



REGISTRATION DOCUMENT

DATED 7 JANUARY 2019

This Registration Document is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and in accordance with the provisions of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended (the “**Prospectus Regulation**”).

This document is issued
by

BMIT TECHNOLOGIES P.L.C.

(a public limited liability company registered under the laws of Malta
with company registration number C 48299)

Legal Counsel



Sponsor & Co-Manager



Registrar & Co-Manager



THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN ANY SECURITIES OF THE COMPANY.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENT. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISER.

Approved by the directors of BMIT Technologies p.l.c

Nikhil Patil
Executive Director & Chairman

*Signing in his capacity as director of the company and on behalf of each of Carmela Farrugia,
Reuben Zammit, Dr Arthur Galea Salomone and Saviour Portelli.*

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IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION IN RELATION TO BMIT TECHNOLOGIES P.L.C. (THE “**COMPANY**”) AND ITS BUSINESS. IT IS DRAWN UP IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES ISSUED BY THE LISTING AUTHORITY, THE COMPANIES ACT (CAP. 386 OF THE LAWS OF MALTA) AND THE PROSPECTUS REGULATION.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE COMPANY OR ITS DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE COMPANY OTHER THAN THOSE CONTAINED IN THE PROSPECTUS AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE COMPANY, ITS DIRECTORS OR ADVISERS.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT AND ANY PERSON WISHING TO ACQUIRE SECURITIES OF THE COMPANY TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF ACQUIRING SECURITIES ISSUED BY THE COMPANY AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND FISCAL OBLIGATIONS IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SECURITIES ISSUED PURSUANT TO THIS PROSPECTUS HAVE NOT BEEN, NOR WILL THEY BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933 AS AMENDED, OR UNDER ANY FEDERAL OR STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS, OR ANY AREA SUBJECT TO ITS JURISDICTION (THE “**U.S.**”) OR TO OR FOR THE BENEFIT OF, DIRECTLY OR INDIRECTLY, ANY U.S. PERSON (AS DEFINED IN REGULATION “S” OF THE SAID ACT). FURTHERMORE, THE COMPANY WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT, 1940, AS AMENDED, AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS SET OUT THEREIN.

THE CONTENTS OF THE COMPANY’S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE COMPANY’S WEBSITE DO NOT FORM PART OF THIS DOCUMENT. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN SECURITIES OF THE COMPANY.

ALL THE ADVISERS MENTIONED IN SECTION 5 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE OFFEROR AND/OR THE COMPANY, AS APPLICABLE, IN RELATION TO THIS PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON. NONE OF THE ADVISERS ACCEPT ANY RESPONSIBILITY TOWARDS ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE CONTENTS OF AND ANY INFORMATION CONTAINED IN THE PROSPECTUS, ITS COMPLETENESS OR ACCURACY OR ANY OTHER STATEMENT MADE IN CONNECTION THEREWITH.

THE DIRECTORS OF THE COMPANY CONFIRM THAT WHERE INFORMATION INCLUDED IN THIS PROSPECTUS HAS BEEN SOURCED FROM A THIRD PARTY, SUCH INFORMATION HAS BEEN ACCURATELY REPRODUCED AND AS FAR AS THE DIRECTORS OF THE COMPANY ARE AWARE AND ARE ABLE TO ASCERTAIN FROM INFORMATION PUBLISHED BY THAT THIRD PARTY, NO FACTS HAVE BEEN OMITTED WHICH WOULD RENDER THE REPRODUCED INFORMATION INACCURATE OR MISLEADING.

THE VALUE OF INVESTMENTS CAN RISE AS WELL AS FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. INVESTORS MAY LOSE ALL OR PART OF THEIR CAPITAL INVESTED IN THE COMPANY’S SECURITIES. PROSPECTIVE INVESTORS ARE URGED TO CONSULT A LICENSED STOCKBROKER OR AN INVESTMENT ADVISER LICENCED UNDER THE INVESTMENT SERVICES ACT (CAP. 370 OF THE LAWS OF MALTA) PRIOR TO INVESTING IN SECURITIES ISSUED BY THE COMPANY.

STATEMENTS MADE IN THIS DOCUMENT ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THERETO.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, THE MSE IN SATISFACTION OF THE MSE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRY OF COMPANIES IN ACCORDANCE WITH THE COMPANIES ACT (CAP. 386 OF THE LAWS OF MALTA).

2. DEFINITIONS

In this Registration Document the following words and expressions shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

Act	the Companies Act, Cap. 386 of the laws of Malta;
Associate Companies	collectively: <ul style="list-style-type: none"> • MIGS Limited (C 65920) with registered office situated at Ewropa Business Centre, Level 3 – 701, Dun Karm Street, Birkirkara BKR 9034, Malta • iGaming Idol Limited (C 76829) with registered office situation at Tower Gate Place, Tal-Qroqq Street, Msida MSD 1703, Malta;
BMIT Group or Group	the Company including Subsidiaries and Associate Companies;
Company or BMIT Technologies	BMIT Technologies p.l.c., a public limited liability company with company registration number C 48299 and having its registered office at Building SCM02, Level 2, SmartCity Malta, Ricasoli, Kalkara SCM 1001, Malta;
Directors or Board or Board of Directors	the directors of the Company whose names are set out in section 15.1 of this Registration Document. Collectively, the Directors form the board of Directors of the Company;
EBITDA	earnings before interest, tax, depreciation and amortisation;
GO or Offeror	GO p.l.c., a public limited liability company with company registration number C 22334 and having its registered office at GO, Fra Diegu Street, Marsa MRS 1501, Malta;
GO Group	GO and all companies listed in the initial diagram in section 7;
Listing Authority	the Board of Governors of the MFSA acting as the Listing Authority for the purposes of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta), which Listing Authority is established in terms of the Financial Markets Act (Cap. 345 of the laws of Malta);
Listing Rules	the listing rules issued by the Listing Authority as may be amended and/or supplemented from time to time;
Memorandum and Articles	the memorandum and articles of association of the Company in force at the date of the Prospectus. The terms “ Memorandum ”, “ Articles ” and “ Articles of Association ” shall be construed accordingly;
MFSA	the Malta Financial Services Authority established in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta);
MSE	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the laws of Malta), with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Offer	the offer of up to 99,761,701 ordinary shares of a nominal value of €0.10 per share in the Company being made by the Offeror at the Offer Price pursuant to the Prospectus;
Offer Price	the price of €0.49 per Share;
Official List	the list prepared and published by the MSE as its official list in accordance with the MSE bye-laws;
Prospective Financial Information	the projected Statement of Financial Position, the projected Income Statement and the projected Statement of Cash Flows of BMIT Group for the three-year period from 1 January 2018 to 31 December 2020;

Prospectus	collectively this Registration Document, the Securities Note and the Summary Note, as such documents may be amended, updated, replaced and/or supplemented from time to time;
Registration Document	this registration document in its entirety;
Securities Note	the securities note dated 7 January 2019, in its entirety forming part of the Prospectus;
Subsidiaries	collectively: <ul style="list-style-type: none"> • BM IT Limited (C 39594) with registered office situated at Building SCM02, Level 2, Smartcity Malta, Ricasoli, Kalkara SCM1001, Malta; • BM Support Services Limited (C 39699) with registered office situated at Building SCM02, Level 2, Smartcity Malta, Ricasoli, Kalkara SCM1001, Malta; • BellNet Limited (C 30793) with registered office situated at Building SCM02, Level 2, Smartcity Malta, Ricasoli, Kalkara SCM1001, Malta; • Kinetix IT Solutions Limited (C 27726) with registered office situated at Building SCM02, Level 2, Smartcity Malta, Ricasoli, Kalkara SCM1001, Malta; • Kinetix IT Services Limited (C 48798) with registered office situated at 55 Birbal Street, Balzan, BZN 9017, Malta – in liquidation;
Shares	99,761,701 ordinary shares equivalent to approximately forty nine percent (49%) of the total issued share capital of the Company having a nominal value of €0.10 per share and forming the subject of the Offer being made by the Offeror at the Offer Price pursuant to the Prospectus; and
Summary Note	the summary note dated 7 January 2019, forming part of the Prospectus.

All references in the Prospectus to “**Malta**” are to the “**Republic of Malta**”:

Unless it appears otherwise from the context:

- a. words importing the singular shall include the plural and *vice versa*;
- b. words importing the masculine gender shall include the feminine gender and *vice versa*; and
- c. the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative.

3. RISK FACTORS

3.1 INTRODUCTION

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THIS PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE OFFER AND THE COMPANY. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE COMPANY IS NOT IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE COMPANY'S FINANCIAL RESULTS AND TRADING PROSPECTS. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE COMPANY FACES. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE COMPANY.

THIS REGISTRATION DOCUMENT IS NOT INTENDED TO CONSTITUTE, AND SHOULD NOT BE CONSTRUED AS CONSTITUTING, A RECOMMENDATION BY THE COMPANY, THE ADVISERS LISTED IN SECTION 5.1 OR ANY FINANCIAL INTERMEDIARY TO PURCHASE THE SHARES. PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS OF THE PROSPECTUS.

FORWARD-LOOKING STATEMENTS

The Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places within the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Company and/or the Directors concerning, amongst other things, the Company's strategy and business plans, results of operations, financial condition, liquidity, prospects, dividend policy of the Company and the market in which it operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Company's actual results of operations, financial condition, liquidity, dividend policy and the development of its strategy may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the results of operations, financial condition, liquidity and dividend policy of the Company are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, changes in economic conditions, legislative and regulatory developments, changes in fiscal regimes and the availability of suitable financing.

Potential investors are advised to read the Prospectus in its entirety, and, in particular, all the risk factors set out in this Prospectus, for a description of the factors that could vary the Company's future performance. In the light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur. All forward-looking statements contained in this document are made only as at the date hereof. Subject to applicable legal and regulatory obligations, the Company and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

3.2 RISKS RELATING TO THE COMPANY AND ITS BUSINESS

3.2.1 DEPENDENCE ON KEY PERSONNEL

The BMIT Group depends on the talent and experience of its management and employees. The loss of key staff may have a negative impact on the BMIT Group. Given the nature of the diversified portfolio in offering managed services to its customers,

the contribution and value of the Group's employees in the delivery of such services has become more critical. Should the Group be faced with the loss of key personnel, the risk lies in the potential difficulty to replace such skills considering the current labour market in Malta.

3.2.2 FAILURE TO SECURE DATA CENTRE CUSTOMERS

The BMIT Group's growth strategy will require the deployment of financial resources to develop, lease and operate new and existing data centres. There is typically no prior commitment from new or existing customers and as such, financial resources may be deployed without corresponding demand for data centre space pre and post deployment. Lack of demand would have a negative impact on the Group's ability to achieve the desired rates of return on investment, which may in turn negatively impact the financial position of the Group.

3.2.3 PLANNING, DEVELOPMENT AND CONSTRUCTION RISKS

The BMIT Group may undertake to expand and/or update existing data centres and/or develop new ones. Should unplanned demand for data centre capacity exceed current projections, any delays or unexpected costs associated with such projects may harm growth prospects, future operating results and financial condition.

3.2.4 DATA CENTRE CAPACITY

The BMIT Group can be faced with the lack of capacity in its existing data centres to generate new revenue. The Company may also encounter delays in opening new or acquired data centres that delay its ability to generate new revenue. Similarly, the BMIT Group may experience lower demand for its services than anticipated. Therefore, the BMIT Group will be left with an excess capacity in its data centres.

3.2.5 MIGRATION FROM HANDAQ DATA CENTRE TO ZEJTUN DATA CENTRE

The expected migration from Handaq data centre to Zejtun data centre may have adverse effect on the Company's performance. There are risks associated when migrating from one data centre to another either as a result of technical issues encountered during the process or as a result of customers considering alternative options prior once being forced to migrate to new facility.

3.2.6 INFRASTRUCTURE AND TECHNOLOGY FAILURE

The BMIT Group relies on its infrastructure and technology when providing its customers with a service. There may be a failure to deliver this service as a result of numerous factors, including (i) human error; (ii) network or power loss; (iii) improper building maintenance by landlords in leased premises; (iv) physical or electronic security breaches; and (v) acts of God, the occurrence of which could expose the Group to reputational and legal risk.

3.2.7 SECURITY BREACHES

The BMIT Group may be vulnerable to security breaches which could disrupt its operations and/or have a material adverse effect on its financial conditions and results of its operations. The BMIT Group provides the infrastructure and physical security for its customers' IT equipment which often contains highly confidential and mission critical data. A party who is able to compromise the physical security measures protecting the Company's data centre facilities could misappropriate the BMIT Group's or its customers proprietary information or cause interruptions or malfunctions to its operations.

3.2.8 EMERGING TECHNOLOGIES AND TRENDS

The markets for the data centres the BMIT Group operates, as well as certain of the industries in which its customers operate, are characterized by rapidly changing technology, evolving industry trends and changing customer demands. As a result, the infrastructure at the Company's data centres may become less marketable due to demand for new processes and technologies. The BMIT Group may not be able to adapt to changing technologies or meet customer demands for new processes or technologies in a timely and cost-effective manner, if at all. This could adversely impact its ability to sustain and grow its business. In addition, new technologies have the potential to replace or provide lower cost alternatives to the Company's services.

3.2.9 RISKS OF INCREASES IN OPERATING AND OTHER EXPENSES

The BMIT Group's operating and other expenses could increase without a corresponding increase in revenue. Such expenses may include unexpected and/or abnormal increases in the cost of power or labour. Such increases could have a material adverse effect on the BMIT Group's financial position.

3.2.10 COMPETITION

The BMIT Group faces competition from other local or international providers of similar and competing products and services. Recent entrants in the local data centre market may pursue an aggressive price reduction strategy to secure new customers. Leading international cloud providers, coupled with the growth in the demand for cloud-based services in the local market, may attract new entrants that will hinder the Group's forecasted growth. This could result in the loss of existing or new customers, and consequently will result in the need to counter such moves accordingly. As a result, the forecast growth of the Group may be adversely affected.

3.2.11 LITIGATION RISK

All industries are subject to legal claims, with or without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Unfavourable outcomes of claims and proceedings could have a material adverse effect on the Company's operations, results, cash flow and/or financial position. Exposure to litigation or fines imposed by regulatory authorities may have an effect on the Group's reputation even though the monetary consequences may not be significant.

3.2.12 INSURANCE POLICIES

The BMIT Group maintains insurance at levels determined by the BMIT Group to be appropriate in the light of the cost of cover and the risk profiles of the business in which the BMIT Group operates. With respect to losses for which the BMIT Group is covered by its policies, it may be difficult and may take time to recover such losses from insurers. In addition, the BMIT Group may not be able to recover the full amount from the insurer. No assurance can be given that the Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates.

3.2.13 CHANGES IN LAWS AND REGULATIONS

Changes in laws and regulations relevant to the BMIT Group's business and operations that may have an adverse impact on the Group's business, results of operations, financial condition or prospects could be enacted, particularly changes in the legal, regulatory and operations environment of remote gaming in Malta as well as to the development of similar laws and regulations across Europe.

3.2.14 EXPOSURE TO ECONOMIC CONDITIONS IN MALTA

The BMIT Group is susceptible to adverse economic developments and trends. Negative economic factors and trends in Malta could have a material impact on the business of the BMIT Group generally and may adversely affect the results of operations.

4. PERSONS RESPONSIBLE

The Directors of the Company, whose names appear in section 15.1 under the heading "*The Board*", are the persons responsible for the information contained in this Registration Document.

To the best of the knowledge and belief of the Directors (who have all taken reasonable care to ensure such is the case), the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

5. ADVISERS AND STATUTORY AUDITORS

5.1 ADVISERS

Legal Counsel

Name: Mamo TCV Advocates
Address: 103, Palazzo Pietro Stiges, Strait Street,
Valletta VLT 1436, Malta.

Sponsor & Co-Manager

Name: Rizzo, Farrugia & Co. (Stockbrokers) Ltd.
Address: Airways House, Fourth Floor, High Street,
Sliema SLM 1551, Malta.

Registrar & Co- Manager

Name: Bank of Valletta p.l.c.
Address: BOV Centre, Canon Road,
Santa Venera SVR 9030, Malta.

5.2 STATUTORY AUDITORS

Name: PricewaterhouseCoopers
Address: 78, Mill Street,
Qormi QRM 3101, Malta.

PricewaterhouseCoopers (“**PwC**”) is a firm registered as a partnership of certified public accountants holding a practising certificate to act as auditors in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta).

The annual financial statements of the BMIT Group for the years ended 31 December 2015 to 2017 have been audited by PwC.

6. INFORMATION ABOUT THE COMPANY

6.1 HISTORY AND DEVELOPMENT OF THE COMPANY

The Company is a public limited liability company incorporated, registered and operating in Malta under the Companies Act (Cap. 386 of the laws of Malta), with company registration number C 48299. The Company is domiciled in Malta with registered office at Building SCM02, Level 2, SmartCity Ricasoli, Kalkara SCM 1001, Malta. The contact details of the Company are as follows:

Mailing address:	Building SCM02, Level 2, SmartCity Ricasoli, Kalkara SCM 1001, Malta.
Telephone number (management):	+356 22588200
Email:	info@bmittechnologies.com
Website:	www.bmittechnologies.com

BMIT Technologies p.l.c. was incorporated as a private limited liability company on 30 November 2009 with the name GO Data Centre Services Limited. The Company was incorporated with an authorised share capital of ten million Euro (€10,000,000), divided into ten million (10,000,000) ordinary shares of one Euro (€1) each. The original issued share capital was of ten thousand Euro (€10,000), divided into 10,000 ordinary shares of one Euro (€1) each, fully paid up.

On 31 December 2009, nine million one hundred thousand shares were issued and allotted to GO resulting in the issued share capital being increased to nine million one hundred and ten thousand Euro (€9,110,000), divided into nine million, one hundred and ten thousand (9,110,000) ordinary shares of one Euro (€1) each, fully paid up.

By virtue of a resolution signed by all the shareholders of the Company dated 3 October 2018, the Company was converted into a public limited liability company, changed its name to BMIT Technologies p.l.c., increased its authorised share capital to thirty million Euro (€30,000,000) divided into thirty million (30,000,000) ordinary shares of one Euro (€1) each and adopted a new Memorandum and Articles.

On 25 October 2018, the shareholders of the Company resolved that eleven million two hundred and forty nine thousand and five hundred and thirty one (11,249,531) shares of a nominal value of one Euro (€1.00) each, all fully paid-up, be issued by the Company and allotted in favour of GO by way of a capitalisation of an amount of eleven million two hundred and forty nine thousand and five hundred and thirty one Euro (€11,249,531) due by the Company to GO. By virtue of the same resolution, the nominal value of each ordinary share was redenominated from one Euro (€1) to ten Euro cents (€0.10) per ordinary share resulting in an issued share capital of twenty million three hundred and fifty

nine thousand and five hundred and thirty one Euro (€20,359,531) divided into two hundred and three million five hundred and ninety five thousand and three hundred and ten (203,595,310) ordinary shares of a nominal value of ten Euro cents (€0.10 each), all fully paid-up. Following the redenomination of the nominal value of each ordinary share, the authorised share capital of the Company amounts to thirty million Euro (€30,000,000) divided into three hundred million (300,000,000) ordinary shares of ten Euro cents (€0.10) each.

