



PROSPECTUS

21 JULY 2020

In respect of an issue of
€40,000,000 4% Unsecured Bonds 2030
of a nominal value of €1,000 per Bond

Legal Counsel

MAMO TCV

A D V O C A T E S

Sponsor, Manager & Registrar

 RIZZO FARRUGIA
YOUR INVESTMENT CONSULTANTS

SUMMARY

dated 21 July 2020

This Summary is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and of the Prospectus Regulation.

In respect of an issue of
€40,000,000 4% Unsecured Bonds 2030
of a nominal value of €1,000 per Bond, issued at par, by

/// cablenet

CABLENET COMMUNICATION SYSTEMS PLC

a public limited liability company registered in Cyprus
with company registration number HE 137520

ISIN: MT0002461201

THIS SUMMARY HAS BEEN APPROVED BY THE LISTING AUTHORITY AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE LISTING AUTHORITY ONLY APPROVES THIS SUMMARY AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER AND THE SECURITIES THAT ARE THE SUBJECT OF THIS SUMMARY.

THIS SUMMARY IS VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE HEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO SUPPLEMENT THIS SUMMARY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.

Legal Counsel

MAMO TCV
A D V O C A T E S

Sponsor, Manager & Registrar

 **RIZZO FARRUGIA**
YOUR INVESTMENT CONSULTANTS

APPROVED BY THE DIRECTORS



Nikhil Patil in his capacity as Director of the Company

and for and on behalf of: Faker Hnid, Iosif Iosifakis, Neoclis Nicolaou, Samir Saied, Nicolas Shiacolas, Paul Testaferrata Moroni Viani, Periklis Theodoridis and Michael Warrington

A. INTRODUCTION AND WARNINGS

This summary should be read as an introduction to the Prospectus. Any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole by the investor. An investor investing in the Bonds could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only where this summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Bonds.

Details of the Issuer and the Bonds are as follows:

Legal Name of Company: Cablenet Communication Systems plc
Registered Address: Nimeli Court, Block A, Floor 2, 41-49 Ayiou Nicolaou Street, Engomi, 2048, Nicosia, Cyprus
Registration Number: HE 137520
Legal Entity Identifier: 485100BNIOSXTXYK9465
Email Address: info@cablenetcy.net

The Bonds will have the following ISIN code: MT0002461201.

The Prospectus has been approved by the Listing Authority as the competent authority under the Prospectus Regulation on 21 July 2020. The Listing Authority only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval shall not be considered as an endorsement of the Issuer.

Details of the Listing Authority:

Address: Malta Financial Services Authority, Triq I-Imdina,
Zone 1, Central Business District, Birkirkara CBD 1010, Malta.
Tel: +356 21441155
Website: www.mfsa.mt

B. KEY INFORMATION ON THE ISSUER

WHO IS THE ISSUER OF THE SECURITIES?

GENERAL

The Issuer's legal and commercial name is Cablenet Communication Systems plc, a public limited liability company incorporated and operating under Cypriot law with LEI 485100BNIOSXTXYK9465.

PRINCIPAL ACTIVITIES

The Issuer is a telecommunications provider in Cyprus and operates under licence 7/2004 granted by the Office of the Commissioner of Electronic Communications and Postal Regulation.

SHARES AND OWNERSHIP

The following table sets out the shareholders owning 10% or more of the shares in the Company, based on information available to the Company as at 21 July 2020:

| SHAREHOLDER | NO. OF SHARES | % |
|-----------------------|---------------|-------|
| GO p.l.c. | 2,026,205 | 60.26 |
| Mr. Nicolas Shiacolas | 1,336,360 | 39.74 |

KEY MANAGING DIRECTORS AND STATUTORY AUDITOR

The members of the Board of Directors are Faker Hnid, Iosif Iosifakis, Neoclis Nicolaou, Nikhil Patil, Samir Saied, Nicolas Shiacolas, Paul Testaferrata Moroni Viani, Periklis Theodoridis and Michael Warrington.

The Company's statutory auditor is Grant Thornton (Cyprus) Ltd, a firm registered as a limited liability company holding a practicing certificate to act as auditors in line with the requirements of the Cyprus Auditor's Law of 2017.

WHAT IS THE KEY FINANCIAL INFORMATION REGARDING THE ISSUER?

The Company's audited financial statements for the three financial years ended 31 December 2017, 2018 and 2019 are available for inspection at the Company's registered office. The financial statements have been drawn up in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

There has been no significant change in the Company's financial or trading position since 31 December 2019, the last period for which audited financial statements have been prepared.

| CONDENSED INCOME STATEMENT | FY17 | FY18 | FY19 |
|---------------------------------|---------------|---------------|---------------|
| | €000's | €000's | €000's |
| Revenue | 30,983 | 33,448 | 39,845 |
| Cost of sales | (14,856) | (15,547) | (23,053) |
| Gross profit | 16,127 | 17,901 | 16,792 |
| S&D and Administration expenses | (12,443) | (13,329) | (15,358) |
| Operating profit | 3,684 | 4,572 | 1,434 |
| Net finance costs | (1,283) | (1,181) | (1,294) |
| Profit before tax | 2,401 | 3,391 | 140 |
| Tax | (268) | (450) | (80) |
| Net profit for the year | 2,133 | 2,941 | 60 |

The Company's revenue increased from €31.0 million in 2017 to €39.8 million in FY19, equivalent to a compound annual growth rate of 13.4% per annum over the period. Revenue growth was largely driven by an overall increase in the Company's subscriber base, mainly due to the expansion of the network in new areas in Cyprus and the introduction of new football related packages since mid-2019.

Profit for the year increased from €2.1 million in FY17 to €2.9 million in FY18 but contracted to €60,000 in FY19. The reduction in FY19 is primarily due to an increase in depreciation and amortisation charge that reflects the amortisation of the rights acquired to televise football matches.

| CONDENSED STATEMENT OF FINANCIAL POSITION AS AT | 31 DEC 2017 | 31 DEC 2018 | 31 DEC 2019 |
|--|---------------|---------------|---------------|
| | €000's | €000's | €000's |
| ASSETS | | | |
| Non-current assets | 41,183 | 43,430 | 65,227 |
| Current assets | 4,208 | 5,492 | 7,164 |
| Total assets | 45,391 | 48,922 | 72,391 |
| Equity | | | |
| Share capital | 4,664 | 4,664 | 5,750 |
| Other reserves | 10,758 | 10,758 | 26,394 |
| Accumulated losses | (14,884) | (14,608) | (16,041) |
| Total equity | 538 | 814 | 16,103 |
| Liabilities | | | |
| Non-current liabilities | 30,489 | 32,997 | 33,702 |
| Current liabilities | 14,364 | 15,111 | 22,586 |
| Total liabilities | 44,853 | 48,108 | 56,288 |
| Total equity and liabilities | 45,391 | 48,922 | 72,391 |

The value of gross assets attributable to the Company as at 31 December 2019 amounted to €72.4 million (31 December 2018 €48.9 million). These mainly relate to network and machinery (€29.7 million), football rights (€13.6 million) and International Capacity (€11.4 million).

A significant increase can be noted in the book value of the Company's equity in FY19. During FY19, the Company issued 635,297 new ordinary shares of a nominal value of €1.71 each, at a premium of €24.61 per share. The Company declared total dividends of €5.3 million over the past three years, as required by Cypriot tax legislation.

Total liabilities as at 31 December 2019 amounted to €56 million, and comprised borrowings of €22.8 million, trade and other payables of €19.7 million and football rights liability of €10.2 million.

| CONDENSED STATEMENT OF CASH FLOWS | TOTAL | | | |
|--|-------------|--------------|----------------|----------------|
| | FY17 | FY18 | FY19 | FY17 - FY19 |
| | €000's | €000's | €000's | €000's |
| Net Cash flows from operating activities | 11,570 | 11,507 | 15,760 | 38,837 |
| Net Cash flows from investing activities | (9,322) | (11,051) | (20,607) | (40,980) |
| Net Cash flows from financing activities | (2,291) | (877) | 3,262 | 94 |
| Net movement in cash and cash equivalents | (43) | (421) | (1,585) | (2,049) |
| Cash and cash equivalents at beginning of year | (1,484) | (1,527) | (1,948) | (1,484) |
| Cash and cash equivalents at end of year | (1,527) | (1,948) | (3,533) | (3,533) |

During the period from 1 January 2017 to 31 December 2019, the Company generated total cash from operations of €38.8 million. Essentially, the Company's internal cash generation was applied to finance total capital expenditure of €41.0 million over the period.

WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE ISSUER?

- There is a dependence on the Cyprus Telecommunications Authority for the provision of a number of services on a wholesale basis. The most important of these are international capacity circuits and the RAN sharing arrangement.
- The Company's operations are dependent on the continuity of the agreement with the Electricity Authority of Cyprus giving it access to their pole network infrastructure and inter-city fibres.
- The size of the Cypriot telecommunications services market makes it highly competitive and gives rise to the possibility that other players may consolidate. This could result in the Company facing a larger and more efficient competitor which could result in a loss to the Company's competitive position.
- The economic impact of the coronavirus pandemic, particularly in relation to the Cyprus economy, may impact the operations and performance of the Issuer. Moreover, an impact to the economy may impact the Company's ability to seek additional finance is required.
- Changes to the regulatory environment in which the Company operates may adversely affect the business of the Issuer.

C. KEY INFORMATION ON THE SECURITIES

WHAT ARE THE MAIN FEATURES OF THE SECURITIES?

The Bonds are being issued in an aggregate amount of up to €40,000,000 with a nominal value of €1,000 per Bond. The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. There are no special rights attached to the Bonds other than the right of the Bondholders to: (i) attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bonds; (ii) payment of capital and interest in accordance with the ranking of the Bonds; and (iii) such other rights attached to the Bonds emanating from the Securities Note.

The ISIN of the Bonds is: MT0002461201. Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 19 August 2030. The Bonds shall bear interest from and including 18 August 2020 at the rate of 4% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on

18 August 2021 (covering the period 18 August 2020 to 17 August 2021). The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt of the Issuer present and future, if any. Third party security interests may be registered by the Issuer which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.

The Bonds are freely transferable and are governed by and have been created in accordance with Cypriot law.

WHERE WILL THE SECURITIES BE TRADED?

Application has been made for the Bonds to be admitted to trading on the Official List of the MSE.

WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE SECURITIES?

- Secured or privileged debts of the Issuer shall rank at all times ahead of the obligations of the Issuer under the Bonds.
- The impact of CoVID-19 may impact the orderly and liquidity of capital markets and therefore, the Bonds.
- Due to the Company being incorporated in Cyprus with a primary listing on the Malta Stock Exchange, Bondholders may not benefit from certain rights and the enforcement of Bondholder rights may also come at a greater financial cost than would typically be expected in the case of a Maltese incorporated and MSE primary listed company.
- The terms and conditions of the Bonds permit majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.
- Failure of the Company to comply with both the applicable law in Cyprus and Malta may result in the suspension or discontinuation of listing of the Bonds.

D. KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET

WHY IS THE PROSPECTUS BEING PRODUCED?

The Company has produced and published the Prospectus in satisfaction of the Listing Rules and Prospectus Regulation applicable to bond issues and their admission to trading on the Official List of the MSE. The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately thirty-nine million five hundred thousand Euro (€39,500,000) will be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

- a. the amount of *circa* €14.4 million will be used to repay the BOC FTL¹;
- b. the amount of *circa* €7.3 million will be used to repay the Shareholder Loan²;
- c. the amount of *circa* €14.6 million will be used for capital expenditure; and
- d. the amount of *circa* €3.2 million will be used for general corporate funding.

Capital expenditure will be as follows:

- New Network Rollout - €6.9 million
- 4G Spectrum - €2.1 million
- Information Technology Systems - €3.4 million
- International Capacity - €2.2 million

1 a fixed term loan with the Bank of Cyprus of €15,000,000 granted on 28 April 2017, repayable over a period of 9 years (maturity: 30 August 2026), with a current balance of *circa* €14.4 million.

2 the amount of €7,307,609 due by the Company to GO in terms of an intra-group loan agreement between the Company and GO dated 28 March 2019 and subsequently amended on 25 November 2019.

The Bond Issue is conditional upon: (a) 75% of the Bond Issue being fully subscribed and (b) the Bonds being admitted to the Official List. Should only 75% of the Bond Issue be fully subscribed, the €29.5 million subscribed for will be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

- a. the amount of *circa* €14.4 million will be used to repay the BOC FTL;
- b. the amount of *circa* €7.3 million will be used to repay the Shareholder Loan;
- c. the amount of *circa* €7.5 million will be used for capital expenditure; and
- d. the amount of *circa* €0.3 million will be used for general corporate funding.

Capital expenditure will in this case be as follows:

- New Network Rollout - €3.5 million
- 4G Spectrum - €1.1 million
- Information Technology Systems - €1.9 million
- International Capacity - €1 million

In a situation in which 75% of the Bond Issue is fully subscribed and the proceeds are applied as per the immediately preceding paragraph, the Company will seek additional equity or bank financing in order to proceed with the requisite capital expenditure.

The Bond Issue is not subject to any underwriting agreement on a firm commitment basis.

CONFLICTS OF INTEREST IN RELATION TO THE BOND ISSUE

Certain directors of the Company are also directors at GO, the recipient of part of the use of proceeds used to repay the Shareholder Loan.

UNDER WHICH CONDITIONS AND TIMETABLE CAN I INVEST IN THIS SECURITY?

GENERAL TERMS AND CONDITIONS

The Bonds are open for subscription by all categories of investors, which may be broadly split as follows:

- a. the Issuer has entered into Pre-Allocation Agreements with a number of Authorised Financial Intermediaries in advance of the Offer Period, whereby the Company bound itself to allocate a total amount of €32 million worth of Bonds to such Financial Intermediaries. The Authorised Financial Intermediaries may subscribe for Bonds either for their own account or for the account of underlying customers, including retail clients. Authorised Financial Intermediaries shall, in addition, be entitled to either distribute to their underlying customers any portion of the Bonds subscribed for upon commencement of trading;
- b. the remaining balance of €8 million worth of Bonds shall be made available for subscription by Preferred Applicants by submitting an Application through their Authorised Financial Intermediary by not later than 12:00 hours on 6 August 2020; and
- c. the Authorised Financial Intermediaries shall be entitled to subscribe for the Bonds through an Intermediaries' Offer, for their own account or on account of their underlying clients, up to the balance, if any, of the Bonds not subscribed for by way of (a) and (b) above by submitting a subscription agreement by not later than 17:00 hours on 17 August 2020.

Subscription amounts shall be in multiples of €1,000, subject to a minimum initial subscription of €2,000. The allotment of Bonds in favour of successful Applicants is conditional upon 75% of the Bond Issue being fully subscribed and the Bonds being admitted to the Official List of the MSE. In the event that the Bonds are not admitted to the Official list of the MSE, any application monies received by the Issuer will be returned, without interest, by direct credit into the Applicant's bank account indicated by the Applicant on Application.

EXPECTED TIMETABLE OF THE BOND ISSUE

| | |
|--|---|
| 1. Application Forms made available to Preferred Applicants | 23 July 2020 |
| 2. Pre-Allocation Date | 30 July 2020 |
| 3. Offer Period for Preferred Applicants | 23 July 2020 to 6 August 2020, both days included |
| 4. Expected date of announcement of basis of acceptance | 13 August 2020 |
| 5. Intermediaries Offer* | 17 August 2020 |
| 6. Commencement of interest on the Bonds | 18 August 2020 |
| 7. Expected announcement of Intermediaries Offer result | 19 August 2020 |
| 8. Refunds of unallocated monies | 21 August 2020 |
| 9. Expected date of admission of the securities to listing | 21 August 2020 |
| 10. Expected date of commencement of trading in the securities | 24 August 2020 |

** In the event that the total value of Applications received through Pre-Allocation Agreements and from Preferred Applicants, exceeds €40,000,000, the Intermediaries' Offer will not take place.*

ADMISSION TO TRADING ON A REGULATED MARKET AND PLAN FOR DISTRIBUTION

Subject to admission to listing of the Bonds to the Official List of the MSE, the Bonds will be assigned ISIN MT0002461201. The Bonds will be allotted by the Company in accordance with its allocation policy.

EXPENSES

The total expenses of the Bond Issue are estimated to be *circa* €500,000 and shall be borne by the Company. No expenses will be specifically charged by the Company to any Applicant who subscribes for Bonds.

REGISTRATION DOCUMENT

dated 21 July 2020

This Registration Document is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and of the Prospectus Regulation.



CABLENET COMMUNICATION SYSTEMS PLC

a public limited liability company registered in Cyprus
with company registration number HE 137520

THIS REGISTRATION DOCUMENT HAS BEEN APPROVED BY THE LISTING AUTHORITY, AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE LISTING AUTHORITY HAS APPROVED THIS REGISTRATION DOCUMENT AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY AS PRESCRIBED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT HOWEVER BE CONSIDERED AS AN ENDORSEMENT OF THE COMPANY THAT IS THE SUBJECT OF THIS REGISTRATION DOCUMENT. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENTS.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER, FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN THE SECURITIES.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENT. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISER.

Legal Counsel

MAMO TCV
—
A D V O C A T E S

Sponsor, Manager & Registrar

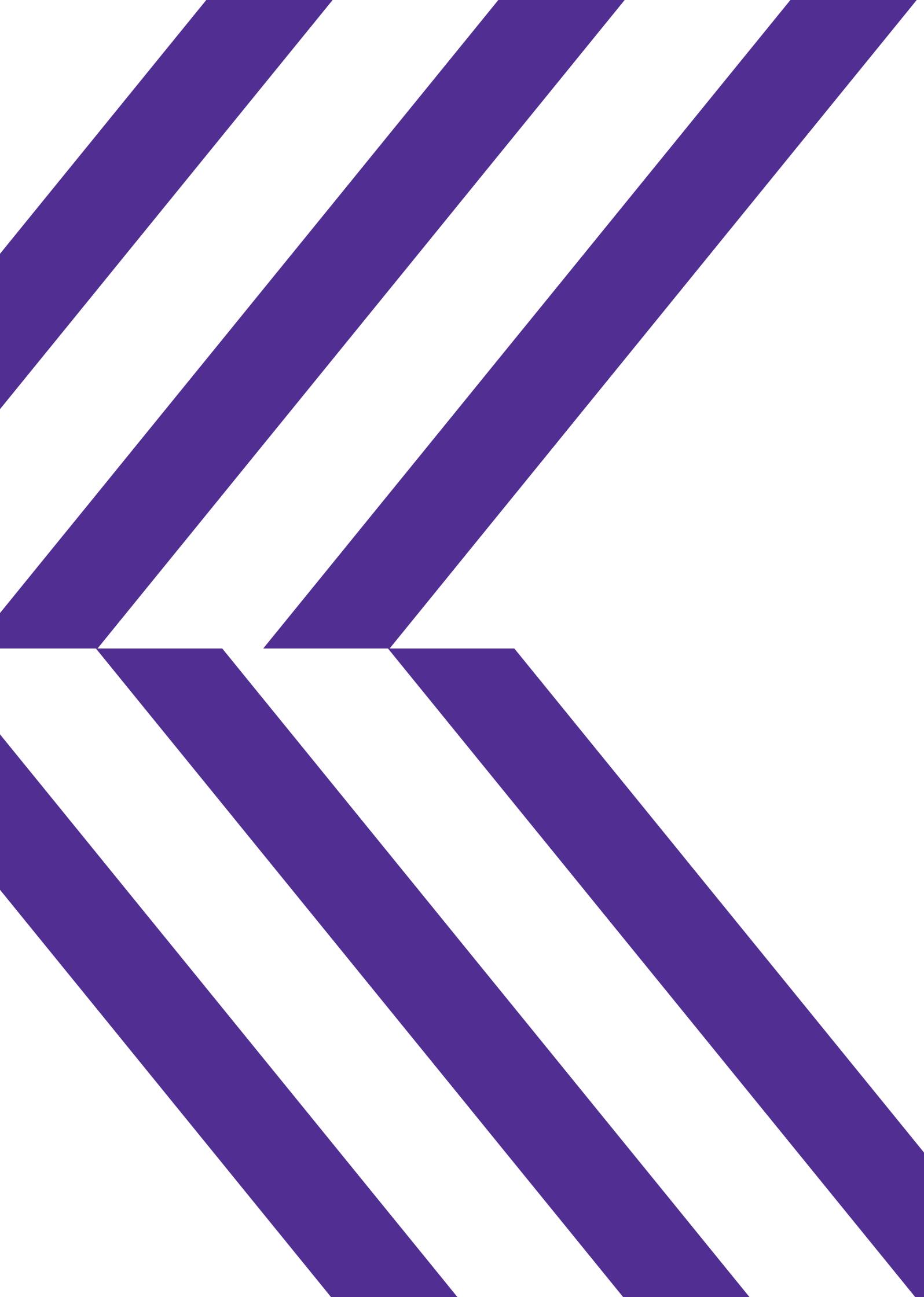
 **RIZZO FARRUGIA**
YOUR INVESTMENT CONSULTANTS

APPROVED BY THE DIRECTORS



Nikhil Patil in his capacity as Director of the Company

and for and on behalf of: Faker Hnid, Iosif Iosifakis, Neoclis Nicolaou, Samir Saied, Nicolas Shiacolas, Paul Testaferrata Moroni Viani, Periklis Theodoridis and Michael Warrington



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1. IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON THE COMPANY AND THE BUSINESS OF THE GROUP OF WHICH IT FORMS PART IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES AND THE PROSPECTUS REGULATION.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE COMPANY OR ITS DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SECURITIES OF THE COMPANY OTHER THAN THOSE CONTAINED IN THIS REGISTRATION DOCUMENT AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE COMPANY OR ITS DIRECTORS OR ADVISORS.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER BY ANY PERSON IN ANY JURISDICTION (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION.

THIS PROSPECTUS IS VALID FOR A PERIOD OF TWELVE MONTHS FROM THE DATE HEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE COMPANY IS NOT OBLIGED TO SUPPLEMENT THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THE PROSPECTUS AND ANY PERSON WISHING TO ACQUIRE ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES OF THE COMPANY ADMITTED TO TRADING ON THE MSE SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF SO APPLYING FOR ANY SUCH SECURITIES AND OF ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES AND TO THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS.

STATEMENTS MADE IN THIS REGISTRATION DOCUMENT ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND CYPRUS (AS APPLICABLE) AND ARE SUBJECT TO CHANGES THEREIN.

ALL THE ADVISORS TO THE COMPANY NAMED IN THIS REGISTRATION DOCUMENT UNDER THE HEADING "*IDENTITY OF DIRECTORS, ADVISERS AND AUDITORS*" IN SECTION 4 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE COMPANY IN RELATION TO THE PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL, ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE INFORMATION ON THE ISSUER'S WEBSITE DOES NOT FORM PART OF THE PROSPECTUS UNLESS THAT INFORMATION IS INCORPORATED BY REFERENCE INTO THE PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE SECURITIES.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS.

2. DEFINITIONS

In this Registration Document the following words and expressions shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

| | |
|--|---|
| Bond Issue or Offer | the issue of the Bonds; |
| Bonds | the €40,000,000 4% unsecured bonds 2030 issued by the Issuer pursuant to the Prospectus; |
| Bondholder/s | a holder of the Bonds; |
| Company or Issuer or Cablenet | Cablenet Communication Systems plc, a public limited liability company registered under the laws of Cyprus bearing company registration number HE 137520 and having its registered office at Nimeli Court, Block A, Floor 2, 41-49 Ayiou Nicolaou Street, Engomi, 2048, Nicosia, Cyprus; |
| Cyprus Act | the Companies Law (Cap. 113 of the laws of Cyprus); |
| Directors or Board | the directors of the Company whose names are set out in section 4.1 under the heading " <i>Identity of Directors, Advisers and Auditors</i> "; |
| Euro or € | the lawful currency of Malta and Cyprus; |
| GO | GO p.l.c., a public limited liability company registered under the laws of Malta bearing company registration number C 22334 and having its registered office at GO, Fra Diegu Street, Marsa MRS 1501, Malta; |
| Group | the Company and GO; |
| Listing Authority | the Board of Governors of the MFSA acting as the Listing Authority for the purposes of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta), which Listing Authority is established in terms of the Financial Markets Act (Cap. 345 of the laws of Malta); |
| Listing Rules | the listing rules of the Listing Authority, as may be amended from time to time; |
| Malta Stock Exchange or MSE | Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta; |
| Memorandum and Articles of Association or M&A | the memorandum and articles of association of the Company in force at the time of publication of the Prospectus. The terms " Memorandum ", " Articles " and " Articles of Association " shall be construed accordingly; |
| MFSA | the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta); |
| Prospectus | collectively, the Summary, this Registration Document and the Securities Note, all dated 21 July 2020, as may be supplemented from time to time; |
| Prospectus Regulation | Commission Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as may be amended and/or supplemented from time to time; |
| Registration Document | this registration document issued by the Company dated 21 July 2020, forming part of the Prospectus; |
| Securities Note | the securities note issued by the Company dated 21 July 2020, forming part of the Prospectus; and |
| Summary | the summary issued by the Company dated 21 July 2020, forming part of the Prospectus. |

All references in the Prospectus to "Malta" are to the "Republic of Malta" and those to "Cyprus" are to the "Republic of Cyprus".

Unless it appears otherwise from the context:

- a. words importing the singular shall include the plural and vice-versa;
- b. words importing the masculine gender shall include also the feminine gender and vice-versa;
- c. the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative; and
- d. the word "person" shall refer to both natural and legal persons.

3. RISK FACTORS

3.1 INTRODUCTION

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE COMPANY. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE COMPANY IS NOT IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS INTENDED TO BE INDICATIVE OF THE ORDER OF PRIORITY AND OF THE EXTENT OF THEIR CONSEQUENCES.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE COMPANY'S FINANCIAL RESULTS AND TRADING PROSPECTS AND THE ABILITY OF THE COMPANY TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES ISSUED BY THE COMPANY FROM TIME TO TIME. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE COMPANY AS AT THE DATE OF THE PROSPECTUS, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE COMPANY FACES. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE COMPANY'S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE COMPANY.

THIS REGISTRATION DOCUMENT IS NOT INTENDED TO CONSTITUTE, AND SHOULD NOT BE CONSTRUED AS CONSTITUTING, A RECOMMENDATION BY THE COMPANY, THE ADVISERS LISTED IN SECTION 4 OR ANY FINANCIAL INTERMEDIARY TO PURCHASE THE BONDS. PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS OF THE PROSPECTUS.

FORWARD-LOOKING STATEMENTS

The Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places within the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Company and/or the Directors concerning, amongst other things, the Company's strategy and business plans, results of operations, financial condition, liquidity, prospects, dividend policy of the Company and the market in which it operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not a guarantee of future performance and should therefore not be construed as such. The Company's actual results of operations, financial condition, liquidity, dividend policy and the development of its strategy may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the results of operations, financial condition, liquidity and dividend policy of the Company are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, changes in economic conditions, legislative and regulatory developments, changes in fiscal regimes and the availability of suitable financing.

Potential investors are advised to read the Prospectus in its entirety, and, in particular, all the risk factors set out in the Prospectus, for a description of the factors that could vary the Company's future performance. In the light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur. All forward-looking statements contained in this document are made only as at the date hereof. Subject to applicable legal and regulatory obligations, the Company and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

3.2 RISK FACTORS

The Company's principal activities are better outlined in section 6 of this Registration Document. However, in line with the said activities, the Company will, in the immediate to short term, be seeking to expand its customer base through the improvement and expansion of its current network, as well as by investing in new technologies.

The risks provided below are therefore provided on the basis of those risks which could impact the Company's ability to realise this strategy. The individual risks making up each category are listed in order of probability of occurrence and then materiality upon occurrence, whilst the categories themselves are listed in order of the collective probability of occurrence and materiality of the individual risks contained within.

A. STRATEGIC RISK

- i. **Dependence on the Cyprus Telecommunications Authority ("CYTA"):** CYTA is a semi-governmental organisation and the leading provider of Integrated Electronic Communications in Cyprus. Despite the fact that CYTA is one of the major competitors of the Company, the Company still depends on CYTA for the provision of a number of services on a wholesale basis. The most important of these are international capacity circuits and the mobile network sharing arrangement. These services are commercially agreed with CYTA and are not regulated. If at any point in time CYTA elects to either not fulfil its obligations under its wholesale agreements with the Company or makes it harder for the Company to have access to the resources it is entitled to under these agreements, possibly as a result of increased competitive pressure from the Company or because CYTA becomes privatised and therefore, more competitively aggressive, the Company will have difficulty carrying out its business. This may result in a negative impact on the Company, both as regards revenue and profitability.
- ii. **Agreement with the Electricity Authority of Cyprus ("EAC"):** the Company has a strategic agreement with the EAC, which is government owned, giving it access to the EAC's pole network infrastructure and to the EAC inter-city fibres. If the EAC elects not to grant to the Company the rights it is obliged to under the agreement, possibly as a result of competitor or regulatory pressure or intervention, or if the Company fails to meet its own obligations, either commercial or technical, under the agreement, then there is a risk that the EAC agreement may be suspended or terminated. In such a case the Company will lose one of its major strategic competitive advantages, with serious negative consequences for its network rollout and operations and thus also for its financial performance and outlook.
- iii. **Competition and Consolidation:** the Cyprus telecommunications services market is limited by the size of the population, making it a highly competitive market with four major players (one of which is state owned). Competition is further compounded by the need to adapt to the continuing rapid changes in technologies, evolving industry trends and changing customer demands, placing additional pressure on the infrastructure and investment cycle required to keep offering the latest available services to the market in order to remain competitive. It is therefore likely that consolidation may take place at some stage in the future to realise synergies between operators. It is not certain that the Company will be one of the operators taking part in such a merger or acquisition, with the risk that the Company may face larger and more operationally efficient competitors in the future leading to a deterioration of the competitive position for the Company, with negative consequences. Independent of consolidation, there is also a risk that the Company's product and/or market strategy may prove to be flawed, which may result in a competitive disadvantage and therefore a reduction in both revenue and profitability of the Company.

