

BMIT Technologies p.l.c.

Condensed Consolidated
Interim Financial Statements

For the period 1 January 2023 to 30 June 2023

Company Registration Number: C 48299

BMIT Technologies p.l.c.

Condensed Consolidated Interim Financial Statements
For the period 1 January 2023 to 30 June 2023

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BMIT Technologies p.l.c.

Condensed Consolidated Interim Financial Statements

Directors' Report pursuant to Capital Markets Rule 5.75.2

As at 30 June 2023

This Half-Yearly Report is being published in terms of Chapter 5 of the Capital Markets Rules of the Listing Authority – Malta Financial Services Authority and the Prevention of Financial Markets Abuse Act, 2005. The Half-Yearly Report comprises the reviewed (not audited) condensed consolidated interim financial statements for the six months ended 30 June 2023 prepared in accordance with International Financial Reporting Standards adopted by the EU for interim financial statements (International Accounting Standard 34, 'Interim Financial Reporting'). The condensed consolidated interim financial statements have been reviewed in accordance with the requirements of ISRE 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. The comparative statement of financial position has been extracted from the audited financial statements for the year ended 31 December 2022.

Principal activities

The Group offers its customers a range of data centre and hosting services, public, private and hybrid cloud services and managed IT services – which can be offered at customer premises, hosted at any of BMIT Technologies p.l.c. (BMIT Technologies) subsidiaries' data centres, or integrated with services offered by other services providers - thereby scaling the solutions from the desktop to the data centre and into the cloud.

The Group proudly delivers its services to over 500 corporate customers from various industries including online gaming, financial services, ICT, manufacturing, media, transportation, retail and hospitality. BMIT Technologies Group's scale and range of customers, partnerships with leading technology players and its employees' technology certifications enable it to obtain a proficient understanding of the business, technology and also regulatory requirements, as and where applicable.

Review of financial performance

The directors have the pleasure of reporting the Group's interim results for the six months ended 30 June 2023.

On the outset, revenue grew from €12.65 million in 2022 to €14.84 million. This movement is equivalent to €2.19 million, an increase of 17.3% YoY. This growth in revenue was driven by:

- a growth of 74% YoY in the resale of hardware and software licenses;
- a growth of 40% YoY in cloud services; and
- a growth of 27% YoY in managed IT services

This 17.3% increase in revenue reflects the Group's focus on growth areas of hybrid IT, cloud and managed IT services. Despite a changing market context, with increasing competitive and technological challenges, the Group has been successful in attracting new business in these targeted areas. These efforts are aligned with our strategy to extend our reach, introduce new value-add solutions, and offer new technologies to both existing and new clients. The reported figures also include a higher element of revenue recognition in the cloud and licenses categories, attributable to an increasing number of customers opting for annual commitments, resulting in higher revenues reported for the period.

However, profit levels for the first six months of the year did not increase at the same rate of revenue. This is primarily due to the differing profit margins associated with different product lines. Further information on this matter will be provided in the outlook section of these statements but, in summary, the lower profit margins derived from cloud and managed services when compared to data centre services, account for this variance. Cloud services operate on a distinct cost and pricing model compared to data centre services and although BMIT Technologies remains the local leader in the data centre business, in recent years it has been witnessing a shift from data centre services to cloud services. While data centre services require a higher capital outlay, they also offer healthier margins and longer-term commitments, typically spanning over one year. On the other hand, cloud services operate on a subscription-based pricing model with a much lower upfront investment or none at all.

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Additionally, the cloud market faces intense competition, with numerous global players offering similar services, leading to pricing pressure and potential margin erosion.

In fact, the YoY growth in revenue of €2.19 million was almost eroded completely by a similar increase in cost of sales of €2.09 million, resulting in a Gross Profit of €6.13 million compared to €6.03 million in the prior year.

Administrative expenses increased by 10% from €1.69 million to €1.86 million, mainly due to staff costs, consultancy fees, and costs incurred in the maintenance of the infrastructure including the systems used for the Group's operations. General inflation impacted most of the operating costs and even payroll.

Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to €5.20 million compared to €5.38 million in the prior year. EBITDA margins went down from 42.54% to 35.02%.

