



INVESTOR PRESENTATION

SILKNET

სილქნეტი

Q1 2025 RESULTS AND SUBSEQUENT EVENTS

June 2025

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Business overview and Q1 25 highlights



Economic environment



Key segments



Appendix

Silknet at a glance

Overview

 **2,035 employees¹**

 **~1,400 Macro; ~500 Micro base stations¹**

 **99% 4G/LTE population coverage**
78% of homes passed¹ with FTTH

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

 **48 shops¹**

 **Moody's B1/stable; Fitch B+/stable**
Sustainalytics 21.1 ESG risk ratings

Financial performance

GEL m	2022	2023	2024	Q1 24	Q1 25
Commercial revenue	428	488	530	125	132
Carrier services	45	49	52	12	11
Total revenue	473	536	582	137	143
EBITDAaL ³	270	324	357	84	89
margin	57%	60%	61%	61%	62%
CAPEX ⁴	84	77	81	16	15
% of revenue	18%	14%	14%	11%	10%
OpFCF ⁵	186	247	276	68	74



1,990k subs¹
 53% of revenue²
 35% market share¹



363k subs¹
 26% of revenue²
 32% market share¹



265k subs¹
 11% of revenue²
 35% market share¹



136k subs¹
 2% of revenue²
 54% market share¹

Source: Company information, GNCC

Notes:

1 As of 31 March 2025

2 As of Q1 25

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 25 highlights and subsequent events

 **+6%** y/y growth in commercial revenue in **Q1 25** see slide 6

 **+7%** y/y growth in EBITDAaL in **Q1 25** see slide 7

Continued to grow above key competitors in main segments:

 **65%** and **53%** share of net adds in **mobile** and **FTTH**, respectively¹ see slides 18-21

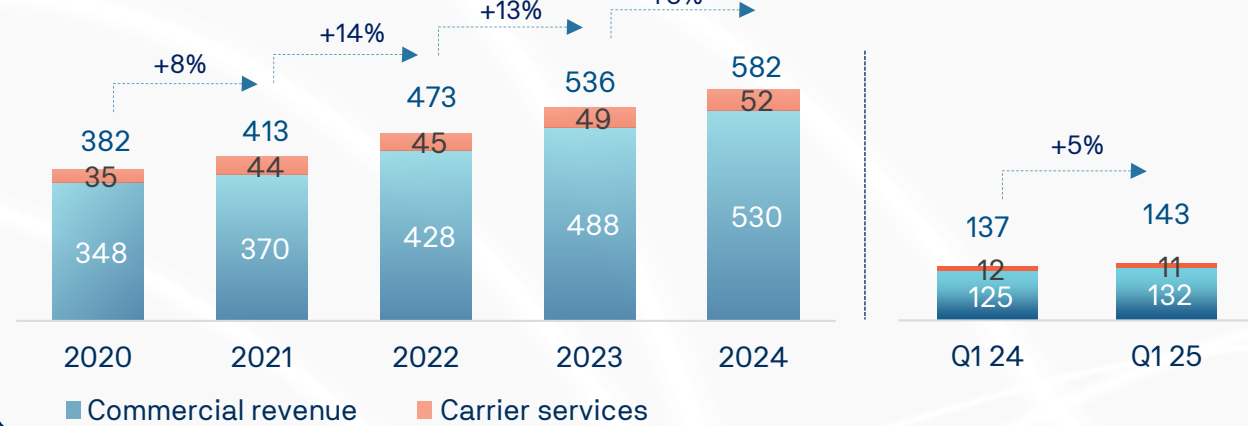
 **8.8% real GDP growth** in 4M 25.
Inflation within the central bank's target – 2.9% average CPI in 5M 25. see slides 15 and 16

 **Silknet** enhances partnership with **Orange** via strategic cooperation agreement with Integrated Solutions see slide 14

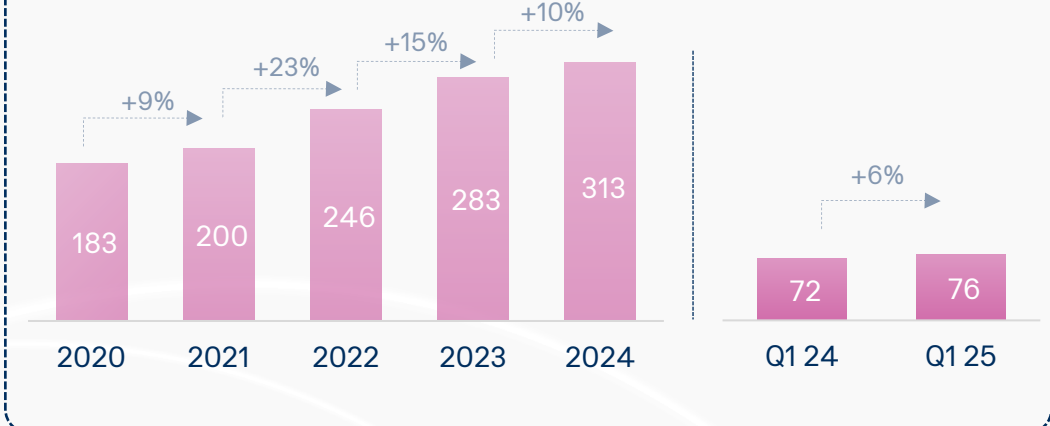
Note: ¹ in the last twelve-month period; calculated based on average subscribers for mobile and eop subscribers for FTTH
Source: Company information, NBG, Geostat, GNCC

Continued organic growth

Revenue evolution, GEL m



Mobile revenue, GEL m



Key takeaways

- Revenue growth in Q1 25 mostly attributable to organic commercial revenue growth of 6% y/y, mainly due to higher average subscriber base both in mobile and fixed and increased mobile data consumption
- Mobile revenue is the main driver of commercial revenue growth, mainly fueled by increased mobile data consumption (14% y/y in Q1 25) as well as higher average subscriber base (+119K or 6% y/y in Q1 25)
- Growth in fixed revenue is mostly driven by increased number of subscribers by 20K or 6% y/y in fixed broadband and by 14K or 6% y/y in pay TV in Q1 25

Fixed revenue, GEL m

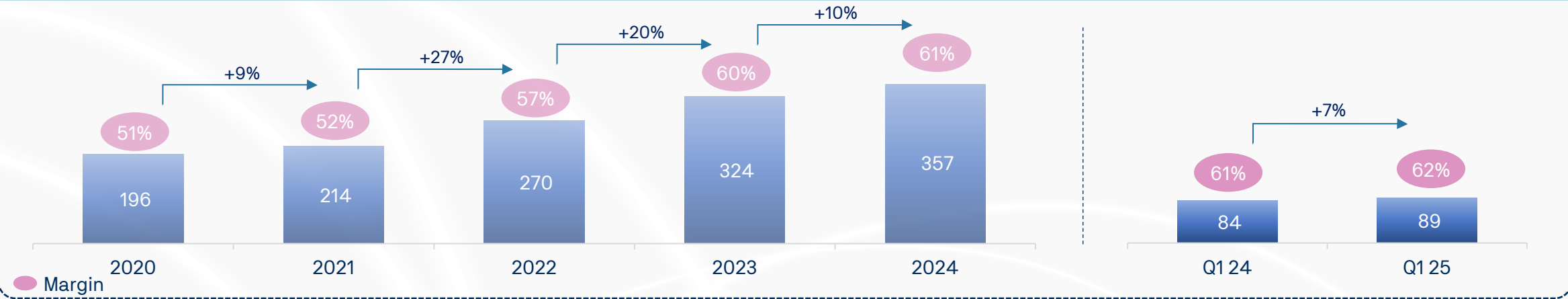


Source: Company information

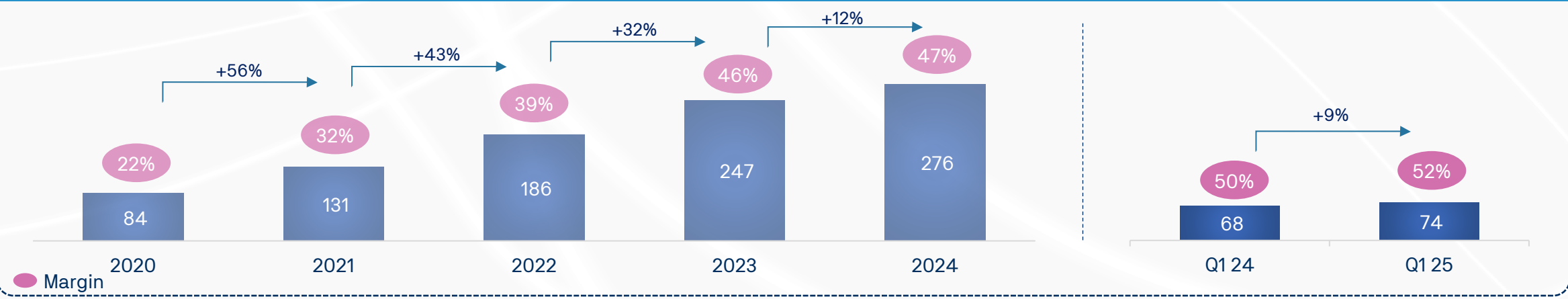
Note: Certain figures included in this presentation may not be an arithmetic aggregation of the figures which precede them due to rounding

