



## STATEMENT

**Pursuant to ANNEX No 4 to ORDINANCE No 2 as of 9<sup>th</sup> 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 (Ordinance No 2)**

### **TO CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF TELELINK BUSINESS SERVICES GROUP AD FOR THE THIRD QUARTER OF 2022.**

The Managing Board of TELELINK BUSINESS SERVICES GROUP AD, city of Sofia, hereby notifies all the existing and potential investors that this statement has been prepared with regard to the requirements of Art. 14 of Ordinance No 2 of the Financial Supervision Commission (FSC) and represents Annex No 4 to the abovementioned statutory instrument. It contains information about the Company's business for the reporting period from 1<sup>st</sup> January 2022 to 30<sup>th</sup> September 2022.

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
- Gojko Martinovic – member of the Managing Board

#### **1.1. Change of the persons, exercising control over the Company**

By a resolution of the General Meeting of Shareholders held on 29<sup>th</sup> June 2022, the composition of the Supervisory Board of the Company has been changed, with the removal of Bernard Jean Luc Moscheny and the election of Boris Nemsic with tenure equal to the remainder of the term, for which the other members of the Supervisory Board had been elected. The change was entered in the Commercial Register and the Register of Non-Profit Companies on 8<sup>th</sup> July 2022.

There has been no other changes of the persons, exercising control over TELELINK BUSINESS SERVICES GROUP AD for the period from 1<sup>st</sup> January 2022 to 30<sup>th</sup> September 2022.

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

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



### 1.3. Conclusion or execution of material transactions

The agreements, concluded during the reporting period 1<sup>st</sup> January 2022 – 30<sup>th</sup> September 2022 are as follows:

At a meeting, held on 18<sup>th</sup> January 2022, the Company's MB adopted a preliminary resolution to extend the term of the surety contract, under which TBS EAD provides security in favour of Raiffeisen Bank AD Beograd, Serbia, for the due fulfilment of the obligations of Comutel.

On 21<sup>st</sup> January 2022, the surety commitment of TBS EAD was extended with regard to an annex to the credit agreement between Comutel and Raiffeisen Bank AD Beograd, Serbia, in order to secure the due fulfilment of the respective obligations of Comutel.

On 24<sup>th</sup> January 2022, subsidiary Telelink Business Services GmbH was entered in the companies register of the Federal Republic of Germany with representative Silviya Marinova. The company's capital in the amount of EUR 25,000 has been fully contributed.

On 10<sup>th</sup> February 2022, the Company's MB resolved to conclude an overdraft agreement with Raiffeisenbank (Bulgaria) EAD, which was signed on 15<sup>th</sup> February 2022.

On 11<sup>th</sup> February 2022, the Company's MB resolved the Company to provide a corporate guarantee to secure the obligations of TBS Croatia under operating lease agreements with UniCredit Leasing Croatia d.o.o. On 15<sup>th</sup> February 2022 the Company issued a corporate guarantee for EUR 56,554.95.

On 14<sup>th</sup> February 2022 the Company published a statement by the CEO Ivan Zhytiyanov on the successful completion of due diligence and the subsequent termination of the consultations with Slovenia Broadband S.a.r.l. with regard to the potential acquisition of the Company due to diverging strategic views on key areas of business development and growth. Notwithstanding the foregoing, Mr. Zhytiyanov expressed solidarity with the selling shareholders' willingness to offer a majority stake upon interest from other strategic investors, compatible with the Company's objectives.

On 15<sup>th</sup> February 2022 the Company has signed an overdraft agreement with Raiffeisenbank (Bulgaria) EAD with the following parameters:

- Overdraft up to EUR 2 000 000, with a drawdown period until 27<sup>th</sup> February 2026 and a repayment period until 28<sup>th</sup> February 2026;
  - Conditional bank loan up to EUR 2 000 000, with a drawdown period no later than 27<sup>th</sup> February 2026;
- All limits can be drawdown in BGN, EUR or USD, at the applicable interest rates of reference rate + 1.5%, 1 month EURIBOR + 1.5% and 1 month LIBOR + 1.5%, but not less than 1.5% (regardless of the drawdown currency).

Collaterals, provided under the agreement continue to include:

- pledge of receivables on bank accounts;
- pledge of present and future receivables under trade contracts of TBSG AD with its subsidiaries;
- surety by TBS AD

On 21<sup>st</sup> February 2022 a loan agreement was signed between TBSG (lender) and TBS Romania (borrower), with a maximum amount of up to EUR 200 thousand, the possibility of multiple drawdown and repayment, an initial term of 12 months and an annual interest rate of 2.5%.

