

# EXPLANATORY NOTES

BY “TELELINK BUSINESS SERVICES GROUP” AD

**as of the end of the FOURTH QUARTER OF 2025 as per art. 100o<sup>1</sup>, par. 2, with regard to art. 100o<sup>1</sup>, par. 4, p. 2 and par. 5 of the POSA and art.15, with regard to art. 14 of Ordinance 2 from November 09 2021 regarding the initial and subsequent disclosure of information upon the public offering of securities and the admission of securities to trading on a regulated market (Ordinance 2)**

## I GENERAL INFORMATION ABOUT THE COMPANY AND THE GROUP

### I.1 Business profile

Telelink Business Services Group AD (TBS Group, the Company, the Issuer) was established on 31.07.2019 with the purpose of consolidation, foundation and management of investments in subsidiaries operating in the field of information and communication technologies (ICT), together with which it constitutes the economic “Group TBS” (the Group).

The main activity of the Company comprises the provision of administrative and financial services and services relative to the management and support of the business development, marketing and sales of Group subsidiaries. The Company itself does not carry out direct commercial activities in the field of ICT or other areas addressing end customers outside the Group.

The main activity of the Group consists of the operating activities of the subsidiaries making part thereof and comprises the sale of products and services and the implementation of complex solutions in the field of ICT, including, but not limited to:

- delivery, warranty and post-warranty support of equipment and software produced by third-party technology suppliers, and applications and services developed at the client’s request;
- system integration covering system design, configuration, installation, setup and commissioning of the supplied equipment, software or integrated ICT systems, combining functionally two or more product types;
- consultancy services comprising the analysis of the situation, requirements, transformation and future development of the client’s ICT systems, processes and infrastructures;
- managed services whereby the client transfers the management and responsibility for a certain ICT function or group of functions to the Group, and the latter undertakes to maintain them on a certain level.

A part of delivered managed services include the provision of equipment and software as a service presenting the client with a flexible alternative to their own investments in such assets.

The products and services offered by the Group cover a broad range of technologies organized in 5 product categories for public reporting purposes in 2025:

- IT Infrastructure;
- Cybersecurity;
- Software Development, Data and AI;
- Internet of Things;
- End User Hardware and Software, Public Cloud and Other.

*The correspondence of the above product categories with the technology groups applied in the Group’s reporting in 2024 (IT Infrastructure, Digital Transformation, Cybersecurity, End User Hardware and Software, Internet of Things and Other) is shown in section V.1.1.1 of this Notification.*

### I.2 Share capital and ownership structure

The Company has a registered capital in the amount of BGN 12,500 thousand divided in 12,500,000 common shares with a nominal value of BGN 1.00 each.

As of 31.12.2025, the persons holding over 5% of the Company's capital were Lubomir Minchev with a stake of 6,263,624 shares or 50.11%, SEET INVESTMENT HOLDINGS SARL (Luxembourg) with a stake of 2,872,380 shares or 22.98% and Utilico Emerging Markets Trust PLC (UK) with a stake of 1,733,837 shares or 13.87%.

Pursuant to share buybacks and transfers related to incentive programs for the employees and the MB and other purposes (including 6 shares available as of 31.12.2024 and a total of 200,000 shares purchased in March 2025 in accordance with the resolution adopted by an EGMS on 13.02.2025), as of 31.12.2025, the Company held 200,006 own shares representing 1.60% of its registered capital.

### I.3 Governance

The Company has a two-tier board system.

As of 31.12.2025, The Company's Managing Board (the MB) featured five members, including:

- Ivan Zhitianov – Chairman of the MB and Executive Director;
- Teodor Dobrev – member of the MB;
- Orlin Rusev – member of the MB;
- Iordanka Klenovska – member of the MB;
- Desislava Torozova – member of the MB.

As of 31.12.2025, the Company's Supervisory Board (the SB) featured five members, including:

- Lyubomir Minchev – Chairman of the SB (elected in this capacity by resolution of the SB from 22.07.2025 after being elected member of the SB in place of Wolfgang Ebberman by resolution of the General Meeting of Shareholders ("GMS") from 18.06.2025);
- Florian Huth – Vice-chairman of the SB;
- Hans van Houwelingen – independent member of the SB;
- William Anthony Bowater Russell – independent member of the SB;
- Rosen Pkvnliev – member of the SB (elected in place of Ivo Evgeniev by resolution of the Extraordinary GMS ("EGMS") from 17.09.2025).

### I.4 Public Information

In accordance with the requirements of art. 27 and the subsequent provisions of Ordinance 2 of the FSC, with regard to art. 100t, par. 3 of the POSA, the Company discloses regulated information to the public through a selected media service. All of the information provided to that media, is available in full and unedited form on <http://www.x3news.com/>. The required information is presented to the FSC through the unified system <https://eis.fsc.bg/> for the electronic presentation of information, developed and maintained by the FSC.

The above information is also available on the Company's investor web page <https://www.tbs.tech/investors/>.

Telelink Business Services Group AD has fulfilled its obligation as per art. 89o of the POSA, pursuant to which it has obtained a legal entity identification (LEI) code 894500RSIIIEY6BQP9U56.

The Company's issued shares have been registered with an ISIN code: BG1100017190 and, as of the date of this Notification, are being traded on the Standard Equities Segment of the BSE under the ticker of TBS.

The Company's Investor Relations Director is Ivan Daskalov, with the following contact details: telephone number +359 2 9882413, e-mail address [ir-tbs@tbs.tech](mailto:ir-tbs@tbs.tech).

## II INVESTMENT PORTFOLIO

Subsidiary	Country of incorporation and management	Capital share held by TBS Group
<i>(direct)</i>		
Telelink Business Services EAD	Bulgaria	100%
Comutel DOO	Serbia	100%
Telelink DOO	Bosnia and Herzegovina	100%
Telelink DOO	Slovenia	100%
Telelink Business Services DOO*	Croatia	100%
Telelink Business Services DOOEL	Macedonia	100%
Telelink Business Services SRL	Romania	100%
Telelink Business Services Germany GmbH	Germany	100%
Telelink Business Services, LLC	USA	100%
<i>(indirect)</i>		<i>(through TBS EAD)</i>
Telelink BS Staffing EOOD	Bulgaria	100%
Green Border OOD	Bulgaria	50%

\* Renamed from Sedam IT DOO on 09.06.2025 after the merger of Telelink Business Services DOO (Croatia) on 30.04.2025.

As of 31.12.2025, the Company held shares in 9 subsidiaries, including:

- Telelink Business Services EAD (Bulgaria) (“TBS EAD”), Comutel DOO (Serbia) (“Comutel”), Telelink DOO (Bosnia and Herzegovina) (“Telelink Bosnia”) and Telelink DOO (Slovenia) (“Telelink Slovenia”), the shares in which were transferred into Company pursuant to a reorganization by means of spinoff of the Business Services activities of Telelink Bulgaria AD in August 2019;
- Telelink Business Services DOOEL (North Macedonia) (“TBS Macedonia”), established by the Company in September 2019;
- Telelink Business Services, LLC (USA) (“TBS USA”), established by the Company in January 2021;
- Telelink Business Services SRL (Romania) (“TBS Romania”), established by the Company in November 2021;
- Telelink Business Services Germany GmbH (Germany) (“TBS Germany”), established by the Company in January 2022;
- Telelink Business Services DOO (Croatia) (UIN 080271844) (“TBS Croatia”, “7IT”) (renamed from Sedam IT DOO), acquired by the Company by means of a share purchase in March 2024.

As of 31.12.2025, the Company was the sole owner of all of the above subsidiaries, all of which are governed in their respective countries of incorporation and conduct active commercial operations.

Beside the above direct shareholdings, the Company has held indirect interests in two more companies controlled by TBS EAD, Telelink BS Staffing EOOD and Green Border OOD. As of 31.12.2025, Telelink BS Staffing EOOD, which had been established with a view to potential cooperation with a leading financial advisory firm, has not conducted active commercial operations, while joint venture Green Border OOD has exhausted its purpose with the completion of the project it was established for and has been approved for voluntary liquidation by the GMS of TBSG AD due to the expiry of the term for which it was established.

## III IMPORTANT EVENTS DURING THE REPORTING PERIOD

In accordance with a respective invitation published on 03.01.2025, an Extraordinary GMS of the Company was held on 13.02.2025. The invitation to the meeting and all relevant materials have been published on <http://www.x3news.com/> and on the Company’s web page at <https://www.tbs.tech/general-meetings-of->

[shareholders/](https://www.tbs.tech/wp-content/uploads/2025/02/TBSG-protokol-%D0%95GMS-13022025_signed_all.pdf). The minutes including the resolutions adopted by the assembly are available at [https://www.tbs.tech/wp-content/uploads/2025/02/TBSG-protokol-%D0%95GMS-13022025\\_signed\\_all.pdf](https://www.tbs.tech/wp-content/uploads/2025/02/TBSG-protokol-%D0%95GMS-13022025_signed_all.pdf).

In accordance with the approval of the SB from 10.12.2024, on 31.01.2025, the MB approved the signing of Annex No3 to Overdraft Agreement No. 7138833-51457 from 15.02.2022 among TBSG AD (borrower), United Bulgarian Bank AD (lender) and TBS EAD (guarantor), whereby the annual interest rate applicable to drawdowns in leva was changed to SIR + 1.95% but no less than 1.95%, and the agreement's term – extended until 28.02.2029. The resolution of the Board of Directors of TBS EAD for the latter to sign the Annex as guarantor was adopted on the same date. The Annex was signed on 11.02.2025.

On 27.02.2025, the MB approved the proposal of the Board of Directors of TBS EAD to distribute a dividend to its sole owner (TBSG AD) in the amount of BGN 3,527,683.71, equivalent to EUR 1,803,676, from the profit of TBS EAD for 2022.

In accordance with the resolution of the EGMS held on 13.12.2025, on 05.03.2025, the MB resolved upon initiating a procedure for the buyback of up to 200,000 own shares or 1.6% of the Company's registered capital. The respective buy order was placed with investment intermediary Elana Trading AD.

As of 11.03.2025, the Company had acquired the maximum number of shares authorized by the GMS, i.e. 200,000 shares, at a price of up to BGN 11.50 per share, pursuant to which the number of own shares held by the Company reached 200,006 or 1.6% of its registered capital.

On 18.03.2025, the SB approved the MB's proposal for the Company to initiate a process of reorganization by merger of Telelink Business Services DOO (Croatia) (UIN 081341811) (Merging company) into Sedam IT (Acquiring company). The Reorganization agreement was approved by the Company on 21.03.2025. The merger is being implemented without increasing the registered capital of the Acquiring company.

On 30.04.2025, the SB approved the audited annual consolidated financial statements and annual management reports of the Company for 2024 certified by Deloitte Audit OOD.