Revenue growth translated into higher cash generation

EBITDAaL evolution, GELm



OpFCF evolution, GELm



Source: Company information

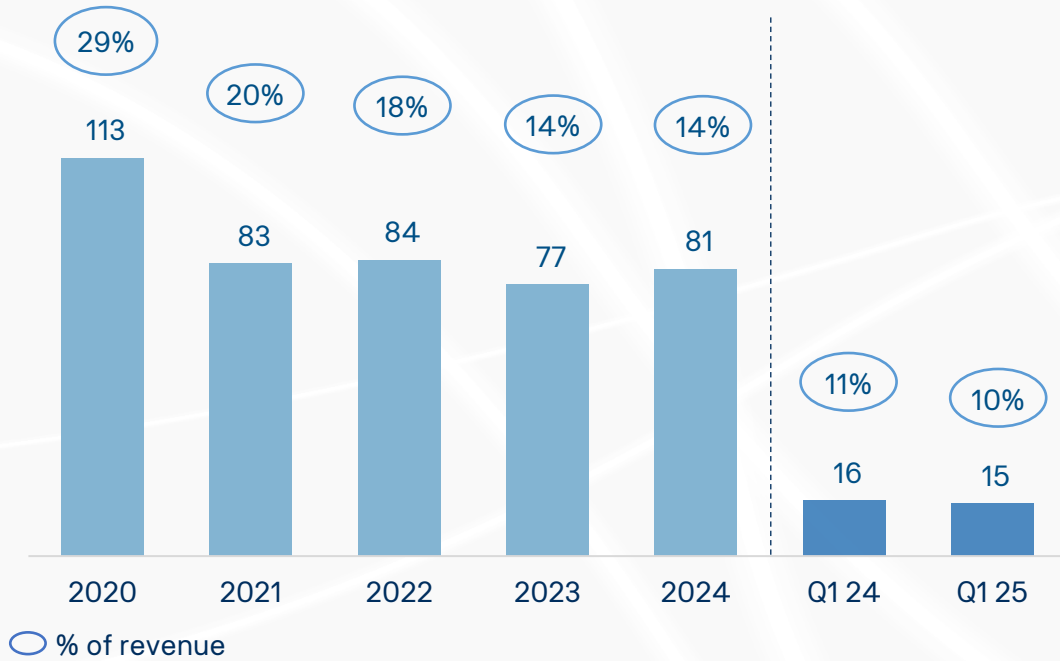
Notes:

- 1 EBITDAaL is defined as EBITDA less depreciation of right-of-use assets and less interest expenses on recognized lease liabilities
- 2 EBITDAaL less capital expenditures (see slide 8)
- 3 Certain figures included in this presentation may not be an arithmetic aggregation of the figures which precede them due to rounding

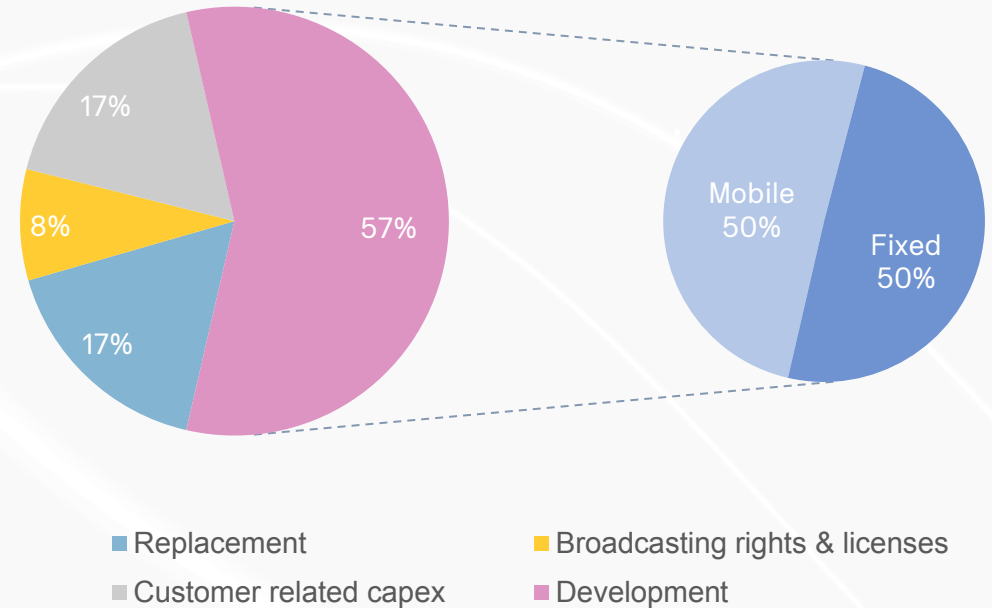
Continued investments in infrastructure

Capex¹ evolution and breakdown by category and segment

Evolution, GELm



2024 by category and segment



Source: Company information

Notes:

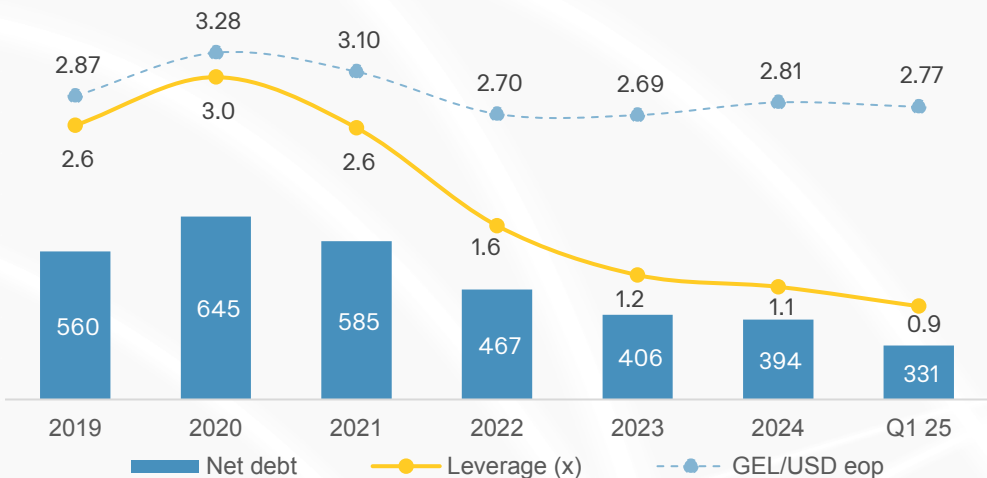
¹ Capital expenditures excl. telecom operating licences and right-of-use assets less material and non-recurring items

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Reduced leverage = financial resilience

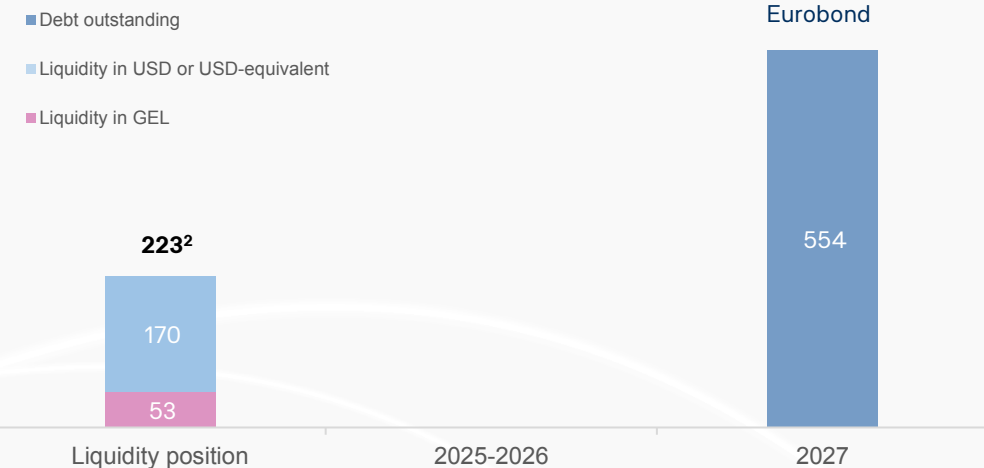
Net financial indebtedness¹

GEL m



Liquidity & gross debt as of 31 March 2025¹

GEL m



- 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 10).
- Following the robust cash generation in the last two years and Lari appreciation, our leverage fell significantly.

Source: Company information

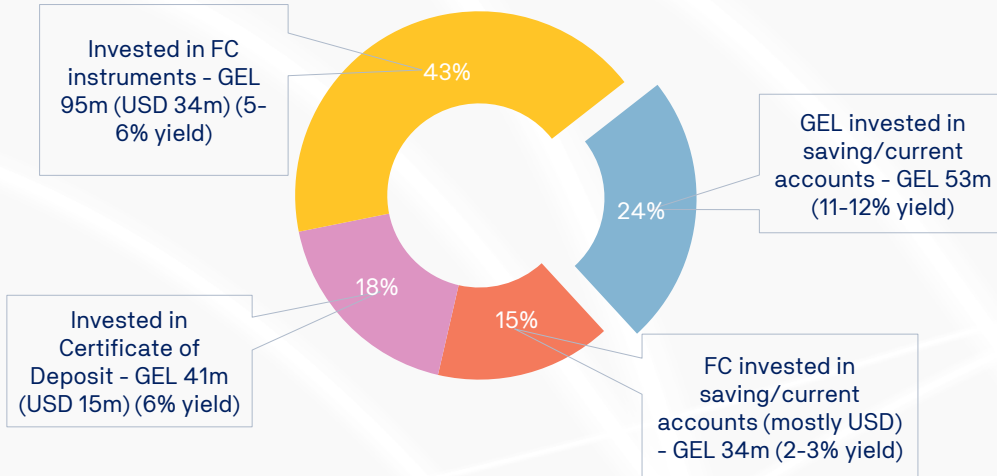
Notes:
 1 Net Financial Indebtedness (defined as Loans and borrowings plus Subordinated loans less cash and Cash equivalents) and gross debt are based on the carrying amounts of loans and borrowings, with accrued interest. Leverage is calculated by dividing Net Financial Indebtedness by EBITDA. Other than the net financial indebtedness presented above, we have the letters of credits & guarantees with the aggregate amount of GEL 21.2m (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.

2 Liquidity position of GEL 223m includes Cash and cash equivalents of GEL 182m and Investment in Certificate of Deposit of GEL 41m.

Robust cash position with high FC yields

Strong liquidity position and investment performance

Total liquidity¹ as of 31 March 2025 – GEL 223m



We keep most of the liquidity in hard currencies, thus partially hedging the open FX position of Eurobonds. As of 31 March 2025, GEL 170m (USD 61m equivalent), or 76% of cash and cash equivalents, was denominated in USD/EUR or USD-equivalent instruments.

