



COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by BMIT Technologies p.l.c. (“the “Company”) pursuant to the Listing Rules issued by the Listing Authority in accordance with the provisions of the Financial Markets Act (Chapter 345 of the Laws of Malta) as they may be amended from time to time.

Quote

In a meeting held earlier today, the Board of Directors of the Company approved the attached Group Interim Unaudited Financial Statements for the six-month period ended 30th June 2020.

The Interim Financial Statements are also available for viewing on the Company’s website through the following link: <https://www.bmit.com.mt/wp-content/uploads/2020/08/Interim-FS-2020.pdf>

Unquote

A handwritten signature in blue ink, appearing to read 'F. Galea Salomone', written over a horizontal line.

Dr. Francis Galea Salomone LL.D.

Company Secretary

7th August 2020

BMIT Technologies p.l.c.

Condensed Consolidated
Interim Financial Statements

For the period 1 January 2020 to 30 June 2020

Company Registration Number: C 48299

BMIT Technologies p.l.c.

Condensed Consolidated Interim Financial Statements
For the period 1 January 2020 to 30 June 2020

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BMIT Technologies p.l.c.

Condensed Consolidated Interim Financial Statements

Directors' Report pursuant to Listing Rule 5.75.2

As at 30 June 2020

This Half-Yearly Report is being published in terms of Chapter 5 of the Listing 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 2020 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 2019.

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 Group generated revenue of €11.7 million in the first half of 2020 (2019: €11.2 million), an increase of €0.5 million, or 4.9% over the same comparative period last year. The main contributors for this growth in revenue were cloud services and connectivity services which grew by 47% and 13% respectively. On the other hand, Covid19 negatively impacted our business mainly in the take up of managed services due to the restrictions in the provision of on-premise support to customers and in finalizing certain hardware and software deals. We expect these service lines to improve in the next months although they may not reach the same levels as last year.

The Group's expenses were slightly more than last year. In total, cost of sales and administrative expenses increased by €345k (4.7%) when compared to last year. Even though cost of sales increased slightly and almost reached €6 million (2019: €5.7 million), the Group maintained stable gross profit margins of 49% (2019: 48.6%). Administrative expenses amounted to €1.8 million and were in line with last year when these amounted to €1.7 million.

Earnings before interest, tax, depreciation and amortisation (EBITDA) were in line with the same period of last year at €5.1 million.

Although EBITDA was stable, the Group recorded an improved profit before tax of €3.9 million which is 4.5% higher than the €3.7 million recorded last year. This increase in profits was due to a lower depreciation charge on property, plant and equipment and a lower amortisation charge on intangible assets. Finance costs and the amortisation charge on leased assets were also lower than prior year due to the acquisition of the property situated in Handaq, which was previously on lease. In fact, on 17 January 2020, the Group acquired the property situated at 55/56, Triq Manuel Borg Gauci, Handaq for a consideration of €4 million of which €3.6 million were financed through a bank loan. Hence, finance costs started to be recognized at 3.25% on the amount borrowed.

BMIT Technologies p.l.c.

Condensed Consolidated Interim Financial Statements

Directors' Report pursuant to Listing Rule 5.75.2

As at 30 June 2020

Review of financial position

As at 30 June 2020, the Group's total assets amounted to €25.5 million, showing a growth of €2.4 million from 31 December 2019. This is a result of the increase in value in property, plant and equipment by €4 million after the acquisition of the Handaq property, which was partly compensated by a €1 million decrease in the value of right-of-use assets. After the payment of dividend to the general public, which amounted to €4.4 million, the Group still had a significant cash balance of €3.6 million at the end of the period.

Total liabilities as at 30 June 2020 were €16.1 million and include bank borrowings of €3.6 million which were used for the purchase of the Handaq property. This loan is repayable over 10 years with 4 years moratorium, hence, was classified as non-current.

Commentary on COVID-19

Following the outbreak of the COVID-19 pandemic, the Group embarked upon an exercise which saw it implement a number of initiatives aimed at ensuring continuity of service and at the mitigation of a potential negative impact on business.

As all sports activities grinded to a halt, many of the Group's customers operating in the online sports betting segment were unfortunately negatively impacted. Such customers experienced a total stop of play and some had no contingent plans in place to counter a significant drop in potential income. On the other hand, the Group's customers operating in other segments of remote gaming experienced only a temporary slow-down in business, which recovered in the weeks which followed the outbreak. As the Group weathered the short-term impact of the pandemic, it did receive a number of requests for a reduction or termination of services, or for more flexible payment terms.

In the non-gaming verticals which the Group serves, several customers were also impacted by the pandemic with different levels of intensity. In such cases, the Group adopted a flexible approach to support such customers, in the interest of medium to longer term business.

It must be noted that whilst the pandemic is having a significant and unprecedented impact on global and local economies, many businesses are delaying or postponing investment decisions. As a result, the Group is experiencing a longer sales cycle than previous.

Despite the above-mentioned challenges, the Group has successfully managed to mitigate any significant impact on its operations and performance to-date. At the same time, whilst future growth may be challenged by potential new outbreaks and slower economic recovery, the Group is actively pursuing new initiatives aimed at delivering value and sustainable returns to its shareholders.

