



CONSOLIDATED ANNUAL REPORT

31st DECEMBER 2024

Company registration number: 37905

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A. DIRECTORS AND OTHER INFORMATION

Directors: Nigel Feetham
 Noel Burrows
 Sir Joe Bossano
 Charles Santos

Registered office: 15/21 John Mackintosh Square
 GX11 1AA Gibraltar

Secretary: Dwayne Lara
 15/21 John Mackintosh Square
 GX11 1AA Gibraltar

Auditor: EY Limited
 Regal House
 Queensway
 GX11 1AA Gibraltar

B. DIRECTORS' REPORT

1. Scope of this report

The Directors present their report, business review and the audited financial statements for the year ended 31st December 2024 for Gibtelecom Limited ("Gibtelecom" or "the company") and its subsidiaries (together "Gibtelecom group" or the "group").

2. Gibtelecom in brief

Gibtelecom is the main telecom operator in Gibraltar. It operates as a quad player and provides fixed line telephony, mobile communications, fixed broadband and TV. It also offers a wide range of enterprise communication services together with the supply of networks and communications equipment in Gibraltar.

The Gibtelecom group is also a provider of data centre services in Gibraltar and a global communications carrier through its investments in submarine fibre optic cables and several technical points of presence ("PoPs") and interconnection points in Europe, Africa, Middle East and Asia.

Through its fully owned subsidiary, Zinnia Telecomunicaciones SL, Gibtelecom group also provides mobile services in Spain under the brand name Lobster.

Gibtelecom is addressing the Consumer and the Enterprise segments through a backbone of services, products and infrastructure, which are orchestrated by our agile and dedicated people who are at the heart of Gibtelecom's success.

3. Gibtelecom history

The group has been trading as Gibtelecom since July 2002. As from 2003, this name was formally adopted by the company, which was then incorporated as Gibtelecom Limited (previously "GNC" or "Gibraltar NYNEX Communications Limited").

In 2001, GNC which was the incumbent fixed line operator in Gibraltar, acquired Gibtel Ltd which operated the mobile network in the territory of Gibraltar. 2001 hence, marked the beginning of the convergence for two companies which are deeply rooted in the history of the telecommunications in Gibraltar.

The origin of Gibtel can be traced back to 1869 with the establishment of the Falmouth, Gibraltar & Malta Telegraph company, subsequently acquired by Cable & Wireless in 1928.

GNC was initially the telecommunication department of His Majesty's ("HM") Government of Gibraltar established in 1926. In 1990, HM Government of Gibraltar sold 50% of its shares to the American company NYNEX Corporation, then Verizon Communication.

In 2007, Verizon sold its shares to Telekom Slovenije, the incumbent operator in Slovenia, which then sold to HM Government of Gibraltar in 2015. Since this date, Gibtelecom is fully owned by HM Government of Gibraltar and operates as an independent company.

In 2016, the subsidiary Rockolo Limited, was established to handle the company's data centre business and began trading in 2017.

In 2017, Zinnia Limited was established, together with Zinniatel SL, a company incorporated in Spain and fully owned by Zinnia Ltd, in order to operate a

Mobile Virtual Network Operator (“MVNO”) in Spain.

In December 2018, this MVNO was launched in Spain under the brand Lobster and targeted the English-speaking communities living away from home in Spain.

In July 2020, Rockolo Sdn. Bhd. was incorporated in Malaysia to operate a data centre in Asia and act as a relay of growth for the Gibraltar- based activities.

In July 2020, Gibraltar Telecom (UK) Ltd was incorporated in the United Kingdom (“UK”) to serve as a consulting company.

In January 2022, Rockolo Limited was incorporated in Malta in order to operate a data centre in the European Union (“EU”) zone and follow our gaming customers outside of Gibraltar.

In September 2023, Gibtelecom Limited has absorbed its Gibraltar subsidiary Rockolo Limited in order to simplify its operations in Gibraltar.

4. Regulatory regime

Gibtelecom is authorised to operate in Gibraltar under the Gibraltar Communications Act 2006, as amended at the end of 2020 (before the Brexit agreement between the EU and UK), with changes introduced to transpose the EU’s latest European Electronic Communications Code (“EECC”) legislative package. This new law introduced several changes, including notably evolutions to the General Conditions which apply to authorised operators, as well as requirements placed on regulators to carry out geographical surveys of broadband reach in each jurisdiction.

During 2024, the Gibraltar Regulatory Authority (“GRA”) issued a Public Consultation on the designation of universal service providers. This consultation sought to gather input on potential changes to the Universal Service Obligations

(“USO”), which ensure essential telecommunications services are available to all users at reasonable rates in Gibraltar. The GRA is particularly focused on how recent market developments, technology upgrades, and competition can influence the designation of the USO provider moving forward. In February 2025, the GRA issued its Decision Notice confirming that Gibtelecom remains the USO provider until 11 February 2026 for:

- the provision of access at a fixed location and telephone services.
- the provision of directory enquiry services and directories.
- the provision of public pay telephones and other public voice telephony access points.

With regards Significant Market Power (“SMP”) status, the company still holds this status in the Wholesale Leased Lines market and Wholesale Fixed and Mobile voice termination markets.

Zinnia Telecomunicaciones SL is registered in Spain and is authorised under the “Ley General de Telecomunicaciones” to provide mobile virtual network operator services.

All other subsidiaries of the group are duly authorised and abide to local regulations in place in their respective jurisdictions.

In October 2024, the Gibraltar Communication Act was amended. This act may now be cited as the Communications (Amendment) Act 2024.

5. Business and strategic review

In 2024, Gibtelecom continued its strategy of business diversification whilst consolidating its expertise in relation to global connectivity and managed services across four verticals, Consumer, Enterprise, Carriers, Lobster and across geographies.

The operations continue to be guided by our refreshed mission captured in a simplified and straightforward statement: “We build connections that really matter, in Gibraltar and beyond to make life better” completed by three core values:

- Bold
- Simplicity
- Trust

With the continued hard work and commitment of our employees, we will implement this mission and apply those values inwards and outwards, with the view to deliver the best customer experience and ensure we are an employer of choice.

Consumer

In this context, for the Business to Consumers (“B2C”) market in Gibraltar, we have continued to extensively promote our mobile pay monthly plans which gradually replace our traditional pay as you go products. With the customer needs in mind, we have enriched our plans to offer more value for the same price with notably our premium plan offering 200Gb of data or our entry level plan at 25Gb for £20 per month. Our state-of-the-art 5G network ensures reliable and ultrafast mobile connectivity around Gibraltar without any price increase. The early adoption of 5G has proven to be a bold strategic move to offer Gibraltar a best-in-class mobile connectivity.

The fixed line and broadband plans have been upgraded to an all fibre offer, in line with our multi-year Fibre to the Home (“FTTH”) program which is close to offering a full population coverage for the whole of Gibraltar and avail reliable and ultrafast connectivity at home thanks to our point-to-point technical implementation. Our fibre technology has

been designed to cater for the need of Gibraltar for several decades and will be able to sustain future speed and bandwidth evolutions as they become technologically available.

Gibtelecom TV continues to be regularly enriched, offering more than 170 channels now and notably some premium content like football, Formula 1 or live events. The competition in the domain of TV continues to be marked by an unfair practice carried out by two competitors in Gibraltar who offer pirated and unlicensed content to several households and businesses in Gibraltar. Gibtelecom TV offers a fully licensed TV service, where content costs are generally high, like in the rest of the world. The establishment of a levelled playing field is necessary in the domain of TV so Gibtelecom can continue to offer a fully licensed TV within more viable economic conditions.

Gibtelecom believes that the simplicity of a “one stop shop” for all connectivity needs is of prime importance for the customers. To that end, Gibtelecom has enriched the catalogue of its bundles and now proposes a combination of triple play and quadruple play bundles for mobile, fixed broadband, fixed telephony and TV. Those bundles come with discounts that make them more affordable than the sum of the parts.

Enterprise

Our Business to Business (“B2B”) vertical has continued its transformation towards a managed services business model underpinned by our connectivity. This strategy has started to deliver on its promise with increased revenues and more diversified source of revenues. Now that Brexit and Covid-19 are behind, our strategy of multijurisdictional data centre and point of presence is starting to pay off, enabling us to bundle connectivity, rack and space and manage services in several countries as a seamless integrated service for our customers, from Gibraltar to the rest of the world.

Our international data centres and global network PoPs give smooth interconnection worldwide,

guaranteed Service Level Agreements (“SLAs”), large bandwidth and very low latency. The integrated service offered by Gibtelecom enables B2Bs to concentrate on their own businesses whilst we concentrate on their connectivity and networking needs.

In Gibraltar, we continue to focus on delivering efficient and straight forward connectivity to large, medium and small businesses. Our portfolio of services has expanded, with notably our Enterprise Fibre Broadband (“EFB”) which offer very high-speed broadband with our overlay of managed services, continuously enriched following the customers’ demands.

Our Hosted Private Branch Exchange (“HPBX”) was launched in 2023 and has proven successful with several large customers. It offers a full IP phone system designed for businesses that want all the upside of their own in-house telephone system, without any of the downsides of owning and operating one. The product also offers direct integration with mobile phones. Since no physical hardware needs to be installed, it is very versatile and easy to install for customers.

The Session Initiation Protocol (“SIP”) trunk solution continues to deliver steady sales. This solution replaces the traditional analogue lines, enabling to quickly and cost effectively add capacity when required. Gibtelecom’s SIP service is a fully converged solution over Internet protocol (“IP”), with calls made over a dedicated private circuit using the customers’ existing EFB or fibre connection, rather than a phone line.

In the 1st quarter of 2023, we earned our ISO 27001 accreditation pertaining to information security. Our accreditation was renewed in 2024. It is a major milestone for the B2B activity and highlights our commitment to remain a partner of trust for all our customers, B2B and B2C alike.

In July 2024, the judge ruled in favour of Gibtelecom in respect of a competition case brought by one competitor in reference to our data centre activity.

The judge considered notably that the market definition was not as narrow as presented by the claimant, no dominance and no abuse was exerted by Gibtelecom. Some reimbursements of legal costs have already been settled by the claimant in 2024 with further amounts expected in 2025.

