COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by Cablenet Communication Systems p.l.c. (the **"Company"**) pursuant to the Capital Markets Rules as issued by the Malta Financial Services 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

Board Meeting – Approval of Half-Yearly unaudited Financial Statements 2023

The Board of Directors of the Company has earlier today approved the attached Company's Interim Unaudited Financial Statements for the period ended 30 June 2023.

The Board of Directors has also authorised the publication of the same Financial Statements which will be available for viewing on the Company's website at https://cablenet.com.cy/wp-content/uploads/Cablenet-PLC-June-2023-Financial-statements-dd-04.08.2023_final.pdf

Unquote

Dr. Francis Galea Salomone LL.D.
Company Secretary

04 August 2023

Cablenet Communication Systems PLC
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CABLENET COMMUNICATION SYSTEMS PLC

Condensed Interim Financial Statements

For the Period 1 January 2023 to
30 June 2023

Registration number: 137520

CABLENET COMMUNICATION SYSTEMS PLC

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

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CABLENET COMMUNICATION SYSTEMS PLC

Directors' Report pursuant to Listing Rule 5.75.2
For the period 1 January 2023 to 30 June 2023

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 interim financial statements for the six months ended 30 June 2023 prepared in accordance with Accounting Standard 34, "Interim Financial Reporting" and the requirements of the Cyprus Companies Law, Cap. 113. The condensed 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 and nature of operations of the Company

The principal activity of Cablenet Communication Systems PLC (the Company or Cablenet) is the provision of television, internet and other connectivity services and fixed and mobile telecommunication services.

Review of financial performance and significant events

For the first 6 months of 2023, Cablenet continued executing on its investment plans and realizing the growth in its revenue and assets that such investment generates. The benefits of the Company's continued growth in revenue and scale are also continuing to cascade down to its bottom line, with EBITDA and Gross, Operating and Net Profitability all improving versus the same period last year. The COVID-19 pandemic and the Russia - Ukraine conflict remained present during the whole period under review. As highlighted in the FY2022 financial statements, the former's downgraded threat level and the removal of related travel restrictions has resulted in higher roaming costs as more mobile service customers travelled abroad in H1 2023 vs. H1 2022. The latter's effects (Russia - Ukraine conflict) remain of the same nature as the same period last year, namely elevated prices of fuel, electricity and overall inflationary pressures on the economy.

The Company's revenue in the 6-month period amounted to €37.3 million (30 June 2022: €30.1 million), an increase of 24.1% over the same period last year. This revenue growth reflects subscriber gains from higher market share and the expansion of our network footprint. The subscriber gains materialised across both of the Company's residential and business customer bases and both its fixed (broadband, TV and Sports and Telephony) and especially powered by our mobile services, with the latter also being the division with the strongest subscriber and revenue growth. Furthermore, as a result of our commercially available mobile offerings and the new device financing scheme (sale of mobile devices with repayment over 36 months period) introduced in December 2022, the Company's subscriber acquisition rate further accelerated and, in fact, these offerings as well as the device financing scheme, have been significant contributors towards achieving the results in our 2023 published guidance, which is available to the public for viewing in the Investor Centre section of the Company's website at https://cablenet.com.cy/en/investor-centre-announcements-contacts/.

The continued growth our investments are generating is also increasing the scale of our businesses and products and the economies and efficiencies that come with them. Our cost of sales has large elements of fixed and semi-variable nature, for example, mobile services-related costs (call origination and termination, data and roaming costs) were higher by c. €0.8 million in comparison to the same period last year, as a result of the increase in our mobile telephony subscribers and the related traffic they generate but also due to the fact that in H1 2022, most mobile service customers could not travel abroad (and generate roaming costs) . Furthermore, there was a significant increase in the handsets cost of c. €3.3 million, resulting from the high demand of mobile devices from our subscribers. VULA fees of c. €0.2 million (30 June 2022: €0), also contributed to a 26.4% increase of the cost of sales when compared to the 2022 figure. Despite of all of the above, our Gross Profit increased 19.8% to €12.2 million (30 June 2022: €10.2 million). However, our Gross Margin slightly reduced to 32.7% in H1 2023 from 33.9% in H1 2022.

The Company's EBITDA amounted to €8.4 million (30 June 2022: €7.2 million), an increase of 16.6% over the same period last year. The key reasons behind this increase were mainly the increase in revenue of €4.7 million in mobile services-related revenue in comparison to the same period last year, as a result of our new mobile services offerings and the new device financing scheme described above. At the same time, our operating expense base grew, more modestly, as we continue to support our margin-enhancing growth: staff salaries were higher in the period by c. €0.3 million as a result of the company's expansion of its network, customer base and mobile services. Marketing related expenses grew by c. €0.2 million on account of increased support for our mobile and fixed services, with the latter including TV and Sports. Software maintenance costs were also up by more than €0.1 million as we increase our investments into new systems with related license costs. Finally, as a result of the general increase in energy prices, the utility bills, especially for electricity, have increased by c. €0.1 million.

The Company's cash-flows for the 6-month period to June 30, 2023, as measured by the change in cash and cash equivalents, were negative €0.17 million (30 June 2022: negative €1.5 million), reflecting a) partly the ongoing investments in expanding our business lines and network, b) better operating cash-flow generation, including the part release of our restricted deposits and c) the €4.5 million (€5.5 million as at the date of this report) proceeds from a new loan granted by GO plc. During the period, previously held restricted deposits that amounted to €3.1 million as of 31 December 2022 (30 June 2022: €3.1 million) decreased to €2.7 million as of 30 June 2023 and a €0.4 million cash-inflow was recorded for the first half of 2023. Further reductions in restricted deposits are expected in the future. In general, such deposits are acting as collateral to short-term as well as long-term letters of guarantees and the decrease in the balance outstanding is a result of better credit terms agreed to with the providing bank.