Internally, the Group adopted a series of measures aimed at protecting its employees, whilst ensuring a sustained business operation. Its business continuity plans were put in action, which resulted in all employees, except those within the 24x7 network operations centre, to start remote working as from mid-March 2020. During this period access to the Group's facilities and data centres was restricted, in line with the recommendations issued by the health authorities of Malta.

The decision to return to office for a number of days per week followed an extensive risk assessment which the Group commissioned. This assessment included, amongst other matters, an audit of all Group sites, the issuance of specific guidelines, training and counselling to employees.

Dividends

A dividend in respect of the year ended 31 December 2019 of €0.02 (2018: €0.02) per share, amounting to €4,390,703, was declared and paid during the period ended 30 June 2020.

BMIT Technologies p.l.c.

Condensed Consolidated Interim Financial Statements

Directors' Report pursuant to Listing Rule 5.75.2

As at 30 June 2020

Approved by the Board of Directors on 7 August 2020 and signed on its behalf by:



Nikhil Patil
Chairman



Reuben Attard
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 2020 to 30 June 2020

	As at 30 June 2020 Unaudited €'000	As at 31 December 2019 Audited €'000
ASSETS		
Non-current assets		
Property, plant and equipment	10,505	6,477
Right-of-use assets	3,499	4,504
Intangible assets	3,315	3,428
Investment in associate	18	18
Trade and other receivables	217	224
Total non-current assets	17,554	14,651
Current assets		
Inventories	192	187
Trade and other receivables	4,199	2,926
Cash and cash equivalents	3,593	5,346
Total current assets	7,984	8,459
Total assets	25,538	23,110
EQUITY AND LIABILITIES		
Equity		
Share capital	20,360	20,360
Other reserves	(4,097)	(4,097)
Accumulated losses	(6,794)	(4,941)
Total equity	9,469	11,322
Non-current liabilities		
Borrowings	3,524	-
Lease liabilities	3,255	4,029
Trade and other payables	249	236
Deferred tax liabilities	281	417
Total non-current liabilities	7,309	4,682
Current liabilities		
Lease liabilities	399	607
Trade and other payables	6,859	5,995
Current tax liabilities	1,502	504
Total current liabilities	8,760	7,106
Total liabilities	16,069	11,788
Total equity and liabilities	25,538	23,110

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 7 August 2020 and were signed on its behalf by:



Nikhil Patil
Chairman



Reuben Attard
Director

BMIT Technologies p.l.c.

Condensed Consolidated Interim Financial Statements

Statement of comprehensive income

For the period 1 January 2020 to 30 June 2020

	Six months ended 30 June 2020 Unaudited €'000	Six months ended 30 June 2019 Unaudited €'000
Revenue	11,709	11,167
Cost of sales	(5,923)	(5,739)
Gross profit	5,786	5,428
Administrative expenses	(1,814)	(1,653)
Operating profit	3,972	3,775
Other income	21	-
Interest expense	(116)	(64)
Profit before tax	3,877	3,711
Tax expense	(1,339)	(1,368)
Profit for the period	2,538	2,343
Earnings per share (€)	0.012	0.012

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 2020 to 30 June 2020

Unaudited	Attributable to the owners of the Company			
	Share capital €'000	Other reserves - adjustment relating to non- controlling interest €'000	Accumulated losses €'000	Total equity €'000
Balance at 1 January 2019	20,360	(4,097)	(9,390)	6,873
Comprehensive income				
Profit for the period	-	-	2,343	2,343
Balance at 30 June 2019	20,360	(4,097)	(7,047)	9,216
Balance at 1 January 2020	20,360	(4,097)	(4,941)	11,322
Comprehensive income				
Profit for the period	-	-	2,538	2,538
Transactions with owners				
Dividends	-	-	(4,391)	(4,391)
Balance at 30 June 2020	20,360	(4,097)	(6,794)	9,469

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 cash flows

For the period 1 January 2020 to 30 June 2020

	Six months ended 30 June 2020 Unaudited €'000	Six months ended 30 June 2019 Unaudited €'000
Cash flows from operating activities		
Cash generated from operations	4,523	4,397
Income tax paid	(477)	(463)
Net cash from operating activities	4,046	3,934
Cash flows from investing activities		
Purchase of property, plant and equipment, net of disposals	(4,708)	(650)
Net cash used in investing activities	(4,708)	(650)
Cash flows from financing activities		
Dividends paid	(4,391)	(800)
Proceeds from bank borrowings	3,577	-
Principal elements of lease payments	(277)	(356)
Net cash used in financing activities	(1,091)	(1,156)
Net movement in cash and cash equivalents	(1,753)	2,128
Cash and cash equivalents at beginning of period	5,346	667
Cash and cash equivalents at end of period	3,593	2,795

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 2020 to 30 June 2020

1. General information

BMIT Technologies p.l.c. (“the Company”) is a public listed company, which is traded on the Malta Stock Exchange. The Company is domiciled and incorporated in Malta. The condensed consolidated interim financial statements as at 30 June 2020 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 2019 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 7 August 2020.