Carriers

In 2024, Gibtelecom has renewed its engagement to remain an operator of international telephony routes, notably through the launch of upgrade 6 of the Europe India Gateway (“EIG”) submarine cable and its renewed international traffic agreements with 101 EU roaming partners, notably with three large Telecom groups who have had a longstanding partnership with Gibtelecom.

Through the purchase of rights of use on other submarine cables, Gibtelecom extends the reach of its network for resale and for enhancing connectivity between our PoPs in Gibraltar, UK, France, Malta, Ireland, Malaysia and Spain. Gibtelecom regularly renews terrestrial links and has notably reinforced business resilience through new routes in 2023.

Gibtelecom thinks that communication, especially abroad, needs to be made simple and transparent, to this end we have renewed our pledge to Roam Like At Home (“RLAH”) which means that our customers incur the same price when they roam in the EU as the price paid in Gibraltar. This choice does not come without challenge given our non-EU status, but we took the bold decision to keep it simple for our customers.

5G roaming rollout continued in 2024, offering our customers a great mobile experience, even abroad.

Technology

Gibtelecom is evolving towards a more customer centric model underpinned by a strong and resilient technology.

As traditional telecommunication networks throughout the world are undergoing major transformations into cloud-based, virtualised, and

software-defined networks, Gibtelecom continues to invest, adapt and transform its network. This will enable the next generation of data-driven technologies, such as AI, Robotics, IoT, Web 3.0 and will help ensure Gibraltar remains a competitive and connected country for the years to come.

New technologies will require stable, reliable and resilient connectivity infrastructures, with heavy investments in 5G and ubiquitous fibre. In turn, technologies such as network virtualisation, softwarisation and automation, standardised application programming interfaces (“APIs”), edge cloud, network slicing and open and interoperable networks, including open Radio Access Network (“RAN”) will enable the evolution of networks into highly programmable and disaggregated architectures.

In 2024, Gibtelecom has continued its journey towards those pivotal transformations to remain a “1st league” telecom operator. 5G, FTTH are among our visible multi-year investments programs but it’s also important to mention our material investments happening behind the scenes such as the fortification of our central office (that host critical national infrastructure), our international PoPs and route resilience program, our transformation to ‘all-IP’ for routing our traffic, the Time Division Multiplexing (“TDM”) voice trunks or the circuit switched mobile voice transition to Voice over LTE (“VoLTE” or over 4G).

Our continued work with handset manufacturers has resulted in more brands certified for 5G operations on our network in Gibraltar hence ensuring a seamless experience for all mobile users.

In line with HM Government of Gibraltar’s Climate Change Act and associated energy decarbonisation targets, we have embraced an ambitious plan to reduce Scope 1 and 2 emissions without hindering the customer experience. The decommissioning of Public Switched Telephone Network (“PSTN”) in 2022 reduced our energy consumption by circa 25%. We also introduced functionalities that allow mobile radio assets to be placed into low-power

consumption modes during silent hours. This has also contributed to reducing Scope 2 emissions. In 2024, we have commissioned our 1st mobile site powered by solar energy during daytime and again helping reduced Scope 2 emissions.

Our digital transformation program, which focuses on the digitisation of operations, has continued to forge efficiencies, agility, and increased quality of experience for all customers. The work on the implementation of our new Customer Relationship Management (“CRM”) system has continued in 2024 for both Gibtelecom and Lobster. Considered the mainstay of the transformation program, upon delivery, we expect to create an ecosystem that digitally exposes sales, care and support services to customers from all verticals (i.e., Consumer, Enterprise and Carrier).

Lobster

The year 2024 was the sixth year of operation for Lobster and saw the customer base grow to circa 76,000, whilst revenues reached €9.4 million (2023: €8.5 million).

Lobster keeps the simplicity of only four mobile products with the Small, Medium and Large plans, and “Just Spain” which addresses a more sedentary segment of the market.

In 2024, Lobster upgraded significantly its proposition with the introduction of a fibre offer sold as a bundle with mobile or as a standalone product.

In this context, the standalone mobile offer remained the same with prices kept at the same level, with the same level of data allowance of respectively 50Gb, 100Gb and 150Gb whilst keeping unlimited voice calls to an increased number of countries. Two fibre products with a speed of 600Mb or 1Gb were introduced in 2024 with an attractive price point of €23.99 or €28.99 respectively. When fibre is bundled with mobile, a €5 permanent discount is applied to the bundle price.

The efforts towards digital transformation and lean management implemented at Group level have also continued in Lobster and enabled to implement a multi-channel strategy with a significant success online whilst maintaining our penetration in traditional channels such as street promoters or malls. Our efforts to grow the business and maintain a reasonable cost base has contributed to bring Lobster at a sustainable and profitable level.

Lobster has kept to its key values:

- Simplicity, 3 plans, Small, Medium and Large, plus “Just Spain”.
- Consistency, unlimited calls & text in & between Spain, UK and many other countries.
- Service, customer first when it comes to network availability or channel distribution.
- Humanness, the same contact centre available for free on 1661 ensuring you talk to a real person every time you call.

6. Our purpose, our engagement

A redefined mission around 3 new core values

The management of Gibtelecom has carried out a journey of reflection in relation to its mission, its purpose and more generally about its culture.

We build connections that really matter, in Gibraltar and beyond to make life better, is our newly defined mission. Whilst not a revolution, it aims at encompassing all our current and future activities, in a culture that radically evolves towards our 3 new core values:

- **Bold:** We are ambitious and courageous, ready to go with a new idea and make it happen.
- **Simplicity:** We are straightforward and make things happen.
- **Trust:** We are trusted by our customers and colleagues. We listen and do what is right.

At the core of our reflection, our customers' voice has been embedded in our new mission from our yearly customer satisfaction surveys. We want the business with us to be simple and straight forward, we want to remain a relevant and trusted partner

for Consumers and Enterprise alike and we want to be able to take bold decisions which keep us agile in an ever-evolving telecom market.

Customer back to basics means that we will focus on connection, which is our core expertise and core competence, alongside building up layers of value-added managed services, an Infrastructure as a Service (“IaaS”) that leverage our existing portfolio of assets and enhance us as a one-stop-shop.

Operational efficiency and lean management

Gibtelecom was reorganised through the creation of 4 verticals (i.e., Consumer, Enterprise, Carriers, and Lobster) in order to address the business and consumer customers differently and accordingly. Together with the internationalisation of our activities, those pivotal strategies have made it possible to find group synergies, avoiding duplication of tasks or duplication of assets in various jurisdictions to remain as lean and agile as possible. The group is also focused to create an organisation with structures and solutions which are as scalable as possible. Indeed, as a small telecom operator, it is vital for Gibtelecom to strike the right balance between cost and efficiency.

Our technology and support teams are servicing the verticals in the most transversal way and strive to avoid the silo effect that evidently can arise in a vertical organisation like ours. Those teams are rolling out automation projects and task rationalisation, so it becomes less onerous and quicker for our employees to perform a higher number of tasks due to the diversification of Gibtelecom's activities.

Our operational efficiencies cater for the delivery of our wider strategy of market and product diversification, our internationalisation roadmap, and our aim to become a larger operation to create economies of scale.

Whilst implementing operational efficiency measures, Gibtelecom is carefully monitoring the impact on our people. We try to maintain a high level of expertise and satisfaction because we

strongly believe that our people are the main assets of the company.

Investing in our people

We embarked on our people strategy project in 2021. The programme utilises the depth of the Investors In People (“IIP”) - “We Invest in People” framework taking us on a journey which progresses our people centric culture where everything we do supports our overall performance.

Our commitment to invest in our people’s development continued with extensive technology trainings to sustain and improve Gibtelecom’s engineering excellence.

With our people strategy program focusing on:

- Leadership development comprised of teams and executive coaching.
- Management development, centred on people management effectiveness.
- Developing our employee brand, encompassing employees’ experience, engagement, empowerment, ownership, and motivation to further improve our goals.
- Creating our new company mission and values which will serve as our guiding principles providing a clear sense of direction and purpose, playing a pivotal role in shaping our identity, guiding our actions and creating a strong organisational culture that drives success.

In 2024, Gibtelecom completed the refurbishment of its site called Mount Pleasant which is now hosting 60 employees in a modernised and open working environment. A light refurbishment also started on the site of John Mackintosh Square, with the view to refresh the employees experience and avail an open working environment.

7. Work for the Community of Gibraltar

Gibtelecom is deeply anchored in the community of Gibraltar. As the incumbent telecom operator, our role is to keep Gibraltar connected at all times, maintain a high level of service to its local customers and ensure that Gibraltar remains independent and self-sufficient in the strategic domain of communications. More than ever, communication is a strategic asset and a key building block to the self determination of the territory of Gibraltar.

Our company is providing a one stop shop communication service made of mobile, fixed line, fixed internet, TV and all associated services because our mission is to help in the digital lives of people & businesses and support a world class connected Gibraltar.

To this end, we are investing in a state-of-the-art technology which is comparable in size and efficiency to much bigger telecom operators worldwide. We are also offering a suite of services and products to both B2C and B2B which are at par with wider digital companies. We care to bring those efficient services to Gibraltarians at the most efficient prices even if, as a small telecom operator, it is not an easy task and we need at times to find inventive solutions to keep those services at an affordable price for Gibraltar.

Investing outside of Gibraltar makes it possible to connect Gibraltar, it helps locate Gibraltar on the map and enables our employees to remain industry experts in a fast pace and fast changing world.

Besides, Gibtelecom is giving back to the community in various ways, through sponsoring of local events, local employment, use of local providers and suppliers and funding local charities.

Our FTTH and 5G projects are also dedicated to the community of Gibraltar as we are aiming to equip every household and every business with a state-of-the-art connectivity. In particular, our FTTH

program will provide a ubiquitous connectivity throughout Gibraltar. The program should connect nearly 100% of the population by the end of 2024 and use a technology capable of sustaining unlimited bandwidth for the next 30 years or more.

Whilst we have been busy laying down our fibre cables in every street of Gibraltar, we have been particularly careful to renovate ducts, manholes and all other infrastructures which are key for a territory like Gibraltar. Our installation methods and guidelines have been appraised by the relevant authorities such as building control and used as an example for the years to come. We care for the beautification of Gibraltar, we care for the safety of our installations, we care to have tidy and future proof infrastructure because we believe they are an important asset for the Community.

