ANNUAL FINANCIAL REPORT

& CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER

2023

GO p.l.c.
Annual Financial Report and Consolidated Financial Statements
31 December 2023

Company Registration Number: C 22334

Chairman's address

2023 was one of the first years with a true semblance of pre-pandemic norms. It brought with it a palpable energy, and renewed hope amongst the business community. People's and businesses' dependence on connectivity services was unwavering, and we are privileged, as the GO Group, to be able to facilitate people's lives and enable businesses to thrive because of the services and solutions we provide.

Privileges come with responsibilities. There is not one industry that is not dependent on, or supported by, communications services, and as a Group we take this responsibility very seriously. Our investment strategy is testament to this. By far we are the biggest investor in Malta's digital infrastructure, investing over €100 million in Malta's only True Fibre network. By the end of 2024, we would have reached nationwide coverage, where everyone has access to the best and fastest broadband technology available. We are hugely proud of this achievement.

Investment in our 5G mobile network also enables customers to access unparalleled speeds, keeping them connected anytime, anyplace, in an ever-growing digital society. We are constantly investing in our networks and systems to ensure resilient and reliable services.

GO p.l.c. is one of the fastest growing telcom companies in Malta, performing exceptionally in all segments. BMIT Technologies p.l.c. has diversified its core business by transforming itself as the first listed digital infrastructure company in Malta and increasing focus on security solutions. Cablenet Communications Systems p.l.c. is the fastest growing mobile provider in Cyprus and making significant inroads in its fibre rollout. Overall, 2023 was an exceptional year for the GO Group. The synergies are getting stronger as we leverage the strengths of the individual companies. It is by working closely together and creating the right environment and culture, that we can continue to grow as a Group and bring even greater value to our collective customers and shareholders, making their lives better every day. To do so, we must remain vigilant in our efforts against climate change and be respectful of the environment in which we are operating.

Our history of being innovative in the products and solutions portfolio we bring to the market bodes well for our future. GO has once again proved its ability to turn challenges into breakthroughs, to invest in startup companies that complement our core business, and to create opportunities for growth and diversification.

During 2023, the GO Group registered an all-time high consolidated revenue of €235.9 million, an increase of 9.9% over the previous year, resulting in a group profit of €15.5 million, an increase of 27.1% over 2022.

Based on this performance, the Board is recommending a final dividend of €0.05 per share, which in addition to the interim dividend of €0.07 per share paid on 7 August 2023, brings the total dividend distribution for financial year 2023 to €0.12 per share. GO also distributed an extraordinary interim dividend of €0.15 per share earlier in February 2024, following the successful completion of the sale of GO's passive mobile infrastructure to BMITT.

My congratulations to everyone who has worked so hard to translate our vision to reality. We believe in your abilities, determination and dedication that will take the GO Group to the next level.

I take this opportunity to thank my fellow Board Members, Nikhil Patil, Group CEO, whose creativity, skill and passion, inspires all those around him, the Executive team and all the loyal employees, without whom, we could not achieve such success.

As our journey continues, I remain confident in a bright and prosperous future.

Signed by Lassâad Ben Dhiab, Chairman on 20 March 2024

Chief Executive Officer's review

2023 has been a transformational year for bringing our purpose, 'To drive a digital Malta where no one is left behind' to life. We have been firing on all cylinders to deliver record results and returns to our shareholders.

We have transformed BMITT into Malta's first digital infrastructure company, continued investing in networks, technology, and startups, driving GO to become the fastest-growing communications company in Malta in 2023.

GO's evolution over the past six years is evident, with it now being Malta's top brand and telecom provider. Customer satisfaction is at its peak, with growing Net Promoter Scores (NPS) and improved overall experience, mirrored by record-high employee satisfaction.

Our operational success has resulted in highest ever revenues of €235.9 million (9.9% growth over 2022) and EBITDA of €88.4 million (8.7% growth over 2022).

Our continued success is a direct result of our continued investment in nurturing a culture that makes GO a great place to work and grow. We invest in our people, fostering growth personally and professionally, recognising they are integral to implementing our strategies and keeping customers connected. Our people engaged in an average of 46 hours of personal development, an increase of 3% over 2022. GO continued to operate as a hybrid company thus providing our employees with increased flexibility, work life balance and whilst at the same time, reducing our environment footprint.

Driving a Digital Malta: Investing in Our Networks & Systems

All investments are assessed through the lens of our purpose – 'To drive a digital Malta where no one is left behind.'

We have been relentless with our True Fibre network rollout with the latest XGS-GPON technology, which allows us to offer speeds of 10 Gbps and more to households and businesses. In 2023, we passed 67,000 additional homes our True Fibre technology. We are now well on track to have nationwide, True Fibre coverage by the end of 2024, well ahead of schedule placing Malta amongst the top countries in Europe to have nationwide Fibre-to-the-Home connectivity.

Our nationwide 5G coverage is also well underway. Ten new mobile sites were added, whilst 90 other sites were upgraded to 5G, enabling mobile data speeds up to 1.7Gbps. Upgrades on our mobile network, as well as better utilisation of our mobile spectrum has also drastically improved our network coverage and overall customer experience.

To truly drive a digital Malta, we need to become a digital enterprise. Digital transformation is key to enhancing customer experience. From overhauling our billing system to introducing innovative features like e-contracts and remote fault detection, we're automating processes and improving efficiency. During 2023, more than 130,000 contracts were processed electronically, reducing our printing output by over 1,000,000 papers.

Our GO App continues to be one of the most popular Maltese mobile apps. Our customers can now download an eSim, buy our services, add-ons (like security), top-ups and pay bills from anywhere in the world.

Chief Executive Officer's review - continued

Providing the Best Customer Experience

Our customer-centric approach extends to diverse segments, ensuring inclusivity and innovation. We have invested significant time and energy into digitising our customer contact channels by providing a variety of mechanisms for customers to engage with us and self-serve without the need to interact with a member of the GO team. Today over 60% of our customer interactions are carried over digital channels.

We launched a new integrated smart WiFi 6 modem which reduces complexity and clutter in the customers' home, whilst reducing energy consumption and which allows for speedier installation. We also celebrated the first year of the hugely successful TOKIS channel, which today offers over 100 hours of GO Originals content, and over 1000 hours of entertainment, in Maltese, captivating 5.4 million viewers every month. Today, TOKIS is the third most popular TV channel in Malta – a testament to our efforts in providing engaging and relevant content.

At GO, besides developing amazing products ourselves, we aim to continue investing in innovative companies that enhance our product portfolio. In 2023, we invested in Cybersift in order to offer security monitoring and protection products to our B2B clients. Thanks to our continued investment in our product portfolio and stellar customer service, our relationship with the local business community goes from strength to strength, with GO largely becoming their partner of choice.

Our focus on obsessing over our customers is reflected in the numbers. This year we welcomed an additional 10,500 mobile postpaid customers and 1,600 broadband homes to the GO family.

Our Subsidiaries

BMIT Technologies p.l.c.
During 2023, we concluded a landmark transaction whereby the ownership and management of GO's passive infrastructure was transferred to BMITT for €46.5 million. This means that BMITT will now be managing our mobile sites and provide value added services to GO and other customers in the future. In return, it will charge GO an annual fee. This has significantly lightened the administrative burden, allowing us to focus our efforts more intently on our core business. In addition, the cash proceeds from the transaction will allow us to continue to invest in our technology, products and services to deliver a better customer experience, bringing greater value to customers and shareholders.

BMITT registered total revenues of €28.7 million, an increase of 11.1% over 2022. The Company consolidated its market leading position in data centre operations, and registered strong revenue growth from the provision of cloud and managed services as well as from the sale of hardware and software licences.

Cablenet Communications Systems p.l.c.
During 2023, Cablenet achieved revenues of €74.4 million, a 16.2% increase over 2022, largely attributed to the ongoing growth of its total subscriber base, which marked a respectable 29% increase. Cablenet continues to be the fastest growing mobile provider in Cyprus, with subscribers now exceeding 142,000. It continued to invest heavily in its broadband network, expanding coverage to approximately 228,000 households.

During 2023, we added Cybersift Holdings Ltd to the GO group of companies. Recognising the increasing importance in cybersecurity, GO made this investment in a local team that has developed its own resources and has integrated them with the broadband offerings that are being presented to commercial clients. Additionally, GO's investment allows Cybersift to look beyond Malta's confines, with efforts already underway to sell the company's products in new territories. In doing so, Cybersift is following in the path set

Chief Executive Officer's review - continued

by Sens Innovation, who during 2023 installed its energy management technology in England, Germany, Dubai and Mauritius, as well as Malta.

This year GO Ventures also had it first successful exit (partial) from its portfolio. GO Ventures partially exited its investment in Airalo for a sum of €0.3 million resulting in an 11x return on investment.

Going Green

Our commitment to environmental sustainability is a key pillar of our purpose. Our approved science-based targets, including a 42% reduction in greenhouse gas emissions by 2030 and a commitment to reach net-zero by 2050, demonstrate our ambitious corporate climate action. Our strategy is based on three main pillars: reduce, replace and transform. Initiatives such as our True Fibre rollout, solar energy use at our new Headquarters in Zejtun – an investment project of close to €20 million, and a circular economy approach underscore our dedication to reducing our carbon footprint.

Financial Performance

Living our purpose and values, and an increased focus on maintaining a stable cost base, notwithstanding exceptionally high inflation, has enabled us to deliver a strong financial performance and returns for our esteemed shareholders.

The financial highlights for 2023 are encouraging. We achieved an all-time high consolidated revenue of €235.9 million, which equates to an increase of 9.9% over 2022. Such revenue growth coupled with a tight cost management enabled us to deliver higher levels of profitability as evidenced by the 27.1% year-on-year growth in the reported consolidated profit for the year of €15.5 million which was achieved after the deduction of one-time expenses amounting to €3 million.

At GO, we continue to strike a balance between delivering shareholder returns and investing for growth. Over the past 6 years we have delivered over €151 million in dividends (including a €15 million special interim dividend paid in February 2024) while growing revenues and profits and investing in the business. The Board is recommending a final dividend of €0.05 per share, which in addition to the interim dividend of €0.07 per share paid on 7 August 2023, brings the total dividend distributions for financial year 2023 to €0.12 per share.

Reflections

In closing, 2023 was undeniably rewarding. We continue to be one of the best-performing publicly listed companies in Malta in terms of total shareholder returns and the hugely positive contribution we give to our communities. Looking ahead, we're poised for further growth and innovation, fuelled by our unwavering commitment to excellence, environmental responsibility, and customer.

Signed by Nikhil Patil, Chief Executive Officer on 20 March 2024

Directors' report

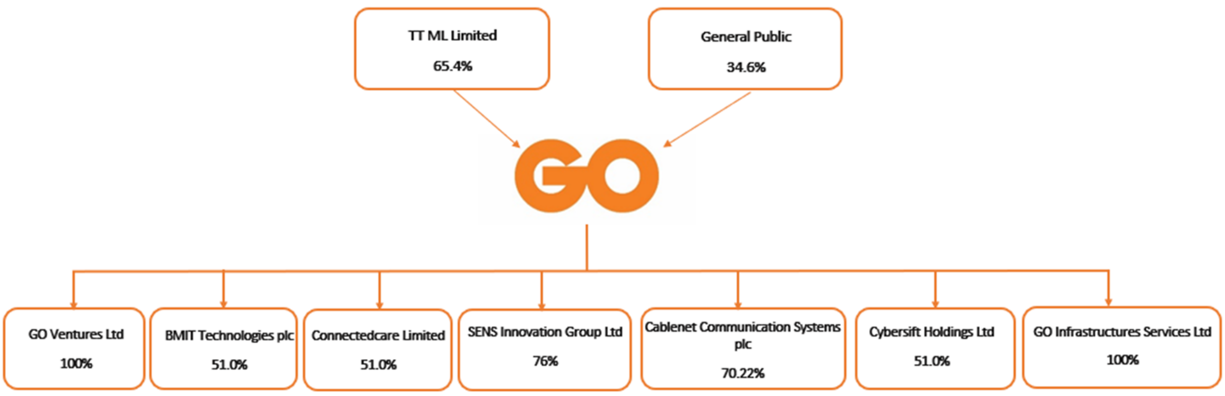
The Directors are pleased to present their report together with the financial statements of the Company for the year ended on 31 December 2023.

Principal activities

GO p.l.c. ('GO') is a publicly listed company on the Malta Stock Exchange and parent company of the GO Group ('Group'). The Group has a controlling interest in BMIT Technologies p.l.c., Cablenet Communications Systems p.l.c., Connectedcare Limited, Sens Innovation Group Limited and Cybersift Holdings Limited.

GO is a leading integrated telecommunication 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.

Our Organisation



GO p.l.c.
GO is the parent company of the GO Group and a leading integrated telecommunication services company. GO was the first quad play telecom 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 growth and success were built on a focused strategy aimed at delivering a world-class service in terms of infrastructure and customer experience. Through substantial investment in fibre-powered infrastructure and international connectivity, an extensive network of retail outlets across the Maltese Islands, and dedicated customer call centre and B2B support, GO cemented its position as a provider of world-class communications services.

GO's pioneering role in Malta's communications industry is based on a tradition which dates back to 1975 when Telemalta Corporation, the country's first national telecommunications entity, was established. This tradition was strengthened in 1997, when the then renamed Company, Maltacom, was privatised and its shares floated on the Malta Stock Exchange. Foreign investment in the Company followed in 2006, with Emirates International Telecommunications (Malta) Limited taking over from the government, subsequently taken over by TTML Limited, a wholly owned subsidiary of Tunisie Telecom, in 2016. TTML Limited currently holds a 65% shareholding in the Company with the remaining shares held by the general public.

Directors' report - continued

BMIT Technologies p.l.c.
BMIT Technologies p.l.c ('BMITT') offers a range of data centre and hosting services, public, private and hybrid cloud services and managed I.T. services. These services can be offered at customer premises, hosted at BMITT's data centres, or integrated with services offered by other services providers, thereby scaling the solutions from the desktop to the data centre and into the cloud.

Cablenet Communication Systems p.l.c.
Cablenet Communication Systems p.l.c ('Cablenet') is a leading provider of telecommunications services in Cyprus, offering high-speed internet, fixed and mobile telephony, as well as TV services that are rich in sports and entertainment content. Cablenet's flagship 'Purple Max' products are designed to offer domestic customers with exceptional value by providing unlimited mobile data allowances and reliable high-speed fixed internet and at affordable prices. Cablenet also offers a host of bespoke business connectivity services to SMEs as well as large business customers. The Company operates stores in Nicosia, Limassol, Larnaca, and Paphos.

Connectedcare Limited
Connectedcare Limited ('Connectedcare') offers electronic and mobile care solutions in order to enhance one's lifestyle through independent living. Their services range from 'safe at home' devices to mobile remote monitoring, as well as solutions for Residential Care Homes and Domiciliary Care.

SENS Innovation Group Limited
SENS Innovation Group Limited ('SENS') is an energy management company that leverages proprietary IoT-based technology to reduce energy consumption and associated costs for commercial buildings. The Company 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. SENS serves large hotels and commercial clients in Malta, UK, mainland Europe and Dubai.

GO Ventures Limited
GO Ventures Limited ('GO Ventures') is an investment vehicle dedicated to exploring and investing in tech start-ups to support the innovation, creativity, determination, and hard work of founders, and helping them develop further their ideas. The company delivers its mission statement of 'Helping Great Ideas Grow' by providing start-ups financial investment, mentoring and expertise, and access to an extensive network of national and international contacts that few other Maltese enterprises can offer.

Cybersift Holdings Limited
Cybersift Holdings Limited ('Cybersift') is the parent company of Cybersift Limited. The latter provides cyber security services to business clients. Its objective is to enhance cyber security by employing machine learning to equip organisations with advanced, self-learning tools for threat detection. It also facilitates the automation of alert investigation, reducing time and increasing cost efficiency for the client. Cybersift's current customer base is distributed across Malta, Italy and the US

GO Infrastructure Services Limited
GO Infrastructure Services Limited ('GOIS') was incorporated to act as a vehicle for the transfer of the mobile tower business to BMITT.

Directors' report - continued

Our business model

GO boasts a bright and successful 49-year legacy of doing what it does best – connecting Malta, its people, and businesses to what matters most to them. As the incumbent player in the Maltese telecommunications market, GO has long established itself as a strong and integral part of the Maltese community and contributed significantly to the success of the Maltese economy. It has taken a leading role as one of the largest investors in Malta's digital infrastructure, which is critical for country's digital transformation.

The sections within the Directors' report termed 'Principal Activities', 'Business Review', 'Review of Financial Performance' and 'Our Principal Risks and Uncertainties' provide detailed information on the undertaking's business model. The section Business Review refers to the Chief Executive Officer's Review on pages 2 to 4 of the Annual Financial Report which highlights the business model and strategy in detail. In our view the required information on the undertaking's business model has been included within the Annual Financial Report. The section of the Directors' report termed 'Our Principal Risks and Uncertainties', presented below, contains a detailed analysis of the principal risks linked to GO's business model and operations which potentially impact areas like environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters.

GO's vision and commitment for the future is grounded on the following strategic pillars:

Take a lead role in delivering a true digital Malta where no one is left behind
GO's purpose is to 'drive a digital Malta where no one is left behind'. It is defined by the digital transformation taking place across societies. It goes beyond the provision of products and services, or the roll-out of infrastructure. It is focused on the impact it wants to leave on societies in Malta and beyond. Digital technologies are reshaping the way one works, rests, plays, and interacts with others in exciting ways. Digital has quickly become a fundamental enabler and is critical to the current and future wellbeing of Malta and its people. It is a privilege and a huge responsibility for GO to be relied upon to provide critical services for individuals, organisations, and the whole country of Malta. Lives and livelihoods depend on the services it offers every day.

Not everyone is benefiting evenly from the digital revolution. Digital access and skills are key to a good life in today's world. Everyone should have access to technology and the skills to benefit from and contribute to the digital revolution. Therefore, in addition to the investment in network infrastructure and technology, GO is also investing in digital education and skill building in order for Malta to thrive, grow demand for GO services and yield greater opportunities for innovation.

Delivering the best customer experience, cutting-edge products and services and exceptional value to customers
Embracing the digital revolution requires customer centricity. One of the strengths that sets GO apart from its competitors is its financial and operational ability backed by decades of experience, rolling out new networks and cutting-edge technologies to its customers. GO has invested heavily in its promise to ensure that every household has access to True Fibre technology (FTTH). FTTH is the technology of the present, and the future and it allows GO to be innovative in the products it can offer, flexible in the bundling options, and provide services delivered at the highest possible speeds. Today, GO's FTTH network covers more than 300,000 households. This means that these households have the opportunity to enjoy the fastest, most resilient, and future-ready technology that exists today and which sets them up for many years to come.

GO also invested heavily in its international connectivity, with the completion of a €25 million investment in a third submarine cable. This made GO the only operator in Malta with full in-house redundancy measures. More importantly, for the first time in telecoms history, GO is the only provider connecting Malta to France and the Middle and Far East.

Directors' report - continued

Becoming a digital enterprise
Going digital as an organisation enables GO to provide a seamless service to its customers, reduce non-value-adding costs, be more price-competitive and continue to invest in a digital Malta. Furthermore, it enables the Company to invest in making its staff the most highly digitally skilled workforce on the islands. The Company has invested heavily in its systems that continue to support exceptional customer service and reporting structures.

Minimising environmental impact
Digital enablement can play a key role in protecting the environment. The costs of pollution and the benefits of environmental sustainability are increasingly recognised worldwide. The Coronavirus pandemic has given us a glimpse of what future climate-related crises could look like – unpredictable swift, and global. Such crises pose enormous risks to businesses and companies across the globe must take action to safeguard societies and ultimately themselves from such crises. Making capital investments that minimise their carbon footprint is one way of doing this.

Business review

A review of the business of the Group during the year under review, events which took place since the end of the accounting period and an indication of likely future developments are given in the Chief Executive Officer's Review on pages 2 to 4.

Review of financial performance

In the wake of last years impressive performance, in 2023 the Group sustained its upward trajectory despite encountering formidable challenges. These challenges included direct competitors, persistent inflationary pressures, higher employment costs, and increased finance costs. The strategic vision of the Group not only allowed it to navigate these hurdles but also facilitated adaptive measures, ensuring the maintenance of positive momentum. This adaptability not only surpassed the achievements of 2022 but also resulted in higher revenues and increased profitability.

At Company level, GO continued to register strong subscriber growth on previous years with fixed broadband connections growing by 2.7% and mobile post-paid connections by 18.2% compared to 2022, thus generating an additional €2.1 million of telecommunication services over the previous year. Furthermore, 2023 marked another strong year for the sale of bespoke technical business solutions and mobile handsets which generated incremental revenues of €8.3 million, 69% higher than 2022. GO registered total revenues of €139.4 million, an increase of €10.6 million (8.2%) over 2022.

Despite the dramatic cost inflation throughout the year, the Company was able to keep a firm control on direct and operating costs. Cost of sales increased by €7.6 million representing the incremental cost of hardware and devices relative to higher sales. As a percentage of revenue, cost of sales remained on similar levels giving rise to an increase in gross profit of €3.0 million or 5.6%. Administrative and other expenses net of other income amounted to €27.4 million, a decrease of €2.2 million or 7.4% compared to 2022. This reduction is mainly attributed to a €1.7 million gain realised on the sale of a portfolio of leases as part of the divestiture of the mobile tower business.

Earnings Before Interest, Tax, Depreciation, and Amortisation (EBITDA) for 2023 reached €60.3 million, compared to €54.2 million in 2022. After deducting depreciation and amortisation charges amounting to €31.5 million (€30.5 million in 2022), GO generated an Operating Profit of €28.9 million. This signifies a notable increase of €5.2 million or 21.8% from the corresponding year.

Directors' report - continued

BMITT, our data centre services subsidiary, registered total revenues of €28.7 million, an increase of 11.1% over 2022. The primary drivers behind this impressive revenue growth were the robust performances of cloud services (38% YoY increase) and managed services (22% YoY increase). Moreover, revenue generated from the resale of hardware and software licenses saw a commendable 10% uptick from the previous year. However, the data centre business experienced a slight anticipated decline of just over 1% in revenue. Despite the growth in revenues, the cost of sales within their core business increased proportionally, albeit with lower profit margins. At the end of 2023, BMITT acquired GO's mobile towers passive infrastructure and simultaneously entered into a Master Service Agreement with GO by virtue of which, BMITT will maintain and manage the said mobile towers on behalf of GO for a 30-year period. BMITT generated revenue of €328k with a corresponding EBITDA contribution of €257k excluding one-off pre-acquisition costs from these tower management services to GO in 2023.

Cablenet continued in its positive trajectory and delivered strong subscriber growth with its total customer base reaching 232,000 subscribers at the end of 2023, equivalent to a 28% growth rate compared to 2022. Such subscriber gains were achieved across all business segments and product lines and propelled the company to achieve a total revenue of €74.3 million, an increase of €10.4 million or 16.2% over 2022. Cablenet saw a substantial increase in its cost of sales in 2023 which was mainly driven by mobile telephony related direct costs resulting from the substantial subscriber growth, mobile RAN sharing charges, roaming expenses, and higher handset and device costs. Selling, distribution, administrative and other costs were higher due to investments in terms of network, people and IT systems. Cablenet generated an EBITDA of €21.1 million (2022: €17.5 million) and reported a loss for the year of €2.3 million (2022: €5.3 million).

The other subsidiaries, with particular emphasis on SENS and Connectedcare, have all recorded significant growths in both revenue and operating profit. This favourable trend bodes well for their future outlook and strongly validates GO's commitment to broadening its range of services offerings through targeted strategic acquisitions. The recent addition of Cybersift aligns seamlessly with this strategy, emphasising our focus on investing in enterprises poised for substantial growth and presenting synergistic opportunities within the product portfolio offered to our customers.

The strong financial performance achieved at GO Company level and the subsidiaries have propelled the Group to once again register its highest-ever revenue of €235.9 million, an increase of a €21.2 million or 9.9% compared to 2022. Consolidated cost of sales and operating expenses amounted to €201 million (2022: €186.3 million) and included depreciation and amortisation charges of €53.5 million (2022: €53 million).

The Group has witnessed an impressive rise in operating profitability, resulting in a consolidated EBIDTA of €88.4 million (2022: €81.4 million) and an Operating Profit of €34.9 million (2022: €28.4 million). Consolidated finance costs rose to €8.5 million, due to a €1.8 million increase in interest charges caused by higher levels of net borrowings and lease liabilities. For 2023, the Group registered a Profit for the year of €15.5 million (2022: €12.2 million) resulting in an earnings per share of €0.142 (2022: €0.115).

Consolidated net cash generated from operations amounted to €85.3 million, an increase of €9.9 million or 13.1% over 2022.

The Group continued to invest on various fronts to provide customers with cutting-edge products and services and stay ahead of the ever-changing technological developments. Significant investments continued to be deployed towards the expansion of fibre networks in Malta and Cyprus, upgrading of GO's mobile sites to 5G, and international capacity at Cablenet in the form of a long-term IRU agreement on the Arsinoe submarine cable. Total payments for the acquisition of property, plant, equipment, and intangible assets amounted to €61.3 million, (2022: €54.5 million), of which €38.9 million (2022: €29.2 million) attributable to GO, €21.6 million (2022: €18.2 million) attributable to Cablenet, and €1.2 million (2022: €1 million) attributable to BMITT. Payments for acquisition of financial investments net of disinvestments in subsidiaries, associates and other investments amounted to €0.9 million (2022: €6.9 million).

Directors' report - continued

On a consolidated basis, net cash generated from financing activities in 2023 amounted to €14 million (2022: €43.3 million), consisting of loan drawdowns of €53 million (2022: €nil), debt service payments (principal and interest) related to bank loans and lease obligations of €20.4 million (€2022: €25.7 million) and dividends payments amounting to €18.7 million (2022: €17.9 million).

Consolidated cash and cash equivalents as at end of year amounted to €43.6 million, an increase of €37.5 million compared to year end 2022.

Review of financial position

Group total assets stand at €458.1 million (2022: €396.2 million), an increase of €61.9 million over the prior year. Non-current assets amounted to €338.4 million (2022: €322.2 million), a net increase of €16.2 million including additions of €12 million in intangibles relating to broadcasting rights recognised at Cablenet level. Current assets amounted to €119.6 million (2022: €74 million) and are mainly represented by trade and other receivables of €60 million (2022: €48 million), inventories of €10.4 million (2022: €9.7 million), and cash equivalents of €49.2 million (2022: €16 million).

Group total liabilities amounted to €358.6 million (2022: €297.2 million), a net increase of €61.4 million mainly attributable to increases in Borrowings of €44.1 million and Trade and Other Payables of €20.8 million.

The Group continues to maintain a healthy financial position with shareholders' funds as at year-end amounting to €99.4 million (2022: €98.9 million), a slight increase of €0.4 million compared to the prior year. The Group's net asset value per share stands at €0.98 (2022: €0.97), whilst the Group's Net Debt to Total Capital ratio stands at 63% (2022: 62%).

A strong and sustained operational performance and appropriate funding arrangements will allow the Group to continue to fund its investments in technology, honour its obligations with its lenders and pursue new investment initiatives aimed at increasing shareholder value.

Total dividend distributions during the year amounted to €0.16 per share. In January 2024, the Board approved an interim dividend of €0.15 per share which was paid on 1 February 2024. The Directors recommend that at the forthcoming Annual General Meeting, the shareholder approve the payment of a net final dividend of €0.05 per share (after taxation).

Review of financial performance and comparison to 2023 projections as included in the Financial Analysis Summary

GO's outstanding financial performance for the year ending 31 December 2023 has exceeded the projections published in the Financial Analysis Summary dated 12 May 2023 ('2023 FAS'). Despite facing higher inflation rates and price pressures in the highly competitive market GO operates in, the Company effectively seized opportunities and navigated challenges. Malta's robust economy and population growth drove significant demand for new telecommunications services, complemented by the tourism industry's robust recover, which positively impacted GO's wholesale business.

GO has achieved a tangible year-on-year revenue growth of €10.6 million, representing an 8.2% increase, also surpassing the 2023 projected figure by €6.4 million (or 4.8%). This positive variance can be primarily attributed to the additional revenue generated from fixed and mobile services for consumers, an uplift in revenues from international roaming and other wholesale services, and the sale of mobile handsets to our subsidiary in Cyprus.

Directors' report - continued

Concerning expenses, the Company effectively maintained stringent cost control measures and successfully navigated challenges posed by inflation. Despite a €4.6 million (or 5.8%) increase in the cost of sales compared to the projection in the 2023 FAS, this rise was attributed to higher revenues, particularly from device sales. The increase in direct costs was insufficient to counterbalance the additional revenue, resulting in a Gross Profit that exceeded projections by €1.8 million (or 3.4%) and demonstrated a year-on-year increase of €2.9 million (or 5.6%) . Moreover, year-on-year administrative expenses remained constant and compared to 2023 FAS €1.6 million (or 4.8%) lower than that projected. Other income is also €2.1 million (88%) higher than that reported in 2022 and €3.4 million higher than that projected in the 2023 FAS. A substantial portion of this increase, amounting to €1.7 million, stems from the sale of leases to BMITT as part of the mobile tower business divestiture. Collectively, these factors contributed to an impressive increase in EBITDA, reaching €7.8 million (14.9%) above the projected EBITDA in the 2023 FAS and marking a €6.1 million (11.3%) improvement over the 2022 reported figures.

The divestiture of the mobile tower business had a direct effect on finance income, with our subsidiary, GO Infrastructure Services Limited, disbursing dividends of €28.7 million to the Company, derived from the profits generated through the sale of the mobile tower business.

The Company achieved a substantial growth in Profit before tax, surpassing the reported profit for 2022 and the projection in the 2023 FAS by €32.8 million and €35 million respectively. The notable increase in profits can be primarily attributed to the one-time gain resulting from the divestiture of the mobile tower business. In a normalised context, excluding the impact of this exceptional gain, the Profit before tax would still have been €4.6 million (20.1%) higher than the projected figures in the 2023 FAS and by €4.6 million (9.8%) on year-on-year reported figure.

Our principles risks and uncertainties

Security and resilience
The Group's commercial success is dependent upon the resilience of the various networks, IT systems, exchanges, and data centres. Our networks, systems and infrastructure face a variety of hazards that could cause significant interruptions to the delivery of our services. If the Group experiences any significant failure of its systems, the impact could be considerable and include significant financial loss besides reputational damage that could jeopardise future revenue. The Group identifies and mitigates risks through structured risk management processes. Risk mitigation includes significantly investing in the security and resiliency of its key networks and infrastructure wherever this is possible and feasible. The increasing risk of cyber threats is also continuously analysed and appropriate cyber security controls and capabilities are updated as necessary to protect the Group and its information, people, and services against attacks to confidentiality, integrity and availability. Information Security and Data governance committees are established, and they provide the required guidance and direction to ensure risk management and security initiatives are in line with Group business objectives. The Group adopts a robust industry standard control framework that focuses on prevention supported by tried-and-tested recovery capabilities.

Customer data processing
The Group processes personal data of its significant client base on a daily basis. The Group recognises the importance of adhering to data privacy laws and wants its customers to feel confident that the Group acts properly and protects the data they share with it. Failure to abide by all relevant data protection and privacy laws could result in reputational damage for the Group as well as regulatory action and fines. The Group manages this risk by having in place a robust governance and monitoring framework. This framework defines roles and responsibilities of employees who have access to personal data, provides training and awareness to these employees and includes monitoring, reporting and audit to ensure compliance with various policies and procedures aimed to protect customer data and privacy.

Directors' report - continued

Ability to grow
The Group operates in two highly developed and well-penetrated markets characterised by extensive competition, pressure on pricing, technology substitution and product convergence. The Group strives to maintain its ability to grow revenues in spite of this adverse environment as failure to do so will impact profitability and the Group's ability to maintain its investment programme. The Group mitigates this risk by identifying opportunity to diversify its product portfolio and invest in new markets. The Group also pursues innovative product bundling and extends to its customer new technologies soon after these become available whilst working hard to become a leaner organisation.

i-gaming industry
The i-gaming industry has grown to become one of Malta's main economic pillars. GO is a major supplier of technology and services to operators working out of Malta and any negative impact on the ability of the industry to retain its significant presence in Malta will impact the Group's profitability. Aware of this risk the Group is augmenting its range of co-location services to include a holistic ICT experience targeted at the Group's large business client base, thereby reducing the Group's reliance on the i-gaming industry.

Communications industry regulation
The Malta Communications Authority can request GO to provide specific wholesale services on specified terms following market reviews. These terms and regulations can include control over prices, both at the wholesale as well as the retail level besides other conditions. Furthermore, GO is also bound by regulation that from time to time come into force across the European Union. Regulatory requirements and constraints can impact revenues and GO's ability to compete effectively with the resultant impact on profitability and cash generation. GO manages this risk by maintaining ongoing dialogue with regulators through a team of regulatory specialists who, with the help of various advisors, continuously monitor and review regulatory changes and how these may impact the Group.

Financial risk management
The Group's activities potentially expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk, and liquidity risk. The Group's overall risk management, covering risk exposures for all subsidiaries, focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the respective company's financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Accordingly, the Company's Board of Directors provides principles for overall Group risk management, as well as risk management policies covering risks referred to above and specific areas such as investment of excess liquidity. A detailed review of the risk management policies employed by the Group is included in Note 2 to the financial statements.

Environmental risk management
The Group's telecommunications and data centre operations have significant sustainability and environmental impacts, including energy consumption, dependence on non-renewable energy sources, eco taxes, regulatory compliance challenges, and reputational risks stemming from unsustainable practices. To mitigate these risks, the Group prioritises environmental considerations as a core pillar, ensuring that all investments are made through this lens.

Directors' report - continued

Non-financial statement in terms of the requirements of the Sixth Schedule to the Companies Act (Cap. 386)

Driving a Digital Malta where no one is left behind

Vision
GO has been in the business of connecting people, businesses, and the country for over 49 years. It has been a period of extraordinary social and economic development for Malta, and a fast-growing hub for financial services and the gaming industry. It has also been a hugely transformative time for GO, during which, it has become Malta's leading communications company, connecting thousands of people to what matters most to them. GO has deep expertise in IT and telecoms, it has a large customer base both in Malta and in Cyprus as a result of majority shareholding in Cablenet, and great brand recognition. The True Fibre roll-out plans, the launch of a third submarine cable and the setting up of GO Ventures all show GO's commitment to invest for long-term growth.

However, the world is changing incredibly fast. Technology is developing continuously, and many companies are being displaced by disruptive start-ups. Customers' expectations of service and speed are also changing – becoming more demanding as the reliance on communications technologies grows. Only the most focused, determined, and agile companies will survive and thrive.

GO's vision is to be one of those companies. To succeed, GO needs to be a unified and aligned team, with clarity as to where it wants to go, and how it will get there. This starts with GO's purpose.

GO is privileged to be at the very heart of society's digital transformation. In part, it is driving this transformation. Digital technologies are reshaping the way we work, rest, play and interact – they are the enablers of the lives we live and critical to the current and future wellbeing of Malta and its people. Lives and livelihoods depend on GO and its services every day.

The truth is, not everyone is benefitting equally from this digital revolution. Access to technology and the skills to actively participate in a growing digital society are key to full inclusion.

This is why GO's purpose is to drive a digital Malta, where no one is left behind.

Driving a digital Malta goes beyond providing connectivity. GO has long established itself as the largest investor in Malta's digital infrastructure. It means GO will centre itself around the customer and citizens and their digital needs. No one left behind ensures that the Company will challenge itself to find ways of getting everyone online and build digital skills so that they too can do more of what matters most to them.

This purpose drives all the decision making at GO. Profit fuels the purpose and will be the natural outcome of achieving it.

Risks and Opportunities
Every business carries risk, but with risk comes opportunities. The biggest risk of not delivering on the purpose is essentially, not living up to GO's full potential as a company, with the consequence of people and businesses not being fully digitally connected.

Another risk is essentially losing credibility if living the purpose becomes just a paper exercise. It is important for employees and customers to tangibly experience this transformation within GO. The possibility of employees not fully engaging with the Company's purpose and its values is a real risk, because it is only when personal and corporate values and culture align that a company can perform and thrive.

Directors' report - continued

Customers want to engage with companies that have a clear purpose, and companies that want to do good, do well. Customers in turn reward us with their loyalty. So the concept of doing good, to do well, will not only have a more positive social impact, but will strengthen employee engagement, drive profits and greater returns for shareholders.

Strategy and commitments
Living our purpose and achieving our strategic ambitions required the Company to reboot its culture around three values.

1. Obsessing about customers: every day of the year, 24/7, to enable people and businesses to do things that matter most to them. Our customers depend on GO to keep them connected, and it's a responsibility the Company takes incredibly seriously. Everyone at GO, irrespective of function, is dedicated to making things better every day for the customers. If a customer has a problem, we don't rest until we fix it.

2. Act like Owners: every effort is undertaken to empower and entrust each other to do what's right, by each other and for our customers. We are ready to take accountability for our actions, and don't blame others when things don't go to plan but learn and move on.

3. One GO team: GO can only deliver a digital Malta and serve its customers brilliantly if everyone acts are one, unified collaborative team. Customers expect a single, seamless experience when dealing with GO and this can only be achieved if everyone works together as one team. The more united we are, the better the overall experience, both for the employee and the customer.

Management has undertaken every effort to ensure that the purpose and values are clearly reflected in the business strategy and balance score cards. KPIs have been set against which the overall performance is measured. Everyone in the organisation participates in discussions on strategy, have their say and shape the future of the company.

There is a proportional link between a company's performance and the level of engagement with Purpose. The higher the engagement, the higher the performance. Therefore, every year, the Company measures employee engagement with the purpose through a Contexis survey. This allows management to not only gauge GO's performance against other companies worldwide, but more importantly, highlight those areas in the business that require extra attention, and act accordingly. In the last Contexis survey, GO fared 10% better than the typical companies, in terms of engagement with Purpose. This is undoubtedly reflected in the organisation performance.

Driving purpose and values: progress in 2023

When GO embarked on the purpose and culture transformation journey almost three years ago, several Purpose Champions, representing the larger functions at GO, had been appointed to ensure that purpose and values are infused across the organisation. The role of the Purpose Champions has since evolved, and today they are tasked with observing the organisation, identifying any blockers that are inhibiting us from driving purpose and values and working with respective teams to overcome them. The Purpose Champions are also encouraged to role model the desired behaviours and take an active role in defining what a purpose-driven organisation looks like and how this can be translated into their respective functions. This effort continues.

Directors' report - continued

Considerable progress has been made across all pillars of GO's purpose business model as follows:

Investing in a digital Malta where no one is left behind

- FTTH roll out, with more than 67,000 new homes covered in 2023. The Company is well on track to have nationwide, True Fibre coverage by the end of 2024.
- Continue the roll out of 5G mobile network and upgrades on the mobile network, as well as better utilisation of our mobile spectrum has drastically customer's experience in faster and lower latency mobile services.
- Ensuring top-tier network infrastructure maintenance for seamless local and international connectivity, is part of the investment in driving a digital Malta.
- GO sponsored an autism-sensitive children's book Mase in Space, a first of its kind in Malta for children with autism and ADHD. Through GO's sponsorship, the publication was digitised and turned into an online book with voice-over.
- The 'Your Device Your Right' initiative is being supported to provide hardware, software, and connectivity to underprivileged families.
- Investment in Cybersift Holdings Limited which provides cyber security services to business clients who want the peace of mind of going digital but at the same time are protected from cyber threats.

Providing the best customer experience

- Frontline staff members have been empowered to deal with customers more quickly and efficiently without escalating.
- Continued honouring of customer service promise ensuring that customers go no more than 24 hours without internet, thanks to the Plug and Go product.
- The GO app now offers seamless eSIM installation, bundle purchases, bill management, and security feature switching, making GO a convenient digital hub for all customer needs.
- Continued investment into the production of exclusive and original Maltese TV content through TOKIS, Malta's first and only TV platform dedicated exclusively to Maltese content which now boasts more than 1000 hours of local Maltese entertainment.
- Migrated more than 50% of Business ISDN customers to SIP technology, leveraging the benefits of our True Fibre Infrastructure.

Building a digital enterprise

- Complete overhaul of the Company's billing system whilst introducing innovative features of e-contracts and fault detection.
- Digitised customer contact channels offer varied self-service options, minimising direct team interaction., resulting in more than 60% of customer interactions taking place online.
- Consolidation and digitising of processes after the implementation in 2022 of a state-of-the-art ERP system.

Minimising our environmental impact

GO has remained committed to undertake every effort to reduce its environmental footprint whilst also helping its customers become more environmentally conscious. A dedicated section on our efforts to minimise our environmental impact is available on page 16 to 18.

Directors' report - continued

Living our values whilst creating a great place to work and grow

- Increased employee engagement on social media in response to customer complaints or enquiries.
- Revised recruitment and onboarding process to reflect company values.
- New reward and recognition programme aligned with GO's Purpose.
- Streamlined sponsorship framework that reflects company purpose and values. During 2023, GO once again gave back approximately €200,000 worth of donations, sponsorships, and services in kind.
- Highest employment satisfaction survey score in the history of GO at 80.2%.
- Greater sense of teamwork across the organisation.
- Hybrid work model continued post-pandemic, offering increased flexibility and a more favourable work-life balance.
- Increased training and learning opportunities, where each employee is given an individual budget for self-driven learning.

GO Green

Our vision

In line with the European Green deal, digital enablement can play a key role in protecting the environment. In the current context of geopolitical instability and rising global challenges, the transformation of how companies do business is essential in safeguarding the prosperity and wellbeing of our society. Environmental sustainability needs to be at the top of everyone's agenda.

In 2023 GO continued to work on its submission to get its commitments approved by the Science Based Targets initiative. This necessitated the compilation of the emissions' computation at each subsidiary within the Group. Focus was on 2021, which is GO's base year. GO's Science Based Targets were approved in January 2024 by the Science Based Targets initiative. The latter is a collaboration between the CDP, the United Nations Global Compact, World Resources Institute and the Worldwide Fund for Nature.

The approved targets covering greenhouse gas emissions from GO's operations (scopes 1 and 2) are consistent with reductions required to keep warming to 1.5 degrees Celsius, the most ambitious goal of the Paris Agreement. GO's target for the emissions from its value chain (scope 3) also meet the Science Based Targets initiative's criteria for ambitious value chain goals, meaning they are in line with current best practice:

- GO has committed to reach net-zero greenhouse gas emissions across the value chain by 2050.
- GO p.l.c. committed to reduce absolute scope 1 and 2 GHG emissions by 42% by 2030 from a 2021 base year. GO p.l.c. is committed to reduce absolute scope 3 GHG emissions from purchased goods and services, capital goods and downstream leased assets by 42% within the same timeframe.
- Furthermore, GO is committed to reduce absolute scope 1 and 2 GHG emissions by 90% by 2050 from a 2021 base year. GO p.l.c. has also committed to reduce absolute scope 3 GHG emissions by 90% within the same timeframe.

By committing and working towards these targets, GO p.l.c. is driving ambitious corporate climate action.

Directors' report - continued

The GO Green Strategy is based on three pillars, namely reduce, replace and transform. GO has implemented a GHG emission reduction strategy centred around the principles of reduce, replace, and transform.