During the period under review, Cablenet made further instalment payments towards the spectrum frequencies it has acquired. In May 2023, the third annual instalment payment was made for the 5G frequencies the Company acquired in the December 2020 auction and in June 2023 the fifth annual instalment for the 4G frequencies held was paid. In total, €1.8 million of mobile spectrum-related payments were made during the first 6 months of 2023 (30 June 2022: €2.0 million). The total payments of spectrum instalments as at 30 June 2023, amount to €8.1 million (30 June 2022: €6.3 million).

As stated in the 2022 Audited Financial Statements, the broadcasting rights agreements of 2 of the 5 football clubs, the exclusive broacasting rights of which are held by the Company, will now expire in May 2027, following the Company's decision not to exercise the early termination clause which was valid until 28 February 2023. Similar negotiations with the other 3 football clubs will take place later in the year with the intention, subject to agreed commercial terms, to have all 5 football clubs' agreements extended.

The Company continues to have a positive total equity of € 0.2 million as at 30 June 2023 (31 December 2022: € 3.1 million). The decrease is due to the loss registered in the period under review amounting to € 2.9 million (30 June 2022: € 4.0 million).

The Company's total asset base stands at €121.1 million as at 30 June 2023 (31 December 2022: €110.4 million), representing an increase of €10.7 million. The increase is primarily due to the extension of the 2 football broadcasting agreements stated above, resulting to an increase in the Football Rights asset included under Intangible Assets in the Statement of Financial Position and the corresponding liability of €11.3 million.

Bond

On 21 August 2020 the Company was admitted to listing and trading in the Malta Stock Exchange via its €40 million 4% Unsecured Bonds 2030 of a nominal value of €1,000 per Bond issued at par. The redemption date is 21 August 2030. The Company effected the second payment of the interest of €1.6 million to the Bond holders in August 2022 and it has recorded the necessary accruals and expects to effect the third payment of interest and to pay the Bond holders an amount of €1.6 million, representing earned interest, on 10 August 2023.

Commentary on COVID-19 pandemic

Similar to what was stated in Management Report in the 2022 Audited Financial Statements, as of the date of this half-year 2023 report, management has concluded and the Board concurs that the demand for the Company's services from customers has not been materially impacted.

Going forward, in view of the fact that the World Health Organization ended its declaration of COVID-19 being a global health emergency on 5 May 2023, although continued to refer it as a pandemic, the Company does not foresee any adverse effects from the pandemic which could significantly affect its financial results and forward-looking statements in a negative way. Thus, there was no need for any COVID-19-related provisions or impairment charges.

Commentary on Ukrainian crisis

The Company offers services to Cyprus-based entities only, of which some may have Russian or Ukrainian nationality or ownership, but they represent a very small part of the Company's annual revenue and no impact has as yet been noticed on the number of such customers or their payments. On the suppliers of material and services side, the Company has no reliance of size to providers from those countries. The Company's TV platform has also discontinued broadcasting 3 Russia-originating TV channels, one on 3 March 2022 and the other two on 10 March 2022, due to the relevant EU directives and commercial considerations.

At the moment and since the military actions are still ongoing, it is not possible for management to predict with any degree of certainty the future impact on the Company's financial results. The more pronounced effects have so far been indirect, such as higher costs of transportation and inputs of energy or commodity-based (i.e. steel or copper) material employed in Cablenet's operations and networks. It is expected that if the situation does not deteriorate further, there will be no material impact on the Company's activities and on its financial results this year.

Management is closely monitoring the situation and is ready to act depending on the developments.

Section 169F Cyprus Companies Law Cap. 113

As per Section 169F provisions, where the net assets of a public company are equal to 50% or less of its issued share capital the directors must call an extraordinary meeting of the shareholders of the Company ("EGM") to consider whether the company should be wound up or whether any other steps should be taken to deal with the situation. The Board of Directors convened such an EGM, which took place on 25 April 2023. The EGM took note of the Company's future expected performance, considered the available options to improve the net assets and agreed that the Company will keep evaluating its options over the next few months, without taking an immediate action.

Internal investigation related to EU-funded projects

It should be pointed out that no additional monetary liabilities have been communicated or imposed since the FY2022 financial statements. All projects were fully settled in 2022. For further information, please refer to Note 12 - EU-funded projects.

Related party transactions

During the period under review, the Company procured Directors', Secretary's and Technical Advisory services from GO plc amounting to €0.09 million (30 June 2022: €0.1 million).

On 12 April 2023, the Company signed an agreement with GO plc to obtain a loan of up to €6 million. On 20 April 2023 the first disbursement of €2.5 million has been effected. On 15 June 2023 the second disbursement of €2 million has been effected. The third disbursement of €1 million has been effected on 9 July 2023. The loan bears interest at the rate of 6% per annum and there is no set repayment schedule. The Company is obliged to pay only the interest portion on the loan on a quarterly basis with the first interest payment due on 20 July 2023. The loan's maturity date being three (3) years after the date of the First Disbursement, i.e. on 20 April 2026.

Dividends

The Board of Directors does not recommend the payment of a dividend (2022: €NIL).

CABLENET COMMUNICATION SYSTEMS PLC

Directors' Report pursuant to Listing Rule 5.75.2
For the period 1 January 2023 to 30 June 2023

Board of Directors

The Directors who served on the Board during the period under review or up to the date of this report are listed hereunder.
Nikhil Prakash Patil (Chairman)
Lassaad Ben Dhieb
Faker Hnid
Michael Warrington
Neoclis Nicolaou
Yiannos Michaelides
Kelvin Camenzuli
Menelaos Shiacolas
Marios Kalochoritis