Our 5G project has also been an opportunity to dialogue with consumers and with the environmental and health groups to alleviate concerns over electromagnetic emissions produced by 5G. This new technology has been the occasion for us to reaffirm our commitment towards a set of key principles that we have developed in 2013 in conjunction with the Development & Planning Commission ("DPC") during the 3G installation. Abiding to those principles:

- no antennas will be erected within hundred meters of a school or hospital, to be orientated in the general direction of such an establishment;
- new sites are only planned when extant facilities are limited by the topography or the technology and, therefore, lack radio frequency propagation to provide adequate coverage; and
- the generalised use of low-power transmitters to contain, in as much as reasonably practical, electromagnetic emissions.

In 2022, Gibtelecom also initiated a reflection towards a greener and more sustainable operation. Some "quick wins" around notably electricity consumption and vehicles management have already been implemented but the task will span several years to deliver a greener Gibtelecom

through careful and methodical investments decisions which keep at sight the environmental and societal impact for the future.

8. Principal risks

Customers

Gibtelecom serve both business and consumer customers with a wide range of services and offers. This diversity enables the company to mitigate risks of downturn in a specific market or activity and compensate one with another. It is also the guarantee that the company will remain a convergent player in the telecom industry without specialising into a single niche activity which in turn will be a risk of overdependence towards a reduced number of customers, sector or industry.

Gibtelecom's complete offerings notably in the domains of fixed line activity, mobile, broadband, TV, data centre, cloud solutions and international carriers enable the company to attract different profiles of customers and to retain its current customers.

Declining revenues from the gaming community continue to be the biggest threat for our business as customers may move their technology, previously based in Gibraltar, to other countries. Our strategy of product diversification and market expansion is trying to mitigate this risk.

Staff

Gibtelecom's ability to develop its services and maintain a best-in-class connectivity relies on its staff. Therefore, a key risk is the capability to attract and retain high calibre staff. To mitigate the risk, Gibtelecom has implemented a People Matters Committee, aiming at maintaining a fair social contract with the employees. Gibtelecom is also diversifying, when necessary, its recruitment footprint, with UK and Spain notably.

Digital and cyber threat

Gibtelecom IT estate is regularly monitored to detect and remedy any digital threats. Our people are regularly trained to identify digital threats and react accordingly.

Our ISO 27001 accreditation renewed during the year demonstrates our expertise and our preoccupation in respect of digital threats and in relation to sensitive customer's data management overall. As a telecom operator, Gibtelecom is indeed at the crossroad of many digital threats which might target customers, suppliers or network alike.

Brexit

In 2023, the main factor of risk identified was the adverse impact of a disorderly Brexit with effects spanning from potential loss of revenue (notably through the relocation of the eGaming businesses out of Gibraltar), the potential loss of suitably qualified staff or the potential disruptions in the relationship with non-UK suppliers or partners and on the overall supply chain. Gibtelecom continues to monitor the implications for its operations considering the new trading relationship between the UK and the EU, which has yet to be negotiated.

To mitigate the risks, the company has reviewed the list of non-UK suppliers and is prepared to migrate to UK suppliers or extra EEA, should the supply chain management be disrupted. In relation to key employees and potential disruptions at the border, the company has developed work from home and online collaboration tools in order to cope with a potential lack of fluidity at the border.

Technology resilience

Gibtelecom is connecting Gibraltar to the rest of the world through its incoming international gateway and through its entire network. Whilst a technology failure is always possible, Gibtelecom has adopted a strong stance to prevent any major outage based on the following principles:

- Partnership with prime suppliers based predominantly in Gibraltar, UK and Spain. Despite the relatively modest size of Gibtelecom for a telecom operator, we source

our technology from industry leaders to ensure the best-in-class telecom service. We are also adopting a multi-vendor policy to reduce dependency risks.

- Internalisation of key functions, Gibtelecom has over time internalised key functions to sustain its technology on mobile and fixed business alike.
- International connectivity redundancies, Gibtelecom has developed international PoPs and gateways to and from Gibraltar to ensure that the territory can sustain multiple connectivity faults at the same time.
- Major outage identification, Gibtelecom has a strong protocol of identification and escalation of major outages with internal deadlines and 24 hours on-call monitoring.
- Electricity outage, our equipment in Gibraltar are connected to power and rely on the sole energy provider available in Gibraltar. Therefore, all our equipment are equipped with generators which can sustain a power cut of several hours and are tested regularly.

9. 2024 Key Financials

2024 was a year of solid growth on both revenue and operational profitability (measured by Ebitda), after several years of company transformation and transition to modernised products underpinned by recent investments, notably: FTTH, 5G, international data centres, cloud and a modernised network and connectivity.

Revenue posted a 5.6% Year-on-Year (“YoY”) growth, to £46.9 million, the highest in the history of Gibtelecom driven notably by the B2B sales in our Enterprise vertical and secondarily by Lobster. Consumer managed to grow revenues in a very competitive landscape. Carriers drop was mainly due to a one-off capacity sale in 2023.

Costs continued to be cautiously controlled. In line with the evolution of the group’s business models, the cost of sales increased notably on account of the new international data centres and cloud; whilst abiding by a strict finance discipline aiming at profitable growth.

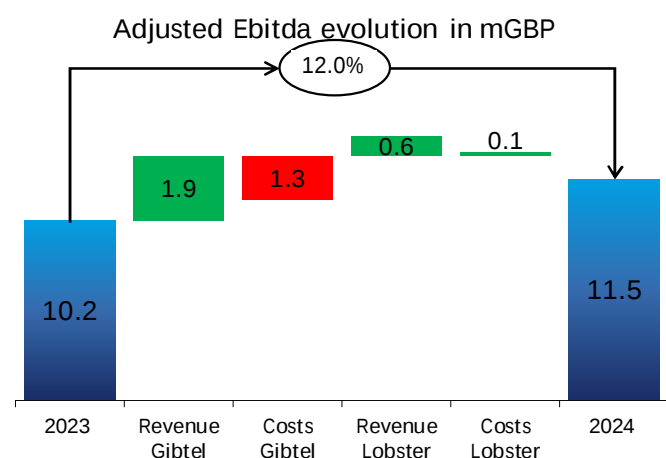
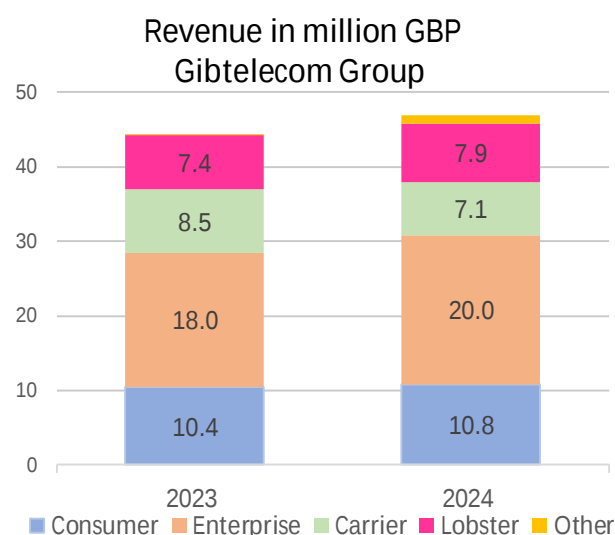
Investments increased to £13.6 million in 2024 notably driven by international data centres & cloud, digital transformation and FTTH.

The net debt of the group increased to £10.5 million to fund investments, nevertheless the credit score remained very strong with a net debt to Ebitda multiple of 0.91x only.

Gibtelecom Ltd revenue was £39.4 million (2023: £36.9 million). Ebitda was £10.2 million (2023: £8.9 million) and net profit was £7.2m (2023: loss of £0.6m) mainly driven by the windup of Rockolo Ltd which triggered a dividend distribution to Gibtelecom Ltd, neutral at Group level. The dividends declared to Gibtelecom’ shareholder in 2024 were £1.5 million (2023: £1.5 million). No further dividends recommended.

Main indicators - Gibtelecom Group

In million GBP	2023	2024	YoY %
Revenue	44.4	46.9	5.6%
Adjusted Ebitda*	10.2	11.5	12.0%
Margin %	23.0%	24.4%	
Net profit	0.3	1.9	464.2%
Margin %	0.8%	4.1%	
Capex	9.4	13.6	44.6%
Intensity %	21.2%	29.1%	
Net debt	(4.8)	(10.5)	119.2%
Ebitda multiple	0.47x	0.91x	
Cash from operations	0.8	(2.2)	(372.0%)
Number of customers	131,954	135,714	2.8%



*Adjusted Ebitda corresponds to Ebitda excluding the one-off voluntary separation cost. Further detail is provided in note 16 to the financial statements.

10. Directors and Management

The Board of Directors who held office during the year and to the date of approval of these financial statements are shown below.

Nigel Feetham	Chairman	British
Noel Burrows	Chief Executive Officer	British
Sir Joe Bossano		British
Charles Santos		British

An Executive Committee is responsible for the day-to-day management of Gibtelecom comprised of the Chief Executive Officer and Board Director, Noel Burrows, the Chief Financial Officer, Matthieu Mamou together with five Operational Directors: Adrian Ochello (Consumer vertical), Daniel Hook (Enterprise vertical), Rab Paramothayan (Carriers and international vertical), Jansen Reyes (Technology) and Peter Borge (Legal and Human Resources).

11. Subsequent events

Please refer to note 27 of the financial report.

12. Going concern

Please refer to note 1.2 of the financial report.

13. Statement of directors' responsibilities

The Directors are responsible for preparing financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group at the end of the financial year and of the profit or loss for that period and which comply with the Gibraltar Companies Act 2014.

Under that law the Directors have elected to prepare the financial statements in accordance with applicable law in Gibraltar and Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland, as applied pursuant to the requirements of the Gibraltar Companies Act' ("FRS 102"). In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company and the group will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements and that FRS 102 have been applied in their preparation.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group to enable them to ensure that the financial statements comply with

applicable law. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

14. Auditor

The retiring auditors are EY Limited, who are eligible for reappointment.

