



STATEMENT

Pursuant to ANNEX No 4 to ORDINANCE No 2 as of 9th November 2021 on the initial and subsequent disclosure of information in public offerings of securities and admission of securities to trading on a regulated market

TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

OF TELELINK BUSINESS SERVICES GROUP AD FOR THE FOURTH QUARTER OF 2021

The Managing Board of TELELINK BUSINESS SERVICES EAD, city of Sofia, hereby notifies all the existing and potential investors that this statement has been prepared with regard to the requirements of Art. 15 in line with Art. 14 of Ordinance No 2 of the Financial Supervision Commission (FSC) and representing Annex No 4 to the abovementioned ordinance. It contains information about the Company's business for the reporting period from 1st January 2021 to 31st December 2021.

The persons who are liable for damages caused by false, misleading or incomplete information, provided in this statement, are as follows:

- Ivan Krasimirov Zhitiyanov – Chairperson and Executive Member of the Managing Board
- Teodor Dimitrov Dobrev – member of the Management Board
- Nikoleta Elenkova Stanailova – member of the Managing Board
- Orlin Emilov Rusev - member of the Managing Board as of 8th October 2021
- Gojko Martinovic – member of the Managing Board

1.1. Change of the persons who exercise control over the Company

There has been no change of the persons who exercise control over TELELINK BUSINESS SERVICES EAD for the period from 1st January 2021 to 31st December 2021.

1.2. Initiation of insolvency proceedings for the Company or its subsidiary and all substantial phases related to the proceedings until the declared bankruptcy

No insolvency proceedings of TELELINK BUSINESS SERVICES EAD and its subsidiaries have been initiated during the reporting period.



1.3. Entering into or completion of material transactions

In addition to the material transactions, concluded with related parties, described in Table 1 to this document, the following agreements have been concluded during the reporting period from 1st January 2021 to 31st December 2021:

In pursuance of the resolution adopted on 6th January 2021, in its capacity of sole owner, on 29th January 2021 the Company established a new subsidiary – limited liability company Telelink Business Services LLC (USA) with share capital of up to USD 10 thousand. As at the date of this statement, the capital of the newly established company had not been contributed.

On 29th January 2021 the Company has provided a counter-guarantee, securing the guarantee on behalf of TBS Macedonia with regard to a hybrid cloud hardware platform agreement in favour of the Electric Communications Agency, Skopje, Republic of North Macedonia, amounting to EUR 105 900.00 and with term of validity 15th May 2022.

During a meeting held on 12th February 2021, the Company's Managing Board had approved:

- entering into Annex No 5 to Loan Agreement No 265-0000001624611-36 between COMUTEL DOO, Serbia and Raiffeisen Bank AD, Serbia;
- entering into guarantee agreement by Telelink Business Services EAD, which warrants the proper performance of the engagements of COMUTEL DOO under Loan Agreement No 265-0000001624611-36 between the latter and Raiffeisen Bank AD, Belgrade, Republic of Serbia;
- entering into a loan agreement between Telelink Business Services EAD – lender, and Telelink Abania SPK – borrower;
- entering into a loan agreement between Telelink Business Services EAD – lender, and Telelink Business Services DOOEL, Republic of North Macedonia – borrower.

With regard to the extension of the term of validity of a bank loan agreement in the amount of USD 4 200 thousand between COMUTEL DOO, Serbia and Raiffeisen Bank AD, Belgrade, until 27th January 2022, a guarantee was concluded on 15th February 2021, with which Telelink Business Services EAD warrants the proper performance of the engagements of COMUTEL DOO, Serbia.

A loan agreement was signed on 15th February 2021 between the subsidiaries TBS EAD (lender) and TBS Macedonia (borrower), with limit of up to EUR 2 000 thousand, under the condition of partial utilization and repayment by 31st December 2021 and interest in the amount of 2.5% per annum over the utilized part of the loan.