On 30.04.2025, the SB approved the MS's proposal for entering into a transaction for the acquisition of 70% of the shares in the capital of Actual I.T., information technologies, d.d. (Slovenia) ("Actual IT"), a company specialized in IT infrastructure services, the integration of ERP solutions and the development and implementation of sector-specific business solutions, from DBA d.o.o. (Slovenia) and DBA Group S.p.A. (Italy) ("DBA") under the following main parameters and terms:

- total purchase price equal to 70% of the difference between a predetermined Enterprise Value ("EV") of EUR 22,500,000 and Net Debt derived as Indebtedness minus Cash plus Working Capital Adjustment as of the date of closing;
- signing of a Shareholders Agreement regulating the terms of management of the Target Company, appointment of Board of Directors members, the veto rights of the minority shareholder, deadlock procedure, as well as reciprocal rights for the acquisition and disposal of the remaining 30% equity stake, including call and put options exercisable by either party following the third year after closing;
- funding the purchase price with a combination of at least 30% of own Company funds and up to 70% of investment bank loan, the terms and conditions of which shall be subject to separate approval by the SB;
- authorizing the executive director of the Company to take all legal and factual actions necessary for the signing and closing of the deal.

In accordance with the Reorganization Agreement approved by the Company on 21.03.2025, on 01.05.2025, the Commercial Court of Zagreb, R. Croatia published Resolution No. Tt-25/37538-2 from 30.04.2025 entering the liquidation by way of merging Telelink Business Services DOO (Croatia) (UIN 081341811) into 7IT.

On 19.05.2025, TBSG AD announced that it reached an agreement with DBA on the essential contractual terms and conditions for the acquisition of 70% of the share capital of Actual IT, pursuant to which, on 29.05.2025, the Company signed a Share Purchase Agreement for the acquisition of 70% of the registered capital and a Shareholders Agreement regulating the terms of the transaction, the future common corporate governance and the rights of sale and purchase of the remaining 30% of the capital in line with the parameters approved by resolution of the SB from 30.04.2025 and the above-listed parameters. According to the additionally disclosed terms and conditions:

- the share subject to acquisition at closing shall consist of 684,720 ordinary shares held directly by DBA Group S.p.A. (33.56% of the capital) and 743,473 shares held by DBA d.o.o. (36.44% of the capital), whereas the remaining 30% shall remain in the ownership of DBA Group S.p.A. through DBA d.o.o.;
- consideration due at closing shall be established by adjusting the EV referred hereinabove for the company's net financial position and potential deviation from the agreed standard working capital requirement of the business as of the end of the latest month prior to closing, whereas the final price shall be determined on the basis of the actual net financial position and deviation from the agreed standard working capital requirement as of the date of closing, whereupon the difference from the consideration paid at closing shall be settled accordingly between the parties;
- the actual closing (transfer of the shares subject to the transaction) pends on the fulfillment of certain predetermined conditions precedent to closing the transaction, including but not limited to obtaining the required approvals from the competent competition protection authorities.

The entire information disclosed by the Company with regard to the deal on 29.05.2025 is available at: <https://www.x3news.com/show/download.php?id=652044>.

On 30.05.2025, TBS EAD signed Annex №16 to Agreement for the undertaking of credit commitments under an overdraft credit line № 0018/730/10102019 from 10.10.2019 with Unicredit Bulbank AD, whereby the utilization deadline was extended until 30.08.2025, and the repayment deadlines – until 31.10.2025 for overdraft and until 30.08.2026 for revolving credit. A respective Annex №10 to the Suretyship Agreement securing the obligations from the above credit agreement was signed on the same date.

On 04.06.2025, the MB approved a proposal of the Board of Directors of TBS EAD for the distribution towards the latter's sole owner (TBSG AD) of a dividend in the amount of BGN 3,000,000 from TBS EAD's profit for 2023.

By Resolution № Tt-25/46923-2 published on 10.06.2025, the change of the name of 7IT to "Telelink Business Services DOO" was registered as of 09.06.2025.

On 10.06.2025, the SB approved the signing of an annex to the existing Credit agreement between Telelink Slovenia and UniCredit Banka Slovenija d.d. extending the tenor until 30.06.2026 and amending the credit limit to EUR 600,000 and the annual interest rate – to 3m. EURIBOR + 2.55% while maintain the requirement to secure the loan with a corporate guarantee by TBSG AD.

*As of the date of this Notification, the annex is yet to be signed.*

On 18.06.2025, the Company held its regular annual GMS. The invitation to the meeting and all relevant materials have been published on <http://www.x3news.com/> and on the Company's web page at

<https://www.tbs.tech/general-meetings-of-shareholders/>. The minutes including the resolutions adopted by the assembly are available at [TBSG-protokol-GMS-18062025.pdf](#).

On 30.06.2025, the SB approved the signing of the following material transactions by subsidiaries of the Group:

- Contract CO-423234-DCIS between TBS EAD and the NATO Communications and Information Agency (NCIA) for the delivery of goods and services for the purpose of implementing a “Deployable Communication and information system (DCIS) and cyber defense (CD) capabilities” with a total value of EUR 10,299,871.77;
- Contract between 7IT (contractor) and KING ICT d.o.o. (Croatia) (contractor) for deliveries, engineering services and warranty support of network equipment for the purpose of implementing a public procurement order of the Ministry of Justice, Public Administration and Digital Transformation of Croatia within the National Plan for Recovery and Resilience 2021–2026, Investment C2.3.R3-16 „Investments in State Information Infrastructure Networks” with an implementation deadline of 120 for delivery and engineering and 24 months for support, with a total value of EUR 5,364,128.47;
- Revolving loan agreement between 7IT and Erste & Steiermarkische Bank dd, Rijeka with a credit limit of EUR 1,500,000 and a utilization and repayment tenor of 12 months;
- Overdraft credit line agreement between 7IT and Zagrebačka banka d.d., Zagreb with a credit limit of EUR 1,200,000 and a utilization and repayment tenor of 210 days from the date of granting the credit line, eligible for automatic renewals for additional six-month periods;
- Credit line agreement for bank guarantees between 7IT and Zagrebačka banka d.d., Zagreb with a limit of EUR 900,000 and a utilization deadline of 12 months.

On 30.06.2025, the SB approved a proposal by the Board of Directors of TBS EAD to initiate proceedings for the voluntary liquidation of Green Border OOD due to the expiry of the term for which the latter was established.

On 01.07.2025, Annex №3 was signed to Investment Bank Loan Agreement № 00044/730 between the Company and UniCredit Bulbank AD from 19.03.2024, whereby 7IT became co-debtor under the Agreement and the annexes thereto, liable jointly and severally with the Borrower for the fulfillment of its monetary obligations regarding the loan until their full and final repayment.

On 03.07.2025, TBSG effected the first conditional deferred payment for the acquisition of 100% of the shares in the capital of 7IT in accordance with the Share Purchase Agreement from 13.02.2024 (“Earnout Payment 1”), established on the basis of the company’s financial results for 2024 in the maximum amount allowed by the Agreement, i.e. 15% of the value of the company’s equity value as of the date of closing (EUR 8,848,194) or EUR 1,327,229. In accordance with the Investment Bank Loan Agreement № 00044/730 between the Company and UniCredit Bulbank AD from 19.03.2024, the payment was financed with a combination of own funds and bank credit in the amount of 70% or EUR 929,060, to be repaid in 60 equal monthly instalments until 01.07.2030. The repayment schedule was established by Annex №4 to the Agreement, which was signed on 03.07.2025 r.

On 09.07.2025, the MB of TBSG AD approved the proposal by the Executive Director of TBS EAD to sign a deal with Consortium TELSEC DZZD with regard to the implementation of Public Procurement Contract №00752-2025-0028 between the Ministry of Interior (assignor) and the consortium (assignee) with the subject matter: „Purchasing body cameras for the purposes of the Mol”, including deliveries of goods and services to the consortium under separate tender chapters “Implementation of central computing and communication infrastructure”, “Implementation of a central component for the management of video contents”, Training” and “Technical assurance and support” with a total value of up to BGN 25,000,000.

*The Agreement was signed on 11.07.2025 and amended by annex from 18.12.2025 with a total price of BGN 23,760,807.52 without VAT.*

Consequent to the first conditional deferred payment for the acquisition of 100% of the shares in the capital of 7IT effected on 03.07.2025, the respective corporate guarantee issued by TBS EAD and promissory notes issued by 7IT and TBSG AD to secure the payment in favor of Cedo Djukic were returned and canceled on 10.07.2025.

On 16.07.2025, TBS EAD signed Contract CO-423234-DCIS with the NATO Communications and Information Agency (NCIA) for the delivery of goods and services for the purpose of implementing a “Deployable Communication and information system (DCIS) and cyber defense (CD) capabilities” with a total value of EUR 10,299,871.77. The contract enters into force on 01.09.2025.

On 17.07.2025 r., 7IT signed Credit Agreement № 5305835165 with Erste & Steiermarkische Bank dd, Rijeka with a revolving limit for working capital financing of EUR 1,500,000, interest rate of 3m. EURIBOR + 1.45% and a repayment deadline until 01.07.2026. Obligations arising from the agreement were secured with a promissory note issued by 7IT and an “InvestEU” guarantee issued by the European Investment Fund (“EIF”).

On 29.07.2025, the following agreements were signed between 7IT and Zagrebačka banka d.d., Zagreb:

- Credit agreement № 1103177789 with a revolving overdraft limit of EUR 1,200,000, interest rate of 3m. EURIBOR + 1.50% and a utilization and repayment deadline of 210 days from the date of signing with the option of subsequent renewals at the bank’s discretion for 180 days each, secured with a promissory note issued by 7IT and a corporate guarantee issued by TBSG AD on 14.08.2025;
- Agreement for bank guarantees № 0200166194 with a limit of EUR 900,000 and a term of 12 months, secured with a promissory note issued by 7IT and a corporate guarantee issued by TBSG AD on 14.08.2025.

On 27.08.2025, the SB approved the MB’s proposal for the signing of an Agreement for a short-term limit for bank guarantees № KL4517053 between 7IT and Erste & Steiermarkische Bank dd, Rijeka with a maximum value of EUR 2,000,000 and an availability term of 28.09.2026, to be secured with a promissory note by 7IT and a corporate guarantee by TBSG AD.

*The agreement was signed on 01.09.2025.*

On 28.08.2025, TBS EAD signed Annex №17 to the Agreement for the undertaking of credit commitments under an overdraft credit line № 0018/730/10102019 from 10.10.2019 with UniCredit Bulbank, whereby the utilization terms under the agreement were extended until 30.09.2025, and repayment deadlines – until 30.11.2025 r. for overdraft and until 30.09.2026 for revolving credit. A corresponding Annex №11 to the Suretyship agreement securing the above credit agreement was signed by TBSG AD on the same date.