- Under the 'reduce' component, it is committed to completing the full deployment of true fibre and switching off copper upon the completion of the true fibre roll-out, minimising paper usage through digital alternatives, adopting best practices to diminish electricity consumption in its offices, and streamlining its property footprint by minimising property exchanges.
- Under the 'replace' initiative, it is gradually transitioning to an electric fleet and allocating a significant investment of €20 million towards the development of a sustainable head office which will help it reduce its carbon footprint given that a new solar plant is being installed at the new site which will make substantial use of renewable energy. The site will also have a reservoir which will enable the use of grey water and an energy management system provided by GO's subsidiary SENS.
- In the realm of 'transform', GO is dedicated to generating increased renewable energy, investing in green technology, and actively assisting its clients in lowering their carbon emissions. This assistance includes offering efficient Customer Premises Equipment (CPE) and leveraging the advanced technology provided by its subsidiary, SENS Innovation Group Limited.

The outlined strategy will help GO achieve its targets however it is expected that there are uncertainties since GO's carbon footprint is not entirely within its control. One significant factor is the possibility to procure cleaner energy, a factor currently contingent upon Malta's sole electricity provider. Additionally, it relies on the Group's suppliers' initiatives to reduce emissions.

A GO Green page has been created on GO's website to raise awareness and inform the community at large on what GO is doing to enhance its green credentials. This is being done through blogs, interviews as well as snippets.

GO Green progress*	2023	2022
Consumption		
Energy Consumption (KWH)	18,062,544	18,718,536
Renewable Energy generated (KWH)	155,086	141,127
Water Consumption (ML)	4,787	4,940
Emissions		
Scope 1 GHG emissions	719	577
Scope 2 GHG emissions	7,411	7,555
Scope 3 GHG emissions	37,955	31,094
Circular Emissions		
Waste Generated (t)	181	242
Non-hazardous waste (t)	166	211
Hazardous waste (t)	15.6	10.9
Recycled waste (t)	112	170
Equipment refurbished to be reused	56,732	51,319

**Data reflects Company consumption. Group companies are in the process of starting to collate this data.*

Directors' report - continued

Methodology and Assumptions supporting Actual Emissions Metrics

GO has completed a thorough screening of all Scope 1, 2 and 3 emissions sources to ensure all key emissions have been captured. It based its methodology to be aligned with GHG Protocol reporting standards.

- Scope 1 emissions was based on actual consumption of refrigerant leakage, liquid fuels used by GO's fleet;
- Scope 2 emissions as based on actual electricity consumption of all the used premises, outdoor cabinets and Mobile RAN sites
- For Scope 3 emissions, the emissions of 9 out of 15 categories were found to be relevant to the Group and hence calculated. The categories that were taken into account were:
    - purchased goods and services,
    - capital goods,
    - fuel and energy related activities not included in Scope 1 or 2,
    - Waste
    - transport and distribution both upstream - transportation of equipment from supplier to GO and from GO to customer and also downstream like customers collecting equipment and paying bills at GO's outlets,
    - business travel
    - employee commuting (including home working)
    - use of sold products (physical electrical equipment and bandwidth sold to customer
    - End of life treatment of Sold products
    - Downstream leased assets.

For Scope 3 emissions, GO abided with the SBTi Target Validation Protocol guidance that states that the scope 3 GHG inventory must account for at least 95% of corporate-wide Scope 3 emissions. GO tried to ensure as much as feasibly possible that the data was based on consumption by collecting activity data or supplier specific data rather than spend for each significant spend category mentioned above. In order to get such data, GO reached out to their largest suppliers of key services/products to collect specific supplier information. In absence of specific supplier information, GO used secondary data or surveys to fill the gaps.

Consolidated disclosures pursuant to Article 8 of the Taxonomy Regulation

Introduction

In order to achieve the targets established by the European Union ('EU') of reaching net zero greenhouse gas ('GHG') emissions by 2050, with an interim target of reducing GHG emissions by 55%, compared to 1990 levels, by 2030, the EU has developed a classification system, by virtue of the EU Taxonomy Regulation , or ('the EU Taxonomy') which establishes the criteria for determining whether an economic activity qualifies as environmentally sustainable.

The EU Taxonomy establishes criteria in terms of six environmental objectives, against which entities will be able to assess whether economic activities qualify as environmentally sustainable.

In order to qualify as such, an economic activity must be assessed to substantially contribute to at least one of these environmental objectives, whilst doing no significant harm ('DNSH') to the remaining objectives. This is achieved by reference to technical screening criteria established in delegated acts to the EU Taxonomy. The economic activity is also required to meet minimum safeguards established in the EU Taxonomy.

Directors' report - continued

The six environmental objectives considered by the EU Taxonomy are the following, where climate-related environmental objectives (i-ii below) are established in the Climate Delegated Act ('CDA'), whilst non-climate environmental objectives (iii-vi below) are established in the Environmental Delegated Act ('EDA'). This financial year is the first reporting period in which the Group is required to report in the context of the EDA, which was formally adopted in 2023.

i. Climate change mitigation ('CCM');
ii. Climate change adaptation ('CCA');
iii. Sustainable use and protection of water and marine resources ('WTR');
iv. Transition to a circular economy ('CE');
v. Pollution prevention and control ('PPC'); and
vi. Protection and restoration of biodiversity and ecosystems ('BIO').

A Delegated Act to the EU Taxonomy was issued in 2021, supplementing Article 8 of the Taxonomy Regulation ('the Disclosures Delegated Act'), which establishes the disclosure requirements of entities within the scope of the Taxonomy Regulation.

This currently comprises entities subject to an obligation to publish non-financial information pursuant to the Non-Financial Reporting Directive ('NFRD') , emanating from article 19a or 29a of the Accounting Directive.

The Disclosures Delegated Act was further updated in 2023 by the Complementary Climate Delegated Act to include certain energy activities relating to fossil gas and nuclear energy.

In the following section, the Group, as a non-financial parent undertaking, presents the share of its Turnover, capital expenditure (CapEx) and operating expenditure (OpEx) for the reporting period ended 31 December 2023, which are associated with the following, in accordance with the Disclosures Delegated Act.

- Taxonomy-eligible and Taxonomy-aligned economic activities in respect of climate-related environmental objectives; and
- Taxonomy-eligible economic activities in respect of non-climate environmental objectives.

This does not include subsidiary level Taxonomy KPIs in the contextual information, which are only required where the parent undertaking identifies significant differences between the risks or impacts of the Group and those of the subsidiaries, in line with FAQ 12 in the Commission Notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets (second Commission Notice) . The Group is currently still in the process of identifying such risks and impacts as part of its preparation for CSRD reporting.

The Group does not identify any significant differences between the risks or impacts of the Group and those of its subsidiaries. In addition, none of the Group's subsidiaries are currently obliged to publish non-financial information pursuant to the NFRD. Neither do they avail of the subsidiary exemption emanating from paragraph (9) of Article 19a, or paragraph (8) of Article 29a, of the Accounting Directive, respectively.

Directors' report - continued

Our activities - Overview

Proportion of Taxonomy-eligible and Taxonomy-aligned economic activities in total Turnover, CapEx and OpEx in FY 2023				
FY 2023	**Total (€000)**	**Proportion of Taxonomy-eligible (non-aligned) economic activities**	**Proportion of Taxonomy-aligned economic activities**	**Proportion of Taxonomy non-eligible economic activities**
Turnover	235,893	18.3%	0%	81.7%
CapEx	65,543	25.9%	0%	74.1%
OpEx	22,545	63.9%	0%	36.1%

The Group also provides comparatives for the financial year ended 31 December 2022.

Proportion of Taxonomy-eligible and Taxonomy-aligned economic activities in total Turnover, CapEx and OpEx in FY 2022				
FY 2022	**Total (€000)**	**Proportion of Taxonomy-eligible (non-aligned) economic activities**	**Proportion of Taxonomy-aligned economic activities**	**Proportion of Taxonomy non-eligible economic activities**
Turnover	214,647	18.8%	0%	81.2%
CapEx	96,313	23.3%	0%	76.7%
OpEx	134,493	14.7%	0%	85.3%

Definitions

'Taxonomy-eligible economic activity' means an economic activity that is described in the delegated acts supplementing the Taxonomy Regulation (that is, either the Climate Delegated Act or the Environmental Delegated Act), irrespective of whether that economic activity meets any or all of the technical screening criteria laid down in those delegated acts.

The Climate Delegated Act is structured such that Annex I contains a list of activities and the respective technical screening criteria in relation to the Climate Change Mitigation objective, whereas Annex II relates to the Climate Change Adaptation objective, with potentially different activities being considered in the different annexes.

The Environmental Delegated Act similarly comprises respective lists of activities and technical screening criteria in relation to the non-climate environmental objectives therein.

Directors' report - continued

'Taxonomy-aligned economic activity' refers to a Taxonomy-eligible activity which complies with the technical screening criteria as defined in the Climate Delegated Act or Environmental Delegated Act and it is carried out in compliance with the minimum safeguards regarding human and consumer rights, anti-corruption and bribery, taxation, and fair competition. To meet the technical screening criteria, an economic activity must contribute substantially to one or more environmental objectives while 'doing no significant harm' to any of the other environmental objectives. Furthermore, the activity must be performed in a manner that meets minimum safeguards in relation to human rights, bribery & corruption, fair competition and taxation.

'Taxonomy non-eligible economic activity' means any economic activity that is not described in the delegated acts supplementing the Taxonomy Regulation.

Taxonomy-eligible and Taxonomy-aligned economic activities

Taxonomy eligibility of turnover-generating activities

The Group has examined all economic activities carried out to see which of these are Taxonomy-eligible in accordance with Annexes I and II to the Climate Delegated Act and Annexes I to IV to the Environmental Delegated Act. The table below indicates the activities performed by the Group which have been identified as Taxonomy-eligible and the environmental objective with which the activity may be associated. Information on the extent to which the economic activities are also Taxonomy-aligned is provided in the KPI templates further below.

Taxonomy-eligible activities were identified by extracting the total Turnover, CapEx and OpEx required to be captured in the denominators of the respective KPIs and assessing the NACE code of the activities to which the amounts relate. The Group then assessed which of the identified NACE codes relate to activities included within the annexes to the Climate Delegated Act. For the identified eligible activities, the Group then began the process to assess them against the technical screening criteria.

Through the activities highlighted in the following table, the Group generates turnover, and generally incurs both CapEx and OpEx for these activities.

Economic activity	Description	Turnover (%)*	CapEx (%)*	OpEx (%)*	Environmental objective(s)	NACE code
8.1 Data processing, hosting and related activities	Customised data hosting solutions	6.4	0.8	0.2	CCM, CCA	J63
8.2 Data-driven solutions for GHG emissions reductions	Development of IoT-based technology to reduce energy consumption for commercial buildings	0.8	-	-	CCM	J61
8.3 Programming and broadcasting activities	TV broadcasting services	9.8	18.2	57.9	CCA	J60
13.3 Motion picture, video and television programme production, sound recording and music publishing activities	Distribution of motion pictures and television productions to consumers	1.3	1.2	3.1	CCA	J59

*% of the total Turnover, CapEx and OpEx included in the denominator of the respective KPI

Directors' report - continued

Economic activities classified under activity 8.1 'Data processing, hosting and related activities' relate to the provision of data hosting services provided through multiple fully redundant state-of-the-art data centres hosting a variety of services, both for internal load and colocation of end customers. The internal load includes storage services, server infrastructure including virtualisation and container technologies, networking, and cyber security infrastructure. Activity 8.1 also relates to the provision of cloud services. The Group offers cloud services using its own data centres and is also an authorised reseller of third-party cloud service offerings. The Group considers the revenue from reselling third-party cloud services as Taxonomy non-eligible.

Economic activities classified under activity 8.2 'Data-driven solutions for GHG emissions reductions' relates to proprietary IoT-based technology to reduce energy consumption and associated costs for commercial buildings. The Group designs and builds customised solutions for customers to improve their business operations and efficiencies whilst also contributing to the environmental responsibilities that modern business governance and legislation demands.

Economic activities classified under activity 8.3 'Programming and broadcasting activities' includes the Group's turnover generated from TV broadcasting over the internet ('IPTV'), cable or digital terrestrial transmission for which it acquires the right to distribute content over its network.

Economic activities classified under activity 13.3 'Motion picture, video and television programme production, sound recording and music publishing activities' relates to the Group's Turnover generated from the distribution of movies and TV series via its television platform.

The CapEx classified as Taxonomy-eligible entails capital investments which relate to necessary components to execute the respective Turnover-generating economic activity. In summary, this largely relates to the following:

- The acquisition of solar photovoltaic panels (under activity 4.1);
- Building improvements that directly impact the operating capabilities of the data centre, such as raised flooring and piping improvements (under activity 8.1);
- The acquisition/development of software utilised in the IoT solutions developed by the Group (under activity 8.2);
- The acquisition of broadcasting rights (under activity 8.3); and
- Licensing rights (under activity 13.3).

The largest change in the Group's turnover from Taxonomy-eligible activities, vis-à-vis the prior period, owes to activity 8.1, which fell from 7.1% to 6.4% of turnover. Such a decrease in Taxonomy eligibility is largely driven by an increase in the Group's total turnover, and the related increase in the turnover KPI denominator, whilst revenue earned from activity 8.1 remained almost unchanged.

Other Turnover generating activities performed by the Group classified as Taxonomy non-eligible

The Group's Taxonomy non-eligible economic activities relate largely to other telecommunication activities which are not considered to be captured under broadcasting activities, such as the provision of telephony and related data/internet services.

Directors' report - continued

The consideration to classify telecommunication activities as Taxonomy non-eligible is based on the EU Commission Notice on the interpretation and implementation of certain legal provisions of the EU Taxonomy Climate Delegated Act establishing technical screening criteria for economic activities that contribute substantially to climate change mitigation or climate change adaptation and do no significant harm to other environmental objective[1]. Within the notice, the EC addressed the information and communications sector, particularly with respect to the treatment of telecommunication activities related to telephony and data/internet services and deemed that 'while the generic public electronic communications network is an important and necessary infrastructure for the ICT solutions mentioned above, its predominant use or deployment is often not to reduce emissions'. Therefore, the EC concluded that such activities should be treated as Taxonomy non-eligible.

In addition to the above, Taxonomy non-eligible activities performed by the Group relate to the sale of hardware including mobile phones, television devices, and gaming consoles, the sale of third-party cloud services, and managed services relating to system administration and infrastructure management.

Taxonomy eligibility of investment activities not directly related to Turnover-generating activities

Further to the activities from which the Group generates Turnover, and generally incurs both CapEx and OpEx, the Group also engages in investment activities not directly related to its Turnover-generating activities as highlighted in the following table.

Economic activity	**Description of the Taxonomy-eligible purchased output or individual measure**	**CapEx (%)***	**OpEx (%)***	**Environmental objective(s)**	**NACE code**
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	The acquisition of motor vehicles designated as category M1 and N1	1.7	2.3	CCM, CCA	N77
7.2 Renovation of existing buildings	All major renovation measures of existing buildings	0.8	-	CCM, CCA	F41
7.3 Installation, maintenance and repair of energy efficiency equipment	All maintenance and repair of the energy efficiency equipment in the Group's existing buildings (primarily the replacement of air conditioners)	0.1	0.1	CCM, CCA	F43
7.6 Installation, maintenance and repair of renewable energy technologies	The installation of PV panels	-	0.7	-	C27
7.7 Acquisition and Ownership of buildings	Acquisition of new leased premises	2.3	0.2	CCM, CCA	L68
5.1 Repair, refurbishment and remanufacturing	Repair of electronic devices	0.1	-	CE	N/A

*% of the total CapEx and OpEx included in the denominator of the respective KPI

[1] EU Commission Notice C/2023/267

Directors' report - continued

Included in the above are amounts that relate to the acquisition of motor vehicles which are utilised by the Group to enable it to perform certain operations towards its customers. The CapEx and OpEx in this respect have been classified under activity 6.5 'Transport by motorbikes, passenger cars and light commercial vehicles' as opposed to being allocated to a Turnover-generating activity (for which the Group would make use of such vehicles at times in performing its duties). The Group has classified the amounts in this manner since the assessment to determine Taxonomy-alignment of the vehicles acquired would only be possible to be performed against the technical screening criteria developed under activity 6.5.

In a similar manner, CapEx has been allocated to activities classified under category 7 'Construction and real estate activities' given that they are not directly associated with a Turnover-generating activity. In particular, renovation works such as upgrades, structural alterations, reorganisation of service areas, interior design work and related finishing, to the Group's outlets and premises are allocated under activity 7.2 'Renovation of existing buildings', installation of air-conditioning systems are allocated under activity 7.3 'Installation, maintenance and repair of energy efficiency equipment', whilst no associated OpEx is incurred by the Group in this regard given that such expenses are capitalised in full. The Group's installation of solar photovoltaic ('PV') panels is allocated to activity 7.6 'Installation, maintenance and repair of renewable energy technologies'. Acquisitions of new outlets and additions to right-of-use asset leases on property are allocated under 7.7 'Acquisition and ownership of buildings'. The Group did not have any CapEx relating to activity 7.4 'Installation of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)' in the current year, however, such activity is retained in the Taxonomy templates given the comparative balance relating to such activity.

The Group's CapEx incurred in repairing internet routers, television set-top boxes, cables, remote controls, and other electronic devices is allocated under activity 5.1 'Repair, refurbishment and remanufacturing', whilst no associated OpEx is incurred by the Group in this regard given that such expenses are capitalised in full. In this respect, there is no dedicated NACE Code to the economic activity as outlined in the activity description in section 5.1 of Annex II to the Environmental Delegated Act, however, the activity relates to products manufactured by economic activities under NACE Code C26.

The largest change in the Group's CapEx from eligible activities, vis-à-vis the prior period owes to activity 8.3, which increased from 4.1% to 18.2% of CapEx. Such an increase in Taxonomy-eligibility is largely driven by additions in the Group's football broadcasting rights recognised during the year.

The largest change in the Group's OpEx from eligible activities, vis-à-vis the prior period owes to activity 8.3, which increased from 12% to 57.9% of OpEx. Such an increase in Taxonomy-eligibility is largely driven by a reduction in the Group's OpEx attributable towards the OpEx denominator, whilst OpEx relating to activity 8.1 decreased vis-à-vis the prior period.

Taxonomy alignment

Determining whether an activity meets the requirements to be classified as Taxonomy-aligned requires considerable detailed information about the activity in order to properly assess it against the established technical screening criteria.

The Group is currently still in the process of gathering the necessary information in order to conclude that activities may be considered as Taxonomy-aligned and verifying its accuracy. As a result of the ongoing process, the Group has not been able to substantiate the Taxonomy-alignment of any of its activities in the current year.

Despite not being able to fully substantiate the Taxonomy-alignment of any of its activities, the Group has identified instances of partial Taxonomy-alignment in the current year.

Directors' report - continued

Economic activities classified as 4.1 'Electricity generation using solar photovoltaic technology' have been assessed to meet the substantial contribution criteria under the climate change mitigation objective, being that the activity generates electricity using solar PV technology. However, the Group is still in the process of assessing certain elements of the DNSH criteria. In relation to climate change adaptation, the Group is yet to undertake a physical climate risk assessment on the location in which the PV panels are installed, and is still to assess the durability and recyclability of the components utilised by the manufacture of the PV panels to ensure no significant harm to the transition towards a circular economy. With respect to the protection and restoration of biodiversity and ecosystems, the Group is confident that the DNSH criteria have been met, given the approvals obtained surrounding the project location.

Economic activities classified as 8.1 'Data processing, hosting and related activities' have been assessed to meet certain elements of the 'European Code of Conduct on Data Centre Efficiency' required as part of the substantial contribution criteria under the climate change mitigation objective. The assessment to determine full compliance with this code is currently still ongoing. Furthermore, the Group is still in the process of assessing the remaining substantial contribution criteria and DNSH criteria.

Economic activities classified as 8.2 'Data-driven solutions for GHG emissions reductions' meet the initial substantial contribution requirement in relation to the climate change mitigation objective of the ICT solution being predominantly used for the provision of data analytics enabling GHG emission reductions. However, further assessment needs to be performed to identify whether alternative technologies are readily available on the market, and if so, that the ICT solution of the Group demonstrates substantial life-cycle GHG emission savings compared to the best performing alternative. Furthermore, the Group is still in the process of assessing compliance with the DNSH criteria in relation to 'climate change adaptation', and 'transition to a circular economy' which are the two environmental objectives applicable for this activity from a DNSH perspective.

Economic activities classified as 13.3 'Motion picture, video and television programme production, sound recording and music publishing activities' requires a robust climate risk and vulnerability assessment in order to be aligned. Since the Group has not yet undertaken such assessment, no instances of partial alignment can be identified in respect of this activity so far.

The Group has also identified the partial alignment of certain individual investment activities not relating to Turnover-generating activities.

Economic activities classified under activity 6.5 'Transport by motorbikes, passenger cars and light commercial vehicles', which include the acquisition of electric vehicles amongst other internal combustion engine vehicles, are assessed to result in the substantial contribution requirements in relation to the climate change mitigation objective being met, given that an electric vehicle results in zero tailpipe emissions. However, the Group has not been able to assess the DNSH criteria for the activity, particularly in relation to the recyclability of the materials of the vehicle. Furthermore, the Group has not been able to assess the DNSH criteria for pollution prevention and control which relates to the specifications of the tyres of the vehicle. Therefore, continued engagement with suppliers will be required to identify whether such activities may be considered as Taxonomy-aligned in the future. This applies specifically in the case of electric vehicles purchased, and does not capture other internal combustion engine vehicles acquired by the Group.

Economic activities classified under activity 5.1 'Repair, refurbishment and remanufacturing' meet the initial technical screening criterion relating to the activity extending the lifetime of products by repairing products that have already been used for their intended purpose by a customer. However, they do not meet remaining substantial contribution and DNSH criteria.

In the case of investment activities 7.2 'Renovation of existing buildings', 7.3 'Installation, maintenance and repair of energy efficiency equipment', and 7.7 'Acquisition and ownership of buildings', the Group has not yet identified any instances of partial alignment.

Directors' report - continued

Therefore, as further progress is made in the Group's internal assessment process, certain activities may be identified as Taxonomy-aligned without the need for further capital investments.

Further to meeting technical screening criteria, economic activities must meet minimum safeguards relating to human and consumer rights, anti-corruption and bribery, taxation, and fair competition in order to be Taxonomy-aligned. Such assessment must be carried out in accordance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as outlined in the Platform on Sustainable Finance's Report on Minimum Safeguards published in October 2022. The Group is currently still in the process of establishing a framework to comply with minimum safeguards.

As a result of no activities being considered as Taxonomy-aligned in the current year, disclosure requirements surrounding the assessment of Taxonomy-alignment in accordance with section 1.2.2.1 of the Disclosures Delegated Act are not deemed to be applicable to the Group.

Our KPIs and accounting policies

The key performance indicators ('KPIs') comprise the Turnover KPI, the CapEx KPI and the OpEx KPI. In presenting the Taxonomy KPIs, the Group uses the templates provided in Annex II to the Disclosures Delegated Act. The Group also presents comparative figures on Taxonomy-alignment.

Moreover, since the Group is not performing any of the activities related to fossil gas and nuclear energy (activities 4.26-4.31), the Group only publishes Template 1 of Annex XII of the Disclosures Delegated Act as regards activities in certain energy sectors.

In section A.1 'Environmentally sustainable activities (Taxonomy-aligned)' of respective Turnover, CapEx, and OpEx templates, columns 5 and 6 are marked as 'N' given that the Group does not have any Taxonomy-aligned balances, whilst remaining columns 7-17 are marked as '-' since, under Substantial Contribution criteria, Taxonomy-alignment reporting is not required for non-climate environmental objectives and under DNSH criteria and Minimum Safeguards, there is no current Taxonomy-alignment assessment to be reported.

Directors' report - continued

Table 1: Proportion of Turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2023

Financial year 2023	2023			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Turnover 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		€ 000	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	N	N	-	-	-	-	-	-	-	-	-	-	-	0.0%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	N	N	-	-	-	-	-	-	-	-	-	-	-	0.0%		
Of which Enabling		0	0.0%	N	N	-	-	-	-	-	-	-	-	-	-	-	0.0%	E	
Of which Transitional		0	0.0%	N						-	-	-	-	-	-	-	0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Data processing, hosting and related activities	**CCM 8.1** / CCA 8.1	15,165	6.4%	EL	EL	N/EL	N/EL	N/EL	N/EL								7.1%		
Data-driven solutions for GHG emissions reductions	CCM 8.2	1,844	0.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.4%		
Programming and broadcasting activities	**CCM 8.3** / CCA 8.3	23,170	9.8%	EL	EL	N/EL	N/EL	N/EL	N/EL								9.7%		
Motion picture, video and television programme production, sound recording and music publishing activities	CCA 13.3	2,984	1.3%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								1.7%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		43,163	18.3%	17.0%	1.3%	0.0%	0.0%	0.0%	0.0%								18.9%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		43,163	18.3%	17.0%	1.3%	0.0%	0.0%	0.0%	0.0%								18.9%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		192,730	81.7%																
TOTAL		**235,893**	**100.0%**																

	Proportion of turnover/Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	17.0%
CCA	0.0%	17.5%
WTR	-	0.0%
CE	-	0.0%
PPC	-	0.0%
BIO	-	0.0%

Directors' report - continued

Table 2: Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2023

Financial year 2023	2023			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		€ 000	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	N	N	-	-	-	-	-	-	-	-	-	-	-	0.0%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	N	N	-	-	-	-	-	-	-	-	-	-	-	0.0%		
Of which Enabling		0	0.0%	N	N	-	-	-	-	-	-	-	-	-	-	-	0.0%	E	
Of which Transitional		0	0.0%	N						-	-	-	-	-	-	-	0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Transport by motorbikes, passenger cars and light commercial vehicles	**CCM 6.5** / CCA 6.5	1,094	1.7%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Renovation of existing buildings	CCM 7.2	545	0.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.7%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	34	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2%		
Installation of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	**CCM 7.4** / CCA 7.4	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Installation, maintenance and repair of renewable energy technologies	**CCM 7.6** / CCA 7.6	444	0.7%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.6%		
Acquisition and ownership of buildings	**CCM 7.7** / CCA 7.7	1,502	2.3%	EL	EL	N/EL	N/EL	N/EL	N/EL								13.3%		
Data processing, hosting and related activities	**CCM 8.1** / CCA 8.1	537	0.8%	EL	EL	N/EL	N/EL	N/EL	N/EL								1.5%		
Data-driven solutions for GHG emissions reductions	CCM 8.2	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.3%		
Programming and broadcasting activities	**CCM 8.3** / CCA 8.3	11,948	18.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								4.1%		
Motion picture, video and television programme production, sound recording and music publishing activities	CCA 13.3	802	1.2%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								0.4%		
Repair, refurbishment and remanufacturing	CE 5.1	93	0.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								-		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		16,999	25.9%	24.6%	1.2%	0.0%	0.0%	0.1%	0.0%								23.3%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		16,999	25.9%	24.6%	1.2%	0.0%	0.0%	0.1%	0.0%								23.3%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		48,544	74.1%																
TOTAL		**65,543**	**100.0%**																

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	24.6%
CCA	0.0%	24.9%
WTR	-	0.0%
CE	-	0.1%
PPC	-	0.0%
BIO	-	0.0%

Directors' report - continued

Table 3: Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2023

Financial year 2023		2023		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		€ 000	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	N	N	-	-	-	-	-	-	-	-	-	-	-	0.0%		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	N	N	-	-	-	-	-	-	-	-	-	-	-	0.0%		
Of which Enabling		0	0.0%	N	N	-	-	-	-	-	-	-	-	-	-	-	0.0%	E	
Of which Transitional		0	0.0%	N						-	-	-	-	-	-	-	0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Electricity generation using solar photovoltaic technology	CCM 4.1	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Transport by motorbikes, passenger cars and light commercial vehicles	**CCM 6.5** / CCA 6.5	520	2.3%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	32	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Installation of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	**CCM 7.4** / CCA 7.4	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Acquisition and ownership of buildings	**CCM 7.7** / CCA 7.7	42	0.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Data processing, hosting and related activities	**CCM 8.1** / CCA 8.1	55	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.9%		
Data-driven solutions for GHG emissions reductions	CCM 8.2	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.3%		
Programming and broadcasting activities	**CCM 8.3** / CCA 8.3	13,052	57.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								12.0%		
Motion picture, video and television programme production, sound recording and music publishing activities	CCA 13.3	708	3.1%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								1.2%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		14,409	63.9%	60.8%	3.1%	0.0%	0.0%	0.0%	0.0%								14.5%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		14,409	63.9%	60.8%	3.1%	0.0%	0.0%	0.0%	0.0%								14.5%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		8,136	36.1%																
TOTAL		**22,545**	**100.0%**																

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	60.8%
CCA	0.0%	63.8%
WTR	-	0.0%
CE	-	0.0%
PPC	-	0.0%
BIO	-	0.0%

Directors' report - continued

Nuclear and fossil gas related activities for financial year 2023

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	NO

The specification of the KPIs is determined in accordance with Annex I to the Disclosures Delegated Act. The Group adopts the methodology to determine Taxonomy alignment in accordance with the legal requirements and describes its policies in this regard as follows:

Turnover KPI

Definition

The proportion of Taxonomy-aligned economic activities of the total Turnover has been calculated as the part of net Turnover derived from products and services associated with Taxonomy-aligned economic activities (numerator) divided by the net Turnover (denominator), in each case for the financial year from 1 January 2023 to 31 December 2023. Given that the Group has not identified any Taxonomy-aligned economic activities, the current proportion of alignment is 0%.

The denominator of the Turnover KPI is based on the consolidated net Turnover in accordance with paragraph 82(a) of IAS 1. For further details on our accounting policies regarding the Group's consolidated net Turnover, refer to disclosure note 1.20 'Revenue recognition' in the Group's consolidated financial statements included in this Annual Report.

Directors' report - continued

Reconciliation

The Group's consolidated net Turnover captured in the denominator of the KPI of €235,893,000 reconciles with the amount disclosed in the 'Revenue' financial statement line item included in the 'Income Statements' in the consolidated financial statements included in this annual report. Additionally, the amount also reconciles to the revenue disclosure note.

Turnover reconciliation	***Amount (€000)***	
Turnover as per KPI denominator	**235,893**	
Turnover as per the consolidated financial statements relating to:	**235,893**	
- *Telecommunication and data centre services*	204,937	
- *Sale of goods*	24,104	
- *Other services and sundry revenues*	6,852	*Disclosure note 22*

The following is a detailed breakdown of the Turnover generated by the Group in accordance with the 3 categories of revenue disclosed in the consolidated financial statements in Note 22, amongst the different activities disclosed in the Turnover KPI.

Detailed breakdown of 'Telecommunication and data centre services'	***Amount (€000)***
'Telecommunication and data centre services' Turnover as per the consolidated financial statements	**204,937**
Allocation of services in the Turnover KPI	**204,937**
8.1 Data processing, hosting and related activities	15,165
8.3 Programming and broadcasting activities	23,170
13.3 Motion picture, video and television programme production, sound recording and music publishing activities	2,984
Taxonomy non-eligible	163,618

Directors' report - continued

Detailed breakdown of 'Sale of goods'	***Amount (€000)***
Sale of goods Turnover as per the consolidated financial statements	**24,104**
Allocation of services in the Turnover KPI	**24,104**
8.2 Data-driven solutions for GHG emissions reductions	1,844
Taxonomy non-eligible	22,260

Detailed breakdown of 'Other services and sundry revenues'	***Amount (€000)***
Other services and sundry revenues as per the consolidated financial statements	**6,852**
Allocation of services in the Turnover KPI	
Taxonomy non-eligible	**6,852**

Unbundling of performance obligations

One of the Group's product offerings relates to the 'Homepack' which includes bundled services relating to fixed telephony, mobile, data/internet and TV broadcasting. In line with EC guidance issued in relation to the eligibility of telecommunication activities related to telephony and data/internet services, the Group has recognised that only part of the product included within the 'Homepack' should be considered as Taxonomy-eligible, being that related to television broadcasting.

In this respect, the Group has unbundled the revenue generated from the 'Homepack', with the portion of revenue relating to TV broadcasting being determined based on the additional cost incurred by the customer should the package selected by the customer be expanded to capture TV broadcasting (as opposed to just fixed telephony, mobile and internet services). In circumstances where the customer purchases solely television broadcasting services from the Group, no unbundling is deemed necessary with the full amount being allocated to activity 8.3.

Towards the end of 2022, the Group introduced GO Tokis, relating to the production of Maltese dramas. GO Tokis services are offered both as a stand-alone service and also through the 'Homepack'. In the latter case, the Group does not charge customers for the additional service of GO Tokis, with this being provided as a free add-on in the bundled service. Given that such additional services started to be offered towards the end of the prior financial year, and that they are provided at no additional cost to the consumer, in 2022, the Group did not unbundle the amounts in relation to television broadcasting further. However, in the current financial year, the Group unbundled the revenue earned from GO Tokis attributing it to activity 13.3 'Motion picture, video and television programme production, sound recording and music publishing activities' by assuming a stand-alone price for GO Tokis when offered under the 'Homepack'.

Directors' report - continued

CapEx KPI

Definition

The CapEx KPI is defined as Taxonomy-aligned CapEx (numerator) divided by the Group's total CapEx (denominator).

Total CapEx consists of additions to tangible and intangible fixed assets during the financial year, before depreciation, amortisation, and any remeasurements, including those resulting from revaluations and impairments, as well as excluding changes in fair value. It includes acquisitions of tangible fixed assets (IAS 16), intangible fixed assets (IAS 38) and right-of-use assets (IFRS 16). Additions as a result of business combinations are also included. Acquisitions of investment properties (IAS 40) would also be captured, however, the Group had no such CapEx in the current year. For further details on the Group's accounting policies regarding Group CapEx, refer to disclosure notes 1.5 'Property plant and equipment', 1.6 'Intangible assets' and 1.18 'Right-of-use assets', in the Group's consolidated financial statements included within this annual report.

The Disclosures Delegated Act establishes three categories under which to classify CapEx:

(a) CapEx related to assets or processes that are associated with Taxonomy-aligned economic activities ('category a'). In this case, the Group considers that assets and processes are associated with Taxonomy-aligned economic activities where they are essential components necessary to execute an economic activity.

The Group follows the generation of external revenues as a guiding principle to identify economic activities that are associated with CapEx under this category (a).

Eligible CapEx under this category has been disclosed in the table named 'Taxonomy-eligible economic activity' in the 'Taxonomy-eligible and Taxonomy-aligned economic activities' section above.

(b) CapEx that is part of a plan to upgrade a Taxonomy-eligible economic activity to become Taxonomy-aligned or to expand a Taxonomy-aligned economic activity ('category b').

The Group has currently not developed such a plan, and therefore, no CapEx is considered to be eligible under this category.

(c) CapEx related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling certain target activities to become low-carbon or to lead to GHG reductions ('category c').

The Group distinguishes between the purchase of output and individual measures as follows:

- 'Purchase of output' relates to the Group's acquisition of the product or service that is mentioned in the activity description; and
- 'Individual measure' refers to the Group's acquisition of a product through an activity that is regularly performed by the supplier, but where the Group controls the content and design of the product in detail.

Eligible CapEx under this category has been disclosed in the table named 'Individually Taxonomy-eligible CapEx/OpEx and the corresponding economic activities' in the 'Taxonomy eligibility of investment activities not directly related to turnover generating activities' section above. The full amount of CapEx considered under this category relates purely to 'purchase of output'.

Directors' report - continued

Purchases of output qualify as Taxonomy-aligned CapEx in cases where it can be verified that the respective supplier performed a Taxonomy-aligned activity to produce the output that the Group acquired. Since Taxonomy-alignment also includes DNSH criteria and minimum safeguards, the Group is not able to assess the Taxonomy-alignment on its own. For the purchased output in 2023, the Group was not able to obtain any conclusive confirmation of Taxonomy-alignment.

In order to avoid double counting in the CapEx KPI, the Group ensured that CapEx captured as part of 'category a', which relates to Turnover-generating activities, was not also included with the activities identified within 'category c'. In particular, the Group ensured that repairs and maintenance costs incurred in relation to the building in which data servers are held (for which such repairs and maintenance directly related to the servers or other technical aspects of the building to allow the activity to be performed) were allocated solely to activity 8.1 and not considered again under activity 7.7.

Reconciliation

The Group's total CapEx captured in the denominator of the KPI can be reconciled to the consolidated financial statements of the Group included in this annual report, by reference to the respective disclosures capturing the additions for intangible assets, right-of-use assets and property, plant and equipment.

CapEx Reconciliation	***Amount (€000)***	
<u>CapEx as per EU Taxonomy KPI denominator</u>	**65,543**	
<u>CapEx as per consolidated financial statements of which:</u>	**65,543**	
- Property, plant and equipment	48,209	*Disclosure note 5*
- Intangible assets	15,191	*Disclosure note 7*
- Right-of-use assets	2,143	*Disclosure note 6*

Directors' report - continued

The following is a detailed breakdown of the property, plant and equipment, intangible assets and right of use assets amongst the different activities disclosed in the Capex KPI.

Detailed breakdown of property, plant and equipment additions	***Amount (€000)***
PPE additions as per the consolidated financial statements	**48,209**
Allocation of PPE in the CapEx KPI	**48,209**
4.1 Electricity generation using solar photovoltaic technology	444
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	54
7.2 Renovation of existing buildings	545
7.3 Installation, maintenance and repair of energy efficiency equipment	34
7.7 Acquisition and Ownership of buildings	460
8.1 Data processing, hosting and related activities	537
5.1 Repair, refurbishment and remanufacturing	93
Taxonomy non-eligible	46,042

Detailed breakdown of intangible assets additions	***Amount (€000)***
Intangible asset additions as per the consolidated financial statements	**15,191**
Allocation of PPE in the CapEx KPI	**15,191**
8.3 Programming and broadcasting activities	11,948
13.3 Motion picture, video and television programme production, sound recording and music publishing activities	802
Taxonomy non-eligible	2,441

Detailed breakdown of right-of-use asset additions	***Amount (€000)***
Right-of-use asset additions as per the consolidated financial statements	1,462
Right-of-use asset impacts of reassessment of lease term, in respect of extensions as per the consolidated financial statements	681
Total right-of-use asset additions	**2,143**
Allocation of ROU in the CapEx KPI	**2,143**
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	1,042
7.7 Acquisition and Ownership of buildings	1,040
Taxonomy non-eligible	61

Directors' report - continued

OpEx KPI

Definition

The OpEx KPI is defined as Taxonomy-aligned OpEx (numerator) divided by the Group's total OpEx (denominator).

Total OpEx consists of direct non-capitalised costs that relate to building renovation measures, short-term leases as well as all forms of maintenance and repair. In general, this includes staff costs, costs for services and material costs for daily servicing and well as for regular and unplanned maintenance and repair measures. It does not include expenses relating to the day-to-day operation of PPE, such as raw materials, cost of employees operating any equipment and electricity or fluids that are necessary to operate the PPE. Amortisation and depreciation are also not included in the OpEx KPI.

In addition to the OpEx items captured in the current denominator of the OpEx KPI, the Group acknowledges that certain additional staff costs should also be captured, given that certain employee responsibilities relate to the servicing of PPE. Such costs have been excluded in the current year given that the Group is currently unable to allocate staff costs towards maintenance and repair activities. Once the Group develops an approach for allocating such staff costs, these will be captured as OpEx and as part of the KPI accordingly.

The Group also excludes direct costs for training and other human resources adaptation needs from the denominator and the numerator. This is because Annex I to the Disclosures Delegated Act lists these costs only for the numerator, which does not allow a mathematically meaningful calculation of the OpEx KPI.

Given that the Group has not identified any CapEx as being Taxonomy-aligned, naturally, no OpEx is able to be considered as Taxonomy-aligned.

Directors' report - continued

Reconciliation

The Group's total OpEx captured in the denominator of the KPI cannot be directly reconciled to the consolidated financial statements of the Group included in this annual report, since the notes to the financial statements comprise amounts which relate to both Taxonomy-eligible and Taxonomy non-eligible activities. Therefore, the portion of Taxonomy-eligible OpEx within each item in note 23 to the financial statements is identified below.

OpEx reconciliation	***Full amount as per note 23 of consolidated financial statements (€000)***	***Amount in scope of OpEx KPI denominator as per note 23 of consolidated financial statements (€000)***
OpEx as per EU Taxonomy KPI denominator		**22,545**
OpEx as per consolidated financial statements of which:	**148,334**	**22,545**
- *Cost of goods sold*	*30,906*	*2,038*
- *Third party network charges, content costs and other direct costs*	*66,969*	*14,770*
- *Employee benefit expense*	*36,942*	*1,339*
- *Expense relating to short-term leases*	*1,737*	*1,736*
- *Other*	*11,780*	*2,662*

The following is a detailed breakdown of the cost of goods sold, third party network charges, content cost and other direct costs, employee benefit expense, expenses relating to short term leases and other expenses amongst the different activities disclosed in the OpEx KPI.

Detailed breakdown of 'cost of goods sold'	***Amount (€000)***
Cost of goods sold as per the consolidated financial statements	**2,038**
Allocation of cost of goods sold in the OpEx KPI	
Taxonomy non-eligible	**2,038**

Directors' report - continued

Detailed breakdown of 'Third party network charges, content costs and other direct costs'	***Amount (€000)***
Third party network charges, content costs and other direct costs as per the consolidated financial statements	**15,013**
Allocation of third party network charges, content costs and other direct costs as per OpEx KPI	**15,013**
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	500
7.7 Acquisition and ownership of buildings	30
8.1 Data processing, hosting and related activities	55
8.3 Programming and broadcasting activities	12,338
13.3 Motion picture, video and television programme production, sound recording and music publishing activities	708
Taxonomy non-eligible	1,382

Detailed breakdown of 'Employee benefit expense'	***Amount (€000)***
Employee benefit expense as per the consolidated financial statements	**1,339**
Allocation of third party network charges, content costs and other direct costs as per OpEx KPI	**1,339**
8.3 Programming and broadcasting activities	714
Taxonomy non-eligible	625

Detailed breakdown of 'Expense relating to short-term leases'	***Amount (€000)***
Expense relating to short-term leases as per the consolidated financial statements	**1,478**
Allocation of expense relating to short term leases as per OpEx KPI	
Taxonomy non-eligible	**1,478**

Directors' report - continued

Detailed breakdown of 'Other Expenses'	***Amount (€000)***
Other expense as per the consolidated financial statements	**2,677**
Allocation of expense relating to other expenses as per OpEx KPI	**2,677**
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	20
7.3 Installation, maintenance and repair of energy efficiency equipment	32
7.7 Acquisition and ownership of buildings	12
Taxonomy non-eligible	2,613

One GO Team

Vision

Throughout the past year, the focus remained on developing GO as an exceptional workplace and reinforcing our standing as an employer of choice. These efforts have paid off because, for the first time, GO has been acknowledged as the top employer in Malta. In last year's annual study commissioned by GO through an independent market research agency, GO achieved an outstanding overall employer ranking, doubling the score since the last survey was carried out in 2022, establishing it as the leading employer in Malta.

Emphasising transparent communication, the Company actively solicit feedback from our team members to continuously enhance our work environment. Central to our approach is nurturing a culture of inclusivity and engagement, characterised by support and appreciation for diversity, collaboration, and innovation. We recognise our people's worth and are dedicated to enriching their lives by investing in both their professional and personal growth, thereby fostering high levels of job satisfaction. By promulgating an environment conducive to growth and fulfilment, we aim to attract and retain top talent, ultimately providing GO with the competitive edge that is vital for sustained business success and expansion.

Risks and Opportunities

Effectively navigating the complexities of risk and opportunity management remains an ongoing process at GO. The Company implemented various strategies to both mitigate risks and capitalise on opportunities. These include change management practices to adapt to the dynamic business landscape, succession planning to facilitate seamless skill transitions as our workforce explores new horizons, and a steadfast commitment to staff retention aimed at retaining top-tier talent and optimising productivity. The decision-making processes at GO are intertwined with factors such as recruitment challenges, encompassing a competitive job market and limited local talent availability, as well as considerations of employee engagement and the employee data management to ensure legal compliance. Technology advances and evolving workforce demographics presents both prospects and challenges, making our strategic response pivotal to achieving success.