B. FINANCE AND ECONOMY RISK

- i. **Coronavirus Pandemic:** the economic risks of the coronavirus pandemic, which will very likely result in a deep recession in the world-wide economy in the short to medium term, are addressed in the risk entitled "*Cyprus Economy and Access to Finance*" below. The immediate impact of the measures to combat CoVID-19, is a reduction in both revenue and receipts from customers, both from the business, as well as from the retail segment. The lockdown in measures in Cyprus have begun to be lifted in a staged and progressive manner from the beginning of May 2020. All lockdown restrictions have been lifted, however maintaining this is highly dependent on a non-resurgence of the number of positive coronavirus cases. There is a possibility that the current positive trend may be reversed and therefore the lockdown measures will be re-imposed in Cyprus are extended beyond April 2020. This would have a direct negative impact on revenue from the corporate segment, as businesses may be forced to suspend operations, and from reduced retail subscription uptake, due to the difficulty in movement of people. Furthermore, during the lockdown, there was some negative pressure on cashflows due to reduced receipts from subscribers, either because of their inability to pay online or due to lower wages. This increases the risk of bad debts, as, due to the social sensitivity of the Company, not all subscribers are being suspended based on the strict policies normally applied for normal monthly billing cycles.
- ii. **Cyprus Economy and Access to Finance:** the positive trend experienced by the Cyprus economy following the financial crisis of 2013 ended abruptly with the CoVID-19 crisis and the unprecedented measures taken

on a global scale in an attempt to contain infection. It is expected that Cyprus, over the coming years, will be severely negatively affected due to its reliance on the tourism industry. Despite the Government's financial assistance initiatives for the economy, the containment measures are expected to prolong the deleveraging of households and businesses, leading to continuing uncertainty about non-performing loans and their overall size, thus posing a risk to the banking sector that could potentially undermine national financial stability. This could prove significant if the Company's financial performance is lower than expected or its plans are found to be lacking and additional financing is required. Inability to access such finance would not allow the Company to continue to expand, maintain and upgrade its networks in a timely and satisfactory manner, which it must do in order to retain and expand its customer base. Even if the Company were to upgrade its networks and improve on its product offering, a decline in the Cyprus economy could nonetheless impact revenues from the corporate and business sector and all non-essential communication services in the retail segment. Should this materialise, this may result in a material adverse effect on the financial performance of the Company.

C. OPERATIONAL RISK

- i. **Coronavirus Pandemic:** aside from the economic impacts, the coronavirus pandemic poses challenges to the operation of the Company. Despite the gradual lifting of lockdown measures in Cyprus as from the beginning of May 2020, virus infections are still occurring and may accelerate due to the lifting of restrictions. Service installations are thus more challenging, as technicians have to enter the premises of the customers to physically install the services; this is not always welcome and in some cases is not possible. There is also a risk that Company personnel are infected at some point, either due to the process of installations or for another reason, resulting possibly in complete suspension of new installations, either at the choice of the Company to protect its employees or possibly as an imposition by the authorities to protect the public. This will have a serious direct adverse effect on subscriber numbers and revenues of the Company and may also impact the Company's image in a negative way. Finally, the lockdown and movement restrictions severely inhibit network expansion, which increases the risk of not achieving on time the target set for new network areas; this will directly affect the level of the addressable market on which the Company's retail sales targets are dependent.

D. COMPLIANCE RISK

- i. **Retention of Licences:** the Company has secured a licence for the right of use of RF spectrum for the provision of mobile services as a Mobile Network Operator (MNO). As part of the granting of this licence, the Company has obligations for specific performance criteria, related to coverage, that must be met on a timely basis. Failure to meet these criteria may result in suspension or revocation of the licence. Furthermore, the Company is paying for this licence on an annual basis and must maintain a suitable guarantee, in favour of the authorities, for any unpaid licence amounts. Failure to meet these licence payments or to maintain a suitable guarantee in place may result in the licence being suspended or revoked. A suspension or revocation of the Company's right of use of its RF spectrum will mean the Company will be unable to offer mobile services as an MNO and will have serious negative effects on its competitive position and financial performance.
- ii. **Regulatory Environment:** the Company operates in a highly regulated industry. Regulatory decisions or changes in the regulatory environment could adversely affect its business. As a member of the EU, Cyprus has adapted and is committed to continually adapt its regulatory legislation and rules for electronic communication services to the framework established by the EU Parliament and Council. Within this regulatory framework, the main risks facing the Company include the lack of predictability concerning both the timing of the regulatory proceedings and their final outcome, which may have a negative impact on the profitability of the Company. This may be due to regulatory changes that increase the potential of other players to be able to compete better with the Company. Furthermore, as the Company grows, it becomes increasingly susceptible to regulatory obligations and failure to comply with important regulatory requirements placed upon it may result in the Company facing fines or penalties and, in an aggravated scenario, the possible loss of licenses or authorisations to offer services.

4. IDENTITY OF DIRECTORS, ADVISERS AND AUDITORS

4.1 DIRECTORS AND COMPANY SECRETARY

The Directors of the Company, whose names are set out hereunder, are the persons responsible for the information contained in the Prospectus. Having taken all reasonable care to ensure that such is the case, the information contained in the Prospectus is, to the best of the Directors' knowledge, in accordance with the facts and contains no omission likely to affect its import. The Directors accept responsibility accordingly. As at the date of this

Registration Document, the Board of Directors is constituted by the following persons:

| NAME | DESIGNATION |
|---|------------------------|
| Faker Hnid (Tunisian Passport No. C202518) | Non-Executive |
| Iosif Iosifakis (Cypriot Passport No. K00322156) | Executive |
| Neoclis Nicolaou (Cypriot Passport No. K00054534) | Non-Executive* |
| Nikhil Patil (British Passport No. 518174825) | Non-Executive |
| Samir Saied (Tunisian Passport No. X193369) | Non-Executive |
| Nicolas Shiacolas (Cypriot Passport No. K00148076) | Non-Executive Chairman |
| Paul Testaferrata Moroni Viani (Maltese I.D Card No. 541365M) | Non-Executive |
| Periklis Theodoridis (Cypriot Passport No. K00266210) | Executive |
| Michael Warrington (Maltese I.D Card No. 180462M) | Non-Executive* |

* *Independent*

The Company Secretary is Dr. Francis Galea Salomone (Maltese I.D Card No. 533371M)

4.2 ADVISERS

The persons listed under this sub-heading have advised and assisted the Directors in the drafting and compilation of this Prospectus.

LEGAL COUNSEL

Mamo TCV Advocates

103, Palazzo Pietro Stiges, Strait Street,
Valletta VLT 1436, Malta

FINANCIAL ADVISERS

PricewaterhouseCoopers

78, Mill Street,
Qormi QRM 3101, Malta.

SPONSOR, MANAGER & REGISTRAR

Rizzo, Farrugia & Co. (Stockbrokers) Ltd.

Airways House, Fourth Floor, High Street,
Sliema SLM 1551, Malta.

4.3 AUDITORS

Grant Thornton (Cyprus) Ltd

Certified Public Accountants and Registered Auditors
41-49 Agiou Nicolaou Street
Nimeli Court, Block C
P.O. Box 23907 1687
Nicosia, Cyprus

The annual financial statements of the Company for the years ended 31 December 2017 to 2019 have been audited by Grant Thornton (Cyprus) Ltd. Grant Thornton (Cyprus) Ltd is a firm registered as a limited liability company holding a practicing certificate to act as auditors in line with the requirements of the Cyprus Auditor's Law of 2017.

4.4 AUTHORISATION STATEMENT

This Registration Document has been approved by the Listing Authority, as competent authority under the Prospectus Regulation. The Listing Authority only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Registration Document.

5. INFORMATION ABOUT THE COMPANY AND THE GROUP

5.1 THE COMPANY

| | |
|-------------------------------------|--|
| Legal Name of the Company: | Cablenet Communication Systems plc |
| Registered Address: | Nimeli Court, Block A, Floor 2, 41-49 Ayiou Nicolaou Street, Engomi, 2048, Nicosia, Cyprus |
| Place of Registration and Domicile: | Cyprus |
| Registration Number: | HE137520 |
| Date of Registration: | 10 April 2003 |
| Legal Form: | The Company is lawfully existing and registered as a public limited liability company in terms of the Cyprus Act |
| Telephone No: | +357 22255130 |
| Email Address: | info@cablenetcy.net |
| Website: | www.cablenet.com.cy* |
| LEI: | 485100BNIOSXTXYK9465 |

* The information on the Issuer's website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

The principal object of the Issuer is to provide telecommunication and entertainment services. The Issuer operates exclusively in and from Cyprus.

5.2 HISTORY AND DEVELOPMENT OF THE GROUP

The Company was incorporated on 10 April 2003 under the Cyprus Act as a private limited liability company with the name Google Consultants Ltd and with an issued share capital of one thousand (1,000) shares at one (1) Cyprus Pound (CYP) held by Nikea Nominees Ltd (HE 106905). On 1 July of the same year, the Company changed its name to NV Cable Communication Systems Ltd.

Mr. Nicolas Shiacolas acquired one hundred percent (100%) of the Company on 10 August 2006 and on 17 October of the same year, the Company again changed its name to Cablenet Communication Systems Ltd. At the time of acquisition by Mr. Shiacolas, the Company had an issued share capital of one hundred thousand (100,000) shares at one (1) Cyprus Pound (CYP). The Company increased its nominal share capital to two million (2,000,000) shares at one (1) Cyprus Pound (CYP) on 29 November 2006 and it issued a further one million nine hundred thousand shares to Mr. Nicolas Shiacolas (1,900,000) at (1) one Cyprus Pound (CYP) on 30 November 2006. On 1 January 2008, at the time of entry of Cyprus to the Eurozone, the currency of the Company's share capital was converted to Euro (€) at the official rate of CYP1 equal to €1.71.

In 2013 the Company acquired Lemontel, a provider offering services as a Virtual Mobile Network Operator (MVNO) specialising in the low-cost international call market. Lemontel was a 100% owned subsidiary of the Company until 2016 when it was fully merged with the Company.

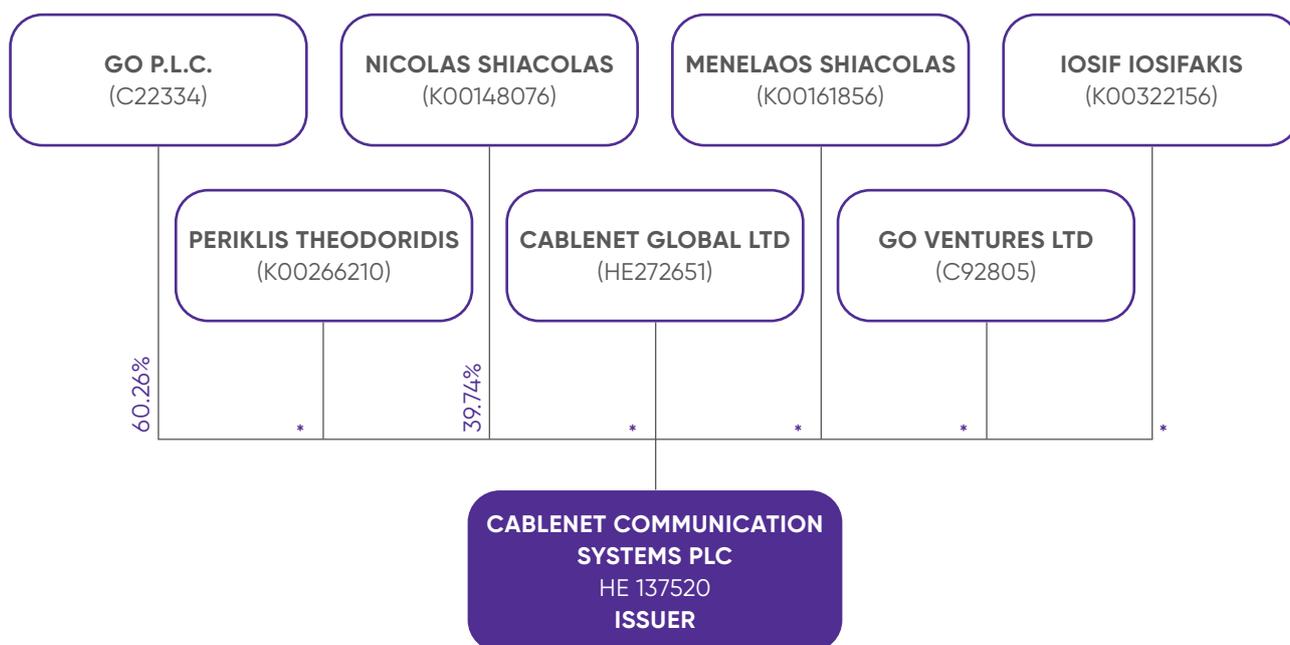
On 25 July 2014 the Company's nominal share capital was increased to four million (4,000,000) shares at 1.71 Euro and on 4 September 2014, GO acquired five hundred thousand (500,000) shares from Mr. Shiacolas representing a twenty five percent (25%) holding in the Company. On 19 January 2016, GO increased its shareholding in the Company to fifty one percent (51%) with Mr. Shiacolas retaining the remaining forty nine percent (49%) holding in the Company. Lastly, on 25 November 2019, as a result of the capitalisation of a loan between the Company and GO, GO increased its shareholding in the Company to sixty-point two six percent (60.26%) with GO therefore holding 2,026,206 shares in the Company and Mr. Shiacolas holding 1,336,364 shares in the Company.

On 5 June 2020, in anticipation and as a requirement of the conversion to follow, the shareholding structure of the Company was amended to achieve the structure as outlined in section 5.3 of this Registration Document and by virtue of special resolutions passed at an extraordinary general meeting of the shareholders of the Company held on 15 June 2020, the Company was converted into a public limited liability company and adopted a new set of Articles and resolved to change its name to Cablenet Communication Systems plc.

5.3 ORGANISATIONAL STRUCTURE & MAJOR SHAREHOLDERS

5.3.1 ORGANISATIONAL STRUCTURE OF THE GROUP

The organisational structure of the Group as at the date of the Prospectus is illustrated in the diagram below:



* one (1) share in the issued share capital of the Company

5.3.2 MAJOR SHAREHOLDERS OF THE ISSUER

As at the date of this Prospectus, the Company has the following shareholder/s which hold more than 10% of the Issuer's issued ordinary shares, thereby being regarded as substantial shareholders in terms of the Listing Rules:

| NAME OF SHAREHOLDER | NUMBER OF SHARES HELD |
|---|-----------------------|
| GO p.l.c. GO, Fra Diegu Street, Marsa MRS 1501, Malta Company Registration No. C22334 | 2,026,205 (60.26%) |

Mr. Nicolas Shiacolas
10 Paggou Street, Strovolos,
2057 Nicosia, Cyprus
(Cypriot Passport No. K00148076)

1,336,360 (39.74%)

All holders of ordinary shares rank *pari passu* in all respects. Each share confers the right to one (1) vote at general meetings of the Company. As such, none of the major shareholders enjoy different voting rights.

In terms of the Articles, no business shall be transacted at any general meeting unless a *quorum* of members is present at the time when the meeting proceeds to business. Save as otherwise provided in the Articles, two members (natural or legal persons) present in person or by proxy, entitled to vote and representing at least 75% of the total issued share capital of the Company having voting rights, from time to time, shall constitute a *quorum*. Therefore, both major shareholders, save for at an adjourned meeting, are required in order for the general meeting to be quorate and proceed to business.

Furthermore, the Company is to make a call for nominations for election to the office of Director in accordance with Article 84 of the Articles. The Company shall grant a period of at least fourteen (14) days for nominations (including the nominee's acceptance of the nomination) to be submitted and voting shall take place on the basis that every member shall have one (1) vote in respect of each ordinary share held by him. As such, no one shareholder may dominate the election of Directors.

Lastly, the Audit Committee is tasked with the review of transactions and arrangements between the Company and a related party, which includes the major shareholders, which must take place at arms' length. Therefore, the Audit Committee also acts to ensure that no major shareholder can abuse its position through any contractual relationship between the Company and a major shareholder.

To the best of the Issuer's knowledge, there are no arrangements in place as at the date of the Prospectus the operation of which may at a subsequent date result in a change in control of the Issuer.

5.4 FINANCING AND FINANCIAL SOLVENCY

On 28 March 2019, the Company and GO entered into an intra-group loan agreement (the "**Original Agreement**"), under the terms and conditions of which GO agreed to make available a loan in the maximum aggregate principal amount of €3,000,000 to the Company. The Original Agreement was amended on 25 November 2019 to *inter alia* increase the facility available to the Company to €7,000,000 repayable by 25 November 2024. As at 30 June 2020, the Company has fully drawn down the loan and with interest, this amounts to €7,307,609 (the "**Shareholder Loan**").

Furthermore, on 25 November 2019, GO and the Company entered into a loan settlement agreement in order to capitalize the amounts of (i) €15,831,601 and (ii) €889,407 owing to GO. As a result of said capitalisation, on 25 November 2019 GO increased its shareholding in the Company to sixty-point two six percent (60.26%), which remains so as at the date of this Prospectus. This capitalisation resulted in the Company's long-term debt position being significantly reduced when compared to the previous financial year.

As at the date of this Prospectus, the Company has the following facilities with the Bank of Cyprus ("**BOC**"):

- a fixed term loan of €15,000,000 granted on 28 April 2017, repayable over a period of 9 years (maturity: 30 August 2026), with a current balance of *circa* €14.4 million (the "**BOC FTL**");
- an overdraft facility of €4,000,000 with Bank of Cyprus granted on 28 April 2017 (the "**BOC OF**");
- debtor financing facility of €500,000 (the "**BOC DF**"); and
- €1,000,000 related to Letter of Guarantees (the "**BOC LG**"),

(the BOC FTL, the BOC OF, the BOC DF and the BOC LG collectively the "**BOC Current Borrowings**")

Shortly after the proceeds from the Bond Issue are received by the Company, the Shareholder Loan and the BOC FTL will be repaid. The BOC OF, the BOC DF and the BOC LG shall remain in place.

6. BUSINESS OVERVIEW – PRINCIPAL ACTIVITIES & MARKETS

6.1 EXPLANATION OF TECHNICAL TERMS & SHARES

The following is an explanation of the technical terms & phrases that are used by the Company in its main activities and operations.

New Network Rollout – This relates to plans to cover new areas with the Company's fixed network and to connect buildings to the network. Section 6.3 of this Registration Document provides more detail on the fixed network expansion.

4G Spectrum – This relates to the frequencies required for the provision of 4G mobile services. 4G (which stands for 4th Generation and which is equivalent to LTE (Long Term Evolution)) is the most current, widely deployed mobile services technology. It is typically used for the provision of high-speed mobile data services and can be used also for the provision of high-quality voice using VOLTE (Voice Over LTE). A suitable set of frequencies for the provision of 4G mobile services have been acquired by the Company at auction from the Government of Cyprus in June 2019, with a right for the Company to use them for 10 years. Mobile services, with an emphasis on good value-for-money mobile data services, are a pivotal element of the Company's growth strategy.

Information Technology Systems – These relate to all the software systems required to operate and monitor the Company and include Integrated Revenue Management Systems (IRMS), Customer Relationship Management (CRM), Enterprise Resource Planning (ERP) and Accounting systems. Having the latest systems, which are flexible, effective, interoperable and running on reliable up-to-date hardware, allows the Company to have a competitive advantage over its competitors with regard to the commercial appeal of the products and services it can launch in the market, the speed at which it can launch them and the customer experience of its subscribers during their use.

International Capacity – This relates to capacity on the undersea cables connecting Cyprus, which is an island, with the rest of the world, in particular mainland Europe. Without these connections, high-speed, high-capacity access to the Internet is not possible. In recent years there has been a steady, exponential growth in the capacity requirements from broadband users and guaranteed access to sufficient international capacity is a major success factor in the goal of the Company to retain its broadband leadership position in Cyprus.

DOCSIS 3.0 – This is the acronym for the Data Over Cable Service Interface Specification and is the protocol over which data is transported on coaxial and hybrid fibre-coaxial networks. One of the latest versions of this protocol, which allows download speeds in excess of 1 Gigabits per second (Gbps), is 3.0.

Fibre-To-The-Home (FTTH) – This term is used to describe a fixed services telecommunications network which uses only optical fibre technology to transmit and receive signals to and from subscriber premises.

Hybrid Fibre-Coaxial (HFC) – A fixed services telecommunication network that uses the combination of optical fibre and coaxial cable technologies to transmit and receive signals to and from subscriber premises.

Digital Subscriber Line (DSL) – A fixed services telecommunication network that uses twisted copper pair (traditional telephone line) technology to transmit and receive signals to and from subscriber premises.

Next Generation Network (NGN) – This is a fixed or mobile communications network which is capable of delivering broadband connections at very high speeds and which supports multiple services.

Mobile Network Operator (MNO) – A mobile network operator who offers mobile services through their own mobile frequency spectrum and by physically owning and operating a mobile network.

Mobile Virtual Network Operator (MVNO) – A mobile network operator who offers mobile services without owning any mobile frequency spectrum or physically operating a mobile network. Services are typically offered via a commercial arrangement with an MNO, who provides the requisite mobile services in a "white-label" manner (so that final consumers do not perceive who the physical mobile operator actually is). The mobile services thus provided are typically referred to as "virtual".

6.2 PRINCIPAL ACTIVITIES OF THE COMPANY AND COMPETITIVE POSITION AND STRENGTHS

The Company operates under licence 7/2004 granted by the Office of the Commissioner of Electronic Communications and Postal Regulation (OCECPR) which is the regulatory authority of Cyprus in matters

of electronic communications, with additional responsibilities in the areas of terminal equipment, network and information security and protection of critical information infrastructures. The licence may be viewed at <http://www.ocecpr.org.cy/el/content/72004>.

The Company is the only fully independent alternative telecommunications provider in Cyprus offering broadband, fixed telephony and television services through its wholly owned fibre and hybrid fibre-coaxial network infrastructure. This independence allows the Company to have complete freedom on services offered in terms of quality, speed and pricing. It can also operate its network efficiently and resolve customer issues promptly. The Company also offers pre-paid mobile services under the brand Lemontel and since 2018 offers mobile post-paid services under the Cablenet brand via a Mobile Virtual Network Operator ("**MVNO**") arrangement with CYTA.

The Company has a strategic agreement with the Electricity Authority of Cyprus ("**EAC**"), giving it access on a national scale to the EAC's pole network infrastructure in order to deploy its own access network. The agreement also provides access to the EAC inter-city fibres, which are deployed on the very high voltage pylons used for electricity transport. The agreement with the EAC does not have an expiry date. However, the agreement does impose certain obligations on the Company, these being primarily payment obligations for the services and/or infrastructure provided by the EAC (the "**EAC Services and Infrastructure**"). In the event that the Company is, in the opinion of the EAC, in breach of their obligations under the agreement, the EAC has the right to terminate the supply of the EAC Services and Infrastructure until the Company is compliant with its obligations towards the EAC in terms of the agreement. The Company is provided with a twenty-eight (28) day cure period as from receipt of notice of non-compliance from the EAC, after which, should non-compliance persist, the EAC is entitled to terminate the agreement.

By leveraging its strategic advantages and through significant investment over the years, the Company has managed to build an extensive telecommunications network from scratch, both nationally as well as abroad. It operates an advanced Hybrid Fibre-Coxial (HFC) cable network, which is fully upgraded to DOCSIS 3.0 and is hence considered to be a Next Generation Network. In green-field areas the Company has started deploying a fully optical Fibre-To-The-Home (FTTH) network to offer services. The Company was awarded the Ookla Speedtest Award for Fastest Fixed Network for 2018.

Internationally, the Company maintains Points of Presence in the most important European interchange cities, with multiple connections between these centres and Cyprus, so as to ensure the protection of services and to optimize data routing. The Company has over the years substantially increased its international connectivity capacity, by entering into several agreements for the purchase of international capacity on a long-term Right-Of-Use (ROU) basis. These multiple agreements, involving practically all the sub-sea cables landing on Cyprus, provide an excellent platform for the Company to provide highly resilient connections to the rest of the world.

The Company is a leader in broadband connectivity and offers the fastest communication in Cyprus for fixed services¹. The high speeds and affordable prices offered by the Company result in the best "value for money" packages in the market for broadband access and integrated services.

For home use, the Company's packages include single-play (internet only or television only), double-play (internet and television or internet and mobile), triple-play (internet, television and fixed telephony) and quad play (internet, television, fixed and mobile telephony).

For home TV services, the Company has contracts with all major international content providers for the provision of linear channels and other content, with whom it maintains an excellent working relationship. Since 2019, the Company has also entered the live sports broadcasting market, by acquiring for the period July 2019 to June 2022 (three seasons) the exclusive rights of five Cyprus football teams, all of whom have qualified to play in the Cyprus First Division in the upcoming season. Cyprus football availability is a major determinant of provider choice for combined Internet-TV packages.

In addition to home services, the Company offers high quality business services which have been developed based on the needs of all levels of business and corporate customers; whether these are small and medium enterprises or large corporations. The Company offers an extensive range of broadband internet access products (symmetric or asymmetric optical, coaxial cable, xDSL technology), Point-to-Multipoint WAN services both locally and internationally, Cloud services and fixed and mobile telephony services.

¹ *The Company was awarded the Ookla Speedtest Award for Fastest Fixed Network for 2018.*

Following the purchase of its own mobile spectrum in May 2019, the Company is in the process of transitioning from offering mobile voice and data services on a Mobile Virtual Network Operator (MVNO) basis to a full Mobile Network Operator (MNO). The Company intends to leverage this transition to significantly enhance its market position in the mobile services market in the coming years, whilst at the same time reinforcing its positioning as a dominant broadband provider.

6.3 FIXED NETWORK EXPANSION

A major competitive advantage of the Company is the capability it has in rolling out its own independent fixed access network. As mentioned above, this is mainly the result of the strategic agreement that the Company has with the EAC, which gives it access to the EAC poles for rolling out an aerial access network.

Typically, the ability of fixed network operators to roll out their own new networks in already built-up areas, which are the most commercially lucrative, is severely restricted by constraints in putting in new suitable infrastructure. Even if this is technically possible, it is usually the major cost element of rolling out any new network. Leveraging the existing and easily accessible EAC pole infrastructure, the Company has rolled out a network using HFC technology. This network has been fully upgraded over time to the DOCSIS 3.0 standard, allowing the Company to offer Gigabit speed services. The three main cities of Nicosia, Limassol and Larnaca have been covered with this type of network.

With the reduction in the cost of fibre optic materials, it has become attractive to rollout pure fibre-based networks (FTTH) in greenfield areas in which the Company deploys access networks. This is the case in Paphos and in suburban areas of the cities already covered. The Company has developed its own pioneering set of technologies and techniques enabling it to quickly and cost-effectively rollout aerial FTTH in these greenfield areas.

In addition to the rollout of the core network, FTTH in greenfield areas and HFC to cover white spots in brownfield areas, the Company invests significant amounts to connect new buildings to the network in the areas covered. These connections are taking place continuously with the annual number of new customer installations showing a steady rise over the years, mirroring the increased footprint of the Company.

The expansion of the Company's fixed network and the connection of customers are an important element of the capital expenditure of the Company and, as described in section 4.1 of the Securities Note, *circa* €7 million of the Bond proceeds will be used for this purpose.

6.4 PRINCIPAL MARKETS OF THE COMPANY

The Company operates in and from Cyprus. The Company's main areas of operation of its fixed networks are the cities of Nicosia, Limassol, Larnaca and Paphos.

7. TREND INFORMATION AND FINANCIAL PERFORMANCE

There has been no material adverse change in the prospects of the Company since the date of publication of its latest audited financial statements.

The Cyprus telecommunications market, despite its relatively small size, is contested by four full-service operators. The main competitors in the market, other than the Company, are:

- Cyprus Telecommunications Authority (CYTA) which is the incumbent operator and is government owned.
- Epic (initially Areeba and then MTN) which is the first alternative mobile provider who started operation in 2003 and which was acquired by Monaco Telecom in July 2018. Epic has traditionally concentrated on provision of mobile services and only in recent years has it entered the fixed telecom retail services markets by utilising wholesale fixed products and services from CYTA.
- Primetel is a private telecom company which started operating in 2003 and which has a similar agreement as Cablenet with the Electricity Authority of Cyprus (EAC). Primetel chose a different strategic route to the Company and elected to offer services nationally and rapidly by using CYTA wholesale products and services; it uses the EAC infrastructure to just deploy a core fibre network linking the various sites from which it offers services, rather than deploying a full access network. Primetel started offering mobile services in 2008.

Other than CYTA, which by virtue of its incumbent status, with extensively deployed infrastructure and networks and ready access to capital reserves, the other two competitors have not to date significantly invested in fixed access networks, presumably due to the high capital cost involved. This is reflected in the historical uptake of

fixed broadband subscribers by the various operators. Whereas CYTA has steadily lost broadband subscribers to the competition, Primetel initially rapidly gained market share and then plateaued, as its products became less commercially attractive due to shrinking profit margins, as the restrictions of relying on CYTA wholesale pricing started to take effect. In a similar manner, Epic (at the time MTN) started its concerted effort to gain fixed market share in 2015, again using CYTA wholesale products. Epic/MTN was mainly trying to leverage its large market share (circa 28%) in mobile telephony and offering attractive fixed/mobile bundles. This attempt has also largely faltered, again due to the reliance on CYTA wholesale products.

In contrast to the other competitors, the Company from the beginning elected a path of investing in its own fixed network, using a technology which was different from the Digital Subscriber Line (DSL) technology being used by CYTA (and thus also effectively used by the other competitors). DSL uses the existing telephone copper lines to provide data connectivity and suffers from speed restrictions as the length of the copper wire from the central office increases. The hybrid fibre-coaxial network in which the Company has invested is capable of delivering high speeds independently of the location of the subscriber. In addition, the rapid advancement of data transmission technologies over cable over the last few years, have resulted in the Company having an advantage over its competitors to the extent that they are still using DSL.

In addition, the Company opted for a product positioning in the market to offer excellent value for money for its subscribers. The superior network quality was utilised to offer fast broadband connections at affordable prices. Hence the Company gradually and steadily acquired market share as its network footprint expanded. The Company became the leading alternative broadband provider to CYTA in the second half of 2012 and has since then retained this position, with a current market share as at the end of 2019 of over 22%.

Since 2013, with the acquisition of Lemontel, the Company entered the mobile services market. Since then investment in mobile services has been minimal, with the focus still being largely on expansion of the fixed network. The Company competed during this period by relying on wholesale mobile products of CYTA, to a large extent having the same competitive issues as its competitors in the fixed space. However, with the opportunity of becoming a full Mobile Network Operator afforded to the Company in 2019, with the acquisition at auction of the remaining available 4G spectrum, the strategy of the Company has now shifted towards using its own networks to provide complete and competitive products and services in the fixed and mobile telecommunication space.

Despite the healthy growth in both subscribers and revenues, the Company has remained lean in respect of its operations and still employs the lowest number of personnel in the telecoms market in Cyprus. This despite the fact that it has a large number of technical personnel to roll out the fixed network and carry out the installations and servicing of the fixed services customers.

As was mentioned above, the Cyprus market is heavily contested by its four major participants, according to the strengths and weaknesses of each. The relatively small size of the market unavoidably results in intense competition for customer acquisition and retention, characterised by heavy discounting on headline prices and lucrative offers to subscribers of competitors. However, given the Company's unique and strong competitive position, competitors are continuing to lose market shares to the Company in the fixed market and they are aware they will be under duress in the mobile services space soon; they are therefore intensifying their efforts to halt and possibly reverse these trends. This reality has been taken into account in the planning and operations of the Company to avoid the impact to the financial performance of the Company on any material scale in the future.