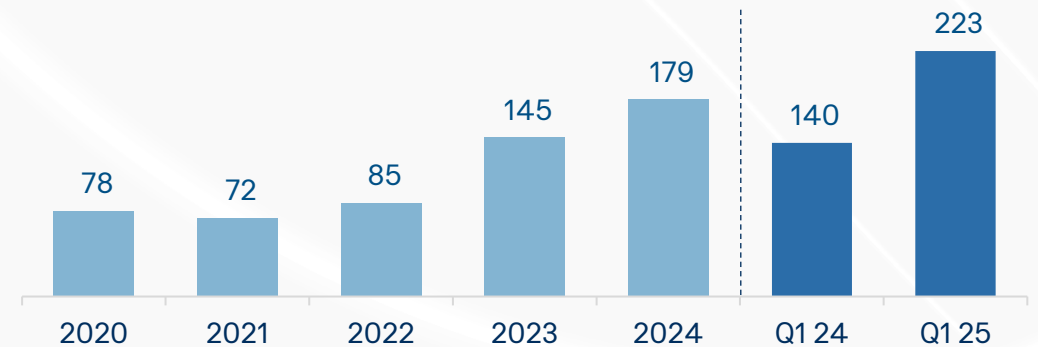
Out of the liquidity denominated in GEL, GEL 50m was used for dividend payment in April 2025.

Continued high yield on cash position in Q1 25, achieving attracting returns on hard currency-linked instruments.

Finance income yield in Q1 25



Evolution of liquidity position¹, GELm



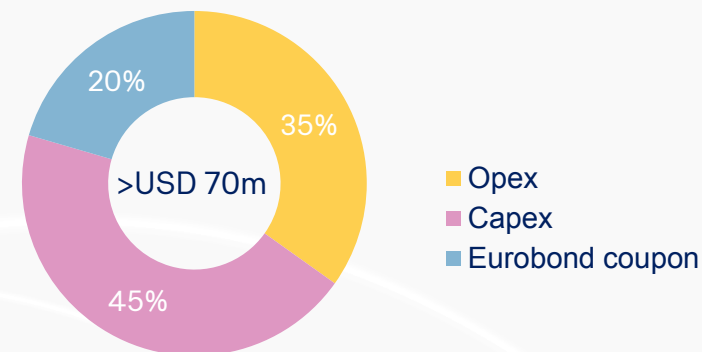
Source: Company information
 Notes: ¹ Cash and cash equivalents of GEL 182m and investments in Certificate of Deposit of GEL 41m
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Hedging operational FX risk

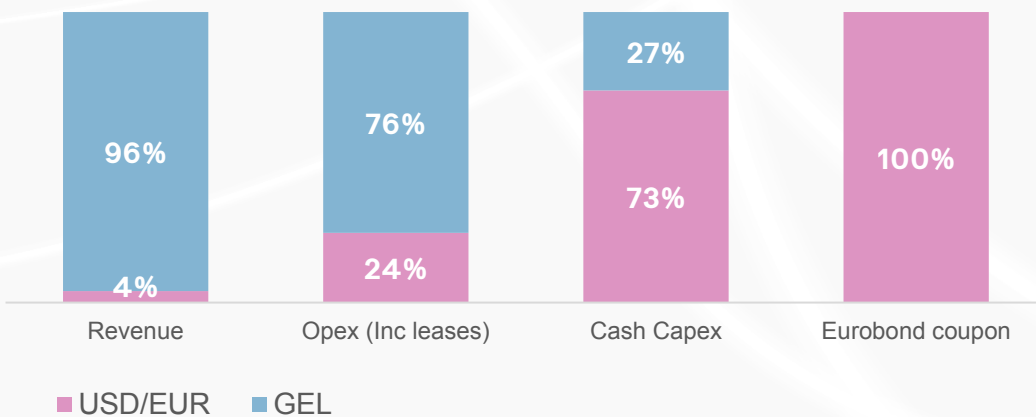
Operational hedge details

- We entered into forward agreements with the local banks to hedge the FX risk on our FC outflows
- Costs of the instruments range from 4% to 5%
- The hedge covers estimated opex, capex and coupon FC outflows from October 2024 until the YE 2025
- Forward contracts in the amount of USD 38m outstanding as of 31 March 2025

FC exposure hedged (Oct 2024 – Dec 2025)



FX exposure and sensitivity analysis



Change in GEL m on 10% GEL depreciation	wo hedge	with hedge
Revenue	2	-
Operating expenses	(4)	-
EBITDAaL	(2)	-
CAPEX	(7)	-
OpFCF	(9)	-
Net debt service	(4)	-
FCF	(13)	-
Net income	(41)	(41)
Leverage (x)	0.15	0.15

FX sensitivity illustration on unhedged position¹

Source: Company information
Notes: 1 in 2025

Strong performance allows increased distributions

Dividend distributions and restrictions (cash based)

	2022	2023	2024	Apr 2025
Dividend distributions	GEL 31m ¹	GEL 128m ²	GEL 171m	GEL 50m
Dividend base	GEL 31m ¹	GEL 128m ²	GEL 172m	GEL 51m

Dividend restrictions

- Georgian legislation: new Law on Entrepreneurs, effective from January 2022, that allows dividend distributions up to the positive amount of retained earnings
- Eurobond covenant:
 - Jan 2022 (Eurobond issuance) – June 2024: Restricted Payments of 50% of cumulative net income from 2022, with certain carve-outs, including USD 15m basket fully utilized in 2022 and 2023
 - In June 2024, Silknet implemented a consent solicitation³ to modify the terms and conditions of Eurobonds, increasing its distribution flexibility by introducing “leverage-based” basket in the Restricted Payments test, allowing the Company to proceed with Restricted Payments until its Consolidated Leverage Ratio reaches 1.75x.

Notes:

¹ 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

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

³ In connection with consent solicitation process, the Company incurred expenses of GEL 3.9m. These costs were recognised as an adjustment to the carrying amount of Eurobonds liability and is amortised over the remaining term of the modified instrument using the revised effective interest rate.

Key regulatory developments

5G

I

First 5G Auction

The regulator initiated its first 5G spectrum auction in August 2023. Cellfie (formerly Veon Georgia) was the only one of the country's three mobile network operators to participate and acquire 5G spectrum.

Despite not obtaining new spectrum, Silknet pioneered 5G in Georgia by launching the service in December 2023 in the center of Tbilisi, utilizing its existing spectrum.

2023

II

Second 5G Auction

In August 2024, the GNCC launched a new public consultation for 5G spectrum auctions. The regulator altered the methodology for valuing frequencies, resulting in a significant increase in the reserve prices for licenses. The GNCC failed to adequately justify or explain this change. Consequently, Silknet appealed the Commission's decision. Despite the Commission's unreasonable and unjustified increase in reserve prices, Magticom still participated in the auction and acquired 5G spectrum. Throughout Q4 24, Magticom launched 5G in most of the big cities of Georgia.

2024

III

Scheduled Third 5G Auction

To maintain competitiveness and facilitate the full-scale deployment of 5G services, Silknet requested the GNCC to initiate a further 5G auction.

The GNCC announced the 5G auction in the end of June.

The spectrum reserve prices will match those of the second 5G auction.

Silknet applied to participate in the upcoming auction.