	Six months ended 30 June 2023	Six months ended 30 June 2022
	€'000	€'000
Revenue	14,837	12,647
Cost of sales	(8,712)	(6,619)
Administrative expenses	(1,861)	(1,685)
Add back depreciation and amortisation charges	932	1,038
EBITDA	5,196	5,381
EBITDA margins	35.02%	42.54%

The recorded Profit before tax was €4.16 million compared to €4.22 million for the same period last year. Earnings per share were constant at 1c3.

Review of financial position

As at 30 June 2023, the Group's total assets amounted to €23 million (31 Dec 2022: €25.5 million), of which €16 million (31 Dec 2022: €16.6 million) were non-current in nature.

Total liabilities as at 30 June 2023 were €14.3 million (31 Dec 2022: €14.4 million), of which €6.1 million (31 Dec 2022: €6.5 million) were non-current. The Group retained the same level of borrowings. A portion of borrowings has been classified as current, given that capital repayments are expected to be effected within the coming twelve months.

The current ratio of the Group as at end of June 2023 was 0.84 compared to 1.12 as at end of the prior year. The fall in the current ratio is mainly due to the decrease in cash, partly because of the payment of dividend during the first six months of the year. Although at the end of June 2023, current liabilities exceeded current assets by €1.3 million, the Group still enjoys a healthy liquidity position. The Group envisages that a significant level of earnings will be generated throughout the forthcoming year, which will enable the Group to manage effectively its forecasted cash flows and liquidity needs.

The equity position of the Group stood at €8.7 million, down from €11.1 million as at 31 December 2022. The decrease of €2.4 million is the difference between the profits recorded for the six month period of €2.6 million and the net dividend paid of €5 million. Naturally, retained earnings are expected to improve with the Group's recorded profits for the coming six months of the year.

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Directors' Report pursuant to Capital Markets Rule 5.75.2

As at 30 June 2023

Outlook

The Group's performance during the financial year has been marked by significant changes in the market, driven by technological advancements and economic realities. The adoption of cloud services has been increasing at a more rapid rate, leading to a shift away from our traditional data centre services. This transition presents new opportunities whilst posing a challenge to our profit margins.

To mitigate these impacts on revenue and margins, we are enhancing our managed private and hybrid cloud offerings and seeking new partner collaborations to expand our services. Similarly, we are also accelerating our efforts to diversify our business.

As part of this diversification strategy, the Group will continue its transformation into a managed hybrid IT provider. We have been rolling out new functionalities, solutions, and partnerships across our facilities, platforms, and networks. This transformation and portfolio enhancement will continue in the coming months.

Furthermore, we have strengthened our cybersecurity portfolio during 2023, and we plan to introduce new solutions by the end of the year. With the right skill set, we aim to offer enhanced managed solutions, consulting, technical advisory, and support services to strengthen our key operational pillars.

Another aspect of our diversification plan involves investing in infrastructure to reinforce our position as one of Malta's leading technology platforms and solutions providers. As communicated through Company Announcements, we are currently evaluating the acquisition of passive telecom infrastructure, subject to relevant approvals. This move aims to diversify our business model and position us as a Maltese "InfraCo," backed by long-term, contracted revenues.

Moreover, we will continue exploring potential opportunities for market expansion both within and beyond Malta to support our overall strategies.

Dividends

A dividend in respect of the year ended 31 December 2022 of €0.025 (2021: €0.025) per share, amounting to €5,000,000 was declared and paid during the period ended 30 June 2023.

Approved by the Board of Directors on 4th August 2023 and signed on its behalf by:



Dr. Arthur Galea Salomone
Director



Daniela Zammit
Director

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

BMIT Technologies p.l.c.

