

The Board of Directors
GO plc
Fra Diego Street
Marsa MRS 1001

26 May 2022

Dear Sirs,

GO plc – Financial Analysis Summary (the “Update FAS”)

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

The purpose of the Update FAS is that of summarising key financial data appertaining to GO plc (a public limited liability company registered under the laws of Malta bearing company registration number C 22334) (the “**Company**” or “**Issuer**”). The data of the Company (stand-alone basis and not consolidated group) 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 2019 to 2021 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 2022 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 this report have been computed by us applying the definitions as set out and defined within the Update FAS.
- (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 Update FAS is provided to assist potential investors by summarising the more important financial data of the Issuer. The Update FAS 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 Update FAS 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 Update FAS and no representation or warranty is provided in respect of the reliability of

the information contained in this report. As with all investments, potential investors are encouraged to seek professional advice before investing.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Rizzo", written over a horizontal line.

Vincent E Rizzo
Director



FINANCIAL ANALYSIS SUMMARY

Update 2022

Prepared by Rizzo, Farrugia & Co (Stockbrokers) Ltd in compliance with the Listing Policies issued by the Malta Financial Services Authority on 5 March 2013 and last updated on 21 August 2021.

26 May 2022



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IMPORTANT INFORMATION

PURPOSE OF THE DOCUMENT

GO plc (the “**Company**”, “**GO**”, or “**Issuer**”) issued €60 million 3.5% unsecured bonds, maturing in 2031 pursuant to a prospectus dated 25 May 2021 (the “**Bond Issue**”). The prospectus included a Financial Analysis Summary (“**FAS**”) in line with the requirements of the Listing Policies of the Listing Authority dated 5 March 2013 and last updated on 21 August 2021. The purpose of this report is to provide an update to the FAS (the “**Update FAS**”) on the performance and on the financial position of the Company.

SOURCES OF INFORMATION

The information that is presented has been collated from a number of sources, including the Company’s website (www.go.com.mt), the audited financial statements for the years ended 31 December 2019, 2020 and 2021 and forecasts for financial year ending 31 December 2022.

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
ROU	Right of Use
FTTH	Fibre-To-The-Home
WAN	Wide Area Network
VPN	Virtual Private Network
PABX	Private Automatic Branch Exchange
SMS	Short Message Service
IFRS	International Financial Reporting Standards
ICT	Information & Communication Technology
DSL	Digital Subscriber Line

PART A BUSINESS AND MARKET OVERVIEW UPDATE

1. INTRODUCTION

GO plc (“GO”, the “Company” or the “Issuer”) is a public limited liability company incorporated in Malta on 31 December 1997, bearing company registration number C 22334. GO is an integrated telecommunications provider, based in Malta and offers fixed telephony, mobile services, broadband and TV services (collectively known as Telecom Operations). Its Telecom Operations are extended towards personal, business and wholesale markets.

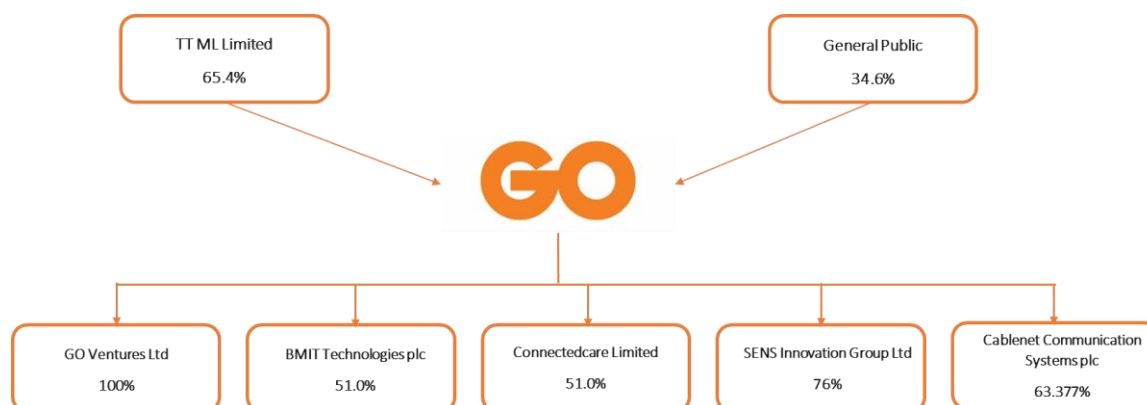
GO’s group companies include a number of subsidiaries which offer additional services, including data centre services through BMIT Technologies p.l.c. (“BMIT”), in which the Company has a 51% shareholding, and telecommunication activities in Cyprus through a 63.4% shareholding in Cablenet Communication Systems p.l.c. (“Cablenet”). On 17 March 2022, GO announced the acquisition of a 76% shareholding in Sens Innovation Group Limited (“SENS”), an energy management company that designs and builds customised solutions through a proprietary IOT based technology to reduce energy consumption and associated costs for commercial buildings.

GO’s products and services are offered to a range of personal, business and wholesale clients, and can be categorised as follows:



2. GROUP STRUCTURE

The Company is listed on the Official List of the Malta Stock Exchange and its shares are held to the extent of 34.6% by the general public, with the remaining 65.4% held by TT ML Limited which is a fully-owned subsidiary of Société Nationale des Telecommunications (Tunisie Telecom).



3. CORPORATE GOVERNANCE AND MANAGEMENT

BOARD OF DIRECTORS

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

Lassaad Ben Dhiab	Chairman
Sofiane Antar	Non-Executive Director
Paul Fenech	Non-Executive Director
Faker Hnid	Non-Executive Director
Paul Testaferrata Moroni Viani	Non-Executive Director
Deepak Padmanabhan	Non-Executive Director
Norbert Prihoda	Non-Executive Director

All directors are considered independent.