8. KEY FINANCIAL REVIEW

8.1 HISTORICAL FINANCIAL INFORMATION

The historical financial information of the Company is included in the audited financial statements for each of the financial years ended 31 December 2017, 2018 and 2019. The said statements and the auditor's reports thereto are available for inspection as set out under the heading "*Documents available for inspection*" in section 14 of this Registration Document. There were no significant changes to the financial or trading position of the Issuer since the 31 December 2019 financial statements.

Set out in sections 8.2, 8.3, 8.4 and 8.5 are extracts from the historical audited financial statements of the Issuer for the financial years ended 31 December 2017 ("**FY17**"), 2018 ("**FY18**") and 2019 ("**FY19**").

8.2 INCOME STATEMENT

| STATEMENT OF COMPREHENSIVE INCOME | FY17 | FY18 | FY19 |
|--|---------------|---------------|---------------|
| | €000's | €000's | €000's |
| Revenue | 30,983 | 33,448 | 39,845 |
| Cost of sales | (8,778) | (8,970) | (12,852) |
| Gross profit | 22,205 | 24,478 | 26,993 |
| Other operating income | 55 | 353 | 196 |
| Selling and distribution expenses | (4,343) | (4,648) | (4,493) |
| Administration expenses | (5,963) | (6,800) | (7,933) |
| Other expenses | (30) | - | - |
| EBITDA* | 11,924 | 13,383 | 14,763 |
| Depreciation & amortisation | (8,240) | (8,811) | (13,329) |
| Operating profit | 3,684 | 4,572 | 1,434 |
| Finance income | 47 | 19 | 0 |
| Finance costs | (1,330) | (1,200) | (1,294) |
| Profit before tax | 2,401 | 3,391 | 140 |
| Tax | (268) | (450) | (80) |
| Net profit for the year | 2,133 | 2,941 | 60 |
| Other comprehensive income | - | - | - |
| Total comprehensive income for the year | 2,133 | 2,941 | 60 |
| Revenue growth | n/a | 8.0% | 19.1% |
| Gross profit margin | 71.7% | 73.2% | 67.7% |
| EBITDA* margin | 53.7% | 54.7% | 54.7% |

*Earnings before interest, tax, depreciation and amortisation ('EBITDA') is derived by adding back depreciation and amortisation expenses to Operating profit

The table above summarises the Company's statement of comprehensive income for the last three financial years ended 31 December 2017, 2018 and 2019.

The analysis indicates a steady growth in EBITDA, which increased from *circa* €11.9 million in FY17 to *circa* €14.8 million in FY19. The growth in EBITDA was driven primarily by growth in revenue, which increased at a CAGR of 13.4% from *circa* €31.0 million in FY17 to *circa* €39.8 million in FY19. The increase in revenue in this period was largely driven by an overall increase in Cablenet's subscriber base mainly due to the expansion of the network in new areas and the introduction of new football related packages since mid-2019.

Profit for the year increased from €2.1 million in FY17 to €2.9 million in FY18 but contracted to €60,000 in FY19. The reduction in FY19 is primarily due to an increase of €4.5 million in depreciation and amortisation that reflects the amortisation of the rights acquired to televise football matches (*circa* €2.8 million) and the amortisation of leases in accordance with IFRS 16 which was implemented at the start of FY19.

REVENUE

A split of total revenue by business segment is set out in the table below:

| ANALYSIS OF REVENUE | FY17 | FY18 | FY19 |
|---------------------|---------------|---------------|---------------|
| | €000's | €000's | €000's |
| Retail | 20,876 | 22,590 | 24,309 |
| Corporate | 7,223 | 7,979 | 8,978 |
| Mobile | 550 | 721 | 1,042 |
| Other | 2,334 | 2,158 | 5,516 |
| Total | 30,983 | 33,448 | 39,845 |

The provision of services to Retail subscribers is the Company's core business, with revenue generated increasing from *circa* €20.9m in FY17 to *circa* €24.3m in FY19, a CAGR of 7.9%. The increase in revenue generated from retail subscribers was a result of an increase in the average number of subscribers (from *circa* 59,000 subscribers in FY17 to *circa* 68,000 subscribers in FY19) as well as a higher average revenue per subscriber.

Corporate revenue includes mainly broadband data services and a small element of fixed telephony services provided to corporate customers. This revenue stream increased from *circa* €7.2 million in FY17 to *circa* €9 million in FY19, representing a CAGR for the period of 11.5%.

Cablenet's mobile revenue refers to mobile services offered under the Cablenet and Lemontel brands. The Company currently provides mobile services through a Mobile Virtual Network Operator ("**MVNO**") contract with another telecommunications services provider in Cyprus.

Other revenue includes income generated from fixed telephony consumption by retail and corporate customers, revenue from football-related services and other services. The increase in FY19 mainly relates to the introduction of football services, which generated *circa* €3.5 million.

COST OF SALES

Cost of sales increased from *circa* €8.8 million in FY17 to *circa* €12.9 million in FY19. The principal elements included in cost of sales relate to the provision of services (primarily the acquisition of TV content, termination costs and broadband connection costs, amongst others) amounting to €10 million in FY19.

OPERATING EXPENSES

Selling and distribution expenses amounted to *circa* €4.5 million in FY19, equivalent to *circa* 11% of revenue, and includes primarily advertising costs (€2 million) and staff costs (€1.9 million). The total spend on selling and distribution has remained relatively unchanged in the period under review.

Administration expenses increased from *circa* €6 million in FY17 to *circa* €7.9 million in FY19 and include primarily staff costs (€4.4 million in FY19) and computer software expenses (*circa* €1 million in FY19).

8.3 STATEMENT OF FINANCIAL POSITION

| STATEMENT OF FINANCIAL POSITION | FY17 | FY18 | FY19 |
|-------------------------------------|---------------|---------------|---------------|
| | €000's | €000's | €000's |
| ASSETS | | | |
| Non-current assets | | | |
| Property, Plant & Equipment | 28,584 | 30,492 | 35,721 |
| Right-of-use assets | - | - | 3,600 |
| Intangible assets | 12,599 | 12,938 | 25,906 |
| | 41,183 | 43,430 | 65,227 |
| Current assets | | | |
| Inventories | 9 | 19 | 16 |
| Trade and other receivables | 3,605 | 5,040 | 6,861 |
| Current tax assets | 42 | - | - |
| Cash and cash equivalents | 552 | 433 | 287 |
| | 4,208 | 5,492 | 7,164 |
| Total assets | 45,391 | 48,922 | 72,391 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 4,664 | 4,664 | 5,750 |
| Other reserves | 10,758 | 10,758 | 26,394 |
| Accumulated losses | (14,884) | (14,608) | (16,041) |
| Total equity | 538 | 814 | 16,103 |
| Non-current liabilities | | | |
| Borrowings | 30,489 | 29,494 | 17,363 |
| Lease liabilities | - | - | 2,777 |
| Trade and other payables | - | 3,503 | 7,452 |
| Football rights liability | - | - | 6,110 |
| | 30,489 | 32,997 | 33,702 |
| Current liabilities | | | |
| Trade and other payables | 12,241 | 11,605 | 12,228 |
| Borrowings | 2,122 | 3,497 | 5,459 |
| Lease liabilities | - | - | 816 |
| Football rights liability | - | - | 4,053 |
| Current tax liabilities | 1 | 9 | 30 |
| | 14,364 | 15,111 | 22,586 |
| Total liabilities | 44,853 | 48,108 | 56,288 |
| Total equity and liabilities | 45,391 | 48,922 | 72,391 |

The Company's statement of financial position as at 31 December 2019 indicated total assets of *circa* €72 million, an increase of €27 million on the position reported at 31 December 2017. This increase can be mainly noted from FY18 to FY19, relating to the acquisition of football rights (within Intangibles assets) with book value of €13.6 million as at 31 December 2019, further investments in Network and Machinery (within Property Plant and Equipment) and the recognition of a Right-of-use asset with a net book value of €3.6 million as at 31 December FY19, as a result of the introduction of IFRS²¹⁶ – Leases.

Other assets held by the Company include trade and other receivables of *circa* €6.9 million as at 31 December 2019. The principal balances include net trade receivables of €3.3 million, and deposits and prepayments of *circa* €3.3 million. Total deposits and prepayments include a prepayment in relation to the mobile spectrum licence amounting to *circa* €0.9 million, which has been acquired for the expansion of the mobile services business segment.

A significant increase can be noted in the book value of the Company's equity in FY19. During FY19, the Company issued 635,297 new ordinary shares at €1.71 each, at a premium of €24.61 per share.

The Company declared total dividends of €5.3 million over the past three years, as required by Cypriot tax legislation, which states that companies registered in Cyprus must declare at least 70% of their profit after tax as dividends within two years from the end of the tax year in which those profits arose.

The Company's total liabilities increased significantly in FY19, reaching *circa* €56 million by year end, as compared to *circa* €48 million as at the end of FY18 and *circa* €45 million as at the end of FY17. The principal movements relating to this increase include the recognition of football rights liabilities with a book value of *circa* €10 million (split into non-current and current portion) as at year end – representing the present value of estimated future contractual payments, and the recognition of lease liabilities with a book value of *circa* €3.6 million (split into non-current, and current portion) as at year end in line with IFRS¹⁶ – Leases.

Other movements in liabilities include a total reduction in borrowings of €10 million, relating to the capitalisation of shareholder loans and the increase in non-current trade and other payables of *circa* €4 million, principally relating to dividends declared in FY19 and trade payables of a capital nature in relation to ongoing projects.

8.4 CASH FLOW STATEMENT

| | | | | TOTAL |
|---|----------------|-----------------|-----------------|-----------------|
| STATEMENT OF CASH FLOWS | FY17 | FY18 | FY19 | FY17 - FY19 |
| | €000's | €000's | €000's | €000's |
| Cash flows from operating activities | | | | |
| Profit before tax | 2,401 | 3,391 | 139 | 5,931 |
| Adjustments for: | | | | |
| Depreciation of PPE | 6,653 | 6,993 | 7,845 | 21,491 |
| Amortisation of intangible assets | 1,587 | 1,818 | 4,732 | 8,137 |
| Amortisation Right-of-use assets | - | - | 782 | 782 |
| Profit from the sale of PPE | (8) | (7) | (1) | (16) |
| Interest income | (1) | (0) | (0) | (1) |
| Interest expense | 1,158 | 942 | 1,046 | 3,146 |
| Bank loan transaction costs | - | 13 | 13 | 26 |
| | 11,790 | 13,150 | 14,556 | 39,496 |
| Changes in working capital: | | | | |
| Decrease/(increase) in inventories | 8 | (10) | 3 | 1 |
| Increase in trade and other receivables | (628) | (1,486) | (1,821) | (3,935) |
| Increase in trade and other payables | 700 | 253 | 3,080 | 4,033 |
| Cash generated from/(used in) operations | 11,870 | 11,907 | 15,818 | 39,595 |
| Tax paid | (300) | (400) | (58) | (758) |
| Net cash from operating activities | 11,570 | 11,507 | 15,760 | 38,837 |
| Cash flows from investing activities | | | | |
| Payment for purchase of intangible assets | (1,658) | (2,157) | (1,344) | (5,159) |
| Payment for purchase of PPE | (7,665) | (8,902) | (13,071) | (29,638) |
| Payment for football rights | - | - | (6,193) | (6,193) |
| Proceeds from disposal of PPE | 0 | 8 | 1 | 9 |
| Interest received | 1 | 0 | 0 | 1 |
| Net cash used in investing activities | (9,322) | (11,051) | (20,607) | (40,980) |
| Cash flows from financing activities | | | | |
| Proceeds from issue of share capital | - | - | 16,721 | 16,721 |
| Repayment of borrowings | (30,705) | - | (500) | (31,205) |
| Repayment of loans from shareholders | - | - | (16,721) | (16,721) |
| Payments of lease liabilities | - | - | (790) | (790) |
| Proceeds from borrowings | 29,489 | - | 5,376 | 34,865 |
| Interest paid | (1,075) | (877) | (824) | (2,776) |
| Net cash from/(used in) financing activities | (2,291) | (877) | 3,262 | 94 |
| Net movement in cash and cash equivalents | (43) | (421) | (1,585) | (2,049) |
| Cash at the beginning of the period | (1,484) | (1,527) | (1,948) | (1,484) |
| Cash at the end of the period | (1,527) | (1,948) | (3,533) | (3,533) |

The Company's cash flow statement indicates that cash generated from operating activities during the period FY17 to FY19 totalled to *circa* €38.8 million. These mainly comprised cash from operations of *circa* €39.5 million, *circa* €0.1 million net cash inflow with respect to working capital movements and tax payments of *circa* €0.8 million.

Net cash used in investing activities amounted to *circa* €41 million during the period, the majority of which (72%) comprises investment in PPE. A total of €5 million was spent on investments in intangible assets, and €6 million was paid in FY19 in the form of football rights payments.

Net cash movement from financing activities resulted in a total inflow of *circa* €94,000 during the period. Principal movements include the refinancing of bank borrowings in FY17 through two loans – granted by GO plc and Bank of Cyprus, the capitalisation of shareholder loans of *circa* €16.7 million in FY19 and additional borrowings of *circa* €5 million raised in FY19.

The Company reported net negative closing cash balances of *circa* €3.5 million as at 31 December 2019, comprised of *circa* €3.3 million overdraft balance, *circa* €0.5 million factoring account balance and *circa* €0.3 million cash balances.

8.5 CAPITAL RESOURCES

The following table sets out the capitalisation and indebtedness of the Issuer in the past three financial years ended 31 December 2017 to 31 December 2019:

| STATEMENT OF COMPANY'S INDEBTEDNESS | FY17 | FY18 | FY19 |
|--|---------------|---------------|---------------|
| | €000's | €000's | €000's |
| Bank loans | 14,891 | 14,904 | 14,416 |
| Bank Overdraft | 2,079 | 2,381 | 3,343 |
| Factoring account | - | - | 477 |
| Shareholders loans | 15,641 | 15,707 | 4,585 |
| | 32,611 | 32,992 | 22,821 |
| Cash equivalents | (551) | (433) | (287) |
| Net debt | 32,060 | 32,559 | 22,534 |
| Total equity | 538 | 814 | 16,103 |
| Total Funding | 32,598 | 33,373 | 38,637 |
| Financial gearing (Net debt/Total funding) | 98.3% | 97.6% | 58.3% |
| Net debt to EBITDA | 2.7 x | 2.4 x | 1.5 x |

As at 31 December 2019, the Company reported net debt (which refers to total borrowings net of cash balances) of €22.5 million, which equates to a financial gearing level (worked out as net debt as a percentage of total funding) of 58.3%. This is significantly lower than financial gearing levels in FY17 and FY18 (average of 98%) mainly as a result of the capitalisation of shareholders loans in FY19. The level of Net Debt in relation to EBITDA generation has contracted from 2.7 times in FY17 to 1.5 times in FY19.

9. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

9.1 BOARD OF DIRECTORS OF THE ISSUER

The Company's governance principally lies in its Board of Directors, responsible for the general governance of the Company and to set its strategic aims, for its proper administration and management and for the general supervision of its affairs. Its responsibilities include the oversight of the Company's internal control procedures and financial performance, and the review of the Company's business risks, thus ensuring such risks are adequately identified, evaluated, minimised and/or managed.

The Articles of Association of the Company provide that the Board of Directors shall be composed of nine (9) directors. The business address of each Director is the same as the registered address of the Company, namely Nimeli Court, Block A, Floor 2, 41-49 Ayiou Nicolaou Street, Engomi, 2048, Nicosia, Cyprus.

The Directors of the Company are included in section 4.1 of this Registration Document and currently comprise two (2) Executive Directors, five (5) Non-Executive Directors and two (2) Independent Non-Executive Directors. A *curriculum vitae* for each of the Directors is set out below.

FAKER HNID

Faker Hnid joined Tunisie Telecom in 2002 where he held several key managerial positions, the latest of which was as Head of the Internal Audit Department. Mr. Hnid is also a board member of ATI (Agence Tunisienne d'Internet) in Tunisia. He graduated in Finance from "Ecole Supérieure de Commerce de Tunis" and holds a Master of Business Administration ("MBA") degree from "Ecole Nationale Supérieure des PTT de Paris".

IOSIF IOSIFAKIS

Iosif Iosifakis, Strategy and Finance Director of the Company, is a professional with over 25 years of experience in auditing, corporate finance, strategy and operations in companies like PWC, OTE p.l.c., MTN Cyprus Limited (formerly a subsidiary of the MTN Group) and, for the last 12 years, the Company. Mr. Iosifakis started his professional career in 1995 working in London; in 1998 he moved to Greece and finally to Cyprus in 2005. Mr. Iosifakis participated in a number of corporate finance projects as a consultant, but he also played a major part in the acquisition of OTEnet Cyprus and Germanos stores by MTN Cyprus.

Mr. Iosifakis has a Bachelor's degree in Mathematics and Computer Science from University of Sussex and he is a member of the Association of Chartered Accountants (UK).

NEOCLIS NICOLAOU

Currently, Neoclis Nicolaou is Vice-Chairman of the Cyprus Development Bank. Mr. Nicolaou was born in Larnaca in 1959 and has an MBA degree from Manchester Business School. He is a recipient of the W.J. Thomas Award for Economics and the Cobden Prize for work in Econometrics. He has extensive experience in investment management, capital raising, project and investment finance, financial engineering, valuations, mergers and acquisitions (M&A) and has acted as an expert advisor on governmental projects. More recently, he was instrumental and played a key role in the only two privatisations in Cyprus, namely the Cyprus Development Bank and the Limassol Port. In his free time, he is a Champion of Historic Car Rallies and a multi-instrumentalist.

NIKHIL PATIL

Nikhil Patil, CEO of GO, is a professional with over 15 years of experience in strategy, operations and mergers and acquisitions across telecoms companies like GO, Cablenet, BMIT Technologies p.l.c. and Interoute Communications Holdings SA. Mr. Patil previously served as non-executive director of GO, working closely with the Company's senior management to define and implement its strategy. He spearheaded a number of strategic acquisitions, helping GO to diversify its business both in Malta and Cyprus. Mr. Patil was responsible for the creation of Malta Properties Company p.l.c., today one of the largest publicly listed real estate companies in Malta, where he served as CEO until 2018. Mr Patil has a Bachelors degree in Mechanical Engineering from the University of Mumbai, India, a Master's degree in Industrial Engineering from Georgia Institute of Technology and an MBA degree from IMD, Switzerland. Mr. Patil is a Chartered Financial Analyst (CFA).

SAMIR SAIED

From January 2016 to March 2019, Mr. Saied occupied the position of General Manager at Société Tunisienne de Banque ("STB"). Before joining STB, he was CEO of Al Hosn Investment Company, a position he held since September 2013. Previously, he spent ten years as General Manager of the Oman Development Bank (2003-2013). Al Hosn Investment Company, is a partnership between the Omani Ministry of Finance and the Qatari Sovereign Fund. It was established to invest in the agricultural, aquaculture, health, educational, industrial and telecommunication sectors as well as technology start-ups in Oman. Having started his career at ATB (Arab Tunisian Bank) Mr. Saied has accumulated over 30 years of experience in commercial development and investment banks with expertise in corporate finance, risk management and venture capital. Mr. Saied is a graduate engineer from the École Centrale de Paris. He is currently also the CEO and Chairman of Tunisie Telecom, the majority shareholder of GO.

NICOLAS SHIACOLAS

Nicolas Shiacolas is a Director of the C.N. Shiacolas Group ("CNS Group"). The CNS Group's interests include holdings, both in Cyprus and internationally, in the real estate development, tourism, furniture, dairy, agriculture and entertainment sectors and of course in telecommunications, with the Company.

Now Non-Executive Chairman, in recent years, Mr Shiacolas's most active role has been that of CEO of the Company, a position he has held since 2006, when the Company was acquired by the CNS Group. He is also the

President of Velister, the company responsible for providing Digital Terrestrial Broadcasting for private stations in Cyprus, as well as a Director in a number of public companies in Cyprus. Until April 2019 he was Vice-Chairman of the Cyprus State Health Services Organisation, a semi-government organisation responsible for managing the public hospitals under the umbrella of the Cyprus National Health Service.

Mr. Shiacolas graduated from Imperial College London with distinction in the fields of Civil Engineering and Mechanical Engineering. He also holds an MBA degree from the European Institute of Business Administration (INSEAD), where he was awarded the Henry Ford prize for graduating first in his year.

PAUL TESTAFERRATA MORONI VIANI

Paul Testaferrata Moroni Viani is mainly involved in tourism and investment services, market and sales research, contracting, administration, property construction and development, managing operations, strategic planning and new business development. He is also a member of the investment committee of Mapfre MSV Life p.l.c. and a director on the boards of GO, Mapfre Middlesea p.l.c., Malta Properties Company p.l.c., Innovate Software Limited and of various companies within the Testaferrata group of companies.

PERIKLIS THEODORIDIS

Periklis Theodoridis has more than 20 years of extensive experience with a demonstrated history of working in the telecommunications and ICT industries. Skilled in marketing management, negotiation, business planning, sales and customer satisfaction, he is also a strong business development professional.

He is the Chief Commercial Officer at the Company, responsible for Business to Consumer (B2C) Sales, Marketing, TV & Content, and Operations. Mr. Theodoridis has held a seat on the Company's Board since 2014 and he is a Certified Director by the Institute of Directors (IoD) in corporate governance, leadership, strategy and marketing since 2012.

Before the Company, Mr. Theodoridis worked for OTEnet Telecom, Demstar Information Group, Signtech USA (Texas, USA) and Applied Materials Inc. (Texas, USA).

Mr. Theodoridis is a graduate in Electrical Engineering from the University of Texas at San Antonio (USA). He is a member of the board for the American Chamber of Commerce in Cyprus since 2019 and District Governor for the American Hellenic Educational Progressive Association (AHEPA) in Cyprus since 2018. He is also a member of the board for the Telecommunication Enterprises's Association, a member of the Advisory Board for the European University in Cyprus (Engineering Discipline) and he holds professional licenses and certificates from the European Federation of National Engineering Associations (Eurlng) and the Institute of Directors (Dip IoD).

MICHAEL WARRINGTON

Michael Warrington is the Chief Executive Officer of the AX Group. Mr Warrington is a Certified Public Accountant and a Fellow of the Malta Institute of Accountants, as well as an Associate Member of the Chartered Institute of Bankers in the United Kingdom. He holds a Masters degree in Financial Services from the University of Malta. He worked for several years with Bank of Valletta p.l.c., moving on to Air Malta p.l.c., where he was the Group Head responsible for the finance and information technology functions of the airline. He has also worked in the banking and hospitality industries for a number of years. Mr Warrington has been closely involved with AX Group Plc for over twenty years.

He is a director of the following listed entities namely AX Group plc, AX Investments plc, Together Gaming Solutions plc and Forthnet SA. He is also a director of the following regulated entities namely Citadel Insurance plc, Higher Ground SICAV plc, Nissan International Insurance plc, Novum Bank Limited. Mr. Warrington is also a director of various other private and family owned companies including Valletta Cruise Port plc. He is Chair of the Audit Committees of Forthnet SA, Together Gaming Solutions plc and Citadel Insurance plc and a member of the Investment Committee of Nissan International Insurance plc and Higher Ground SICAV plc

9.2 SENIOR MANAGEMENT OF THE COMPANY

In addition to the Executive Directors, the senior management of the Company comprises of the following persons:

| | |
|------------------------|-----------------------------|
| Yiannos F. Michaelides | Chief Executive Officer |
| Periklis Theodoridis | Chief Commercial Officer |
| Iosif Iosifakis | Chief Financial Officer |
| Thomas Hoplaros | Head of Corporate Sales |
| Michael Pericleous | Head of Technical |
| Chrystalla Karagiorgi | Head of Human Resources |
| Yiannos Michaelides | Head of Information Systems |

The *curriculum vitae* for each of Periklis Theodoridis and Iosif Iosifakis may be found in section 9.1 above.

YIANNOS F. MICHAELIDES

Yiannos F. Michaelides joined the Company as CEO in June 2020. Prior to that, he served as an advisor to the Company for two years via his Business Consulting Practice. Mr. Michaelides has over 27 years of international business experience involving telecoms and media. Until recently he was the owner and Managing Partner of his own Business Consulting Practice (YND Consulting LTD). From 2012 to 2017, Mr Michaelides occupied the post of Group CEO of GO. Before joining GO he was Senior Executive at Emirates International Telecommunications LLC (EITL) Dubai, GO's prior main shareholder, with responsibilities including portfolio management and value creation at EITL portfolio companies. Prior to that, he worked as Vice-president of Strategic Marketing at du in Dubai, the new integrated telecoms operator in the UAE and Areeba, the second mobile operator in Cyprus. From 1987 to 2001, Mr. Michaelides worked with Nortel Networks where he held various management positions both in North America, Europe, Middle East and Africa. He holds a B. Eng. (Honours), M. Eng. from McGill University (Montreal, Canada) and an M.B.A. with distinction from Warwick Business School (UK).

THOMAS HOPLAROS

Thomas Hoplaros has over 20 years of experience in the ICT and telecommunications industry. Through his career he has had supervisory and management roles coverings retail sales, corporate sales, product and service development, marketing and business consulting. His experience covers the management of teams, both physical and virtual, in the local and international markets. For the past two years, Mr. Hoplaros has filled the role of Sales and Business Development Manager at the Company, responsible for all Business to Business (B2B) activities and customers of the Company.

Mr. Hoplaros's career started in Cape Town, South Africa, where he gained his retail experience working for one of the largest independent service providers of Vodafone in the country. He later moved to Cyprus where he worked on the launch of the Areeba network, which was later rebranded to MTN/Epic. Mr. Hoplaros acquired extensive experience working for the largest ICT provider in Cyprus, Logicom, where his main responsibilities included international business development. One of his noteworthy achievements was opening a new revenue market in Malta. Mr. Hoplaros also gained relevant experience working on the launch of one of the top data centres in the Cyprus market.

Mr. Hoplaros is a graduate of the Institute of Marketing Management and also holds an Executive MBA through the Business school of Netherlands.

MICHAEL PERICLEOUS

Michael Pericleous has over 16 years of experience in the telecommunications industry and has experienced all stages of a Telecom company's growth. Being the first employee of the Company back in 2003, he has experienced the Company's birth through the planning stages and all the steps on the way to becoming one of the largest companies in Cyprus. During this time, he has had an active role in the Company's Technical Department through research, planning, design and implementation of the Company's network. He has taken supervisory and management roles within the Technical Department, while assisting in developing the different teams needed for the day-to-day roll out and maintenance of the network.

With the buyout of the Company in 2006, Mr. Pericleous's main responsibilities included the design and expansion of the Company's HFC network in three cities. The coordination of all the teams has given Mr. Pericleous the relevant experience in efficiently managing people, while at the same time taking an active role in strategy formation and implementation of the Company's goals.

Mr. Pericleous is a graduate of the San Diego State University with a Bachelor's degree in Computer Engineering and a Master's degree in Electrical Engineering.

CHRYSTALLA KARAGIORGI

With over 13 years' experience in HR roles, Chrystalla Karagiorgi had a leading role in the shaping of the Company's HR Department in 2010 and has been responsible for its development since then. Mrs. Karagiorgi has a clear understanding and vision of the organisation's strategy and of its human capital needs. Throughout the years at the Company, she has initiated or been involved in all the major HR projects. Furthermore, being part of a modern, fast-growing organisation, where challenges are daily, her objectives are to keep employee morale, well-being and satisfaction at high levels, whilst continuously developing employee capabilities to achieve the Company's objectives.

Mrs. Karagiorgi studied Banking and Finance and received her Master's degree in Human Resources Management. She is also an Associate Member of the Chartered Institute of Personnel and Development (CIPD).

YIANNOS MICHAELIDES

Yiannos Michaelides is the Head of Information Systems at the Company. He is responsible for the strategic planning, definition of the company's technology and architecture, development of mission critical capabilities, high availability and operational performance of all major Company systems.

One of his major on-going challenges is the end-to-end digital transformation of the Company's systems and processes. Mr. Michaelides's experience spans more than 20 years, from professor of Systems Analysis, Design and Programming at a local university, to being the co-founder of two start-ups in the mobile and fixed telecommunications industry in Cyprus. He has a profound understanding of operational processes, focus on design and user experience, fostering change and transformation and producing an efficient, capable and responsive organisation with innovative services.

Mr. Michaelides received his Bachelor of Science (BSc) in Business Administration Finance from State University of New York at Albany and his Master of Science (MSc) in Management Information Systems from Boston University.

9.3 AUDIT COMMITTEE

The Audit Committee's primary objective is to assist the Board in fulfilling its oversight responsibilities over the financial reporting processes, financial policies and internal control structure. The Audit Committee oversees the conduct of the internal and external audit and acts to facilitate communication between the Board, management and the internal and external auditors. The Audit Committee reports directly to the Board.

The Audit Committee is composed of Nikhil Patil (non-independent non-executive Director), Michael Warrington (independent non-executive Director) and Neoclis Nicolaou (independent non-executive Director). The Chairman of the Audit Committee, appointed by the Board, is entrusted with reporting to the Board on the workings and findings of the Audit Committee. Michael Warrington occupies the post of Chairman of the Audit Committee. Nikhil Patil and Michael Warrington are both considered by the Board to be competent in accounting and, or auditing in terms of the Listing Rules.

9.4 CONFLICTS OF INTEREST

As at the date of this Registration Document, Mr. Nikhil Patil is chief executive officer of GO and Mr. Paul Testaferrata Moroni Viani and Mr. Samir Saied are both directors of GO. Furthermore Mr. Samir Saied is chief executive officer and Chairman of Tunisie Telecom, GO's majority shareholder. As such, they may be susceptible to conflicts between the potentially diverging interests of the Company and its direct and/or indirect shareholder/s. Moreover, Mr. Nicolas Shiacolas is a Director as well as having a direct beneficial interest in the share capital of the Company and as such, is susceptible to conflicts arising between the potentially diverging interests of the shareholders and the Company. The Company does not believe that the one (1) share in the Company held by Periklis Theodoridis and the one (1) share in the Company held by Iosif Iosifakis (both being Directors) will give rise to a conflict of interest due to the quantum of their respective holdings.

However, in accordance with Article 90 of the Articles, a director who is in any way, whether directly or indirectly, interested in a contract or proposed contract or in any transaction or arrangement (whether or not constituting a contract) with the Company shall declare the nature of his interest at a meeting of the directors and save for as

provided in the Articles, a director shall not vote in respect of any contract or proposed contract or arrangement, transaction or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company.