On 16.09.2025, the Company was notified of resolution № 305-35/2025-2180-13, adopted by the Ministry of Economy, Tourism and Sports of the Republic of Slovenia on 26.08.2025 r., whereby it was established that the acquisition of 70% of the registered capital of Actual IT by TBSG AD meets the criteria for a foreign direct investment, which could affect the public order and safety in Slovenia, insofar as 10% of the capital of TBSG AD is held by an entity registered outside the EU and the activities of the group of Actual IT includes the provision of services in sectors meeting the criteria for critical infrastructure. Accordingly, the proposed transaction shall be subject to final assessment in accordance with the provisions of the Slovenian Law on the encouragement of investments.

As of the Share Purchase Agreement's long-stop date (21.12.2025), the result of this assessment was yet to be announced.

In accordance with a respective invitation published on 22.07.2025, an Extraordinary GMS of the Company was held on 17.09.2025. The invitation to the meeting and all relevant materials have been published on <http://www.x3news.com/> and on the Company's web page at <https://www.tbs.tech/general-meetings-of-shareholders/>. The minutes including the resolutions adopted by the assembly are available at [TBSG-protokol-GMS-17092025.pdf](https://www.tbs.tech/general-meetings-of-shareholders/).

On 24.09.2025, the SB adopted the following resolutions related to the funding and the securing of obligations arising from credit agreements of subsidiaries of the Group:

- signing by the Company and TBS EAD of annex(es) to the Agreement for the undertaking of credit commitments under an overdraft credit line from 10.10.2019 between TBS EAD (borrower), the Company (suretyship provider and pledgor) and Unicredit Bulbank AD increasing the amount of the granted credit limit up to EUR 27,000,000, including sublimits of up to EUR 5,000,000 for overdraft and up to EUR 7,000,000 for revolving credit, and extending the tenor until 31.05.2026, along with respective amendments to the agreements for the undertaking of suretyship and pledge over 100% of the shares in the capital of TBS EAD, whereby the Company has secured the obligations of TBS EAD under the above Agreement;
- signing a Credit line (overdraft) agreement between Comutel and Raiffeisen banka a.d. Beograd and a respective Suretyship agreement by TBS EAD with a purpose of financing working capital, imports and exports of goods up to the amount of USD 1,500,000, tenor until 30.09.2026 and an annual interest rate of 3m. SOFR + 2.60%, 3m. EURIBOR + 2.60% and 1m. BELIBOR + 1.25% respectively for drawdown in US dollars, euro and Serbian dinars, to be secured with the above Suretyship agreement, 6 blank bills of exchange with a "no protest" clause issued by Comutel and an insurance of trade receivables upon utilizing more than USD 500,000;  
*The agreements were signed on 03.12.2025.*
- signing a Frame agreement for issuing bank guarantees between Comutel and Raiffeisen banka a.d. and a respective Suretyship agreement by TBS EAD with the purpose of issuing letters of guarantee, letters of intent and documentary letters of credit up to the amount of EUR 100,000 and an availability period until 30.09.2028, to be secured with the above Suretyship agreement and 3 blank bills of exchange with a "no protest" clause issued by Comutel;  
*The agreements were signed on 03.12.2025.*
- signing a Framework credit line agreement for short-term loans, overdraft, bank guarantees, letters of intent and letters of credit between 7IT and Raiffeisenbank Austria dd, Zagreb with a global credit limit of EUR 800,000, annual interest rate of 1m. EURIBOR + 1.85% on revolving loan obligations and 1m. EURIBOR + 2.00% on overdraft and general utilization and global utilization and repayment deadlines until 31.07.2026 and 31.07.2029 r., to be secured with a promissory note issued by 7IT;  
*The contract was signed on 02.10.2025.*
- signing a Reverse factoring agreement between 7IT and Raiffeisenbank Austria dd, Zagreb with the purpose of financing payments for goods and services towards local and foreign suppliers prior to or on the invoice due date, allowing for the deferral of company obligations towards the Bank up to a total amount of EUR 1,100,000, utilization and repayment deadlines until 31.10.2026 and 29.04.2027 at a maximum contractual due date of financed invoices of 180 days and an annual interest rate of 6m. EURIBOR + 1.80%, to be secured with a promissory note by 7IT.  
*The contract was signed on 02.10.2025.*

On 30.09.2025, TBS EAD signed Annex №18 to the Agreement for the undertaking of credit commitments under an overdraft credit line № 0018/730/10102019 from 10.10.2019 with Unicredit Bulbank AD, whereby the utilization deadline was extended until 31.10.2025, and the repayment deadlines – until 31.12.2025 for overdraft and until 31.10.2026 for revolving credit. A respective Annex №12 to the Suretyship Agreement securing the obligations from the above credit agreement was signed on the same date.

On 06.10.2025, the Company was notified of resolution № 3061-16/2025-11 adopted on a closed session of the State Competition Protection Agency of the Republic of Slovenia from 23.09.2025, whereby the latter affirmed the absence of objections against the acquisition of 70% of the registered capital of Actual IT by TBSG AD and that the concentration is in compliance with competition rules.

On 20.10.2025, TBSG AD issued a corporate guarantee securing the obligations of 7IT under Agreement for a short-term limit for guarantees № KL4517053 between 7IT and Erste & Steiermarkische Bank dd, Rijeka form 17.07.2025 r. up to the maximum amount of the Agreement's limit, i.e. EUR 2,000,000.

On 29.10.2025, TBS EAD signed Annex №19 to the Agreement for the undertaking of credit commitments under an overdraft credit line № 0018/730/10102019 from 10.10.2019 with Unicredit Bulbank AD, whereby the utilization deadline was extended until 30.11.2025, and the repayment deadlines – until 31.01.2026 for overdraft and until 30.11.2026 for revolving credit. A respective Annex №13 to the Suretyship Agreement securing the obligations from the above credit agreement was signed on the same date.

On 31.10.2025, the SB approved the signing of a Public procurement implementation contract between TBS EAD and the Ministry of Electronic Government of the Republic of Bulgaria for the “Delivery, installation and warranty support of communication equipment, firewalls and adjacent systems” with delivery term of 90 days, a warranty period of 60 months and a total price of BGN 11,584,775 without VAT. The contract was signed on 06.11.2025.

In accordance with the GMS approval granted on 18.06.2025, on 17.11.2025, the Company and majority shareholder Lubomir Minchev signed a Management Incentive Scheme Agreement, whereby the shareholder undertook at its sole discretion and expense to grant to key employees of the Company and Group subsidiaries a bonus in each case of a sale of at least 5% of his shares in the Company's capital at a price corresponding to an equity value of the Company not lower than EUR 124,551,000. The agreement remains in force until the full sale of all shares held by the shareholder. The amount of the overall bonus pool extended by the shareholder to the Company for distribution among key employees shall be determined in the range of 5% of the sale price at the above minimum corresponding equity value of the Company and 15% of the sale price at a corresponding equity value of the Company equal or higher than EUR 300,000,000.

On the same date, a Management Incentive Scheme Agreement to the same effect was signed between the Company and SEET INVESTMENT HOLDINGS SARL. The agreement's terms and conditions are identical to the agreement with Lubomir Minchev described above.

On 17.11.2025, the SB approved the following proposals by the MB:

- signing by the Company and TBS EAD of (an) annexe(s) to the Agreement for the undertaking of credit commitments under an overdraft line № 0018/730/10102019 from 10.10.2019r. (“Credit Agreement”) between TBS EAD (borrower), the Company (guarantor and pledgor) and “UniCredit Bulbank” AD for increasing the global credit limit up to EUR 27,000,000 and the sub-limits – up to EUR 5,000,000 for overdraft and EUR 7,000,000 for revolving loans and extending the principal tenor until 31.10.2026, as well as for the provision of additional collateral up to the amounts of the extended

limits in the form of a subsequent pledge on 100% of the shares in the capital of TBS EAD and the related dividend and receivables in accordance with Agreement for Pledge of Securities (Shares) from 06.07.2023 and an annex to the Suretyship Agreement from 10.10.2019;

- signing an annex to the Revolving Loan Agreement (credit line facility) No. 23F-10092889-95625 from 18.12.2023 between TBS EAD (Bulgaria) and "UNITED BULGARIAN BANK" AD with a limit of EUR 4,000,000 for extending the utilization and repayment deadlines to 29.11.2028 and 30.11.2028 at an annual interest rate for amounts utilized in BGN equal to the Bank's short-term interest rate (SIR) + 2.2%, as well as for the signing of any pledge agreements and/or establishment of financial collateral under the Law on Financial Collateral Agreements and/or additional agreements to such already signed that may be necessary to the establishment and/or continuation of security under the agreement;

*The Annex was signed on 28.11.2025.*

- signing of an annex for the amendment of the interest rates to the Overdraft Loan Agreement No. 7138833-51457 from 15.02.2022 r. between the Company (borrower), TBS EAD (guarantor) and "UNITED BULGARIAN BANK" AD with a limit of EUR 2,000,000 at an annual interest rate for drawdowns in BGN equal to the Bank's short-term interest rate (SIR) + 2.2%, as well as for the continuation of the suretyship commitment of TBS EAD under the amended terms;

*The Annex was signed on 28.11.2025.*

- consent to the corporate reorganization of Actual IT in its capacity of target company – subject to acquisition under the Share Purchase Agreement from 29.05.2025 between the Company and DBA, including the merger of Aktual IT and its subsidiaries ITELIS d.o.o., UNISTAR LC d.o.o. and PRO.ASTEC d.o.o. by way of acquisition by Actual IT and division of Actual IT by way of a spinoff of all assets, liabilities and legal relationships pertaining to the separate business activity "Enterprise Business Solutions" and all other contractual relationships between Actual IT and Luka Koper d.d. into a new subsidiary – ACTUAL PRO, informacijske tehnologije, d.o.o. with a share capital of EUR 30,000.00 fully owned by Actual IT;
- authorizing the MB to extend the long-stop date for closing the transaction under the Share Purchase Agreement from 29.05.2025 between the Company and DBA, if and as necessary in view of the approved reorganization.

On 26.11.2025, TBS EAD, in its capacity of partner in "Green Border" OOD, signed a resolution of the general meeting of the shareholders for its termination, initiation of liquidation proceedings, determination of a six-month liquidation period and appointment of a liquidator.

On 27.11.2025, TBS EAD signed Annex №20 to the Agreement for the undertaking of credit commitments under an overdraft credit line № 0018/730/10102019 from 10.10.2019 with Unicredit Bulbank AD, whereby the utilization deadlines were extended until 05.12.2025. A respective Annex №14 to the Suretyship Agreement securing the obligations from the above credit agreement was signed on the same date.

