BMIT TECHNOLOGIES p.l.c.

Annual Financial Report and Consolidated Financial Statements

31 December 2024

Company Registration Number: C48299

Readers are reminded that the official statutory Annual Financial Report 2024, authorised for issue by the Board of Directors, is in European Single Electronic Format (ESEF) and is published on https://www.bmit.com.mt/xbrl/2024.xhtml. *A copy of the independent auditor's report issued on the official statutory Annual Financial Report 2024, is included within this printed document and comprises the auditor's 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.*

Chairman’s message

Dear Shareholders,

It gives me great pleasure to report that 2024 has proved to be an extraordinary year for BMIT Technologies p.l.c. (‘BMIT’), one in which we have not only achieved our most impressive financial results to date but also laid substantial groundwork for our future growth.

These strong numbers tell an important story, but they are not the whole picture.

Our core business remains fundamental to everything we do. As a key technology and IT provider, BMIT plays a crucial role in delivering secure, scalable, and reliable solutions and we are committed to further strengthening our cloud, managed services and cybersecurity business.

However, we are also transforming how businesses think about digital infrastructure in today’s challenging yet exciting technology landscape. We are looking ahead to what businesses will need next.

The company has shown remarkable resilience, diversifying its services and solutions, becoming more agile, and in the process, finding new revenue streams to be better positioned to deliver what our customers need. We have got better at protecting our customers. In fact, our investments in infrastructure and services are making our IT, security and resilience services even stronger.

Along with our core business pillars, our strategy now centres on enhancing our digital infrastructure to meet the demands of a technology-driven future. BMIT’s transformation has focused on developing high-performance, resilient and efficient systems that serve the foundation for businesses that depend on cloud computing, artificial intelligence and security.

Our 2023 investment in GO p.l.c.'s passive mobile infrastructure was just the start. We are now exploring new digital assets that integrate green energy into our systems. We are making our data centres more efficient while improving how businesses connect to the cloud. These are not random choices. They represent the Board's understanding of what modern technology companies, such as BMIT, must become to remain relevant in future.

Looking beyond our current markets, we’re confident in our ability to grow internationally. Our expertise in managing complex IT infrastructures has given us the confidence to explore new regions where digital infrastructure, systems, sustainability, resilience-building and security converge. With a clear focus on these strategic pillars, the Board and I believe that BMIT is ready to explore new markets and broaden its client base.

I am very positive about what lies ahead. We are transforming BMIT into a company that’s ready for tomorrow’s challenges while giving our clients the innovation, reliability and security they need today.

Coupled with our long-term commitment to grow BMIT as a managed IT services provider, our digital infrastructure investments are shaping a business that’s more resilient, efficient, and aligned with the needs of the modern world. Our financial performance in 2024 means we have the resources to achieve these goals.

Our success wouldn’t be possible without the trust and loyalty of our clients, the hard work and commitment of our employees, and the belief of our shareholders in our vision. For that, I extend my sincerest gratitude.

Thank you for being part of this journey.

Nikhil Patil
Chairman

Chief Executive Officer’s review

2024 has been a defining year for BMIT Technologies - not only in achieving record revenues but also in strengthening our position as a trusted partner in the fields of digital infrastructure, cloud and managed services, cyber resilience and security. Against a challenging backdrop, we have demonstrated agility, adaptability, and a clear strategic vision.

As I have outlined in several previous reviews, our company has been facing a series of both macro and microeconomic pressures, a rapidly changing technological landscape, and an increasingly competitive environment, both locally and from global players. Whilst these factors have continued to challenge us throughout 2024, they have reinforced the importance of our services portfolio and the strength of our strategic direction.

Cybersecurity threats remain a growing concern, whilst regulatory developments around data protection and governance continue to evolve. Our customers must not only manage business risk, but they must also ensure that their IT infrastructure supports innovation and growth in a secure and resilient manner. At BMIT, we have positioned ourselves as a key partner in this transformation, with cloud, managed services and cyber resilience, being areas of focus and growth.

Executing our strategy

Our corporate plans remain on course and are delivering tangible results. Our success is the result of a clear strategic vision, disciplined execution, and an unwavering focus on customer needs. Our growth is driven by continuous investment in innovation, infrastructure, and talent. We’ve successfully diversified our revenue and maintained a disciplined financial strategy that ensures sustainable profitability whilst rewarding our shareholders with medium to longer term returns. At the same time, our existing customer relationships are especially important and by aligning more closely with their evolving needs, we can create even greater value and long-term success.

In 2024, we continued to strengthen our core business while diversifying our portfolio, adapting to market needs while enhancing our competitive positioning. Our teams have worked relentlessly to refine and expand our offerings, ensuring that we remain at the forefront of the industry.

Investing in the future

Our strategic acquisition of GO p.l.c.’s passive mobile infrastructure in 2023 was an important step towards enhancing our digital infrastructure vertical and expanding our service offerings. This investment not only served to diversify our revenue streams, but it also strengthened BMIT’s position and value proposition in the market.

In 2024, we continued this trajectory by investing in advanced technologies and infrastructure to support our hybrid IT and managed services verticals. By way of example, we strengthened our resiliency by adding new routes to our international private network, in the process meeting the growing demands of our customers. As a result, we are also the only data centre operator in Malta with operational resiliency across all submarine cables connecting Malta to the rest of the world.

These are some of the investments which bolster our capabilities, improve operational efficiency, and ensure we remain agile in a rapidly changing technological landscape.

Further investments in our digital infrastructure vertical will be key for BMIT to continue diversifying, to create new revenue opportunities, to replace lost margin as our journey of transformation continues, and consequently to build a secure future for our company.

Chief Executive Officer’s review - continued

Strengthening our capabilities and expertise

Our cloud and managed services portfolio are at the heart of our business and the backbone of the digital transformation journeys we support. Businesses today need flexible, scalable, and secure IT environments, and our investments in cloud solutions and managed infrastructure ensure they get just that. This means not only strengthening our capabilities in our areas of expertise, but in other technologies as well, such as Amazon Web Services and AI, to ensure we can deliver solutions and services which are growing in demand.

These services enable businesses to run efficiently, adapt to change, and innovate with confidence whilst building operational resilience. That’s why our approach goes beyond infrastructure to include the solutions that businesses rely on daily. This integrated approach ensures that security, resilience, and governance are embedded from the ground up rather than being an afterthought.

Security remains an important aspect of our business. It is not a standalone function – it is built into our cloud and managed services at every level. In 2024, we continued to invest in our managed services, compliance frameworks, and incident response capabilities.

Ultimately, resilience isn’t just about technology - it’s about providing businesses with the right mix of solutions, services, security, and strategic guidance to help them grow and adapt. This is what BMIT excels at.

As new regulations come into play and operational demands change, we remain committed to supporting our customers with a robust, future-ready IT foundation.

Investment in resources

Investment is a cornerstone of our success, enabling us to build on our strengths while preparing for the future. In 2024, we maintained a disciplined approach to investment, ensuring that every decision aligns with our long-term vision: to be the leading provider of secure, scalable, and resilient digital infrastructure solutions.

Beyond technology and infrastructure, we have also invested in talent, recognising that expertise is key to our continued success. From enhancing internal training programmes to fostering a culture of continuous learning, we are ensuring that BMIT remains an employer of choice in an increasingly competitive job market.

By balancing financial discipline with forward-looking investment, we are building a company that is not only prepared for today’s demands but also poised for long-term growth and leadership in digital transformation. We plan to achieve this through additional investments in our core offerings as well as in digital infrastructure - investments that are the building blocks of BMIT’s future and ongoing transformation.

Through these key investments we are delivering on our promises to our most important asset. Our customer survey results for 2024 indicate strong satisfaction levels, amply surpassing industry averages in customer satisfaction and net promoter scores. We remain committed to continuous improvement and aim to maintain these results in 2025.

Driving diversification for future growth

Transformation and diversification continue to define the BMIT of today and the BMIT of the future. Diversification, be it through our investments in digital infrastructure or new services, remains at the core of our long-term vision, shaping and strengthening our present and future state. Our ability to anticipate market needs, to adapt to industry trends, and to expand our solutions portfolio has been key to sustaining this momentum and transformation.

Chief Executive Officer's review - continued

By refining our go-to-market strategies to optimising operations, we are ensuring that BMIT is well-positioned to capitalise on shifts in market demand, as well as to economic, regulatory and technological developments. Diversification fuels innovation and strengthens our ability to deliver long-term value to customers and to our shareholders.

Financial performance

BMIT Technologies' performance in 2024 was very positive. Revenues were up, reaching €33.6 million, an increase of 17.2% over 2023, with Earnings before Interest, Tax, Depreciation, and Amortisation (EBITDA) amounting to €12.7 million, compared to €10.0 million in 2023. These results incorporate the consolidated results of all the subsidiary companies within the BMIT Technologies Group.

Cost of sales, administration, and related costs totalled €24.6 million.

Profit before tax amounted to €7.2 million, representing a decrease of 5.6%.

Outlook to 2025

In 2025, our mission remains clear: to drive innovation, to invest in digital infrastructure assets, to strengthen our cybersecurity capabilities, and to deliver long term value to our clients and shareholders. The opportunities ahead are many, significant, and we are well-positioned to seize them.

The evolution of cyber resilience, cloud scalability, and digital infrastructure presents new growth avenues. As AI and machine learning continue to redefine security and automation, we are actively looking at opportunities in this field.

We will continue to invest across our main pillars and core business, strengthening existing revenue streams and exploring opportunities on an international stage. We will continue to refine our solutions, optimise our processes, and strengthen our client relationships - ensuring that BMIT remains the trusted partner for businesses navigating an increasingly complex digital landscape.

Ultimately, our success is not just measured by financial performance and results, but in our ability to create long-term value. The confidence of our customers, the strength of our solutions, and the trust of our shareholders reaffirms that our strategy is working. As the market evolves, so too will BMIT. We remain committed to leading with resilience, adaptability, and an unwavering focus on delivering excellence.

To our shareholders, partners, and employees, I extend my gratitude for your continued trust and support. Together, we will build on our achievements and continue shaping the future of digital infrastructure, hybrid IT and cyber resilience.

Christian Sammut
Chief Executive Officer

Directors' report

The Directors present their annual financial and consolidated financial statements report for the year ended 31 December 2024.

Principal activities

The BMIT Technologies Group, made up of BMIT Technologies p.l.c. (BMIT Technologies), BM IT Limited, BM Support Services Limited and Bellnet Limited (together 'the Group'), is a trusted leader in digital infrastructure and managed services, specialising in hybrid IT solutions, cyber resilience, IT governance, and mission-critical operations - tailored solutions that seamlessly integrate on-premise, private, hybrid, and multi-cloud deployments, in the process ensuring operational excellence and business continuity. Additional to these core offerings, BMIT Technologies owns the passive mobile infrastructure used by GO p.l.c. for the hosting of its cellular telecommunication equipment. BMIT Technologies manages close to 300 sites and 'towers'.

The Group proudly provides its expertise to over 500 corporate customers in diverse sectors, from financial services and telecommunications to online gaming and aviation, supporting both local enterprises and global organisations. Our customers rely on our data-driven approach and high-availability operations. As a Group, we guide organisations through their digital transformation, making complex technologies accessible and operational. Our team's extensive experience across industries, coupled with our commitment to excellence, enables us to manage every facet of IT operations with precision and care.

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

2024 was the first year when the BMIT Technologies Group consolidated its financial results from two of its key operating segments: its core business, which includes data centre, cloud, cyber resilience and managed services, and its new segment of digital infrastructure, which includes the above mentioned passive mobile infrastructure. As explained in detail in last year's annual report, in December 2023, the latter infrastructure involved a substantial investment through the acquisition of 278 sites for €46.6 million, with a commitment to acquire an additional 30 sites over the next 8 years.

In 2024, this new business line commenced operations by overseeing the maintenance of GO p.l.c.'s Passive Network Infrastructure and managing the lease agreements for the locations where this infrastructure is hosted. During the same year, an additional eight sites were acquired, increasing the total number of sites to 286.

At the same time, the Group continued investing and strengthening its 'core' business in data centre, cloud and managed services by expanding its product catalogue and offering a wider portfolio of services and solutions to its customers. This wider offering now includes cyber resilience – a complimentary portfolio of cybersecurity and governance services.

Through these investments, last year was a record year for the Group with a substantial YoY growth in both revenue and EBITDA. Revenue increased substantially from €28.7 million to €33.6 million (+17.2%) and EBITDA increased from €10.0 million to €12.7 million (+26.7%).

Revenue from the mobile network towers operations, amounted to €4.0 million, compared to one month of revenue in 2023, which amounted to €328k. In respect of the data centre, cloud, cyber resilience and managed services segment, revenue amounted to €29.6 million, compared to €28.3 million in 2023.

Directors' report - continued

In line with more recent trends, the demand for cloud services continues to increase. In fact, the main driver for revenue growth was derived from this segment, with cloud revenue growing by 21.6% YoY. Revenue from our data centre segment remained relatively stable.

Cost of sales and administrative expenses, (including depreciation and amortisation charges but excluding finance costs), amounted to €24.6 million compared to €20.7 million in 2023.

The increased contribution to revenue from cloud services, resulted in higher direct costs and lower profitability margins associated with this type of technology which, unlike the data centre business, follows a relatively low cost, subscription-based model.

Cost of sales also included the rental costs of the sites where the mobile network towers are hosted and the amortisation charge on the intangible asset recognised from the Master Services Agreement for the Towers Operations. In aggregate these amounted to €2.4 million.

