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CABLENET COMMUNICATION SYSTEMS PLC

Report and Separate Financial Statements

31 December 2024

CABLENET COMMUNICATION SYSTEMS PLC

Report and Separate Financial Statements **Year ended 31 December 2024**

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CABLENET COMMUNICATION SYSTEMS PLC

GENERAL INFORMATION

Board of Directors:

Nikhil Prakash Patil (Chairman)
Faker Hnid
Neoclis Nicolaou
Michael Warrington
Lassaad Ben Dhiab
Kelvin Camenzuli
Marios Kalochoritis
Menelaos Shiacolas
Norbert Prihoda

Company Secretary:

Francis Galea Salomone

Independent Auditors:

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors
PwC Central
43 Demostheni Severi Avenue
CY-1080 Nicosia, Cyprus

Legal Advisers:

Antoniou McCollum & Co. LLC
4 Adamantiou Korai Street
1016 Nicosia, Cyprus

Registered office:

41-49 Agiou Nicolaou Street
Block A, Nimeli Court
2nd Floor
2408 Egkomi, Nicosia, Cyprus

Bankers:

Bank of Cyprus Public Company Ltd
Alpha Bank Cyprus Ltd
Hellenic Bank Public Company Ltd
Eurobank Cyprus Ltd
The Cyprus Development Bank

Registration number:

137520

CABLENET COMMUNICATION SYSTEMS PLC

Chief Executive Officer's review

Concluding 2024 as my first year as Cablenet's Chief Executive Officer I can't help a sense of déjà vu at the volatility of prevailing conditions across the globe and in our region, with said volatility being no less intense than that of my previous 4 years with Cablenet Communication Systems PLC ('Cablenet' or 'the Company'). New conflicts, like those in the Middle East, are added to continuing ones, the political and economic landscapes of major countries and economic blocks of the world have seen significant changes and inflation remains a lingering threat. To add to this backdrop, we've also seen emerging catalysts of significant transformative impact, such as artificial intelligence, come to the fore - with the potential for disruption, destruction, creation and growth across all facets of economic activity. It makes announcing this particular year's results all the more satisfying given what Cablenet has delivered. Cablenet is unwavering in its pursuit of becoming a solid producer of strong returns for its shareholders and a contributor of exceptional value to its employees and stakeholders and, despite any adversities and headwinds, our 2024 results demonstrate not only a broad and consistent progress towards that goal but one that's being achieved with ever higher or new milestones achieved.

Achieving scale in our mobile business remained a core focus area and achievement for 2024, continuing to be led by our innovative Purple Max product concept, a concept fully aligned with Cablenet's "value" proposition to consumers. The Cypriot mobile market remains a significantly bigger market, in terms of revenue and customers, than the fixed one, where Cablenet was traditionally active, with 1.466 million users (OCECPR data, June 2024), of which 71.2% are postpaid and 28.8% prepaid users. Our growing presence in this market section is delivering, as evidenced by the 2024 results, the transformative impact on Cablenet's financial performance that we were expecting and is the reason, beyond the strategic fit, that we will continue pursuing it.

As a result of our continued focus on the growth of the mobile business, Cablenet saw an increase of c.10% (2023: c.52%) of our mobile subscriber base, to c.157,000 (2023: c.142,000) postpaid and prepaid subscribers at the end of 2024 and an increase of c.19% (2023: 54%) of our 2024 mobile service revenue to €20 million vs. 2023 (2023: €16.8 million). Our proposition continues to resonate with customers, and it reinforces our commitment in further developing and growing this segment. During 2024 we invested in additional coverage and capacity capabilities and we are currently actively working on the migration of our mobile customers to utilizing Cablenet's own 5G frequency spectrum, a task expected to be completed later in the year.

On the fixed services side, we continued the expansion of our network into new areas of Cyprus via a Fiber Optic Network in order to meet demand from both homes and businesses. We have also continued the densification of and plugging small coverage gaps in our overall network, resulting in an estimated aggregate coverage of c.230,000 Homes Passed vs. c.228,000 at the end of 2023. Approximately 85,000 households (2023: c.85,000) and 5,026 businesses (2023: 5,100) by the end of 2024 trusted Cablenet for their broadband and other fixed services. We remain committed to expanding our network coverage areas further in order to be able to cover approximately 80% of the country's households.

Our TV product offering is experiencing some pressure, albeit small, on account of OTT streaming competition, consumers cutting back on Pay TV discretionary spending and higher costs in the Sports segment. Having taken specific measures during 2024, the gross profit performance of the division improved significantly and was accretive to the full-year profitability improvement. With additional steps planned for 2025, we are confident the segment's performance will continue to improve even further.

Cablenet's revenue for 2024 reached €72.1 million, a 3% reduction compared to revenue of €74.3 million in 2023 – marked by the strategic decision of the company to limit the sales of mobile handsets that typically feature single digit gross margins. Excluding this revenue segment, and in a very competitive environment, the Company managed to grow its telecommunication services revenue by €2.6 million, maintain its fixed broadband internet client base and significantly increase its mobile subscriber base, with gains across all our customer sections (B2C and B2B) and services and products. Given the challenging, highly penetrated and mature market environment of Cyprus, we will need to be ever more vigilant in taking new or corrective actions to maintain Cablenet's growth and exploit any advantage and capability in our disposal to achieve it.

Our 2024 gross profit increased to €27.8 million in 2024 (2023: €26.7 million), as a result of the changes in the sales mix (less low-margin devices, and more high-margin services) and the growing maturity, scale and operating leverage in our business segments – a substantial part of our cost base is fixed or growing at a fixed or variable rate that is lower than our revenue growth. Excluding the Depreciation & Amortization (D&A) component included in Cost of Sales, the gross profit was €40.9 million in 2024 (a higher increase to the comparable figure of 2023: €39.9 million). Our gross profit improvement is continuing the trend of prior years and comes despite inflationary pressures in our cost base. We remain vigilant when it comes to the pricing of our services, our sales mix and optimizing our cost of sales to any extent possible in maintaining and expanding the rate of gross profit growth.

CABLENET COMMUNICATION SYSTEMS PLC

Chief Executive Officer's review

Our 2024 operating profit continued to be positive and impressively increased to €3.6 million vs. an operating profit of €1.7 million in 2023. The continued revenue growth in most of the Company's business segments generated and powered by the sizable investments of the past years has now delivered positive inflection points across most of our statement of comprehensive income – in the gross profit, EBITDA, and operating profit metrics, while also delivering a significant reduction in our net losses. Seeing the latter reach inflection and turn to a net profit is the next milestone in our financial performance path.

In 2024, we also made our fourth interest payment on our €40 million ten-year bond that is listed on the Malta Stock Exchange ('MSE') and we look forward to a similar payment in 2025 and continuing to grow our business for our bondholders' benefit as well.

Cablenet's 2024 capital expenditure amounted to €13.7 million (2023: €15.9 million), in Intangible investments (software systems and international capacity) and in Property, plant and equipment (customer equipment and network expansions). We continue to see a market opportunity to generate higher growth and returns and our investments will continue to exploit it. We will continue to exercise discretion and prudence in the type, return profile and strategic fit of capital projects we undertake or, should conditions change again, not.

With my taking on the chief executive role, Cablenet's long-term strategic objective remains the same – to continue on a growth trajectory path, establishing sizeable market shares in all services which can be delivered on a national basis. We also remain committed to our brand's byline of 'Cablenet For a Better Life'. This promise implies the translation of our commercial and technological innovation into practical and simple means that can improve the lives of our customers. Doing things better, greener and thinking and acting in a socially mindful context, are directions we plan to explore to increase our value-added and contribution to the Cypriot consumers and businesses, beyond the benefits our services bring to their everyday lives. Our market research results remained highly encouraging throughout 2024, with Cablenet in the leading positions in Customer Satisfaction and NPS (Net Promoter Scores) in both Fixed and Mobile Services.

I would like to close by saying that the ongoing transformation of Cablenet, dictated by ever changing, frequently adverse and ever volatile business conditions is a necessity and I hope to provide the foresight, leadership and guidance to our people to achieve even greater feats than what they achieved in 2024 and in years past. In a market where the human element makes substantial difference in companies' performance, we will utilize our recurring employee satisfaction surveys, training, awards and benefits to ensure that the Company delivers on its commitments to our human capital and they remain qualified and invested in Cablenet for their future. I take also this opportunity to express my gratitude to Cablenet's Board for their confidence in my appointment, as well as their ongoing support and direction and the esteemed shareholders for their trust and capital contributions.

Ioannis Mavridis

Chief Executive Officer
Nicosia, 13 March 2025



CABLENET COMMUNICATION SYSTEMS PLC

MANAGEMENT REPORT

The Board of Directors presents its report and audited separate financial statements of Cablenet Communication Systems PLC (the Company) for the year ended 31 December 2024.

Incorporation

The Company was incorporated in Cyprus on 10 April 2003 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. On 15 June 2020 following a special resolution, the Company became public in accordance with the Companies Law, Cap. 113.

On 21 August 2020 the Company was admitted to listing and trading in the Malta Stock Exchange via its €40,000,000 4% Unsecured Bonds 2030 of a nominal value of €1,000 per Bond issued at par.

Principal activities and nature of operations of the Company

The principal activity of the Company is the provision of television, internet and other connectivity services and fixed and mobile telecommunication services. No operations of the Company are carried out through any branch.

During the year there were no changes in the structure of the Company. The Company does not intend to proceed with any acquisitions or mergers.

Review of current position, and performance of the Company's business

A review of the business of the Company during the year under review, events which took place since the end of the accounting period and an indication of likely future developments are given in the Chief Executive Officer's Review on pages 2 to 3. The net loss for the year attributable to the shareholders of the Company amounted to €588,116 (2023: net loss of €2,323,698). On 31 December 2024 the total assets of the Company were €127,391,958 (2023: €117,813,248) and the net assets of the Company were €419,466 (2023: net liabilities of €355,189). The main non-current assets of the Company consist of a) property, plant and equipment of €51,120,699, b) right-of-use assets of €17,897,403, c) intangible assets of €42,661,223, primarily consisting of international capacity and football broadcasting rights, d) trade receivables of €466,748 and e) other non-financial assets (prepayments and deposits) of €920,530. Moreover, the main current assets of the Company consist of trade receivables of €7,821,243, other non-financial assets (prepayments and deposits) of €2,314,867 and cash and cash equivalents of €734,779 with current liabilities primarily consisting of trade and other payables of €34,810,512 and the football broadcasting rights liability of €4,264,209. The Company's non-current liabilities primarily consist of a) the €40,000,000 4% unsecured bond maturing in August 2030, with a balance of €40,067,821, b) a loan obtained from GO plc in June 2022, with a balance of €2,927,472, c) a second loan obtained from GO plc in 2023, with a balance of €6,079,601 and d) a third loan obtained from GO plc in 2024, with a balance of €2,580,251 and (e) the football broadcasting rights liability of €20,858,883, all as of 31 December 2024.

Review of financial performance and comparison to 2024 projections as included in the Financial Analysis Summary

The Company's financial results for the year ending 31 December 2024 are set out on page 24. This section compares the results achieved by the Company during the year ending 31 December 2024 ('FY2024') to the previous year ('FY2023') as well as the 2024 projections, as included in the Financial Analysis Summary dated 13 May 2024, ('2024 FAS'). Compared to the latter, revenue is 4.3% lower than estimate, but operating profit (+12.4%) and loss before income tax (+60.5%) are better than envisaged.

The telecommunications sector in Cyprus remains a market with significant competition between the 4 largest operators, while CYTA's expanding wholesale fiber network coverage is inducing smaller wireless ISPs to also enter the fixed broadband segment as resellers. As a result, during the year under review, the Company faced increased competitive pressure in its fixed broadband internet client base, resulting to a slight year-on-year decrease (-0.5%) bringing the total customers base to approximately 85,000 retail subscribers and 5,026 business subscribers. Meanwhile, the Company's continued focus in the mobile telecommunications segment yielded one more year of significant growth in the number of mobile subscribers (pre-paid and post-paid), with their total reaching approximately c.157,000 (2023: c.142,000). Cablenet's total customer base thus grew by 6.4% in 2024 and reached a total of c. 249,000 subscribers (2023: c. 234,000) boosted primarily by the continuing popularity of the Purple Max mobile package.

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The number of Cypriot dwellings as per the Census of population and housing 2021 final results was 492,931 as of October 2021 (13.8% higher vs. prior 2011 census). Based on the census findings and by excluding unserved, unoccupied or temporary dwellings, the Company is estimating that the total addressable number of dwellings to be c.355,000. Cablenet is committed to keep investing in its network infrastructure so that its customers enjoy the latest technology and the best possible quality. During the year under review, the Company's FTTH network coverage was extended to cover another 6,000 households and reaching almost 50,000 households. The estimated combined FTTH and HFC coverage of Cablenet was c.230,000 households at the end of 2024 (2023: 228,000) or 64.8% (2023: 64.2%) of the census total. Over the coming years, the Company will continue to invest in its FTTH network and aim for a total coverage of up to 80% of the island's households.

With regards to mobile, we have continued working, for most of 2024, on a number of routes towards the utilization of our 5G spectrum frequency holdings. It is expected that the utilization of our 5G spectrum will start in 2025.

As stated in the 2023 Audited Separate Financial Statements, the broadcasting rights agreements for 2 football clubs, the exclusive broadcasting rights of which are held by the Company, are set to expire in May 2027. In July 2024, the broadcasting rights agreement for another football club, the exclusive broadcasting rights of which are held by the Company, has been extended and is also set to expire in May 2027. In December 2024, the broadcasting rights agreement for one of the three football clubs, was further extended and is now set to expire in May 2032.

In September 2024, the Company signed an agreement, acquiring the football broadcasting rights of the French Championship, Ligue 1, for the period from September 2024 to May 2029.

Regarding the evolution of the trilateral sports content agreement that expired on 31 July 2024, the Company has agreed new terms with CYTA, as the two remaining telecom operators owning exclusive sports broadcasting rights, for each operator's content to continue being made available to the other's TV platform, until 31 July 2025. The new agreement terms were accretive to performance but also lowered certain revenue and cost lines versus the previous agreement in place, making comparability to 2023 less clear. There is also an agreement with Primetel, for Cablenet's sports rights to be available to Primetel's customers as well, also until 31 July 2025. There are ongoing discussions but no agreement yet between the parties for beyond July 2025.

Cablenet generated total revenue of €72.1 million in FY2024 (FY2023: €74.3 million), a decrease of 3% in FY2024 and 4.3% lower than the comparable figure in the 2024 FAS. This revenue decrease, compared to FY2023, is primarily the result of the decision to limit the financing activity of mobile devices, while the decrease in revenue compared to 2024 FAS estimates is primarily due to slower than anticipated growth in the mobile segment.

Cost of sales for FY2024 totalled €44.3 million and €31.1 million, once D&A is excluded (FY2023: €47.5 and €34.4 million respectively). The overall decrease in cost of sales is driven by decrease in sales of devices as well as lower mobile roaming costs and despite the significantly higher CYTA RAN sharing charges. The TV segment (including sports) also achieved lower content costs, contributing to the reduction in cost of sales. The FY2024 Gross Profit (before D&A) was €40.9 million, 2.7% higher than 2023 (€39.9 million) and 1.1% higher than the comparable figure in the 2024 FAS projections of €40.5 million.

Selling, distribution, administrative and other costs totalled €23.6 million in FY2024 (FY2023: €24.5 million) reflecting a) lower selling and distribution staff costs, b) lower advertising and marketing expenses and c) lower depreciation and amortisation expenses. We continuously aim for efficiencies and cost savings within our business and operations and plan to continue benefiting from the operating leverage and economies of scale the growth of our business affords.

Cablenet generated an Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) of €22.8 million in FY2024, a robust increase of 8.1% vs. FY2023 (FY2023: €21.1 million) and matching the 2024 FAS estimate of c.€22.9 million.

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As a result of our gross profitability improvement and strong selling and distribution and administration cost controls, the Company managed to improve its operating profit significantly to €3.6 million in FY2024 (108.8% better than FY2023: €1.7 million). This strong growth momentum builds emphatically upon last year's operating profit of €1.7 million and demonstrates the feasibility and sustainability of Cablenet's yielding higher profitability from its investments and growth. Substantial improvements were also registered in the loss before income tax, which amounted to €0.3 million in FY2024 (86.8% better than FY2023: loss of €2.2 million and 60.5% better than FAS 2024: loss of €0.7 million). The significantly improved performance of both metrics vs. FY2023 and the FY2024 FAS guidance is the combined effect of, predominantly positive, variances in a number of statement of comprehensive income items that have already been disclosed above and despite the inclusion of, certain adverse FY2024-specific items such as the increase of €0.3 million in net impairment losses on financial assets.

In terms of performance vs. FAS forecast, the Company's operating profit for FY2024 is 12.4% better than the FY2024 FAS projections (profit of €3.2 million), due to primarily lower actual direct costs, lower selling and distribution expenses and lower depreciation and amortisation charges despite the lower actual revenue achieved.

Review of financial position

The Company had a positive total equity of €0.4 million as at 31 December 2024 (2023: negative equity €0.4 million) and 137.9% higher than the 2024 FAS forecast of negative €1.1 million. The improvement is due to the increase in share capital and mainly in other reserves due to a shareholder's contribution (please refer to Note 32.4) despite the loss after tax registered in FY2024 amounting to €0.6 million (2023: €2.3 million). Based on current trends, growth in revenue and operating profitability are expected for FY2025 and bar unforeseen adverse developments, it is expected that the Company will return to profit before as well as after tax in 2025.