2025



Business overview and Q1 25 highlights



Economic environment



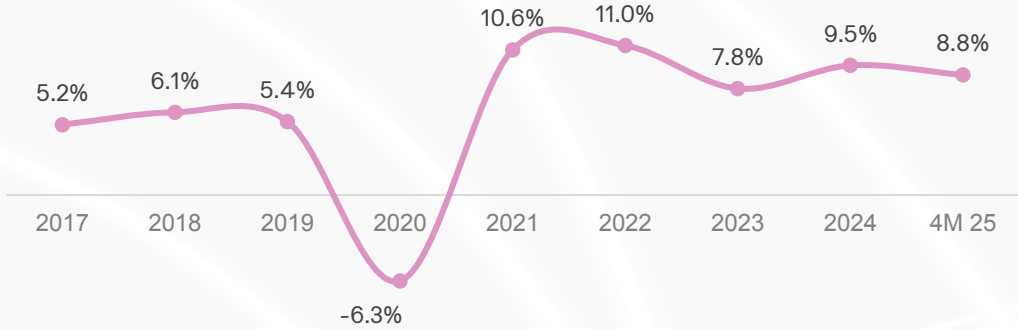
Key segments



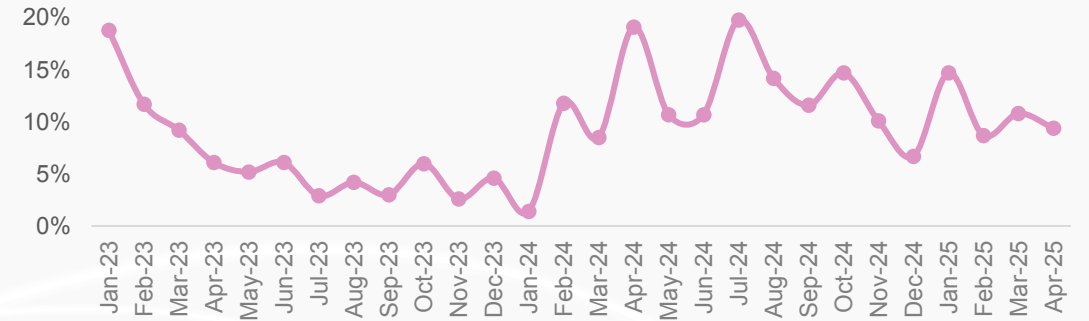
Appendix

Economy growing above the expectations, inflation close to target

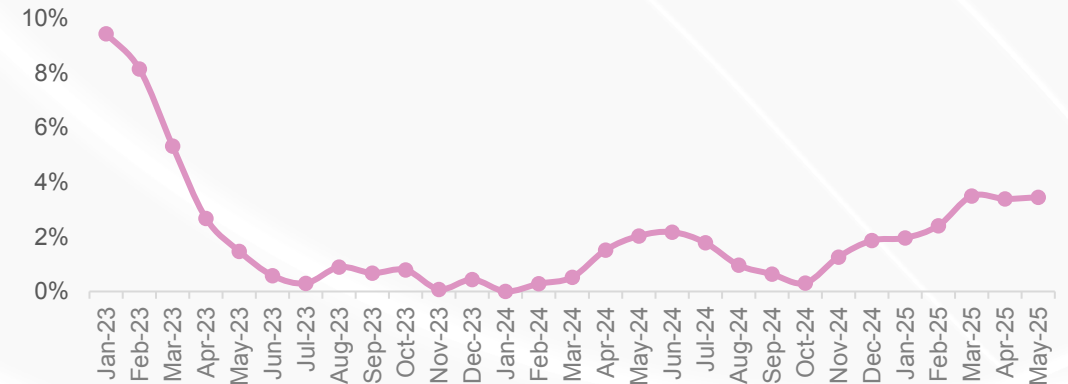
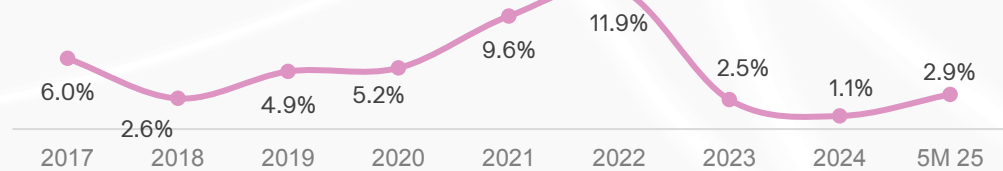
Real GDP growth



VAT turnover (y/y change)



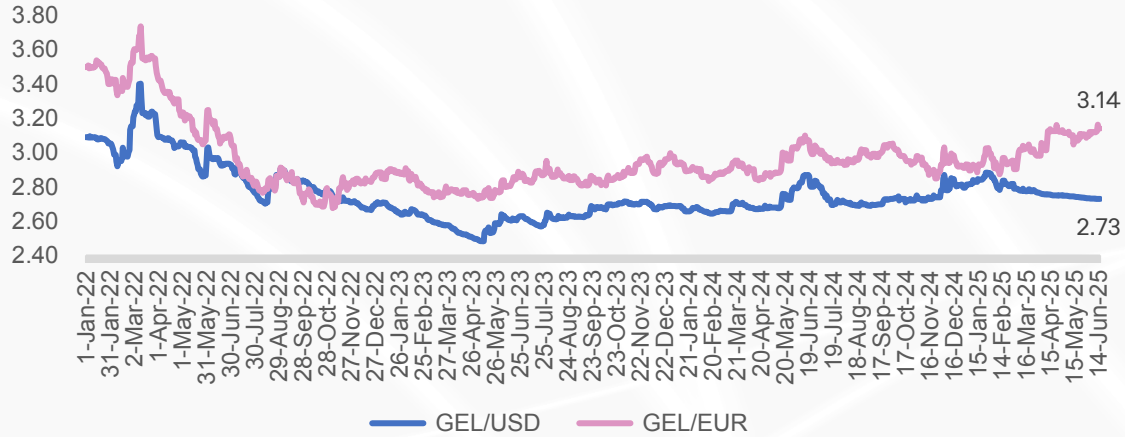
Average inflation (CPI)



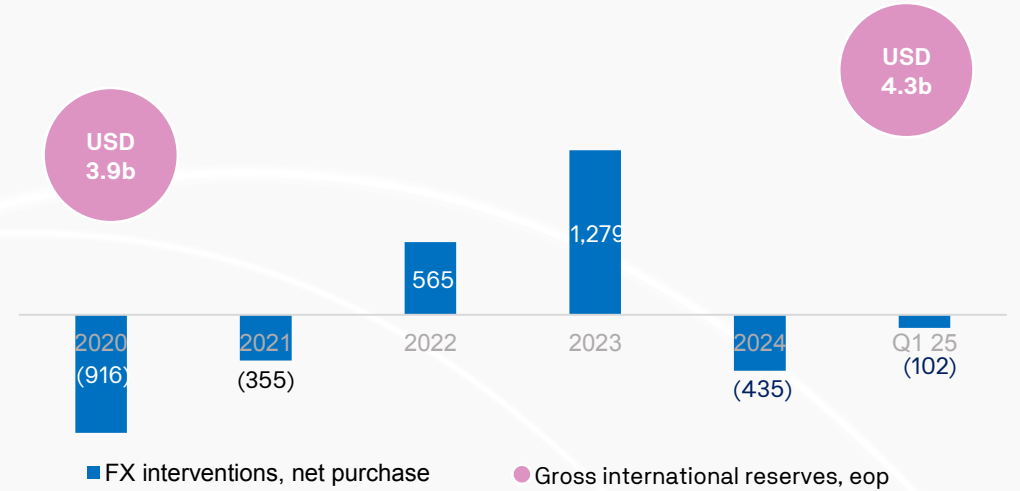
Source: GeoStat, NBG

FX broadly stable, thanks to strong inflows, and backed by NBG reserves

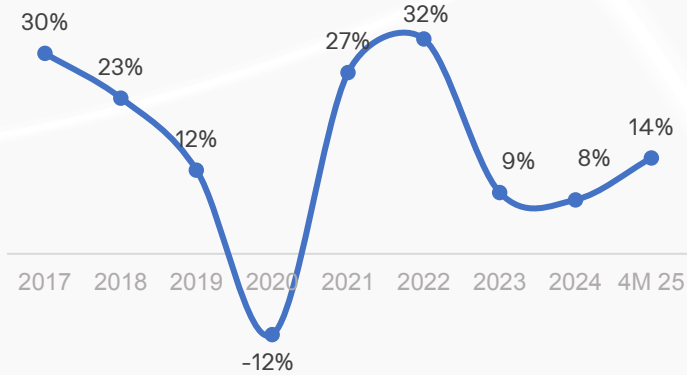
GEL exchange rate evolution



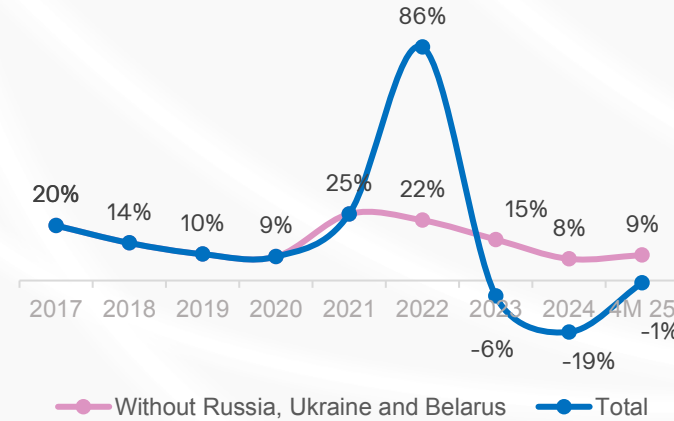
International reserves and the central bank's FX interventions (USD m)



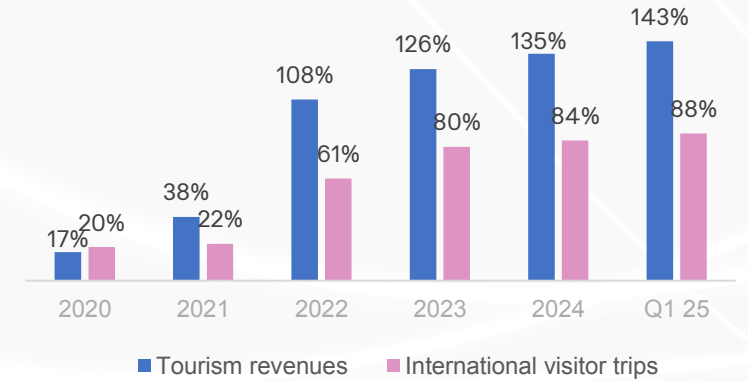
Exports (y/y change)



Remittances (y/y change)