In accordance with the decisions of the SB from 17.11.2025 and the corresponding decision of the Board of Directors of TBS EAD of 04.12.2025, on 05.12.2025, TBS EAD (borrower), the Company (guarantor and pledgor) and UniCredit Bulbank AD signed Annex №21 to the Agreement for the undertaking of credit commitments under an overdraft credit line No. 0018/730/10102019 from 10.10.2019, whereby the total credit limit was increased to EUR 27,000,000 and the sub-limits thereunder – to EUR 5,000,000 euros for overdraft and 7,000,000 for overdraft, and the main term – extended until 30.09.2026, with deadlines for the repayment of overdraft until 30.11.2026 and revolving credit - until 30.09.2027, as well as a corresponding Annex No. 15 to

the Suretyship Agreement from 10.10.2019. A corresponding Annex №03 to the Share Pledge Agreement was signed on 18.12.2025.

On 22.12.2025, the Company announced that the deal for the acquisition of 70% of the share capital of Actual IT, subject of the Share Purchase Agreement signed on 29.05.2025, was not closed due to the non-fulfillment of certain conditions precedent set out in the Agreement within the agreed long stop date (20.12.2025), including the clearance required under the Slovenian Investment Promotion Act. With the expiry of the above deadline, the rights and obligations of the parties under the Share Purchase Agreement were terminated. Notwithstanding the above, the parties remain open to explore potential opportunities for a new deal based on mutually acceptable terms and conditions.

## IV RISKS FACED BY THE COMPANY AND THE GROUP

The risks associated with the Company and the Group's activities can be generally divided into systemic (common) and non-systemic (related specifically to their activities and the sector, in which they operate).

### IV.1 Systemic Risks

Common (systemic) risks are those that relate to all economic entities in the country and are the result of factors, which are external to the Group and cannot be influenced by the companies included in its composition. The main methods for limiting the impact of these risks are the reporting and analysis of current information and the forecasting of future developments by common and specific indicators and their impact on the activities and financial results of the Group.

#### IV.1.1 Political risk

Political risk is the possibility of a sudden change in the country's policy pursuant to a change of the government, the occurrence of internal political instability and adverse changes in European and/or national legislation, as a result of which the economic and investment climate and the overall environment in which local business entities operate may change adversely and investors may suffer losses.

The international political risks for Bulgaria and the Western Balkans include the challenges related to undertaken commitments to implement structural reforms, improve social stability and the standard of living, reduce inefficient expenses and follow common policies in their capacity of candidate members or members of the EU, as well as to the threats of terrorist attacks in Europe, the acute destabilization of countries in the Middle East, military interventions and conflicts in the region of the former Soviet Union, the refugee waves driven by these factors and the potential instability of other key countries near the Balkans.

Other factors relevant to this risk include potential legislative changes, and particularly those affecting the economic and investment climate in the region.

From the beginning of 2025, a potentially significant risk has also emerged in the actual and potential steps of the government of the USA towards the implementation of a protectionist tariff policy and the decrease or withdrawal of political and military support for the member countries of NATO, the EU and Europe as a whole, having possibly significant consequences to the security and governmental spending related to defense and other sector of the economies of Bulgaria and the EU as a whole.

#### IV.1.2 Macroeconomic risk

The general macroeconomic risk is the probability of various economic factors and trends, including, but not limited to recession, trade barriers, currency changes, inflation, deflation and other factors, affecting negatively demand and purchasing power in the countries where Group companies carry out their activities, as well as in the countries where cross-border counterparties thereof operate.

In spite of the gradual slowdown of inflation since the end of 2023, the tariff policy implemented in the USA from the beginning of 2025 has given rise to significant risks of its resurgence and/or the entry into a phase of recession both in the USA and all other national economies affected thereby, including the country members of the EU.

#### IV.1.3 Currency risk

The systemic currency risk is the probability of changes in the currency regimes or exchange rates of foreign to the local currencies in the countries where Group companies operate affecting adversely the costs, profitability, international competitiveness and general stability of economic agents and the local and regional economy as a whole.

Following more than 27 years of strict adherence to a currency board system based on a fixed Euro / Lev exchange rate, Bulgaria effectively entered the Eurozone on 01.01.2026. The Euro has also been adopted as a benchmark for managed floating, fixing base or local currency in Bosnia and Herzegovina, Slovenia and Croatia. The above factors limit substantially the systemic currency risk relevant to the Group. However, the countries in which it operates, as well as European economies as a whole remain exposed to the effects of the exchange rate dynamics of other leading global currencies, including mostly the US dollar.

#### IV.1.4 Interest risk

The Systemic interest risk relates to possible changes in the interest rate levels, established by the financial institutions and markets of the countries where Group companies operate, the world's leading economies the EU, affecting adversely the accessibility of financing, funding costs, investment returns and economic growth.

In the context of the anti-inflationary measures applied by the leading global economies and the EU, the period of 2022-2023 was marked by a general trend of significant increases in all main local and international interest indexes. In spite of the reversal of the above trend towards a decrease and stabilization of EURIBOR and a continuing decrease of SOFR in 2024-2025, the attained levels remain significant and the possibility of further raises in case of a new wave of accelerated inflation, deterioration in the trade balances and balances of payments and/or downgrades of the credit ratings in the EU and/or the USA remains outstanding.

#### IV.1.5 Credit risk

Systemic credit risk is the probability lowering the credit ratings of the countries in which Group companies or key counterparties thereof operate, or other countries important to their economies, affecting adversely the accessibility and cost of debt financing, the stability and attractiveness of their economies. This risk is determined and measured by specialized international credit agencies.

#### IV.1.6 Risk of adverse changes in tax legislation and practices

Changes in tax legislation towards increasing tax rates, the adoption of new taxes or adverse changes in double tax treaties may lead to increased or unforeseen costs of the economic agents.

Similar risks may also arise from unforeseen or controversial tax practices in Bulgaria and/or other countries, in which Group companies operate.

#### IV.1.7 Risks related to imperfections of the legal system

Although since 2007 Bulgaria has introduced a number of significant legal and constitutional reforms and most of its legislation has been harmonized with EU law, the country's legal system is still in the process of reformation. The above concern is all the more relevant to the countries of the Western Balkans, which are yet to join the EU.

Judiciary and administrative practices remain problematic and local courts are often inefficient in resolving property disputes, violations of laws and contracts, etc. Consequently, identified risks of legal infrastructure deficiencies may result in uncertainties arising from corporate conduct, the supervision thereof and other matters.

## IV.2 Risks specific to the Group and the sector in which it operates

### IV.2.1 Risks relative to the business strategy and growth

#### *IV.2.1.1 Inappropriate business strategy*

The choice of an inappropriate development strategy, as well as a failure to adapt it in a timely manner to the changing conditions of the environment can lead to losses and missed benefits for the Group. The management of strategic risk through the constant supervision and periodic tracking of fluctuations in the market environment and key performance indicators and the interaction among all levels in the organization in order to identify potential problems and implement the appropriate measures in a timely manner are of essential importance. Although this process has been recognized as of high priority and importance, it is possible that the Group's management and employees prove limited in the implementation of the above practices due to a lack of experience, timely information or insufficiency of human resources.

#### *IV.2.1.2 Insufficient management capacity and increased growth management costs*

Notwithstanding the availability of managerial staff with significant experience and competence sufficient to manage the Group in its current business size and scale, targeted expansion can require additional management. It is part of the Group's policy to cultivate such staff by promoting employees with sufficient experience and highly esteemed aptitude to grow in hierarchy. However, the number of suitable employees is limited and some of them may not meet the expectations on a managerial level. In turn, recruiting management staff with proven track record externally, especially on developed markets, can be difficult and may entail high costs with a potentially negative impact on profitability.

#### *IV.2.1.3 Insufficient capacity and increased costs for the operational assurance of growth*

The Group's expansion on both existing and new markets is highly dependent on the recruitment and successful integration of additional staff, including centralized and local teams of marketing and sales specialists and resource hubs for project management, engineering and technical personnel.

Identifying and recruiting appropriate marketing and sales professionals with the aim to attract new customers can be difficult, slow, or involve additional costs, which may slow growth or reduce sales profitability. Considering the overall growth trend and increased demand for engineering, technical and project staff in the ICT sector on the Group's markets and globally, the expansion of existing and the development of new resource centers may also be slowed down or may require higher costs. The lack of experience at group companies on new markets and segments, the shortage and increased price competition for the recruitment of personnel, can also result in high staff turnover due to recruitment of unsuitable specialists or solicitation by competitors that offer levels of remuneration, which the Group cannot afford to profitability match.

All of the above factors can lead to both missed benefits due to the impossibility to win and secure the implementation of new projects, services and customers, and the erosion or loss of the Group's competitive advantages based on the quality of service, number and cost of human resources.

#### *IV.2.1.4 Insufficient access and increased cost of external resources and subcontractors*

As far as external experts and subcontractors are also subject to increased demand on the ICT market, the risks outlined above also apply to the recruitment of such on a temporary basis to complement the Group's internal capacity.

#### *IV.2.1.5 Risks stemming from acquisitions*

While aimed at accelerating the development and growth of the Group on existing and new markets and/or complementing its marketing and operational capacity with valuable technological specializations, client and vendor partnerships and human resources and notwithstanding the Company's endeavor to negotiate such transactions in accordance with best practices, basing their valuation with the realistic potential risk profile of acquired companies and their past, present and future financial results, retaining key personnel and including in the respective agreements protective mechanisms, undertakings and warranties by the the seller to the maximum achievable extent, the acquisition of shares in other companies bears risks, which could delay or limit the achievement of desired financial and business results and/or have a negative impact on the Company. Among these, the integration of acquired companies in the operational structure of the Group may be delayed or prove to be incomplete, the established control mechanisms – insufficient, the planned preservation and/or expansion of the personnel, client base and sales as a whole may not realize in the expected timeline, size, scope and range of revenues, costs and profitability, planned synergies – realized only in part or not achieved, and the established pricing mechanisms and warranties of the seller – insufficient to compensate such and other delays, underperformance or negative effects. As a result of the above and other factors, the actual return on investment may deviate substantially from the expectations and goals of the management, proving lower or even negative over time.

#### *IV.2.2 Risks relative to human resources and managerial staff*

Besides their importance to the Group's growth, management staff and human resources are also essential to the assurance of its ongoing operations, and the Group is therefore exposed to various risks relative to the retention, increased turnover and costs of such personnel.