The Company's total asset base stands at €127.4 million as at 31 December 2024 (2023: €117.8 million), representing an increase of €9.6 million over the prior year. The increase is primarily due to significant additions to Intangible assets and more specifically Football Broadcasting Rights, resulting from the extension of two agreements until May 2027 and May 2032 respectively. In fact, the new additions in Football Broadcasting Rights asset during the year amounted to €16 million. Recognition of such non-current assets, comes with a corresponding recognition of current and non-current liabilities spanning a number of future fiscal years and does not imply a cash expenditure during 2024. The sizable improvement in Cablenet's gross profitability is a result of past investments making a positive contribution in profitability. 2024 was the 4th year in a row with an improvement in gross profitability and despite the decrease in revenue. 2024 was also the 3rd year in a row, with an operating profitability improvement and both improvements were achieved over and above the concurrent continuing investment the Company is undertaking in order to reach a scale of sustainable profitability. With investments supporting a growth in expected returns, the Company plans for 2025 to see further improvement in gross and operating profitability and that growth cascading further down to improvements in the net profitability and equity levels. Total assets are 7.6% (or €9 million) higher than those envisaged in the 2024 FAS, along with a similar increase (6.3%) in total liabilities. The variance from 2024 FAS is almost entirely due to the non-representation in FAS of the addition in the Football Broadcasting Rights Asset and Liability as a result of the extension in one of the two agreements, as stated above.

Cablenet retains a good liquidity position and has access to an undrawn portion of €2.2 million overdraft facility provided by the Bank of Cyprus as at 31 December 2024 (€2.3 million as at 31 December 2023). Majority shareholder, GO plc, also demonstrated its commitment to continue supporting the Company's profitable growth and investment by providing a further €2.9 million loan in 2024 as well as a letter of support to the Company's directors.

Bond

On 21 August 2020 the Company was admitted to listing and trading in the Malta Stock Exchange via its €40,000,000 4% Unsecured Bonds 2030 of a nominal value of €1,000 per Bond issued at par. The redemption date is 21 August 2030. The Company effected the fourth annual payment of interest of €1.6 million to the Bond holders in August 2024.

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Financial key performance indicators

	2024	2023
<u>Gross Margin (excluding D&A)</u>		
Gross profit (excluding D&A) to Revenue	40,932,297 / 72,068,576 = 56.80%	39,852,734 / 74,271,643 = 53.66%
<u>Net Margin</u>		
Loss before tax to Revenue	(285,827) / 72,068,576 = (0.40)%	(2,164,194) / 74,271,643 = (2.91)%
<u>Return on capital</u>		
Loss before tax to capital	(285,827) / 9,227,417 = (3.10)%	(2,164,194) / 5,479,955 = (39.49)%
<u>Return on equity</u>		
Loss before tax to Equity	(285,827) / (355,189) =N/A	(2,164,194) / 1,968,509 = (109.94)%

Gross Margin

The Gross Margin (excluding D&A) has improved as a result of the Company's changing revenue mix due to the decline in sales of devices which carry low gross margin. This metric is expected to decrease in FY2025 as the Company's revenue growth will primarily be driven by growth in the mobile segment, which has contribution margins below those of our older and bigger fixed segment, so the addition of revenue from these business lines is accretive to gross profit but dilutive to the Company's gross margin.

Net Margin

The Net Margin has improved compared to FY2023 due to significant decrease in the loss before tax numerator and despite the decrease in the revenue denominator. The metric is expected to further improve in FY2025, aligning with the Company's increasing profitability and turning positive.

Return on Capital

The percentage of Return on Capital has also improved compared to 2023, because of the FY2024 losses which have been significantly reduced compared to FY2023 and despite the increase in capital denominator as a result of additional loan obtained by GO plc. Capital, as per Note 6.5 of the separate financial statements, is comprised of shareholders equity and shareholder's loan. This metric is expected to show improvement in FY2025 and turn to positive.

Return on Equity

The ratio is non-comparable in 2024 because both the loss before tax numerator and the equity denominator are negative figures. This metric is expected to be positive in FY2025, with both the numerator and the denominator figures being positive.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are disclosed in Notes 6 and 7 of the separate financial statements.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. Borrowings issued at fixed rates do not expose the Company to fair value interest rate risk given that the Company's bond and loans from shareholder are measured at amortised cost. The Company is exposed to interest rate risk in relation to its non-current borrowings in terms of fair value, given that the Company's bond and loans from shareholder have a fixed interest rate. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

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Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities - primarily trade receivables and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Credit risk related to trade receivables: This is managed based on established policies, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal policies. Credit quality of the customer is assessed, and outstanding customer receivables are regularly monitored. The Company does not hold collateral as security. Half of the Company's revenue is invoiced on a pre-paid basis and thus due before and by the first half of the invoiced month, which minimizes the Company's out-of-pocket risk.

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability but can also increase the risk of losses. The Company has procedures with the objective of minimising such losses, such as frequently monitored collections and payments performance and forecasting, maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar. The Company's Board of Directors monitors the exchange rate fluctuations on a continuous basis and acts accordingly. An 1% increase in the US Dollar to Euro exchange rate is not expected to impact materially the Company's results.

Future developments of the Company

The Board of Directors does not expect any significant changes or developments in the operations, financial position and performance of the Company in the foreseeable future, other than as already noted in this Management Report.

Impact of Ukrainian crisis on the financial results and projections

The Company offers services to Cyprus-based entities only, of which some may have Russian or Ukrainian nationality or ownership, but they represent a very small part of the Company's annual revenue, and no impact has as yet been noticed on the number of such customers or their payments. On the suppliers' side, the Company has no reliance of size to providers from those countries.

At the moment and since the military actions are still ongoing, it is not possible for management to predict with any degree of certainty the impact on the Company's financial results. The more pronounced effects have so far been indirect, such as higher costs of transportation and inputs of energy or commodity-based (i.e. steel or copper) material employed in Cablenet's operations and networks. It is expected that if the situation does not deteriorate further, there will be no material impact on the Company's activities and on its financial results during 2025 and the foreseeable future.

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

Impact of Israel-Gaza conflict on the financial results and projections

Regarding the Israel-Gaza conflict, this has escalated significantly after Hamas launched a major attack on 7 October 2023. Entities that do not have direct exposure to Israel and Gaza strip, like the Company, are only likely to be affected by the overall economic uncertainty and negative impacts on the global economy and major financial markets arising from the war. This is a volatile period and situation, however, as stated above, the Company is not directly exposed. It is expected that if the situation does not deteriorate further, there will be no material impact on the Company's activities and on its financial results.

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

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Section 169F Cyprus Companies Law Cap. 113

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

Environmental Issues

The Company is very sensitive in issues concerning climate change and during 2024, as part of a wider GO group implementation, active steps and work have been undertaken towards compliance with the requirements of the Corporate Sustainability Reporting Directive. The effort is expected to continue throughout 2025 since FY2025 will be the first year of the incorporation of the relevant disclosures. Digitization is one way in which the Company can reduce its carbon footprint and, at the same time, to contribute towards the protection of the environment and the Company has taken and will take further actions to that respect.

Furthermore, the Company is ensuring that its fleet of cars is modern and that all vehicles are at least meeting the low emission standards. Our future plans also include exploring converting part of our vehicle fleet to hybrid or all-electric motors. In addition, the Company has a very strong recycling program which is implemented in all company's premises, recycling paper, plastic and electronic waste. Proper disposal facilities are available within the Company's main offices as well as in all other Company's premises.

The Company is also taking active steps towards the installation of photovoltaic systems which will enable it to produce its own electrical energy and thus minimise its electricity consumption and dependence on oil and diesel and significantly reduce the Company's carbon footprint.

The Company is implementing a work-from-home scheme (8 days per month) and will maintain and even expand it in the near future, by increasing the days per month each employee will be entitled to work remotely. This will again reduce the Company's carbon footprint and electricity consumption.

The Company also invests in a number of initiatives that deliver social and environmental benefits, such as tree planting events in Nicosia, Limassol and Larnaca organized by the Company. In the future, more similar events and other initiatives are planned which will improve and enhance the quality of life of the local communities and, at the same time, to contribute towards the protection of the environment and reduce the impacts of climate change.

Anti-corruption and bribery matters

The Company is committed to comply with the local legislation and avoid corruption in any form, including bribery. All Company's procedures and policies are built to ensure that this is achieved and that high ethical standards are maintained.

The Company, realizing the adverse impact of any such incident could have on its reputation and its profitability, is constantly aiming to avoid such incidents not only within the organization but also within its collaborators. Thus, through the procedures set, the Company makes sure that its suppliers comply with the legislation and maintain high ethical standards.

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Related party transactions

The Company's related party transactions are set out in Note 32 of the separate financial statements.

On 13 May 2024, the Company signed an agreement with GO plc for the Company to obtain a loan of €2.9 million. On 17 May 2024 the first disbursement of €1 million was effected. On 5 July 2024 the second and final disbursement of €1.9 million was effected. The loan bears interest at the rate of 6% per annum during the first-year anniversary from the date of first draw down of the loan and 8% per annum for the remainder of the term of the loan. The Borrower shall fully repay the amounts drawn under the Loan, together with any accrued interest on the outstanding amounts on the earliest of the following occurring:

- the date on which the Borrower draws down funds under a loan agreement concluded between the Borrower as borrower and any natural or legal person (other than the Lender) as lender; or
- the completion of the transfer by the Borrower to the Lender of any asset or assets (including any real estate asset (or any fixtures thereon)), as may be agreed between the Parties, on terms where they may be leased back to the Borrower; or
- the date falling 3 years from the date of signing of this Agreement.

The Company is obliged to pay only the interest portion on the loan on a quarterly basis. The Company's management considers that the loan's maturity date will be the date falling 3 years from the date of signing of this Agreement, i.e. on 13 May 2027, although an one-off payment for the amount of €0.94 million has been effected by the Company on 31 July 2024, reducing the loan's principal amount to €1.96 million. On 9 October 2024, GO plc returned an amount of €0.6 million, thus the final loan's principal amount is now €2.56 million.

On 24 May 2023, the Company's Board of Directors unanimously approved the award/allotment of 1.34% of the issued share capital of the Company to the Company's CEO, Mr. Yiannos Michaelides. This term was included in Mr. Michaelides' employment contract which was signed in May 2020 and was effective from 15 June 2020. According to the contract, Mr. Michaelides would have been eligible for up to the award/allotment of 1.5% of the issued share capital of the Company should certain targets for the year ended 31 December 2022 be achieved. As a result, in December 2024, the Company issued 45,058 new shares of €1.71 each share, thus increasing its issued share capital to 3,407,628 shares of €1.71 each share, which were subsequently awarded to Mr. Michaelides for free. Furthermore, the contract provided an option to Mr. Michaelides to exit the plan if he had chosen to, by selling the shares awarded to him back to the Company. Mr. Michaelides exercised the exit plan in December 2024 by selling all the awarded shares to GO plc, leading to an increase in GO's shareholding percentage, shown in the Share capital paragraph below. Please refer to Note 32.4 for more detailed explanation of the facts and the accounting implications.

Results and Dividends

The Company's results for the year are set out on page 24. The net loss for the year is carried forward.

The Board of Directors does not recommend the payment of a dividend.

Share capital

The authorised share capital of the Company is six million eight hundred and forty thousand euro (€6,840,000) divided into four million (4,000,000) shares of €1.71 each share.

As a result of the related party transaction with the Company's previous CEO stated in the Related party transactions paragraph above, the issued share capital of the Company increased by forty-five thousand and fifty-eight (45,058) ordinary shares of €1.71 each share and is now five million eight hundred and twenty-seven thousand and forty-four euro (€5,827,044) divided into three million four hundred and seven thousand six hundred and twenty-eight (3,407,628) ordinary shares of €1.71 each share, which have been subscribed for, allotted and fully paid up. The issued shares of the Company consist of one class of ordinary shares with equal voting rights attached.

CABLENET COMMUNICATION SYSTEMS PLC

MANAGEMENT REPORT

Following the above stated change in the share capital of the Company during the year, the holdings changed as follows:

GO plc – 70.61%

Nicolas Shiacolas – 29.39%

GO Ventures Ltd, Mr. Ayrton Caruana, Mr. Reuben Attard, Mr. Kelvin Camenzuli and Mr. Nikhil Prakash Patil each hold 1 share with nominal value of €1.71.

Events after the reporting period

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

Board of Directors

The Directors who served on the Board during the year under review or up to the date of this report are listed hereunder.

Nikhil Prakash Patil (Chairman)
Lassaad Ben Dhiab
Faker Hnid
Michael Warrington
Neoclis Nicolaou
Norbert Prihoda
Menelaos Shiacolas
Marios Kalochoritis
Kelvin Camenzuli

In accordance with the Company's Articles of Association, all Directors that are presently members of the Board continue in office. There were no significant changes in the assignment of responsibilities of the Board of Directors.

The Board is composed of only non-executive Directors. The determination of remuneration arrangements for Board members is a matter reserved for the Board as a whole. The total amount paid in 2024 was €225,000 (2023: €531,145) (Note 32.1).

Disclosure of information to the auditor

At the date of making this report the directors confirm the following:

- As far as each director is aware, there is no relevant information needed by the independent auditor in connection with preparing the audit report of which the independent auditor is unaware, and
- Each director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant information needed by the independent auditor in connection with preparing the audit report and to establish that the independent auditor is aware of that information.

Going concern statement pursuant to Listing Rule 5.62

The Directors, as required by the Capital Markets Rule 5.62, have considered the Company's operating performance, the statement of financial position at year end, as well as the business plan for the coming year, and they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Furthermore, a letter of support has been obtained from GO plc, the Company's majority shareholder. For these reasons, in preparing the separate financial statements, they continue to adopt the going concern basis. For more information, please refer to Note 2 of the separate financial statements.

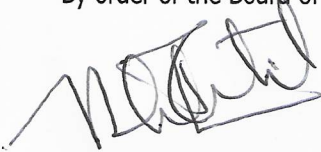
CABLENET COMMUNICATION SYSTEMS PLC

MANAGEMENT REPORT

Independent auditors

The Independent auditors, PricewaterhouseCoopers Limited, have expressed their willingness to continue in office. A resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,



Nikhil Prakash Patil
Chairman of the Board



Michael Warrington
Director

Nicosia, 13 March 2025

CABLENET COMMUNICATION SYSTEMS PLC

STATEMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS RESPONSIBILITIES

The Directors are required by the Cyprus Companies Law, Cap.113 to prepare separate financial statements in accordance with IFRS Accounting Standards as adopted by the EU which give a true and fair view of the state of affairs of the Company as at the end of each reporting period and of the statement of comprehensive income for that period.

In preparing the separate financial statements, the Directors are responsible for:

- ensuring that the separate financial statements have been drawn up in accordance with IFRS Accounting Standards as adopted by the EU;
- selecting and applying consistently suitable accounting policies;
- making accounting judgements and estimates that are reasonable; and
- ensuring that the separate financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business as a going concern.

The Directors are also responsible for designing, implementing and maintaining such internal control as they deem necessary for the preparation of separate financial statements that are free from financial misstatements, whether due to fraud or error, and that comply with the Cyprus Companies Law, Cap.113. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The separate financial statements of Cablenet Communication Systems PLC for the year ended 31 December 2024 are included in the Report and Separate Financial Statements for the year ended 31 December 2024, which is available on the Company's website. The Directors are responsible for the maintenance and integrity of the Report and Separate Financial Statements for the year ended 31 December 2024 on the website in view of their responsibility for the controls over, and the security of, the website. Access to information published on the Company's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of separate financial statements may differ from requirements or practice in Cyprus.

By order of the Board of Directors,



Nikhil Prakash Patil
Chairman of the Board



Michael Warrington
Director

Nicosia, 13 March 2025

CABLENET COMMUNICATION SYSTEMS PLC

STATEMENT BY DIRECTORS ON THE SEPARATE FINANCIAL STATEMENTS AND OTHER INFORMATION INCLUDED IN THE REPORT

Pursuant to Capital Markets Rule 5.68 of the Malta Stock Exchange, we, the undersigned, declare that to the best of our knowledge, the separate financial statements included in the Annual Report, and prepared in accordance with the requirements of IFRS Accounting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and loss of the Company, and that this report includes a fair review of the development and performance of the business and position of the Company, together with a description of the principal risks and uncertainties that it faces.

By order of the Board of Directors



Nikhil Prakash Patil
Chairman of the Board



Michael Warrington
Director

Nicosia, 13 March 2025

CABLENET COMMUNICATION SYSTEMS PLC

STATEMENT BY THE DIRECTORS ON COMPLIANCE WITH THE CODE OF PRINCIPLES OF GOOD CORPORATE GOVERNANCE

Introduction

The Capital Markets Rules issued by the Malta Financial Services Authority, require listed companies to observe The Code of Principles of Good Corporate Governance (the 'Code' which can be obtained from Malta Financial Services Authority site following the link: <https://www.mfsa.mt/wp-content/uploads/2019/02/Code-of-Principles-of-Good-Corporate-Governance-for-Listed-Entities1.pdf>). The adoption of the Code is not obligatory for Cablenet, as a debt securities-only issuer and is granted a waiver.

However, Malta listed Companies are required to include in their Annual Report, a Directors' Statement of compliance which deals with the extent to which the Company has adopted the Code of Principles of Good Corporate Governance and the effective measures that the Company has taken to ensure compliance with the Code, accompanied by a report of the auditors thereon. The Company, on a voluntary basis, complies with some of the Code's principles as stated below.

Compliance

The Board of Directors (the 'Board') of Cablenet Communication Systems PLC ('the Company') believes in the adoption of the Code except where the size and/or particular circumstances of the Company are deemed by the Board not to warrant the implementation of specific recommendations. In this context it is relevant to note that the majority shareholder of the Company is GO plc, which is a company listed on the Malta Stock Exchange which has a strong corporate governance in place.

Principles 1 and 4: The Board

The Board of Directors is responsible for devising a strategy, setting policies and the management of the Company. Directors, individually and collectively, are of appropriate calibre, with the necessary skill and experience to assist them in providing leadership, integrity and judgement in directing the Company towards the maximisation of shareholder value. It is also responsible for reviewing internal control procedures, financial performance and business risks facing the Company. The Board is also responsible for decisions relating to the redemption of the Bond, and for monitoring that its operations are in conformity with the Prospectus and all relevant rules and regulations.

Following the issue of debt securities on 21 August 2020, the Board, comprising of only non-executive directors, has monitored the performance of the Company.

Complement of the Board

The Board is composed of nine Directors, all of which, are non-executive Directors, as listed below. The Board of Directors is currently chaired by Nikhil Prakash Patil and the Company Secretary (Dr. Francis Galea Salomone) attends all meetings as well.

