



## 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**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE THIRD QUARTER OF 2023**

# **TELELINK BUSINESS SERVICES GROUP AD**

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 Art. 14 of Ordinance № 2 of the Financial Supervision Commission (FSC) and represents Annex №4 to the abovementioned ordinance. It contains information about the Company's business for the reporting period from 1<sup>st</sup> January 2023 to 30<sup>th</sup> September 2023.

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 who exercise control over the Company**

As of September 30 2023, the Company's Supervisory Board (the SB) features three members, including:

- Hans van Houwelingen – Chairman of the SB (elected in this capacity on an SB meeting from September 18 2023 after being reelected as an independent member on an extraordinary GMS held on August 28 2023);
- Florian Huth – Vice-chairman of the SB (elected in this capacity on an SB meeting from September 18 2023 after being elected as a member on an extraordinary GMS held on August 28 2023);
- Lyubomir Mihaylov Minchev – member of the SB (elected in this capacity on an extraordinary GMS held on August 28 2023);
- William Anthony Bowater Russell – independent member of the SB (elected in this capacity on an extraordinary GMS held on August 28 2023);
- Boris Nemsic – independent member of the SB (reelected in this capacity on an extraordinary GMS held on August 28 2023).

### **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 GROUP AD and its subsidiaries have been initiated during the reporting period.

### **1.3. Entering into or completion of material transactions**

The following agreements have been concluded during the reporting period from 1<sup>st</sup> January 2023 to 30<sup>th</sup> September 2023:

On 13<sup>th</sup> January 2023 was signed annex to Overdraft Facility Commitment Agreement № 0018/730/10102019 dated 10<sup>th</sup> October 2019 was signed between UniCredit Bulbank AD (Creditor) and TBS EAD (Borrower), under which TBSG AD is Guarantor and Pledgor, by which

the interest rate index for overdraft in BGN was changed from the basic interest rate to the bank's average deposit index (ADI).

On 16<sup>th</sup> January 2023 an annex to the Credit Agreement between Comutel and Raiffeisen Bank a.d., Belgrade, Republic of Serbia was signed to update the interest rates and extend the term of use until 27<sup>th</sup> January 2024 and guarantee from TBS EAD to guarantee the due performance of Comutel's liabilities.

On 16<sup>th</sup> January 2023 TBSG AD approved the signing of an annex to the Bank Guarantee Agreement between Comutel and Raiffeisen Bank a.d., Belgrade for a period until 31<sup>st</sup> January 2024.

On 26<sup>th</sup> January 2023 annex to Framework Loan Agreement № 5074/2022 between Unicredit Bank Slovenia a.d. and Telelink Slovenia, with a limit of EUR 1 500 000 was signed, extending the term until 18<sup>th</sup> January 2024 and updating the annual interest rate to 1.6% + M EURIBOR. The corporate guarantee provided by TBSG AD remains in force to secure Telelink Slovenia's liabilities under this agreement.

On 20<sup>th</sup> February 2023 the Company's Managing Board adopted resolution, allowing CCL CEECAT Fund II SCSp to perform a business, financial and legal due diligence in accordance with the applicable Bulgarian and European legislation, regulations, European Securities and Markets Authority (ESMA) guidelines in respect to the interest shown for the purchase of shares of Telelink Business Services Group AD, which had been disclosed to the Financial Supervision Commission, the Bulgarian Stock Exchange and to the public.

On 23<sup>rd</sup> February 2023 an Annex to the agreement between TBS Croatia /UIC081341811/ and Zagrebska banka dated 27<sup>th</sup> June 2022 for the issuance of bank guarantees was signed, which extended the validity of the agreement until 29<sup>th</sup> February 2024.

On 1<sup>st</sup> March 2023 the Managing Board has taken resolution for the preliminary approval of an agreement between TBS EAD and Consortium TELECOM DZPD in connection with the execution of a contract with the Ministry of Interior with scope: Development of a National Intelligent Security System by Upgrading the Integrated Automated Security System, under which equipment will be supplied to the Consortium at a value exceeding the aggregate value of 5 per cent of the value of the subsidiary's assets as reflected in the latest audited balance sheet as at 31 December 2021, given the participation of an interested party in the transaction.

On 1<sup>st</sup> March 2023 the Company has provided a corporate guarantee in the amount of EUR 245,500 to secure the liabilities of TBS Croatia related to a pending overdraft agreement with Zagrebska banka d.d.

