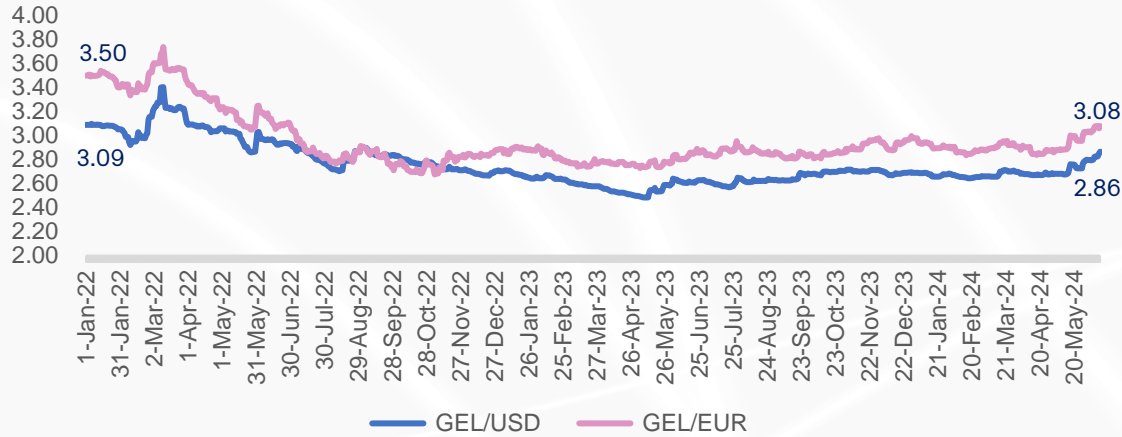


Source: GeoStat, NBG

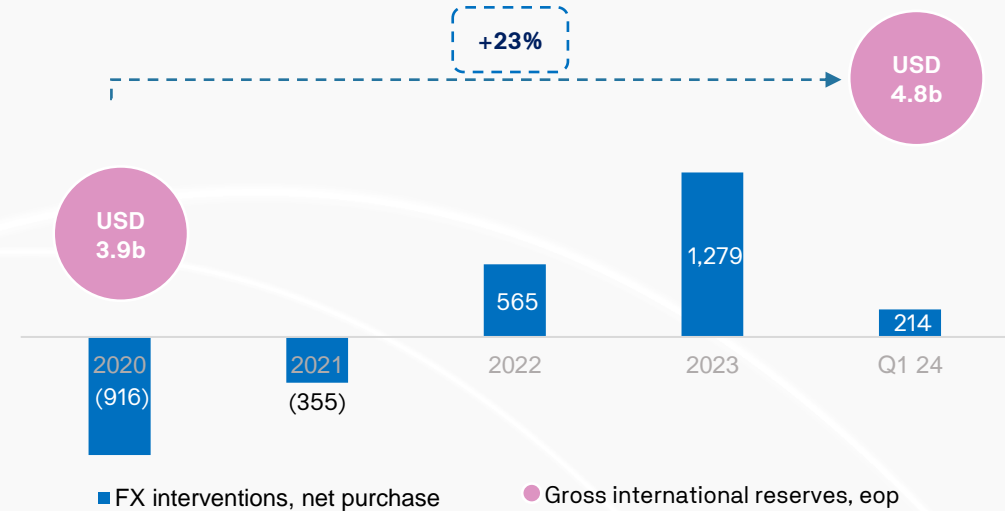
Note:
1 Producer price index for industrial products

FX broadly stable despite recent uptick, backed by NBG reserves

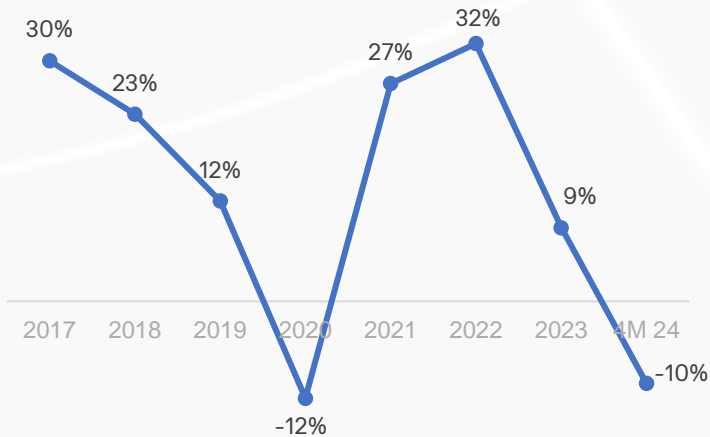
GEL exchange rate evolution



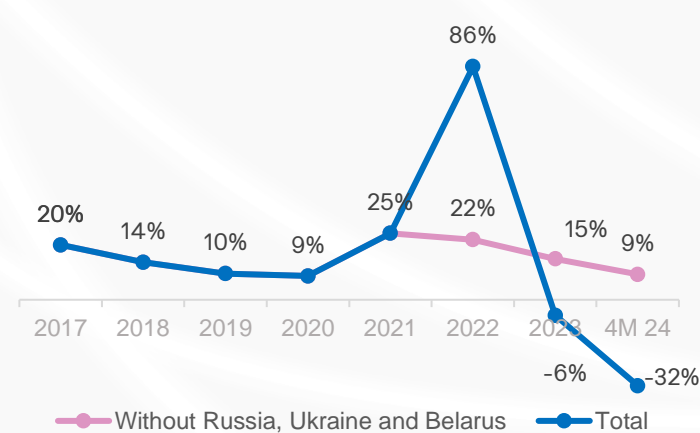
International reserves and the central bank's FX interventions (USD m)



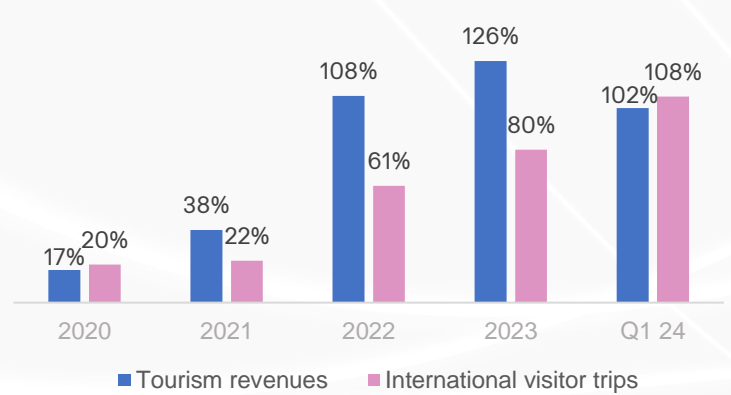
Exports (y/y change)