The Company Secretary is Dr Francis Galea Salomone.

SENIOR MANAGEMENT

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

Nikhil Patil	Chief Executive Officer
Reuben Attard	Chief Financial Officer
Antonio Ivankovic	Chief Commercial Officer
Kelvin Camenzuli	Chief Digital Officer
Ayrton Caruana	Chief Service Operations Officer
Arthur Azzopardi	Chief Officer GO Business
Sarah Mifsud	Chief People Officer

4. OPERATIONAL DEVELOPMENTS

TRUEFIBRE TECHNOLOGY

Traditional telecommunications utilised DSL technology whereby data is transmitted through electrical pulses through copper cables, which limits broadband speeds. This technology is being made redundant following the introduction of a more efficient fibre network, which allows for higher bandwidths to be transmitted, is not subject to interference, is more abundant as a raw material (unlike copper), requires less energy to operate, takes less space inside ducts and datacentres and, signals transmitted over it can travel for longer distances without degradation. As connectivity becomes increasingly important, the expansion of this network becomes more vital for both residential and business customers where access to the high broadband speeds have become a necessity.

Back in 2013, the Company commenced a project where it undertook to cover the Maltese Islands with fibre technology and over the years it has continued its investment in covering additional households in this programme. By the end of 2021, GO covered more than 170,000 households, bringing

nationwide coverage up to 52%. Furthermore, the Company successfully piloted a new way of rolling-out fibre that is faster, more efficient, and environmentally friendly.

5G MOBILE SERVICES

The deployment of True Fibre to all of GO's mobile sites led to the deployment of the first 5G mobile sites in December 2021. Through a €16 million investment, GO is aiming to provide Malta with nationwide 5G coverage by the end of 2023.

5G paves the way for the adoption of mobile solutions in real-time applications such as automation and remote monitoring, and for 'immersive' technologies such as virtual reality. 5G also delivers much higher capacity, allowing more devices to use the network simultaneously, an essential requirement for mobile networks to support the IoT, which will see billions of devices requiring connectivity worldwide.

INTERNATIONAL CONNECTIVITY

In 2019, GO entered into an agreement with PCCW Global Limited for GO to be able to access the PEACE Med System, which is a new high-speed fibre optic submarine cable that deploys the latest DWDM technology¹. This is a 12,000-kilometre submarine system connecting a variety of countries on the Asian and East African shores, to other jurisdictions in the Mediterranean, and ending in Marseille, France. By means of this state-of-the-art system, GO is now connecting Malta to two new point of presence (PoPs) in Abu Talat, Egypt and Marseille, France.

Through this agreement, GO has acquired its own submarine infrastructure (named LaValette on international charts) as well as its own branching unit, which are connected to the PEACE submarine system. Furthermore, GO co-owns a fibre pair on the Mediterranean leg of PEACE, and thus shares in the operational and maintenance costs related to its subsystem on the cable.

This connection makes GO the first operator in Malta with access to a submarine cable from a complete diverse Maltese shoreline. GO is also the only local operator having a direct link to mainland Europe other than Sicily as well as new commercial capabilities derived from linking Malta to Egypt, and hence to the Middle and Far East. This investment has truly placed Malta on the world map as the new telecommunications hub in the Mediterranean.

The cable laying towards Golden Bay (north-western coast of Malta) was completed in December 2021. The cable was then connected to the land equipment and underwent quality testing following which, the infrastructure was declared ready for service in late March 2022.

¹ Dense wavelength division multiplexing (DWDM) is a technology that puts together -- multiplexes -- data signals from different sources so they can share a single optical fibre pair while maintaining complete separation of the data streams.

SERVICE OFFERING

GO is committed to offer its client base packages and services depending on their requirements.

For the retail clients, GO updates its service offerings to include packaged or single-service deals that cover the retail client needs. As such, GO retail clients can choose contract based or non-contract-based services for fixed telephony, home internet, mobile communication services and TV services, either as a package or single services.

For its business client base, GO's fixed telephony, internet and mobile services may be bundled in a package or in single services depending on the requirements of the business. In addition, GO offers enterprise solutions that assist business clients with their networking solutions. Recently, GO has expanded its service offerings to include also tailor-made solutions for business by providing IoT services that empower businesses to handle and manage data in a smarter way.

In the wholesale sphere, GO offers its services to other telecommunication operators in Malta. These services include local and international IP access, local leased line access, interconnection to its fixed and mobile networks and voice transit services.

Furthermore, GO has over 570 network relations in over 200 countries and territories, making the Company the preferred roaming partner in Malta.

INVESTMENT IN GREEN TECHNOLOGY

In March 2022, GO concluded the acquisition of a 76% equity stake in Sens Innovation Group Limited (SENS) for an initial investment of €1 million, with the possibility of a further €1.85 million earnout depending on the performance of SENS over a three-year period.

SENS is an energy management company that leverages proprietary IoT based technology to reduce energy consumption and associated costs for commercial buildings. It designs and builds customised solutions for clients that improve their business operations and efficiencies whilst also contributing to the environmental responsibilities that modern business governance and legislation demands. The company specialises in the provision of Room Energy Management Systems for the hospitality and health industries, including retrofit guest room management. SENS serves large hotels and commercial clients in Malta, UK, mainland Europe and Dubai.