By order of the Board



Dwayne Lara, Company Secretary

25 September 2025

C. INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GIBTELECOM LIMITED

1. Report on the audit of the consolidated financial statements

Opinion

We have audited the financial statements of Gibtelecom Limited (the "company") and its subsidiaries (together, the "group"), which comprise the consolidated and company statement of financial position as at 31 December 2024, the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated and company statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the group and company's affairs as at 31 December 2024 and of the group's profit and cash flows for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland, as applied pursuant to the requirements of the Gibraltar Companies Act' ("FRS 102"); and
- have been properly prepared in accordance with the Companies Act 2014.

This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 257 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements in Gibraltar, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Other information consists of the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Directors for the Financial Statements

The directors are responsible for the preparation and true and fair presentation of the financial statements in accordance with applicable law in Gibraltar and FRS 102, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group and 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 directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the 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 group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the 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 group and 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 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 group or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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.

2. Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2014

In our opinion the Directors' Report has been properly prepared in accordance with the Companies Act 2014 and the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2014 requires us to report to you if, in our opinion:

- we have identified material misstatements in the Directors' Report.
- we have not received all the information and explanations we require for our audit.



Dale Cruz

Statutory auditor for and on behalf of

EY LIMITED

Registered auditors

Chartered Accountants

Regal House

Queensway

Gibraltar

29-Sep-2025

D. CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 2024

Group	Note	2024 £	2023 £
Turnover	3	46,888,910	44,414,363
Operating expenses:			
Technical and infrastructure		(6,976,490)	(6,141,582)
Operational charges	7	(12,497,335)	(12,003,505)
Payments to telecommunications administrations		(5,106,165)	(5,072,060)
Staff costs	4	(10,858,225)	(10,971,616)
Restructuring costs	16	(492,347)	(1,660,839)
Amortisation of indefeasible right of use assets	13	(898,392)	(882,994)
Depreciation	11	(6,362,881)	(6,149,279)
Total operating expenses		(43,191,835)	(42,881,875)
Group operating profit		3,697,075	1,532,488
Gain on disposal of tangible fixed assets		16,500	5,200
Interest receivable on bank deposits		17,530	19,055
Interest payable and similar charges	8	(840,129)	(594,720)
Net finance income linked to pension charge	22	473,000	406,000
Foreign exchange loss		(1,865)	(20,390)
Profit on ordinary activities before taxation		3,362,111	1,347,633
Tax on profit on ordinary activities	9	(1,460,241)	(1,010,541)
Profit on ordinary activities after taxation		1,901,870	337,092

There have been no discontinued activities or acquisitions in the current or preceding year.

The parent company made a profit for the year after taxation of £7,236,207 (2023: loss after taxation of £560,994). The parent company has not published its own profit and loss account in these consolidated financial statements.

The notes on pages 26 to 51 form part of these financial statements.

E. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31st DECEMBER 2024

Group	Note	2024 £	2023 £
Profit for the financial year		1,901,870	337,092
Other comprehensive income/(loss):			
Re-measurement gain recognised on defined benefit pension schemes	22	7,220,000	473,000
Movement on deferred tax relating to net pension asset	9, 18	(1,444,000)	(94,600)
Exchange differences arising on retranslation of foreign operations		(51,841)	5,553
Total comprehensive income for the year		7,626,029	721,045

The notes on pages 26 to 51 form part of these financial statements.

F. STATEMENT OF FINANCIAL POSITION AS AT 31st DECEMBER 2024

	Note	Group		Company	
		2024	2023	2024	2023
		£	£	£	£
Fixed assets:					
Tangible & intangible fixed assets	11	45,371,236	37,507,235	45,340,736	37,471,735
Investments in subsidiaries	12	-	-	8,000	12,000
Indefeasible right of use assets	13	7,010,733	7,480,567	7,010,733	7,480,567
Net pension asset	22	18,540,000	9,577,000	18,540,000	9,577,000
Total fixed assets		70,921,969	54,564,802	70,899,469	54,541,302
Current assets:					
Stocks	14	667,926	1,106,794	667,926	1,106,794
Debtors					
due within one year	15	6,787,991	7,598,415	10,754,759	13,410,561
due after one year	15	48,030	48,030	48,030	48,030
Cash at bank and in hand	20	3,145,260	2,731,252	1,546,526	1,170,072
Total current assets		10,649,207	11,484,491	13,017,241	15,735,457
Creditors, due within one year	16	(9,927,116)	(8,254,191)	(8,871,385)	(14,466,570)
Net current assets		722,091	3,230,300	4,145,856	1,268,887
Total assets less current liabilities		71,644,060	57,795,102	75,045,325	55,810,189
Non-current liabilities:					
Creditors, due after one year	17	(13,881,078)	(8,193,161)	(13,881,078)	(8,193,161)
Deferred tax liability	18	(4,702,084)	(2,667,072)	(4,702,084)	(2,667,072)
Total non-current liabilities		(18,583,162)	(10,860,233)	(18,583,162)	(10,860,233)
Net assets		53,060,898	46,934,869	56,462,163	44,949,956
Capital and Reserves:					
Called up share capital	19	15,000	15,000	15,000	15,000
Share premium account	19	14,985,000	14,985,000	14,985,000	14,985,000
Profit and loss account		38,060,898	31,934,869	41,462,163	29,949,956
Equity shareholders' funds		53,060,898	46,934,869	56,462,163	44,949,956

Approved by the Board on 25 September 2025



Noel Burrows



Charles Santos

The notes on pages 26 to 51 form part of these financial statements.

G. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st DECEMBER 2024

Group	Note	Called up share capital £	Share premium account £	Profit and loss account £	Total £
As at 1 st January 2024		15,000	14,985,000	31,934,869	46,934,869
Profit for the financial year		-	-	1,901,870	1,901,870
Re-measurement gain recognised on defined benefit pension schemes	22	-	-	7,220,000	7,220,000
Movement on deferred tax relating to pension asset	9, 18	-	-	(1,444,000)	(1,444,000)
Exchange differences arising on retranslation of foreign operations		-	-	(51,841)	(51,841)
Total equity before dividends		15,000	14,985,000	39,560,898	54,560,898
Dividends	10	-	-	(1,500,000)	(1,500,000)
As at 31 st December 2024		15,000	14,985,000	38,060,898	53,060,898

Group	Note	Called up share capital £	Share premium account £	Profit and loss account £	Total £
As at 1 st January 2023		15,000	14,985,000	32,713,824	47,713,824
Profit for the financial year		-	-	337,092	337,092
Re-measurement gain recognised on defined benefit pension schemes	22	-	-	473,000	473,000
Movement on deferred tax relating to pension asset	9, 18	-	-	(94,600)	(94,600)
Exchange differences arising on retranslation of foreign operations		-	-	5,553	5,553
Total equity before dividends		15,000	14,985,000	33,434,869	48,434,869
Dividends	10	-	-	(1,500,000)	(1,500,000)
As at 31 st December 2023		15,000	14,985,000	31,934,869	46,934,869

The notes on pages 26 to 51 form part of these financial statements.

H. COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st DECEMBER 2024

Company	Note	Called up share capital £	Share premium account £	Profit and loss account £	Total £
As at 1 st January 2024		15,000	14,985,000	29,949,956	44,949,956
Profit for the financial year		-	-	7,236,207	7,236,207
Re-measurement gain recognised on defined benefit pension schemes	22	-	-	7,220,000	7,220,000
Movement on deferred tax relating to pension asset	9, 18	-	-	(1,444,000)	(1,444,000)
Total equity before dividends		15,000	14,985,000	42,962,163	57,962,163
Dividends	10	-	-	(1,500,000)	(1,500,000)
As at 31 st December 2024		15,000	14,985,000	41,462,163	56,462,163

Company	Note	Called up share capital £	Share premium account £	Profit and loss account £	Total £
As at 1 st January 2023		15,000	14,985,000	31,632,550	46,632,550
Loss for the financial year		-	-	(560,994)	(560,994)
Re-measurement gain recognised on defined benefit pension schemes	22	-	-	473,000	473,000
Movement on deferred tax relating to pension asset	9, 18	-	-	(94,600)	(94,600)
Total equity before dividends		15,000	14,985,000	31,449,956	46,449,956
Dividends	10	-	-	(1,500,000)	(1,500,000)
As at 31 st December 2023		15,000	14,985,000	29,949,956	44,949,956

The notes on pages 26 to 51 form part of these financial statements.

I. CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st DECEMBER 2024

Group	Note	2024 £	2023 £
Cash flows from operating activities:			
Group operating profit		3,697,075	1,532,488
Depreciation and amortisation charges	11, 13	7,261,273	7,032,273
Loss on stock provision	14	10,552	312,652
Difference of pension charge and cash contributions		(1,270,000)	(1,325,000)
Cost of EIG sale	13	-	148,839
Decrease in stocks	14	428,316	22,490
Decrease in debtors		261,179	2,798,038
Increase / (decrease) in creditors		428,063	(1,259,578)
Interest paid	8	(840,129)	(594,720)
Corporation tax paid		(315,699)	(341,278)
Net cash flows provided by operating activities		9,660,630	8,326,204
Cash flows from investing activities:			
Interest received		17,530	19,055
Proceeds from sale of tangible fixed assets		-	12,000
Payments to acquire tangible & intangible fixed assets		(13,425,120)	(7,789,691)
Payments for subsequent upgrade of EIG cable & IRU assets		(428,558)	(1,000,696)
Net cash flows used in investing activities		(13,836,148)	(8,759,332)
Cash flows from financing activities:			
Equity dividends paid	10	(1,500,000)	(1,500,000)
Proceeds from bank borrowings	21	6,100,000	2,000,000
Repayment of bank borrowings	21	-	(500,000)
Net cash flows provided by financing activities		4,600,000	-
Effect of exchange rate changes		(10,474)	(10,055)
Net increase / (decrease) in cash and cash equivalents		414,008	(443,183)
Cash and cash equivalents at the beginning of the year		2,731,252	3,174,435
Cash and cash equivalents at the end of the year		3,145,260	2,731,252

The notes on pages 26 to 51 form part of these financial statements.

J. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2024

1. Accounting Policies

These financial statements have been prepared under the historical cost convention and in accordance with the accounting policies set out below, applicable legislation and Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland, as applied pursuant to the requirements of the Gibraltar Companies Act' ("FRS 102").