##### *IV.2.2.1 Loss, deficit and increased costs of management staff and key personnel*

The Group's operational management and business development depend to a large extent on the contribution of a limited number of individuals managing key subsidiaries and the Group as a whole, playing key roles in the administration, sales and operations and/or possessing key certifications, experience and other knowledge essential to these functions that could be difficult to replace with similarly qualified personnel. A possible withdrawal of those persons from the relevant structures or their inability to fulfil their obligations over a long period of time could have adverse effects on the operating performance depending on the time of their absence or the time needed for their substitution and the training of their substitutes, their adequate familiarization with the organization and the specifics of the business and their full functional deployment. Possible retention measures could result in the increase of respective costs relative to their motivation through raises in base salaries, bonuses and benefits, at the expense of the Group.

##### *IV.2.2.2 Loss, deficit and increased costs of implementation staff*

Considering the dynamic development and high demand for human resources in the ICT sector, the Group is exposed to the risk of high turnover and costs of retaining or replacing engineering and technical staff, marketing and sales specialists, and other personnel specialized in this field. A possible withdrawal of those persons from the relevant structures or their inability to fulfil their obligations over a long period of time could have adverse effects on the operating performance contingent on the time of their absence or the time needed for their substitution and the training of their substitutes, their adequate familiarization with the organization and the specifics of the business and their full functional deployment. Any possible retention measures could result in the increase of costs relative to their motivation through raises in base salaries, bonuses and benefits, at the expense of the Group.

### IV.2.3 Risks relative to the market environment and competition

#### *IV.2.3.1 Slowdown or unfavourable trends in demand*

Notwithstanding the observed positive development and positive growth forecasts by key expert organizations in the industry for key Group markets and the ICT market as a whole, there is no guarantee that future market developments will reaffirm these expectations and will continue to be positive or that the corresponding growth in demand will not slow down significantly compared to the expected growth rates for certain periods. The demand for ICT is also dependent on trends and circumstances specific to the various business sectors and customers that determine their willingness and ability to purchase the Group's products and services, which may differ in one direction or another from the overall market trend. This may include the possibility that the Group's target customers in one or more markets may not demonstrate interest in the products and services being offered as they were expected to, or their adoption might take much longer than expected. The aforementioned factors can lead to both a slowdown in sales growth and a deterioration in operating performance due to lower prices and gross profitability, as well as delayed return on operating and investment expenditures on business development.

#### *IV.2.3.2 Regulatory changes unfavourable to market demand*

The Group generates a substantial part of its revenue from regulated or government policy-influenced sectors and market niches such as telecommunications, banking, distribution companies, national security, healthcare, etc. In that sense, demand for the Group's products and services, respectively its revenue and operating results, can be significantly influenced by possible adverse changes in local and supranational regulations and policies, including possible reduction or redirection to other areas of the EU and other structural funds which its current and target customers are eligible to utilize.

#### *IV.2.3.3 Intense competition*

The Group operates in a sector characterized by intense competition from both local and international companies. Local competitors have an established market presence in key segments, which limits the possibilities to enter or expand the Group's operations in these segments and may serve as a basis for an expansion of the position of those competitors at the expense of the Group. Large international companies have widely recognized trademarks, a leading role in the implementation of innovative solutions and widely diversified customer base and market presence, as well as large-scale organizational and financial capacity that provides them with greater possibilities to exercise and withstand competitive pressures. A possible increase in competitive pressure on the part of existing or newly emerging market players in the current segments and markets, as well as any possible adverse reaction against the entry of the Group into new segments and markets, could result in decline in the performance and delays or failure of the planned expansion of operations.

#### *IV.2.3.4 Unfair competition*

As a part of competitive pressure from other market players, the Group may be exposed to various forms of unfair competition that may impair the Group's performance and limit its expansion opportunities. Such actions may include soliciting key personnel with the aim to reduce its technical and organizational capacity, implying a negative image before certain customers or on the market as a whole, covert lobbying by and for the benefit of competitors, biased use of legal and contractual mechanisms with the aim to impede or delay the execution of public procurement and other activities, making competitive bids based on unprofitable prices or a hidden decrease in the utility offered, which may result in choices on the part of the Group's counterparties that deviate from the actual cost-benefit ratio between the offerings of the Group and its competitors.

#### IV.2.4 Risks relative to public procurement

##### *IV.2.4.1 Delayed tendering and implementation*

The implementation of projects in the public sector depends on their timely definition, the approval of budget or program financing, announcement and tendering, contracting and acceptance of performed works by the relevant governmental entities or local and central government. The failed or late implementation of any of these steps may result in discarded or delayed revenues and a corresponding deterioration in the Group's current performance or slowdown in its growth.

Factors that can lead to a delay at the aforementioned key stages include current and future changes in managerial and expert staff in the context of local and/or central elections, the appointment of temporary authorities and other factors, which may result in the postponement of decisions and executive action at the contracting organizations.

Delays may also arise as a result of appeals filed by competitors against tendering procedures announced or the results thereof. Regardless of their merits, considering the applicable statutory hearing terms, appeals result in more or less significant delays in tenders and the award of contracts for their implementation.

##### *IV.2.4.2 Competition for public procurement*

Due to the large volume and attractiveness of the public ICT market, public procurement is subject to relatively more intensive and unfair competition compared to sales to the private sector. Commonly employed instruments of unfair competition include the unscrupulous use of legal means to appeal tendering procedures or the results thereof, with competitors aiming to procure more time for their own preparation or to affect negatively the Group's financial results by delaying the project's implementation and the realization of respective revenues and profits.

#### IV.2.5 Concentration risks

##### *IV.2.5.1 Adverse changes in key client relationships*

By virtue of its specialization in high-grade technological solutions and professional services targeted mostly at large and medium organizations and projects, the Group is inherently exposed to a concentration risk with regard to key clients and client groups. Such counterparties with substantial portions of the Group's revenues for the past three financial years and/or with potential significance to future development include telecommunication operators, public organizations, banks, multinational clients and other private enterprises. In spite of the Group's progress towards growing revenue diversification, the potential loss, a drastic decrease in sales or a deterioration in the terms of cooperation with such clients could have an adverse effect on the volume and results from operations in the short term, as well as a potentially negative reputational effect on the Group in perspective.

##### *IV.2.5.2 Adverse changes in relationships with key technological partners*

Accounting for the significant importance of innovative and large-scale technologies offered by leading global vendors to the offered products and services, the Group is exposed to a concentration risk with regard to its key technological partners. Such counterparties accounting for substantial portions of the Group's purchases for the past three financial years include several leading vendors in the fields of networking, data center and office productivity solutions. Although the Group's vendor policy is flexible and open to various technological partners, a potential termination or a deterioration in key terms of such partnerships, such as requirements for the maintenance of technological specializations, levels of discounts, terms of payment, etc., could have an adverse effect on the cost and volume of operations.

#### IV.2.6 Risks relative to changes in technology and technological choices

##### *IV.2.6.1 Time and cost of adapting to new technologies*

The ICT sector is characterized by a fast pace of technological innovation, reducing the life cycle of products and requiring a constant update of the Group's technological specializations in accordance with trends in market demand and opportunities for generating revenue from the introduction of new solutions and services. Despite the Group's consistent practices in this respect and its open approach to establishing new and extending the scope of existing technological partnerships, in some cases they may require additional time or costs for researching and establishing relationships with relevant suppliers.

##### *IV.2.6.2 Loss of clients due to their transition to alternative technologies*

Notwithstanding the wide range of technologies and technological partners offered by the Group and its open approach and extensive experience in establishing new partnerships with equipment and software vendors, customers may still opt to change current technologies and vendors with others with whom the Group does not have and cannot establish partnerships providing the respective competences and attractive delivery terms. Due to the presence of competitors with better positioning in respect of a technological partner and better delivery terms for their products, it is possible for the Group to not be preferred as a supplier by the client in spite of having an established partnership with the same vendor. Such circumstances could also lead to substantial decreases in revenues and operating results.

##### *IV.2.6.3 Delayed adoption of new technologies by the clients*

The main geographical markets, in which the Group operates, are lagging behind in the adoption of many innovative ICT products and services. In spite of the market segmentation applied by the Group in accordance with the clients' technological maturity, it is possible for the target client groups to also react more conservatively than expected, delaying significantly the implementation of the Group's strategy and growth targets.

##### *IV.2.6.4 Delayed or unsuccessful positioning of proprietary products and services*

To tap identified market opportunities in given market segments, the Group may continue to invest in the development of proprietary complex solutions and services adapted to the needs and specifics of the respective markets and client groups. Despite this adaptation, there is a risk that the new products and services will not meet the actual requirements or that they will not be adopted fast enough or at all by the Group's current and targeted clients, which could lead to a delayed, limited or negative return on the undertaken investments.

#### IV.2.7 Risks relative to long-term contracts

##### *IV.2.7.1 Cost of commitments for regular service and support*

Many contracts signed by the Group include commitments for warranty and post-warranty servicing and maintenance of hardware, software and complex systems and infrastructures, or the provision of managed and other services against fixed one-off or subscription fees. The costs of fulfilling these commitments may exceed the amount of revenue without the Group being able to compensate additional costs at the expense of the customer or the respective primary suppliers and technological partners, having an accordingly negative impact on results from operations.

##### *IV.2.7.2 Early termination*

Medium and long-term contracts for multiple deliveries or regular service in the form of maintenance, managed and other services can be terminated unilaterally and early at the client's initiative. While some of these contracts include provisions limiting the above risk and respective losses for the Group, such as

penalties, buyout commitments etc., they can prove insufficient to cover missed benefits or the incurred additional costs. The earlier termination of such contracts could lead to a decrease in the Group's recurring revenues, which may not be compensated with new sources of revenue and may lead to an overall decrease in sales and results from operations.

#### *IV.2.7.3 Specific risks relative to the provision of equipment as a service*

Depending on changes in the IT policies of respective clients or other factors, the long-term contracts signed by the Group for managed services including the provision of equipment-as-a-service can be terminated unilaterally and prior to their expiry. Despite the provisions enforcing preliminary notifications and compensations for expenses incurred up to that point, a potential termination could be a factor for a decrease in the Group's recurring revenues and overall sales.

Under certain circumstances of termination, some contracts provide a possibility for respectively leased equipment to remain the property of the Group instead of being bought out by the client. This could lead to additional costs for dismantling, transportation, etc., as well as delayed or non-materializing resale of the equipment to other clients.

Some contracts provide the option to expand their scope at the client's initiative through the delivery and integration of additional equipment provided as a service based on prices or conditions identical to or subject to limited indexation compared to the initial ones. If, in the meantime, the market price of the equipment has increased, and/or there has been a significant rise in the expenses for the provision of respective services, this could lead to an uncompensated increase in the Group's expenses and an overall decrease in the profitability of similar operations.