5. MAJOR ASSETS

	FY2019	FY2020	FY2021
	€'000	€'000	€'000
PPE	104,750	112,393	111,433
Investment in Subsidiaries	50,077	50,877	51,587
Right-of-Use Assets	42,028	38,929	26,405
Total Major Assets	196,855	202,199	189,425
Total Assets	255,231	260,511	278,205
NCA / Total Assets	77.1%	77.6%	68.1%

PROPERTY, PLANT & EQUIPMENT (PPE)

PPE is the Company's largest asset which eased minimally to €111.4 million in FY2021 (FY2020: €112.4 million), largely due to the reclassification of an asset. In fact, with respect to 'Plant and equipment', the Company's largest element of PPE consisting of infrastructure elements such as core networks, cable plants, primary distribution network relating to the fibre infrastructure, civil engineering, mobile and TV networks, and related equipment, increased to €96.8 million in FY2021 (FY2020: €94.1 million). The other main PPE components include equipment at customer premises required for the distribution of service totalling €10.3 million in FY2021 (FY2020: €10.1 million) and land and buildings consisting of telephone exchanges, warehouses, offices, and retail outlets owned by the Company which remained at €4.3 million.

RIGHT OF USE ASSETS

As from 1 January 2019, GO adopted IFRS 16 – Leases, and recognised its leases as Right-Of-Use (ROU) assets and liabilities in its financial statements. In line with IFRS 16, the rental cost, previously recorded as part of administrative expenses in the income statement, is being reflected as depreciation of the ROU asset over the lease term, and a finance cost is recognised in relation to the ROU liability. As at 31 December 2021, the ROU assets consisted of: i) property leases of €12.3 million (FY2020: €23.2 million) subject to various lease agreements; ii) spectrum licences of €12.7 million (FY2020: €14.8 million); and iii) equipment and motor vehicles leases of €1.5 million (FY2020: €1 million).

INVESTMENT IN SUBSIDIARIES

As at 31 December 2021, GO had a majority holding in four subsidiaries, as reflected below:

BMIT Technologies plc (BMIT) – 51% shareholding

BMIT offers data hosting, colocation and internet services, technical assistance, IT solutions and leasing of plant and equipment to its client base. It is a Malta registered company, with its head offices based at SmartCity, Kalkara. BMIT's shares have been listed on the Malta Stock Exchange since February 2019. It was overall a positive year for BMIT. Total revenues reached €25.3 million, equivalent to an increase

of 5.5% over the prior year. The main drivers of such growth are cloud services, managed services, and sale of hardware and software. Revenue from core data centre services remains stable.

Cablenet Communication Systems plc (Cablenet) – 63.4% shareholding

Cablenet is a Cypriot quadruple play telecommunications company, offering a range of telecommunication services to its retail and business clients in Cyprus. During 2020, Cablenet issued a €40 million bond which was listed on the Malta Stock Exchange.

2021 marked the full entry of Cablenet as an MNO (Mobile Network Operator) in the Cypriot market, a key important milestone on the Company as it continues on its evolutionary path to become a full-scale quad-play telecom operator. The launch of the Purple Max mobile post-paid product offering unlimited data allowances at affordable prices to the entire market was hugely successful, resulting in a 110% increase in Cablenet’s mobile subscriber base compared to 2020. Coupled with continued growth in fixed broadband too, Cablenet’s total revenue for 2021 reached €53.5 million, a 13.9% growth compared to revenue of €47 million in 2020.

In 2021, GO acquired an additional stake from an existing shareholder for the amount of €710,000 and increased its shareholding to 63.4% (31 December 2020: 62.2%).

GO Ventures – 100% shareholding

GO Ventures Limited was incorporated as new fully-owned subsidiary in 2019. GO Ventures is an investment vehicle that aims to assist start-ups with their business plans. It takes on a minority stake in the start-up and provides support in terms of financing, corporate expertise, facilities, and networking opportunities through GO’s connections. To date, the company invested approximately €1.8 million in 7 diverse and promising start-up ventures.

Connectedcare Limited – 51% shareholding

GO has a 51% stake in Connectedcare Limited, which was established in 2019. This Malta-registered subsidiary is principally engaged in providing electronic and mobile care solutions.

6. MARKET OVERVIEW

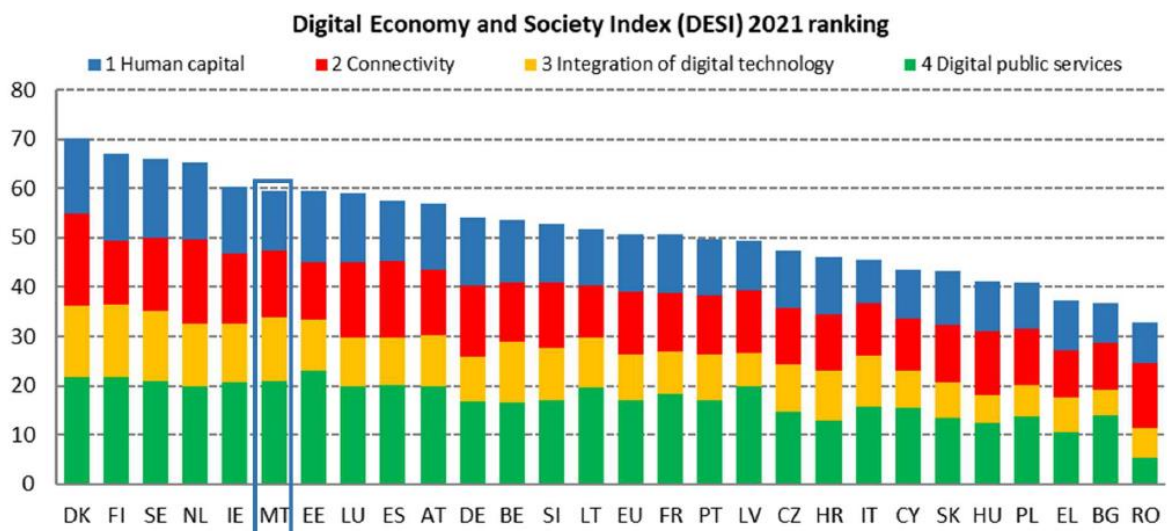
THE TELECOMS INDUSTRY

Telecoms form the backbone of our everyday society. Over the years, there has been a decline in the use of fixed landlines and other services such as SMS and MMS, as new communication applications became a more common method for people to message and communicate.