Directors' report - continued

Strategy and commitments

GO's strategy revolves around addressing the needs and welfare of its people, all the while staying true to its overarching mission and objectives. As a purpose-driven entity, GO takes pride in its defined values which serve as guiding principles steering both individual and collective decision-making. Central to this approach is the cultivation of a learning culture, epitomised by the establishment of the GO Academy. This culture promotes continuous growth and advancement through avenues such as upskilling or reskilling initiatives, exposure to diverse roles and teams within the organisation, and personalised coaching opportunities, among others. The Company recognises that engaged and content employees are more likely to exhibit heightened productivity, innovation, and dedication to GO's mission, particularly when their personal aspirations align with those of the Company. By giving paramount importance to GO's purpose, values, learning culture, and employee well-being within its strategy, it position itself more effectively to realise the organisational aspiration

Driving purpose and values

The principles of GO's purpose and values guide decision-making and shape the organisation's actions. Thus, it is crucial to encourage engagement and participation from our people in embracing these principles. The Special Thanks and Recognition (STAR) programme serves to reward those who embody the company's purpose and values and contribute to furthering a positive and supportive work environment. This initiative serves as a platform for our employees to share positive experiences about their colleagues who go above and beyond in living out our purpose and values. In the past year, there was a good response, with a significant number of colleagues actively engaging in the program to express appreciation for their peers.

Policies

A large part of the Company's internal rules and policies relate to human capital. The most important are the following:

- Human Rights Policy
- Anti-Harassment & Anti-Bullying Policy
- Anti-Bribery & Corruption Policy
- Whistle Blowing Policy
- Personal Data Processing Policy

These policies apply to all GO employees, directors, officers, as well as consultants, contractors, trainees, seconded staff, temporary workers, summer workers, volunteers, interns, agents, sponsors and any other person who performs services to, for, or on behalf of, or is otherwise associated with GO.

The Company is controlled by Tunisie Telecom and accordingly any policies in such areas would necessarily have to take into account the circumstances, direction and strategy of the controlling party, focusing on policies, if any, adopted by the controlling party and non-financial key indicators, if any, utilised by the controlling party at Group level to monitor progress in such areas.

Labour relations and social dialogue

The biggest investment that GO makes is in its people. In 2023, the Company continued rolling out new employee benefits for its people. Management acknowledges the impact that pregnancy loss can have, whilst it has always, in the past, offered the appropriate support, during 2023, it wanted to provide a structured offering for its people during this difficult time by offering additional Pregnancy Loss leave days to tangibly support its people during this painful period and give them some time to grieve and heal. This is in addition to all employee benefits that are covered in the Collective Agreement signed with the Technology, Electronics and Communications Section of the General Workers Union (GWU) in the second quarter of 2022.

Directors' report - continued

Furthermore, to continue enriching people's experience of working at GO, it collaborated with a third-party service provider to organise an in-house Paediatric First Aid course, aimed at individuals who care for children between newborn age until 14 years of age, to continue promoting family-friendly initiatives.

Attraction, retention and professional development
GO takes pride in being acknowledged by the National Commission for the Promotion of Equality as an Equal Opportunity Employer and provide equal employment opportunities regardless of race, gender, age, religion, disability, sexual orientation, or national origin.

During 2023, for the second time, GO was awarded the HR Quality Mark, a national recognition for outstanding HR practices, issued by the Foundation for Human Resources Development (FHRD). This achievement is a testament of the Company's dedication, innovation, and commitment for its People, and it showcases GO's commitment to cultivating a thriving workplace environment. The HR Quality Mark is awarded to organisations whose HR team demonstrate excellence in various HR domains, including recruitment, employee development, diversity and inclusion, performance management, and more.

Total employee benefit expense for the year amounted to €36.9 million (2022: €34.9 million). The average number of persons employed by the Group, including part-timers and students, during the year amounted to 1,205 (2022: 1,187). Each year, the Company's number of female employees at various organisational levels is always increasing.

Enhancing the diversity within its workforce remains a key focus of GO's people strategy. The offshore resourcing initiative, aimed at addressing the challenge of limited local supply, especially in digital roles, continues to yield positive results. During the year under review, to nurture the working relationship, a group of six team members spent some time working from Malta and later on in the year, a GO delegation also paid a visit.

By tapping into global talent pools, the Company is successfully attracting and recruiting highly skilled individuals from around the world. Presently, the workforce is composed of diverse backgrounds across four continents, and the Company ensures that they receive a consistent employee experience comparable to their counterparts in Malta.

Concurrently, management continue to champion our employee referral programme, recognising that talented individuals often know other talented individuals. In 2023, internal referrals emerged as the second most significant source of recruitment, after the website, thereby bringing top-tier talent to GO and contributing to a thriving workplace culture.

As part of our recruitment strategy, the Company has continued collaborating with different educational institutions. Apart from the immensely successful MCAST Apprenticeship Scheme, it also continued developing the Youth Exposure Programme, which gives students the possibility to bridge the gap between their academic studies and the working world. The Company renewed its partnership agreement with the Faculty of ICT and also welcomed a group of students from one of the local Church schools, apart from offering internship placements as part of the Erasmus+ Programme.

During the period under review, there have been notable improvements across GO's dedicated social media platforms focusing on what life at GO is really like. These enhancements include an increase in page views, visitor numbers, as well as increased engagement through reactions, comments, and reposts. In July 2023, GO's TikTok account was relaunched, to connect with its audience in a new and exciting way and registered an increase of over 600% in engagement rates. In line with the Company's commitment to enhancing the candidate experience, it continued enhancing its applicant tracking system, streamlining the application process for prospective candidates.

Directors' report - continued

An encouraging number of wellbeing initiatives were organised for its people, as well as several CSR events, that included assistance to Dar Hosea, which creates a safe and comfortable space for victims of sexual exploitation, offering them support as they work to rebuild their lives and Embrace Diversity, a voluntary organisation for children with disabilities, which are completely funded through our people's monthly donations, under the GO Cares umbrella.

Developing a learning culture
With an unwavering belief that GO's commitment to serving its people is integral to serving its customers effectively, 2022 served as a launching pad for additional opportunities for continuous growth and learning. The leadership team at GO fosters a supportive environment that values employee development, setting the stage and encouraging a focus on ongoing learning.

Our GO Academy, set up two years ago, continued to play a crucial role in equipping our workforce with the essential skills, mindsets, and behaviours for organisational advancement. GO's learning programmes are thoughtfully designed to address strategic competencies, technical and soft skill needs within departments, and individual self-directed goals, achieved through coaching, sponsorships for further studies, or our digital learning platform. Aligned with our strategic competencies, we have learning programmes centred on three pillars: Purposeful Leadership, Customer Centricity, and Digital Excellence.

These pillars are pivotal in developing the necessary skills as we strive to evolve into a purpose-led organisation.

Nevertheless, the most ground-breaking aspect of the Academy lies in the segment devoted to self-directed learning, enabling the team to take charge of defining their own learning objectives and autonomously investing in programmes that enhance overall performance. The Company collaborated with an international digital learning platform experienced robust growth throughout the reviewed period, witnessing more than a twofold increase in our learning content investment. This expansion provided the team with access to a wealth of resources and tools that enhance the learning experience. Furthermore, opportunities for bite-sized learning sessions focused on self-development were extended, with 25% of employees participating, and coaching continues to be integrated into the developmental lifecycle.

This year, several company-wide learning programmes were run, including a customer centricity EXPO for all employees, which was based on the Company's value of obsessing about customers' value. During the EXPO, team members shared their knowledge and stories, with their colleagues, on how they obsess about the customers through their everyday work. To celebrate GO Academy's second anniversary, management gave all employees a full day to invest in their growth and learn anything that sparked their curiosity. To encourage them further, they were all gifted a €100 learning voucher which they could use on any virtual learning content that interested them. Through Learning Day one-fourth of our people participated, resulting in over one thousand learning hours and a total investment of over €47,000. In 2023, the Company launched the second pillar of the Knowledge-Sharing initiative: Shadowing the Frontline. This programme is designed to provide everyone at GO with the opportunity to gain hands-on experience and learn from the frontline people who work tirelessly to deliver exceptional service to our customers. Furthermore, Leadership+, a learning programme for our leaders, gave our leaders the opportunity to finalise mental health awareness training and also refresh their knowledge around employment law in order to provide them with the tools to support their team members in the best way possible.

There was also a substantial amount of technical and soft skill learning organised across the organisation, with team members achieving notable certifications such as Cisco Certified Network Professional (CCNP) certification, Alcatel, 5G, Sales training, Telfonika Networks training and ISTQB Foundation certification. After registering almost twice as many training hours per person in 2022, the Company continued to increase learning hours across the organisation, by an additional 3% in 2023. The success of the learning investment can be seen in the employee satisfaction rate of the Leaning and Development umbrella which was 81.5%.

Directors' report - continued

Employee surveys

Embracing a learning culture at GO, the mastery of giving and receiving feedback is considered a fundamental skill for all. This skill serves as a catalyst for personal and professional development, enhancing collaborative efforts and customer service. In alignment with this feedback-centric culture, avenues are consistently created for the One GO Team to express their opinions.

Because people's voice matters, in recent years, an external agency was engaged to conduct an employee satisfaction survey. The survey, conducted throughout October 2023, collected valuable insights on our people's experiences at GO. It delved into areas such as leadership effectiveness, corporate culture, performance management, employee well-being, training and development, communication, team cohesiveness, and reward and recognition. Notably, the survey conducted in the past year recorded the highest employee satisfaction rate since its inception 12 years ago, that of 80.2%.

New ways of working

GO has maintained its flexible hybrid policies that were initially implemented to facilitate remote work. The temporary 'work from abroad' policy, initiated in 2021, reinforces our commitment to being an inclusive employer. This policy enables the Company's diverse workforce, where feasible based on their roles, to work remotely, thereby enhancing their overall working experience while ensuring continued support for business operations. An internal survey was conducted in the second half of 2023 to gather feedback on how to make GO an even better place to work.

Directors' report - continued

Safety, health and wellbeing at work

Our health, safety and wellbeing strategy includes that every line of business is responsible for the safety of their employees and third parties which may be effected by their operations. Our people receive specific health and safety training and/or are provided with the necessary health and safety information whereas their line managers take responsibility for making sure their teams know how to comply with health and safety standards Policies and programmes are in place to make sure we adhere to our own standards and that these standards meet or exceed minimum legal requirements. We will also work to make sure our products comply with safety regulations, including meeting industry standards. We provide direction to help teams understand and control health and safety risks and help everyone feel involved in health, safety and wellbeing issues.

One GO team metrics	Group		Company	
	2023	2022	2023	2022
Number of employees				
Male	841	856	456	481
Females	344	342	199	205
Number of employees at top management		-		
Male	42	31	23	23
Females	15	15	12	15
Age distribution				
Less than 30 years	305	322	143	166
Between 30 - 50 years	688	670	357	369
Above 50 years	193	206	155	151
Family related leave				
% employees entitled to take family related leave	100%	100%	100%	100%
Number of entitled employees that took family-related leave				
Male	34	19	18	12
Female	28	19	21	17
% of employees with disabilities	1.48%	0.9%	2.7%	1.3%
Health & Safety measures				
% of employees covered by health & safety management systems	100%	100%	100%	100%
Pay related				
% pay gap between women and men*	17%	17%	13%	13%
Average training hours per employees	37	40	46	44

*The gender wage gap is defined as the difference between average earnings of men and women relative to average earnings of men irrespective of the grade of the employees.

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Directors' report - continued

Human Rights

GO recognises certain fundamental rights also extend to the workplace and is committed to respecting the human rights of individuals in all aspects of its business. For this reason, the Company has adopted a Human Rights Policy to nurture an organisational culture that deeply respects human dignity, human rights and personal recognition. Furthermore, the Company is committed to take steps as may be necessary to identify and prevent interference with fundamental rights and provide for the respectful exercise of those rights by all persons, consistent with the safe, effective and efficient performance of work.

The Company respects all fundamental human rights and will be guided in the conduct of its business by the provisions of the United Nations Universal Declaration of Human Rights, the International Labour Organisation (ILO) core labour standards and Maltese law on the matter. In this area, telecommunication companies typically refer to such matters as:

- Human rights integration;
- Services used for defence, military, law enforcement, security or cybersecurity purposes and services provided in extreme or high-risk countries;
- Modern slavery;
- Big sporting events and the risks these events pose in relation to labour rights violations and community displacement.

Governance

Anti-corruption and bribery matters
One of GO's key objectives is to strive for ethical behaviour with regards to its interactions with all its stakeholders. Our Company's long-standing commitment to doing business with integrity means avoiding corruption in any form, including bribery, and complying with the local legislation in this respect. GO has set up a formal policy in respect of these matters.

This policy sets out the responsibilities of company officials and guidance on how to recognise and deal with bribery and corruption. GO prohibits bribery and corruption in all its forms. In all our dealings with public officials or private individuals or businesses, we must be open and transparent, conduct ourselves appropriately and strictly adhere to our business processes. This will ensure that no bribery or corruption takes place and avoid any appearance or suggestion of improper behaviour.

In order to ensure compliance to this policy, GO has in place a procurement process, in which all purchasing above a certain limit has to abide by rigorous procurement procedures and the authorisation levels of its officials. In line with environment commitments GO has invested in a paperless office and in this regard all transactions from the initial procurement stage up to approval is digitally stored, thus ensuring that GO has a full digital audit trail of the entire process.

Directors' report - continued

Our suppliers provide the products and services that are so important in executing GO's strategy. The Company wants to know who it is doing business with and who is acting on its behalf. So, suppliers are chosen using principles that ensure that they act ethically and responsibly, ensuring as much as is practicable that suppliers act in a socially and environmentally responsible way. GO carries out due diligence checks and also ongoing monitoring of the suppliers, agents, resellers and distributors base in order to detect at source any unusual behaviour and make sure that the organisation's zero tolerance policy is consistently portrayed both to the current supplier base and any potential newcomers to the scene, since it is crucial that we maintain high ethical standards. We do not tolerate fraud, bribery, any form of corruption or any illegal or unethical activity. The Company follows local and international law, including anti-corruption and bribery laws. The policy is that procurement contracts include anti-corruption and bribery clauses.

The Company also face the risks associated with inappropriate and unethical behaviour in the market by its people or associates, such as suppliers or agents, which can be difficult to detect. GO faces the risks that the controls designed to prevent, detect and correct such behaviour may be circumvented. Controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and there can be no assurance that any design will succeed in achieving its stated goals under all potential conditions, regardless of how remote.

If our people, or associates like suppliers or agents, breach anti-corruption, bribery, sanctions or other legislation there could be significant penalties, criminal prosecution and damage to our brand. This could have an impact on future revenue and cash flows depending on the nature of the breach, the legislation concerned and any penalties. Accusations of corruption, bribery, violating sanctions, regulations or other laws could lead to reputational damage with investors, regulators and customers. If fraud is committed, there is a risk of financial misstatement which if undetected can have a material financial impact and potential litigation together with regulatory consequences.

Financial and other controls play an important part in our ability to prevent and detect inappropriate and unethical behaviour. This behaviour includes fraud, deliberate financial misstatement and improper accounting practices, as well as breaches of anti-corruption, bribery, or sanctions legislation. If the design, operation or the assurance over these controls is ineffective or circumvented, there is a greater risk that the impacts described above may materialise.

GO has a controls and compliance programme to strengthen awareness of the standards it expects, the capabilities of our people, and to reinforce the importance of doing business in an ethical, disciplined and standardised way. As part of the implementation of the policy, all our people had to complete training to embrace our zero tolerance to bribery and corruption. There are also policies covering gifts, hospitality, charitable donations and sponsorship. Tailored training is run for people in higher-risk roles like procurement and sales.

Procedures are in place where employees can report in complete confidence to the Group Internal Auditor and that any retaliation against someone who reports a concern is strictly prohibited. Also, our internal audit team runs checks on our business to ensure that the policies are being adhered to.

The Group will monitor the application of the policy referred to with a view to determining, if considered applicable, objectives and KPIs in coming financial years to explain further progress in respect of these areas. However, the outcome of this process depends on the manner in which events unfold in future.

Directors' report - continued

Privacy Policy
GO is very conscious about the personal data it handles daily, especially when dealing with its customers. It has taken a number of steps to ensure compliance with all relevant legislation, including the GDPR and Data Protection Act, and to implement internal processes which safeguard our customers' privacy and personal data on a daily basis.

GO's Privacy Policy, which is published on its website and made readily available, gives both customers and non-customers a full picture on the type of personal data GO process as well as the manner and extent to which it does so. It also explains and outlines the process for customers to exercise their rights with respect to their personal data and how to take matters up with our Data Protection Officer.

Over the past year, our Data Protection Officer has handled very few complaints, requests for information or customer-related issues. Given the number of customers and data processes we have in place, we consider this to be a true testament to our commitment and success in this area. Our customers have faith in us and with good reason, and we want to ensure that we continue to build on that trust.

As with everything else, we are sure that this is, and will continue to be, down to our employees, who remain the cornerstone of our organisation. Apart from the Privacy Policy, our employees across all the Group are carefully implementing a number of other specially written internal policies and procedures which help guide and educate those strategies, decisions and interactions which may have an impact, big or small, on a customer's personal data. Such documentation is updated whenever necessary. We also hold regular training sessions for all staff to continually keep privacy and the protection of personal data at the forefront of our services. During the year under review employees have undertaken refresher training on the main principles governing privacy and the protection of personal data. New employees joining the Group and those sensitive areas of the Group were also required to attend specific training on the subject. During 2023, 700 GO employees completed their GDPR-specific training fully for a total time of approximately 350 total hours.

Internal audit function
In 2023 the Internal Audit function team carried out work in terms of the audit plan for the year approved by the Audit Committee. Work consisted mainly of audits, follow-ups, and periodic exercises. The audits were mainly focused on migrations of systems as well as on ISO27001 related work. In its work the Internal Audit team keeps regular communication with the auditee and practices are in place for audits to be discussed at Exit Meetings and to be signed off by the auditees and Chiefs concerned who provide feedback and timeframes on agreed upon recommendations, which are then followed up in due course. Communication is key and for this purpose the Group Internal Auditor held monthly meetings with each of the various Chiefs.

Directors' report - continued

Information Security
Committed to safeguarding customers' data and ensuring business operations' continuity, GO prioritises infrastructure protection. In the year under review 2023, substantial investments were made in technology, processes and employee training to fortify information security measures and align with current regulations.

Following the attainment of ISO 27001 certification in 2022, reaffirmed in 2023, efforts persist in implementing and maintaining an effective information security management system. This standard guides the management of sensitive data across three data centre locations and headquarters offices. Security policies have been updated to reflect evolving operational contexts, supported by dedicated committees.

In tandem with ISO 27001 certification, investments target new technologies and processes to mitigate cyber risks, such as enhanced security controls, regular employee security awareness training, audits, and refined incident response protocols. Collaboration with suppliers ensures supply chain security.

Anticipating increased compliance obligations with forthcoming European Union legislation, proactive measures are underway to prepare for changes. This encompasses ensuring compliance with the General Data Protection Regulation (GDPR) and other upcoming regulations, including the latest version of the Network and Information Security Directive (NIS 2) and the Digital Operational Resilience Act (DORA). Investment in these measures instils confidence in maintaining customers' data protection, business operations continuity, and adherence to all legal and regulatory requirements.

Double materiality assessment

As the Group prepares for its upcoming reporting obligations under the Corporate Sustainability Reporting Directive ('CSRD'), it is currently in the process of performing its first double materiality assessment.

The principle of double materiality considers impact materiality and financial materiality. Impact materiality (inside-out) addresses how an undertaking impacts the environment and society as a result of its business operations (including its value chain activities). Financial materiality (outside-in) addresses how an undertaking may be exposed to risks and/or opportunities as a result of sustainability related considerations.

The purpose of the double materiality assessment is to obtain a detailed understanding of an undertaking's operations, including its value chain, and to identify impacts, risks and opportunities ('IROs') across various sustainability related matters.

Following the IRO identification process, a scoring exercise is required to be undertaken to determine which IROs, and the sustainability matters to which the IROs relate, are material (with an IRO potentially being material from either an impact perspective, financial perspective or both). Material IROs and the sustainability matters to which they relate will require disclosure in the undertaking's CSRD report.

The double materiality assessment is being performed in accordance with the requirements established in the European Sustainability Reporting Standards ('ESRSs') and available guidance published by EFRAG.

The Group is currently in the research phase of the double materiality assessment in which it is seeking to understand the sustainability matters and IROs generally considered to be relevant to the telecommunications industry by reference to:
- Existing reporting frameworks;
- Peer's analysis;
- Media reports; and
- Other publications on general sustainability trends and scientific articles

Directors' report - continued

Based on the research conducted to date, the Group anticipates the following sustainability matters, grouped by sustainability topic, will likely be considered as material:

Environment	Social	Governance
Climate change	***Own workforce***	***Business conduct***
Climate change adaptation Climate change mitigation	Social dialogue* Diversity*	Anti-corruption and bribery* Competitive behaviour
Energy	Work life balance*	
	Employment & inclusion of persons with disabilities*	
Circular Economy	Health and safety*	
Waste	Gender equality and equal pay for equal work*	
	Training and skills development*	
	Consumers and end-users	
	Data privacy & security*	
	Access to products and services	

**Relate to sustainability matters already considered relevant by the Group and reported on. As part of the double materiality assessment, the Group will assess the continued relevance of such sustainability matters, ensuring appropriateness of the sustainability matters reported on under CSRD in accordance with the fundamental qualitative characteristics of information required to be applied by ESRS 1 (i.e., relevance of information).*

Board of Directors

The Directors who served on the Board during the year under review or up to the date of this report are listed hereunder. None of the Directors in office during the year or at the balance sheet date held an executive appointment with the Company or its subsidiaries.

Lassâad Ben Dhiab
Azmi Lahmar (appointed on the 16 March 2023)
Sofiane Antar
Paul Fenech
Faker Hnid
Deepak Padmanabhan
Norbert Prihoda
Paul Testaferrata Moroni Viani

In terms of Article 58.2 of the Articles of Association, the term of appointment of the Directors still in office expires at the forthcoming Annual General Meeting.

Paul Fenech, Deepak Padmanabhan and Paul Testaferrata Moroni Viani offered themselves for election at the twenty-fifth Annual General Meeting for the three seats on the Board of Directors and thus there was no need for an election and the three were re-appointed to represent the Company's minor shareholders.

Directors' report - continued

Faker Hnid and Deepak Padmanabhan also acted as directors of BMITT. Faker Hnid acted as director on the boards of the following subsidiaries of BMITT, BMIT Limited, Bellnet Limited and BM Support Services Limited.

Lassâad Ben Dhiab, Faker Hnid and Norbert Prihoda (appointed 27 October 2023) were also acting as directors of Cablenet.

None of the Directors have service contracts with either the Company or its subsidiaries.

The composition of Officers and Senior Management is further disclosed under section 'Company Information'. Further information is also given in the Corporate Governance - Statement of Compliance.

Remuneration committee and corporate governance

The activities of the remuneration committee and the Group's arrangements for corporate governance are reported on pages 54 - 63.

Directors' responsibilities

The Directors are required by the Companies Act (Cap. 386) to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the EU which give a true and fair view of the state of affairs of the Company as at the end of each reporting period and of the profit and loss for that period.

In preparing the financial statements, the Directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying consistently suitable accounting policies;
- making accounting judgements and estimates that are reasonable; and
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business as a going concern.

The Directors are also responsible for designing, implementing and maintaining such internal control as they deem necessary for the preparation of financial statements that are free from financial misstatements, whether due to fraud or error, and that comply with the Maltese Companies Act (Cap. 386). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements of GO p.l.c. for the year ended 31 December 2023 are included in the Annual Financial Report 2023, which is published in hard-copy printed form and will be made available on the Company's website. The Directors are responsible for the maintenance and integrity of the Annual Financial Report on the website in view of their responsibility for the controls over, and the security of, the website. Access to information published on the Company's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

Information provided in accordance with Capital Markets Rule 5.70.1

There were no material contracts to which the Company, or any of its subsidiaries was a party, and in which anyone of the Company's Directors was directly or indirectly interested.

Directors' report - continued

Going concern

The Directors, as required by the Capital Markets Rule 5.62, have considered the Company's operating performance, the balance sheet at year end, as well as the business plan for the coming year, and they have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, in preparing the financial statements, they continue to adopt the going concern basis.

Auditors

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office. A resolution to re-appoint the auditors and to authorise the Directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

Information provided in accordance with Capital Markets Rule 5.64

The authorised share capital of the Company is three hundred forty-nine million, four hundred and five thousand and eight hundred euro (€349,405,800) divided into six hundred million (600,000,000) shares of fifty eight point two three four three euro cent (58.2343 euro cent) each share.

The issued share capital of the Company is fifty-eight million, nine hundred and ninety seven thousand, four hundred and fifty three euro and fifty one euro cent (€58,997,453.51) divided into one hundred and one million three hundred and ten thousand four hundred and eighty eight (101,310,488) ordinary shares of fifty eight point two three four three euro cent (58.2343 euro cent) each share, which have been subscribed for and allotted fully paid up. The issued shares of the Company consist of one class of ordinary shares with equal voting rights attached.

The Company did not modify in any way the structure of its share capital during the year. No further issues were made and neither did the Company acquire ownership of or any rights over any portion of its issued share capital.

The Directors confirm that as at 31 December 2023, only TT ML Limited held a shareholding in excess of 5% of the total issued share capital.

Any shareholder holding in excess of 40% of the issued share capital of the Company having voting rights may appoint the Chairman. In the event that there is no one single shareholder having such a shareholding, the Chairman shall be elected by shareholders at the Annual General Meeting of the Company.

The rules governing the appointment of Board members are contained in Clause 57.2 of the Company's Articles of Association as follows:

The Directors shall be appointed as set out hereunder:

(a) A Shareholder holding not less than 12% (twelve per centum) of the issued share capital of the Company having voting rights shall be entitled to appoint one Director for every such 12% holding by letter addressed to the Company. Provided that anyone Shareholder who, pursuant to the provisions of sub article 57.1 (a) is entitled to appoint the Chairman, shall for the purposes of the appointment of Directors in terms of this sub-article have 12% of his holdings deducted and may accordingly only appoint Directors with the residual balance of shares having voting rights after such deduction.

Directors' report - continued

(b) Any Shareholder who does not qualify to appoint Directors, in terms of the provisions of paragraph (a) of this sub-article 57.2, and who has not aggregated his holdings with those of other Shareholders for the purposes of appointing a Director(s) pursuant thereto, shall be entitled to participate and vote in an election of Directors to take place once in every year at the Annual General Meeting of the Company.

(c) Shareholders entitled to appoint Directors pursuant to the provisions of paragraph (a) sub-article 57.2 shall not be entitled to participate in the election of Directors in terms of paragraph (b) of this sub-article.

(d) Members shall be entitled in lieu of voting at an election of Directors, to aggregate their shareholdings, and to appoint one Director for every twelve per cent (12%) shareholding having voting rights held between them, by letter addressed to the Company in accordance with the provisions of sub-article 57.2 (a); and for the purposes of this paragraph and voting rights of persons entitled to vote pursuant to the provisions of sub-article 57.2 (b) remaining after the exercise of such vote may aggregate such rights as aforesaid.

Any amendment to the Company's Memorandum and Articles of Association has to be made in accordance with the Companies Act (Cap. 386).

Without prejudice to any special rights previously conferred on the holders of any of the existing shares or class thereof, any share in the Company may be issued with such preferred, deferred, or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Board of Directors may from time to time determine, as provided for in Clauses 3.2 and 3.3 of the Articles of Association, as long as any such issue of equity securities falls within the authorised share capital of the Company.

The Company may, subject to the applicable restrictions, limitations and conditions contained in the Companies Act (Cap. 386), acquire its own shares and/or equity securities.

Pursuant to Capital Market Rules 5.64.2, 5.64.4, 5.64.5, 5.64.6, 5.64.7, 5.64.10 and 5.64.11 it is hereby declared that, as at 31 December 2023, none of the requirements apply to the Company.

Remuneration Policy and Remuneration Report

The Remuneration Committee of the Company will be submitting to the Shareholders for an advisory vote at the forthcoming Annual General Meeting the Remuneration Report for the financial year ending 31 December 2023. The Remuneration Report is drawn up in accordance with, and in fulfilment of the provisions of Chapter 12 of the Capital Markets Rules issued by the Malta Financial Services Authority relating to the Remuneration Report and Section 8A of the Code of Principles of Good Corporate Governance (Appendix 5.1 of the Capital Market Rules) regarding the Remuneration Statement.

The Remuneration Report provides a comprehensive overview of the nature and quantum of remuneration paid to Directors and the Chief Executive Officer during the reporting period and details how this complies with the Company's Remuneration Policy. The Remuneration Report is intended to provide increased corporate transparency, increased accountability and a better shareholder oversight over the remuneration paid by the Company. The contents of this Remuneration Report have been reviewed by the Company's Auditors to ensure that the information required in terms of Appendix 12.1 of the Capital Market Rules has been included.

Directors' report - continued

We, the undersigned, declare that to the best of our knowledge, the financial statements prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and its subsidiaries included in the consolidation taken as a whole, and that this report includes a fair review of the performance of the business and the position of the Company and its subsidiaries included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Signed on behalf of the Company's Board of Directors on 20 March 2024 by Paul Testaferrata Moroni Viani and Paul Fenech as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report 2023.

Registered office
GO, Fra Diegu Street
Marsa
Malta

Company Secretary
Dr Francis Galea Salomone

20 March 2024

Corporate governance - Statement of compliance

A. Introduction

Pursuant to the Malta Financial Services Authority Capital Markets Rules, GO p.l.c. ('the Company' or GO) whose equity securities are listed on a regulated market should endeavour to adopt the Code of Principles of Good Corporate Governance ('the Code') as contained in Appendix 5.1 to Chapter 5 of the Capital Markets Rules. In terms of the Capital Markets Rules the Company is hereby reporting on the extent of its adoption of the Code.

The Company acknowledges that the Code does not prescribe mandatory rules but recommends principles so as to provide proper incentives for the Board of Directors ('the Board') and the Company's management to pursue objectives that are in the interests of the Company and its shareholders. Good corporate governance is the responsibility of the Board, and in this regard the Board has carried out a review of the Company's compliance with the Code during the period under review, and hereby provides its report thereon.

As demonstrated by the information set out in this statement, together with the information contained in the Remuneration Report to the Shareholders, the Company believes that it has, save as indicated herein the section entitled Non-Compliance with the Code, throughout the period under review, applied the principles and complied with the provisions of the Code.

B. Compliance

Principle 1: The Board

The Board, the members of which are appointed by the shareholders, is primarily tasked with the administration of the Company's resources in such a way as to enhance the prosperity of the business over time, and therefore the value of the Shareholders' investment. The Board is composed of eight Directors (one of whom is the Chairman) all of whom are non-executive Directors.

The Board is in regular contact with the Chief Executive Officer and is continuously informed of any decisions taken by the senior management in order to ensure an effective contribution to the decision making process, whilst at the same time exercising prudent and effective controls. Directors, individually and collectively, are of appropriate calibre, with the necessary skill and experience to assist them in providing leadership, integrity and judgement in directing the Company towards the maximisation of shareholder value.

The Board delegates specific responsibilities to a number of committees, notably the Remuneration Committee and the Audit Committee, each of which operates under formal terms of reference approved by the Board.

Further detail in relation to the Committees and the responsibilities of the Board is found in paragraph 'Principles 4 and 5' of this statement.

Principle 2: Chairman and Chief Executive Officer

The roles of Chairman and Chief Executive Officer are filled by separate individuals, and the Chief Executive Officer is appointed by the Board for a definite period. During the period under review Lassâad Ben Dhiab was Chairman and Nikhil Patil was the Chief Executive Officer.

Corporate governance - Statement of compliance - continued

Principle 2: Chairman and Chief Executive Officer - continued

The responsibilities and roles of the Chairman and the Chief Executive Officer are clearly established and agreed to by the Board of Directors.

The Chairman is responsible to lead the Board and set its agenda. The Chairman ensures that the Board is in receipt of precise, timely and objective information and also encourages active engagement by all members of the Board for discussion of complex and contentious issues.

Principle 3: Composition of the Board

In accordance with the provisions of the Company's Articles of Association, the appointment of Directors to the Board is exclusively reserved to the Company's shareholders, except in so far as appointment is made to fill a casual vacancy on the Board, and which appointment would expire at the Company's Annual General Meeting following appointment. Any vacancy among the Directors may be filled by the co-option of another person to fill such vacancy. Such co-option shall be made by the Board of Directors.

The Board has the overall responsibility for the activities carried out within the Company and the Group and thus decides on the nature, direction, strategy and framework of the activities and sets the objectives for the activities.

The Board of Directors is currently comprised from eight (8) non-executive Directors. The following Directors served on the Board during the period under review:

Lassâad Ben Dhiab
Sofiane Antar
Paul Fenech
Faker Hnid
Deepak Padmanabhan
Norbert Prihoda
Paul Testaferrata Moroni Viani
Azmi Lahmar (appointed on 16 March 2023)

For the purposes of the Code, the non-executive Directors are independent. The Company deems that, although Sofiane Antar, Faker Hnid, Lassâad Ben Dhiab, Azmi Lahmar and Norbert Prihoda have an employee and director relationship with the controlling shareholder, in terms of Supporting Principle 3 (vii) of the Code of Principles of Good Corporate Governance such relationship is not considered to create a conflict of interest such as to jeopardise exercise of their free judgement.

Corporate governance - Statement of compliance - continued

Principle 3: Composition of the Board - continued

Application of Diversity Policy in relation to the Board of Directors

The Company does not have in place a formal diversity policy which is applied in relation to the Board of Directors with regard to aspects such as age, gender or educational and professional backgrounds. This is principally attributable to the fact that the Company is controlled by Tunisie Telecom and accordingly policies such as this which govern the composition of the Board necessarily have to take into account the circumstances, direction and strategy of the controlling party. Notwithstanding the absence of a diversity policy, the Company endeavours to have in place a Board composed of members who possess a diverse range of skills, characteristics and qualities. The objective of the Company is that the Board composition contributes to different views and opinions, enhancing the level and quality of challenge together with oversight exercised at Board level.

Principles 4 and 5: The Responsibilities of the Board and Board Meetings

The Board has a formal schedule of matters reserved to it for decisions, but also delegates specific responsibilities to various board committees and sub-committees, the most prominent being the Audit Committee and the Remuneration Committee. Directors receive board and committee papers in advance of meetings and have access to the advice and services of the Company Secretary. Directors may, in the course of their duties, take independent professional advice on any matter at the Company's expense. The Directors are fully aware of their responsibility to always to act in the best interests of the Company and its shareholders as a whole, irrespective of whoever appointed or elected them to serve on the Board. As delegated and monitored by the Board, the Company Secretary keeps detailed records of all dealings by Directors and senior executives of the Company and its subsidiaries in the Company's shares and all minutes of meetings of the Board and its sub-committees.

During the year under review the Board met nine (9) times and attendance by Board members was as follows:

	Attended
Lassâad Ben Dhiab	9
Sofiane Antar	9
Paul Fenech	9
Faker Hnid	9
Deepak Padmanabhan	9
Norbert Prihoda	9
Paul Testaferrata Moroni Viani	9
Azmi Lahmar	8

On joining the Board, a Director is provided with a presentation by the departmental heads on the activities of their respective business unit in the Company and its subsidiaries. The Directors receive, on a regular basis, information on the Group financial performance and position. The Board has the responsibility to ensure that the activities are organised in such a way that the accounts, management of funds and financial conditions in all other respects are controlled in a satisfactory manner and that the risks inherent in the activities are identified, defined, measured, monitored and controlled in accordance with external and internal rules, including the Articles of Association of the Company. The Board of Directors continuously assesses and monitors the Company's operational and financial performance, assesses and controls risk, and monitors competitive forces in all areas of operation. It also ensures that both the Company and its employees maintain the highest standards of corporate conduct.

Corporate governance - Statement of compliance - continued

Principles 4 and 5: The Responsibilities of the Board and Board Meetings - continued

Board Committees

Audit Committee

The Audit Committee supports the work of the Board in terms of quality control of the Group's financial reports and internal controls. The Audit Committee is currently chaired by Faker Hnid, with the other members being Deepak Padmanabhan and Paul Fenech. The Audit Committee is independent and is constituted in accordance with the requirements of the Capital Markets Rules, with Faker Hnid being chosen as the member competent in accounting and/or auditing in view of his experience in the field. The Internal Auditor is present at Audit Committee meetings. The Chief Finance Officer and the external auditors of the Company attend the meetings of the Committee by invitation. Other executives are requested to attend when required. The Company Secretary also acts as Secretary to the Audit Committee.

The Committee scrutinises and monitors related party transactions. It considers the materiality and the nature of the related party transactions carried out by the Company to ensure that the arm's length principle is adhered to at all times.

As part of its duties, the Committee receives and considers reports on the system of internal financial controls and the audited statutory financial statements of all companies comprising the Group. The Committee held ten (10) meetings during the year. The external auditors attended four (4) of these meetings.

Remuneration Committee

The Committee is responsible for determining and agreeing with the Board the framework or broad policy for the Remuneration of the Company's chief officers, the Chairman of the Company, the Directors of the Board, and such other members as it is designated to consider. In determining such policy, the Committee takes into account all factors which it deems necessary, including the position of the Group companies relative to other companies in the marketplace. The objective of such policy shall be to ensure that Directors and chief officers are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Group companies.

The Remuneration Committee was chaired by the Chairman of the Board of Directors, the other members being Paul Testaferrata Moroni Viani and Paul Fenech. The Company Secretary, Dr Francis Galea Salomone, acts as Secretary to the Remuneration Committee. The Remuneration Committee met one (1) time in 2023. The Remuneration Report is set out on pages 64 to 69.

Corporate governance - Statement of compliance - continued

Principle 6: Information and Professional Development

The Board is responsible for the appointment of the Chief Executive Officer. The Chief Executive Officer, although responsible for the recruitment and selection of senior management, consults with the Remuneration Committee and with the Board on the appointment of senior management.

On joining the Board, Board members are informed in writing by the Company Secretary of the Directors' duties and obligations, relevant legislation as well as rules and bye-laws. In addition, Directors have access to the advice and services of the Company Secretary and the Board is also advised directly, as appropriate, by its legal advisors. Directors are also provided with a presentation by the departmental heads on the activities of their respective business unit in the Company and subsidiaries. On a regular basis, the Directors receive periodic information on the Group's financial performance and position. The Company Secretary ensures effective information flows within the Board, committees and between senior management and Directors, as well as facilitating professional development. The Company Secretary advises the Board through the Chairman on all governance matters.

Directors may, in the course of their duties, take independent professional advice on any matter at the Company's expense. The Company will provide for additional individual Directors' training on a requirements basis.

Principle 7: Evaluation of the Board's Performance

The Chairman of the Board informally evaluates the performance of the Board members, which assessment is followed by discussions within the Board. Through this process the activities and working methods of the Board and each committee member are evaluated. Amongst the things examined by the Chairman through his assessment are the following: how to improve the work of the Board further, whether or not each individual member takes an active part in the discussions of the Board and the committees; whether they contribute independent opinions and whether the meeting atmosphere facilitates open discussions. Under the present circumstances the Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role as the Board's performance is furthermore also under the scrutiny of the shareholders.

On the other hand, the performance of the Chairman is evaluated by the Board of Directors of the ultimate controlling party, taking into account the manner in which the Chairman is appointed. The self-evaluation of the Board has not led to any material changes in the Company's governance structures and organisations.

Principle 8: Committees

The function of the Remuneration Committee is dealt with under the Remuneration Report, which also includes the Remuneration Statement in terms of Code Provisions 8.A.3 and 8.A.4.

The Company has opted not to set up a Nomination Committee. Further explanation is provided under the section entitled Non-Compliance with the Code of this Statement.

Corporate governance - Statement of compliance - continued

Principles 9 and 10: Relations with Shareholders and with the Market, and Institutional Shareholders

The Company recognises the importance of maintaining a dialogue with its shareholders and of keeping the market informed to ensure that its strategies and performance are well understood. During the period under review the Company has maintained an effective communication with the market through a number of Company announcements and press releases.

The Company also communicates with its shareholders through the Company's Annual General Meeting ('AGM'). The Chairman of the Board ensures that all Directors attend the AGM and that both himself and the Chairman of the Audit Committee are available to answer questions.

Both the Chairman and Chief Executive Officer also ensure that sufficient contact is maintained with major shareholders to understand issues and concerns.

Apart from the AGM, the Company communicates with its shareholders by way of the Annual Financial Report and Consolidated Financial Statements and also through the Company's website (www.go.com.mt) which also contains information about the Company and its business, including an Investor Relations section.

In addition, the Company holds meetings with major stockbrokers and financial intermediaries, which meetings usually coincide with the publication of financial statements.

The office of the Company Secretary maintains regular communication between the Company and its investors. Individual shareholders can raise matters relating to their shareholdings and the business of the Group at any time throughout the year and are given the opportunity to ask questions at the AGM or to submit written questions in advance.

As provided by the Companies Act (Cap. 386), minority shareholders may convene Extraordinary General Meetings.

Principle 11: Conflicts of Interest

The Directors are fully aware of their responsibility to always to act in the best interests of the Company and its shareholders as a whole irrespective of whoever appointed or elected them to serve on the Board.

On joining the Board and regularly thereafter, the Directors are informed of their obligations on dealing in securities of the Company within the parameters of law, including the Capital Markets Rules, and Directors follow the required notification procedures.

Directors' interest in the shareholding of the Company:

	Number of shares as at 31 December 2023
Lassâad Ben Dhiab	Nil
Sofiane Antar	Nil
Paul Fenech	130,995
Faker Hnid	Nil
Deepak Srinivas Padmanabhan	Nil
Norbert Prihoda	Nil
Paul Testaferrata Moroni Viani	78,394
Azmi Lahmar	Nil

Corporate governance - Statement of compliance - continued

Principle 11: Conflicts of Interest - continued

Paul Fenech has a beneficial interest in the Company of 130,995 shares through the shareholding of Classic Group Ltd. in GO.

Paul Testaferrata Moroni Viani has a beneficial interest in the Company of 75,494 and 2,900 shares through the shareholding of other related parties including Testaferrata Moroni Viani (Holdings) Ltd. and Testaferrata Moroni Viani Ltd. respectively in GO.

None of the other Directors of the Company have any interest in the shares of the Company or the Company's subsidiaries or investees or any disclosable interest in any contracts or arrangements either subsisting at the end of the last financial year or entered into during this financial year.

There were no other changes in the Directors' interest in the shareholding of the Company between year-end and 29 February 2024.

Principle 12: Corporate Social Responsibility

As a major presence in the community, GO has always taken its corporate social responsibility very seriously. As in previous years, in 2023 the Group has maintained a steady programme of activities aimed at improving the quality of life of its work force and their families, as well as of the local community and society at large. *L-Istrina* was once again an event which was heavily supported by GO, not only in terms of a substantial donation but also in terms of equipment, communications infrastructure and hundreds of man-hours, freely given to ensure the success of this annual fundraiser. GO also continued to support various NGOs. During the year GO also continued to build on the 'GO for the Future' campaign supporting various educational initiatives which encourage reading and a passion for science.

The Company retained a careful eye on environmental considerations in all its activities, as well as ethical behaviour with regards to its interactions with all its stakeholders.

It is always particularly encouraging to note that while employee support for company-driven events is growing from year to year, so are the number of personal initiatives taken, as this is very much in line with the Company's belief in a holistic approach to their work-life balance as well as strengthening community team spirit.