Additionally, none of the Senior Management perform any activities outside of their function which is relevant to the Company and their employment contracts prohibit them from carrying out any other work that may directly or indirectly be competitive to the Company's activities.

Other than those disclosed above, the Directors are not aware of any potential conflicts of interest which could relate to their roles within the Company.

9.5 DECLARATION

None of the Directors, members of the Board committees or members of management referred to in sections 9.1 and 9.2 of this Registration Document have, in the last five years:

- been the subject of any convictions in relation to fraudulent offences;
- been associated with bankruptcies, receiverships or liquidations (other than voluntary) in respect of entities in respect of which they were members of administrative, management or supervisory bodies, partners with unlimited liability (in the case of a limited partnership with a share capital), founders or members of senior management;
- been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies); or
- been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

10. LEGAL AND ARBITRATION PROCEEDINGS

There are no governmental, legal or arbitration proceedings, either actual or threatened, during a period covering the previous twelve (12) months which may have or have had a significant effect on the Company's financial position or profitability.

11. MATERIAL CONTRACTS

There are no contracts that have been entered into outside the Company's ordinary course of business which could result in any group member being under an obligation or an entitlement that is material to the Company's ability to meet its obligations to security holders in respect of the securities being issued.

12. ADDITIONAL INFORMATION

12.1 SHARE CAPITAL OF THE COMPANY

As at the date of this Prospectus, the authorised share capital of the Company is six million eight hundred and forty thousand Euro (€6,840,000) divided into four million (4,000,000) shares of one Euro seventy-one cents (€1.71) each. The issued share capital of the Company is five million seven hundred and forty-nine thousand nine hundred and ninety-four Euro and seventy cents (€5,749,994.70) divided into three million three hundred and sixty-two thousand five hundred and seventy (3,362,570) ordinary shares of a nominal value of one Euro seventy-one cents (€1.71) each, all fully paid-up.

All the issued shares are of the same class and carry the same voting rights. There is no arrangement in place which may at a subsequent date result in a change in control of the Issuer.

12.2 MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY

The Memorandum and Articles of the Company are registered with the Cyprus Registrar of Companies. A full list of the objects for which the Company is established is provided in Article 3 of the Memorandum. These objects include *inter alia*:

1. The carrying on of the business of providing consultancy services of any kind and/or relating to telecommunication matters, of advertisers or other related activities, the acquisition and sale of advertising space or time in any print media, radio, television or other media of any kind or category, the undertaking of any advertising campaign or marketing of products, the manufacturing, preparation exploitation and trading of any type of materials or designs used for advertising or other purposes, the sale trading, import, export and brokerage of any kind of computers, cash registers, electronic scales and of any kind of electronic or electrical apparatus, the development of software of whatever nature by all means, the manufacture and distribution of all kinds of components related to the nature of the Company's activities and other related activities.
2. The carrying on of the work of business consultants, market researchers, consultants, appraisers, intermediaries for the introduction of sellers or buyers and the carrying on of the work of company promotion by any means.
3. To carry on the work or the business of news correspondents, photographers, photo reporters, cinematographers and the representation of any news agency and/or organization and/or radio and/or television network and/or any other station or organization of similar nature. Furthermore, to carry on the work or business of owners, publishers, operators, and managers of newspapers, magazines, literary texts, books and documents of every kind and description, films, video tapes, audio messages, representatives, press and news agents, bookbinders, sellers and traders of paper and stationery of all kinds or operators of printing houses, printing machinery and installations and of any other related work and businesses.
4. To carry on any other work, to undertake any other activity or perform any acts of any nature, if the Board of Directors considers that their performance or carrying on is useful and convenient or that their undertaking is appropriate in relation to the above objects or if their aim is to, directly or indirectly, enhance the value of any of the Company's businesses, assets or rights or render them more productive.

13. INTEREST OF EXPERTS AND ADVISORS

Save for the financial analysis summary set out as Annex III to the Securities Note, the Prospectus does not contain any statement or report attributed to any person as an expert.

The financial analysis summary has been included in the form and context in which they appear with the authorisation of Rizzo, Farrugia & Co (Stockbrokers) Ltd of Airways House, Fourth Floor, High Street, Sliema SLM 1551, Malta, which has given and have not withdrawn its consent to the inclusion of such report therein.

Rizzo, Farrugia & Co (Stockbrokers) Ltd does not have any material interest in the Company. The Company confirms that the financial analysis summary has been accurately reproduced in the Prospectus and that there are no facts of which the Company is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

14. DOCUMENTS ON DISPLAY

For the duration period of this Registration Document, the following documents shall be available for inspection at the registered address of the Company during office hours:

- i. the Memorandum and Articles of Association of the Issuer;
- ii. the audited financial statements of the Issuer for the years ended 31 December 2017, 2018 and 2019; and
- iii. the Financial Analysis Summary dated 21 July 2020 and prepared by Rizzo, Farrugia & Co. (Stockbrokers) Ltd, as reproduced in Annex III of the Securities Note.

The documents listed above are also available for inspection in electronic form on the Issuer's website: www.cablenet.com.cy

SECURITIES NOTE

dated 21 July 2020

This document is a Securities Note issued in accordance with the provisions of Chapter 4 of the Listing Rules published by the Listing Authority and of the Prospectus Regulation.

This Securities Note is issued pursuant to the requirements of Listing Rule 4.14 of the Listing Rules and contains information about the Bonds being offered by the Issuer pursuant to the Bond Issue. Application has been made for the admission to listing and trading of the Bonds of the Company on the Official List of the Malta Stock Exchange. This Securities Note should be read in conjunction with the most updated Registration Document issued from time to time containing information about the Company.

In respect of an issue of
€40,000,000 4% Unsecured Bonds 2030
of a nominal value of €1,000 per Bond, issued at par, by

///cablenet

CABLENET COMMUNICATION SYSTEMS PLC

a public limited liability company registered in Cyprus
with company registration number HE 137520

ISIN: MT0002461201

THIS SECURITIES NOTE HAS BEEN APPROVED BY THE LISTING AUTHORITY, AS COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE LISTING AUTHORITY ONLY APPROVED THIS SECURITIES NOTE AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER AND THE SECURITIES THAT ARE THE SUBJECT OF THIS SECURITIES NOTE. INVESTORS SHOULD MAKE THEIR OWN ASSESSMENT AS TO THE SUITABILITY OF INVESTING IN THE SECURITIES, THE SUBJECT OF THIS SECURITIES NOTE.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS WHATSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS, INCLUDING ANY LOSSES INCURRED BY INVESTING IN THE SECURITIES, THE SUBJECT OF THIS SECURITIES NOTE.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISER.

Legal Counsel

MAMO TCV
A D V O C A T E S

Sponsor, Manager & Registrar

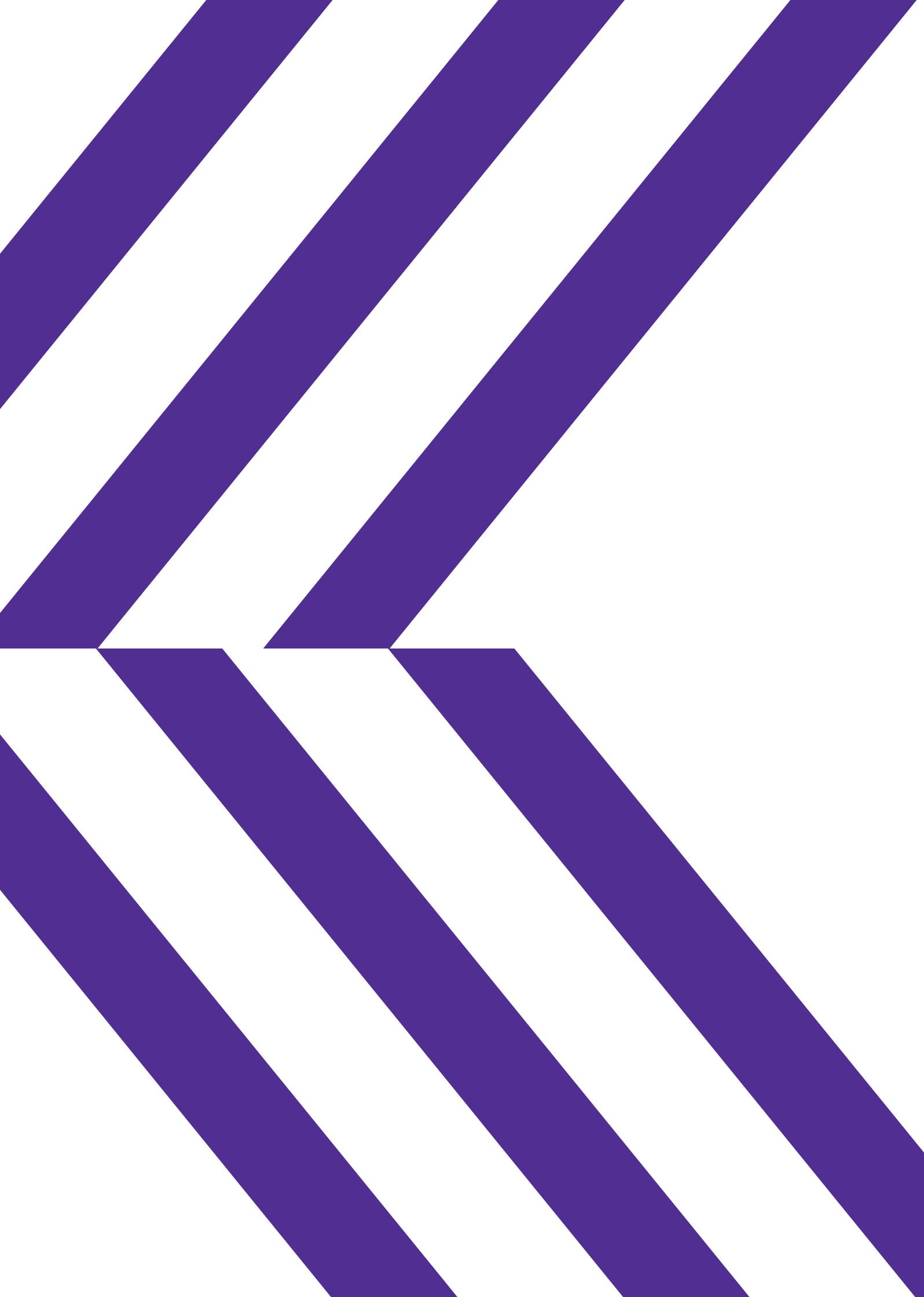
 **RIZZO FARRUGIA**
YOUR INVESTMENT CONSULTANTS

APPROVED BY THE DIRECTORS



Nikhil Patil in his capacity as Director of the Company

and for and on behalf of: Faker Hnid, Iosif Iosifakis, Neoclis Nicolaou, Samir Saied, Nicolas Shiacolas, Paul Testaferrata Moroni Viani, Periklis Theodoridis and Michael Warrington



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IMPORTANT INFORMATION

THIS SECURITIES NOTE CONTAINS INFORMATION ON AN ISSUE BY THE COMPANY IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES AND THE PROSPECTUS REGULATION.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE COMPANY OR ITS DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SECURITIES OF THE COMPANY OTHER THAN THOSE CONTAINED IN THIS REGISTRATION DOCUMENT AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE COMPANY OR ITS DIRECTORS OR ADVISERS.

THE SECURITIES NOTE HAS BEEN APPROVED BY THE LISTING AUTHORITY AS COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE LISTING AUTHORITY ONLY APPROVES THIS SECURITIES NOTE AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHALL NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER THAT IS THE SUBJECT OF THIS SECURITIES NOTE.

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER BY ANY PERSON IN ANY JURISDICTION (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THE PROSPECTUS AND ANY PERSONS WISHING TO ACQUIRE ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES OF THE COMPANY ADMITTED TO TRADING ON THE MSE SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF SO APPLYING FOR ANY SUCH SECURITIES AND OF ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE SECURITIES DESCRIBED IN THE SECURITIES NOTE OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF SAID DIRECTIVE, THE SECURITIES CAN ONLY BE OFFERED TO "QUALIFIED INVESTORS" (AS DEFINED IN SAID DIRECTIVE) AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF SAID DIRECTIVE.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES AND TO THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS.

STATEMENTS MADE IN THIS SECURITIES NOTE ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND CYPRUS (AS APPLICABLE) AND ARE SUBJECT TO CHANGES THEREIN.

ALL THE ADVISERS TO THE COMPANY NAMED IN THE REGISTRATION DOCUMENT UNDER THE HEADING "*IDENTITY OF DIRECTORS, ADVISERS AND AUDITORS*" IN SECTION 4 OF THE REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE COMPANY IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL, ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE INFORMATION ON THE ISSUER'S WEBSITE DOES NOT FORM PART OF THE PROSPECTUS UNLESS THAT INFORMATION IS INCORPORATED BY REFERENCE INTO THE PROSPECTUS.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS.

THIS SECURITIES NOTE IS VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE THEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO SUPPLEMENT THIS SECURITIES NOTE IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.

1. DEFINITIONS

Words and expressions and capitalised terms used in this Securities Note shall, except where the context otherwise requires and except where otherwise defined herein, bear the same meaning as the meaning given to such words, expressed and capitalised terms as indicated in the Registration Document forming part of the Prospectus. Additionally, the following words and expressions as used in this Securities Note shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

| | |
|--|---|
| Applicant/s | an applicant for the Bonds, either through the submission of an Application Form or through the subscription via an Authorised Financial Intermediary; |
| Application/s | the application/s to subscribe for the Bonds made by an Applicant/s; |
| Application Form/s | the forms of application for subscription for the Bonds by Preferred Applicants, specimen of which are contained in Annex II of this Securities Note; |
| Authorised Financial Intermediaries | the licensed stockbrokers and financial intermediaries as listed in Annex I of this Securities Note; |
| Bond Issue Price | the price of €1,000 per Bond; |
| Bondholder/s | a holder of the Bonds; |
| Bonds | the €40,000,000 Unsecured Bonds of a nominal value of €1,000 payable in full upon subscription and redeemable at the nominal value on the Redemption Date, bearing interest at the rate of 4% per annum, as detailed in this Securities Note; |
| Business Day | any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business; |
| CSD | the Central Securities Depository of the Malta Stock Exchange authorised in terms of Part IV of the Financial Markets Act (Cap. 345 of the laws of Malta), having its address at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta; |
| GO Employees | those persons employed by GO or any of its subsidiaries as at 21 July 2020 and who began such employment prior to 1 January 2020; |
| GO Shareholders | shareholders of GO appearing on the register of members as at 17 July 2020 (trading up to and including 15 July 2020); |
| Interest Payment Date | 18 August of each year between and including each of the years 2021 and the year 2030, both years included, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day; |
| Intermediaries Offer | the offer of Bonds to the Authorised Financial Intermediaries, either for their own account or for the account of underlying customers, consisting of a maximum aggregate amount equal to the balance of the Bonds, if any, not subscribed to by Preferred Applicants or in terms of Pre-Allocation Agreements, pursuant to the terms of the plan of distribution and allotment contained in section 7.3 of this Securities Note; |
| Intermediaries' Offer Date | 17 August 2020; |
| Issue Date | expected on 21 August 2020; |
| MifIR | Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments; |
| Offer Period | the period between 23 July 2020 to 6 August 2020 during which the Bonds will be available for subscription by the Preferred Applicants; |

| | |
|--|---|
| Official List | the list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws; |
| Pre-Allocation Agreements | the agreements entered into between the Company and the Authorised Financial Intermediaries as described in section 7.4 of this Securities Note; |
| Pre-Allocation Date | 30 July 2020; |
| Preferred Applicants | GO Shareholders and GO Employees; |
| Redemption Date | 19 August 2030; |
| Redemption Value | the nominal value of each Bond (€1,000 per Bond); |
| Sponsor, Manager and/or Registrar | Rizzo, Farrugia & Co. (Stockbrokers) Ltd., a private limited liability company registered under the laws of Malta having its registered office at Airways House, Fourth Floor, High Street, Sliema SLM 1551, Malta and bearing company registration number C 13102; and |
| Terms and Conditions | the terms and conditions of issue of the Bonds set out in sections 5 and 7 of this Securities Note. |

All references in the Prospectus to "Malta" are to the "Republic of Malta" and those to "Cyprus" are to the "Republic of Cyprus".

Unless it appears otherwise from the context:

- a. words importing the singular shall include the plural and *vice-versa*;
- b. words importing the masculine gender shall include also the feminine gender and *vice-versa*;
- c. the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative; and
- d. the word "person" shall refer to both natural and legal persons.

2. RISK FACTORS

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS INTENDED TO BE INDICATIVE OF THE ORDER OF PRIORITY AND TO THE EXTENT OF THEIR CONSEQUENCES.

NEITHER THIS SECURITIES NOTE, NOR ANY OTHER PARTS OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE BONDS: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION; OR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ADVISERS TO THE ISSUER OR THE AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THIS SECURITIES NOTE OR ANY OTHER PART OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS OR THE BONDS, SHOULD PURCHASE ANY BONDS.

ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT.

2.1 FORWARD-LOOKING STATEMENTS

This Securities Note contains "forward-looking statements" which include, among others, statements concerning matters that are not historical facts and which may involve projections of future circumstances. These forward-looking statements are subject to a number of risks, uncertainties and assumptions and important factors that could cause actual risks to differ materially from the expectations of the Directors. No assurance is given that the future results or expectations will be achieved.

2.2 GENERAL

An investment in the Issuer and the Bonds may not be suitable for all recipients of the Prospectus and prospective investors are urged to consult an independent investment adviser licensed under the Investment Services Act (Cap. 370 of the laws of Malta) as to the suitability or otherwise of an investment in the Bonds before making an investment decision. In particular, such advice should be sought with a view to ascertaining that each prospective investor:

- a. has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in the Prospectus or any applicable supplement;
- b. has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency and that the Bonds meet the investment objectives of the prospective investor;
- c. understands thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- d. be able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

2.3 RISKS RELATING TO THE BONDS

A. STATUS AND RANKING OF THE BONDS

The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt, if any. This means that any secured or privileged debts of the Issuer shall rank at all times ahead of the obligations of the Issuer under the Bonds, as a result of which the Bondholders may not be able to recover their investment in the Bonds in the case of insolvency or an equivalent situation, whether in full or in part. Furthermore, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer, as the case may be, for so long as such security interests remain in effect, which registration may further impede the ability of the Bondholders to recover their investment upon enforcement of such security interests, whether in full or in part.

B. ORDERLY AND LIQUID SECONDARY MARKET

The impact of CoVID-19, and other infectious illness outbreaks that may arise in the future, could adversely affect the economies of many nations or the entire global economy, individual issuers and capital markets in ways that cannot necessarily be foreseen. The existence of an orderly and liquid market for the Bonds depends on a number of factors, including but not limited to the presence of willing buyers and sellers of the Bonds at any given time and the general economic conditions in the market in which the Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to trade in the Bonds at all.

C. THE COMPANY IS INCORPORATED IN CYPRUS WITH A PRIMARY LISTING IN MALTA. BONDHOLDERS, AS A CONSEQUENCE, MAY NOT HAVE THE BENEFIT OF CERTAIN RIGHTS THAT THEY WOULD EXPECT TO APPLY TO A MALTESE INCORPORATED COMPANY WITH A PRIMARY LISTING ON THE MSE AS WELL AS MAY INCUR ADDITIONAL EXPENSE WHEN ATTEMPTING TO ENFORCE THEIR RIGHTS

The Company is a Cypriot incorporated public limited liability company subject to the Cyprus Act and with a primary listing on the MSE. While the Company is subject to the Cyprus Act and other applicable legislation in Cyprus, it is also subject to those listing requirements as a result of a primary listing on the MSE. Consequently, Bondholders may not benefit from certain rights and the enforcement of Bondholder rights may also come at a greater financial cost than would typically be expected in the case of a Maltese incorporated and MSE primary listed company.

D. FIXED INTEREST RATE

The Bonds shall carry fixed interest rates. Consequently, investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. Investors should also be aware that the price of fixed rate bonds should theoretically move adversely to changes in interest rates. When prevailing market interest rates are rising, their prices decline and conversely, if market interest rates are declining, the prices of fixed rate bonds rise. This is called market risk since it arises only if a Bondholder decides to sell the Bonds before maturity on the secondary market.

E. CURRENCY OF REFERENCE

A Bondholder will bear the risk of any adverse fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference, if different. Such adverse fluctuations may impair the return of investment of the Bondholder in real terms after taking into account the relevant exchange rate.

F. CONTINUING OBLIGATIONS

After the Bonds are admitted to trading on the Official List of the MSE, the Issuer must remain in compliance with certain requirements. The Listing Authority has the authority to suspend trading of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or of the integrity or reputation of the market. Furthermore, the Listing Authority may discontinue the listing of the Bonds if, *inter alia*, it is satisfied that, owing to special circumstances, normal regular dealings in the Bonds are no longer possible, or upon the request of the Issuer or the MSE. Any such trading suspension or listing revocation/discontinuation described above, could have a material adverse effect on the liquidity and value of the Bonds.

G. AMENDMENTS TO THE TERMS AND CONDITIONS OF THE BONDS

In the event that the Issuer wishes to amend any of the Terms and Conditions of the Bonds it shall call a meeting of Bondholders in accordance with the provisions of section 5.12 of this Securities Note. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

H. CHANGES IN LAWS OR REGULATIONS, OR A FAILURE TO COMPLY WITH ANY LAWS OR REGULATIONS, MAY ADVERSELY AFFECT THE COMPANY

The Company is subject to laws and regulations enacted by national and local governments. In particular, the Company is required to comply with the applicable legislation in both Malta and Cyprus. Compliance with, and

monitoring of, applicable laws and regulations may be difficult, time consuming and costly, as laws and regulations and their interpretation and application may change from time to time. Failure by the Company to comply with applicable laws or regulations could have a material adverse effect on the Company's business, financial results, net asset value (NAV) or the value of the Bonds.

3. PERSONS RESPONSIBLE & AUTHORISATION STATEMENT

This document includes information given in compliance with the Listing Rules for the purpose of providing prospective investors with information about the Issuer. All of the Directors accept responsibility for the information contained in this Securities Note.

To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

3.1 CONSENT FOR USE OF PROSPECTUS

CONSENT REQUIRED IN CONNECTION WITH THE USE OF THE PROSPECTUS BY THE AUTHORISED FINANCIAL INTERMEDIARIES:

For the purposes of any subscription for Bonds through any of the Authorised Financial Intermediaries during the Offer Period in terms of this Securities Note and any subsequent resale, placement or other offering of Bonds by such Authorised Financial Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Regulation, the Issuer consents to the use of the Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale, placement or other offering of the Bonds, provided this is limited only:

- i. in respect of the Bonds subscribed for through Authorised Financial Intermediaries of this Securities Note during the Offer Period;
- ii. to any resale or placement of the Bonds taking place in Malta; and
- iii. to any resale or placement of the Bonds taking place within the period of 60 days from the date of the Prospectus.

None of the Issuer, the Sponsor, Manager & Registrar or any of their respective advisers accept any responsibility for any of the actions of any of the Authorised Financial Intermediaries, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to a resale or placement of Bonds.

Other than as set out above, neither the Issuer nor the Sponsor, Manager & Registrar has authorised (nor do they authorise or consent to the use of this Prospectus in connection with) the making of any public offer of the Bonds by any person in any circumstances. Any such unauthorised offers are not made on behalf of the Issuer and neither the Issuer nor the Sponsor, Manager & Registrar has any responsibility or liability for the actions of any person making such offers.

Investors should enquire whether an intermediary is considered to be an Authorised Financial Intermediary in terms of the Prospectus. If the investor is in doubt as to whether it can rely on the Prospectus and/or who is responsible for its contents, it should obtain legal advice.

No person has been authorised to give any information or to make any representation not contained in or inconsistent with this Prospectus. If given or made, it must not be relied upon as having been authorised by the Issuer or Sponsor, Manager & Registrar. The Issuer does not accept responsibility for any information not contained in this Prospectus.

In the event of a resale, placement or other offering of the Bonds by an Authorised Financial Intermediary, the Authorised Financial Intermediary will provide information to investors on the terms and conditions of the resale, placement or other offering at the time such is made.

Any resale, placement or other offering of the Bonds to an investor by an Authorised Financial Intermediary will be made in accordance with any terms and other arrangements in place between such Authorised Financial Intermediary and such investor including as to price, allocations and settlement arrangements. Where such information is not contained in the Prospectus, it will be the responsibility of the applicable Authorised Financial

Intermediary at the time of such resale, placement or other offering to provide the investor with that information and neither the Issuer nor the Sponsor, Manager & Registrar has any responsibility or liability for such information.

Any Authorised Financial Intermediary using this Prospectus in connection with a resale, placement or other offering of the Bonds subsequent to the Bond Issue shall, limitedly for the period of 60 days from the date of the Prospectus, publish on its website a notice to the effect that it is using this Prospectus for such resale, placement or other offering in accordance with the consent of the Issuer and the conditions attached thereto. The consent provided herein shall no longer apply following the lapse of such period.

Any new information with respect to Authorised Financial Intermediaries unknown at the time of approval of this Securities Note will be made available through a company announcement which will also be made available on the Issuer's website: www.cablenet.com.cy

3.2 STATEMENT OF AUTHORISATION

This Securities Note has been approved by the Listing Authority, as competent authority under the Prospectus Regulation. The Listing Authority only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Securities Note. Investors should make their own assessment as to the suitability of investing in the securities.

4. ESSENTIAL INFORMATION

4.1 REASONS FOR THE ISSUE AND USE OF PROCEEDS

For the purpose of this section 4.1, the following definitions are repeated:

"Shareholder Loan" means the amount of €7,307,609 due by the Company to GO in terms of an intra-group loan agreement between the Company and GO dated 28 March 2019 and subsequently amended on 25 November 2019; and

"BOC FTL" means a fixed term loan with the Bank of Cyprus of €15,000,000 granted on 28 April 2017, repayable over a period of 9 years (maturity: 30 August 2026), with a current balance of *circa* €14.4 million.

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €39,500,000 will be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

- a. the amount of *circa* €14.4 million will be used to repay the BOC FTL;
- b. the amount of *circa* €7.3 million will be used to repay the Shareholder Loan;
- c. the amount of *circa* €14.6 million will be used for capital expenditure; and
- d. the amount of *circa* €3.2 million will be used for general corporate funding.

Capital expenditure will be as follows:

- New Network Rollout - €6.9 million
- 4G Spectrum - €2.1 million
- Information Technology Systems - €3.4 million
- International Capacity - €2.2 million

These investments are essential to the strategy of the Company in that (a) without 4G the Company cannot offer mobile services as a mobile network operator, (b) without Information Technology Systems the Company cannot offer good quality of service and after sales support, and (c) without International Capacity the Company cannot provide access to the internet.

The Bond Issue is conditional upon: (a) 75% of the Bond Issue being fully subscribed and (b) the Bonds being admitted to the Official List. Should only 75% of the Bond Issue be fully subscribed, €29,500,000 will be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

- a. the amount of *circa* €14.4 million will be used to repay the BOC FTL;
- b. the amount of *circa* €7.3 million will be used to repay the Shareholder Loan;
- c. the amount of *circa* €7.5 million will be used for capital expenditure; and
- d. the amount of *circa* €0.3 million will be used for general corporate funding.

Capital expenditure will in this case be as follows:

- New Network Rollout – €3.5 million
- 4G Spectrum – €1.1 million
- Information Technology Systems – €1.9 million
- International Capacity – €1 million

It is important to note that, in the situation of 75% of the Bond Issue being fully subscribed and the proceeds being applied as per the immediately preceding paragraph, the Company will seek additional equity or bank financing in order to proceed with the requisite capital expenditure.

Detail of the capital expenditure intended to be undertaken is included in the preamble to section 6 of the Registration Document.

New Network Rollout – This relates to plans to cover new areas with the Company’s network and to connect buildings to the network. Section 6.3 of the Registration Document provides more detail on the fixed network expansion.

4G Spectrum – This relates to the frequencies required for the provision of 4G mobile services. 4G (which stands for 4th Generation and which is equivalent to LTE (Long Term Evolution)) is the most current, widely deployed mobile services technology. It is typically used for the provision of high-speed mobile data services and can be used also for the provision of high-quality voice using VOLTE (Voice Over LTE). A suitable set of frequencies for the provision of 4G mobile services have been acquired by the Company at auction from the Government of Cyprus in June 2019, with a right for the Company to use them for 10 years. Mobile services, with an emphasis on good value-for-money mobile data services, are a pivotal element of the Company’s growth strategy.

Information Technology Systems – These relate to all the software systems required to operate and monitor the Company and include Integrated Revenue Management Systems (IRMS), Customer Relationship Management (CRM), Enterprise Resource Planning (ERP) and Accounting systems. Having the latest systems, which are flexible, effective, interoperable and running on reliable up-to-date hardware, allows the Company to have a competitive advantage over its competitors with regard to the commercial appeal of the products and services it can launch in the market, the speed at which it can launch them and the customer experience of its subscribers during their use.

International Capacity – This relates to capacity on the undersea cables connecting Cyprus, which is an island, with the rest of the world particularly, mainland Europe. Without these connections, high-speed, high-capacity access to the Internet is not possible. In recent years there has been a steady, exponential growth in the capacity requirements from broadband users and guaranteed access to sufficient international capacity is a major success factor in the goal of the Company to retain its broadband leadership position in Cyprus.

4.2 EXPENSES

Professional fees and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission and other miscellaneous expenses in connection with this Bond Issue are estimated to be *circa* €500,000. There is no particular order of priority with respect to such expenses.

4.3 ISSUE STATISTICS

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|---|--|
| Amount: | €40 million; |
| Form: | The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD; |
| Denomination: | Euro (€); |
| ISIN: | MT0002461201; |
| Minimum amount per subscription: | Minimum of €2,000 and multiples of €1,000 thereafter; |
| Redemption Date: | 19 August 2030; |
| Plan of Distribution: | The Bonds are open for subscription by all categories of investors, including the general public; |

| | |
|---|--|
| Bond Issue Price: | At par (€1,000 per Bond); |
| Status of the Bonds: | The Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> , without any priority or preference among themselves; |
| Listing: | The Listing Authority has approved the Bonds for admissibility to listing and subsequent trading on the Official List of the Malta Stock Exchange. Application has been made to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List; |
| Offer Period (for Preferred Applicants): | 23 July 2020 to 6 August 2020, both days included; |
| Interest: | 4% per annum; |
| Placement Date: | 30 July 2020; |
| Intermediaries Offer: | By 17:00 hrs on 17 August 2020; |
| Interest Payment Date(s): | Annually on 18 August as from 18 August 2021 (the first interest payment date); and |
| Governing Law: | The Terms and Conditions shall be governed by and construed in accordance with the laws of Malta. |

4.4 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for the possible subscription for the Bonds by Authorised Financial Intermediaries (which includes the Sponsor), and any fees payable to Rizzo Farrugia & Co (Stockbrokers) Ltd in connection with the Bond Issue as Sponsor, Manager and Registrar, so far as the Issuer is aware, no other person involved in the Bond Issue has an interest, conflicting or otherwise, material to the Bond Issue.