Finance costs for 2024 amounted to €1.8 million compared to €347 thousand in the previous year. The increase is mainly due to a full year of interest charges incurred on the loans borrowed for the acquisition of the Mobile Network Towers.

After deducting the above-mentioned costs incurred in 2024, the reported Profit before tax amounted to €7.2 million compared to €7.7 million in 2023.

Profit after tax amounted to €4.2 million compared to €4.7 million in the previous year, resulting in an earnings per share of €0.020 (2023: €0.023).

Financial position

Apart a strong financial performance, in 2024, the Group also improved its liquidity and equity position.

As at 31 December 2024, the Group's total assets amounted to €74.9 million (2023: €80.7 million), of which €63.5 million (31 Dec 2023: €64.7 million) were non-current in nature and €11.4 million (31 Dec 2023: €15.9 million) were current.

Total liabilities as at 31 December 2024 were €62.1 million (2023: €69.9 million), of which €50.9 million (2023: €52.8 million) were non-current in nature and €11.2 million (2023: €17.1 million) were current.

Besides a positive current ratio, the Group closed the year with a healthy cash balance of €6.0 million (2023: €3.8 million). The growing operating performance and the scrip dividend option offered for the first time to shareholders contributed in more cash generation.

The overall equity position of the Group improved from €10.8 million as at end of 2023 to €12.8 million as at the end of 2024. The scrip issue mentioned earlier also resulted in an €800 thousand increase in the Company's share capital and in the recognition of a share premium reserve of €2 million. This strengthened the equity base of the Company.

Directors' report - continued

Financial position - continued

The Directors recommend that at the forthcoming Annual General Meeting, the shareholders approve the payment of a net dividend of €0.0189 per share (after tax), resulting in a net dividend payment of €4.0 million. The recommendation is also to offer to pay the dividend by way of scrip, with each shareholder having the option to receive either cash or new ordinary shares, at an attribution price of €0.319 per new ordinary share.

Our principal risks and uncertainties

Security and resilience
The Group's commercial success continues to be dependent upon the resilience of its data centres and IT systems. Our infrastructure and systems face a variety of risks that could cause significant interruptions to the delivery of services, potentially resulting in substantial financial loss and reputational damage that could harm future revenue. The Group manages this risk by having significantly invested in the resilience of its key infrastructure and systems, including cyber security, wherever this is possible and feasible. Furthermore, the Group employs robust control frameworks like ISO27001 and SOC2 along with documented processes and procedures, that prioritise prevention.

Customer data processing
The Group acknowledges the critical importance of complying with data privacy regulations, including GDPR, and is committed to ensuring that all processed information is handled securely and responsibly. Failure to adhere to relevant data protection and privacy laws could lead to reputational harm, regulatory scrutiny, and financial penalties. To mitigate these risks, the Group implements stringent organizational and technical safeguards. These safeguards and control frameworks clearly define employee roles and responsibilities regarding personal data access. Together with continuous training and awareness programs, the Group enforces monitoring, reporting, and control mechanisms to maintain organisational compliance with applicable regulations

Competition
The Group faces competition from local and international providers of similar and competing products and services. Leading international cloud providers, coupled with the growth in the demand for cloud-based services in the local market, could potentially attract current or prospective customers away from the Group and impede its projected growth. It may become necessary to respond to these moves, which could negatively impact the projected growth of the Group.

Ability to grow
The Group operates in a highly developed and competitive market, with market pressures on pricing, the availability of substitute technologies and challenges with talent acquisition and retention. 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 investment programme. The Group has an active strategic programme in place to address this matter and is always on the lookout for different opportunities that may help guarantee future sustainability and growth.

Directors' report - continued

Our principal risks and uncertainties - continued

iGaming industry
The iGaming industry is one of Malta's main economic pillars. The Group is a major supplier of technology 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 affect the Group's profitability. Aware of this and other risks, the Group continues to expand its range of services to include a more holistic ICT and Information Security experience targeted at different market segments, thereby reducing the Group's reliance on the iGaming industry.

Demand for data centre services
The market for data centre services which the Group serves, as well as certain industries in which customers operate, are characterised by rapidly changing technology, evolving industry trends and changing customer demands. As a result, the infrastructure at the Group's data centres may become less marketable due to demand for new processes and technologies. In addition, new technologies have the potential to replace or provide lower cost alternatives to the Group's services. The Group's ability to offer hybrid solutions to customers helps in mitigating this rapid change in market dynamics. The challenges data centre services face may require the Group to explore further diversification initiatives. The Group's recent acquisition of GO's passive mobile tower infrastructure, is one example of such diversification initiative.

Talent recruitment and retention
The evolving global economy, coupled with increased demand for technology and the challenges presented by ever increasing human capital costs and requirements, require the Group to maintain an agile approach to attracting and recruiting the right talent. The need for specialised talent becomes critical as we start to offer new, more complex solutions, to customers. We intend to invest more in this area to mitigate this industry-wide risk.

Reputational and other regulatory risks
Reputational and regulatory risks remain critical considerations for the Group operations, particularly considering evolving regulations such as the Digital Operational Resilience Act (DORA), the NIS2 Directive, and other cybersecurity and data protection frameworks. Compliance failures, security breaches, or operational disruptions could result in regulatory penalties, loss of client trust, and reputational damage. To mitigate these risks, we continuously enhance our risk management frameworks, ensure alignment with regulatory requirements, and adopt industry best practices in cybersecurity resilience. By maintaining a proactive approach to compliance and governance, we safeguard our clients' data and operational integrity while upholding our reputation as a trusted service provider.

Directors' report - continued

Financial risk management

The Group's activities potentially expose it to various 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.

The Group is cognisant of the impact its operations have on the environment as a result of the level of energy it consumes. As such, the Group has been successful in reducing its carbon footprint as a result of extensive investment in new technologies and equipment which are more efficient in terms of energy consumption. This is evident through our choice of technologies deployed in our data centres. Data centres, by their very nature, consume considerable energy, and we are working to minimise the environmental impact. Internally, we stepped up efforts to increase awareness and encourage use of best practices. We implemented waste management and recycling initiatives. All employees are strongly encouraged to recycle waste generated at work and electronic waste at home using disposal facilities within offices, such as collection points for e-waste.

Further information in respect of these matters is disclosed within the Directors' report in the Annual Report and Consolidated Financial Statements of the Company's parent, GO p.l.c.

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.

Non-Executive Directors
Nikhil Patil (appointed on 17 January 2024)
Arthur Galea Salomone
Faker Hnid
Deepak Padmanabhan
Michael Mercieca
Daniela Zammit

Executive Director
Christian Sammut (resigned on 17 January 2024)

In terms of Article 98 of the Articles of Association, the term of appointment of the Directors still in office expires at the forthcoming Annual General Meeting.

Of the Directors of the Company, Faker Hnid, Michael Mercieca and Christian Sammut were also acting as Directors of BM IT Limited, Bellnet Limited and BM Support Services Limited during the year.

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

Directors' report - continued

Remuneration committee and corporate governance

During the year under review, the functions of the Remuneration Committee were carried out by the Board of Directors in view of the fact that the remuneration of Directors is not performance related.

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 Group and the parent 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 Group and the parent 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 Group and the parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements of BMIT Technologies for the year ended 31 December 2024 are included in the Annual Report 2024, which is published in hard-copy printed form and is also available on the Company's website. The Directors are responsible for the maintenance and integrity of the Annual 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*

The Company is not party to any contract, not being a contract entered into in the Company's ordinary course of business, giving rise to an obligation or entitlement which is material to the Company as at the date of this report.

Going concern

The Directors, as required by the Capital Markets Rule 5.62, have considered the Group'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 in preparing the financial statements.

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.

Directors' report - continued

Information provided in accordance with *Capital Markets Rule 5.64*

The authorised share capital of the Company is thirty million euro (€30,000,000) divided into three hundred million (300,000,000) shares of ten euro cents (€0.10) each share.

The issued share capital of the Company is twenty-one million, one hundred and sixty thousand and one hundred and eighty-nine euro (€21,160,189) divided into two hundred and eleven million, six hundred and one thousand and eight hundred and ninety-two (211,601,892) ordinary shares of ten euro cents (€0.10) each share, which have been subscribed for, allotted and fully paid up. The issued shares of the Company consist of one class of ordinary shares with equal voting rights attached.

The Directors confirm that as at 31 December 2024, only GO p.l.c. and Rizzo Farrugia & Co. (stk) Ltd. held a shareholding in excess of 5% of the total issued share capital.

The Chairman of the Board of Directors shall be elected by the Directors by a simple majority from among the Directors of the Company.

The rules governing the appointment of Board members are contained in Clause 96 of the Company's Articles of Association as follows:

The Directors shall be appointed at each annual general meeting (or an Extraordinary General Meeting convened for the purposes of electing directors). Voting shall take place on the basis that every member shall have one vote in respect of each ordinary share held by him. A member may use all his votes in favour of one candidate or may split his votes in any manner he chooses among any two or more candidates. The Chairman of the meeting shall declare elected those candidates who obtain the greater number of votes on that basis.

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

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 Markets Rules 5.64.2, 5.64.4, 5.64.5, 5.64.6, 5.64.7 and 5.64.10 it is hereby declared that, as at 31 December 2024, none of the requirements apply to the Company.

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 11 March 2025 by Arthur Galea Salomone (Director) and Daniela Zammit (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report 2024.

Corporate governance - Statement of compliance

1. Introduction

Pursuant to the Malta Financial Services Authority Capital Markets Rules, BMIT Technologies p.l.c. ('the Company' or BMIT Technologies) 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 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, 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.

2. Compliance

Principle 1: The Board

The Board, the members of which are appointed by the shareholders, is primarily tasked with the overall direction, administration and management of the Company 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 currently composed of six non-executive Directors.

The Board is in regular contact with the Chief Executive Officer and is continuously informed of any decisions taken 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 the Audit Committee, which operates under formal terms of reference approved by the Board.

Further detail in relation to the Audit Committee 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 an indefinite period of time. During the period under review, Christian Sammut was the Chief Executive Officer.

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

Corporate governance - Statement of compliance - continued

Principle 2: Chairman and Chief Executive Officer - continued

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. During 2024, the role of the Chairman was assumed by Nikhil Patil following his appointment on the 17 January 2024.

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 made up of six (6) non-executive directors. Mr. Nikhil Patil is Chairperson to the board of directors. The following Directors served on the Board during the period under review:

Non-executive Directors
Arthur Galea Salomone
Faker Hnid
Deepak Padmanabhan
Michael Mercieca
Daniela Zammit
Nikhil Patil (appointed 17 January 2024)

Executive Director
Christian Sammut (resigned 17 January 2024)

For the purposes of the Code, the non-executive Directors are independent.

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 Board committees, the most prominent being the Audit 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 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.

Corporate governance - Statement of compliance - continued

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

There were seven board meetings held during the year under review. Attendance by Board members was as follows:

	Attended
Non-executive Directors	
Arthur Galea Salomone	7 of 7
Faker Hnid	7 of 7
Deepak Padmanabhan	6 of 7
Michael Mercieca	7 of 7
Daniela Zammit	6 of 7
Nikhil Patil	7 of 7
Executive Director	
Christian Sammut	7 of 7

Christian Sammut attended all of the 7 Board meetings as CEO of the Company.

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.

During the period under review, the functions of the Remuneration Committee were carried out by the Board of Directors in view of the fact that the remuneration of Directors is not performance related. This function is further explained in the Remuneration Report, which also includes the remuneration statement in terms of Code provision 8.A.3 and 8.A.4.

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 Dr Arthur Galea Salomone, with the other members being Ms Daniela Zammit and Mr Michael Mercieca. The Audit Committee is independent and is constituted in accordance with the requirements of the Capital Markets Rules, with Ms Daniela Zammit being chosen as the member competent in accounting and/or auditing in view of her experience in the field. 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. The Committee held four (4) meetings during the year. The external auditors attended all four (4) of these meetings.

Corporate governance - Statement of compliance - continued

Board Committees - continued

Audit Committee - continued

The Audit Committee is a sub-committee of the Board constituted to fulfil an overseeing role in connection with the quality and integrity of the Company's financial statements. In performing its duties, the Audit Committee is to maintain effective working relationships with the Board of Directors, management and the external auditors of the Company. The Committee shall also consider the arm's length nature of related party transactions that the Company carries out. The primary purposes of the Audit Committee shall be to protect the interests of the Company's shareholders as well as to assist the Board in fulfilling its obligations and effectively discharging its responsibilities in connection with the following matters:

a. ensuring that the Company adopts, maintains and, at all times, applies appropriate accounting and financial reporting processes and procedures;

b. monitoring of the audit of the Company's annual financial report, in particular, its performance, taking into account any findings and conclusions by the competent authority pursuant to Article 26 (6) of the Statutory Audit Regulation;

c. facilitating the independence of the external audit process and addressing issues arising from the audit process;

d. reviewing of the systems and procedures of internal control implemented by management and of the financial statements, disclosures and adequacy of financial reporting;

e. making of recommendations to the Board in relation to the appointment of the external auditors and the approval of the remuneration and terms of engagement of the external auditors, following the relative appointment by the shareholders in the annual general meeting;

f. monitoring and reviewing of the external auditors' independence and, in particular, the provision of additional services to the Company;

g. considering and evaluating the arm's length nature of related party transactions that the Company carries out to ensure that the execution of any such transactions are, indeed, at arm's length and on a sound commercial basis and ultimately in the best interests of the Company; and

h. ensuring that the Company, at all times, maintains effective risk management and internal control systems, including compliance functions.