C. Non-compliance with the Code

Principle 3: Executive and Non-Executive Directors on the Board

As explained in Principle 3 in Section B, the Board is composed entirely of non-executive Directors. Notwithstanding this, it is considered that the Board, as composed, provides for sufficiently balanced skills and experience to enable it to discharge its duties and responsibilities effectively. In addition, no cases of conflict of interest are foreseen.

Corporate governance - Statement of compliance - continued

Principle 4: Succession Policy for the Board (code provision 4.2.7)

This Code Provision recommends the development of a succession policy for the future composition of the Board of Directors and particularly the executive component thereof, for which the Chairman should hold key responsibility.

In the context of the appointment of Directors being a matter reserved exclusively to the Company's shareholders (except where the need arises to fill a casual vacancy) as explained under Principle 3 in Section B, considering that every Director retires from office at the AGM and on the basis of the Directors' non-executive role, the Company does not consider it feasible to have in place such a succession policy.

Principle 6: Succession Plan for Senior Management

Although the Chief Executive Officer is responsible for the recruitment and appointment of senior management, the Company has not established a formal succession plan. This is basically due to the fact that the appointment of senior management is always discussed at the Remuneration Committee and approved by the Board of Directors.

Principle 8 B: Nomination Committee

Pursuant to the Company's Articles of Association, the appointment of Directors to the Board is reserved exclusively to the Company's shareholders. Shareholders holding not less than 12% (twelve per centum) of the issued share capital of the Company having voting rights shall be entitled to appoint one Director for every such 12% holding by letter addressed to the Company. The other shareholders are entitled to appoint the remaining Board members at the AGM in accordance with the provisions of the Articles of Association. The nomination of a candidate by a shareholder is to be seconded by a shareholder or shareholders holding at least 15,000 shares.

Within this context, the Board believes that the setting up of a Nomination Committee is currently not suited to the Company since it will not be able to undertake satisfactorily its full functions and responsibilities as envisaged by the spirit of the Code. The Company also considers that some of the functions of the Nomination Committee (particularly those relating to succession planning and the appointment of senior management) are already dealt with by the Remuneration Committee.

Principle 9: Conflicts between Shareholders (code provision 9.3)

Currently there is no established mechanism disclosed in the Company's Memorandum and Articles of Association to trigger arbitration in the case of conflict between the minority shareholders and the controlling shareholders. In any such cases should a conflict arise, the matter is dealt with in the appropriate fora in the Board meetings, wherein the minority shareholders are represented. There is also an open channel of communication between the Company and the minority shareholders via the office of the Company Secretary.

Corporate governance - Statement of compliance - continued

D. Internal controls

The key features of the Group's system of internal controls are as follows:

Organisation

The Group operates through boards of directors of subsidiaries with clear reporting lines and delegation of powers.

Control environment

The Group is committed to the highest standards of business conduct and seeks to maintain these standards across all of its operations. Group policies and employee procedures are in place for the reporting and resolution of fraudulent activities.

The Group has an appropriate organisational structure for planning, executing, controlling and monitoring business operations in order to achieve Group objectives. Lines of responsibility and delegation of authority are documented.

The Group and the individual companies comprising it have implemented control procedures designed to ensure complete and accurate accounting for financial transactions and to limit the potential exposure to loss of assets or fraud. Measures taken include physical controls, segregation of duties and reviews by management, the internal audit team and the external auditors.

Risk identification

Group management is responsible together with each of the subsidiary companies' management, for the identification and evaluation of key risks applicable to their areas of business. These risks are assessed on a continual basis and may be associated with a variety of internal or external sources including control breakdowns, disruption in information systems, competition, natural catastrophe and regulatory requirements.

Information and communication

Group companies participate in periodic strategic reviews which include consideration of long-term financial projections and the evaluation of business alternatives.

Monitoring and corrective action

There are clear and consistent procedures in place for monitoring the system of internal financial controls. The Audit Committee meets regularly during the year and, within its terms of reference as approved by the Malta Financial Services Authority, reviews the effectiveness of the Group's systems of internal financial controls. The Committee receives reports from management, internal audit and the external auditors.

Corporate governance - Statement of compliance - continued

E. General meetings

Shareholders' influence is exercised at the Annual General Meeting (AGM), which is the highest decision-making body of the Company. All shareholders, registered in the Shareholders' Register, have the right to participate in the Meeting and to vote for the full number of their respective shares. A shareholder who cannot participate in the Meeting can be represented by proxy.

Business at the Company's AGM will cover the Annual Financial Report and Consolidated Financial Statements, the declaration of dividends, election of Directors and the approval of their remuneration, the appointment of the auditors and the authorisation of the Directors to set the auditors' fees. Shareholders' meetings are called with sufficient notice to enable the use of proxies to attend, vote or abstain. The Company clearly recognises the importance of maintaining a regular dialogue with its shareholders in order to ensure that its strategies and performance are understood. It communicates with the shareholders through the AGM by way of the Annual Consolidated Financial Report and Financial Statements and by publishing its results on a regular basis during the year. This is done through the Investor Relations Section on the Company's internet site, the office of the Company Secretary, and Company announcements to the market in general. A free-phone service is reserved for communication by shareholders with the Company. Regular meetings are held with financial intermediaries and stockbrokers.

Remuneration report

The Remuneration Committee is responsible to draw up a Remuneration Policy and submit it for the Board's consideration. In determining such policy, the Committee takes into account all factors which it deems necessary, including the position of the Group companies relative to other companies in the marketplace. The objective of such policy shall be to ensure that Directors and Chief Officers are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Group Companies. The remuneration policy is applicable for a maximum period of four years and has been approved by the shareholders at the Annual General Meeting held on 28 July 2020 with 76,626,100 votes in favour and 22,760 votes against. This remuneration policy approved on 28 July 2020 is in line with the policy applied for the remuneration paid to Directors and Chief Executive Officer in the preceding period. All remuneration for Directors was in conformity with this policy.

Role of the Remuneration Committee and Shareholder Involvement

The Committee is composed of three (3) non-executive Directors. During 2023, the Remuneration Committee was composed of Lassâad Ben Dhiab, Paul Testaferrata Moroni Viani and Paul Fenech, all of whom are non-executive Directors of the Company. The Chief Executive Officer (CEO) of the Company is invited to attend the meetings of the Committee. The Company Secretary, Dr. Francis Galea Salomone acts as Secretary to the Remuneration Committee.

During 2020, the Remuneration Committee (the 'Committee') has been tasked to draw up the Remuneration Policy and submit it for the Board's consideration. This Remuneration Policy sets out the elements underpinning GO's policy for the remuneration of its Board of Directors. This Policy is focused on delivering fair, responsible and transparent remuneration that would contribute to the achievement of the Company's long-term interests, sustainability and strategic objectives and that would support GO in maintaining its status as a leading player in the Maltese telecoms sector.

The Remuneration Policy has been prepared in accordance with the requirements of the EU Shareholder Rights Directive as reflected in Chapter 12 of the Capital Markets Rules issued by the Malta Financial Services Authority. This Policy has been considered and approved by the Company's Board of Directors and by the Company's shareholders at the last Annual General Meeting. The approved policy can be viewed on the Company's website.

The Remuneration Committee, shall, from time to time review the Policy to ensure its continued alignment with the Company's business strategy. The Board of Directors shall submit the Company's remuneration policy before the Company's General Meeting for its approval every four (4) years, or earlier, in the case material amendments are affected thereto.

It is the opinion of the Company's Board of Directors that there is no risk of a conflicting interest in the drawing up of this Policy as it is being submitted before the Company's General Meeting for its consideration and approval. Furthermore, the aggregate emoluments payable to the Board of Directors in any one financial year are also determined by the General Meeting of Shareholders.

Remuneration report - continued

Underlying Framework

The Policy is based on the principle of paying fair and reasonable remuneration to the most appropriate persons, based on criteria of responsibility, qualification and dedication, while ensuring that such payment is competitive and in the longer-term interest of the Company. GO believes that pursuant to this Policy, it can continue attracting and retaining professional and qualified persons to achieve its operational objectives and business strategies in an increasingly competitive environment. It is in the Company's interest, for its continued success, to ensure that such persons are provided with appropriate incentives that would motivate them and encourage their performance.

In drawing up this Policy, the Remuneration Committee considered local and international best market practices for entities of comparable size, activity and complexity as well as applicable statutory provisions.

Whilst decisions on remuneration of employees other than the Company's Senior Management remain the responsibility of Company management, the Committee has considered the Company's wider employee remuneration structure, practices and reward philosophy when establishing this Policy so as to ensure consistency of remuneration practices across the Company.

Directors

The Company's Board of Directors is composed entirely of Non-Executive Directors. The Chief Executive Officer ('CEO') is tasked with the Company's day-to-day management. In accordance with Capital Markets Rule 12.2A, this Remuneration Policy shall also apply to the Company's CEO. Whilst the principles underlying the Policy have equal application, a distinction is to be drawn between the remuneration payable to the Directors and that payable to the CEO.

Director's Remuneration

Directors are appointed to the Board in accordance with Article 57 of the Company's Articles of Association. The Chairman is appointed for a period as determined by the appointing shareholder. Directors appointed by Shareholders holding not less than twelve percent (12%) of the issued share capital of the Company shall hold the position for the period determined by the appointing Shareholders, so long as it does not exceed three (3) years. The tenure of the remaining directors who are elected by the Shareholders in General Meeting, extends from one annual general meeting to the next. None of the Directors have a service contract with the Company but six of the Directors are employees of the ultimate parent, however there are no specific amounts of their remuneration allocated to their role at GO.

In accordance with Article 65 of the Articles of Association of the Company, the aggregate remuneration of all Directors in any one financial year shall be determined by the Shareholders in General Meeting. The Board of Directors shall be responsible to establish and allocate, from such amount, a fixed fee to each Director which shall be payable on a monthly basis. A benchmarking exercise was conducted and despite the fact that the AGM approved a total amount of €300,000, the Directors' fees as approved by the Board for 2023 were set at €35,000 per annum for each Director. This level was deemed consistent with market practice and conducive to the achievement of the Company's strategic and long term objectives. The Board of Directors has agreed to review the current remuneration to ensure that it is commensurate with the duties and responsibilities of directors.

Remuneration report - continued

A Director may be invited to sit on a committee or working group of the Company or to perform other services related to the operations of the Company which fall outside the scope of his/her ordinary duties as a Director. In such a case, and in accordance with Article 66 of the Articles of Association, the Board shall have the discretion to remunerate such Director, in addition to or in substitution of his/her remuneration as Director. A Director may also hold such other office with the Company, in addition to the office of Director, and his/her remuneration therefore shall be determined by the Board from time to time. Directors may be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of Board of Directors or of Board committees or General Meetings, or in connection with the business of the Company. Such expenses shall be reimbursable in accordance with the Company's expenses policy from time to time.

For the duration of their directorship, Directors shall be entitled to benefit from certain benefits such as a telecommunications services package and coverage under a professional indemnity insurance. The Remuneration Committee is tasked with the periodical review of non-cash benefits granted by the Company to Directors such as to ensure that this component of remuneration remains competitive with respect to market benchmarks. The Committee has the discretion to recommend the granting of reasonable additional benefits as may be deemed appropriate, but none were granted during the current year.

Non-Executive Directors are not entitled to any payments linked to termination of their directorships. Article 70.3 of the Articles of Association of the Company allows for the payment of a gratuity, pension or allowance to Executive Director on retirement. At present all Directors to the Board are Non-Executive.

Directors Emoluments

The total emoluments received by Directors from the Company for the financial year ended 31 December 2023, 2022, 2021 and 2020 amounted to €272,865 (net of tax: €185,163), €245,000 (net of tax: €169,610), €272,327 (net of tax: €188,182) and €269,455 (net of tax: €186,502) respectively. Directors' fees were paid to Mr Sofiane Antar amounting to €35,000 or €23,590 net of tax (2022: €35,000 or €23,590 net of tax, 2021: €35,000 or €23,590 net of tax, 2020: €35,000 or €23,590 net of tax), Mr Lassâad Ben Dhiab amounting to €35,000 or €23,590 net of tax (2022: €35,000 or €25,590 net of tax, 2021: €35,000 or €23,590 net of tax, 2020: €35,000 or €23,590 net of tax), Mr Paul Fenech amounting to €35,000 or €29,150 net of tax (2022: €35,000 or €29,750 net of tax, 2021: €35,000 or €29,756 net of tax, 2020: €35,000 or €29,756 net of tax), Mr Faker Hnid amounting to €35,000 or €23,590 net of tax (2022: €35,000 or €23,590 net of tax, 2021: €35,000 or €23,590 net of tax, 2020: €35,000 or €23,590 net of tax), Mr Deepak Srinivas Padmanabhan amounting to €35,000 or €21,350 net of tax (2022: €35,000 or €22,750 net of tax, 2021: €35,000 or €22,760 net of tax, 2020: €35,000 or €22,760 net of tax), Mr Norbert Prihoda amounting to €35,000 or €23,590 net of tax (2022: €35,000 or €23,590 net of tax, 2021: €35,000 or €23,453 net of tax, 2020: €31,455 or €21,286 net of tax), and Mr Paul Testaferrata Moroni Viani amounting to €35,000 or €21,350 net of tax (2022: €35,000 or €22,570 net of tax, 2021: €35,000 or €22,750 net of tax, 2020: €35,000 or €22,750 net of tax). Mr Azmi Lahmar received directors' fees during the years ended 31 December 2023 amounting to €27,865 (net of tax €18,953).

Remuneration report - continued

Mr Padmanabhan also received gross directorship fees from one Group company amounting to €20,000 (2022: €20,000, 2021: €12,000) or €13,000 (2022: €13,000, 2021: €7,800) net of tax deducted at source. Mr Hnid also received gross directorship from two Group companies amounting to €50,000 (2022: €50,000, 2021: €45,557) or €32,500 (2022: €32,500, 2021: €29,700) net of tax deducted at source. Mr Ben Dhiab also received gross directorship fees remuneration from one Group company amounting to €20,000 or €13,000 net of tax (2022: €12,205 or €7,933 net of tax, 2021: €10,010) during the year ended 31 December 2022. Mr Testaferrata Moroni Viani no longer received gross directorship fees from one Group company (2022: €14,946 or €9,650 net of tax deducted at source, 2021: €20,000 or €13,000 net of tax deducted at source). During the year ended 31 December 2021, Mr Norbert Prihoda also received gross directorship from one Group company amounting to €3,564 or €2,317 net of tax deducted at source (2022: €nil).

Other benefits to the Directors include reimbursement of mobile and internet services and health and insurance policies which are considered standard and uniformly granted within the sector.

CEO's Remuneration

The Remuneration Policy with respect to the Company's Chief Executive Officer is designed to attract and motivate a qualified and professional individual possessing the necessary know-how and experience to steer the Company's short and long-term business strategy in a highly competitive market and structured to provide a fair and appropriate balance between the fixed and variable components of the remuneration awarded.

In determining the policy, the Company has taken account of the CEO's role within the Company, his assigned functions and responsibilities. Relevant market data has been considered to ascertain that compensation awarded is in line with that granted by companies of comparable size for roles of similar scope and responsibility. Remuneration structure and practices applicable to other senior executives within the Company have also been taken into account.

The CEO's remuneration is made up of fixed and variable elements as described below.

The CEO shall receive a fixed salary which corresponds to a basic remuneration received for the performance of his executive functions. This component is designed to reflect the individual's professional profile and level of responsibility and shall not, in any way, be linked to variable parameters or results achieved. The fixed element, emanating from the contract of employment, is determined by reference to market practice amongst other factors, and is set at a level that motivates the CEO in striving to attain company long-term strategic and performance objectives. Furthermore, the Company does not have the possibility to reclaim any variable remuneration. The level of variable remuneration is deemed set at a level that contributes to striving towards attaining the Group's long-term performance goals. The level of variable remuneration is set in a manner which maintains an adequate proportion of fixed and variable remuneration.

The CEO shall also be entitled to benefit under an annual bonus scheme aimed at rewarding his performance. The incentive is measured according to the level of achievement of a set of targets as described below, and objectives as determined by the Remuneration Committee on an annual basis, and which are designed to contribute to the business interest and sustainability of the Company.

The nature of the performance targets may vary from year to year depending on the circumstances of the Company's business operations. For 2023, the performance targets were based on EBITDA and operating cashflow generation.

Remuneration report - continued

The degree of achievement of the said targets shall be determined by the Remuneration Committee. In the case of financial objectives, the Remuneration Committee shall compare the target objectives with realised outcomes. In the case of non-financial objectives, the evaluation would involve the Committee's subjective assessment of the CEO's performance which shall be exercised in a reasonable manner.

Save for the annual bonus incentive described above, the CEO shall not be entitled to benefit under any other incentive scheme having a variable nature and shall not be entitled to any share-based remuneration. With the aim of offering a market-competitive remuneration package, the CEO shall be entitled to a number of benefits as would typically be available to senior executives. These shall include professional indemnity insurance policy and health insurance policy cover, free telecommunication services, accommodation and flights, and a fully covered company car. The CEO shall also be entitled to claim reimbursement of expenses incurred up to a capped monthly amount of €3,500 in accordance with the Company's expenses policy.

The CEO is engaged on a three-year contract which was signed in 2023, which may be terminated by three (3) months' notice by either party. The contract does not provide for supplementary pension, early retirement schemes or payments linked to termination.

The total emoluments received by the CEO for this financial year were €403,298, (2022: €379,822) as fixed remuneration and €572,436 (2022: €504,558) as variable remuneration. Mr Patil was paid directors' fees from subsidiaries of the Company amounting to €35,000 (2022: €49,242) and was reimbursed expenses amounting to €23,755 (2022: €33,975).

Senior Management Remuneration

For the purposes of this Remuneration Statement, references to Senior Management shall mean the Chief Executive Officer and the Chief Officers.

The base salaries of all Senior Management are established in accordance with the Company's salary structure. The Remuneration Committee is satisfied that in all cases the base remuneration established is in line with the criteria described in the introduction to this report. In particular, in reaching this conclusion, the Committee has paid due regard to market conditions and remuneration rates offered by comparable organisations for comparable roles and to the established performance-related remuneration and evaluation system.

Members of the Senior Management are each entitled to a cash performance bonus. In addition, the Board of Directors may approve additional bonuses for outstanding performances and achievements. Performance is measured on the basis of appraisals drawn up or endorsed by the CEO. These bonuses constitute the variable remuneration disclosed in the table below.

The rate at which the bonus is paid depends on the Committee's evaluation of the CEO's assessment of the individual officer's performance. Bonuses are calculated on the basis of personal performance, and departmental and Company objectives. Total amounts are subject to the discretion of the Remuneration Committee and the Board of Directors.

The Company does not have a policy in place which regulates the terms and conditions of contracts of Senior Management with respect to contract duration, notice periods, termination payments and related matters.

Remuneration report - continued

As is the case with Directors, Senior Management are entitled to non-cash benefits in terms of a number of services offered by the Company and to health insurance. None of the Senior Management are entitled to profit sharing, share options or pension benefits.

In terms of the Code Provisions 8.A.5, total emoluments received by Senior Management during the year under review were €1,345,000 (2022: €1,329,000) as fixed remuneration and €1,242,000 (2022: €1,165,000) as variable remuneration. Senior Management received other payments from subsidiaries of the Company amounting to €24,083 (2022: €95,695).

F. Other information on remuneration in terms of Appendix 12.1 of the Capital Markets Rules

In terms of the requirements within Appendix 12.1 of the Capital Market Rules, the following table presents the annual change of remuneration, of the company's performance, and of average remuneration on a full-time equivalent basis of the company's employees (other than directors) over the two most recent financial years. The Company's Directors, which are all non-executive Directors, have been excluded from the table below since they have a fixed fee as described in Section B above.

	2023 €'000	2022 €'000	2021 €'000	2020 €'000	Change % 23-22	Change % 22-21	Change % 21-20
CEO remuneration	999	918	764	654	9	20	18
Employee remuneration (excluding CEO)	23,916	23,929	23,796	23,982	-	1	(1)
Annual aggregate employee remuneration	24,916	24,847	24,561	24,633	-	1	0.3
Average employee remuneration (excluding CEO) – full-time equivalent	36	35	33	31	3	8	6
Average number of employees	655	700	748	792			
Company performance – EBITDA	60,337	54,199	47,883	45,212	11	13	6
Company operating cash flow generated	59,592	42,539	46,220	39,668	40	(8)	17
Group performance – EBITDA	89,426	81,353	73,212	72,129	10	11	2
Group operating cash flow generated	85,253	75,397	67,843	63,665	9	15	7

The Group and the Company's performance is measured using EBITDA and operating cashflow generated as management has determined that EBITDA is the best measure of direct performance.

Company information

Our purpose

GO is Malta's leading telecommunications services organisation, with over 500,000 customer connections. The first quadruple play operator in the market, GO is a converged and integrated telecommunications group, offering an unparalleled range of services: fixed line telephony, mobile telephony, broadband internet services and digital television. GO also provides business-related services, such as data networking solutions, business IP services, cloud services, IPLCs, managed and co-location facilities. Our purpose is **'to drive a digital Malta where no-one is left behind'.**

Company registration number: C22334

Registered office:
GO, Fra Diegu Street
Marsa MRS1501
Malta

T: (+356) 2594 2458/9, (+356) 8007 5702 (Freephone) | investor_relations@go.com.mt | www.go.com.mt

Registered shareholders with five percent (5%) or more of the Share Capital of the Company:
As at 31 December 2023, TT ML Limited held 65.42% of the total issued share capital.

Board of Directors
Lassâad Ben Dhiab
Sofiane Antar
Paul Fenech
Faker Hnid
Deepak Padmanabhan
Norbert Prihoda
Paul Testaferrata Moroni Viani
Azmi Lahmar

Company Secretary
Dr Francis Galea Salomone

Chief Officers

Nikhil Patil	Chief Executive Officer
Reuben Attard	Chief Finance Officer
Arthur Azzopardi	Chief Officer – GO Business
Kelvin Camenzuli	Chief Digital Officer
Ayrton Caruana	Chief Service Operations Officer
Antonio Ivankovic	Chief Customer Experience Officer
Sarah Mifsud	Chief People Officer (resigned 31 December 2023)

Statements of financial position

		Group		Company	
		As at 31 December			
	Notes	**2023 €000**	2022 €000	**2023 €000**	2022 €000
ASSETS					
Non-current assets					
Property, plant and equipment	5	**187,609**	172,154	**127,428**	117,357
Right-of-use assets	6	**53,189**	59,180	**33,984**	37,782
Intangible assets	7	**83,491**	78,071	**16,948**	18,341
Investments in subsidiaries	8	**-**	-	**59,304**	58,426
Investments in associates	9	**2,382**	2,292	**-**	-
Loans receivable from subsidiaries	10	**-**	-	**9,417**	4,000
Other investments	11	**5,190**	874	**-**	-
Deferred tax assets	12	**914**	1,041	**-**	-
Trade and other receivables	14	**5,665**	8,634	**5,576**	5,955
Total non-current assets		**338,440**	322,246	**252,657**	241,861
Current assets					
Inventories	13	**10,430**	9,730	**8,733**	8,531
Loans receivable from subsidiaries	10	**-**	-	**683**	-
Trade and other receivables	14	**60,029**	48,041	**45,696**	39,011
Current tax assets		**-**	187	**-**	-
Cash and cash equivalents	15	**49,180**	16,024	**41,405**	6,115
Total current assets		**119,639**	73,982	**96,517**	53,657
Total assets		**458,079**	396,228	**349,174**	295,518

Statements of financial position - continued

		Group		Company	
		As at 31 December			
	Notes	**2023 €000**	2022 €000	**2023 €000**	2022 €000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	16	**58,998**	58,998	**58,998**	58,998
Reserves	17	**3,499**	336	**4,767**	4,187
Retained earnings		**29,628**	31,333	**79,597**	47,991
Total capital and reserves attributable to owners of the Company		**92,125**	90,667	**143,362**	111,176
Non-controlling interests		**7,315**	8,318	**-**	-
Total equity		**99,440**	98,985	**143,362**	111,176
LIABILITIES					
Non-current liabilities					
Borrowings	18	**159,200**	113,263	**86,287**	70,317
Lease liabilities	19	**40,839**	46,766	**29,794**	33,778
Deferred tax liabilities	12	**8,873**	5,572	**6,343**	4,365
Provisions for pensions	20	**414**	1,337	**414**	1,337
Trade and other payables	21	**12,844**	12,116	**-**	609
Total non-current liabilities		**222,170**	179,054	**122,838**	110,406
Current liabilities					
Borrowings	18	**10,272**	12,149	**8,017**	8,365
Lease liabilities	19	**8,365**	8,493	**5,496**	5,280
Provisions for pensions	20	**2,903**	2,843	**2,903**	2,843
Current tax liabilities		**3,812**	4,423	**4,093**	4,410
Trade and other payables	21	**111,117**	90,281	**62,465**	53,038
Total current liabilities		**136,469**	118,189	**82,974**	73,936
Total liabilities		**358,639**	297,243	**205,812**	184,342
Total equity and liabilities		**458,079**	396,228	**349,174**	295,518

The accompanying notes are an integral part of these financial statements.

The financial statements on pages 71 to 188 were approved and authorised for issue by the Board of Directors on 20 March 2024. The financial statements were signed on behalf of the Company's Board of Directors by Paul Testaferrata Moroni Viani and Paul Fenech as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report 2023.

Income statements

		Group		Company	
		Year ended 31 December			
	Notes	**2023 €000**	2022 €000	**2023 €000**	2022 €000
Revenue	22	**235,893**	214,647	**139,404**	128,813
Cost of sales	23	**(148,685)**	(135,680)	**(83,148)**	(75,537)
Gross profit		**87,208**	78,967	**56,256**	53,276
Administrative and other related expenses	23	**(55,303)**	(53,087)	**(31,608)**	(31,585)
Other income	26	**3,296**	2,945	**4,470**	2,370
Other expenses	27	**(258)**	(446)	**(242)**	(358)
Operating profit		**34,943**	28,379	**28,876**	23,703
Analysed as follows:					
EBITDA		**88,426**	81,353	**60,337**	54,199
Depreciation and amortisation	23	**(53,483)**	(52,974)	**(31,461)**	(30,496)
Operating profit		**34,943**	28,379	**28,876**	23,703
Finance income	28	**329**	369	**33,380**	4,381
Finance costs	29	**(8,520)**	(6,694)	**(5,095)**	(3,733)
Profit before tax		**26,752**	22,054	**57,161**	24,351
Tax expense	30	**(11,266)**	(9,867)	**(9,345)**	(8,648)
Profit for the year		**15,486**	12,187	**47,816**	15,703
Attributable to:					
Owners of the Company		**14,417**	11,595	**47,816**	15,703
Non-controlling interests		**1,069**	592	**-**	-
Profit for the year		**15,486**	12,187	**47,816**	15,703
Earnings per share (euro cent)	31	**14c2**	11c5		

The accompanying notes are an integral part of these financial statements.

Statements of comprehensive income

		Group		Company	
		Year ended 31 December			
	Notes	**2023 €000**	2022 €000	**2023 €000**	2022 €000
Comprehensive income					
Profit for the year		**15,486**	12,187	**47,816**	15,703
Other comprehensive income					
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations		**117**	(100)	**-**	-
Items that will not be reclassified to profit or loss					
Surplus arising on revaluation of land and buildings	5	**626**	-	**626**	-
Gains from changes in fair value of equity investments at fair value through other comprehensive income (FVOCI)	11	**3,976**	-	**-**	-
Remeasurements of defined benefit obligations	20	**-**	187	**-**	187
Income tax relating to components of other comprehensive income:					
Surplus arising on revaluation of land and buildings	12	**(46)**	-	**(46)**	-
Gains from changes in fair value of equity investments at fair value through other comprehensive income (FVOCI)	12	**(1,393)**	-	**-**	-
Remeasurements of defined benefit obligations	12	**-**	(65)	**-**	(65)
Total other comprehensive income for the year, net of tax		**3,280**	22	**580**	122
Total comprehensive income for the year		**18,766**	12,209	**48,396**	15,825
Attributable to:					
Owners of the Company		**17,668**	11,641	**48,396**	15,825
Non-controlling interests		**1,098**	568	**-**	-
Total comprehensive income for the year		**18,766**	12,209	**48,396**	15,825

The accompanying notes are an integral part of these financial statements.

Statements of changes in equity

Group

	Notes	Share capital €000	Reserves €000	Retained earnings €000	Total €000	Non-controlling interests €000	Total Equity €000
		Attributable to owners of the Company					
Balance at 1 January 2022		58,998	214	40,047	99,259	10,638	109,897
Comprehensive income							
Profit for the year		-	-	11,595	11,595	592	12,187
Other comprehensive income:							
Remeasurements of defined benefit obligations, net of deferred tax	12, 20	-	122	-	122	-	122
Exchange differences on translation of foreign operations		-	-	(76)	(76)	(24)	(100)
Total other comprehensive income		-	122	(76)	46	(24)	22
Total comprehensive income		-	122	11,519	11,641	568	12,209
Transactions with owners in their capacity as owners							
Distributions to owners:							
Dividends paid to equity holders relating to preceding financial year	32	-	-	(9,118)	(9,118)	(2,491)	(11,609)
Dividends paid to equity holders relating to current financial year	32	-	-	(6,078)	(6,078)	-	(6,078)
Changes in ownership interest in subsidiaries that do not result in loss of control:							
Non-controlling interest on acquisition of subsidiary	8	-	-	-	-	316	316
Acquisition of further non-controlling interest in subsidiary	8	-	-	(5,037)	(5,037)	(713)	(5,750)
Total transactions with owners in their capacity as owners		-	-	(20,233)	(20,233)	(2,888)	(23,121)
Balance at 31 December 2022		58,998	336	31,333	90,667	8,318	98,985

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Statements of changes in equity - continued

Group - continued	Notes	Attributable to owners of the Company					
		Share capital €000	Reserves €000	Retained earnings €000	Total €000	Non-controlling interests €000	Total Equity €000
Balance at 1 January 2023		58,998	336	31,333	90,667	8,318	98,985
Comprehensive income							
Profit for the year		-	-	14,417	14,417	1,069	15,486
Other comprehensive income:							
Surplus arising on revaluation of land and buildings, net of deferred tax	12, 20	-	580	-	580	-	580
Gains from changes in fair value of equity investments at fair value through other comprehensive income (FVOCI), net of deferred tax	11, 12	-	2,583	-	2,583	-	2,583
Exchange differences on translation of foreign operations		-	-	88	88	29	117
Total other comprehensive income		-	3,163	88	3,251	29	3,280
Total comprehensive income		-	3,163	14,505	17,668	1,098	18,766
Transactions with owners in their capacity as owners							
Distributions to owners:							
Dividends paid to equity holders relating to preceding financial year	32	-	-	(9,118)	(9,118)	(2,450)	(11,568)
Dividends paid to equity holders relating to current financial year	32	-	-	(7,092)	(7,092)	-	(7,092)
Changes in ownership interest in subsidiaries that do not result in loss of control:							
Non-controlling interest on acquisition of subsidiary	8	-	-	-	-	349	349
Total transactions with owners in their capacity as owners		-	-	(16,210)	(16,210)	(2,101)	(18,311)
Balance at 31 December 2023		**58,998**	**3,499**	**29,628**	**92,125**	**7,315**	**99,440**

Statements of changes in equity - continued

Company

	Notes	Share capital €000	Reserves €000	Retained earnings €000	Total €000
Balance at 1 January 2022		58,998	4,065	47,484	110,547
Comprehensive income					
Profit for the year		-	-	15,703	15,703
Other comprehensive income:					
Remeasurements of defined benefit obligations, net of deferred tax	12, 20	-	122	-	122
Total other comprehensive income		-	122	-	122
Total comprehensive income		-	122	15,703	15,825
Transactions with owners in their capacity as owners					
Distributions to owners:					
Dividends paid to equity holders for the preceding financial year	32	-	-	(9,118)	(9,118)
Dividends paid to equity holders for the current financial year	32	-	-	(6,078)	(6,078)
Total transactions with owners in their capacity as owners		-	-	(15,196)	(15,196)
Balance at 31 December 2022		58,998	4,187	47,991	111,176

Statements of changes in equity - continued

Company - continued

	Notes	Share capital €000	Reserves €000	Retained earnings €000	Total €000
Balance at 1 January 2023		58,998	4,187	47,991	111,176
Comprehensive income					
Profit for the year		-	-	47,816	47,816
Other comprehensive income:					
Surplus arising on revaluation of land and buildings, net of deferred tax	5, 12	-	580	-	580
Total other comprehensive income		-	580	-	580
Total comprehensive income		-	580	47,816	48,396
Transactions with owners in their capacity as owners					
Distributions to owners:					
Dividends paid to equity holders for the preceding financial year	32	-	-	(9,118)	(9,118)
Dividends paid to equity holders for the current financial year	32	-	-	(7,092)	(7,092)
Total transactions with owners in their capacity as owners		-	-	(16,210)	(16,210)
Balance at 31 December 2023		**58,998**	**4,767**	**79,597**	**143,362**

The accompanying notes are an integral part of these financial statements.

Statements of cash flows

	Notes	Group 2023 €000	Group 2022 €000	Company 2023 €000	Company 2022 €000
		Year ended 31 December			
Cash flows from operating activities					
Cash generated from operations	33	**97,987**	86,473	**69,835**	49,739
Interest paid on bank overdrafts		**(165)**	(26)	**(86)**	(9)
Interest charges on lease liabilities		**(1,591)**	(1,491)	**(1,150)**	(1,008)
Tax paid		**(9,701)**	(8,314)	**(7,730)**	(4,938)
Payments under voluntary retirement scheme		**(922)**	(1,163)	**(922)**	(1,163)
Payments in relation to pension obligations		**(355)**	(82)	**(355)**	(82)
Net cash from operating activities		**85,253**	75,397	**59,592**	42,539
Cash flows from investing activities					
Payments to acquire property, plant and equipment and intangible assets		**(61,259)**	(54,472)	**(38,907)**	(29,210)
Payment for acquisition of stakes in subsidiaries		**(878)**	(6,733)	**(878)**	(6,733)
Payment for acquisition of interest in associate		**-**	(200)	**-**	-
Payment for acquisition of other investments		**(352)**	-	**-**	-
Proceeds from disposal of other investments		**335**	34	**-**	-
Loans advanced to subsidiary		**-**	-	**(6,100)**	(4,000)
Dividends received from subsidiary		**-**	-	**31,298**	2,593
Net cash used in investing activities		**(62,154)**	(61,371)	**(14,587)**	(37,350)
Cash flows from financing activities					
Proceeds from bank loans		**53,000**	-	**23,000**	-
Repayment of bank loans		**(4,925)**	(7,990)	**(4,925)**	(7,990)
Principal element of lease payments		**(8,765)**	(12,432)	**(5,522)**	(4,790)
Dividends paid		**(18,660)**	(17,583)	**(16,210)**	(15,120)
Loan and bond interest paid		**(6,685)**	(5,261)	**(3,674)**	(2,702)
Net cash from/(used in) financing activities		**13,965**	(43,266)	**(7,331)**	(30,602)
Net movements in cash and cash equivalents		**37,064**	(29,240)	**37,674**	(25,413)
Cash and cash equivalents at beginning of year		**6,200**	34,082	**3,133**	28,655
Exchange differences on cash and cash Equivalents		**58**	(182)	**53**	(191)
Movement in cash pledged as guarantees		**344**	1,540	**(54)**	82
Cash and cash equivalents at end of year	15	**43,666**	6,200	**40,806**	3,133

The accompanying notes are an integral part of these financial statements.

Notes to the financial statements

1. Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

The consolidated financial statements include the financial statements of GO p.l.c. (GO) and its subsidiaries and are prepared in accordance with the requirements of International Financial Reporting Standards (IFRSs) as adopted by the EU and with the requirements of the Maltese Companies Act (Cap. 386). They have been prepared under the historical cost convention, except as modified by the fair valuation of certain financial instruments and the land and buildings class within property, plant and equipment. Unless otherwise stated, all financial information presented has been rounded to the nearest thousand.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires Directors to exercise their judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

Financial position of the Group and the Group's cash flow forecasting process

As at 31 December 2023, the Group's current liabilities exceeded its current assets by €16.8 million (2022: €44.2 million). The Group envisages that a significant level of earnings will be generated throughout the forthcoming financial year, through its cash generating units, which will enable the Group to manage effectively its forecasted cash flows and liquidity needs. Furthermore, the Group has unutilised banking facilities which are considered in the context of the Group's liquidity management programme. These factors are embedded within the Group's cash flow forecasts.

The Group monitors the direct and indirect impacts of geopolitical developments, such as the continued conflict in Ukraine, and macroeconomic factors comprising inflationary pressures and market interest rate hikes, on its cash flow forecasting process, with a view to assessing on a regular basis the potential effects on its business model and cash flow generation attributable to the different cash generating units. Up to the date of authorisation for issue of these financial statements, the impacts are considered to be minimal. As events unfold and conditions develop, the Group will adapt its assessment and cash flow forecasts accordingly.

Standards, interpretations and amendments to published standards effective in 2023

In 2023, the Group adopted amendments to existing standards that are mandatory for the Group's accounting period beginning on 1 January 2023.

1. Summary of material accounting policies - continued

1.1 Basis of preparation - continued

The Group has applied the following amendments for the first time for its annual reporting period commencing on 1 January 2023:

- Definition of Accounting Estimates – amendments to IAS 8
- Deferred Tax relating to Assets and Liabilities arising from a Single Transaction – amendments to IAS 12
- Disclosure of Accounting Policies – amendments to IAS 1 and IFRS Practice Statement 2.

The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in changes to the Group's accounting policies impacting the financial performance and position.

Standards, interpretations and amendments to published standards that are not yet adopted

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are mandatory for the Group's accounting periods beginning after 1 January 2023. The Group has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the Directors are of the opinion that there are no requirements that will have a possible significant impact on the Group's and Company's financial statements in the period of initial application.

1.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where, for instance the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group applies the acquisition method of accounting to account for business combinations that fall within the scope of IFRS 3. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed (identifiable net assets) in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

1. Summary of material accounting policies - continued

1.2 Consolidation - continued

Goodwill is initially measured as the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If this is less than the fair value of the identifiable net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Upon consolidation, inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiaries are accounted for by the cost method of accounting, i.e. at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes directly attributable costs of acquiring the investment. Provisions are recorded where, in the opinion of the Directors, there is an impairment in value. Where there has been an impairment in the value of an investment, it is recognised as an expense in the period in which the diminution is identified. The results of subsidiaries are reflected in the Company's separate financial statements only to the extent of dividends receivable. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

(b) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests, where the acquisition or disposal of partial interests in a subsidiary has no impact on the Group's ability to control the subsidiary's financial and operating policies, as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of the identifiable net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(d) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting in the consolidated financial statements. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

2. Summary of material accounting policies - continued

1.2 Consolidation - continued

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

In the Company's separate financial statements, investments in associates are accounted for by the cost method of accounting, i.e. at cost less impairment. Provisions are recorded where, in the opinion of the Directors, there is impairment in value. Where there has been impairment in the value of an investment, it is recognised as an expense in the period in which the diminution is identified. The results of the associate are reflected in the Company's separate financial statements only to the extent of dividends receivable. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

1.3 Segment reporting

The Group determines and presents operating segments based on the information that internally is provided to the Board of Directors, which is the Group's chief operating decision-maker in accordance with the requirements of IFRS 8, *Operating Segments*.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. An operating segment's operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and to assess its performance executing the function of the chief operating decision-maker.

1. Summary of material accounting policies - continued

1.4 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in euro, which is the Company's functional and presentation currency.

1.5 Property, plant and equipment

All property, plant and equipment is initially recorded at historical cost. Land and buildings comprise various exchanges, offices and outlets around the Maltese islands. Land and buildings are shown at fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Valuations are carried out on a regular basis such that the carrying amount of property does not differ materially from that which would be determined using fair values at the end of the reporting period. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

All other property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Borrowing costs which are incurred for the purpose of acquiring or constructing a qualifying asset are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway. Capitalisation of borrowing costs is ceased once the asset is substantially complete, and is suspended if the development of the asset is suspended.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Costs related to customer premises equipment (set-top boxes and modems) and TV installations provided for free to subscribers are capitalised within property, plant and equipment.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same individual asset are charged in other comprehensive income and debited against the revaluation reserve directly in equity; all other decreases are charged to profit or loss. Any subsequent increases are recognised in profit or loss up to the amount previously charged to profit or loss, and then reflected in other comprehensive income and shown as a revaluation reserve.

1. Summary of material accounting policies - continued

1.5 Property, plant and equipment - continued

An external, independent valuer, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's property portfolio at periodical intervals. The fair values are based on market values, being the estimated amount or price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risk inherent in the net cash flows is then applied to the net annual cash flows to arrive at the property valuation.

Land is not depreciated as it is deemed to have an indefinite life. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful life. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The rates of depreciation used for the current and comparative periods are as follows:

	%
Land and buildings	
Buildings	1 - 3
Improvements to leasehold premises	3 - 10
Plant and equipment	
Cable, wireless and mobile networks	4 - 33.33
Subscribers' equipment and line	8 - 20
Exchange and junction equipment	8.33 - 20
Radio plant and equipment	6 - 20
Other plant, machinery and equipment	7 - 30
Office furniture and equipment	10 - 25
Air conditioning equipment	10 - 20
Earth station	6.7 - 7
Computer equipment	20 - 33.33
DTTV platform	10 - 50
Customer premises equipment and related assets	25 - 50
Motor vehicles	10 - 35

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1.7). Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount and are recognised in profit or loss.

When revalued assets are sold, the amounts included in the revaluation reserve relating to the asset are transferred to retained earnings.

1. Summary of material accounting policies - continued

1.6 Intangible assets

(a) Indefeasible rights of use

Indefeasible rights of use (IRUs) and Droit de Passage (DDPs) correspond to the right to use a portion of the capacity of a terrestrial or submarine transmission cable granted for a fixed period. IRUs are recognised as an asset when the Group has the specific indefeasible right to use an identified portion of the underlying asset, generally optic fibres, or dedicated wavelength bandwidth, and the duration of the right is for the major part of the underlying asset's economic life. They are depreciated over the shorter of the expected period of use and the life of the contract.

(b) Computer software

The Group's computer software comprises software developed by Group entities and software acquired by Group entities. Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives.

(c) Goodwill

Goodwill represents the excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'.

Goodwill that is recognised separately within 'intangible assets' is carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (CGUs) or groups of CGUs that are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

1. Summary of material accounting policies - continued

1.6 Intangible assets - continued

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and also whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit. The recoverable amount is the higher of fair value less costs to sell and value in use. Impairment losses on goodwill are not reversed.

(d) Licences

Separately acquired licences are shown at historical cost. Licences acquired in a business combination are recognised at fair value at the acquisition date. Licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of licences over their estimated useful lives. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives.

(e) Brand names

Brand names acquired in a business combination are recognised at fair value at the acquisition date. These assets have a finite useful life and are carried at cost less accumulated amortisation, which amortisation is calculated using the straight-line method over the expected life of the brand. The fair value of the brand names acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the trademark being owned.

(f) Customer relationships

Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationship. The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

(g) Broadcasting rights

Broadcasting rights represent the payments made in relation to acquiring rights to broadcast various television networks or events. Amortisation is calculated using the straight-line method to allocate the cost of these rights over their contractual life. Premium TV content such as film or sports broadcasting rights, are recognised in the statement of financial position when they are contracted and expensed when broadcast. The cost of premium TV content is recognised in profit or loss on the first broadcast, or where the rights are for a period, seasons or competitions, such rights are principally recognised on a straight-line basis across the period, seasons or competitions.