5. INFORMATION CONCERNING THE SECURITIES TO BE ISSUED AND ADMITTED TO TRADING

Each Bond shall be issued on the terms and conditions set out in this Securities Note and, by subscribing to or otherwise acquiring the Bonds, the Bondholders are deemed to have knowledge of all the terms and conditions of the Bonds hereafter described and to accept and be bound by the said terms and conditions.

5.1 GENERAL

Each Bond forms part of a duly authorised issue of 4% unsecured bonds 2030 of a nominal value of €1,000 per Bond issued by the Issuer at par up to the principal amount of €40,000,000 (except as otherwise provided under section 5.11 "Further Issues").

- a. The Issue Date of the Bonds is expected to be 21 August 2020.
- b. The currency of the Bonds is Euro (€).
- c. Subject to admission to listing of the Bonds to the Official List of the MSE, the Bonds are expected to be assigned ISIN MT0002461201.
- d. Unless previously purchased and cancelled, the Bonds shall be redeemable at par on the Redemption Date.
- e. The issue of the Bonds is made in accordance with the requirements of the Listing Rules, the Cyprus Act, and the Prospectus Regulation.
- f. The Bond Issue is not underwritten.
- g. There are no special rights attached to the Bonds other than as specified in section 5.3 hereunder.

5.2 RANKING OF THE BONDS

Save as hereunder provided, the Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, and shall at all times rank *pari passu*, without any priority or preference, among themselves and with other unsecured debt of the Issuer present and future, if any. Third party security interests may be registered by the Issuer which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.

A. THE VELISTER GUARANTEE AND CORRESPONDING SHARE PLEDGE

The Company holds 15% of the issued share capital in Velister Ltd, a company incorporated in Cyprus with registered address situated at 31 Evagorou Str., Evagoras Building, Floor 4, Flat 41-42, 1066 Nicosia, Cyprus and company registration number HE 261340 ("**Velister**"). Velister has an exclusive license that it obtained in 2010 and operates the only private Digital Terrestrial TV (DTT) transmission network in Cyprus. Its license is for 15 years and all non-public Free-To-Air (FTA) channels use Velister to transmit their signals. The Cyprus Broadcasting Corporation (CYBC) operates a smaller DTT network for the transmission of the public channels.

In terms of a credit facility granted to Velister by the Cyprus Development Bank (the "**CDB**") in the amount of €15,560,000 (the "**Credit Facility**"), the shareholders of Velister (of which the Company is one) (the "**Guarantors**") severally guaranteed the repayment by Velister of all the amounts due under and/or in connection to the particular Credit Facility, subject to the terms set out in the respective guarantee document/s (the "**Guarantee**"). Under the Guarantee, the Company's guaranteed amount is up to a maximum of €1,954,053 plus interest.

As an additional security for all of their own obligations as well as those of Velister, present or future (the "**Secured Obligations**"), including the Credit Facility and the Guarantee, the Guarantors pledged their shares in Velister to CDB.

Therefore, in an event of default in the performance of the Secured Obligations, CDB has the right to enforce its rights over the shares in Velister provided as security by the Guarantors, including the Company's shares in Velister which will therefore no longer fall within the Company's pool of assets. In a situation of insolvency of the Company and of CDB having a provable claim with regards to the Secured Obligations, if the aforementioned enforcement does not allow CDB to recover all the amounts due to it under and/or in connection with the Secured Obligations, including any unpaid interest, CDB may submit a claim for the balance on a *pari passu* basis with the Bondholders. If for whatever reason, CDB relinquishes its security, CDB may submit a claim for the whole debt, again on a *pari passu* basis with the Bondholders.

B. THE BOC CURRENT SECURITY AND THE BOC REMAINING SECURITY

For the purpose of this section 5.2, the following definitions are repeated:

"BOC FTL" means a fixed term loan with the Bank of Cyprus of €15,000,000 granted on 28 April 2017, repayable over a period of 9 years (maturity: 30 August 2026), with currently €14,400,000 drawn down.

"BOC OF" means an overdraft facility of €4,000,000 with Bank of Cyprus granted on 28 April 2017.

"BOC DF" means a debtor financing facility of €500,000.

"BOC LG" means €1,000,000 related to Letter of Guarantees.

(the BOC FTL, the BOC OF, the BOC DF and the BOC LG collectively the "**BOC Current Borrowings**")

As per section 5.4 of the Registration Document, as at the date of the Prospectus, the Company has the BOC Current Borrowings with the Bank of Cyprus.

- The BOC Current Borrowings are secured as follows:

Floating charge¹ on the property of the Company: €52,071,504; and
Mortgage on Leasehold property belonging to the Company: €750,000²

¹ A floating charge is a security interest over a changing pool of assets of the debtor which crystalize upon the amount falling due.

² The mortgage on leasehold property is a fixed charge.

(the "BOC Current Security")

As per section 4.1 of this Securities Note, the amount of *circa* €14,400,000 will be used to repay the BOC FTL. Until the BOC FTL is repaid, the BOC Current Security will remain in place. However, once the BOC FTL is repaid, the BOC Current Security will be amended so that, whilst the floating charge and the mortgage on leasehold property remain in place, the floating charge will only guarantee the remaining obligations towards BOC, namely the BOC OF, the BOC DF and the BOC LG as follows:

Floating charge on the property of the Company: €37,071,504; and
Mortgage on Leasehold property belonging to the Company: €750,000

(the "BOC Remaining Security")

Both the BOC Current Security and the BOC Remaining Security are made up of a mix of floating charges and fixed charges. Therefore, in a situation of the insolvency of the Company, the following ranking will apply with respect to the Company's creditors:

- Preferential creditors³
- Secured creditors with a fixed charge
- Secured creditors with a floating charge
- Other creditors⁴

C. THE SHAREHOLDER LOAN

The Shareholder Loan is unsecured and therefore, until repaid, in an event of the insolvency of the Company, the Bondholders and GO shall rank *pari passu*. However, as per section 4.1 of this Securities Note, the amount of *circa* €7.3 million will be used to repay the Shareholder Loan.

5.3 RIGHTS ATTACHING TO THE BONDS

This Securities Note in its entirety contains the terms and conditions of issue of the Bonds and creates the contract between the Issuer and a Bondholder. Any and all references to the terms and conditions of the Bonds shall be construed as a reference to all and each section of this Securities Note. A Bondholder shall have such rights as are, pursuant to this Securities Note, attached to the Bonds, including:

- i. the repayment of capital;
- ii. the payment of interest;
- iii. ranking with respect to other indebtedness of the Issuer in accordance with the provisions of section 5.2 above;
- iv. the right to attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and
- v. enjoy all such other rights attached to the Bonds emanating from the Prospectus.

5.4 INTEREST

The Bonds shall bear interest from and including 18 August at the rate of 4% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 18 August 2021 (covering the period 18 August 2020 to 17 August 2021). Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. In terms of article 2156 of the Civil Code (Cap. 16 of the laws of Malta), the right of Bondholders to bring claims for payment of interest and repayment of the principal on the Bonds is barred by the lapse of five years.

When interest is required to be calculated for any period of less than a full year, it shall be calculated on the basis of a three hundred and sixty (360) day year consisting of twelve (12) months of thirty (30) days each, and in the case of an incomplete month, the number of days elapsed.

³ Including *inter alia* taxes, government duties, salaries and compensation owed to employees.

⁴ As this Bond Issue is unsecured, the Bondholders will be treated as other creditors and therefore rank behind the preferential and secured creditors and *pari passu* with all other creditors.

5.5 YIELD

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds is 4% per annum.

5.6 REGISTRATION, FORM, DENOMINATION AND TITLE

Certificates will not be delivered to Bondholders in respect of the Bonds. The entitlement to the Bonds will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer by the CSD. There will be entered in such electronic register the names, addresses, identity card numbers (in the case of natural persons), registration numbers (in the case of companies) and MSE account numbers, and any other relevant information as required from time to time, of the Bondholders and particulars of the Bonds held by them respectively, and the Bondholders shall have, at all reasonable times during business hours, access to the register of bondholders held at the CSD for the purpose of inspecting information held on their respective account.

The CSD will issue, upon a request by a Bondholder, a statement of holdings to such Bondholder evidencing his/her/its entitlement to the Bonds held in the register kept by the CSD.

Upon submission of an Application Form, Bondholders who opt to subscribe for the online e-portfolio account with the CSD, by marking the appropriate box on the Application Form, will be registered by the CSD for the online e-portfolio facility and will receive by mail at their registered address a handle code to activate the new e-portfolio login. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further detail on the e-portfolio is found on the afore-mentioned website.

The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €1,000, provided that on subscription each Application must be for a minimum of €2,000 per individual Applicant. Authorised Financial Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client.

Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under the heading "*Transferability of the Bonds*" in section 5.10 of this Securities Note.

5.7 PAYMENTS

Payment of the principal amount of Bonds will be made in Euro by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account is denominated in Euro and held with any licensed bank in Malta. Such payment shall be affected within seven (7) days of the Redemption Date. The Issuer shall not be responsible for any charges, loss or delay in transmission. Upon payment of the Redemption Value the Bonds shall be redeemed and the appropriate entry made in the electronic register of the Bonds at the CSD.

Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business fifteen (15) days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is denominated in Euro. Such payment shall be affected within seven (7) days of the Interest Payment Date. The Issuer shall not be responsible for any loss or delay in transmission.

All payments with respect to the Bonds are subject in all cases to any applicable fiscal or other laws and regulations prevailing in Malta and/or Cyprus. In particular, but without limitation, all payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is or may become compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Malta and/or the Republic of Cyprus or any authority thereof or therein having power to tax.

No commissions or expenses shall be charged by the Issuer to Bondholders in respect of such payments. The Issuer shall not be liable for charges, expenses and commissions levied by parties other than the Issuer.

5.8 REDEMPTION AND PURCHASE

Unless previously re-purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 19 August 2030.

Subject to the provisions of this section, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike.

All Bonds repurchased by the Issuer shall be cancelled forthwith and may not be re-issued or re-sold.

5.9 EVENTS OF DEFAULT

The Bonds shall become immediately due and repayable at their principal amount together with any accrued interest, if any of the following events ("**Events of Default**") shall occur:

- a. the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for 60 days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- b. the Issuer shall fail to pay the principal amount on any Bond when due and such failure shall continue for 60 days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- c. the Issuer shall fail duly to perform or shall otherwise be in breach of any other material obligation contained in the terms and conditions of the Bonds and such failure shall continue for 60 days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- d. an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer; or
- e. the Issuer, unless contractually entitled to do so or does so with the consent of the counterparty/ies, stops or suspends payments (whether of principal or interest) with respect to all or any class of its respective debts or announces an intention to do so or ceases or threatens to cease to carry on its respective business or a substantial part of its respective business; or
- f. the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; or
- g. there shall have been entered against the Issuer a final judgment by a court of competent jurisdiction from which no appeal may be or is made for the payment of money in excess of an amount equivalent to at least 20% of the equity value of the Company, and 90 days shall have passed since the date of entry of such judgment without its having been satisfied or stayed.

5.10 TRANSFERABILITY OF THE BONDS

The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.

Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon such evidence being produced as may from time to time properly be required by the Issuer or the CSD, elect either to be registered himself as holder of the Bond or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify such election by transferring the Bond, or procuring the transfer of the Bond, in favour of that person.

All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.

The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Issuer.

The Issuer will not take into account the transfer or transmission of Bonds for a period of 15 days preceding the due date for any payment of interest on the Bonds.

5.11 FURTHER ISSUES

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further debentures, debenture stock, bonds, loan notes, or any other debt securities, either having the same terms and conditions as any outstanding debt securities or upon such terms as the Issuer may determine at the time of their issue.

5.12 MEETINGS OF BONDHOLDERS

- a. The Issuer may from time to time call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which in terms of the Prospectus require the approval of a Bondholders' meeting.
- b. A meeting of Bondholders shall be held in Malta and shall be called by the Directors by giving all Bondholders listed on the register of Bondholders as at a date being not more than 30 days preceding the date scheduled for the meeting, not less than 14 days' notice in writing. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the Prospectus that is proposed to be voted upon at the meeting and seeking the approval of the Bondholders.
- c. Following a meeting of Bondholders held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Bondholders whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Bondholders in accordance with the provisions of this section at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.
- d. The amendment or waiver of any of the Terms and Conditions of the Bonds, may only be made with the approval of Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.
- e. A meeting of Bondholders shall only validly and properly proceed to business if there is a *quorum* present at the commencement of the meeting. For this purpose, at least two Bondholders present, in person or by proxy, representing not less than 50% in nominal value of the Bonds then outstanding, shall constitute a *quorum*. If a *quorum* is not present within 30 minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to the Bondholders present at that meeting. The Issuer shall within two days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven days, and not later than 15 days, following the original meeting. At an adjourned meeting the number of Bondholders present, in person or by proxy, shall constitute a *quorum* and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.
- f. Any person who in accordance with the Memorandum and Articles of Association of the Issuer is to chair the annual general meetings of shareholders shall also chair meetings of Bondholders.
- g. Once a *quorum* is declared present by the chairman of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting the Directors or their representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a *quorum* who are no longer present for the taking of the vote, shall not be taken into account for the purpose of such vote.
- h. The voting process shall be managed by the secretary of the Company under the supervision and scrutiny of the auditors of the Issuer.

- i. The proposal placed before a meeting of Bondholders shall only be considered approved if at least 75% in nominal value of the Bondholders present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.
- j. Save for the above, the rules generally applicable to proceedings at general meetings of shareholders of the Issuer shall mutatis mutandis apply to meetings of Bondholders.

5.13 AUTHORISATIONS AND APPROVALS

The Board of Directors of the Issuer authorised the Bond Issue pursuant to a board of directors' resolution passed on 30 June 2020.

5.14 NOTICES

Notices will be mailed to Bondholders at their registered addresses and shall be deemed to have been served at the expiration of twenty four (24) hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholder at his registered address and posted.

5.15 LEGISLATION UNDER WHICH THE SECURITIES HAVE BEEN CREATED

Cypriot law.

6. TAXATION

6.1 TAXATION – CYPRUS⁵

6.1.1 PHYSICAL PERSONS TAX RESIDENTS OF CYPRUS

Special Defence Contribution

Individuals who are both Cyprus tax resident and Cyprus "domiciled" in the Republic of Cyprus are subject to Special Defence Contribution at the rate of 3% on interest received by corporate securities.

An individual who is a tax resident of Cyprus under the provisions of the Income Tax Law, but is "non- domiciled" in the Republic of Cyprus, will be exempt from Special Defence Contribution.

Interest earned as a result of the ordinary carrying on of the business (including interest closely connected to the ordinary carrying on of the business, and interest earned by a collective investment scheme) is not considered interest for Special Contribution for Defence purposes and is exempt from Special Contribution for Defence.

Contributions to the General Healthcare System

Interest income is subject to contributions to the National Health System at the rate of 2.65% for employees/pensioners/income earners and 4% for self-employed individuals, as from 1 March 2020 for all physical persons who are Cyprus tax residents (as a result of the CoVID-19 measures the rate of employees/pensioners/income earners will be 1.7% and 2.55% for self-employed individuals, for contributions during April, May and June 2020). The rate of contribution will be applicable up to maximum €180,000 income. The maximum income on which contribution is calculated, apart from interest income it also includes any other income that is assessed under the Cyprus Income Tax law. Following the provisions of the law the issuer must withhold and pay the contribution to the government. In case where the issuer for whatever reason does not withhold the contribution then the obligation for payment is automatically transferred to the income earner who is obliged to pay the contribution via self-assessment.

Income Tax

Interest income is exempt from Income Tax.

⁵ Please note that the section entitled Taxation – Cyprus has been prepared by Grant Thornton (Cyprus) Ltd

6.1.2 LEGAL ENTITIES TAX RESIDENTS OF CYPRUS

Special Defence Contribution

Any legal person resident in the Republic who receives or is credited with interest income, is subject to Special Defence withholding tax at the rate of 30%.

Interest earned as a result of the ordinary carrying on of the business (including interest closely connected to the ordinary carrying on of the business, and interest earned by a collective investment scheme) is not considered interest for Special Contribution for Defence purposes and is exempt from Special Contribution for Defence.

Corporation Tax

Interest income is exempt from Corporation Tax if it is considered to be passive income.

Interest earned as a result of the ordinary carrying on of the business (including interest closely connected to the ordinary carrying on of the business) is subject to Corporate Tax at the rate of 12.5%.

Provident Funds

Interest received or credited to a Provident Fund in Cyprus is subject to Special Defence Contribution at the rate of 3%.

Public Law Organizations

Public Law Organizations are taxed in the same way as any other legal entity.

6.1.3 PHYSICAL AND LEGAL PERSONS WHO ARE NOT TAX RESIDENTS OF CYPRUS

There is no withholding tax on interest paid to non-residents or tax residents of Cyprus.

However, the tax legislation of a Bondholder's jurisdiction may have an impact on the interest income received.

Furthermore, non-tax residents of the Republic are entitled to receive interest free withholding tax and Special Defence Contributions provided that they provide the Interest payer with a declaration for exemption from the deduction of Special Defence Contribution.

Finally, physical persons who are non-residents of the Republic of Cyprus are not subject to contributions to the General Healthcare System on interest income.

6.1.4 CYPRUS TAXATION ON CAPITAL GAINS ON TRANSFER OF THE BONDS

The Income Tax Law provides that any gain on the disposal of "titles" is exempt from income/corporation tax.

The word "titles" according to the income Tax Law N.118(I)/2002 means: "shares, bonds, debentures, founders' shares and other titles of companies or other legal persons incorporated in Cyprus or abroad and rights thereon".

6.1.5 CYPRUS: EXCHANGE OF INFORMATION

Cyprus is a party to a number of international agreements designed to provide tax administrations with information about interest, dividends, bank balances, income from certain insurance products, revenue from sale of financial assets and other income or payments, by individuals and entities that are resident for tax purposes in their jurisdiction, but which are held by financial institutions, financial intermediaries, collective investment funds, insurance companies etc, in the other territory (Cyprus).

Such information is shared to the Cyprus Tax Department and in turn the Cyprus Tax Department informs the Tax Authorities in the country of tax residence of the relevant individual or entity.

In return, those jurisdictions supply the Cyprus Tax Department with similar information on Cyprus tax resident individuals and entities.

Cyprus has in place the below legislation/means with regards to exchange of information:

- a. The United States Foreign Account Tax Compliance Act – FATCA
- b. The Common Reporting Standard developed by the OECD – CRS
- c. The Country by Country Reporting of the Organisation for Economic Co-Operation and Development (OECD) – CbCR
- d. The EU Directive on Administrative Cooperation in Tax Matters – DAC
- e. Double taxation avoidance treaties between countries followed by a special request of the other country's tax authorities.
- f. Bilateral agreements between countries to exchange information followed by a specific request of the other country's tax authorities.

6.2 TAXATION – MALTA

6.2.1 GENERAL

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Bonds, including their acquisition, holding and transfer as well as on any income derived therefrom or on any gains derived on the transfer of such Bonds. The following is a summary of the anticipated tax treatment applicable to Bondholders in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and does not purport to be exhaustive.

The information below is based on interpretation of tax law and practice relative to the applicable legislation, as known to the Issuer at the date of the Prospectus, in respect of a subject on which no official guidelines exist. Investors are reminded that tax law and practice and their interpretation as well as the levels of tax on the subject matter referred to in the preceding paragraph, may change from time to time.

This information is being given solely for the general information of investors. The precise implications for investors will depend, among other things, on their particular circumstances and on the classification of the Bonds from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

Malta Tax on Interest

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is instructed by a Bondholder to receive the interest gross of any withholding tax, or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act (Chapter 123, Laws of Malta), interest shall be paid to such person net of a final withholding tax, currently at the rate of fifteen percent (15%) (ten percent (10%) in the case of certain types of collective investment schemes) of the gross amount of the interest, pursuant to article 33 of the Income Tax Act. Bondholders who do not fall within the definition of a "recipient" do not qualify for the said rate and should seek advice on the taxation of such income as special rules may apply.

Article 41(c) of the Income Tax Act defines the term "Recipient", which includes (*inter alia*) a person who is resident in Malta during the year in which investment income is payable to him/her, and EU/EEA nationals (and their spouse were applicable) who are not resident in Malta for Maltese tax purposes but who apply the tax rates applicable to Maltese residents on the basis that the income that arises in Malta is at least 90% of their world-wide income.

The aforementioned withholding tax is considered as a final tax and a Maltese resident individual Bondholder is not obliged to declare the interest so received in his or her income tax return (to the extent that the interest is paid net of tax). No person should be charged to further tax in respect of such income. Furthermore, such tax should not be available as a credit against the recipient's tax liability or for a refund, as the case may be, for the relevant year of assessment in Malta. The Issuer will render an account to the Maltese Commissioner for Revenue of all amounts so deducted, including the identity of the recipient.

In the case of a valid election made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his or her Maltese income tax return and be subject to tax on such interest at the standard rates applicable to such Bondholder at that time. Additionally, in this latter case the Issuer will advise the Maltese Commissioner for Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

Exchange of Information

In terms of the applicable Maltese legislation, the Issuer and/or its agent are required to collect and forward certain information (including, but not limited to, information regarding payments made to certain Bondholders) to the Maltese Commissioner for Revenue. The Maltese Commissioner for Revenue will or may, in turn, automatically or on request, forward the information to other relevant tax authorities subject to certain conditions.

6.2.2 MALTESE TAXATION ON CAPITAL GAINS ON A TRANSFER OF THE BONDS

On the assumption that the Bonds would not fall within the definition of “securities” in terms of article 5(1)(b) of the Income Tax Act, that is, “shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return”, to the extent that the Bonds are held as capital assets by the Bondholder, no income tax on capital gains should be chargeable in respect of a transfer of the Bonds.

Duty on Documents and Transfers

In terms of the Duty on Documents and Transfers Act (Chapter 364, Laws of Malta), duty is chargeable *inter alia* on the transfer or transmission *causa mortis* of marketable securities. A marketable security is defined in the said legislation as “a holding of share capital in any company and any document representing the same”.

Consequently, the Bonds should not be treated as constituting marketable securities within the meaning of the legislation and therefore, the transfer/transmission thereof should not be chargeable to duty.

Furthermore, even if the Bonds are considered marketable securities for the purposes of the Duty on Documents and Transfers Act, in terms of article 50 of the Financial Markets Act as the Bonds constitute financial instruments of a company quoted on a regulated market exchange, as is the MSE, redemptions and transfers of the Bonds should, in any case, be exempt from duty.

INVESTORS AND PROSPECTIVE INVESTORS ARE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND ANY FOREIGN TAX LEGISLATION APPLICABLE TO THE ACQUISITION, HOLDING AND DISPOSAL OF BONDS AS WELL AS INTEREST PAYMENTS MADE BY THE ISSUER. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE BONDS AND TO BONDHOLDERS. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO BONDHOLDERS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.

7. TERMS AND CONDITIONS OF THE BOND ISSUE

7.1 EXPECTED TIMETABLE OF THE BOND ISSUE

| | |
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| 1. Application Forms made available to Preferred Applicants | 23 July 2020 |
| 2. Pre-Allocation Date | 30 July 2020 |
| 3. Offer Period for Preferred Applicants | 23 July 2020 to 6 August 2020, both days included |
| 4. Expected date of announcement of basis of acceptance | 13 August 2020 |
| 5. Intermediaries Offer* | 17 August 2020 |
| 6. Commencement of interest on the Bonds | 18 August 2020 |
| 7. Expected announcement of Intermediaries Offer result | 19 August 2020 |
| 8. Refunds of unallocated monies | 21 August 2020 |
| 9. Expected date of admission of the securities to listing | 21 August 2020 |
| 10. Expected date of commencement of trading in the securities | 24 August 2020 |

* In the event that the total value of Applications received through Pre-Allocation Agreements and from Preferred Applicants, exceeds €40,000,000, the Intermediaries' Offer will not take place.

7.2 TERMS AND CONDITIONS OF APPLICATION

The following terms and conditions shall be read in conjunction with all the other terms and conditions relative to and regulating the contractual relationship created between the Issuer on the one hand and the Applicant on the other.

- a. The issue and allotment of the Bonds is conditional upon: (i) the Bond Issue being at least 75% subscribed and (ii) the Bonds being admitted to the Official List of the MSE. In the event that either of the aforesaid conditions is not satisfied within 20 Business Days of the close of the Offer Period, any Application monies received by the Issuer will be returned without interest by direct credit into the Applicant's bank account as indicated by the Applicant.
- b. The Preferred Applicants may subscribe for Bonds either by completing an Application Form and lodging same with any of the Authorised Financial Intermediaries or through the Authorised Financial Intermediaries in the manner instructed thereby during the Offer Period which will open at 08:30 hours on 23 July 2020 and will close at 12:00 hours on 6 August 2020. In the event of an Intermediaries Offer, the general public may apply for the Bonds through the respective Authorised Financial Intermediary in the manner instructed thereby.
- c. The Bonds will be issued in multiples of €1,000. The minimum subscription amount of Bonds that can be subscribed for by Applicants is €2,000. Applications for the Bonds must be accompanied by the full price of the Bonds applied for, in Euro.
- d. By submitting an Application, the Applicant is thereby confirming to the Issuer and the Authorised Financial Intermediary through whom the Application is made that the Applicant's remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the respective Authorised Financial Intermediary and Issuer reserve the right to invalidate the relative Application. Furthermore the Applicant will not be entitled to be registered in the register of Bondholders, unless the Applicant makes payment in cleared funds and such consideration is accepted by the respective Authorised Financial Intermediary (which acceptance shall be made in the Authorised Financial Intermediary's absolute discretion and may be on the basis that the Applicant indemnifies the Authorised Financial Intermediary against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation).
- e. The contract created by the Issuer's acceptance of an Application submitted by a prospective bondholder through an Authorised Financial Intermediary shall be subject to all the terms and conditions set out in this Securities Note and the Memorandum and Articles of Association of the Issuer.
- f. If an Application is submitted on behalf of another party or on behalf of a corporation or corporate entity or association of persons, the person submitting such Application will be deemed to have duly bound his principal, or the relative corporation, corporate entity, or association of persons, and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions on their behalf. Such representative may be requested to submit the relative power of attorney/resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Issuer and the Registrar, but it shall not be the duty or responsibility of the Registrar or Issuer to ascertain that such representative is duly authorised to submit an Application.
- g. Legal entities (including corporations or corporate entities or associations of persons) applying for the Bonds need to have a valid Legal Entity Identifier ("**LEI**") which needs to be valid and unexpired, at least, until the admission to listing of the Bonds. Without a valid LEI code the Application would be cancelled by the respective Authorised Financial Intermediary or the Issuer acting through the Registrar and subscription monies will be returned to the Applicant.
- h. In the case of joint applicants, reference to the Applicant in these terms and conditions is a reference to each of the joint Applicants, and liability therefor is joint and several. The person first-named in the register of Bondholders shall, for all intents and purposes, be deemed to be such nominated person by all joint Applicants. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond/s so held. It shall not be incumbent on the Registrar or the Issuer to verify the signatory/ies on any Application Form submitted.
- i. The Bonds will not be capable of being issued and allotted subject to usufruct.

- j. Applications in the name of deceased persons shall not be accepted by the Issuer and Authorised Financial Intermediaries.
- k. Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or the legal guardian/s and may be required to be accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application is submitted. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents / legal guardian/s signing the Application Form until such time as the minor attains the age of 18 years, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer is duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. It shall not be incumbent on the Registrar or the Issuer to verify the signatory/ies on any Application Form submitted.
- l. The Bonds have not been and will not be registered under the Securities Act of 1933 of the United States of America and accordingly may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.
- m. No person receiving a copy of the Prospectus or an Application Form in any territory other than Malta may treat the same as constituting an invitation or offer to such person nor should such person in any event use such Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or such Application Form could lawfully be used without contravention of any registration or other legal requirements.
- n. It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself/herself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
- o. Subject to all other terms and conditions set out in the Prospectus, the Issuer through the Registrar or the Authorised Financial Intermediary reserve the right to reject, in whole or in part, or to scale down, any Application and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Application which, in the opinion of the Issuer through the Registrar or the Authorised Financial Intermediary, is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents.
- p. By not later than 13 August 2020, the Issuer shall announce the result of the Issue through an announcement on its website.
- q. In the event that an Applicant has not been allocated any Bonds or has been allocated a number of Bonds which is less than the number applied for, the Applicant shall receive a full refund or, as the case may be, the balance of the price of the Bonds applied for but not allocated, without interest, by cheque sent by mail to the address shown on the Application Form, or by credit transfer to such account indicated in the Application Form, at the Applicant's sole risk within 10 Business Days from the date of final allocation. The Authorised Financial Intermediaries, the Registrar and the Issuer shall not be responsible for any charges, loss or delay arising in connection with such direct credit transfer.
- r. For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations 2008 (Legal Notice 180 of 2008, as subsequently amended), all Authorised Financial Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the "Members' Code of Conduct" appended as Appendix 3.6 of the MSE Bye-Laws, irrespective of whether the Authorised Financial Intermediaries are MSE members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR)(EU) 2016/679 for the purposes and within the terms of the MSE's data protection and privacy policy as published from time to time.
- s. It shall be incumbent on the respective Authorised Financial Intermediary to ascertain that all other applicable regulatory requirements relating to subscription of Bonds by an Applicant are complied with, including without limitation the obligation to comply with all applicable anti-money laundering and counter-terrorist financing rules and regulations, all applicable MIFIR requirements as well as applicable MFSA Conduct of Business Rules and MFSA Rules for investment services providers.

- t. By submitting an Application, the Applicant:
- i. agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;
 - ii. warrants that the information submitted by the Applicant is true and correct in all respects and in the case where an MSE account number is provided by the Applicant, such MSE account number is the correct account of the Applicant. In the event of a discrepancy between the personal details (including name and surname and the Applicant's address) appearing on any Application Form submitted and those held by the MSE in relation to the MSE account number indicated on the Application Form, the details held by the MSE shall be deemed to be the correct details of the Applicant;
 - iii. authorises the Issuer, the Registrar and the MSE to process the personal data that the Applicant provides on Application, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR)(EU) 2016/679. The Applicant has the right to request access to, and rectification of, the personal data relating to him/her as processed in relation to the Bond Issue. Any such requests must be made in writing and sent to the MSE. The requests must further be signed by the Applicant to whom the personal data relates;
 - iv. confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer or the issue of the Bonds other than what is contained in the Prospectus and accordingly agree/s that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;
 - v. agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta) and regulations made thereunder, and that such monies will not bear interest;
 - vi. agrees to provide the Authorised Financial Intermediary, the Registrar and/or the Issuer, as the case may be, with any information which may be requested in connection with the Application;
 - vii. warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his/her Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer, the Registrar or the Authorised Financial Intermediary acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bond or his/her Application;
 - viii. warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
 - ix. represents that the Applicant is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) as well as not to be accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the **"United States"**) or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
 - x. agrees that all documents in connection with the issue of the Bonds will be sent at the Applicant's own risk and may be sent by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as set out in any Application Form submitted by the Applicant or on its behalf; and
 - xi. renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of these Bonds.