Non-executive Directors

Nikhil Prakash Patil (Chairman)
Faker Hnid
Menelaos Shiacolas
Lassaad Ben Dhiab
Kelvin Camenzuli
Norbert Prihoda

Independent, Non-executive Directors

Michael Warrington
Neoclis Nicolaou
Marios Kalochoritis

For the purposes of the provisions of the Code, the Board considers Michael Warrington, Neoclis Nicolaou and Marios Kalochoritis as independent.

The Directors shall be appointed or elected in accordance with Regulations 95 and 96, subject always to Regulation 80 of the Articles of Association of the Company. All Directors shall retire from office at each General Meeting and shall be eligible for re-election or re-appointment.

CABLENET COMMUNICATION SYSTEMS PLC

STATEMENT BY THE DIRECTORS ON COMPLIANCE WITH THE CODE OF PRINCIPLES OF GOOD CORPORATE GOVERNANCE

Internal controls

The Board is responsible for the Company’s system of internal controls and for reviewing their effectiveness, with clear allocation of responsibilities, framework of requisite approvals and delegation of powers between the Board and Management. Such a system is designed to achieve business objectives and to manage rather than to eliminate the risk of failure to achieve business objectives and can only provide reasonable assurance against material error, losses or fraud.

The Company is committed to the highest standards of business conduct and seeks to maintain these standards across all of its operations. Company policies and employee procedures are in place for the reporting and resolution of fraudulent activities.

The Company has an appropriate organisational structure for planning, executing, controlling and monitoring business operations in order to achieve its objectives.

The Company has implemented control procedures designed to ensure complete and accurate accounting for financial transactions and to limit the potential exposure to loss of assets or fraud. Measures taken include physical controls, segregation of duties and reviews by management, internal audit and the external auditors.

Management is responsible for the identification and evaluation of key risks applicable to their areas of business. These risks are assessed on a continual basis and may be associated with a variety of internal or external sources including control breakdowns, disruption in information systems, competition, natural catastrophe and regulatory requirements.

Principle 2: Chairman and Chief Executive Officer

The functions of the Chairman and Chief Executive Officer are vested in separate individuals as recommended by the Code. The Chairman’s main function is to lead the board, set the agenda and ensure that all board members partake in discussions of complex and contentious issues.

Principles 3, 5, 6, 7 and 8: Composition of the Board and Committees

The Board believes it has systems in place to fully comply with the principles of the Code. Directors meet regularly, mainly to review the financial performance of the Company and to review internal control processes. Board members are notified of forthcoming meetings by the Company Secretary with the issue of an agenda and supporting Board papers, which are circulated well in advance of the meeting. All the directors have access to independent professional advice at the Company’s expense should they so require.

The Directors are obliged to keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with that of the Company. The Board member concerned shall not take part in the assessment by the Board as to whether a conflict of interest exists. A Director shall not vote in respect of any contract, arrangement, transaction or proposal in which he has a material interest. Under the present circumstances the evaluation of the board’s performance is undertaken at shareholder level.

The Board formally met seven (7) times during the period under review. The number of board meetings attended by directors for the period ended 31 December 2024 is as follows:

	Meetings
Nikhil Prakash Patil	7
Lassaad Ben Dhiab	7
Faker Hnid	7
Michael Warrington	6
Neoclis Nicolaou	7
Menelaos Shiacolas	7
Marios Kalochoritis	7
Kelvin Camenzuli	7
Norbert Prihoda	7

CABLENET COMMUNICATION SYSTEMS PLC

STATEMENT BY THE DIRECTORS ON COMPLIANCE WITH THE CODE OF PRINCIPLES OF GOOD CORPORATE GOVERNANCE

Application of Diversity Policy in relation to the Board of Directors

The Company does not have in place a formal diversity policy which is applied in relation to the Board of Directors with regard to aspects such as age, gender or educational and professional backgrounds. This is principally attributable to the fact that the Company is controlled by GO plc and accordingly policies such as this which govern the composition of the Board necessarily have to take into account the circumstances, direction and strategy of the controlling party. Notwithstanding the absence of a diversity policy, the Company endeavours to have in place a Board composed of members who possess a diverse range of skills, characteristics and qualities. The objective of the Company is that the Board composition contributes to different views and opinions, enhancing the level and quality of challenge together with oversight exercised at Board level.

Committees

The Directors believe that, due to the Company's size and operation, the remuneration, evaluation and nominations committees that are suggested in the Code are not required, and that the function of these can efficiently be undertaken by the Board itself. However, going forward, the Board shall on an annual basis undertake a review of the remuneration paid to the Directors and shall carry out an evaluation of their performance and of the audit committee. The shareholders approve the remuneration paid to the Directors at the annual general meeting.

The Board also appoints ad hoc committees during the year to focus on particular issues for the proper conduct of the business.

Audit Committee

The Board has established an Audit Committee with the purpose of additional internal controls and audit oversight and protecting the interests of the Company's share and bond holders and assist the Directors in conducting their role effectively. The Audit Committee monitors the financial reporting process, the effectiveness of internal control and the external audit of the annual separate financial statements. Additionally, it is responsible for monitoring that the projections of the Company's business plan are achieved and if not, corrective actions are taken as necessary. It also scrutinises and supervises related party transactions for materiality and ensures that these are carried out at an arm's length basis.

The Members of the Audit Committee

Michael Warrington acts as Chairman and Faker Hnid and Neoclis Nicolaou act as members. The company secretary, Dr. Francis Galea Salomone acts as secretary to the committee.

During the year under review, the committee met six (6) times between 10 January 2024 and 29 July 2024. The number of Audit Committee meetings attended by the members for the year ended 31 December 2024 is as follows:

	Meetings
Michael Warrington	5
Faker Hnid	6
Neoclis Nicolaou	6

The Audit Committee members are independent and non-executive directors on the Board, with the exception of Faker Hnid who is a non-executive director but not independent. Furthermore, in terms of Capital Markets Rule 5.118, Michael Warrington is the independent non-executive director of the Company who the Board considers to be competent in accounting and/or auditing in terms of the Capital Markets Rules. The Chief Financial Officer and the external auditors of the Company attend the meetings of the Committee by invitation. Other executives are requested to attend when required.

Remuneration Statement

The directors received €225,000 (2023: €531,145) in aggregate for services rendered during the year 31 December 2024. Going forward, it is the shareholders of the Company in a General Meeting who shall determine the maximum annual aggregate remuneration of the directors.

None of the directors has a service contract with the Company.

CABLENET COMMUNICATION SYSTEMS PLC

STATEMENT BY THE DIRECTORS ON COMPLIANCE WITH THE CODE OF PRINCIPLES OF GOOD CORPORATE GOVERNANCE

Principle 9: Relations with bondholders and the market

Following the issuance and listing of a €40 million ten-year bond on the Malta Stock Exchange in August 2020, the Company publishes interim and annual separate financial statements, as well as current year forecasts via the publication of a FAS and, when required, company announcements. The Company also participates, alongside other member companies of the GO plc group, in up to 2 online conferences per year, held with institutional bond holders and providing an opportunity for them to query the performance of the Company. The Board feels these provide the market with adequate information about its activities.

Principle 10: Institutional shareholders

This principle is not applicable since the Company has no institutional shareholders.

Principle 11: Conflicts of interest

On joining the Board, the directors and officers of the Company were informed of their obligations on dealing in securities of the Company within the parameters of law and Capital Markets Rules. The Company has also set reporting procedures in line with the Capital Markets Rules, the Code and internal code of dealings.

Principle 12: Corporate social responsibility

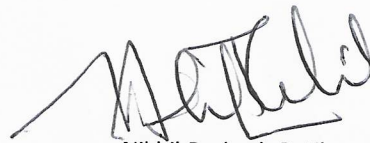
The Board is aware of the importance of the continuing commitment to behave ethically and contribute to the economic development of society at large. This commitment is also recognised within the Company, with various initiatives actively taken up periodically aimed at developing the Company's human capital, health and safety issues and adopting environmentally responsible practices.

The Board considers that the Company has been in compliance with the Principles throughout the year.

Signed on behalf of the Board of Directors on 13 March 2025 by:



Michael Warrington
Chairman of the Audit Committee



Nikhil Prakash Patil
Chairman of the Board



Independent Auditor's Report

To the Members of Cablenet Communication Systems PLC

Report on the Audit of the Separate Financial Statements

Our opinion

In our opinion, the accompanying separate financial statements of parent company Cablenet Communication Systems PLC (the "Company") give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

What we have audited

We have audited the separate financial statements which are presented in pages 24 to 78 and comprise:

- the statement of financial position as at 31 December 2024;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the separate financial statements, which include material accounting policy information.

The financial reporting framework that has been applied in the preparation of the separate financial statements is IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company throughout the period of our appointment in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the separate financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Recognition of the Company's revenue due to versatile billing process and large number of transactions – corporate and retail subscriptions</p> <p>Management records revenue in accordance with the provisions of IFRS 15 'Revenues from Contracts with Customers'.</p> <p>The recognition of revenue is an inherent industry risk. This is because telecom billing process is versatile with large volumes of data being processed for a combination of different services and products sold during the year. The Company has multiple products sold at multiple rates. Products represent a combination of service-based products, such as fixed line telephony, TV services and internet for which different performance obligations might exist.</p> <p>Due to the large number of transactions and versatility of the billing process in respect of the retail and corporate subscriptions, these revenue streams were areas that we spent significant time and effort during our audit.</p> <p>Refer to Notes 4 and 8 to the Separate Financial Statements.</p>	<p>In respect of the retail and corporate subscription revenue streams, we performed the following procedures:</p> <ul style="list-style-type: none"> - We understood and evaluated the design and implementation of the relevant systems and controls, evaluated accounting policies and their relevance to the requirements of IFRS 15 and considered whether any critical judgements or assumptions impacted the revenue recognition, in line with the requirements of IFRS 15, 'Revenue from contracts with customers'. - We tested the flow of information from the customer relationship management system to the billing and financial reporting system. No issues were noted. - We tested the transaction flow between contract liabilities, revenue, accounts receivable and cash and bank balances. No issues were noted. - We tested for any journal entries that related to unusual or unexpected entries impacting revenue and performed a test to identify fictitious customers. No issues were noted in the journal entries testing performed in regards to unusual or unexpected entries that related to revenue and no fictitious customers were identified. - We substantively tested the billing report for completeness and accuracy. No issues were noted. - We performed tests of details by tracing a sample of revenue transactions to the relevant invoices and receipts at a high level of evidence. No issues were noted. - We matched the pricing of various products for retail customers with the Company's offers that were valid at the time of the contract. No issues were noted. - We have tested the timing of revenue recognition for a sample of revenue transactions. No issues were noted. <p>The results of our testing procedures above were satisfactory for the purposes of our audit.</p>

Reporting on other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Chief Executive Officer's review, Management Report, Statement of the members of the Board of Directors responsibilities, Statement by Directors on the Separate Financial Statements and Other Information included in the report and the Statement by the Directors on compliance with the Code of



Principles of Good Corporate Governance, but does not include the separate financial statements and our auditor's report thereon.

Our opinion on the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the Separate Financial Statements

The Board of Directors is responsible for the preparation of the separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the



related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

Pursuant to the requirements of Article 10(2) of the EU Regulation 537/2014 we provide the following information in our Independent Auditor's Report, which is required in addition to the requirements of International Standards on Auditing.

Appointment of the Auditor and Period of Engagement

We were first appointed as auditors of the Company on 28 April 2021 by the Board of Directors for the audit of the separate financial statements for the year ended 31 December 2021. Our appointment has been renewed annually by shareholder resolution representing a total period of uninterrupted engagement appointment of 4 years.

Consistency of the Additional Report to the Audit Committee

We confirm that our audit opinion on the separate financial statements expressed in this report is consistent with the additional report to the Audit Committee of the Company, which we issued on 13 March 2025 in accordance with Article 11 of the EU Regulation 537/2014.

Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5 of the EU Regulation 537/2014 and Section 72 of the Auditors Law of 2017 were provided. In addition, there are no non-audit services which were provided by us to the Company and which have not been disclosed in the separate financial statements or the Management Report.

European Single Electronic Format

We have examined the digital files of the European Single Electronic Format (ESEF) of Cablenet Communication Systems PLC for the year ended 31 December 2024 comprising an XHTML file which includes the annual separate financial statements for the year then ended (the "digital files").

The Board of Directors of Cablenet Communication Systems PLC is responsible for preparing and submitting the separate financial statements for the year ended 31 December 2024 in accordance with the requirements set out in the EU Delegated Regulation 2019/815 of 17 December 2018 of the European Commission (the "ESEF Regulation").

Our responsibility is to examine the digital files prepared by the Board of Directors of Cablenet Communication Systems PLC. According to the Audit Guidelines issued by the Institute of Certified Public Accountants of Cyprus (the "Audit Guidelines"), we are required to plan and perform our audit procedures in order to examine



whether the content of the separate financial statements included in the digital files correspond to the separate financial statements we have audited, and whether the digital files have been prepared in all material respects, in accordance with the requirements of the ESEF Regulation.

In our opinion, the digital files examined correspond to the separate financial statements, and the separate financial statements included in the digital files, are presented, in all material respects, in accordance with the requirements of the ESEF Regulation.

Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, based on the work undertaken in the course of our audit, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the separate financial statements.
- In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Management Report. We have nothing to report in this respect.
- In our opinion, based on the work undertaken in the course of our audit, the information included in the corporate governance statement in accordance with the requirements of subparagraphs (iv) and (v) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113, and which is included in the Statement by the Directors on Compliance with the Code of Principles of Good Corporate Governance, has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and is consistent with the separate financial statements.
- In our opinion, based on the work undertaken in the course of our audit, the corporate governance statement includes all information referred to in subparagraphs (i), (ii), (iii), (vi) and (vii) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113.
- In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the corporate governance statement in relation to the information disclosed for items (iv) and (v) of subparagraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113. We have nothing to report in this respect.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Article 10(1) of the EU Regulation 537/2014 and Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement partner on the audit resulting in this independent auditor's report is Alexandros Papadopoulos.

Alexandros Papadopoulos
Certified Public Accountant and Registered Auditor
for and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

PwC Central, 43 Demostheni Severi Avenue
CY-1080 Nicosia, Cyprus

13 March 2025

CABLENET COMMUNICATION SYSTEMS PLC

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	Note	2024 €	2023 €
Revenue	8	72,068,576	74,271,643
Cost of sales	9	<u>(44,312,533)</u>	<u>(47,527,285)</u>
Gross profit		27,756,043	26,744,358
Other operating income	10	527,561	227,573
Selling and distribution expenses	11	(4,529,427)	(5,426,220)
Administration expenses	12	(19,097,184)	(19,101,255)
Net impairment losses on financial assets	6	(989,947)	(641,378)
Share-based compensation expenses	32.2	<u>(98,509)</u>	<u>(93,649)</u>
Operating profit		3,568,537	1,709,429
Analysed as follows:			
EBITDA		22,845,424	21,140,774
Depreciation and amortisation		<u>(19,276,887)</u>	<u>(19,431,345)</u>
Operating profit		3,568,537	1,709,429
Finance income	14	-	9,050
Finance costs	14	<u>(3,854,364)</u>	<u>(3,882,673)</u>
Loss before income tax		(285,827)	(2,164,194)
Income tax expense	15	<u>(302,289)</u>	<u>(159,504)</u>
Loss for the year		(588,116)	(2,323,698)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u>(588,116)</u>	<u>(2,323,698)</u>

The notes on pages 28 to 78 form an integral part of these separate financial statements.


CABLENET COMMUNICATION SYSTEMS PLC

STATEMENT OF FINANCIAL POSITION


31 December 2024

	Note	31/12/2024 €	31/12/2023 €
ASSETS			
Non-current assets			
Property, plant and equipment	16	51,120,699	51,085,199
Right-of-use assets	17	17,897,403	17,814,008
Intangible assets	18	42,661,223	29,540,659
Financial assets at amortised cost	22	15,811	177,699
Restricted cash	23	683,450	683,450
Trade receivables	20	466,748	2,287,755
Other non-financial assets	21	920,530	150,859
Deferred tax assets	29	1,330,806	1,141,446
		115,096,670	102,881,075
Current assets			
Inventories	19	279,991	504,061
Trade receivables	20	7,821,243	7,708,212
Other non-financial assets	21	2,314,867	4,542,542
Financial assets at amortised cost	22	154,346	-
Restricted cash	23	990,062	1,361,325
Cash and cash equivalents (excluding bank overdrafts)	24	734,779	816,033
		12,295,288	14,932,173
Total assets		127,391,958	117,813,248
EQUITY AND LIABILITIES			
Equity			
Share capital	25	5,827,044	5,749,995
Other reserves	26	27,678,800	26,393,078
Accumulated losses		(33,086,378)	(32,498,262)
Total equity		419,466	(355,189)
Non-current liabilities			
Borrowings	27	50,486,274	48,932,773
Lease liabilities	28	8,885,178	9,477,595
Trade and other payables	30	44,581	4,077,632
Football rights liability	31	20,858,883	10,003,209
Deferred tax liabilities	29	1,066,613	574,962
		81,341,529	73,066,171
Current liabilities			
Trade and other payables	30	34,810,512	35,019,510
Borrowings	27	3,453,529	2,949,102
Lease liabilities	28	3,102,713	2,747,367
Football rights liability	31	4,264,209	4,386,287
		45,630,963	45,102,266
Total liabilities		126,972,492	118,168,437
Total equity and liabilities		127,391,958	117,813,248

These separate financial statements were approved by the board of directors, authorised for issue on 13 March 2025 and signed on its behalf by:



 Nikhil Prakash Patil
 Chairman of the Board



 Michael Warrington
 Director

The notes on pages 28 to 78 form an integral part of these separate financial statements.