As of 24<sup>th</sup> February 2022, the structure of subsidiary TBS Croatia has been changed by the removal of its supervisory board as a governing body.



On 25<sup>th</sup> February 2022 agreements for provision of corporate and business development services have been signed between Telelink Business Services Group AD and the subsidiaries TBS EAD, Comutel, TBS Montenegro, Telelink Bosnia and Herzegovina, Telelink Slovenia, TBS Macedonia, Telelink Albania and TBS Croatia, for which a preliminary decision was taken by the MB of the Company on 23<sup>rd</sup> February 2022. On a meeting held on March 11 2022, the SB approved the Group's annual budget for 2022 and a policy for the motivation of stakeholders.

At a meeting of the MB, held on 4<sup>th</sup> March 2022, it was resolved a general meeting of shareholders to be convened for 11<sup>th</sup> April 2022, with agenda:

1. Authorization of the Company's MB to enter into transactions within the scope of Art. 114, para. 1, item 3 of the Public Offering of Securities Act /POSA/, namely contracts under which the Company will provide corporate and business development and management services to subsidiaries.
2. Authorization of the Company's MB to enter into transactions within the scope of Art. 114 para. 1(2) of POSA, namely to enable the Company to enter into transactions involving the incurrence of obligations of the Company to third parties in connection with the issuance of guarantees for the performance of obligations of the Company's subsidiaries.

On 16<sup>th</sup> March 2022 TBSG AD provided a corporate guarantee securing the obligations of Telelink Slovenia under Framework Loan Agreement No 5074/2022 with Unicredit Banka Slovenia d.d. for the amount of EUR 1,500,000, approved by the Company's MB on 15<sup>th</sup> March 2022.

As of 18<sup>th</sup> March 2022 the structure of subsidiary Comutel has been changed by the removal of its supervisory board as a governing body.

On 22<sup>nd</sup> March 2022 was signed a framework agreement for financing and guarantees with UniCredit Banka Slovenija d.d. with a limit of up to EUR 1 500 thousand, annual interest rate of 1.5% and a maximum term until 19<sup>th</sup> January 2023.

On 23<sup>rd</sup> March 2022, a loan agreement was signed between TBS EAD (lender) and TBSG AD (borrower) with a limit of up to BGN 1 000 thousand, subject to multiple drawdowns and repayments, for a term of 12 months, at an interest rate of 2.25%. As of the reporting date the utilized amount is BGN 250 thousand. The transaction was previously approved by a resolution of the general meeting of shareholders held on 14<sup>th</sup> September 2021.

On 29<sup>th</sup> March 2022 an annex to the loan agreement was signed between TBSG AD (lender) and TBS Croatia (borrower), whereby the limit was extended to EUR 500 thousand and the term – until 21<sup>st</sup> December 2022.

On 12<sup>th</sup> April 2022 the Company's MB approved the conclusion of contracts between Telelink Business Services EAD and Digitalna Ranitza DZZD and between Telelink Business Services EAD and SSTEEL DZZD.

On 12<sup>th</sup> April 2022 contracts were signed between Telelink Business Services Group AD and the subsidiaries TBS EAD, Comutel, TBS Montenegro, Telelink Bosnia and Herzegovina, Telelink Slovenia, TBS Macedonia, Telelink Albania, TBS Croatia and TBS Romania for the provision of services related to the corporate and business development of the respective subsidiaries, including but not limited to, product positioning services, business planning consulting, financial reporting and audit, legal consultancy, consultancy and PR services, that had been preliminary approved by the Company's General Meeting on 12<sup>th</sup> April 2022.

On 27<sup>th</sup> April 2022 the Company's MB approved the provision of a loan by Telelink Business Services EAD to Telelink Business Service, LLC (USA) with a maximum amount of up to USD 1 million and the option for



multiple drawdowns and repayments, for a term until 12<sup>th</sup> December 2022, at an annual interest rate of 2.5%. The agreement was signed on 28<sup>th</sup> April 2022.

At its meeting, held on 25<sup>th</sup> May 2022, the Managing Board took resolution for repurchase of 42 000 treasury shares at a minimum price of BGN 7.40 and a maximum price of BGN 20.00, with a starting date of 27<sup>th</sup> May 2022 and a closing date of 30<sup>th</sup> June 2023.