7.3 PLAN OF DISTRIBUTION AND ALLOTMENT

The Bonds are open for subscription to all categories of investors which may be broadly split up as follows:

- a. the Issuer has entered into Pre-Allocation Agreements with a number of Authorised Financial Intermediaries in advance of the Offer Period, whereby the Company bound itself to allocate a total amount of €32 million worth of Bonds to such Authorised Financial Intermediaries. The Authorised Financial Intermediaries may subscribe for Bonds either for their own account or for the account of underlying customers, including retail clients. Authorised Financial Intermediaries shall, in addition, be entitled to distribute to their underlying customers any portion of the Bonds subscribed for upon commencement of trading. Details of such agreements can be found in section 7.4 hereunder;
- b. the remaining balance of €8 million worth of Bonds shall be made available for subscription by Preferred Applicants by submitting an Application through their Authorised Financial Intermediary of choice by not later than 12:00 hours on 6 August 2020; and

- c. the Authorised Financial Intermediaries shall be entitled to subscribe for the Bonds through an Intermediaries' Offer, for their own account or on account of their underlying clients, up to the balance, if any, of the Bonds not subscribed for in (a) or (b) above by submitting a subscription agreement by no later than 17:00 hours on 17 August 2020. Details of such agreements can be found in section 7.5 hereunder.

The minimum subscription amount of Bonds that can be subscribed for by Applicants is €2,000 and subscription amounts shall be in multiples of €1,000 thereafter. Applications may be made through any of the Authorised Financial Intermediaries.

It is expected that an allotment letter will be issued by the Issuer to Applicants on or around 20 August 2020.

Dealing in the Bonds shall not commence prior to admission to trading of the Bonds by the MSE or prior to the said notification.

7.4 PRE-ALLOCATION AGREEMENTS

The Company has entered into Pre-Allocation Agreements with a number of Authorised Financial Intermediaries, whereby the Company bound itself to allocate a total amount of €32 million worth of Bonds to such Authorised Financial Intermediaries, which in turn bound themselves to subscribe to, for their own account or for the account of their underlying clients, a specified number of Bonds subject to the Bonds being admitted to the Official List of the MSE. Each Pre-Allocation Agreement, which is subject to the terms and conditions set out in the Prospectus, is binding on all parties thereto with effect from the respective Pre-Allocation Agreement date. Payment for these Bonds is required to take place by the Pre-Allocation Date.

7.5 INTERMEDIARIES' OFFER

The Issuer may enter into conditional subscription agreements with Authorised Financial Intermediaries for the subscription of the resultant balance of Bonds not subscribed to through Pre-Allocation Agreements or by Preferred Applicants, if any. In terms of each subscription agreement entered into with an Authorised Financial Intermediary, the Issuer will be conditionally bound to issue, and each Authorised Financial Intermediary will bind itself to subscribe to, on its own account or on account of its underlying clients, the number of Bonds indicated therein subject to being admitted to trading on the Official List of the Malta Stock Exchange. The subscription agreements will become binding on each of the Issuer and the Authorised Financial Intermediaries upon delivery, provided that these intermediaries would have paid to the Issuer all subscription proceeds in cleared funds on delivery of the subscription agreement. The minimum which each Authorised Financial Intermediary may apply for in terms of the subscription agreement is €2,000 (and in multiples of €1,000 thereafter).

7.6 PRICING

The Bonds are being issued at par, that is, at €1,000 per Bond with the full amount payable upon subscription.

7.7 ALLOCATION POLICY

The Company shall allocate the Bonds on the basis of the following policy:

- a. an amount of €32 million worth of Bonds, shall be allocated to Authorised Financial Intermediaries pursuant to Pre-Allocation Agreements entered into with the Company, as mentioned in section 7.4 above;
- b. a maximum aggregate amount of €8 million worth of Bonds shall be allocated to Preferred Applicants in accordance with an allocation policy as determined by the Company; and
- c. the general public through an Intermediaries Offer up to the balance, if any, of the Bonds not subscribed for by way of Pre-Allocation Agreements or by the Preferred Applicants.

The Issuer shall announce the allocation policy for the allotment of Bonds upon listing. The announcement will be made through the Company's website.

7.8 APPLICATION FORM/METHOD OF PAYMENT

Applications for the purchase of Bonds by Preferred Applicants must be submitted to Authorised Financial Intermediaries. Applications submitted by Authorised Financial Intermediaries either for their own account or directly in the names of underlying customers with respect to Pre-Allocation Agreements and the Intermediaries Offer shall be submitted in the manner prescribed in the respective agreements entered into by the Authorised Financial Intermediaries with the Issuer.

A specimen of the Application Forms being sent or made available to Preferred Applicants can be found in Annex II to this Securities Note. Applications must be accompanied by the full price of the Bonds applied for. In the event that cheques accompanying the Applications are not honoured on their first presentation, the Issuer and/or the Authorised Financial Intermediary reserves the right to invalidate the relative Application.

7.9 ADMISSION TO TRADING

- i. The Listing Authority has authorised the Bonds as admissible to listing pursuant to the Listing Rules by virtue of a letter dated 21 July 2020.
- ii. Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List of the Malta Stock Exchange.
- iii. The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 21 August 2020 and trading can be expected to commence on 24 August 2020.

7.10 CREDIT RATING

The Issuer has not sought, nor does it intend to seek the credit rating of an independent agency and there has been no assessment of the Bonds by any independent rating agency.

7.11 ADDITIONAL INFORMATION

Save for the financial analysis summary set out as Annex III to this Securities Note, the Prospectus does not contain any statement or report attributed to any person as an expert.

The financial analysis summary has been included in the form and context in which they appear with the authorisation of Rizzo, Farrugia & Co (Stockbrokers) Ltd of Airways House, Fourth Floor, High Street, Sliema SLM 1551, Malta, which has given and has not withdrawn its consent to the inclusion of such report herein.

Rizzo, Farrugia & Co (Stockbrokers) Ltd does not have any material interest in the Company. The Company confirms that the financial analysis summary has been accurately reproduced in the Prospectus and that there are no facts of which the Company is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

ANNEX I – LIST OF AUTHORISED FINANCIAL INTERMEDIARIES

| NAME | ADDRESS | TELEPHONE |
|---|--|-----------|
| APS Bank p.l.c. | APS Centre, Tower Street, Birkirkara BKR 4012 | 2560 3000 |
| Bank of Valletta p.l.c. | BOV Centre, Cannon Road, Zone 4, Central Business District, St Venera CBD 4060 | 2275 1732 |
| Calamatta Cuschieri Investment Services Ltd | Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034 | 2568 8688 |
| Curmi & Partners Ltd | Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102 | 2134 7331 |
| FINCO Treasury Management Ltd | The Bastions, Office No 2, Emvin Cremona Street, Floriana FRN 1281 | 2122 0002 |
| Hogg Capital Investments Ltd | Nu Bis Centre, Mosta Road, Lija LJA 9012 | 2132 2872 |
| Jesmond Mizzi Financial Advisors Ltd | 67 Level 3, South Street, Valletta VLT 1105 | 2122 4410 |
| Lombard Bank Malta p.l.c. | 67, Republic Street, Valletta VLT 1117 | 2558 1806 |
| Medirect Bank (Malta) p.l.c. | The Centre, Tigne' Point, Sliema TPO 0001 | 2557 4400 |
| Michael Grech Financial Investment Services Ltd | The Brokerage, Level 0 A, St Marta Street, Victoria, Gozo VCT 2551 | 2258 7000 |
| MZ Investment Services Ltd | 61, St Rita Street, Rabat RBT 1523 | 2145 3739 |
| Rizzo, Farrugia & Co (Stockbrokers) Ltd | Airways House, Fourth Floor, High Street, Sliema SLM 1551 | 2258 3000 |
| Zenith Finance Ltd | 220, Immaculate Conception Street Msida, MSD 1838 | 2133 2200 |

ANNEX II – SPECIMEN APPLICATION FORMS

APPLICATION FORM A

FOR GO PLC SHAREHOLDERS



Form Number : A

IN RESPECT OF THE ISSUE OF €40,000,000 4% UNSECURED BONDS 2030 OF A NOMINAL VALUE OF €1,000 PER BOND ISSUED AT PAR (THE "BONDS") BY CABLENET COMMUNICATION SYSTEMS PLC (THE "ISSUER")

A. APPLICANT DETAILS

| | |
|--|--|
| | MSE Account Number: |
| | ID Document No/Co Reg No: |
| | Document Type (ID/Passport/etc): <i>(mandatory for individuals)</i> |
| Nationality: <i>(mandatory for individuals)</i> | Country of Issue of ID Document: <i>(mandatory for individuals)</i> |
| Date of Birth: <i>(mandatory for individuals)</i> | Telephone No: |
| LEI (Legal Entity Identifier): <i>(mandatory for non-individuals including companies/partnerships/organisations/trusts/foundations/religious orders/etc)</i> <i>(The LEI must be valid (unexpired) as at the date of listing of the Bonds)</i> | |
| Email: | Mobile No: <i>(mandatory for e-Portfolio facility)</i> |

I/We wish to register for the Malta Stock Exchange's **e-Portfolio facility** and hereby authorize the Registrar to apply on my/our behalf

B. ADDITIONAL ACCOUNT HOLDER DETAILS (IN CASE OF JOINT ACCOUNTS)

| | |
|--|--|
| Name and Surname: | ID Document No: |
| Nationality: <i>(mandatory for individuals)</i> | Document Type (ID/Passport/etc): <i>(mandatory for individuals)</i> |
| Date of Birth: <i>(mandatory for individuals)</i> | Country of Issue of ID Document: <i>(mandatory for individuals)</i> |

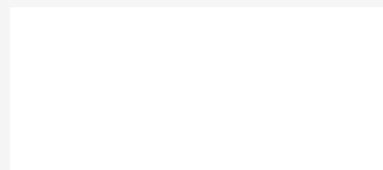
C. DECISION MAKER / LEGAL GUARDIAN DETAILS (WHERE APPLICABLE)

Where the decision to apply for the Bonds is made by a third-party on behalf of the Applicant/s, such as attorneys, portfolio management companies, or parents/legal guardians in the case of minors, completion of all the below information in respect of **each** decision maker is **mandatory**:

Decision Maker / Parent / Legal Guardian 1 Details

| | |
|--|--|
| Name/Company Name of Decision Maker: <i>(Mandatory)</i> | Surname of Decision Maker: <i>(Mandatory where the decision maker is an individual)</i> |
| Nationality: <i>(Mandatory where the decision maker is an individual)</i> | ID Document Number: <i>(Mandatory where the decision maker is an individual)</i> |
| Document Type (ID Card/Passport/etc): <i>(Mandatory where the decision maker is an individual)</i> | Country of Issue of ID Document: <i>(Mandatory where the decision maker is an individual)</i> |
| Date of Birth: <i>(Mandatory where the decision maker is an individual)</i> | |
| LEI (Legal Entity Identifier): <i>(Mandatory for non-individuals including companies/partnerships/organisations/trusts/foundations/religious orders/etc)</i> <i>(The LEI must be valid (unexpired) as at the date of listing of the Bonds)</i> | |

AUTHORISED FINANCIAL INTERMEDIARY STAMP:



Decision Maker / Parent / Legal Guardian 2 Details

| | |
|--|--|
| Name/Company Name of Decision Maker: <i>(Mandatory)</i> | Surname of Decision Maker: <i>(Mandatory where the decision maker is an individual)</i> |
| Nationality: <i>(Mandatory where the decision maker is an individual)</i> | ID Document Number: <i>(Mandatory where the decision maker is an individual)</i> |
| Document Type (ID Card/Passport/etc): <i>(Mandatory where the decision maker is an individual)</i> | Country of Issue of ID Document: <i>(Mandatory where the decision maker is an individual)</i> |
| Date of Birth: <i>(Mandatory where the decision maker is an individual)</i> | |
| LEI (Legal Entity Identifier): <i>(Mandatory for non-individuals including companies/partnerships/organisations/trusts/foundations/religious orders/etc) (The LEI must be valid (unexpired) as at the date of listing of the Bonds)</i> | |

D. I/WE APPLY TO PURCHASE AND ACQUIRE**Application must be for a minimum of €2,000 and multiples of €1,000 thereafter**

| | |
|-------------------------------------|-----------------------------------|
| NUMBER OF BONDS <i>(in figures)</i> | NUMBER OF BONDS <i>(in words)</i> |
| € | |

E. RESIDENT – FINAL WITHHOLDING TAX ("FWT") DECLARATION (TO BE COMPLETED ONLY IF THE APPLICANT IS A RESIDENT OF MALTA)

| | |
|--|--|
| <input type="checkbox"/> I/We elect to receive interest NET of 15% FWT | <input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without FWT) |
| <input type="checkbox"/> I/We elect to receive interest NET of 10% FWT (applicable solely to Prescribed Funds) | |

F. NON-RESIDENT – DECLARATION FOR TAX PURPOSES (TO BE COMPLETED ONLY IF THE APPLICANT IS A NON-RESIDENT)

| | |
|---|---|
| Tax Country | City of Birth |
| T.I.N. (Tax Identification Number) | Country of Birth |
| <input type="checkbox"/> NOT resident in Malta but resident in the European Union | <input type="checkbox"/> NOT resident in Malta and NOT resident in the European Union |

G. BANK DETAILS FOR INTEREST / REDEMPTION / REFUND PURPOSES

| | | |
|-------|---------------|-----------------|
| BANK: | ACCOUNT NAME: | SWIFT/BIC CODE: |
| IBAN: | | |

H. SIGNATURE OF APPLICANT/S (OR APPOINTED ATTORNEY/DECISION MAKER. BOTH PARENTS OR LEGAL GUARDIAN/S ARE/IS TO SIGN IF THE APPLICANT IS A MINOR. ALL JOINT MSE ACCOUNT HOLDERS ARE TO SIGN IN THE CASE OF JOINT APPLICATIONS.)

I/we hereby declare that I/we have understood and accept the Terms and Conditions (as set in the Prospectus) and the instructions for the completion of this Application Form, and am making this application solely on the basis of the Prospectus dated 21 July 2020.

I/we hereby confirm that I/we have paid the necessary funds for this application to the Authorised Financial Intermediary.

I/We hereby authorize the Authorised Financial Intermediary and the Registrar of the Bond Issue, on behalf of the Issuer, to forward all my/our details to the Malta Stock Exchange for the purposes of registering the Bonds in my/our MSE account, to register for the e-Portfolio facility (if applicable), and to enable the reporting of all necessary transaction and personal information provided in this form to the Malta Financial Services Authority as competent authority ("**Transaction Reporting**"). Furthermore, I/we understand and acknowledge that the Registrar and/or the Authorised Financial Intermediary may require additional information for Transaction Reporting purposes.

| | | |
|------------------|------------------|------|
| Signature | Signature | Date |
| Name and Surname | Name and Surname | |

NOTES ON HOW TO COMPLETE THIS APPLICATION FORM AND OTHER INFORMATION

The following notes are to be read in conjunction with the Prospectus dated 21 July 2020 regulating the Bond Issue

1. This Application is governed by the general Terms and Conditions of Application contained in Prospectus dated 21 July 2020. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. The Application Form is to be completed in BLOCK LETTERS. For Applicants who are non-residents in Malta for tax purposes, the relative box in Section F must be completed.
3. The MSE account number pertaining to the Applicant has been pre-printed in Section A and reflects the MSE account number on the Register of GO plc at the CSD as at 17 July 2020. If an MSE account pertains to more than one person, the full details of all individuals must be given in Sections A and B but the person whose name appears in Section A shall, for all intents and purposes, be deemed to be the registered holder of the Bonds.

Upon submission of an Application Form, Applicants who opt to have an online e-portfolio facility (by marking the relative box in Section A), will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for the e-Portfolio facility requires a mobile number to be provided on the Application Form. The Applicant's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further details on the e-portfolio may be found on <https://eportfolio.borzamalta.com.mt/Help>.

4. Applications in the name and for the benefit of minors shall be allowed provided that the applicant already holds an MSE account. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. Section C must be completed with full details of the parents/legal guardians.
5. In the case of a body corporate, a valid Legal Entity Identifier ("LEI") needs to be inserted in Section A. Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
6. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT NUMBER QUOTED ON THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING ON THE APPLICATION FORM. A SEPARATE REQUEST BY THE APPLICANT TO THE MSE TO CHANGE THESE DETAILS AS RECORDED AT THE MSE WILL HAVE TO BE MADE.
7. Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "decision maker") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in the space provided in Section C of the Application Form.
8. Applications must be for a minimum subscription of €2,000 and thereafter in multiples of €1,000 and must be accompanied by the relevant subscription amount in Euro.
9. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will be obliged to declare interest so received in the tax return. The Issuer will render an account to the Maltese Commissioner for Revenue of all interest paid, all amounts of tax deducted by the payor in respect of the interest paid and of the identity of all such recipients. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a prescribed fund will have final withholding tax (currently 10%), deducted from interest payments.
10. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.
11. The contents of Notes 9 and 10 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisers in case of doubt.
12. Interest and redemption proceeds will be credited to the account indicated in Section G or as otherwise amended by the Bondholder/s during the term of the Bond. Any refunds due to the Applicant at application stage will also be credited to this account.
13. The Offer Period will open at 08:30 hours on 23 July 2020 and will close at 12:00 hours on 6 August 2020 .
14. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
 - a. the Issuer or its duly appointed agents including the CSD and the Registrar, may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 586 of the Laws of Malta) and the General Data Protection Regulation (GDPR)(EU) 2016/679 as amended from time to time;
 - b. the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer.

Any such requests must be made in writing and addressed to the Issuer. The request must be signed by yourself as the Applicant to whom the personal data relates.

APPLICATION FORM B

FOR GO PLC EMPLOYEES



Form Number : B

IN RESPECT OF THE ISSUE OF €40,000,000 4% UNSECURED BONDS 2030 OF A NOMINAL VALUE OF €1,000 PER BOND ISSUED AT PAR (THE "BONDS") BY CABLENET COMMUNICATION SYSTEMS PLC (THE "ISSUER")

A. APPLICANT DETAILS

| | |
|--|--|
| Name and Surname: | MSE Account Number: |
| Address: | ID Document No/Co Reg No: |
| | Document Type (ID/Passport/etc): <i>(mandatory for individuals)</i> |
| Nationality: <i>(mandatory for individuals)</i> | Country of Issue of ID Document: <i>(mandatory for individuals)</i> |
| Date of Birth: <i>(mandatory for individuals)</i> | Telephone No: |
| Email: | Mobile No: <i>(mandatory for e-Portfolio facility)</i> |

I/We wish to register for the Malta Stock Exchange's **e-Portfolio facility** and hereby authorize the Registrar to apply on my/our behalf

B. ADDITIONAL ACCOUNT HOLDER DETAILS (IN CASE OF JOINT ACCOUNTS)

| | |
|--|--|
| Name and Surname: | ID Document No: |
| Nationality: <i>(mandatory for individuals)</i> | Document Type (ID/Passport/etc): <i>(mandatory for individuals)</i> |
| Date of Birth: <i>(mandatory for individuals)</i> | Country of Issue of ID Document: <i>(mandatory for individuals)</i> |

C. DECISION MAKER / LEGAL GUARDIAN DETAILS (WHERE APPLICABLE)

Where the decision to apply for the Bonds is made by a third-party on behalf of the Applicant/s, such as attorneys, portfolio management companies, or parents/legal guardians in the case of minors, completion of all the below information in respect of **each** decision maker is **mandatory**:

Decision Maker / Parent / Legal Guardian 1 Details

| | |
|--|--|
| Name/Company Name of Decision Maker: <i>(Mandatory)</i> | Surname of Decision Maker: <i>(Mandatory where the decision maker is an individual)</i> |
| Nationality: <i>(Mandatory where the decision maker is an individual)</i> | ID Document Number: <i>(Mandatory where the decision maker is an individual)</i> |
| Document Type (ID Card/Passport/etc): <i>(Mandatory where the decision maker is an individual)</i> | Country of Issue of ID Document: <i>(Mandatory where the decision maker is an individual)</i> |
| Date of Birth: <i>(Mandatory where the decision maker is an individual)</i> | |
| LEI (Legal Entity Identifier): <i>(Mandatory for non-individuals including companies/partnerships/organisations/trusts/foundations/religious orders/etc)</i> <i>(The LEI must be valid (unexpired) as at the date of listing of the Bonds)</i> | |

AUTHORISED FINANCIAL INTERMEDIARY STAMP:



Decision Maker / Parent / Legal Guardian 2 Details

| | |
|--|--|
| Name/Company Name of Decision Maker: <i>(Mandatory)</i> | Surname of Decision Maker: <i>(Mandatory where the decision maker is an individual)</i> |
| Nationality: <i>(Mandatory where the decision maker is an individual)</i> | ID Document Number: <i>(Mandatory where the decision maker is an individual)</i> |
| Document Type (ID Card/Passport/etc): <i>(Mandatory where the decision maker is an individual)</i> | Country of Issue of ID Document: <i>(Mandatory where the decision maker is an individual)</i> |
| Date of Birth: <i>(Mandatory where the decision maker is an individual)</i> | |
| LEI (Legal Entity Identifier): <i>(Mandatory for non-individuals including companies/partnerships/organisations/trusts/foundations/religious orders/etc) (The LEI must be valid (unexpired) as at the date of listing of the Bonds)</i> | |

D. I/WE APPLY TO PURCHASE AND ACQUIRE**Application must be for a minimum of €2,000 and multiples of €1,000 thereafter**

| | |
|-------------------------------------|-----------------------------------|
| NUMBER OF BONDS <i>(in figures)</i> | NUMBER OF BONDS <i>(in words)</i> |
| € | |

E. RESIDENT – FINAL WITHHOLDING TAX (“FWT”) DECLARATION (TO BE COMPLETED ONLY IF THE APPLICANT IS A RESIDENT OF MALTA)

| | |
|--|--|
| <input type="checkbox"/> I/We elect to receive interest NET of 15% FWT | <input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without FWT) |
|--|--|

F. NON-RESIDENT – DECLARATION FOR TAX PURPOSES (TO BE COMPLETED ONLY IF THE APPLICANT IS A NON-RESIDENT)

| | |
|---|---|
| Tax Country | City of Birth |
| T.I.N. (Tax Identification Number) | Country of Birth |
| <input type="checkbox"/> NOT resident in Malta but resident in the European Union | <input type="checkbox"/> NOT resident in Malta and NOT resident in the European Union |

G. BANK DETAILS FOR INTEREST / REDEMPTION / REFUND PURPOSES

| | | |
|-------|---------------|-----------------|
| BANK: | ACCOUNT NAME: | SWIFT/BIC CODE: |
| IBAN: | | |

H. SIGNATURE OF APPLICANT/S**(OR APPOINTED ATTORNEY/DECISION MAKER. BOTH PARENTS OR LEGAL GUARDIAN/S ARE/IS TO SIGN IF THE APPLICANT IS A MINOR. ALL JOINT MSE ACCOUNT HOLDERS ARE TO SIGN IN THE CASE OF JOINT APPLICATIONS.)**

I/we hereby declare that I/we have understood and accept the Terms and Conditions (as set in the Prospectus) and the instructions for the completion of this Application Form, and am making this application solely on the basis of the Prospectus dated 21 July 2020.

I/we hereby confirm that I/we have paid the necessary funds for this application to the Authorised Financial Intermediary.

I/We hereby authorize the Authorised Financial Intermediary and the Registrar of the Bond Issue, on behalf of the Issuer, to forward all my/our details to the Malta Stock Exchange for the purposes of registering the Bonds in my/our MSE account, to register for the e-Portfolio facility (if applicable), and to enable the reporting of all necessary transaction and personal information provided in this form to the Malta Financial Services Authority as competent authority (“**Transaction Reporting**”). Furthermore, I/we understand and acknowledge that the Registrar and/or the Authorised Financial Intermediary may require additional information for Transaction Reporting purposes.

| | | |
|------------------|------------------|------|
| Signature | Signature | Date |
| Name and Surname | Name and Surname | |

NOTES ON HOW TO COMPLETE THIS APPLICATION FORM AND OTHER INFORMATION

The following notes are to be read in conjunction with the Prospectus dated 21 July 2020 regulating the Bond Issue

1. This Application is governed by the general Terms and Conditions of Application contained in Prospectus dated 21 July 2020. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. The Application Form is to be completed in BLOCK LETTERS. For Applicants who are non-residents in Malta for tax purposes, the relative box in Section F must be completed.
3. The MSE account number pertaining to the GO Employee must be completed in Section A. If an MSE account pertains to more than one person, the full details of all individuals must be given in Sections A and B but the person whose name appears in Section A shall, for all intents and purposes, be deemed to be the registered holder of the Bonds.

Upon submission of an Application Form, Applicants who opt to have an online e-portfolio facility (by marking the relative box in Section A), will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for the e-Portfolio facility requires a mobile number to be provided on the Application Form. The Applicant's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further details on the e-portfolio may be found on <https://eportfolio.borzamalta.com.mt/Help>.

4. Applications in the name and for the benefit of minors shall be allowed provided that the applicant already holds an MSE account. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. Section C must be inserted with full details of the parents/legal guardians.
5. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT NUMBER QUOTED ON THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING ON THE APPLICATION FORM. A SEPARATE REQUEST BY THE APPLICANT TO THE MSE TO CHANGE THESE DETAILS AS RECORDED AT THE MSE WILL HAVE TO BE MADE.
6. Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "decision maker") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in the space provided in Section C of the Application Form.
7. Applications must be for a minimum subscription of €2,000 and thereafter in multiples of €1,000 and must be accompanied by the relevant subscription amount in Euro.
8. Only Applicants who hold a valid official Maltese Identity Card will be treated as resident in Malta. In such a case the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will be obliged to declare interest so received in the tax return. The Issuer will render an account to the Maltese Commissioner for Revenue of all interest paid, all amounts of tax deducted by the payor in respect of the interest paid and of the identity of all such recipients. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross.
9. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.
10. The contents of Notes 8 and 9 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisers in case of doubt.
11. Interest and redemption proceeds will be credited to the account indicated in Section G or as otherwise amended by the Bondholder/s during the term of the Bond. Any refunds due to the Applicant at application stage will also be credited to this account.
12. The Offer Period will open at 08:30 hours on 23 July 2020 and will close at 12:00 hours on 6 August 2020 .
13. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
 - a. the Issuer or its duly appointed agents including the CSD and the Registrar, may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 586 of the Laws of Malta) and the General Data Protection Regulation (GDPR)(EU) 2016/679 as amended from time to time;
 - b. the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer.

Any such requests must be made in writing and addressed to the Issuer. The request must be signed by yourself as the Applicant to whom the personal data relates.

ANNEX III – FINANCIAL ANALYSIS SUMMARY



Rizzo Farrugia & Co (Stockbrokers) Ltd
Airways House, Fourth Floor, High Street, Sliema SLM1551, Malta
T. +356 22583000 E. info@rizzofarrugia.com W. www.rizzofarrugia.com

The Board of Directors

Cablenet Communication Systems plc

Nimeli Court, Block A, Floor 2,
41-49 Ayiou Nicolaou Street,
Engomi, 2048,
Nicosia, Cyprus

21 July 2020

Dear Sirs,

Cablenet Communication Systems plc – Financial Analysis Summary (the “Analysis”)

In accordance with your instructions and in line with the requirements of the Listing Authority Policies, we have compiled the Financial Analysis Summary set out on the following pages and which is being forwarded to you together with this letter.

The purpose of the Analysis is that of summarising key financial data appertaining to Cablenet Communication Systems plc (a public limited liability company registered under the laws of Cyprus bearing company registration number HE 137520) (the “Company” or “Issuer”). The data is derived from various sources or is based on our own computations and analysis of the following:

- a. Historic financial data for the three years ended 31 December 2017 to 2019 has been extracted from the Issuer’s audited statutory financial statements for the three years in question, as and when appropriate.
- b. The forecast data for the financial year ending 31 December 2020 has been provided by management of the Issuer.
- c. Our commentary on the results of the Issuer and on the respective financial position is based on the explanations provided by the Issuer.
- d. The ratios quoted in the Financial Analysis Summary have been computed by us applying the definitions as set out and defined within the Analysis.
- e. Relevant financial data in respect of competitors as analysed in part D has been extracted from public sources such as the web sites of the companies concerned or financial statements filed with the Registrar of Companies.

The Analysis is provided to assist potential investors by summarising the more important financial data of the Issuer. The Analysis does not contain all data that is relevant to potential investors and is intended to complement, and not replace, the contents of the full prospectus. The Analysis does not constitute an endorsement by our firm of the securities of the Issuer and should not be interpreted as a recommendation to invest. We shall not accept any liability for any loss or damage arising out of the use of the Analysis and no representation or warranty is provided in respect of the reliability of the information contained in the Prospectus. As with all investments, potential investors are encouraged to seek professional advice before investing.

Yours sincerely,

Vincent E Rizzo
Director

FINANCIAL ANALYSIS SUMMARY



Prepared by Rizzo, Farrugia & Co (Stockbrokers) Ltd, in compliance with the Listing Policies issued by the Malta Financial Services Authority, dated 5 March 2013.

21 July 2020



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IMPORTANT INFORMATION

PURPOSE OF THE DOCUMENT

Cablenet Communication Systems plc (the "Company", "Cablenet", or "Issuer") is issuing €40 million 4% bonds, maturing in 2030 pursuant to a prospectus dated 21 July 2020 (the "Bond Issue"). In terms of the Listing Policies of the Listing Authority dated 5 March 2013, bond issues targeting the retail market with a minimum subscription level of less than €50,000 have to include a Financial Analysis Summary (the "FAS").

SOURCES OF INFORMATION

The information that is presented has been collated from a number of sources, including the Company's website (www.cablenet.com.cy), the audited financial statements for the years ended 31 December 2017, 2018 and 2019 and forecasts for financial year ending 31 December 2020.

Forecasts that are included in this document have been prepared and approved for publication by the directors of the Company, who undertake full responsibility for the assumptions on which these forecasts are based.

Wherever used, FYXXXX refers to financial year covering the period 1st January to 31st December. The financial information is being presented in thousands of Euro, unless otherwise stated, and has been rounded to the nearest thousand.

