



31st December 2023

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 (Ordinance No 2)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE FOURTH 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 and 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 1st January 2023 to 31st December 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
- Desislava Torozova - member of the Managing Board

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

The number of members of the Supervisory Board has been increased from 3 to 5 by a resolution of the General meeting of the shareholders /GM/, held on 28.08.2023. Ivo Eugeniev resigned from the Supervisory Board.

Re-elected as an independent member:

- Hans van Houwelingen
- Boris Nemsic

Three new members have been elected:

- William Anthony Bowater Russell
- Lyubomir Mihaylov Minchev
- Florian Huth

The tenure of all elected members of the Supervisory Board is 4 years, effective from 28th August 2023.

By a resolution of the GM held on 21st November 2023 the composition of the Supervisory Board was changed and Lyubomir Mihaylov Minchev and Boris Nemsic were discharged.

Elected members:

- Wolfgang Werner Friedrich Ebermann
- Ivo Eugeniev Eugeniev

During the period from 1st January 2023 to 31st December 2023 there had been no other changes in the persons exercising control over TELELINK BUSINESS SERVICES GROUP AD.

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 1st January 2023 to 31st December 2023:

On 13th January 2023 Annex to Overdraft Facility Commitment Agreement № 0018/730/10102019 dated 10th October 2019 between UniCredit Bulbank AD (Creditor) and TBS EAD (Borrower), under which TBSG AD is Guarantor and Pledgor was signed, 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 16th 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 27th January 2024 and the guarantee from TBS EAD to guarantee the due performance of Comutel's liabilities.

On 16th 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 31st January 2024.

On 26th January 2023 an 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 18th January 2024 and updating the annual interest rate to 1.6% + 3M EURIBOR. The corporate guarantee provided by TBSG AD remains in force to secure Telelink Slovenia's liabilities under this agreement.

On 20th 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 23rd February 2023 an Annex to the agreement between TBS Croatia /UIC081341811/ and Zagrebska banka dated 27th June 2022 for the issuance of bank guarantees was signed, which extended the validity of the agreement until 29th February 2024.

On 1st March 2023 the Managing Board took resolution for the preliminary approval of an agreement between TBS EAD and Consortium TELEC DZPD in respect to 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 31st December 2021, given the participation of an interested party in the transaction.

On 1st March 2023 the Company 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 1st 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 6th March 2023 an 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 5th 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 31st March 2023 was signed, extending the terms as follows:

- Overdraft with repayment period until 28th February 2027;
- Conditional bank loan, securing the issue of guarantees, with a drawdown period until 28th January 2027.

On 7th 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 27th June 2022 for the issuance of bank guarantees.

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

On 17th May 2023 TBSG AD published an invitation to convene an Ordinary General Meeting of the shareholders to be held on 21st June 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 31st May 2023 Annex № 9 to the Overdraft Facility Commitment Agreement № 0018/730/10102019 dated 10th October 2019 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 was signed, extending the drawdown period until 30th June 2023.

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

On 30th 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 30th June 2023 Annex № 10 to the Overdraft Facility Commitment Agreement № 0018/730/10102019 dated 10th October 2019 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 was signed, extending the drawdown period until 31st 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 was established as follows:

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

On 30th 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 between Telelink Business Services EAD, as Borrower, and UniCredit Bulbank AD with Telelink Business Services Group AD as Guarantor was signed, extending the term until 31st May 2024 and updating the limit to the amount of EUR 15 000 000.

On 30th June 2023 in implementation of 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 are to be granted to the employees, eligible according to the Plan.

On 5th July 2023 a Revolving loan agreement was signed between the Company (lender) and TBS EAD (UIN 130545438) (borrower) with a limit of BGN 3,000 thousand, repayment period 31st December 2023 and an interest rate of 4% p.a. over the utilized part of the loan.

On 10th July 2023, a Revolving 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, repayment period 31st December 2023 and an interest rate of 4% p.a.

On 28th July 2023 in implementation of the Long-term Incentive Plan based on Company shares for the period of 2020-2022, 20,343 shares were granted to employees of the Group.

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

On 24th August 2023 the Company (lender) and TBS Germany (borrower) signed a Single drawdown loan agreement for a maximum amount of EUR 290 thousand for the purpose of purchasing equipment to be provided to clients under contracts for managed services, with a repayment period 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.

On 30th September 2023 the Managing board resolved to distribute a dividend of BGN 2,933,745.00 from the retained earnings of TBS EAD for 2022.

On 18th October 2023 the Managing Board adopted a resolution for the preliminary approval of a contract between TBS EAD and the SYSTEL Consortium DZPD in relation to the implementation of the contract, awarded by the Electronic Governance Infrastructure Executive Agency with scope: Extended out-of-warranty service support of the State Hybrid Private Cloud (SHPC) and secure Internet node for e-Government public services, Lot No. 1: Extended out-of-warranty support of the technical means in the SHPC, pursuant to which equipment will be supplied to the Consortium at a value exceeding the threshold of 5 per cent of the value of the subsidiary's assets as reported in the last audited balance sheet as at 31st December 2022 given the participation of an interested party in the transaction. The contract between TBS EAD and Consortium SYSTEL DZPD was signed on 10th November 2023.