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

Nikhil Prakash Patil
Chairman of the Board

Yiannos Michaelides
Director

CABLENET COMMUNICATION SYSTEMS PLC

Condensed interim statement of comprehensive income

For the period 1 January 2023 to 30 June 2023

	Note	Six months ended 30 June 2023 Unaudited €	Six months ended 30 June 2022 Unaudited €
Revenue	11	37,373,152	30,105,073
Cost of sales		(25,157,635)	(19,905,338)
Gross profit		**12,215,517**	**10,199,735**
Other operating income		64,255	54,463
Selling and distribution expenses		(3,049,197)	(2,772,901)
Administration expenses		(10,272,075)	(9,732,780)
Net impairment loss on financial assets		(237,916)	(167,344)
Operating loss		**(1,279,416)**	**(2,418,827)**
Analysed as follows:			
EBITDA		**8,390,734**	**7,197,130**
Depreciation and amortisation		**(9,670,150)**	**(9,615,957)**
Operating loss		**(1,279,416)**	**(2,418,827)**
Finance income		141,098	-
Finance costs		(1,787,973)	(1,562,351)
Loss before income tax		**(2,926,291)**	**(3,981,178)**
Income tax refund/(expense)		3,829	(10,671)
Loss for the period		**(2,922,462)**	**(3,991,849)**
Other comprehensive loss		-	-
Total comprehensive loss for the period		**(2,922,462)**	**(3,991,849)**

The notes on pages 9 to 21 form an integral part of these condensed interim financial statements.

CABLENET COMMUNICATION SYSTEMS PLC

Condensed interim statement of financial position
30 June 2023

	Note	As at 30 June 2023 Unaudited €	As at 31 December 2022 Audited €
ASSETS			
Non-current assets			
Property, plant and equipment	7	45,637,342	45,580,850
Right-of-use assets	7	18,675,464	19,721,188
Intangible assets	7	32,026,508	22,680,489
Financial assets at amortised cost		185,982	207,190
Restricted Cash	10	683,450	683,450
Trade receivables		1,789,591	1,535,282
Other non-financial assets		487,546	3,463,398
Deferred tax assets		2,653,674	2,649,852
		102,139,557	**96,521,699**
Current assets			
Inventories		835,875	770,456
Trade receivables		8,263,721	5,149,170
Other non-financial assets		7,169,243	5,024,319
Restricted Cash	10	2,023,875	2,366,875
Cash and cash equivalents (excluding bank overdrafts)	10	658,688	612,383
		18,951,402	**13,923,203**
Total assets		**121,090,959**	**110,444,902**
EQUITY AND LIABILITIES			
Equity			
Share capital		5,749,995	5,749,995
Other reserves		26,393,078	26,393,078
Accumulated losses		(31,926,412)	(29,003,950)
Total equity		**216,661**	**3,139,123**
Non-current liabilities			
Borrowings		47,206,825	41,875,652
Lease liabilities	7	9,317,926	11,317,460
Trade and other payables		9,204,237	9,870,101
Football broadcasting rights liability		12,015,037	2,362,361
Deferred tax liabilities		1,923,866	1,923,866
		79,667,891	**67,349,440**
Current liabilities			
Trade and other payables		27,355,823	25,942,653
Borrowings		5,827,438	5,543,641
Lease liabilities	7	2,787,294	2,872,902
Football broadcasting rights liability		5,235,852	5,597,143
		41,206,407	**39,956,339**
Total liabilities		**120,874,298**	**107,305,779**
Total equity and liabilities		**121,090,959**	**110,444,902**

The condensed interim financial statements were approved by the board of directors, authorised for issue on 4 August 2023 and signed on its behalf by:

Nikhil Prakash Patil
Chairman of the Board

Yiannos Michaelides
Director

The notes on pages 9 to 21 form an integral part of these condensed interim financial statements.

CABLENET COMMUNICATION SYSTEMS PLC

Condensed interim statement of changes in equity
For the period 1 January 2023 to 30 June 2023

	Share capital €	Other reserves €	Accumulated losses €	Total €
Balance at 1 January 2022	5,749,995	26,393,078	(23,781,574)	8,361,499
Comprehensive loss				
Net loss for the period	-	-	(3,991,849)	(3,991,849)
Balance at 30 June 2022	5,749,995	26,393,078	(27,773,423)	4,369,650
Balance at 1 January 2023	5,749,995	26,393,078	(29,003,950)	3,139,123
Comprehensive loss				
Net loss for the period	-	-	(2,922,462)	(2,922,462)
Balance at 30 June 2023	5,749,995	26,393,078	(31,926,412)	216,661

The notes on pages 9 to 21 form an integral part of these condensed interim financial statements.

CABLENET COMMUNICATION SYSTEMS PLC

Condensed interim statement of cash flows

For the period 1 January 2023 to 30 June 2023

	Note	Six months ended 30 June 2023 Unaudited €	Six months ended 30 June 2022 Unaudited €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		(2,926,291)	(3,981,178)
Adjustments for:			
Depreciation of property, plant and equipment		4,788,694	5,028,960
Amortisation of intangible assets		3,489,235	3,751,415
Depreciation of right-of-use assets		1,392,221	835,582
Profit from the sale of property, plant and equipment		(582)	(420)
Foreign exchange loss		19,471	-
Net impairment loss on financial assets		237,916	-
Interest income		(141,098)	-
Interest expense		1,768,503	1,292,970
		8,628,069	**6,927,329**
Changes in working capital:			
Increase in inventories		(65,419)	(84,294)
Increase in trade receivables		(3,368,860)	(1,657,798)
(Increase)/decrease in other non-financial assets		(2,144,924)	6,375,535
Decrease in financial assets at amortised cost		21,208	65,514
Increase in trade and other payables		747,306	2,556,698
Cash generated from operations		**3,817,380**	**14,182,984**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of intangible assets		(2,294,249)	(9,830,428)
Payment for purchase of property, plant and equipment		(4,056,260)	(6,796,617)
Payment for football rights		(2,583,000)	(1,834,408)
Proceeds from disposal of property, plant and equipment		582	420
Interest received		141,098	-
Net cash used in investing activities		**(8,791,829)**	**(18,461,033)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of lease liabilities		(2,423,754)	(1,198,342)
Proceeds from borrowings		4,500,000	3,500,000
Interest paid		(589,501)	(415,947)
Decrease in restricted bank deposits		343,000	877,082
Decrease in other non-financial assets		2,975,852	-
Net cash generated from financing activities		**4,805,597**	**2,762,793**
Net decrease in cash, cash equivalents and bank overdrafts		**(168,852)**	**(1,515,256)**
Cash, cash equivalents and bank overdrafts at beginning of the period		(3,319,812)	188,276
Cash, cash equivalents and bank overdrafts at end of the period	10	**(3,488,664)**	**(1,326,980)**

The notes on pages 9 to 21 form an integral part of these condensed interim financial statements.