6.2 THE BMIT GROUP

The BMIT Group consists of the following companies:

BMIT Technologies p.l.c., a public limited liability company, registered under the laws of Malta with company registration number C 48299 and with registered office situated at Building SCM02, Level 2, SmartCity Malta, Ricasoli, Kalkara SCM 1001, Malta with an issued share capital of twenty million three hundred and fifty-nine thousand and five hundred and thirty-one Euro (€20,359,531).

BM IT Limited (“BM IT Limited”), a private limited liability company, registered under the laws of Malta with company registration number C 39594 and with registered office situated at Building SCM02, Level 2, SmartCity Malta, Ricasoli, Kalkara SCM 1001, Malta with an issued share capital of three thousand four hundred and forty-nine Euro and eighty cents (€3,449.80).

BM Support Services Limited (“BM Support Services Limited”), a private limited liability company, registered under the laws of Malta with company registration number C 39699 and with registered office situated at Building SCM02, Level 2, SmartCity Malta, Ricasoli, Kalkara SCM 1001, Malta with an issued share capital of one thousand seven hundred and twenty-six Euro and seven cents (€1,726.07).

BellNet Limited (“BellNet Limited”), a private limited liability company, registered under the laws of Malta with company registration number C 30793 and with registered office situated at Building SCM02, Level 2, SmartCity Malta, Ricasoli, Kalkara SCM 1001, Malta with an issued share capital of three thousand four hundred and fifty-three Euro and six cents (€3,453.06).

Kinetix IT Solutions Limited (“Kinetix”), a private limited liability company, registered under the laws of Malta with company registration number C 27726 and with registered office situated at Building SCM02, Level 2, SmartCity Malta, Ricasoli, Kalkara SCM 1001, Malta with an issued share capital of three hundred and thirty six thousand and five hundred and fifty two Euro and forty seven cents (€336,552.47).

Kinetix IT Services Limited, a private limited liability company, registered under the laws of Malta with company registration number C 48798 and with registered office situated at 55 Birbal Street, Balzan, BZN 9017, Malta with an issued share capital of one thousand one hundred and sixty-six Euro (€1,166) (In liquidation).

MIGS Limited, a private limited liability company, registered under the laws of Malta with company registration number C 65920 and with registered office situated at Ewropa Business Centre, Level 3 – 701, Dun Karm Street, Birkirkara BKR 9034, Malta with an issued share capital of one thousand two hundred Euro (€1,200).

iGaming Idol Limited, a private limited liability company, registered under the laws of Malta with company registered number of C 76829 and with registered office situation at Tower Gate Place, Tal-Qroqq Street, Msida MSD 1703, Malta with an issued share capital of one thousand two hundred Euro (€1,200).

6.3 THE BUSINESS OF THE BMIT GROUP

GO has been delivering data centre services to its customers since early 2000. As the demand for such services increased, particularly with the development of the legal and regulatory environment for remote gaming in Malta, the need to exploit the opportunity in this sector became a priority. As a result, parallel to a number of investments by GO in its data centre operations, a decision was taken to explore the acquisition of an already established data centre provider. In November 2009, the Company acquired sixty percent (60%) shareholding in BM IT Limited, BM Support Services Limited and BellNet Limited with the aim to consolidate and grow its share in the data centre market. In September 2011, the Company acquired the remaining forty percent (40%) and appointed a new management team to lead the Group moving forward. During the subsequent years, a new strategy was pursued which led the Group through a transformation from a co-location centric business primarily focused on the remote gaming industry to a co-location, cloud and managed services provider to a diversified customer base. In 2012, the Group launched the first locally-based public cloud platform in Malta. Concurrently, the Group also secured ISO 27001 certification in information security management for its data centres. All such initiatives and more, helped the company to position itself as the leading co-location, cloud and managed services provider on the island.

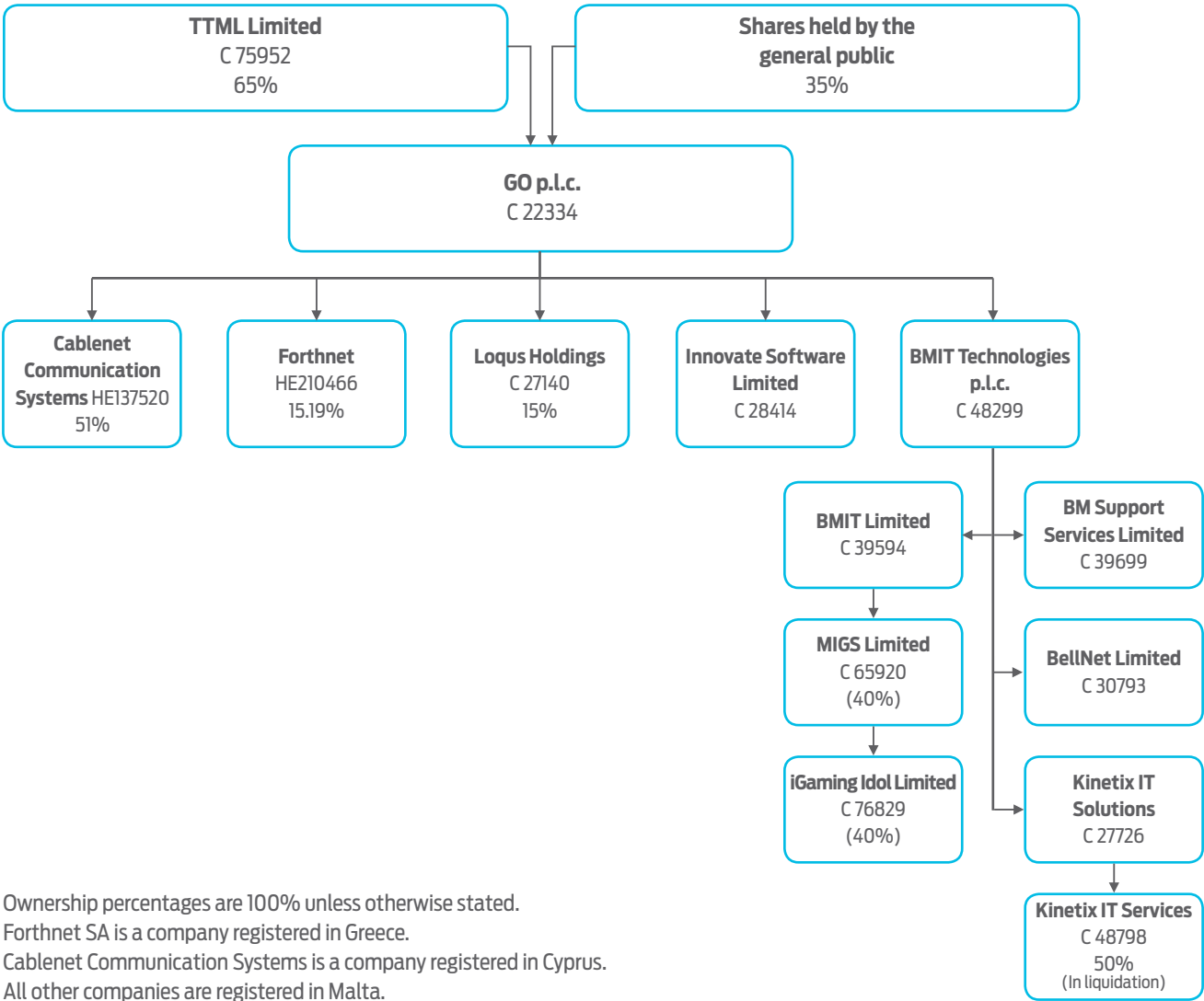
In 2016, the Company launched a new state of the art data centre at SmartCity Malta, Kalkara. With this investment, the Company increased its share of available data centre capacity in Malta and additionally allowed it to provide improved geographical redundancy. Together with such investments, the company designed and launched a new international network of unrivalled capacity, quality and resiliency dedicated to its customers. This involved the implementation of multiple links to mainland Europe terminated in major PoPs (Points of Presence) and connected to some of the leading international internet service providers in Italy and Germany. Furthermore, the Company invested in advanced, multi-tiered security systems to protect its infrastructure and customers from potential threats on the internet.

As part of the Group's strategy to diversify its portfolio and customer base, in January 2016 it acquired a majority shareholding of 51% in Kinetix. The primary activity of this company is the delivery of ICT and cloud services to local enterprises. Earlier this year, BMIT Technologies, completed the full acquisition of Kinetix. This investment is part of the Company's strategy to position itself as Malta's leading provider of innovative technologies and solutions to business customers.

7.

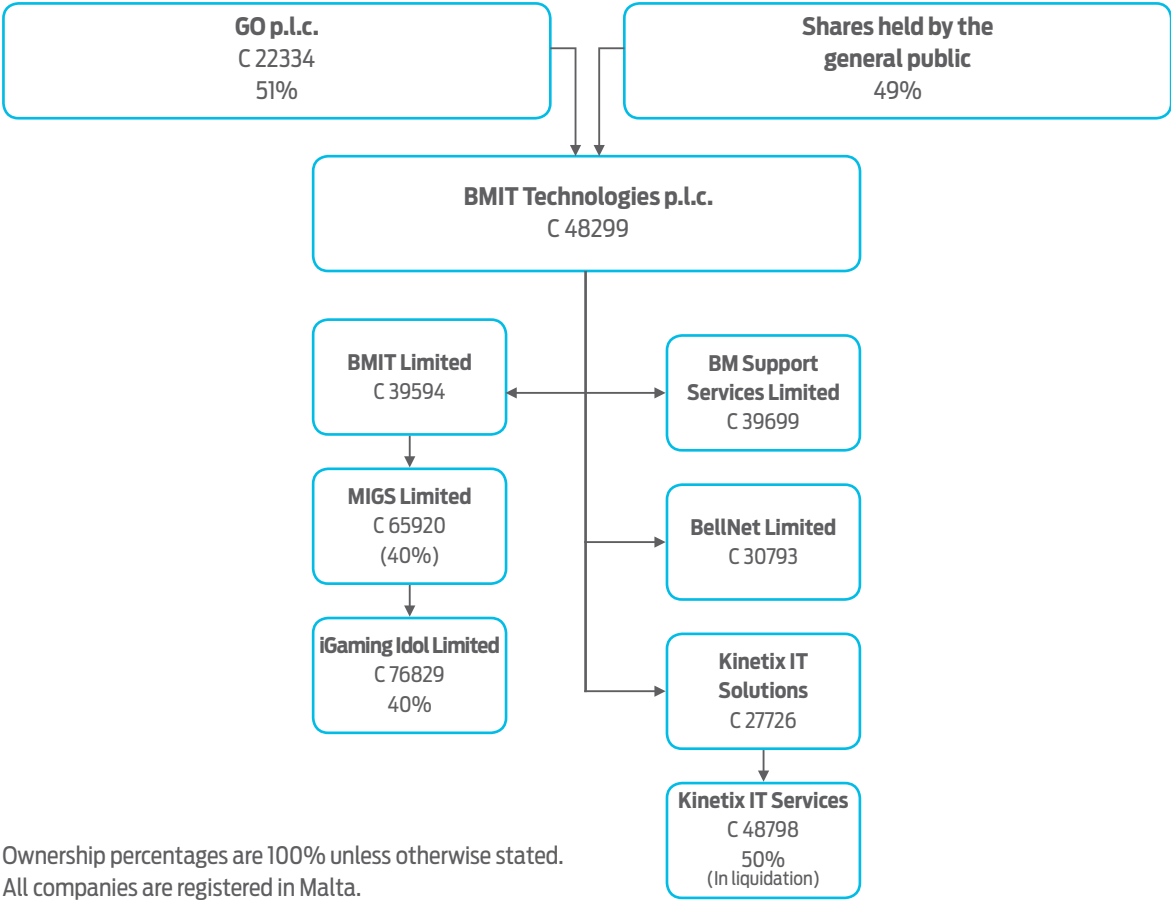
ORGANISATIONAL STRUCTURE

The organisational structure of the Company as at the date of the Prospectus is illustrated in the diagram below:



Ownership percentages are 100% unless otherwise stated.
Forthnet SA is a company registered in Greece.
Cablenet Communication Systems is a company registered in Cyprus.
All other companies are registered in Malta.

As at the date of this Prospectus, the Company forms part of the GO Group and is a wholly owned subsidiary (save for ten (10) shares held by Innovate Software Limited (C 28414)) of GO. Following the offer of the Shares, GO will hold a minimum of fifty-one per cent (51%) of the issued share capital of the Company. On the basis of a full take up of the Shares, the organisational structure of the Company would be as follows:



8. BUSINESS OVERVIEW – PRINCIPAL ACTIVITIES & MARKETS

8.1 PRINCIPAL ACTIVITIES OF THE BMIT GROUP

The core business of the BMIT Group is primarily carried out through four (4) companies: BM IT Limited, Kinetix, BM Support Services Limited and BellNet Limited.

BM IT Limited

BM IT Limited was set up more than fifteen years ago to provide data centre services in Malta. Its mission is to provide customers with peace of mind and enable them to focus on their business whilst abstracting the complexity involved in deploying and managing complex IT solutions to support their business. This is achieved through a portfolio which spans across three inter-linked categories of services which form the basis for the company's IT-as-a-Service offering and ensures an IT architecture and solutions that meet its customers' business, technical and regulatory requirements.

At the heart of its operation are BM IT Limited's two data centre facilities in Malta, which are both ISO27001 and PCI-DSS certified and managed 24x365 and inter-linked with the company's international locations in Italy and Germany through its own 40Gbps private international managed network. The company's international presence also allows it to offer direct connections to the Far East, enabling customers to better reach the Asian market.

As cloud services became more mainstream, BM IT Limited deployed Malta's first public cloud services platform, hosted at its facilities in Malta to ensure compliance requirements, and on which it offers both infrastructure-as-a-service and software-as-a-service solutions. The public cloud services infrastructure is also integrated with leading cloud services providers such as Microsoft, thanks to its Tier-1 Microsoft Cloud Services Provider (CSP) partner status. Customers also have access to the company's MultiCloud Connect, a high-performance, private and dedicated solution linking customers' infrastructure to one or more of the global cloud platforms, such as Amazon AWS,

Microsoft Azure, Google Cloud and many other providers. Additionally, through a strategic partnership with Cablenet, a sister company of the BMIT Group, the company is offering such range of public cloud services in Cyprus.

Kinetix IT Solutions Limited

The acquisition of Kinetix, an award-winning Maltese ICT (Information and Communication Technologies) and cloud services provider, enabled the BMIT Group to grow its portfolio to now cover an extended range of IT services. Kinetix specialises in designing, implementing, maintaining, managing and optimizing IT setups for enterprises. The company is also one of Malta's leading cloud systems integrators and a strategic partner of Microsoft on the island. Additionally, the company provides various office IT implementation services, from structured cabling to wired and wireless networking, IP (Internet Protocol) telephony and security solutions.

BM Support Services Limited and BellNet Limited

BM Support Services Limited and BellNet Limited complement BM IT Limited in terms of providing the resources, infrastructure and support services required by the BMIT Group to fulfil its operating and service delivery requirements. BellNet Limited is also a registered undertaking for Electronic Communications Services with the Malta Communications Authority (MCA).

The BMIT Group

The combined portfolio of the BMIT Group enables the group to offer its customers a range of public, private and hybrid cloud services – which can be deployed at their premises, hosted at any of the BMIT Group's data centres, or integrated with services offered by leading cloud services providers - thereby scaling the solutions from the desktop to the data centre and into the cloud.

Today the BMIT 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 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.

Everything that the BMIT Group does is supported by a highly-specialised team of professionals. Through people and the constant investment in technical certifications, the BMIT Group has attained various technology competencies. BM IT Limited is a Microsoft Gold Partner for Datacentre and an approved Microsoft Cloud Services Provider, an HPE Gold Partner for Servers and Services and HPE Gold Service Provider Partner, a VMware Service Provider Partner and a Cisco Select Partner. Kinetix is a Microsoft Gold Partner for Cloud Platform and a Microsoft Gold Partner for Cloud Productivity. Employees at BMIT Group are also trained and certified in Information Technology Infrastructure Library (ITIL). These credentials enable the BMIT Group to design and implement secure and reliable IT solutions for various needs and to deliver a range of Managed IT Services, on- or off-premise, that help customers maximize their return on IT investment and deliver better and more services to their customers.

As recognition of the BMIT Group's continued investment towards broadening its portfolio and continuing to strive for excellence, BM IT Limited was shortlisted as one of the finalists in the eGaming Review Data Centre Provider of Year Award for the past seven successive years and in 2015 the company was awarded the prestigious Ruban d'Honneur in the European Business Awards, one of only ten companies out of hundreds participating from across Europe. Furthermore, Kinetix has been recognised on multiple occasions by Microsoft as Partner of the Year in Malta, the latest being in 2017. Kinetix also received the highly prestigious Microsoft IT Solutions Partner of the Year Award in 2015.

8.2 PRINCIPAL MARKETS OF THE BMIT GROUP

The Group operates predominately in the Maltese market. Historically, its main target clients were online gaming companies operating out of Malta. This market remains key to the Group. However, as part of the Group's strategy to extend its offering and markets, it has, over these last few years, extended its portfolio to cater for cloud and managed IT Services and targeted other knowledge-based segments in Malta including financial institutions, professional and media organisations, and similar businesses.

Through an agreement with Cablenet Limited, a sister company of BMIT Technologies and a leading telco in Cyprus, the Group is also enabling Cablenet Limited to offer a range of public cloud services in Cyprus. This market is still in the early development stages for BMIT Group, but it is one that is targeted for further development over the next years.

Kinetix's target market is also predominantly Malta-based organisations. In addition to a range of services aimed at enabling the IT capabilities of organisations, Kinetix has also built a cloud services and managed services capability that is allowing it to also reach targeted international organisations requiring such services.

8.3 COMPETITIVE STRENGTHS

The Company's competitive strengths arise from its mix of products, services and solutions, as well as its investment in technologies, systems and human resources. Its portfolio extends across a number of IT technologies, comprising data centre and hosting solutions,

a range of public, private and hybrid cloud services, and an increasing number of skills related to managing customers' infrastructures, systems and platforms.

BMIT Technologies' investments in data centre facilities, in its international network, cloud platforms, partnerships with leading international companies and expert technical teams, provide a strongly competitive positioning in the Maltese market. Despite ever-increasing competition, the Group has managed to maintain and grow its share in the market as well as lay the foundations for further expansion and diversification both locally and overseas.

9. PRESENTATION OF FINANCIAL INFORMATION

The Company's financial statements for the three financial years ended 31 December 2015, 2016 and 2017 are available for inspection at the Company's registered office and on the Company's website www.bmittechnologies.com. These financial statements have been drawn up in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU. The financial statements have been audited by PricewaterhouseCoopers and the auditor's report thereon comprises an unqualified audit opinion.