As part of its duties, the Committee receives and considers the audited statutory financials statements of all companies comprising the Group.

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 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 on the activities of 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

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 evaluated on an ongoing basis by, and is subject to the constant scrutiny of, the Board itself, the Company's shareholders, the market and the rules by which the Company is regulated as a listed company.

Principle 8: Committees

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

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.

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 the Chairman of the Board 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 Report and Financial Statements and through the Company's website (www.bmit.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.

Corporate governance - Statement of compliance - continued

Principle 11: Conflicts of Interest

The Directors are fully aware of their responsibility to always act in the best interests of the Company and its shareholders 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. None of the Directors held any shares in the Company or any disclosable interest in any contracts or arrangements either subsisting at the end of the last financial year or entered during this financial year.

Principle 12: Corporate Social Responsibility

The Directors also seek to adhere to accepted principles of corporate social responsibility in their management practices of the Company in relation to the Company's workforce and the community in general.

3. 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.

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.

Principle 8 B: Remuneration Committee and Nomination Committee

The Board deems that the setting up of a Remuneration Committee is not necessary within the context of the size, nature and operations of the Company. Its function is carried out by the Board of Directors.

Pursuant to the Company's Articles of Association, the appointment of Directors to the Board is reserved exclusively to the Company's shareholders. 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.

Corporate governance - Statement of compliance - continued

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, including in 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.

4. 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. The Company's Chairman is also the chairman of the board of directors of the Company's subsidiaries.

Control environment

The Group is committed to the highest standards of business conduct and seeks to maintain these standards across all 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 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 plans to meet regularly during the year and, within its terms of reference as approved by the Authority, reviews the effectiveness of the Group's systems of internal financial controls. The committee receives reports from management and the external auditors.

Corporate governance - Statement of compliance - continued

5. General meetings (code provision 5.97.6)

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 Report and 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 enough 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 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. Regular meetings are planned to be held with financial intermediaries and stockbrokers.

Remuneration report

A. Remuneration Committee

During the period under review, the functions of the Remuneration Committee were carried out by the Board of Directors in view of the fact that the remuneration of Directors is not performance related. Furthermore, 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 since it was submitted before the General Meeting of Shareholders for its consideration and approval. Furthermore, the Board of Directors also notes that the aggregate emoluments payable to Directors in any one financial year are subject to the approval of the Shareholders in General Meeting.

B. Remuneration policy

The Company is required to establish a Remuneration Policy with respect to its Directors and the Chief Executive Officer. 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 29 May 2024. This remuneration policy approved on 29 May 2024 is in line with the policy applied for the remuneration paid to Directors and Chief Executive Officer in the preceding period. All remuneration for the Directors and the Chief Executive Officer for the year under review was in conformity with this policy. The policy describes the components of such remuneration and how this contributes to the Company's business strategy, in the context of its long-term sustainable value creation. This remuneration policy is divided into two parts distinguishing between Directors and Chief Executive Officer.

C. Directors' remuneration

It is the shareholders, in terms of the Memorandum and Articles of Association of the Company, who determine the maximum annual aggregate emoluments of the Directors by resolution at the Annual General Meeting of the Company. Remuneration payable to directors (in their capacity as directors) is reviewed as and when necessary and is not linked to the share price or the Group's performance. These are benchmarked against market practice for major local companies of similar size and complexity.

The aggregate amount fixed for this purpose during the last Annual General Meeting was €200,000. None of the Directors have any service contracts with the Group and/or Company but one (1) of the Directors (up to their resignation on 17 January 2024) was an employee of BMIT Technologies p.l.c., whilst one (1) of the Directors (from their appointment on 17 January 2024) was an employee of the immediate parent company of BMIT Technologies p.l.c. However, there are no specific amounts of their remuneration allocated to their role at BMIT Technologies p.l.c. Moreover, none of the Directors, in their capacity as Directors of the Company, are entitled to profit sharing, share options, pension benefits, termination payments or any other remuneration. No variable remuneration is paid to Directors in their capacity as Directors of the Company. During 2023, the Board of Directors has agreed to review the current remuneration to ensure that it is commensurate with the duties and responsibilities of directors. Despite the fact that the AGM approved a total amount of €200,000, following a decision by the Board on 21 November 2023, the Directors' fees for each Director were increased to €30,000 per annum as from 1 January 2024. This level was deemed consistent with market practice and conducive to the achievement of the Company's strategic objectives. Furthermore, in accordance with its Articles of Association, the Company shall provide for the payment of all reasonable travelling, hotel and other expenses properly incurred by the Directors in attending meetings of the Company or otherwise in connection with the business of the Company. Such expenses shall be reimbursed by the Company in accordance with its expenses policy and against the presentation of the relative receipts. Directors shall also be entitled to certain other non-cash benefits as may be deemed reasonable and appropriate. No non-cash benefits were offered to Directors during the current year.

Remuneration report - continued

C. Directors' remuneration - continued

Total emoluments received by Directors during the financial year 2024 in terms of Code Provisions 8.A.5 are as follows: fixed remuneration of €180,000. In terms of Code Provision 12.1 of the Malta Financial Services Authority Capital Market Rules, directors' emoluments paid for the financial year 2024 and 2023 were as follows:

	2024	2023
	€	€
Nikhil Patil (appointed 17th January 2024)	**27,500**	-
Arthur Galea Salomone	**30,000**	20,000
Faker Hnid	**30,000**	20,000
Deepak Padmanabhan	**30,000**	20,000
Michael Mercieca	**30,000**	20,000
Daniela Zammit	**30,000**	20,000
Christian Sammut (resigned 17th January 2024)	**-**	20,000
	177,500	120,000

D. Chief Executive Officer's remuneration

It is the Board of Directors who determines the overall structure and parameters of BMIT's Remuneration Policy with respect to its CEO. The remuneration policy is designed in a manner as would assist in the recruitment and retention of a qualified and professional individual having the required experience in data centre, cloud and managed IT services industries and who can steer the Company's short and long-term business plans forward in a highly competitive market.

The CEO remuneration package is made up of fixed and variable elements, including provisions for the payment of lump sum in return for the CEO accepting a non-competition clause that would be triggered upon termination of the employment. Termination of employment by employer would also attract a claim over the pro-rata amount of variable remuneration due to the CEO at time of termination. However, the package does not provide for profit sharing or share options, pension benefits and early retirement schemes.

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.

The variable element of the remuneration is structured as a management bonus scheme aimed at rewarding the CEO's performance. This variable component reflects the CEO's achievement of a set of targets designed to contribute to the business interests and sustainability of the Company over a determined financial period. Elements of the scheme may vary periodically depending on the business circumstances of the Company. They shall, however, in all cases be consistent with the Company's strategies and aligned with shareholder interests. Performance objectives shall be financial and/or operational in nature and shall be determined from time to time. These may include EBITDA-based objectives, project realisation and similar. The degree of achievement of these targets shall be determined by the Board of Directors which shall compare the realised outcomes against the target objectives. The Board considers the linkage between the fixed remuneration and the variable remuneration to be appropriate, also by reference to the ratio of fixed to variable elements. Furthermore, the Company does not have the possibility to reclaim any variable remuneration. The level of variable remuneration is deemed to be set at a level that continues to strive towards attaining the Company's long-term performance goals. As regards to non-cash benefits, the CEO is entitled to health insurance, telephone expenses, car-cash allowance, and a company car.

Remuneration report - continued

D. Chief Executive Officer's remuneration - continued

The total emoluments receivable by the Chief Executive Officer for this financial year are as follows: Christian Sammut: fixed remuneration of €208,724 (2023: €151,391); variable remuneration of €175,022 (2023: €170,527) predominantly based on the achievement of pre-established EBITDA targets set by the Board of Directors. Other benefits as described above amounted to €5,581 (2023: €10,192). As a result, the total emoluments receivable by the CEO during 2024 amount to €389,327 (2023: €332,110).

E. Senior executives' 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 determined strategically by the Company. The Board of Directors is satisfied that in all cases the base remuneration established is in line with the criteria described in this report. In particular, in reaching this conclusion, the Board of Directors 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 Board's evaluation of the CEO's assessment of the individual officer's performance. Bonuses are calculated on the basis of personal performance, and Company objectives. Total amounts are subject to the discretion of 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.

Senior Management are entitled to non-cash benefits in terms of health insurance and telecommunication expenses. None of the Senior Management are entitled to profit sharing, share options or pension benefits.

Total emoluments receivable by senior executives, including the CEO, during the financial years 2024 and 2023 in terms of Code Provisions 8.A.5 are as follows: fixed remuneration of €954,455 (2023: €655,258); variable remuneration of €491,370 (2023: €374,099); and other benefits as described above amounting to €29,970 (2023: €25,016). As a result, the total emoluments receivable by the senior executives, including the CEO during 2024 amounted to €1,475,795 (2023: €1,054,373).

Remuneration report - continued

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 four most recent financial years. Directors' remuneration has been excluded from the table below since it is based on a fixed fee as described in Section C above.

	2024/2023	**2023/2022**	**2022/2021**	**2021/2020**
CEO remuneration	13.9%	31.45%	(10.4%)	9.1%
Company performance – EBITDA	26.7%	(6.1%)	0.5%	1.4%
Average employee remuneration per full time equivalent (excluding subcontracted employees & CEO)	14.1%	0.8%	1.3%	9.0%

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

The contents of the Remuneration Report have been reviewed by the external auditor to ensure that the information required in terms of Appendix 12.1 to Chapter 12 of the Capital Market rules have been included.

Company information

Our purpose

Our purpose as BMIT Technologies is to power businesses to achieve their desired outcomes through harnessing technology.

Company registration number: C48299

Registered office:

Building SCM 02, Level 2
SmartCity Malta
Ricasoli, Kalkara, SCM 1001
Malta

Registered shareholders with five percent (5%) or more of the Share Capital of the Company:

As at 31 December 2024, only GO p.l.c. and Rizzo Farrugia & Co. (stk) Ltd. held a shareholding in excess of 5% of the total issued share capital.

Board of Directors

Non-executive Directors
Nikhil Patil – Chairman (appointed 17 January 2024)
Arthur Galea Salomone
Faker Hnid
Deepak Padmanabhan
Michael Mercieca
Daniela Zammit

Executive Director
Christian Sammut (resigned 17 January 2024)

Company Secretary

Dr Francis Galea Salomone

Chief Officers

Christian Sammut - Chief Executive Officer
Nick Tonna - Chief Customer Officer
Jack Mizzi - Chief Marketing Officer
Alexia Muscat - Chief Financial Officer
Gordon Bezzina - Chief Technical Officer
Dione Vella - Chief Digital and Compliance Officer
Karl Demicoli - Chief Human Resources Officer
Alan Camilleri - Chief Tower Operations Officer (appointed 17 January 2024)
Sean Cohen - Chief Customer Delivery and Support Services Officer (appointed 17 January 2024)

Statements of financial position

		As at 31 December			
		Group		**Company**	
		2024	2023	**2024**	2023
	Notes	**€'000**	€'000	**€'000**	€'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	**9,801**	9,101	**704**	720
Right-of-use assets	6	**1,616**	1,981	**22**	-
Intangible assets	7	**50,219**	51,756	**47,016**	48,553
Investment in subsidiaries	8	**-**	-	**19,722**	19,722
Investment in associates	9	**1,582**	1,582	**1,582**	1,582
Trade and other receivables	11	**293**	321	**-**	-
Total non-current assets		**63,511**	64,741	**69,046**	70,577
Current assets					
Inventories	10	**139**	147	**-**	-
Trade and other receivables	11	**4,576**	11,647	**2,677**	11,749
Current tax assets		**618**	364	**-**	-
Cash and cash equivalents	12	**6,026**	3,752	**4,937**	735
Total current assets		**11,359**	15,910	**7,614**	12,484
Total assets		**74,870**	80,651	**76,660**	83,061

Statements of financial position - continued

		As at 31 December			
		Group		**Company**	
	Notes	**2024 €'000**	2023 €'000	**2024 €'000**	2023 €'000
EQUITY AND LIABILITIES					
Equity					
Share capital	13	**21,160**	20,360	**21,160**	20,360
Share premium	13	**2,010**	-	**2,010**	-
Other reserves	14	**(4,097)**	(4,097)	**-**	-
Accumulated losses/retained earnings		**(6,317)**	(5,485)	**4,402**	5,289
Total equity		**12,756**	10,778	**27,572**	25,649
Non-current liabilities					
Lease liabilities	16	**1,471**	1,889	**18**	-
Borrowings	17	**47,385**	47,818	**44,795**	44,784
Other financial liabilities	18	**1,292**	2,454	**1,292**	2,454
Deferred tax liabilities	15	**446**	363	**38**	-
Trade and other payables	18	**290**	289	**-**	-
Total non-current liabilities		**50,884**	52,813	**46,143**	47,238
Current liabilities					
Lease liabilities	16	**460**	422	**5**	-
Borrowings	17	**558**	518	**-**	-
Other financial liabilities	18	**918**	553	**918**	553
Current tax liabilities		**373**	-	**373**	-
Trade and other payables	18	**8,921**	15,567	**1,649**	9,621
Total current liabilities		**11,230**	17,060	**2,945**	10,174
Total liabilities		**62,114**	69,873	**49,088**	57,412
Total equity and liabilities		**74,870**	80,651	**76,660**	83,061

The notes on pages 31 to 87 are an integral part of these consolidated financial statements.