Tourism indicators as % of 2019



Source: GeoStat, NBG, GNTA, BOG



Business overview and Q1 25 highlights



Economic environment



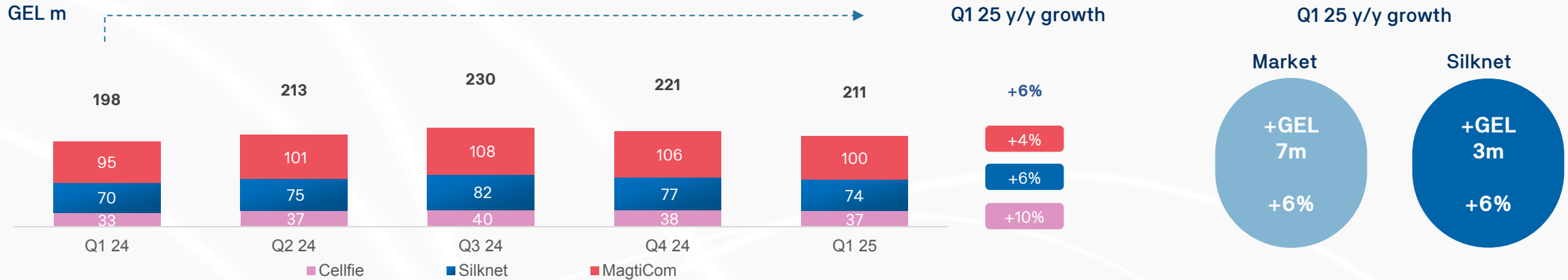
Key segments



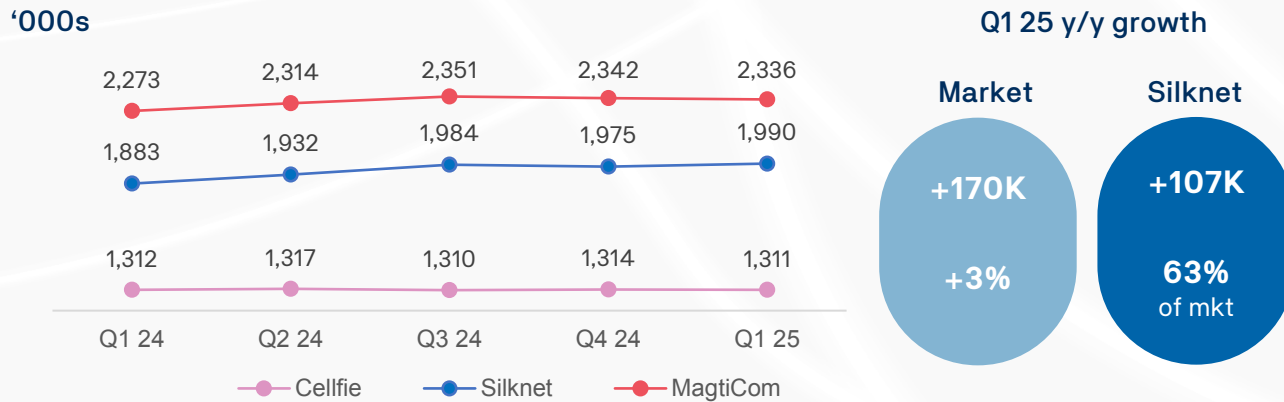
Appendix

Mobile

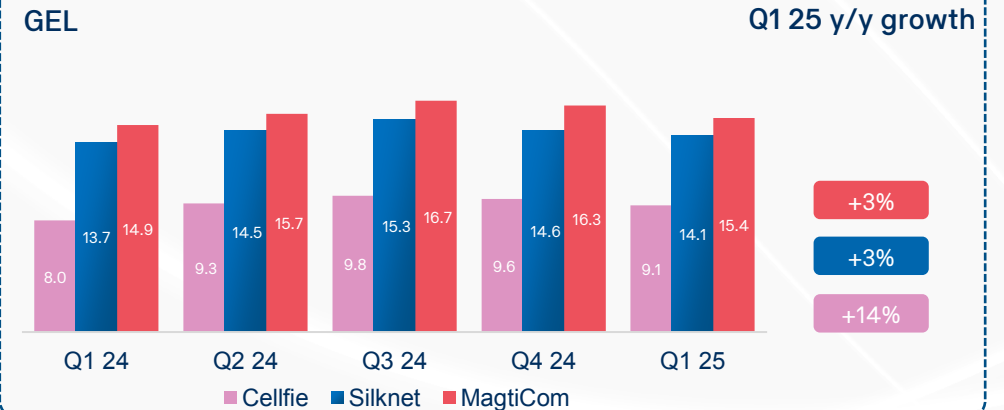
MNO's retail revenue evolution



Evolution of mobile subscribers¹



Evolution of mobile B2C ARPU



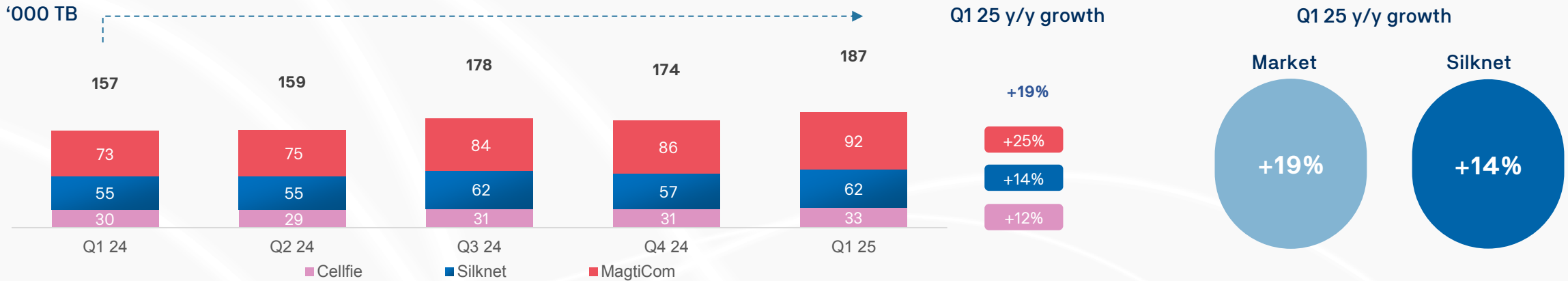
Source: GNCC

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

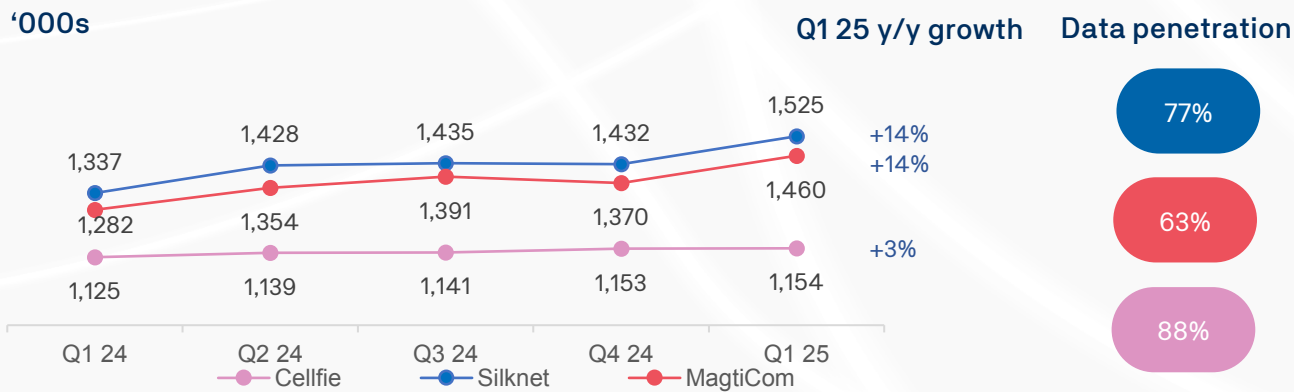
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Mobile data

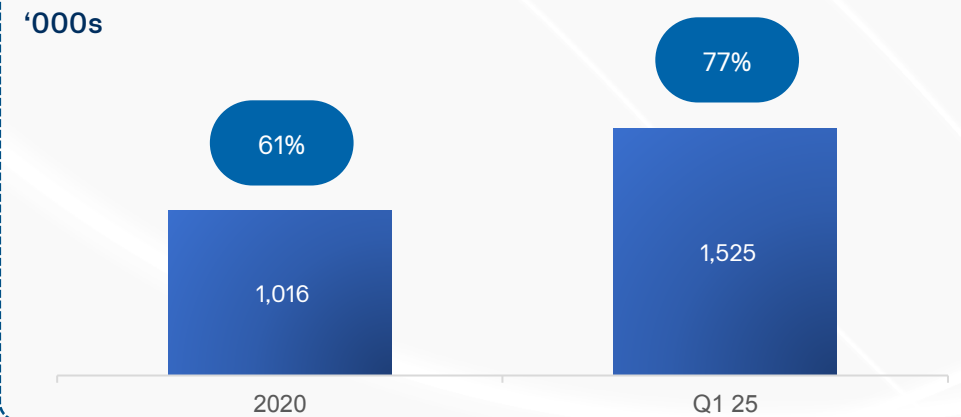
Evolution of mobile data usage



Evolution of mobile internet subscribers¹



Evolution of Silknet's internet subscribers and penetration



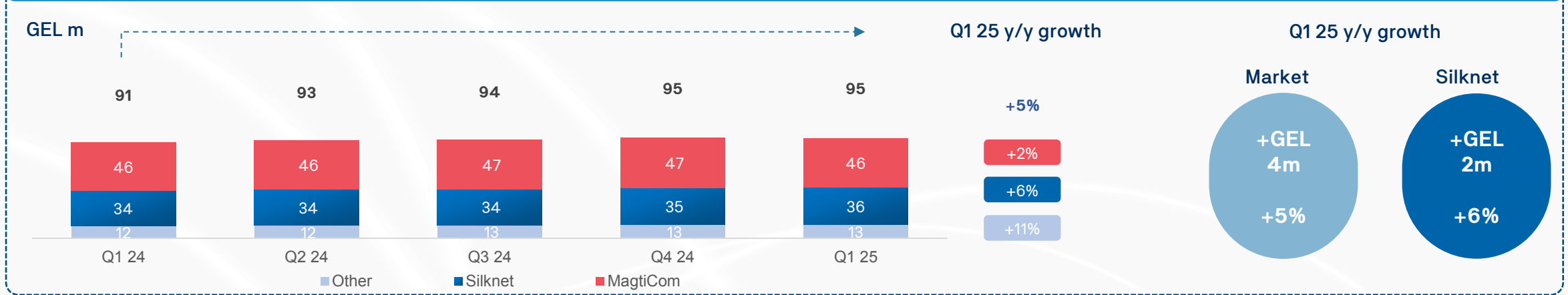
Source: GNCC

Notes: 1 Number of subscribers at the end of the period;