Save for the acquisition of the remaining 49% shareholding in Kinetix on 1 March 2018 for a consideration of €1.8 million and the capitalisation of a debt of €11.2 million due by the Company to GO on 25 October 2018, there has been no significant change in the financial or trading position of the BMIT Group since 31 December 2017, the last period for which audited consolidated financial statements have been prepared.

9.1 SUMMARY OF CONSOLIDATED INCOME STATEMENTS

The table below sets out extracts from the consolidated Income Statements of the BMIT Group for the financial years ended 31 December 2015, 31 December 2016, and 31 December 2017.

BMIT Technologies plc (formerly GO Data Centre Services Limited)
Consolidated Income Statements
for the year ended 31 December

	2015 €000s	2016 €000s	2017 €000s
Revenue	14,533	18,022	19,717
Cost of sales	(6,623)	(9,284)	(11,097)
Gross profit	7,910	8,738	8,620
Administrative expenses	(2,234)	(3,044)	(2,260)
Profit before tax	5,676	5,694	6,360
Tax expense	(2,043)	(1,962)	(2,309)
Profit for the year	3,633	3,732	4,051
Attributable to:			
Owners of the Company	3,633	3,552	3,795
Non-controlling interest	-	180	256
Profit for the year	3,633	3,732	4,051
Earnings per share (in €)*	0.018	0.018	0.020
Total dividends	3,700	3,665	4,925
Dividends per share (in €)*	0.018	0.018	0.024

* The presentation of the earnings per share, dividends per share and the weighted average number of ordinary shares in issue during each financial year on which the earnings per share and dividends per share are based, have been adjusted retrospectively to reflect the capitalisation of a loan of €11.2 million due by BMIT Technologies to GO and the redenomination of the BMIT Technologies share capital from a nominal value of €1 per share to a nominal value of €0.10 per share, both of which occurred subsequent to 31 December 2017.

The BMIT Group's revenue increased from €14.5 million in 2015 to €19.7 million by 2017, equivalent to a CAGR of 16.5% per annum over the period. Revenue growth has been driven by a number of factors, including:

- The acquisition of Kinetix in 2016, which accounted for revenues of €2.2 million in 2016;
- Increase in co-location revenue, attributable to the migration from the Qormi data centre to the new Smart City data centre in 2016 which facility resulted in an increase of *circa* 20% in rack capacity; and
- Focus on cloud and managed services, which have generated significant growth over the period which is attributable to strong relationships with software providers and the general move in the industry towards cloud services.

The BMIT Group currently services over 500 clients in Malta, the USA, Spain, and the UK, with *circa* 80% of clients involved in the remote gaming segment. Service agreements are in place with all customers. These agreements are typically for a term of 1 year and are renewable automatically every year, unless terminated with a period's notice. The BMIT Group enjoys strong relationships with its clients and has been servicing these clients for many years.

Gross profit has increased from €7.9 million in 2015 (equivalent to a gross profit margin of 54.4%) to €8.6 million in 2017 (equivalent to a gross profit margin of 43.7%). The reduction in gross profit margin over the period is attributable to the highly competitive environment in this particular industry and the increase in depreciation charge (classified with cost of sales) attributable to the new data centre in SmartCity Malta.

Administrative expenses have increased from €2.2 million in 2015 to €3 million in 2016, largely because of the additional administrative costs in relation to Kinetix, and the additional rent incurred in relation to SmartCity Malta. Administrative expenses have subsequently declined to €2.3 million by 2017, reflecting synergies identified following the acquisition of Kinetix and the allocation of certain salary costs from the BMIT Group to GO. Following admission to listing of the entire issued share capital of the Company on the Official List of the MSE, the latter costs will be incurred by BMIT Group as set out in Annex I of this Registration Document relating to Prospective Financial Information.

Total payroll costs, classified between cost of sales and administrative costs, increased from €1.3 million in 2015 to €1.9 million in 2017 as the BMIT Group increased its headcount from an average of 40 full time equivalents ("**FTEs**") during financial year ended 2015 to an average of 58 FTEs during financial year ended 2017.

Profit after tax generated by the BMIT Group increased from €3.6 million in 2015 to €4.1 million in 2017, reflecting an increase in Earnings per Share ('EPS') from €0.018 per share in 2015 to €0.02 per share in 2017. During the period under review, BMIT Group declared and paid total dividends of €12.3 million.

9.2 SUMMARY OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The table below sets out extracts from the consolidated Statement of Financial Position of the BMIT Group as at 31 December 2015, 31 December 2016, and 31 December 2017.

BMIT Technologies plc (formerly GO Data Centre Services Limited)
Consolidated Statements of Financial Position
as at 31 December

	2015 €000s	2016 €000s	2017 €000s
ASSETS			
Non-current assets			
Property, plant and equipment	7,687	7,428	6,555
Intangible assets	3,248	4,874	4,535
Investment in associate	-	18	18
Deferred tax	-	2	2
Total non-current assets	10,935	12,322	11,110
Current assets			
Inventories	229	219	229
Trade and other receivables	1,390	1,833	2,196
Cash and cash equivalents	927	1,192	2,244
Total current assets	2,546	3,244	4,669
Total assets	13,481	15,566	15,779
EQUITY AND LIABILITIES			
Equity			
Share Capital	9,110	9,110	9,110
Other reserves	(2,964)	(2,964)	(2,964)
Retained Earnings	(9,249)	(9,362)	(9,917)
Capital and reserves attributable to owners of Group	(3,103)	(3,216)	(3,771)
Non-controlling interest	-	1,011	692
Total equity	(3,103)	(2,205)	(3,079)
Non-current liabilities			
Deferred tax liabilities	276	680	648
Total non-current liabilities	276	680	648
Current liabilities			
Trade and other payables	16,090	16,855	18,156
Current tax liabilities	218	236	54
Total current liabilities	16,308	17,091	18,210
Total liabilities	16,584	17,771	18,858
Total equity and liabilities	13,481	15,566	15,779

The value of the gross assets attributable to the BMIT Group as at 31 December 2017 amounted to €15.8 million (31 December 2016: €15.6 million). These mainly comprised of:

- Property, plant and equipment of €6.6 million, comprising improvements to leased premises, data centre equipment, office furniture and IT equipment leased to clients;
- Intangible assets of €4.5 million relating to the brand names, customer relationships and goodwill arising upon the acquisitions of the BMIT companies in 2009 and Kinetix in 2016;
- Investment in MIGS Limited, an associate company, carried at €18k;

- Trade and other receivables from clients of €2.2 million; and
- Cash and cash equivalents of €2.2 million.

Trade and other payables as at 31 December 2017 amount to €18.2 million, including:

- Amounts due to GO of €11.2 million which relate to funds advanced by GO to finance BMIT Group's acquisitions of the BMIT companies in 2009 and Kinetix in 2016;
- Trade payables and security deposits from clients amounting to €2.5 million;
- Amounts due to GO and related parties amounting to €2.4 million; and
- Other payables, including indirect taxes, accruals, and deferred income amounting to €2.1 million.

The amounts owed to GO and related parties are unsecured, repayable on demand and interest free.

The BMIT Group's consolidated equity value amounts to negative €3.1 million as at 31 December 2017, comprising share capital of €9.1 million, and negative retained earnings and reserves of €12.2 million. The negative equity reserves arose due to the fact that the consolidation of BMIT Group (prepared for the first time in connection with the IPO) resulted in the recognition of the intangible assets recognized upon the acquisition of BMIT companies and Kinetix. These intangibles and the related amortisation charges are not recognized in the financial statements of the individual companies that form part of the BMIT Group. Given that the majority of the retained profits of the individual companies in the BMIT Group have been paid as dividend to GO, the recognition of the amortisation charge upon consolidation has given rise to the negative equity position.

On 25 October 2018, BMIT Technologies capitalised an amount of €11.2 million due to GO in exchange for the issue of new shares to GO in BMIT Technologies. As a result of this transaction, the share capital of BMIT Technologies increased from €9.1 million to €20.4 million, thereby eliminating the negative equity reserves of the BMIT Group. Further detail in respect of the capitalisation of this debt and the impact on the equity value of the BMIT Group is set out in Annex I of this Registration Document relating to Prospective Financial Information.

On 25 October 2018, BMIT Technologies also redenominated the nominal value of its ordinary share capital from a nominal value of €1 per share to a nominal value of €0.10 per share. As a result, the issued share capital of BMIT Technologies as at the date of this Registration Document amounts to 203,595,310 ordinary shares at a nominal value of €0.10 per share.

9.3 SUMMARY OF CONSOLIDATED STATEMENTS OF CASH FLOWS

The table below sets out extracts from the consolidated Statements of Cash Flows of the BMIT Group for the financial years ended 31 December 2015, 31 December 2016, and 31 December 2017.

BMIT Technologies plc (formerly GO Data Centre Services Limited)
Consolidated Statements of Cash Flows
for the year ended 31 December

	2015 €000s	2016 €000s	2017 €000s
Cash flows from operating activities			
Cash generated from operations	11,193	8,209	9,551
Income tax paid	(2,386)	(2,112)	(2,524)
Net cash generated from operating activities	8,807	6,097	7,027
Cash flows from investing activities			
Purchase of property, plant and equipment, net of disposals	(5,268)	(1,585)	(1,050)
Payment of acquisition of subsidiary	-	(564)	-
Purchase of associate	-	(18)	-
Net cash used in investing activities	(5,268)	(2,167)	(1,050)
Cash flows from financing activities			
Dividends paid	(3,700)	(3,665)	(4,925)
Net cash used in financing activities	(3,700)	(3,665)	(4,925)
Net movement in cash and cash equivalents	(161)	265	1,052
Cash and cash equivalents at beginning of year	1,088	927	1,192
Cash and cash equivalents at end of year	927	1,192	2,244

During the period from 1 January 2015 to 31 December 2017, the BMIT Group generated total cash from operations (post-tax) of €21.9 million. The BMIT Group's internal cash generation was applied to finance total capital expenditure of €7.9 million, including the new data centre in Smart City at a total cost of *circa* €4 million incurred in 2015 and recurring capital expenditure of €3.9m over this period.

In 2016, the BMIT Group also acquired a 51% shareholding in Kinetix at a consideration of €1.2 million (net payment of €0.6 million, based on consideration of €1.2 million, net of cash and cash equivalents taken over from Kinetix as at acquisition date). This acquisition was financed through funds advanced by GO. The BMIT Group completed the acquisition of the remaining 49% shareholding in Kinetix in March 2018 at a cost of €1.8 million.

In the period under review, the BMIT Group has paid €12.3 million in net dividends.

9.4 INTERIM FINANCIAL STATEMENTS OF THE BMIT GROUP

This section summarises the Company's unaudited interim consolidated Income Statement and consolidated Statement of Cash Flows for the BMIT Group for the six-month period from 1 January 2018 to 30 June 2018 and the comparable period from 1 January 2017 to 30 June 2017. This section also includes the unaudited consolidated Statement of Financial Position of the BMIT Group as at 30 June 2018, and the comparable audited financial position as at 31 December 2017.

As already indicated, the main change in the financial and trading position of BMIT Group in the interim period from 1 January 2018 to 30 June 2018 related to the acquisition of the remaining 49% shareholding in Kinetix on 1 March 2018 for a consideration of €1.8 million. In view that BMIT Technologies already held a controlling interest of 51% shareholding in Kinetix (acquired in 2016), the financial statements of the BMIT Group for the financial year ended 31 December 2017 already reflected the assets and liabilities of the acquired company.

BMIT Technologies plc (formerly GO Data Centre Services Limited) Interim Consolidated Income Statements for the six months ended

	30 June 2017 Unaudited €000s	30 June 2018 Unaudited €000s
Revenue	9,869	10,704
Cost of sales	(5,219)	(5,683)
Gross profit	4,650	5,021
Administrative expenses	(1,307)	(1,161)
Operating profit	3,343	3,860
Finance costs	-	-
Profit before tax	3,343	3,860
Tax expense	(1,228)	(1,330)
Profit after tax	2,115	2,530
Attributable to:		
Owners of the Company	1,962	2,483
Non-controlling Interest	153	47
Profit after tax	2,115	2,530

The BMIT Group's positive performance was sustained in the interim period from 1 January to 30 June 2018, with revenues of €10.7 million exceeding the revenues of €9.9 million generated in the same period last year (equivalent to a year-on-year increase of 8.5%). Similarly, profit after tax for the interim period increased by 19.6% to €2.5 million compared to profit after tax of €2.1 million registered for the same period last year. The factors contributing to the revenue growth and improved profitability are expected to be sustained going forward.

BMIT Technologies plc (formerly GO Data Centre Services Limited)
Interim Consolidated Statements of Financial Position
as at

31 Dec 2017
Audited
€000s

30 June 2018
Unaudited
€000s

ASSETS		
Non-current assets		
Property, plant and equipment	6,556	5,955
Intangible assets	4,535	4,366
Investment in associate	18	18
Deferred tax assets	2	2
Deferred expenditure	-	-
Total non-current assets	11,110	10,341
Current assets		
Inventories	229	229
Trade and other receivables	2,196	2,625
Cash and cash equivalents	2,244	2,259
Total current assets	4,669	5,113
Total assets	15,779	15,454
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	9,110	9,110
Reserves	(2,964)	(4,097)
Retained earnings	(9,917)	(7,387)
Total capital and reserves attributable to the owners of the Group	(3,771)	(2,374)
Non-controlling interest	692	-
Total equity	(3,079)	(2,374)
Non-current liabilities		
Deferred tax liabilities	648	588
Total non-current liabilities	648	588
Current liabilities		
Trade and other payables	18,156	16,236
Current tax liabilities	54	1,003
Overdrawn bank balance	-	-
Total current liabilities	18,210	17,239
Total liabilities	18,858	17,828
Total equity and liabilities	15,779	15,454

The value of the gross assets attributable to the BMIT Group as at 30 June 2018 amounted to €15.5 million, remaining largely in line with the value of total assets as at 31 December 2017 amounting to €15.8 million.

BMIT Group's total equity as at 30 June 2018 amounted to negative €2.4 million, improving from negative €3.1 million as at 31 December 2017. The movement in total equity mainly reflects the net impact of the following factors: (i) the acquisition of the remaining 49% shareholding in Kinetix accounted for within *Reserves* and *Non-controlling interest*; and (ii) profit after tax for the interim financial period of €2.5 million reflected in *Retained Earnings*.

Total liabilities as at 30 June 2018 amounted to €17.8 million, equivalent to a reduction of *circa* €1.1 million from total liabilities as at 31 December 2017 of €18.9 million, mainly reflecting: (i) the payment of dividends amounting to €0.6 million due to the minority shareholders in Kinetix; (ii) net movement of *circa* €1.4 million in the current account with GO arising in respect of dividend balances; and (iii) increase in the provision for current tax of *circa* €0.9 million based on the profits generated in the interim period.

BMIT Technologies plc (formerly GO Data Centre Services Limited)
Interim Consolidated Statement of Cash Flows
for the six months ended

	30 June 2017 Unaudited €000s	30 June 2018 Unaudited €000s
Cash flow from operating activities		
Operating profit	3,343	3,860
Add back depreciation and amortisation	1,089	1,004
Changes in working capital	228	(371)
Cash generated from operations	4,660	4,493
Income tax paid	(453)	(440)
Net cash generated from operating activities	4,207	4,053
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,255)	(235)
Acquisition of Kinetix IT Solutions Limited	-	(1,872)
Net cash used in investing activities	(2,255)	(2,107)
Cash flows used in financing activities		
Amounts paid to parent in respect of dividends	(1,743)	(1,402)
Dividend payments to minority interest	-	(576)
Movements in reserves	-	47
Net cash used in financing activities	(1,743)	(1,931)
Net movement in cash and cash equivalents	210	15
Cash and cash equivalents at beginning of year	1,192	2,244
Cash and cash equivalents at end of period	1,401	2,259

During the interim period up to 30 June 2018, the BMIT Group generated net cash from operations of €4.1 million (€4.2 million in the same period in prior year) based on an operating profit of €3.9 million (equivalent to an increase of 15.5% over the same period in prior year).

Capital expenditure in the interim period up to 30 June 2018 amounted to €2.1 million and comprised: (i) an investment of €1.8 million in relation to acquisition of the remaining 49% shareholding in Kinetix; and (ii) the acquisition of data centre equipment for a value of €0.2 million.

Cash outflows relating to financing activities amounted to €1.9 million in the period from January to June 2018 (€1.7 million in the same period in prior year) and comprised the impact of: (i) the payment of dividends amounting to €0.6 million due to the minority shareholders in Kinetix; and (ii) net movement of *circa* €1.4 million in the current account with GO arising in respect of dividend balances.

As a result of these transactions, cash and cash equivalents as at 30 June 2018 amounted to €2.3 million (€2.2 million as at 31 December 2017).

Apart from the capitalisation of the debt of €11.2 million as set out above, there has been no significant change in the financial or trading position of the BMIT Group since 30 June 2018, the last period for which interim consolidated financial statements have been prepared.

The financial information displayed throughout the Registration Document may be subject to rounding differences.

10. INVESTMENTS

The Company, directly and through its Subsidiaries, made three significant investments in the last three years.

1. BM IT Limited invested approximately €4 million in a new data centre at SmartCity Malta, Kalkara. This investment enabled the company to grow its data centre capacity, as well as replace the company's smaller and older data centre which was at end of life. The new data centre at SmartCity Malta, allowed the company to secure major customers during the same period.
2. Parallel to the above, BM IT Limited also invested €0.8 million in a new high capacity and high-speed international network with points of presence in Italy and Germany, therefore ensuring top network performance for its customers. This network is connected to two leading global providers who were selected on the basis of their outstanding quality of service and performance. Furthermore, this investment also involved an advanced multi-tiered DDoS (Distributed Denial of Service) mitigation set-up to provide protection to the network and its customers.
3. As part of the strategy of the Company to extend its potential beyond data centre services and to offer a complete suite of services to its customers, the Company acquired Kinetix (51% in January 2016 and the remaining 49% in March 2018) for a total consideration of €3 million.

Moving forward and during the forecasted period as outlined within this Prospectus, the Company is planning to invest *circa* €10 million in a purpose-built state of the art data centre in Zejtun. This data centre will have a total capacity of more than 400 racks and will be fully certified to Tier 3 standards by the Uptime Institute. The data centre will be located on a newly built campus which will also house the company's main technical, commercial, administrative and management teams. This is to be financed in the manner provided in section 12.

Furthermore, in order for the BMIT Group to strengthen its position as Malta's leading co-location, cloud and managed services provider, the Company recently announced a strategic partnership with one of the world's largest international cloud and technology providers. This partnership will involve the implementation of a local instance of a leading cloud platform and will enable the company to not only attract new customers, but it will also enable a new portfolio of cloud enabled products and services.

