

NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS ANNOUNCEMENT.

4 October 2019

ARDSHINBANK CJSC AND DILIJAN FINANCE B.V. ANNOUNCE TENDER OFFER AND CONSENT SOLICITATION IN RESPECT OF THE U.S.\$100,000,000 12.00% LOAN PARTICIPATION NOTES DUE 2020 ISSUED BY DILIJAN FINANCE B.V. FOR THE SOLE PURPOSE OF FINANCING A LOAN TO ARDSHINBANK CJSC

Ardshinbank CJSC or, in the case of the Proposal only, Dilijan Finance B.V. (references herein to the “**Offeror**” shall be deemed to be references to Ardshinbank CJSC, except in the context of the Proposal, in which case such references shall be deemed to be references to Dilijan Finance B.V.) today announces its invitation to holders (the “**Holders**”) (subject to certain offer and distribution restrictions referred to below) of the U.S.\$100,000,000 12.00% loan participation notes due 2020 issued by Dilijan Finance B.V. (the “**Issuer**”) for the sole purpose of financing a loan to the Offeror (the “**Notes**”) to tender any and all of such Notes held by the Holders for purchase by the Offeror for cash (the “**Tender Offer**”) and, concurrently, to consent to amend by extraordinary resolution (the “**Extraordinary Resolution**”) the terms and conditions of the Notes (the “**Conditions**”) and the related loan agreement between the Offeror as Borrower and the Issuer as lender (the “**Loan Agreement**”) to provide for the mandatory early redemption of the Notes (the “**Proposal**” and, together with the Tender Offer, the “**Offer**”).

The Offer is made on the terms and subject to the conditions set forth in the tender offer and consent solicitation memorandum dated 4 October 2019 (the “**Memorandum**”). In order to be valid, the tender of any Notes in the Tender Offer must be accompanied by a vote to approve the Extraordinary Resolution consenting to the Proposal.

The Offeror’s obligation to accept Notes for purchase pursuant to the Offer is subject to, and conditional upon, the satisfaction or waiver by the Offeror of certain conditions, including the approval of the Extraordinary Resolution (the “**Conditions to the Offer**”). The Offeror reserves the right to waive or modify any of these conditions.

The Offer begins on 4 October 2019 and will expire at 11:59 p.m. (New York City time) on 1 November 2019, unless extended or earlier terminated, as described in the Memorandum (the “**Expiration Deadline**”), provided that Holders who participate in the Proposal without tendering Notes have until 11:59 p.m. (New York City time) on 1 November 2019 (the “**Voting Deadline**”) to submit their voting instructions via the relevant clearing systems (“**Voting Instructions**”).

To be eligible to receive the Total Consideration (together with accrued interest on the Notes (“**Accrued Interest**”)), which comprises the Tender Offer Consideration plus the Early Tender Premium (each as set forth in the table below), Holders must validly tender their Notes and concurrently consent to the Proposal at or prior to 11:59 p.m. (New York City time) on 18 October 2019 (the “**Early Participation Deadline**”).

Holders who validly tender their Notes and concurrently consent to the Proposal after the Early Participation Deadline but at or prior to the Expiration Deadline shall be eligible to receive only the Tender Offer Consideration (together with Accrued Interest) for Notes accepted for purchase, which equals the Total Consideration less the Early Tender Premium. Tendered Notes may not be withdrawn except in certain limited circumstances where the Offeror determines withdrawal rights are required by applicable law. Although the Notes have been subject to amortisation since their date of issue, Holders should tender their Notes on the basis of the original principal amount of such Notes. The amortisation of such Notes by reference to the Amortisation Factor will be reflected in the calculation of the Tender Offer Consideration or the Total Consideration (as applicable) payable to Holders upon any acceptance by the Offeror of such Notes.

Alternatively, to be eligible to receive the Early Consent Fee (as set forth in the table below) (without tendering Notes), Holders must consent to the Proposal at or prior to the Early Participation Deadline. The Early Consent Fee will only be paid if the Extraordinary Resolution is approved at the Meeting. Holders who consent to the Proposal without tendering Notes after the Early Participation Deadline but at or prior to the Voting Deadline, or who vote against the Proposal, shall not be eligible to receive any consent fee. The amortisation of the Notes by reference to the Amortisation Factor will be reflected in the calculation of any Early Consent Fee payable to Holders.