1. General information

Cablenet Communication Systems PLC (the Company) was incorporated in Cyprus on 10 April 2003 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 41-49 Ayiou Nicolaou Street, Block A, Nimeli Court, 2nd Floor, 2408 Engomi, Nicosia, Cyprus. On 25 June 2020, the Company converted into a public company under the provisions of the Cyprus Companies Law, Cap. 113. On 21 August 2020, the Company was formally listed on the Malta Stock Exchange, marking the success of a bond offering.

The principal activity of the Company is the provision of television, internet and other connectivity services and fixed and mobile telecommunication services.

The financial statements of the Company as at and for the year ended 31 December 2022 are available upon request from the Company's registered office and also available for viewing in the Investor Centre section of its website at https://cablenet.com.cy/en/investor-centre-announcements-contacts/.

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

The condensed 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 interim financial statements as at and for the six-month period ended 30 June 2023 have been prepared in accordance with Accounting Standard 34, "Interim Financial Reporting" and the requirements of the Cyprus Companies Law, Cap. 113.

The condensed interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, the condensed interim financial statements information 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 and as adopted by the EU and the requirements of the Cyprus Companies Law, Cap. 113 and any public announcements made by the Company during the interim reporting period.

Please refer to the Director's report for all events and transactions that are significant to the understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period.

There were no unusual items because of their nature, size or incidence impacting the results for the 2023 and 2022 results as presented in these condensed interim financial statements.

(a) Accounting policies

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.

New and amended standards adopted by the Company

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

(b) Impact of COVID-19

As of the date of this half-year 2023 report, management has concluded and the Board concurs that the demand for the Company's services from customers has not been materially impacted.

Going forward, in view of the fact that the World Health Organization ended its declaration of COVID-19 being a global health emergency on 5 May 2023, although continued to refer it as a pandemic, the Company does not foresee any adverse effects from the pandemic which could significantly affect its financial results and forward-looking statements in a negative way. Thus, there was no need for any COVID-19-related provisions or impairment charges.

2. Basis of preparation (continued)

(c) Impact of Ukrainian crisis

As of the date of this half-year 2023 report, management has concluded and the Board concurs that the demand for the Company's services from customers from Russia and Ukraine as well as the Company's purchases chain have not been materially impacted from the ongoing crisis in Ukraine.

The Company's management view is that, unless the situation deteriorates further, there will be no material impact on the Company's activities and on its financial results this year.

3. Going concern basis

The Company incurred a loss of €2,922,462 for the six-month period ended 30 June 2023 (30 June 2022: loss of € 3,991,849). Additionally, the Company's accumulated losses as at 30 June 2023 amounted to €31,926,412 (31 December 2022: accumulated losses of €29,003,950). This is the result of the Company's growth development strategy. For instance, during the first six months of 2023, an amount of €3,741,821 was invested in the expansion of and additions to Cablenet's fixed network and similarly additional resources were deployed towards enhancing and increasing the appeal and sales of mobile telecommunication and TV services and the production and sale of Sports TV content.

Financial position

As at 30 June 2023, the Company's current liabilities exceeded its current assets by €22,255,005 (31 December 2022: net current liabilities position of €26,033,136). This is primarily down to two factors: a reflection of Cablenet's high investment momentum and a feature of Cablenet's industry and the advantageous payments and collections cycle enjoyed. Cablenet's high investment momentum means that its total income, for the reported period but also the prior 2022 annual one, is lower than its total spending. Furthermore, telecom operators collect revenue from customers on a pre-paid basis (before the service is provided) or a post-paid (after the service is provided and typically up to 30 days after) basis, whereas suppliers and vendors typically get paid between 30 and 90 days. The combination of the two factors results in less current assets than current liabilities being recognised on Cablenet's statement of financial position at any given time.

Relevant factors considered:

- The Company can obtain additional borrowings in order to meet or refinance its obligations as and when they fall due. The total approved limit of the overdraft facilities of the Company as at 30 June 2023 was €4,000,000 and an amount of €348,821 (31 December 2022: €575,968) was available. As at 30 June 2023, the Company's cash equivalents, excluding bank overdrafts, were positive and amounted to €658,688 (30 June 2022: positive €676,845) excluding restricted cash deposits.

- The Company's cash equivalents exclude restricted deposits of €2,707,325 (31 December 2022: €3,050,325). These deposits act as collateral for issued short-term as well as long-term letters of guarantee and are expected to be partly released back to the Company's liquidity over time - an amount of €343,000 was released in June 2023. Another amount of €662,550 was released in July 2023 and an amount of €333,813 is due for release in June 2024.

- The majority of the Company's borrowings is non-current and due in 2030 with a low servicing cost.

- Included in current liabilities are the amounts of Deferred Subscription Income of €6,715,804 (31 December 2022: €9,703,940) for which no cash outflow is expected.

- Future borrowings may be sourced from third parties or from the Company's shareholders, with the latter's availability having been concretely demonstrated recently, by GO plc granting two loans of €3.5 million and of up to €6 million (withdrawn amount as at 30 June 2023: €4.5 million, withdrawn amount as at the date of this report: €5.5 million) to the Company in June 2022 and in April, June and July 2023 respectively, as well as in numerous occasions in the past.

3. Going concern basis (continued)

Cash flows

For the period ended 30 June 2023, the cash and cash equivalents decreased by €168,852. As at 30 June 2022, the Company's cash equivalents amounted to €(1,515,256).