### IV.2.8 Financial risks

#### *IV.2.8.1 Currency risk*

The Group operates on different markets and in currencies different from its functional currency and is accordingly exposed to transaction and translation currency risks. The main source of transaction-driven currency risk is the purchase of equipment from global technological partners denominated in US dollars and financed with credit limits in the same currency. Despite the presence of mechanisms of currency indexation in some contracts and the practice of voluntary forward hedging of larger purchases at the discretion of respective Group companies, such transactions continue to generate net results (including losses) from foreign currency operations Group subsidiaries. Accounting for the long-standing fixed exchange rate of the Bulgarian Lev to the Euro and Bulgaria's recent accession to the Eurozone, the fixed exchange rate of the Bosnia and Herzegovina Convertible Mark to the Euro and the adoption of the latter as the national currency in Slovenia and Croatia, the Group is exposed to a translation risk relative mainly to the floating rates of the Serbian Dinar, Macedonian Denar and US dollar.

#### *IV.2.8.2 Interest rate risk*

The Group is exposed to the risk of increase in market interest rates mainly with regard to the use of overdraft limits, revolving credit lines and investment loans based on floating interest indexes, including but not limited to EURIBOR, USD LIBOR / SOFR, reference and short-term interest rates (RIR, SIR) and average deposit indexes (ADI) of lending banks based on the variable yields on retail / household and/or non-financial enterprise deposits in Bulgaria, as well as of finance leases based on ADI and EURIBOR.

Due to the dynamic nature of overdraft and credit line exposures, their hedging with the financial instruments usually offered for that purpose, which are based predominantly or entirely on predetermined amounts over time, can involve significant deviations between the actual and hedged principals and expenses. Therefore,

the Group does not resort to their hedging with financial instruments and assumes the risk of fluctuations in the applicable floating interest indexes, managing it mostly by the monitoring and of market trends and the negotiation and/or renegotiation of the best possible interest terms. As of the date of this Notification, this risk continues to show a mixed evolution, with market interest rates reflecting substantially the significant dynamics described in section IV.1.4, while the interest rates of lending banks applicable to drawdowns in BGN remain in the range of 0.10%-0.18%.

Considering the slowdown in inflation and economic growth and the reversal in interest rates growth in the EU starting from 2024, as of the date of this Notification, the Company's management deems the interest risk of investment bank loan exposures based on 3-month EURIBOR to be relatively limited and has not planned on the use of financial instruments for their hedging in the immediate term. Notwithstanding, it remains committed to the continuous monitoring of economic and credit market trends, maintaining its readiness for the potential hedging of exposures from tranches already utilized in their definitive amounts in case of an expected increase in this risk.

Interest risk can also manifest through increases in the contractual markups over the floating interest indexes making part of the total interest rates on utilized credit facilities subject to regular renewal, such as most of the overdraft limits and revolving credit lines used by the Group, at the initiative of the financing banks. Notwithstanding the efforts of the Company and relevant subsidiaries to negotiate and maintain most attractive terms with current creditors and the procurement of competitive offers from other banks, such increases are often inevitable within a certain period of time, in case of migration between incumbent and creditors, or as a whole, in case they reflect prevailing trends on the credit market. As of the date of this Notification, this risk also exhibits a mixed development, with interest margins on some contracts and limits increasing substantially, while others remain unchanged or minimally different from previous periods.

#### *IV.2.8.3 Liquidity risk*

The Group's cash flows can undergo significant momentary fluctuations as a result of various factors such as peaks in net working capital, increased investment activity, payment of dividends, etc., which may result in a given Group company's cash and cash equivalents being insufficient to meet its due liabilities. In spite of the signed financing contracts providing significant limits for funding working capital and the financing of a significant portion of investments with finance lease contracts, there is a risk that these limits may be insufficient in certain moments or periods. Such deficits may result in one or more Group companies' temporary inability to service its obligations to third parties in a timely manner with various adverse effects on its reputation and financial position.

#### *IV.2.8.4 Insufficient financial capacity for the implementation of big projects*

Besides their impact on the current liquidity of respective Group companies, possible instances of uncovered cash deficits may also lead to the impossibility of committing the working capital need to start new projects or implement ongoing ones, resulting in delayed revenues, penalties for delayed implementation and respective damage to the Group's reputation. In the event that it is not possible to prove sufficient financial resources in front of potential clients or in accordance with the requirements of public and private tenders for large projects, the respective company may not be able to negotiate sufficient additional financing in due time and miss the opportunities to win the respective projects and the benefits of their implementation.

#### *IV.2.8.5 Credit risk*

Although the Group's key accounts are well-established and solvent companies and institutions with proven payment track records, the Group remains generally exposed to the risk of significant delays or non-payment of receivables due to a variety of factors relative to internal processes, financial condition and current trends

in the cash flows of those and other customers. Significant past-due receivables may affect the cash flows and immediate liquidity of one or more Group companies and its ability to service its obligations to third parties in due course with a various adverse effects on its reputation and financial condition.

#### *IV.2.8.6 Asset impairment risk*

Under certain circumstances (such as impairment and write-off of receivables, intangible assets, investment property, inventories, held-for-sale assets, etc.), it is possible for the Group to record substantial expenses and reductions in the book value of its assets.

### IV.2.9 Operational risks

#### *IV.2.9.1 Deviations in processes and quality of service*

Group companies are exposed to the risk of losses or unforeseen costs that may arise due to incorrect or inoperative internal processes, human errors, external circumstances, administrative or accounting errors, business interruptions, fraud, unauthorized transactions and asset damages. Any failure of the risk management system to establish or correct an operational risk may have a substantial adverse effect on the Group's reputation and operating results.

#### *IV.2.9.2 Inaptitude or malfunction of specific IT equipment and systems*

In carrying out their principal activities, Group companies use specific IT equipment and systems, any potential malfunction, misuse or inaptitude of which would have a substantial impact on their ability to fulfil undertaken commitments to counterparties or which may result in unforeseen technical, legal and other costs affecting negatively the Group's reputation and operating results.

#### *IV.2.9.3 Assuring compliance with standards and norms*

Certain Group require their suppliers to ascertain the compliance of their competence and rules for the organization of processes and activities with various international quality management standards, procedures for the handling of confidential information, etc. Notwithstanding the certification of TBS EAD under a number of such standards and norms, the imposition of similar requirements on other Group companies not having the corresponding certifications, or a change in the current requirements and the inability of the Group to respond thereto on a short notice could have a negative impact on the Group's revenue and operating results.

#### *IV.2.9.4 Leakage of personal and sensitive information of clients and employees*

In the process of carrying out its activities, the Group stores and processes personal and sensitive data of its employees, customers and third parties. Any loss or unauthorized external and internal access and misuse of such data could have various negative consequences to the competitiveness, reputation and performance of the Group, including judicial or out-of-court proceedings and proceedings against respective subsidiaries and substantial pecuniary sanctions by the relevant authorities.

### IV.2.10 Other risks

#### *IV.2.10.1 Litigation risk*

Group companies are generally exposed to the risk of litigation, including collective claims filed against them by clients, employees, shareholders, etc. by the initiation of civil actions, actions by competent authorities, administrative, enforcement and other types of judicial and extrajudicial proceedings. Some of these proceedings may be accompanied by restrictive and enforcement measures against the Group's assets and activities that could limit its ability to carry out a part or all of its activities for an indefinite period of time. Plaintiffs in similar cases against the Group may seek refund of large or undetermined amounts or other damages that could significantly deteriorate the Group's financial position. The defense costs in future court cases can be significant. Public information on such events or their negative business impact may impair the

reputation of respective subsidiaries and the Group as a whole, regardless of whether or not the underlying claims and negative rulings are justified. The potential financial and other consequences of such proceedings may remain unknown for an extensive period of time.

#### *IV.2.10.2 Risks relative transactions with related parties*

In the course of their business, Group companies carry out transactions and make commitments to each other as well as to related parties outside its membership. In spite of its endeavor to follow good practices in the implementation of such deals and the commitment to comply with the applicable provisions of the POSA and other applicable regulations, it is possible because of ignorance, employee negligence, etc. that one or more such transactions may be concluded under conditions deviating substantially from market terms, which could have an adverse effect on the results of the Group's operations and its financial position.

#### *IV.2.10.3 Cyber attacks*

In addition to unauthorized access to data of the Group data and its counterparties, possible attacks against the Group and its counterparties could be targeted at or result in a malfunction or inability to use information and communication systems, including specialized IT systems for the provision of services. Although the Group specializes in information security and has advanced competences in preventing, limiting, monitoring and recovering systems and data in the aftermath of such attacks, the latter may take some time, during which the effects of these attacks may affect adversely operating results and compromise the Group's reputation.

#### *IV.2.10.4 Force majeure*

Like all economic agents, the Group is exposed to the general risk of natural disasters, hostilities, terrorism, political, public and other acts and events beyond its control and not subject to insurance, which could have a substantial adverse effect on the results of its activities and prospects in one or more territorial and other business domains.

### IV.3 Military conflict between Russia and the Ukraine

Consequent to the military conflict between Russia and Ukraine, which broke out in 2022 and reached a new phase in its development pursuant to the 2024 presidential elections in the USA, the world remains exposed to increased geopolitical tension and various economic repercussions, including restrictions or halt on the activities of many Ukrainian and Russian companies as a result of the military action and sanctions against Russia and significant increases in the prices of energy and key agricultural goods, affecting directly or indirectly the activities of many companies and industries in the European Union and the USA.

The Issuer and its subsidiaries have no direct exposure to related parties, clients and/or suppliers from the countries involved in the conflict. Therefore, the Group is not deemed to be directly exposed to risks arising from the above events.

As of now, the political debate and diplomatic efforts towards a ceasefire and the signing of a peace deal between Russia and Ukraine that started in 2025 remain highly controversial, of unclear outcome and multifaceted potential impact on the parties to the conflict, Europe and the USA.

Considering the above, the Company's management is of the opinion that the premises and conditions are still lacking to conduct a reliable quantitative assessment of the potential indirect impact of respective changes in the micro- and macroeconomic environment on the Group's financial position and results. Nevertheless, it remains committed to the ongoing monitoring of the situation and analysis of the possible future consequences of the conflict results, with a view to the timely identification of potential and actual negative effects and the undertaking of all possible measures towards limiting their effect.