A loan agreement was signed on 15th February 2021 between the subsidiaries TBS EAD (lender) and Telelink Albania (borrower), with limit of up to EUR 500 thousand, under the condition of partial utilization and repayment by 31st December 2021 and interest in the amount of 2.5% per annum over the utilized part of the loan.

During a meeting held on 12th March 2021, the Supervisory Board has adopted a resolution to determine a variable remuneration in the form of shares for 2021 for the members of the Management Board. The values of the performance indicators for payment of remuneration in the form of shares for 2021 had been determined. The respective schedule will be proposed for approval by the General Meeting of Shareholders.



On 25th March 2021, the Managing Board of Telelink Business Services Group AD has adopted a resolution for the establishment of a single member limited liability company in the Republic of Romania with corporate name Telelink Business Services and capital of up to EUR 10 000 (ten thousand Euro).

On 28th May 2021 a loan agreement has been signed between the subsidiaries Telelink Business Services EAD as lender and Telelink DOO (Slovenia) as borrower, with a maximum amount of up to EUR 800,000 and the possibility of repeated drawdown and repayment, for a term until 31st December 2021 at an annual interest rate of 2.5%, whereas the amounts drawn down had being fully repaid as at 30th September 2021.

On 31st May 2021 Annex No 5 to the Agreement for the undertaking of credit commitments under an overdraft credit line No 0018/730/10102019 dated 10th October 2019 had been signed between UniCredit Bulbank AD and Telelink Business Services EAD as Borrower, Pledgor and Collateral provider within the meaning of the Financial Collateral Arrangements Act, under which Telelink Business Services Group AD is Guarantor and Pledgor, pursuant to which the drawdown period had been extended until 2nd June 2021.

On 31st May 2021 Annex No 2 to the Suretyship Agreement dated 10th October 2019 to the Agreement for the undertaking of credit commitments under an overdraft credit line № 0018/730/10102019 from 10th October 2019 between Telelink Business Services EAD as Borrower and UniCredit Bulbank AD, under which Telelink Business Services Group AD is Guarantor, was signed, pursuant to which the validity was extended until 2nd June 2021.

On 2nd June 2021 Annex No 6 to the Agreement for the undertaking of credit commitments under an overdraft credit line № 0018/730/10102019 from 10th October 2019 had been signed between UniCredit Bulbank AD and Telelink Business Services EAD as Borrower, Pledgor and Collateral provider within the meaning of the Financial Collateral Arrangements Act, under which Telelink Business Services Group AD is Guarantor and Pledgor. Pursuant to the Annex, the amounts of the sublimits within the Total credit limit of EUR 13,000,000 have been amended as follows:

- Credit overdraft up to EUR 3 000 000 with a drawdown period until 31st May 2022 and repayment period until 31st July 2022;
- Revolving credit up to EUR 4 000 000 with a drawdown period until 31st May 2022 and repayment period until 31st May 2023;
- Contingent credit facility up to EUR 13 000 000 with a drawdown period not later than 30th June 2029;
- Extension of the period of the letters of credit until 15th May 2023.

On 02nd June 2021 Annex No 3 to the Suretyship Agreement dated 10th October 2019 to the Agreement for the undertaking of credit commitments under an overdraft credit line No 0018/730/10102019 dated 10th October 2019 between Telelink Business Services EAD as Borrower and UniCredit Bulbank AD, under which Telelink Business Services Group AD is Guarantor, has been signed in accordance with the amendments set forth in Annex No 6 to the Agreement for the undertaking of credit commitments under an overdraft credit line No. 0018/730/10102019 dated 10th October 2019.

On 21st September 2021, a loan agreement has been signed between Telelink Business Services Group AD, as lender, and Telelink Business Services DOO (Croatia), as borrower, with a maximum amount of up



to EUR 200,000 and the possibility of multiple drawdowns and repayments, for a term of 12 months at an annual interest rate of 2.5%, as at 30th September 2021 no amounts have been drawn down under the agreement.

On 10th December 2021 the Company has provided a corporate guarantee securing the obligations of Telelink Albania as a customer in connection with the agreement for delivery of equipment from Veracomp Croatia for USD 145,435.43, valid to 31st March 2022.