Relevant factors considered:

- The conditions and dynamics that have allowed Cablenet to significantly grow its revenue and market share in the Cypriot market, as it has done in past years, remain in place.

- The €40m Maltese Stock Exchange bond issuance in August 2020 was the funding component of the Company's strategic decision to continue investing in the growth of its market share, scale and capabilities. However, the Company expects to retain a portion of the proceeds as cash on the statement of financial position to allow us the flexibility needed to react to any changing circumstances in the market.

- As mentioned above, the Company has restricted cash deposits of €2,707,325 million which were sourced from the bond issuance proceeds (€40m) and which they will be gradually released for future usage. Following the end of H1 2023, a further tranche was released, bringing the overall restricted deposit amount to €2,044,775.

- The total revenue of the Company is expected to continue increasing at rates comparable to those of the prior year (2023: increase by € 7.3 million). The expected increase is a result of a) increasing the number of clients and services sold to them within existing network areas, b) the expansion of the network's coverage to other new areas allowing us as a result to increase the number of subscribers and services from those as well, c) further increase in the number of mobile subscribers d) increase in sales of devices via the 24-months and 36-months device financing scheme introduced in December 2021 and December 2022 respectively and e) additional revenue streams from new B2B services, sports rights and advertising.

- The Board of Directors of the Company expects that the profitability potential of the Company will be improved through strategies applied in order to a) increase the number of customers and revenue at a faster rate than that of our fixed and variable costs, b) shift some capital away from investments with long pay-out profiles to those with shorter ones and c) expand further its presence in the mobile telecommunication services section. The latter represents the majority of the Cypriot telecom market's revenue. The Company's share of the mobile market is rapidly increasing and is estimated by the Company at 8.1% as of June 30, 2023 (6.6% as of 31 December 2022 and 5.0% as of June 30, 2022; OCECPR data). Given the size of this market, the continued expansion of our presence in mobile telecommunication services can significantly improve our financial performance.

- The Company has prepared its cash flow forecasts using assumptions based on historical information and reasonable projections to meet its cash flow needs for the foreseeable future. According to the business plan and the matters mentioned above, the Company will have sufficient funds to finance its operations and cover its liabilities, as and when they fall due, to enable the Company to continue trading for a minimum of 12 months from the date on which the Company's financial statements for the six-months period ended 30 June 2023 are approved by the Board of Directors. The Board of Directors has also identified discretionary expenditure across the Company's business and projects, which can be delayed, should the need arise for the conservation of liquidity.

- As mentioned above, within the current liabilities of the Company as at 30 June 2023, there is a Deferred Subscription Income of €6,715,804 (31 December 2022: €9,703,940) for which no cash outflow is expected.

- The Company has negative cash and cash equivalents, as at 30 June 2023, including bank overdrafts, amounting to €3,488,664 (30 June 2022: negative €1,326,980) and restricted cash deposits of €2,707,325, since an amount of €343,000 has been released back into unrestricted cash in June 2023. Another amount of €662,550 was released in July 2023 and an amount of €333,813 is due for release in June 2024.

- As explained in the Directors' Report, the Ukrainian crisis is not expected to have a material impact on the projections of the Company for the going concern period.

3. Going concern basis (continued)

- The Directors have also considered a letter of support obtained from GO plc, one of the Company's shareholders. In a scenario where the Company is experiencing liquidity issues, the shareholder will provide adequate financial support to enable the Company to cover any deficiency in equity and any liquidity that may arise to cover the Company's liabilities, as and when they fall due, to enable the Company to continue trading for a minimum of 12 months from the date on which the Company's financial statements for the six-months period ended 30 June 2023 are approved by the Board of Directors. Additionally, the shareholders will not call for the repayment of any amounts due by the Company to themselves, until the Company has adequate funds to repay these amounts.

Conclusion

The Board of Directors after considering and evaluating all the above conditions and relevant factors has concluded that the Company has currently the available resources to enable it to continue its activities, and, despite the conditions described above there is no material uncertainty over the Company's ability to continue as a going concern for at least 12 months from the date that these financial statements are approved by the Board of Directors.

In accordance with IAS 1 "Presentation of Financial Statements" and the conclusion reached, these financial statements have been appropriately prepared on a going concern basis.

4. Intangible assets, football rights and leases

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the statement of comprehensive income in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite life are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of comprehensive income when the asset is derecognised.

The Company's intangible assets include computer software, international capacity and football broadcasting rights.

International Capacity

Expenditure representing the initial fees paid for the acquisition of the capacity line. Their amortization expense is included in cost of sales.

4. Intangible assets, football rights and leases (continued)

Intangible assets (continued)

Football broadcasting rights

The Company has the contractual rights, through the signing of contracts, to broadcast all the home football matches of five (5) football clubs in Cyprus. The football broadcasting rights were effective from 1 July 2019 and have a duration of 35 months. In June and November 2021, as allowed by the original contract, it was communicated by the Company to these football clubs, of the Company's intention to renew the contracts for 24 additional months (expiry on 31 May 2024). In August 2022, Cablenet signed an agreement with the Greek Football Club Olympiacos Piraeus (Olympiacos F.C.), acquiring the football broadcasting rights of the said Football Club for the period from September 2022 to May 2023. The said agreement was not renewed beyond May 2023. Furthermore, the broadcasting rights of 2 of the 5 football clubs, the exclusive broacasting rights of which are held by the Company, will now expire in May 2027, following the Company's decision not to exercise the early termination clause which was valid until 28 February 2023. Similar negotiations with the other 3 football clubs will take place later in the year with the intention, subject to agreed commercial terms, to have all 5 football clubs' agreements extended.

On initial recognition the asset is measured at cost. The cost represents the total of any prepayments paid plus the present value of the estimated future contractual payments, including the fair value of the future contingent payments at acquisition. A financial liability is recognised at the same fair value. Subsequent to initial measurement, the intangible asset is amortised to the statement of comprehensive income over the contractual period of the term of the contract. If, on the statement of financial position date, indications for impairment are identified, then the asset is assessed for impairment.