11. THE GROUP'S NON-CURRENT ASSETS

As at 31 December 2017, the BMIT Group held property, plant and equipment with a net book value of €6.6 million. This comprises data centre equipment (net book value of €4.5 million) and office furniture and equipment (net book value of €1.1 million) at BMIT Group's data centres in Handaq and Smart City. Leased equipment, relating to computer hardware and software acquired by the Group and leased to its data centre clients, amounted to €0.8 million as at 31 December 2017. Other assets in the course of construction and improvements to premises amounted to €0.2 million as at the same date.

BMIT Group also held intangible assets with a value of €4.5 million relating to the brand names ('*BM*' and '*Kinetix*'), customer relationships and goodwill arising upon the acquisitions of the BM IT Limited, BM Support Services Limited and BellNet Limited (collectively the "**BM Companies**") in 2009 and Kinetix in 2016.

The BMIT Group, through BM IT Limited, held a 40% shareholding in MIGS Limited, which in turn held a 40% shareholding in iGaming Idol Limited. BMIT Group's investment in these two companies is carried at €18K as at 31 December 2017.

As indicated in section 10 "*Investments*", the BMIT Group budgets a total capital expenditure of €10 million in relation to the development of a new data centre in Zejtun, which is expected to be completed by the first quarter of 2020. Going forward, annual recurring capital expenditure on property, plant and equipment is estimated at *circa* €1 million per annum.

12. CAPITAL RESOURCES

The Company's capitalisation and net indebtedness is summarised below:

BMIT Technologies plc

BMIT Group's capitalisation and net indebtedness
as at 31 December

	2015 Audited €'000	2016 Audited €'000	2017 Audited €'000	2018 Forecast €'000
Net indebtedness	13,762	13,847	13,541	3,064
Deferred taxation	276	678	646	581
Shareholder's funds	(3,103)	(2,205)	(3,079)	6,620
Total capital employed	10,935	12,320	11,108	10,265
Net indebtedness as a proportion of total capital employed	125.9%	112.4%	121.9%	29.8%
Cash and cash equivalents	(927)	(1,192)	(2,244)	(53)
Current financial debt (parent and related parties, net)	10,667	13,312	13,632	866
Current liabilities				
Trade and other payables (unsecured)	5,423	3,543	4,524	4,902
Current tax (unsecured)	218	236	54	225
Subtotal	5,641	3,779	4,578	5,127
Current assets				
Inventory	(229)	(219)	(229)	(200)
Trade and other receivables (unsecured)	(1,390)	(1,833)	(2,196)	(2,676)
Subtotal	(1,619)	(2,052)	(2,425)	(2,876)
Net working capital liability	4,022	1,727	2,153	2,251
Net indebtedness	13,762	13,847	13,541	3,064

* Amounts owed to parent and related parties are unsecured, repayable on demand and interest free

The Company's net indebtedness as at 31 December 2017 amounted to €13.5 million and included:

- Amounts due to parent and related parties of €13.6 million, comprising: (i) a loan of €9.4 million relating to funds advanced by GO to complete BMIT Technologies' past acquisitions of the BM Group and Kinetix; (ii) amounts of €3.6 million due by BMIT Technologies to GO in respect of dividends declared in the prior year; and (iii) amounts of €0.6 million due to non-controlling interests in relation to dividends on Kinetix. These amounts are unsecured, repayable on demand and interest free;
- Net working capital liability of €2.2 million, which mainly comprises the impact of trade and other payables of €4.5 million and trade and other receivables of €2.2 million. Working capital also includes a current tax liability of €54k and inventory of €0.2 million; and
- Cash balances of €2.2 million.

The BMIT Group's consolidated equity value amounted to negative €3.1 million as at 31 December 2017, comprising share capital of €9.1 million, and negative retained earnings and reserves of €12.2 million. The accumulated negative retained earnings balance has been impacted by the recognition of amortisation of intangible assets arising upon consolidation of the BMIT Group companies.

On 25 October 2018, BMIT Technologies capitalised an amount of €11.2 million due by BMIT Technologies to GO in exchange for the issue and allotment of new shares to GO in BMIT Technologies. This amount related to funds advanced by GO to BMIT Technologies to complete the acquisition of the BM companies and Kinetix (i.e. loan of €9.4 million as at 31 December 2017 as set out above, plus an additional loan of €1.8 million provided in 2018 to acquire the remaining 49% shareholding in Kinetix). As a result of this transaction, the issued share capital of BMIT Technologies increased from €9.1 million to €20.4 million, thereby eliminating the negative equity reserves of the BMIT Group. This transaction is also reflected in an equivalent reduction in current financial debt to parent and related parties.

Total capital employed as at 31 December 2017 amounted to €11.1 million, representing property, plant and equipment with a carrying amount of €6.6 million, and Intangible assets of €4.5 million relating to the brand names ('BM' and 'Kinetix'), customer relationships and goodwill arising upon the acquisitions of the BM Companies in 2009 and Kinetix in 2016.

As indicated in section 10 "*Investments*", the BMIT Group budgets a total capital expenditure of €10 million in relation to the development of a new data centre in Zejtun which is expected to be completed by the first quarter of 2020. This development will be financed through a loan facility provided by GO which will be drawn down €7 million in 2019 and €3 million in 2020. This loan will be repayable within five years, with a two-year capital moratorium at an interest rate of 3.25% per annum.

13.

TREND INFORMATION, INCLUDING THE COMPANY'S PROJECTIONS

13.1 ANALYSIS OF CURRENT TRENDS IMPACTING THE BUSINESS OF THE COMPANY

To date, more than 50% of the BMIT Group customers have been making use of the Group's services for a number of years. Although originally co-location services have been the main revenue generator, there has been a shift in recent years to cloud and managed services, as the demand for such services increased. Furthermore, whilst gaming was and still is a main industry which BMIT Technologies serves, as the Group invested in its extended portfolio of services, it managed to secure customers from other industries. With the acquisition of Kinetix, this trend continued and today approximately 20% of revenue generated results from non-gaming customers.

In support of the trends and growth registered over the years, the BMIT Group continued to invest in its data centre capability and capacity at its facilities in Handaq and Smart City Malta. These investments allowed the Group to strengthen its position as Malta's largest and leading data centre provider as well as secure new revenues for the coming years.

13.2 PROSPECTIVE FINANCIAL INFORMATION FOR THE BMIT GROUP

The expectations of the Directors with respect to the future operations of the BMIT Group for the financial years ending 31 December 2018, 31 December 2019, and 31 December 2020 are presented in the Prospective Financial Information summarised below. The Prospective Financial Information, its basis of preparation and the key underlying assumptions are set out in detail in Annex I of this Registration Document, which must be read in conjunction with the Accountant's Report thereon set out in Annex II.

The Prospective Financial Information includes the forecast for the financial year ended 31 December 2018. This forecast is based on the year-to-date results for the BMIT Group up to 31 July 2018, with the forecast for the period August to December based on the results achieved in July 2018 extrapolated until year-end and adjusted for confirmed material new contracts or terminations until year-end.

The principal assumption underlying the Prospective Financial Information relates to the new data centre in Zejtun which is expected to replace the existing data centre in Handaq as from 2020. The migration of servers from the Handaq to the Zejtun data centre is expected to occur over the four-year period between 2020 and 2023.

13.2.1 PROJECTED CONSOLIDATED INCOME STATEMENTS

The BMIT Group's projected consolidated Income Statements for the three-year period ending 31 December 2020 are summarised below:

BMIT Technologies plc
Projected Consolidated Income Statement
for year ended 31 December

	2017 Audited €000s	2018 Forecast €000s	2019 Projected €000s	2020 Projected €000s
Revenue	19,717	21,673	22,646	24,588
Cost of sales	(11,097)	(11,627)	(11,964)	(12,884)
Gross profit	8,620	10,046	10,682	11,704
Administrative expenses	(2,260)	(2,620)	(2,953)	(3,497)
Impairment of intangible assets	-	(507)	-	-
Operating profit	6,360	6,919	7,729	8,207
Net finance costs	-	-	(314)	(940)
Profit before tax	6,360	6,919	7,415	7,267
Tax expense	(2,309)	(2,649)	(2,262)	(2,597)
Profit for the year	4,051	4,270	5,153	4,670
Attributable to:				
Owners of the company	3,795	4,223	5,153	4,670
Non-controlling interest	256	47	-	-
Profit for the year	4,051	4,270	5,153	4,670
Earnings per share (in €)*	0.020	0.021	0.025	0.023
Total dividends	4,925	4,000	4,391	4,896
Dividends per share (in €)*	0.024	0.020	0.022	0.024

* The presentation of the earnings per share, dividends per share and the weighted average number of ordinary shares in issue during each financial year on which the earnings per share and dividends per share are based have been adjusted retrospectively to reflect the capitalisation of a loan of €11.2 million due by BMIT Technologies to GO and the redenomination of the BMIT Technologies' share capital from a nominal value of €1 per share to a nominal value of €0.10 per share, both of which occurred subsequent to 31 December 2017.

Set out below are the factors which the Directors can influence, and which underlie the prospective financial information, unless otherwise stated.

Revenue

The BMIT Group has service agreements in place with all its clients. Most of the existing clients have been serviced for a long period of time and the Directors' expectation is that existing clients will continue to be serviced by the BMIT Group throughout 2018 to 2020.

Total revenue is forecast to reach €21.7 million in 2018, an increase of *circa* 10% over the revenues of €19.7 million generated in 2017. Total revenues are projected to increase to €22.6 million by 2019, and subsequently reach €24.6 million during financial year 2020 (equivalent to a CAGR of 7.6% over the period 2017 to 2020). The Directors expect the following key trends to drive revenue growth over this period:

- Strong growth in revenue from co-location services, driven by the increased rack capacity of *circa* 22% from 2017 to 2020 following the migration from the existing data centre in Handaq to the new data centre in Zejtun. Part of these racks will be taken up by GO as an anchor client upon commencement of operations in Zejtun;
- Improved quality of co-location services, with the Zejtun data centre expected to offer enhanced capacity in terms of racks, bandwidth and power, thereby allowing BMIT Group to enhance the reliability of its service to existing clients and attract new business; and
- Focus on growing cloud services, with more corporate clients finding it more efficient and reliable to host their applications on a public or private cloud. The Directors expect that this will require significant expansion in the current staff complement to support projected growth.

Cost of Sales

Cost of sales includes the direct costs associated with the provision of co-location, cloud and managed services, depreciation and amortisation of BMIT Group's tangible and intangible assets respectively, salaries of personnel involved directly in the service offering and repairs and maintenance of the data centres.

Cost of sales is projected to increase from €11.1 million in 2017 to €12.9 million in 2020 in line with the projected growth in revenue. Cost of sales as a percentage of revenue is expected to range between 52% to 54% of revenue during the period 2018 to 2020 (compared to 56% in 2017).

The cost of co-location services, cloud and managed services, and sale of hardware and software are expected to remain largely in line with prior years, with the exception of the cost of provision of power, which is expected to improve over the period. Costs savings on power will be generated from the planned investment in the new air-conditioning system in the data centre at Handaq.

The BMIT Group is expected to invest heavily in human resources to sustain the projected revenue growth. On this basis, personnel costs are projected to increase from €2.1 million in 2017 to €2.6 million in 2018, €3.1 million in 2019, and €3.4 million in 2020. For the purpose of the Prospective Financial Information, salaries of direct employees have been classified with cost of sales, whereas salaries of administrative staff and management have been included with administrative costs.

Administrative expenses

Administrative costs are forecast to increase from €2.3 million in 2017 to €2.6 million in 2018 and subsequently projected to reach €3 million in 2019 and €3.5 million in 2020. Apart from the increase in administrative payroll cost as indicated above, other factors contributing to the increase in administrative costs are:

- As from 2020, the BMIT Group will start operating the Zejtun data centre which will be leased at a cost of €0.6 million per annum. The current lease agreement in respect of the Handaq data centre is set to expire towards the end of 2023, at which point, the servers would have been completely migrated to the new data centre in Zejtun; and
- Incremental costs of *circa* €0.2 million per annum relating to the costs which the BMIT Group is likely to incur as from 2019 to fulfil its obligations as a listed company, including directors' fees, cost of AGM, listing fees, professional fees, together with other corporate and general expenses.

In line with the requirements of the new accounting standard on leases, IFRS 16 – Leases, as from 1 January 2019, BMIT Group's rental cost (currently included in full within administrative expenses) will be reflected through the depreciation of the right of use of leased assets over the lease term (included within administrative expenses), and a finance cost in relation to the lease liability (included within net finance costs). Further detail in relation to the accounting treatment of leases in line with IFRS 16 – Leases is set out in Annex I of this Registration Document.

Impairment of intangible assets

With regards to the '*Kinetix*' brand name, the Directors envisage a high probability that the use of this brand name will be discontinued at some point during 2019. In this respect, the Prospective Financial Information assumes that the carrying amount of the '*Kinetix*' brand name of €0.5 million will be immediately written off during 2018.

Net finance costs

Net finance costs, amounting to €0.3 million in 2019 and increasing to €0.9 million in 2020, relate to:

- Interest of €0.1 million in 2019 and €0.3 million in 2020 in relation to the loan facility provided by GO to finance the development of the Zejtun data centre at a budgeted investment of €10 million. With respect to the loan facility provided by GO, it is assumed that an amount of €7 million will be drawn down in 2019 and the remaining €3 million will be drawn down in 2020. This loan is assumed to be repayable within 5 years, with a 2-year capital moratorium at an interest rate of 3.25% per annum; and
- Finance costs of €0.2 million in 2019 and €0.6 million in 2020 in relation to the lease liability on the premises leased by BMIT Group recognised as from 1 January 2019 in line with the requirements of IFRS 16 – Leases.

Taxation

Current taxation has been provided at the corporate tax rate of 35% of profit before tax. Presently, the BMIT Group does not have any balance of tax losses or tax credits.

Profit after tax

Profit after tax is forecast at €4.3 million in 2018 and increasing to €5.2 million in 2019. Profits for 2020 are subsequently projected at €4.7 million in view of the additional rental cost of €0.6 million of the new data centre in Zejtun. Going forward, the Directors' expectations are that the Group's utilisation of the additional rack capacity at the Zejtun data centre will increase and rental cost savings will be achieved as the lease agreement for the Handaq data centre is terminated following full migration until 2023.

13.2.2 PROJECTED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The BMIT Group's projected consolidated Statements of Financial Position as at 31 December 2018, 31 December 2019, and 31 December 2020 are summarised below:

BMIT Technologies plc
Projected Consolidated Statements of Financial Position
as at 31 December

	2017 Audited €000s	2018 Forecast €000s	2019 Projected €000s	2020 Projected €000s
ASSETS				
Non-current assets				
Property, plant and equipment	6,555	6,558	12,486	14,358
Intangible assets	4,535	3,689	3,427	3,203
Right of use asset	-	-	2,281	9,523
Investment in associate	18	18	18	18
Deferred tax	2	2	2	2
Total non-current assets	11,110	10,267	18,214	27,104
Current assets				
Inventories	229	200	200	200
Trade and other receivables	2,196	2,676	2,773	2,950
Cash and cash equivalents	2,244	53	5,627	6,676
Total current assets	4,669	2,929	8,600	9,826
Total assets	15,779	13,196	26,814	36,930
EQUITY AND LIABILITIES				
Equity				
Share capital	9,110	20,360	20,360	20,360
Other reserves	(2,964)	(4,097)	(4,097)	(4,097)
Retained earnings	(9,917)	(9,643)	(5,367)	(5,087)
Capital and reserves attributable to the owners of the Group	(3,771)	6,620	10,896	11,176
Non-controlling interest	692	-	-	-
Total equity	(3,079)	6,620	10,896	11,176
Non-current liabilities				
Borrowings	-	-	7,000	10,000
Lease liability	-	-	2,587	9,789
Deferred tax liabilities	648	583	371	212
Total non-current liabilities	648	583	9,958	20,001
Current liabilities				
Trade and other payables	18,156	5,768	4,956	5,022
Lease liability	-	-	554	689
Current tax liabilities	54	225	450	42
Total current liabilities	18,210	5,993	5,960	5,753
Total liabilities	18,858	6,576	15,918	25,754
Total equity and liabilities	15,779	13,196	26,814	36,930

BMIT Group's total assets are projected to increase from €15.8 million as at 31 December 2017 to €36.9 million as at 31 December 2020. The growth relates primarily to the budgeted investment of €10 million in the new data centre in Zejtun which is expected to be completed in

the first quarter of 2020. This investment is expected to be funded through a loan facility to be provided by GO and assumed to be drawn down €7 million in 2019 and €3 million in 2020.

Total assets as at 31 December 2019 also reflect the impact of the Right of Use of leased assets amounting to €2.3 million recognised as from 1 January 2019 in line with the requirements of IFRS 16 – Leases.

Recurring capital expenditure is factored in the financial projections at *circa* €1 million per annum, based on the Directors' experience of past expenditure.

Working capital (trade and other receivables and inventories, less trade and other payables) is expected to grow in line with the growth in the operations of the business.

The increase in share capital (and reduction in trade and other payables) reflects the capitalisation of an amount of €11.2 million due by BMIT Technologies to GO in exchange for the issue and allotment of new shares to GO in BMIT Technologies. This amount related to funds advanced by GO to BMIT Technologies to complete the acquisition of the BM Companies and Kinetix. As a result of this transaction, the issued share capital of BMIT Technologies increased from €9.1 million to €20.4 million, thereby eliminating the negative equity reserves of the BMIT Group.

With effect from 1 January 2019, BMIT Group's total liabilities also reflect the impact of a lease liability, representing the present value of the committed lease payments on BMIT Group's leased assets in line with IFRS 16 – Leases. The lease liability (including current and non-current portion) as at 31 December 2019 amounted to €3.1 million.

In line with the modified retrospective approach under IFRS 16 – Leases, the opening retained earnings as at 1 January 2019 take into account a one-time reduction of €0.9 million representing the cumulative effect of past year adjustments had existing asset lease agreements been accounted for in line with requirements of the revised leases accounting standard. This one-time reduction reflects the difference between the Right of Use of the leased assets and the lease liability as at 1 January 2019.

13.2.3 PROJECTED CONSOLIDATED STATEMENT OF CASH FLOWS

The BMIT Group's projected consolidated Statements of Cash Flows for the three-year period ending 31 December 2020 are summarised below:

BMIT Technologies plc Projected Consolidated Statement of Cash Flows for year ended 31 December				
	2017 Audited €000s	2018 Forecast €000s	2019 Projected €000s	2020 Projected €000s
Cash flow from operating activities				
Cash generated from operations	9,551	8,793	9,548	9,929
Income tax paid	(2,524)	(2,543)	(2,250)	(3,164)
Net cash generated from operating activities	7,027	6,250	7,298	6,765
Cash flows from investing activities				
Purchase of property, plant and equipment, net of disposals	(1,050)	(1,103)	(7,810)	(4,000)
Payment of acquisition of subsidiary	-	(1,872)	-	-
Net cash used in investing activities	(1,050)	(2,975)	(7,810)	(4,000)
Cash flows from financing activities				
Borrowings from related party	-	1,837	7,000	3,000
Movement in related party balances	-	(4,103)	-	-
Interest paid	-	-	(114)	(325)
Dividends paid	(4,925)	(3,200)	(800)	(4,391)
Net cash (used in) / generated from financing activities	(4,925)	(5,466)	6,086	(1,716)
Net movement in cash and cash equivalents	1,052	(2,191)	5,574	1,049
Cash and cash equivalents at beginning of year	1,192	2,244	53	5,627
Cash and cash equivalents at end of year	2,244	53	5,627	6,676

BMIT Group's cash balances are projected to reach €6.7 million by 31 December 2020. Net cash from operations (post tax) are expected to increase from €6.3 million in 2018 to €6.8 million in 2020.