The following table sets forth details of the consideration payable in connection with the Tender Offer:

<u>ISIN/ CUSIP</u>	<u>Original Outstanding Principal Amount</u>	<u>Amortisation Factor⁽¹⁾</u>	<u>Tender Offer Consideration per U.S.\$1,000 principal amount of Notes (equal to Early Redemption Amount)⁽²⁾</u>	<u>Early Tender Premium per U.S.\$1,000 principal amount of Notes (equal to the Early Consent Fee)⁽²⁾</u>	<u>Total Consideration per U.S.\$1,000 principal amount, comprising the Tender Offer Consideration and Early Tender Premium⁽²⁾</u>
ISIN (Reg S): XS1117287638 ISIN (Rule 144A): US254032AA37 CUSIP (Rule 144A): 254032AA3	U.S.\$100,000,000	0.5	U.S.\$1,040	U.S.\$10	U.S.\$1,050

Notes:

- (1) Represents the amortisation factor as applied by the Clearing Systems as of the Determination Date.
- (2) The Amortisation Factor will be reflected in the calculation of amounts payable to Holders.

The following table sets forth details of the consideration payable in connection with the Proposal:

<u>ISIN/ CUSIP</u>	<u>Original Outstanding Principal Amount</u>	<u>Amortisation Factor⁽¹⁾</u>	<u>Early Redemption Amount per U.S.\$1,000 principal amount of Notes (equal to Tender Offer Consideration)</u>	<u>Early Consent Fee per U.S.\$1,000 principal amount of Notes (equal to the Early Tender Premium)</u>
ISIN (Reg S): XS1117287638 ISIN (Rule 144A): US254032AA37 CUSIP (Rule 144A): 254032AA3	U.S.\$100,000,000	0.5	U.S.\$1,040 ⁽²⁾	U.S.\$10 ⁽²⁾

Notes:

- (1) Represents the amortisation factor as applied by the Clearing Systems as of the Determination Date.
- (2) The Amortisation Factor will be reflected in the calculation of amounts payable to Holders.

For the avoidance of doubt, Holders may be eligible to receive either (i) the Tender Offer Consideration and Early Tender Premium (if applicable) or (ii) the Early Redemption Amount and Early Consent Fee (if applicable), in each case together with Accrued Interest, but not both.

Although the Notes have been subject to amortisation since their date of issue, Holders should tender their Notes on the basis of the original principal amount of such Notes. The amortisation of such Notes by reference to the Amortisation Factor will be reflected in the calculation of the Tender Offer Consideration or the Total Consideration (as applicable) payable to Holders upon any purchase by the Offeror of such Notes.

The currently outstanding amount of Notes after amortisation is U.S.\$50,000,000, including U.S.\$10,310,000 of the Notes held by the Borrower and its subsidiaries. Notes held by the Borrower

and its subsidiaries will not be included for purposes of determining the quorum for the Meeting. The Borrower and its subsidiaries will not be able to submit consents in respect of the Notes held by them.

There will be a Meeting of Holders to consider the Proposal at 10:00 a.m. (London time) on 4 November 2019 at the offices of Baker & McKenzie LLP, 100 New Bridge Street, London EC4V 6JA, United Kingdom. After the Meeting, the Issuer and/or the Offeror shall announce (i) the aggregate principal amount of Notes validly tendered and the results of the Offer; and (ii) the results of the Meeting and, if the Extraordinary Resolution in respect of the Notes is passed and the Amendment Documents are executed, the Early Redemption Date. If the Extraordinary Resolution is not approved at the Meeting, the Offeror will not accept for purchase Notes validly tendered in the Tender Offer, subject to its right to waive any of the Conditions to the Offer.

Subject to satisfaction of Conditions to the Offer, including the approval of the Extraordinary Resolution at the Meeting, payment of the Total Consideration or the Tender Offer Consideration (as the case may be), together with Accrued Interest, in respect of all Notes accepted for purchase will be made on the settlement date, currently expected to be 5 November 2019 (the “**Settlement Date**”).

Subject to the Extraordinary Resolution in respect of the Notes being approved at the Meeting, payment of any Early Consent Fee in respect of the Notes in respect of which a Voting Instruction in favour of the Proposal has been validly delivered prior to the Early Participation Deadline will also be made on the Settlement Date.

The Offeror may, in its sole discretion, extend, re-open, amend or waive any condition of, or terminate, the Offer at any time (subject to applicable law and as provided in the Memorandum). Details of any such extension, re-opening, amendment, waiver, termination or withdrawal will be announced as provided in this announcement as soon as reasonably practicable after the relevant decision is made.

Copies of the Memorandum are available from the Tender and Tabulation Agent as set out below. Capitalised terms used in this announcement but not defined herein have the meanings given to them in the Memorandum.