Condensed Consolidated Interim Financial Statements

Statement of financial position

For the period 1 January 2023 to 30 June 2023

	As at 30 June 2023 Unaudited €'000	As at 31 December 2022 Audited €'000
ASSETS		
Non-current assets		
Property, plant and equipment	8,670	9,074
Right-of-use assets	2,213	2,396
Intangible assets	3,203	3,203
Investment in associates	1,582	1,582
Trade and other receivables	378	322
Total non-current assets	16,046	16,577
Current assets		
Inventories	142	146
Trade and other receivables	2,479	2,337
Current tax assets	-	179
Cash and cash equivalents	4,342	6,251
Total current assets	6,963	8,913
Total assets	23,009	25,490
EQUITY AND LIABILITIES		
Equity		
Share capital	20,360	20,360
Other reserves	(4,097)	(4,097)
Retained earnings	(7,569)	(5,205)
Total equity	8,694	11,058
Non-current liabilities		
Lease liabilities	2,079	2,284
Borrowings	3,309	3,544
Deferred tax liabilities	318	352
Trade and other payables	368	313
Total non-current liabilities	6,074	6,493
Current liabilities		
Lease liabilities	452	415
Borrowings	239	-
Trade and other payables	6,780	7,524
Current tax liabilities	770	-
Total current liabilities	8,241	7,939
Total liabilities	14,315	14,432
Total equity and liabilities	23,009	25,490

The notes on pages 8 to 13 are an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements set out on pages 4 to 13 were approved by the Board of Directors on 4th August 2023 and were signed on its behalf by:



Dr. Arthur Galea Salomone
Director



Daniela Zammit
Director

BMIT Technologies p.l.c.

Condensed Consolidated Interim Financial Statements

Statement of comprehensive income

For the period 1 January 2023 to 30 June 2023

	Six months ended 30 June 2023 Unaudited €'000	Six months ended 30 June 2022 Unaudited €'000
Revenue	14,837	12,647
Cost of sales	(8,712)	(6,619)
Gross profit	6,125	6,028
Administrative expenses	(1,861)	(1,685)
Operating profit	4,264	4,343
Interest expense	(109)	(121)
Profit before tax	4,155	4,222
Tax expense	(1,519)	(1,581)
Profit for the period	2,636	2,641
Earnings per share (€)	0.013	0.013

The notes on pages 8 to 13 are an integral part of these condensed consolidated interim financial statements.

BMIT Technologies p.l.c.

Condensed Consolidated Interim Financial Statements

Statement of changes in equity

For the period 1 January 2023 to 30 June 2023

Unaudited	Attributable to the owners of the Company			
	Share capital €'000	Other reserves - adjustment relating to non- controlling interest €'000	Retained earnings €'000	Total Equity €'000
Balance at 1 January 2022	20,360	(4,097)	(5,476)	10,787
Comprehensive income				
Profit for the period	-	-	2,641	2,641
Transactions with owners				
Dividends	-	-	(5,084)	(5,084)
Balance at 30 June 2022	20,360	(4,097)	(7,919)	8,344
Balance at 1 January 2023	20,360	(4,097)	(5,205)	11,058
Comprehensive income				
Profit for the period	-	-	2,636	2,636
Transactions with owners				
Dividends	-	-	(5,000)	(5,000)
Balance at 30 June 2023	20,360	(4,097)	(7,569)	8,694

The notes on pages 8 to 13 are an integral part of these condensed consolidated interim financial statements.

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Statement of cash flows

For the period 1 January 2023 to 30 June 2023

	Six months ended 30 June 2023 Unaudited €'000	Six months Ended 30 June 2022 Unaudited €'000
Cash flows from operating activities		
Cash generated from operations	4,315	4,273
Interest paid on lease liabilities	(40)	(46)
Interest paid on borrowings	(60)	(60)
Income tax paid	(606)	(597)
Income tax received	-	9
Net cash from operating activities	3,609	3,579
Cash flows from investing activities		
Purchase of property, plant and equipment, net of disposals	(274)	(326)
Net cash used in investing activities	(274)	(326)
Cash flows from financing activities		
Dividends paid	(5,000)	(5,084)
Principal elements of lease payments	(244)	(238)
Net cash used in financing activities	(5,244)	(5,322)
Net movement in cash and cash equivalents	(1,909)	(2,069)
Cash and cash equivalents at beginning of period	6,251	5,803
Cash and cash equivalents at end of period	4,342	3,734

The notes on pages 8 to 13 are an integral part of these condensed consolidated interim financial statements.

BMIT Technologies p.l.c.