1. Summary of material accounting policies - continued

1.6 Intangible assets - continued

These intangible assets are initially recognised including the fair value of the future contingent payments at acquisition, and a financial liability is recognised at the same fair value, under the financial liability model. Subsequently, the financial liability is measured at amortised cost, under the requirements of IFRS 9. The Group adjusts the carrying amount of the financial liability to reflect actual and updated estimated cash flows whenever the cash flow estimates are revised. The Group recalculates the carrying amount of the liability by computing the present value of estimated future cash flows at the financial instrument's original effective interest rate. Subsequent changes in the measurement of the liability are unrelated to the cost of the asset and accordingly, the adjustment is recognised in profit or loss.

(h)Technical knowledge

Technical knowledge acquired or developed to a plan or design for the production of new or substantially improved products and processes is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Capitalised expenditure on technical knowledge is stated at cost less accumulated amortisation and accumulated impairment losses.

(i) Other intangible assets

Other intangibles include the customer bases acquired by the Group. They have finite useful lives and are measured at cost less accumulated amortisation and accumulated impairment losses.

1. Summary of material accounting policies - continued

1.6 Intangible assets - continued

Amortisation

Amortisation is calculated using the straight-line method to allocate the cost of the intangible assets to their residual value over their estimated useful lives as follows:

	Years
Indefeasible rights of use (IRUs)	4.75 - 25
Computer software	3 - 10
Licences	2 - 15
Brand names	6 - 15
Customer relationships	5
Technical knowledge	2 -15
Broadcasting rights	over the period of rights

The assets' residual values and useful lives are reviewed and adjusted as appropriate, at the end of each reporting period.

1.7 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill or certain intangible assets, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Goodwill that forms part of the carrying amount of an investment in a joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in a joint venture may be impaired.

1.8 Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other Comprehensive Income, or through profit or loss), and
- those to be measured at amortised cost.

1. Summary of material accounting policies - continued

1.8 Financial assets - continued

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income (OCI). For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

The Group recognises a financial asset in its statement of financial position when it becomes a party to the contractual provisions of the instrument.

Regular way purchases and sales of financial assets are recognised on settlement date, the date on which an asset is delivered to or by the Group. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership or has not retained control of the asset.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss, subject to materiality.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses).

1. Summary of material accounting policies - continued

1.8 Financial assets - continued

Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment losses are presented as a separate line item in the statement of profit or loss.

- FVPL: assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For all other financial assets that are subject to impairment under IFRS 9, the Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial asset that is not credit impaired on initial recognition is classified in stage 1.

Financial assets in stage 1, have their expected credit loss measured at an amount equal to the portion of lifetime expected credit loss that results from default events possible within the next 12 months, or until contractual maturity if shorter. If the Group identifies a significant increase in credit risk since initial recognition, the asset is transferred to stage 2 and its expected credit loss is measured on a lifetime basis, that is up until contractual maturity. If the Group determines that a financial asset is credit impaired, the asset is transferred to stage 3 and the expected credit loss is measured on a lifetime credit loss basis.

1.8.1 Trade and other receivables

Trade receivables comprise amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

1. Summary of material accounting policies - continued

1.8 Financial assets - continued

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less expected credit loss allowances.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

1.8.2 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

1.9 Inventories

Goods held for resale and other inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average cost method, and comprises the invoiced value of goods, including transport and handling costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

1.10 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

1.11 Financial liabilities

The Group recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. The Group's financial liabilities, other than derivative contracts, are classified as financial liabilities measured at amortised cost, i.e. not at fair value through profit or loss under IFRS 9. Financial liabilities not at fair value through profit or loss are recognised initially at fair value, being the fair value of consideration received, net of transaction costs that are directly attributable to the acquisition or the issue of the financial liability. These liabilities are subsequently measured at amortised cost. The Group derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, is cancelled or expires.

1. Summary of material accounting policies - continued

1.11.1 Trade and other payables

Trade payables comprise obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.11.2 Borrowings

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

1.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

1.13 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1. Summary of material accounting policies - continued

1.14 Provisions for legal and other claims

Provisions for legal and other claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

1.15 Revenue recognition

Revenues include all revenues from the ordinary business activities of GO. Ordinary activities do not only refer to the core business but also to other recurring sales of goods or rendering of services. Revenues are recorded net of value added tax. GO's business includes mobile services, broadband access to the fixed network and the internet, television, connection, and roaming fees billed to other mobile operators (wholesale business), and sales of mobile handsets, other telecommunications equipment, and accessories.

(a) Sale of goods and services

Revenues are recognised in accordance with the provision of goods or services, provided that collectability of the consideration is probable.

IFRS 15 requires that at contract inception the goods or services promised in a contract with a customer are assessed and each promise to transfer to the customer the good or service is identified as a performance obligation. Promises in a contract can be explicit or implicit if the promises create a valid expectation to provide a good or service based on the customary business practices, published policies, or specific statements.

A contract asset must be recognised if GO recorded revenue for fulfillment of a contractual performance obligation before the customer paid consideration or before – irrespective of when payment is due – the requirements for billing and thus the recognition of a receivable exist.

A contract liability must be recognised when the customer paid consideration or a receivable from the customer was due before GO fulfilled a contractual performance obligation and thus recognised revenue.

Multiple-element arrangements involving the delivery or provision of multiple products or services must be separated into distinct performance obligations, each with its own separate revenue contribution that is recognised as revenue on fulfillment of the obligation to the customer. This especially concerns the sale of a mobile handset or other telecommunications equipment combined with the conclusion of a mobile or fixed-network telecommunications contract. The total transaction price of the bundled contract is allocated among the individual performance obligations based on their relative – possibly estimated – stand-alone selling prices, i.e., based on a ratio of the stand-alone selling price of each separate element to the aggregated stand-alone selling prices of the contractual performance obligations. As a result, the revenue to be recognised for products (often delivered in advance) such as mobile handsets that are sold at a subsidised or nil price in combination with a long-term service contract is higher than the amount billed or collected. This leads to the

1. Summary of material accounting policies - continued

1.15 Revenue recognition - continued

recognition of a contract asset – a receivable arising from the customer contract that has not yet legally come into existence – in the statement of financial position. The contract asset is reversed and reduced over the remaining minimum contract period, lowering revenue from the other performance obligations (in this case mobile service revenues) compared with the amounts billed. In contrast to the amounts billed, this results in higher revenue from the sale of goods and lower revenue from the provision of services.

Customer activation fees and other advance one-time payments by the customer that do not constitute consideration for a separate performance obligation are classified as contract liabilities and are deferred and recognised as revenue over the minimum contract term or, in exceptional cases (e.g., in the case of contracts that can be terminated at any time) over the expected contract period. The same applies to fees for installation and set-up activities that do not have an independent value for the customer.

As distinct from promotional offers, options to purchase additional goods or services free of charge or at a discount are separate performance obligations (material rights) for which part of the revenue is deferred as a contract liability until the option is exercised or expires, providing the discount on future purchases is an implicit component of the consideration for the current contract and is also significant. The measure of significance is whether the decision by the (average) customer to enter into the current contract is likely to have been significantly influenced by their right to the future discount.

IFRS 15 provides more detailed guidance on how to account for contract modifications. Changes must be accounted for either as a retrospective change (creating either a catch-up or deferral of previously recorded revenues), prospectively with a reallocation of revenues amongst identified performance obligations, or prospectively as separate contracts which will not require any reallocation.

Service offers

GO proposes to customers a range of fixed and mobile telephone services, fixed and mobile internet access services and content offers (TV). Contracts are for a fixed term (generally 24 months). Revenue generated from the use of voice and data communications (comprising fixed and wireless traffic) as well as television is recognised upon rendering of the agreed service, based on use by customers (e.g. call minutes, minutes of traffic or bytes of data processed) or availability over time period (e.g. monthly service costs).

Revenue from calls and messaging is recognised at the time the call or message is effected over the Group's network. For prepaid traffic, the amount of unused traffic generates deferred revenue presented in 'Contract liabilities' on the statement of financial position. Revenue from the sale of prepaid credit is deferred until such time as the customer uses the credit or credit expires.

Revenues from traffic sales and services at a fixed rate over a specified period of time (flat rate) are recognised on a straight-line basis over the term covered by the rate paid by the customer. For service contracts with a continuous service provision, the contractually agreed total consideration is generally recognised as revenue on a straight-line basis over the minimum contract term, regardless of the payment pattern.

1. Summary of material accounting policies - continued

1.15 Revenue recognition - continued

Fees consisting primarily of monthly charges for access to broadband, other internet access and connected services, TV, and voice services, are recognised as revenue as the service is provided.

Contracts with customers generally do not include a material right, as the price invoiced for contracts and the services purchased and consumed by the customer beyond the specific scope (e.g. additional consumption and options) generally reflect their stand-alone selling prices. Service obligations transferred to the customer at the same pace are treated as a single obligation.

When contracts include contractual clauses covering commercial discounts (initial discount on signature of the contract) or free offers (e.g. three months of subscription free of charge), the Group defers these discounts or free offers over the enforceable period of the contract (period during which the Group and the customer have a firm commitment).

If the performance obligations are not classified as distinct, the offer revenue is recognised on a straight-line over the contract term.

Separate equipment sales

Equipment (primarily mobile phones) sales may be separate from, or bundled with, a service offer. When separate from a service offer, the amount invoiced is recognised in revenue on delivery and receivable immediately. Revenue and expenses associated with the sale of telecommunications equipment are recognised when the products are delivered, provided there are no unfulfilled Company obligations that affect the customer's final acceptance of the arrangement. When the equipment sale is combined with a service offer, the amount allocated to the equipment (bundled sale – see below) is recognised in revenue on delivery and received over the service contract.

Bundled equipment and service offers

GO proposes offers to its customers comprising equipment (e.g. a mobile handset) and services (e.g. a communication contract). Equipment revenue is recognised separately if the two components are distinct (i.e. if the customer can receive the service separately). Where one of the components in the offer if not at its separate selling price, revenue is allocated to each component in proportion to their individual selling prices. This is notably the case in offers combining the sales of a mobile phone at a reduced or nil price, where the individual selling price of the mobile phone is considered equal to its purchase cost and logistics expenses plus a commercial margin based on market practice.

Wholesale services offers

Where contract services are not covered by a firm volume commitment, revenue is recognised as the services are provided (which corresponds to transfer of control) over the contractual term. Where under contracts, the price, volume, and term are defined, related revenue is recognised progressively based on actual traffic during the period, to reflect transfer of control to the customer. Revenue arising from the interconnection of voice and data traffic between other telecommunications operators is recognised at the time of transit across the Group's network. Interconnection revenues are recognised in the period in which the calls are made or traffic used.

1. Summary of material accounting policies - continued

1.15 Revenue recognition - continued

Financing

The Group does not expect to have a significant number of contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(b) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

1.16 Contract costs

Contract costs comprise the incremental costs of obtaining a contract (mainly sales commission paid to employees and third-party resellers) and the costs to fulfill a contract. These must be capitalised if it can be assumed that the costs will be compensated by future revenue from the contract. Incremental costs of obtaining a contract are additional costs that would have not been incurred had the contract not been concluded. Costs to fulfill a contract are costs relating directly to a contract that are incurred after contract inception and serve the purpose of fulfilling the contract but are incurred prior to fulfillment and cannot be capitalised under any other standard. GO makes use of the option to immediately recognise contract costs as an expense if the amortisation period of the asset it would have recognised in respect of them, would not have exceeded a year.

The costs of obtaining service contracts are capitalised and released to profit or loss on a straight-line basis over the enforceable contract term or over the estimated period of the customer relationship, if shorter.

Costs to fulfil a contract, when they qualify as non-distinct from the performance obligation, are capitalised and costs incurred are recorded on a time-apportioned basis over the effective period of the contract. The assumptions underlying the period over which the costs of fulfilling a contract are expensed are periodically reviewed and adjusted in line with observations; termination of the contractual relationship with the customer results in the immediate expensing of the remaining deferred costs. Where the carrying amount of deferred costs exceeds the remaining consideration expected to be received for the transfer of the related goods and services, less expected costs relating directly to the transfer of these goods and services still to be incurred, the excess amount is similarly immediately expensed.

1. Summary of material accounting policies - continued

1.17 Customer contract assets and liabilities

The timing of revenue recognition may differ from customer invoicing. Trade receivables presented in the statement of financial position represent an unconditional right to receive consideration (primarily cash), i.e. the services and goods promised to the customer have been transferred.

By contrast, contract assets mainly refer to amounts allocated per IFRS 15 as compensation for goods or services provided to customers for which the right to collect payment is subject to providing other services or goods under that same contract. This is the case in a bundled offer combining the sale of a mobile phone and mobile communication services for a fixed-period, where the mobile phone is invoiced at a reduced or nil price leading to the reallocation of a portion of amounts invoiced for telephone communication services to the supply of the mobile phone. The excess of the amount allocated to the mobile phone over the price invoiced is recognised as a contract asset and transferred to trade receivables as the service is invoiced. Contract assets, like trade receivables, are subject to impairment for credit risk. The recoverability of contract assets is also verified, especially to cover the risk of impairment should the contract be interrupted.

Contract liabilities represent amounts paid by customers before receiving the goods and/or services promised in the contract. This is typically the case for advances received from customers or amounts invoiced and paid for goods or services not transferred yet, such as contracts payable in advance or prepaid packages (previously recognised in deferred income).

1.18 Leases

The Group is the lessee

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

1. Summary of material accounting policies - continued

1.18 Leases - continued

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:
- where possible, uses recent third-party financing received by the lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, where there is no third party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received; and
- any initial direct costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the following factors are normally the most relevant:

- if there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate);
- if any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate);
- otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

1. Summary of material accounting policies - continued

1.18 Leases - continued

The Group is the lessor

Operating leases

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position and are accounted for in accordance with Note 1.5. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the lease term.

Finance leases

When assets are leased out under finance leases, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income.

The method for allocating gross earnings to the accounting period is referred to as the 'actuarial method'. The actuarial method allocates rentals between finance income and repayment of capital in each accounting period in such a way that finance income will emerge as a constant rate of return on the lessor's net investment in the lease.

1.19 Employee benefits

(a) Provisions for pensions

As explained in Note 20, following a judgement by the Court of Appeal on 7 July 2008, the Group was required to set up a pension scheme in favour of its eligible employees and former employees within three months of the judgement on a basis similar to that prescribed by the Pensions Ordinance, 1937. Such a scheme is in the form of a defined benefit plan.

A defined benefit plan defines an amount of pension benefit that an employee will receive on retirement. In the Group's case, this amount is dependent on an employee's final compensation upon retirement, as well as completed months of service. Eligibility to the scheme is also dependent on a minimum of 10 years' service and vests only if at retirement date the employee is still in the employment of the Group.

The liability recognised in the statement of financial position in respect of a defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period, together with adjustments for unrecognised past-service costs. A defined benefit obligation is calculated annually using the projected unit credit method. The present value of a defined benefit obligation is determined by discounting the estimated future cash outflows using interest rate yields of government or high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in profit or loss.

1. Summary of material accounting policies - continued

1.19 Employee benefits - continued

(b) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(c) Share-based compensation

A subsidiary operates a share-based compensation plan under which the company receives services from its CEO as consideration for equity instruments (shares) of the company with the obligation to take them back upon exercise of the CEO's option. The share-based compensation plan is classified as a cash-settled plan in the company's financial statements. The fair value of the employee services received in exchange for the grant of the shares is recognised as an expense over the vesting period in the statement of comprehensive income based on the contractual terms at the grant date. The service and non-market vesting conditions are included in the estimate of the number of awards expected to vest and the fair value of the cash-settled share-based payment liability is remeasured at each reporting date and at the date of settlement. Any changes in fair value are recognised in profit or loss for the period.

1.20 Dividend distribution

Dividend distribution to the Company’s shareholders is recognised as a liability in the Company’s financial statements in the period in which the dividends are approved by the Company’s shareholders.

The Company measures a liability to distribute non-cash assets as a dividend to its owners at the fair value of the assets to be distributed. Upon settlement of the dividend payable the Company recognises the difference between the carrying amount of the assets to be distributed and the carrying amount of the dividend payable in profit or loss.

1.21 Borrowing costs

Borrowing costs which are incurred for the purpose of acquiring or constructing qualifying property, plant and equipment or investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway, during the period of time that is required to complete and prepare the asset for its intended use. Capitalisation of borrowing costs is ceased once the asset is substantially complete and is suspended if the development of the asset is suspended. All other borrowing costs are expensed. Borrowing costs are recognised for all interest-bearing instruments on an accrual basis using the effective interest method. Interest costs include the effect of amortising any difference between initial net proceeds and redemption value in respect of the Group’s interest-bearing borrowings.

2. Financial risk management

2.1 Financial risk factors

The Group's activities potentially expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk, and liquidity risk. The Group's overall risk management, covering risk exposures for all subsidiaries, focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the respective companies' financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Accordingly, the Company's Board of Directors provides principles for overall Group risk management, as well as risk management policies covering risks referred to above and specific areas such as investment of excess liquidity. The Group sometimes uses derivative financial instruments to hedge certain risk exposures. The Group's risk policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the respective entity's functional currency, which would be considered a foreign currency. The Group's and the Company's revenues, purchases and operating expenditure, financial assets and liabilities, including financing, are mainly denominated in euro. However, a portion of the Group's revenues and purchases, including interconnect traffic, and certain capital expenditure are denominated in foreign currencies. Accordingly, the Group is potentially exposed to foreign exchange risk arising from such transactions.

The Group's main risk exposures reflecting the carrying amount of receivables and payables denominated in foreign currencies at the end of the reporting periods were as follows:

	31 December 2023		31 December 2022	
Group	**USD €000**	**STG €000**	**USD €000**	**STG €000**
Trade receivables	49	-	28	-
Trade payables	(2,415)	(119)	(1,497)	(138)
Net recognised payables denominated in foreign currency	(2,366)	(119)	(1,469)	(138)
Available funds in foreign Currency	54	236	242	523
Net exposure	**(2,312)**	**117**	(1,227)	385

2. Financial risk management

2.1 Financial risk factors - continued

(a) Market risk - continued

(i) Foreign exchange risk - continued

Company	**31 December 2023** USD €000	STG €000	31 December 2022 USD €000	STG €000
Trade receivables	49	-	26	-
Trade payables	(772)	(119)	(1,497)	(138)
Net recognised payables denominated in foreign currency	(723)	(119)	(1,471)	(138)
Available funds in foreign Currency	54	236	242	523
Net exposure	**(669)**	**117**	(1,229)	385

Management does not consider foreign exchange risk attributable to recognised assets and liabilities arising from transactions denominated in foreign currencies, presented within the tables above, to be significant. Accordingly, a sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been affected by changes in foreign exchange rates that were reasonably possible at the end of the reporting period is not deemed necessary.

(ii) Cash flow and fair value interest rate risk

The interest rate profile of the Group's and the Company's interest-bearing financial instruments at the end of the reporting periods is analysed below:

	Group		**Company**	
	2023 €000	2022 €000	**2023 €000**	2022 €000
Financial assets measured at amortised cost				
Subject to floating rates				
Bank balances	**49,180**	16,024	**41,405**	6,115
	49,180	16,024	**41,405**	6,115
Subject to fixed rates				
Loans receivable from subsidiaries	**-**	-	**10,100**	4,000
Other receivables *	**115**	229	**115**	229
	115	229	**10,215**	4,229
Total	**49,295**	16,253	**51,620**	10,344

* The amounts attributable to other receivables disclosed above, are stated gross of provisions for impairment

2. Financial risk management - continued

2.1 Financial risk factors - continued

(a) Market risk - continued

(ii) Cash flow and fair value interest rate risk - continued

	Group		Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Financial liabilities measured at amortised cost				
Subject to floating rates				
Bank overdrafts	**(2,264)**	(6,230)	**(9)**	(2,446)
Bank loans	**(64,901)**	(17,026)	**(34,949)**	(16,977)
	(67,165)	(23,256)	**(34,958)**	(19,423)
Subject to fixed rates				
Bank loans	**(3,422)**	(3,544)	**-**	-
Bonds	**(98,885)**	(98,612)	**(59,346)**	(59,259)
	(102,307)	(102,156)	**(59,346)**	(59,259)
Total	**(169,472)**	(125,412)	**(94,304)**	(78,682)

The Group's significant instruments which are subject to fixed interest rates consist principally of bonds issued and bank loans. In this respect, the Group is potentially exposed to fair value interest rate risk in view of the fixed interest nature of these instruments, which are however measured at amortised cost.

The Group's interest rate risk principally arises from bank borrowings issued at variable rates that are partially offset by balances held with banks subject to floating interest rates, which expose the Group to cash flow interest rate risk. Floating interest rates on these financial instruments are linked to reference rates such as Euribor or the respective banker's base rate. Management monitors the impact of changes in market interest rates on amounts reported in profit or loss in respect of these instruments taking into consideration refinancing, renewal of existing positions, alternative financing, and hedging techniques.

Based on the analysis referred to above, management considers the potential impact on profit or loss of a defined interest rate shift that is reasonably possible at the end of the reporting period as a measure of cash flow interest rate risk. An increase/(decrease) of 250 basis points (2022: 250 basis points) would have (decreased)/increased the profit for the Group and Company by €933,000 and €877,000 respectively (2022: (decreased)/increased the profit by €583,000 and €485,000), which principally takes into account the impact of this shift on the interest amounts arising on variable interest borrowings as at 31 December 2023. Accordingly, the Group's financial results are substantially independent of changes in market interest rates and the level of interest risk to the Group is deemed to be quite contained.

2. Financial risk management - continued

2.1 Financial risk factors - continued

(a) Market risk - continued

(iii) Price risk

The Group is not materially exposed to equity securities price risk attributable to investments held by the Group taking into account the carrying amount of the investments held in the context of the Group's total assets.

(b) Credit risk

Credit risk principally arises from cash and cash equivalents comprising deposits with financial institutions, and loans to related parties, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. The Group's and the Company's principal exposures to credit risk as at the end of the reporting period are analysed as follows:

	Group		Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Carrying amount				
Financial assets measured at amortised cost:				
Loans receivables from subsidiaries (Note 10)	**-**	-	**10,100**	4,000
Trade and other receivables (Note 14)	**25,487**	19,280	**26,237**	19,674
Cash and cash equivalents (Note 15)	**49,180**	16,024	**41,405**	6,115
	74,667	35,304	**77,742**	29,789

The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets mentioned above is equivalent to their carrying amount as disclosed in the respective notes to the financial statements. The Group does not hold any significant collateral as security in this respect. The figures disclosed in the table above in respect of trade and other receivables exclude prepayments.

Trade and other receivables (including contract assets)

The Group assesses the credit quality of its trade customers, the majority of which are unrated, taking into account financial position, past experience and other factors. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. It has policies in place to ensure that sales of services are affected to customers with an appropriate credit history. Standard credit terms are in place for individual clients, however, wherever possible, new corporate customers are analysed individually for creditworthiness before the Group's standard payment and service delivery terms and conditions are offered. The creditworthiness analysis for new customers includes a review through external creditworthiness databases when available. The Group monitors the performance of its trade and other receivables on a regular basis to identify incurred collection losses, which are inherent in the Group's debtors, taking into account historical experience in collection of accounts receivable.

2. Financial risk management - continued

2.1 Financial risk factors - continued

(b) Credit risk - continued

In view of the nature of the Group's activities and the market in which it operates, a limited number of customers account for a certain percentage of the Group's trade and other receivables. Whilst no individual customer or group of dependent customers is considered by management as a significant concentration of credit risk with respect to contractual debts, these material exposures are monitored and reported more frequently and rigorously. These customers trade frequently with the respective Group undertaking and are deemed by management to have positive credit standing, usually taking cognisance of the performance history without defaults.

The Group manages credit limits and exposures actively in a practicable manner such that past due amounts receivable from customers are within controlled parameters. The Group's trade and other receivables, which are not credit impaired financial assets, are principally debts in respect of transactions with customers for whom there is no recent history of default. Management does not expect any significant losses from non-performance by these customers.

Impairment of trade and other receivables (including contract assets)

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets.

The expected loss rates are based on the payment profiles of sales over a period of time before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group adjusts the historical loss rates based on expected changes in these factors. On that basis, the loss allowance as at 31 December 2023 and 31 December 2022 was determined as follows:

Group	30 days past due	60 days past due	90 days past due	120 days past due	150 days past due	+ 150 days past due	Total
31 December 2023							
Weighted average expected loss rate	2%	5%	9%	26%	20%	75%-100%	
Gross carrying amount (€000)	17,668	3,246	1,828	866	1,019	13,202	**37,829**
Loss allowance (€000)	202	175	122	119	140	12,442	**13,200**
31 December 2022							
Weighted average expected loss rate	2%	5%	9%	26%	20%	75%-100%	
Gross carrying amount (€000)	7,037	2,566	2,120	1,552	1,472	17,331	**32,078**
Loss allowance (€000)	451	210	427	166	123	11,447	**12,824**

2. Financial risk management - continued

2.1 Financial risk factors - continued

(b) Credit risk - continued

Company	30 days past due	60 days past due	90 days past due	120 days past due	150 days past due	+ 150 days past due	Total
31 December 2023							
Weighted average expected loss rate	2%	4%	8%	13%	20%	75%-100%	
Gross carrying amount (€000)	5,105	2,512	1,686	757	932	12,134	**23,126**
Loss allowance (€000)	141	110	79	83	119	9,953	**10,485**
31 December 2022							
Weighted average expected loss rate	2%	4%	8%	13%	20%	75%-100%	
Gross carrying amount (€000)	4,430	2,127	1,539	1,544	1,469	10,445	**21,554**
Loss allowance (€000)	363	172	146	162	120	9,785	**10,748**

Credit loss allowances include specific provisions against credit impaired individual exposures with the amount of the provisions being equivalent to the balances attributable to credit impaired receivables. The Group considers that there is evidence of impairment if any of the following indicators is present:
- significant financial difficulties of the debtor,
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or late payments (more than 90 days overdue).

The closing loss allowances for trade and other receivables as at 31 December reconcile to the opening loss allowances as follows:

	Group		**Company**	
	2023 €000	2022 €000	**2023 €000**	2022 €000
Trade receivables				
Balance at 1 January	**12,824**	11,913	**10,748**	10,062
Change in loss allowances recognised in profit or loss during the year	**376**	911	**(263)**	686
Balance at 31 December	**13,200**	12,824	**10,485**	10,748
Other receivables				
Balance at 1 January	**476**	479	**229**	229
Change in loss allowances recognised in profit or loss during the year	**(115)**	(3)	**(115)**	-
Balance at 31 December	**361**	476	**114**	229

2. Financial risk management - continued

2.1 Financial risk factors - continued

(b) Credit risk - continued

The Group established an allowance for impairment that represented its estimate of expected credit losses in respect of trade and other receivables. The individually credit impaired trade receivables mainly relate to a number of independent customers which are in unexpectedly difficult economic situations and which are accordingly not meeting repayment obligations. Hence, provisions for impairment in respect of credit impaired balances with corporate trade customers relate to entities which are in adverse trading and operational circumstances. Reversals of provisions for impairment of credit impaired receivables arise in those situations where customers recover from unfavourable circumstances and accordingly start meeting repayment obligations. The Group and the Company do not hold any significant collateral as security in respect of the credit impaired assets.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period greater than that reflecting status as 180 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses in 'administrative and other related expenses' within operating profit. Subsequent recoveries of amounts written off are credited against the same line item.

As at 31 December 2023, trade receivables of €2,911,000 (2022: €1,962,000) and €1,979,000 (2022: €1,952,000) for the Group and the Company respectively, were past due but not credit impaired. Such past due debtors comprise mainly debts allocated to the over 180 days past due category and the balances would in certain cases be recovered through offsetting of balances due to the Group with contractual liabilities owed to the same customer.

These past due debtors mainly relate to a number of independent customers for whom there is no recent history of default. Whilst a limited number of customers account for a certain percentage of the Group's past due debts, management has not identified any major concerns with respect to concentration of credit risk as outlined above. Categorisation of receivables as past due is determined by the Group on the basis of the nature of the credit terms in place and credit arrangements actually utilised in managing exposures with customers.

At 31 December 2023 and 2022, the carrying amount of trade receivables that would otherwise be past due or credit impaired and whose terms have been renegotiated is not deemed material in the context of the Group's trade receivables figures.

Cash and cash equivalents

The Group principally banks with local and European financial institutions with high-quality standing or rating.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss is insignificant.

2. Financial risk management - continued

2.1 Financial risk factors - continued

(b) Credit risk - continued

Loans receivable from subsidiaries and amounts due from subsidiaries

The Company's receivables include loans receivable from subsidiaries and other amounts owed by subsidiaries (Notes 10 and 14). The Company monitors intra-group credit exposures at individual entity level on a regular basis and ensures timely performance of these assets in the context of overall Group liquidity management. The Company assesses the credit quality of these related parties taking into account financial position, performance and other factors. The Company takes cognisance of the related party relationship with these entities and management does not expect any significant losses from non-performance or default.

Loans receivable and non-current receivables from subsidiary are categorised as Stage 1 for IFRS 9 purposes (i.e. performing) in view of the factors highlighted above. The expected credit loss allowances on such loans are based on the 12-month probability of default, capturing 12-month expected losses and hence are considered insignificant.

Since the current balances owed by subsidiaries are repayable on demand, expected credit losses are based on the assumption that repayment of the balance is demanded at the reporting date. Accordingly, the expected credit loss allowance attributable to such balances is insignificant.

(c) Liquidity risk

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise borrowings (Note 18), lease liabilities (Note 19) and trade and other payables (Note 21). Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Group's obligations.

Management monitors liquidity risk by reviewing expected cash flows through cash flow forecasts, and ensures that no additional financing facilities are expected to be required over the coming year. This is performed at a central treasury function, which controls the overall liquidity requirements of the Group within certain parameters.

The Group ensures that it has sufficient cash on demand, within pre-established benchmarks, to meet expected operational expenses and servicing of financial obligations over specific short-term periods, excluding the potential impact of extreme circumstances that cannot reasonably be predicted. The Group's liquidity risk is actively managed taking cognisance of the matching of cash inflows and outflows arising from expected maturities of financial instruments, together with the Group's committed bank borrowing facilities and other financing that it can access to meet liquidity needs. In this respect, management does not consider liquidity risk to the Group as significant taking into account the liquidity management process referred to above. The tables below analyse the Group's and the Company's financial liabilities, which expose the reporting entity to liquidity risk, into relevant maturity groupings based on the remaining term at the end of the reporting period to the contractual maturity date. The amounts disclosed in the tables are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances, as the impact of discounting is not significant.

2. Financial risk management - continued

2.1 Financial risk factors - continued

(c) Liquidity risk - continued

Group	Carrying amount €000	Contractual cash flows €000	Within 1 year €000	1 to 2 years €000	2 to 5 years €000	After 5 years €000
Bank loans	68,323	88,956	12,245	13,593	25,552	37,566
Bonds	98,885	125,951	3,613	3,613	10,838	107,887
Bank overdrafts	2,264	2,264	2,264	-	-	-
Lease liabilities	49,204	54,058	9,560	7,423	13,601	23,474
Trade and other payables	81,958	82,555	68,355	8,277	5,923	-
31 December 2023	**300,634**	**353,784**	**96,037**	**32,906**	**55,914**	**138,927**
Bank loans	20,570	22,293	6,717	6,962	7,260	1,354
Bonds	98,612	129,909	3,613	3,613	10,838	111,845
Bank overdrafts	6,230	6,239	6,239	-	-	-
Lease liabilities	55,259	64,651	9,781	9,173	16,868	28,829
Trade and other payables	68,464	68,464	62,398	6,066	-	-
31 December 2022	249,135	291,556	88,748	25,814	34,966	142,028

Company						
Bank loans	34,949	38,704	10,901	10,303	14,295	3,205
Bonds	59,346	75,096	2,013	2,013	6,038	65,032
Bank overdrafts	9	9	9	-	-	-
Lease liabilities	35,290	38,795	6,351	4,636	8,299	19,509
Trade and other payables	49,522	49,522	49,522	-	-	-
31 December 2023	**179,116**	**202,126**	**68,796**	**16,952**	**28,632**	**87,746**
Bank loans	16,977	18,201	6,598	6,325	5,278	-
Bonds	59,259	77,109	2,013	2,013	6,038	67,045
Bank overdrafts	2,446	2,446	2,446	-	-	-
Lease liabilities	39,058	46,993	6,374	6,221	10,570	23,828
Trade and other payables	38,488	38,488	38,488	-	-	-
31 December 2022	156,228	183,237	55,919	14,559	21,886	90,873

2. Financial risk management - continued

2.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new shares or adjust the amount of dividends paid to shareholders.

The Group monitors the level of capital on the basis of the ratio of aggregated net debt to total capital. Net debt is calculated as total borrowings (as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as equity, as shown in the respective statement of financial position, plus net debt.

The figures in respect of the Group's and the Company's equity and borrowings are reflected below

	Group		**Company**	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Borrowings (Note 18)	**169,472**	125,412	**94,304**	78,682
Lease liabilities (Note 19)	**49,204**	55,259	**35,290**	39,058
Less: Cash and cash equivalents (Note 15)	**(49,180)**	(16,024)	**(41,405)**	(6,115)
Net debt	**169,496**	164,647	**88,189**	111,625
Total equity	**99,440**	98,985	**143,362**	111,176
Total capital	**268,936**	263,632	**231,551**	222,801
Net debt ratio	**63%**	62%	**38%**	50%

The Group manages the relationship between equity injections and borrowings, being the constituent elements of capital as reflected above, with a view to managing the cost of capital. The level of capital, as reflected in the consolidated statement of financial position, is maintained by reference to the Group's respective financial obligations and commitments arising from operational requirements. In view of the nature of the Group's activities and the extent of borrowings or debt, the capital level at the end of the reporting period determined by reference to the consolidated financial statements is deemed adequate by the Directors.

2. Financial risk management - continued

2.3 Fair values of financial instruments and non-recurring fair value measurements

Fair value estimation in relation to financial instruments measured at fair value

The Group is required to disclose fair value measurements by level of a fair value measurement hierarchy for financial instruments that are measured in the statement of financial position at fair value (Level 1, 2 or 3). The different levels of the fair value hierarchy are defined as fair value measurements using:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly i.e. as prices, or indirectly i.e. derived from prices (Level 2); and
- inputs for the asset or liability that are not based on observable market data i.e. unobservable inputs (Level 3).

The fair value of financial assets traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer or broker and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. The fair value of financial assets and other financial instruments (e.g. over-the-counter derivatives) that are not traded in an active market, is determined by using valuation techniques, principally discounted cash flow models. When the Group uses valuation techniques, it makes assumptions that are based on market conditions existing at the end of each reporting period. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The Group's financial instruments, which are carried at fair value, include the Group's other investments. The fair value measurements in this respect are considered to be Level 3. More information is disclosed in Note 11 to the financial statements.

2. Financial risk management - continued

2.3 Fair values of financial instruments and non-recurring fair value measurements - continued

Fair values of financial instruments not carried at fair value

At 31 December 2023 and 2022, the carrying amounts of certain financial instruments not carried at fair value comprising cash at bank, receivables, payables, accrued expenses and short-term borrowings reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation. The fair value of advances to related parties and other balances with related parties, which are short-term or repayable on demand, is equivalent to their carrying amount. The fair value of non-current financial instruments for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The carrying amount of the Company's non-current loans and other amounts receivable from subsidiaries fairly approximates the estimated fair value of these assets based on discounted cash flows. The fair value of the Group's non-current bank borrowings at the end of the reporting period is not significantly different from the carrying amounts. The current market interest rates utilised for discounting purposes, which were almost equivalent to the respective instruments' contractual interest rates, are deemed observable and accordingly these fair value estimates have been categorised as Level 2.

Information on the fair value of the bonds issued to the public is disclosed in the respective note to the financial statements. The fair value estimate in this respect is deemed Level 1 as it constitutes a quoted price in active market.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. These estimates and assumptions present a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Group's management also makes judgements, apart from those involving estimations, in the process of applying the entity's accounting policies that may have a significant effect on the amounts recognised in the financial statements.

3.1 Impairment testing

IFRSs require management to undertake an annual test for impairment of goodwill and non-financial assets having an indefinite useful life, and require management to test for impairment if events or changes in circumstances indicate that the carrying amount of a non-financial asset having a finite useful life may not be recoverable. For the purposes of assessing impairment, non-financial assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The Group also assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

3. Critical accounting estimates and judgements - continued

3.1 Impairment testing - continued

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets or cash-generating units can be supported by the net present value of future cash flows derived from such assets or cash-generating units using cash flow projections, which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, in particular those derived from the Group's cash-generating units, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of growth in earnings before interest, taxation, depreciation and amortisation (EBITDA); developments in number of subscribers and average revenue per user (ARPU); long-term growth rates; and the selection of discount rates to reflect the risks involved. Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Group's impairment evaluation and hence results.

3.2 Business combinations

The definition of control encompasses three distinct principles, which, if present, identify the existence of control by the Group over an investee, hence forming a parent-subsidiary relationship: power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. When the Group assesses whether it has power over an investee, it needs to assess whether any rights it has are protective (rather than substantive), whether rights held by other investors are protective, or whether other parties have substantive rights that can prevent the Group from directing the relevant investee's activities (for example, veto rights). Protective rights are different to substantive rights. Protective rights are considered as rights designed to protect the interest of the party holding those rights without giving that party power over the entity to which those rights relate. Given that power is required to control an investee, if the Group only has protective rights it will not control the investee.

The recognition of business combinations requires the excess of the purchase price of acquisitions over the net book value of assets acquired to be allocated to the assets and liabilities of the acquired entity. The Group makes judgements and estimates in relation to the fair value allocation of the purchase price. The amount of goodwill initially recognised as a result of a business combination is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management's judgement. Allocation of the purchase price affects the results of the Group as intangible assets with a finite life are amortised, whereas intangible assets with an indefinite life and goodwill are not amortised. Identifiable intangible assets may include customer bases and brands. The fair value of these assets is determined by discounting estimated future net cash flows generated by the asset where no active market for the assets exist. The use of different assumptions for the expectations of future cash flows and the discount rate would change the valuation of the intangible assets.

3.3 Provisions for pension obligations

The Group exercises judgement in measuring and recognising provisions for its pension obligations because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision. The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the cost for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. In the Company's case, the specific judgements involved are more subjective, taking cognisance of the nature of the Company's obligations and the ongoing developments in this respect.

3. Critical accounting estimates and judgements - continued

3.4 Fair valuation of property

The Group's land and buildings category of property, plant and equipment is fair valued on the basis of professional advice, which considers current market prices for the properties. Fair valuation of property requires the extensive use of judgement and estimates.

3.5 Estimation of useful life

The useful life used to amortise intangible assets relates to the future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from the asset. The useful lives and residual values of the Group's property, plant and equipment are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

Assessment of matters referred to above

In the opinion of the Directors, the accounting estimates and judgements made in the course of preparing these consolidated financial statements, which have been highlighted above, are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

The Directors also draw attention to the fact that there are no assumptions and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Segment information

4.1 Operating segments

The Group has three reportable segments, which are effectively the Group's key and distinct strategic business units and cash-generating units, as they represent the lowest level at which separately identifiable cash flows can be identified. The strategic business units are managed separately with their own separate management structure and board of directors.

The following summary describes the operations in each of the Group's reportable segments:

Malta Telecommunication Services (Malta Telecommunications CGU) comprise the Group's fixed-line telephony services, mobile telephony services, digital television services, sale of broadband, internet services, other business communication solutions and IoT services provided predominantly within Malta, mainly through the Company's activities.

Data Centre Services (Data Centre CGU) comprise the Group's operations of BMITT, which provides data centre facilities and ICT solutions in Malta.

Cyprus Telecommunication Services (Cyprus Telecommunications CGU) comprise the Group's operations of the Cypriot subsidiary, Cablenet. The company provides broadband, cable television and telephony services. The operations of the Cypriot subsidiary constitute a reportable segment in view of the specific nature and characteristics of the Cypriot telecommunications sector, giving rise to a varied degree of business risks and returns.

The Group's internal reporting to the Board of Directors and Senior Management is analysed according to these three segments. For each of these three strategic business units, the Board of Directors reviews internal management reports at least on a monthly basis.

4. Segment information - continued

4.1 Operating segments - continued

Information about reportable segments

	Malta operations				Cyprus operations		Total	
	Telecommunications		Data Centre		Telecommunications			
	2023 €000	2022 €000	**2023 €000**	2022 €000	**2023 €000**	2022 €000	**2023 €000**	2022 €000
Total revenue	**142,075**	130,326	**28,666**	25,776	**74,421**	63,900	**245,162**	220,002
Inter-segment revenue	**(7,567)**	(4,100)	**(1,702)**	(1,255)	**-**	-	**(9,269)**	(5,355)
Revenue from external customers	**134,508**	126,226	**26,964**	24,521	**74,421**	63,900	**235,893**	214,647
Reportable segment profit before tax	**16,620**	19,661	**7,875**	8,283	**2,257**	(5,890)	**26,752**	22,054
Tax	**(8,257)**	(6,951)	**(2,930)**	(2,980)	**(79)**	64	**(11,266)**	(9,867)
Results for reportable segments	**8,363**	12,710	**4,945**	5,303	**2,178**	(5,826)	**15,486**	12,187
Information about profit or loss:								
Finance income	**329**	364	**-**	5	**-**	-	**329**	369
Finance costs	**(5,145)**	(3,911)	**(204)**	(222)	**(3,294)**	(2,561)	**(8,520)**	(6,694)
Depreciation and amortisation	**(31,476)**	(30,558)	**(1,912)**	(2,105)	**(20,095)**	(20,311)	**(53,483)**	(52,974)
Other non-cash items								
Change in credit loss allowances in respect of trade receivables	**263**	(686)	**-**	40	**(639)**	(262)	**(376)**	(908)

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4. Segment information - continued

4.1 Operating segments - continued

Information about reportable segments

	Malta operations				Cyprus operations		Total	
	Telecommunications		Data Centre		Telecommunications			
	2023 €000	2022 €000	**2023 €000**	2022 €000	**2023 €000**	2022 €000	**2023 €000**	2022 €000
Reportable segment assets	**327,280**	239,454	**31,307**	25,321	**150,041**	138,830	**508,628**	403,605
Capital expenditure	**34,834**	45,986	**810**	1,043	**29,218**	22,226	**64,862**	69,255
Reportable segment liabilities	**264,302**	184,228	**24,238**	14,265	**120,648**	106,127	**409,188**	304,620

4. Segment information - continued

4.1 Operating segments - continued

A reconciliation of reportable segment results, assets and liabilities and other material items, to the amounts presented in the consolidated financial statements, is as follows:

	2023 €000	2022 €000
Profit		
Total profit for reportable segments and consolidated profit after tax	**15,486**	12,187
Assets		
Total assets for reportable segments	**508,628**	403,605
Inter-segment eliminations	**(47,497)**	(7,377)
Consolidated total assets	**461,131**	396,228
Liabilities		
Total liabilities for reportable segments	**409,188**	304,620
Inter-segment eliminations	**(47,497)**	(7,377)
Consolidated total liabilities	**361,691**	297,243

4.2 Information about geographical segments

The Group's revenues are derived from operations carried out principally in Malta and in Cyprus. The Telecommunications segments for both Malta and Cyprus also derive revenue from incoming interconnect traffic and inbound roaming from foreign administrators worldwide. Considering the nature of the Group's activities, its non-current assets are predominantly located in Malta and Cyprus.

4.3 Information about major customers

The Group does not have any particular major customer, as it largely derives revenue from a significant number of customers availing of its services. Accordingly, the Group does not deem necessary any relevant disclosures in respect of reliance on major customers.