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 2020 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 2019, 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 2019, as described in those annual financial statements

As at 30 June 2020, the Group’s current liabilities exceeded its current assets by €776,000. 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.

Impact of COVID-19

Following the outbreak of the COVID-19 pandemic, the Group embarked upon an exercise which saw it implement a number of initiatives aimed at ensuring continuity of service and at the mitigation of a potential negative impact on business. Despite the challenges presented by the outbreak of this pandemic, the Group has successfully managed to mitigate any significant impact on its operations and performance to date, taking cognisance of the Group’s financial results for the six month period ended 30 June 2020. In this regard and as detailed further in Note 3, the directors are of the opinion that the carrying value of goodwill is not to be impaired and the creditworthiness of the Group’s customers has not deteriorated. Therefore it was not deemed necessary to revise the expected credit loss assessment for the Group’s receivables. The directors firmly believe that there is no material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. The directors continue to adopt the going concern assumption in the preparation of the Group’s 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 2020 to 30 June 2020

2. Basis of preparation - continued

(a) New and amended standards adopted by the Group

A number of amended standards became applicable for the current reporting period. The impact of the adoption of these revisions on the Group's accounting policies and on the Group's financial results is insignificant.

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

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 2020. 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.

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 2020 and 31 December 2019, 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.

BMIT Technologies p.l.c.

Condensed Consolidated Interim Financial Statements

Notes to the Condensed Consolidated Interim Financial Statements

For the period 1 January 2020 to 30 June 2020

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

Non-financial instruments

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 2020 was determined based on value in use (VIU) calculations consistent with the methods used as at 31 December 2019 (for further details refer to Note 8 of the 2019 annual report). Following the outbreak of COVID-19 in 2020, market conditions have affected business confidence and spending patterns. In the circumstances, management determined the deterioration in performance or long-term growth rates 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 of goodwill. The VIU of the CGU, as a result of this assessment, remains in excess of the carrying amounts by a comfortable headroom.

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 at least on a monthly 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.

BMIT Technologies p.l.c.

Condensed Consolidated Interim Financial Statements

Notes to the Condensed Consolidated Interim Financial Statements

For the period 1 January 2020 to 30 June 2020

5. Merger

On 27 April 2020, Kinetix IT Solutions Limited, a subsidiary, was merged into BM IT Limited, another subsidiary, through a merger procedure carried out under Title II, Chapter III of Part VIII of the Companies Act (Cap. 386). As a result, BM IT Limited, as the acquiring company, succeeded to all the assets, rights, liabilities and obligations of Kinetix IT Solutions Limited. Kinetix IT Solutions Limited was struck off following merger. This transaction did not have an impact on the consolidated financial statements.

6. Acquisition of property, plant and equipment and related financing

As disclosed in Note 31 to the financial statements within the 31 December 2019 annual report, on 17 January 2020 the final deed of sale and purchase in respect of the Handaq property was executed. The consideration for the said property amounted to €4,000,000 and has been financed partly by own capital and partly by a bank loan of €3,600,000. The bank loan has a term of 10 years, bears interest at 3.25% (fixed) and has a 4-year moratorium.

7. Dividends

A dividend in respect of the year ended 31 December 2019 of €0.02 (2018: €0.02) per share, amounting to €4,390,703, was declared and paid during the period ended 30 June 2020.

8. 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 2020 Unaudited	Six months ended 30 June 2019 Unaudited
Profit attributable to equity holders of the Company (€'000)	2,539	2,343
Weighted average number of shares in issue (thousands)	203,595	203,595
Earnings per share (€)	0.012	0.012

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.

BMIT Technologies p.l.c.

Condensed Consolidated Interim Financial Statements

Notes to the Condensed Consolidated Interim Financial Statements

For the period 1 January 2020 to 30 June 2020

9. Contingencies

- (a) A guarantee for a maximum amount of €67,500,000 (2019: €67,500,000) was issued by the Company, together with its subsidiaries, in favour of the immediate parent's bankers for facilities provided.
- (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.

10. Commitments

	As at 30 June 2020 Unaudited €'000	As at 31 December 2019 Audited €'000
Capital expenditure commitments		
Authorised and contracted for	-	4,000

BMIT Technologies p.l.c.

Condensed Consolidated Interim Financial Statements

Notes to the Condensed Consolidated Interim Financial Statements

For the period 1 January 2020 to 30 June 2020

11. 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 2020 Unaudited €'000	Six months ended 30 June 2019 Unaudited €'000
Transactions with immediate parent		
Dividends paid to immediate parent	2,239	800
Services provided to immediate parent	567	510
Services provided by immediate parent	959	817

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.

BMIT Technologies p.l.c.

Condensed Consolidated Interim Financial Statements

Statement pursuant to Listing Rule 5.75.3

For the period 1 January 2020 to 30 June 2020

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 2020, 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 Listing Rules 5.81 to 5.84.



Nikhil Patil

Chairman

7 August 2020



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 2020, 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'.

PricewaterhouseCoopers

78 Mill Street
Zone 5, Central Business District
Qormi
Malta

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

Fabio Axisa
Partner

7 August 2020

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- 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.