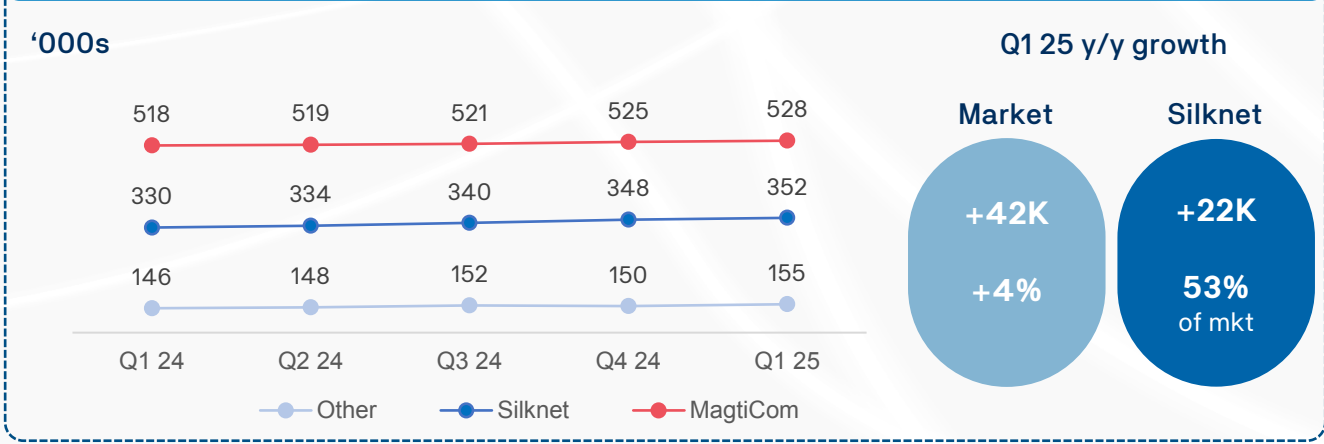
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FTTH

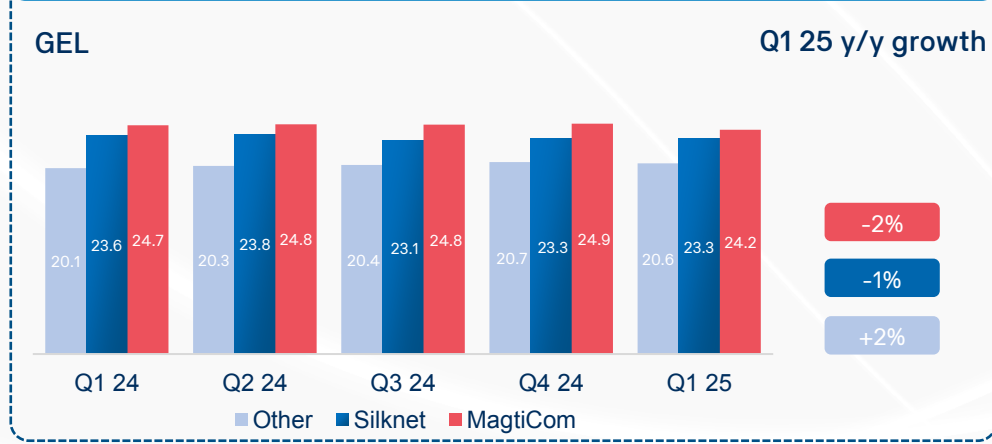
FTTH revenue evolution



Evolution of FTTH subscribers¹



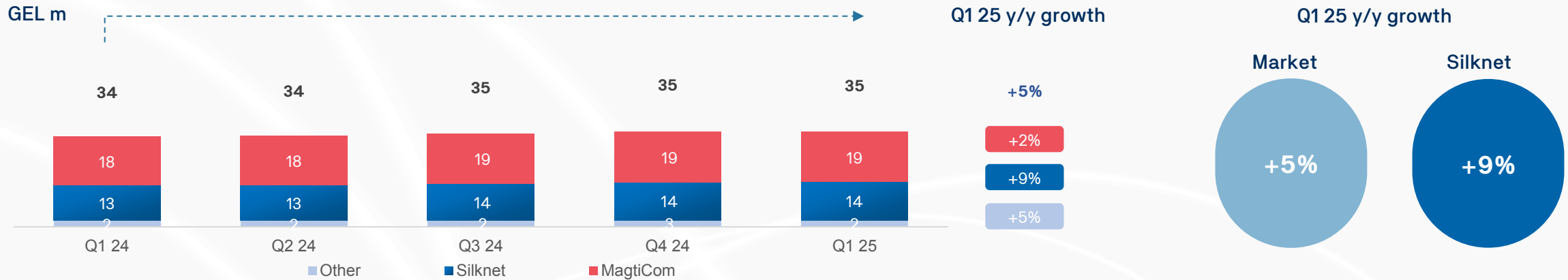
Evolution of FTTH B2C ARPU



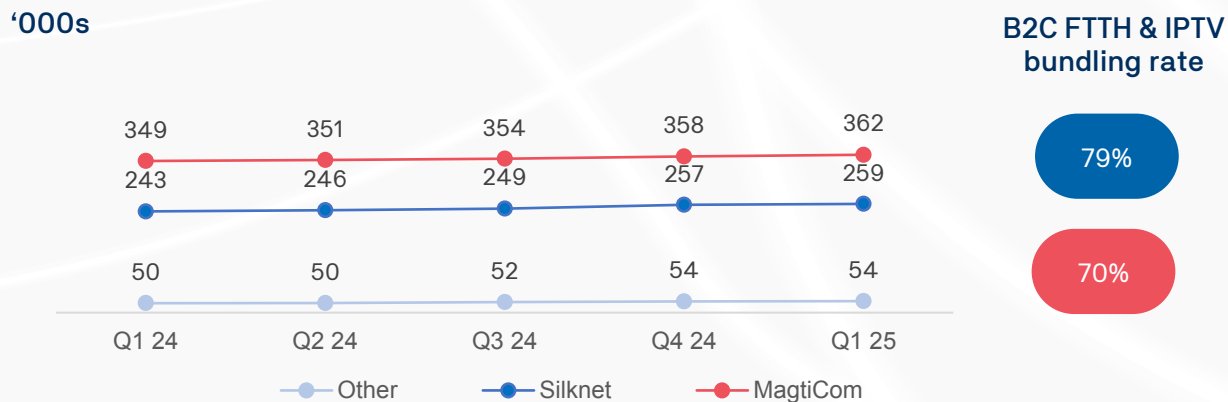
Source: GNCC
 Notes: 1 Number of subscribers at the end of the period;
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IPTV

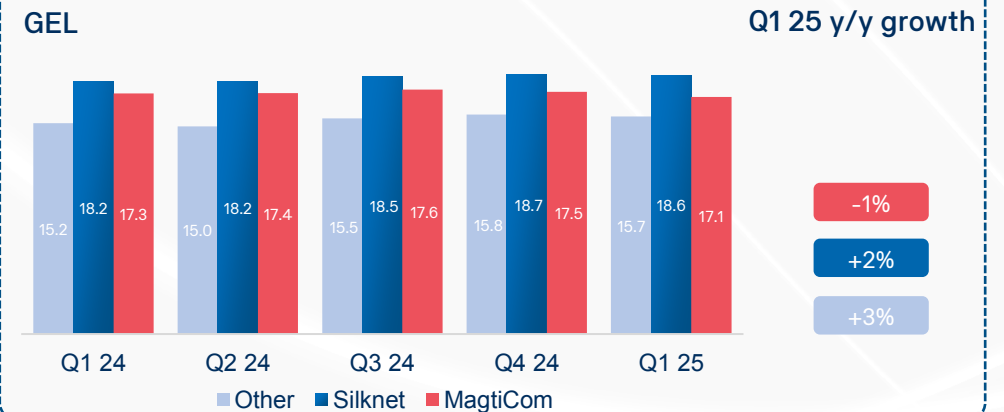
IPTV revenue evolution



Evolution of IPTV subscribers¹



Evolution of IPTV ARPU



Source: GNCC

Notes: 1 Number of subscribers at the end of the period;

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Appendix

Statement of profit or loss

GEL m	2023	2024	Y/Y %	Q1 24	Q1 25	Y/Y%
Revenues:	536.4	582.0	8%	136.5	143.4	5%
Commercial revenue	487.9	530.1	9%	124.8	132.2	6%
Carrier services	48.6	51.9	7%	11.8	11.2	-5%
Costs and expenses:						
Depreciation and amortisation	(118.7)	(114.8)	-3%	(29.1)	(26.8)	-8%
Salaries and benefits ¹	(92.3)	(88.2)	-4%	(18.7)	(20.7)	10%
Purchased services ¹	(54.9)	(48.3)	-12%	(14.4)	(10.7)	-26%
Other expenses	(21.0)	(25.5)	22%	(6.5)	(5.4)	-16%
Network management and maintenance costs	(18.5)	(20.3)	10%	(4.7)	(5.6)	18%
Interconnect fees and roaming expense	(17.0)	(16.7)	-2%	(4.2)	(3.7)	-12%
Pay TV content cost	(8.8)	(9.4)	6%	(2.4)	(2.4)	0%
Infrastructure capacity rentals, IRU and lease expenses	(6.7)	(7.7)	14%	(1.9)	(2.0)	5%
Advertising and marketing	(7.2)	(6.6)	-9%	(1.4)	(1.1)	-23%
Change in fair value of investment property	6.7	5.3	-21%	-	-	0%
Costs of SIM cards, scratch cards and other cost of sales	(2.1)	(1.8)	-12%	(0.4)	(0.3)	-23%
Profit from operating activities	195.9	247.9	27%	52.8	64.7	23%
Finance income	12.1	17.2		5.5	3.4	-38%
Finance costs	(54.1)	(57.9)		(14.4)	(14.5)	1%
Net change in fair value of financial instrument at FVTPL	-	-		-	-	
Net foreign exchange gain/(loss)	0.4	(13.0)		(1.5)	3.5	
Net finance costs	(41.6)	(53.7)		(10.4)	(7.5)	
Profit/(loss) before income tax	154.4	194.2		42.4	57.2	
Income tax (expense)/benefit	(0.3)	(0.2)		(0.1)	(0.1)	
Total profit/(Loss) for the period	154.1	194.0		42.3	57.1	

Source: Company information

Notes: 1 Includes one-time expenses - see slide 27

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Statement of financial position