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 several companies to assist in their strategic decision-making processes. This digital evolution requires communication and data.

THE MALTESE TELECOMS INDUSTRY

Malta’s rank on the EU’s Digital Economy and Society Index (DESI) for 2021 was 6th, performing above the EU average across the four main areas of the index, i.e. human capital, connectivity, integration of digital technology, and digital public services.



Source: Digital Economy and Society Index (DESI) 2021 – Malta

Since the onset of the COVID-19 pandemic, Malta Communications Authority (MCA) reported a series of behavioural pattern shifts by the public. There was a notable reliance placed on electronic mail in substitution of physical mail, while a number of local businesses resorted to online sales. Furthermore, as a number of entities have made arrangements for their staff to work from home, this reportedly affected the demand for quality broadband in homes. The MCA noted that several households

requested upgrades in their broadband packages, both for the purposes of working from home and home schooling, as well in relation to TV viewing (TV services are nowadays supplied via IP and as such have an impact on bandwidth demand at homes).

On the other hand, the telecoms sector is expected to be affected by the negative economic impact on the hospitality and retail sectors, as well as the net flows of expatriate workers, which in previous years had contributed to increasing overall uptake of telecom services.

In its strategy update document, the MCA also recognised that electronic communications are catalysts for savings on carbon emissions in various sectors. Technologies such as 5G and IoT allow for the adoption of smart report systems which allow for a reduction in emissions.

The MCA Market Trends for 2021 show that the upward trend for high-speed connectivity continued amid the availability of ultra-fast fixed broadband together with the availability of 5G networks and plans. Indeed, internet users on plans supporting download speeds of 100Mbps or more now accounted for over 62% of all internet clients as at the end of 2021. Within the mobile telephony segment, which saw an increase of 11,832 new subscriptions year-on-year, the demand for mobile broadband surged by 44%, excluding Wi-Fi connectivity. Demand for Pay TV services continued to increase, and the segment added 4,970 subscriptions during the year. The fixed telephony segment remained at the same levels of the previous year.

The major players in Malta's telecoms industry are GO plc, Melita Limited (Melita) and Epic Communications Limited (EPIC; previously known as Vodafone Malta).

MARKET SHARE

Fixed broadband

As at the end of 2021, GO accounted for 46.9% of all fixed broadband subscriptions. GO is the second largest player within this segment. Within this segment, GO achieved an annual compounded growth rate of 5.2% over the past three years. More notably, with respect to FTTH subscriptions, GO achieved an annual compounded growth rate of 28.7% over the past three years.

Mobile telephony

As at the end of 2021, GO had 37.5% of all mobile telephony subscriptions and remained the Company with the highest number of overall subscribers. Within this segment, GO achieved an annual compounded growth rate of 2.9% over the past three years.

Pay TV

As at the end of 2021, GO had a 38.2% of the Pay TV market share, as it remained the second largest player within this segment. Over the past three years, GO's subscriptions declined by an annual compounded rate of less than 1%.

Fixed telephony

As at the end of 2021, GO accounted for just under 50% of all fixed-line subscriptions as it maintained its position as an overall market leader of this segment. Over the past three years, GO's subscriptions declined by an annual compounded rate of 3.9%.

SOURCES USED FOR THE MARKET OVERVIEW:

The Digital Economy and Society Index — Countries' performance in digitisation:

<https://digital-strategy.ec.europa.eu/en/policies/countries-digitisation-performance>

MCA Strategy Update:

<https://www.mca.org.mt/sites/default/files/MCA%20Strategy%20Update%202022%20-%202024.pdf>

MCA Key Market Indicators Q1 2017 to Q4 2021:

<https://www.mca.org.mt/articles/key-market-indicators-electronic-communications-and-post-q1-2017-q4-2021>

PART B FINANCIAL ANALYSIS

7. INTRODUCTION

The following sections provide an overview of the historic financial information of the Company over the past three financial periods ending 31 December 2021 and an outlook for the current financial year ending 31 December 2022.

In terms of assumptions, during FY2022 GO is expecting to continue with its fixed broadband market growth combined with additional growth in mobile post-paid customer base. The Company is also expecting additional revenue from sale of hardware and IoT. GO's operational objectives include an accelerated rollout of its FTTH network with an additional 36,000 Homes Passed thus reaching 63% coverage by the end of 2022, additional work on the digitalisation roadmap with a number of key projects being completed throughout the year and continued focus on controlling operating costs amid high-cost pressures.