Rationale for the Offer

The purpose of the Offer is to (i) provide the Offeror with more flexibility to incur additional indebtedness, including through the potential issuance of new notes (the “**New Notes**”), (ii) proactively address the upcoming maturity of the Notes and (iii) optimise overall debt structure of the Offeror via repayment of short and high coupon debt.

In particular, Clause 11.14 (*Financial Indebtedness*) of the Loan Agreement provides that the Offeror shall not incur any financial indebtedness, subject to certain exceptions (including refinancing indebtedness (provided that there is no increase in the principal amount of the indebtedness being refinanced), financial indebtedness incurred in the ordinary course of the Offeror’s business and financial indebtedness not otherwise permitted in an outstanding principal amount of up to 7.5% of the Offeror’s total assets). In light of this restriction, the Offeror is seeking to acquire Notes in the Tender Offer while concurrently seeking consents to the Proposal to permit it to acquire Notes not tendered in the Tender Offer at the Early Redemption Amount, such that no Notes will be outstanding upon completion of the Offer and the aforementioned covenant will cease to apply to the Offeror. If the Extraordinary Resolution is passed, the Amendment Documents are executed and the mandatory early redemption of the Notes is completed, the Issuer may consider issuing the New Notes, subject to market conditions.

The source of funds for amounts payable by the Offeror in connection with the Offer and the mandatory early redemption is cash generated from operating activities of the Issuer.

Indicative Offer Timetable

Date and time (all times are New York City time, unless otherwise stated)

Event

4 October 2019.....	<i>Launch Date</i> Offer announced and Memorandum available from the Tender and Tabulation Agent. Notice of the Offer and the Meeting published.
11 October 2019	<i>Announcement of third quarter financial information for the Borrower</i> Publication of interim financial information for the Borrower for the three-month period ended 30 September 2019. The relevant information will be published on the Borrower's website at: https://www.ardshinbank.am/en/reports/interim-reports
5:00 p.m., 18 October 2019	<i>Record Date</i> With respect to Notes held through DTC, only Holders as of the Record Date are entitled to exercise voting rights with respect to the Proposal.
11:59 p.m., 18 October 2019.....	<i>Early Participation Deadline</i> Deadline for receipt by the Tender and Tabulation Agent of all Tender Instructions in order for Holders to be eligible to receive the Total Consideration, together with Accrued Interest on the Settlement Date. Deadline for receipt by the Tender and Tabulation Agent of all Voting Instructions (without tendering Notes) in order to be eligible to receive the Early Consent Fee.
11:59 p.m., 1 November 2019....	<i>Expiration Deadline</i> Deadline for receipt by the Tender and Tabulation Agent of all Tender Instructions in order for Holders to be eligible to receive the Tender Offer Consideration, together with Accrued Interest, on the Settlement Date.
11:59 p.m., 1 November 2019....	<i>Voting Deadline</i> Deadline for receipt by the Tender and Tabulation Agent of all Voting Instructions.
10:00 a.m (London time), 4 November 2019.....	<i>Meeting and Announcement of Results</i> Meeting to consider the Proposal, to be held at the offices of Baker & McKenzie LLP, 100 New Bridge Street, London, EC4V 6JA. After the Meeting, the Issuer and/or the Offeror shall announce (i) the aggregate principal amount of Notes validly tendered and the results of the Offer; and (ii) the results of the Meeting and, if the Extraordinary Resolution in respect of the Notes is passed and the Amendment Documents are executed, the Early

Redemption Date. If the Extraordinary Resolution is not approved at the Meeting, the Offeror will not accept for purchase Notes validly tendered in the Tender Offer, subject to its right to waive any of the Conditions to the Offer.

5 November 2019..... *Settlement Date*

Subject to satisfaction of Conditions to the Offer, including the approval of the Extraordinary Resolution at the Meeting, (i) payment of the Total Consideration or the Tender Offer Consideration (as the case may be), together with Accrued Interest, in respect of all Notes accepted for purchase; and (ii) payment of the Early Consent Fee in respect of the Notes in respect of which a Voting Instruction in favour of the Proposal has been validly delivered at or prior to the Early Participation Deadline.

7 November 2019..... *Early Redemption Date*

Subject to approval of the Extraordinary Resolution in respect of the Notes by the Holders at the Meeting and execution of the Amendment Documents, the redemption in full of the Notes pursuant to the terms of the Extraordinary Resolution and the Mandatory Early Redemption.

Questions and requests for assistance in connection with the Offer may be directed to either Dealer Manager.