Remittances (y/y change)



Tourism indicators¹ as % of 2019



Source: GeoStat, NBG, GNTA, BOG

Note:

1 Tourism indicators in 2022, 2023 and Q1 24 include the impact of migrants from Russia, Ukraine and Belarus



Business overview and Q1 24 highlights



Economic environment



Key segments



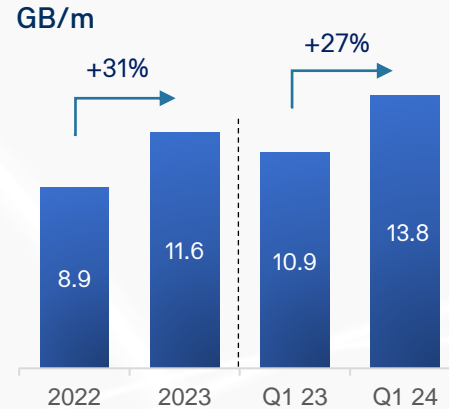
Appendix

Silknet's mobile segment

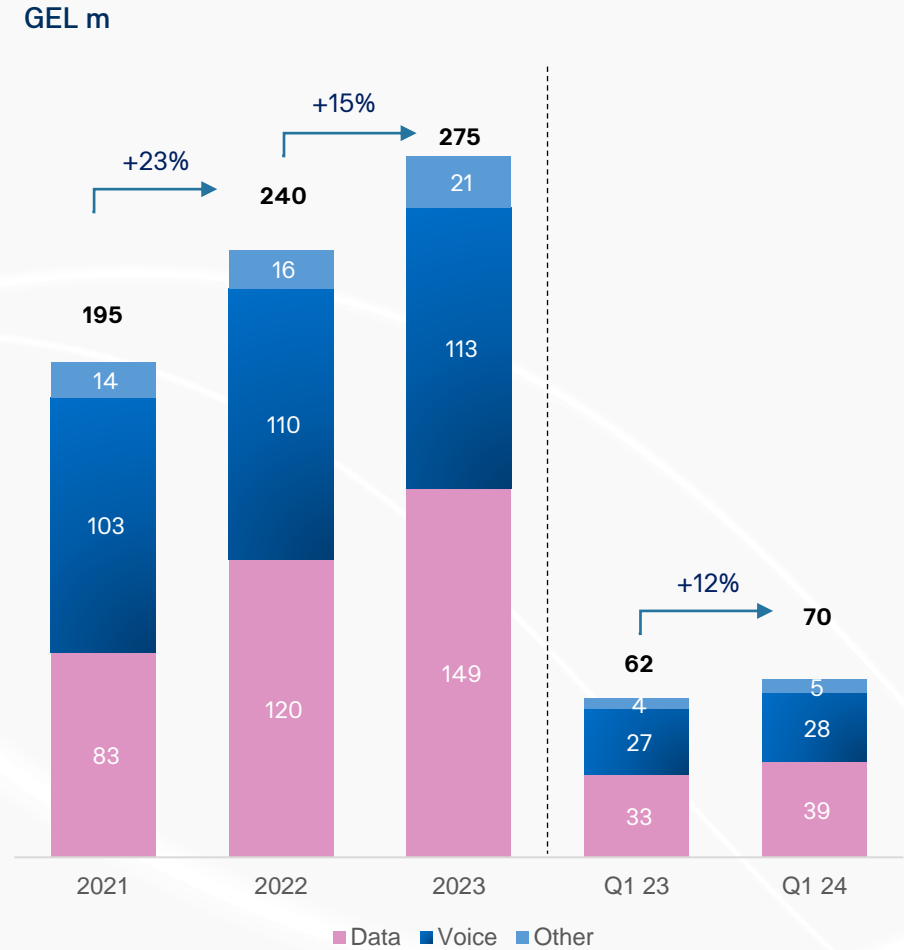
Key takeaways

- Revenue growth of 12% y/y in Q1 24 is fully organic, following the higher growth in 2022 and 2023 which included the effect of repricing
- Growth mainly fueled by mobile data: significant increase in mobile data traffic – 27% y/y growth in per user monthly consumption - resulting in 16% y/y growth in mobile data revenue

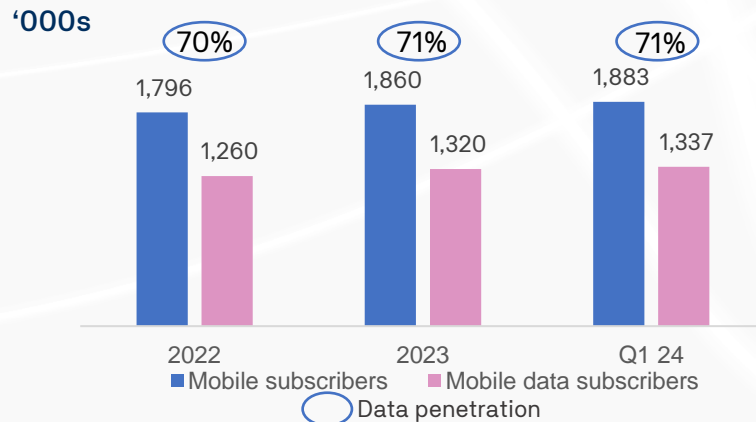
Data usage per subscriber



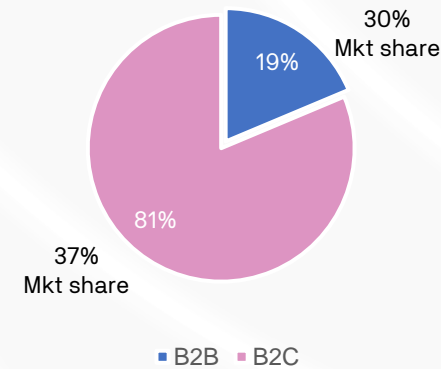
Mobile Revenue



Mobile subscribers, data subscribers & penetration



Mobile revenue split (Q1 24)



Note:

Certain figures included in this presentation may not be an arithmetic aggregation of the figures which precede them due to rounding

Source:

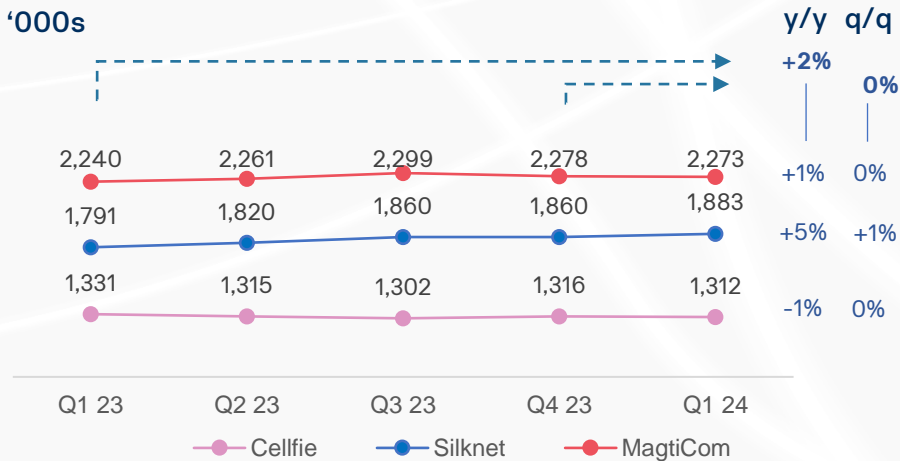
GNCC, Company information

Mobile market

Key takeaways

- Mobile market revenue growth driven by higher subscriber base and higher per user data consumption
- Silknet's subscriber market share in mobile segment increased by 1.0 percentage points as of March 2024 compared to March 2023

Subscribers evolution¹



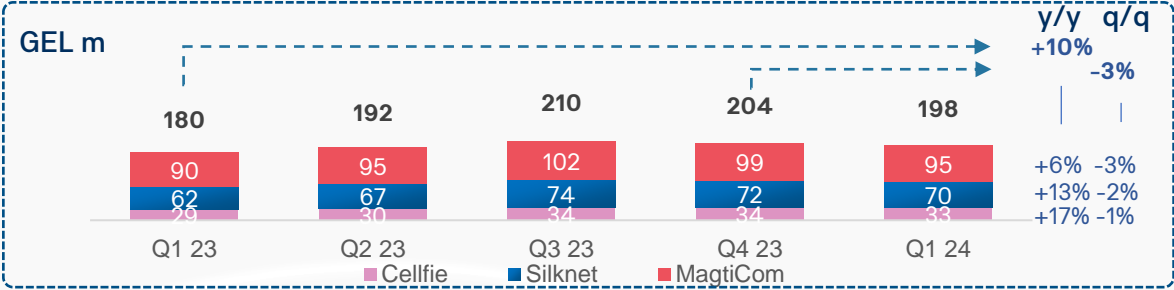
Source: GNCC

Notes: 1 Number of subscribers (SIM cards) at the end of the period;

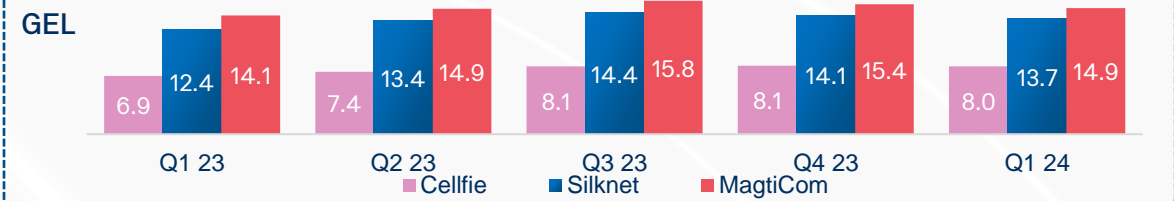
Cellfie is the same company as Veon (Beeline) in our previous presentations. The company was rebranded after the change of ownership

Certain figures included in this presentation may not be an arithmetic aggregation of the figures which precede them due to rounding;

