

**FINCO TREASURY MANAGEMENT LIMITED**

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A Limited Liability Company registered in Malta on 9th November 1994, Registration No. C17017

Go Plc 3.50% Unsecured Bonds 2031**Salient Details & Time Table**

Offeror & Issuer	Go Plc
Currency	Euro
Security	Unsecured
Offer Price	100% at par
Coupon	3.50% per annum – bond maturing 25 th June 2031
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 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.
Maturity Date	25 th June 2031
Size	€60 million
Listing	Official List, Malta Stock Exchange.
Interest Payment Dates	25 th June annually
Minimum Applications	€2,000 (nominal) and in multiples of €100 thereafter

Business Overview

GO is a leading integrated services company and the first quad play provider in Malta, offering mobile, fixed line, high-speed broadband, and TV services to more than 500,000 customers. GO also provides unrivalled services to the Maltese business community, including cloud services, roaming services, data networking solutions, business IP services, and managed services. GO's Subsidiaries include BMIT Technologies p.l.c., a public company listed on the MSE offering data centre facilities and ICT solutions and Cablenet Communications Systems p.l.c., a quad play integrated telecommunications services provider offering fixed and mobile network services, high-speed broadband and TV for consumers and business clients in Cyprus.

The Company holds a Commercial General Authorisation in accordance with the provisions of the Electronic Communications and the Electronic Communications Networks and Services. This authorisation has been granted by the Malta Communications Authority which is the statutory body responsible for the regulation of the various electronic communications sectors, which include fixed and mobile telephony, internet, and TV distribution services.



The Company offers fixed telephony, broadband, and television services through its copper and fibre networks, and nationwide 2G, 3G, and 4G mobile services. All fixed and mobile networks are wholly owned by GO thus providing the Company with full autonomy on the quality, speed, and pricing of the services offered. This also enables the Company to operate its networks efficiently and resolve customer issues promptly. Through significant investment and by leveraging its strategic position in the market, GO has built a high-speed network that today forms the backbone of Malta's modern communications infrastructure. In 2012, GO started an ambitious project to deploy a nationwide fully optical Fibre-To-The-Home ("FTTH") network, replacing its copper network. As one of the leading telecommunications operators in Malta¹, GO strives to offer the best possible customer experience through the provision of high-speed fixed and mobile services at affordable prices coupled with excellent customer support.

In addition to home services, GO offers high quality business services which have been developed based on the needs of all levels of business and corporate customers, from SMEs and large private corporations to Government and public sector entities. The Company offers an extensive range of broadband internet access products, point-to-point Wide Area Network (WAN) services both locally and internationally, fixed, and mobile telephony services, and cloud services. The Company also provides connectivity on a wholesale basis, including the mandated implementation order to provide VULA access to its FTTH network. This allows other operators to service their own customers using GO's FTTH network, with the price for this service being regulated by the MCA.

Currently, this offer is being taken up by Epic (formerly Vodafone). The Company also maintains roaming relations with over 550 networks in over 200 countries and territories worldwide. This enables Maltese travellers overseas and incoming tourists to the Maltese islands to keep on enjoying their mobile connection seamlessly. GO connects Malta to mainland Europe through two international submarine cables. The first of these cables was laid in 1995 and lands on the East side of Sicily in Catania whereas the second cable, named GO-1 Mediterranean Cable System, became ready for service in late 2008 and lands on the West side of Sicily in Mazara del Vallo. Both cables are designed to provide redundancy in the event that either one of the submarine cables is out of service. Despite such redundancy, GO is also looking to further reshape Malta's international connectivity through the multi-million Euro investment in a third new submarine cable system. All other existing five submarine cables – be it of the Company or its competition – land in Sicily, which has resulted in a situation where Malta's connection is heavily dependent on Italy's infrastructure.

GO's new submarine cable will branch out into a dual connection, meaning that for the first time in telecoms history in Malta, the country will have an international high-speed fibre connection towards both the Western and Eastern parts of the Mediterranean in the form of landing sites in France and Egypt.

Use of Proceeds:

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €59.2 million, 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 €36.0 million will be used to repay the borrowings outstanding with the European Investment Bank;
- b. the amount of circa €20.0 million will be used for capital expenditure;
- c. the amount of circa €3.2 million will be used for general corporate funding purposes.

Capital expenditure will be as follows:

- New Network Rollout - €16.0 million
- Information Technology Systems - €4.0 million



Consolidated Financials of Go PLC

The Income Statement

Year ended 31 December	2018	2019	2020	2021
	€'000	€'000	€'000	€'000
Revenue	119,594	117,875	116,815	116,016
Cost of Sales	(64,891)	(69,411)	(69,805)	(70,206)
Gross Profit	54,703	48,464	47,010	45,810
Admin & Other Related Expenses	(32,489)	(31,220)	(31,652)	(28,606)
Other Income	1,424	2,239	1,223	767
Other Expenses	(100)	(27)	(135)	-
Operating Profit	23,538	19,456	16,446	17,971
<i>EBITDA</i>	<i>46,969</i>	<i>48,588</i>	<i>45,213</i>	<i>48,873</i>
<i>Depreciation & Amortisation</i>	<i>(23,431)</i>	<i>(29,132)</i>	<i>(28,767)</i>	<i>(30,902)</i>
<i>Operating Profit</i>	<i>23,538</i>	<i>19,456</i>	<i>16,446</i>	<i>17,971</i>
Gain on Disposal on Investments	-	38,740	3,102	-
Dividend Income	7,470	899	3,445	3,841
Net Finance Costs	(461)	(1,822)	(1,726)	(3,206)
Profit Before Tax	30,547	57,273	21,267	18,606
Taxation Expense	(10,721)	(7,263)	(5,597)	(6,512)
Profit for the Year	19,826	50,010	15,670	12,094