CABLENET COMMUNICATION SYSTEMS PLC

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2024

	Note	Share capital €	Other reserves €	Accumulated losses €	Total €
Balance at 1 January 2023		<u>5,749,995</u>	<u>26,393,078</u>	<u>(30,174,564)</u>	<u>1,968,509</u>
Comprehensive loss					
Net loss for the year		<u>-</u>	<u>-</u>	<u>(2,323,698)</u>	<u>(2,323,698)</u>
Balance at 31 December 2023/1 January 2024		<u>5,749,995</u>	<u>26,393,078</u>	<u>(32,498,262)</u>	<u>(355,189)</u>
Comprehensive loss					
Net loss for the year		<u>-</u>	<u>-</u>	<u>(588,116)</u>	<u>(588,116)</u>
Transactions with owners					
Issue of shares	25	77,049	-	-	77,049
Shareholder's contribution	26	<u>-</u>	<u>1,285,722</u>	<u>-</u>	<u>1,285,722</u>
Total transactions with owners		<u>77,049</u>	<u>1,285,722</u>	<u>-</u>	<u>1,362,771</u>
Balance at 31 December 2024		<u>5,827,044</u>	<u>27,678,800</u>	<u>(33,086,378)</u>	<u>419,466</u>

(1) Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, by the end of the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at the rate of 17% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents and domiciled. From 1 March 2019, the deemed dividend distribution is subject to a 1,70% contribution to the National Health System, increased to 2,65% from 1 March 2020, with the exception of April 2020 until June 2020 when the 1,70% rate was applicable. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year by the end of the period of two years from the end of the year of assessment to which the profits refer. This special contribution for defence is paid by the Company for the account of the shareholders.

The notes on pages 28 to 78 form an integral part of these separate financial statements.

CABLENET COMMUNICATION SYSTEMS PLC

STATEMENT OF CASH FLOWS

Year ended 31 December 2024

	Note	2024 €	2023 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		(285,827)	(2,164,194)
Adjustments for:			
Depreciation of property, plant and equipment	16	9,566,791	9,364,347
Amortisation of intangible assets	18	6,757,101	7,183,531
Depreciation of right-of-use assets	17	2,952,995	2,900,449
Profit from the sale of property, plant and equipment	16	(2,248)	(1,387)
Impairment charge - trade receivables	6	989,947	641,378
Foreign exchange loss/(gain)	14	60,188	(9,050)
Interest expense	14	3,794,176	3,882,673
Share-based compensation expenses	32.2	98,509	93,649
		23,931,632	21,891,396
Changes in working capital:			
Decrease in inventories		224,070	266,395
Decrease/(increase) in trade receivables		1,707,976	(3,949,929)
Decrease/(increase) in other non-financial assets		1,458,004	(1,203,223)
Decrease in financial assets at amortised cost		7,542	29,491
(Decrease)/increase in trade and other payables		(4,242,049)	2,917,591
		23,087,175	19,951,721
Cash generated from operations		23,087,175	19,951,721
Net cash generated from operating activities		23,087,175	19,951,721
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of intangible assets	18	(3,842,499)	(1,938,377)
Payment for purchase of property, plant and equipment	16	(9,827,285)	(13,950,665)
Payment for football rights	31	(4,903,081)	(5,161,250)
Proceeds from disposal of property, plant and equipment	16	3,084	2,318
		(18,569,781)	(21,047,974)
Net cash used in investing activities		(18,569,781)	(21,047,974)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loans from shareholder	24	(924,932)	-
Payments of leases liabilities	24	(3,268,640)	(2,949,736)
Proceeds from loan from shareholder	24	2,900,000	6,000,000
Interest paid		(3,699,725)	(3,451,926)
Decrease in restricted bank deposits	23	371,263	1,005,550
Decrease in other non-financial assets	21	-	2,366,938
		(4,622,034)	2,970,826
Net cash (used in)/generated from financing activities		(4,622,034)	2,970,826
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		(104,640)	1,874,573
Cash, cash equivalents and bank overdrafts at beginning of the year		(1,445,239)	(3,319,812)
Cash, cash equivalents and bank overdrafts at end of the year	24	(1,549,879)	(1,445,239)

The notes on pages 28 to 78 form an integral part of these separate financial statements.

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

1. Incorporation and principal activities

Country of incorporation

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

Principal activities

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

Operating Environment of the Company

The year 2024 was marked mainly by the continuous effects of the Russia-Ukraine and the Israel-Gaza conflicts.

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

Regarding the Russia-Ukraine conflict, the fact that, after almost three years from the commencement of the crisis, the military actions are still ongoing, is creating certain problems to all businesses in Cyprus and globally, mainly due to the significant increase in the fuels and natural gas costs. The more pronounced effects that the Ukrainian crisis had on the Company, have so far been indirect, such as higher costs of transportation and inputs of energy or commodity-based (i.e. steel or copper) material employed in the Company's operations and networks. It is expected, however, that if the situation does not deteriorate further, there will be no material impact on the Company's activities and on its financial results.

Regarding the Israel-Gaza conflict, this has escalated significantly after Hamas launched a major attack on 7 October 2023. Entities that do not have direct exposure to Israel and Gaza strip, like the Company, are only likely to be affected by the overall economic uncertainty and negative impacts on the global economy and major financial markets arising from the war. This is a volatile period and situation, however, as stated above, the Company is not directly exposed. It is expected that if the situation does not deteriorate further, there will be no material impact on the Company's activities and on its financial results.

Management is closely monitoring the situation with regards Russia-Ukraine and Israel-Gaza conflicts and is ready to act depending on the developments.

In general, the Company's management believes that it is taking all the necessary measures to maintain the viability of the Company and the development of its business in the current economic environment.

2. Basis of preparation

The separate financial statements of the Company have been prepared in accordance with IFRS Accounting Standards, as adopted by the European Union (EU), and the requirements of the Cyprus Companies Law, Cap. 113.

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

2. Basis of preparation (continued)

IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards;
- IAS Standards; and
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

As of the date of the authorization of the separate financial statements, all IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 January 2024 and are relevant to the Company's operations have been adopted by the European Union through the endorsement procedure established by the European Commission.

The material accounting policies applied in the preparation of these separate financial statements are set out below in Note 4. These policies have been consistently applied to all the years presented, unless otherwise stated.

The separate financial statements have been prepared under the historical cost convention, as modified by the initial recognition of financial instruments that are measured at fair value.

The preparation of separate financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the separate financial statements are disclosed in Note 7.

The Company has not prepared consolidated financial statements as per the principles of IFRS10-Consolidated financial statements and the requirements of the Cyprus Companies Law, Cap. 113, as the financial information of its wholly owned subsidiary company, Lemontel Ltd, is immaterial.

Going concern basis

The Company incurred a net loss of €588,116 (2023: €2,323,698) for the year ended 31 December 2024. Additionally, the Company's accumulated losses as at 31 December 2024 amounted to €33,086,378 (2023: €32,498,262). This is the result of the Company's growth development strategy. For instance, during 2024, €9,827,285 (2023: €14,462,164) was invested in the expansion of and additions to the Company's fixed network (Note 16) and similarly additional resources were deployed towards enhancing and increasing the appeal and sales of mobile telecommunication and TV services and the production and sale of Sports TV content.

Financial position

As at 31 December 2024, the Company's current liabilities exceeded its current assets by €33,335,675 (2023: net current liabilities position of €30,170,093).

Relevant factors considered:

- The Company can obtain additional borrowings in order to meet or refinance its obligations as and when they fall due. The total approved limit of the overdraft facilities of the Company as at 31 December 2024 was €4,530,000 (2023: €4,530,000) and an amount of €2,245,342 (2023: €2,268,728) was available but undrawn (Note 27). As at 31 December 2024, the Company's cash equivalents before taking into account the bank overdrafts of €2,284,658 (2023: €2,261,272) were €734,779 (2023: €816,033) (Note 24).
- The Company's cash equivalents exclude restricted deposits of €1,673,512 (2023: €2,044,775) (Note 23). These deposits act as collateral for issued short-term and long-term letters of guarantee and are expected to be partly released back to the Company's liquidity over time. The next release is estimated to be €324,625 and is due for July 2025.
- The majority of the Company's borrowings is non-current and due in 2030 with a low service cost.

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

2. Basis of preparation (continued)

Going concern basis (continued)

- The Company's ongoing improvement in Gross Profit and Operating Profit for FY2023 and FY2024.
- Current liabilities include contract liabilities of €2,066,734 (2023: €5,766,657) for which no cash outflow is expected.
- Future borrowings may be sourced from third parties or from the Company's shareholders, with the latter's availability having been concretely demonstrated recently, by GO plc granting three loans of €3.5 million, €6 million and €2.9 million to the Company in June 2022, in April, June, July and August 2023 and in May and July 2024 respectively, as well as in numerous occasions in the past (Note 27).

Cash flows

For the year ended 31 December 2024, there was a decrease in cash and cash equivalents by €104,640. As at 31 December 2024, the Company's cash, cash equivalents and overdrafts as per the Statement of cash flows amounted to negative €1,549,879 (2023: negative €1,445,239).

Relevant factors considered:

- The conditions and dynamics that have allowed the Company to significantly grow its revenue and market share in the Cypriot market, as it has done in past years, remain in place.
- The €40m Maltese Stock Exchange bond issuance in August 2020 was the funding component of the Company's strategic decision to continue investing in the growth of its market share, scale and capabilities.
- As mentioned above, the Company has restricted cash deposits of €1,673,512 as at 31 December 2024 (2023: €2,044,775) which were sourced from the bond issuance proceeds (€40m) and which the Company is working with its bank to release for future usage.
- Despite the decrease in 2024 revenue vs. 2023 revenue, it is expected that in the foreseeable future, the total revenue of the Company will continue to increase. The expected increase is a result of a) increasing the number of clients and services sold to them within existing network areas, b) the expansion of the network's coverage to other new areas allowing the Company to increase the number of subscribers and services from those as well, c) further increase in the number of mobile subscribers, d) increase in the sales of mobile devices and e) additional revenue streams from new B2B services, sports rights and advertising.
- The Board of Directors of the Company expects that the profitability potential of the Company will be improved through strategies applied in order to a) increase the number of customers and revenue at a faster rate than that of the fixed and variable costs, b) shift some capital away from investments with long pay-out profiles to those with shorter ones and c) expand its presence in the mobile telecommunication services section. The latter represents the majority of the Cypriot telecom market's revenue. The Company's share of the mobile market is rapidly increasing and is estimated by the Company at 11.3% as of 31 December 2024 (compared to 10.5% as of 30 June 2024 and 9.9% as of 31 December 2023; OCECPR data). Given the size of this market, the continued expansion of the Company's presence in mobile telecommunication services can significantly improve its financial performance.
- The Company has prepared its cash flow forecasts using assumptions based on historical information and reasonable projections to meet its cash flow needs for the foreseeable future. Assumptions used are consistent with the Company's strategy and budgets approved by the Board of Directors. According to the business plan and the matters mentioned above, the Company will have sufficient funds to finance its operations and cover its liabilities, as and when they fall due, to enable the Company to continue trading for a minimum of 12 months from the date on which the Company's separate financial statements for the year ended 31 December 2024 are approved by the Board of Directors. The Board of Directors has also identified discretionary expenditure across the Company's business and projects, which can be delayed, should the need arise for the conservation of liquidity.

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

2. Basis of preparation (continued)

Going concern basis (continued)

- As mentioned above, within the current liabilities as at 31 December 2024, there are contract liabilities of €2,066,734 (2023: €5,766,657) for which no cash outflow is expected.
- The Company's cash and cash equivalents, as at 31 December 2024, amounted to negative €1,549,879 (2023: negative €1,445,239) and comprised of €734,779 cash in hand and at bank (2023: €816,033) and bank overdrafts of €2,284,658 (2023: €2,261,272). As of 31 December 2024, there were also restricted cash deposits of €1,673,512 part of which, amounting to €324,625, will be released back into unrestricted cash in July 2025.
- As explained in the Management Report, the Russia-Ukraine and the Middle East conflicts are not expected to have an impact on the projections of the Company for the going concern period.
- The Directors have also considered a letter of support obtained from GO plc, the Company's majority shareholder. In a scenario where the Company is experiencing liquidity issues, the majority shareholder will provide adequate financial support to enable the Company to cover any deficiency in equity and any liability that may arise to cover the Company's liabilities, as and when they fall due, to enable the Company to continue trading for a minimum of 12 months from the date on which the Company's separate financial statements for the year ended 31 December 2024 are approved by the Board of Directors. Additionally, the majority shareholder will not call for the repayment of any amounts due by the Company to themselves, until the Company has adequate funds to repay these amounts.

Conclusion

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

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

3. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised IFRS Accounting Standards that are relevant to its operations and are effective for accounting periods beginning on 1 January 2024. This adoption did not have a material effect on the accounting policies of the Company.

4. Summary of material accounting policy information

The material accounting policies adopted in the preparation of these separate financial statements are set out below. These policies have been consistently applied to all years presented in these separate financial statements unless otherwise stated.

Management seeks not to reduce the understandability of these separate financial statements by obscuring material information with immaterial information. Hence, only material accounting policy information is disclosed, where relevant, in the related disclosure notes.

Segmental reporting

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

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

4. Summary of material accounting policy information (continued)

Revenue

Recognition and measurement

Revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price. The Company includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Company's experience with similar contracts and forecasted sales to the customer.

The Company recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Company can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract), it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Company's contracts with customers.

The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Company considers only the customer's ability and intention to pay that amount of consideration when it is due.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the statement of comprehensive income in the period in which the circumstances that give rise to the revision become known by Management.

Multiple-element arrangements involving the delivery or provision of multiple products or services must be separated into distinct performance obligations, each with its own separate revenue contribution that is recognised as revenue on fulfilment of the obligation to the customer. This especially concerns the sale of a mobile handset or other telecommunications equipment combined with the conclusion of a mobile or fixed-network telecommunications contract. The total transaction price of the bundled contract is allocated among the individual performance obligations based on their relative – possibly estimated – stand-alone selling prices, i.e., based on a ratio of the stand-alone selling price of each separate element to the aggregated stand-alone selling prices of the contractual performance obligations. As a result, the revenue to be recognised for products (often delivered in advance) such as mobile handsets that are sold at a subsidised or nil price in combination with a long-term service contract is higher than the amount billed or collected. This leads to the recognition of a contract asset – a receivable arising from the customer contract that has not yet legally come into existence – in the statement of financial position. The contract asset is reversed and reduced over the remaining minimum contract period, lowering revenue from the other performance obligations (in this case mobile service revenues) compared with the amounts billed. In contrast to the amounts billed, this results in higher revenue from the sale of goods and lower revenue from the provision of services. Customer activation fees and other advance one-time payments by the customer that do not constitute consideration for a separate performance obligation are classified as contract liabilities and are deferred and recognised as revenue over the minimum contract term or, in exceptional cases (e.g., in the case of contracts that can be terminated at any time) over the expected contract period. The same applies to fees for installation and set-up activities that do not have an independent value for the customer. In respect of the revenue of the Company recognised for 2024 and 2023, there have been no products with significant value sold at a subsidised or nil price and as such the revenue recognition did not involve the complexities as per above.

If the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer, the entity will need to adjust the promised amount of consideration for the effects of the time value of money when determining the transaction price. In determining whether a contract contains a financing component, and whether that financing component is significant to the contract, the Company considers all relevant facts and circumstances, including both of the following:

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

4. Summary of material accounting policy information (continued)

Revenue (continued)

- The difference, if any, between the amount of promised consideration and the cash selling price of the promised goods or services, and
- The combined effect of the expected length of time between when the entity transfers the promised goods or services to the customer and when the customer pays for those goods or services, and the prevailing interest rates in the relevant market.

Identification of performance obligations

The Company assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract).

- **Sale of products**

Sales of separate equipment are recognised at the point in time when the Company satisfies its performance obligation by transferring control over the promised products to the customer, which is usually when the products are delivered to the customer, risk of obsolescence and loss have been transferred to the customer and the customer has accepted the products.

- **Rendering of services**

Revenue from telecommunications and other services rendered is recognised in the statement of comprehensive income when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue and the associated costs can be measured reliably. Revenue from contract customers is recognised as services are performed, with unbilled revenue resulting from services already provided that is accrued at the end of each period and unearned revenue from services to be provided in future periods that is deferred. Revenue from the sale of prepaid credit is deferred until such time as the customer uses the credit or credit expires. Revenue from calls and messaging is recognised at the time the call or message is effected over the Company's network. Fees, consisting primarily of monthly charges for access to broadband, other Internet access and connected services, TV and voice services, are recognised as revenue as the service is provided. Revenue arising from the interconnection of voice and data traffic between other telecommunications operators is recognised at the time of transit across the Company's network. Revenue related to football broadcasting rights is recognised at a point in time when the service is provided.

- **Contract assets**

The timing of revenue recognition may differ from customer invoicing. Trade receivables presented in the statement of financial position represent an unconditional right to receive consideration (primarily cash), i.e. the services and goods promised to the customer have been transferred.

By contrast, contract assets mainly refer to amounts allocated per IFRS 15 as compensation for goods or services provided to customers for which the right to collect payment is subject to providing other services or goods under that same contract. This is the case in a bundled offer combining the sale of a mobile phone and mobile communication services for a fixed-period, where the mobile phone is invoiced at a reduced or nil price leading to the reallocation of a portion of amounts invoiced for telephone communication services to the supply of the mobile phone. The excess of the amount allocated to the mobile phone over the price invoiced is recognised as a contract asset and transferred to trade receivables as the service is invoiced. Contract assets, like trade receivables, are subject to impairment for credit risk. The recoverability of contract assets is also verified, especially to cover the risk of impairment should the contract be interrupted.

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

4. Summary of material accounting policy information (continued)

Employee benefits

The Company and its employees contribute to the Government Social Insurance Fund based on employees' salaries. The Company's contributions are expensed as incurred and are included in staff costs. The Company has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

Foreign currency translation

(1) Functional and presentation currency

Items included in the Company's separate financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The separate financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Current and deferred income tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, at the statement of financial position date in the country in which the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the Company where there is an intention to settle the balances on a net basis.

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

4. Summary of material accounting policy information (continued)

Uncertain tax positions

The Company's uncertain tax positions are reassessed by management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period, and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the end of the reporting period. Adjustments for uncertain income tax positions, other than interest and fines, are recorded within the income tax charge. Adjustments for uncertain income tax positions in respect of interest and fines are recorded within "finance costs" and "other gains/(losses), net", respectively.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's separate financial statements in the year in which the dividends are appropriately authorised and are no longer at the discretion of the Company. More specifically, interim dividends are recognised as a liability in the period in which these are authorised by the Board of Directors and in the case of final dividends, these are recognised in the period in which these are approved by the Company's shareholders.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is calculated using the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

	%
Buildings	3
Leasehold buildings and improvements	3-10
Network	4-33.33
Motor vehicles	10-20
Furniture, fixtures, equipment and computer hardware	10-33.33
Tools	33.33

No depreciation is provided on land.