Condensed Consolidated Interim Financial Statements

Notes to the Condensed Consolidated Interim Financial Statements

For the period 1 January 2023 to 30 June 2023

1. General information

BMIT Technologies p.l.c. (“the Company”) is a public listed company, with its equity traded on the Malta Stock Exchange. The Company is domiciled and incorporated in Malta. The condensed consolidated interim financial statements as at 30 June 2023 and for the six-month period then ended comprise the Company and its subsidiaries (together referred to as the “Group”).

The consolidated financial statements of the Group as at and for the year ended 31 December 2022 are available upon request from the Company’s registered office at Building SCM 02, Level 2 SmartCity Malta, Ricasoli, Kalkara, SCM 1001, Malta. They are also available for viewing on its website at www.bmit.com.mt.

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on 4th August 2023.

The condensed consolidated interim financial statements have been reviewed in accordance with the requirements of ISRE 2410 ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’.

2. Basis of preparation

The condensed consolidated interim financial statements as at and for the six-month period ended 30 June 2023 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34, ‘Interim Financial Reporting’). The financial statements have been prepared under the historical cost convention. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with IFRSs as adopted by the EU.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2022, as described in those annual financial statements.

As at 30 June 2023, the Group’s current liabilities exceeded its current assets by €1.3 million. However, the Group envisages that a significant level of earnings will be generated throughout the forthcoming year, which will enable the Group to manage effectively its forecasted cash flows and liquidity needs.

(a) New and amended standards adopted by the Group

A number of amended standards became applicable for the current reporting period. There is no impact on the adoption of these revisions on the Group’s accounting policies and on the Group’s financial results.

(b) Impact of standards issued but not yet applied by the Group

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

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For the period 1 January 2023 to 30 June 2023

3. Fair values of financial and non-financial instruments

Financial instruments

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

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

At 30 June 2023 and 31 December 2022, the carrying amounts of certain financial instruments not carried at fair value, principally comprising cash at bank, receivables, payables and accrued expenses, 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 realization.

The fair value of non-current financial instruments, including borrowings and lease liabilities, is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The estimated fair values, deemed to be Level 2 estimates, fairly approximate the carrying amounts of such financial instruments.

Non-financial instruments

Goodwill impairment assessment

Intangible assets held by the Group mainly consist of goodwill arising on the excess of the purchase price attributable to acquisitions in previous years over the carrying amount of net assets acquired allocated to the identifiable assets and liabilities of the acquired entity. The Group makes judgements and estimates in relation to the fair value allocation of the purchase price. The amount of goodwill initially recognised as a result of a business combination is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management's judgement. Allocation of the purchase price affects the results of the Group as intangible assets with a finite life are amortised, whereas intangible assets with an indefinite life and goodwill are not amortised.

The recoverable amount of the cash-generating unit (CGU), to which the intangible asset was allocated, as at 30 June 2023 was determined based on value in use (VIU) calculations consistent with the methods used as at 31 December 2022 (for further details refer to Note 7 of the 2022 annual report).

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For the period 1 January 2023 to 30 June 2023

3. Fair values of financial and non-financial instruments - continued

Fair valuation of land and buildings

During the financial year ended 31 December 2020, the Group acquired a property for a consideration of €4,000,000.

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 currently being used by the Group to host one of its data centres. All the recurring property fair value measurements at 31 December 2022 use significant unobservable inputs and are accordingly categorised within Level 3 of the fair valuation hierarchy.

As part of the due diligence performed prior to acquiring the property, the directors commissioned an independent firm of architects to carry out a market valuation of the property, by considering the estimated amount for which the property should be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. In the opinion of the directors, as at 30 June 2023, no significant changes or developments have been experienced since the acquisition that impacted the property's fair value by giving rise to a material shift in its estimated market value.

BMIT Technologies p.l.c.

Condensed Consolidated Interim Financial Statements

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For the period 1 January 2023 to 30 June 2023

4. Segment Information

4.1 Operating segments

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* comprise the Group's data centre facilities and provision of ICT solutions in Malta.

Cash flows generated and returns secured from the different services 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 these service lines 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 Group's internal reporting to the Board of Directors and Senior Management is analysed accordingly, and the Board of Directors reviews internal management reports on a regular basis.