Ratio Analysis

	FY2018	FY2019	FY2020	FY2021
EBITDA Margin <i>(EBITDA / Revenue)</i>	39.3%	41.2%	38.7%	42.1%
Gearing Ratio (Lease Liabilities Adjustments) <i>(Total Borrowings + Leases / Equity + Borrowings + Leases)</i>	29.7%	44.7%	45.0%	50.2%
Net Debt / Equity (Gearing) <i>(Net Debt (inclusive of lease liabilities) / Equity)</i>	25.1%	42.6%	41.1%	47.5%
Return on Assets <i>(Profit before Tax / Average Assets)</i>	13.0%	24.2%	8.2%	7.0%
Return on Equity <i>(Profit for the Period / Average Equity)</i>	16.8%	42.5%	13.3%	10.3%
Net Debt / EBITDA <i>(Net Debt (inclusive of lease liabilities) / EBITDA)</i>	0.86x	1.75x	1.85x	2.13x
Interest Cover Ratio <i>(Operating Profit / Gross Finance Cost)</i>	18.76x	7.52x	6.67x	4.98x



Statement of Financial Position

As at 31 December	2018	2019	2020	2021
	€'000	€'000	€'000	€'000
ASSETS				
Non-Current Assets				
Property, Plant & Equipment	102,181	104,750	112,393	127,456
Right-of-Use Assets	-	42,028	38,929	38,638
Intangible Assets	4,350	6,777	5,531	5,531
Investment in Subsidiaries	43,445	50,077	50,877	51,398
Loans Receivable from Subsidiaries	15,600	4,549	-	-
Deferred Tax Assets	1,385	-	-	-
Trade & Other Receivables	3,965	4,730	5,946	6,820
	170,926	212,911	213,676	229,843
Current Assets				
Inventories	7,314	5,943	5,871	5,293
Trade & Other Receivables	29,711	27,337	25,835	24,479
Current Tax Assets	-	1,488	516	2,392
Cash & Cash Equivalents	10,626	7,552	14,613	12,146
	47,651	42,320	46,835	44,310
TOTAL ASSETS	218,577	255,231	260,511	274,153
EQUITY & LIABILITIES				
Equity				
Share Capital	58,998	58,998	58,998	58,997
Other Reserves	4,269	4,096	4,043	4,109
Retained Earnings	57,340	51,630	57,169	52,225
Total Equity	120,607	114,724	120,210	115,331
Liabilities				
Non-Current Liabilities				
Lease Liabilities	-	36,976	34,983	35,206
Borrowings	35,884	41,088	48,640	73,558
Deferred Tax Liabilities	362	787	2,796	1,768
Provisions for Pensions	2,918	1,931	1,862	3,996
Trade and Other Payables	-	-	602	-
	39,164	80,782	88,883	114,528
Current Liabilities				
Borrowings	15,090	9,921	9,790	3,067
Lease Liabilities	-	4,805	4,946	4,638
Provisions for Pensions	3,474	3,237	3,308	1,050
Trade & Other Payables	37,403	41,762	33,374	35,539
Current Tax Liabilities	2,839	-	-	-
Total Liabilities	58,806	59,725	51,418	44,294
TOTAL EQUITY & LIABILITIES	218,577	255,231	260,511	274,153



Time Table

1. Application Forms mailed to Preferred Applicants 31stMay 2021
2. Offer Period 3rdJune 2021 to 18thJune 2021, both days included
3. Expected date of announcement of basis of acceptance 25thJune 2021
4. Commencement of interest on the Bonds 25thJune 2021
5. Refunds of unallocated monies and dispatch of allotment letters 5thJuly 2021
6. Expected date of admission of the securities to listing 5thJuly 2021
7. Expected date of commencement of trading in the securities 6thJuly 2021

Our Comments

This is a very good investment opportunity.

The financials of the company are strong and healthy and a coupon rate of 3.50% is attractive when considering the current low interest rate scenario and the medium risks associated with investing in this bond.

Gearing stands at an acceptable healthy level of 50%. Interest Cover at 5 times is also very good whilst and all other ratios should give prospective investors' confidence in this company.

It is expected that this bond will be heavily over-subscribed and that not all amounts applied for may be satisfied. It is recommended to inform Finco immediately should you have interest to invest as most likely this bond will close earlier than the announced date of 18th June.

General Recommendation: Based on the above, and subject to the consideration of the circumstances of each Investor, Finco issues a STRONG BUY recommendation to clients to this bond.

However, this mail-shot does not constitute a personalised recommendation. This mail circular or web site announcement is a general communication addressed to a wide audience, including all clients of Finco. It is not a personalised communication and therefore does not take into account the specific circumstances of a particular client and it does not constitute advice. Any one interested in pursuing an investment in this security should get in touch with his advisor at Finco for further analysis as to suitability of this bond for his personal circumstances.

Availability of Prospectus

The Prospectus issued by Issuer is available at our offices for whoever is interested. In this respect, anyone interested may call at our offices to collect a copy.

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