On 31st December 2021 annexes, previously approved by the Managing Board of Telelink Business Services Group AD on 30th December 2021, have been signed as follows:

- Annex to the Loan Agreement by and between Telelink Business Services EAD, as Lender and Telelink Albania SPC as Borrower for extension of the term until 31st December 2022;
- Annex to the Loan Agreement by and between Telelink Business Services EAD, as Lender and Telelink Business Services DOOEL, Republic of North Macedonia, as Borrower for extension of the term until 31st December 2022

Information on transactions with related parties during the reporting period from 1st January 2021 to 31st December 2021.

Table 1

Operating Activities (BGN thousand)	Sales to related parties	Purchases from related parties
Other related parties (under common control)	1,377	2,612
Total	1,377	2,612

Operating Activities (BGN thousand)	Receivables from related parties	Payables to related parties
Other related parties (under common control)	801	146
Total	801	146

1.4. Resolution for conclusion, termination and cancellation of joint venture agreement

The Company has not adopted resolution on conclusion, termination and cancellation of joint venture agreement during the reporting period.

1.5. Change of Company's auditors and reasons for the change

On 14th September 2021 the General Meeting of the Shareholders of Telelink Business Services Group AD approved the annual financial statements of Telelink Business Services Group AD for 2021 to be audited by Ernst and Young Audit OOD, having its seat and registered address in the 1124city of Sofia, 47A Tsarigradsko Shose Blvd., Polygraphia Office Centre, 4th floor, registered in the register of audit companies with number 108.

There is no change of the auditors of Telelink Business Services Group AD and its subsidiaries for 2021 compared to 2020.



1.6. Initiation or termination of legal or arbitration proceedings related to liabilities or receivables of the Company or its subsidiary, with claim price of at least 10 percent of the Company's equity

No legal or arbitration proceedings related to liabilities or receivables of the Company or its subsidiary with claim price of at least 10 percent of the Company's equity have been initiated or terminated during the reporting period.

1.7. Purchase, sale or established pledge on shareholdings in business companies by the Issuer or its subsidiary

TBSG or its subsidiary had not realized any purchases, sales, and pledges of shares in companies during the reporting period.

In addition to the information reported by the Company in section 1.3, the following incorporations of new companies have taken place during the reporting period:

Pursuant to a meeting of the MB, held on 6th January 2021, resolution had been taken for incorporation of new subsidiaries of Telelink Business Services Group S.A. in the USA with basic capital of up to USD 10,000 and in Germany with basic capital of up to EUR 30,000..

On 7th January 2021 a meeting of the Managing Board was held, at which had been resolved that CEO of the new subsidiary in the USA will be Ivan Krasimirov Zhitiyanov and CEO of the new subsidiary in Germany will be Silvia Marinova Marinova.

The aforementioned resolutions had been approved by the Supervisory Board at a meeting held on 7th January 2021.

Pursuant to the resolution, taken on 6th January 2021, on 29th January 2021 the Company as single shareholder incorporated a new subsidiary limited by shares, Telelink Business Services, LLC (USA) with basic capital of up to USD 10,000. As of 31st December 2021 the capital of the newly established company had been contributed in full.

On 25th March 2021 at a meeting of the Managing Board of Telelink Business Services Group AD a resolution had been taken for incorporation of a single member subsidiary in the Republic of Romania with corporate name Telelink Business Services, capital of up to EUR 10,000 (ten thousand), and with manager Orlin Rusev. The subsidiary was registered in the Romanian Commercial Register on 11th November 2021 and as of the date of this statement the capital of the newly established company had been fully contributed.

As of 31st December 2021 the capital of the subsidiary Telelink Business Services GMBH, Germany, in the amount of EUR 25 000, had been fully contributed.

During the reporting period there had been no changes in the amount of the Issuer's participation in the capital of the existing subsidiaries.

1st March 2022

Ivan Zhitiyanov,

TELELINK BUSINESS SERVICES GROUP AD