Gibtelecom Limited ("the company") is a private company limited by shares and the company is incorporated in Gibraltar. The address and registered office is given on page 3. As a communications business, the company operates mobile, broadband and fixed networks in Gibraltar, providing a range of voice and data services and business enterprise products including data centres. The company also operates a global fibre optic network, with points of presence in several European cities.

Gibraltar legislation applied in the preparation of these financial statements is the Companies Act 2014. The functional and presentation currency of the group is considered to be Pounds Sterling because the majority of our transactions are denominated in Pounds Sterling and rounded to the nearest pound sterling.

A summary of the significant accounting policies is set out below.

1.1. Basis of consolidation

The consolidated financial statements deal with the financial statements of Gibtelecom Limited and its wholly owned subsidiaries, Rockolo Limited and Zinnia Limited (collectively, the "group") as at 31st December 2024. Please refer to note 12 for further details on the subsidiaries.

The company has opted for the exemption from preparing its own profit and loss account and related notes available under section 288(2) of the Companies Act 2014.

Subsidiaries are consolidated from the date of acquisition, being the date when the group obtains control and are consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

1.2. Going concern

The Directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements and shall meet the liabilities as they fall due. Hence, the Directors confirm that the going concern basis of accounting continues to be an appropriate basis of preparation of the financial statements.

The Management, together with the Directors of the company, have taken into account the nature of the group, its business model and related risks in order to reforecast its trading performance, its liquidity and its net debt. In addition to liquidity forecasts, the company has considered the availability of credit facilities and funding. To date, the company has experienced no material disruption to the network and operations despite the increased bandwidth used by customers who are increasingly relying on online facilities for business and personal matters alike.

In July 2020, the company had secured a loan facility with a bank of up to £10 million which helped fund the investments for 3 years. In September 2021, the £10 million loan facility headroom was increased to £13.6 million. The loan facility had a maturity date in June 2025, however, management has actively

renegotiated and refinanced this facility for a further 5 years prior to the approval of the financial statements. The facility has been increased to £20 million and was finalised in September 2025. Management has a reasonable expectation that the company will be able to satisfy the loan covenants in respect of this new loan facility, based on cash flow forecasts prepared. In case of unforeseen adverse performance, the company will be able to adjust its variable costs and/or trigger contingency plans and cost optimisation programs.

Furthermore, the business planning cycle which relies on timely monthly closings and monthly management reporting enables the management and the directors to deliver a precise and accurate full year budget which is completed by monthly rolling forecasts, a review of the main variances vs. budget and year-on-year. When necessary, in-depth reviews are carried out to understand the drivers of the main variances. The business planning process provides outputs for a cash flow statement which enable management to monitor the liquidity and reforecast cash requirements.

The Directors have considered the impact of the Brexit negotiations in relation to Gibraltar on the 31st December 2024 consolidated financial statements. The EU-UK Trade and Cooperation Agreement, which came into effect on 1st January 2022, provides greater clarity on the trading relationship between the UK and the EU. Gibtelecom Management identified early in the Brexit process the main associated risks and produced mitigation plans. Since the signing of the agreement, any outstanding risks and the impacts of the agreement itself continue to be monitored, with further mitigations put in place if/when necessary.

In particular, the company is monitoring the impact of the UK / EU treaty relating to Gibraltar, which might have a significant effect on the border fluidity for entry of people and/or goods. Brexit might also influence customer behaviours for our B2B and B2C clients which needs monitoring.

1.3. Turnover

Turnover represents the amounts billed for various domestic and international communications services; related equipment rentals and sales; and data centre services.

Revenue in respect of all communications services is accounted for in the period when the services are provided, including prepaid mobile call card sales which are deferred until the customer uses the stored value in the card to pay for the relevant calls.

Revenue in respect of global wholesale carrier contracts is accounted for in the period in which the services are provided.

Equipment rentals and data centre charges are recognised as income over the period to which the charges relate.

Devices sold are always bundled with a service contract of 12 to 24 months. The revenue from the sale of devices is recognised on a monthly basis over the duration of the service contract as the risks and rewards of the bundle offer are transferred, in line with section 23 of FRS 102 which specifies that the revenue should be recognised when it is probable that future economic benefits will flow to the entity and when the benefits can be measured reliably. The company does not make any judgement to allocate fair values between the device and the service bundled, the revenue is allocated based on the face value of each component.

1.4. Foreign currencies

Company:

Assets and liabilities denominated in foreign currencies are translated into Pounds Sterling at the prevailing rates of exchange at the balance sheet date. Transactions in foreign currencies are translated into Pounds Sterling at the rate prevailing on the date of the transaction. Differences on exchange are taken directly to the profit and loss account in the statement of comprehensive income in the period in which they arise.

Group:

In respect to assets and liabilities arising from the group's separately identifiable foreign business, the assets and liabilities are translated at the exchange rate ruling at the date of the statement of financial position. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the other comprehensive income in the statement of comprehensive income.

1.5. Operating expenses

Operating expenses include technical infrastructure, operational charges, payments to telecommunications administrations and staff costs. These are recognised on an accrual basis.

1.6. Operating leases

Rentals on operating leases are charged to the profit and loss account as incurred on a straight-line basis over the lease term.

1.7. Provision for doubtful debts

Provision is made for all customer billed communication debts which are over three months old. In all other cases specific provisions are made should the Directors consider that the recovery of debts is in serious doubt.

1.8. Fixed assets

Fixed assets are stated at cost (which comprises cost of equipment and materials, including freight, charges for installation and building works) less accumulated depreciation and any provision for impairment. On disposal of tangible fixed assets, the difference between the sales proceeds and the net book value at the date of disposal is recognised in the profit and loss account. No direct labour costs incurred by Gibtelecom in the installation of the company's communications infrastructure, network equipment and plant are currently capitalised.

Fixed assets are depreciated to their residual value in equal annual instalments over their estimated useful lives on a straight-line basis. The annual rates applied are set out below.

Intangible assets are included under furniture, office equipment & software and the amortisation is part of the depreciation expense.

Plant and equipment	3% - 33%
Furniture, office equipment, software	15% - 33%
Motor vehicles	20% - 25%
Freehold land and building	2%
Leasehold land and building	2%

The freehold land and building relates to the company's premises at 15/21 John Mackintosh Square. The leasehold buildings held by the company relate to the 49 years leasehold property at Mount Pleasant and the 150 years leasehold Haven property in John Mackintosh Square.

Assets in the course of construction are not depreciated until they are brought into use.

1.9. Impairment

Non-financial assets are subject to impairment review in accordance with FRS 102 Section 27 'Impairment of assets' if there are events or changes in circumstances that indicate that their carrying amount exceeds their recoverable amount. The impairment review comprises a comparison of the carrying amount of the assets with their recoverable amount, which is the higher of net realisable value and value in use. The carrying value of the assets are written down by the amount of any impairment and this loss is recognised in the profit and loss account in the period in which it occurs. If occurrence of an external event gives rise to the reversal of an impairment loss, the reversal is recognised in the profit and loss account and by increasing the carrying amount of the financial asset in the period in which it occurs. The carrying amount of the asset will only be increased up to the amount that it would have been had the original impairment not occurred.

1.10. Indefeasible right of use assets

The Europe India Gateway ("EIG") submarine cable system in which Gibtelecom has an ownership interest, is recognised as a prepayment on the face

of the balance sheet. This investment is amortised over the estimated useful life of the cable.

Payments received as a result of onward sales of EIG capacity are recognised as deferred income on the face of the balance sheet and amortised over the length of the agreement with the customers. Payments received as a result of one-off sales of EIG capacity or materials are recognised as up front revenue with the corresponding costs recognised as a cost of sales in the same accounting period. In the latter case, when an EIG capacity is specifically bought to be directly resold to a customer and the upgrade takes multiple phases, it is included as part of assets under construction in the balance sheet.

Acquisition of additional capacity from other telecommunication companies, which are to be provided in a specified term, are recognised as Other indefeasible right of uses assets and are measured initially at cost. The cost is amortised over the duration of the contract on a straight-line basis.

1.11. Pension and other post-employment benefit
The pension cost for the schemes is determined by the actuaries who analyse the current and past service costs, together with gains and losses on settlements and curtailments. These costs are included as part of staff costs. Current service cost is the actuarially calculated present value of the benefits earned by the active employees in each period. Past service cost is the actuarially calculated adjustment in the present value of scheme liabilities related to employee service in prior periods arising in the current period as a result of the guaranteed retirement benefits. Past service costs are recognised immediately in the profit and loss account.

The net interest income on the net defined benefit asset is shown within net finance income in the profit and loss account.

The actuarial gains or losses, which arise from an end of year actuarial valuation report prepared in accordance with FRS 102 to reflect conditions at the

balance sheet date, are taken to other comprehensive income.

The defined net benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The carrying value of the net pension asset is disclosed in note 22.

Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they become payable.

The Trust Deed and Rules of the pension schemes provide the company with an unconditional right to a refund of surplus assets assuming the gradual settlement of the plan liabilities over time until all members have left the plan or assuming the full settlement of plan liabilities in the event of a plan wind-up. Furthermore, in the ordinary course of business, the Trustees have no rights to unilaterally wind up, or otherwise augment the benefits due to members of the scheme. Based on these rights, any net surplus in the schemes is recognised in full.

1.12. Stocks

Stocks are stated at the lower of cost and net realisable value. In the case of the stock of goods for resale, cost is determined on a first in first out basis and includes transport and handling costs. A provision is made where necessary for obsolete, slow moving or defective stocks.

1.13. Trade and other debtors

Trade and other debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Debtors with no stated interest rate and receivable within one year are measured at the transaction price. Any losses

arising from impairment are recognised in the profit and loss account in the statement of comprehensive income.

Trade and other debtors are measured at amortised cost.

1.14. Prepayments

Prepayments for goods and services which are to be provided in future years are recognised as prepayments and are measured at cost, with the prepayment amortised over the duration of the service provided. Prepayments are disclosed within debtors in the financial statements.

1.15. Trade and other creditors

Trade and other creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are classified as current liabilities if the payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other creditors are measured at amortised cost.