## V PRESENTED INFORMATION ON THE GROUP'S ACTIVITIES PERTAINING TO THE FINANCIAL RESULTS AS OF 31.12.2025

Financials (BGN thousand)	(period end)		change
	31.12.2025	31.12.2024	
<b>Net sales revenue</b>	(1) <b>283,247</b>	<b>224,090</b>	<b>26%</b>
Operating Expenses	(1) -261,123	-209,470	25%
Other Operating Income/(Expenses) (net)	(2) 222	253	-12%
<b>Operating Profit</b>	(2) <b>22,346</b>	<b>14,873</b>	<b>50%</b>
Financial Income/(Expenses) (net)	(1) -3,370	-1,424	137%
Income Tax Expense	(1) -2,457	-1,834	34%
<b>Net Profit</b>	(2) <b>16,519</b>	<b>11,615</b>	<b>42%</b>
Depreciation & Amortization Expenses	(1) -7,206	-5,953	21%
Interest Income/(Expenses) (net)	(1) -1,060	-1,152	-8%
<b>Earnings before Interest, Tax, Depreciation &amp; Amortization (EBITDA)</b>	(2) <b>27,242</b>	<b>20,554</b>	<b>33%</b>
	<b>31.12.2025</b>	<b>31.12.2024</b>	
<b>Total Assets</b>	<b>215,870</b>	<b>176,625</b>	<b>22%</b>
Non-current Assets	43,368	46,798	-7%
Current Assets	172,502	129,827	33%
<b>Equity</b>	<b>52,687</b>	<b>38,500</b>	<b>37%</b>
incl. Retained Earnings and Profit for the Year	54,906	38,532	42%
<b>Total Liabilities</b>	<b>163,183</b>	<b>138,125</b>	<b>18%</b>
Non-current Liabilities	14,012	20,386	-31%
Current Liabilities	149,171	117,739	27%
<b>Cash and Cash Equivalents (CCE)</b>	<b>50,097</b>	<b>24,979</b>	<b>101%</b>
<b>Total Financial Debt</b>	(3) <b>19,987</b>	<b>18,462</b>	<b>8%</b>
<b>Net Cash Position / (Net Financial Debt)</b>	(4) <b>30,110</b>	<b>6,517</b>	<b>23,593</b>
	<b>31.12.2025</b>	<b>31.12.2024</b>	
<b>Net Cash Flow from Operating Activities and ForEx Differences</b>	<b>35,189</b>	<b>20,421</b>	<b>14,768</b>
<b>Net Cash Flow from Investment Activities and Acquired CCE</b>	<b>-5,371</b>	<b>-16,272</b>	<b>10,901</b>
incl. Acquisition of Subsidiaries	-2,596	-10,543	7,947
<b>Net Cash Flow from Financing Activities</b>	<b>-4,700</b>	<b>6,739</b>	<b>-11,439</b>
incl. Purchase of Own Shares	-2,307	-182	-2,125
<i>(1) Results as of 31.12.2024 shown net of (excluding) the operations discontinued with the voluntary liquidation of TBS Montenegro and the sale of Telelink Abania in 2024</i>			
<i>(1) Results as of 31.12.2024 including the net result of discontinued operations (TBS Montenegro, Telelink Abania)</i>			
<i>(3) Borrowings and finance leases (excl. rentals and operating leases)</i>			
<i>(4) Total Financial Debt - Cash &amp; Cash Equivalents</i>			
Ratios	(period end)		change
	31.12.2025	31.12.2024	
Operating Margin	7.9%	6.6%	1.3%
Net Margin	5.8%	5.2%	0.6%
EBITDA Margin	9.6%	9.2%	0.4%
	<b>31.12.2025</b>	<b>31.12.2024</b>	
Current Ratio	1.2	1.1	0.1
Equity / Total Assets	24%	22%	3%
Financial Debt / Total Assets	9%	10%	-1%

## V.1 Revenue, costs and profitability

### V.1.1 Revenues

Marking a new historical maximum for the Group, consolidated net sales revenue for 2025 reached BGN 283,247 thousand, growing 26% or BGN 59,157 thousand over 2024.

The biggest factor behind achieved growth were the sales recorded by TBS EAD, which increased by 37% or BGN 57,857 thousand<sup>1</sup> mostly owing to big new projects in the fields of IT Infrastructure and Cybersecurity and clients in the Bulgarian public sector, while the company also continued to generate substantial revenues from the local enterprise and telecom sectors and cross-border markets. Consequently, TBS EAD reaffirmed its leading role in the formation of Group revenues with a growing share of 76% (comparing to 71% in 2024).

Growing by 26% or BGN 7,177 thousand<sup>1</sup> and maintaining a share of 12% of consolidated revenues, the combined sales of 7IT and Telelink Business Services Croatia DOO (UIN 081341811) also stood out with a significant contribution to the Group's growth, both taking into account the only three quarters including 7IT as a subsidiary last year (after its acquisition on 29.03.2024) and owing to a big new project in the IT Infrastructure domain in the Croatian public sector and the significant increase in sales to an enterprise client of the company outside Croatia.

With a negligible increase by BGN 12 thousand<sup>1</sup>, the business pool of Comutel, Telelink Bosnia and Telelink Slovenia maintained an overall level of sales comparable to 2024 reflecting the counterbalancing trends of growing cross-border deliveries to a big client from the Greek telecom sector and decreasing sales in the context of changing ownership in other key accounts in Serbia. Against growing consolidated revenues, the pool registered a lower but still significant share of 10% (comparing to 12% in 2024).

Across other subsidiaries, the Group registered negative changes related to the abandonment of its business development efforts in TBS Romania (which realized immaterial current revenues against the substantial sales of BGN 1,131 thousand<sup>1</sup> for 2024), discontinued contracts and client relationships in TBS Germany (which registered a nearly sevenfold contraction of BGN 1,344 thousand<sup>1</sup> pursuant to the release of its local sales, marketing and technical service teams in the course of 2024 and 2025), TBS Macedonia (which registered a decrease of 35% or BGN 1,938 thousand<sup>1</sup> to just 1% of consolidated sales in the absence of big projects in 2025) and TBS USA (registering a 30% or BGN 475 thousand decrease to less than 1% of consolidated revenues).

#### V.1.1.1 Revenues by main categories of products and services

Benefitting the most from the new projects and the clients which were the main contributors to achieved growth in TBS EAD and Croatia, revenues from IT Infrastructure registered a significant increase of 26% or BGN 44,924 thousand, reaching BGN 217,173 thousand and maintaining a dominant share of 77% of consolidated sales.

Growing on all relevant markets (Macedonia and Croatia included), revenues from Cybersecurity increased by more than twofold by 101% or BGN 17,867 thousand to BGN 35,538 thousand mainly owing to new big projects and clients in the Bulgarian public sector, reaching a share of 13% (against just 8% in 2024).

While much smaller in size, sales in the Software Development, Data and AI domain exhibited a similar development, going 104% or BGN 3,934 thousand up to BGN 7,715 thousand or 3% of consolidated revenues owing both to the first full yearly cycle of sales in 7IT and new projects in Bulgaria.

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<sup>1</sup> (Growth in) revenues from the sale of goods and services from clients other than Group companies.

Technology Group	Correspondence with Technology Group 2024	Net Sales Revenue (BGN thousand)				
		31.12.2025	31.12.2024	change	share 31.12.25	share 31.12.24
IT Infrastructure	IT Infrastructure except Public Cloud	217,173	172,249	26%	77%	77%
End User Hardware and Software, Public Cloud and Other	End User Hardware and Software, IT Infrastructure - part Public Cloud, Other	22,432	28,295	-21%	8%	13%
Cybersecurity	no change	35,538	17,671	101%	13%	8%
Software Development, Data and AI	Digital Transformation	7,715	3,781	104%	3%	2%
IoT	no change	389	2,095	-81%	0%	1%
<b>Total</b>		<b>283,247</b>	<b>224,090</b>	<b>26%</b>	<b>100%</b>	<b>100%</b>

Against the significant non-recurring deliveries of computer equipment by Telelink Business Services Croatia DOO (UIN 081341811) and the non-core services procured by TBS EAD as part of complex projects of NATO in 2024, sales of End User Hardware and Software, Public Cloud and Other registered an overall decrease by 21% or BGN 5,863 thousand to BGN 22,432 thousand and a share contraction from 13% to 8% stemming entirely from subcategory "Other", whereas revenues from End User Software and Public Cloud were maintained on a level similar to 2024 as the drop in respective sales in Croatia and other markets was compensated by a positive change in TBS EAD.

In the absence of significant new projects, revenue from Internet of Things declined by 81% or BGN 1,706 thousand to BGN 389 thousand or less than 1% of consolidated sales.

#### V.1.1.2 Revenues by geographic markets

Driven by the positive development of revenues from the Bulgarian public sector noted in section V.1.1, the Group's sales in Bulgaria registered a more than double increase by 50% or BGN 67,147 thousand, reaching BGN 202,604 thousand and a substantially higher share of 72% of consolidated revenues, as compared to the corresponding ratio of 60% in 2024.

Compensating the slowdown of revenues from Serbia (which led to an overall decrease in local sales at the business pool of Comutel, Telelink Bosnia and Telelink Slovenia by 20% or BGN 4,491 thousand in spite of growing revenues in Slovenia) and Macedonia, growing sales to Croatia (going 23% or BGN 6,367 thousand up as a result of the acquisition, consolidation and the big new project won by 7IT) led to a slight increase in overall revenues from the Western Balkans by 1% or BGN 591 thousand to BGN 56,656 thousand. Nevertheless, given the higher growth rates in other geographical segments, the region accounted for a decreasing share of 20% of consolidated sales for the period, against the corresponding ratio of 25% for 2024.

In itself, Croatia solidified its position of the Group's second largest single national market with revenues of BGN 34,043 thousand and a consolidated share of 12%.

Surpassing substantially the negative impact of fading sales in Romania, the continuing momentum in deliveries to a key account of Comutel and Telelink Slovenia in Greece led to a significant increase in total sales to Other Balkan Markets by 46% or 2,107 thousand to BGN 6,670 thousand, sufficient to maintain a share of 2% of consolidated revenues.

Country/Region*	Net Sales Revenue (BGN thousand)				
	31.12.2025	31.12.2024	change	share 31.12.2025	share 31.12.2024
Bulgaria	202,604	135,457	50%	72%	60%
Croatia	34,043	27,676	23%	12%	12%
Serbia	8,280	14,098	-41%	3%	6%
Slovenia	6,271	4,838	30%	2%	2%
Germany	4,600	4,513	2%	2%	2%
North Macedonia	3,638	5,591	-35%	1%	2%
Bosnia and Herzegovina	3,427	3,533	-3%	1%	2%
United States of America	3,050	3,557	-14%	1%	2%
Romania	128	1,153	-89%	0%	1%
Other	17,205	23,673	-27%	6%	11%
<b>Bulgaria</b>	<b>202,604</b>	<b>135,457</b>	<b>50%</b>	<b>72%</b>	<b>60%</b>
Western Balkans	56,656	56,065	1%	20%	25%
Other Balkan Markets	6,670	4,563	46%	2%	2%
Central & Western Europe	12,925	24,381	-47%	5%	11%
Other Markets	4,391	3,624	21%	2%	2%
<b>Total</b>	<b>283,247</b>	<b>224,090</b>	<b>26%</b>	<b>100%</b>	<b>100%</b>

\*By receiving country.