On 25th October 2023 the Company provided a counter-guarantee in the amount of EUR 664,163.28, securing the obligations of TBS EAD to NCI AGENCY (NATO) in relation to contract for the supply of equipment and services, valid until 15th November 2025.

On 15th November 2023 the Company provided a corporate guarantee in the amount of EUR 20,488 securing TBS Romania's obligations to MB Distribution S.R.L in relation to the supply of equipment.

On 17th November 2023 the Company provided a corporate guarantee in the amount of EUR 152,700 securing TBS Romania's obligations to INGRAM MICRO DISTRIBUTION S.R.L. in relation to a contract for the supply of equipment and software licences.

On 20th November 2023 the Company provided a corporate guarantee in the amount of USD 3 million, securing Comutel's obligations to Comtrade Distribution d.o.o. Beograd in relation to a contract for the supply of equipment and software licences, valid until 31st December 2024.

On 25th November 2023 the Company has provided a bank guarantee in the amount of EUR 300,000 securing the obligations of TBS Macedonia in relation to overdraft and bank guarantee agreement with ProCredit North Macedonia, valid until 31st May 2025.

On 30th November 2023 the Supervisory Board of TBSG AD adopted the following resolutions:

- Wolfgang Ebermann is elected President of the Supervisory Board;

- Approval of the Resolution of the Managing Board of the Company dated 30th November 2023 for signing an Annex for increase of the maximum limit for bank guarantees and the maximum credit limit under Overdraft Facility Commitment Agreement № 0018/730/10102019 dated 10th October 2019 and an Annex to Share pledge agreement № 04 / 6th July 2023, reflecting the increase of the maximum credit limit and the sub-limit for bank guarantees;
- In implementation of the Company's 2020 Share-Based Compensation Scheme for the members of the Managing Board, approved by the General Meeting of Shareholders on 10th September 2020, the Supervisory Board has assessed the performance and determined the number of shares to be allocated to each member of the Managing Board. Pursuant to the 2020 Scheme the maximum total gross compensation amounts to 17,500 shares, and as a result of the fulfilment of the set criteria, resolved the members of the Managing Board to be granted gross:
 - Ivan Zhitiyanov – 4251 shares;
 - Teodor Dobrev – 1701 shares;
 - Nikoleta Stanailova – 1701 shares;
 - Goyko Martinovich – 1701 shares;
 - Paun Ivanov – 248 shares.

On 30th November 2023 Annex № 12 to the Overdraft Facility Commitment Agreement № 0018/730/10102019 dated 10th October 2019 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 was signed for increase of the total credit limit by EUR 3,000,000 to EUR 18,000,000, whereas all other terms and conditions of the Agreement remain valid and unaffected.

On 30th November 2023 Annex № 7 the Guarantee Agreement dated 10th October 2019 to the Overdraft Facility Commitment Agreement № 0018/730/10102019 dated 10th October 2019 between Telelink Business Services EAD, as Borrower and UniCredit Bulbank AD, with Telelink Business Services EAD as Guarantor was signed with regard to the increase of the limit to EUR 18 000 000.

On 30th November 2023 Annex № 1 to the Share pledge agreement between UniCredit Bulbank AD and Telelink Business Services Group EAD was signed with regard to the pledged shares of Telelink Business Services EAD to secure a credit line, agreed in Annex № 12 to the Overdraft Facility Commitment Agreement № 0018/730/10102019 dated 10th October 2019 between UniCredit Bulbank AD and Telelink Business Services EAD in the amount of EUR 18 000 000 EUR 18 000 000.

On 4th December 2023 the Company provided a corporate guarantee in the amount of EUR 1 million, securing the obligations of TBS Croatia to INGRAM MICRO d.o.o. Zagreb with regard to the contract for the supply of equipment and software licences, valid until 30th April 2024.

On 11th December 2023 an Annex to the overdraft and bank guarantees agreement with ProCredit North Macedonia was signed with a limit up to EUR 300,000 and valid until 31st May 2025.

On 14th December 2023 a Revolving Credit Agreement № 23F-10092889-95625 was signed between TBS EAD and United Bulgarian Bank AD with a credit limit of EUR 4,000,000, drawdown and repayment period until 29th November 2025, 30th November 2025 and 30th November 2025, respectively, and the possibility of drawdown in BGN and EUR at the applicable interest rates of the crediting Bank's Short Term Interest Rate ("CTR") + 1.7%, but not less than 1.7%, and 1m. EURIBOR + 1.5%, but not less than 1.5%, secured by a first ranking special pledge on all current and future receivables of TBS EAD approved for financing by the Bank (including but not limited to the receivables, arising under the contract between TBS EAD and the Public Prosecutor's Office of the Republic of Bulgaria for the performance of public procurement № 50 / 8th June 2023, Lot 2 with scope: Supply and installation of software packages and hardware devices for defining the backbone network, network equipment for access to the data sets, firewalls for Internet traffic and border layer, e-mail and for the local area network, management and control system for electronic identity and access to information), as well as a pledge and a financial collateral agreement under the Financial Collateral Act on all TBS EAD accounts receivable with the Bank.