During this period, capital expenditure on property, plant and equipment is projected at €12.9 million on account of the development of the Zejtun data centre and recurring capital expenditure. Payment for acquisition of subsidiary of €1.8 million in 2018 relates to the acquisition of the remaining 49% shareholding in Kinetix completed on 1 March 2018.

The projected Statement of Cash Flows also reflects the gradual drawdown of the €10 million loan facility to be provided by GO in connection with the development of the Zejtun data centre.

13.3 PROJECTED DIVIDEND POTENTIAL

The intention of the Directors is to retain a strong dividend pay-out ratio similar to prior years. Subject to any unforeseen circumstances, BMIT Group is expected to apply a dividend policy based on up to 90% of the BMIT Group's free cash flows generated during the year, capped at 95% of distributable profits.

For the purpose of the dividend policy, free cash flows to the company are defined as EBITDA less: working capital movements, taxation, recurring capital expenditure and interest costs; but excluding capital expenditure funded externally, such as the capital expenditure related to the Zejtun data centre. Distributable profits are defined as distributable opening retained earnings plus profit for the year (after tax but before amortisation).

The Directors believe that this dividend policy is sustainable because the cash profit generated by the BMIT Group exceeds the net profit after tax by the amount of the annual depreciation (averaging at *circa* €1.8 million per annum in the projected period) less annual recurring capital expenditure (*circa* €1 million per annum). In line with this, BMIT Group's cash reserves (after dividend payments) set aside annually through the provision for depreciation and amortisation are projected to reach *circa* €6.7 million by 2020. This is expected to be sufficient to cover any non-recurring capex required by the BMIT Group and/ or contribute towards any potential future investments.

The Prospective Financial Information assumes that a net dividend of *circa* €4 million will be declared by BMIT Technologies to GO for the financial year ending 31 December 2018, with €3.2 million paid during 2018 and the remaining €0.8 million paid during 2019.

Following admission to listing of the entire issued share capital of the Company on the Official List of the MSE, dividends will be paid through a final dividend after its approval at BMIT Technologies' annual general meeting in or around May. Total net dividends declared to shareholders in respect of financial years ending 31 December 2019 and 2020 (declared subsequent to year-end and payable in or around May 2020 and May 2021 respectively) are projected at €4.4 million and €4.9 million respectively as set out below:

Project dividend yield %	2019 Projected	2020 Projected
Gross dividend declared	6,755	7,532
Net dividend declared	4,391	4,896
Gross dividend yield %	6.8%	7.5%
Net dividend yield %	4.4%	4.9%
Corporate tax rate	35.0%	35.0%

Projected dividend yields are based on the share price and may vary if the market price changes.

BMIT Group's projections indicate that the main limiting factor in the payment of dividends in the immediate years ahead will be the availability of distributable earnings. Variations from the projected earnings will have a direct impact on BMIT Group's ability to distribute the projected dividends. Although the Directors believe that the financial projections included herein have been prepared on a fair and reasonable basis, all projections are inherently subject to the risk of adverse unexpected events which may affect BMIT Group's income streams and its profitability.

The projected levels of dividends are being made for illustrative purposes only and are subject to the BMIT Group's profit for the year, the Directors' view on the prevailing market outlook, ongoing liquidity and working capital requirements, and investment requirements.

The Prospective Financial Information is based on the assumption that the factors that are outside the influence of Directors will remain constant. These factors include, *inter alia*, no material adverse events in the market and economic conditions, no significant change in the interest rates and in the inflation rate (detailed assumptions are set out in Annex I of this Registration Document).

13.4 LONG-TERM TRENDS AND GROWTH POTENTIAL

The Prospective Financial Information indicate that BMIT Group's main investment in the foreseeable future is the development of the new data centre in Zejtun, which will increase rack capacity substantially. The new data centre in Zejtun will replace the existing data centre in Handaq as from 2020. The data centre in Handaq is assumed to be vacated towards the end of 2023, in line with the current lease agreement.

The Board of Directors does not exclude further projects and investments over the coming years should it become aware of any opportunities that fit within the strategic objectives of the BMIT Group. In pursuing such opportunities, the Board of Directors will, however, seek to ensure, as far as possible, that the BMIT Group embarks upon ventures that do not impede the dividend flows resulting from its existing operations.

14. LICENCES AND CERTIFICATIONS

BM IT Limited and Kinetix hold a number of prestigious certifications.

BM IT Limited is a Microsoft Gold Partner for Datacentre and an approved Microsoft Direct Cloud Services Provider. It is also an HPE Gold Partner for Servers and Services and an HPE Gold Service Provider Partner.

Kinetix is a Microsoft Gold Partner for Cloud Platform and a Microsoft Gold Partner for Cloud Productivity. The companies also hold a number of other certifications including HPE Silver Partner for Storage and Networking, Service Provider status with leading international IT providers VMware and Veeam and 3CX Silver Partner, in addition to being Cisco Select Partners. The company's employees are also trained and certified in ITIL.

The Group's data centres hold an ISO27001 certification in Information Security Management and the Payment Card Industry Data Security Standard (PCI DSS). BellNet Limited, another member company of BMIT Group, is a registered undertaking for Electronic Communications Services with the Malta Communications Authority (MCA).

15. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES & SENIOR MANAGEMENT

15.1 THE BOARD

The Company is currently managed by a Board of Directors consisting of five (5) members who are entrusted with the overall direction, administration and management of the Company.

As at the date of this Registration Document, the Board of Directors of the Company is constituted by the following persons:

NAME	ADDRESS	DESIGNATION	DATE OF APPOINTMENT
Nikhil Patil UK Pass: 518174825	2, Vardens Road, London SW111RH, United Kingdom	NED* & Chairman	09 April 2018 03 October 2018
Carmela K/A Charmaine Farrugia ID: 475072M	48, Moonstone, Triq Ta' Gidwet, Marsascala MSK 3613, Malta	NED*	03 October 2018
Reuben Zammit ID: 434178M	44, Villa Riviera, Triq W. Lassel, Mellieha MLH 2641, Malta	NED*	03 October 2018

Dr Arthur Galea Salomone ID: 29962M	16, Saqqajja Square, Rabat MDN 1430, Malta	Independent NED*	01 November 2018
Saviour sive Sonny Portelli ID: 605344M	28, Villa Meona, Triq it-Tabor, Lija LJA 1040, Malta	Independent NED*	01 November 2018

*NED: Non-executive director

A full list of the past and present directorships held by the Directors for the financial period under review is contained in Annex III of this Registration Document.

The business address of the Directors is the same as that of the Company.

The Company Secretary is Dr Francis Galea Salomone, holder of ID card 533371M, residing at 2, St Augustine Avenue, Rabat RBT 1182, Malta.

15.2 CURRICULUM VITAE OF THE DIRECTORS

Hereunder is a brief *curriculum vitae* of each of the current Directors:

Nikhil Patil – Chairman

Mr Patil, CEO at GO p.l.c., is a professional with over 20 years of experience in strategy, operations and mergers & acquisitions across telecoms companies like GO, Cablenet, BM IT Limited and Interoute. Mr Patil acted as a non-executive director for GO between 3 February 2012 and 9 September 2016, working closely with GO's executive management defining and implementing its strategy. He helped GO achieve its strategic goals by acquiring and integrating key acquisitions like Multiplus, BM IT Limited, Kinetix and Cablenet. He was also responsible for the oversight of GO's financial reporting, risk management and disclosures as the Chairman of the Audit Committee. Mr Patil was also responsible for the creation of Malta Properties Company p.l.c., today one of the largest publicly listed real estate companies in Malta. Mr Patil has a Bachelor's degree in Mechanical Engineering from the University of Mumbai, India, a Master's degree in Industrial Engineering from Georgia Institute of Technology and an MBA from IMD, Switzerland. Mr Patil is a Chartered Financial Analyst (CFA).

Carmela k/a Charmaine Farrugia – Director

Ms Farrugia currently occupies the post of Chief Officer at GO p.l.c., leading the corporate strategy and business planning process of the company and overseeing the operations in Cablenet, a subsidiary company in Cyprus. Ms Farrugia has over 18 years of experience in telecommunications sector during which period she occupied several senior positions within the industry gaining extensive knowledge in transformation programmes, strategic planning, market and business intelligence, product development and pricing. She was also responsible for the commercial launches of various telecommunications and entertainment products in the local market. During GO's change in majority shareholder, she acted as the company's Sales Management Co-ordinator where she was responsible for the interaction between the investment bankers, board of directors, potential buyers and lawyers. Previously, Ms Farrugia worked at MITA, where she held several positions after graduating with a Bachelor's degree in Economics from the University of Malta.

Reuben Zammit – Director

Mr Zammit, CFO at GO p.l.c., is a fellow of the Association of Chartered Certified Accountants and a fellow of the Malta Institute of Accountants. Mr Zammit's career spans more than 20 years, having occupied various key posts with the most recent being Chief Executive Officer of GlobalCapital p.l.c. He also held the position of a director at GlobalCapital p.l.c. and its subsidiaries and served on the Risk and Investment committee during the term. He also worked in the United States on hedge fund accounting and in audit with reputable audit and accountancy firms in Malta.

Dr Arthur Galea Salomone – Director

Dr Galea Salomone LL.M., (Toronto) LL.D graduated as a lawyer at the University of Malta in 1988. As a Commonwealth Scholar, he read International Commercial Law at the University of Toronto and now practices law at Galea Salomone & Associates with a focus on Corporate and Commercial Law, Financial Services Law, Real Estate law and Inward Foreign Investment. Dr Galea Salomone has held a number of offices in the public sector. He was Chairman of the Malta Stock Exchange from 2010 to 2013 and Deputy Chairman of the Malta Arbitration Centre, by appointment from the President of Malta, from 2004 to 2016. He was the longest serving director at APS Bank p.l.c. Ltd (1998-2018) where he also chaired the Governance Committee of the bank. Dr Galea Salomone is a partner and director of the Finco Trust Group of Companies. He continues to sit on the board of directors of a number of regulated companies in the affiliated insurance field, as well as

on a number of private companies. Dr Galea Salomone is a senior visiting lecturer within the Commercial Law Department of the Faculty of Laws at the University of Malta. He has lectured widely on various aspects of Commercial Law. For a number of years, he was the appointee of the Chamber of Advocates on the national Joint Committee for the Prevention of Money Laundering and Terrorism.

Saviour sive Sonny Portelli – Director

Mr Portelli was educated in Malta and the UK. After an early career in the Malta Civil Service, he left and joined private enterprise in the Tourism and Hospitality Sector. Mr Portelli possesses an extensive background in telecoms and general management. His previous roles included being Chairman of the Board and of the Executive Committee of GO p.l.c., Executive Chairman of Air Malta p.l.c., director of Forthnet SA (Greece), and Chairman of the Malta Council for Economic and Social Development. Mr Portelli is the current non-executive Chairman of HSBC Bank Malta p.l.c., having joined the board of the bank in 2006. Prior to his current position, he served as Chairman of the Audit and Risk committee, and of the Remunerations committee of the Bank.

Dr Francis Galea Salomone – Company Secretary

Dr Galea Salomone holds a bachelor's degree in International Business and a Masters degree in European Studies from the University of Kent. He read law at the University of Malta, and graduated as a lawyer in 2002, after successfully defending a dissertation entitled Regulating Market Abuse on the Stock Exchange. Prior to moving into legal practice, Dr Galea Salomone held a number of senior positions in the private and public sector. He is currently a partner in Galea Salomone Advocates and acts for a number of local and international clients in the corporate and commercial sector. His areas of specialisation include Company Law and Financial Services Law, with a specific interest in Corporate Governance. He has extensive experience in advising public listed companies and private companies on the regulatory and corporate governance aspects of their business. He has assisted a number of international clients to set up operations in Malta. Over the past 15 years he has acted as legal advisor to a number of local and foreign clients involved in mergers and acquisitions. Dr Galea Salomone acts as company secretary to a number of publicly listed regulated and private companies, as well as other Public Interest Companies in Malta. He has also acted as director of private companies in the tourist and financial services sector and lectured on various aspects of financial services regulation.

15.3 APPOINTMENT AND REMOVAL OF DIRECTORS

The Directors shall be elected at each annual general meeting (or at an extraordinary general meeting convened for the purpose of electing directors). Voting shall take place on the basis that every member shall have one (1) vote in respect of each ordinary share held by him. A member may use all his votes in favour of one candidate or may split his votes in any manner he chooses amongst any two or more candidates. The chairman of the meeting shall declare elected those candidates who obtain the greater number of votes on that basis. A Director may, unless he resigns, be removed by ordinary resolution of the shareholders as provided in article 140 of the Act, or in accordance with any other applicable law, or in specific cases set out in the Articles of Association of the Company.

15.4 POWERS OF DIRECTORS

The Directors are empowered to act on behalf of the Company. In terms of the Memorandum and Articles they may transact all business of whatever nature of the Company not expressly reserved to the Shareholders in general meeting by the Memorandum and Articles or by any provision contained in any law in force at the time. The legal and judicial representation of the Company vests in the Chairman or, without prejudice to the general power granted to the Chairman, in such person or persons jointly or severally and in such manner as the Directors shall from time to time determine.

15.5 POTENTIAL CONFLICTS OF INTEREST

15.5.1 DISCLOSURE BY DIRECTORS

In terms of Article 87 of the Articles, every Director shall, in respect of any contract, arrangement, transaction or proposal to be entered into by or on behalf of the Company in which he or any person connected with him, is in any way interested, whether directly or indirectly, declare the nature of his interest in accordance with the Act. A Director shall not vote in respect of any contract, arrangement, transaction or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company.

15.5.2 AUDIT COMMITTEE

The Audit Committee has the task to ensure that any potential conflicts of interest are resolved in the best interests of the Company.

15.6 REMUNERATION OF DIRECTORS

In accordance with the Articles, the maximum aggregate emoluments payable to all directors in any one financial year and any increases thereto, shall be such amount as may from time to time be determined by the Shareholders at a general meeting. None of the Directors received emoluments since the date of incorporation to the date of this Registration Document.

15.7 LOANS TO DIRECTORS

There are no loans outstanding by the Company to any of their respective Directors nor any guarantees issued for their benefit by the Company.

15.8 SENIOR MANAGEMENT OF THE COMPANY

THE CHIEF EXECUTIVE OFFICER

Ing Christian Sammut is the Chief Executive Officer of the Company. Ing Sammut is an experienced data centre, telecom and business development specialist. Throughout his career, Ing Sammut has worked in the private and public sectors both locally as well as overseas, including the aerospace industry. His responsibilities have included the delivery and support of IT infrastructure services, as well as the management and operations of the Government of Malta's data centres. In 2001, Ing Sammut joined GO to develop new business and data centre opportunities and held various positions in the company, including that of Chief Officer for Strategy & Business Development. In 2011 he was appointed CEO for the BMIT Group and in addition, more recently, Chief Officer for B2B (Business to Business) at GO p.l.c. In 2015 Ing Sammut was appointed non-executive Chairman of Gaming Malta, an independent non-profit foundation set up by the Government of Malta and the Malta Gaming Authority, tasked with the remit of promoting Malta as a Centre of excellence in the remote gaming sector globally and with enhancing the ecosystem surrounding the sector. Ing Sammut is a graduate in engineering from the University of Malta and holds a Masters in Business Administration from Henley Management College.

OTHER SENIOR MANAGEMENT

In addition to the executive Directors, the senior management of the Company comprises the following:

Gordon Bezzina – Chief Technology Officer

Mr Bezzina is the Chief Technology Officer responsible for BM IT Limited's core infrastructure – the network and the facilities. Throughout his career he has built a wide range of experience in various technical and consultancy positions at different organisations. Mr Bezzina has specialised in network infrastructure and data centre design and has since designed and implemented a number of network and data centre set-ups, including BM IT Limited's own two data centres. He is a B.Sc. graduate and has various technical certifications.

Adrian Dalli – Chief Enterprise Solutions Officer

Mr Dalli has been working in the ICT industry for more than 20 years. Prior to co-founding Kinetix, Mr Dalli held technical operations management roles at organisations in the public sector, and in the automotive and software development industries where he delivered a number of large-scale projects and supported a variety of IT systems locally and abroad. Mr Dalli is currently responsible for the technical implementation and technical support delivery functions. He holds a Diploma in Sales and Marketing ISMM (UK) as well as various industry certifications.

Curt Gauci – Chief Digital Transformation Officer

Mr Gauci has been working in the ICT industry in excess of 20 years and throughout his career he has been involved in a variety of projects assisting local and foreign organisations coming from various industries with the design, implementation and support of IT systems. This involvement has exposed him to different IT roles as well as vendors and technologies. His current focus is developing client relationships and becoming a strategic partner in their digital transformation journey. Mr Gauci joined the BMIT Group in 2016 following its acquisition of Kinetix, which he co-founded and acted as managing director since 1999. During his tenure, Kinetix established itself as one of the leading ICT service providers on the island and year after year it received various excellence awards from international vendors. Mr Gauci holds an M.Sc. in Computer Sciences from the University of Liverpool as well as various industry certifications in the technology and business development areas.

Jack Mizzi – Chief Marketing Officer

Mr Mizzi has extensive experience working in telecoms and ICT, with focus on marketing and product development. Since 2011, Mr Mizzi has been responsible for all marketing and product-related matters at BM IT Limited. In this role, he oversees the development of BM IT Limited's product portfolio, including data centre, cloud and managed services. Mr Mizzi was responsible for the launch of the first public cloud platform in Malta and also coordinated a multi-disciplinary team that was responsible for deploying BM IT Limited's international private data network across multiple countries. Mr Mizzi also held a number of positions within the GO Group, including responsibilities in marketing, new business development, partnerships, content and wholesale. More recently, he also held the post of Head of Business Marketing within GO p.l.c. Mr Mizzi is a graduate in Management and Public Policy from the University of Malta and holds an MSc in Marketing from the University of Leicester. He also holds a certification in project management.