In spite of the compensation of discontinued contracts and clients in TBS Germany with a substantially larger increase in the sales of TBS EAD to other clients on the German market and the realization of substantial deliveries from 7IT for a division of an international client registered in Sweden, the much lower revenue from NATO as compared to the particularly sizeable such sales for 2024 resulted in a contraction of the Group's interim total revenues from Central and Western Europe by 47% or BGN 11,455 thousand to BGN 12,925 thousand or just 5% of consolidated sales (comparing to 11% for 2024).

In spite of the moderate decrease in revenues from the USA, the channeling of a part of deliveries to an international client of TBS EAD to a division registered elsewhere outside Europe helped to increase sales to clients on Other Markets by 21% or BGN 766 thousand to BGN 4,391 thousand and maintain a respective share of 2% of consolidating sales.

#### V.1.2 Expenses and profitability

In parallel with revenue growth, consolidated operating expenses (operating expenses by nature) increased by 25% or BGN 51,653 thousand, reaching BGN 261,123 thousand. The main factors behind this increase were the net book value of assets sold, the cost of externally purchased services and other accrued project costs, which, by their nature, are correlated to the highest extent to the cost of sales of the growing revenues from services and goods, with the sum of their increases exceeding by far the positive effect of growth in the stocks of production and work in progress during the period against their contraction in 2024. Besides the above, changes in operating expenses were related mostly to the increases in remuneration and social security expenses, which reflected predominantly the first full-year cycle of 7IT as a part of the Group against the only three quarters included in 2024 and to depreciation and amortization costs, stemming mainly from the higher average value of amortizing tangible non-current assets at TBS EAD (accounting for the entry of substantially sizeable assets throughout the later part of 2024).

Reflecting the faster growth in revenues as compared to operating expenses and an insignificant decrease in net other operating income, operating profit grew by 50% or BGN 7,473 thousand reaching BGN 22,346 thousand at an improving margin of 7.9% (comparing to 6.6% in 2024).

Accounting for the net negative impact of the increase in depreciation and amortization expenses by BGN 1,253 thousand and the BGN 2,038 thousand of growth in non-interest finance costs, EBITDA registered a relatively lower but nonetheless significant increase by 33% or BGN 6,688 thousand to BGN 27,242 thousand and a respective margin improvement from 9.2% to 9.6% of consolidated revenues.

Occurring mainly as a result of the sharp increase in the net loss from foreign currency operations due to the negative effect of the forward-based hedging of equipment purchases in US dollars recorded in the context of a declining exchange rate against the euro, the above-mentioned growth in net non-interest finance costs was the main factor behind the more than twofold increase in overall net finance costs by BGN 1,946 thousand to BGN 3,370 thousand or 1.2% of consolidated revenues (as compared to 0.6% in 2024).

Taking into account the much larger increase in operating profit as compared to net finance costs and the slight decrease in the effective tax rate (from 13.6% to 12.9%), net profit increased by 42% or BGN 4,904 thousand, reaching BGN 16,519 thousand at an improving margin of 5.8% (comparing to 5.2% in 2024).

## V.2 Assets, liabilities and equity

### V.2.1 Assets

In parallel with growing sales, consolidated assets registered a substantial increase by 22% or BGN 39,245 thousand against 31.12.2024, reaching 215,870 BGN thousand.

The above increase originated entirely from current assets, which grew by 33% or BGN 42,675 thousand to BGN 172,502 thousand along the lines of receivables from clients and suppliers, inventories accumulated on projects in the process of implementation and with regard to forthcoming deliveries in 2026, and the substantial increase in cash and cash equivalents owed to the growing operating profit realized by the Group and the decrease in net working capital recorded against 31.12.2024<sup>2</sup>.

Accounting for the significant slowdown in capital expenditures as compared to 2024, when TBS EAD recorded not only the usual purchases of equipment for customers under managed service agreements but also significant investments in furniture, improvements and fit-out works on new office areas, non-current assets registered a moderate decrease by 7% or BGN 3,430 thousand to BGN 43,368 thousand, as depreciation and amortization outweighed the formation of new tangible and intangible fixed assets.

### V.2.2 Liabilities

Similarly to assets, total liabilities registered a substantial increase by 18% or BGN 25,058 to BGN 163,183 thousand attributable entirely to the Group's current obligations, which increased by 27% or BGN 31,432 thousand to BGN 149,171 thousand.

For the most part, the latter increase reflected the Group's trading activities, wherein advances received, accrued project costs and tax liabilities registered substantially larger combined growth as compared to the decrease in obligations towards clients and suppliers, while, in spite of significant growth in short-term debt in Bulgaria due to the additional investment loan tranche on deferred payments for the acquisition of 7IT (as described in section III of this Notification) and working capital financing utilized by the Company and TBS EAD, its overall increase was relatively limited by the repayment of all credit line obligations in 7IT itself.

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<sup>2</sup> Considered from the standpoint of the Group's operating cash as a difference between current assets and liabilities excluding cash and cash equivalents, loans granted and financial debt, lease obligations and income tax receivables and payables.

Notwithstanding the above-mentioned second tranche of funding for the acquisition of 7IT, long-term financial debt registered a slight decrease due to the bigger overall repayments of the investment loan during the year. Adding to the net amortization of obligations from rental and operating lease contracts recognized under IFRS 16, decreasing long-term deferred income and the transition of the obligation for a second conditional deferred payment on the acquisition of 7IT (due no later than July 2026) to current liabilities, the above decrease contributed to the significant reduction of total non-current liabilities by 31% or BGN 6,374 thousand to BGN 14,012 thousand.

#### V.2.2.1 Financial Debt

Summing outstanding obligations from the investment loan (BGN 6,899 thousand), new finance lease contracts on the acquisition of vehicles (BGN 105 thousand) and utilized short-term facilities for revolving credit and overdraft (BGN 12,984 thousand), consolidated financial debt as of 31.12.2025 amounted to BGN 19,987 thousand, registering a moderate increase by 8% or BGN 1,525 thousand and a diminishing ratio of 9% of total assets (as compared to 10% at the end of 2024).

Accounting for more than twice higher amount (BGN 50,097 thousand) and substantial increase of cash and cash equivalents (by 101% or BGN 25,118 thousand), consolidated net financial debt (the difference between financial debt and cash and cash equivalents) registered an overall reduction of BGN 23,593 thousand, with the Group ending 2025 in a net cash position (surplus of cash over financial debt) of BGN 30,110 thousand.

*Obligations recognized by the Group from operating lease and rental contracts as per IFRS 16 do not represent actual credit relationships and are not considered as financial debt.*

#### V.2.3 Equity

In the absence of dividend distributions out of the Group, the registered substantial increase in equity by 37% or BGN 14,187 thousand to BGN 52,687 thousand reflected mostly the difference between net profit for the year (BGN 16,519 thousand) and the negative effect of the buyback of own shares by TBSG AD (BGN 2,307 thousand).

Augmented by the above net profit, the accumulated earnings making part of equity as of 31.12.2025 reached BGN 54,906 thousand.

Reflecting the faster growth rate of equity as compared to assets, the Group registered an improvement of its balance sheet capitalization (ratio of equity to total assets) to 24% (from 22% at the end of 2024).

## VI INFORMATION ABOUT LARGE TRANSACTIONS MADE BETWEEN RELATED PARTIES DURING THE REPORTING PERIOD

Upon the presentation of consolidated results, transactions between related parties within the Group are eliminated. Transactions between TBS Group AD and related parties, including such within the Group, were presented in the individual disclosures for the reporting period.

As of 31.12.2025, Group companies have made the following transactions with related parties outside the Group:

Operating Activities (BGN thousand)	Sales to related parties	Purchases from related parties
Other related parties (under common control)	5,234	33
Operating Activities (BGN thousand)	Receivables from related parties	Payables to related parties
Other related parties (under common control)	6,522	78

### 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 being entitled to control.

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

Operating Activities (BGN thousand)	Sales	Purchases
Participation in joint operations (consortia)	63,158	7
Operating Activities (BGN thousand)	Receivables	Payables
Participation in joint operations (consortia)	18,221	0

## VII SUBSTANTIAL NEW RECEIVABLES AND/OR PAYABLES ARISING DURING THE REPORTING PERIOD

The information about substantial receivables and payables arising during the reporting period is included in sections III, V and VI of this Notification and the Statement as per Supplement 4 of Ordinance 2 published along with this Notification.

## VIII IMPORTANT EVENTS AFTER THE END OF THE REPORTING PERIOD

In accordance with the Law on the Introduction of the Euro in the Republic of Bulgaria (LIERB), on 01.01.2026 the Commercial Register and the Register of Non-Profit Legal Entities entered an official currency conversion of the company's registered capital from BGN 12,500,000 to EUR 6,375,000, equivalent to 12,500,000 shares with a nominal value of EUR 0.51 each. Following the applicable provisions of LIERB, the EUR 16,148.51 currency translation difference between this amount and the exact equivalent of BGN 12,500,000 (EUR 6,391,148.51) was allocated to the Company's retained earnings and will be reflected in the Company's notification on an individual basis for the first quarter of 2026.

On 21.01.2026, the Company, in its capacity of sole owner, extended the mandate of the current members of the Board of Directors of TBS EAD (Ivan Zhitiyanov, Ivo Rusev and Iordanka Klenovska) until 29.01.2031 and amended the company's Articles of Association in accordance with LIERB in order to reflect the currency translation of its registered capital, updating the amount of the latter in accordance with the provisions of LIERB to 510,000 EUR, distributed in 1,000,000 euro shares with a nominal value of 0.51 euro each.

On 04.02.2026, the Company, in its capacity of sole shareholder, adopted a resolution to revoke the mandate of Florin Iovu and appoint as administrator of TBS Romania TMF Romania SRL, represented by Radu – Cristian Plop and Ionel – Gabriel Sincu.

On 11.02.2026, an EGMS of the Company was held, whereby a decision was adopted to buy back up to 374,900 own shares until 31.12.2026 at a minimum and maximum price of EUR 3.78 and EUR 7.67 per share and authorize the MB to adopt and conduct, within the specified number of shares, term and price range and in accordance with applicable law, an unlimited number of procedures and decisions regarding the timeframe, minimum and maximum price, investment intermediary and all other parameters of the buyback for each separate procedure.

*Full minutes of the meeting are available at: <https://www.tbs.tech/wp-content/uploads/2026/02/TBSG-Meeting-Minutes-%D0%95GMS-11022026-Signed-1.pdf>.*

02.03.2026

Sofia

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Ivan Zhitiyanov,

TELELINK BUSINESS SERVICES GROUP AD