The financial statements on pages 25 to 87 were approved and authorised for issue by the Board of Directors on 11 March 2025. The financial statements were signed on behalf of the Company's Board of Directors by Dr. Arthur Galea Salomone and Daniela Zammit as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report 2024.

Statements of comprehensive income

		As at 31 December			
		Group		**Company**	
		2024	2023	**2024**	2023
	Notes	**€'000**	€'000	**€'000**	€'000
Revenue	19	**33,604**	28,666	**4,460**	630
Cost of sales	20	**(20,147)**	(16,523)	**(2,790)**	(275)
Gross profit		**13,457**	12,143	**1,670**	355
Administrative expenses	20	**(4,428)**	(4,145)	**(629)**	(560)
Investment income	23	**-**	-	**7,846**	7,693
Operating profit		**9,029**	7,998	**8,887**	7,488
Analysed as follows:					
EBITDA		**12,717**	10,038	**10,504**	7,622
Depreciation and amortisation	20	**(3,688)**	(2,040)	**(1,617)**	(134)
Operating profit		**9,029**	7,998	**8,887**	7,488
Finance costs	24	**(1,808)**	(347)	**(1,600)**	(124)
Profit before tax		**7,221**	7,651	**7,287**	7,364
Tax expense	25	**(3,053)**	(2,931)	**(3,174)**	(2,693)
Profit for the year – total comprehensive income for the year	26	**4,168**	4,720	**4,113**	4,671
Attributable to:					
Owners of the Company	26	**4,168**	4,720	**4,113**	4,671
Earnings per share (€)	26	**0.02**	0.02		

The notes on pages 31 to 87 are an integral part of these consolidated financial statements.

Statements of changes in equity

Group

	Notes	Share capital €'000	Share premium €'000	Other reserves €'000	Accumulated losses €'000	Total equity €'000
		Attributable to the owners of the Company				
Balance at 1 January 2023		20,360	-	(4,097)	(5,205)	11,058
Comprehensive income						
Profit for the year – total comprehensive income for the year		-	-	-	4,720	4,720
Transaction with owners						
Dividends	27	-	-	-	(5,000)	(5,000)
Balance at 31 December 2023		**20,360**	**-**	**(4,097)**	**(5,485)**	**10,778**
Balance at 1 January 2024		20,360	-	(4,097)	(5,485)	10,778
Comprehensive income						
Profit for the year – total comprehensive income for the year		-	-	-	4,168	4,168
Transaction with owners						
Issuance of shares	13	800	2,010	-	-	2,810
Dividends	27	-	-	-	(5,000)	(5,000)
Balance at 31 December 2024		**21,160**	**2,010**	**(4,097)**	**(6,317)**	**12,756**

Statements of changes in equity - continued

Company	Notes	**Share capital €'000**	**Share premium €'000**	**Retained earnings €'000**	**Total equity €'000**
Balance at 1 January 2023		20,360	-	5,618	25,978
Comprehensive income					
Profit for the year - total comprehensive income for the year		-	-	4,671	4,671
Transactions with owners					
Dividends	27	-	-	(5,000)	(5,000)
Balance at 31 December 2023		**20,360**	**-**	**5,289**	**25,649**
Balance at 1 January 2024		20,360	-	5,289	25,649
Comprehensive income					
Profit for the year - total comprehensive income for the year		-	-	4,113	4,113
Transactions with owners					
Issuance of shares	13	800	2,010	-	2,810
Dividends	27	-	-	(5,000)	(5,000)
Balance at 31 December 2024		**21,160**	**2,010**	**4,402**	**27,572**

The notes on pages 31 to 87 are an integral part of these consolidated financial statements.

Statements of cash flows

		As at 31 December			
		Group		**Company**	
		2024	2023	**2024**	2023
	Notes	**€'000**	€'000	**€'000**	€'000
Cash flows from operating activities					
Cash generated from/(used in) operations	28	**12,112**	8,760	**5,537**	(1,589)
Investment income	23	**-**	-	**5,000**	5,000
Interest paid on lease liabilities	24	**(68)**	(78)	**(1)**	-
Interest paid on borrowings	24	**(1,602)**	(261)	**(1,469)**	(124)
Income tax paid		**(2,851)**	(3,104)	**(2,763)**	-
Net cash generated from operating activities		**7,591**	5,317	**6,304**	3,287
Cash flows from investing activities					
Purchase of property, plant and equipment	5, 7	**(2,279)**	(1,223)	**-**	(517)
Purchase of intangible assets	7	**-**	(30,884)	**-**	(30,884)
Net cash used in investing activities		**(2,279)**	(32,107)	**-**	(31,401)
Cash flows from financing activities					
Net loan (repayments)/proceeds	7,17	**(412)**	29,784	**-**	29,784
Dividends paid	27	**(2,097)**	(5,000)	**(2,097)**	(5,000)
Principal elements of lease payments	16	**(529)**	(493)	**(5)**	-
Net cash (used in)/generated from financing activities		**(3,038)**	24,291	**(2,102)**	24,784
Net movement in cash and cash equivalents		**2,274**	(2,499)	**4,202**	(3,330)
Cash and cash equivalents at beginning of year		**3,752**	6,251	**735**	4,065
Cash and cash equivalents at end of year	12	**6,026**	3,752	**4,937**	735

The notes on pages 31 to 87 are an integral part of these consolidated financial statements.

Notes to the consolidated 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 BMIT Technologies p.l.c. 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 as modified by the fair valuation of 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.

Standards, interpretations and amendments to published standards effective in 2024

In 2024, the Group and Company adopted amendments to existing standards that are mandatory for the Group and Company's accounting period beginning on 1 January 2024. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in changes to the Group and Company'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 2024. The Group and Company have not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the Company's directors are of the opinion that there are no requirements that will have a possible significant impact on the Group and Company's financial statements in the period of initial application.

1. Summary of material accounting policies - continued

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 values 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.

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.

1. Summary of material accounting policies - continued

1.2 Consolidation - continued

(b) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured 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.

(c) 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.

The Group's share of post-acquisition profit or loss is recognised in the statements of comprehensive income, 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 statements of comprehensive income.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate 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 statements of comprehensive income.

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. Summary of material accounting policies - continued

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.

1.4 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 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.

1. Summary of material accounting policies - continued

1.5 Property, plant and equipment - continued

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.

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.

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

	%
Buildings	2 - 10
Improvements to premises	6 - 10
Office furniture and equipment	10 - 25
Data centre equipment	4 - 20
Other equipment	25 - 50
Passive network infrastructure	6 - 14

The asset's 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) 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.

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.

(b) 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.

(c) Customer relationships

Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relationships 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 relationships. 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.

1. Summary of material accounting policies - continued

1.6 Intangible assets - continued

(d) Intangible assets attributable to the Mobile network towers operation

The customer contract reflects the separately acquired intangible asset attributable to the master service agreement with a customer, giving rise to non-cancellable contractual rights to generate economic benefits from the Mobile network towers operation. The portfolio of access contracts reflects the separately acquired intangible asset attributable to the list of contracted and non-cancellable terms within agreements with site owners granting access to such sites and rights to install and maintain the required infrastructure and equipment for the purposes of the mobile network towers operation, which contracts are an intrinsic part of network plans and designs. These intangible assets have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method over their useful life of thirty years reflecting the initial contractual term of the master service agreement, which constitutes the key feature of the mobile network towers operation.

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.

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
Intangible assets attributable to the Data centre operation	
Brand names	10
Customer relationships	5
Intangible assets attributable to the Mobile network towers operation	
Customer contract	30
Portfolio of access contracts	30

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

1. **Summary of material accounting policies** - continued

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

1.8 Financial assets

1.8 (a) 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.

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. 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 instruments when and only when its business model for managing those assets changes.

1.8 (b) 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.

1. Summary of material accounting policies - continued

1.8 Financial assets - continued

1.8 (c) 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 separate line item in the statement of profit or loss.

- 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). 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 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 are recognised in profit or loss as other income 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 statement of profit or loss 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.

1. Summary of material accounting policies - continued

1.8 Financial assets - continued

1.8 (d) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables (see Note 2.1(b) for further details).

1.8.1 Trade and other receivables

Trade receivables comprise amounts due from customers for merchandise sold or 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.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less 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 and deposits held at call with banks.

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. which are not at fair value through profit or loss. 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 Financial liabilities - 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 a 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. Ordinary activities do not only refer to the core business but also to other recurring sale of goods or rendering of services. Revenues are recorded net of value added tax.

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. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

Revenue is recognised when the Group satisfies a performance obligation, which occurs when it transfers control of a promised good or service to a customer. Control of a promised good or service is transferred to a customer when the customer is able to direct the use of the promised good or service. A performance obligation is satisfied at a point in time unless it meets certain criteria that indicate that it is satisfied over time.

Sale of goods

Revenue from the sale of goods is recognised when a Group entity sells a product to the customer.

Sales are recognised when control of the products has been transferred, being when the products are delivered to the buyer, the buyer has full discretion over the products, and there is no unfulfilled obligation that could affect the buyer’s acceptance of the products. Delivery occurs when the risks of obsolescence and loss have been transferred to the buyer, and either the buyer has accepted the products, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Sale of services

Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price service arrangements that require the Group to assume a stand-ready obligation to perform over a period of time, revenue is recognised on a straight-line basis over the contract period. For other fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

1. Summary of material accounting policies - continued

1.15 Revenue recognition - continued

Sale of services - continued

In relation to sale of services, the Group includes in the transaction price at contract inception, the amount of variable consideration to which it expects to be entitled. The Group includes some or all of an amount of variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

If contracts for services include the installation of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed and the customer has accepted the hardware.

In the case of contracts that give rise to stand-ready obligations, payment terms are generally structured in a manner to coincide with the delivery of the service. When payments exceed the services rendered, a contract liability is recognised.

In the case of other fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered exceed the payments, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Sale of licences

Revenue from sale of software licences is recognised upon activation. Sales are recognised as revenue when control of a software licence is transferred to the customer, upon activation, when the customer becomes able to direct the use of the software licence and obtains substantially all of the benefits from the licence.

The Group is the principal in a transaction with an end consumer if it obtains control of the specified good or service before it is transferred to the end consumer. When another party is involved in providing goods or services to the end consumer, the Group obtains control of one of the following:

- a good or another asset from the other party that it then transfers to the customers;
- a right to a service to be performed by the other party, which gives the Group the ability to direct that party to provide the service to the customer on the Group's behalf; or
- a good or service from the other party that it then combines with other goods or services in providing the specific good or service to the customer.

Payment of the transaction price is generally due immediately upon activation of the software licence. When the entire transaction price is not due immediately upon activation, a contract asset is recognised for that portion of the transaction price that has not yet been invoiced.

Financing

The Group does not expect to have any 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.

Dividend income

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

1. Summary of material accounting policies - continued

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 f ulfill 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. The Group 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 fulfill 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.

1.17 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. 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.

1. Summary of material accounting policies - continued

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. The Group elected, by each class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

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.

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.

1. Summary of material accounting policies - continued

1.18 Leases - continued

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.

1.19 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.

1.20 Borrowing costs

Borrowing costs which are incurred for the purpose of acquiring or constructing qualifying property, plant and equipment 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 currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group's Board of Directors provides principles for overall Group risk management, as well as policies covering risks referred to above and specific areas such as investment of excess liquidity. The Group did not make use of derivative financial instruments to hedge certain risk exposures during the current and preceding financial years.

(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 revenues, purchases and operating expenditure, financial assets and liabilities, including financing, are mainly denominated in euro, and therefore foreign exchange risk is not considered significant.

(ii) Cash flow and fair value interest rate risk

The Group has no significant interest-bearing assets except for cash and cash equivalents subject to variable interest rates. Assets earning interest at variable rates expose the Group to cash flow interest rate risk whereas assets earning interest at fixed rates expose the Group to fair value interest rate risk.

The Group and Company's interest rate risk principally arises from borrowings (Note 17), which are analysed below:

	Group		**Company**	
	2024	2023	**2024**	2023
	€000	€000	**€000**	€000
Financial liabilities measured at amortised cost (at principal amounts)				
Subject to floating rates				
Bank loans	**(30,000)**	(30,000)	**(30,000)**	(30,000)
	(30,000)	(30,000)	**(30,000)**	(30,000)
Subject to fixed rates				
Bank loans	**(3,188)**	(3,600)	**-**	-
Loan from fellow subsidiary	**(15,000)**	(15,000)	**(15,000)**	(15,000)
	(18,188)	(18,600)	**(15,000)**	(15,000)
Total	**(48,188)**	(48,600)	**(45,000)**	(45,000)

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

The Group and Company's significant instruments which are subject to fixed interest rates consist principally of loans from a related party 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 and Company's interest rate risk principally arises from bank borrowings issued at variable 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 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.

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 100 basis points would have (decreased)/increased the profit for the Group and Company by €272,000, which principally takes into account the impact of this shift on the interest amounts arising on variable interest borrowings as at 31 December 2024. 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.

(iii) Price risk

The Group is not exposed to equity securities price risk.

2. Financial risk management - continued

2.1 Financial risk factors - continued

(b) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks, loans and receivables, as well as credit exposures to customers, including outstanding receivables and committed transactions. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was:

	Group		Company	
	2024	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000
Carrying amounts				
Trade and other receivables (Note 11)	**2,956**	1,802	**2,144**	2,998
Cash and cash equivalents (Note 12)	**6,026**	3,752	**4,937**	735
	8,982	5,554	**7,081**	3,733

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 indirect taxation and prepayments.

Trade and other receivables

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.

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.