For the financial liability, interest expense is recognised using the effective interest rate. Any actual additional consideration paid or any relevant remeasurement of the corresponding financial liability is recognised immediately in the statement of comprehensive income (i.e. expense). Subsequently, the financial liability is measured at amortised cost, following the requirements of IFRS 9 "Financial instruments". The Company adjusts the carrying amount of the financial liability to reflect actual and updated estimated cash flows whenever the cash flow estimates are revised. The Company 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 or, where applicable, the revised effective interest rate. Subsequent changes in the measurement of the liability are unrelated to the cost of the asset. The adjustment is therefore recognised in the statement of comprehensive income as income or expense.

Expenditure on advertising and promotional activities are recognised as expenses as they are incurred. The consideration allocated to the advertising and promotional rights is separated from the consideration used for measuring the intangible asset and is recognised as an expense on an accrual basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of comprehensive income when the asset is derecognised.

Computer software

Costs that are directly associated with identifiable and unique computer software products controlled by the Company and that will probably generate economic benefits exceeding costs beyond one year are recognized as intangible assets. Subsequently, computer software is carried at cost less any accumulated amortization and any accumulated impairment losses. Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognized as a capital improvement and is added to the original cost of the computer software. Costs associated with maintenance of computer software programs are recognized as an expense when incurred. Computer software costs are amortized using the straight-line method over their useful lives, not exceeding a period of three years. Amortization commences when the computer software is available for use.

4. Intangible assets, football rights and leases (continued)

Intangible assets (continued)

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in the statement of comprehensive income when the asset is derecognized. The amortization expense of computer software is included in administration expenses.

Leases

At inception of a contract, the Company assesses whether a 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  - the Company has the right to operate the asset; or
  - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company as lessee

The Company recognises a right-of-use asset and a lease liability at the date at which the leased asset is available for use by the Company, with limited exceptions as set out below. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The depreciation expenses of ROU assets are included in administration expenses. The estimated useful lives of the ROU assets are determined on the same basis as those of property and equipment. ROU assets are reviewed for impairment in accordance with the Company's accounting policy for impairment of non-financial assets.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. The incremental borrowing rate is the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

4. Intangible assets, football rights and leases (continued)

Leases (continued)

- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in the statement of comprehensive income if the carrying amount of the ROU asset has been reduced to zero.

In determining the lease term, the management of the Company 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). The lease term is reassessed if an option is actually exercised (or not exercised) or the Company 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 Company.

Short-term leases and leases of low-value assets

The Company has elected not to recognise the right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (i.e. IT equipment, office equipment etc.). The Company recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

5. Critical accounting estimates, judgments and assumptions

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company’s accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

In 2023, the management has reviewed and amended, where necessary, the depreciation/amortization rates of certain assets' classes to reflect the correct useful economic lives of these assets. To reach to the revised rates, the Company's management examined the industry norms by reviewing the published financial statements of other telecommunication operators in Cyprus and abroad, including those of the Company's parent company, GO plc.

Following the above, the Company's management has revised the amortization rate of the IP addresses from 33.33% (amortization over a period of 3 years) to 6.67% (amortization over a period of 15 years). These assets do not have a defined useful economic life and currently, one could argue that they could be used indefinitely. However, the Company's management, being prudent, estimated that a useful economic life of 15 years would be realistic. Subsequently, the amortization rate for all assets which have not been fully amortized as at 31 December 2022, has been changed to 6.67%, thus extending their useful economic life to 15 years. The aforementioned change in the accounting estimate has an effect in the current 6-month reporting period amounting to approximately €52,000. In fact, there is a reduction of the total amortization amount for the first 6 months of 2023 by approximately €52,000. Furthermore, it is estimated that the said effect for the whole year 2023, provided no other IP addresses' acquisitions are performed during 2023, would be around €100,000. The effect in future periods is not disclosed since it is impracticable to estimate that effect, due to the fact that the actual amount of future investment in IP addresses cannot be accurately predicted.

5. Critical accounting estimates, judgments and assumptions (continued)

Furthermore, the Company's management has revised the depreciation rate of the infrastructure-related assets from 10% (depreciation over a period of 10 years) to 4% (depreciation over a period of 25 years). The infrastructure assets relate to construction work and materials resulting in such assets as concrete underground ducts and access manholes, which realistically have a significantly higher useful economic life than 10 years. As a result, some telecommunication operators depreciate such assets over a period of 30 years (or more). Again, the Company's management, being prudent, estimated that a useful economic life of 25 years would be realistic. Subsequently, the depreciation rate for all assets which have not been fully depreciated as at 31 December 2022, has been changed to 4%, thus extending their useful economic life to 25 years. The aforementioned change in the accounting estimate has an effect in the current 6-month reporting period amounting to approximately €244,000. In fact, there is a reduction of the total depreciation amount for the first 6 months of 2023 by approximately €244,000. The effect in future periods is not disclosed since it is impracticable to estimate that effect, due to the fact that the actual amount of future investment in infrastructure-related assets cannot be accurately predicted.

The Company's management has also revised the depreciation rates of the tubes and pipes and those Technical Department salaries that are directly related to infrastructure-related assets from 10% (depreciation over a period of 10 years) to 5% (depreciation over a period of 20 years). Again, the tubes and pipes that are placed inside the ducts have a higher useful economic life than 10 years. The Company's estimate is that the useful economic life of the tubes and pipes and thus, of the salaries associated with their installation, would realistically be 20 years. Subsequently, the depreciation rate for all assets which have not been fully depreciated as at 31 December 2022, has been changed to 5%, thus extending their useful economic life to 20 years. The aforementioned change in the accounting estimate has an effect in the current 6-month reporting period amounting to approximately €38,000. In fact, there is a reduction of the total depreciation amount for the first 6 months of 2023 by approximately €38,000. The effect in future periods is not disclosed since it is impracticable to estimate that effect, due to the fact that the actual amount of future investment in tubes, pipes and the associated salaries cannot be accurately predicted.