On 18th December 2023 the Company provided a corporate guarantee in the amount of EUR 600,000 securing the obligations of TBS Croatia under an overdraft agreement with Zagrebačka banka d.d. dated 18th December 2023.

On 18th December 2023 an overdraft agreement was signed between TBS Croatia and Zagrebačka banka d.d. with a validity period until 31st July 2024, maximum amount of EUR 600,000 and an annual interest rate of 3-month EURIBOR plus 1.5%.

On 28^h December a change in the composition of the Managing Board of TBSG AD was registered in the Commercial Register in accordance with the decision of the Supervisory Board dated 15th December 2023, by which Goiko Martinović was discharged and Desislava Torozova was elected.

On 29th December 2023 an Annex to Revolving loan agreement between TBSG EAD (lender) and TBS Croatia (borrower) as of 21st September 2021 with a maximum amount of up to EUR 2 000 000 was signed for extension of the period to 31st December 2024 and change of the annual interest rate to 5.00% p.a. as of 1st January 2024.

On 29th December 2023 an Annex to Revolving loan agreement between TBSG EAD (lender) and TBS Romania (borrower) as of 21st February 2022 with a maximum amount of up to EUR 1 000 000 was signed for extension of the period to 31st December 2024 and change of the annual interest rate to 5.00% p.a. as of 1st January 2024.

On 29th December 2023 an Annex to Revolving loan agreement between TBSG EAD (lender) and TBS Bulgaria (borrower) as of 5th July 2023 with a maximum amount of up to BGN 3 000 000 was signed for extension of the period to 31st December 2024 and an annual interest rate of 4.00%.

On 29th December 2023 an Annex to Revolving loan agreement between TBSG EAD (lender) and TBS Germany (borrower) as of 10th July 2023 with a maximum amount of up to EUR 500 000 was signed for extension of the period to 31st December 2024 and change of the annual interest rate to 5.00% p.a. as of 1st January 2024.

On 29th December 2023 an Annex to Loan agreement between TBSG EAD (lender) and TBS Germany (borrower) as of 24th August 2023 with a maximum amount of up to EUR 290 000 and period to 25th August 2028 was signed for change of the annual interest rate to 5.00% p.a. as of 1st January 2024.

On 29th December 2023 an Annex to Revolving loan agreement between TBSG EAD (lender) and Telelink Bosnia (borrower) with a maximum amount of up to EUR 500,000, repayment period up to 31st December 2024, and an annual interest rate of 5.00% was signed.

On 29th December 2023 an Annex to Revolving loan agreement between TBS EAD (lender) and Telelink Albania (borrower) with a maximum amount of up to EUR 500,000, repayment period up to 31st December 2024, and an annual interest rate of 5.00% was signed.

On 29th December 2023 an Annex to Revolving loan agreement between TBS EAD (lender) and TBS Macedonia (borrower) with a maximum amount of up to EUR 1 000,000, repayment period up to 31st December 2024, and an annual interest rate of 5.00% was signed.

On 29th December 2023 an Annex to Revolving loan agreement between TBS EAD (lender) and TBS USA (borrower) with a maximum amount of up to USD 2 000,000, repayment period up to 31st December 2024, and an annual interest rate of 5.00% was signed.

Information on transactions with related parties during the reporting period 1st January 2023 – 31st December 2023.

Operating Activities (BGN thousand)	Sales to related parties	Purchases from related parties
Other related parties (under common control)	2,503	1,804
Total	2,503	1,804
Operating Activities (BGN thousand)	Receivables from related parties	Payables to related parties
Other related parties (under common control)	7,924	46
Total	7,924	46
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 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)	12,847	3
Operating Activities (BGN thousand)	Receivables	Payables
Participation in joint operations (consortia)	2,873	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 28th 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 companies by the issuer or its subsidiary

On 6th July 2023 a Share pledge agreement was signed between Unicredit Bulbank AD and Telelink Business Services Group AD in respect to the pledged shares of Telelink Business Services EAD to secure a credit line according to Annex № 10 to the Agreement for the Undertaking of Credit commitments under overdraft credit № 0018/730/10102019 dated 10th October 2019 between Unicredit Bulbank AD and Telelink Business Services EAD in the amount of EUR 15 000 000.

On 30th November 2023 an Annex to Share pledge agreement was signed between Unicredit Bulbank AD and Telelink Business Services Group AD in respect to the pledged shares of Telelink Business Services EAD to secure a credit line according to Annex № 12 to the Agreement for the Undertaking of Credit commitments under overdraft credit № 0018/730/10102019 dated 10th October 2019 by and between Unicredit Bulbank AD and Telelink Business Services EAD in the amount of EUR 18 000 000.

During the period 1st January 2023 – 31st December 2023 no incorporations, acquisitions and sales of new companies had been realized, neither by the issuer, nor by the subsidiaries.

The issuer has no other pledged interests in subsidiaries during the reporting period.

29th February 2024

Ivan Zhitiyanov,
TELELINK BUSINESS SERVICES GROUP AD