8. THE INCOME STATEMENT

Year ended 31 December	Actual 2019 €'000	Actual 2020 €'000	Actual 2021 €'000	Forecast 2022 €'000
Revenue	117,875	116,815	117,688	123,512
Cost of Sales	(69,411)	(69,805)	(68,776)	(74,852)
Gross Profit	48,464	47,010	48,912	48,660
Admin & Other Related Expenses	(31,220)	(31,652)	(31,465)	(31,947)
Other Income	2,239	1,223	1,564	1,475
Other Expenses	(27)	(135)	(6)	-
Operating Profit	19,456	16,446	19,005	18,188
EBITDA	48,588	45,213	47,883	48,277
<i>Depreciation & Amortisation</i>	<i>(29,132)</i>	<i>(28,767)</i>	<i>(28,878)</i>	<i>(30,089)</i>
Operating Profit	19,456	16,446	19,005	18,188
Gain on Disposal on Investments	38,740	3,102	-	-
Dividend Income	899	3,445	4,668	3,989
Net Finance Costs	(1,822)	(1,726)	(3,400)	(3,409)
Profit Before Tax	57,273	21,267	20,273	18,768
Taxation Expense	(7,263)	(5,597)	(6,656)	(6,569)
Profit for the Year	50,010	15,670	13,617	12,199

FY2021 OVERVIEW

GO generated €117.7 million in revenues in 2021, which is marginally higher than the €116.8 million figure of the previous year. Despite the overall improvement in business conditions, with fixed broadband and mobile growth being registered, the pandemic continued to leave its mark on the Maltese economy particularly due to the country's reliance on tourism and adjacent industries which were among the hardest-hit industries. Although the telecoms industry was largely cushioned from Covid-19 shocks when compared to other industries, there were still particular areas which were negatively impacted. For example, roaming revenues remained subdued as global travelling remained muted during 2021. Additionally, the company registered an accelerated decline in fixed voice revenues. With remote working established as the preferred mode of working during 2021, private and public sector entities are quickly shifting from traditional fixed voice telephony to online communication platforms.

When compared to the previous year, GO was impacted by lower operating costs which led to a 15.6% surge in operating profit to €19.0 million from €16.4 million in 2020. The positive movements in operating costs when compared to 2020 were mainly two: (i) a reduction in voluntary retirement costs of €3.8 million and (ii) a reduction in the provision for pensions of €0.6 million. These positive movements were partly compensated by an increase in bad debts and credit loss provisions of €0.7 million and a one-off gain of €1.5 million in 2020 which did not recur in 2021. Depreciation and amortisation charges were at the same level of the previous year.

GO's performance was also impacted by the non-recurrence of the €3.1 million gain in 2020 following the disposal of its shareholding in Forthnet S.A. Furthermore, the Company's finance costs nearly doubled to €3.4 million amid higher interest on bank loans as well as the recognition of interest on the bond which was listed during 2021. Meanwhile, GO was positively impacted by an increase of 35.5% in dividends from subsidiaries totalling €4.7 million.

The Company's pre-tax profit for FY2021 was €20.3 million, compared to €21.3 million in 2020. Notwithstanding, comparing this figure to the adjusted pre-tax profit figures for FY2020 to exclude the disposal of Forthnet S.A., GO's adjusted profit before tax was 11.6% higher than the previous year.

OUTLOOK FY2022

During 2022, revenue is expected to increase by €5.8 million (or 4.9%) to €123.5 million compared to €117.7 million in 2021. This increase is mostly attributable to increase in hardware sales amounting to €3.9 million and sale of mobile devices to Cablenet totalling €2 million. Like FY2020, GO is expecting FY2022 to be a bumper year for hardware sales as these include an element of non-recurring contracts that vary from year to year. Excluding hardware sales, revenue for 2022 is expected to be on the same level as 2021 as the improvement in revenues from the business segment is expected to be offset by a marginal reduction in the wholesale segment.

With regards to costs, GO will increase its network support agreements to include support on 5G, packet core upgrade, IT DCN and increases in Nokia – ADSL/ GPON support and Data Centre Network. The Company will also incur new operational costs related to the operation of the PEACE submarine cable. Administrative expenses are expected to remain close to the levels of the previous year, despite a new collective agreement which is expected to be concluded leading to a higher payroll cost. Labour shortages and rising cost of living are also adding to salary pressures, but an overall headcount reduction and lower subcontracting costs are anticipated to mitigate the cost pressures. Moreover, GO will continue to implement its long-term cost reduction strategy through further investment in digitalization and FTTH rollout which will bring further operational efficiencies and reduction in headcount. Switching off copper will also further result in further cost savings on electricity and fixed access network costs.

EBITDA is projected to be €48.3 million, which is 0.8% higher than the EBITDA of 2021. However, GO is forecasting higher depreciation and amortization costs for 2022 due to the recent heavy investment in software as a consequence of the drive to become a digital enterprise, FTTH, 5G, and the capital expenditure related to the PEACE submarine cable. As a result, operating profit is expected to ease by 4.3% to €18.2 million.

After accounting for dividend income from subsidiaries (anticipated to contract by 14.5% to a level closer to the 2020 dividend following a 36% extraordinary increase in 2021), finance costs (relatively unchanged from FY2021) and taxation (also expected to be unchanged from the previous year), the Company's forecasted profit for FY2022 is 10.4% lower than that in previous year at €12.2 million.