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Renaissance Securities (Cyprus) Limited

Arch. Makariou III, 2-4,
Capital Center, 9th Floor,
Nicosia, 1065, Republic of Cyprus

Attention: Liability Management Group

Telephone: +44 20 7986 8969

Email: liabilitymanagement.europe@citi.com

Attention: Debt Capital Markets Syndicate

Email: SyndicateDCM@rencap.com

Questions and requests for assistance in connection with the delivery of Tender Instructions may be directed to the Tender and Tabulation Agent.

Citibank N.A., London Branch

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Attention: Exchange Team - Agency and Trust

Telephone: +44 20 7508 3867

Email: citiexchanges@citi.com

This announcement must be read in conjunction with the Memorandum. This announcement and the Memorandum contain important information which should be read carefully before any decision is made with respect to the Offer. If you are in any doubt as to the contents of this announcement or the Memorandum or the action you should take, you are recommended to seek your own financial and legal advice, including in respect of any tax consequences, immediately from your stockbroker, bank manager, legal adviser, accountant or other independent financial adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee or intermediary must contact such entity if it wishes to tender Notes in the Tender Offer and/or participate in the Proposal. None of the Issuer, the Borrower, the Dealer Managers, the Tender and Tabulation Agent or the Trustee makes any recommendation as to whether Holders should participate in the Offer.

This announcement is for informational purposes only. The Offer is being made only pursuant to the Memorandum and only in such jurisdictions as is permitted under applicable law. None of this announcement, the Memorandum nor any other documents or materials relating to the Offer constitutes an offer to purchase or the solicitation of an offer to tender or sell Notes to or from any person located or resident in any jurisdiction where such offer or solicitation is unlawful.

None of the Dealer Managers, the Tender and Tabulation Agent or the Trustee (or their respective affiliates, directors, officers, employees or agents) make any representation or recommendation whatsoever regarding this announcement, the Memorandum or the Offer. The Tender and Tabulation Agent is the agent of the Offeror and owes no duty to any Holder. None of the Issuer, the Borrower, the Dealer Managers, the Tender and Tabulation Agent or the Trustee (or their respective affiliates, directors, officers, employees or agents) makes any recommendation as to whether or not the Holders should participate in the Offer or refrain from taking any action in the Offer with respect to any of Notes, and none of them has authorised any person to make any such recommendation.

OFFER AND DISTRIBUTION RESTRICTIONS

General

The Memorandum does not constitute an offer to purchase, or the solicitation of an offer to tender or sell, or to exercise any voting rights with respect to, any Notes to or from, or by, any person located or resident in any jurisdiction where such offer or solicitation is unlawful, and tenders of Notes by Holders originating from any jurisdiction in which such offer or solicitation is unlawful will not be accepted. The Offer is not being made, directly or indirectly, in any jurisdiction where to do so would impose any obligations on the Issuer or the Borrower in such jurisdiction, including any requirement to qualify as a foreign corporation or other entity or as a dealer in securities in any such jurisdiction, file any general consent to service of process in any such jurisdiction, subject itself to taxation in any such jurisdiction if it is not otherwise so subject, make any filing with any regulatory body in any such jurisdiction or otherwise have any document approved by, or submitted to, any regulating body in such jurisdiction. In those jurisdictions where the securities laws or other laws require the Offer to be made by a licensed broker or dealer and any Dealer Manager or any of its respective affiliates is such a licensed broker or dealer in such jurisdiction, the Offer shall be deemed to be made on behalf of the Offeror by such Dealer Manager or affiliate (as the case may be) in such jurisdiction and the Offer is not made in any such jurisdiction where either a Dealer Manager or any of its affiliates is not licensed. Neither the delivery of the Memorandum nor any purchase of Notes shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Borrower since the date hereof, or that the information herein is correct as of any time subsequent to the date hereof.

Each Holder participating in the Offer will be deemed to give certain representations in respect of the jurisdictions referred to below, and generally, on submission of Notes for tender in the Tender Offer and submission of consent to the Proposal. Any tender of Notes for purchase pursuant to the Offer from a Holder that is unable to make these representations will not be accepted. Each of the Issuer, the Borrower, the Dealer Managers, the Tender and Tabulation Agent and the Trustee reserves the right, in

its absolute discretion, to investigate, in relation to any tender of Notes for purchase pursuant to the Tender Offer, or submission of consent to the Proposal, whether any such representation given by a Holder is correct and, if such investigation is undertaken and, as a result, the Offeror determines (for any reason and, where necessary, after consultation with the Issuer) that such representation is not correct, such tender will not be accepted.