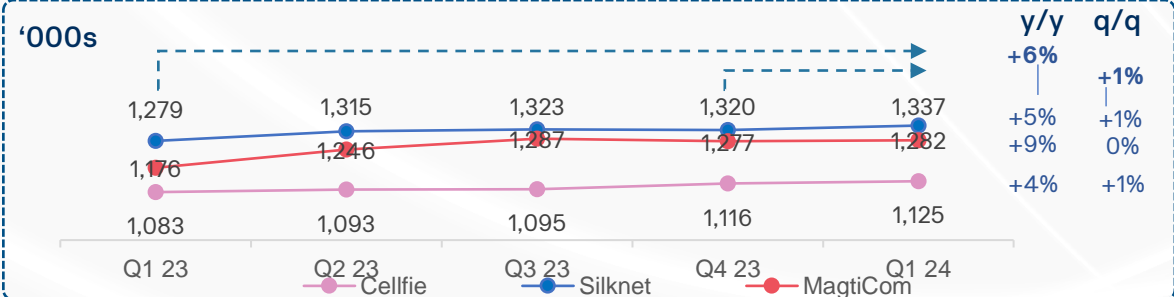
MNO's retail revenue evolution



Evolution of B2C ARPU

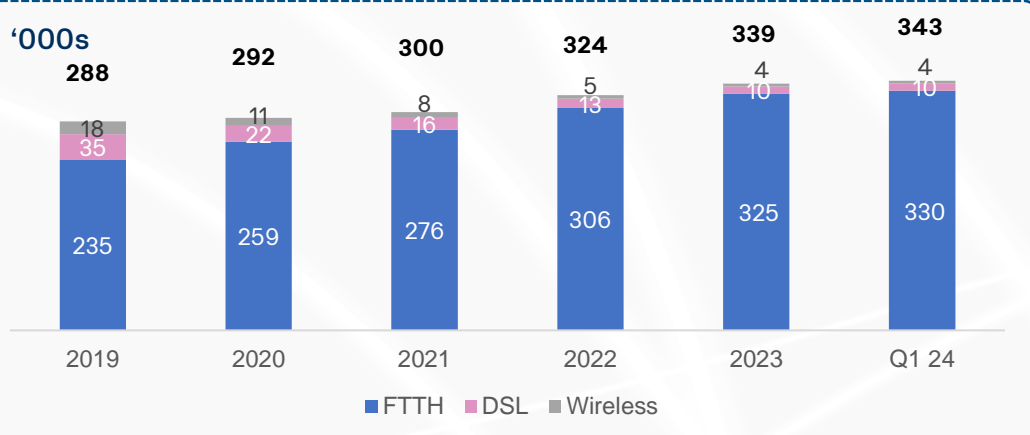


Evolution of mobile internet subscribers

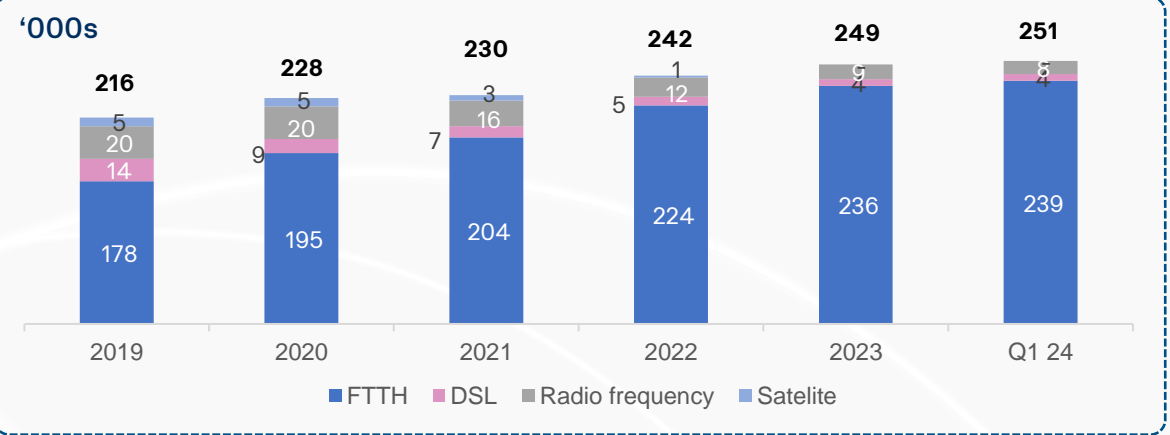


Silknet's fixed broadband (FBB) & pay TV segments

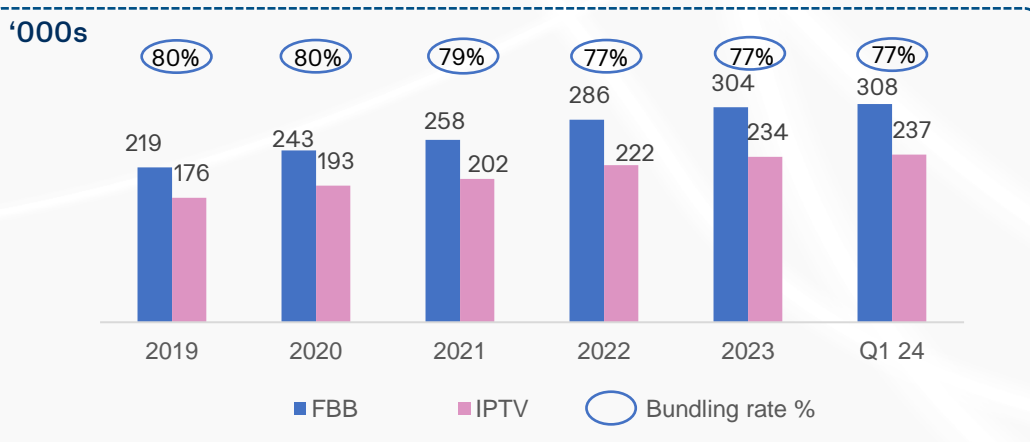
FBB subscribers evolution by technologies



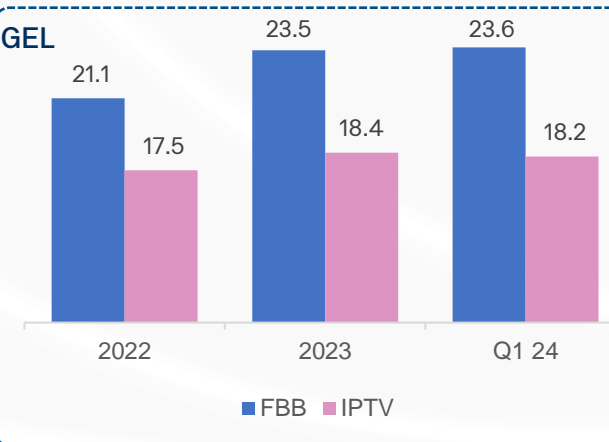
Pay TV subscribers evolution by key technologies¹



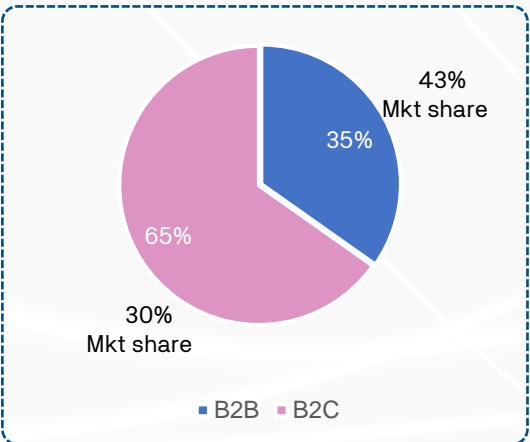
FTTH: B2C subscribers & bundling rate evolution¹



B2C FTTH ARPU evolution



FBB revenue split (Q1 24)



Note: ¹ Number of Silknet's pay TV subscribers as of 31 March 2024 uploaded to the Georgian National Communications Commission's website – 293k – is erroneous and will be corrected shortly. Certain figures included in this presentation may not be an arithmetic aggregation of the figures which precede them due to rounding.

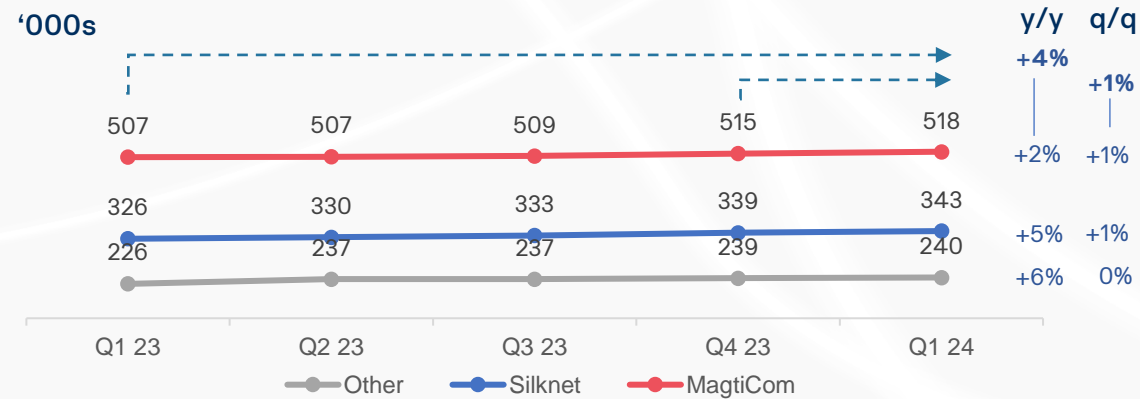
Source: GNCC, Company information

Fixed broadband market

Key takeaways

- c.94% household FBB penetration in Georgia (based on official HH data)¹. Urbanization likely to be key driver for further growth
- Silknet has the highest FBB/IPTV bundling rate on the market – 77% vs 69% with the peer operator¹
- In the 10 largest cities, where we focus, our FTTP B2C market share comprises 41%¹ and we have lead the net additions vs the peer operator in last two years and Q1 24
- Silknet’s subscriber market share in FBB increased by 0.3 percentage points as of March 2024 compared to March 2023