9. STATEMENT OF FINANCIAL POSITION

As at 31 December	Actual 2019 €'000	Actual 2020 €'000	Actual 2021 €'000	Forecast 2022 €'000
ASSETS				
Non-Current Assets				
Property, Plant & Equipment	104,750	112,393	111,433	121,628
Right-of-Use Assets	42,028	38,929	26,405	26,034
Intangible Assets	6,777	5,531	13,503	12,760
Investment in Subsidiaries	50,077	50,877	51,587	53,487
Loans Receivable from Subsidiaries	4,549	-	-	-
Trade & Other Receivables	4,730	5,946	6,567	6,797
	212,911	213,676	209,495	220,706
Current Assets				
Inventories	5,943	5,871	7,957	7,507
Trade & Other Receivables	27,337	25,835	30,151	32,309
Current Tax Assets	1,488	516	1,102	1,327
Cash & Cash Equivalents	7,552	14,613	29,500	6,805
	42,320	46,835	68,710	47,948
TOTAL ASSETS	255,231	260,511	278,205	268,654
EQUITY & LIABILITIES				
Equity				
Share Capital	58,998	58,998	58,998	58,998
Other Reserves	4,096	4,043	4,065	4,065
Retained Earnings	51,630	57,169	47,484	43,474
Total Equity	114,724	120,210	110,547	106,537
Liabilities				
Non-Current Liabilities				
Lease Liabilities	36,976	34,983	23,199	22,759
Borrowings	41,088	48,640	78,816	65,463
Deferred Tax Liabilities	787	2,796	3,936	4,161
Provisions for Pensions	1,931	1,862	1,524	1,409
Trade and Other Payables	-	602	521	471
	80,782	88,883	107,996	94,263
Current Liabilities				
Borrowings	9,921	9,790	5,541	11,525
Lease Liabilities	4,805	4,946	4,222	3,922
Provisions for Pensions	3,237	3,308	2,925	2,725
Trade & Other Payables	41,762	33,374	46,974	49,682
Total Liabilities	59,725	51,418	59,662	67,854
TOTAL EQUITY & LIABILITIES	255,231	260,511	278,205	268,654

FY2021 OVERVIEW

GO's asset base stood at €278.2 million by the end of FY2021, 6.8% higher than the previous year. The Company's assets are characterised primarily by GO's investment in PPE, investments in subsidiaries² and the ROU assets (these are further explained in section 5 of this report). In FY2021, GO also more than doubled its cash balances to €29.5 million reflecting the improved cash generation from operations and an element of the cash proceeds from the bond which were unutilised as at the end of the year.

The Company's intangible assets consist of computer software and broadcasting rights. These increased substantially in FY2021 to €13.5 million from €5.5 million in the prior year, due to further development of the said software and the net effect of new and expired broadcasting rights, net of amortisation charges.

Trade and other receivables also increased to €36.7 million (FY2020: €31.8 million). These mainly consist of contract assets (and related capitalised costs) and prepayments (approximately 50% of the total per year). The receivables related to contract assets reflect dues in respect of client contracts where the Company has a right to collect money for a service delivered over a period of time for the term of the contract³ while prepayments relate to the advance payments made in relation to maintenance service contracts, for technical equipment and in relation to operating licences. Trade receivables (net of provisions for impairments) made up a further 30% of the amounts receivable and these are typically short term (due to be received in less than one year). Most of the balance is then owed by subsidiaries and relate to the services that GO offers in the ordinary course of its business.

In terms of liabilities, in 2021 GO successfully issued a €60 million bond which led to an overall increase in total borrowings of €25.9 million to €84.4 million. When including the €27.4 million in lease liabilities in 2021 (FY2020: €39.9 million), GO's total debt stood at €111.8 million (FY2020: €98.4 million).

The provisions for pensions stood at €4.4 million which is lower than the €5.2 million as at the end of 2020. These are related to an undertaking of GO, back when it was nationalised (originally as Telemalta and subsequently as Maltacom, before changing its name to GO) to take over the employees of Cable and Wireless and set up a pension scheme in favour of these employees. These provisions represent payments which the Company expects to make in respect of these pension schemes in total over the coming years.

GO's equity position dropped by 8% to €110.5 million largely reflecting the lower retained earnings following the increased dividends distributed in FY2021 comprising the dividend paid out in respect to FY2020 as well as the reinstatement of an interim dividend in FY2021 (for the first time since 2007).

² The Company's investment in subsidiaries is reported in GO's stand-alone accounts at cost basis. This is further explained in the Notes to the Financial Statements (Note 8 of FY2021 annual report).

³ This right and timing differences of recognising the said revenue as a receivable emanate from IFRS 15 – Contracts.

OUTLOOK FY2022

During FY2022, the Company is expected to continue with its substantial investment in capital assets. These include the further FTTH rollout, technical operations, digital operations as well as investments related to the submarine cable and software development. These investments will be largely funded through the deployment of unutilised cash proceeds from the bond issued in 2021, hence resulting in a substantially lower level of cash of €6.8 million as at the end of 2022 when compared to €29.5 million as at the end of 2021. The value of total assets by the end of FY2022 is expected to be €268.6 million.

The lower net profits expected in FY2022 result in a lower level of total equity, although this is also affected by the dividends distributed in FY2022.

10. STATEMENT OF CASH FLOWS

Year ended 31 December	Actual 2019 €'000	Actual 2020 €'000	Actual 2021 €'000	Forecast 2022 €'000
Net Cash from Operating Activities	41,113	39,668	46,220	40,381
Net Cash from (used in) Investing Activities	16,063	(24,825)	(28,072)	(30,350)
Free Cash Flow	57,176	14,843	18,148	10,031
Net Cash (used in) Financing Activities	(56,319)	(7,733)	(3,501)	(32,748)
Net Movements in cash	857	7,110	14,647	(22,717)
Cash & Cash Equivalents:				
At the Beginning of the Year	5,974	6,867	14,117	28,655
Exchange Differences	3	(17)	16	-
Movement in Cash pledged as guarantees	33	157	(125)	-
At the End of the Year	6,867	14,117	28,655	5,938

FY2021 OVERVIEW

In 2021, GO generated €46.2 million in cash from operations, net of interest charges and payments under the voluntary retirement scheme and pension obligations. It also maintained its pace of investment in its network infrastructure, in line with its growth strategy, and invested a total of €28.1 million, which is net of a dividend received from a subsidiary. In 2021, GO generated €18.1 million in free cash flow. During the year, the Company successfully raised €60 million through an issuance of a bond on the local corporate bond market, effected loan repayments in the amount of €45.6 million and also paid a total of €23.3 million in dividends to its shareholders. GO ended FY2021 in a positive cash position of €28.7 million.