The depreciation charges of Leasehold buildings and improvements and Furniture, fixtures, machinery, equipment and computer hardware are included in administration expenses.

The depreciation charges of Buildings, Network, Motor vehicles and Tools are included in cost of sales.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

4. Summary of material accounting policy information (continued)

Property, plant and equipment (continued)

Expenditure for repairs and maintenance of property, plant and equipment is charged to the statement of comprehensive income of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

Intangible assets

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

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

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

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

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

The annual amortisation rates used are as follows:

	%
Football rights	20-33.33
International capacity	4-20
Computer software	6.67-33.33
IP addresses	6.67

International Capacity

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

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

4. Summary of material accounting policy information (continued)

Intangible assets (continued)

Football broadcasting rights

The Company has the contractual rights, through the signing of contracts, to broadcast all the home football matches of certain football clubs in Cyprus. The football broadcasting rights were effective from 1 July 2019 and had a duration of 35 months. In June and November 2021, as allowed by the original contract, it was communicated by the Company to these football clubs, of the Company's intention to renew the contracts for 24 additional months (expiry on 31 May 2024).

In February 2023, it was communicated by the Company to 2 of the 5 football clubs, the exclusive broadcasting rights of which are held, that their broadcasting rights agreements will now expire in May 2027, following the Company's decision not to exercise the early termination clause which was valid until 28 February 2023. In 2024, the broadcasting rights agreement for another football club, the exclusive broadcasting rights of which are held by the Company, is extended and is also set to expire in May 2027. In December 2024, the broadcasting rights agreement for one of the two football clubs for which, as stated above, the agreement has been extended up until May 2027 in 2023, is further extended and is now set to expire in May 2032.

In October 2024, the Company signed an agreement, acquiring the football broadcasting rights of the French Championship, Ligue 1, for the period from September 2024 to May 2029.

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

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

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

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

Their amortisation expense is included in cost of sales.

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

4. Summary of material accounting policy information (continued)

Intangible assets (continued)

Computer software

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

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

The amortisation expense of computer software is included in administration expenses.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

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

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

The Company is the lessee

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

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

4. Summary of material accounting policy information (continued)

Leases (continued)

The Company is the lessee (continued)

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

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

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

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

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

In determining the lease term, management of the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Company.

Right-of-use assets and associated lease liabilities are presented as separate lines on the face of the statement of financial position.

Short-term leases and leases of low-value assets

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

Spectrum licences

Spectrum licences are treated as right-of-use assets taking into account prevailing market accounting practice and guidance in this respect in the context of the interpretation of IFRS 16 principles.

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

4. Summary of material accounting policy information (continued)

Financial assets - Classification

The classification depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the assets. Management determines the classification of financial assets at initial recognition.

The Company classifies its financial assets at amortised cost. Financial assets at amortised cost are held for collection of contractual cash flows and their cash flows represent solely payments of principal and interest (SPPI). They are included in current assets, except for maturities greater than twelve months after the statement of financial position date. These are classified as non-current assets. The Company's financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, restricted cash, trade receivables and financial assets at amortised cost.

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Any gain or loss arising on derecognition is recognised directly in the statement of comprehensive income and presented in "other gains/(losses)" together with foreign exchange gains and losses.

Financial assets - Measurement

At initial recognition, the Company measures financial assets classified at amortised cost at their fair value plus incremental transaction costs that are directly attributable to the acquisition of the financial assets. Subsequently, these are measured at amortised cost.

Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets - impairment - credit loss allowance for expected credit losses

The Company assesses on a forward-looking basis the expected credit losses (ECL) for debt instruments measured at AC and with the exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within "net impairment losses on financial assets". Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments measured at AC are presented in the statement of financial position net of the allowance for ECL.

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Refer to Note 6.2, Credit risk section for a description of impairment methodology applied by the Company for calculating expected credit losses for debt instruments measured at AC.

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

4. Summary of material accounting policy information (continued)

Financial assets - Reclassification

Financial assets are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in the statement of comprehensive income, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in the statement of comprehensive income.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks with original maturities of three months or less that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value and bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities. Cash and cash equivalents are carried at amortised cost (AC) because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Restricted cash

Restricted cash comprises cash at bank with original maturity of more than three months. If release is expected in one year or less, they are classified as current. If not, they are presented as non-current assets. Restricted cash is carried at amortised cost, because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

4. Summary of material accounting policy information (continued)

Financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. They are held with the objective to collect their contractual cash flows, and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are listed as non-current assets.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables are also subject to the impairment requirements of IFRS 9. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See Note 6.2, Credit risk section.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments.

Financial guarantee contracts

Financial guarantee contracts are contracts that require the Company to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantees are recognised as a financial liability at the time the guarantee is issued. Financial guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight-line basis over the life of the guarantee in "other income" in the statement of comprehensive income.

At the end of each reporting period, the guarantee is subsequently at the higher of:

- the amount of the loss allowance determined in accordance with the expected credit loss model under IFRS 9-Financial Instruments and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15-Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

4. Summary of material accounting policy information (continued)

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset.

Borrowings are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date.

Covenants that the Company is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Company is required to comply with after the reporting period do not affect the classification at the reporting date.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment (for liquidity services) and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of comprehensive income as "other income" or "finance costs".

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

4. Summary of material accounting policy information (continued)

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Financial liabilities - Modifications

An exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch-up method, with any gain or loss recognised in "finance cost" in the statement of comprehensive income, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners and is recognised directly to equity.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Inventories

Inventories are stated at the lower of cost and net realisable value. The cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the selling expenses.

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

4. Summary of material accounting policy information (continued)

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares. Share premium account can only be resorted to for limited purposes, which do not include the distribution of dividends, and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share capital.

Capital contribution

Capital contribution constitutes contributions made by the Company's shareholders other than for the issue of shares by the Company in their capacity as equity owners of the Company for which the Company has no contractual obligation to repay them. Such contributions are recognised directly in equity as they constitute transactions with equity owners in their capacity as equity owners of the Company.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Restructuring provisions comprise lease termination penalties and employee termination payments and are recognised in the period in which the Company becomes legally or constructively committed to payment. Costs related to the ongoing activities of the Company are not provided in advance.

Prepayments

Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Company has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Company.

Share-based payments

When employees of the Company participate in share-based compensation plans the Company assesses whether such transactions are either equity-settled, cash-settled or compound instruments. The Company operates a share-based compensation plan under which the Company receives services from its CEO as consideration for equity instruments (shares) of the Company with the obligation to take them back upon exercise of the CEO's option. The share-based compensation plan has been classified as a cash-settled plan in the Company's separate financial statements. The fair value of the employee services received in exchange for the grant of the shares is recognised as an expense over the vesting period in the statement of comprehensive income based on the contractual terms at the grant date. The service and non-market vesting conditions are included in the estimate of the number of awards expected to vest and the fair value of the cash-settled share-based payment liability is re-measured at each reporting date and at the date of settlement. Any changes in fair value are recognised in the statement of comprehensive income for the period. The expense is charged to the appropriate statement of comprehensive income heading within the operating results.

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

4. Summary of material accounting policy information (continued)

Capitalised salaries

Up until 2022, the Company was only capitalising part of the Technical Department's salaries for employees involved in the deployment of its network. From January 2023, the Company is also capitalising part of the Fixed & Mobile, TV Systems, IP & Transport, Management Information Systems, Software Development and Quality & Training Departments' salaries in order to comply with its parent company's, GO plc, policy, already capitalising such salaries. The Company is now capitalising part of the salaries for a number of the above stated Departments' employees, involved in the development and testing of assets reflected under Property, plant and equipment - Network and Intangible assets - Software. The salaries of the Fixed & Mobile, TV Systems, IP & Transport Departments are capitalised under Property, plant and equipment - Network and are depreciated at a rate of 10% per annum. The salaries of the Management Information Systems, Software Development and Quality & Training Departments are capitalised under Intangible assets - Software and are amortised at a rate of 20% per annum.

Comparative information

Comparative figures have been adjusted, where considered necessary, to conform with changes in the presentation for the current year. Specifically, the statement of financial position for the year ended 31 December 2023 was adjusted to reflect offsetting of deferred tax liabilities with deferred tax assets relating to leases, as set out in Note 29.

5. New accounting pronouncements

At the date of approval of these separate financial statements a number of new standards, interpretations and amendments to existing standards are effective for annual periods beginning after 1 January 2024 and have not been applied in preparing these separate financial statements. None of these is expected to have a significant effect on the separate financial statements of the Company.

6. Financial risk management

Financial risk factors

The Company is exposed to interest rate risk, credit risk, liquidity risk and currency risk arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

6.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. Borrowings issued at fixed rates do not expose the Company to fair value interest rate risk given that the Company's bond and loans from shareholder are measured at amortised cost. The Company is exposed to interest rate risk in relation to its non-current borrowings in terms of fair value, given that the Company's bond and loans from shareholder have a fixed interest rate. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At the reporting date the interest rate profile of interest-bearing financial instruments was:

	2024	2023
	€	€
Fixed rate instruments		
Financial liabilities (Note 27)	51,655,145	49,620,603
Variable rate instruments		
Financial liabilities (Note 27)	<u>2,284,658</u>	<u>2,261,272</u>
	<u>53,939,803</u>	<u>51,881,875</u>

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

6. Financial risk management (continued)

6.1 Interest rate risk (continued)

Sensitivity analysis

The variable rate financial liabilities relate to the bank overdraft of the Company as presented in Note 27. The fixed rate financial liabilities represent the loans from shareholder amounting to €11,587,324 (2023: €9,582,606) and the bond amounting to €40,067,821 (2023: €40,037,997).

An increase of 100 basis points in interest rates at 31 December 2024 (2023: 100 basis points) would have decreased equity and increased loss for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 100 basis points (2023: 100 basis points) there would be an equal and opposite impact on the equity and loss for the year.

	2024	2023
	€	€
Variable rate instruments	<u>22,730</u>	<u>30,967</u>

6.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, financial assets at amortised cost as well as credit exposures to wholesale and retail customers, including outstanding receivables. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and regions.

(i) Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:

- trade receivables
- financial assets at amortised cost
- cash and cash equivalents
- restricted cash

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

- For trade receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.
- For all other financial assets that are subject to impairment under IFRS 9, the Company applies general approach – three stage model for impairment. The Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter (“12 Months ECL”). If the Company identifies a significant increase in credit risk (“SICR”) since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any (“Lifetime ECL”). If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Impairment losses are presented as net impairment losses on financial assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

6. Financial risk management (continued)

6.2 Credit risk (continued)

(i) Impairment of financial assets (continued)

Significant increase in credit risk. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's/counterparty's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower/counterparty
- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the group and changes in the operating results of the borrower/counterparty.

Macroeconomic information is incorporated as part of the internal rating model. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. No significant changes to estimation techniques or assumptions were made during the reporting period.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments after 90 days of when they fall due.

The Company's exposure to credit risk for each class of asset subject to the expected credit loss model is set out below:

Trade receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped on a collective basis based on shared credit risk characteristics and the days past due. The Company defines default as a situation when the debtor is more than 90 days past due on its contractual payments. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 December 2024 or 31 December 2023 respectively and the corresponding historical credit losses experienced within this period.

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

6. Financial risk management (continued)

6.2 Credit risk (continued)

(i) Impairment of financial assets (continued)

Trade receivables (continued)

On that basis, the loss allowance as at 31 December 2024 and 31 December 2023 was determined as follows for trade receivables:

31 December 2024		Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Type	€	€	€	€	€	€
Expected loss rate	Retail	2.8%	43.6%	74.1%	74.1%	
	Business	3.0%	7.4%	28.3%	59.2%	
Gross carrying amount - trade receivables	Retail	467,000	-	-	-	467,000
	Business	719,705	135,363	69,751	214,934	1,139,753
Loss allowance	Retail	30,818	-	-	-	30,818
	Business	<u>21,602</u>	<u>12,883</u>	<u>19,740</u>	<u>130,755</u>	<u>184,980</u>
Total Loss allowance		<u>52,420</u>	<u>12,883</u>	<u>19,740</u>	<u>130,755</u>	<u>215,798</u>

31 December 2023		Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Type	€	€	€	€	€	€
Expected loss rate	Retail	2.1%	12.9%	61.3%	61.3%	
	Business	3.4%	8.5%	21.3%	40.3%	
Gross carrying amount - trade receivables	Retail	802,795	-	-	-	802,795
	Business	796,948	217,052	102,924	710,655	1,827,579
Loss allowance	Retail	16,916	-	-	-	16,916
	Business	<u>26,753</u>	<u>42,253</u>	<u>29,588</u>	<u>310,136</u>	<u>408,730</u>
Total Loss allowance		<u>43,669</u>	<u>42,253</u>	<u>29,588</u>	<u>310,136</u>	<u>425,646</u>

The closing loss allowances for financial assets as at 31 December 2024 and 31 December 2023 reconcile to the opening loss allowances as follows:

	Trade receivables 2024	Trade receivables 2023
	€	€
Opening loss allowance as at 1 January	425,646	392,955
(Decrease)/increase in loss allowance recognised in the statement of comprehensive income	<u>(209,848)</u>	<u>32,691</u>
Balance at 31 December	<u>215,798</u>	<u>425,646</u>

The gross carrying amount of trade receivables of €11,742,369 as at 31 December 2024 (2023: €12,603,852) (Note 20) is analysed as follows:

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

6. Financial risk management (continued)

6.2 Credit risk (continued)

(i) Impairment of financial assets (continued)

Trade receivables (continued)

The gross carrying amount of trade receivables in the table above was mainly based on the gross carrying amount of active retail and business customers amounting to €1,606,753 (2023: €2,630,374) and terminated retail and business customers amounting to €3,253,580 (2023: €2,212,557), which are fully impaired. The table above excludes the gross carrying amount of trade receivables of €4,569,439 (2023: €6,727,005) which relates to device financing, for which separate calculations are performed to reach to the expected credit loss associated with device financing. Furthermore, the table above excludes the gross carrying amount of trade receivables of €2,312,597 (2023: €1,033,916) which relates to other trade receivables for which the management assessed and concluded that were performing (Stage 1) as at 31 December 2024 and 31 December 2023, and consequently no expected credit loss should be recognised for the years then ended.

The company does not hold any collateral as security for its trade receivables.

For presentation purposes the expected loss rates for 2024 and 2023 shown above have been rounded to one decimal point.

In respect of the Company's terminated customers within the trade receivables population, these are assessed on an individual basis. This assessment is based on the credit history of the customers with the Company, the period the trade receivable is past due and other indicators in order to conclude whether the customer falls within the "terminated category". On that basis, the specific loss allowance as at 31 December 2024 and 31 December 2023 was determined as €3,238,580 and €2,212,557 respectively based on a 100% ECL (Note 20). An increase in 25 basis points in 2024 (2023: 25 basis points) in the weighted average expected credit loss default rate for both retail and business customers in each respective ageing category would not have a material impact on the closing loss allowance as at 31 December 2024 and as at 31 December 2023.

The difference between the gross trade debtors considered for the generic and the specific provision relate mainly to the receivables from the sale of mobile devices with instalments over a 24-month period. Management, using the general model, concluded that the expected credit loss from this arrangement is highly immaterial.

Based on a decrease in the general provision by €209,848 (2023: increase of €32,691), the increase in the specific provision by €1,061,023 (2023: €605,723) and other bad debts written-off of €138,772 (2023: €2,964), the "Net impairment losses on financial assets" as per the Statement of Comprehensive Income is €989,947 (2023: €641,378).

Cash and cash equivalents

The Company assesses, on an individual basis, its exposure to credit risk arising from cash at bank. This assessment takes into account, ratings from external credit rating institutions and internal ratings, if external are not available.

Bank deposits held with banks with investment grade rating are considered as low credit risk.

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 December 2024 and 31 December 2023:

Company internal credit rating	External credit rating	2024 €	2023 €
Performing	Baa1 (2024)/Baa3 (2023)	1,675,291	2,088,800
Performing	Baa2 (2024)/Baa3 (2023)	459,871	181,352
Other external non-rated issuers-satisfactory credit quality (performing)		<u>189,183</u>	<u>491,795</u>
Total cash at bank & restricted cash		<u>2,324,345</u>	<u>2,761,947</u>

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

6. Financial risk management (continued)

6.2 Credit risk (continued)

(i) Impairment of financial assets (continued)

Cash and cash equivalents (continued)

All cash and bank and restricted cash balances were performing (Stage 1) as at 31 December 2024 and 31 December 2023. No expected credit loss has been recognised.

The rest of the balance sheet item 'cash and cash equivalents' amounting to €83,946 (2023: €98,861) is cash in hand.

Financial assets at amortised cost

The Company is also exposed to credit risk in relation to financial assets at amortised cost. The maximum exposure at the end of the reporting period is the carrying amount of these assets of €170,157 (2023: €177,699). The basis for recognition of expected credit loss provision for these financial assets at amortised cost is Stage 1. The specific provision for bad debts is €281,965 as at 31 December 2024 (31 December 2023: €246,965). There was an increase of €35,000 in specific provision during the year.

The Company does not hold any collateral as security for its financial assets at amortised cost.

(ii) Credit related financial guarantees

The primary purpose of these instruments is to ensure that funds are available to a borrower as required. Financial guarantees which represent irrevocable assurances that the Company will make payments in the event that a counterparty cannot meet its obligations to third parties, carry the same credit risk as loans receivable. All financial guarantees as presented in Note 33 of the separate financial statements were performing (Stage 1) as at 31 December 2024 and 31 December 2023.