1.16. Provision for corporate restructuring costs

Termination benefits are payable when employment is ceased by the company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for such termination benefits. The company recognises termination benefits when it is demonstrably committed to a termination through having a formal plan to cease the employment of employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancies, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

1.17. Bank borrowings

Bank borrowings are recognised initially at the fair value of the consideration received, net of

transaction costs. Subsequent to initial recognition, bank borrowings are measured at amortised cost.

1.18. Cash flow statement

Cash flows are defined as increases or decreases in cash. The cash includes monies in hand and deposits with original maturities of three months or less.

1.19. Current taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.20. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not been reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences between the taxable profits and the results, as stated in the financial statements, arise from the inclusion of gains and losses in tax assessments in periods different from those which are recognised in the financial statements.

The tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured on a non-discounted basis.

1.21. Dividends

Dividends on equity shares are recognised as a deduction of equity when a liability to pay the

dividend arises. Consequently, dividends are recognised when paid and final dividends when approved in general meeting.

2. Critical accounting judgments and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.

The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revisions affect only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2.1 Pension and other post-employment benefit

The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty.

2.2 Assets in the course of construction

Assets in the course of construction include costs incurred in the year related to the ongoing FTTH project. The value transferred from work-in-

progress to completed assets is based on a calculated percentage of completion which is determined by reference to the serviceable areas in Gibraltar. Some inputs used in the calculation are based on estimated metrics hence, there is a level of uncertainty.

3. Segmental reporting

Gibtelecom's sole activity is the provision of various communications and related services. The table below shows how Gibtelecom's turnover is broken down in the main areas of the business.

Group	2024 £	2023 £
Consumer	10,793,922	10,443,746
Enterprise	20,043,764	18,011,541
Carrier	7,114,216	8,452,944
Lobster	7,925,343	7,359,132
Other	1,011,665	147,000
Total turnover	46,888,910	44,414,363

4. Staff costs

Group	2024 £	2023 £
Wages and salaries	9,264,071	9,577,445
Social security costs	661,671	648,282
Pension costs	932,483	745,889
Total staff costs	10,858,225	10,971,616

Gibtelecom employees are a member of either a Defined Benefits scheme ("DB scheme") or a Defined Contributions ("DC scheme"). The 2 DB schemes currently still in force were closed to new entrants in 2016 and the DC scheme was opened in July 2022.

In relation to the DB schemes, the pension costs are calculated by a professional actuary in line with FRS 102. The costs calculated are broken down between the current costs and the past service costs of the schemes. The total current costs in 2024 were £751,000 (2023: £846,000). The difference to the figures reported in the table above reflects other pension charges/credits effected by Gibtelecom group.

In 2024, the total pension cash contributions paid by Gibtelecom Ltd to the 2 DB schemes amounted to £2,054,000 (2023: £2,203,000). The present and future service costs is disclosed as current costs per the above figure, the remainder being broadly past services costs (which are remeasured every year on the basis of current actuarial assumptions, see note 22). In order to calculate the portion that relates to the current year costs only, the actuaries take into account the cash contributions paid during the year.

As from July 2022, the company has launched a new DC scheme, the total pension cash contributions paid by Gibtelecom Ltd amounted to £123,112 (2023: £110,050).

The total remuneration for key management personnel comprising company directorates and departmental leaders (note 5) totalled £3,243,998 for 2024 (2023: £2,828,235). This remuneration includes salaries, allowances, pension costs and any other allowances and benefits.

5. Employee information

The number of persons employed by Gibtelecom during the year is set out below under the different directorate responsibilities, with the comparative numbers for the prior year.

Company	As at 31 st December		Average for the year	
	2024 headcount	2023 headcount	2024 headcount	2023 headcount
Support functions				
Corporate & Regulatory; Finance; Human Resources; Building & Stores; and Support staff	19	18	20	19
Consumer				
Customer Care and Marketing	25	26	26	26
Enterprise				
Business and Data Centre	11	13	11	11
Carrier				
Roaming and International	3	4	3	5
Technical				
Voice Services; Transport Networks; Technical Facilities; Networks Operation Centre; Mobile Radio; Information Technology; Information Systems; Transport Network; and Field Operations	79	82	80	84
Total headcount	137	143	140	145

6. Directors' emoluments

The Directors of Gibtelecom did not receive emoluments from the company for their services as Directors during the year (2023: £nil). One Director receives emoluments in his capacity as the Chief

Executive Officer of the company and under the provisions of the Companies Act 2014 (Schedule 16, paragraph 4), these emoluments are not disclosed, but are included in the total remuneration paid to key management (note 4).

7. Operational charges

Group	2024 £	2023 £
Included in operational charges are:		
Operating lease charges on rented properties	587,641	570,635
Statutory audit fees	172,228	147,024
Taxation compliance services	4,090	28,000

8. Interest payable

Group	2024 £	2023 £
Interest payables on bank loans	840,129	594,720

9. Tax on profit on ordinary activities

9.1 Analysis of the charge for the year

Group	2024 £	2023 £
Current tax:		
Gibraltar corporation tax on profit for the year	(2,855)	(78,942)
Foreign tax for the year	(315,699)	(341,273)
Under provisions from prior years	(238,515)	(442)
Total current tax (A)	(557,069)	(420,657)
Deferred tax:		
Deferred tax movement	(591,012)	(461,400)
Deferred tax movement on foreign operations	(312,160)	(128,484)
Total deferred tax (B)	(903,172)	(589,884)
Tax on profit on ordinary activities (A)+(B)	(1,460,241)	(1,010,541)
Total current and deferred tax relating to Other Comprehensive Income ^(a)	(1,444,000)	(94,600)

(a) The movement on current and deferred tax relating to other comprehensive income is solely due to the increase in the deferred tax liability in respect of the pension asset as at 31st December 2024. The movement arises due to the increase in the net defined benefit pension asset.

9.2 Factors affecting the tax charge for the year

Group	2024 £	2023 £
Profit on ordinary activities before taxation	3,362,111	1,347,633
Corporation tax at 20%	(672,422)	(269,527)
Effect of:		
Permanent differences (i)	1,286	1,256
Pension cost contribution in excess of net pension cost charge (ii)	348,600	346,200
Other enhanced deductions	4,325	7,990
Capital allowances in excess of depreciation (iii)	(168,615)	(304,858)
Non-telecommunication activities (iv)	1,295	43,946
Availability of tax losses (v)	545,101	121,748
Effect of tax on foreign subsidiaries	(62,425)	(25,697)
Gibraltar corporation tax on profit for the year	(2,855)	(78,942)

The standard rate of Gibraltar corporation tax is 15%. However, utility providers, fuel suppliers and companies that enjoy a dominant position are

required to pay a higher rate of 20%. Gibtelecom's activities are split between telecommunication activities and non - telecommunication activities.

Telecommunication activities are subject to taxation at a higher rate of 20% given that this business is classified as a utility. Non-telecommunication activities are subject to the standard rate of taxation at 15%.

(i) Permanent timing differences

The tax rules in Gibraltar result in certain types of income and expenses not being taken into account for corporation tax purposes. These are permanent and will not reverse at a future date.

(ii) Pension cost contribution in excess of net pension cost charge

This tax charge relates to an adjustment made in respect of taxation on pension contributions, which are adjusted annually in line with the FRS 102 actuarial valuations. As at 31st December 2024, the deferred tax liability amounted to £3,708,000 (2023: £1,915,400) (note 18).

(iii) Capital allowances in excess of depreciation

The capital allowances in excess of depreciation represent the difference between the written down allowances taken by the group for tax purposes and the depreciation reflected in the financial statements under FRS 102 'Property, Plant and Equipment'. As at 31st December 2024, the deferred tax liability amounted to £2,482,289 (2023: £2,472,818) (note 18).

(iv) Separation of non-telecommunication activities

This represents the separation of data centre income which is charged at a lower rate.

(v) Tax losses carry forward

As at 31st December 2024, the deferred tax asset arising from the unused tax losses of £7,441,026 amounted to £1,488,205 (2023: £1,721,146) (note 18).

10. Dividends

Company	2024		2023	
	Total £	Pence per share	Total £	Pence per share
Final dividend paid	1,500,000	100.00	1,500,000	100.00
Total	1,500,000	100.00	1,500,000	100.00

On 20th December 2024, the Board of Directors approved a final dividend of £1,500,000.

11. Tangible & intangible fixed assets

Group	Assets under construction /delivery £	Freehold land and building £	Leasehold land and building £	Plant and equipment £	Furniture, office equipment & software £	Motor vehicles £	Total £
Cost:							
At 1 st January 2024	3,294,654	5,147,915	5,607,204	95,166,272	4,563,722	376,030	114,155,797
Additions	3,638,486	-	-	9,948,622	583,874	55,900	14,226,882
Transferred on completion	(1,359,203)	-	-	1,338,526	20,677	-	-
Disposals	-	-	-	(504,690)	(551,777)	(51,095)	(1,107,562)
At 31 st December 2024	5,573,937	5,147,915	5,607,204	105,948,730	4,616,496	380,835	127,275,117
Accumulated depreciation:							
At 1 st January 2024	-	1,454,876	1,670,177	69,951,048	3,197,853	374,608	76,648,562
Charge for the year	-	102,924	114,592	5,353,627	779,767	11,971	6,362,881
Disposals	-	-	-	(504,690)	(551,777)	(51,095)	(1,107,562)
At 31 st December 2024	-	1,557,800	1,784,769	74,799,985	3,425,843	335,484	81,903,881
Net book value:							
At 31 st December 2024	5,573,937	3,590,115	3,822,435	31,148,745	1,190,653	45,351	45,371,236
At 31 st December 2023	3,294,654	3,693,039	3,937,027	25,215,224	1,365,869	1,422	37,507,235

Company	Assets under construction /delivery £	Freehold land and building £	Leasehold land and building £	Plant and equipment £	Furniture, office equipment & Software £	Motor vehicles £	Total £
Cost:							
At 1 st January 2024	3,294,654	5,147,915	5,607,204	93,037,323	4,563,722	376,030	112,026,848
Additions	3,638,486	-	-	9,943,652	583,874	55,900	14,221,912
Transferred on completion	(1,359,203)	-	-	1,338,526	20,677	-	-
Disposals	-	-	-	(504,690)	(551,777)	(51,095)	(1,107,562)
At 31 st December 2024	5,573,937	5,147,915	5,607,204	103,814,811	4,616,496	380,835	125,141,198
Accumulated depreciation:							
At 1 st January 2024	-	1,454,876	1,670,177	67,857,599	3,197,853	374,608	74,555,113
Charge for the year	-	102,924	114,592	5,343,657	779,767	11,971	6,352,911
Disposals	-	-	-	(504,690)	(551,777)	(51,095)	(1,107,562)
At 31 st December 2024	-	1,557,800	1,784,769	72,696,566	3,425,843	335,484	79,800,462
Net book value:							
At 31 st December 2024	5,573,937	3,590,115	3,822,435	31,118,245	1,190,653	45,351	45,340,736
At 31 st December 2023	3,294,654	3,693,039	3,937,027	25,179,724	1,365,869	1,422	37,471,735

11.1 Assets under construction/delivery
Assets under construction/delivery represent payments towards the development and expansion of the group's technology facilities and the costs of the ongoing upgrade of the mobile system.