Alexia Muscat – Chief Finance Officer

Ms Muscat joined BM IT Limited in 2012 and leads the Finance and Administration function of the organisation, including full responsibility for the preparation and submission of financial information for all the companies within the BMIT Group. Ms Muscat is also actively involved in ad hoc assignments related to due diligence projects carried out during change in ownership and acquisitions within the Group. Before joining BM IT Limited, Ms Muscat worked as an accountant in one of the largest property development companies in Malta. During her term within this company, she was involved in the growth of the company from a limited company to a public listed company. Her career started at PwC where she was part of the Tax & Legal Services team. At that time, she was responsible for the income tax compliance of a portfolio of personal and corporate clients. She was also involved in a number of audit assignments for clients in different industries. Ms Muscat holds a B. Accountancy (Hons) degree from the University of Malta. She is a Certified Public Accountant and a member of the Malta Institute of Accountants.

Nick Tonna – Chief Commercial Officer

Mr Tonna joined BM IT Limited in 2012 from Microsoft Malta where for the previous seven years he led the Enterprise & Partner Group segment and was responsible for managing and developing the relationships with Microsoft's enterprise customers in Malta. Amongst various other achievements, Mr Tonna secured the first large-scale deployments of Cloud-based services and played a key role in the 2011 five-year strategic partnership agreement with the Government of Malta. He was recognised with the Microsoft Worldwide Circle of Excellence Award for his performance. Prior to Microsoft, Mr Tonna managed a number of ICT transformation projects including the implementation of a service management programme at the Malta Government's IT agency (MITA) as well as other projects in the public sector, banking and insurance sectors. At BM IT Limited, Mr Tonna leads the Commercial function and is responsible for orchestrating the sales and relationship management disciplines to accomplish the company's short- and long-term commercial objectives including profitability, revenue growth, customer acquisition and retention. Mr Tonna holds a Masters in Entrepreneurship and an undergraduate degree in Information Technology from the University of Malta and specialised in Business Information Systems at Virginia Commonwealth University, USA.

Dione Vella – Chief Customer Experience Officer

Mr Vella started off his career at MITTS Ltd (now MITA) in 1995 where he spent 6 years in various roles including that of a Project Leader responsible for the Office of the Prime Minister (OPM). He was also a Technical Analyst handling complex ICT designs and implementation projects such as the first e-Gov framework launched in Malta. In 2002, Dione joined Innovate Limited, and subsequently GO, where he spent 12 years. At GO Group, he held various positions including Manager IT Operations, Manager Strategic Development and Senior Manager Business Solutions. Amongst other achievements, Mr Vella has worked on various data centre implementations, large scale and complex ICT/Telecom related projects with some of the biggest corporates in Malta. For these four years, Mr Vella headed the Customer Experience team at BM IT Limited - a 24x7 NOC (Network Operations Centre) and a technical account management team, both focused on loyalty, satisfaction and retention from a technical and service management perspective. Mr Vella holds an MSc in Networking Technologies and Management from Sheffield Hallam University and Industry certificates in ITIL and PRINCE2.

15.9 SERVICE CONTRACTS

None of the Directors, members of the board committees or members of management referred to in sections 15.1 and 15.8 of this Registration Document are party to service contracts with the Company providing for benefits upon termination of employment.

15.10 DECLARATION

None of the Directors, members of the board committees or members of management referred to in sections 15.1 and 15.8 of this Registration Document have, in the last five years:

- i. been the subject of any convictions in relation to fraudulent offences;
- ii. been associated with bankruptcies, receiverships or liquidations (other than voluntary) in respect of entities in respect of which they were members of administrative, management or supervisory bodies, partners with unlimited liability (in the case of a limited partnership with a share capital), founders or members of senior management;
- iii. been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies); or
- iv. been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

16.

BOARD PRACTICES

Prior to the Offer, the Company was not regulated by the Listing Rules and accordingly was not required to comply with the Code of Principles of Good Corporate Governance forming part of the Listing Rules (the “Code”). As a consequence of the Offer, in accordance with the terms of the Listing Rules, the Company will be subject to the provisions of the Code. The Company declares its full support of the Code and undertakes to comply with the Code to the extent that this is considered complementary to the size, nature and operations of the Company.

The Company supports the Code and is confident that the application thereof shall result in positive effects accruing to the Company, while recognising the importance of its role in the corporate social responsibility field and seeks to ensure that in its operations the environment is respected. The Directors are also aware of the importance of having good relations with stakeholders and strive to work together with them in order to invest in human capital, health and safety issues and to adopt environmentally responsible practices.

Going forward, in view of the reporting structure adopted by the Code, the Company shall, on an annual basis in its annual report, explain the level of the Company’s compliance with the principles of the Code, in line with the comply or explain philosophy of the Code, explaining the reasons for non-compliance, if any. As at the date of this Prospectus, the Board considers the Company to be in compliance with the Code, save for the following exceptions:

(i) Principle 7 “Evaluation of the Board’s Performance”

Under the present circumstances, the Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board’s performance is evaluated on an ongoing basis by, and is subject to the constant scrutiny of, the Board itself, the Company’s shareholders, the market and the rules by which the Company is regulated as a listed company.

(ii) Principle 8 “Committees”

- the Company does not have a Remuneration Committee as recommended in Principle 8; and
- the Company does not have a Nomination Committee as recommended in Principle 8.

Appointments to the Board of Directors are determined by the shareholders of the Company in accordance with the Memorandum and Articles. The Company considers that the current members of the Board provide the required level of skill, knowledge and experience expected in terms of the Code.

16.1 AUDIT COMMITTEE

The Audit Committee is composed of Sonny Portelli (Chairman of the Audit Committee, independent non-executive director), Dr Arthur Galea Salomone (independent non-executive director) and Reuben Zammit (non-executive director). Mr Zammit is the Audit Committee member who is considered to be competent in accounting and/or auditing in terms of the Listing Rules.

The Audit Committee is a sub-committee of the Board constituted to fulfil an overseeing role in connection with the quality and integrity of the Company’s financial statements. In performing its duties, the Audit Committee is to maintain effective working relationships with the Board of Directors, management and the external auditors of the Company. The Committee shall also consider the arm’s length nature of related party transactions that the Company carries out.

The primary purposes of the Audit Committee shall be to protect the interests of the Company’s shareholders as well as to assist the Board in fulfilling its obligations and effectively discharging its responsibilities in connection with the following matters:

- a. ensuring that the Company adopts, maintains and, at all times, applies appropriate accounting and financial reporting processes and procedures;
- b. monitoring of the audit of the Company’s annual and consolidated financial statements, in particular, its performance, taking into account any findings and conclusions by the competent authority pursuant to Article 26 (6) of the Statutory Audit Regulation;
- c. facilitating the independence of the external audit process and addressing issues arising from the audit process;
- d. reviewing of the systems and procedures of internal control implemented by management and of the financial statements, disclosures and adequacy of financial reporting;
- e. making of recommendations to the Board in relation to the appointment of the external auditors and the approval of the remuneration and terms of engagement of the external auditors, following the relative appointment by the shareholders in the annual general meeting;
- f. monitoring and reviewing of the external auditors’ independence and, in particular, the provision of additional services to the Company;
- g. considering and evaluating the arm’s length nature of related party transactions that the Company carries out to ensure that the execution of any such transactions are, indeed, at arm’s length and on a sound commercial basis and ultimately in the best interests of the Company; and
- h. ensuring that the Company, at all times, maintains effective risk management and internal control systems, including compliance functions.

17. EMPLOYEES

As at 31 December 2017, the date up to which the last audited financial statements have been drawn up, the Company employed a total of 61 full time employees. The table below depicts the distribution and number of employees as at end of each financial year:

	2015	2016	2017
Management & Administration	26	27	27
Operations	25	29	34
Total	51	56	61

All employees are stationed in Malta.

18. MAJOR SHAREHOLDERS

Up to the date of this Prospectus, the Company is (save for ten (10) shares held by Innovate Software Limited (C 28414)) a fully-owned subsidiary of GO. All shares in the Company are ordinary shares and carry the same voting rights. Following the Offer, GO will hold a minimum of fifty-one per cent (51%) of the issued share capital of the Company.

The Company shall make a call for nominations for election to the office of Director in accordance with Article 94 of the Articles. The Company shall grant a period of at least fourteen (14) days for nominations (including the nominee's acceptance of the nomination) to be submitted. Moreover, the Directors shall be elected at each annual general meeting (or at an extraordinary general meeting convened for the purpose of electing directors). Voting shall take place on the basis that every member shall have one (1) vote in respect of each ordinary share held by him. A member may use all his votes in favour of one candidate or may split his votes in any manner he chooses amongst any two or more candidates. As such, no one shareholder may dominate the election of Directors.

TT ML Limited (C 75952) holds 66,281,050 shares in GO, representing *circa* sixty-five point four per cent (65.4%) of its issued share capital.

To the best of the Company's knowledge, there are no arrangements in place as at the date of the Prospectus the operation of which may, at a subsequent date, result in a change in control of the Company.

19. RELATED PARTY TRANSACTIONS

There are a number of related party transactions between the Company and GO. These relate to services which the companies purchase from each other in the course of normal business.

BMIT Technologies procured telecommunication services from GO amounting to €1.3 million, €1.4 million and €1.6 million during the years 2015, 2016 and 2017 respectively. During the same period, GO used the services of BMIT Technologies for the amounts of €0.3 million, €0.8 million and €1.3 million respectively.

As from Q1 2020, BMIT Technologies will be leasing the building from where the new data centre facility in Zejtun will be operating at an annual charge of €0.6 million. Once this new data centre will be operational, GO will be leasing 50 racks from the Group *in lieu* of existing capacity within its own equipment rooms.

20. FINANCIAL INFORMATION

20.1 HISTORICAL FINANCIAL INFORMATION

The BMIT Group's historical financial information included in this Registration Document has been extracted from the consolidated financial statements of the BMIT Group for the financial years ended 31 December 2015, 2016 and 2017 as audited by PricewaterhouseCoopers

(PwC). These consolidated financial statements, including the auditors' reports thereon, are available for inspection as set out in section 24 of this Registration Document.

Pursuant to Regulation (EC) No. 1606/2002 on the application of international accounting standards, the financial statements for the financial years ended 31 December 2015, 2016 and 2017 were prepared in accordance with IFRS as issued by the International Accounting Standards Board and endorsed by the European Union.

Save for the acquisition of the remaining 49% shareholding in Kinetix on 1 March 2018 for a consideration of €1.8 million and the capitalisation of a debt of €11.2 million due by BMIT Technologies to GO on 25 October 2018, there has been no significant change in the financial or trading position of the BMIT Group since 31 December 2017, the last period for which audited consolidated financial statements have been prepared.

20.2 INTERIM FINANCIAL INFORMATION

Section 9.4 of this Registration Document includes the BMIT Group's unaudited interim consolidated Income Statement and consolidated Statement of Cash Flows for the six-month period from 1 January 2018 to 30 June 2018 and the comparable period from 1 January 2017 to 30 June 2017. The same section also includes the unaudited consolidated Statement of Financial Position of the BMIT Group as at 30 June 2018, and the comparable audited financial position as at 31 December 2017.

Apart from the capitalisation of the debt of €11.2 million due by BMIT Technologies to GO on 25 October 2018 as set out above, there has been no significant change in the financial or trading position of the BMIT Group since 30 June 2018, the last period for which interim consolidated financial statements have been prepared.

20.3 PROSPECTIVE FINANCIAL INFORMATION

The Prospective Financial Information for the BMIT Group included in this Prospectus reflects the Directors' expectations with respect to the future operations of the BMIT Group for the three-year financial period from 1 January 2018 to 31 December 2020. The Projected Financial Information reflects, *inter alia*, the key trends affecting the Company's business as outlined in section 13 of this Registration Document "*Trend Information, Including the Company's Projections*".

The Projected Financial Information, including the basis of preparation and the key underlying assumptions, are set out in Annex I of this Registration Document, which must be read in conjunction with the Accountant's Report thereon set out in Annex II.

20.4 ACCOUNTANT'S REPORTS ON THE BMIT GROUP'S PROSPECTIVE FINANCIAL INFORMATION

The Company engaged PricewaterhouseCoopers (PwC), a firm of Certified Public Accountants, to issue an Accountant's Report on the compilation of the Prospective Financial Information included in Annex I of this Registration Document. The Accountant's Report is appended to this Registration Document as Annex II.

PricewaterhouseCoopers has given, and has not withdrawn, its written consent to the inclusion of the reference to PwC's name in the form and context in which it is included in this Registration Document. PricewaterhouseCoopers has also given and has not withdrawn its written consent for the publication of the Accountant's Reports in the form and context in which it is included in this Registration Document.

20.5 DIVIDEND POLICY

The ability to pay dividends and the extent of any dividend distribution will depend upon, amongst other factors, the profit for the year, the Directors' view on the prevailing market outlook, any debt servicing and repayment requirements, the cash flows for BMIT Group, working capital requirements, investment opportunities, capital expenditure and the requirements of the Act. Subject to the foregoing and to unforeseen circumstances that may have a material impact on the performance and results of the BMIT Group, the Directors' objective is to distribute up to 90% of the BMIT Group's free cash flows generated during the year (defined as EBITDA less working capital movements less taxation less recurring capital expenditure, less interest costs but excluding capital expenditure funded externally, such as the capital expenditure related to the Zejtun data centre), capped at 95% of distributable profits (defined as distributable opening retained earnings plus profit for the year (after tax but before amortisation)). Such dividend distributions shall be effected through a final dividend after its approval at BMIT Technologies' annual general meeting in or around May, with the first dividend payment expected to be paid in or around May 2020 in respect of the financial year ending 31 December 2019.

20.6 SIGNIFICANT CHANGE IN THE COMPANY'S FINANCIAL OR TRADING POSITION

Save for the acquisition of the remaining 49% shareholding in Kinetix on 1 March 2018 for a consideration of €1.8 million and the capitalisation of the debt of €11.2 million due by BMIT Technologies to GO on 25 October 2018 as set out above, there has been no significant change in the financial or trading position of the Company since 31 December 2017.

21. ADDITIONAL INFORMATION

21.1 LEGAL AND ARBITRATION PROCEEDINGS

By virtue of two judgments in 2013 and 2014, the High Court of Paris, having found that BellNet Limited (“**BellNet**”) had not implemented measures to prevent access to two sites (being hosted by BellNet) from the French territory as requested by the French Regulatory Authorities, ordered BellNet to implement, or to order the implementation of, all the necessary measures, to prevent access from the French territory to the online betting service available at the aforementioned websites. It ordered further that in the event of failure to do so within a period of 10 days from service of the decision, BellNet is to incur a fine of EUR 100,000 per day for a month. It also ordered BellNet to pay costs and reserved to liquidate the penalty at a later stage.

BellNet has sought advice on its position at law, particularly due to the cross-border nature of the proceedings. In this regard, BellNet is in possession of legal advice that questions the enforceability of the judgments of the High Court of Paris in Malta and any fine which may be imposed by virtue of the said judgments due to the public law element and the nature and territorial scope of the claim. As at the date of this Prospectus, BellNet has not been served with the relevant judgement/s meaning that the penalty in each case has not yet started to accrue. No provision for expected losses were deemed necessary by the Directors as at the date of this Registration Document, taking cognisance of the legal advice received.

Save for the above, the Directors are not aware of any other pending or threatened governmental, legal or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company’s financial position or profitability.

21.2 SHARE CAPITAL

As at the date of this Prospectus, the authorised share capital of the Company is thirty million Euro (€30,000,000) divided into three hundred million (300,000,000) shares of ten Euro cents (€0.10) each. The issued share capital of the Company is twenty million three hundred fifty-nine thousand and five hundred and thirty-one Euro (€20,359,531) divided into two hundred and three million, five hundred ninety-five thousand and three hundred and ten ordinary (203,595,310) shares of a nominal value of ten Euro cents (€0.10) each, all fully paid-up.

All the issued shares are of the same class and carry the same voting rights. An application has been made for the entire issued share capital of the Company to be listed on the Official List of the MSE. There is no capital of the Company which is currently under option.

21.3 MEMORANDUM AND ARTICLES OF ASSOCIATION

21.3.1 OBJECTS

The Articles of the Company are registered with the Registry of Companies. A full list of the objects for which the Company is established is provided in Article 4 of the Memorandum. These objects include, *inter alia*:

- a. to subscribe to, acquire and hold, buy and/or sell shares, membership interests, rights, stocks, bonds, debentures or securities of or in any company, partnership or body of persons (whether such shares, interests or other securities be fully paid or not) where the so doing may seem desirable in the interests of the Company and consistent with the objects of the Company’s parent company, in such manner as may from time to time be determined;
- b. to obtain loans, overdrafts, credits and other financial and monetary facilities without limit and otherwise borrow or raise money in such manner as the Company shall think fit, whether as sole borrower or jointly with other persons, and to provide by way of security for the repayment of the principal and interest thereon and the fulfilment of any of the Company’s obligations, a hypothec, pledge, privilege, lien and/or mortgage or other security interest over the assets of the Company; and
- c. to guarantee the obligations of one or more of its subsidiaries, and to secure such guarantee by means of a hypothec, pledge, privilege, lien and/or mortgage or other security interest over the assets of the Company.

21.3.2 APPOINTMENT AND POWERS OF DIRECTORS

The business of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not, by the Act or by the Articles, required to be exercised by the Company in general meeting, subject, nevertheless, to the provisions of the Articles and of the Act and to such lawful directions, being not inconsistent with any provisions of the Articles and of the Act, as may be given by the Company in general meeting. In terms of Article 7 of the Memorandum, the number of Directors shall not be less than three (3) and not more than five (5) and shall be appointed as provided in the Articles of the Company.

In accordance with Article 96.2 of the Articles, the Directors shall be elected at each annual general meeting (or at an extraordinary general meeting convened for the purpose of electing directors). Voting shall take place on the basis that every member shall have one (1) vote in

respect of each ordinary share held by him. A member may use all his votes in favour of one candidate or may split his votes in any manner he chooses amongst any two or more candidates.

In terms of article 140 of the Act, a company may remove a director before the expiration of his period of office by a resolution taken at a general meeting of the company and passed by a member or members having the right to attend and vote, holding in the aggregate shares entitling the holder or holders thereof to more than fifty per cent of the voting rights attached to shares represented and entitled to vote at the meeting.

21.3.3 CLASSES OF SHARES: RIGHTS, PREFERENCES AND RESTRICTIONS

The entire issued share capital of the Company form part of one class of ordinary shares in the Company and shall accordingly have the same rights and entitlements as all other ordinary shares currently in issue in the Company.

21.3.4 CHANGES TO RIGHTS OF SHAREHOLDERS

If at any time, the share capital is divided into different classes of shares, the change of any shares from one class into another or the variation of the rights attached to any class (unless otherwise expressly provided by the terms of issue of the shares of that class which is to be changed or the rights attached to which are to be varied, according to the case) may, whether or not the Company is being wound up, be made with the consent in writing of the holders of three-fourths of the issued shares of that class, and the holders of three-fourths of the issued shares of any other class affected thereby. Such change or variation may also be made with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the issued shares of that class and of an extraordinary resolution passed at a separate general meeting of the holders of the issued shares of any other class affected thereby. To every such separate general meeting the provisions of the Articles relating to general meetings shall apply. The rights attached to any class of shares shall (unless otherwise expressly provided by the terms of issue of the shares of that class or by the terms upon which such shares are for the time being held) be deemed not to be varied by the creation or issue of further shares ranking *pari passu* therewith.