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 outside of Malta. Considering the nature of the Group's activities, its non-current assets are predominantly located in Malta.

5. Property, plant and equipment

a) Acquisitions and disposals

During the six months ended 30 June 2023, the Group acquired assets, primarily property, plant and equipment with a cost of €274k (six months ended 30 June 2022: €533k), which includes the cost of leased equipment and non-recurring capital expenditure.

6. Dividends

A dividend in respect of the year ended 31 December 2022 of €0.025 (2021: €0.025) per share, amounting to €5,000,000 was declared and paid during the period ended 30 June 2023.

BMIT Technologies p.l.c.

Condensed Consolidated Interim Financial Statements

Notes to the Condensed Consolidated Interim Financial Statements

For the period 1 January 2023 to 30 June 2023

7. 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 period.

	Six months ended 30 June 2023 Unaudited	Six months ended 30 June 2022 Unaudited
Profit attributable to equity holders of the Company (€'000)	2,636	2,641
Weighted average number of shares in issue (thousands)	203,595	203,595
Earnings per share (€)	0.013	0.013

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.

8. Contingencies

- (a) A guarantee for a maximum amount of €3,600,000 (2022: €3,600,000) was issued by the Company and a subsidiary of the Group in favour of the bank for facilities provided to the same subsidiary.
- (b) 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 has 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.

BMIT Technologies p.l.c.

Condensed Consolidated Interim Financial Statements

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For the period 1 January 2023 to 30 June 2023

9. Related party transactions

The Company and its subsidiaries have a related party relationship with Société Nationale des Télécommunications (Tunisie Telecom), the Company's ultimate parent, 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:

	Six months ended 30 June 2023 Unaudited €'000	Six months Ended 30 June 2022 Unaudited €'000
Transactions with immediate parent		
Dividends paid to immediate parent	2,550	2,593
Services provided to immediate parent	882	451
Services provided by immediate parent	881	717

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.

10. Events after the end of the reporting period

As announced on 6 April 2023, the Company had entered into discussions with GO p.l.c. (its parent company) for the potential assignment and transfer of inter alia:

- i. certain lease rights and obligations currently enjoyed by GO p.l.c., and
- ii. the passive infrastructure thereon used for the hosting of telecommunications equipment (the "Transaction").

The Company's Board of Directors has resolved to proceed with the Transaction on 4th August 2023, subject to the completion of the negotiation process with GO p.l.c. which has not yet been finalised. However, as at the date of authorisation for issue of these interim financial statements, negotiations with GO p.l.c. are at a very advanced stage. The Company will issue a Company announcement as deemed necessary.

BMIT Technologies p.l.c.

Condensed Consolidated Interim Financial Statements

Statement pursuant to Capital Markets Rule 5.75.3

For the period 1 January 2023 to 30 June 2023

I hereby confirm that to the best of my knowledge:

the condensed consolidated interim financial statements give a true and fair view of the financial position of the Group as at 30 June 2023, and of its financial performance and cash flows for the six-month period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34, 'Interim Financial Reporting');

the Interim Directors' report includes a fair review of the information required in terms of Capital Markets Rules 5.81 to 5.84.



Dr. Arthur Galea Salomone
Director

4th August 2023



Independent auditor's report

To the Board of Directors of BMIT Technologies p.l.c. Report on Review of Condensed Consolidated Interim Financial Statements

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of BMIT Technologies p.l.c. and its subsidiaries (the Group) as at 30 June 2023, the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and other explanatory notes ('the condensed consolidated interim financial statements'). The directors are responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34 'Interim Financial Reporting'). Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 'Interim Financial Reporting'.

A handwritten signature in blue ink that reads 'Fabio Axisa'.

Fabio Axisa
Principal

For and on behalf of
PricewaterhouseCoopers

78 Mill Street
Zone 5, Central Business District
Qormi
Malta

4 August 2023

a) The maintenance and integrity of the BMIT Technologies p.l.c. website is the responsibility of the Directors of the Company; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the condensed consolidated interim financial information since this was initially presented on the website.

b) Legislation in Malta governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.