5. Property, plant and equipment

Group

	Land and buildings €000	Plant and equipment €000	Customer premises equipment and related assets €000	Motor vehicles €000	Payments on account and assets in course of construction €000	Total €000
At 1 January 2022						
Cost or valuation	12,652	363,849	36,726	1,018	610	414,855
Accumulated depreciation and impairment charges	(2,013)	(225,532)	(22,821)	(423)	(258)	(251,047)
Net book amount	10,639	138,317	13,905	595	352	163,808
Year ended 31 December 2022						
Opening net book amount	10,639	138,317	13,905	595	352	163,808
Additions	457	37,608	5,651	116	-	43,832
Disposals and write-offs	-	(5,401)	(5,297)	(123)	(610)	(11,431)
Other movements	(364)	-	-	-	-	(364)
Depreciation charge	(337)	(26,423)	(7,292)	(233)	-	(34,285)
Depreciation/impairment released on disposals and write-offs	-	4,863	5,297	42	258	10,460
Depreciation released on other movements	134	-	-	-	-	134
Closing net book amount	10,529	148,964	12,264	397	-	172,154
At 31 December 2022						
Cost or valuation	12,745	396,056	37,080	1,011	-	446,892
Accumulated depreciation and impairment charges	(2,216)	(247,092)	(24,816)	(614)	-	(274,738)
Net book amount	10,529	148,964	12,264	397	-	172,154

5. Property, plant and equipment - continued

Group

	Land and buildings €000	Plant and equipment €000	Customer premises equipment and related assets €000	Motor vehicles €000	Payments on account and assets in course of construction €000	Total €000
Year ended 31 December 2023						
Opening net book amount	10,529	148,964	12,264	397	-	172,154
Additions	369	33,933	8,254	69	5,584	48,209
Acquisition of subsidiary (Note 8)	-	8	-	-	-	8
Revaluation surplus on land and buildings						
- effect on cost or valuation	428	-	-	-	-	428
- effect on depreciation	217	-	-	-	-	217
Disposals and write-offs	-	(8,074)	(1,436)	(40)		(9,550)
Transfers	455	2,725	-	-	(3,180)	-
Reclassification to intangible assets:						
- cost	-	(1,543)	-	-	-	(1,543)
- accumulated depreciation	-	1,294	-	-	-	1,294
Depreciation charge	(384)	(25,364)	(7,010)	(185)	-	(32,943)
Depreciation/impairment released on disposals and write-offs	-	7,871	1,436	28	-	9,335
Closing net book amount	**11,614**	**159,814**	**13,508**	**269**	**2,404**	**187,609**
At 31 December 2023						
Cost or valuation	13,997	423,105	43,898	1,040	2,404	484,444
Accumulated depreciation and impairment charges	(2,383)	(263,291)	(30,390)	(771)	-	(296,835)
Net book amount	**11,614**	**159,814**	**13,508**	**269**	**2,404**	**187,609**

The Group's land and buildings are secured as collateral for the Group's banking facilities.

During the current financial year, a subsidiary reclassified the carrying amount of €249,000 attributable to a specific asset category from Plant and equipment, as reflected in the table above, to Computer software within Intangible assets to reflect fairly the nature of such assets.

5. Property, plant and equipment - continued

Company

	Land and buildings €000	Plant and equipment €000	Customer premises equipment and related assets €000	Motor vehicles €000	Total €000
At 1 January 2022					
Cost or valuation	4,432	292,615	20,976	279	318,302
Accumulated depreciation	(171)	(195,803)	(10,628)	(267)	(206,869)
Net book amount	4,261	96,812	10,348	12	111,433
Year ended 31 December 2022					
Opening net book amount	4,261	96,812	10,348	12	111,433
Additions	-	23,511	5,041	102	28,654
Disposals and write-offs	-	(5,023)	(5,297)	-	(10,320)
Depreciation charge	(23)	(17,218)	(5,295)	(11)	(22,547)
Depreciation released on disposals and write-offs	-	4,840	5,297	-	10,137
Closing net book amount	4,238	102,922	10,094	103	117,357
At 31 December 2022					
Cost or valuation	4,432	311,103	20,720	381	336,636
Accumulated depreciation	(194)	(208,181)	(10,626)	(278)	(219,279)
Net book amount	4,238	102,922	10,094	103	117,357
Year ended 31 December 2023					
Opening net book amount	4,238	102,922	10,094	103	117,357
Additions	-	28,354	3,887	58	32,299
Revaluation surplus on land and buildings					
- effect on cost or valuation	428	-	-	-	428
- effect on depreciation	217	-	-	-	217
Disposals and write-offs	-	(13,469)	(1,436)	(12)	(14,917)
Depreciation charge	(23)	(17,239)	(4,889)	(27)	(22,178)
Depreciation released on disposals and write-offs	-	12,786	1,436	-	14,222
Closing net book amount	**4,860**	**113,354**	**9,092**	**122**	**127,428**
At 31 December 2023					
Cost or valuation	4,860	325,988	23,171	427	354,446
Accumulated depreciation	-	(212,634)	(14,079)	(305)	(227,018)
Net book amount	**4,860**	**113,354**	**9,092**	**122**	**127,428**

During the current financial year, the Company transferred plant and equipment at proceeds equivalent to their carrying amount of €517,000 to BMITT as an intrinsic part of the transaction referred to in Note 37(i).

5. Property, plant and equipment - continued

Fair valuation of land and buildings

The Company's land and buildings within property, plant and equipment, were revalued on 31 December 2023 by an independent firm of property valuers having appropriate recognised professional qualifications and experience in the location and category of the property being valued. Management have reviewed the carrying amounts of the properties as at 31 December 2023, on the basis of the assessments by the independent property valuers, and the carrying amounts were adjusted to reflect these valuations.

Valuations were made on the basis of open market value taking cognisance of the specific location of the properties, the size of the sites together with their development potential, the availability of similar properties in the area, and whenever possible, having regard to recent market transactions for similar properties in the same location.

Adjustments to the carrying amounts of the Company's land and buildings as at 31 December 2023, reflecting an increase of €645,000, were deemed necessary to reflect the properties' estimated open market value on an individual asset level. Increases amounting to €19,000 were recognised in profit or loss, whereas other movements amounting to €626,000 have been recognised in other comprehensive income as an adjustment to the revaluation reserve within shareholders' equity.

A subsidiary's leasehold property, with a carrying amount of €1,958,000 (2022: €1,958,000) at the end of the reporting period, was revalued in prior years by an independent firm of property valuers having appropriate professional qualifications and experience in the category of the property being valued. Management has reviewed the carrying amount of the property as at 31 December 2023 and no adjustments to the carrying amounts were deemed necessary as at that date.

BMITT's property comprises a property acquired during the financial year ended 31 December 2020 for a consideration of €4,000,000, currently being used to host one of its data centres. In the opinion of the company's directors, as at 31 December 2023, no significant changes or developments have been experienced since the acquisition that impacted the property's fair value by giving rise to a material shift in its estimated market value. The current carrying value is also supported by an independent valuation carried out by an independent firm of architects during 2023, commissioned by the company to carry out an assessment of the fair value of the property, by considering the aggregate of the estimated cash flows expected to be received from renting out the property over a defined period.

The Group is required to analyse non-financial assets carried at fair value by level of the fair value hierarchy within which the recurring fair value measurements are categorised in their entirety (Level 1, 2 or 3). The different levels of the fair value hierarchy have been defined as fair value measurements using:

- Quoted prices (unadjusted) in active markets for identical assets (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- Inputs for the asset that are not based on observable market data (that is, unobservable inputs) (Level 3).

5. Property, plant and equipment - continued

Fair valuation of land and buildings - continued

The Group's land and buildings, within property, plant and equipment, comprise exchanges, data centres, warehouses, offices and retail outlets. All the recurring property fair value measurements at 31 December 2023 and 2022 use significant unobservable inputs and are accordingly categorised within Level 3 of the fair valuation hierarchy.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the beginning of the reporting period. There were no transfers between different levels of the fair value hierarchy during the years ended 31 December 2023 and 2022.

A reconciliation from the opening balance to the closing balance of land and buildings for recurring fair value measurements categorised within Level 3 of the value hierarchy, is reflected in the table above. The changes during the year are mainly attributable to additions, revaluation surplus and depreciation charge.

Valuation processes

The valuations of the properties are performed regularly on the basis of valuation reports prepared by independent and qualified valuers. These reports are based on both:

- information provided by the respective company which is derived from the company's financial systems and is subject to the company's overall control environment; and
- assumptions and valuation models used by the valuers – the assumptions are typically market-related. These are based on professional judgement and market observation.

The information provided to the valuers, together with the assumptions and the valuation models used by the valuers, are reviewed by the Chief Finance Officer (CFO). This includes a review of fair value movements over the period. When the CFO considers that the valuation report is appropriate, the valuation report is recommended to the Audit Committee. The Audit Committee considers the valuation report as part of its overall responsibilities.

At the end of every reporting period, the CFO assesses whether any significant changes or developments have been experienced since the last external valuation. This is supported by an assessment performed by the independent firm of property valuers. The CFO reports to the Audit Committee on the outcome of this assessment.

Valuation techniques

The external valuations of the Company's Level 3 property have been performed using an adjusted sales comparison approach or a discounted rental streams approach. In view of a limited number of similar sales or rentals in the local market, the valuations have been performed using unobservable inputs. The significant input to the adjusted sales comparison approach is generally a sales price per square metre related to transactions in comparable properties located in proximity to the Group's property, with significant adjustments for differences in the size, age, exact location and condition of the property. The significant inputs to the discounted rental streams approach comprise annual rental values per square metre (also related to comparable properties or transactions and adjusted as described above) and the discount rate.

5. Property, plant and equipment - continued

Information about fair value measurements using significant unobservable inputs (Level 3)

Group

	At 31 December 2023 and 2022			
Description by class based on highest and best use	**Valuation technique**	**Significant unobservable input**	**Range of unobservable inputs (weighted average) €**	**Fair value €000**
Current use as office premises	Adjusted sales comparison approach	Sales price per square metre	1,000 – 2,650 (1,500)	4,860 (2022: 4,238)
Current use as data centre	Discounted cash flows - rental streams approach	Rental streams	Rental value pa of €158 per sqm; discount rate of 5.75%	4,200 (2022: 4,200)

The higher the sales price per square metre the higher the resultant fair valuation. The higher the rental value per square metre, the higher the resultant fair valuation, whereas a higher discount rate would give rise to a lower fair value. The highest and best use of the properties referred to above is equivalent to their current use.

If the land and buildings were stated on the historical cost basis, the carrying amounts would be as follows:

	Group		**Company**	
	2023 €'000	2022 €'000	**2023 €'000**	2022 €'000
Cost	**13,641**	12,817	**3,883**	3,883
Accumulated depreciation	**(3,497)**	(3,091)	**(730)**	(685)
Net book amount	**10,144**	9,726	**3,153**	3,198

5. Property, plant and equipment - continued

Depreciation and impairment charge

The depreciation charge for the year is recognised in profit or loss as follows:

	Group		Company	
	2023 **€'000**	2022 €'000	**2023** **€'000**	2022 €'000
Cost of sales	**32,428**	33,835	**22,178**	22,547
Administrative and other related expenses	**515**	450	**-**	-
	32,943	34,285	**22,178**	22,547

During the year ended 31 December 2023, a subsidiary revised the remaining useful life of specific asset categories within Plant and equipment to align their depreciation rates to GO's policy and practice. This revision has given rise to a lower depreciation charge for the current financial year by €627,000, which amount is considered insignificant and accordingly further disclosures in terms of the requirements of IAS 8 are not deemed necessary.

Recoverability of the telecommunications and data centre infrastructure

At 31 December 2023, the Group's telecommunications infrastructure and licences together with related tangible, intangible and other assets, attributable to the Malta Telecommunications, Data Centre and Cyprus Telecommunications CGUs, were carried at an aggregate amount of €169,624,000 (2022: €178,812,000), €7,747,000 (2022: €8,392,000) and €72,534,000 (2022: €73,399,000) respectively. No impairment indicators were identified by management in respect of these CGUs as at the end of the reporting period (Note 7).

6. Right-of-use assets

The Group's leasing activities

The Group leases various properties, motor vehicles and IT equipment. Rental contracts are typically made for periods of up to 25 years but may have extension options to renew the lease after the original period as described below. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. The lease agreements do not impose any covenants. Leased assets may not be used as security for borrowing purposes.

Subsequent to the adoption of IFRS 16, spectrum licences are treated as right-of-use assets taking into account prevailing market accounting practice and guidance in this respect in the context of the interpretation of IFRS 16 principles.

Extension and termination options are included in property and certain motor vehicles leases. These terms are used to maximise operational flexibility in respect of managing contracts. The extension and termination options held are exercisable only by the Group and not by the respective lessor. In respect of specific property lease arrangements, the extension periods have been included in determining lease term for the respective arrangement.

6. Right-of-use assets - continued

Group			As at 31 December 2023				
Right-of-use assets	No of ROU assets leased	Range of remaining lease term (years)	Average remaining lease term (years)	Average extension option considered (years)	No of leases with extension options	No of leases with option to purchase	No of leases with termination options
Properties	44	1 – 20	5	10	16	5	14
Equipment and motor vehicles	154	1 – 5	2	1	4	-	-
Spectrum Licences	6	2 – 13	6	-	-	-	-
			As at 31 December 2022				
Properties	40	1 – 22	7	6	28	5	12
Equipment and motor vehicles	136	1 – 5	2	-	5	-	-
Spectrum Licences	6	1 – 12	7	-	-	-	-
Company			**As at 31 December 2023**				
Properties	14	1 – 20	9	12	13	5	-
Equipment and motor vehicles	12	1 – 2	1	1	4	-	-
Spectrum Licences	6	2 – 13	6	-	-	-	-
			As at 31 December 2022				
Properties	14	1 – 22	10	12	13	5	-
Equipment and motor vehicles	12	1 – 4	2	1	5	-	-
Spectrum Licences	6	1 – 11	7	-	-	-	-

The statement of financial position reflects the following assets relating to leases:

	Group		**Company**	
	2023 €000	2022 €000	**2023 €000**	2022 €000
Properties	**26,460**	28,549	**22,040**	23,109
Equipment and motor vehicles	**1,779**	1,830	**864**	1,263
Spectrum licences	**24,950**	28,801	**11,080**	13,410
Total right-of-use assets	**53,189**	59,180	**33,984**	37,782

6. Right-of-use assets - continued

The movement in the carrying amount of these assets is analysed in the following table:

	Group		Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
At 1 January	**59,180**	32,694	**37,782**	26,405
Additions	**1,462**	33,938	**395**	16,286
Impacts of reassessment of lease term, reflecting inclusion of extension period	**681**	-	**681**	-
Impacts of termination of lease arrangements	**(875)**	-	**(764)**	-
Impacts of reassessment of lease payments, determined on the basis of an index	**1,465**	126	**1,465**	126
Depreciation	**(8,724)**	(7,578)	**(5,575)**	(5,035)
At 31 December	**53,189**	59,180	**33,984**	37,782

Additions are analysed as follows:

	Group		Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Property	**614**	13,613	**338**	12,845
Equipment and motor vehicles	**848**	820	**57**	339
Spectrum licences	**-**	19,505	**-**	3,102
	1,462	33,938	**395**	16,286

During 2022, Cablenet's 4G and 5G spectrum licences have been recognised as additions to right-of-use assets, amounting to €16,403,000, given that the licences were made available to the company taking cognisance of the various conditions attached being met.

6. Right-of-use assets - continued

The income statement includes the following amounts relating to leases:

	Group		Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Depreciation charge of right-of-use assets				
Properties	**3,973**	3,450	**2,686**	2,144
Equipment and motor vehicles	**901**	763	**558**	539
Spectrum licences	**3,850**	3,365	**2,331**	2,352
	8,724	7,578	**5,575**	5,035
Interest expense (included in finance costs)	**1,591**	1,491	**1,150**	1,008
Gain recognised on reassessment of lease term (included in Other income)	**23**	-	**23**	-
Expenses relating to short-term leases	**1,737**	1,856	**1,578**	1,668

7. Intangible assets

Group

	IRUs and DDPs	Computer software	Brand names, customer relationships and related assets	Broad-casting rights	Payments on account and assets in the course of construction	Goodwill	Total
	€000	€000	€000	€000	€000	€000	€000
At 1 Januarv 2022							
Cost	17,352	9,194	28,495	27,608	9,580	28,266	120,495
Accumulated amortisation and impairment charges	(9,420)	(4,278)	(20,802)	(14,615)	-	(349)	(49,464)
Net book amount	7,932	4,916	7,693	12,993	9,580	27,917	71,031
Year ended 31 December 2022							
Opening net book amount	7,932	4,916	7,693	12,993	9,580	27,917	71,031
Additions	9,969	1,172	-	3,865	-	-	15,006
Development	-	1,659	-	-	-	-	1,659
Acquisition of subsidiary (Note 8)	-	1,878	-	-	-	-	1,878
Expiration of rights	-	(1,459)	-	(1,988)	-	-	(3,447)
Transfers	9,580	-	-	-	(9,580)	-	-
Amortisation charge	(1,639)	(2,696)	(656)	(6,120)	-	-	(11,111)
Amortisation released on expiration of rights	-	1,459	-	1,596	-	-	3,055
Closing net book amount	25,842	6,929	7,037	10,346	-	27,917	78,071
At 31 December 2022							
Cost	36,901	12,444	28,495	29,485	-	28,266	135,591
Accumulated amortisation and impairment charges	(11,059)	(5,515)	(21,458)	(19,139)	-	(349)	(57,520)
Net book amount	25,842	6,929	7,037	10,346	-	27,917	78,071

7. Intangible assets - continued

Group - continued

	IRUs and DDPs	Computer software	Brand names, customer relationships and related assets	Broad-casting rights	Payments on account and assets in the course of construction	Goodwill	Total
	€000	€000	€000	€000	€000	€000	€000
Year ended 31 December 2023							
Opening net book amount	25,842	6,929	7,037	10,346	-	27,917	78,071
Additions	-	1,297	233	12,493	1,168	-	15,191
Development	-	1,646	-	-		-	1,646
Acquisition of subsidiary (Note 8)	-	-	-	-	-	436	436
Transfers	-	813	-	-	(813)	-	-
Reclassification from property, plant and equipment (Note 5)							
- cost	-	-	1,543	-	-	-	1,543
- amortisation	-	-	(1,294)	-	-	-	(1,294)
Disposals/write-offs/expiration of rights	(136)	(1,473)	-	(150)	-	-	(1,759)
Amortisation charge	(1,781)	(2,832)	(685)	(6,518)	-	-	(11,816)
Amortisation released on expiration of rights	-	1,473	-	-	-	-	1,473
Closing net book amount	**23,925**	**7,653**	**6,834**	**16,171**	**355**	**28,353**	**83,491**
At 31 December 2022							
Cost	36,765	14,727	30,271	41,828	355	28,702	152,648
Accumulated amortisation and impairment charges	(12,840)	(6,874)	(23,437)	(25,657)	-	(349)	(69,157)
Net book amount	**23,925**	**7,653**	**6,834**	**16,171**	**355**	**28,353**	**83,491**

7. Intangible assets - continued

Company

	IRUs and DDPs €000	Computer software €000	Broadcasting rights €000	Payments on account and assets in the course of construction €000	Total €000
At 1 January 2022					
Cost	687	8,862	1,592	9,580	20,721
Accumulated amortisation	(687)	(5,550)	(981)	-	(7,218)
Net book amount	-	3,312	611	9,580	13,503
Year ended 31 December 2022					
Opening net book amount	-	3,312	611	9,580	13,503
Additions	2,202	-	3,865	-	6,067
Development	-	1,685	-	-	1,685
Expiration of rights	-	(1,459)	(1,596)	-	(3,055)
Transfers	9,580	-	-	(9,580)	-
Amortisation charge	(222)	(1,567)	(1,125)	-	(2,914)
Amortisation released on expiration of rights	-	1,459	1,596	-	3,055
Closing net book amount	11,560	3,430	3,351	-	18,341
At 31 December 2022					
Cost	12,469	9,088	3,861	-	25,418
Accumulated amortisation	(909)	(5,658)	(510)	-	(7,077)
Net book amount	11,560	3,430	3,351	-	18,341
Year ended 31 December 2023					
Opening net book amount	11,560	3,430	3,351	-	18,341
Additions	-	-	803	-	803
Development	-	1,646	-	-	1,646
Disposals/write-offs/ expiration of rights	(134)	(1,473)	-	-	(1,607)
Amortisation charge	(559)	(1,748)	(1,401)	-	(3,708)
Amortisation released on expiration of rights	-	1,473	-	-	1,473
Closing net book amount	**10,867**	**3,328**	**2,753**	**-**	**16,948**
At 31 December 2023					
Cost	12,335	9,261	4,664	-	26,260
Accumulated amortisation	(1,468)	(5,933)	(1,911)	-	(9,312)
Net book amount	**10,867**	**3,328**	**2,753**	**-**	**16,948**

7. Intangible assets - continued

Amortisation charge

The amortisation charge for the year is recognised in profit or loss within ‘cost of sales’.

During the year ended 31 December 2023, a subsidiary revised the remaining useful life of specific asset categories within Brand names, customer relationships and other related assets to align their amortisation rates to GO’s policy and practice. This revision has given rise to a lower amortisation charge for the current financial year by €123,000, which amount is considered insignificant and accordingly further disclosures in terms of the requirements of IAS 8 are not deemed necessary.

Goodwill

Goodwill arising on business combinations is allocated to the different CGUs as follows:

	2023	2022
	€000	€000
Cyprus Telecommunications	**23,563**	23,563
Malta Telecommunications	**1,587**	1,151
Malta Data Centre	**3,203**	3,203

Goodwill arising on the acquisition of Cablenet amounting to €23,563,000 has been allocated to the Cyprus Telecommunications CGU, whereas other goodwill arising on business combinations effected in previous financial years has been allocated principally to the Data Centre CGU.

The recoverable amount of the cash-generating units has been estimated by management on the basis of value in use (VIU) reflecting the net present value of future cash flows derived from such cash-generating units. The net present value of the future cash flows is based on the five-year cash flow forecast within the operational plan approved by the Board of Directors and the extrapolation of the cash flow forecast beyond the five-year period through the estimation of terminal values.

The key assumptions in the determination of the recoverable amount of the CGUs are the levels of forecast EBITDA, the terminal value growth rates applied to the estimated cash flows beyond the explicit forecast period and the discount rate.

Goodwill arising on the acquisition of Cybersift Holdings Limited, effected during the current financial year (see Note 8), amounting to €436,000 has been allocated to the Malta Telecommunications CGUs.

Forecast EBITDA levels for the Cyprus Telecommunications CGU are mainly based on past experience modified for market developments and industry trends, taking cognisance of the following key factors throughout the forecast explicit period:
- forecast overall growth in subscribers and revenue primarily driven by a strategy to focus on mobile driven revenue after Cablenet’s investment in its own spectrum licence for 4G and 5G and the continued expansion of the fibre optic network; and
- projected higher gross profit margins as a result of economies of scale and due to the fact that mobile operations will have a fixed cost of sale, with limited operating expenses, creating a potentially significant operating leverage impact.

7. Intangible assets - continued

Forecast EBITDA levels for the Malta Data Centre CGU are based on past experience, adjusted for market developments and industry trends, in particular the following factors over a five-year period:

- forecast overall steady turnover and profit margins over the five-year period, through the diversification of the portfolio offering by focusing on providing a full-suite technology advisor role to customers; and
- stable EBITDA margins mainly due to the fixed nature of certain key elements in the cost base of the CGU.

The estimated terminal value growth rates and post-tax discount rates for CGUs, applied as at 31 December 2023 and 2022, are disclosed in the table below:

	Terminal value growth rate % 2023	**Post-tax discount rate % 2023**	Terminal value growth rate % 2022	Post-tax discount rate % 2022
Cyprus Telecommunications CGU	**2.0**	**10.8**	2.0	10.2
Malta Data Centre CGU	**1.0**	**12.4**	1.0	9.4

These parameters have been principally based on market observable data.

Management's estimation of the VIU indicates that there is significant headroom between the estimated recoverable amount and the carrying amount of the CGUs. Accordingly, management's views are that there appears to be no reasonable possible changes in key assumptions on which it has based its determination of the CGUs' recoverable amount that would cause the carrying amount to exceed VIU.

Disclosures in respect of goodwill attributable to the Malta Telecommunications CGU were not deemed necessary in view of the immateriality of the carrying amount of the goodwill allocated to this CGU.

7. Intangible assets - continued

Brand names and customer relationships acquired in business combinations, and related assets

Brand names and customer relationships acquired in business combinations are allocated to CGUs as follows:

	Brand names			Customer relationships		
	Acquisition date fair value	**Year-end carrying amount 2023**	Year-end carrying amount 2022	Acquisition date fair value	**Year-end carrying amount 2023**	Year-end carrying amount 2022
	€000	**€000**	€000	€000	**€000**	€000
Cyprus Telecommunications	4,295	**4,295**	4,295	12,480	**1,292**	1,938
Malta Data Centre CGU	1,876	**228**	228	9,828	**10**	22

The intangibles acquired through the Cablenet acquisition have been allocated to the Cyprus Telecommunications CGU, constituting the aggregate of the assets allocated to this CGU, whereas other intangible assets arising on business combinations effected in previous financial years have been allocated to the Data Centre CGU.

Brands acquired through business combinations incorporate trade names, trademarks, service marks, trade dress, branding and internet domain names. These have been generally valued using the Relief From Royalty method (RFR).

Customer bases comprise customer contracts (renewable), customer relationships and customer lists. These have been generally valued using the Multi-Period Excess Earnings method (MEEM).

The RFR method was used to value Cablenet's brand. The RFR method assumes that the intangible asset has a fair value based on royalty income attributable to it. The royalty rate represents hypothetical savings enjoyed by the entity that owns the intangible asset, because that entity is relieved from having to license that intangible asset from another owner and pay royalties to use the intangible asset. In the valuation of the Cablenet brand, the cash flows were derived from the projected total revenues in conjunction with a royalty rate of 1.5%. A discount rate of 13.9% was used for the valuation of the brand and as at the end of 2023, the residual value was based on a terminal growth rate of 1.5%. An indefinite useful life was deemed appropriate for the Cablenet brand.

7. Intangible assets - continued

The MEEM method was used to value Cablenet's customer relationships. In valuing the customer relationships, the total cash flows for the acquired customers were based on an estimate of historical customer retention rates and the projected revenues and operating margins going forward. The MEEM is used as a basis for the fair value of an intangible asset based on a residual notion. The principle behind the MEEM is that the fair value of an intangible asset can be determined by estimating the cash flows that are expected to be generated by several assets in combination and deducting the cash flows attributable to all of the other assets that contribute to the cash flows (contributory charges). The 'excess' cash flows are ascribed to the intangible assets and the fair values based on the present value of those cash flows attributable only to the intangible assets. It is presumed that the contributory assets are leased from a third party. All considerations refer to the attributable fair value of the relevant asset. The applied contributory asset charges (CACs – sometimes referred to as 'economic rents') consider the return of the asset and the return on the asset with the latter comprising a reasonable interest on the capital invested.

In respect of the valuation of customer relationships, total projected revenue attributable to existing customer relationships was estimated on the basis of:
- existing number of subscribers by service line;
- projected revenue growth (before churn) for existing customer relationships;
- projected ARPU by service line; and
- projected churn rate by service line for existing customer relationships.

EBIT margins were assumed to be equal to the EBIT margin of the overall business operations of Cablenet, adjusted for the royalty of Cablenet's brand amounting to 1.5% of the revenue attributable to existing relationships. CACs as a percentage of revenue have been applied including principally a 'return-of' and a 'return-on' contributory asset charge for depreciable assets. The 'return-on' contributory asset charge reflects the required rate of return on depreciable assets.

A discount rate for the valuation of the customer relationships intangible asset of 12.9% was utilised after considering the relatively higher level of risk for the customer relationships as compared to the overall business operations of Cablenet. The residual reflects excess earnings attributable to beyond the explicit period, extrapolated assuming an ARPU growth rate and churn rate which are held constant at end of explicit period levels. The useful life of the retail customer relationships intangible asset was estimated at ten years, whilst the useful life of the business customer relationships intangible asset was established at five years.

Other related intangible assets primarily comprise customer bases and IP addresses acquired by the Group.

8. Investments in subsidiaries

	Company	
	2023	2022
	€000	€000
Cost and carrying amount at beginning of year	**58,426**	51,587
Additions/acquisitions	**878**	6,839
Cost and carrying amount at end of year	**59,304**	58,426

The carrying amount of the investments at 31 December 2023 and 2022 is equivalent to the cost of the investments. The subsidiaries at 31 December 2023 and 2022 are shown below:

Subsidiary	Registered office	Percentage of shares held		Nature of business
		2023 %	2022 %	
BMIT Technologies p.l.c. (with listed ordinary share capital)	Building SCM02 Level 2 SmartCity Ricasoli, Kalkara, SCM1001, Malta	**51.0**	51.0	Investment holding
Cablenet Communications Systems p.l.c. (with listed debt securities)	41 – 49 Agiou Nicolaou Street Block A, Nimeli Court 3rd Floor 2408, Egkomi Nicosia Cyprus	**70.2**	70.2	Provision of broadband, cable television and telephony services

8. Investments in subsidiaries - continued

Subsidiary	Registered office	Percentage of shares held 2023 %	2022 %	Nature of business
Connectedcare Limited	GO, Fra Diegu Street Marsa, MRS1501, Malta	**51.0**	51.0	Electronic and mobile care solutions
GO Ventures Limited	GO, Fra Diegu Street Marsa, MRS1501, Malta	**100.0**	100.0	Investment holding
Sens Innovation Group Limited	115, Gardenia Vjal Il-Qalbiena Mostin, Mosta, MST2354, Malta	**76.0**	76.0	Energy management IoT solutions
Cybersift Holdings Limited	15, Sali, Triq iz-Zebbuga, Iklin, IKL 1960, Malta	**51.0**	-	Cybersecurity services
GO Infrastructure Services Limited	GO, Fra Diegu Street Marsa, MRS1501, Malta	**100.0**	-	Provision of passive network infrastructure services

BMITT holds 99.9% (2022: 99.9%) in Bellnet Limited, BM IT Limited and BM Support Services Limited. The companies provide co-location and internet services, technical assistance and IT solutions. The registered office of all the companies is Building SCM 02, Level 2 SmartCity, Ricasoli, Kalkara, SCM1001, Malta.

GO Ventures Limited was incorporated in 2019, to invest in start-up companies offering digital solutions.

SENS Innovation Group Limited (SENS) holds 100% in Llobeno Limited and ESDL – UK Limited. The companies provide energy management IoT solutions. The registered office of Llobeno Limited is 115, Gardenia, Vjal il-Qalbiena Mostin, Mosta, MST2354, Malta and that of ESDL – UK Limited is Wellesley House, 204, London Road, Waterlooville, Hampshire, England PO77AN.

Cybersift Holdings Limited holds 100% in Cybersift Limited. The companies provide cybersecurity services to customers. The registered address of Cybersift Limited is 15, Sali, Triq iz-Zebbuga, Iklin, IKL 1960, Malta.

8. Investments in subsidiaries - continued

GO Infrastructure Services Limited was incorporated during the year ended 31 December 2023, to act as a vehicle for the transfer of the assets attributable to the mobile network towers operation to BMITT (see Note 37(i)). The impacts of this addition on GO's consolidated and stand-alone financial statements is considered immaterial for disclosure purposes, also taking cognisance of the entity's business purpose.

Further investment in Cablenet Communications Systems p.l.c.

During the year ended 31 December 2022, GO executed a share purchase agreement dated 19 July 2022 with inter alia Mr. Nicolas Shiacolas for the purchase and acquisition of an additional two hundred and thirty thousand (230,000) shares with a nominal value of €1.71 each (the 'Shares') in Cablenet. The Shares that were acquired in terms of the Agreement represented 6.84% of the total issued share capital in Cablenet and therefore increased the Company's ownership in Cablenet from 63.38% to 70.22%. The purchase price for the acquisition of the Shares was €5,750,000 which was payable in full upon completion of the acquisition. As at the date of this transaction, the carrying amount attributable to the non-controlling interest stake in this subsidiary which had been acquired, was €713,000. The purchase consideration exceeded the amounts attributable to the non-controlling interest acquired by €5,037,000, which difference was recognised directly in equity

The agreement also grants the Company an option to acquire the remaining equity in Cablenet at any time during a three (3) year period as from the date of the agreement, at different pre-established prices per share for specific time periods. The positive fair value of this derivative contract was estimated at an amount of €2,691,000 as at the date of the agreement. This contract was deemed to give rise to a derivative financial instrument within the Company's separate financial statements, but since its fair valuation is based on a valuation technique that uses mainly data which is not sourced from observable markets, the resultant day 1 gain has been deferred. For the purposes of the consolidated financial statements, the contract meets the definition of an equity instrument as a call option in respect of the entity's own equity shares (non-controlling interests) which will be settled through the exchange of a fixed amount of cash for a fixed number of the entity's own equity instruments. Accordingly, the fair value of this contract has been intrinsically reflected directly within equity as highlighted above. No material shifts in fair value of this contract have been identified between the date of the agreement and 31 December 2023.

8. Investments in subsidiaries - continued

Acquisition of Sens Innovation Group Limited

On 17 March 2022, the Company announced that it had concluded a transaction that will result in subscription by GO, of newly issued ordinary share of Sens Innovation Group Limited (C101007) ('SENS') with the intention of owning 76% shareholding in this company. On 23 March 2022, the shares had been issued in favour of the Company and Sens became a majority owned subsidiary of the Company.

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. SENS serves large hotels and commercial clients in Malta, UK, mainland Europe and Dubai.

Further to this strategic acquisition that further strengthens its investment in IoT as part of its purpose to drive a digital Malta, the Company anticipates that new opportunities will come its way as it offers environmentally conscious energy saving solutions to companies in Malta, Cyprus and UK.

The total consideration payable for the subscription of the shares was €1 million, with the possibility of a further €1.85 million earn out depending on the performance of SENS over a period of three years. The fair value of the contingent consideration element was deemed insignificant to GO as a reporting entity in view of the applicable terms and accordingly no provision for this amount has been recognised in this respect.

	€000
Fair value of initial 76% equity holding in Sens as at acquisition date	1,000

The estimated fair values of identifiable assets and liabilities of Sens as at date of acquisition were as follows:

	€000
Intangible assets:	
Intellectual property	1,878
Current assets (principally inventory and trade and other receivables)	1,080
Trade and other payables	(1,642)
Net identifiable assets acquired	1,316
Attributable to non-controlling interests	(316)
	1,000

Non-controlling interests have been measured at the related proportion of the net identifiable assets at acquisition.

No further disclosures in respect of this acquisition were deemed necessary, in view of the fact that the acquired subsidiary is not deemed material to GO, as a reporting entity in terms of the requirements of IFRS 3 Business Combinations.

8. Investments in subsidiaries - continued

Acquisition of Cybersift Holdings Limited

On 16 March 2023, the Company announced that it had concluded a transaction that will result in subscription by GO, of newly issued ordinary shares in Cybersift Holdings Limited (C103948) ('Cybersift') with the intention of owning 51% shareholding in this company.

Cybersift provides cyber security services to business clients. Its objective is to enhance cyber security by employing machine learning to equip organisations with advanced, self-learning tools for threat detection. This software is interoperable with any existing security tools the client possesses and does not necessitate any modifications to their infrastructure. It also facilitates the automation of alert investigation, reducing time and increasing cost efficiency for the client. Cybersift's current customer base is distributed across Malta, Italy and the US. In addition to this strategic acquisition that reinforces its investment in security through the deployment of AI as part of its mission to drive a digital Malta, the Company anticipates that new opportunities will emerge as it offers this service to its extensive base of business customers.

The total consideration payable for the subscription of the shares was €800,000, with the possibility of a further €300,000 earn out depending on the performance of Cybersift over a period of three years. The fair value of the contingent consideration element is deemed insignificant to GO as a reporting entity in view of the applicable terms and accordingly no provision for this amount has been recognised in this respect.

	€000
Fair value of initial 51% equity holding in Cybersift as at acquisition date	800

The estimated fair values of identifiable assets and liabilities of Cybersift as at date of acquisition were as follows:

	€000
Current assets (principally inventory and trade and other receivables)	1,283
Trade and other payables	(570)
Net identifiable assets acquired	713
Attributable to non-controlling interests	(349)
Goodwill	436
	800

Non-controlling interests have been measured at the related proportion of the net identifiable assets at acquisition.

No further disclosures in respect of this acquisition were deemed necessary, in view of the fact that the acquired subsidiary is not deemed material to GO, as a reporting entity in terms of the requirements of IFRS 3 Business Combinations.

8. Investments in subsidiaries - continued

Non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests which are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised balance sheet	Cablenet		BMITT	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Current assets	**14,932**	13,923	**15,910**	8,913
Current liabilities	**45,102**	39,956	**17,060**	7,939
Net current (liabilities)/assets	**(30,170)**	(26,033)	**(1,150)**	974
Non-current assets	**105,645**	96,522	**64,741**	16,577
Non-current liabilities	**75,830**	67,349	**52,813**	6,493
Net non-current net assets	**29,815**	29,173	**11,928**	10,084
Net assets	**(355)**	3,140	**10,778**	11,058
Accumulated NCI	**1,355**	2,561	**5,282**	5,418
Summarised statement of comprehensive income				
Revenue	**74,272**	63,900	**28,666**	25,781
(Loss)/profit for the period	**(3,494)**	(5,222)	**4,720**	5,355
(Loss)/profit allocated to NCI	**(1,040)**	(1,555)	**2,313**	2,624
Dividends paid to NCI	**-**	-	**2,450**	2,491
Summarised cash flows				
Cash flows from operating activities	**19,952**	20,606	**5,317**	6,860
Cash flows from investing activities	**(21,644)**	(19,900)	**(32,107)**	(851)
Cash flows from financing activities	**3,566**	(4,215)	**24,291**	(5,561)
Net increase/(decrease) in cash and cash equivalents	**1,874**	(3,509)	**(2,499)**	448

9. Investments in associates

	Group	
	2023	2022
	€000	€000
Year ended 31 December		
Opening carrying amount	**2,292**	2,188
Additions/acquisitions	**90**	219
Impairment loss	**-**	(115)
Closing carrying amount	**2,382**	2,292
At 31 December		
Cost	**2,497**	2,407
Accumulated impairment losses	**(115)**	(115)
Carrying amount	**2,382**	2,292

Set out below are the associates of the Group as at 31 December 2023. The entities listed below have share capital consisting principally of unlisted ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and unless otherwise stated, the proportion of ownership interest is the same as the proportion of voting rights held.

Investment in EBO Ltd

On 2 December 2020, BMITT entered into an agreement to acquire a 15% shareholding in EBO Ltd (EBO) for a consideration of €1,542,000. Further costs amounting to €25,000 which are directly attributable to this acquisition were incurred by the Company and were capitalised as part of the cost of the investment. A further amount of €15,000 was injected by BMITT during 2022, as a result of which the Group retained its 15% shareholding in EBO Ltd.

EBO is a technology company, incorporated in Malta, whose shares are not listed on the Malta Stock Exchange. It is focused on the provision of Artificial Intelligence solutions in the Healthcare, iGaming and Financial Services sectors. EBO delivers its solutions through AI driven Virtual Agents in an omni-channel environment that allow more-personalised customer conversations, improving self-service, and offering predictive models to augment existing business processes. The investment in EBO is expected to accelerate EBO's growth trajectory, as well as enable the opening of new business verticals and territories in which Group has a key interest.

The Group and Company are classifying this interest as an investment in associate, despite holding an effective shareholding and voting rights of 15%. BMITT has a right to appoint one director out of a maximum of seven directors. As at 31 December 2023 and 31 December 2022, BMITT had appointed one director out of a total of three acting directors and this was deemed to constitute significant influence in terms of voting rights at Board level.

9. Investments in associates - continued

The Group's share of results of this associate, registered post-acquisition date, is immaterial in the context of the Group's financial results and financial position and accordingly has not been reflected within these financial statements.

The tables below provide limited financial information for the associate that is material to the Group. The information disclosed reflects the amounts presented in the financial statements of the associate and not the Group's share of those amounts.

	2023 €000	2022 €000
Summarised statement of financial position		
Non-current assets		
Intangible assets	**2,635**	1,657
Other non-current assets	**1,038**	1,238
Total non-current assets	**3,673**	2,895
Current assets		
Trade receivables	**1,480**	444
Cash and cash equivalents	**266**	286
Total current assets	**1,746**	730
Non-current liabilities	**(2,017)**	(656)
Current liabilities	**(1,074)**	(1,443)
Net assets	**2,328**	1,526
Reconciliation to carrying amounts:		
Net assets of investee at beginning of year	**1,526**	1,357
Results for the period	**844**	47
Other comprehensive income	**(42)**	122
Net assets of investee at end of year	**2,328**	1,526
Group's share in %	**15%**	15%
Group's share of net assets	**349**	229
Group's share of closing net assets reflected in the financial statements	**263**	263
Notional goodwill	**1,319**	1,319
Carrying amount at end of year	**1,582**	1,582

9. Investments in associates - continued

	2023 €000	2022 €000
Summarised statement of comprehensive income		
Revenue	**2,401**	1,067
Profit from continued operations	**1,272**	47
Profit for the period	**844**	47
Other comprehensive income	**(42)**	122
Total comprehensive income	**802**	169

Investment in Mindbeat Ltd through Mindbeat Global Limited

Mindbeat Ltd is a company registered in Malta, with its registered address at 9B, Midland Warehousing Park, Triq Il-Burmarrad, Naxxar, NXR6345. The company's principal activity is to provide coaching services to corporate clients and individuals and to operate a software as a service platform for mobile coaching and e-learning. A 30% stake giving rise to an equivalent shareholding in this entity was acquired for an amount of €500,000. GO's subsidiary (GO Ventures) invested in convertible loans issued by the investee which would have been converted to equity shares, either on the latest conversion date, or an earlier date if certain equity transactions happened involving Mindbeat prior to the mandatory conversion. Upon conversion, GO's subsidiary would receive as many shares as are necessary to retain 30% of Mindbeat's share capital. This arrangement is intrinsically deemed to constitute the Group's equity investment taking into account the consequential financial reporting effects. Since key decisions were reserved for the Board and the investor already had appointed one out of two directors, then GO was deemed to have attained significant influence at the stage of investment acquisition, with the implied level of voting rights. During the year ended 31 December 2022, GO invested an additional €200,000 bringing up its deemed shareholding in Mindbeat to 34%.

On 15 March 2023, Mindbeat Global Limited, a UK registered company (with company registration number 14340560) acquired Mindbeat Ltd and Mindbeat Ltd became a wholly owned subsidiary of Mindbeat Global Limited. As part of the transaction, shares in Mindbeat Global Limited were issued as consideration.. Additionally, GO Ventures received shares in Mindbeat Global Limited equivalent to its previous shareholding in Mindbeat Ltd. Also, GO Ventures' convertible loan, including accrued interest, to Mindbeat Ltd was converted into shares of Mindbeat Global Limited at a specific conversion rate. Simultaneously, Mindbeat Global Limited concluded a funding round. Subsequent to the conversion of the loan and the dilution resulting from the injection of new funding, GO Ventures' stake in Mindbeat Global Limited is equivalent to 15%. The investment in Mindbeat Global Limited, that in substance is deemed to be essentially the same financial asset held as at 31 December 2022, is considered an investment in an associate in view of the significant influence through Board representation and voting rights as referred to previously.