On 1<sup>st</sup> March 2023 a framework overdraft agreement was signed between TBS Croatia and Zagrebska banka d.d. with a validity period of 12 months, maximum amount of EUR 245,500 and annual interest rate of 3M EURIBOR plus 0.39%.

On 6<sup>th</sup> March 2023 agreement was signed between TBS EAD and Consortium TELESEK DZPD in connection with the implementation of a contract with the Ministry of Interior with scope: Development of a National Intelligent Security System by Upgrading the Integrated Automated Security System, under which equipment and services to the amount of BGN 19,163 thousand will be provided to the Consortium.

On 5<sup>th</sup> April 2023 an Annex to the overdraft agreement between the Company and Raiffeisenbank (Bulgaria) EAD (currently UBB AD), previously approved by the Managing Board with resolution as of 31<sup>st</sup> March 2023, was signed, extending the terms as follows:

- Overdraft with repayment period until 28<sup>th</sup> February 2027;
- Conditional bank loan, securing the issue of guarantees, with a drawdown period until 28.01.2027.

On 7<sup>th</sup> April 2023 the Company provided a corporate guarantee amounting to EUR 900 thousand, securing TBS Croatia's liabilities under the agreement with Zagrebska banka dated 27<sup>th</sup> June 2022 for the issuance of bank guarantees.

On 7<sup>th</sup> April 2023 an Annex to the agreement between TBS Hrvatska and Zagrebska banka of 27<sup>th</sup> June 2022 for the issuance of bank guarantees has been signed, increasing the limit from HRK 1,500,000 (EUR 199 thousand) to EUR 900 thousand.

On 17<sup>th</sup> May 2023 TBSG AD published an invitation to convene an Ordinary General Meeting of the shareholders to be held on 21.06.2023. The invitation and all materials attached thereto are available on the Company's website at: <https://www.tbs.tech/general-meetings-of-shareholders/>.

On 31<sup>st</sup> May 2023 Annex № 9 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 Financial Collateral Arrangements Act, under which Telelink Business Services Group AD is Guarantor and Pledgor, extending the drawdown period until 30<sup>th</sup> June 2023.

On 20 June 2023 the Managing board approved the annual financial statements and the activity report of TBS EAD for 2022 and has resolved upon the distribution of a dividend from the subsidiary's profit for 2022 in the amount of BGN 2 933 745.00.

On 30 June 2023 the Managing board of TBSG approved the annual financial statements for 2022 of Comutel, Telelink Bosnia, TBS Montenegro, Telelink Slovenia, Telelink Albania, TBS Macedonia, TBS Croatia, TBS Romania, TBS Germany, and TBS USA and it has been resolved a distribution of dividends to TBSG totalling EUR 100,000.00, including EUR 70,000.00 from Comutel, and EUR 30,000.00 from Telelink Slovenia.

On 30 June 2023 Annex № 10 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 Financial Collateral Arrangements Act, under which Telelink Business Services Group AD is Guarantor and Pledgor, extending the drawdown period until 31<sup>st</sup> May 2024. Pursuant to the

Annex, a change in the amount of the sub-limits within the General Credit Limit of EUR 15 000 000 is established as follows:

- Overdraft up to EUR 4 000 000, with a drawdown period until 31<sup>st</sup> May 2024 and a repayment period until 31<sup>st</sup> July 2024;
- Revolving credit up to EUR 5 000 000 with a drawdown period until 31<sup>st</sup> May 2024 and a repayment period until 31<sup>st</sup> May 2024;
- Conditional bank loan up to EUR 15 000 000 with a drawdown period no later than 30<sup>th</sup> June 2031;
- Extension of the letters of credit until 15<sup>th</sup> May 2025.

On 30 June 2023 Annex № 6 to the Guarantee Agreement dated 10 October 2019 to the Overdraft Facility Commitment Agreement № 0018/730/10102019 dated 10 October 2019 signed between Telelink Business Services EAD, as Borrower, and UniCredit Bulbank AD with Telelink Business Services Group AD as Guarantor, extending the term until 31<sup>st</sup> May 2024 and updating the limit to the amount of EUR 15 000 000.

On 30 June 2023, pursuant to the TBSG AD 2020 employees long-term incentive plan (2020 Plan) the Managing Board conducted a performance assessment and determined the total number of shares in the Company's share capital to be transferred to the eligible employees. According to the 2020 Plan, the maximum total incentive amount is 42,400 shares and, based on meeting the established criteria, a net 20,343 shares will be granted to the employees, eligible according to the Plan.