United Kingdom

The communication of the Memorandum and any other documents or materials relating to the Offer is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000, as amended (the “**FSMA**”). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials is exempt from the restriction on financial promotions under section 21 of the FSMA on the basis that it is only directed at and may only be communicated to: (i) persons who have professional experience in matters relating to investments, being investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Financial Promotion Order**”); (ii) persons who fall within Article 43(2) of the Financial Promotion Order, including existing members and creditors of the Issuer or the Borrower; (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Financial Promotion Order; or (iv) any other persons to whom these documents and/or materials may lawfully be made under the Financial Promotion Order. Any investment or investment activity to which the Memorandum relates is available only to such persons and will be engaged in only with such persons and other persons should not rely on it.

Italy

Neither the Memorandum nor any other documents or materials relating to the Offer have been or will be submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) pursuant to Italian laws and regulations. The Offer is being carried out in the Republic of Italy as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”), and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended, as the case may be.

A Holder located in the Republic of Italy may tender Notes through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties *vis-à-vis* its clients in connection with Notes or the Offer.

Belgium

In Belgium, the Offer will not, directly or indirectly, be made to, or for the account of, any person other than to qualified investors within the meaning of Article 2, e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the “**Prospectus Regulation**”). Neither the Memorandum nor any other documentation or material relating to the Offer has been or will be submitted to the Financial Services and Markets Authority (“*Autorité des services et marchés financiers / Autoriteit voor financiële diensten en markten*”) for approval or recognition. Accordingly, in Belgium, the Offer may not be made by way of a public tender offer within the meaning of article 3, §1 of the Belgian act on public takeover offers dated 1 April 2007, as amended from time

to time (the “**Belgian Takeover Act**”). Therefore, the Offer may not be promoted *vis-à-vis*, and are not being made to, any person in Belgium (with the exception of “qualified investors” within the meaning of Article 2, e) of the Prospectus Regulation that are acting for their own account and without prejudice to the application of Article 6 § 4 of the Takeover Act). The Memorandum and any other documentation or material relating to the Offer (including memoranda, information circulars, brochures or similar documents) have not been forwarded or made available to, and are not being forwarded or made available to, directly or indirectly, any such person. With regard to Belgium, the Memorandum has been transmitted only for personal use by the aforementioned qualified investors and only for the purpose of the Offer. Accordingly, the information contained in the Memorandum may not be used for any other purpose or be transmitted to any other person in Belgium (without prejudice to the application of Article 6 § 4 of the Belgian Takeover Act).

France

The Offer is not being made, directly or indirectly, to the general public in the Republic of France. Neither the Memorandum nor any other documentation or material relating to the Offer (including memorandums, information circulars, brochures or similar documents) has been distributed to, or is being distributed to, the general public in the Republic of France. Only (i) persons that provide investment services in the field of portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*) (that are not individuals) acting for their own account, in each case as defined in or pursuant to articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code Monétaire et Financier*, may participate in the Offer. The Memorandum has not been approved by, and will not be submitted for clearance to the *Autorité des marchés financiers*.

The Netherlands

In the Netherlands, the Offer will not, directly or indirectly, be made to, or for the account of, any person other than to qualified investors as referred to in Section 1:1 of the Dutch Financial Supervision Act, as amended from time to time (*de Wet op het Financieel Toezicht*, the “**FSA**”). Neither the Memorandum nor any other documentation or material relating to the Offer has been or will be submitted to the Dutch Authority for Financial Markets (*de Autoriteit Financiële Markten*, the “**AFM**”) for approval. Therefore, neither the Memorandum nor any other documentation or material relating to the Offer qualify as an approved prospectus as meant in Section 5:2 FSA. Accordingly, in the Netherlands, the Offer may not be made by way of a public offer within the meaning of Section 5:2 FSA and the Offer may not be promoted and are not being made to, any person in the Netherlands (with the exception of “qualified investors” within the meaning of Section 1:1 in conjunction with Section 5:3(1)(a) FSA). The Memorandum and any other documentation or material relating to the Offer (including memoranda, information circulars, brochures or similar documents) have not been forwarded or made available to, and are not being forwarded or made available to, directly or indirectly, any such person. With regard to the Netherlands, the Memorandum has been transmitted only for personal use by the aforementioned qualified investors and only for the purpose of the Offer. Accordingly, the information contained in the Memorandum may not be used for any other purpose or be transmitted to any other person in the Netherlands

Armenia

The Offer is not being made, directly or indirectly, in the Republic of Armenia, except in compliance with the laws and regulations of the Republic of Armenia. The Memorandum has not been and will not be submitted for clearance to, nor approved by, the Central Bank of Armenia.

This information is provided by RNS.

The company news service from Euronext Dublin.