Critical judgements in applying the Company's accounting policies

The following critical judgments have been made by management in applying the Company's policies:

Determination of the lease term:

For leases of warehouses, retail stores and vehicles, the following factors are normally the most relevant:

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

Most extension options in warehouses and retail stores leases have not been included in the lease liability, because the Company could replace the assets without significant cost or business disruption.

As at 30 June 2023, potential future cash outflows of €1,907,024 have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company 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 is within the control of the lessee.

5. Critical accounting estimates, judgments and assumptions (continued)

Impairment of football rights:

The Company assesses at each reporting date whether there are events or conditions that an asset might be impaired. Management's impairment assessment has not identified such factor for the period ended 30 June 2023. Nevertheless, management performs a calculation of the assets' recoverable amount which has been determined based on the management's projected cash flow calculations and on judgment and certain key assumptions.

As at the reporting date, the Company's management has concluded that no impairment charge is required for the Company's football rights. A change in the number of subscribers either by 1%, or 5%, or 15%, all changes taken in isolation, will not result in an impairment charge.

Assessment of the ability of the Company to continue as a going concern:

The Company's management, after considering and evaluating all relevant conditions and factors stated in Note 3 above, and based on the projected cash flows for the 5-year period 2023-2027 and the proved continuous financial support from the majority shareholder, GO plc, considers that there is no material uncertainty over the Company's ability to continue as a going concern for at least 12 months from the date that these condensed interim financial statements are approved by the Board of Directors.

6. Segmental reporting

The Company determines and presents operating segments based on the information that is provided internally to the Board of Directors, which is the Group's chief operating decision-maker in accordance with the requirements of IFRS 8 "Operating Segments". The Board of Directors of the Company has not applied significant estimates and calculations regarding the definition of the Company's operating segments. The Board of Directors of the Company monitors internal reports to evaluate the performance of the Company and allocate its resources. Based on management's assessment, the Company has only one operating segment.

7. Property, plant and equipment - Right-of-use assets - Intangible assets

(a) Movement during the period

The increase in Property, plant and equipment by €56,492 during the six-month period ended 30 June 2023, is mainly driven by a) additions of €5,244,138 and b) depreciation of €3,481,058. The additions include the Company's new property acquired in April 2023 for €397,005 at Aradippou, Larnaca, to house the Company's new Warehouse (currently leased) and Data Centre in Larnaca. There was also a reclassification for the amount of €642,284 from Leasehold Buildings to Improvements to Leasehold Buildings, with no impact on the value of the Property, plant and equipment.

In addition to the above, there was a reclassification of the IP addresses for the amount of €1,706,588 originally capitalized under Network, from Property, plant equipment to Intangible Assets.

The decrease in the ROU Assets by €1,045,724 during the six-month period ended 30 June 2023, is mainly driven by a) additions of €346,497, including a new asset, Public Works Duct Lease, recognized in 2023 and b) depreciation of €1,392,221.

The increase in Intangible Assets by €9,346,019 during the six-month period ended 30 June 2023, is mainly driven by a) additions of €12,422,183 and b) amortization of €4,782,752. The additions include an amount of €11.3 million regarding the extension of the broadcasting rights agreements of 2 of the 5 football clubs, the exclusive broadcasting rights of which are held by the Company, by a further 2 years, expiring in May 2027.

As stated above, there was a reclassification of the IP addresses for the amount of €1,706,588 originally capitalized under Network, from Property, plant equipment to Intangible Assets.

7. Property, plant and equipment - Right-of-use assets - Intangible assets (continued)

(b) Capital commitments

Capital expenditure contracted for at the reporting date but not yet incurred is as follows:

	As at 30 June 2023 Unaudited €	As at 31 December 2022 Audited €
Contracted for:		
Property, plant and equipment	4,894,894	2,890,864
Intangible assets	1,353,653	431,173
	6,248,547	**3,322,037**

8. Contingent liabilities

As at 30 June 2023 the Company had contingent liabilities in respect of bank guarantees arising in the ordinary course of business from which the Board of Directors is not anticipating that material liability will arise. These guarantees amounted to €8,330,473 (31 December 2022: €9,310,248).

The total amounts of contingent liabilities of the Company are as follows:

	As at 30 June 2023 Unaudited €	As at 31 December 2022 Audited €
Within one year	6,333,449	7,314,590
Between one and five years	1,997,024	1,995,658
	8,330,473	**9,310,248**

The bank guarantees are secured as follows:

- Mortgage for €750,000 on Leasehold property of Cablenet Communication Systems PLC.
- Floating charge of €37,071,504 on the property of Cablenet Communication Systems PLC.
- Restricted bank deposits securing three of the granted bank guarantees, specifically the two guarantees in favour of the Department of Electronic Communications relating to 4G and 5G radio spectrum frequencies and the one to CYTA relating to the RAN Sharing agreement.

Furthermore, as stated in the 2022 Audited Financial Statements, the Company granted Guarantees to a third party, Velister Ltd, securing Velister Ltd bank loans and overdraft. The balance of these guarantees as at 30 June 2023 amounts to €856,795 (31 December 2022: €1,206,606).

The Board of Directors do not expect any material losses to occur from the guarantees granted to Velister Ltd.

The Company had no other contingent liabilities as at 30 June 2023.

9. Related party transactions

(a) Parent and ultimate controlling party

The Company is directly controlled by GO plc, incorporated in Malta, which owns the 70.22% (2022: 70.22%) of the Company's shares. GO Ventures Ltd, Mr. Ayrton Caruana, Mr. Reuben Attard, Mr. Kelvin Camenzuli and Mr. Yiannos Michaelides hold 1 share each. The remaining shares are held by Mr. Nicolas Shiacolas.

GO plc is a publicly listed entity with shares traded on the Malta Stock Exchange. The majority shareholder is TT Malta Ltd, a wholly owned subsidiary of Societe Nationale des Telecommunications (Tunisie Telecom). The ultimate controlling party of the Company is Societe Nationale des Telecommunications (Tunisie Telecom).