2. **Financial risk management** - continued

2.1 **Financial risk factors** - continued

(b) Credit risk - continued

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 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 significant losses from non-performance by these customers.

Impairment of trade and other receivables

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. These rates are applied to the gross receivables less any deposits held currently classified as contract liabilities.

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 was determined for the Group as follows:

	Current to 30 days past due	31 to 60 days past due	61 to 90 days past due	91 to 120 days past due	121 to 150 days past due	+151 days past due	**Total**
31 December 2024							
Weighted average expected loss rate*	1%	3%	3%	5%	10%	67%	
Gross carrying amount - trade receivables and contract assets (€'000)	1,592	661	379	323	2	88	**3,045**
Loss allowance applied after netting off the deposits (€'000)	8	20	-	1	-	60	**89**
31 December 2023							
Weighted average expected loss rate*	1%	1%	3%	10%	38%	90%	
Gross carrying amount - trade receivables and contract assets (€'000)	1,218	315	13	39	18	64	**1,667**
Loss allowance applied after netting off the deposits (€'000)	4	3	-	4	7	58	**76**

**The weighted average expected loss rate is applied to the net exposure after deducting customer deposits from gross receivables.*

2. Financial risk management - continued

2.1 Financial risk factors - continued

(b) Credit risk - continued

The Group actively monitors information available on macroeconomic factors, affecting repayment ability, as well as the actual and projected impact of geopolitical, economic and other developments on the business model of the customers serviced by the Group. Payment patterns attributable to the Group's customers is thoroughly and regularly assessed to determine whether any deterioration in collection rates is being experienced. The Group determined that the expected credit losses have not materially changed taking cognisance of the projected impact on the repayment ability of the Group's customers, the repayment pattern actually experienced, and the estimated life of receivables.

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 receivables as at 31 December 2024 and 2023 reconcile to the opening loss allowances as follows:

	Group	
	2024	2023
	€'000	€'000
Trade and other receivables		
Balance at 1 January	**76**	77
Change in loss allowances recognised in profit or loss during the year	**13**	(1)
Balance at 31 December	**89**	76

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 of greater than 180 days past due.

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

2. Financial risk management - continued

2.1 Financial risk factors - continued

(b) Credit risk - continued

Cash and cash equivalents

The Group principally banks with local and European financial institutions with high quality standing but which are unrated. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified expected credit loss allowance was insignificant.

Amounts due from subsidiaries and related parties

The Group and Company's receivables include amounts owed by subsidiaries and related parties (Note 11). The Group and Company monitor intra-group credit exposures at individual entity level on a regular basis and ensure timely performance of these assets in the context of overall Group liquidity management. The Group and Company assess the credit quality of these parties taking into account financial position, performance and other factors. The Group and Company take cognisance of the related party relationship with these entities and management does not expect any losses from non-performance or default. Since these balances 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 lease liabilities, borrowings, trade and other payables and other financial liabilities (refer to Notes 16, 17 and 18 for further information). 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 enough 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.

2. **Financial risk management** - continued

2.1 **Financial risk factors** - continued

(c) Liquidity risk - continued

The following table analyses the Group and Company's financial liabilities into relevant maturity groupings based on the remaining period at the date of the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances, as the impact of discounting is not significant.

Group	Carrying amount €'000	Contractual cash flows €'000	Within one year €'000	Between one and two years €'000	Between two to five years €'000	More than five years €'000
31 December 2024						
Borrowings	47,943	62,342	2,292	3,378	25,095	31,577
Lease liabilities	1,931	2,150	510	497	443	700
Other financial liabilities	2,210	2,507	1,123	570	814	-
Trade and other payables	9,211	9,211	8,921	169	121	-
	61,295	**76,210**	**12,846**	**4,614**	**26,473**	**32,277**
31 December 2023						
Borrowings	48,336	63,978	2,241	2,288	25,088	34,361
Lease liabilities	2,311	2,591	484	488	794	825
Other financial liabilities	3,007	3,447	553	562	1,736	596
Trade and other payables	15,856	15,856	15,567	136	153	-
	69,510	**85,872**	**18,845**	**3,474**	**27,771**	**35,782**

Company	Carrying amount €'000	Contractual cash flows €'000	Within one year €'000	Between one and two years €'000	Between two to five years €'000	More than five years €'000
31 December 2024						
Borrowings	44,795	58,859	1,629	2,714	23,104	31,412
Lease liabilities	23	27	7	7	13	-
Other financial liabilities	2,210	2,507	1,123	570	814	-
Trade and other payables	1,649	1,649	1,649	-	-	-
	48,677	**63,042**	**4,408**	**3,291**	**23,931**	**31,412**
31 December 2023						
Borrowings	44,784	60,004	1,604	1,627	23,104	33,669
Other financial liabilities	3,007	3,447	553	562	1,736	596
Trade and other payables	9,621	9,621	9,621	-	-	-
	57,412	**73,072**	**11,778**	**2,189**	**24,840**	**34,265**

The Group's and Company's borrowings as at both year ended 31 December 2024 and year ended 31 December 2023, are primarily represented by the borrowings taken out to finance the acquisition of the assets attributable to the Mobile Network Towers Operation in 2023 (see Note 7). In this respect, the cash flow projections attributable to this operation are the principal liquidity management tool utilised to ensure sufficient operating net cash inflows are generated over the term of the related assets to meet interest and capital repayments on the borrowings. Cash flow projections for the Group's other business lines are also the key liquidity management technique in place.

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 equity and borrowings as at 31 December are reflected below:

	Group		**Company**	
	2024	2023	**2024**	2023
	€000	€000	**€000**	€000
Borrowings (Note 17)	**47,943**	48,336	**44,795**	44,784
Lease liabilities (Note 16)	**1,931**	2,311	**23**	-
Less: Cash and cash equivalents (Note 12)	**(6,026)**	(3,752)	**(4,937)**	(735)
Net debt	**43,848**	46,895	**39,881**	44,049
Total equity	**12,756**	10,778	**27,572**	25,649
Total capital	**56,604**	57,673	**67,453**	69,698
Net debt ratio	**77%**	81%	**59%**	63%

The Group and Company manage 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 and stand-alone statements of financial position, is maintained by reference to the Group and Company's respective financial obligations and commitments arising from operational requirements. In view of the nature of the Group and Company's activities and the debt arrangements in place, the capital level at the end of the reporting period determined by reference to the consolidated and stand-alone financial statements is deemed adequate by the Directors.

The Group's and Company's borrowings are managed as outlined within Note 2.1(c) dealing with liquidity management.

2. Financial risk management - continued

2.3 Fair values of financial instruments not carried at fair value

At 31 December 2024 and 2023, the carrying amounts of certain financial instruments not carried at fair value comprising cash at bank, receivables, payables, accrued expenses and other short-term liabilities 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 non-current financial instruments, including borrowings and other financial liabilities, 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. Estimated fair values approximate carrying amounts.

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 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).

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 customers; 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. Critical accounting estimates and judgements - continued

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

Subsequent to the acquisition of assets attributable to the Mobile Network Towers operation in December 2023 as explained in Note 7, the Group has two 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 two reportable segments consist of the Data Centre Services segment and the Mobile Network Towers segment. These distinct strategic business units are managed separately with their own separate management structure.

The Group's internal reporting organisation and structure is such that its services within the Data Centre Services business line are treated as one business segment taking cognisance of segment technology, market dynamics and consumer demand. The operations within the Data Centre Services segment comprise the Group's data centre facilities and provision of ICT solutions in Malta.

Cash flows generated and returns secured from the different services within the Data Centre Services segment are significantly interdependent, also in the context of commonality of risks to which the Group is exposed as a result of the provision of these services and in the context of commonality of customer base. Management of the provision of these services has been adapted to reflect the factors mentioned above, with a view to achieving synergies and to approach the business market in a manner focusing on the evolution of customer demands.

The Mobile Network Towers segment, which operation was acquired in December 2023 constitutes the provision of passive network infrastructure services to the Company's parent entity, GO p.l.c.. These services principally comprise the maintenance of passive network infrastructure installed in specific sites; the management and renewal of the underlying site 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 Group's internal reporting to the Board of Directors and Senior Management is analysed according to these two segments. For each of these two 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:

	Mobile Network Towers		Data Centre		Total	
	2024 €000	2023 €000	**2024 €000**	2023 €000	**2024 €000**	2023 €000
Revenue from external customers	**3,988**	328	**29,616**	28,338	**33,604**	28,666
EBITDA	**2,657**	(92)	**10,060**	10,130	**12,717**	10,038
Reportable segment profit before tax	**(559)**	(351)	**7,780**	8,002	**7,221**	7,651
Tax	**(389)**	-	**(2,664)**	(2,931)	**(3,053)**	(2,931)
Results for reportable segments	**(948)**	(351)	**5,116**	5,071	**4,168**	4,720
Information about profit or loss:						
Finance costs	**(1,600)**	(124)	**(208)**	(223)	**(1,808)**	(347)
Depreciation and amortisation	**(1,617)**	(134)	**(2,071)**	(1,906)	**(3,688)**	(2,040)
Reportable segment assets	**49,778**	58,383	**25,092**	22,268	**74,870**	80,651
Capital expenditure	**58**	49,407	**2,279**	706	**2,337**	50,113
Reportable segment liabilities	**48,118**	56,272	**13,996**	13,601	**62,114**	69,873

4.2 Information about geographical segments

The Group's revenues are derived predominantly from operations carried out in Malta. However, it also derives revenue from companies operating out of Malta. Considering the nature of the Group's activities, its non-current assets are predominantly located in Malta.

4.3 Information about major customers

In 2024, the Group generated revenue amounting to €5,159,000 (2023: €4,687,000) from a particular customer forming part of the Data Centre Services segment representing 15% (2023: 16%) of the Group's revenue. Furthermore, as disclosed in Note 7, all revenue generated from the Mobile Network Towers segment, representing 12% (2023: 1%) of the Group's revenue, is generated from a single customer.

5. Property, plant and equipment

Group	Land, buildings and improvements to premises €'000	Data centre equipment €'000	Passive network infrastructure €'000	Office furniture & equipment €'000	Total €'000
At 1 January 2023					
Cost	5,087	16,430	-	5,141	26,658
Accumulated depreciation and impairment charges	(804)	(12,321)	-	(4,459)	(17,584)
Net book amount	**4,283**	**4,109**	**-**	**682**	**9,074**
Year ended 31 December 2023					
Opening net book amount	4,283	4,109	-	682	9,074
Additions	19	497	727	190	1,433
Disposals and reversals	-	(116)	-	(7)	(123)
Depreciation charge	(54)	(1,094)	(7)	(239)	(1,394)
Depreciation released on disposals	-	104	-	7	111
Closing net book amount	**4,248**	**3,500**	**720**	**633**	**9,101**
At 31 December 2023					
Cost	5,106	16,811	727	5,324	27,968
Accumulated depreciation and impairment charges	(858)	(13,311)	(7)	(4,691)	(18,867)
Net book amount	**4,248**	**3,500**	**720**	**633**	**9,101**
Year ended 31 December 2024					
Opening net book amount	4,248	3,500	720	633	9,101
Additions	-	2,104	58	175	2,337
Disposals and reversals	-	-	-	(1)	(1)
Depreciation charge	(49)	(1,277)	(74)	(237)	(1,637)
Depreciation released on disposals	-	-	-	1	1
Closing net book amount	**4,199**	**4,327**	**704**	**571**	**9,801**
At 31 December 2024					
Cost	5,106	18,915	785	5,498	30,304
Accumulated depreciation and impairment charges	(907)	(14,588)	(81)	(4,927)	(20,503)
Net book amount	**4,199**	**4,327**	**704**	**571**	**9,801**

The Company's property, plant and equipment as at 31 December 2024 amounted to €704,000 (2023: €720,000) and is attributable to the Passive network infrastructure.

5. Property, plant and equipment - continued

Depreciation charge

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

	Group		Company	
	2024	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000
Cost of sales	**1,504**	1,226	**74**	7
Administrative expenses	**133**	168	**-**	-
	1,637	1,394	**74**	7

Recoverability of the data centre infrastructure

At 31 December 2024, the Group's data centre infrastructure, together with other related tangible and intangible assets, was carried at an aggregate of €8,526,000 (2023: €7,747,000). No impairment indicators were identified by management in respect of this CGU as at the end of the reporting period (Note 1.7).

Fair valuation of land and buildings

In 2020, BM IT Limited (a subsidiary) acquired a property for a consideration of €4,000,000, of which €3,600,000 was financed via a bank loan. As part of this loan agreement, all Company's and subsidiary's current and future assets (including the acquired property) are secured against this borrowing.

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).

The Group's property comprises a property acquired in the financial year-ended 31 December 2020 for a consideration of €4,000,000. The property is currently being used by the Group to host one of its data centres. All the recurring property fair value measurements at 31 December 2024 and 31 December 2023 use significant unobservable inputs and are accordingly categorised within Level 3 of the fair valuation hierarchy.

In the opinion of the directors, as at 31 December 2024, 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 Group to carry out a market valuation on the Group's property as at that date, by considering the aggregate of the estimated cash flows expected to be received from renting out the property over a defined period.

5. Property, plant and equipment - continued

Valuation processes

Valuation of the properties is assessed regularly by management and at least every three years a valuation report is prepared by independent and qualified valuers. These reports are based on both:

- information provided by the Group which is derived from the Group's financial systems and is subject to the Group'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 Executive Officer (CEO). This includes a review of fair value movements over the period. When the CEO considers that the valuation reports are appropriate, the valuation reports are recommended to the Board of Directors. The Board of Directors considers the valuation reports as part of its overall responsibilities.