Subscribers evolution

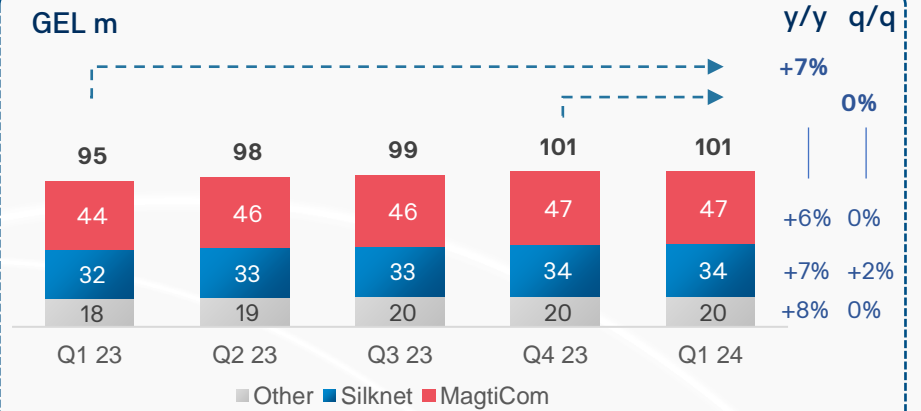


Source: GNCC

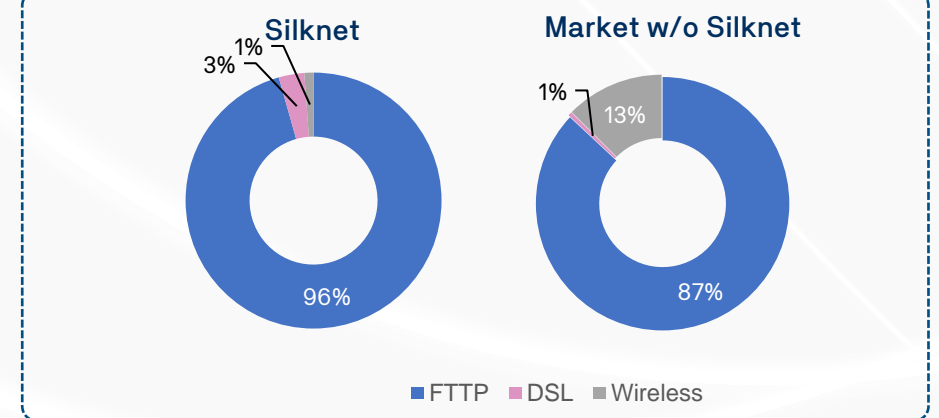
Notes:
1 As of 31 March 2024

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Revenue evolution

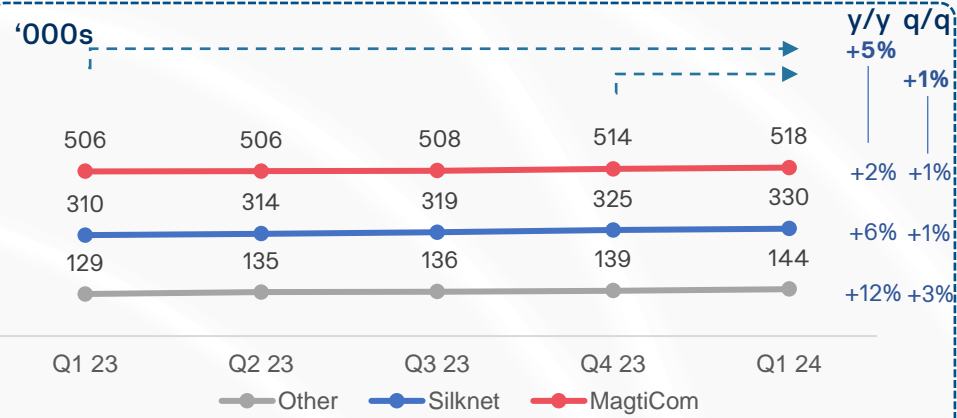


Subscribers by key technologies

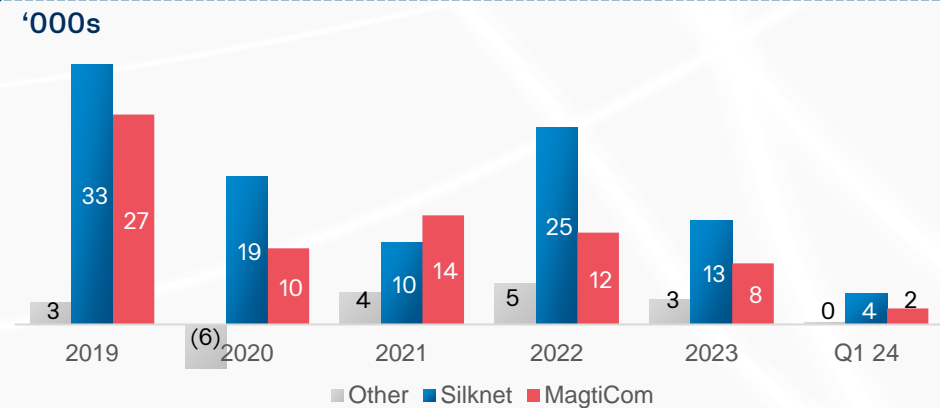


Fixed broadband market - focus on FTTH

FTTH subscribers evolution¹



FTTH B2C subscribers net additions in 10 largest cities²



Source: GNCC

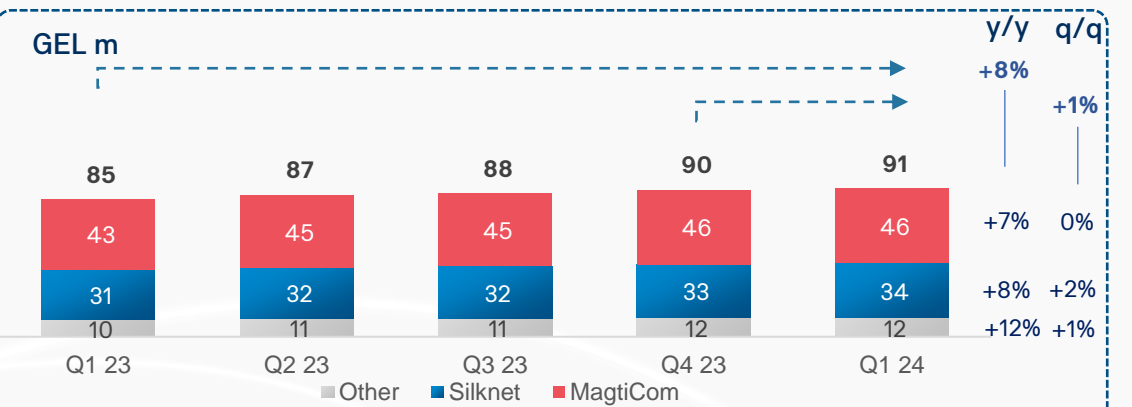
Notes:

1 Number of subscribers at the end of the period

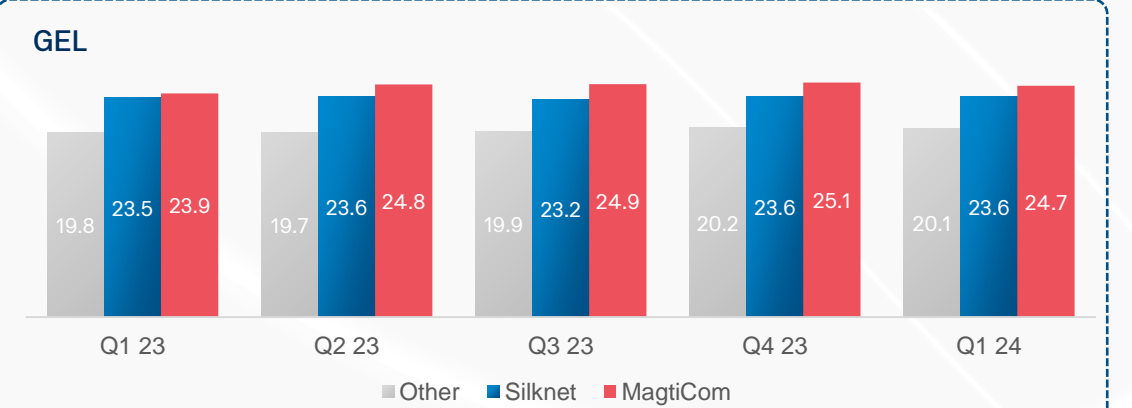
2 Number of subscribers for the following cities: Tbilisi, Batumi, Kutaisi, Rustavi, Gori, Telavi, Poti, Khashuri, Kobuleti and Zugdidi

Certain figures included in this presentation may not be an arithmetic aggregation of the figures which precede them due to rounding

FTTH revenue evolution



FTTH B2C ARPU evolution

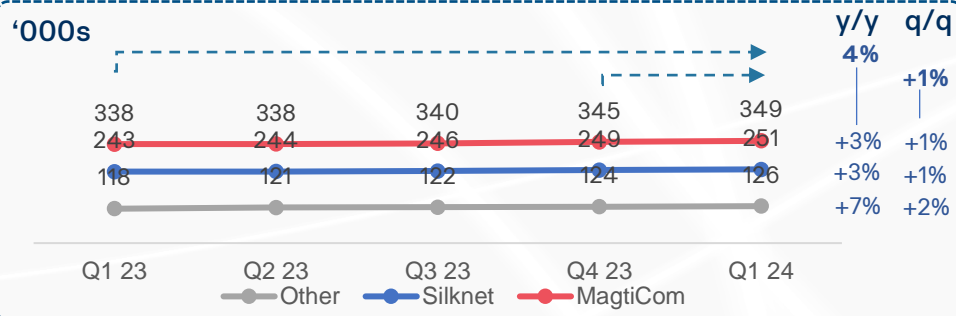


Pay television market

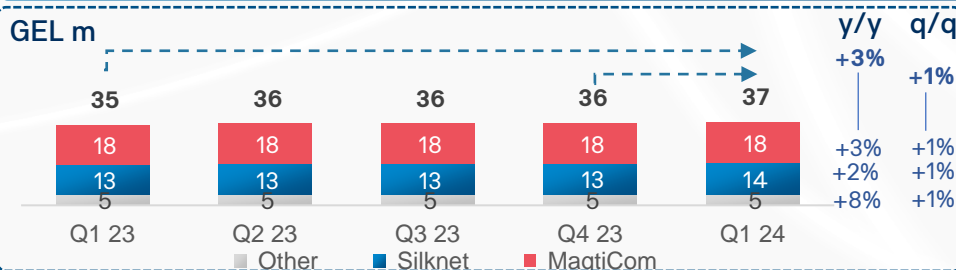
Key takeaways

- c.65% household pay TV penetration (based on official HH data)¹
- Silknet holds 35% subscriber market share¹ compared to 31% in fixed broadband on the back of the superior content offering historically and successful service bundling

Total pay TV subscribers evolution²



Total pay TV revenue



Source: GNCC

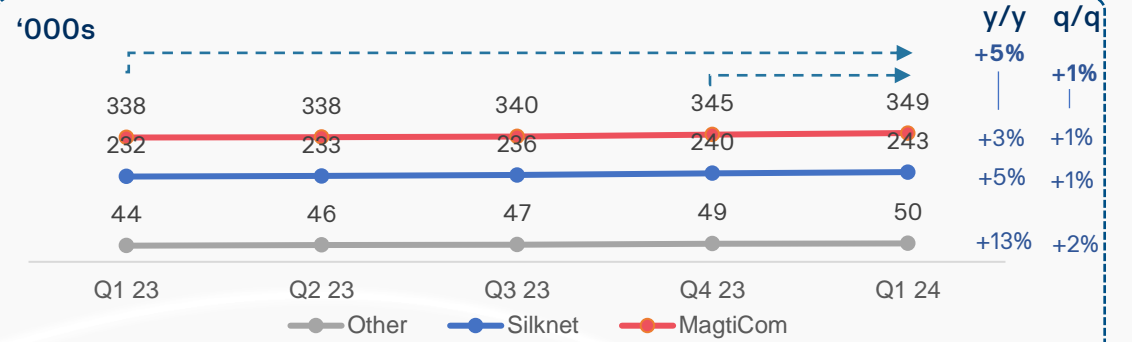
Notes: Pay TV subscribers excluding mobile streaming application subscribers

¹ As of 31 March 2024; Number of Silknet's pay TV subscribers as of 31 March 2024 uploaded to the Georgian National Communications Commission's website – 293k – is erroneous and will be corrected shortly.