ABBREVIATIONS

| | |
|-------------|---|
| IoT | Internet of Things |
| FTTH | Fibre-To-The-Home |
| WAN | Wide Area Network |
| VPN | Virtual Private Network |
| PABX | Private Automatic Branch Exchange |
| SMS | Short Message Service |
| MNO | Mobile Network Operator |
| IFRS | International Financial Reporting Standards |
| ICT | Information & Communication Technology |

PART A BUSINESS AND MARKET OVERVIEW UPDATE

1. INTRODUCTION

Cablenet Communication Systems plc ("**Cablenet**", the "**Company**" or the "**Issuer**") is a public limited liability company incorporated in Cyprus on 10 April 2003, bearing company registration number HE 137520. The principal activities of the Company include the provision of telecommunication and entertainment services. The Issuer operates exclusively in and from Cyprus.

Cablenet started its operations as a cable television provider in Cyprus in 2003. It completed the first stage of its privately-owned cable network in 2007, partially covering the cities of Nicosia, Limassol and Larnaca. Following this investment, the Company started offering its triple-play packages to its clients, comprising analogue TV, fixed telephony and high-speed internet through a single connection.

Further expansion of its network occurred in 2008, enabling the Company to consolidate its position in the market in the industry by offering digital TV and high-speed broadband. It earned its position as the leading provider of high-speed internet provision, by offering the highest speed in the retail market, with 20MB internet speed in 2010, 40MB in 2011 and 100MB in 2012, thanks to its continued investment in its network. Today, Cablenet is able to offer internet speeds exceeding 1 Gbps download per connection, whilst simultaneously supporting multiple high-definition (HD) TV channels.

The Company offers multiple packages to its retail base (approximately 72,000 subscribers) and its corporate clients (approximately 2,500 customers); business services can be tailored to meet the demands and requirements of any type of client, whether small, medium or large business clients.

RETAIL SERVICE OFFERINGS

- # SINGLE-PLAY PACKAGE
- # DOUBLE-PLAY PACKAGE
- # TRIPLE-PAY PACKAGE
- # QUATTRO PACKAGE

CORPORATE SERVICE OFFERINGS

- # INTERNET
- # POINT-TO-MULTIPOINT WAN SERVICES
- # CLOUD SERVICES
- # FIXED TELEPHONY SERVICES

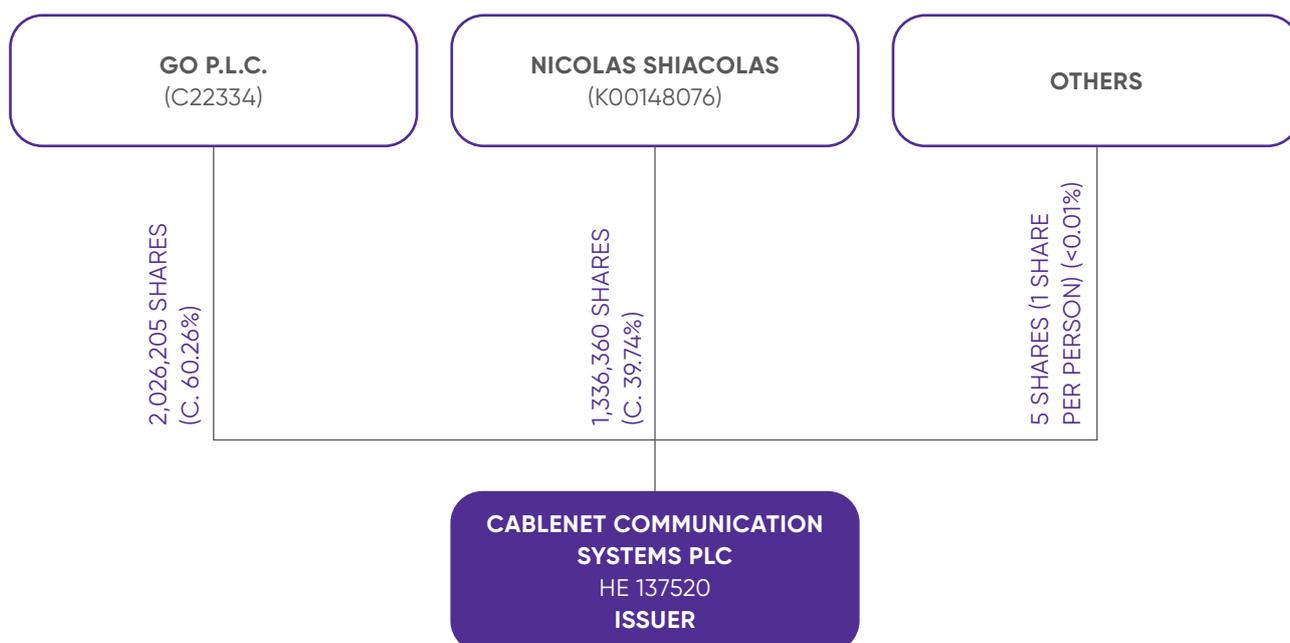
Source: Management Information

In 2017, the Company formulated a business plan to secure exclusive rights for Cypriot football matches for five major teams. In 2018 it concluded an agreement with Primetel, which also has similar rights, to offer the total content of both companies to sports fans. Since July 2019, the Company has been offering the aggregate channels of Cablenet and Primetel, which it packages as add-ons to existing TV packages; it also shares in the revenue from live streaming and public viewing rights of these channels.

The plans for the Company are to continue expanding its fixed network to be in a position to service other areas of Cyprus. Furthermore, as from 2020, the Company will be in a position to also compete effectively on the mobile services front, after the acquisition of suitable mobile spectrum allowing the Company to become an MNO. To avoid having to roll out its own network, Cablenet has entered into a memorandum of understanding with Cyprus Telecommunications Authority ('**CYTA**' - the incumbent service provider in the telecoms industry in Cyprus) to use its infrastructure and network to offer mobile services to its existing and new clients.

2. GROUP STRUCTURE

The Company was originally known as Google Consultants Ltd. The name was changed to NV Cable Communication Systems Ltd in 2003 and to Cablenet Communication Systems Ltd in 2006 after being acquired by Mr Nicolas Shiacolas. GO plc was introduced as a shareholder of the Company in 2014, when it acquired a 25% stake. GO's shareholding increased to 60.26% through a combination of a further acquisition of shares and the conversion of shareholder loans. The current shareholding structure is as follows:



3. CORPORATE GOVERNANCE AND MANAGEMENT

BOARD OF DIRECTORS

The Company's board of directors as at the date of this document comprises the following:

| | |
|---------------------------------------|-------------------------------------|
| Nikhil Patil | Non-Executive Director |
| Nicolas Shiacolas | Non- Executive Chairman |
| Iosif Iosifakis | Executive Director |
| Periklis Theodoridis | Executive Director |
| Samir Saied | Non-Executive Director |
| Faker Hnid | Non-Executive Director |
| Paul Testaferrata Morani Viani | Non-Executive Director |
| Neoclis Nicolaou | Non-Executive, Independent Director |
| Michael Warrington | Non-Executive, Independent Director |

The Company Secretary is Dr Francis Galea Salomone.

SENIOR MANAGEMENT

The Company's senior management team is composed of the following:

| | |
|-------------------------------|-----------------------------|
| Yiannos F. Michaelides | Chief Executive Officer |
| Iosif Iosifakis | Chief Financial Officer |
| Periklis Theodoridis | Chief Commercial Officer |
| Thomas Hoplaros | Head of Corporate Sales |
| Michael Pericleous | Head of Technical |
| Chrystalla Karagiorgi | Head of Human Resources |
| Yiannos Michaelides | Head of Information Systems |

4. MATERIAL OPERATIONAL DEVELOPMENTS

MOBILE – 4G SPECTRUM LICENCE

In June 2019, the Company acquired a licence from the Department of Electronic Communications of Cyprus that allows it to establish and operate a wireless network for the provision of electronic communication services using 4G technology. This licence is valued at €7 million and is for a term of seven years. There are additional charges of €0.7 million as interest due to the staggered payment schedule.

MOBILE – AGREEMENT WITH CYTA

Instead of developing its own infrastructure to provide mobile services, Cablenet entered into a memorandum of understanding (MoU) with CYTA in February 2020 that would see it sharing access on the mobile network of CYTA for 2G/3G/4G services. The Company is expected to pay approximately €65 million over a span of ten years, the initial seven of which will include a full managed network solution. This will allow Cablenet to offer competitively priced mobile voice and data service and so compete effectively in the market. The agreement also serves as a starting point for cooperation with CYTA on 5G implementation.

INTERNATIONAL CAPACITY – AGREEMENT WITH CYTA

Cablenet requires international capacity to physically link its Cyprus based network with the rest of the world, in order to provide Internet connectivity. In February 2020, Cablenet entered into an agreement with CYTA to purchase a 5% Right of Use (“ROU”) on the capacity of a new planned international cable to be landed in Cyprus by CYTA, called Arsinoe (a sub-part of the PEACE cable system linking Europe and Asia). The agreement includes the option to utilise another existing CYTA cable, Alexandros (a sub-part of the TEN cable system linking Europe and Egypt) to provide redundant capacity. The estimated capacity that will be available to Cablenet as a result of this agreement is 800 Gbps and this will cover the requirements of the Company for international capacity for several years. The value of the contract is €8.3 million.

TV – FOOTBALL RIGHTS & AGREEMENT WITH PRIMETEL

This contract is made up of a number of agreements with Cypriot football clubs which give Cablenet exclusive broadcasting rights for some of the major teams (Anorthosis Famagusta FC, APOEL FC, Ermis Aradippou FC, Karmiotissa Pano Polemidia and Pafos FC). The agreements expire in 2025, but the Company has the right to terminate them unilaterally in 2022. The value of each agreement is dependent on the club’s status and game performance. The value in the books of these rights is recognised at €13.6 million as at the end of FY2019.

Furthermore, in July 2018, the Company has also entered into an agreement with Primetel, a peer operating in the same market, which has rights for another two football clubs – FC Omonoia and AEK Larnaca FC. Through this agreement, Primetel and Cablenet agree to provide each other’s subscribers with access to the other’s football channels.

TV CONTENT

As can be expected with a company offering TV content services, Cablenet has a variety of agreements in place with a number of content providers. These agreements vary in term and payment basis, with the majority being based on the number of subscribers, while some have a fixed monthly or annual fee.

LEASES – BUILDINGS AND MOTOR VEHICLES

The Company operates from a number of leased outlets, particularly for sales purposes, office space and warehousing requirements. Currently, it has agreements in place for the lease of 16 properties. Two of these leases extend beyond the term of the Bond Issue, while the other leases have a remaining lease period between one and five years (originally leased for periods between six and ten years).

Furthermore, the Company also leases out a number of vehicles for its various operations, which as at the end of FY2019 amounted to 82 motor vehicles.

In terms of IFRS 16 – Leases, the FY2019 figures include a recognition of the right-of-use (ROU) asset (and a relative liability) relating to these leased properties and motor vehicles.

5. MAJOR ASSETS

The Company operates in the telecommunications industry. As a result, Property, Plant & Equipment (PPE) includes €30.5 million of network infrastructure, €3.2 million of furniture, fixtures, equipment and computer hardware and €1.4 million of leasehold buildings and improvements. The intangible assets include football rights and international capacity rights. With regards to the ROU Assets, these comprise leases of offices, warehouses and retail shops across Cyprus used by the Company in its provision of services, as well as leases related to motor vehicles, also used for the purposes of the provision of services. The ROU assets were recognised first in FY2019 as a result of the applicability of IFRS16 related to leases.

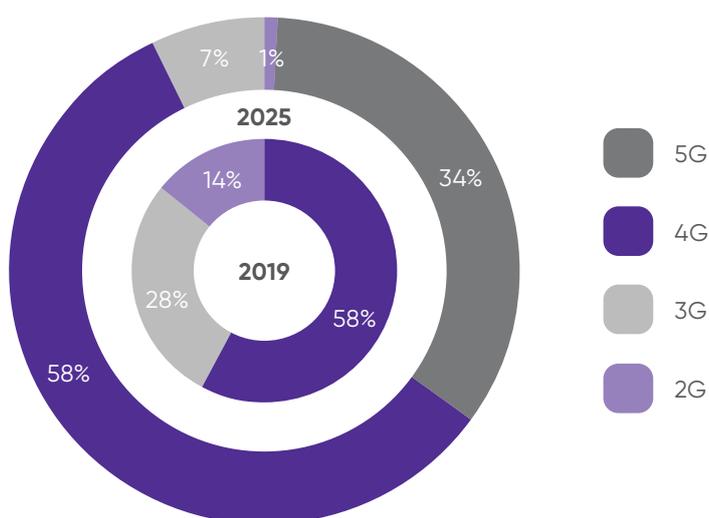
| | FY2017 | FY2018 | FY2019 |
|---------------------------------|---------------|---------------|---------------|
| | €'000 | €'000 | €'000 |
| PPE | 28,584 | 30,493 | 35,720 |
| Intangible Assets | 12,599 | 12,937 | 25,906 |
| Right-of-Use Assets | - | - | 3,600 |
| Total Non-Current Assets | 41,183 | 43,430 | 65,226 |
| Total Assets | 45,391 | 48,922 | 72,391 |
| NCA / Total Assets | 90.7% | 88.8% | 90.1% |

6. MARKET OVERVIEW

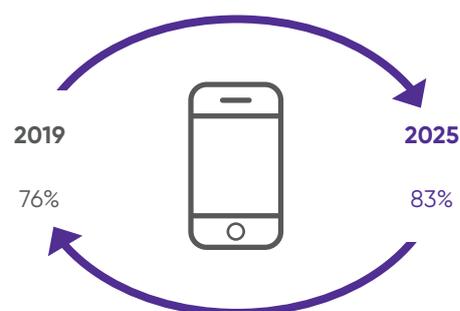
THE TELECOMS INDUSTRY IN EUROPE

The following is an infographic overview of the current state of play in the telecoms industry now and expectations of how it is likely to evolve over the coming five years. This information has been sourced from GSMA Intelligence, an organisation that represents the interest of mobile operators worldwide, uniting more than 750 operators with almost 400 companies in the broader mobile ecosystem, including handset and device makers, software companies, equipment providers and internet companies, as well as organisations in adjacent industry sectors¹.

TECHNOLOGY MIX



SMARTPHONE ADOPTION



SUBSCRIBER PENETRATION



¹ <https://data.gsmainelligence.com/api-web/v2/research-file-download?id=51249388&file=2915-260220-Mobile-Economy.pdf>

Connectivity in this day and age is becoming increasingly indispensable, both for businesses and also for the population generally. 5G is the upcoming trend in mobile technology and it is expected to revolutionise also other aspects of the ICT industry. A push towards digitalisation of every aspect in life is increasingly evident – whether it is smart technology in the home, IoT technologies that automate everyday activities such as driving, businesses increasingly offering e-commerce experiences for their clients’ purchasing options, or for example, the deployment of very advanced data analytics by a number of companies to assist in their strategic decision making processes. This digital evolution requires communication and data.

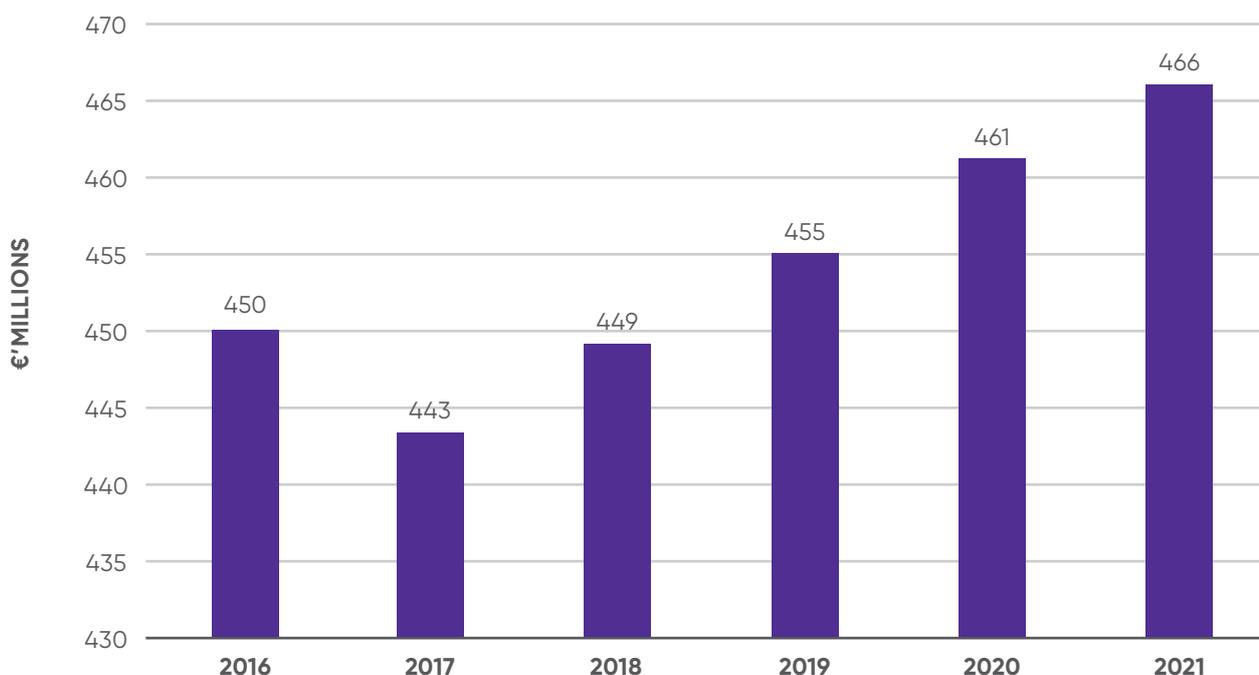
THE CYPRIOT TELECOMS INDUSTRY

Cyprus has a population of around 1.2 million, spread across a geographical area of 9,300 km². To put this into perspective, the population is almost three times that of Malta, while the geographical area is almost 30 times greater. Cablenet operates in areas that cover approximately 60% of the population of the country, specifically in Nicosia, Larnaca, Limassol and Paphos.

In Cyprus, CYTA, the incumbent state-owned telecommunications company, is the dominant player and manages most telecommunications and internet connections. Following the liberalisation of the telecommunications sector on the island in 2003, a few private telecommunications companies have emerged.

Government expenditure in the telecoms industry over the years and in the next couple of years has been on the increase, as can be seen from the below:

GOVERNMENT SPEND ON TELECOMS - CYPRUS



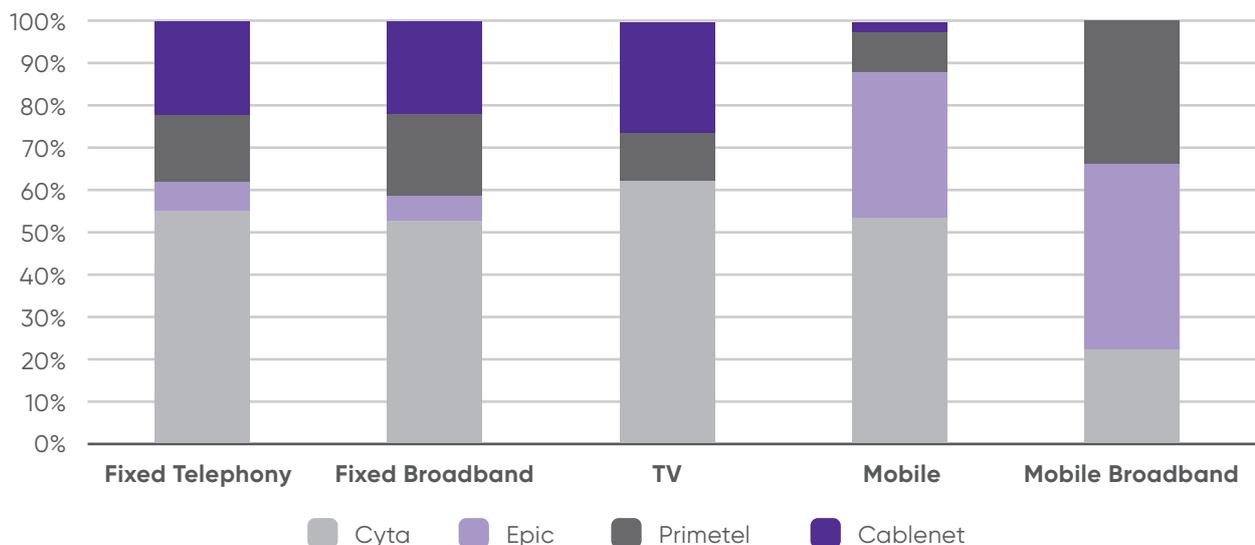
In 2020, the Cypriot government has plans to achieve Internet coverage with a minimum download speed of 30Mbps for all households and businesses in the country. This is considered a necessary milestone for the digitalisation of the island.

Cyprus currently ranks 22nd in the European Commission’s 2019 Digital Economy and Society Index (DESI). It utilises a fully digital network consisting of stable connectivity, fibre-optic submarine cables and fibre links dedicated to major international points of presence. 98% of the Cypriot population have access to fixed-line broadband. However, the island lags behind the EU average in ultrafast broadband coverage, its uptake and pricing.

Fixed line telecommunication has seen a decline ever since 2014, as mobile technology become more popular and affordable. As a matter of fact, the island has one of the cheapest call rates of all EU member states. In 2016, the government of Cyprus published a national Cyprus Broadband Plan 2016–2020 wherein it promotes FTTH technologies to become available nationally, improving connectivity and enabling digitalisation of the country.

In terms of market share, split by service offering, the situation as at 2018 has been as follows:

MARKET SHARE (2018)



Source: Management Information

SOURCES USED FOR THE MARKET OVERVIEW:

- <https://ec.europa.eu/digital-single-market/en/country-information-cyprus>
- <https://ec.europa.eu/digital-single-market/en/news/how-digital-europe-compared-other-major-world-economies>
- <https://ec.europa.eu/digital-single-market/en/desi>
- <https://cyprus-mail.com/2019/10/20/digital-economy-in-cyprus-has-a-long-way-to-go/>
- <https://telecoms.com/502555/europe-unveils-its-digital-grand-plan/>
- <https://www.budde.com.au/Research/Cyprus-Mobile-Infrastructure-Broadband-Operators-Statistics-and-Analyses>
- https://ec.europa.eu/competition/sectors/telecommunications/overview_en.html
- https://en.wikipedia.org/wiki/Telecommunications_in_Cyprus
- <https://data.gsmainelligence.com/api-web/v2/research-file-download?id=51249202&file=2901-040220-Market-Structure.pdf>
- <https://data.gsmainelligence.com/api-web/v2/research-file-download?id=51249388&file=2915-260220-Mobile-Economy.pdf>
- <https://data.gsmainelligence.com/research/research/research-2020/mobile-market-structure-and-performance-in-europe-lessons-from-the-4g-era>
- https://en.wikipedia.org/wiki/United_Nations_Buffer_Zone_in_Cyprus

PART B FINANCIAL ANALYSIS

7. INTRODUCTION TO PART B

HISTORICAL FINANCIAL INFORMATION

The following sections provide an overview of the historic financial information of the Company over the past three financial periods ending 31 December 2019 and an outlook for the current financial year ending 31 December 2020.

PROJECTIONS AND ASSUMPTIONS

The Company's plans are to continue its network expansion to be able to further penetrate the market and scale its operations accordingly. As a matter of fact, part of the proceeds of the Bond Issue (€14.6 million) will be applied to this effect. The projections included in this financial analysis summary extend only until the end of the current financial year, i.e. 31 December 2020, and as such, would not necessarily show the full impact of the expansion exercise.

Furthermore, during FY2020, Cablenet will be finalising the agreement with CYTA to access the latter's network for mobile services as highlighted earlier in this report. This is a long-term commitment from both parties which would enable Cablenet to offer a more comprehensive package of services to its client base and attract new subscribers through a competitive price plan.

In cognisance of these two strategic moves, the Company is expecting to increase the number of subscribers in FY2020, to improve its market penetration ability, as well as to increase its market share in the addressable market (currently approx. 53% of households).

In addition, the Company will continue offering its sports channels to the existing and new client base. The Company has a right to terminate the agreements with the football clubs in 2022, with the decision needing to be made before the end of 2021.

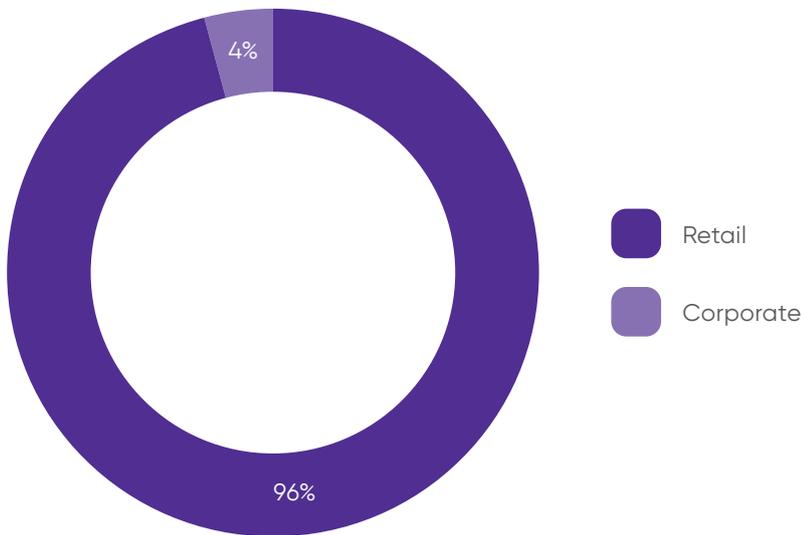
8. THE INCOME STATEMENT

| INCOME STATEMENT | | | | |
|-------------------------------|----------------|----------------|----------------|----------------|
| YEAR ENDED 31 DECEMBER | 2017(A) | 2018(A) | 2019(A) | 2020(F) |
| | €'000 | €'000 | €'000 | €'000 |
| Revenue | 30,983 | 33,448 | 39,845 | 43,315 |
| Direct Costs | (8,778) | (8,970) | (12,852) | (12,025) |
| Contribution | 22,205 | 24,478 | 26,993 | 31,290 |
| Operating Costs | (10,336) | (11,449) | (12,426) | (12,709) |
| Other Income | 55 | 353 | 196 | 120 |
| EBITDA | 11,924 | 13,383 | 14,763 | 18,701 |
| Depreciation & Amortisation | (8,240) | (8,811) | (13,329) | (20,053) |
| Operating Profit | 3,684 | 4,572 | 1,434 | (1,352) |
| Net Finance Costs | (1,283) | (1,181) | (1,294) | (2,055) |
| Profit Before Tax | 2,401 | 3,391 | 140 | (3,407) |
| Taxation Expense | (268) | (450) | (80) | (139) |
| Profit for the Year | 2,133 | 2,941 | 60 | (3,546) |
| EBITDA | 11,924 | 13,383 | 14,763 | 18,701 |
| Operating Profit | 3,685 | 4,572 | 1,433 | (1,352) |
| Depreciation & Amortisation | 8,240 | 8,811 | 13,329 | 20,053 |

SERVICE OFFERINGS OF THE COMPANY

Throughout the years, Cablenet has continuously focused on expanding its network coverage, which in turn, allowed it to increase its market share and revenue. Its subscriber base is mainly retail and management confirmed that the Company does not have plans to make any major change to the existing mix, with the focus in the retail segment being the increase in subscriber numbers, whereas in the corporate segment the emphasis is on higher revenue per client account.

SUBSCRIBERS - FY2019



Source: Management Information

The retail subscribers base is the largest contributor to the Company's revenue. The average number of subscribers increased from just under 59,000 in FY2017 to nearly 68,000 in FY2019. Revenue from this segment is generated through the sale of single and packaged offerings, from a combination of TV, internet and fixed telephony. During FY2018, Cablenet also offered 'Quattro' packages, which included also an element of mobile, although management explained that this package was no longer advertised in view of the complexities encountered whenever a subscriber wanted to effect a change in one of the components of the package. The relative benefits of combining fixed and mobile services continue to be provided to subscribers by offering discounts to mobile users who also have fixed services with the Company.

Corporate subscribers are offered a variety of telecoms services. Internet services remain the most sought and generate most of the revenue from this segment, which range from simple cable broadband internet services to VPN services, fibre and national and international WAN services. Corporate clients remain consistent users of fixed telephony services and while the retail subscribers are making less use of this service, it is evident that demand from corporate clients for fixed telephony remained constant over the years. The Company also generates additional revenue from the rental of telephony services, such as PABX systems.

To date, mobile services have been offered by the Company through a mobile virtual network operator contract it has with CYTA. Through this contract, Cablenet may offer its prepaid and post-paid mobile services to consumers and makes use of CYTA's network for voice, SMS and data. This contract is costed on a usage basis and as such was not heavily promoted, due to the resulting relatively low margins. New developments in this regard are explained further in section 4.

REVENUE & CONTRIBUTION ANALYSIS

| REVENUE & CONTRIBUTION | FY2017 | FY2018 | FY2019 |
|----------------------------|---------------|---------------|---------------|
| | €'000 | €'000 | €'000 |
| Revenue | 30,983 | 33,448 | 39,845 |
| Direct Costs | (8,778) | (8,970) | (12,852) |
| Contribution | 22,205 | 24,478 | 26,993 |
| Contribution Margin | 71.7% | 73.2% | 67.7% |

The Company's revenue increased from €31 million in FY2017 to €40 million in FY2019, representing a CAGR of 13.4% p.a. Contribution (Gross Profit less any Depreciation & Amortisation) increased from €22.2 million in FY2017 to €27.0 million in FY2019, remaining stable across the period at around the 70% mark, albeit a slight decrease is noted in the percentage contribution in FY2019, which is attributable to the additional direct costs incurred in relation to the football rights, as these did not generate the revenue levels anticipated by the Company's management.

EBITDA, OPERATING COSTS & OTHER INCOME

The Company's operating costs, included in the financial statements as cost of sales, administrative costs and selling and distribution costs, comprise approx. 66% of its total costs, with the remaining third being depreciation and amortisation charges.