At the end of every reporting period, the CEO assesses whether any significant changes or developments have been experienced since the last external valuations and reports to the Board of Directors on the outcome of this assessment.

Valuation techniques

The data centres are operated on leased and owned properties. Given that deriving the fair value of the property based on its current use as a data centre would require isolating the contribution of the owned property vis-à-vis the properties leased from third parties, which is a complex exercise given the interdependencies of the sites towards the data centre operations, management adopted the rental stream approach for the purpose of determining the fair value of the owned property. Therefore, the external valuations of the Level 3 property have been performed using projected rental streams. The significant inputs considered for this approach includes contracted and projected rental streams and a discount rate which considers risk-free rates and specific risk premium rates and non-refundable management costs and projected capital expenditure.

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

Description by class based on highest and best use	Fair value at 31 December 2024 €	Valuation technique	Significant unobservable input	Range of unobservable inputs
Current use as data centre	4,200,000	Discounted cashflows - rental streams approach	Rental streams	Rental value p.a. of €135/sqm - €160/sqm and applying discount rates of 5.75%*

*A reasonable increase in rental streams of 5% would result in an uplift in the fair value of the property, plant and equipment by €231,000 whilst a 5% decrease would reduce the value by the equivalent amount. On the other hand, an increase in the discount rate of 0.5% would result in a decrease in the property, plant and equipment by €298,000, whereas a 0.5% decrease would increase the value by the equivalent amount. Changes do not occur with all other variables remaining constant.

6. Right-of-use assets

The Group and Company lease various properties, motor vehicles and IT equipment. Rental contracts are typically made for fixed periods 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.

Extension and termination options are included in the property 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 the property lease arrangements, the extension periods have been included in determining lease term for the respective arrangement.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset (ROU) recognised on the balance sheet as at 31 December 2024 and 2023:

As at 31 December 2024

Group ROU asset	No. of ROU assets	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	4	1 - 12	4	3	3	-	3
Motor vehicles	3	1 - 5	3	-	-	-	-
IT equipment	8	1 - 7	3	-	-	-	-

As at 31 December 2023

Group ROU asset	No of ROU assets	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	4	1 - 12	4	3	3	-	3
Motor vehicles	3	1 - 8	2	-	-	-	-
IT equipment	8	1 - 5	1	-	-	-	-

The Company's ROU asset relates to a motor vehicle lease agreement entered into in 2024, valid for a period of 4 years, with no extension options.

6. Right-of-use assets - continued

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

	Group		Company	
	2024	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000
Properties	**1,568**	1,947	**-**	-
Motor vehicles	**44**	32	**22**	-
IT equipment	**4**	2	**-**	-
Total right-of-use assets	**1,616**	1,981	**22**	-

During the current financial year, the Company had additions to the motor vehicle right-of-use assets amounting to €28,000 (2023: €Nil). Furthermore, the Group had additions to right-of-use assets during the course of the current financial year amounted to €118,000 relating to Properties, €28,000 relating to motor vehicles and €3,000 relating to IT equipment (2023: aggregate of €104,000). The only other movement in the carrying amount of right-of-use assets during the year is attributable to depreciation charges (Note 20).

Amounts recognised in profit and loss

The statements of comprehensive income reflects the following amounts relating to leases:

	Group		Company	
	2024	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000
Depreciation charge of right-of-use assets				
Properties	**497**	497	**-**	-
Motor vehicles	**16**	19	**6**	-
IT equipment	**1**	3	**-**	-
	514	519	**6**	-
Interest expense (included in finance costs)	**68**	78	**1**	-

7. Intangible assets

Group	Brand names, customer relationships and related assets €'000	Goodwill €'000	Customer contract €'000	Portfolio of access contracts €'000	Total €'000
At 1 January 2023					
Cost	11,427	3,203	-	-	14,630
Accumulated amortisation and impairment charges	(11,427)	-	-	-	(11,427)
Net book amount	-	3,203	-	-	3,203
Year ended 31 December 2023					
Opening net book amount	-	3,203	-	-	3,203
Additions	-	-	46,925	1,755	48,680
Amortisation charge	-	-	(122)	(5)	(127)
Closing net book balance	**-**	**3,203**	**46,803**	**1,750**	**51,756**
At 31 December 2023					
Cost	11,427	3,203	46,925	1,755	63,310
Accumulated amortisation and impairment charges	(11,427)	-	(122)	(5)	(11,554)
Net book amount	**-**	**3,203**	**46,803**	**1,750**	**51,756**
Year ended 31 December 2024					
Opening net book amount	-	3,203	46,803	1,750	51,756
Amortisation charge	-	-	(1,475)	(62)	(1,537)
Closing net book balance	**-**	**3,203**	**45,328**	**1,688**	**50,219**
At 31 December 2024					
Cost	11,427	3,203	46,925	1,755	63,310
Accumulated amortisation and impairment charges	(11,427)	-	(1,597)	(67)	(13,091)
Net book amount	**-**	**3,203**	**45,328**	**1,688**	**50,219**

7. Intangible assets - continued

Company	Brand names, customer relationships and related assets €'000	Goodwill €'000	Customer contract €'000	Portfolio of access contracts €'000	Total €'000
Year ended 31 December 2023					
Additions	-	-	46,925	1,755	48,680
Amortisation charge	-	-	(122)	(5)	(127)
Closing net book balance	**-**	**-**	**46,803**	**1,750**	**48,553**
At 31 December 2023					
Cost	-	-	46,925	1,755	48,680
Accumulated amortisation and impairment charges	-	-	(122)	(5)	(127)
Net book amount	**-**	**-**	**46,803**	**1,750**	**48,553**
Year ended 31 December 2024					
Opening net book amount	-	-	46,803	1,750	48,553
Amortisation charge	-	-	(1,475)	(62)	(1,537)
Closing net book amount	**-**	**-**	**45,328**	**1,688**	**47,016**
At 31 December 2024					
Cost	-	-	46,925	1,755	48,680
Accumulated amortisation and impairment charges	-	-	(1,597)	(67)	(1,664)
Net book amount	**-**	**-**	**45,328**	**1,688**	**47,016**

Amortisation

The amortisation charge for the year ended 31 December 2024 amounting to €1,537,000 (2023: €127,000) is recognised in profit or loss within “cost of sales”.

Mobile Network Towers operations

In 2023 the Company entered into an Asset Purchase Agreement with GO p.l.c. (“GO”) for the transfer of:

i. certain site access rights and obligations currently enjoyed by GO p.l.c. and
ii. the passive infrastructure thereon used for the hosting of telecommunications equipment.

In essence the Company 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), and
- approximately 30 new “Built-to-Suit” Passive Network Infrastructure sites (“BTS Sites”) by the end of 2030.

7. Intangible assets - continued

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. A number of access agreements between GO and the respective site owners governed the conditions for the placement of the Active Cellular Equipment (cellular equipment necessary for the provision of mobile telephony services) and the Passive Network Infrastructure (comprising of the poles and related rooftops onto which the Active Cellular Equipment is installed) on the above-mentioned 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”).

The above-mentioned 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 the Company from GO Infrastructure Services Ltd ("GISL”), a fully owned subsidiary of GO.

As a result of this transaction, the Company 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). The Company will maintain and operate the Passive Telecoms Assets in terms of the MSA.

The key transaction documents governing the above-mentioned transaction entered into by the Company, GO and GISL comprise:

i. An Asset Purchase Agreement ("Asset Purchase Agreement") financed from external debt and a GISL Loan to the Company (reflected in further detail below); GO providing an undertaking to take up any scrip dividend option offered by the Company 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).

ii. A thirty-year Master Service Agreement (“MSA”) regulating the provision of hosting, co-location and maintenance services to GO to enable it to operate its Active Cellular Equipment. Moreover, in terms of this agreement, GO shall be required to deliver to the Company approximately 30 new “Built-to-Suit” Passive Network Infrastructure sites (“BTS Sites”) and transfer the BTS Sites to the Company by the end of 2030.

iii. A Loan Agreement between the Company and GISL, pursuant to which GISL provided a €15,000,000 loan to the Company (the “GISL Loan”) subject to specific terms and conditions (refer to Note 17).

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 as at the date of the acquisition amounted to €3,007,000.

7. Intangible assets - continued

The following table summarises the allocation of the consideration to the different transaction assets acquired:

	Transferred sites	BTS sites	Aggregate
	€'000	€'000	€'000
Intangible assets – Customer contract	43,976	2,695	46,671
Intangible assets – Portfolio of access contracts	1,653	102	1,755
Property, plant and equipment – passive network infrastructure (Note 5)	517	210	727
Prepayments (Note 11)	417	-	417
Aggregate consideration	**46,563**	**3,007**	**49,570**

The acquired intangible assets include:

a) The Master Service Agreement with GO constituting the customer contract intangible asset ("Customer Contract"), and;
b) Portfolio of contracts for access to passive infrastructure network sites constituting the portfolio of access contracts intangible asset ("Portfolio of access contracts") or Passive Tower Rights portfolio.

The acquired intangible assets attributable to the mobile network towers operation have been recognised distinctly as they have been considered identifiable since the assets are deemed separable and arise from distinct contractual and other legal rights. Also, it is probable that the expected future economic benefits that are attributable to the assets will flow to the Group and the cost of the assets can be measured reliably.

The portion of the consideration allocated to the distinct intangible assets has been determined on the basis of independent expert valuation reports. However, the carrying amounts of both assets are amortised over the same estimated useful life of 30 years.

The consideration attributable to the portfolio of access contracts has been determined through the replacement cost approach, whereby the costs necessary to hypothetically replicate the utility of the assets have been estimated.

The portion of the consideration attributable to the customer contract has been estimated utilising the Income approach through the Multi-Period Excess Earnings Method on the basis of discounted cash flow techniques. This approach is based on the prospective financial information linked to the respective asset, based on the premise that the value of an asset is equal to the present worth of future benefits from rights on such asset (i.e. the present value of future cash flows discounted at a rate which reflects the expected rate of return on an asset adjusted for potential risk). Projected cash flows attributable to the asset are analysed after deducting costs and expenses associated with the asset as well as a return on the other assets employed in the "production" of the asset. The present value of these residual after-tax cash flows represents the estimated fair value of the intangible asset.

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. Subsequent measurement of the contingent liability is accounted for in line with the policy described in Note 1.6(d).

The judgements and estimates applied in respect of the above matters are not considered significant or critical in the preparation of these financial statements.

7. Intangible assets - continued

The Company applied the optional concentration test reflected within IFRS 3 and determined that substantially all of the fair value of the gross assets acquired is concentrated in a single asset. Accordingly, the transaction has been accounted for as an acquisition of a group of assets rather than an acquisition of a business. This assessment was not considered a significant judgement in the preparation of these financial statements.

Goodwill

Goodwill reflected within the statement of financial position is attributable to business combinations effected in prior years relating to the Data Centre cash generating unit (CGU). This CGU is equivalent to Data Centre Services segment, which comprises the Group's data centre facilities and provision of ICT solutions in Malta.

The recoverable amount of the Group's cash-generating unit 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 unit. The net present value of the future cash flows is based on a 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 CGU 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.

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

- forecast overall growth in turnover over the five-year period, taking advantage of the Group's competitive position in this respect and the introduction of new revenue streams; and
- expected increase in EBITDA margins mainly due to the fixed nature of certain key elements in the cost base of the CGU.

The estimated terminal value growth rate and post-tax discount rate for the Data Centre Services CGU, applied as at year-end, are disclosed in the table below:

	Average annual increase in EBITDA %	Terminal value growth rate %	Post-tax discount rate %
31 December 2024	1.0	1.0	12.5
31 December 2023	3.0	1.8	12.4

Management considers the timing of the future tax cash flows to have an immaterial impact on the impairment assessment performed. Accordingly, the pre-tax discount rate utilised can be derived from the post-tax discount rate utilised.

The two components of the discount rate are the cost of equity and the cost of debt. The cost of equity has been calculated by management by applying the CAPM formula (Ke=Rf+beta(Rm-Rf) where Rf is the risk-free rate of return and Rm is the market return). The cost of debt is the cost of raising debt finance through a financial intermediary.

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 CGU. Accordingly, management's views are that there appear to be no reasonable possible changes in key assumptions on which it has based its determination of the CGU's recoverable amount that would cause the carrying amount to exceed VIU.

8. Investment in subsidiaries

Company	**2024** **€'000**	2023 €'000
Cost and carrying amount		
At beginning and end of year	**19,722**	19,722

The carrying amount of the investments at 31 December 2024 and 2023 is equivalent to the cost of the investments.

The principal subsidiaries of the Group all of which are unlisted are shown below:

	Registered office	Class of shares held	Percentage of shares held	
			2024	2023
BM IT Limited	SCM02, Level 2, SmartCity Malta Ricasoli, Kalkara, Malta	Ordinary Shares of €2.329373 each	**100%**	100%
Bellnet Limited	SCM02, Level 2, SmartCity Malta Ricasoli, Kalkara, Malta	Ordinary Shares of €2.33 each	**100%**	100%
BM Support Services Limited	SCM02, Level 2, SmartCity Malta Ricasoli, Kalkara, Malta	Ordinary Shares of €2.329373 each	**100%**	100%

The companies provide co-location and internet services, technical assistance and leasing of plant and equipment, and IT solutions.