GEL m	31-Dec-23	31-Dec-24	31-Mar-25
ASSETS			
Non-current assets			
Property and equipment	348	348	346
Intangible assets	179	158	152
Investment property	70	79	78
Right-of-use assets	23	14	11
Other non-current assets	33	35	35
Prepayments related to IRU contracts	10	7	7
Total non-current assets	663	641	630
Current assets			
Inventories	11	10	10
Financial instruments at FVTPL	-	3	1
Prepayments related to IRU contracts	2	2	2
Trade and other receivables	38	39	38
Certificate of deposit	-	18	41
Cash and cash equivalents	145	161	182
Total current assets	196	233	274
TOTAL ASSETS	859	874	904

GEL m	31-Dec-23	31-Dec-24	31-Mar-25
EQUITY AND LIABILITIES			
Equity			
Share capital	84	84	84
Retained earnings / (accumulated losses)	28	51	108
Non-controlling interests	(0)	(0)	(0)
TOTAL EQUITY	112	135	192
LIABILITIES			
Non-current liabilities			
Loans and borrowings	530	554	546
Lease liabilities	15	3	3
Trade and other payables	40	40	36
Advances received from IRU contracts & subs.	12	11	11
Total non-current liabilities	597	608	597
Current liabilities			
Loans and borrowings	21	20	8
Lease liabilities	13	15	12
Trade and other payables	89	69	67
Advances received from IRU contracts & subs.	26	27	28
Total current liabilities	150	131	115
TOTAL LIABILITIES	747	739	712
TOTAL LIABILITIES AND EQUITY	859	874	904

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	2023	2024	Q1 24	Q1 25
Cash flows from operating activities				
Cash received from subscribers	573	623	145	154
Cash received from other telecom operators and for IRU contracts	31	35	7	8
Salaries and benefits paid to and on behalf of employees	(73)	(83)	(21)	(23)
Interconnection fees and expenses paid	(10)	(10)	(3)	(2)
Purchase of inventory	(11)	(12)	(3)	(2)
Taxes paid other than on income	(73)	(83)	(18)	(20)
Income tax paid	(0)	(0)	(0)	(0)
Network management and maintenance costs paid	(16)	(17)	(4)	(3)
Other operating expenses paid	(85)	(95)	(27)	(19)
Net cash from operating activities	336	357	75	93
Cash flows from investing activities				
Acquisition of property and equipment and intangible assets	(92)	(106)	(30)	(23)
Proceeds from disposals of property and equipment	1	2	1	1
Interest received	11	15	4	3
Acquisition of investment securities	(32)	(18)	-	(22)
Proceeds from sale of investment securities	34	-	-	-
Acquisition of subsidiary	(1)	-	-	-
Net cash used in investing activities	(81)	(107)	(26)	(42)
Cash flows from financing activities				
Interest paid on loans and borrowings and trade and other payables	(51)	(50)	(24)	(25)
Cost incurred on Eurobond covenant	-	(4)	-	-
Lease payments	(11)	(13)	(3)	(4)
Dividends paid	(130)	(171)	(27)	-
Net cash (used in)/ from financing activities	(192)	(238)	(55)	(29)
Effect of exchange rate changes on cash and cash equivalents	(3)	4	(0)	(0)
Net (decrease)/increase in cash and cash equivalents	60	16	(5)	22
Cash and cash equivalents at the beginning of the period	85	145	145	161
Cash and cash equivalents at the end of the period	145	161	140	182

Source: Company information

Notes:

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

EBITDA & EBITDAaL reconciliation

GEL m	2023	2024	Q1 24	Q1 25
Profit/(loss) for the period	154.1	194.0	42.3	57.1
			-	-
Depreciation and amortization	118.7	114.8	29.1	26.8
Finance costs	54.1	57.9	14.4	14.5
Finance income	(12.1)	(17.2)	(5.5)	(3.4)
Change in fair value of investment property	(6.7)	(5.3)	-	-
Net foreign exchange loss	(0.4)	13.0	1.5	(3.5)
Income tax expense	0.3	0.2	0.1	0.1
Specific items ¹	30.0	12.4	5.1	0.9
EBITDA	337.9	369.9	87.0	92.4
EBITDA margin %	63%	64%	64%	64%
Depreciation of right-of-use asset	(10.3)	(11.0)	(2.7)	(2.8)
Interest Expense accrued on lease liabilities	(3.2)	(1.6)	(0.5)	(0.1)
EBITDAaL	324.4	357.3	83.9	89.4
EBITDAaL margin %	60%	61%	61%	62%

Source: Company information

Notes:

¹ Specific items in 2023, 2024, Q1 24 and Q1 25 include professional fees, one-time consulting expenses in the amount of GEL 13.3m, GEL 7.2m, GEL 4.3m and GEL 0.4m, respectively, that mainly consist of one-time consulting service related to the Company's long-term strategic plan; and key management one-time benefit in the amount of GEL 17.3m, GEL 3.5m, GEL 0.2m and GEL 0.4m, respectively

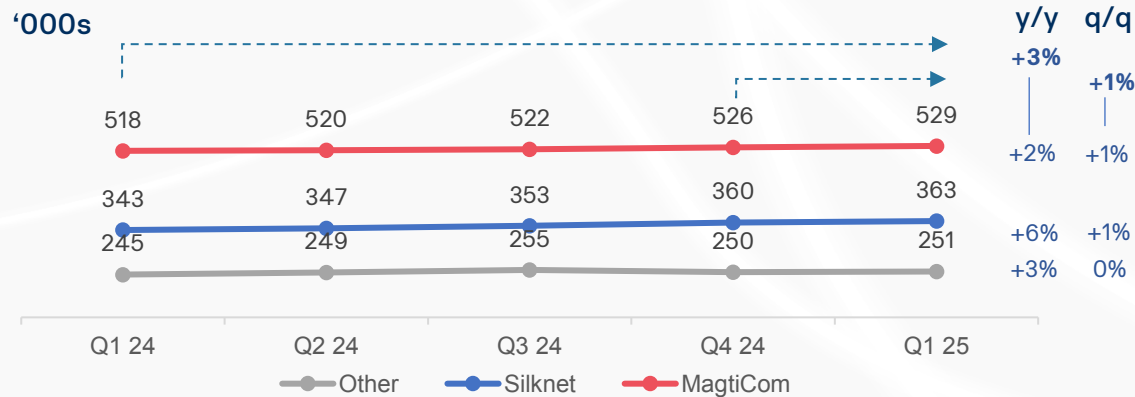
Certain figures included in this presentation may not be an arithmetic aggregation of the figures which precede them due to rounding

Fixed broadband market

Key takeaways

- c.98% 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 – 79% vs 70% with the peer operator¹
- In the 10 largest cities, where we focus, our FTTP B2C market share comprises 42%¹ and we have lead the net additions vs the peer operator in last three years
- Silknet’s subscriber market share in FBB increased by 0.7 percentage points as of March 2025 compared to March 2024