6.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

31 December 2024	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €	1-2 years €	2-5 years €	More than 5 years €
Lease liabilities	11,987,891	13,010,327	350,103	3,075,750	3,186,200	4,189,951	2,208,323
Bond	40,067,821	49,255,153	-	1,600,000	1,600,000	4,800,000	41,255,153
Bank overdrafts	2,284,658	2,284,658	2,284,658	-	-	-	-
Trade and other payables	30,179,053	30,179,053	30,134,472	-	44,581	-	-
Loans from shareholder	11,587,324	12,705,376	445,183	1,360,151	7,624,296	3,275,746	-
Football broadcasting rights liability	25,123,092	29,523,333	1,487,500	3,916,000	5,399,000	10,745,833	7,975,000
Financial guarantees	1,206,606	1,206,606	1,206,606	-	-	-	-
	122,436,445	138,164,506	35,908,522	9,951,901	17,854,077	23,011,530	51,438,476

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

6. Financial risk management (continued)

6.3 Liquidity risk (continued)

31 December 2023	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Lease liabilities	12,224,962	13,297,362	352,136	2,684,829	2,611,778	4,507,945	3,140,674
Bond	40,037,997	50,855,153	-	1,600,000	1,600,000	4,800,000	42,855,153
Bank overdrafts	2,261,272	2,261,272	2,261,272	-	-	-	-
Trade and other payables	30,857,084	30,857,084	26,779,452	-	4,077,632	-	-
Loans from shareholder	9,582,606	10,697,491	125,000	1,058,925	1,621,590	7,891,976	-
Football broadcasting rights liability	14,389,496	14,986,000	1,602,000	3,260,667	4,200,000	5,923,333	-
Financial guarantees	1,206,606	1,206,606	1,206,606	-	-	-	-
	110,560,023	124,160,968	32,326,466	8,604,421	14,111,000	23,123,254	45,995,827

6.4 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar. The Company's Board of Directors monitors the exchange rate fluctuations on a continuous basis and acts accordingly. An 1% increase in the US Dollar to Euro exchange rate is not expected to impact materially the Company's results.

6.5 Capital risk management

Capital includes equity shares, share premium and contributions from the shareholder.

The Company's objectives in managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as "equity" as shown in the statement of financial position plus subordinated debt.

The Company's capital is analysed as follows:

	2024	2023
	€	€
Total borrowings (Note 27)	53,939,803	51,881,875
Less: Cash and cash equivalents (Note 24)	(734,779)	(816,033)
Net debt	<u>53,205,024</u>	<u>51,065,842</u>
Total equity	419,466	(355,189)
Subordinated debt (Note 27)	<u>11,587,324</u>	<u>9,582,606</u>
Total capital	<u>12,006,790</u>	<u>9,227,417</u>
Gearing ratio	<u>81.59%</u>	<u>84.70%</u>

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

6. Financial risk management (continued)

6.5 Capital risk management (continued)

The decrease in the gearing ratio during the year ended 31 December 2024 resulted mainly from the new loan of €2.9m obtained from GO plc in 2024 and the significant improvement in the Company's total equity, resulting from the shareholder's contribution in the capital reserve (please refer to Notes 26 and 32.4). The gearing ratio, however, is still high as a result of the Company's continuing operating and capital investments, funded mainly by GO plc loan stated above and to a lesser extent by its Malta Stock Exchange bond issue and the part utilization of the granted overdraft limit. This fact is expected to further enhance the Company's future growth but for the fiscal year 2024 also had the effect of increasing the net debt and improving (via the €1.3 million increase in the capital reserve) the shareholders' equity of the Company. The Company's continuing growth is expected to reduce losses and return to profitability in the coming years.

7. Critical accounting estimates, judgments and assumptions

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

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of financial assets:

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the Note 6.2, Credit risk section.

Sensitivity analysis

An increase in the weighted default rate by 0.5% would have resulted to an immaterial increase in the ECL.

Impairment assessment of football broadcasting rights asset:

The Company assesses at the end of each reporting period whether there are any indications for impairment of the football broadcasting rights asset by comparing the carrying amount of the asset with the recoverable amount (higher of value-in-use (VIU) and fair value less costs of disposal). The recoverable amount has been determined based on a value-in-use calculation. Value-in-use represents the present value of the future cash flows expected to derive from the continuing use of the asset and from its disposal at the end of its useful life.

The key assumptions used for the value-in-use calculations (reflected in the recoverable amount) are as follows:

	Football broadcasting rights 2024
Annual increase in cash inflows	2.00%
Discount rate	10.56%
	Football broadcasting rights 2023
Annual increase in cash inflows	2.00%
Discount rate	10.66%

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

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

Critical accounting estimates and assumptions (continued)

Impairment assessment of football broadcasting rights asset: (continued)

Annual increase in cash inflows represents the annual growth rate over the period of the football broadcasting rights contracts (up until May 2027). It is based on past performance and management's expectations of market development.

The two components of the discount rate are the cost of equity and the cost of debt. The cost of equity has been calculated by management by applying the CAPM formula ($K_e = R_f + \beta(R_m - R_f)$ where R_f is the risk-free rate of return and R_m is the market return). The cost of debt is the cost of raising debt finance through a financial intermediary.

Sensitivity analysis

An increase in the discount rate by 1% would not have resulted to an impairment charge.

A decrease in the number of subscribers by 50% would not have resulted to an impairment charge.

Critical judgements in applying the Company's accounting policies

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

Football rights and contingent payments:

The payment terms of the football broadcasting rights arrangements include contingent payments on future events. There is no IFRS that applies specifically to this transaction. There is diversity in practice in accounting for contingent consideration to acquire an asset and there are three possible approaches (the financial liability model, the cost accumulation model and the IFRIC 1 approach). Management has exercised judgment and is applying the financial liability model, as per which an intangible asset is initially recognised including the fair value of the future contingent payments at acquisition, and a financial liability is recognised at the same fair value. Subsequently, the financial liability is measured at amortised cost, following the requirements of IFRS 9. The entity should adjust the carrying amount of the financial liability to reflect actual and updated estimated cash flows whenever the cash flow estimates are revised. The entity recalculates the carrying amount of the liability by computing the present value of estimated future cash flows at the financial instrument's original effective interest rate or, where applicable, the revised effective interest rate.

Determination of the lease term:

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

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

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

As at 31 December 2024, potential future cash outflows of €1,758,776 (2023: €1,907,024) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not to be terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or to not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and is within the control of the lessee.

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

8. Revenue

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

	2024	2023
	€	€
Telecommunication services	62,731,089	60,157,657
Sales of goods	162,949	374,185
Football broadcasting rights related revenue	6,717,640	7,283,969
Sales of mobile devices	<u>2,456,898</u>	<u>6,455,832</u>
	<u>72,068,576</u>	<u>74,271,643</u>

The Football broadcasting rights related revenue relates mainly to the revenue charged to CYTA and Primetel, based on the trilateral sports content agreement signed on 11 July 2020, to allow each party the broadcasting of the combined pool of football matches. The said agreement expired on 31 July 2024. The Company subsequently reached a separate agreement with CYTA, as the two remaining telecom operators owning exclusive sports broadcasting rights, for each operator's content to continue being made available to the other's TV platform. There is also an agreement with Primetel, for Cablenet's sports rights to be available to Primetel's customers as well. Both of these agreements are valid up until 31 July 2025. Thus, the revenue relates to the aforementioned agreements and to the revenue from the right to broadcast football matches into public viewing, i.e. cafeterias, pubs, restaurants, etc., charged to the other football broadcasting rights holder also based on the above stated agreements, as well as to advertising and live streaming.

	2024	2023
	€	€
Timing of revenue recognition		
At a point in time	11,944,065	14,882,339
Over time	<u>60,124,511</u>	<u>59,389,304</u>
	<u>72,068,576</u>	<u>74,271,643</u>

Sales of goods and sales of mobile devices as well as part of the revenue which derives from the sale of Telecommunication services and Football broadcasting rights are recognised at a point in time, whereas part of the revenue which derives from the sale of Telecommunication services and Football broadcasting rights is recognised over time.

9. Cost of sales

	2024	2023
	€	€
Services	28,019,840	31,839,023
Electricity for nodes	533,859	514,665
Operational and maintenance fee for international capacity	1,025,526	1,054,266
Sales Commission	689,070	96,190
Fees payable to Electricity Authority of Cyprus	815,649	843,884
Amortisation of broadcasting football rights (Note 18)	4,883,826	5,117,580
Depreciation and amortisation (Notes 16 & 18)	8,292,428	7,990,796
Sundry expenses	<u>52,335</u>	<u>70,881</u>
	<u>44,312,533</u>	<u>47,527,285</u>

The Depreciation and amortisation amount relates to Buildings, Network, Motor Vehicles, Tools, International Capacity and IP addresses.

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

10. Other operating income

	2024	2023
	€	€
Other Income	475,053	206,072
Gain from sale of property, plant and equipment	2,945	2,217
HRDA Subsidy	49,563	19,284
	<u>527,561</u>	<u>227,573</u>

11. Selling and distribution expenses

	2024	2023
	€	€
Staff costs	1,635,160	1,774,081
Advertising	1,776,414	2,397,423
Stamp duties	211,409	198,549
Other support expenses	83,485	164,722
Depreciation of right-of-use asset motor vehicles (Note 17)	572,313	605,015
Sundry expenses	250,646	286,430
	<u>4,529,427</u>	<u>5,426,220</u>

12. Administration expenses

	2024	2023
	€	€
Staff costs	7,433,059	7,398,770
Directors and secretary fees	261,000	244,564
Licences and taxes	451,361	414,326
Electricity	941,511	996,794
Water supply and cleaning	144,565	135,237
Insurance	173,451	138,994
Stationery and printing	88,503	105,056
Computer software maintenance costs	2,733,821	2,645,569
Auditor's remuneration for the statutory audit of annual accounts	71,000	55,000
Auditor's remuneration for other assurance services	14,000	14,500
Tax and VAT services for current year	5,000	13,702
Legal fees	180,990	156,643
Other professional fees	163,092	98,397
Fines	-	6,021
Motor fuels	74,572	46,066
Depreciation of right-of-use assets (Note 17)	2,380,682	2,295,434
Depreciation of property, plant, equipment and amortisation of software (Notes 16 & 18)	3,147,638	3,439,503
Sundry expenses	832,939	896,679
	<u>19,097,184</u>	<u>19,101,255</u>

The statutory auditor for these separate financial statements is PricewaterhouseCoopers Limited. The non-audit fees of €14,000 (2023: €14,500) relate to the review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' in respect of the half-yearly 2024 and 2023 separate financial statements of the Company respectively. There were no other professional fees for other services provided by the Statutory Auditor during the current and prior year.

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

13. Staff costs

	2024	2023
	€	€
Directors' Remuneration (Note 32.1)	-	322,581
Salaries	12,177,753	11,513,200
Capitalised salaries	(4,367,748)	(3,917,451)
Social insurance costs	953,198	944,546
Social cohesion fund	154,030	159,326
Pensions cost	150,986	150,649
	<u>9,068,219</u>	<u>9,172,851</u>
Average number of employees (including Directors in their executive capacity)	<u>420</u>	<u>426</u>

Network expansion-related staff costs are capitalised under Property, plant and equipment–Network (Note 16) and include all payroll-related benefits such as overtimes, standby allowances, bonuses and commissions.

A proportion of the staff costs of the Fixed & Mobile, TV Systems and IP & Transport Departments are capitalised under Property, plant and equipment–Network (Note 16) and of the Management Information Systems, Software Development and Quality & Training Departments are capitalised under Intangible assets–Computer software (Note 18) and include all payroll-related benefits such as overtimes, standby allowances, bonuses and commissions.

14. Finance income/(costs)

	2024	2023
	€	€
Foreign exchange profit	-	9,050
Finance income	<u>-</u>	<u>9,050</u>
Foreign exchange loss	(60,188)	-
Interest expense	(3,384,429)	(3,476,312)
Sundry finance expenses	(409,747)	(406,361)
Finance costs	<u>(3,854,364)</u>	<u>(3,882,673)</u>
Net finance costs	<u>(3,854,364)</u>	<u>(3,873,623)</u>

15. Tax

	2024	2023
	€	€
Deferred tax (Note 29)	302,289	159,504
Charge for the year	<u>302,289</u>	<u>159,504</u>

The total charge for the year can be reconciled to the accounting results as follows:

	2024	2023
	€	€
Loss before income tax	<u>(285,827)</u>	<u>(2,164,194)</u>
Tax calculated at the applicable tax rates	(35,728)	(270,524)
Tax effect of expenses not deductible for tax purposes	2,630,304	2,667,480
Tax effect of allowances and income not subject to tax	(2,602,665)	(2,444,818)
Tax effect of tax loss for the year	310,378	207,366
Tax charge	<u>302,289</u>	<u>159,504</u>

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

15. Tax (continued)

The Company is subject to corporation tax on taxable profits at the rate of 12.5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%, decreased to 17% from 1 January 2024. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon, etc.) are exempt from Cyprus income tax.

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

16. Property, plant and equipment

	Land and Buildings	Leasehold buildings and improvements	Assets under construction	Network	Motor vehicles	Furniture, fixtures, equipment and computer hardware	Tools	Total
	€	€	€	€	€	€	€	€
Cost								
Balance at 1 January 2023	-	3,196,963	681,280	100,055,018	1,213,260	21,629,655	447,536	127,223,712
Additions	4,752	350,293	4,902,286	6,367,744	-	2,812,683	24,406	14,462,164
Disposals	-	-	-	(28,099)	(28,192)	(23,245)	-	(79,536)
Transfer to Network	-	-	(2,725,141)	2,725,141	-	-	-	-
Transfer to Land and Buildings	454,956	-	(454,956)	-	-	-	-	-
Reclassification to Furniture, fittings and equipment	-	-	-	(42,191)	-	42,191	-	-
Reclassification to Tools	-	-	-	(3,539)	-	-	3,539	-
Transfer to Intangible assets (Note 18)	-	-	-	(1,543,279)	-	-	-	(1,543,279)
Balance at 31 December 2023/1 January 2024	459,708	3,547,256	2,403,469	107,530,795	1,185,068	24,461,284	475,481	140,063,061
Additions	18,229	31,790	679,211	7,466,746	-	1,596,775	34,534	9,827,285
Disposals	-	(125)	-	(5,365)	-	(22,756)	(148)	(28,394)
Write-offs	-	-	-	(2,428,235)	-	(67,074)	-	(2,495,309)
Transfer to Network	-	-	(2,080,695)	2,080,695	-	-	-	-
Transfer to Land and Buildings	54,470	-	(53,451)	-	-	(1,019)	-	-
Transfer to Furniture, fittings and equipment	-	-	(222,595)	-	-	222,595	-	-
Other adjustments	-	-	(135,298)	-	-	-	-	(135,298)
Transfer to Intangible assets (Note 18)	-	-	(83,529)	-	-	-	-	(83,529)
Balance at 31 December 2024	532,407	3,578,921	507,112	114,644,636	1,185,068	26,189,805	509,867	147,147,816

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Notes to the Separate Financial Statements Year ended 31 December 2024

16. Property, plant and equipment (continued)

	Land and Buildings	Leasehold buildings and improvements	Assets under construction	Network	Motor vehicles	Furniture, fixtures, equipment and computer hardware	Tools	Total
	€	€	€	€	€	€	€	€
Depreciation								
Balance at 1 January 2023	-	1,238,756	-	61,317,545	914,741	17,138,840	351,700	80,961,582
Charge for the year	617	306,560	-	6,525,197	158,511	2,305,702	67,760	9,364,347
On disposals	-	-	-	(4,665)	(28,192)	(21,693)	-	(54,550)
Reclassification to Furniture, fittings and equipment	-	-	-	(15,828)	-	15,828	-	-
Reclassification to tools	-	-	-	(1,147)	-	-	1,147	-
Transfer to Intangible assets (Note 18)	-	-	-	(1,293,517)	-	-	-	(1,293,517)
Balance at 31 December 2023/1 January 2024	617	1,545,316	-	66,527,585	1,045,060	19,438,677	420,607	88,977,862
Charge for the year	9,697	300,640	-	6,870,359	79,386	2,265,433	41,276	9,566,791
On disposals	-	(24)	-	-	-	(22,055)	(148)	(22,227)
Transfer to Land and Buildings	34	-	-	-	-	(34)	-	-
Write-offs	-	-	-	(2,428,235)	-	(67,074)	-	(2,495,309)
Balance at 31 December 2024	10,348	1,845,932	-	70,969,709	1,124,446	21,614,947	461,735	96,027,117
Net book amount								
Balance at 31 December 2024	522,059	1,732,989	507,112	43,674,927	60,622	4,574,858	48,132	51,120,699
Balance at 31 December 2023	459,091	2,001,940	2,403,469	41,003,210	140,008	5,022,607	54,874	51,085,199

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

16. Property, plant and equipment (continued)

The Assets under construction represent assets which have not yet been completed and thus, not yet put in use and not yet generate revenue for the Company. As a result, no depreciation is charged. Depreciation charges will commence from the date each asset is completed and put in use.

In the statement of cash flows, proceeds from sale of property, plant and equipment comprise:

	2024	2023
	€	€
Net book value	836	931
Loss from the sale of property, plant and equipment	(697)	(830)
Profit from the sale of property, plant and equipment (Note 10)	<u>2,945</u>	<u>2,217</u>
Sale proceeds	<u>3,084</u>	<u>2,318</u>

No impairment indicators have been identified by management as at 31 December 2024 and 31 December 2023 in respect of the Company's property, plant and equipment.