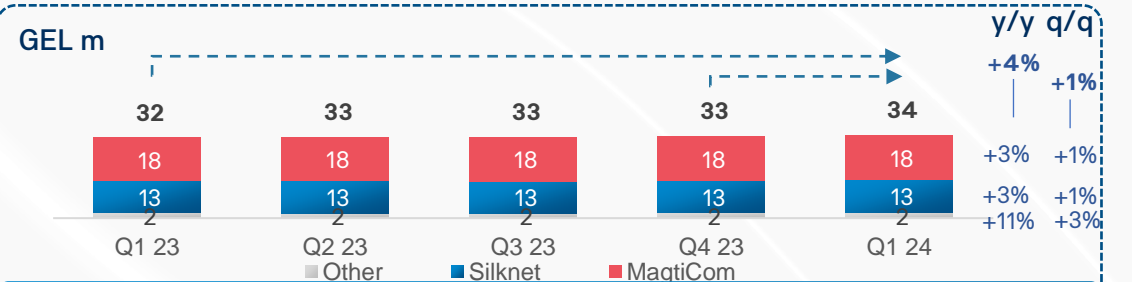
² Number of subscribers at the end of the period

³ Certain figures included in this presentation may not be an arithmetic aggregation of the figures which precede them due to rounding

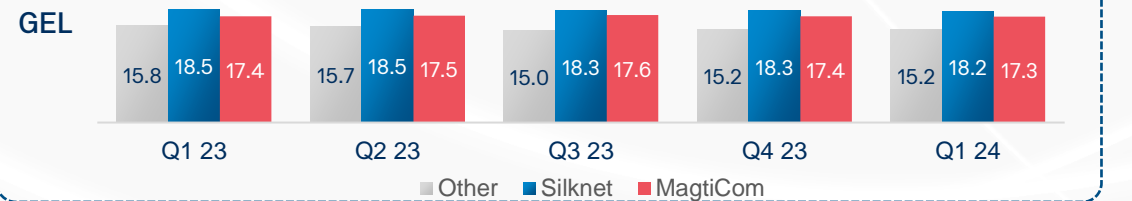
IPTV subscribers evolution²



IPTV revenue evolution



IPTV ARPU evolution





Business overview and Q1 24 highlights



Economic environment



Key segments



Appendix

Statement of profit or loss

GEL m	2022	2023	Y/Y %	Q1 23	Q1 24	Y/Y %
Revenues:	473.0	536.4	13%	125.4	136.5	9%
Commercial revenue	428.1	487.9	14%	114.5	124.8	9%
Carrier services	44.9	48.6	8%	10.9	11.8	8%
Costs and expenses:						
Depreciation and amortisation	(119.5)	(118.7)	-1%	(29.5)	(29.1)	-1%
Salaries and benefits ¹	(69.9)	(92.3)	32%	(16.1)	(18.7)	16%
Purchased services ¹	(45.4)	(54.9)	21%	(11.3)	(14.4)	28%
Other expenses	(22.9)	(21.0)	-8%	(6.7)	(6.5)	-3%
Network management and maintenance costs	(18.1)	(18.5)	2%	(4.6)	(4.7)	2%
Interconnect fees and roaming expense	(17.1)	(17.0)	-1%	(3.8)	(4.2)	11%
Pay TV content cost	(9.3)	(8.8)	-5%	(1.8)	(2.4)	30%
Infrastructure capacity rentals, IRU and lease expenses	(6.5)	(6.7)	4%	(1.8)	(1.9)	5%
Advertising and marketing	(5.4)	(7.2)	35%	(2.2)	(1.4)	-34%
Change in fair value of investment property	9.8	6.7	-31%	-	-	0%
Costs of SIM cards, scratch cards and other cost of sales	(1.2)	(2.1)	81%	(0.4)	(0.4)	11%
Profit from operating activities	167.4	195.9	17%	47.2	52.8	12%
Finance income	4.8	12.1		1.4	5.5	
Finance costs	(116.0)	(54.1)		(13.3)	(14.4)	
Net change in fair value of financial instrument at FVTPL	(3.9)	-		-	-	
Net foreign exchange gain/(loss)	82.5	0.4		24.8	(1.5)	
Net finance costs	(32.6)	(41.6)		12.9	(10.4)	
Profit/(loss) before income tax	134.9	154.4		60.1	42.4	
Income tax (expense)/benefit	(0.3)	(0.3)		(0.0)	(0.1)	
Total profit/(Loss) for the period	134.5	154.1		60.1	42.3	

Source: Company information

Notes: 1 Includes one-time expenses - see slide 26

Certain figures included in this presentation may not be an arithmetic aggregation of the figures which precede them due to rounding

Statement of financial position

GEL m	31-Dec-22	31-Dec-23	31-Mar-24
ASSETS			
Non-current assets			
Property and equipment	367	348	344
Intangible assets	191	179	174
Investment property	64	70	71
Right-of-use assets	28	23	21
Other non-current assets	33	33	33
Prepayments related to IRU contracts	9	10	8
Total non-current assets	692	663	650
Current assets			
Inventories	10	11	11
Prepayments related to IRU contracts	2	2	2
Trade and other receivables	32	38	40
Investment securities	-	-	-
Cash and cash equivalents	85	145	140
Total current assets	129	196	193
TOTAL ASSETS	820	859	843

GEL m	31-Dec-22	31-Dec-23	31-Mar-24
EQUITY AND LIABILITIES			
Equity			
Share capital	84	84	84
Additional paid-in capital	8	-	-
Retained earnings / (accumulated losses)	(6)	28	43
Non-controlling interests	(0)	(0)	(0)
TOTAL EQUITY	86	112	127
LIABILITIES			
Non-current liabilities			
Loans and borrowings	532	530	531
Lease liabilities	22	15	13
Trade and other payables	29	40	37
Advances received from IRU contracts & subs.	12	12	12
Total non-current liabilities	595	597	592
Current liabilities			
Loans and borrowings	20	21	10
Lease liabilities	12	13	14
Trade and other payables	81	89	74
Advances received from IRU contracts & subs.	26	26	27
Total current liabilities	139	150	124
TOTAL LIABILITIES	734	747	716
TOTAL LIABILITIES AND EQUITY	820	859	843

Source: Company information

Note: Certain figures included in this presentation may not be an arithmetic aggregation of the figures which precede them due to rounding