In view of the immateriality of this investment to GO as a reporting entity in terms of the requirements of IFRS 12 *Disclosure of interest in other entities*, the disclosure of the summarised financial information and other matters in accordance with the requirements of IFRS 12 is not deemed necessary.

10. Loans receivable from subsidiaries

	Company	
	2023	2022
	€000	€000
Carrying amount at beginning of year	**4,000**	-
Advances effected during the year	**6,100**	4,000
Carrying amount at end of year	**10,100**	4,000
Non-current	**9,417**	4,000
Current	**683**	-

Pursuant to a loan agreement dated 2 June 2022, a loan facility amounting to €3,500,000 was made available to Cablenet, the full amount was utilised by Cablenet by 31 December 2022. The loan amount has to be repaid by June 2027 and is subject to a two-year moratorium as from 2 June 2022, during which Cablenet shall pay only the interest portion of the loan. Interest is paid quarterly in arrears and is calculated based on the average daily outstanding amounts during the quarter. Following the moratorium period, capital and interest payments are to be effected in quarterly instalments. Throughout the loan term, interest accrues on a day-to-day basis at the rate of 4% per annum.

During April 2023, GO granted a revolving credit facility amounting €6,000,000 to Cablenet for up to three years from first drawdown. The full amount was drawn down by Cablenet by 31 December 2023. The credit facility is subject to a 6% per annum interest rate with effect from the first drawdown. Interest is paid quarterly in arrears and is calculated based on the average daily outstanding amounts during the quarter. The facility does not contemplate a set repayment schedule but the maturity date is three years after the first drawdown, 20 April 2026.

As part of the acquisition of SENS, GO granted a loan facility amounting to €500,000 to SENS, which amount had been drawn down by SENS by 31 December 2022. The loan is subject to a 4% interest rate with effect from first drawdown date. The interest is paid bi-annually with the first interest being due on the lapse of the first six month period after the first drawdown. The loan does not have a repayment date and if the amount due is not paid until 1 April 2027, the loan will be converted into ordinary shares.

On 25 June 2023, GO granted a further loan facility amounting to €100,000 to SENS which amount has been drawn down by SENS by 31 December 2023. The loan is subject to a 6% interest rate with effect from the first drawdown date. Interest shall be payable quarterly in arrears and will be calculated based on the average daily outstanding amount. The loan shall be fully repaid by 31 May 2024.

11. Other investments

	Group		Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Financial assets at fair value through other comprehensive income				
Cost	**2,984**	2,644	**1,770**	1,770
Gains from changes in fair value	**3,976**	-	**-**	-
Accumulated impairment losses	**(1,770)**	(1,770)	**(1,770)**	(1,770)
	5,190	874	**-**	-

	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Carrying amount at beginning of year	**874**	974	**-**	-
Acquisitions	**369**	-	**-**	-
Gains from changes in fair value	**3,976**	-	**-**	-
Disposals	**(29)**	(100)	**-**	-
Carrying amount at end of year	**5,190**	874	**-**	-

The above investments classified as financial assets at fair value through other comprehensive income (FVOCI) comprise equity securities which are not held for trading, and which the Group has irrevocably elected for classification within this category at initial recognition. These are strategic investments and the Group considers this classification to be more relevant.

At 31 December 2023 and 2022, the Company's FVOCI financial assets included:

	Group		Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Listed securities				
Loqus Holdings p.l.c. (fully impaired)	**1,770**	1,770	**1,770**	1,770
Unlisted securities				
Leading Edge Only Ltd	**229**	229	**-**	-
Service Lee Technologies Private Limited	**177**	177	**-**	-
AirGSM Holdings Inc	**4,037**	168	**-**	-
Enternships Ltd	**300**	300	**-**	-
Raylo Group Ltd	**233**	-	**-**	-
Ikue Limited	**95**	-	**-**	-
VR Entertainment Ltd	**119**	-	**-**	-
	5,190	874	**-**	-

11. Other investments - continued

The equity investment in Loqus Holdings p.l.c. is deemed to be impaired and accordingly its carrying amount had been written down to nil. The carrying amount of loans receivable from this investee, included in other receivables, had been written down to nil in preceding financial years. The loans were partly settled during 2023, and accordingly the credit loss allowance as at 31 December 2023 was partially reversed to cover the unpaid residual of €115,000 (2022: €229,000) (Note 14).

During 2022, the Group disposed of its investment in Gremer Ltd and recognised an immaterial loss, whereas during 2023, part of the investment in AirGSM Holdings Inc was disposed of and an immaterial gain on disposal was registered.

The gains from changes in fair value are mainly attributable to the investment in AirGSM Holdings Inc and were determined by reference to recent transaction prices in relation to the investee's equity instruments. In view of the insignificance of the gains registered from changes in fair value, the disclosures required under IFRS 13 were not deemed necessary.

Except for the investment in AirGSM Holdings Inc, the fair value of the unlisted securities as at the end of the year was deemed to approximate the carrying amounts. No further disclosures in respect of such investments were deemed necessary, taking cognisance of the immateriality of such investments in the context of the Group's total assets and net asset level.

12. Deferred tax assets and liabilities

Deferred taxes are calculated on all temporary differences under the liability method and are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been substantively enacted by the end of the reporting period. The principal tax rate used in respect of Malta based Group companies is 35% (2022: 35%), with the exception of deferred taxation on the fair valuation of non-depreciable property, which is computed on the basis applicable to disposals of immovable property i.e. principally tax effect of 10% (2022: 10%) of the transfer value. The tax rate applied in Cyprus in respect of the taxable profits attributable to Cablenet is 12.5% (2022: 12.5%).

12. Deferred tax assets and liabilities - continued

The balance at 31 December represents temporary differences attributable to:

Group	Assets		Liabilities		Net	
	2023 €000	2022 €000	**2023 €000**	2022 €000	**2023 €000**	2022 €000
Depreciation of property, plant and equipment	**-**	-	**(11,579)**	(10,378)	**(11,579)**	(10,378)
Fair valuation of land and buildings	**-**	-	**(421)**	(362)	**(421)**	(362)
Intangible assets	**-**	-	**(689)**	(752)	**(689)**	(752)
Provisions for pensions and other liabilities	**1,161**	1,463	**-**	-	**1,161**	1,463
Credit loss allowances on trade receivables and other assets	**3,750**	3,788	**-**	-	**3,750**	3,788
Right-of-use assets	**-**	-	**(14,608)**	(16,383)	**(14,608)**	(16,383)
Lease liabilities	**14,471**	16,042	**-**	-	**14,471**	16,042
Fair value on other Investment	**-**	-	**(1,393)**	-	**(1,393)**	-
Others	**1,349**	2,051	**-**	-	**1,349**	2,051
Tax assets/(liabilities)	**20,731**	23,344	**(28,690)**	(27,875)	**(7,959)**	(4,531)
Offsetting	**(19,817)**	(22,303)	**19,817**	22,303	**-**	-
Net tax assets/(liabilities)	**914**	1,041	**(8,873)**	(5,572)	**(7,959)**	(4,531)

Company	Assets		Liabilities		Net	
	2023 €000	2022 €000	**2023 €000**	2022 €000	**2023 €000**	2022 €000
Depreciation of property, plant and equipment	**-**	-	**(10,886)**	(9,708)	**(10,886)**	(9,708)
Fair valuation of land and buildings	**-**	-	**(421)**	(362)	**(421)**	(362)
Intangible assets	**-**	-	**(325)**	(271)	**(325)**	(271)
Provisions for pensions and other liabilities	**1,161**	1,463	**-**	-	**1,161**	1,463
Credit loss allowances on trade receivables and other assets	**3,670**	3,761	**-**	-	**3,670**	3,761
Right-of-use assets	**-**	-	**(11,894)**	(13,224)	**(11,894)**	(13,224)
Lease liabilities	**12,352**	13,670	**-**	-	**12,352**	13,670
Others	**-**	306	**-**	-	**-**	306
Tax assets/(liabilities)	**17,183**	19,200	**(23,526)**	(23,565)	**(6,343)**	(4,365)
Offsetting	**(17,183)**	(19,200)	**17,183**	19,200	**-**	-
Net tax liabilities	**-**	-	**(6,343)**	(4,365)	**(6,343)**	(4,365)

12. Deferred tax assets and liabilities - continued

The recognised deferred tax assets and liabilities are expected to be recovered or settled principally after more than twelve months from the end of the reporting period. The deferred tax assets and liabilities reflected in other comprehensive income relate to fair valuation of property, plant and equipment, to fair valuation of investments at FVOCI and to movements in provisions for pensions attributable to actuarial assumptions.

The movement in the Group's deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances, is as follows:

Group

	Balance 1 January 2022 €000	Recognised in profit or loss €000	Recognised in other comprehensive income €000	Balance 31 December 2022 €000	Recognised in profit or loss €000	Recognised comprehensive income €000	**Balance 31 December 2023 €000**
Property, plant and equipment	(9,731)	(647)	-	(10,378)	(1,201)	-	**(11,579)**
Intangible assets	(790)	38	-	(752)	63	-	**(689)**
Provisions for pensions and other liabilities	1,557	(29)	(65)	1,463	(302)	-	**1,161**
Expected credit losses on trade receivables and other assets	3,563	225	-	3,788	(38)	-	**3,750**
Rights-of-use asset	(10,814)	(5,569)	-	(16,383)	1,775	-	**(14,608)**
Lease liabilities	11,194	4,848	-	16,042	(1,571)	-	**14,471**
Fair value on other investments	-	-	-	-	-	(1,393)	**(1,393)**
Others	921	1,130	-	2,051	(702)	-	**1,349**
	(4,100)	(4)	(65)	(4,169)	(1,976)	(1,393)	**(7,538)**
Revaluation of land and buildings	(362)	-	-	(362)	(13)	(46)	**(421)**
	(4,462)	(4)	(65)	(4,531)	(1,989)	(1,439)	**(7,959)**

At 31 December 2023, the Group and the Company had unrecognised deferred tax assets amounting to €46,073,000 (2022: €46,073,000) in respect of impairment and other losses on investments and unabsorbed capital losses. Capital losses are only available for offset against future capital gains.

12. Deferred tax assets and liabilities - continued

The movement in the Company's deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances, is as follows:

Company

	Balance 1 January 2022 €000	Recognised in profit or loss €000	Recognised in other comprehensive income €000	Balance 31 December 2022 €000	Recognised in profit or loss €000	Recognised in other comprehensive income €000	**Balance 31 December 2023 €000**
Property, plant and equipment	(9,039)	(669)	-	(9,708)	(1,178)	-	**(10,886)**
Intangible assets	(213)	(58)	-	(271)	(54)	-	**(325)**
Provisions for pensions and other liabilities	1,557	(29)	(65)	1,463	(302)	-	**1,161**
Expected credit losses on trade receivables and other assets	3,521	240	-	3,761	(91)	-	**3,670**
Right-of-use assets	(9,242)	(3,982)	-	(13,224)	1,330	-	**(11,894)**
Lease liabilities	9,597	4,073	-	13,670	(1,318)	-	**12,352**
Others	245	61	-	306	(306)	-	**-**
	(3,574)	(364)	(65)	(4,003)	(1,919)	-	**(5,922)**
Revaluation of land and buildings	(362)	-	-	(362)	(13)	(46)	**(421)**
	(3,936)	(364)	(65)	(4,365)	(1,932)	(46)	**6,343**

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13. Inventories

	Group		Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Operating spares	**8,444**	8,277	**8,246**	8,150
Goods held for resale	**1,986**	1,453	**487**	381
	10,430	9,730	**8,733**	8,531

The cost of inventories recognised as expense is disclosed in Note 23. During the current financial year, an increase in provisions for obsolescence of inventories amounting to €52,000 (2022: €149,000) for the Group and an increase of €30,000 (2022: €121,000) for the Company, have been reflected in these financial statements. Inventory write-downs during the year amounted to €12,000 (2022: €9,000) and €12,000 (2022: €8,000) for the Group and Company respectively.

Provisions for obsolescence of inventories are as follows:

	Group		Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
At end of year	**713**	661	**576**	546

14. Trade and other receivables

	Group		Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Non-current				
Trade receivables – net of provisions	**2,288**	1,536	**-**	-
Amounts owed by subsidiaries	**-**	-	**2,848**	2,848
Contract assets	**2,542**	2,990	**2,364**	2,783
Costs incurred in obtaining contracts	**296**	321	**296**	321
Costs incurred to fulfil contracts	**261**	269	**-**	-
Prepayments	**210**	3,463	**-**	-
Other assets	**68**	55	**68**	3
	5,665	8,634	**5,576**	5,955

14. Trade and other receivables - continued

	Group		Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Current				
Trade receivables – net of provisions	**22,341**	17,718	**12,641**	10,806
Amounts owed by subsidiaries	**-**	-	**9,967**	4,512
Other receivables – net of provisions	**750**	709	**673**	686
Indirect taxation	**8,315**	-	**-**	-
Contract assets	**13,644**	8,364	**13,145**	8,364
Costs incurred in obtaining contracts	**1,011**	1,066	**1,011**	1,066
Costs incurred to fulfil contracts	**302**	810	**-**	-
Prepayments	**13,626**	19,353	**8,219**	13,556
Other assets	**40**	21	**40**	21
	60,029	48,041	**45,696**	39,011

The Cypriot subsidiary had entered into a number of agreements with two other telecom operators in Cyprus holding Cypriot and international football rights for Cyprus. The agreements provide for the three operators to make payments for each other's exclusive content. Some of these payments are equal and are set off against each other, where the underlying content is deemed of equal value. Other payments are one-sided because the underlying content is provided from one operator to the other. Exclusive marketing and advertising revenue collection rights have been agreed and allocated to certain of the three operators in exchange for payments to those ceding the rights. As a result of these agreements, the consolidated financial statements include revenue and costs amounting to €5,994,000 (2022: €6,351,000) and €5,424,000 (2022: €5,261,000) respectively, some of equal reciprocal nature, with an overall net income benefit, while corresponding prepayments and contract liabilities have been recognised in the statement of financial position. Amounts of €2,359,000 within current prepayments as at 31 December 2023 and amounts of €2,359,000 and €4,044,000 within non-current prepayments and current prepayments as at 31 December 2022, respectively, are the result of the agreements signed between Cablenet and two other football broadcasting rights holders to allow each party the broadcasting of the combined pool of content.

Current amounts owed by subsidiaries as at 31 December 2023 and 2022 are unsecured, interest-free and repayable on demand. Non-current amounts owed by subsidiaries as at 31 December 2023 and 2022 relate to dividends receivable and are unsecured, interest-free and not repayable within the forthcoming 12-month period.

14. Trade and other receivables - continued

Receivables, disclosed in the table above, are stated net of credit loss allowances as follows:

	Group		Company	
	2023 **€000**	2022 €000	**2023** **€000**	2022 €000
Trade receivables	**13,200**	12,824	**10,485**	10,748
Other receivables	**361**	476	**114**	229
Total credit loss allowances	**13,561**	13,300	**10,599**	10,977

The following tables analyse the changes in contract assets, costs incurred in obtaining contracts and costs incurred to fulfil contracts during the year ended 31 December 2023 and 2022:

Group	As at 1 January 2022	Business related variations		As at 31 December 2022
	€000	€000		€000
Contract assets				
Accrued income	4,088	563		4,651
		Originations	Amortisation/ recognition in profit or loss	
		€000	€000	
Revenue allocated to subsidised handsets	4,408	3,547	(3,613)	4,342
Revenue allocated to discounted part of contract term	235	1,348	(1,048)	535
Free credits under subscriber agreements	2,097	1,488	(1,759)	1,826
Total contract assets	10,828			11,354
Costs incurred in obtaining contracts	1,282	1,545	(1,440)	1,387
Costs incurred to fulfil contracts	1,165	883	(969)	1,079

14. Trade and other receivables - continued

	As at 1 January 2023	Business related variations		**As at 31 December 2023**
	€000	€000		**€000**
Contract assets				
Accrued income	4,651	4,598		**9,249**
		Originations	Amortisation/ recognition in profit or loss	
		€000	€000	
Revenue allocated to subsidised handsets	4,342	2,609	(2,963)	**3,988**
Revenue allocated to discounted part of contract term	535	1,906	(1,458)	**983**
Free credits under subscriber agreements	1,826	1,801	(1,661)	**1,966**
Total contract assets	11,354			**16,186**
Costs incurred in obtaining contracts	1,387	1,386	(1,466)	**1,307**
Costs incurred to fulfil contracts	1,079	292	(808)	**563**

14. Trade and other receivables - continued

Company	As at 1 January 2022	Business related variations		As at 31 December 2022
	€000	€000		€000
Contract assets				
Accrued income	3,914	530		4,444
		Originations	Amortisation/ recognition in profit or loss	
		€000	€000	
Revenue allocated to subsidised handsets	4,408	3,547	(3,613)	4,342
Revenue allocated to discounted part of contract term	235	1,348	(1,048)	535
Free credits under subscriber agreements	2,097	1,488	(1,759)	1,826
Total contract assets	10,654			11,147
Costs incurred in obtaining contracts	1,282	1,545	(1,440)	1,387

	As at 1 January 2023	Business related variations		**As at 31 December 2023**
	€000	€000		**€000**
Contract assets				
Accrued income	4,444	4,128		**8,572**
		Originations	Amortisation/ recognition in profit or loss	
		€000	€000	
Revenue allocated to subsidised handsets	4,342	2,609	(2,963)	**3,988**
Revenue allocated to discounted part of contract term	535	1,906	(1,458)	**983**
Free credits under subscriber agreements	1,826	1,801	(1,661)	**1,966**
Total contract assets	11,147			**15,509**
Costs incurred in obtaining contracts	1,387	1,386	(1,466)	**1,307**

15. Cash and cash equivalents

For the purposes of the statements of cash flows, cash and cash equivalents comprise the following:

	Group		Company	
	2023 **€000**	2022 €000	**2023** **€000**	2022 €000
Cash at bank and in hand	**49,180**	16,024	**41,405**	6,115
Bank overdrafts (Note 18)	**(2,264)**	(6,230)	**(9)**	(2,446)
Cash pledged as guarantees	**(3,250)**	(3,594)	**(590)**	(536)
	43,666	6,200	**40,806**	3,133

Cash pledged as guarantees includes:

- €974,000 (2022: €1,317,000) cash collateral in respect of Good Payment Letters of Guarantee expiring on 15 June 2024, in favour of Cypriot regulatory authorities, relating to 4G radio spectrum frequencies.
- €683,000 (2022: €683,000) cash collateral in respect of Good Payment Letters of Guarantee expiring on 20 July 2026, in favour of Cypriot regulatory authorities, relating to 5G radio spectrum frequencies.
- €387,000 (2022: €1,050,000) representing cash collateral in respect of a Letter of Guarantee in favour of a third party expiring on 15 June 2024, relating to the RAN Sharing agreement signed with this third party.

16. Share capital

	Company	
	2023 **€000**	2022 €000
Authorised		
600,000,000 ordinary shares of €0.582343 each	**349,406**	349,406
Issued and fully paid		
101,310,488 ordinary shares of €0.582343 each	**58,998**	58,998

17. Reserves

Group

	Property revaluation reserve	FVOCI investments fair valuation reserve	Other reserve	Total
	€000	€000	€000	€000
At 1 January 2022	1,676	-	(1,462)	214
Remeasurements of defined benefit obligations:				-
- actuarial gains	-	-	187	187
- deferred taxes thereon	-	-	(65)	(65)
At 31 December 2022	1,676	-	(1,340)	336
At 1 January 2023	1,676	-	(1,340)	336
Revaluation of land and buildings:				
- surplus arising during the year	626	-	-	626
- movement in deferred tax liability determined on the basis applicable to property disposals	(46)	-	-	(46)
Investments at FVOCI:				
- gains from changes in fair value	-	3,976	-	3,976
- deferred taxes thereon	-	(1,393)	-	(1,393)
At 31 December 2023	**2,256**	**2,583**	**(1,340)**	**3,499**

Company

	Merger reserve €000	Property revaluation reserve €000	Other reserve €000	Total €000
At 1 January 2022	3,851	1,676	(1,462)	4,065
Remeasurements of defined benefit obligations:				
- actuarial gains	-	-	187	187
- deferred taxes thereon	-	-	(65)	(65)
At 31 December 2022	3,851	1,676	(1,340)	4,187
At 1 January 2023	3,851	1,676	(1,340)	4,187
Revaluation of land and buildings:				
- surplus arising during the year	-	626	-	626
- movement in deferred tax liability determined on the basis applicable to property disposals	-	(46)	-	(46)
Balance at 31 December 2023	**3,851**	**2,256**	**(1,340)**	**4,767**

17. Reserves - continued

These reserves are non-distributable.

Property revaluation reserve
The revaluation reserve relates to fair valuation of the land and buildings component of property, plant and equipment, and the balance represents the cumulative net increase in fair value of such property, net of related deferred tax.

FVOCI investments fair valuation reserve
The Group has elected to recognise changes in the fair value of certain investments in equity securities in OCI. These changes are accumulated within the FVOCI investments fair valuation reserve within equity, net of related deferred tax. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised (Note 11).

Merger reserve
The merger reserve represents amounts arising on the merger of a subsidiary with the Company.

Other reserve
The other reserve reflects the impact of actuarial gains and losses recognised in other comprehensive income in respect of provisions for pensions (Note 20) in accordance with the Group's accounting policy.

18. Borrowings

	Group		Company	
	2023 €000	2022 €000	**2023 €000**	2022 €000
Non-current liabilities				
Bonds (i)	**98,885**	98,612	**59,346**	59,259
Secured bank loans (ii)	**60,315**	14,651	**26,941**	11,058
	159,200	113,263	**86,287**	70,317
Current liabilities				
Secured bank loans (ii)	**8,008**	5,919	**8,008**	5,919
Bank overdrafts (iii)	**2,264**	6,230	**9**	2,446
	10,272	12,149	**8,017**	8,365
Total borrowings	**169,472**	125,412	**94,304**	78,682

18. Borrowings - continued

Group

	Currency	Year of maturity	2023 Face value €000	2023 Carrying amount €000	2022 Face value €000	2022 Carrying amount €000
4% Bond	euro	2030	**40,000**	**39,539**	40,000	39,353
3.5% Bond	euro	2031	**60,000**	**59,346**	60,000	59,259
			100,000	**98,885**	100,000	98,612
Bank loans						
Loan 1	euro	2024	**6,750**	**6,745**	9,550	9,544
Loan 2	euro	2025	**5,313**	**5,310**	7,438	7,433
Loan 3	euro	2030	**15,000**	**14,946**	-	-
Loan 4	euro	2030	**8,000**	**7,948**	-	-
Loan 5	euro	2030	**3,600**	**3,553**	3,600	3,551
Loan 6	stg	2026	**30**	**30**	42	42
Loan 7	euro	4043	**30,000**	**29,791**	-	-
			68,693	**68,323**	20,630	20,570

Company

	Currency	Year of maturity	2023 Face value €000	2023 Carrying amount €000	2022 Face value €000	2022 Carrying amount €000
3.5% Bond	euro	2031	**60,000**	**59,346**	60,000	59,259
Bank loans						
Loan 1	euro	2024	**6,750**	**6,745**	9,550	9,544
Loan 2	euro	2025	**5,313**	**5,310**	7,438	7,433
Loan 3	euro	2030	**15,000**	**14,946**	-	-
Loan 4	euro	2030	**8,000**	**7,948**	-	-
			35,063	**34,949**	16,988	16,977

The grossed-up effects of proceeds from bank loans and repayments of bank loans are reflected on the face of the statements of cash flows.

18. Borrowings - continued

(i) Bonds

The €40,000,000 bonds issued by the Group's Cypriot subsidiary Cablenet, in terms of the Prospectus dated 21 July 2020, comprise 40,000 bonds with a nominal value of €1,000 each. The carrying amount as at 31 December 2023 is net of unamortised issue costs amounting to €461,000, with the gross amount of issue costs of €700,000. These bonds are unsecured, subject to a fixed interest rate of 4% and are repayable on 19 August 2030. On 21 August 2020 the bonds have been admitted to listing on the official list of the Malta Stock Exchange and trading commenced as from 24 August 2020. The quoted market price of the bonds as at 31 December 2023 was €95 (2022: €97.5).

On 25 May 2021, GO secured the approval by the Malta Financial Services Authority of the prospectus relating to the Bond Issue to the public in Malta, of 3.5% unsecured bonds with an aggregate principal amount of €60 million which comprise 60,000 bonds with a nominal value of €1,000 each, and of the admissibility to listing of the Bonds pursuant to the Capital Market Rules. The carrying amount as at 31 December 2023 is net of unamortised issue costs amounting to €654,000, with the gross amount of issue costs of €872,000. The bond is repayable on 25 June 2031. On 25 June 2021 the bonds have been admitted to listing on the official list of the Malta Stock Exchange and trading commenced on 6 July 2021. The quoted market price of the bonds as at 31 December 2023 was €93 (2022: €93).

	Group		Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Gross proceeds				
40,000 4% bonds 2030	**40,000**	40,000	**-**	-
60,000 3.5% bonds 2031	**60,000**	60,000	**60,000**	60,000
Balance at 31 December	**100,000**	100,000	**60,000**	60,000
Issue costs: gross amounts	**1,572**	1,572	**872**	872
Accumulated amortisation				
Balance at 1 January	**184**	72	**131**	44
Amortisation for the year	**273**	112	**87**	87
Balance at 31 December	**457**	184	**218**	131
Unamortised issue costs	**1,115**	1,388	**654**	741
Carrying amount as at 31 December	**98,885**	98,612	**59,346**	59,259

18. **Borrowings** - continued

(ii) Secured bank loans

All the Group's bank loans are term loans with scheduled repayments. The Company's bank loans are subject to financial covenants and are secured by hypothecs over the present and future assets of the Company.

Loans 1, 2, 3 and 4 (2022: Loans 1 and 2) are subject to a floating interest rate computed using 3-month Euribor. Loan 7 bears interest at a variable rate which comprises a fixed margin over the bank's base rate.

Loans 5 and 6 (2022: Loan 5 and 6) are subject to fixed rates of interest.

Loans 5 and 7 attributable to a subsidiary, that are subject to financial covenants, are secured by the current and future assets (including the owned property) of the subsidiary and other group entities and by guarantees by these entities, whereas Loan 6 is unsecured.

As at 31 December 2023, the Group and the Company had an unutilised bank loan facility amounting to €7,000,000 (2022: €15,000,000).

The weighted average effective interest rates of the bank loans as at the end of the reporting period are as follows:

	Group		**Company**	
	2023 %	2022 %	**2023 %**	2022 %
Bank loans	**4.94**	4.42	**6.14**	4.63

(iii) Bank overdrafts

Bank overdrafts also include factoring facilities of a subsidiary. The Group's and Company's banking facilities at 31 December 2023 amounted to €10,000,000 (2022: €15,000,000) and €6,000,000 (2022: €11,000,000) respectively. The Company's facilities are secured by hypothecs over the present and future assets of the Company. The subsidiary's facilities are secured by guarantees and mortgages on the immovable property rights pertaining to the subsidiary.

18. Borrowings - continued

As at 31 December 2023 and 2022, the Group's and Company's facilities were mainly subject to a floating interest rate linked to the bank's base rate.

The weighted average effective interest rates as at 31 December are as follows:

	Group		Company	
	2023	2022	**2023**	2022
	%	%	**%**	%
Bank overdrafts	**6.36**	2.49	**6.38**	2.47

19. Lease liabilities

The lease liabilities associated with the recognised right-of-use assets are analysed below:

	Group		Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Non-current				
Properties	**23,662**	25,499	**20,310**	21,518
Equipment and motor vehicles	**970**	978	**386**	739
Spectrum licences	**16,207**	20,289	**9,098**	11,521
	40,839	46,766	**29,794**	33,778
Current				
Properties	**3,556**	3,511	**2,586**	2,385
Equipment and motor vehicles	**725**	972	**486**	544
Spectrum licences	**4,084**	4,010	**2,424**	2,351
	8,365	8,493	**5,496**	5,280
Total lease liabilities	**49,204**	55,259	**35,290**	39,058

Specific extension options in property and motor vehicle leases have been included in the lease liability as the lease term reflects the exercise of such options. As at 31 December 2023, potential future cash outflows of €4,536,000 (2022: €4,274,000) (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

The total cash outflows for leases in 2023 was €10,356,000 and €6,672,000 (2022: €13,659,000 and €5,787,000) for the Group and the Company respectively. The contractual undiscounted cash flows attributable to lease liabilities as at 31 December 2023 and 2022 are analysed in Note 2.1.c.

Included in lease liabilities for properties are amounts of €22,431,000 (2022: €24,165,000) and €21,183,000 (2022: €22,954,000) for the Group and Company respectively, which are attributable to arrangements with related parties.

19. Lease liabilities - continued

The movement in the carrying amount of these liabilities is analysed in the following table:

	Group		Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
At 1 January	**55,259**	33,947	**39,058**	27,421
Additions (see Note 6)	**1,462**	33,318	**395**	16,249
Payments	**(10,356)**	(13,664)	**(6,672)**	(5,787)
Impacts of reassessment of lease term, reflecting inclusion of extension period (see Note 6)	**681**	-	**681**	-
Impacts of termination of lease arrangements	**(898)**	-	**(787)**	-
Impacts of reassessment of lease payments based on an index	**1,465**	167	**1,465**	167
Interest charge	**1,591**	1,491	**1,150**	1,008
At 31 December	**49,204**	55,259	**35,290**	39,058

20. Provisions for pensions

The provision of telephone, telex, radio and cable services in Malta was nationalised in 1975 through the enactment of the Telemalta Corporation Act. The Company (in the form of Telemalta Corporation, its predecessor in title) committed itself to take over the employees of Cable and Wireless as part of this nationalisation process. As a result, the Company also committed itself to set up a pension scheme in favour of these employees. Additionally, this commitment was extended to some employees where a pension obligation was expressly agreed as part of their terms of employment.

Following a judgement by the Court of Appeal on 7 July 2008, the Company was required to set up the pension scheme in favour of ex-Cable and Wireless employees, with an effective date of 1 January 1975 and set up in a manner similar to that prescribed by the Pensions Ordinance, 1937. A pension scheme set up in accordance with this Ordinance falls under the category of a defined benefit plan within the scope of IAS 19, '*Employee Benefits*'.

GO submitted an application to the Malta Financial Services Authority (MFSA) as the pensions' regulator detailing the measures planned by the Company to implement the scheme. Following the issue of the Special Funds (Regulation) Act (Retirement Schemes Exemption) Regulations, 2009 by the MFSA on 5 June 2009, the Company established the scheme on 1 July 2009 with effect from 1 January 1975.

20. Provisions for pensions - continued

Subsequent to the setting up of the scheme, the Company offered a number of beneficiaries a one-time lump sum settlement in lieu of joining the scheme. Until 31 December 2023, a significant number of beneficiaries have taken up this offer and a reversal of their corresponding was affected. As at 31 December 2023, the Company estimated that its obligations towards the remaining potential beneficiaries amounted to €3,317,000 (2022: €4,180,000). In view of the extent of the remaining potential beneficiaries, the Company has not considered it necessary to engage actuaries. The Company has measured its retirement benefit obligations using the accounting rules applicable to defined benefit plans.

A defined benefit plan defines an amount of pension benefit that an employee will receive on retirement. In GO's case, as originally provided for in the terms of employment, this amount is dependent on an employee's final compensation upon retirement, as well as completed months of service. Furthermore, qualifying employees must have worked for the Company for a minimum of 10 years, and must have remained in service with the Company until retirement (the vesting period), in order to be unconditionally eligible to receive a pension under the scheme.

As at 31 December, the Company estimates the present value of the benefit obligation as follows:

	Group and Company	
	2023	2022
	€000	€000
Carrying amount of pension obligations	**3,317**	4,180

The Company's scheme is unfunded and the amounts in the statement of financial position reflect essentially the present value of the unfunded obligations. The movement in the defined benefit obligations throughout the year is analysed as follows:

	Group and Company	
	2023	2022
	€000	€000
At 1 January	**4,180**	4,449
Actuarial gains – attributable to financial assumptions	**-**	(187)
Settlements paid	**(355)**	(82)
Reversal of provisions no longer required	**(508)**	-
At 31 December	**3,317**	4,180

The provision is analysed in the statement of financial position as follows:

	Group and Company	
	2023	2022
	€000	€000
Non-current	**414**	1,337
Current	**2,903**	2,843
	3,317	4,180

20. Provisions for pensions - continued

The amounts recognised in profit or loss are as follows:

	Group and Company	
	2023 **€000**	2022 €000
Reversal of provisions no longer required	**508**	-

The amounts recognised in other comprehensive income are as follows:

	Group and Company	
	2023 **€000**	2022 €000
Actuarial gains	**-**	187

The key assumptions used were as follows:

Discount rates
The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rate yields of Malta Government Stocks that have terms to maturity approximating to the terms of the related pension liability. As at 31 December 2023, the weighted average discount rate used was 3.35% (2022: 3.76%).

Mortality assumptions
Assumptions regarding future mortality experience are based on published mortality tables in the UK and in Malta, which translate into an average life expectancy ranging between 84 and 98 years depending on age and gender of the beneficiaries.

Other assumptions comprise:

Future salary increases
GO's employees are remunerated on the basis of salary scales in accordance with collective agreements. Future salary increases have been estimated on a basis consistent with the natural progression of an employee's salary in line with the Company's salary scales, past experience and market conditions.

20. Provisions for pensions - continued

The sensitivity of the pension obligation to changes in the key assumptions is disclosed below:

		Impact on defined benefit obligation	
2023	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.0%	decrease of 0.48%	increase of 0.51%
		Increase by 1 year in assumption	Decrease by 1 year in assumption
Life expectancy		increase of 0.69%	decrease of 0.72%
2022	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.0%	decrease of 1.65%	increase of 1.82%
		Increase by 1 year in assumption	Decrease by 1 year in assumption
Life expectancy		increase of 1.63%	decrease of 1.70%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the pension obligation to significant actuarial assumptions the same method has been applied as when calculating the pension liability recognised within the statement of financial position.

21. Trade and other payables

	Group		Company	
	2023 €000	2022 €000	**2023 €000**	2022 €000
Non-current				
Trade payables	**12,844**	6,066	**-**	-
Contract liabilities	**-**	6,050	**-**	609
	12,844	12,116	**-**	609
Current				
Trade payables	**34,708**	25,464	**17,242**	7,921
Amounts owed to related party	**2,486**	2,486	**-**	-
Other payables	**3,314**	3,651	**3,044**	3,400
Indirect tax payable	**18,402**	7,640	**5,783**	4,418
Contract liabilities	**24,393**	24,883	**12,955**	14,550
Accruals	**27,814**	26,157	**23,441**	22,749
	111,117	90,281	**62,465**	53,038

Included within non-current and current trade payables are amounts of €10,003,000 and €4,386,000 (2022: €2,362,000 and €5,597,000) respectively in relation to broadcasting rights for sports activities pertaining to Cablenet. These liabilities represent the present value of the estimated future contractual payments to football clubs in Cyprus for the provision of their home football matches recognised as a financial liability at amortised cost. On initial recognition the weighted average incremental borrowing rate applied to football broadcasting rights liability was 2.32%. Subsequent additions (see Note 7) until 31 December 2022 have been recognised using a weighted average incremental borrowing rate of 4%. The 2023 additions have been recognised using a weighted average incremental borrowing rate of 4.25%.

Group contract liabilities as at 31 December 2023 comprise amounts of €2,359,000 under current prepaid and deferred income and Group contract liabilities as at 31 December 2022 comprise amounts of €2,359,000) and €4,044,000 within non-current and current prepaid and deferred income, respectively, in relation to the agreements entered into by the Cypriot subsidiary with two other telecom operators in Cyprus holding Cypriot and international football rights for Cyprus, as referred to in Note 14. Also income from the other operators in relation to public viewing due to Cablenet up to 31 July 2024 amounting to €1,138,000 (2022: €1,138,000) is included within the Group's current prepaid and deferred income.

21. Trade and other payables - continued

The following tables analyse the changes in contract liabilities during the years ended 31 December 2023 and 31 December 2022:

Group	As at 1 January 2022	Business related variations		As at 31 December 2022
	€000	€000		€000
Contract liabilities				
Prepaid and deferred income	16,389	5,177		21,566
Revenue allocated to wholesale traffic in view of discounting arrangements	971	267		1,238
Others	1,123	(260)		863
		Originations	Utilisation	
		€000	€000	
Attributable to free credits under subscriber agreements	2,914	1,259	(1,631)	2,542
Deposits received in advance from customers	4,908	1,008	(1,192)	4,724
Total contract liabilities	26,305			30,933

	As at 1 January 2023	Business related variations		**As at 31 December 2023**
	€000	€000		**€000**
Contract liabilities				
Prepaid and deferred income	21,566	(5,829)		**15,737**
Revenue allocated to wholesale traffic in view of discounting arrangements	1,238	(24)		**1,214**
Others	863	(520)		**343**
		Originations	Utilisation	
		€000	€000	
Attributable to free credits under subscriber agreements	2,542	1,675	(2,010)	**2,207**
Deposits received in advance from customers	4,724	1,045	(877)	**4,892**
Total contract liabilities	30,933			**24,393**

21. Trade and other payables - continued

Company	As at 1 January 2022	Business related variations		As at 31 December 2022
	€000	€000		€000
Contract liabilities				
Prepaid and deferred income	10,196	320		10,516
Revenue allocated to wholesale traffic in view of discounting arrangements	971	267		1,238
Others	1,123	(260)		863
		Originations	Utilisation	
		€000	€000	
Attributable to free credits under subscriber agreements	2,914	1,259	(1,631)	2,542
Total contract liabilities	15,204			15,159

	As at 1 January 2023	Business related variations		As at 31 December 2023
	€000	€000		€000
Contract liabilities				
Prepaid and deferred income	10,516	(1,325)		**9,191**
Revenue allocated to wholesale traffic in view of discounting arrangements	1,238	(24)		**1,214**
Others	863	(520)		**343**
		Originations	Utilisation	
		€000	€000	
Attributable to free credits under subscriber agreements	2,542	1,675	(2,010)	**2,207**
Total contract liabilities	15,159			**12,955**

Contract liabilities recognised in revenue during 2023

Revenue recognised in profit or loss during the financial year ended 31 December 2023 that was included in the balances of contract liabilities (prepaid and deferred income) as at 31 December 2022 amounted to €13,116,000 (2022: €4,040,000) and €9,983,000 (2022: €1,627,000) for the Group and the Company respectively.

22. Revenue

The Group's turnover is generated in Malta and Cyprus and further information on the activities within the different markets is reflected in Note 4 'Segment information'. The Group's turnover is analysed as follows:

	Group		Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Category of activity				
Telecommunication and data centre services	**204,937**	193,109	**113,885**	111,754
Sale of goods	**24,104**	16,406	**20,409**	12,068
Other services and sundry revenues	**6,852**	5,132	**5,110**	4,991
	235,893	214,647	**139,404**	128,813

The Group's revenue reflected in the table above consists predominantly of revenue from contracts with customers.

	Group		Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Timing of revenue recognition				
At a point in time	**54,975**	43,723	**41,555**	34,125
Over time	**180,918**	170,924	**97,849**	94,688
	235,893	214,647	**139,404**	128,813

Unfulfilled performance obligations

The following table presents the transaction price assigned to unfulfilled performance obligations as at 31 December. Unfulfilled performance obligations are the services that the Group is obliged to provide to customers during the remaining fixed term of the contract. As allowed by the simplification procedure in IFRS 15, these disclosures are only related to performance obligations with an initial term greater than one year.

On the allocation of the total contract transaction price to identified performance obligations, a portion of the total transaction price can be allocated to performance obligations that are unsatisfied or partially satisfied at the end of the reporting period. As outlined previously, GO has elected to apply certain available practical expedients when disclosing unfulfilled performance obligations, including the option to exclude expected revenues from unsatisfied obligations of contracts with an original expected duration of one year or less.

22. Revenue - continued

	Group		Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Less than 1 year	**66,716**	63,104	**23,069**	25,019
Between 1 and 2 years	**28,827**	25,334	**8,627**	9,367
	95,543	88,438	**31,696**	34,386

Accordingly, during the year ended 31 December 2023, the Group and the Company recognised revenue amounting to €63,104,000 and €25,019,000 (2022: €59,163,000 and €25,051,000) respectively, relating to performance obligations that were unsatisfied or partially satisfied at the end of the previous reporting period as reflected within the table above.

23. Expenses by nature

	Group		Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Cost of goods sold	**30,906**	20,642	**19,794**	12,475
Third party network charges, content costs and other direct costs	**66,969**	64,320	**30,120**	31,011
Employee benefit expense (Note 24 and Note below)	**36,942**	34,857	**21,310**	21,738
Depreciation of property, plant and equipment (Note 5)	**32,943**	34,285	**22,178**	22,547
Depreciation of right-of-use assets (Note 6)	**8,724**	7,578	**5,575**	5,035
Amortisation of intangible assets (Note 7)	**11,816**	11,111	**3,708**	2,914
Movement in provisions and write-offs relating to inventories (Note 13)	**64**	158	**42**	129
Movement in credit loss allowances in respect of trade and other receivables (Note 14)	**376**	908	**(263)**	686
Bad debts written off	**1,731**	1,144	**1,085**	805
Expense relating to short-term leases	**1,737**	1,856	**1,578**	1,668
Other	**11,780**	11,980	**9,629**	8,114
Total cost of sales, administrative and other related expenses	**203,988**	188,767	**114,756**	107,122

23. Expenses by nature - continued

23.1 Items of an unusual nature, size or incidence reflected within profit or loss

The following items of an unusual nature, size or incidence have been reflected within profit or loss during the current year:

	Group		Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Non-recurring items within:				
Administrative and other related expenses				
Voluntary retirement costs (Note 24)	**1,174**	812	**1,174**	812
Movement in provisions for pensions (Note 20)	**(508)**	-	**(508)**	-

The Company continued with its right-sizing programme by offering voluntary retirement schemes to its employees.

23.1.1 Share-based compensation of €1,264,000 (Note 24)
On 24 May 2023, the Board of Directors of a subsidiary approved the award/allotment of 1.34% of the issued share capital of the subsidiary to the company's CEO. This term was included in the CEO's employment contract which was signed in May 2020 and was effective from 15 June 2020. According to the contract, the CEO would be eligible for up to the award/allotment of 1.5% of the issued share capital of the company should certain targets for the year ended 31 December 2022 be achieved. As a result, it is expected that in 2024, 45,058 shares of €1.71 each will be awarded/allotted to the CEO for free. At the date of authorisation for issue of these financial statements, it has not yet been decided whether the CEO will be awarded or allotted the shares as well as the exact implementation date. Furthermore, the contract provides an option to the CEO to exit the plan if he chooses to, by selling the shares awarded/allotted to him back to the company. In view of the terms under which the CEO can opt to sell the entirety of the shares back to the company, the transaction has been classified as a cash-settled transaction. The price at which the CEO can sell the shares back to the company is based on a predetermined formula as depicted in the contract and which uses information from the audited financial statements for the year ended 31 December 2022. This transaction was not reflected in the company's financial statements for the years ended 31 December 2020, 2021 and 2022. Given that the shares have not been awarded/allotted to the CEO, the consolidated financial statements for the year ended 31 December 2023 include a provision amounting to €1,264,000 within trade and other payables and the financial results reflect an expense for the full amount. The amount was not considered sufficiently material to give rise to a correction of a prior period error under the requirements of IAS 8 and the comparative financial information has accordingly not been restated.