On 31<sup>st</sup> May 2022, Annex No 7 to the Overdraft Facility Commitment Agreement No 0018/730/10102019 dated 10<sup>th</sup> October 2019 was signed between UniCredit Bulbank AD and Telelink Business Services EAD as Borrower, Pledgor and Guarantor within the meaning of the Law on Financial Collateral Arrangements, under which, Telelink Business Services Group AD is Guarantor and Pledgor, extending the drawdown period until 31<sup>st</sup> May 2023. Pursuant to the Annex, a change in the amount of the sub-limits within the General Credit Limit of EUR 13 000 000 is established as follows:

- Overdraft up to EUR 3 000 000, with a drawdown period until 31<sup>st</sup> May 2023 and a repayment period until 31<sup>st</sup> July 2023;
- Revolving credit up to EUR 4 000 000, with a drawdown period up to 31<sup>st</sup> May 2023 and a repayment period up to 31<sup>st</sup> May 2023;
- Conditional bank loan up to EUR 13 000 000, drawdown period up to 30<sup>th</sup> June 2030r;
- Extension of the letters of credit until 15<sup>th</sup> May 2024.

On 31<sup>st</sup> May 2022 Annex No 4 to the Surety Agreement dated 10<sup>th</sup> October 2019 to the Overdraft Credit Commitment Agreement No 0018/730/10102019 dated 10.10.2019 between Telelink Business Services AD, as Borrower, and UniCredit Bulbank AD, under which Telelink Business Services Group AD is the Guarantor, was signed, extending the term until 31<sup>st</sup> May 2022.

On 28<sup>th</sup> June 2022 TELELINK BUSINESS SERVICES GROUP AD granted a corporate guarantee to secure the obligations of TELELINK BUSINESS SERVICES d.o.o. (Croatia) under Bank guarantees Framework agreement No 0200126236 dated 27<sup>th</sup> June 2022 with Zagrebska Banka d.d., in the amount of HRK 1 500 000 (Croatian kuna).

On August 19 2022, the MB approved the contract signed between TBS EAD and Consortium “SYSTEL” DZZD signed on August 30 2022, whereunder equipment to be delivered to the consortium exceeds the threshold of 5% of the value of the subsidiary’s assets as per the latest audited balance sheet as of December 12 2021, taking into account the participation of an interested party in the transaction.

On September 09 2022, an Annex was signed to the loan agreement between TBSG AD (lender) and TBS Croatia (borrower), whereby the limit was extended up to EUR 1 million, and the term – extended until December 31 2023.

Information on transactions with related parties during the reporting period 1<sup>st</sup> January 2022 - 30<sup>th</sup> September 2022

| Operating Activities (BGN thousand)          | Sales to related parties         | Purchases from related parties |
|--|----------------------------------|--------------------------------|
| Other related parties (under common control) | 539                              | 1,279                          |
| <b>Total</b>                                 | <b>539</b>                       | <b>1,279</b>                   |
| Operating Activities (BGN thousand)          | Receivables from related parties | Payables to related parties    |
| Other related parties (under common control) | 640                              | 31                             |
| <b>Total</b>                                 | <b>640</b>                       | <b>31</b>                      |



The interest of Group companies in consortia in terms of revenues, costs, assets and liabilities over the period under review are presented below.

| Operating Activities (BGN thousand)           | Sales       | Purchases |
|---|-------------|-----------|
| Participation in joint operations (consortia) | 16,241      | 1         |
| Operating Activities (BGN thousand)           | Receivables | Payables  |
| Participation in joint operations (consortia) | 6,588       | 200       |

#### 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 21.09.2022, the General Meeting of Shareholders of "Telelink Business Services Group" AD approved the annual financial statements of "Telelink Business Services Group" AD for 2022 to be audited by "Ernst & Young Audit" OOD, with headquarters and address Sofia, p.k. 1124, "Tsarigradsko shose" Blvd. No. 47A, Poligrafia office center, floor 4, entered in the register of auditing companies under number 108.

There is no change in the company's auditors compared to the previous year.

#### 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 had been initiated or terminated during the reporting period.

#### 1.7. Purchase, sale or pledge of shares in companies by the issuer or its subsidiary

On 24<sup>th</sup> January 2022 the subsidiary Telelink Business Services Germany GmbH with representative Silviya Marinova was entered in the German companies registry. Company's authorized capital amounts to EUR 25,000 and is fully contributed.

Except for the information, reported by the Company in p. 1.3., neither the issuer, nor its subsidiaries had established, acquired, or sold new companies during the reporting period.

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

29<sup>th</sup> November 2022

---

Ivan Zhitiyanov,  
TELELINK BUSINESS SERVICES GROUP AD