11.2 Assets pledged as security
Properties with a carrying value of £7,234,460 (2023: £7,447,820) are pledged as security for the

borrowings of the group in respect of premises. Details of the loans are disclosed in note 17.

11.3 Leasehold land and building
Leasehold land and building consist of one short-term lease of less than 49 years on the Mount Pleasant property and one lease of 150 years on the Haven property in John Mackintosh Square. The property was sold in July 2022 at net book value.

12. Investments in subsidiaries

Details of the investments in subsidiaries, based on the subsidiary undertakings' latest unaudited financial statements as at 31st December 2024:

Company	2024 £	2023 £
Investments	8,000	12,000

During 2024, the group struck off one of its subsidiaries, Gibconnect Limited, which held 4,000 ordinary shares for £1 each, totalling a cost of £4,000.

Name of company	Country of registration	Holding	Proportion held	Nature of business	Share of total net assets / (liabilities) £	Share of the year profit £
Rockolo Limited	Gibraltar	4,000 ordinary shares of £1 each	100%	Data centre hosting services	4,000	-
Zinnia Limited ^(a)	Gibraltar	4,000 ordinary shares of £1 each	100%	Holding company	72,102	17,895
Gibraltar Telecom (UK) Limited ^(b)	UK	1 ordinary share of £1 each	100%	Consulting	14,292	5,847

(a) Zinnia Limited wholly owns Zinnia Telecomunicaciones SL (Zinniatel), a Spanish registered company running a Mobile Virtual Network Operation in Spain. As at 31st December 2024, Zinniatel's shareholding comprised of €120,000 of ordinary share capital and €5,485,000 of share premium.

(b) Gibraltar Telecom (UK) Limited wholly owns:

- Rockolo Malaysia Sdn. Bhd. (Rockolo Malaysia), a Malaysia registered company providing data centre services in Malaysia. As at 31st December 2024, Rockolo Malaysia's shareholding comprised of MYR10 of ordinary share capital.
- Rockolo Malta Ltd. (Rockolo Malta), a Malta registered company providing data centre services in Malta. As at 31st December 2024, Rockolo Malta's shareholding comprised of EUR1,200 of ordinary share capital.
Gibraltar Telecom (UK) Limited and its wholly owned subsidiaries have been excluded from the consolidation on the basis that these entities are collectively immaterial to the group.

13. Indefeasible right of use assets

Group and Company	2024 £	2023 £
EIG	5,783,055	6,008,542
Other indefeasible right of use	1,227,678	1,472,025
	7,010,733	7,480,567

13.1 EIG

Group and Company	2024 £	2023 £
At 1 st January	6,008,542	6,748,179
Additions	428,558	63,247
Disposals	-	(148,839)
Amortisation	(654,045)	(654,045)
At 31 st December	5,783,055	6,008,542

13.2 Other indefeasible right of use

Group and Company	2024 £	2023 £
At 1 st January	1,472,025	763,525
Additions	-	937,449
Amortisation	(244,347)	(228,949)
At 31 st December	1,227,678	1,472,025

13.1 EIG submarine cable

In 2008, the company entered into an agreement with several other parties (the “consortium”) to construct a high-capacity fibre-optic submarine cable system called the Europe India Gateway (“EIG”) spanning from the UK to India with a termination point in Gibraltar and several other locations. In 2015, 2017 and 2021, Gibtelecom increased its investment towards EIG by virtue of upgrades 1, 3 and 5 respectively, thus bringing its total investment to £21,961,000 (2023: £21,492,782). During 2021, the company has committed to upgrade 5 and then upgrade 5.2 in 2023 for which partial payments were made, entitling the company to a total of circa 4% of the

EIG’s total capacity. As at 31st December 2024, the total capacity expressed in Minimum Investment Units (MIUs) reaches 16.4 MIUs vs. 1.2 MIUs initially invested in 2008.

The company determines how it uses its EIG cable capacity but does not control the end-to-end physical access or the specific fibres through which the data is transmitted. The EIG investment is recognised as a prepayment in the company’s balance sheet, with the prepayment being amortised over the estimated useful life of the cable.

The company was able to start activating capacity on the EIG cable as from June 2012. Consequently,

the asset was transferred out of ‘assets under construction’ and recognised as a prepayment on 1st June 2012. Until 31st December 2020 the cable was amortised assuming a useful life of 13.75 years from June 2012 until March 2026 which corresponded to the initial estimated lifetime of the cable of 15 years from the estimated year of commission of 2010.

In 2021, given the upgrade 5, it was deemed appropriate to extend the useful life used by Gibtelecom to 31st December 2032 and book the change in amortisation pattern prospectively. The new useful life is therefore 20.5 years from June 2012.

There have been no changes during the year and the EIG cable is accounted for as a fixed asset on the face of the balance sheet and is being amortised over a period of 20.5 years.

13.2 Other indefeasible right of use contracts (“IRU”)

Gibtelecom owns IRU on other submarine cable totalling £1,227,678 as at 31st December 2024. The right of use of telecom infrastructure are accounted for in line with the accounting policy disclosed under 1.10.

14. Stocks

Group and Company	2024 £	2023 £
Goods for resale or consumption	667,926	1,106,794

The amount of £10,552 (2023: £312,652) has been included in the profit and loss as inventory impairment losses.

15. Debtors

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	2,571,050	2,446,358	2,819,260	3,862,473
Other debtors and prepayments	1,570,896	2,261,772	6,432,354	8,116,824
Deferred tax asset on foreign operations	1,142,900	1,421,900	-	-
Corporation tax receivable	1,503,145	1,468,385	1,503,145	1,431,264
Total due within one year	6,787,991	7,598,415	10,754,759	13,410,561
	2024	2023	2024	2023
	£	£	£	£
Amounts falling due after one year:				
Security deposits	48,030	48,030	48,030	48,030
Total due after one year	48,030	48,030	48,030	48,030
Total debtors	6,836,021	7,646,445	10,802,789	13,458,591

16. Creditors: amounts falling due within one year

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	6,087,641	5,613,140	5,024,021	5,708,650
Amounts due to subsidiaries	-	-	8,000	12,002
Other creditors	82,539	40,704	82,539	40,702
Accrual for voluntary separation cost	-	508,048	-	508,048
Accruals and deferred income	3,756,936	2,092,299	3,756,825	8,197,168
Total due within one year	9,927,116	8,254,191	8,871,385	14,466,570

Amounts due to subsidiaries relate to outstanding balance of share capital.

In 2023, accrual for voluntary separation cost was driven by the company's launch of a corporate restructuring plan that offers employees an early voluntary retirement package under certain

conditions. Gibtelecom has now completed its voluntary separation plan with a cost of £492,347 (2023: £1,660,839). As at 31st December 2024, no further provisions remain on the face of the balance sheet.

17. Creditors: amounts falling due after more than one year

17.1 Breakdown by nature

Group and Company	2024 £	2023 £
Bank borrowings:		
Revolving credit facility	13,600,000	7,500,000
Accruals and deferred income:		
EIG onward sale of capacity deferred revenue	281,078	693,161
At 31 st December	13,881,078	8,193,161

17.2 Maturity profile of bank loans

The maturity profile of the carrying amount of the bank loans falling due after more than one year at 31st December 2024 was as follows:

Group and Company	2024 £	2023 £
Within one year (see note 17.3)	13,600,000	-
In more than one year but not more than five years	-	7,500,000

17.3 Bank borrowings

Gibtelecom has one loan facility in place (known as “revolving credit facility” or “RCF”) and as at 31st December 2024, the total balance due after one year is £13,600,000 (2023: £7,500,000).

The RCF was signed between Gibtelecom and Royal Bank of Scotland International (“RBSI”) in July 2020 for an amount of £10 million, expiring in June 2025. This RCF was signed for the benefit and in the interests of the company for the purpose of funding its CAPEX projects. This RCF was increased in September 2021 by a further £3.6 million, making a total facility of £13.6 million. Subsequent to year end, the RCF agreement has been renegotiated and

increased to £20 million and refinanced for a further 5 years ending on June 2030. On the basis that the RCF has been refinanced and there was no intention as at the year-end that this would be settled post year end, the facility has been reflected as amounts due in more than one year as this reflects the substance of the facility as at the year end.

The RCF agreement provides for the company to adhere to Covenants on net tangible assets and borrowings together with debt servicing liability and is secured against our properties.

The amount drawn down as at 31st December 2024 is £13,600,000.

18. Provisions for liabilities

Deferred tax liability

Group	2024	2023
	£	£
At 1 st January	(2,667,072)	(2,111,072)
Recognised in profit or loss	(591,012)	(461,400)
Charged to other comprehensive income	(1,444,000)	(94,600)
At 31 st December	(4,702,084)	(2,667,072)

Company	2024	2023
	£	£
At 1 st January	(2,667,072)	(2,105,374)
Recognised in profit or loss	(591,012)	(467,098)
Charged to other comprehensive income	(1,444,000)	(94,600)
At 31 st December	(4,702,084)	(2,667,072)

The deferred tax liability is broken down as follows:

Company	2024	2023
	£	£
Accelerated capital allowances	(2,482,289)	(2,472,818)
Tax losses carried forward	1,488,205	1,721,146
Pension scheme	(3,708,000)	(1,915,400)
Total deferred tax liability	(4,702,084)	(2,667,072)

19. Called up share capital and reserves

Group and Company	2024	2023
	£	£
Authorised, issued and fully paid:		
7,500 ordinary Class A shares of £1 each	7,500	7,500
7,500 ordinary Class B shares of £1 each	7,500	7,500
Total shares	15,000	15,000

Group and Company	2024	2023
	£	£
Share premium	14,985,000	14,985,000

The company has issued ordinary shares of which:

- all rights are equal;
- there are no specific clauses on rights attached to the ordinary shares within the memorandum and articles;
- the holder is entitled to attend and vote at general meetings; and
- any dividends declared and or paid will be decided and voted for by the board of directors.