Auditor's fees

Fees charged by the parent company auditor for services rendered during the financial years ended 31 December 2023 and 2022 relate to the following:

	Group		Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Annual statutory audit	**249**	203	**200**	160
Other assurance services	**80**	80	**80**	80
Other non-audit services	**1**	3	**1**	3
	330	286	**281**	243

23. Expenses by nature - continued

The following non-audit services have been provided by the auditor to the Company:

	Group		Company	
	2023 €000	2022 €000	**2023 €000**	2022 €000
Tax advisory and compliance services	**-**	3	**-**	3
	-	3	**-**	3

During the current year fees in relation to statutory audit/assurance and non-assurance services amounting to €55,000 and €14,500 (2022: €60,000 and €30,000) respectively have been charged by another member firm belonging to the same network of the Company's auditor to two subsidiaries, and fees amounting to €113,000 and €100,000 (2022: €105,000 and €105,000) respectively have been charged by connected undertakings of the Company's auditor to the Group and the Company respectively, in respect of advisory services attributable to capital markets transactions and tax advisory and compliance services.

Audit fees attributable to subsidiaries charged by other auditors during the year ended 31 December 2023 amounted to €6,400 (2022: €5,800).

24. Employee benefit expense

	Group		Company	
	2023 €000	2022 €000	**2023 €000**	2022 €000
Wages and salaries	**41,898**	39,939	**24,916**	24,847
Share-based compensation (Note 23.1)	**1,264**	-	**-**	-
Social security costs	**2,922**	2,800	**1,466**	1,446
Capitalised labour costs	**(9,808)**	(8,694)	**(5,738)**	(5,367)
	36,276	34,045	**20,644**	20,926
Voluntary retirement costs	**1,174**	812	**1,174**	812
Movement in provisions for pensions	**(508)**	-	**(508)**	-
Total employee benefit expense	**36,942**	34,857	**21,310**	21,738

24. Employee benefit expense - continued

Wages, salaries and social security costs, other than those relating to capital projects, are allocated between operational expenses (included within 'cost of sales') and 'administrative expenses' as follows:

	Group		Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Operational expenses	**6,587**	5,770	**1,927**	2,010
Administrative and other related expenses	**30,355**	29,087	**19,383**	19,728
	36,942	34,857	**21,310**	21,738

The average number of persons employed by the Group and the Company during the year, including part-timers and students, amounted to 1,205 (2022: 1,187) and 653 (2022: 700) respectively. The number of persons employed by the Group and the Company, including part-timers and students, at the end of the year was as follows:

	Group		Company	
	2023	2022	**2023**	2022
Operational	**223**	267	**181**	224
Management and administration	**963**	931	**474**	462
	1,186	1,198	**655**	686

25. Directors' emoluments

	Group		Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Fees	**273**	245	**273**	245

During the current year, subsidiary companies paid remuneration to their directors who do not form part of the Company's Board of Directors amounting to €558,000 (2022: €626,000), whereas amounts paid by such entities to directors who are also Directors of GO amounted to €93,500 (2022: €97,000).

Directors' emoluments are included within 'administrative and other related expenses'.

26. Other income

	Group		Company	
	2023 €000	2022 €000	**2023 €000**	2022 €000
Rent receivable	**307**	324	**307**	324
Unrealised and realised operating exchange gains	**202**	204	**195**	191
Late payment charges	**278**	277	**278**	277
Gain on disposal of assets related to mobile network towers operations (see Note 37(i))	**-**	-	**1,653**	-
Others	**2,509**	2,140	**2,037**	1,578
	3,296	2,945	**4,470**	2,370

27. Other expenses

	Group		Company	
	2023 €000	2022 €000	**2023 €000**	2022 €000
Unrealised and realised operating exchange losses	**59**	218	**56**	133
Others	**199**	228	**186**	225
	258	446	**242**	358

28. Finance income

	Group		Company	
	2023 €000	2022 €000	**2023 €000**	2022 €000
Dividend income from subsidiaries	**-**	-	**32,671**	3,988
Interest receivable from subsidiaries	**-**	-	**354**	82
Late payment interest receivable	**301**	274	**301**	274
Other interest receivable	**28**	95	**28**	37
	329	369	**33,380**	4,381

29. Finance costs

	Group		Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Bank loan interest	**1,850**	650	**1,609**	507
Other bank interest and charges	**306**	104	**119**	24
Bond interest	**3,762**	3,754	**2,100**	2,094
Interest charges on lease liabilities	**1,591**	1,491	**1,150**	1,008
Other	**1,011**	695	**117**	100
	8,520	6,694	**5,095**	3,733

30. Tax expense

The Group's and the Company's tax expense recognised in profit or loss is analysed below:

	Group		Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Current tax				
Current tax expense	**9,277**	9,863	**7,413**	8,284
Deferred tax				
Deferred tax expense	**1,643**	4	**1,586**	364
Adjustments for deferred tax of prior periods	**346**	-	**346**	-
Tax expense	**11,266**	9,867	**9,345**	8,648

The tax impacts, which are entirely attributable to deferred taxation, relating to components of other comprehensive income and accordingly presented directly in equity are as follows:

	2023			2022		
	Before tax €000	**Tax (charge)/ credit €000**	**Net of tax €000**	Before tax €000	Tax (charge)/ credit €000	Net of tax €000
Group						
Gains from changes in fair value of equity investments at fair value through other comprehensive income	3,973	(1,393)	2,583	-	-	-
Surplus arising on revaluation of land and buildings	626	(46)	596	-	-	-
Remeasurements of defined benefit obligations	-	-	-	(187)	65	(122)

30. Tax expense - continued

	2023			2022		
	Before tax €000	**Tax (charge)/ credit €000**	**Net of tax €000**	Before tax €000	Tax (charge)/ credit €000	Net of tax €000
Company						
Surplus arising on revaluation of land and buildings	626	(46)	596	-	-	-
Remeasurements of defined benefit obligations	-	-	-	(187)	65	(122)

The tax recognised in profit or loss on the Group's and the Company's profit before tax differs from the theoretical amount that would arise by applying the basic tax rate in Malta to the results of the consolidated entities as follows:

	Group		**Company**	
	2023 €000	2022 €000	**2023 €000**	2022 €000
Profit before tax	**26,752**	22,054	**57,161**	24,351
Tax on profit at 35% applicable to taxable profits in Malta	**9,363**	7,719	**20,006**	8,523
Tax effect of:				
Expenses and losses disallowed for tax purposes	**121**	141	**31**	20
Different tax rate applied to taxable income attributable to subsidiary (see below)	**1,710**	1,847	**-**	-
Income taxed at different rate	**(32)**	(29)	**(32)**	(29)
Income not subject to tax	**(454)**		**(11,101)**	
Under provision in prior periods	**346**	-	**346**	-
Others	**212**	189	**95**	134
Tax expense	**11,266**	9,867	**9,345**	8,648

The tax rate applied to taxable profits attributable to a subsidiary registered in Cyprus, Cablenet, is 12.5%.

31. Earnings per share

Earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Group	
	2023	2022
Profit attributable to equity holders of the Company (€000)	**14,417**	11,595
Weighted average number of shares in issue (thousands) (Note 16)	**101,310**	101,310
Earnings per share (euro cent)	**14c2**	11c5

The Company has no instruments or arrangements which give rise to potential ordinary shares and accordingly diluted earnings per share is equivalent to basic earnings per share.

32. Dividends

	Company	
	2023 €000	2022 €000
Net dividends paid on ordinary shares for the preceding financial year	**9,118**	9,118
Net dividends paid on ordinary shares for the current financial year	**7,092**	6,078
	16,210	15,196
Dividends per share (euro cent)	**16c**	15c

After year end the Company approved and paid an interim dividend of €0.15, net of taxation, per share on 1 February 2024 amounting to €15,197,000 on profits registered in the financial year ended 31 December 2023. Also, a net dividend in respect of the year ended 31 December 2023 of €0.05 (2022: €0.09) per share, amounting to €5,066,000 (2022: €9,118,000), is to be proposed by the Board of Directors at the forthcoming Annual General Meeting. These financial statements do not reflect the abovementioned dividends, which, subject to the approval by the shareholders, will be accounted for within shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2024.

33. Cash generated from operations

Reconciliation of operating profit to cash generated from operations:

	Group		Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Operating profit	**34,943**	28,379	**28,876**	23,703
Adjustments for:				
Depreciation and amortisation	**53,483**	52,974	**31,461**	30,496
Net movement in provisions and write-downs in relation to receivables and inventories	**2,171**	2,210	**864**	1,620
Voluntary retirement costs	**1,174**	812	**1,174**	812
Movement in provisions for pensions	**(508)**	-	**(508)**	-
Gain on disposal of assets related to mobile network towers operations	**-**	-	**(1,653)**	-
Changes in working capital:				
Inventories	**(764)**	(691)	**(244)**	(703)
Trade and other receivables	**(11,105)**	(11,604)	**(1,548)**	(2,135)
Trade and other payables	**18,593**	14,393	**16,868**	(2,170)
Group undertakings' balances	**-**	-	**(5,455)**	(1,884)
Cash generated from operations	**97,987**	86,473	**69,835**	49,739

34. Operating leases and other related commitments

(a) Operating leases – where the Group/the Company is the lessee

The Group and the Company lease various premises and other assets under short-term operating leases.

During the current year, operating lease payments amounting to €1,737,000 (2022: €1,856,000) for the Group and €1,578,000 (2022: €1,668,000) for the Company, were recognised as an operating expense in profit or loss in respect of such short-term contracts.

(b) Operating leases – where the Group/the Company is the lessor

The Group and the Company lease out certain assets under operating leases. As at 31 December 2023 and 2022, the Group and the Company were party to a non-cancellable operating lease agreement for an indefinite period with an annual lease amount receivable of €235,000 (2022: €235,000). During the current year, amounts of €307,000 (2022: €324,000) for the Group and Company, were recognised as rental income in profit or loss within other operating income.

34. Operating leases and other related commitments - continued

(c) Other related commitments

As at the end of the reporting period, the Company has a non-cancellable commitment in respect of the transferred passive network infrastructure sites attributable to the mobile network towers operation (see Note 37(i)). The transaction price attributable to each site in operation amounts to €14,168 per annum, with an annual inflationary adjustment up to a maximum of 1.5%, taking into account the first period of operations commencing in December 2023. BMITT has a contractual non-cancellable commitment to provide the services for an uninterrupted initial term of 30 years. Thus the non-cancellable initial period terminates in November 2053. As at 31 December 2023, GO had 278 sites in operation. Moreover, as outlined in Note 37(i), GO shall be required to deliver approximately 30 new 'Built-to-Suit' passive network infrastructure sites and transfer them to BMITT by the end of 2030. All transferred sites will be managed by BMITT in terms of the master service agreement and in respect of which GO shall be obliged to pay an annual service fee.

Additionally, as at 31 December 2023 the Company had commitments in relation to operating and maintenance fees from 2024 to 2044 amounting to €26,466,000 (2022: €29,032,000), which amounts include an aggregate annual maintenance costs related to the PEACE submarine cable of €10,429,000 (2022: €10,912,000) over a period of 21 years and €3,093,000 (2022: €3,553,000) relating to the 5G network over a period of 7 years. Commitments as at 31 December 2023 in respect of TV content fees from 2024 to 2025 amount to €2,808,000 (2022: €2,191,000).

A subsidiary had commitments in relation to the payment of operating and maintenance fees from 2024 to 2046 amounting to €65,358,000 (2022: €71,174,000), software maintenance fees and annual support costs from 2024 to 2028 amounting to €2,977,000 (2022: €3,285,000), TV content fees from 2024 to 2025 of €3,694,000 (2022: €4,752,000), cost of sports and production expenses from 2024 to 2025 of €1,506,000 (2022: €2,216,400), sponsorships to sports clubs from 2024 to 2025 of €193,000 (2022: €169,000) and consumables, maintenance, support and other expenses from 2024 to 2028 of €1,986,000 (2022: €1,728,000).

35. Capital and other related commitments

	Group		Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Contracted for:				
Property, plant and equipment	**8,967**	5,673	**6,326**	2,782
Intangible assets	**511**	431	**-**	-
Authorised but not contracted for:				
Property, plant and equipment	**14,458**	20,104	**14,458**	20,104
Intangible assets	**800**	-	**800**	-
	25,736	26,208	**21,584**	22,886

36. Contingencies

The contingencies of the Group and the Company are listed below:

(a) Contingent liabilities arising in the ordinary course of business

(i) As a result of its operations and activities in the ordinary course of the Group's business, the Group has, as at 31 December 2023, contingent liabilities arising from:

- guarantees in favour of third parties and performance bonds given amounting to €6,457,000 (2022: €9,310,000);
- actual or potential claims and litigation arising from provision of services, acquisition of goods and services by the Group and other legal issues;
- a case requesting the Commission of Fair Trading to investigate alleged abusive prices for the provision of IP Transit and ADSL services; and
- claims by a restricted number of employees;

in respect of which no losses which are deemed material, individually or in aggregate, in the context of understanding the Group's financial results and financial position, are expected.

(ii) At the end of the reporting period, the Group had a contingent liability arising from an overseas court judgement requiring that a Group company implements measures to prevent a specific client from providing certain services. The company was ordered to pay for the costs of the court proceedings and to pay a fine of €100,000 per day subsequent to service of the said judgement, unless and until the company complies with it. On the basis of legal advice obtained by the Group, the company has not yet been correctly served with the judgement and, additionally, the judgement can be enforced in Malta only in the event that it is declared enforceable by the Courts in Malta. This legal advice obtained by the Group highlights serious doubts on the enforceability of the overseas court judgement in Malta and accordingly no provision has been recognised as the Directors are of the opinion that a cash outflow is not probable.

Another overseas court proceeding had been instituted against the same Group company with respect to similar claims in relation to services provided to another client. Until the date of authorisation for issue of these financial statements, no judgement has been delivered by the court. No provision for expected losses was deemed necessary by the Directors as at the end of the reporting period taking cognisance of legal advice received.

(iii) During the year ended 31 December 2022, the Office for Consumer Affairs ('OCA') within the Malta Competition and Consumer Affairs Authority ('MCCAA') commenced an investigation in connection with certain changes to billing and payment collection processes and policies adopted by three main telecommunication operators in Malta, to ensure full compliance with the requirements mandated by the revised European Payments Services Directive 2015/2366 (also known as PSD 2). GO has cooperated with the Authority and provided all information requested throughout the investigation.

During the financial year under review, the OCA has issued a provisional decision highlighting its provisional findings and requested the operators to make submissions on such provisional findings within a prescribed timeframe. GO has made robust submissions on the provisional decision rebutting all claims made and findings presented by the OCA, utilising compelling legal and economic arguments on the basis of advice from independent legal and economic advisors.

36. Contingencies - continued

No further developments in this respect have occurred until the date of authorisation for issue of these financial statements. Based on legal advice obtained, the OCA is expected to review the said submissions and to determine whether to drop the case, or issue a final report (whether with the same conclusions or amended conclusions) and present it in Court with a sworn application. The latter route would trigger a lawsuit whereby the Civil Court (Commercial Jurisdiction) would determine whether the operators breached competition rules, and if so, what fine to impose.

No provision for expected losses was deemed necessary by the Directors as at the end of the reporting period taking cognisance of legal advice received in this respect, in view of the robustness of the Company's submissions on the provisional decision and the substantive nature of the remaining steps required in the process for court proceedings against the Company, if any, to commence and for such proceedings to determine the eventual outcome. Based on legal advice obtained, the Directors are confident that it is more likely that GO would prevail in Court, should there be any court proceedings, and that accordingly a material cash outflow in this respect is not probable.

(iv) On 28 August 2023, the Company was informed that the Office for Competition had initiated an investigation against the Company for alleged abuse of dominance in the markets for (i) the national wholesale unbundled copper and fibre infrastructure access services and (ii) the access to passive infrastructure for the rolling-out of fixed broadband networks following a complaint lodged by a third party. The Office for Competition also requested specific and detailed information from the Company on the same date. The Company responded to the request for information, contesting the allegations made by the third party, on 30 and 31 October 2023. On1 March 2024, the Office for Competition informed GO that it has rejected the third party request to file an application in Court requesting the imposition of urgent interim measures. As at the date of authorisation for issue of these financial statements, the investigation by the Office for Competition is still ongoing.

If, as a result of its investigation, the Office for Competition determines that in its view the Company has abused of its dominance, the Office would file a sworn application before the Civil Court (Commercial Section) against the Company. In the event of an unfavourable judgment, the Civil Court (Commercial Section) may impose a penalty on the Company. Based on legal advice obtained, the Directors' view is that the Company's position and arguments in rebutting the claims is robust, that the investigation and process are in their early stages and that the remaining steps preceding the filing of a sworn application, if any, are very substantive. Hence no provision for expected losses was deemed necessary by the Directors as at the end of the reporting period as a material cash outflow in this respect is not deemed probable.

(b) Contingencies relating to pension liabilities

As disclosed in Note 20, GO was required to set up a pension scheme in favour of its eligible employees and former employees. Further claims in respect of pension payment obligations had been made by a number of former and current employees of the Company. However, the Directors have considered legal advice obtained and are of the opinion that an outflow of resources, beyond provisions already accounted for by the Company, is not probable.

In this respect the Group has not disclosed additional information related to this contingent liability in accordance with IAS 37, '*Provisions, Contingent Liabilities and Contingent Assets'* on the grounds that disclosure may be seriously prejudicial to the Group's interests.

36. Contingencies - continued

(c) Guarantees to secure banking facilities

A subsidiary of the Company has given guarantees to bankers in favour of another party so as to secure the party's banking facilities. The maximum exposure arising from these guarantees amounts to €1,207,000 (2022: €1,207,000). Other guarantees issued in favour of bankers of a related party , for facilities provided, amounted to €315,000 (2022: €315,000). The Directors do not expect any losses to occur in this respect.

37. Related party transactions

The Company and its subsidiaries have a related party relationship with Société Nationale des Télécommunications, the Company's ultimate parent (Note 38), related entities ultimately controlled by Société Nationale des Télécommunications, together with the Company's Directors (key management personnel). Dubai Holding LLC (GO's former ultimate parent) and all entities ultimately controlled by it are still considered to be related parties, in view of Dubai Holding LLC's interest in, and significant influence on, GO's current ultimate parent.

Malta Properties Company p.l.c. was considered a related party during the years ended 31 December 2023 and 2022, since its ultimate parent is Dubai Holding LLC, which exerts significant influence on GO's ultimate parent, as referred to above.

(i) *Transaction in respect of assets attributable to the mobile network towers operation*

On 7 August 2023, BMITT (GO's subsidiary) entered into an Asset Purchase Agreement with GO for the potential assignment and transfer to BMITT (subject to the satisfaction of various conditions precedent) of inter alia:
- certain site access rights and obligations currently enjoyed by GO; and
- the passive infrastructure thereon used for the hosting of telecommunications equipment.

Following the satisfactory execution of the conditions precedent, on 4 December 2023, BMITT has acquired the following key assets (collectively, the 'Transaction Assets'):

- Passive Telecoms Assets in respect of 278 sites ('Transferred sites');
- the corresponding maintenance functions and all related agreements (including the Master Service Agreement – 'MSA'); and
- approximately 30 new 'Built-to-Suit' Passive Network Infrastructure sites ('BTS Sites') by the end of 2030.

GO owned a portfolio of cellular towers comprising of approximately 280 sites used as part of its core operations in the provision of mobile telephony services. GO installed certain cellular equipment ('Active Cellular Equipment') necessary for the provision of its mobile telephony services onto passive structures (comprising of items such as beam reinforcements, poles, counter-balances and stays - the 'Passive Network Infrastructure') which are placed on rooftops or grounds of third party commercial or residential premises.

A number of access agreements between GO and the respective site owners governed the conditions for the placement of the Active Cellular Equipment and the Passive Network Infrastructure on the abovementioned properties and provided GO with rights to install and maintain the required infrastructure and equipment within the third-party properties, in return for payments being made in favour of the respective third parties. Cumulatively these agreements comprise and are being defined as the 'Passive Tower Rights Portfolio' (and, together with the Passive Network Infrastructure, the 'Passive Telecoms Assets').

37. Related party transactions - continued

The abovementioned transaction involves the acquisition of the Passive Telecoms Assets together with the corresponding maintenance functions and all related agreements, including the MSA, as described below (collectively, the 'Transaction Assets'), by BMITT from GO Infrastructure Services Ltd ('GISL'), a fully owned subsidiary of GO. GISL first acquired the Passive Telecoms Assets from (and entered into the MSA with) GO as part of an operational restructuring carried out by GO, before selling them to BMITT.

As a result of this transaction, BMITT became the new tenant of the underlying sites (comprising the Passive Tower Rights Portfolio), whilst providing the passive infrastructure services to GO as its anchor client on the sites (in terms of the MSA). BMITT will maintain and operate the Passive Telecoms Assets in terms of the MSA, and amongst other items, be primarily responsible for:

- the maintenance of the Passive Network Infrastructure;
- the management and renewal of the underlying access agreements;
- the hosting of GO's telecommunication assets on the Passive Network Infrastructure; and
- the consequent access to GO, to sites where their telecommunication assets are hosted, for maintenance and support purposes.

The key transaction documents governing the abovementioned transaction entered into by BMITT, GO and GISL comprise:

- An Asset Purchase Agreement ('Asset Purchase Agreement'), executed on the 7 August 2023, pursuant to which BMITT agreed to purchase the Transaction Assets from GISL, subject to the satisfaction of various conditions precedent, including but not limited to: the assignment to GISL by GO of the Passive Tower Rights Portfolio; notifying and/or obtaining the acknowledgement in advance of a substantial majority of the site owners to the assignment of the Passive Tower Rights Portfolio (from GO to GISL and, in turn, to BMITT); BMITT obtaining the required financing for the transaction; GISL providing the GO loan to BMITT (reflected in further detail below); GO providing an undertaking to take up any scrip dividend option offered by BMITT in the year that the Proposed Transaction is concluded and in the subsequent four financial years, and up to a maximum of €15,000,000 (whichever occurs earlier); obtaining the approval of the Shareholders of BMITT in general meeting; and the parties obtaining regulatory approvals as applicable.

- A Master Service Agreement ('MSA'), entered into by GO and GISL, and assigned by GISL in favour of BMITT on closing of the transaction. The MSA regulates the provision of hosting, co-location and maintenance services to GO to enable it to operate its Active Cellular Equipment onto the Passive Network Infrastructure transferred to BMITT. The MSA has an initial thirty-year period, to be automatically renewed for further periods of five years unless otherwise agreed between the parties in writing. Over the initial thirty-year term of the MSA, GO will be paying a predetermined annual service fee (adjusted every year at an agreed annual escalator) for the provision of the services outlined in the MSA. The service fee per site that will be payable by GO is an arm's length price representative of a market rate fee and similar to the range of prices charged for similar offerings in Europe, and which is believed to result in a market standard margin. Moreover, in terms of this agreement, GO shall be required to deliver to BMITT approximately 30 new BTS Sites and transfer the BTS Sites to BMITT by the end of 2030. All transferred BTS Sites will be managed by BMITT in terms of the MSA and in respect of which GO shall also be obliged to pay an annual service fee.

- A Loan Agreement between BMITT and GISL, pursuant to which GISL provided a €15,000,000 loan to BMITT (the 'GO Loan'). The GO Loan is, in essence, a form of deferred consideration structured in the form of a loan, which allows the imposition of interest as well as negative covenants, further ensuring the arm's length nature of the Proposed Transaction.

37. Related party transactions - continued

The GO Loan has been utilised by BMITT to satisfy part of the consideration due under the Asset Purchase Agreement.

The GO Loan has an initial term of 5 years and BMITT will be required to repay the loan amount in one single repayment on maturity (subject to an interest rate of 3%). BMITT will also have the option to extend the loan for a further 5 years, provided that GISL is notified 60 days in advance of the initial maturity date, in which case it would be repaid in five equal instalments of €3,000,000 throughout the remaining term (and subject to an adjusted interest rate of 6%) to be payable following the initial maturity date. BMITT may prepay the Loan in whole or in part at any time without penalty. The GO Loan is subject to standard events of default and acceleration upon on change of control provisions.

The consideration paid for the acquisition of the Transaction Assets referred to above was €46,563,000, whilst the fair value of the contingent consideration attributable to the BTS sites amounts to €3,007,000.

The following table summarises the allocation of the consideration to the different transaction assets acquired by BMITT:

	Transferred sites €'000	BTS sites €'000	Aggregate €'000
Master Service Agreement	43,976	2,695	46,671
Passive Tower Rights Portfolio	1,653	102	1,755
Property, plant and equipment – passive network infrastructure	517	210	727
Prepayments	417	-	417
Aggregate consideration	**46,563**	**3,007**	**49,570**

The initial fair value of the contingent consideration attributable to the BTS sites is predominantly determined on the basis of a mechanism established within the agreement.

(ii) The following other principal transactions, which were carried out with related parties, have a material effect on the operating results and financial position of the Group and Company:

	Group		Company	
	2023 €000	2022 €000	**2023 €000**	2022 €000
Current ultimate parent and related entities				
Dividends paid to	**10,601**	9,938	**10,601**	9,938
Former ultimate parent and related entities				
Payments relating to leases treated in accordance with IFRS 16 requirements	**3,184**	2,358	**2,995**	2,178

37. Related party transactions - continued

In view of the requirements of IFRS 16, the Group recognised lease liabilities in respect of lease arrangements with related parties (refer to Note 19).

	Company	
	2023	2022
	€000	€000
Subsidiaries		
Loans advanced to	**6,100**	4,000
Services provided to	**1,747**	1,795
Services provided by	**1,255**	1,255
Goods for resale sold to	**6,822**	2,433
Dividends received from	**32,671**	3,988
Interest received from	**354**	82

The Company had indicated its intention to continue providing financial support to Cablenet, its subsidiary, to enable it to continue to grow its operations. At the end of the year, no losses are deemed probable or expected under this arrangement. During the year ended 31 December 2022, GO acquired an additional stake in the subsidiary, subsequent to which the Group holds 70.2% of the issued share capital of Cablenet (refer to Note 8 for further disclosures on the transactions effected).

In the opinion of the Directors, disclosure of related party transactions, which are generally carried out on commercial terms and conditions, is only necessary when the transactions effected have a material impact on the operating results and financial position of the Group. The aggregate invoiced amounts in respect of a number of transaction types carried out with related parties are not considered material and accordingly they do not have a significant effect on these financial statements.

Except for remuneration payable (Note 25), the Group has not entered into material transactions with key management personnel which would warrant disclosure thereof for the purpose of understanding the Group's financial results or its financial position. Also, the Group has not entered into material transactions with entities in which the Group's key management personnel directly or indirectly have an interest or over which they have direct or indirect influence. Any such transactions would constitute normal operating transactions under normal market and commercial terms relating to provision of operational services by the Group, and would not comprise financing transactions.

Year-end balances with related parties, arising principally from the above transactions, are disclosed in Notes 10, 14, 19 and 21 to these financial statements.

38. Statutory information

GO p.l.c. is a public limited liability company, with its ordinary shares listed on the Malta Stock Exchange, domiciled and incorporated in Malta. The Company's ultimate parent is Société Nationale des Télécommunications (Tunisie Telecom), the registered office of which is situated at Tunisie Telecom Building, 1053 Jardins du Lac II, Tunis, Tunisia which owns 65.4% of the Company's shares. The Company's immediate parent is TT ML Limited, a fully owned subsidiary of Tunisie Telecom, established as a special purpose vehicle for the purpose of holding GO's shares. The Tunisian Government holds a 65% shareholding in Tunisie Telecom, and Emirates International Telecommunications (EIT), a subsidiary of Dubai Holding LLC which is GO's former ultimate parent, owns the other 35%.

Five-year record

	2023	2022	2021	2020	2019
	€M	€M	€M	€M	€M
Revenue	**235.9**	214.6	193.7	185.2	177.8
Results from operating activities	**34.9**	28.4	23.5	21.3	25.8
Profit before income tax	**26.8**	22.1	17.9	20.9	22.8
Profit for the year	**15.5**	12.2	10.4	14.1	13.0
Total assets	**458.1**	396.2	368.6	357.4	327.7
Total liabilities	**358.6**	297.2	258.7	231.0	202.2
Total equity	**99.4**	99.0	109.9	126.4	125.6
Operating cash flow	**85.3**	75.4	67.9	63.7	63.0
Investing cash flow	**(62.2)**	(61.4)	(50.5)	(57.7)	(0.9)
Financing cash flow	**14.0**	(43.3)	(6.3)	17.2	(58.2)
Earnings per share	**€0.14**	€0.11	€0.10	€0.13	€0.11
Dividends per share	**€0.16**	€0.15	€0.16	€0.10	€0.14*

* a payment of a special interim dividend of €0.41 per share was effected during the year ended 31 December 2019.

Independent auditor's report

To the Shareholders of GO p.l.c.

Report on the audit of the financial statements

Our opinion

In our opinion:

- The Group financial statements and the Parent Company financial statements (the "financial statements") of GO p.l.c. give a true and fair view of the Group and the Parent Company's financial position as at 31 December 2023, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU; and
- The financial statements have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

Our opinion is consistent with our additional report to the Audit Committee.

What we have audited

GO p.l.c.'s financial statements comprise:

- the Consolidated and Parent Company statements of financial position as at 31 December 2023;
- the Consolidated and Parent Company income statements and statements of comprehensive income for the year then ended;
- the Consolidated and Parent Company statements of changes in equity for the year then ended;
- the Consolidated and Parent Company statements of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the

Accountancy Profession Act (Cap. 281) that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these Codes.

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the Parent Company and its subsidiaries are in accordance with the applicable law and regulations in Malta and that we have not provided non-audit services that are prohibited under Article 18A of the Accountancy Profession Act (Cap. 281).

The non-audit services that we have provided to the Parent Company and its subsidiaries, in the period from 1 January 2023 to 31 December 2023, are disclosed in Note 23 to the financial statements.

Our audit approach

Overview

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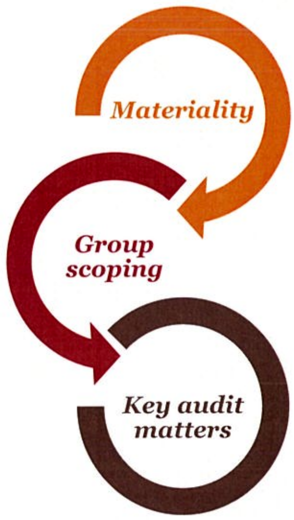
<td rowspan="3">
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- Overall group materiality: €1,400,000, which represents approximately 5% of profit before tax.

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- The financial statements of the Parent Company and of six of the subsidiaries which are based in Malta have been audited by our team.
- The group engagement team performed a full scope audit on all components other than Cablenet Communications Systems p.l.c., Connectedcare Limited, Cybersift Holdings Limited and its subsidiary, and Sens Innovation Group Limited and its subsidiary, which were audited by other auditors.
- The group engagement team performed oversight procedures on the work of other auditors.

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- Assessment of carrying amount of goodwill and intangible assets attributable to the Group.
- Accuracy of the Company's revenue due to complex billing systems and revenue recognition.

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As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	€1,400,000
How we determined it	Approximately 5% of profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users and is a generally accepted benchmark. We chose 5% which is within the range of quantitative materiality thresholds that we consider acceptable.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above €140,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter

Assessment of carrying amount of goodwill and intangible assets attributable to the Group	
Goodwill with a carrying amount of €28.3million and intangible assets having a carrying amount of €6.8million as at 31 December 2023, have arisen from a number of acquisitions effected during the preceding financial years. An assessment is required annually to establish whether goodwill and intangible assets that have an indefinite useful life should continue to be recognised, or if any impairment is required. The assessment was performed at the lowest level at which the Group could allocate and assess goodwill, which is referred to as a cash generating unit (CGU). Goodwill and intangible assets arising from acquisitions have been allocated to the Group CGUs. The impairment assessment relied on the calculation of a value in use for each of the CGUs. This calculation was based on estimated future cash flows for each CGU, including assumptions around revenue growth, margins and EBITDA levels, discounted at an appropriate weighted average cost of capital. The Group used its business plan as the basis for the first 5 years of cash flows and then extrapolated returns into perpetuity using a terminal growth factor. The assumptions supporting the underlying forecast cash flows reflect significant judgements as these are affected by unexpected future market or economic conditions. The estimation of future cash flows and the level to which they are discounted is inherently uncertain and requires judgement. The extent of judgement and the size of the goodwill and intangible assets resulted in this matter being identified as an area of audit focus. Relevant references in the Annual Financial Report and Consolidated Financial Statements: • Accounting policy: Note 1.6 and 1.7 • Critical accounting estimates and judgements: Note 3.1 • Note on intangible assets: Note 7	We evaluated the suitability and appropriateness of the impairment methodology applied and the discounted cash flow model as prepared by management or independent experts appointed by management. We assessed the methodology and assumptions used by utilising our independent valuation experts. The calculations used in the model were re-performed to check accuracy and the key inputs in the model were agreed to approved sources. Management's cash flow forecasts used in the model were assessed by: • testing that the forecasts agreed to the most recent business plan which had been approved by the Board of Directors; • considering current year performance against plan and the reasons for any deviation also through discussion with management for each CGU; and • assessing historical forecasting accuracy through back-testing by reviewing the historical achievement of the business plan given the uncertainties in forecasting, comparing the actual historical cash flow results with previous forecasts, including forecast profit margins to historical margins. We also focused on understanding and challenging management's future plans for the CGUs and understanding the manner in which the related cash flow forecasts were drawn up. We benchmarked key assumptions in management's forecasts in respect of revenue growth, gross margins and EBITDA margins, to the extent practicable, to relevant economic and industry indicators, where possible. Our independent valuation experts critically assessed the discount rate and terminal growth rate used in the discounted cash flow models. The challenge of our valuation experts was focused on the methodology used to determine the discount rate utilised by each CGU by reference to the overall calculated cost of capital for the Group, and on which benchmarks were the most appropriate in determining the terminal growth rate of cash flows for each CGU. We independently calculated a weighted average cost of capital by making reference to market data and benchmarked the long-term growth rates to market data. We concluded that the parameters utilised by the Group were reasonable, given historic results, economic outlook, industry forecasts and other market data. Our discussions with the Audit Committee in respect of this key audit matter focused on the key

	assumptions, both individually and when combined together. During these discussions, management confirmed their view that the forecast for each CGU remained appropriate and that the key assumptions were subject to oversight. We assessed the sufficiency of the sensitivity analysis performed by management or independent experts appointed by the Group. Independent sensitivity analysis was performed, making adjustments to a number of modelled assumptions simultaneously to identify any CGUs which were most sensitive to a change in value in use. We critically assessed whether or not a reasonably possible change to the assumptions could result in an impairment considering the sensitivity of the valuations to these assumptions. The deterioration in performance or long-term growth rate which would need to occur, or the increase in discount rate which would need to be applied to the model, that may lead to impairment in one or more CGUs is significant in view of the comfortable levels of headroom with respect to CGU carrying values. We determined that a movement in those key assumptions of this extent is unlikely. The value in use of the CGUs remains in excess of the carrying amounts by a comfortable headroom. The appropriateness of disclosures made in relation to goodwill and intangible assets was also reviewed.

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Accuracy of the Company's revenue due to complex billing systems and revenue recognition

The accuracy of revenue amounts recorded is an inherent industry risk. This is because telecoms billing systems are complex and process large volumes of data with a combination of different products sold and tariff changes during the year, through a number of different systems.

The Company retails subscription packages to customers which include multiple elements and may include discounts and offers, such as services sold for a single package price. The allocation of revenue to each element of a bundled transaction is complex and requires judgement, as described in the Company's accounting policy in Note 1.15. There is a risk that inappropriate allocations could lead to non-compliance with accounting standards and inaccurate acceleration or deferral of revenue.

Relevant references in the Annual Financial Report and Consolidated Financial Statements:
Accounting policy: Note 1.15

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We evaluated the relevant systems and the design of controls, and tested the operating effectiveness of automated and non-automated controls over the:

- capture and recording of revenue transactions comprising services supplied to customers;
- authorisation of tariff changes and the input of this information to the billing systems; and
- calculation of amounts billed to customers.

We also tested the accuracy of a sample of customer bills.

We evaluated the Company's revenue recognition policy and management's current year assessment in respect of accounting for bundled transactions against relevant accounting standards and guidance taking cognisance of IFRS 15, 'Revenue from contracts with customers'.

We tested the policy's application by:

- performing tests to confirm our understanding of the process by which revenue is calculated by the relevant billing systems as reflected above;
- performing an assessment of the different product bundles and offers made available to customers during the year and confirming the fair value of the different elements of these packages to appropriate evidence of fair value;
- assessing whether revenue should be accelerated or deferred based on the relative fair value of elements delivered at different points during the contract, when compared to the revenue calculated by the relevant billing system; and
- where differences arose between the revenue calculated by the billing system and the revenue recognition profile calculated in accordance with the Company's revenue recognition policy, we assessed the accuracy of those adjustments recognised to align revenue recognised with the Company's accounting policy.

In respect of this key audit matter we found no significant exceptions in our controls testing and no material misstatements were identified in our substantive testing.

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How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group's accounting process is structured around a group finance function at its head office. Supporting finance functions exist for each of the key business operating areas (Malta and Cyprus), and these report to the Group finance team as appropriate.

The group audit engagement team in Malta carried out a full scope audit on the Parent Company and six of the subsidiaries located in Malta, accounting for 67% of Group revenues and 93% of Group profit before tax. The financial statements of Cablenet Communications Systems p.l.c., Connectedcare Limited, Cybersift Holdings Limited and its subsidiary, and Sens Innovation Group Limited and its subsidiary (the remaining subsidiaries within the Group), predominantly based in Cyprus and Malta respectively, were audited by other auditors. We issued instructions to the other auditors auditing Cablenet Communications Systems p.l.c. The figures of Connectedcare Limited, Cybersift Holdings Limited and Sens Innovation Group Limited are deemed to be immaterial in the context of the Group results.

Where the work was performed by other auditors, we determined the level of involvement we needed to have in their audit work to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole. We have reviewed the subsidiary's accounting policies. We have assessed the audit memorandum document prepared by the other auditors and submitted to us, the group reporting package and the audited financial statements, including all relevant financial disclosures. We have reviewed the other auditor's audit working papers utilising a risk-based approach.

The group audit team performed all of this work by applying the overall Group materiality, together with additional procedures performed on the consolidation. This gave us sufficient appropriate audit evidence for our opinion on the Group financial statements as a whole.

Other information

The directors are responsible for the other information. The other information comprises all of the information in the annual financial report (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except as explicitly stated within the *Report on other legal and regulatory requirements*.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors and those charged with governance for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Report on compliance with the requirements of the European Single Electronic Format Regulatory Technical Standard (the "ESEF RTS"), by reference to Capital Markets Rule 5.55.6

We have undertaken a reasonable assurance engagement in accordance with the requirements of Directive 6 issued by the Accountancy Board in terms of the Accountancy Profession Act (Cap. 281) - the Accountancy Profession (European Single Electronic Format) Assurance Directive (the "ESEF Directive 6") on the Annual Financial Report of GO p.l.c. for the year ended 31 December 2023, entirely prepared in a single electronic reporting format.

Responsibilities of the directors

The directors are responsible for the preparation of the Annual Financial Report, including the consolidated financial statements and the relevant mark-up requirements therein, by reference to Capital Markets Rule 5.56A, in accordance with the requirements of the ESEF RTS.

Our responsibilities

Our responsibility is to obtain reasonable assurance about whether the Annual Financial Report, including the consolidated financial statements and the relevant electronic tagging therein, complies in all material respects with the ESEF RTS based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the requirements of ESEF Directive 6.

Our procedures included:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the Annual Financial Report, in accordance with the requirements of the ESEF RTS.
- Obtaining the Annual Financial Report and performing validations to determine whether the Annual Financial Report has been prepared in accordance with the requirements of the technical specifications of the ESEF RTS.
- Examining the information in the Annual Financial Report to determine whether all the required taggings therein have been applied and whether, in all material respects, they are in accordance with the requirements of the ESEF RTS.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Annual Financial Report for the year ended 31 December 2023 has been prepared, in all material respects, in accordance with the requirements of the ESEF RTS.

Other reporting requirements

The *Annual Financial Report and Consolidated Financial Statements 2023* contains other areas required by legislation or regulation on which we are required to report. The Directors are responsible for these other areas.

The table below sets out these areas presented within the Annual Financial Report, our related responsibilities and reporting, in addition to our responsibilities and reporting reflected in the *Other information* section of our report. Except as outlined in the table, we have not provided an audit opinion or any form of assurance.

Area of the *Annual Financial Report and Consolidated Financial Statements 2023* and the related Directors' responsibilities	Our responsibilities	Our reporting

Directors' report The Maltese Companies Act (Cap. 386) requires the directors to prepare a Directors' report, which includes the contents required by Article 177 of the Act and the Sixth Schedule to the Act.	We are required to consider whether the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements. We are also required to express an opinion as to whether the Directors' report has been prepared in accordance with the applicable legal requirements. In addition, we are required to state whether, in the light of the knowledge and understanding of the Company and its environment obtained in the course of our audit, we have identified any material misstatements in the Directors' report, and if so to give an indication of the nature of any such misstatements. With respect to the information required by paragraphs 8 and 11 of the Sixth Schedule to the Act, our responsibility is limited to ensuring that such information has been provided.	In our opinion: • the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Directors' report has been prepared in accordance with the Maltese Companies Act (Cap. 386). We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the *Other information* section.

Corporate Governance – Statement of compliance The Capital Markets Rules issued by the Malta Financial Services Authority require the directors to prepare and include in the Annual Financial Report a Statement of Compliance with the Code of Principles of Good Corporate Governance within Appendix 5.1 to Chapter 5 of the Capital Markets Rules. The Statement's required minimum contents are determined by reference to Capital Markets Rule 5.97. The Statement provides explanations as to how the Company has complied with the provisions of the Code, presenting the extent to which the Company has adopted the Code and the effective measures that the Board has taken to ensure compliance throughout the accounting period with those Principles.	We are required to report on the Statement of Compliance by expressing an opinion as to whether, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified any material misstatements with respect to the information referred to in Capital Markets Rules 5.97.4 and 5.97.5, giving an indication of the nature of any such misstatements. We are also required to assess whether the Statement of Compliance includes all the other information required to be presented as per Capital Markets Rule 5.97. We are not required to, and we do not, consider whether the Board's statements on internal control included in the Statement of Compliance cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.	In our opinion, the Statement of Compliance has been properly prepared in accordance with the requirements of the Capital Markets Rules issued by the Malta Financial Services Authority. We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the *Other information* section.
Remuneration report The Capital Markets Rules issued by the Malta Financial Services Authority require the directors to prepare a Remuneration report, including the contents listed in Appendix 12.1 to Chapter 12 of the Capital Markets Rules.	We are required to consider whether the information that should be provided within the Remuneration report, as required in terms of Appendix 12.1 to Chapter 12 of the Capital Markets Rules, has been included.	In our opinion, the Remuneration report has been properly prepared in accordance with the requirements of the Capital Markets Rules issued by the Malta Financial Services Authority.

	Other matters on which we are required to report by exception We also have responsibilities under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion: • adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us. • the financial statements are not in agreement with the accounting records and returns. • we have not received all the information and explanations which, to the best of our knowledge and belief, we require for our audit. We also have responsibilities under the Capital Markets Rules to review the statement made by the directors that the business is a going concern together with supporting assumptions or qualifications as necessary.	We have nothing to report to you in respect of these responsibilities.

Other matter – use of this report

Our report, including the opinions, has been prepared for and only for the Parent Company's shareholders as a body in accordance with Article 179 of the Maltese Companies Act (Cap. 386) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent.

Appointment

We were first appointed as auditors of the Company on 17 May 2010. Our appointment has been renewed annually by shareholder resolution representing a total period of uninterrupted engagement appointment of 14 years.

Fabio Axisa
Principal

For and on behalf of
PricewaterhouseCoopers
78, Mill Street
Zone 5, Central Business District
Qormi
Malta

20 March 2024