OUTLOOK FY2022

In FY2022, GO is forecasting to generate €40.4 million in cash from operations, which is 12.6% lower than the previous year, which is mainly due to the negative impact on operating cash flows resulting from the reversal of a positive working capital movement in FY2021. The company is also committed to increase its pace of investment to a net capital expenditure of €30.4 million. In FY2022, the Company is forecasting to generate €10 million in free cash flow. GO expects to end FY2022 with a cash position of €5.9 million.

11. RATIO ANALYSIS

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

	Actual FY2019	Actual FY2020	Actual FY2021	Forecast FY2022
Gross Profit Margin <i>(Gross Profit / Revenue)</i>	41.1%	40.2%	41.6%	39.4%
Operating Profit Margin <i>(Operating Profit / Revenue)</i>	16.5%	14.1%	16.1%	14.7%
Net Profit Margin <i>(Profit For The Year/ Revenue)</i>	42.4% ¹	13.4%	11.6%	9.9%
EBITDA Margin <i>(EBITDA / Revenue)</i>	41.2%	38.7%	40.7%	39.1%
Gearing Ratio (inc. lease liabilities) <i>(Total Borrowings + Leases / Equity + Borrowings + Leases)</i>	44.7%	45.0%	50.3%	49.3%
Gearing Ratio 2 (inc. lease liabilities) <i>Net Debt inc. leases/ Net Debt inc. leases + equity)</i>	42.6%	41.1%	42.7%	47.6%
Return on Assets <i>(Profit For the Year / Average Assets)</i>	21.1 % ¹	6.1%	5.1%	4.5%
Return on Equity <i>(Profit for the Year / Average Equity)</i>	42.5% ¹	13.3%	11.8%	11.2%
Return on Capital Employed <i>(Profit for the Year / Average Capital Employed)</i>	29.7% ¹	9.1%	7.3%	6.4%
Net Debt / EBITDA <i>(Net Debt inc. leases / EBITDA)</i>	1.75x	1.85x	1.72x	2.01x
Current Ratio <i>(Current Assets / Current Liabilities)</i>	0.71x	0.91x	1.15x	0.71x
Cash Ratio <i>(Cash & Equivalents / Current Liabilities)</i>	0.13x	0.28x	0.49x	0.10x
Interest Cover Ratio <i>(Operating Profit / Net Finance Cost)</i>	10.68x	9.53x	5.59x	5.34x

¹ Profit For The Year of FY2019 includes a gain of €38.74 million from the sale of a 49% stake in BMIT Technologies p.l.c., resulting in significantly higher Net Profit Margin, Return on Assets, Return on Equity, and Return on Capital Employed ratios for FY2019.

Between FY2019 and FY2021, GO's margin ratios remained relatively high. In FY2022, despite the forecasted increase in revenues, margins are expected to be lower due to the higher increase in cost of sales.

Similarly, due to lower levels of profits, the profitability ratios are forecasted to be lower than the previous three years.

As GO's net debt including lease liabilities is expected to increase, the net debt to EBITDA multiple is expected to increase to just over 2 times, which however is still very healthy.

12. VARIANCE ANALYSIS

	<i>Actual</i> 2021 €'000	<i>Forecast</i> 2021 €'000	<i>Variance</i> %
<i>for the year ended 31 December</i>			
Revenue	117,688	116,016	1.4%
Cost of Sales	(68,776)	(70,206)	-2.0%
Gross Profit	48,912	45,810	6.8%
Admin & Other Related Expenses	(31,465)	(28,606)	10.0%
Other Income	1,564	767	103.8%
Other Expenses	(6)	-	n/a
Operating Profit	19,005	17,971	5.8%
EBITDA	47,883	48,873	-2.0%
<i>Depreciation & Amortisation</i>	<i>(28,878)</i>	<i>(30,902)</i>	<i>-6.5%</i>
Operating Profit	19,005	17,971	5.8%
Dividend Income	4,668	3,841	21.5%
Net Finance Costs	(3,400)	(3,206)	6.0%
Profit Before Tax	20,273	18,606	9.0%
Taxation Expense	(6,656)	(6,512)	2.2%
Profit for the Year	13,617	12,094	12.6%

The revenue generated by GO plc during FY2021 was very close to what was disclosed in the forecasts set out in the 2021 FAS dated 25 May 2021. However, as the Company incurred lower cost of sales, it recorded a Gross Profit of €48.9 million, which is 6.8% higher than forecasted. In contrast, administrative expenses were 10% higher than expected amid higher international transportation costs, a spike in bad and doubtful debts, as well as reduced efficiency and incremental operational costs due to quarantine periods and other restrictions.

The financial performance of the Company was also boosted by €1.56 million in 'Other Income' which is more than double the amount forecasted. This refers to rent receivables, late payment charges and gains related to reassessment of lease terms in respect of right-of-use assets. GO also received a dividend from subsidiaries which was 21.5% higher than anticipated. On the other hand, the Company's net finance costs were 6% higher mainly due to the shift in the Company's debt profile in 2021 from floating to fixed rate borrowing.