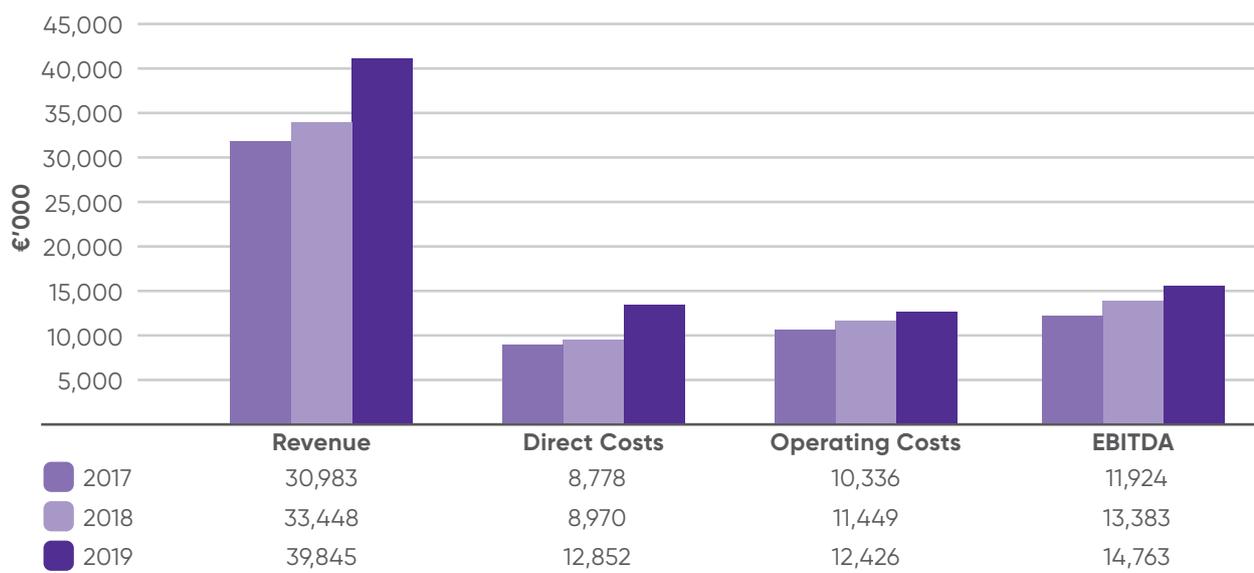
The Company's direct costs increased over the period under review from €8.8 million in FY2017 to €12.9 million in FY2019. Such costs include those incurred for TV content, which are based on various agreements that Cablenet has with a number of channels for it to broadcast those TV channels on its platform, as well as fees related to its football broadcasting rights as from FY2019. Also included are fees related to Internet capacity that allow the Company to offer Internet within its packaged deals and/or on its own, collocation costs related to its fixed telephony services offering, utility expenses for the provision of its services and consumables that the Company needs for its network and similar equipment.

Other than direct costs, another substantial cost component that the Company has is related to its human resources employed within administrative capacity and sales & distribution. This cost component increased from €4.9 million in FY2017 to €6.3 million in FY2019, reflecting an increase in staff complement from 263 to 335, respectively.

Other Income includes a mix of subsidies that the Company could avail itself of, such as termination fees on subscriber contracts, any gain from the sale of equipment to its client base, as well as recovery of any bad debts previously written off.

After accounting for the above costs and other income, the Company' EBITDA registered an increase of 23.8% from €11.9 million back in FY2017 to €14.8 million in FY2019 (representing CAGR of 11.3%).

REVENUE, DIRECT COSTS, OPERATING COSTS & EBITDA



DEPRECIATION AND AMORTISATION

A large cost component for the Company are the non-cash charges relating to Depreciation and Amortisation ('D&A', approximately a third of total operating costs). These charges increased from €8.2 million in FY2017 to €8.8 million in FY2018 and €13.3 million in FY2019. D&A charges were made up of the following components:

| DEPRECIATION & AMORTISATION | FY2017 | FY2018 | FY2019 |
|--|--------------|--------------|---------------|
| | €'000 | €'000 | €'000 |
| Depreciation PPE | | | |
| Leasehold buildings & improvements | 135 | 140 | 148 |
| Network & Machinery | 4,724 | 5,055 | 5,701 |
| Motor Vehicles | 41 | 67 | 186 |
| Furniture, Fixtures, Equipment & Computer Hardware | 1,750 | 1,729 | 1,801 |
| Tools | 3 | 1 | 9 |
| Depreciation – ROU Assets | | | |
| Land & Buildings | - | - | 528 |
| Motor Vehicles | - | - | 254 |
| Amortisation – Intangible Assets | | | |
| Computer Software | 273 | 361 | 389 |
| International Capacity | 1,310 | 1,454 | 1,532 |
| Leasehold Rights on Buildings | 4 | 4 | 7 |
| Football Rights | - | - | 2,804 |
| Total Depreciation & Amortisation | 8,240 | 8,811 | 13,359 |

The Company continues to invest on its network infrastructure, and as such, this attracts the highest depreciation charge amongst its pool of capital assets. Meanwhile, in FY2019, the Company adopted IFRS 16 and as such, incurred €0.8 million of additional depreciation charge on its RoU assets.

Amortisation is incurred on intangible assets, which until FY2018 consisted mainly of charges on software and international capacity. In FY2019, the contracts of the Company for football rights came into effect; the value of these rights are amortised over the period of useful life of the rights, which is three years. For FY2019 the amount of amortisation for these rights was €2.8 million.

PROFITABILITY ANALYSIS

Profitability in FY2019 was adversely affected by the increase in the non-financial charges of depreciation and amortisation. As a result, the Company's profit for the year dropped to €60k from €2.9 million in FY2018 and €2.1 million in FY2017.

OUTLOOK FY2020

A more detailed explanation of Cablenet's future plans is included in sections 4 and 7 of this report. This section only deals with FY2020 expected performance.

Profitability for FY2020 is expected to be affected by the impact of the additional capital expenditure that will result in additional depreciation charges. Furthermore, the Company is also expected to incur a full-year amortisation charge for the football rights (FY2019 comprised only half a year amounting to approximately €6 million).

However, EBITDA in FY2020 is expected to be superior to that of FY2019 at €18.7 million (FY2019: €14.8 million) on the basis of increased revenue, particularly in relation to the Company's plans to offer mobile services which are expected to attract new clients.

Net finance costs are expected to be higher in FY2020, at €2.1 million (FY2019: €1.3 million) on the basis of increased borrowings pursuant to the Bond Issue (borrowings will increase from €22.8 million at the end of FY2019 to €40 million at the end of FY2020).

9. STATEMENT OF FINANCIAL POSITION

| STATEMENT OF FINANCIAL POSITION | | | | |
|---------------------------------------|---------------|---------------|---------------|---------------|
| AS AT 31 DECEMBER | 2017(A) | 2018(A) | 2019(A) | 2020(F) |
| | €'000 | €'000 | €'000 | €'000 |
| ASSETS | | | | |
| Property, Plant & Equipment | 28,584 | 30,492 | 35,721 | 42,081 |
| Right-of-Use Assets | - | - | 3,600 | 10,325 |
| Intangible Assets | 12,599 | 12,938 | 25,906 | 22,797 |
| Inventories | 9 | 19 | 16 | 16 |
| Trade & Other Receivables | 3,605 | 5,040 | 6,861 | 4,223 |
| Current Tax Assets | 42 | - | - | - |
| Bank Deposits & Cash in Hand | 552 | 433 | 287 | 8,296 |
| TOTAL ASSETS | 45,391 | 48,922 | 72,391 | 87,738 |
| EQUITY & LIABILITIES | | | | |
| Equity | | | | |
| Share Capital | 4,664 | 4,664 | 5,750 | 5,750 |
| Other Reserves | 10,758 | 10,758 | 26,394 | 26,393 |
| Accumulated Losses | (14,884) | (14,608) | (16,041) | (21,645) |
| Total Equity | 538 | 814 | 16,102 | 10,498 |
| Liabilities | | | | |
| Borrowings | 32,611 | 32,991 | 22,821 | 40,000 |
| Lease Liabilities | - | - | 3,593 | 8,784 |
| Trade & Other Payables | 12,241 | 15,108 | 19,680 | 20,483 |
| Football Rights Liability | - | - | 10,164 | 7,973 |
| Tax Liabilities | 1 | 9 | 30 | - |
| Total Liabilities | 44,853 | 48,108 | 56,288 | 77,240 |
| TOTAL EQUITY & LIABILITIES | 45,391 | 48,922 | 72,391 | 87,738 |

FY2017 – FY2019

CABLENET'S ASSET BASE

As explained in section 5 of this report, the Company's asset base features the investment carried out during the years on the network infrastructure, representing €35.7 million out of the €72.4 million of total assets by the end of FY2019 (€30.5 million of €48.9 million in FY2018 and €28.6 million of €45.4 million in FY2017). The network infrastructure allows the Company to keep up with technology advances, but also to reach new territories across Cyprus.

In FY2019, Cablenet acquired football rights which at the end of the year were valued at €13.6 million, recognised within Intangible Assets. Other Intangible Assets relate to computer software, international capacity² and leasehold rights on buildings.

| INTANGIBLE ASSETS | FY2017 | FY2018 | FY2019 |
|-------------------------------|---------------|---------------|---------------|
| | €'000 | €'000 | €'000 |
| Computer Software | 381 | 534 | 587 |
| International Capacity | 11,998 | 12,187 | 11,400 |
| Leasehold Rights on Buildings | 221 | 217 | 366 |
| Football Rights | - | - | 13,552 |
| | 12,600 | 12,938 | 25,905 |

In line with IFRS 16 – Leases, the Company recognised on its balance sheet the lease agreements it has relating to land & buildings and motor vehicles, leased primarily for sales and technical services. The depreciated balance of these assets at the end of FY2019 was of €3.6 million.

Within its asset base, Cablenet has a balance of trade and other receivables (all current) of €6.9 million (as at the end of FY2019), of which €3.3 million were related to trade receivables. Cablenet invoices its retail subscribers one month in advance (pre-paid), while allowing a 30 days' credit to its corporate client base. The remaining €3.6 million comprise mainly of prepayments and deposits the Company made in relation to the services it acquires to be able to repackage these and offer them to its client base.

LIABILITIES

The Company's liabilities historically consisted of borrowings, trade & other payables as well as current tax liabilities. In FY2019, upon the adoption of IFRS 16 – Leases, the Company recognised on its balance sheet a RoU liability (reflecting the payments due for the leases throughout the term of such leases) and the commitment related to the football rights which materialised in the second half of FY2019.

The Company's total borrowings decreased from €32.6 million in FY2017 to €22.8 million in FY2019 as a result of a capitalisation of part of the debts (and accrued interest) by GO plc, which led to the latter increasing its shareholding in the Company to 60.26%.

| BORROWINGS ANALYSIS | FY2017 | FY2018 | FY2019 |
|------------------------------|---------------|---------------|---------------|
| | €'000 | €'000 | €'000 |
| Current Borrowings | 2,122 | 3,497 | 5,459 |
| of which shareholders' loans | 41 | 627 | - |
| Non-Current Borrowings | 30,489 | 29,494 | 17,363 |
| of which shareholders' loans | 15,600 | 15,080 | 4,585* |
| Total Debt | 32,611 | 32,991 | 22,822 |
| Cash & Equivalents | 552 | 433 | 287 |
| Net Debt | 32,059 | 32,558 | 22,535 |

*During FY2019, GO plc capitalised €16.7 million worth of loans and accrued interest.

² International capacity refers to the internet capacity line which allows Cablenet to offer internet services to its client base.

As at the end of FY2019, the Company had bank borrowings amounting to €17.9 million (FY2018: €17.3 million; FY2017: €17.0 million), which pursuant to the Bond Issue, will be repaid through the bond proceeds.

With regards to trade and other payables, the Company's trade payables registered a notable increase in FY2019, particularly as a result of an increase in capital creditors.

| TRADE & OTHER PAYABLES | FY2017 | FY2018 | FY2019 |
|---|---------------|---------------|---------------|
| | €'000 | €'000 | €'000 |
| Trade Payables | 4,264 | 4,029 | 7,276 |
| Amounts due to Shareholders (Dividends) | 1,155 | 3,510 | 5,026 |
| Deferred Subscription Income | 1,374 | 1,654 | 1,832 |
| Accruals | 1,241 | 1,492 | 1,157 |
| Refundable Security Deposits on Subscriptions | 2,718 | 2,551 | 2,770 |
| Other Payables | 1,488 | 1,873 | 1,620 |
| | 12,240 | 15,109 | 19,681 |

The other two main liability items included on Cablenet's balance sheet for the first time in FY2019 refer to the IFRS 16 treatment of the leases and football rights (refer to section 4).

EQUITY BASE

The Company's equity base increased to €16.1 million in FY2019 (FY2018: €0.8 million; FY2017: €0.5 million) on the back of the capitalisation of loan and accrued interest owed to GO plc. As a result of this capitalisation, the Company recognised an increase of €1.1 million to share capital and €15.6 million to the share premium reserve. Cablenet has negative retained earnings (accumulated losses) which are the result of reported losses in the initial years of the Company. Since then, the Company has been reporting profitable results. As per Cypriot tax laws, Cablenet is required to declare at least 70% of its profits as dividends within two years. In the period FY2017 to FY2019, the dividends declared to the shareholders have been credited to the shareholders' current account (FY2019: €5 million; FY2018: €3.5 million; FY2017: €1.2 million).

OUTLOOK FY2020

A more detailed explanation of Cablenet's future plans is included in sections 4 and 7 of this report. This section only deals with FY2020 expected performance.

Cablenet's total asset base is expected to increase by 21% to €87.7 million, reflecting the additional capital expenditure put into the network expansion programme and related hardware (c. €9.6 million), international capacity growth (c. €1 million) and software costs (c. €1.9 million). The increase in the cash balances as at the end of FY2020 represent mainly the additional funds available from the Bond Issue proceeds that are to be applied to the network expansion and cash generated from operations (as shall be explained in further detail in section 9 below).

On the liabilities side, borrowings are expected to reflect the additional funds raised through the Bond Issue (the net Bond Issue proceeds of approximately €39.5 million are expected to be used for repayment of bank proceeds [c. €14.4 million], refinancing of shareholders' loans [c. €7.3 million], with the remaining c. €17.8 million going for capital expenditure and general corporate funding).

The Company's equity base continues to be characterised by accumulated losses, which in FY2020 are expected to increase to €21.6 million (FY2019: €16 million) reflecting the loss for the year and additional dividends declared³. At the end of FY2020, total equity is expected to stand at €10.5 million (representing 12% of Cablenet's total asset base).

³ Companies which do not distribute 70% of their profits after tax, as defined by the relevant Cypriot tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. Such defence tax is not applicable on dividend distributions made to non-Cypriot shareholders.

10. STATEMENT OF CASH FLOWS

| STATEMENT OF CASH FLOWS YEAR ENDED 31 DECEMBER | 2017 | 2018 | 2019 | 2020 |
|---|----------------|----------------|----------------|---------------|
| | €'000 | €'000 | €'000 | €'000 |
| Net Cash from Operating Activities | 11,570 | 11,507 | 15,760 | 18,371 |
| Net Cash Used in Investing Activities | (9,322) | (11,051) | (20,607) | (23,669) |
| Net Cash Used in / From Financing Activities | (2,291) | (877) | 3,262 | 17,127 |
| | (43) | (421) | (1,585) | 11,829 |
| Cash & Cash Equivalents: | | | | |
| At the Beginning of the Year | (1,484) | (1,527) | (1,948) | (3,533) |
| At the End of the Year | (1,527) | (1,948) | (3,533) | 8,296 |

FY2017-2019

In the past three reporting periods, Cablenet generated a total of €38.8 million in cash from operations. It also maintained and increased its pace of investment in its network infrastructure, in line with its growth strategy, which during the period FY2017 to FY2019 amounted to €29.6 million. In FY2019, the Company also made a payment of €6.2 million for the acquisition of football rights. In order to support this growth in business, the Company had a mix of borrowings from banks and its shareholders.

OUTLOOK FY2020

A more detailed explanation of Cablenet's future plans is included in sections 4 and 7 of this report. This section only deals with FY2020 expected performance.

The cash flow projections of FY2020 reflect the additional cash generated from increased revenue generated by the Company. Investment expenses are expected to increase, as has been discussed in earlier parts of this report and are expected to reach €23.7 million in the current year. The cash flows from financing activities reflect the additional cash flows remaining after the Bond Issue proceeds repay the bank and shareholder loans.

11. RATIO ANALYSIS

The following set of ratios have been computed from the Company's figures, both historical and projections.

Note: where the ratios were non-comparable because of a negative return or a negative result, the ratio has been recorded as 'n/a'.

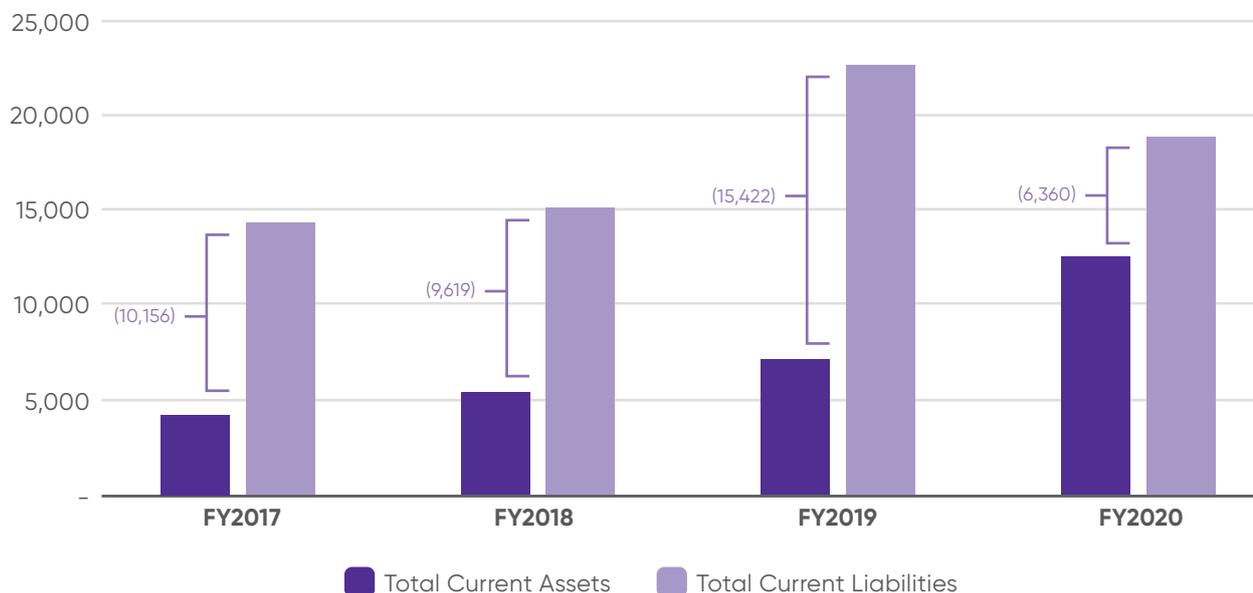
| | 2017(A) | 2018(A) | 2019(A) | 2020(F) |
|---|---------|---------|---------|---------|
| Contribution Margin (Gross Profit / Revenue) | 71.7% | 73.2% | 67.7% | 72.2% |
| EBITDA Margin (EBITDA / Revenue) | 38.5% | 40.0% | 37.1% | 43.2% |
| Operating Profit Margin (Operating Profit / Revenue) | 11.9% | 13.7% | 3.6% | n/a |
| Net Profit Margin (Net Profit / Revenue) | 6.9% | 8.8% | 0.2% | n/a |
| Interest Cover Ratio (EBITDA / Net Finance Cost) | 9.30x | 11.33x | 11.41x | 9.10x |
| Return on Assets (Profit before Tax / Average Assets) | 5.4% | 7.2% | 0.2% | n/a |
| Return on Equity (Profit for the Period / Average Equity) | 396.4% | 435.1% | 0.7% | n/a |
| Return on Capital Employed (Profit for the Period / Average Capital Employed) | 6.4% | 8.8% | 0.2% | n/a |
| Net Debt / EBITDA | 2.69x | 2.43x | 1.53x | 1.70x |
| Gearing Ratio (Total Borrowings / Equity + Borrowings) | 98.4% | 98.0% | 73.0% | 75.0% |
| Gearing Ratio (2) (Net Borrowings / Equity + Net Borrowings) | 98.3% | 97.6% | 58.3% | 75.1% |
| Current Ratio (Current Assets / Current Liabilities) | 0.29x | 0.36x | 0.32x | 0.66x |
| Cash Ratio (Cash & Equivalents / Current Liabilities) | 0.04x | 0.03x | 0.01x | 0.44x |

Cablenet's gross profit margins are reflective of the business model of telecoms, whereby scale plays a crucial part. Contribution margins across the years under review have been relatively stable and high. In so far as EBITDA margins are concerned, these are also relatively high and stable, expected to increase over the 40% level for the first time in FY2020. However, as discussed earlier in this report, in view of the high levels of depreciation and amortisation charges, Operating Profit and Net Profit Margins shrink accordingly. In fact, due to the additions to the Company's asset base, resulting in a higher depreciation charge, these two metrics will turn negative and will in turn affect the subsequent return ratios for FY2020. Meanwhile, in view of the improved EBITDA and despite the increased interest costs for FY2020, the interest cover ratio of the Company has been and is expected to remain exceptionally strong.

When looking at the gearing structure of the Company, this has been very high, reaching over 90% in FY2017 and FY2018 while reducing to over 70% in FY2019 and FY2020. The recovery noted in FY2019 has been in view of the capitalisation of the loan due to GO plc, boosting equity and concurrently reducing debt.

Over the years, Cablenet invested heavily in its network expansion which as a result, left the Company in net working capital deficient financial position, where its current liabilities have been greater than current assets. This notwithstanding, the Company's shareholders supported it over the years through shareholders' loans and unwithdrawn declared dividends.

WORKING CAPITAL GAP



Source: Management information

PART C LISTED SECURITIES

GO plc is the parent company of Cablenet, owning 60.26%. GO plc has its shares listed on the Official List of the Malta Stock Exchange. Details of its listed securities are included hereunder:

Number of shares in issue (as at the date of this FAS): 101,310,488 shares
 ISIN: MT0000090101

Furthermore, GO plc owns 51% of BMIT Technologies plc, which makes the latter a sister company of Cablenet. The shares of BMIT Technologies plc are also listed on the Official List of the Malta Stock Exchange, details of which are included hereunder:

Number of shares in issue (as at the date of this FAS): 203,595,310
 ISIN: MT0002130103

PART D COMPARATIVES

The table below compares the Company's bonds with other local corporate bonds having maturities closest to the Company's bonds. The list excludes issues by financial institutions. The comparative set includes local groups whose assets, strategy and level of operations vary significantly from those of the Company and are therefore not directly comparable. Nevertheless, the table below provides a sample of some comparatives:

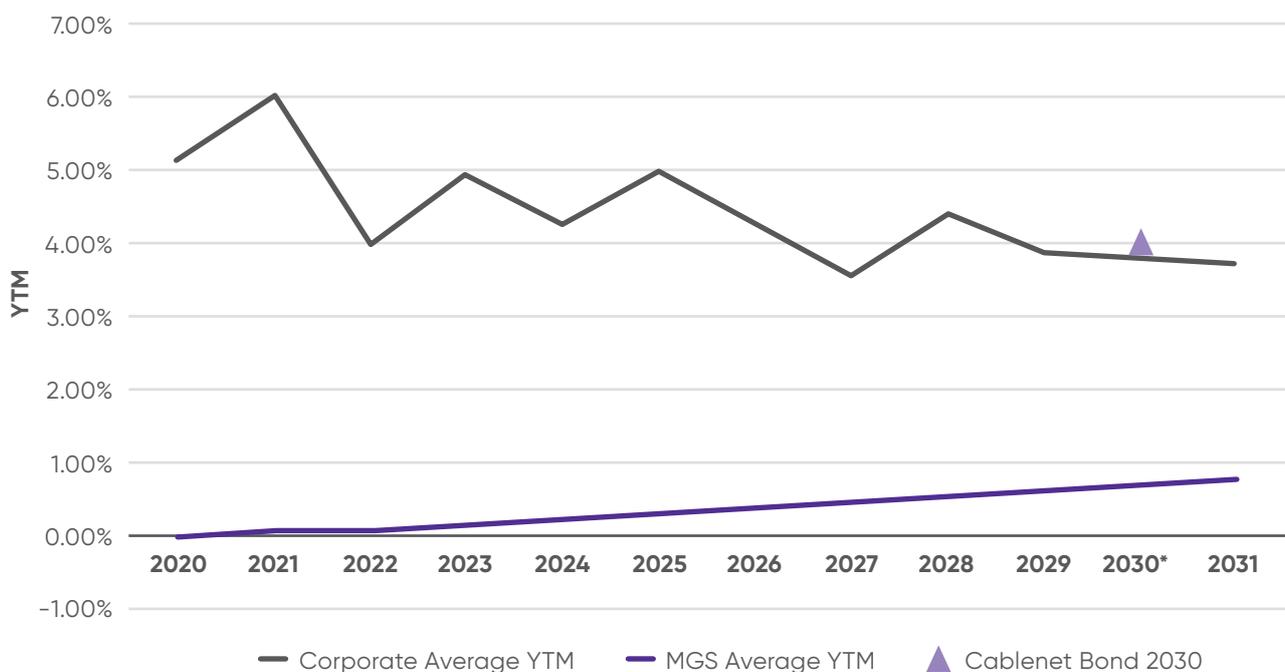
| BOND DETAILS | AMOUNTS OUTSTANDING (€'MILLIONS) | GEARING* | NET DEBT TO EBITDA | INTEREST COVER | YTM AS AT 07.07.2020 |
|---|----------------------------------|--------------|--------------------|----------------|----------------------|
| 3.75% Mercury Projects Finance plc 2027 (Secured) | 11.5 | 101.9% | 82.88x | 0.36x | 3.41% |
| 4.00% Stivala Group Finance plc 2027 (Secured) | 45.0 | 38.3% | 5.42x | 4.75x | 3.45% |
| 4.00% SP Finance plc 2029 (Secured) | 12.0 | 40.6% | 15.57x | 1.35x | 3.80% |
| 3.75% Tum Finance plc 2029 (Secured) (Puttable) | 20.0 | 38.1% | 1.82x | 37.30x | 3.62% |
| 3.65% Stivala Group Finance plc 2029 (Secured) | 15.0 | 38.3% | 5.42x | 4.75x | 3.39% |
| 4.25% Mercury Projects Finance plc 2031 (Secured) | 11.0 | 101.98% | 82.88x | 0.36x | 3.79% |
| 4% Cablenet Comm. Sys. plc 2030 | 40.0 | 73.0% | 1.53x | 11.41x | 4.00% |

Source: Yield to Maturity from rizzofarrugia.com, based on bond closing prices of 7 July 2020. Ratios and financial information quoted have been based on the respective issuers' unadjusted published financial data (or their guarantors, where and as applicable)

*Gearing: (Net Debt / Net Debt + Total Equity)

The following shows the average yield to maturity of listed corporate bonds and MGS covering an eleven year period, and how Cablenet's bond, priced at 4%, compares to such average yields. All the yields presented hereunder are as at 7 July 2020.

CORPORATE & MGS YTM - AS AT 07.07.2020



*For the purposes of 2030, given that there are no other listed corporate bonds with a 2030 maturity, the average YTM of 2029 and 2031 average corporate yields was taken.

At 4%, Cablenet's bonds are priced 9 basis points above the estimated YTM for 2030 maturities and at a 338 basis points premium over the average MGS YTM for 2030 maturities.

PART E GLOSSARY

INCOME STATEMENT EXPLANATORY DEFINITIONS

| | |
|--------------------------------------|---|
| Revenue | Total revenue generated by the company from its business activity during the financial year. |
| EBITDA | Earnings before interest, tax, depreciation and amortization, reflecting the company's earnings purely from operations. |
| Normalisation | Normalisation is the process of removing non-recurring expenses or revenue from a financial metric like EBITDA, EBIT or earnings. Once earnings have been normalised, the resulting number represents the future earnings capacity that a buyer would expect from the business. |
| EBIT | Earnings before interest and tax. |
| Depreciation and Amortization | An accounting charge to compensate for the reduction in the value of assets and the eventual cost to replace the asset when fully depreciated. |
| Finance Income | Interest earned on cash bank balances and from the intra-group companies on loans advanced. |
| Finance Costs | Interest accrued on debt obligations. |
| Net Profit | The profit generated in one financial year. |

CASH FLOW STATEMENT EXPLANATORY DEFINITIONS

| | |
|--|--|
| Cash Flow from Operating Activities | The cash used or generated from the company's business activities. |
| Cash Flow from Investing Activities | The cash used or generated from the company's investments in new entities and acquisitions, or from the disposal of fixed assets. |
| Cash Flow from Financing Activities | The cash used or generated from financing activities including new borrowings, interest payments, repayment of borrowings and dividend payments. |

STATEMENT OF FINANCIAL POSITION EXPLANATORY DEFINITIONS

| | |
|--------------------------------|---|
| Assets | What the company owns which can be further classified in Current and Non-Current Assets. |
| Non-Current Assets | Assets, full value of which will not be realised within the forthcoming accounting year |
| Current Assets | Assets which are realisable within one year from the statement of financial position date. |
| Liabilities | What the company owes, which can be further classified in Current and Non-Current Liabilities. |
| Current Liabilities | Obligations which are due within one financial year. |
| Non-Current Liabilities | Obligations which are due after more than one financial year. |
| Equity | Equity is calculated as assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves. |

PROFITABILITY RATIOS

| | |
|--------------------------------|--|
| EBITDA Margin | EBITDA as a percentage of total revenue. |
| Operating Profit Margin | Operating profit margin is operating profit achieved during the financial year expressed as a percentage of total revenue. |
| Net Profit Margin | Net profit margin is profit after tax achieved during the financial year expressed as a percentage of total revenue. |

| | |
|-----------------------------------|--|
| Return on Equity | Return on equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing profit after tax by shareholders' equity. |
| Return on Capital Employed | Return on capital employed (ROCE) indicates the efficiency and profitability of a company's capital investments, estimated by dividing operating profit by capital employed. |
| Return on Assets | This is computed by dividing profit after tax by total assets. |

LIQUIDITY RATIOS

| | |
|----------------------|--|
| Current Ratio | The current ratio is a financial ratio that measures whether a company has enough resources to pay its debts over the next 12 months. It compares a company's current assets to its current liabilities. |
| Cash Ratio | Cash ratio is the ratio of cash and cash equivalents of a company to its current liabilities. It measures the ability of a business to repay its current liabilities by only using its cash and cash equivalents and nothing else. |

SOLVENCY RATIOS

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| Interest Coverage Ratio | This is calculated by dividing a company's EBITDA of one period by the company's net finance costs of the same period. |
| Gearing Ratio | The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance a company's assets, and is calculated by dividing a company's net debt by net debt plus shareholders' equity. |
| Net Debt to EBITDA | This is the measurement of leverage calculated by dividing a company's interest-bearing borrowings net of any cash or cash equivalents by its EBITDA. |

OTHER DEFINITIONS

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|--------------------------|---|
| Yield to Maturity | YTM is the rate of return expected on a bond which is held till maturity. It is essentially the internal rate of return on a bond and it equates the present value of bond future cash flows to its current market price. |
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