9. Investment in associates

	Group		Company	
	2024	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000
Years ended 31 December:				
Opening cost and carrying amount	**1,582**	1,582	**1,582**	1,582
Closing cost and carrying amount	**1,582**	1,582	**1,582**	1,582

The associates at 31 December 2024 and 2023 are shown below:

Associate	Registered office	Class of shares held	Percentage of shares held	
			2024	2023
EBO Ltd	Vision Exchange Building, Territorials Street, Zone 1, Central Business District, Birkirkara CBD 1070 Malta	Ordinary shares	**15%**	15%

Investment in EBO Ltd

On 2 December 2020, BMIT Technologies p.l.c. 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 BMIT Technologies p.l.c. 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%. BMIT Technologies p.l.c. has a right to appoint one director out of a maximum of seven directors. As at 31 December 2024 and 31 December 2023, BMIT Technologies p.l.c. 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.

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.

9. Investment in associates - continued

The tables below provide summarised 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 BMIT Technologies' share of those amounts.

	EBO Ltd	
	2024	2023
	€'000	€'000
Summarised statement of financial position		
Non-current assets		
Intangible assets	**3,539**	2,635
Other non-current assets	**1,137**	1,038
Total non-current assets	**4,676**	3,673
Current assets		
Trade receivables	**975**	1,480
Cash and cash equivalents	**103**	266
Total current assets	**1,078**	1,746
Non-current liabilities	**(2,077)**	(2,017)
Current liabilities	**(1,234)**	(1,074)
Net assets	**2,443**	2,328
Reconciliation to carrying amounts:		
Opening net assets of investee on 1 January	**2,328**	1,526
Profit for the year	**72**	844
Other comprehensive income	**43**	(42)
Closing net assets on 31 December	**2,443**	2,328
Group's share in %	**15%**	15%
Group's share of closing net assets	**366**	349
Group's share of closing net assets reflected in the financial statements	**263**	263
Notional goodwill	**1,319**	1,319
Carrying amount on 31 December	**1,582**	1,582

9. Investment in associates - continued

	EBO Ltd	
	2024	2023
	€'000	€'000
Summarised statement of comprehensive income		
Revenue	**1,554**	2,401
Profit from continued operations	**91**	1,272
Profit after tax	**72**	844
Other comprehensive income	**43**	(42)
Total comprehensive income	**115**	802

10. Inventories

	Group	
	2024	2023
	€'000	€'000
Operating spares and consumables	**66**	77
Goods held for resale	**73**	70
	139	147

11. Trade and other receivables

	Group		Company	
	2024	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000
Non-current				
Costs incurred to fulfill contracts	**263**	261	**-**	-
Prepayments	**30**	60	**-**	-
Total non-current trade and other receivables	**293**	321	**-**	-
Current				
Trade receivables - gross	**2,165**	1,193	**-**	-
Expected credit loss allowances	**(89)**	(76)	**-**	-
Trade receivables - net	**2,076**	1,117	**-**	-
Amounts due from immediate parent	**-**	211	**-**	385
Amounts due from subsidiaries	**-**	-	**2,141**	2,613
Costs incurred to fulfil contracts	**292**	302	**-**	-
Indirect taxation	**70**	8,315	**70**	8,315
Contract assets – accrued income	**880**	474	**3**	-
Prepayments and advance payments	**1,258**	1,228	**463**	436
Total current trade and other receivables	**4,576**	11,647	**2,677**	11,749
Total trade and other receivables	**4,869**	11,968	**2,677**	11,749

Amounts due from immediate parent and subsidiaries are unsecured, repayable on demand and interest free.

11. Trade and other receivables - continued

The following table reflects an analysis of the costs incurred to fulfill contracts:

	Group	
	2024	2023
	€'000	€'000
At beginning of year	**563**	1,080
Originations	**286**	292
Recognition through profit or loss	**(294)**	(809)
At end of year	**555**	563

The assumptions underlying the period over which the costs to fulfill contracts 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.

12. Cash and cash equivalents

For the purposes of the statements of cash flows, the cash and cash equivalents at the end of the reporting period comprise the following:

	Group		Company	
	2024	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000
Cash at bank and in hand	**6,026**	3,752	**4,937**	735

13. Share capital and share premium

Share capital

	Group and Company	
	2024	2023
	€'000	€'000
Authorised:		
300,000,000 Ordinary shares of €0.10 each	**30,000**	30,000
Issued and fully paid:		
211,601,892 (31 December 2023: 203,595,310) Ordinary shares of €0.10 each	**21,160**	20,360

13. Share capital and share premium - continued

Share premium

	Group and Company	
	2024	2023
	€'000	€'000
Balance as at year-end	**2,010**	-

By virtue of a resolution dated 29 May 2024 the Company's Directors approved the allotment of 8,006,582 ordinary shares of €0.10 each at a premium of €0.251 each (Note 27) as a scrip dividend in lieu of dividends, thereby increasing the issued and fully paid up share capital to 211,601,892 shares of €0.10 each, resulting in a paid up share capital of €21,160,189. The effect on the share premium account is presented in the statement of changes in equity.

Utilisation of the share premium account is governed by the requirements of Article 114 within the Maltese Companies Act (Cap. 386).

14. Other reserves

	Group	
	2024	2023
	€'000	€'000
Adjustments relating to non-controlling interests		
Other reserves at beginning and end of year	**(4,097)**	(4,097)

The adjustments relating to non-controlling interests reflect the excess of the purchase consideration paid to acquire non-controlling interests in Group entities over the net carrying amount of such non-controlling interests in the consolidated financial statements.

15. Deferred taxation

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 enacted by the end of the reporting period. The principal tax rate used is 35% (2023: 35%).

The liability as at 31 December represents temporary differences attributable to:

	Group		Company	
	2024	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000
Property, plant and equipment	**583**	500	**39**	-
Credit loss allowances on trade receivables	**(32)**	(27)	**-**	-
Lease liabilities	**(661)**	(809)	**(3)**	-
Right-of-use assets	**556**	693	**2**	-
Others	**-**	6	**-**	-
At end of year	**446**	363	**38**	-

Deferred tax assets arising on lease liabilities are being offset against deferred tax liabilities arising on right-of-use assets in line with the accounting policy as described in note 1.11.

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 movement in the deferred tax liability is as follows:

	Group		Company	
	2024	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000
At beginning of year	**363**	352	**-**	-
Charge to profit or loss (Note 25)	**83**	11	**38**	-
At end of year	**446**	363	**38**	-

16. Lease liabilities

	Group		Company	
	2024	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000
Non-current				
Properties	**1,436**	1,867	**-**	-
Motor vehicles	**35**	22	**18**	-
IT equipment	**-**	-	**-**	-
	1,471	1,889	**18**	-
Current				
Properties	**445**	408	**-**	-
Motor vehicles	**11**	11	**5**	-
IT equipment	**4**	3	**-**	-
	460	422	**5**	-
Total lease liabilities	**1,931**	**2,311**	**23**	**-**

Included in the lease liabilities for properties are amounts of €1,081,000 (31 December 2023: €1,149,000) which are attributable to arrangements with a related party, of which €1,007,000 (31 December 2023: €1,081,000) are non-current amounts.

Extension options in property leases have been included in the lease liability (Note 6).

The total cash outflows for leases in 2024 were €597,000 (2023: €570,000). The contractual undiscounted cash flows attributable to lease liabilities as at 31 December are analysed in Note 2(c).

Apart from the movements referred to above, the other movements in lease liabilities comprise additions of €149,000 (2023: €104,000), as disclosed in Note 6, and interest expense amounting to €68,000 (2023: €78,000), as disclosed in Note 24.

17. Borrowings

	Group		Company	
	2024	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000
Principal amount of borrowings as at beginning of the year	**48,600**	3,600	**45,000**	-
Principal amount of borrowings taken out during the year	**-**	45,000	**-**	45,000
Principal payments during the year	**(412)**	-	**-**	-
Unamortised loan origination costs at end of year	**(245)**	(264)	**(205)**	(216)
Carrying amount as at end of year	**47,943**	48,336	**44,795**	44,784
Gross amount of loan origination costs	**297**	297	**217**	217
Accumulated amortisation charges	**(52)**	(33)	**(12)**	(1)
Unamortised loan origination costs at end of year	**245**	264	**205**	216
Non-current borrowings	**47,385**	47,818	**44,795**	44,784
Current borrowings	**558**	518	**-**	-
Total borrowings	**47,943**	48,336	**44,795**	44,784

As disclosed in Note 5, during 2020, the Group acquired a property for a consideration of €4,000,000, of which €3,600,000 was financed via a bank loan. The bank loan has a term of 10 years, bears interest at 3.25% (fixed) and has a 4-year moratorium. As part of this loan agreement, all the Company's and the subsidiary's current and future assets (including the acquired property) are secured with respect to this borrowing. A guarantee for a maximum amount of €3,600,000 was issued by the Company and the subsidiary in this respect. During the years ended 31 December 2023 and 2024, the Group complied with all loan related covenants.

As disclosed in Note 7, during 2023, the Company acquired the Passive Telecoms Assets from a fully owned subsidiary of GO plc. The consideration was financed through:

i. a bank loan of €30 million. The bank loan has a term of 20 years, bears interest at 1.25% (fixed) over the bank's base rate and has a 2-year moratorium. As part of this loan agreement, all the Company's and one of the subsidiary's current (including the property owned) and future assets are secured with respect to this borrowing. A guarantee for the amount of €30 million was issued by the subsidiary in favour of the bank in respect of this loan. A pledge on the receivables arising from the Master Services Agreement was also provided.

17. Borrowings - continued

ii. a loan between the Company and GISL, pursuant to which GISL provided a €15 million loan to the Company (the “GISL Loan”), drawn down in December 2023. The GISL Loan has an initial term of 5 years and the Company is required to repay the loan amount in one single repayment on maturity (subject to an interest rate of 3%). The Company also has 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. The Company has the option to prepay the GISL Loan in whole or in part at any time without penalty. The embedded derivatives referred to above have not been separated from the host contract and accounted for as derivative contracts as the economic characteristics and risks of the embedded derivatives are in substance deemed to be closely related to the economic characteristics and risks of the host contract.

18. Trade and other payables

	Group		Company	
	2024	2023	**2024**	2023
	€’000	€’000	**€’000**	€’000
Non-current				
Contract liabilities	**290**	289	**-**	-
Total non-current trade and other payables	**290**	289	**-**	-
Current				
Trade payables	**2,356**	1,986	**67**	62
Amounts due to immediate parent	**526**	-	**448**	-
Amounts due to subsidiaries	**-**	-	**618**	1,002
Amounts due to fellow subsidiary	**-**	8,306	**-**	8,306
Indirect taxes and social security	**1,082**	1,305	**-**	-
Contract liabilities	**1,920**	1,892	**-**	-
Other payables	**93**	83	**93**	83
Accruals	**2,944**	1,995	**423**	168
Total current trade and other payables	**8,921**	15,567	**1,649**	9,621
Total trade and other payables	**9,211**	15,856	**1,649**	9,621

Amounts due to immediate parent, subsidiaries and a fellow subsidiary are unsecured, repayable on demand and interest free. Included in contract liabilities are amounts of €268,000 (2023: €271,000) which relate to contract liabilities due to immediate parent, of which €128,000 (2023: €144,000) are non-current amounts.

18. Trade and other payables - continued

The following tables reflects an analysis of contract liabilities.

	Group	
	2024	2023
	€'000	€'000
Prepaid and deferred income		
At beginning of year	**794**	1,306
Originations	**526**	480
Recognition through profit or loss	**(505)**	(992)
At end of year	**815**	794

During the year ended 31 December 2024, the Group recognised revenue amounting to €505,000 (2023: €992,000) that was included within the contract liability balance as at the end of the previous reporting period.

	Group	
	2024	2023
	€'000	€'000
Deposits received in advance from customers		
At beginning of year	**1,387**	1,475
Originations	**220**	280
Refunds to customers	**(212)**	(368)
At end of year	**1,395**	1,387
Total contract liabilities	**2,210**	2,181

<u>Other financial liabilities</u>

	Group and Company	
	2024	2023
	€'000	€'000
Non-current		
Financial liability due to immediate parent (Note 7)	**1,292**	2,454
Current		
Financial liability due to immediate parent (Note 7)	**918**	553
Total other financial liabilities	**2,210**	3,007

As disclosed within Note 7, other financial liabilities relate to the fair value of the contingent consideration in respect of the 22 BTS sites (2023: 30 BTS sites) that are yet to be transferred to the Company as at year-end. During the current financial year-end, the Company took delivery of 8 BTS sites for a consideration of €916,000. Other movements for the year relate to finance costs amounting to €119,000 (Note 24).

19. Revenue

The Group derives revenue from the transfer of goods and services, in Malta, over time and at a point in time as follows:

	Group		Company	
	2024	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000
By class of business				
Data centre and related services	**27,515**	25,195	**-**	-
Sale of hardware and licenses	**2,101**	3,143	**-**	-
Mobile network towers services	**3,988**	328	**3,988**	328
Management fee	**-**	-	**472**	302
	33,604	28,666	**4,460**	630

Group	Data centre and related services		Sale of hardware and licenses		Mobile network towers services	
	2024	2023	**2024**	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000	**€'000**	€'000
Timing of revenue recognition						
At a point in time	**1,611**	1,479	**1,518**	2,591	**-**	-
Over time	**25,904**	23,716	**583**	552	**3,988**	328
	27,515	25,195	**2,101**	3,143	**3,988**	328

Company	Mobile network towers services		Management fee	
	2024	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000
Timing of revenue recognition				
Over time	**3,988**	328	**472**	302

19. Revenue - continued

Unfulfilled performance obligations

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, the Group 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.