PART C LISTED SECURITIES

GO's shares are listed on the Official List of the Malta Stock Exchange. Details of its listed securities are included hereunder:

Number of shares in issue:	101,310,488 shares
ISIN:	MT0000090101

GO also has a €60 million bond listed on the Official List of the Malta Stock Exchange, details of which are included hereunder:

Bond Details:	3.5% unsecured maturing in 2031
ISIN:	MT0000091216

Furthermore, GO plc owns 51% of BMIT Technologies plc. 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:	203,595,310
ISIN:	MT0002130103

Cablenet Communication Systems plc is another subsidiary of GO (ownership: 63.4%) and it has a €40 million bond listed also on the Official List of the Malta Stock Exchange, details of which are included hereunder:

Bond Details:	4.0% unsecured maturing in 2030
ISIN:	MT0002461201

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:

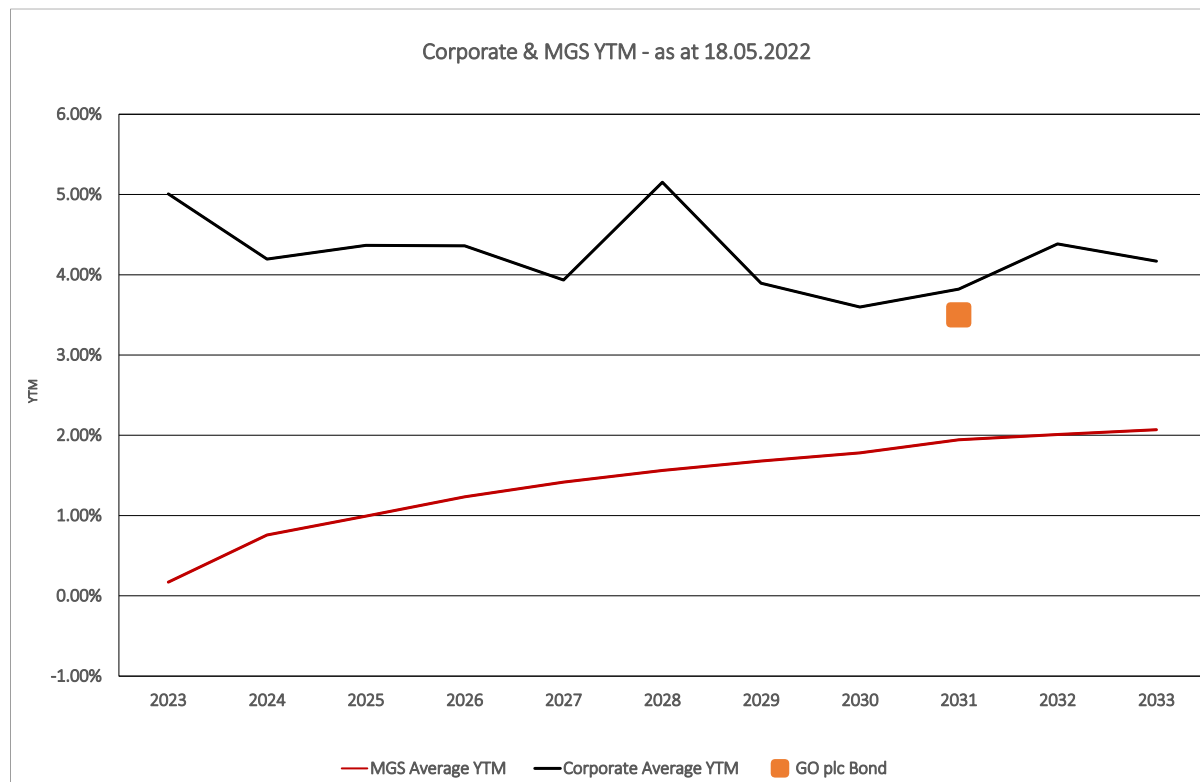
Bond Details	Amounts Outstanding (€)	Gearing*	Net Debt to EBITDA	Interest Cover**	YTM as at 18.05.2022
4.00% Cablenet Communication Systems plc Unsecured 2030	40,000,000	82.6%	2.60x	5.99x	3.93%
4.25% Mercury Projects Finance plc Secured 2031#	11,000,000	63.5%	191.42x	0.35x	4.05%
4.65% SmartCare Finance plc Secured 2031#	13,000,000	51.6%	20.43x	1.23x	4.21%
3.5% GO plc Unsecured 2031	60,000,000	44.4%	1.20x	13.00x	3.50%

Source: Yield to Maturity from rizzofarrugia.com, based on bond closing prices of 18 May 2021. Ratios and financial information quoted have been based on the respective issuers' unadjusted published financial data (#or their guarantors, as is the case for SmartCare and Mercury Projects). In the case of GO plc, the ratios quoted in the above table relate to the GO group.

*Gearing: $(\text{Net Debt} / \text{Net Debt} + \text{Total Equity})^4$

**Interest Cover: $(\text{EBITDA} / \text{Net Finance Costs})$

The following shows the average yield to maturity of listed corporate bonds and MGS covering 2023 to 2033, both years included, and how GO's bond priced at 3.5% compares to such average yields. All the yields presented hereunder are as at 18 May 2021.



⁴ Net debt excludes leases.

At a YTM of 3.50%, GO's bond issue is priced 32 basis points below the estimated average corporate YTM for 2031 maturities and at 156 basis points premium over the average MGS YTM for 2031 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.
Profit For The Year	The net profit after tax 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.
Free Cash Flow (FCF)	FCF represents the amount of cash remaining from operations after deducting capital expenditure requirements.

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 for the year 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 for the year 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	Return on Assets (RoE) measures the rate of return on the assets of the company. This is computed by dividing profit for the year by average 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

Interest Coverage Ratio	This is calculated by dividing a company's operating profits 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. The ratio can also be calculated using total figures.
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

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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