The share premium account represents a premium of £999 per share paid up on the share capital of 7,500 Class A ordinary shares and 7,500 Class B ordinary shares. There are no differences in the rights and restrictions attached to these share classes.

20. Analysis of net cash, liquid resources and borrowings

Group	Bank balances £	Less bank loans £	Total net debt £
At 1 st January 2024	2,731,252	(7,500,000)	(4,768,748)
Cash movement	414,008	(6,100,000)	(5,685,992)
At 31 st December 2024	3,145,260	(13,600,000)	(10,454,740)

Company	Bank balances £	Less bank loans £	Total net debt £
At 1 st January 2024	1,170,072	(7,500,000)	(6,329,928)
Cash movement	376,454	(6,100,000)	(5,723,546)
At 31 st December 2024	1,546,526	(13,600,000)	(12,053,474)

21. Reconciliation of net cash flow to movement in net debt

Group	2024 £	2023 £
Net debt as at 1 st January	(4,768,748)	(2,825,565)
Movement in cash	414,008	(443,183)
Proceeds from bank borrowings	(6,100,000)	(2,000,000)
Repayment of bank borrowing	-	500,000
Net debt as at 31 st December	(10,454,740)	(4,768,748)

Company	2024 £	2023 £
Net debt as at 1 st January	(6,329,928)	(4,191,895)
Movement in cash	376,454	(638,033)
Proceeds from bank borrowings	(6,100,000)	(2,000,000)
Repayment of bank borrowing	-	500,000
Net debt as at 31 st December	(12,053,474)	(6,329,928)

22. Pension commitments

22.1 Overview

The company operates three pension schemes for Gibtelecom Ltd employees, of which two are DB schemes for which this note pertains to.

The Gibraltar NYNEX Communications Limited Staff Pension scheme ("GNC scheme") covers former GNC employees and most new joiners to Gibtelecom between 2002 and 2016. The Gibtel Pension Fund ("Gibtel scheme") is for former Gibtel employees which has been closed to new members since 2002. Both schemes provide defined retirement benefits based on final pensionable salary. Since July 2022, Gibtelecom offers its employees the possibility to enrol into a defined contribution scheme.

The normal retirement age of the company is 65 years of age. However, the members of both pension schemes employed prior to 1st June 2011 can elect to retain the previous normal retirement age of 60 years.

The GNC scheme is contracted out to a pensions provider, Scottish Widows (formerly Clerical Medical Investment Group Limited ("CMIG")).

Employees who have joined Gibtelecom Ltd after 2016 are no longer enrolled into the GNC pension scheme.

22.2 Actuarial reviews

The most recent independent triennial actuarial valuation of the GNC Scheme was carried out as at 1st August 2023 but not yet completed. The last completed valuation is at 1st August 2020. The most recent valuation of the Gibtel Pension Fund was carried out as at 1st August 2023 and completed on 19th December 2024. The company has implemented the recommendations from the completed valuations effective from 1st October 2022 for the GNC Scheme and 1st January 2025 for the Gibtel Pension Fund.

Actuarial valuations for the purposes of FRS 102 as at 31st December 2024 were completed in March 2025 for both schemes. The GNC Scheme valuation was prepared by updating the results of the triennial valuation as at 1st August 2020, while the valuation of the Gibtel Pension Fund was based on

a roll-forward of the initial results of the 2024 valuation. As such, the FRS 102 valuations include an element of estimation when compared to a full actuarial valuation as at 31st December 2024.

Future service contribution rates and past service deficit contributions are derived from the triennial actuarial valuations carried out as at 1st August 2020.

22.3 Contributions

Under the GNC scheme, the employers' contributions are 31.8% as from October 2022. The company's total contributions to the GNC scheme for 2024 amounted to £1,333,000 (2023: £1,551,000). These contributions also include an additional annual contribution made during the year of £174,000 (2023: £174,000) which cover past service liabilities and exceptional pensions payments effected in respect of voluntary early retirements of £156,457 (2023: £227,000).

The additional annual contribution for past service liabilities calculated by the triennial valuation as at 1st August 2020 assumed that the past service liability deficit will be recovered over a period of 15 years starting in July 2022 and finishing in July 2037 leading to an annual deficit repayment of £174,000. This latest actuarial valuation indicates that the level of asset coverage is 85% and the deficit amounts to £3,865,000.

Under the Gibtel scheme, the employers' contributions remained at 28.4% (reduction from 28.4% to 25.4% will commence 1st January 2025), the employees' contribution is 5% or 6.5% depending on the individual's circumstances. The company's total contributions to the Gibtel Scheme for 2024 amounted to £721,000 (2023: £652,000). These contributions also include exceptional pensions payments effected in respect of voluntary early retirements of £523,905 (2023: £nil). Based on actuaries' recommendations, the company ceased making additional lump sum contributions (2023: £400,000) to cover past service liabilities.

The latest actuarial valuation, dated 1st August 2023, indicates that the level of asset coverage is 105% (2023: 108.5%).

22.4 Gibraltar Financial Reporting Standard (FRS) 102 Section 28 'Employee Benefits'

Valuations of both schemes, for the purposes of FRS 102 section 28, were carried out as at 31st December 2024 by qualified actuaries.

Under FRS 102 Section 28 rules, all physical payments made during the year, irrespective of the periods they relate to, are fully utilised to reduce the pension liability at the time of payment.

The GNC scheme has purchased annuities with CMIG in respect of pensioners and dependents when members retire.

22.5 Main assumptions

As at 31st December 2023 and 2024, the Directors have set the major assumptions as set out below, based on reviews and recommendations made by actuaries:

Group and Company	2024 £	2023 £
Rate of increase in salaries	2.8%	2.7%
Rate of increase in pensions payment	3.0%	3.0%
Discount rate	5.5%	4.6%
Inflation	3.1%	2.7%

The actuaries have determined the remaining life expectation on retirement at age 60 is:

Group and Company	2024 £	2023 £
Male aged 60 now	25.7 years	26.0 years
Male aged 45 now, from 60	27.2 years	27.0 years
Female aged 60 now	28.7 years	28.7 years
Female aged 45 now, from 60	30.0 years	29.8 years

22.6 Both schemes financial data

(i) Analysis of the schemes assets:

Both schemes	2024 £	2023 £
Pension contracts	37,441,000	39,343,000
Equities	15,153,000	15,244,000
Debt securities	7,734,000	6,890,000
Cash and other assets	2,821,000	2,887,000
Market value of assets	63,149,000	64,364,000
Present value of liabilities	(44,609,000)	(54,787,000)
Net pension asset	18,540,000	9,577,000

(ii) Analysis of amounts charged to operating profit:

Both schemes	2024 £	2023 £
Current service cost	(751,000)	(846,000)
Administration costs	(33,000)	(33,000)

(iii) Analysis of amounts charged to net finance income:

Both schemes	2024 £	2023 £
Net interest on net defined benefit assets	473,000	406,000

(iv) Analysis of amounts recognised in the consolidated statement of comprehensive income:

Both schemes	2024 £	2023 £
Actuarial gain/(loss) arising during the year	7,069,000	(368,000)
Return on plan assets greater than discount rate	151,000	841,000
Actuarial gain recognised in consolidated statement of comprehensive income	7,220,000	473,000

(v) Amounts included in the statement of financial position arising from the company's obligations in respect of its defined benefit schemes:

Both schemes	2024 £	2023 £
Present value of defined benefit obligations	(44,609,000)	(54,787,000)
Fair value of schemes assets	63,149,000	64,364,000

(vi) Movement in the present value of defined benefit obligations:

Both schemes	2024 £	2023 £
At 1 st January	(54,787,000)	(55,409,000)
Current service cost	(751,000)	(846,000)
Interest costs	(2,391,000)	(2,553,000)
Actuarial gain / (loss)	7,069,000	(368,000)
Benefits paid	6,337,000	4,473,000
Administrative costs paid	(33,000)	(33,000)
Participants' contributions	(53,000)	(51,000)
At 31 st December	(44,609,000)	(54,787,000)

(vii) Movement in the fair value of schemes assets at the balance sheet date:**Both schemes**

	2024 £	2023 £
At 1 st January	64,364,000	62,782,000
Return on plan assets	151,000	841,000
Interest income	2,864,000	2,960,000
Employer contributions	2,054,000	2,203,000
Benefits paid	(6,337,000)	(4,473,000)
Participants' contributions	53,000	51,000
At 31 st December	63,149,000	64,364,000

23. Related party transactions

The Directors consider HM Government of Gibraltar, by virtue of being the ultimate shareholder of Gibtelecom, to be a related party.

Gibtelecom Limited has elected to apply the provisions within FRS 102 Section 33.11 and not disclose transactions and balances with HM Government of Gibraltar and other HM Government of Gibraltar controlled entities.

24. Capital commitments

As at 31st December 2024, the group and the company have ongoing commitments for capital expenditure of £4,812,590 (2023: £3,967,600).

The latest operational capital budget for 2024 for the group and the company is £7,086,396 (2023 group and company: £6,687,250).

25. Ultimate controlling parties

The Directors consider HM Government of Gibraltar to be the ultimate controlling party by virtue of holding 100% of the legal interest in the share capital of Gibtelecom.

26. Subsequent events

There have been no significant events after the reporting date to disclose in the financial statements.

27. Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Due within one year	400,900	542,200	371,300	506,200
Due between one and five years	334,900	396,300	305,300	360,300
Due later than five years	-	-	-	-
Total commitments	735,800	938,500	676,600	866,500

End

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