9. Related party transactions (continued)

(b) Related party transactions

Consistent with the disclosures in the audited financial statements for the year ended 31 December 2022, the Company has related party relationships with i) the controlling entity, GO plc, in Malta and ii) the Company's other shareholder, Mr. Nicolas Shiacolas, a legal entity associated with Mr. Shiacolas and a close member of his family, who is also one of the Company's Directors.

The following transactions were carried out with related parties:

9.1 Receivables from related parties

Name	Nature of transactions	As at 30 June 2023 Unaudited €	As at 31 December 2022 Audited €
C.N. Shiacolas (Investments) Ltd	Trade	74,697	113,756
		74,697	**113,756**

The receivables from related parties are interest free, and have no specified repayment date.

9.2 Payables to related parties

Name	Nature of transactions	As at 30 June 2023 Unaudited €	As at 31 December 2022 Audited €
GO plc	Dividends	2,848,546	2,848,546
Nicolas Shiacolas	Finance	129,969	129,969
Nicolas Shiacolas	Dividends	2,046,637	2,046,637
Menelaos Shiacolas (Director and close family member of Nicolas Shiacolas)	Finance	136,464	133,131
GO plc	Trade	6,434,116	1,731,352
GO plc	Finance	8,080,086	3,511,446
		19,675,818	**10,401,081**

Related parties current balances are interest free, and have no specified repayment date.

On 12 April 2023, the Company signed an agreement with GO plc to obtain a loan of up to €6 million. On 20 April 2023 the first disbursement of €2.5 million has been effected. On 15 June 2023 the second disbursement of €2 million has been effected. The third disbursement of €1 million has been effected on 9 July 2023. The loan bears interest at the rate of 6% per annum and there is no set repayment schedule. Furthermore, the Company is obliged to pay only the interest portion on the loan on a quarterly basis with the first interest payment due on 20 July 2023. The loan's maturity date being three (3) years after the date of the First Disbursement, i.e. on 20 April 2026.

The loan is presented within non-current borrowings in the statement of financial position.

10. Cash and cash equivalents

Cash balances are analysed as follows:

	As at 30 June 2023 Unaudited €	As at 31 December 2022 Audited €
Cash in hand	72,778	85,230
Cash at bank	585,910	527,153
	658,688	**612,383**

In addition to the cash and cash equivalents presented above, the Company's restricted bank deposits as at 30 June 2023 were €2,707,325 (31 December 2022: €3,050,325). This amount represents the cash collateral of Good Payment Letters of Guarantee in favour of a) the Director of the Department of Electronic Communications, relating to 4G and 5G radio spectrum frequencies with expiry dates of 14 June 2024 and 20 July 2026 respectively and b) CYTA, relating to the RAN Sharing agreement signed with CYTA in May 2021 expiring on 15 June 2024. As the payments to the Department of Electronic Communications continue on an annual basis, further reductions in the restricted deposits are expected in the future.

For the purposes of the statement of cash flows, the cash and cash equivalents include the following:

	As at 30 June 2023 Unaudited €	As at 31 December 2022 Audited €
Cash at bank and in hand	658,688	612,383
Bank overdrafts	(4,147,352)	(3,932,195)
	(3,488,664)	**(3,319,812)**

11. Revenue

The Company derives its revenue from contracts with Customers for the transfer of goods and services over time and at a point in time in the following major product lines.

	Six months ended 30 June 2023 Unaudited €	Six months ended 30 June 2022 Unaudited €
Telecommunication services	29,238,433	25,670,845
Sales of goods	216,923	219,065
Football broadcasting rights related revenue	3,649,903	3,223,426
Sales of mobile devices	4,267,893	991,737
	37,373,152	**30,105,073**

12. EU-funded projects

In June 2021, the Directors of the Company were made aware of potential irregularities in relation to the Company's participation in certain EU-funded projects.

As stated in the 2021 and 2022 Audited Financial Statements, after an investigation with the assistance of external independent legal advisors, as well as correspondence with the EU Research Executive Agency ("EU REA"), it was estimated as at 31 December 2021 that the Company will be required to return back to the EU REA or other recipients designated by it, a part (€460,330) of the total funds (€607,680) disbursed to between 2017 to 2020.

12. EU-funded projects (continued)

The €460,330 figure represented management's best estimate at the time (31 December 2021), based on discussions with the EU REA and reporting systems employed by it. Subsequently, the Company paid to the EU REA's appointed beneficiaries the total amount of €518,080.

Under the applicable framework regulating these grants, the EU retains the right to impose monetary liabilities in addition to the amounts mentioned above. Taking all facts available to management at the time of authorization of these Condensed Interim Financial Statements, the likelihood of such occurrence is assessed as possible, rather than probable. Therefore, as it was the case in 2021 and 2022 Audited Financial Statements, these financial statements do not include any provisions for such amounts. In the case of a financial penalty, this may be imposed in respect of each project and will not exceed 10% of the aggregate grant amount the Company was entitled to under the grant agreement in each project. It should be pointed out that no additional monetary liabilities were imposed on all projects which, as stated above, were fully settled 2022.

13. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the condensed interim financial statements.

CABLENET COMMUNICATION SYSTEMS PLC

Statement Pursuant to Listing 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 interim financial statements give a true and fair view of the financial position of the Company 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" and the requirements of the Cyprus Companies Law, Cap. 113);

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

Nikhil Prakash Patil

Chairman of the Board

4 August 2023

Independent review report to the directors of Cablenet Communication Systems PLC

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Cablenet Communication Systems PLC as of 30 June 2023 and the related condensed interim statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard 34, 'Interim financial reporting', as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information 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 information consists of making enquiries, 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 interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, as adopted by the European Union.

N. A. Theodoulou.

Nicos A. Theodoulou
Certified Public Accountant and Registered Auditor
For and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

Nicosia, 4 August 2023

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