On July 05 2023, a Cash loan agreement was signed between the Company (lender) and TBS EAD (UIN 130545438) (borrower) with a limit of BGN 3,000 thousand subject to revolving utilization and repayment, a tenor of December 31 2023 and an interest rate of 4% p.a. over the utilized part of the loan.

On July 10 2023, a Cash loan agreement was signed between the Company (lender) and TBS Germany (UIN 299685098) (borrower) with a limit of EUR 500 thousand subject to revolving utilization and repayment, a tenor of December 31 2023 and an interest rate of 4% p.a. Effective from July 07 2023, Teodor Dobrev was replaced as an authorized representative of TBS USA by Helge Brummer.

On July 28 2023, in compliance with a Long-term Incentive Plan based on Company shares for the period of 2020-2022, 20,343 shares were transferred effectively to Group employees.

On August 10 2023, the trade register of the Federal Republic of Germany entered an increase in the registered capital of TBS Germany from EUR 25 thousand to EUR 100 thousand.

On August 24 2023, the Company (lender) and TBS Germany (borrower) signed a Cash loan agreement for a maximum amount of EUR 290 thousand, subject to one-time utilization for the purpose of purchasing equipment to be provided to clients under contracts for managed services, with a tenor of 5 years from the date of drawdown and an interest rate of 4% p.a., subject to change in case of significant variance in EURIBOR.

An Extraordinary GMS was held on August 28 2023. Information on the adopted resolutions and all materials are available on <http://www.x3news.com/> and on the Company's web page at: <https://www.tbs.tech/general-meetings-of-shareholders/>.

On September 18 2023, the SB adopted a resolution to convene an extraordinary General Meeting of Shareholders to be held on November 21 2023. Information on the agenda and all materials are available on <http://www.x3news.com/> and the Company's web page at: <https://www.tbs.tech/general-meetings-of-shareholders/>.

On September 30 2023, the MB resolved to distribute a dividend of BGN 2,933,745 out of the retained earnings of TBS EAD for 2022.

Information on transactions with related parties during the reporting period 1<sup>st</sup> January 2023 – 30<sup>th</sup> September 2023.

Operating Activities (BGN thousand)	Sales to related parties	Purchases from related parties
Other related parties (under common control)	465	1,704
<b>Total</b>	<b>465</b>	<b>1,704</b>

  

Operating Activities (BGN thousand)	Receivables from related parties	Payables to related parties
Other related parties (under common control)	3,872	1,098
<b>Total</b>	<b>3,872</b>	<b>1,098</b>

#### Joint operations

The interest of Group companies in joint operations is determined by the consortium agreements whereby such companies and other parties agree to unite their efforts on the basis of mutual cooperation in the form of a consortium for the purposes of implementing specific projects, with none of the parties exercising control.

The consortia interests of Group companies in terms of revenues, costs, assets and liabilities over the reporting period are presented in the table below.

Operating Activities (BGN thousand)	Sales	Purchases
Participation in joint operations (consortia)	6,910	0

  

Operating Activities (BGN thousand)	Receivables	Payables
Participation in joint operations (consortia)	3,454	0

#### 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 28 August 2023 the General Meeting of the Shareholders of Telelink Business Services Group AD approved the annual financial statements of TBSG AD for 2023 to be audited by

Ernst and Young Audit OOD, having its seat and registered address in the 47A Tsarigradsko Shose Blvd., Polygraphia Office Centre, 4th floor, 1124 Sofia, entered in the register of audit companies with number 108. There is no change of the auditors of the company compared to the preceding 2022.

**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 established pledge on shareholdings in business companies by the Issuer or its subsidiary**

On 06.07.2023, a share pledge agreement was signed between Unicredit Bulbank AD and Telelink Business Services Group AD, in connection with the pledged shares of Telelink Business Services EAD to secure a credit line, according to Annex No. 10 to the Agreement for the Undertaking of Credit commitments under overdraft credit No. 0018/730/10102019 dated 10.10.2019. between Unicredit Bulbank AD and Telelink Business Services EAD in the amount of EUR 15,000,000.

During the period 1<sup>st</sup> January 2023 – 30<sup>th</sup> September 2023 there were no incorporations, acquisitions and sales of new companies, neither by the Issuer, nor by the subsidiaries.

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

29 November 2023

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Ivan Zhitiyanov,  
TELELINK BUSINESS SERVICES GROUP AD