The following table presents the transaction price assigned to Data Centre business unit unfulfilled performance obligations as at 31 December 2024 and 2023.

	Group	
	2024	2023
	€'000	€'000
Less than one year	**10,781**	11,782
After more than one year	**1,366**	771
	12,147	12,553

Accordingly, during the year ended 31 December 2024, the Group recognised revenue amounting to €11,782,000 (2023: €12,720,000) relating to performance obligations that were unsatisfied or partially satisfied at the end of previous reporting period as reflected within the table above.

As at the end of the reporting period, the Group and Company had unfulfilled performance obligations in relation to the Mobile Network Towers business unit. 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. The Group and Company have 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 2024, the Group and Company had 286 (2023: 278) sites in operation.

20. Expenses by nature

	Group		Company	
	2024	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000
Cost of hardware and licences sold	**1,947**	2,890	**-**	-
Costs attributable to data centre and related services	**11,438**	9,898	**-**	-
Depreciation of property, plant and equipment (Note 5)	**1,637**	1,394	**74**	7
Depreciation of right-of-use assets (Note 6)	**514**	519	**6**	-
Amortisation of intangible assets (Note 7)	**1,536**	127	**1,537**	127
Employee benefit expense (Note 21)	**4,415**	3,604	**-**	-
Rental charges	**863**	70	**863**	70
Other expenses	**2,225**	2,166	**939**	631
Total cost of sales and administrative expenses	**24,575**	20,668	**3,419**	835

Auditor's fees

Fees charged by the parent company auditor for services rendered during the financial years ended 31 December 2024 and 2023 relate to the following:

	Group		Company	
	2024	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000
Annual statutory audit	**66**	48	**43**	26
	66	48	**43**	26

Fees amounting to €38,000 (2023: €9,000) have been charged by connected undertakings of the audit firm.

Other non-assurance services include:

	Group		Company	
	2024	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000
Tax advisory and compliance services	**8**	6	**1**	1
Other services	**30**	3	**10**	-
	38	9	**11**	1

21. Employee benefit expense

	Group	
	2024	2023
	€'000	€'000
Wages and salaries	**4,163**	3,501
Subcontracted employees	**110**	88
Social security costs	**186**	167
Less: amounts capitalised	**(44)**	(152)
	4,415	3,604

The Company incurred employee benefit expenses amounting to €222,000 (2023: €Nil) relating to seconded employees from a subsidiary in relation to the Mobile Network Towers operation.

Average number of full-time equivalent employees during the year was as follows:

	Group	
	2024	2023
Direct	**42**	42
Administration	**26**	26
	68	68

22. Directors' emoluments

	Group and Company	
	2024	2023
	€'000	€'000
Fees	**178**	120

The directors' fees attributable to the Group and Company are paid by a subsidiary of the Company and recharged to the Company. Directors' fees are included within 'administrative and other related expenses'.

23. Investment income

	Company	
	2024	2023
	€'000	€'000
Gross dividend income from Group companies	**7,846**	7,693

Dividends received from Group companies for the year ended 31 December 2024 amounted to €5,100,000 (2023: €5,000,000), net of tax.

24. Finance costs

	Group		Company	
	2024	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000
Interest charges on lease liabilities (Note 16)	**68**	78	**1**	-
Interest charges on bank borrowings (Note 17)	**1,104**	199	**991**	82
Interest charges on borrowings from immediate parent (Note 17)	**447**	38	**447**	38
Amortisation of bank loan origination costs (Note 17)	**19**	9	**11**	-
Interest on other financial liabilities	**119**	-	**119**	-
Other loan charges	**40**	13	**31**	4
Others	**11**	10	**-**	-
Total finance costs	**1,808**	347	**1,600**	124

25. Tax expense

	Group		Company	
	2024	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000
Current tax expense	**2,970**	2,920	**3,136**	2,693
Deferred tax expense (Note 15)	**83**	11	**38**	-
Tax expense	**3,053**	2,931	**3,174**	2,693

The tax on the Group's and the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Group		Company	
	2024	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000
Profit before tax	**7,221**	7,651	**7,287**	7,364
Tax on profit at 35%	**2,527**	2,678	**2,550**	2,577
Tax effect of:				
Expenses not deductible for tax purposes	**635**	208	**580**	152
Others	**1**	45	**-**	(36)
Unrecognised deferred tax in prior year	**(23)**	-	**28**	-
(Over)/under provision in prior year	**(88)**	-	**16**	-
Unrecognised deferred tax in current year	**1**	-	**-**	-
Tax expense	**3,053**	2,931	**3,174**	2,693

26. 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	
	2024	2023
Profit attributable to equity holders of the Company (€'000)	**4,168**	4,720
Weighted average number of ordinary shares in issue (thousands) (Note 13)	**207,861**	203,595
Earnings per share (€)	**0.02**	0.02

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.

27. Dividends

	Group		Company	
	2024	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000
Net dividends on ordinary shares	**5,000**	5,000	**5,000**	5,000
Dividends per share (€)	**0.02**	0.02	**0.02**	0.02

The dividends per share presented in the table above have been computed on the basis of the number of shares in issue upon declaration of dividends.

A net dividend in respect of the year ended 31 December 2024 of €0.0189 per share, amounting to €4.0 million, is to be proposed by the Board of Directors at the forthcoming Annual General Meeting. The recommendation is also to pay the dividend by way of scrip dividend, with each shareholder having the option to receive either cash or new ordinary shares, at an attribution price of €0.319 per new ordinary share. The financial statements do not reflect this proposed dividend which, subject to the approval by the shareholders at the forthcoming Annual General Meeting, will be accounted for within shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2025.

A dividend in respect of the year ended 31 December 2023 of €0.025 (2022: €0.025) per share, amounting to €5,000,000 was declared and paid during the period ended 30 June 2024. During the year ended 31 December 2024, a scrip dividend was offered to shareholders, whereby each shareholder had the option to receive either cash or new ordinary shares, at an attribution price of €0.351 per new ordinary share (Note 13).

28. Cash generated from/(used in) operations

Reconciliation of profit before tax to cash generated from/(used in) operations:

	Group		Company	
	2024	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000
Profit before tax	**7,221**	7,651	**7,287**	7,364
Adjustments for:				
Depreciation of property, plant and equipment (Note 5)	**1,637**	1,394	**74**	7
Depreciation of right-of-use assets (Note 6)	**514**	519	**6**	-
Amortisation of intangible assets (Note 7)	**1,537**	127	**1,537**	127
Net movement in provisions and write-downs in relation to receivables and inventories	**29**	22	**-**	-
Investment income (Note 23)	**-**	-	**(7,846)**	(7,693)
Loss on disposal of property, plant and equipment	**-**	12	**-**	-
Finance costs (Note 24)	**1,808**	347	**1,600**	124
Changes in working capital:				
Inventories	**(8)**	(24)	**-**	-
Trade and other receivables	**7,086**	(9,308)	**10,149**	(6,269)
Trade and other payables	**(7,712)**	8,020	**(7,270)**	4,751
Cash generated from/(used in) operations	**12,112**	8,760	**5,537**	(1,589)

29. Contingencies

- 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.

- Two guarantees for a maximum amount of €157,500 each were issued by the Company in favour of the bankers of EBO Ltd, an associate of the Company (Note 9), for facilities provided to the same associate.

30. Related party transactions

The Company and its subsidiaries have a related party relationship with Société Nationale des Télécommunications, the Company's ultimate parent (Note 31), related entities ultimately controlled by Société Nationale des Télécommunications, together with the Company's Directors (key management personnel). The Company's immediate parent, GO p.l.c. (GO), is controlled by Société Nationale des Télécommunications. Dubai Holding LLC (GO's former ultimate parent) and all entities ultimately controlled by it are also considered to be related parties, in view of Dubai Holding LLC's interest in, and significant influence on, Société Nationale des Télécommunications.

The following transactions were carried out with related parties:

	Group		Company	
	2024	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000
Transactions with immediate parent				
Sales of hardware and services	**4,892**	1,702	**3,988**	328
Purchases of services	**(1,612)**	(1,761)	**-**	-
Scrip/cash dividends distributed	**(2,550)**	(2,550)	**(2,550)**	(2,550)
Transactions with other related parties				
Payments relating to leases treated in accordance with IFRS 16 requirements	**(193)**	(189)	**-**	-
Transactions with fellow subsidiaries				
Purchase of assets attributable to the Mobile Network Towers operation (see Note below and Note 7)	**-**	(49,570)	**-**	(49,570)
Borrowings (Note 17)	**-**	(15,000)	**-**	(15,000)
Interest expense on borrowings	**(447)**	(38)	**(447)**	(38)
Finance costs on other financial liabilities (Note 18)	**(119)**	-	**(119)**	-
Transactions with subsidiaries of the Group				
Dividends received - net of tax	**-**	-	**5,100**	5,000
Sale of management services	**-**	-	**472**	301
Purchases of services	**-**	-	**(398)**	(120)

As disclosed extensively within Note 7 to the financial statements, during the year ending December 2023, the Company entered into a number of related agreements with GO in respect of the acquisition of assets attributable to the Mobile Network Towers operation.

In view of the requirements of IFRS 16, the Group recognised lease liabilities in respect of lease arrangements with other related parties (refer to Note 16).

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 11, 17 and 18 to these financial statements.

31. Statutory information

BMIT Technologies p.l.c. is a public limited liability company incorporated in Malta with its ordinary shares listed on the Malta Stock Exchange. Its registered address is Building SCM 02, Level 2, SmartCity Malta, Ricasoli, Kalkara, SCM 1001, Malta. The Company's immediate parent is GO p.l.c. with its registered address at GO, Triq Hal Tarxien, Zejtun, ZTN 3000, Malta, and its 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 GO's shares. GO's immediate parent is TT ML Limited, a fully owned subsidiary of Tunisie Telecom, established as a special purpose vehicle for 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, owns the other 35%.

32. Comparative information

Comparative figures disclosed in the main components of these financial statements have been reclassified to conform with the current year's presentation format for the purpose of fairer presentation.

Independent auditor's report

To the Shareholders of BMIT Technologies 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 BMIT Technologies p.l.c. give a true and fair view of the Group and the Parent Company's financial position as at 31 December 2024, 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

BMIT Technologies p.l.c.'s financial statements comprise:

- the Consolidated and Parent Company statements of financial position as at 31 December 2024;
- the Consolidated and Parent Company 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

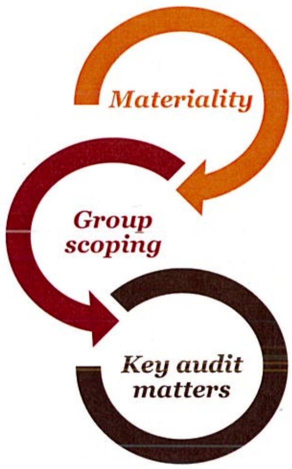
We are independent of the Group and the Parent Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements 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 2024 to 31 December 2024, are disclosed in Note 20 to the financial statements.

Our audit approach

Overview



- Overall group materiality: €361,000, which represents 5% of profit before tax.

- The Parent Company and its three subsidiaries are based in Malta, and the financial statements of these entities have been audited by our audit team.
- The Group auditor performed a full scope audit on all components.

Assessment of carrying amount of goodwill attributable to the Group

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the 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 financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the 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	€361,000
How we determined it	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 €18,000 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 attributable to the Group Goodwill with a carrying amount of €3.2 million as at 31 December 2024, has arisen from acquisitions effected during the preceding financial years. An assessment is required annually to establish whether goodwill that has 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 arising from acquisitions has been allocated to the Group's Data Centre Services CGU. The impairment assessment relied on the calculation of a value in use for the CGU. This calculation was based on estimated future cash flows for the 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.	We evaluated the suitability and appropriateness of the impairment methodology applied and the discounted cash flow model as prepared 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 the plan and the reasons for any deviation also through discussion with management; 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.

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 resulted in this matter being identified as an area of audit focus. Relevant references in the Annual Financial Report: • Summary of material accounting policies: Note 1.6 and 1.7 • Critical accounting estimates and judgements: Note 3.1 • Note on intangible assets: Note 7	We also focused on understanding and challenging management's future plans for the CGU 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 model. The challenge of our valuation experts was focused on the methodology used to determine the discount rate utilised 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. We independently calculated a weighted average cost of capital by making reference to market data and benchmarked the long-term growth rate 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 the CGU remained appropriate and that the key assumptions were subject to oversight. We assessed the sufficiency of the sensitivity analysis performed by management. Independent sensitivity analysis was performed, making adjustments to a number of modelled assumptions simultaneously. We critically assessed whether or not a reasonably possible change to the assumptions could result in an impairment considering the sensitivity of the valuation 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 the CGU is significant in view of the comfortable level 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 CGU remains in excess of the carrying amount by a comfortable headroom. The disclosures made in relation to goodwill were also reviewed and were deemed appropriate.

We have no key audit matters to report with respect to our audit of the Parent Company financial statements.

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 the Group finance function at its head office. The Group auditor in Malta carried out a full scope audit on all components, accounting for 100% of Group revenues and 100% of Group profit before tax.

The Group auditor 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 BMIT Technologies p.l.c. for the year ended 31 December 2024, 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 2024 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 2024* 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 2024* 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 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).
	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.	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 15 years. The Company became listed on a regulated market on 15 February 2019.

Stefan Bonello
Principal

For and on behalf of
PricewaterhouseCoopers
78, Mill Street
Zone 5, Central Business District
Qormi
Malta

11 March 2025