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

17. Right-of-use assets

	Land and buildings	4G & 5G Spectrum Licences	Motor vehicles	ROU Assets - Public Works	EAC Ducts Leases	Total
	€	€	€	€	€	€
Cost						
Balance at 1 January 2023	5,251,092	16,403,594	2,663,716	-	261,276	24,579,678
Additions	136,930	-	926,925	63,168	-	1,127,023
Remeasurement	-	-	-	-	(22,365)	(22,365)
Terminations	-	-	(111,389)	-	-	(111,389)
Balance at 31 December 2023/1 January 2024	5,388,022	16,403,594	3,479,252	63,168	238,911	25,572,947
Additions	1,610,204	1,200,000	223,222	-	-	3,033,426
Terminations	-	-	(73,674)	-	-	(73,674)
Remeasurements	76,639	-	-	-	-	76,639
Balance at 31 December 2024	7,074,865	17,603,594	3,628,799	63,168	238,911	28,609,337
Depreciation						
Balance at 1 January 2023	2,382,842	1,012,666	1,404,922	-	58,060	4,858,490
Charge for the year	760,770	1,519,000	605,015	2,746	12,918	2,900,449
Balance at 31 December 2023/1 January 2024	3,143,612	2,531,666	2,009,937	2,746	70,978	7,758,939
Charge for the year	782,860	1,582,157	572,313	2,747	12,918	2,952,995
Balance at 31 December 2024	3,926,472	4,113,823	2,582,250	5,493	83,896	10,711,934
Net book amount						
Balance at 31 December 2024	3,148,393	13,489,771	1,046,549	57,675	155,015	17,897,403
Balance at 31 December 2023	2,244,410	13,871,928	1,469,315	60,422	167,933	17,814,008

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

17. Right-of-use assets (continued)

The table below describes the nature of the Company's leasing activities by type of ROU asset recognised in the statement of financial position:

For the year ended 31 December 2024:

ROU asset	No of ROU assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of leases with option to purchase	No of leases with termination options
Office/Shops	17	<1 - 7 years	2.4 years	9	-	11
Warehouses	4	<7 - 93 years	40.1 years	3	-	2
Motor vehicles	123	<1 - 5 years	1.8 years	-	-	-
EAC Ducts Leases	1	12 years	12 years	-	-	-
Public Works Ducts Leases	1	21 years	21 years	-	-	-

For the year ended 31 December 2023:

ROU asset	No of ROU assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of leases with option to purchase	No of leases with termination options
Office/Shops	22	<1 - 8 years	2.6 years	13	-	11
Warehouses	2	55 - 94 years	74.5 years	-	-	-
Motor vehicles	132	<1 - 5 years	2.6 years	-	-	-
EAC Ducts Leases	1	13 years	13 years	-	-	-
Public Works Ducts Leases	1	22 years	22 years	-	-	-

No impairment indicators have been identified by management as at 31 December 2024 and 31 December 2023 in respect of the Company's right-of-use assets.

i. Amounts recognised in the statement of comprehensive income

Depreciation charge for right-of-use assets of €572,313 (2023: €605,015) has been charged in "selling and distribution expenses" and depreciation charge for right-of-use assets of €2,380,682 (2023: €2,295,434) has been charged in "administration expenses".

The total cash outflow for leases in 2024 was €3,268,640 (2023: €2,949,736).

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Notes to the Separate Financial Statements Year ended 31 December 2024

18. Intangible assets

	Computer software €	International capacity €	Assets under construction €	Football rights €	IP addresses €	Total €
Cost						
Balance at 1 January 2023	6,510,653	29,584,231	264,321	25,624,756	-	61,983,961
Additions/Adjustments	871,177	-	903,891	11,691,242	163,309	13,629,619
Transfer to computer software	813,362	-	(813,362)	-	-	-
Deductions	-	-	-	(100,000)	-	(100,000)
Transfer from Property, plant and equipment (Note 16)	-	-	-	-	1,543,279	1,543,279
Balance at 31 December 2023/1 January 2024	8,195,192	29,584,231	354,850	37,215,998	1,706,588	77,056,859
Additions/Adjustments	863,501	631,936	2,224,935	15,992,357	122,127	19,834,856
Transfer to computer software	271,895	-	(271,895)	-	-	-
Write-offs	(437,836)	-	-	(25,951,995)	-	(26,389,831)
Transfer from Property, plant and equipment (Note 16)	-	-	83,529	-	-	-
Balance at 31 December 2024	8,892,752	30,216,167	2,391,419	27,256,360	1,828,715	70,585,413
Amortisation						
Balance at 1 January 2023	5,053,611	15,307,669	-	18,677,871	-	39,039,151
Amortisation for the year	827,241	1,221,727	-	5,117,580	16,983	7,183,531
Transfer from Property, plant and equipment (Note 16)	-	-	-	-	1,293,517	1,293,517
Balance at 31 December 2023/1 January 2024	5,880,853	16,529,396	-	23,795,451	1,310,500	47,516,200
Amortisation for the year	581,565	1,257,847	-	4,883,826	33,863	6,757,101
Other adjustments	-	40,720	-	-	-	40,720
Write-offs	(437,836)	-	-	(25,951,995)	-	(26,389,831)
Balance at 31 December 2024	6,024,582	17,827,963	-	2,727,282	1,344,363	27,924,190
Net book amount						
Balance at 31 December 2024	2,868,170	12,388,204	2,391,419	24,529,078	484,352	42,661,223
Balance at 31 December 2023	2,314,339	13,054,835	354,850	13,420,547	396,088	29,540,659

No impairment indicators have been identified by management as at 31 December 2024 and 31 December 2023 in respect of the Company's intangible assets.

The Assets under construction represent assets which have not yet been completed and thus, not yet put in use and not yet generate revenue for the Company. As a result, no amortisation is charged. Amortisation charges will commence from the date each asset is completed and put in use.

The average remaining useful economic life for Computer Software is 4.5 years (2023: 3.4 years), International capacity is 6.1 years (2023: 5.6 years), IP addresses is 12.3 years (2023: 13.2 years) and Football broadcasting rights is 4.2 years (2023: 3.4 years).

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Notes to the Separate Financial Statements Year ended 31 December 2024

19. Inventories

	2024	2023
	€	€
Telecom prepaid cards, mobile devices & accessories	<u>279,991</u>	<u>504,061</u>

Inventories are stated at cost.

The cost of inventories recognised as expense and included in the cost of sales amounted to €2,382,207 (2023: €6,657,228).

20. Trade receivables

	2024	2023
	€	€
Trade receivables	11,742,369	12,603,852
Receivable from related parties (Note 32.3)	-	30,318
Less: Specific provision for bad debts	(3,238,580)	(2,212,557)
Less: Allowance for expected credit losses	<u>(215,798)</u>	<u>(425,646)</u>
Trade receivables - net	8,287,991	9,995,967
Less non-current receivables	<u>(466,748)</u>	<u>(2,287,755)</u>
Current portion	<u>7,821,243</u>	<u>7,708,212</u>

Movement in allowance for expected credit losses of receivables:

	2024	2023
	€	€
Balance at 1 January	425,646	392,955
Impairment (reversal)/charge	<u>(209,848)</u>	<u>32,691</u>
Balance at 31 December	<u>215,798</u>	<u>425,646</u>

Movement in specific provision of receivables:

	2024	2023
	€	€
Balance at 1 January	2,212,557	1,606,834
Additional charge of specific provision	<u>1,026,023</u>	<u>605,723</u>
Balance at 31 December	<u>3,238,580</u>	<u>2,212,557</u>

Non-current receivables relate to device financing receivables, i.e. receivables relating to the sale of mobile phones and other devices which will be collected after 12 months. This is the result of the scheme introduced by the Company in December 2021 for acquiring a device with a repayment schedule of 24-monthly instalments.

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

The exposure of the Company to credit risk and impairment losses in relation to trade receivables is reported in Note 6 of the separate financial statements.

The carrying amount of the Company's trade receivables is denominated in Euro.

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Notes to the Separate Financial Statements Year ended 31 December 2024

21. Other non-financial assets

	2024 €	2023 €
Non-current assets:		
Prepayments and deposits	920,530	150,859
Current Assets:		
Prepayments and deposits	<u>2,314,867</u>	<u>4,542,542</u>
	<u>3,235,397</u>	<u>4,693,401</u>

An amount of nil (2023: €2,359,000), included in current prepayments, is the result of the agreement signed between the Company and two other football broadcasting rights holders on 11 July 2020 to allow each party the broadcasting of the combined pool of content, which expired in July 2024.

The whole amount of €3,235,397 (2023: €2,334,401) relates to other prepayments, deposits and deferred expenses.

22. Financial assets at amortised cost

	2024 €	2023 €
Financial assets at amortised cost	297,776	424,664
Receivables from related parties (Note 32.3)	154,346	-
Specific provision for bad debts	<u>(281,965)</u>	<u>(246,965)</u>
Balance at 31 December	170,157	177,699
Less non-current portion	<u>(15,811)</u>	<u>(177,699)</u>
Current portion	<u>154,346</u>	<u>-</u>

The carrying amount of the Company's financial assets at amortised cost is denominated in Euro. Note 6 sets out information about the impairment of financial assets and the Company's exposure to credit risk.

The above items relate to other receivables.

The difference between the carrying amount and the fair value of the above financial assets at amortised cost is not considered to be significant.

23. Restricted cash

	2024 €	2023 €
Balance at 1 January	2,044,775	3,050,325
(Releases)/Restrictions	<u>(371,263)</u>	<u>(1,005,550)</u>
Balance at 31 December	1,673,512	2,044,775
Less non-current portion	<u>(683,450)</u>	<u>(683,450)</u>
Current portion	<u>990,062</u>	<u>1,361,325</u>

The total restricted bank deposits amount, as at 31 December 2024, was €1,673,512 (2023: €2,044,775). This amount includes a) an amount of €640,062 (2023: €973,875) representing the cash collateral of a Good Payment Letter of Guarantee in favour of the Director of the Department of Electronic Communications, relating to 4G radio spectrum frequencies, expiring on 15 June 2025, b) an amount of €683,450 (2023: €683,450) representing the cash collateral of a Good Payment Letter of Guarantee in favour of the Director of the Department of Electronic Communications, relating to 5G radio spectrum frequencies, expiring on 20 July 2026 and c) an amount of €350,000 (2023: €387,450) representing the cash collateral of a Letter of Guarantee in favour of CYTA, expiring on 15 June 2025 and relating to the RAN Sharing agreement signed with CYTA in May 2021. Further releases in the restricted deposits amounting to €324,625 are expected in July 2025.

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

24. Cash and cash equivalents

Cash and cash equivalents balances are analysed as follows:

	2024	2023
	€	€
Cash in hand	83,946	98,861
Cash at bank	650,833	717,172
	<u>734,779</u>	<u>816,033</u>

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

	2024	2023
	€	€
Cash at bank and in hand	734,779	816,033
Bank overdrafts (Note 27)	(2,284,658)	(2,261,272)
	<u>(1,549,879)</u>	<u>(1,445,239)</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in Note 6 of the separate financial statements.

Reconciliation of liabilities arising from financing activities:

	Bond and Borrowings	Loans from related parties	Leases	Total liabilities from financing activities
	€	€	€	€
Opening Balance—1 January 2024	40,037,997	9,582,606	12,224,962	61,845,565
Cash flows:				
Proceeds from borrowings	-	2,900,000	-	2,900,000
Repayment of principal	-	(924,932)	(3,268,640)	(4,193,572)
Repayment of interest	(1,600,000)	(556,272)	(354,416)	(2,510,688)
Interest expense	1,629,824	585,922	354,416	2,570,162
Other non-cash changes:				
Acquisitions/Additions/Remeasurements	-	-	3,031,569	3,031,569
Closing Balance—31 December 2024	<u>40,067,821</u>	<u>11,587,324</u>	<u>11,987,891</u>	<u>63,643,036</u>
Opening Balance—1 January 2023	39,975,652	3,511,446	14,190,362	57,677,460
Cash flows:				
Proceeds from borrowings	-	6,000,000	-	6,000,000
Repayment of principal	-	-	(2,949,736)	(2,949,736)
Repayment of interest	(1,600,000)	(280,466)	(381,969)	(2,262,435)
Interest expense	1,662,345	351,626	381,969	2,395,940
Other non-cash changes:				
Acquisitions/Additions	-	-	984,336	984,336
Closing Balance—31 December 2023	<u>40,037,997</u>	<u>9,582,606</u>	<u>12,224,962</u>	<u>61,845,565</u>

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

25. Share capital

	2024 Number of shares	2024 €	2023 Number of shares	2023 €
Authorised				
Ordinary shares of €1.71 each	<u>4,000,000</u>	<u>6,840,000</u>	<u>4,000,000</u>	<u>6,840,000</u>
Issued and fully paid				
Balance at 1 January	3,362,570	5,749,995	3,362,570	5,749,995
Issue of shares	<u>45,058</u>	<u>77,049</u>	<u>-</u>	<u>-</u>
Balance at 31 December	<u>3,407,628</u>	<u>5,827,044</u>	<u>3,362,570</u>	<u>5,749,995</u>

All issued shares are fully paid.

In December 2024 the Company issued 45,058 new shares at their nominal value of €1.71 per share. The shares were subsequently purchased by GO plc increasing its holding of the Company's share capital to 70.61% (2023: 70.22%).

26. Other reserves

	Share premium €	Merger reserve €	Capital reserve €	Total €
Balance at 31 December 2023/1 January 2024	25,198,409	(538,393)	1,733,062	26,393,078
Shareholder's contribution	<u>-</u>	<u>-</u>	<u>1,285,722</u>	<u>1,285,722</u>
Balance at 31 December 2024	<u>25,198,409</u>	<u>(538,393)</u>	<u>3,018,784</u>	<u>27,678,800</u>

On 1st August 2016, all the assets, liabilities and reserves of Lemontel Limited were transferred to its sole shareholder, Cablenet Communication Systems PLC, at their book values based on merger accounting principles, business combination of entities under common control.

The Capital reserve of €1,733,062 relates to the fair value of the benefit received by the Company as a result of the interest waiver of the loan from GO plc during March 2014.

The increase of €1,285,722 in the capital reserve relates to a contribution made by the majority shareholder, GO plc, on 20 December 2024 in relation to the settlement of the share-based payment liability due to the Company's previous CEO. Please refer to Note 32.4 for more details.

27. Borrowings

The Company on 21 August 2020 issued a bond which was listed on the Malta Stock Exchange. The amount of the bond is €40m 4% unsecured bonds. Its nominal value is €1,000 per bond. The duration of the bond is 10 years starting from 21 August 2020 and the maturity date of the bond is 21 August 2030.

On 2 June 2022, the Company obtained a loan of €3.5 million from GO plc. The loan bears interest at the rate of 4% per annum. There is a Moratorium period of two years, during which the Company will pay only the interest portion on the loan on a quarterly basis with the first interest payment due on 2 September 2022. Following the Moratorium period, the Company will pay both capital and interest also on a quarterly basis, starting from June 2024, with the loan's maturity date being the 2nd of June 2027. Based on this, the Company started the repayment of both capital and interest in 2024. The total interest paid in 2024 was €138,619 (2023: €140,000). The accrued interest for the period from 3 December 2024 to 31 December 2024, amounting to €10,806, has been capitalized on the balance of the loan.

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

27. Borrowings (continued)

On 12 April 2023, the Company signed an agreement with GO plc to obtain a loan of up to €6 million. On 20 April 2023 the first disbursement of €2.5 million has been effected. On 13 June 2023 the second disbursement of €2 million has been effected. The third disbursement of €1 million has been effected on 9 July 2023. The fourth and final disbursement of €0.5 million has been effected on 9 August 2023. The loan bears interest at the rate of 6% per annum and there is no set repayment schedule. The Company is obliged to pay only the interest portion on the loan on a quarterly basis with the first interest payment effected on 20 July 2023. The loan's maturity date being three (3) years after the date of the First Disbursement, i.e. on 20 April 2026. The total interest paid in 2024 was €360,000 (2023: €140,466). The accrued interest for the period from 21 October 2024 to 31 December 2024, amounting to €79,601, has been capitalized on the balance of the loan.

On 13 May 2024, the Company signed an agreement with GO plc for the Company to obtain a loan of €2.9 million. On 17 May 2024 the first disbursement of €1 million was effected. On 5 July 2024 the second and final disbursement of €1.9 million was effected. The loan bears interest at the rate of 6% per annum during the first year anniversary from the date of first draw down of the loan and 8% per annum for the remainder of the term of the loan. The Borrower shall fully repay the amounts drawn under the Loan, together with any accrued interest on the outstanding amounts on the earliest of the following occurring:

- the date on which the Borrower draws down funds under a loan agreement concluded between the Borrower as borrower and any natural or legal person (other than the Lender) as lender; or
- the completion of the transfer by the Borrower to the Lender of any asset or assets (including any real estate asset (or any fixtures thereon)), as may be agreed between the Parties, on terms where they may be leased back to the Borrower; or
- the date falling 3 years from the date of signing of this Agreement.

The Company is obliged to pay only the interest portion on the loan on a quarterly basis. The Company's management considers that the loan's maturity date will be the date falling 3 years from the date of signing of this Agreement, i.e. on 13 May 2027, although an one-off payment for the amount of €0.94 million has been effected by the Company on 31 July 2024, reducing the loan's principal amount to €1.96 million. On 9 October 2024, GO plc returned an amount of €0.6 million, thus the final loan's principal amount is now €2.56 million. The total interest paid in 2024 was €59,252 (2023: nil). The accrued interest for the period from 18 November 2024 to 31 December 2024, amounting to €20,251, has been capitalized on the balance of the loan.

	2024 €	2023 €
Current borrowings		
Bank overdrafts (Note 24)	2,284,658	2,261,272
Loans from shareholder (Note 32.5)	<u>1,168,871</u>	<u>687,830</u>
	<u>3,453,529</u>	<u>2,949,102</u>
Non-current borrowings		
Bond	40,067,821	40,037,997
Loans from shareholder (Note 32.5)	<u>10,418,453</u>	<u>8,894,776</u>
	<u>50,486,274</u>	<u>48,932,773</u>
Total	<u>53,939,803</u>	<u>51,881,875</u>

The balance of the Bank overdrafts includes an amount of €486,312 (2023: €500,152) relating to a factoring account which is basically used as an overdraft account. Throughout the years, this balance is maintained to an amount around €500,000. The Company deposits a certain amount of cash to the factoring account on a monthly basis which is obtained back at the end of each month.

The balance of the bond as at 31 December 2024 is €40,067,821 (2023: €40,037,997). The bond liability is comprised of the balance of the bond as at 31 December 2023 of €40,037,997 (2022: €39,975,652), the accrued interest and bond charges for the year amounting to €1,629,824 (2023: €1,662,345) and the interest paid during the year of €1,600,000 (2023: €1,600,000).

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Notes to the Separate Financial Statements Year ended 31 December 2024

27. Borrowings (continued)

Maturity of non-current borrowings:

	2024	2023
	€	€
Between one to two years	7,249,078	1,166,113
Between two and five years	3,169,375	7,728,663
Over five years	<u>40,067,821</u>	<u>40,037,997</u>
	<u>50,486,274</u>	<u>48,932,773</u>

The bank overdrafts are secured as follows:

- Mortgage for €750,000 (2023: €750,000) on Leasehold property of Cablenet Communication Systems PLC.
- Floating charge of €37,071,504 (2023: €37,071,504) on the property of Cablenet Communication Systems PLC.