21.3.5 EXTRAORDINARY GENERAL MEETINGS AND ANNUAL GENERAL MEETINGS

The Company shall in each year hold a general meeting as its annual general meeting in addition to any other Meetings in that year, and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held at such time and place as the Directors shall appoint. All general meetings other than annual general meetings shall be called extraordinary general meetings.

The Directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or, in default, may be convened by such requisitioners, as provided by the Act.

A general meeting of the Company shall be called by not less than twenty-one (21) days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of the meeting, the proposed agenda for the meeting and, in case of special business, the general nature of that business. It shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under the Articles, entitled to receive such notices from the Company. The notice shall also contain the following information:

- i. a clear and precise description of the procedures that shareholders must comply with in order to be able to participate in and to vote at the general meeting;
- ii. state the record date and explain that only those who are shareholders on that date shall have the right to participate and vote in the general meeting;
- iii. indicate where and how the full, unabridged text of the documents to be submitted to the general meeting (including, where applicable, the annual report) and of any draft resolutions may be obtained, unless in the latter case the draft resolutions are included as part of the notice itself; and
- iv. indicate the address of the internet site on which the information will be made available.

For further detail on general meetings of the Company, please refer to the sections entitled "*General Meetings*" and "*Notice of General Meetings*" in the Articles of Association of the Company.

21.3.6 CHANGE IN CONTROL OF THE COMPANY

There are no provisions in the Articles that would have the effect of delaying, deferring or preventing a change in control of the Company.

21.3.7 DISCLOSURE OF OWNERSHIP OF SHAREHOLDING IN THE COMPANY

There are no provisions in the Articles providing for an ownership threshold above which shareholder ownership must be disclosed by the Shareholders of the Company.

21.3.8 CHANGES IN CAPITAL

The Memorandum and Articles do not contain any conditions governing changes in the capital of the Company which are more stringent than those required by law.

22. MATERIAL CONTRACTS

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

23. THIRD PARTY INFORMATION, STATEMENT BY EXPERTS & DECLARATIONS OF ANY INTEREST

Save for the Accountant's Report on the projected financial information annexed to this Registration Document as Annex II, this Registration Document does not contain any statement or report attributed to any person as an expert.

The Company engaged PricewaterhouseCoopers, a firm of Certified Public Accountants, to issue the Accountant's Report referred to above, which is dated 7 January 2019. Details of the said expert are found in section 5.2 of this Registration Document.

To the knowledge of the Company, PricewaterhouseCoopers does not have any beneficial interest in the Company. The Company confirms that the Accountant's Report has been accurately reproduced in this Registration Document, with the consent of PricewaterhouseCoopers. The Company further confirms that there are no facts of which it is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

PricewaterhouseCoopers has given and has not withdrawn its consent for the publication of the Accountant's Report in the form and context in which it is included in this Registration Document.

24. DOCUMENTS ON DISPLAY

For the duration period of this Registration Document the following documents shall be available for inspection at the registered address of the Company:

- a. The Memorandum and Articles of Association of the Company;
- b. The consolidated audited financial statements of the BMIT Group covering the years ended 31 December 2015, 2016 and 2017, together with the Auditor's Report thereon;
- c. The consolidated unaudited interim financial statements covering the two financial periods 1 January 2017 to 30 June 2017 and 1 January 2018 to 30 June 2018;
- d. The Independent Accountant's Report on the Prospective Financial Information; and
- e. The letter of consent received from PwC.

Documents (a), (b) and (c) above shall also be available on the *Investor Relations* section of the Company's website www.bmittechnologies.com.



ANNEXES

ANNEX I

PROSPECTIVE FINANCIAL INFORMATION

SUMMARY OF SIGNIFICANT ASSUMPTIONS AND ACCOUNTING POLICIES

1. INTRODUCTION

The projected Statement of Financial Position, the projected Income Statement and the projected Statement of Cash Flows of BMIT Technologies p.l.c. (“**BMIT Technologies**”) and its subsidiaries and associates (collectively “**BMIT Group**”) for the three-year period from 1 January 2018 to 31 December 2020 (“**Prospective Financial Information**”) have been prepared to provide financial information for the purpose of inclusion in the Registration Document of BMIT Technologies p.l.c. in connection with the Offer dated 7 January 2019 (the “**Registration Document**”). The Prospective Financial Information set out in section 3 below and the assumptions hereunder are the sole responsibility of the directors of BMIT Technologies (“**Directors**”).

The Prospective Financial Information for the three-year period ending 31 December 2020 has been based on the financial projections of the BMIT Group covering the period from 1 January 2018 to 31 December 2020.

The Prospective Financial Information is intended to show a possible outcome based on a mixture of best-estimate assumptions as to future events which the Directors expect to take place and actions the Directors expect to take and hypothetical assumptions about future events and management actions which are not necessarily expected to take place. Events and circumstances frequently do not occur as expected and therefore actual results may differ materially from those included in the Prospective Financial Information.

The Prospective Financial Information is not intended to, and does not, provide all the information and disclosures necessary to give a true and fair view of the financial results, financial position and cash flows of the BMIT Group in accordance with International Financial Reporting Standards (“**IFRS**”) as adopted by the EU.

The Directors have exercised due care and diligence in adopting the assumptions below. The Directors formally approved the Prospective Financial Information on 1 November 2018 and the stated assumptions reflect the judgements made by the Directors at that date. The assumptions that the Directors believe are significant to the Prospective Financial Information are set out in section 3 below and in section 13 of the Registration Document.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of BMIT Group are set out in its consolidated audited financial statements for the year ended 31 December 2017. Where applicable, these accounting policies, in so far as they relate to recognition and measurement criteria, have been consistently applied in the preparation of the Prospective Financial Information.

A number of new or amended standards became applicable for the years commencing 1 January 2018 and 1 January 2019, and accordingly the Group had to change its accounting policies and make adjustments utilising the modified retrospective approach as a result of adopting the following standards:

- IFRS 9 Financial Instruments,
- IFRS 15 Revenue from Contracts with Customers,
- IFRS 16 Leases

The impact of the adoption of these standards and the new accounting policies are disclosed below.

IFRS 15, ‘REVENUE FROM CONTRACTS WITH CUSTOMERS’

In May 2014, IFRS 15, ‘Revenue from contracts with customers’ was issued. It was subsequently amended in September 2015 and April 2016. It became effective for periods beginning on or after 1 January 2018.

IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognised

when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations.

As outlined, the new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

IFRS 15 sets out the requirements for recognising revenue and costs from contracts with customers and includes extensive disclosure requirements. The standard requires entities to apportion revenue earned from contracts to individual promises, or performance obligations, on a relative stand-alone selling price basis, based on a five-step model.

Performance obligations

IFRS 15 requires that at contract inception, the Group assesses the good or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer. Promises in a contract can be explicit, or implicit if the promises create a valid expectation to provide a good or service based on the customary business practices, published policies, or specific statements.

Transition

The Group's decision to adopt the modified retrospective approach depended on a number of factors considering the time, effort and cost involved in doing so when compared to the benefits to users of the financial statements.

Financial impact

The Group quantified the implications of the standard and the financial impact of adoption was immaterial.

IFRS 9, 'FINANCIAL INSTRUMENTS'

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 Financial Instruments from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements as set out below.

In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated.

The total impact on the Group's retained earnings as at 1 January 2018 was a reduction of €81,000.

(i) Classification and measurement

On 1 January 2018 (the date of initial application of IFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate IFRS 9 categories. There was no impact resulting in this respect.

(ii) Impairment of financial assets

The Group's main type of financial assets that are subject to IFRS 9's new expected credit loss model is *trade receivables for sales of services*.

The Group was required to revise its impairment methodology under IFRS 9 for financial assets. The impact of the change in impairment methodology on the Group's retained earnings and equity is disclosed above.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the estimated expected credit loss was insignificant.

IFRS 16, 'LEASES'

IFRS 16 was published in January 2016 and will be effective from 1 January 2019, replacing IAS 17 'Leases'.

The Prospective Financial Information also takes into account the accounting implications of IFRS 16 – Leases, the new accounting standard on lease accounting, which will become effective as from 1 January 2019. This accounting standard requires BMIT Group as a lessee to recognise leases on the Statement of Financial Position to reflect the right to use an asset for a period of time (i.e. right to use a leased building) and the associated lease liability for payments contracted under the respective lease agreement. The rent expense previously recognised in the Income Statement will now be reflected through the depreciation of the right of use over the lease term, and a

finance cost in relation to the lease liability. The period of time being considered in relation to the use of the leased buildings includes both the *di fermo* period and *di rispetto* period to the extent that the Group is reasonably certain to exercise the option to extend the lease term.

The impact of adoption of IFRS 16 on the financial information presented is:

- there is an increase in total assets, as leased assets which were accounted for off balance sheet (i.e. classified as operating leases under IAS 17) up to 31 December 2018, were recognised on balance sheet as at 1 January 2019. The biggest asset category impacted for the Group was land and buildings;
- there was an increase in debt as at 1 January 2019, as liabilities relating to existing operating leases were recognised; and
- depreciation and finance costs were reflected subsequent to 1 January 2019, instead of operating lease expenditure.

The impact of this change in accounting policy is applied retrospectively through the modified retrospective approach in line with the requirements of IFRS 16. Under this approach, the right to use an asset and the lease liability are recognised as from 1 January 2019. The retrospective impact is then reflected by recognising the cumulative effect of past years as an adjustment to the opening balance of retained earnings as at 1 January 2019.

3.

BASIS OF PREPARATION AND PRINCIPAL ASSUMPTIONS

The Prospective Financial Information includes the forecast for the financial year ended 31 December 2018. This forecast is based on the year-to-date results for the BMIT Group up to 31 July 2018, with the forecast for the period August to December based on the results achieved in July 2018 extrapolated until year-end and adjusted with material movements which are reasonably expected to occur during the period.

The principal assumption underlying the Prospective Financial Information relates to the new data centre in Zejtun which is expected to replace the existing data centre in Handaq as from 2020. The migration of servers from the Handaq to the Zejtun data centre is expected to occur over the 4-year period between 2020 and 2023.

Other principal assumptions relating to the environment in which BMIT Group operates and the factors which are exclusively outside the influence of the Directors and which underlie the Prospective Financial Information are the following:

- there will be no material adverse events originating from market and economic conditions;
- interest rates will not change materially throughout the period covered by the Prospective Financial Information;
- the basis and rates of taxation will not change materially throughout the period covered by the Prospective Financial Information; and
- the rate of inflation will not exceed that experienced in the last few years.

The principal assumptions relating to the environment in which BMIT Group operates and the factors that the Directors can influence, and which underlie the Prospective Financial Information are outlined below:

3.1 REVENUES

Revenue projections take into consideration the existing agreements with clients and confirmed new agreements or expected terminations in the foreseeable period. Service agreements with clients are based on a Master Contract, with a Service Form Agreement annexed to the main Master Contract specifying the type of service, rates and duration of the agreement. Typically, client agreements are for a specified period of one year and are automatically renewed unless terminated by a party to the agreement, subject to a period's notice. Most of the existing clients have been serviced by the BMIT Group for a long period of time and, in the absence of a termination notice which leads the Directors to expect otherwise, the Directors' expectation is that existing clients will continue to be serviced by the BMIT Group throughout 2018 to 2020.

BMIT Group's total revenue is forecast to reach €21.7 million in 2018, an increase of *circa* 10% over the revenues of €19.7 million generated in 2017. Total revenues are projected to increase to €22.6 million by 2019, and subsequently reach €24.6 million during financial year 2020 (equivalent to a CAGR of 7.6% over the period 2017 to 2020). The Directors expect the following key trends to drive revenue growth over this period:

- strong growth in revenue from co-location services, driven by the increased rack capacity of *circa* 22% from 2017 to 2020 following the migration from the existing data centre in Handaq to the new data centre in Zejtun;
- improved quality of co-location services, with the Zejtun data centre expected to offer enhanced capacity in terms of racks, bandwidth and power, thereby allowing BMIT Group to enhance the reliability of its service to existing clients and attract new business;
- a portion of the growth in co-location services is also attributable to 50 racks that will be taken up by GO as an anchor client upon commencement of operations in Zejtun. This is expected to generate annual revenues from co-hosting and power services;
- growth in co-location services will support growth in managed services for co-location clients, with BMIT Group offering a holistic service to clients;

- focus on growing cloud and managed services, with corporate clients finding it opportune to outsource their IT requirements to the BMIT Group as well as more efficient and reliable to host their applications on a public or private cloud; and
- significant expansion in the current staff compliment to support projected growth.

3.2 COST OF SALES

Cost of sales is projected to increase from €11.1 million in 2017 to €12.9 million in 2020 in line with the projected growth in revenue. Cost of sales as a percentage of revenue is expected to range between 52% to 54% of revenue during the period 2018 to 2020 (compared to 56% in 2017).

The projected cost of sales for co-location services, cloud and managed services, and sale of hardware and software are assumed to remain in line with the cost of sales incurred during the period from 1 January to 31 July 2018, with the exception of the cost of provision of power. The latter is expected to improve over the period following the costs savings expected to be generated from the planned investment in the new air-conditioning system in the data centre at Handaq. This new air-conditioning system is expected to cost €0.6 million and is planned to be implemented over the period 2018 to 2019.

Personnel costs are projected to increase from €2.1 million in 2017 to €2.6 million in 2018, €3.1 million in 2019, and €3.4 million in 2020. This increase in payroll costs reflects the increase in direct and administrative staff required to sustain the projected revenue growth, with total headcount expected to increase from 58 full time equivalents (“FTEs”) in 2017 to *circa* 77 FTEs by 2020. For the purpose of the Prospective Financial Information, salaries of direct employees have been classified with cost of sales, whereas salaries of administrative staff and management have been included with administrative costs.

Repairs and maintenance on facilities and premises are forecast to increase to €0.5 million in 2018. These costs are subsequently projected to decrease to €0.4 million in 2019 and 2020, with certain cost savings expected to be achieved through the installation of the new air-conditioning system.

Other costs included within cost of sales include depreciation (refer to note 3.4 below) and amortisation (refer to note 3.5 below).

3.3 ADMINISTRATIVE EXPENSES

Administrative costs are forecast to increase from €2.3 million in 2017 to €2.6 million in 2018 and subsequently projected to reach €3 million in 2019 and €3.5 million in 2020. The main factors contributing to the increase in administrative costs are:

- total rental costs are forecast at €0.6 million in 2018 and €0.7 million in 2019 based on the existing lease agreements in place. In 2020, the BMIT Group will start operating the Zejtun data centre which will be leased at a cost of €0.6 million per annum, with total rental cost estimated at €1.4m. The current lease agreement in respect of the Handaq data centre is set to expire towards the end of 2023, at which point, the servers would have been completely migrated to the new data centre in Zejtun.
In line with the requirements of the new accounting standard on leases, IFRS 16 – Leases, as from 1 January 2019, BMIT Group's rental cost (included in full within administrative expenses in 2017 and 2018) will be reflected through the depreciation of the right of use of leased assets over the lease term (amounting to €0.5m in 2019 and €0.8m in 2020 and included within administrative expenses), and a finance cost in relation to the lease liability (amounting to €0.2m in 2019 and €0.6m in 2020 and included within net finance costs). Refer to further detail in notes 3.10, 3.11 and 3.12 below.
- incremental costs of *circa* €0.2 million per annum relating to the costs which the BMIT Group is likely to incur as from 2019 to fulfil its obligations as a listed company, including directors' fees, cost of AGM, listing fees, professional fees, together with other corporate and general expenses;
- increased marketing costs, which are assumed at *circa* 1.3% of total revenues, equivalent to an annual cost of *circa* €0.3 million; and
- other administrative costs, including insurance, travelling costs, and administration costs are expected to remain largely constant throughout the period 2018 to 2020, increasing with inflation assumed at *circa* 2.5% per annum.

3.4 DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

Depreciation is calculated on the straight-line method to allocate the cost of all items comprised within property, plant and equipment over their estimated useful lives. For the purpose of the Prospective Financial Information, depreciation is included within cost of sales.

In connection with the preparation of the financial projections, the useful life of each category of property, plant and equipment was reviewed to reflect management's best estimate of the remaining useful life of non-current assets. Revisions resulting from this review process were accounted for in the financial projections in line with the requirements of IFRS.

The depreciation charge is based on the BMIT Group's fixed asset base as at 31 December 2017 adjusted for forecast additions during the period of the projections and on the basis of the following depreciation rates:

	%
Improvements to premises	6.7
Office equipment	10 – 20
Other equipment	10 – 20
Computer equipment	25
Generators	5
Motor vehicles	20

Depreciation in respect of property, plant and equipment included in cost of sales is projected at €1.5 million in 2018 and €1.6 million in 2019, increasing to €2.1 million by 2020.

3.5 AMORTISATION OF INTANGIBLE ASSETS

Amortisation is calculated using the straight-line method to allocate the cost of the intangible assets to their residual value over their estimated useful lives as follows:

	Years
Brand name	10
Customer relationships	5

Amortisation in respect of intangible assets included in cost of sales is projected at €0.3 million in 2018 and 2019, and €0.2 million in 2020.

With regards to the 'Kinetix' brand name, the Directors envisage a high probability that the use of this brand name will be discontinued at some point during 2019. In this respect, the Prospective Financial Information assumes that the carrying amount of the 'Kinetix' brand name of €0.5 million will be immediately impaired in 2018.

In view of the projected growth in profitability, the Projected Financial Information assumes that no impairment losses will be recognised on goodwill, which is assumed to have an indefinite useful life.

3.6 TAXATION

Current taxation has been provided at the corporate tax rate of 35% of profit before tax. Presently, the BMIT Group does not have any balance of tax losses or tax credits.

Deferred tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

3.7 EARNINGS PER SHARE

Earnings per share are based on the projected profit after taxation attributable to the ordinary shareholders of BMIT Technologies divided by the projected weighted average number of ordinary shares in issue during the respective year.

For comparability purposes, the weighted average number of ordinary shares in issue during 2018 has been assumed at 203,595,310 ordinary shares reflecting in full the impact of the capitalisation of loan due from BMIT Technologies to GO and the redenomination of the share capital from a nominal value of €1.00 per share to a nominal value of €0.10 effective as from 25 October 2018. In line with this, the projected earnings per share in 2018 is estimated at €0.021 per share based on a profit after tax of €4.3 million. Earnings per share are projected to increase to €0.025 per share in 2019, and decreasing to €0.023 per share in 2020.

