

## Letter to Shareholders – April 2021

Dear Shareholder,

Last year proved to be a very challenging year to everyone, yet at BMIT Technologies we managed to weather the storm well, as our financial results show. We have managed to increase our revenue and profitability and will be paying a record dividend to you.

As you may read further in this letter to you, the first quarter of 2021 continued on the same trend, as we announce a good performance across our business lines.

### Financial Performance

Despite the unprecedented times that we are still living one year after the pandemic outbreak, the financial results achieved by BMIT Technologies during the first quarter of the year were positive.

As at end of Q1-2021, the unaudited accounts show that the group generated revenues of €6.6 million (Q1-2020: €5.8 million), a significant growth of 13% over the comparative period last year. The trend we have experienced in prior months persisted, whereby revenue from cloud and connectivity services continued growing steadily. Revenue derived from managed services is increasing, thus showing that this segment is successfully overcoming the challenges brought about by the pandemic.

Cost of sales and administrative expenses amounted to €3.6 million (Q1-2020: €3.4 million). The slight increase is mainly the result of more hardware and software sales, which has driven up the cost of goods sold. Savings were recorded in administrative expenses even due to the fact that up till Q1-2020, BMIT Technologies was still operating 'pre-covid'.

This resulted in an EBITDA of just below €3 million up to Q1-2021, which is €0.5 million more than that recorded during the same period last year. Whilst economic recovery post pandemic, both locally and globally, is yet uncertain and may have an unexpected adverse impact on our performance, our results are encouraging and we remain cautiously optimistic for the rest of the year.

During the first quarter, BMIT Technologies also increased its liquidity in preparation for the payment of dividend towards the end of May.

### Projects & Investments

Over the last months, we have taken further steps at diversifying our business, as well as strengthen our solution offerings. Of significance are:

#### The acquisition of shareholding in EBO Limited:

In December, we announced our acquisition of a minority shareholding in EBO Ltd, a technology company that utilises AI to develop process automation centred on customer conversations and whose technology is powering our CX-VA solution. This investment will allow BMIT Technologies to further diversify and strengthen its offering to local and international customers in the areas of AI and associated services.

EBITDA of

**€3m**


up to  
Q1-2021

As at end of Q1-2021,  
the Group generated revenues

**of €6.6m**

a significant  
growth of

**13%**



**The launch of a new Distributed Denial of Service (DDoS) mitigation solution:** Earlier this year we launched BMIT Managed DDoS Shield, an enhanced security solution which we built together with leading global partners to offer superior service levels and new features, as we strive to protect our customers from potential security breaches.

## Corporate Activities

As part of our engagement with different segments of society, we support initiatives that we consider valuable to businesses and to our community in general. Over the last months we announced our support to two such initiatives:

**Collaboration Agreement with the Malta Chamber of Commerce, Enterprise and Industry:** BMIT Technologies entered into a collaboration agreement with The Chamber, which would allow us to play a key role within the Chamber's Digital Transformation Committee. The objective of this committee is to provide awareness to the business community in areas related to data economy, cyber security and digital skills amongst others.

**Main Sponsor to 'L-Istat Tan-Nazzjon' conference:** BMIT Technologies is a main sponsor of 'L-Istat tan-Nazzjon' (State of the Nation) national survey and conference, launched in collaboration with the Office of the President of Malta. Both survey and national conference will analyse how the Maltese national identity is evolving, by understanding and discussing key issues which form us as a nation.

## In closing

As we have communicated during the announcement of our financial results, over the next months we will be continuing to develop further our portfolio, diversify our offering and also seek to tap into new market opportunities. During the forthcoming Annual General Meeting we will seek to provide a more detailed update of our plans, as part of our growth strategy.

In conclusion, may I take this opportunity to thank you, our shareholders, for your trust and confidence in BMIT Technologies.

Best Regards,



**Christian Sammut**  
Chief Executive Officer



The acquisition  
of shareholding  
in EBO Limited



The launch  
of a new  
Distributed Denial  
of Service  
(DDoS) mitigation  
solution