Approved but unused limits:

In addition to the above borrowings, the Company at 31 December 2024 had available approved but undrawn facilities which amounted to €2,245,342 (2023: €2,268,728).

The fair values of the borrowings approximate to their carrying amounts as presented above, except for the bond, for which its fair value approximates to €39,200,000.

The fair value of the bond traded in an active market is based on quoted market prices (Level 1) at the statement of financial position date.

The weighted average effective interest rates at the balance sheet date were as follows:

	2024	2023
Bank overdrafts	6.64%	6.36%
Bond interest	4.08%	4.08%
Loan of €3.5m from parent company	4.06%	4.01%
Loan of €6m from parent company	6.14%	6.00%
Loan of €2.9m from parent company	7.38%	-

The carrying amounts of the Company's borrowings are denominated in Euro.

28. Lease liabilities

This note provides information for leases where the Company is a lessee.

	2024	2023
	€	€
Balance at 1 January	12,224,962	14,190,362
Additions	3,033,426	1,127,023
Repayments	(3,623,056)	(3,331,705)
Interest	354,416	381,969
Remeasurement	71,817	(31,298)
Terminations	<u>(73,674)</u>	<u>(111,389)</u>
Balance at 31 December	<u>11,987,891</u>	<u>12,224,962</u>

Lease liabilities of €8,885,178 (2023: €9,477,595) are non-current whereas lease liabilities of €3,102,713 (2023: €2,747,367) are current.

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

28. Lease liabilities (continued)

	Minimum lease payments		The present value of minimum lease payments	
	2024	2023	2024	2023
	€	€	€	€
Not later than 1 year	3,425,853	3,036,965	3,102,713	2,747,367
Later than 1 year and not later than 5 years	7,376,151	7,119,723	6,876,243	6,590,563
Later than 5 years	2,208,323	3,140,674	2,008,935	2,887,032
	13,010,327	13,297,362	11,987,891	12,224,962
Future finance charges	(1,022,436)	(1,072,400)	-	-
Present value of lease liabilities	11,987,891	12,224,962	11,987,891	12,224,962

All lease obligations are denominated in Euro.

The fair values of lease obligations approximate to their carrying amounts as presented above.

29. Deferred tax

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax liability

	Difference between depreciation/ amortisation and wear and tear allowance	Other	Total
	€	€	€
Balance at 1 January 2023	-	1,923,866	1,923,866
Charged/(credited) to:			
Statement of comprehensive income (Note 15)	-	1,332,315	1,332,315
Exchange differences	-	82,467	82,467
Balance at 31 December 2023/1 January 2024	-	3,338,648	3,338,648
Charged/(credited) to:			
Statement of comprehensive income (Note 15)	327,930	2,038,908	2,366,838
Balance at 31 December 2024	327,930	5,377,556	5,705,486

The column "Other" relates to the deferred tax liability which arises from taxable temporary differences in respect of the recognition of the right-of-use assets related to the 4G and 5G spectrum licences, motor vehicles and warehouses as well as from taxable temporary differences in respect of football rights intangible asset. The balance in "Other" column is presented net on the face of the statement of financial position as it is set-off against "Other" column in the deferred tax assets table shown below, pursuant to the set-off provisions.

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

29. Deferred tax (continued)

Deferred tax assets

	Expected Credit Losses €	Difference between depreciation/ amortisation and wear and tear allowance €	Tax losses €	Other €	Total €
Balance at 1 January 2023	49,119	497,324	800,048	1,303,361	2,649,852
(Charged)/credited to: Statement of comprehensive income (Note 15)	4,087	(402,537)	193,405	1,375,290	1,170,245
Adjustment	-	-	-	85,035	85,035
Balance at 31 December 2023/1 January 2024	53,206	94,787	993,453	2,763,686	3,905,132
(Charged)/credited to: Statement of comprehensive income (Note 15)	(26,231)	(94,787)	310,378	1,875,187	2,064,547
Balance at 31 December 2024	26,975	-	1,303,831	4,638,873	5,969,679

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

The column "Other" relates to the deferred tax asset which arises from deductible temporary differences in respect of the recognition of the lease liability related to the 4G and 5G spectrum licences, motor vehicles and warehouses as well as from deductible temporary differences in respect of football rights liability. The balance in "Other" column is presented net on the face of the statement of financial position as it is set-off against "Other" column in the deferred tax liabilities table shown above, pursuant to the set-off provisions.

30. Trade and other payables

	2024 €	2023 €
Trade payables	12,945,617	13,125,032
Contract liabilities	2,066,734	5,766,657
Social insurance and other taxes	619,147	887,168
VAT	1,990,159	1,586,233
Shareholders' current accounts - credit balances	12,219,437	11,715,907
Accruals	1,341,638	2,498,882
Refundable security deposits on subscription	3,497,418	3,384,132
Payables to related parties	174,943	133,131
	34,855,093	39,097,142
Less non-current payables	(44,581)	(4,077,632)
Current portion	34,810,512	35,019,510

Non-current payables relate to an amount relating to other trade payables amounting to €44,581 (2023: €4,077,632).

An amount of nil (2023: €3,496,850) included in Contract liabilities, was coming from the agreement between three football providers on 11 July 2020 for the provision of all football matches through one platform, which expired on 31 July 2024. Thus, the balance as at 31 December 2024 is nil. The 2023 amount was covering the remaining income from public viewing due to the Company from the end of 2023 and up to 31 July 2024, amounting to €1,137,850 and the income from football content due to the Company from the end of 2023 and up to 31 July 2024, amounting to €2,359,000.

The Contract liabilities relate to the Company's obligation to transfer goods or services to its customers.

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

30. Trade and other payables (continued)

The carrying amount of trade and other payables approximates their fair value.

In the above table, the following items fall within the definition of financial liabilities at amortised cost: Trade payables, Shareholders' current accounts, Accruals, Other creditors, Refundable security deposits on subscription and Payables to related parties.

The Company's trade and other payables are denominated as follows:

	2024	2023
	€	€
Euro - functional and presentation currency	34,757,037	37,454,269
US Dollars	98,056	1,642,873
Total	<u>34,855,093</u>	<u>39,097,142</u>

31. Football rights liability

Football broadcasting rights liability analysis

	2024	2023
	€	€
Liabilities		
Current portion	4,264,209	4,386,287
Non-current portion	20,858,883	10,003,209
	<u>25,123,092</u>	<u>14,389,496</u>

Football broadcasting rights liability represents the present value of the estimated future contractual payments to football clubs in Cyprus for the provision of their home football matches recognised as a financial liability at amortised cost. On initial recognition the weighted average incremental borrowing rate applied to football broadcasting rights liability was 2.32%. The subsequent additions have been recognised using a weighted average incremental borrowing rate of 4.00%. The 2023 additions have been recognised using a weighted average incremental borrowing rate of 4.25%. The July 2024 additions have been recognised using a weighted average incremental borrowing rate of 6.11%, the September 2024 additions using a rate of 6.02% and the December 2024 additions using a rate of 5.46%.

The carrying amount of the football broadcasting rights liability approximates its fair value.

Change in football broadcasting rights liability:

	2024	2023
	€	€
Balance at 1 January	14,389,496	7,959,504
Additions	15,992,357	11,691,242
Interest charge	619,588	595,750
Repayments (net of discounts)	(5,522,669)	(5,757,000)
Deductions	(355,680)	(100,000)
	<u>25,123,092</u>	<u>14,389,496</u>

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

31. Football rights liability (continued)

In June and November 2021, as allowed by the original contract, it was communicated by the Company to these football clubs, of the Company's intention to renew the contracts for 24 additional months (expiry on 31 May 2024). As such additions of €10,906,458 have been recognised during 2021. Furthermore, the broadcasting rights of 2 of the 5 football clubs, the exclusive broadcasting rights of which are held by the Company, will now expire in May 2027, following the Company's decision not to exercise the early termination clause which was valid until 28 February 2023. As such additions of €11,691,242 have been recognised during 2023. In 2024, the broadcasting rights agreement for another football club, the exclusive broadcasting rights of which are held by the Company, is extended and is also set to expire in May 2027. As such addition of €3,121,150 has been recognised during 2024. In December 2024, the broadcasting rights agreement for one of the two football clubs for which, as stated above, the agreement has been extended up until May 2027 in 2023, is further extended and is now set to expire in May 2032. As such addition of €12,630,822 has also been recognised during 2024.

In September 2024, the Company signed an agreement, acquiring the football broadcasting rights of the French Championship, Ligue 1, for the period from September 2024 to May 2029. As such addition of €240,385 has been recognised during 2024.

32. Related party transactions

The Company is directly controlled by GO plc, incorporated in Malta, which owns the 70.61% (2023: 70.22%) of the Company's shares. Mr. Nicolas Shiacolas owns the 29.39% (2023: 29.78%) of the Company's shares. Additionally, GO Ventures Ltd, Mr. Ayrton Caruana, Mr. Reuben Attard, Mr. Kelvin Camenzuli and Mr. Nikhil Prakash Patil hold 1 share each.

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

The registered address of GO plc is Fra Diegu street Marsa, MRS 1501, Malta.

GO plc prepares Consolidated Financial Statements for the largest group of companies which the company participates as a subsidiary. Users can obtain these Consolidated Financial Statements from GO plc investor centre - news & publications section, in its site, following the link: <https://www.go.com.mt/investor-centre/news-publications>

The following transactions were carried out with related parties:

32.1 Directors' remuneration and key management personnel compensation

The remuneration of Directors and other members of key management was as follows:

	2024	2023
	€	€
Director's remuneration (Note 13)	-	306,248
Director's social insurance and other contributions (Note 13)	-	16,333
Remuneration of key management personnel	1,335,219	986,811
Benefits in kind relating to key management personnel	631,736	46,646
Key management personnel social insurance and other contributions	141,468	113,462
Chairman fees	35,000	35,000
Directors and audit committee fees	190,000	173,564
	<u>2,333,423</u>	<u>1,678,064</u>

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Notes to the Separate Financial Statements Year ended 31 December 2024

32. Related party transactions (continued)

32.2 Purchases and other expenses

		2024	2023
	<u>Nature of transactions</u>	€	€
GO plc	Interest on loan	585,922	351,626
C.N. Shiacolas (Investments) Ltd (common controlling parties related to minority shareholder)	Payments made for ROU assets & related lease liabilities	362,988	319,916
GO plc	Management fees	191,000	174,564
GO plc	Technical support	10,000	10,000
GO plc	Trade	2,443,278	6,145,319
Yiannos Michaelides (previous CEO)	Share-based payment expense	98,509	93,649
		<u>3,691,697</u>	<u>7,095,074</u>

32.3 Receivables from related parties (Notes 20 and 22)

		2024	2023
<u>Name</u>	<u>Nature of transactions</u>	€	€
C.N. Shiacolas (Investments) Ltd	Trade	-	30,318
Yiannos Michaelides (previous CEO)	Other income	154,346	-
		<u>154,346</u>	<u>30,318</u>

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

32.4 Payables to related parties (Note 30)

		2024	2023
<u>Name</u>	<u>Nature of transactions</u>	€	€
GO plc	Dividends	2,848,546	2,848,546
Nicolas Shiacolas	Finance	129,969	129,969
Nicolas Shiacolas	Dividends	2,046,637	2,046,637
C.N. Shiacolas (Investments) Ltd	Trade	40,145	-
Menelaos Shiacolas (Director and close family member with Nicolas Shiacolas)	Finance	134,798	133,131
GO plc	Trade	7,194,285	6,690,755
		<u>12,394,380</u>	<u>11,849,038</u>

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

The Company's shareholders will not collect any amount due to them, from dividends, but will leave them for future periods, when the Company's financial position will be in a position to allow it.

CABLENET COMMUNICATION SYSTEMS PLC

Notes to the Separate Financial Statements Year ended 31 December 2024

32. Related party transactions (continued)

32.4 Payables to related parties (continued)

On 24 May 2023, the Company's Board of Directors unanimously approved the award/allotment of 1.34% of the issued share capital of the Company to the Company's ex-CEO, Mr. Yiannos Michaelides. This term was included in Mr. Michaelides' employment contract which was signed in May 2020 and was effective from 15 June 2020. According to the contract, Mr. Michaelides would have been eligible for up to the award/allotment of 1.5% of the issued share capital of the Company should certain targets for the year ended 31 December 2022 be achieved. As a result, it was expected that in 2024, 45,058 shares of €1.71 each would have been awarded/allotted to Mr. Michaelides for free. Furthermore, the contract provided an option to Mr. Michaelides to exit the plan if he had chosen to, by selling the shares awarded/allotted to him back to the Company. Given that the shares have not been awarded/allotted to Mr. Michaelides, the 31 December 2023 separate financial statements included a provision amounting to €1,264,263 (2022: €1,170,614) within trade and other payables in relation to this matter and the expense recognised in the statement of comprehensive income amounted to €93,649 (2022: €78,243). Similarly, an additional provision of €98,509 with the corresponding expense were recognised in 2024, for the period from 1 January to 20 December 2024. Following the above, on 20 December 2024, the Company issued 45,058 new shares of €1.71 each share, which were subsequently awarded to Mr. Michaelides for free. Furthermore, also on 20 December 2024, Mr. Michaelides exercised the exit plan, by selling all the shares awarded to him back to GO plc, leading to an increase in GO's shareholding percentage to 70.61%. The Company had no financial implications in relation to the above stated transactions, thus it proceeded to eliminate the provision of €1,362,772 made in its accounting records. The said elimination did not affect the company's statement of comprehensive income but instead, led to the increase of the capital reserve by €1,285,722 and consequently the Company's equity (Notes 25 and 26).

32.5 Loans from related parties (Note 27)

	2024	2023
	€	€
Loan from the shareholder (GO plc):		
At the beginning of the year	9,582,606	3,511,446
Additions	2,900,000	6,000,000
Interest during the year	585,922	351,626
Principal repayments	(924,932)	-
Interest repayments	(556,272)	(280,466)
Balance at the end of the year	<u>11,587,324</u>	<u>9,582,606</u>

On 2 June 2022, the shareholder, GO plc, granted a loan to the Company amounting to €3,500,000. The loan is unsecured, it bears interest of 4% per annum and it is repayable by 2 June 2027.

On 12 April 2023, the shareholder, GO plc, granted a loan to the Company amounting to €6,000,000. The loan is unsecured, it bears interest of 6% per annum and it is repayable by 20 April 2026.

On 13 May 2024, the shareholder, GO plc, granted a loan to the Company amounting to €2,900,000. The loan is unsecured, it bears interest of 6% per annum, until May 2025, and 8% per annum, for the remainder of the term of the loan. The loan is repayable the latest by 13 May 2027.

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Notes to the Separate Financial Statements Year ended 31 December 2024

33. Guarantees given to investees

	<u>In relation to</u>	2024	2023
		€	€
Velister Ltd	Bank loans and overdraft	<u>1,206,606</u>	<u>1,206,606</u>

The Board of Directors do not expect any material losses to occur for the Company from the above guarantees.

The maximum exposure from the guarantees, as shown above, represents the lower amount between the actual guarantee amount given by the Company and the Velister Ltd obligation balance.

The Company holds 15% of the ordinary shares of Velister Ltd and as at 31 December 2024 had no participation in the Board of Directors of Velister Ltd. As a result, the Company has not defined Velister Ltd as a related party.

34. Shareholders holding more than 5% of share capital

The persons holding more than 5% of the share capital as at 31 December 2024 and 8 March 2025 (5 days before the date of approval of the separate financial statements by the Board of Directors) were as follows:

	31 December 2023	31 December 2024	8 March 2025
	%	%	%
Nicolas Shiacolas	29.78	29.39	29.39

35. Contingent liabilities

As at 31 December 2024 the Company had contingent liabilities in respect of bank guarantees arising in the ordinary course of business from which the Board of Directors is not anticipating that material liability will arise. These guarantees amounted to €5,716,395 (2023: €6,456,742).

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

	2024	2023
	€	€
Within one year	3,720,953	4,446,361
Between one and five years	<u>1,995,442</u>	<u>2,010,381</u>
	<u>5,716,395</u>	<u>6,456,742</u>

The bank guarantees are secured as follows:

- Mortgage for €750,000 (2023: €750,000) on Leasehold property of Cablenet Communication Systems PLC.
- Floating charge of €37,071,504 (2023: €37,071,504) on the property of Cablenet Communication Systems PLC.
- Restricted bank deposits securing three of the granted bank guarantees, specifically the two guarantees in favour of the Department of Electronic Communications relating to 4G and 5G radio spectrum frequencies and the one to CYTA relating to the RAN Sharing agreement. Please refer to Note 23 for more details.

There are currently three (3) legal cases (2023: two (2) legal cases) against the Company relating to Labour Law matters, estimated to a total amount of €269,377 (2023: €124,323), which could have an impact on the Company's separate financial statements. These cases are handled by the Company's external legal advisors and as of the date of this report, the progress of the cases cannot provide sufficient conclusions to allow, with any degree of comfort, the provision of the above stated amount in the Company's separate financial statements.

The Company had no other significant contingent liabilities as at 31 December 2024, other than what is disclosed in Note 33.

CABLENET COMMUNICATION SYSTEMS PLC

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36. Commitments

Capital commitments

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

	2024	2023
	€	€
Property, plant and equipment	1,036,863	2,641,654
Intangibles	355,265	510,518
	<u>1,392,128</u>	<u>3,152,172</u>

Other operating commitments

Additionally, as at 31 December 2024 the Company had commitments in relation to the payment of:

- Operating and maintenance fees from 2025 to 2046 amounting to €94,409,442 (2023: €65,358,467)
- Software Maintenance fees and annual support cost from 2025 to 2028 amounting to €2,873,218 (2023: €2,976,666)
- TV-content fees from 2025 to 2027 of €6,489,106 (2023: €3,694,526)
- Cost of Sports & Production Expenses from 2025 to 2026 of €312,167 (2023: €1,505,900)
- Sports-related sponsorships for 2025 of €57,500 (2023: €192,500)
- Consumables, maintenance, marketing, support and other expenses from 2025 to 2031 €3,852,306 (2023: €1,986,232)

37. Events after the reporting period

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

Independent auditor's report on pages 19 to 23