3.8 DIVIDEND POLICY

The ability to pay dividends and the extent of any dividend distribution will depend upon, amongst other factors, the profit for the year, the Directors' view on the prevailing market outlook, any debt servicing and repayment requirements, the cash flows for BMIT Group, working capital requirements, investment opportunities, capital expenditure and the requirements of the Act. Subject to the foregoing and to unforeseen circumstances that may have a material impact on the performance and results of the BMIT Group, the Directors' objective is to distribute up to 90% of the BMIT Group's free cash flows generated during the year (defined as EBITDA less working capital movements less taxation less recurring capital expenditure, less interest costs but excluding capital expenditure funded externally, such as the capital expenditure related to the Zejtun data centre), capped at 95% of distributable profits (defined as distributable opening retained earnings plus profit for the year (after tax but before amortisation)).

The Prospective Financial Information assumes that, prior to the Offer, a net dividend of *circa* €4 million will be declared by BMIT Technologies to GO for the financial year ending 31 December 2018, with €3.2 million paid during 2018 and the remaining €0.8 million paid during 2019.

Following admission to listing of the entire issued share capital of the Company on the Official List of the MSE, dividends will be paid through a final dividend after its approval at BMIT Technologies' annual general meeting in or around May. Total net dividends declared to shareholders in respect of financial years ending 31 December 2019 and 2020 (declared subsequent to year-end and payable in May 2020 and May 2021 respectively) are projected at €4.4 million and €4.9 million respectively, as explained in section 5 of this Registration Document.

The projected levels of dividends are being made for illustrative purposes only and are subject to the BMIT Group's profit for the year, the Directors' view on the prevailing market outlook, ongoing liquidity and working capital requirements, and investment requirements.

3.9 CAPITAL EXPENDITURE

Annual recurring capital expenditure is estimated at *circa* €1 million per annum. This capital expenditure is expected to be funded through the internal cash generated by BMIT Group. Capital expenditure for 2018 also covers the replacement of the air-conditioning system at the Handaq data centre for a total investment of €0.6 million.

Specific capital expenditure relates to a budget of €10 million in relation to the development of the Zejtun data centre. Works on this project are expected to be conducted during 2019, with data centre expected to be operative in the first quarter of 2020. Capital expenditure of *circa* €0.4 million on this data centre has already been incurred in 2018, with the remaining capital expenditure of €6.6 million and €3 million expected to be incurred in 2019 and 2020 respectively.

3.10 RIGHT OF USE ASSET

In line with the requirements of IFRS 16 – Leases, effective as from 1 January 2019, BMIT Group will start recognising a Right of Use asset on the Statement of Financial Position. The Right of Use asset is projected at €2.3 million as at 31 December 2019 and €9.5 million as at 31 December 2020.

3.11 LEASE LIABILITY

With effect from 1 January 2019, BMIT Group's liabilities will reflect the impact of the lease liability, representing the present value of the committed lease payments on BMIT Group's leased assets in line with the requirements of IFRS 16 – Leases. The total lease liability (including current and non-current portion) is projected at €3.1 million and €10.5 million as at 31 December 2019 and 31 December 2020 respectively.

3.12 BORROWINGS AND FINANCE COSTS

Net finance costs, amounting to €0.3 million in 2019 and increasing to €0.9 million in 2020, relate to:

- interest of €0.1 million in 2019 and €0.3 million in 2020 in relation to the loan facility provided by GO to finance the development of the Zejtun data centre at a budgeted investment of €10 million. The loan is assumed to be drawn down €7 million in 2019 and €3 million in 2020. This loan is assumed to be repayable within 5 years, with a 2-year capital moratorium at an interest rate of 3.25% per annum; and
- finance costs of €0.2 million in 2019 and €0.6 million in 2020 in relation to the lease liability on the premises leased by BMIT Group recognised as from 1 January 2019 in line with the requirements of IFRS 16 – Leases.

3.13 WORKING CAPITAL

The BMIT Group's working capital comprises the net impact of trade and other receivables together with trade and other payables. Current trade and other payables include significant amounts relating to security deposits and deferred income arising in line with terms and conditions of agreements with clients. For the purpose of the Prospective Financial Information, working capital has been projected on the basis of historical average debtor days and creditor days, and reflects the credit terms and client deposit requirements as set out in our agreements with clients.

The Directors, having made due and careful enquiry, are of the opinion that in the absence of unforeseen circumstances outside their control, the working capital available to the BMIT Group will be sufficient for the carrying out of its business.

3.13 CAPITAL AND RESERVES

The preparation of this Prospective Financial Information reflects the following changes to BMIT Technologies' share capital completed in advance of the admission to listing of the entire issued share capital of the Company on the Official List of the MSE:

- capitalisation of an amount of €11.2 million due by BMIT Technologies to GO in exchange for the issue and allotment of 11,249,531 new shares to GO in BMIT Technologies. This amount related to funds advanced by GO to BMIT Technologies to complete the acquisition of the BM companies and Kinetix. As a result of this transaction, the issued share capital of BMIT Technologies increased from €9.1 million to €20.4 million, thereby eliminating the negative equity reserves of the BMIT Group; and
- the re-denomination of BMIT Technologies' share capital from a nominal value of €1.00 per share to a nominal value of €0.10 per share.

In line with the modified retrospective approach under IFRS 16 – Leases, the opening retained earnings as at 1 January 2019 take into account a one-time reduction of €0.9 million representing the cumulative effect of past year adjustments had existing asset lease agreements been accounted for in line with requirements of the revised leases accounting standard. This one-time reduction summarises the difference between the Right of Use of the leased assets and the lease liability recognised as at 1 January 2019.

Apart from the adjustment above in relation to the adoption of IFRS 16 – Leases, retained earnings will increase in line with undistributed profits.

Other reserves will remain unchanged for the three-year period.

4. CONCLUSION

The Directors believe that the assumptions on which the Prospective Financial Information is based are reasonable.

Approved by the Board of Directors on 1 November 2018 and signed on their behalf by:



Mr Nikhil Patil
Chairman

5. PROJECTED FINANCIAL STATEMENTS

5.1 PROJECTED STATEMENTS OF FINANCIAL POSITION

BMIT Technologies plc
Projected Consolidated Statements of Financial Position
as at 31 December

	2017 Audited €000s	2018 Forecast €000s	2019 Projected €000s	2020 Projected €000s
ASSETS				
Non-current assets				
Property, plant and equipment	6,555	6,558	12,486	14,358
Intangible assets	4,535	3,689	3,427	3,203
Right of use asset	-	-	2,281	9,523
Investment in associate	18	18	18	18
Deferred tax	2	2	2	2
Total non-current assets	11,110	10,267	18,214	27,104
Current assets				
Inventories	229	200	200	200
Trade and other receivables	2,196	2,676	2,773	2,950
Cash and cash equivalents	2,244	53	5,627	6,676
Total current assets	4,669	2,929	8,600	9,826
Total assets	15,779	13,196	26,814	36,930
EQUITY AND LIABILITIES				
Equity				
Share Capital	9,110	20,360	20,360	20,360
Other reserves	(2,964)	(4,097)	(4,097)	(4,097)
Retained Earnings	(9,917)	(9,643)	(5,367)	(5,087)
Capital and reserves attributable to the owners of the Group	(3,771)	6,620	10,896	11,176
Non-controlling interest	692	-	-	-
Total equity	(3,079)	6,620	10,896	11,176
Non-current liabilities				
Borrowings	-	-	7,000	10,000
Lease liability	-	-	2,587	9,789
Deferred tax liabilities	648	583	371	212
Total non-current liabilities	648	583	9,958	20,001
Current liabilities				
Trade and other payables	18,156	5,768	4,956	5,022
Lease liability	-	-	554	689
Current tax liabilities	54	225	450	42
Total current liabilities	18,210	5,993	5,960	5,753
Total liabilities	18,858	6,576	15,918	25,754
Total equity and liabilities	15,779	13,196	26,814	36,930

5.2 PROJECTED INCOME STATEMENTS

BMIT Technologies plc
Projected Consolidated Income Statement
for year ended 31 December

	2017 Audited €000s	2018 Forecast €000s	2019 Projected €000s	2020 Projected €000s
Revenue	19,717	21,673	22,646	24,588
Cost of sales	(11,097)	(11,627)	(11,964)	(12,884)
Gross profit	8,620	10,046	10,682	11,704
Administrative expenses	(2,260)	(2,620)	(2,953)	(3,497)
Impairment of intangible assets	-	(507)	-	-
Operating profit	6,360	6,919	7,729	8,207
Net finance costs	-	-	(314)	(940)
Profit before tax	6,360	6,919	7,415	7,267
Tax expense	(2,309)	(2,649)	(2,262)	(2,597)
Profit for the year	4,051	4,270	5,153	4,670
Attributable to:				
Owners of the company	3,795	4,223	5,153	4,670
Non-controlling interest	256	47	-	-
Profit for the year	4,051	4,270	5,153	4,670
Earnings per share (in €)*	0.020	0.021	0.025	0.023
Total dividends	4,925	4,000	4,391	4,896
Dividends per share (in €)*	0.024	0.020	0.022	0.024

* The presentation of the earnings per share, dividends per share and the weighted average number of ordinary shares in issue during each financial year on which the earnings per share and dividends per share are based have been adjusted retrospectively to reflect the capitalisation of a loan of €11.2 million due to BMIT Technologies to GO and the redenomination of the BMIT Technologies' share capital from a nominal value of €1 per share to a nominal value of €0.10 per share, both of which occurred subsequent to 31 December 2017.

5.3 PROJECTED STATEMENTS OF CASH FLOWS

BMIT Technologies plc
Projected Consolidated Statement of Cash Flows
for year ended 31 December

	2017 Audited €000s	2018 Forecast €000s	2019 Projected €000s	2020 Projected €000s
Cash flow from operating activities				
Cash generated from operations	9,551	8,793	9,548	9,929
Income tax paid	(2,524)	(2,543)	(2,250)	(3,164)
Net cash generated from operating activities	7,027	6,250	7,298	6,765
Cash flows from investing activities				
Purchase of property, plant and equipment, net of disposals	(1,050)	(1,103)	(7,810)	(4,000)
Payment of acquisition of subsidiary	-	(1,872)	-	-
Net cash used in investing activities	(1,050)	(2,975)	(7,810)	(4,000)
Cash flows from financing activities				
Borrowings from related party	-	1,837	7,000	3,000
Movement in related party balances	-	(4,103)	-	-
Interest paid	-	-	(114)	(325)
Dividends paid	(4,925)	(3,200)	(800)	(4,391)
Net cash (used in) / generated from financing activities	(4,925)	(5,466)	6,086	(1,716)
Net movement in cash and cash equivalents	1,052	(2,191)	5,574	1,049
Cash and cash equivalents at beginning of year	1,192	2,244	53	5,627
Cash and cash equivalents at end of year	2,244	53	5,627	6,676

ANNEX II

ACCOUNTANT'S REPORT ON PROSPECTIVE FINANCIAL INFORMATION



The Directors
BMIT Technologies p.l.c.
Building SCMO2, Level 2,
Smart City Malta, Ricasoli
Malta

7 January 2019

Independent Accountant's Report on the Projected Financial Information of BMIT Technologies p.l.c.

To the board of directors of BMIT Technologies p.l.c.

We report on the projected statements of financial position as at 31 December 2018, 31 December 2019 and as at 31 December 2020, and the projected income and cash flow statements for the three-year period ending 31 December 2020 (the "Projected Financial Information") of BMIT Technologies p.l.c. ("BMIT Group"). The Projected Financial Information, the basis of preparation and the material assumptions upon which the Projected Financial Information is based, are set out in Annex I – Prospective Financial Information of the Registration Document (the "Registration Document") of BMIT Group in connection with the proposed listing of GO plc's ("GO Group") shares in BMIT Technologies p.l.c. dated 7 January 2019.

This report is required in terms of rule 5.40 of the Listing Rules issued by the Listing Authority of the Malta Financial Services Authority and is given for the purpose of complying with that regulation and for no other purpose.

Directors' responsibilities for the Projected Financial Information

It is the responsibility of the Directors of the BMIT Group to prepare the Projected Financial Information and the assumptions upon which it is based, as set out in Annex I – Prospective Financial Information of BMIT Group's Registration Document dated 7 January 2019, in accordance with the requirements of the Listing Rules issued by the Listing Authority of the Malta Financial Services Authority and EU Regulation EC 809/2004.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

*PricewaterhouseCoopers,
78 Mill Street, Qormi, QRM3101, Malta
T: +(356) 2124 7000, F: +(356) 2124 4768, www.pwc.com/mt*

The firm is registered as a partnership of Certified Public Accountants in terms of the Accountancy Profession Act.
A list of partners and directors of the firm is available at 78 Mill Street, Qormi, Malta.



**Independent Accountant's Report on the Projected Financial Information of
BMIT Technologies p.l.c.**

To the board of directors of BMIT Technologies p.l.c.

Accountant's responsibility

It is our responsibility to form an opinion as required by Listing Rule 5.40 as issued by the Listing Authority of the Malta Financial Services Authority and Annex I item 13.2 of EU Regulation EC 809/2004 as to the proper compilation of the Projected Financial Information on the basis stated in Annex I – Prospective Financial Information of BMIT Group's Registration Document dated 7 January 2019, in so far as the application of the underlying accounting policies and accuracy of calculations are concerned, and to report that opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with the Listing Rules, consenting to its inclusion in the Registration Document.

Basis of preparation of the Projected Financial Information

The Projected Financial Information has been prepared on the basis stated in Annex I – Prospective Financial Information of BMIT Group's Registration Document dated 7 January 2019 and is based on projections covering the three-year period ending 31 December 2020. The Projected Financial Information is required to be presented on a basis consistent with the accounting policies of BMIT Group.

Basis of opinion

We have examined the basis of compilation and the accounting policies of the accompanying Projected Financial Information of BMIT Group for the three-year period ending 31 December 2020 in accordance with ISAE 3000, 'Assurance Engagements Other than Audits and Reviews of Historical Financial Information'. Our work included evaluating the basis on which the Projected Financial Information has been prepared and considering whether the Projected Financial Information has been accurately computed based upon the disclosed assumptions and accounting policies of BMIT Group.

The assumptions upon which the Projected Financial Information is based are solely the responsibility of the Directors of BMIT Group and accordingly, we express no opinion on the validity of the assumptions.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Projected Financial Information has been properly compiled on the basis stated, in so far as the accuracy of calculations are concerned.

The Projected Financial Information is not intended to, and does not provide all the information and disclosures necessary to give a true and fair view of the results of the operations and the financial position of the company in accordance with International Financial Reporting Standards as adopted by the EU ("IFRSs"). Accordingly, we do not give an opinion as to whether the Projected Financial Information has been properly prepared in accordance with IFRSs.



**Independent Accountant's Report on the Projected Financial Information of
BMIT Technologies p.l.c.**

To the board of directors of BMIT Technologies p.l.c.

Since the Projected Financial Information and the assumptions on which they are based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the Projected Financial Information and differences may be material.

Opinion

In our opinion, the Projected Financial Information has been properly compiled on the basis stated in Annex I – Prospective Financial Information of BMIT Group's Registration Document dated 7 January 2019 and the basis of accounting used is consistent with the accounting policies of BMIT Group.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Fabio Axisa'.

Fabio Axisa
Partner

PricewaterhouseCoopers
78 Mill Street
Qormi
QRM 3101
Malta

ANNEX III

LIST OF DIRECTORSHIPS OF THE COMPANY'S DIRECTORS & SENIOR MANAGEMENT

Name	Current Directorships	Past Directorships
Directors		
Arthur Galea Salomone	BMIT Technologies plc (C 48299) Angar Ltd (C 10701) Finco Holdings Ltd (C 16618) Finco Trust Services Ltd (C 13078) Classic Holdings Ltd (C 19162) Rhenas Insurance Ltd (C 36584) Multi Risk Limited (C 37021) Multi Risk Indemnity Ltd (C 37030) Propgen Insurance Limited (C 37777) Halmann Vella plc (C 5067) Vicamar Ltd (C 4177) Zammit Finance plc (C 70870) Mangrove Insurance Europe PCC (C 84502) Gollcher Holdings Ltd (C 9381)	Malta Stock Exchange (C 42525) Argotti Properties Ltd (C 45731) Central General Limited (C 37506) Central Life Limited (C 38503) Multi Risk Benefits Limited (C 38253) APS Bank Ltd (C 2192) Finco Trust (Nominee) Ltd (C 10832) – <i>in liquidation</i>
Charmaine Farrugia	BMIT Technologies plc (C 48299)	N/A
Nikhil Patil	BMIT Technologies plc (C 48299) Innovate Software Limited (C 28414) BM IT Limited (C 39594) <i>(resigned in 2016, re-appointed in 2018)</i> BM Support Services Limited (C 39699) <i>(resigned in 2016, re-appointed in 2018)</i> BellNet Limited (C 30793) <i>(resigned in 2016, re-appointed in 2018)</i> Kinetix IT Solutions Limited (C 27726) Cablenet Communication Systems Limited (HE 137520)	Interoute Communications Holdings SA (Lux B 109435) Interoute Holdings Sarl (Lux B112820) BKE Property Company Limited (C 54591) SLM Property Company Limited (C 54590) MCB Property Company Limited (C 51493) MSH Property Company Limited (C 51491) SGE Property Company Limited (C 51494) SPB Property Company Limited (C 54593) ZTN Property Company Limited (C 54592) Tunisie Telecom (B 6461995) GO p.l.c. (C 22334)
Reuben Zammit	BMIT Technologies plc (C 48299) Procom Limited (C 23114)	GlobalCapital Plc (C 19526) GlobalCapital Holdings Limited (C 29873) GlobalCapital Life Insurance Limited (C 29086) GlobalCapital Health Insurance Agency Limited (C 6393) GlobalCapital Financial Management Limited (C 30053) Central Landmark Development Limited (C 34858) Global Estates Limited (C 37544) Global Properties Ltd. (Medunarodne Nekretnine d.o.o.) (C 23968) Quadrant Italia s.r.l. (Italian Reg No 1102926) GlobalCapital Insurance Brokers (C 32451)
Saviour Portelli	BMIT Technologies plc (C 48299) HSBC Bank Malta p.l.c. (C 3177)	Malta University Holding Company Limited (C 20375) Malta University Broadcasting Limited (C 14460) Malta University Consulting Limited (C 8317)

Senior Management

Adrian Dalli	N/A	Kinetix IT Solutions Limited (C 27726) Kinetix IT Services Ltd (C 48798) – <i>in liquidation</i>
Alexia Muscat	N/A	N/A
Christian Sammut	Kinetix IT Solutions Limited (C 27726) iGaming Idol Limited (C 76829) Migs Limited (C 65920)	N/A
Curt Gauci	Transaction Network Services Limited (OC 817) Eagle Investments SICAV plc (SV 303) Encoded Holdings SICAV plc (SV 486) Apollo Soft Limited (C 75766) Eagleline Limited (C 86324) Eddbix Limited (C 79978) NSB Limited (C 79975)	Kinetix IT Solutions Limited (C 27726) Kinetix IT Services Ltd (C 48798) – <i>in liquidation</i>
Dione Vella	N/A	N/A
Gordon Bezzina	N/A	N/A
Jack Mizzi	N/A	N/A
Nicholas Tonna	N/A	N/A