Statement of cash flow

GEL m	2022	2023	Q1 23	Q1 24
Cash flows from operating activities				
Cash received from subscribers	503	573	132	145
Cash received from other telecom operators and for IRU contracts	27	31	7	7
Salaries and benefits paid to and on behalf of employees	(70)	(73)	(18)	(21)
Interconnection fees and expenses paid	(9)	(10)	(2)	(3)
Purchase of inventory	(12)	(11)	(3)	(3)
Taxes paid other than on income	(65)	(73)	(15)	(18)
Income tax paid	(0)	(0)	(0)	(0)
Network management and maintenance costs paid	(15)	(16)	(4)	(4)
Other operating expenses paid	(75)	(85)	(21)	(27)
Net cash from operating activities	284	336	75	75
Cash flows from investing activities				
Acquisition of property and equipment and intangible assets	(100)	(92)	(23)	(30)
Purchase of investment property	(0)	-	-	-
Proceeds from disposals of property and equipment	1	1	0	1
Purchase of Other Non-current assets	(1)	-	(1)	-
Interest received	3	11	1	4
Acquisition of investment securities	-	(32)	-	-
Proceeds from sale of investment securities	-	34	-	-
Acquisition of subsidiary	-	(1)	-	-
Net cash used in investing activities	(97)	(81)	(23)	(26)
Cash flows from financing activities				
Interest paid ¹	(41)	(51)	(23)	(24)
Net payments of financial instruments at FVTPL	3	-	-	-
Repayment of lease liabilities	(10)	(11)	(3)	(3)
Proceeds from borrowings	437	-	-	-
Repayment of borrowings	(507)	-	-	-
Transaction fees related to Eurobond issuance	(6)	-	-	-
Premium and comission on the early redemption of issued bonds	(7)	-	-	-
Dividends paid	(30)	(130)	-	(27)
Net cash (used in)/ from financing activities	(162)	(192)	(25)	(55)
Effect of exchange rate changes on cash and cash equivalents	(12)	(3)	(4)	(0)
Net (decrease)/increase in cash and cash equivalents	13	60	23	(5)
Cash and cash equivalents at the beginning of the period	72	85	85	145
Cash and cash equivalents at the end of the period	85	145	108	140

Source: Company information

Notes:

1 Interest paid includes payment of Eurobond coupon and finance expense portion of the long-term liabilities (accrued due to the discounting impact per IFRS)

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EBITDA & EBITDAaL reconciliation

GEL m	2022	2023	Q1 23	Q1 24
Profit/(loss) for the period	134.5	154.1	60.1	42.3
Depreciation and amortization	119.5	118.7	29.5	29.1
Finance costs	116.0	54.1	13.3	14.4
Finance income	(4.8)	(12.1)	(1.4)	(5.5)
Other financial instrument at FVTPL – net change in fair value	3.9	-	-	-
Fair value change on investment property	(9.8)	(6.7)	-	-
Net foreign exchange loss	(82.5)	(0.4)	(24.8)	1.5
Income tax expense	0.3	0.3	0.0	0.1
Specific items ¹	7.0	30.0	2.2	5.1
EBITDA	284.1	337.9	78.9	87.0
EBITDA margin %	60%	63%	63%	64%
Depreciation of right-of-use asset	(9.7)	(10.3)	(2.5)	(2.7)
Interest Expense accrued on lease liabilities	(4.0)	(3.2)	(0.8)	(0.5)
EBITDAaL	270.4	324.4	75.6	83.9
EBITDAaL margin %	57%	60%	60%	61%

Source: Company information

Notes: 1 Specific items in 2023 and Q1 24 include the key management one-time benefit in the amount of GEL 17.3m and GEL 0.2m, respectively, and professional fees, one-time consulting expenses in the amount of GEL 13.3m and GEL 4.3m, respectively, that mainly consist of one-time consulting service related to the Company's longterm strategic plan

Certain figures included in this presentation may not be an arithmetic aggregation of the figures which precede them due to rounding

Our contribution to sustainable development

Environmental care

- Georgia is actively developing its **environmental framework**, including within the requirements of the EU-Georgia Association Agreement, and we are making the necessary changes to adapt to the new rules.
- While Silknet is a relatively heavy user of electricity, in 2022, **76% of electricity generated in Georgia came from renewable sources** (mostly hydropower).
- When we acquired Geocell in 2018, 77 mobile sites were not connected to the electricity grid and relied solely on diesel generators for their operation. Since then, **we have connected 48 mobile sites to the grid**, thereby reducing the usage of diesel generators. 29 sites in remote areas where connection to the grid is impractical have yet to be connected.
- We have approved a **waste management plan**, which covers the management of the waste generated during the Company's activity.

Social responsibility

- Empowering our people:** We are one of the **top 20 employers** in the country. We practice transparent hiring and aim to promote people from within the company: in 2022, **143 employees were promoted** and **21 out of 111 vacancies were filled internally**. We ensure that our salaries remain competitive and **provide benefits above what is required by legislation**.
- Culture of equity and inclusion:** We stand for creating equal opportunities and practicing inclusion and non-discrimination. We **actively cooperate with UN Women and the UN Global Compact Office in Georgia**. Our management is well diversified, with **women making up 63% of the top management**. We have **quite low salary gender pay gap**: the median salary of female employees stood at GEL 1,200 GEL as of 31 December 2022, compared to GEL 1,400 for male. In 2022, **out of 143 promoted employees, 97, or 68%, were women**.
- Occupational health and safety:** A guiding principle in all our operations is to **protect the health and safety of everyone who works for or with us**. We aim to provide a safe and healthy workplace and regularly improve it by ensuring our work environment and processes prevent and react to conditions causing ill health appropriately
- Customer privacy and data security:** As a telecommunications company, it is essential to strictly **protect the confidentiality and integrity of the personal data of our customers, employees, business partners and other third parties**. We monitor legislation changes and modify internal regulations and business conduct accordingly.
- Supporting our communities:** We acknowledge our responsibility towards the community we operate in and take active steps to support its development. The main strategic directions of our efforts in this regard include **education, culture, and sports**.

High standards of corporate governance

- Board of Directors comprises 8 members (including **3 independent members**).
- Both, Audit Committee and Compliance Committee, is **chaired by independent director**.
- All of the senior members of the Company's Supervisory Board and executive team have extensive knowledge of the telecommunications sector in Georgia and bring with them significant experience in leading telecommunications institutions. Senior executives of the Company have an average of approximately eight years' experience in the telecommunications industry.
- The Audit Committee ensures the functioning of the Group's internal control system, its objectivity and accuracy, while Compliance Committee makes recommendations on the improvement of the Company's management and submits them to the Supervisory Board and Shareholder(s) and prepares recommendations for implementing the Ethics and Compliance Programme at Silknet and monitoring the progress of the programme.
- We are in the process of drafting, refining, and implementing a complete set of **E&C policies and instructions**.
- We strive to improve our transparency: since 2020, we issue **annual reports** with detailed update on the Company's performance and have regular communications with our investors, along with **quarterly updates and presentations**. We are **rated by two credit rating agencies – Moody's and Fitch** and in 2021, we **obtained our first ESG rating from Sustainalytics**. We have **consolidated IFRS reporting** since 2010 (with Big-4 auditing, currently KPMG).



Source: Company information



26.0 ESG Risk Rating







FOR MORE INFORMATION PLEASE E-MAIL
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