Subscribers evolution

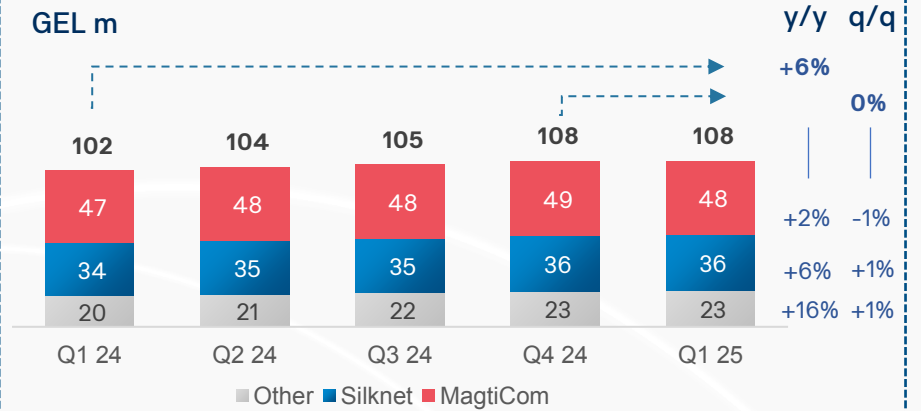


Source: GNCC

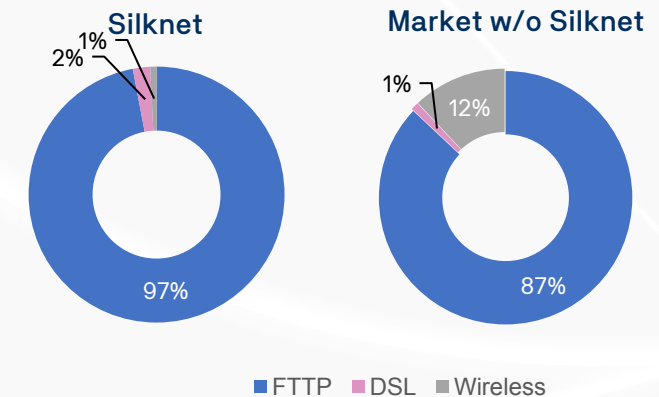
Notes:
1 As of 31 March 2025

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

Revenue evolution

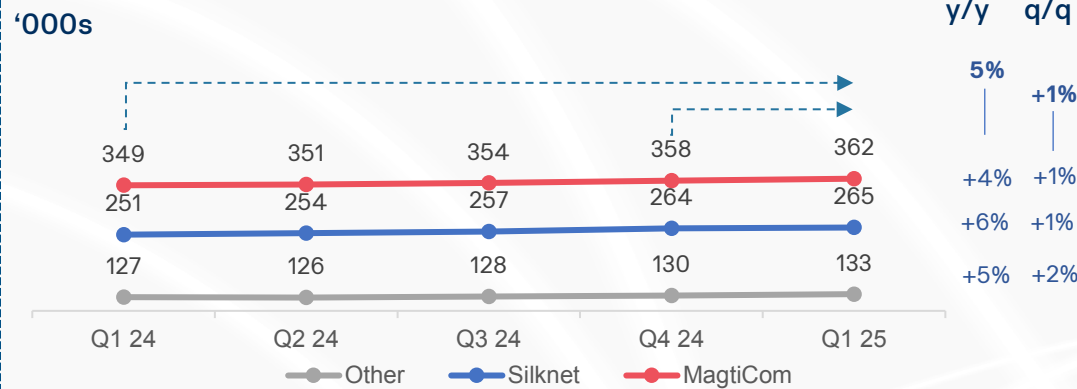


Subscribers by key technologies

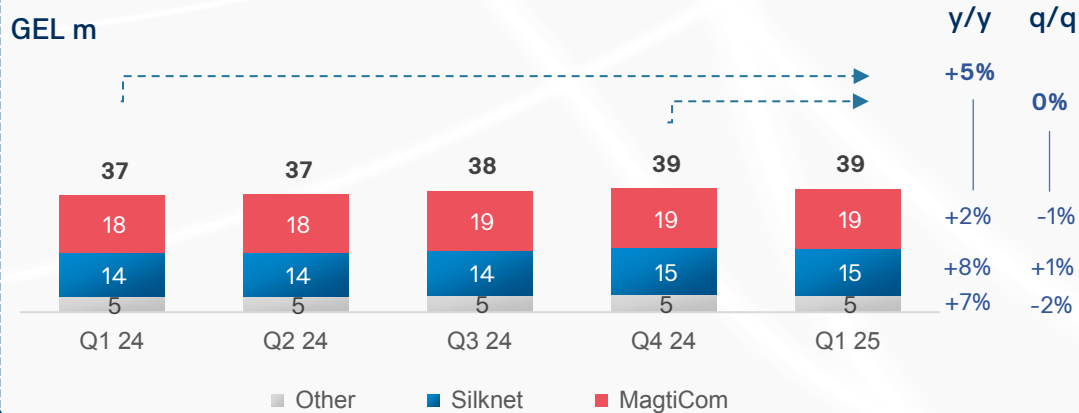


Pay television market

Total pay TV subscribers evolution¹



Total pay TV revenue



Source: GNCC

Notes: Pay TV subscribers excluding mobile streaming application subscribers

¹ Number of subscribers at the end of the period

² As of 31 March 2025

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

Key takeaways

- c.69% household pay TV penetration (based on official HH data)²
- Silknet holds 35% subscriber market share¹ compared to 32% in fixed broadband on the back of the superior content offering historically and successful service bundling

Strategic partnership with Orange

Orange Alliance program

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.

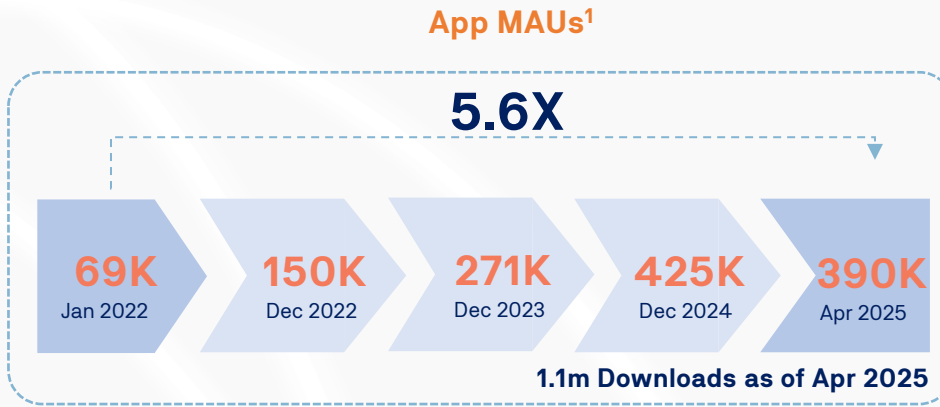
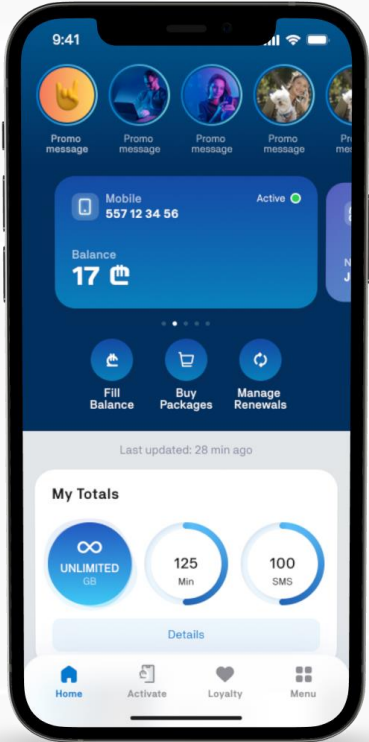
Strategic cooperation agreement with Integrated Solutions

Silk Cloud, a subsidiary of Silknet specializing in B2B ICT services, has signed a strategic cooperation agreement with Integrated Solutions, a subsidiary of Orange Polska.

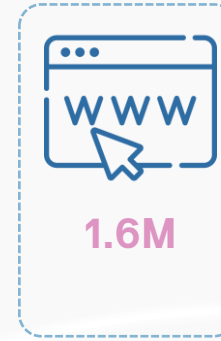
The partnership aims to strengthen Silk Cloud's capabilities in building a strong integrator position in Georgia's IT market – from product consulting and broad infrastructure advisory, cloud solutions, data centers, and cybersecurity, to support in project execution, supply chain management, and the development of a partner ecosystem. Thanks to the partnership, both Silk Cloud and Silknet will gain the opportunity to expand their portfolio of digital services for businesses.

Silknet has maintained a long-term collaboration with Orange Alliance. This new stage of partnership is an important development for Georgia's digital advancement, which will encourage the implementation and use of innovative technologies in the country, create new opportunities for businesses, and advance services offered to customers.

Impressive growth in digital channels



Sessions on website in 2024



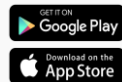
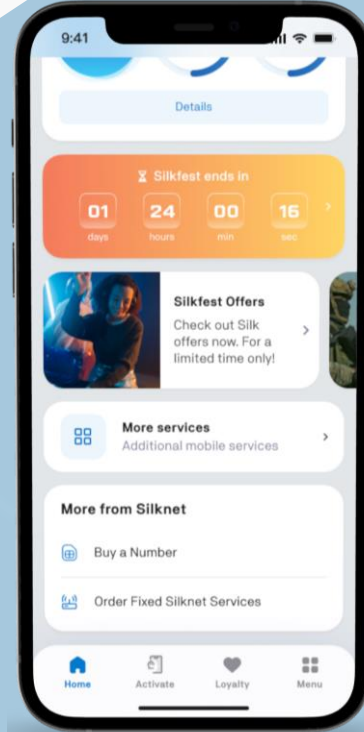
Engagement in our digital channels increased substantially over the last three years

New convergent e-care application for B2C subscribers was launched in September 2023, gradually substituting legacy mobile-only application

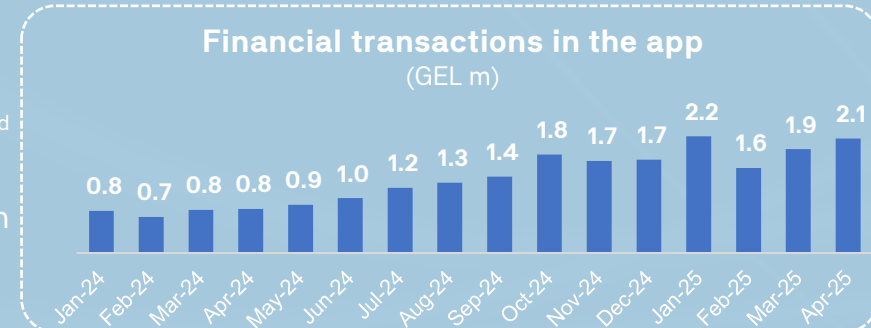
A self-care service solution for B2B customers is in a development phase

Key features of the e-care app:

- Accommodation of multiple accounts both for mobile and fixed services
- Package activations and changes, as well as automatic package renewal and payment
- Payments/top-ups by mobile balance, bank card, as well as by Apple Pay and Google Pay (the latter two already account for 33% of transactions)



- App-only promotions for our subscribers
- Subscriber acquisition with E2E eSIM process
- Loyalty module, with initial joint offers with 3rd parties
- Telco-based income verification for online loan from Silk Bank



Source: Company information
Notes: ¹ Unique users; Jan 2022 and Dec 2022 figures for the legacy app only

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 2023, **76% of electricity generated in Georgia came from renewable sources** (mostly hydropower).
- To minimize the generation of operational waste, the Company has electrified its mobile sites. As of today, **98% of our macro-micro sites are electrified**, significantly reducing the need for petroleum products (diesel) and the subsequent generation of hazardous waste.
- We have a **waste management plan**, which covers the management of the waste generated during the Company's activity.
- To reduce and adapt to the risks defined by the UN Framework Convention on Climate Change – Paris Agreement, **we conducted an inventory of our greenhouse gas emissions (GHG)**. This enables us to assess the Company's green footprint and develop goals and strategies in this regard.

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 2023, **142 employees were promoted** and **46 out of 141 vacancies were filled internally**. We ensure that our salaries remain competitive and **provide benefits above what is required by legislation**.
- Culture of equality 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 56% of the top management**. We have **quite low salary gender pay gap**: the median salary of female employees stood at GEL 1,550 GEL as of 31 December 2023, compared to GEL 1,650 for male. In 2023, **out of 142 promoted employees, 81, or 57%, 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 and Risk Committee and Environmental, Social, Governance, and Compensation 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 ten years' experience in the telecommunications industry.
- The Audit and Risk Committee ensures continuous improvement of accountability, transparency, risk management, and internal control processes within the Company, while the Environmental, Social, Governance, and Compensation Committee e plays a crucial role in ensuring that we conduct our activities responsibly, both in relation to the environment and the community.
- 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



21.1 ESG Risk Rating



a Morningstar company

RATED





FOR MORE INFORMATION PLEASE E-MAIL
ir@silknet.com