



STATEMENT

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE FIRST SIX MONTHS OF 2023**

TELELINK BUSINESS SERVICES GROUP AD

The Managing Board of TELELINK BUSINESS SERVICES GROUP AD, city of Sofia, hereby notifies all the existing and potential investors that this statement has been prepared with regard to the requirements Art. 14 of Ordinance № 2 of the Financial Supervision Commission (FSC) and represents Annex №4 to the abovementioned ordinance. It contains information about the Company's business for the reporting period from 1st January 2023 to 30th June 2023.

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

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

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

There has been no change of the persons who exercise control over TELELINK BUSINESS SERVICES GROUP AD for the period from 1st January 2023 to 30th June 2023.

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

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

1.3. Entering into or completion of material transactions

The following agreements have been concluded during the reporting period from 1st January 2023 to 30th June 2023:

On 13th January 2023 was signed annex to Overdraft Facility Commitment Agreement № 0018/730/10102019 dated 10th October 2019 was signed between UniCredit Bulbank AD (Creditor) and TBS EAD (Borrower), under which TBSG AD is Guarantor and Pledgor, by which the interest rate index for overdraft in BGN was changed from the basic interest rate to the bank's average deposit index (ADI).

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

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

On 26th January 2023 annex to Framework Loan Agreement № 5074/2022 between Unicredit Bank Slovenia a.d. and Telelink Slovenia, with a limit of EUR 1 500 000 was signed, extending the term until 18th January 2024 and updating the annual interest rate to 1.6% + M EURIBOR.

The corporate guarantee provided by TBSG AD remains in force to secure Telelink Slovenia's liabilities under this agreement.

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

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

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

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

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

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

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

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

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

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

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

On 31st May 2023 Annex № 9 to the Overdraft Facility Commitment Agreement No 0018/730/10102019 dated 10th October 2019 was signed between UniCredit Bulbank AD and Telelink Business Services EAD as Borrower, Pledgor and Guarantor within the meaning of the Financial Collateral Arrangements Act, under which Telelink Business Services Group AD is Guarantor and Pledgor, extending the drawdown period until 30th June 2023.

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

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

On 30 June 2023 Annex № 10 to the Overdraft Facility Commitment Agreement No 0018/730/10102019 dated 10th October 2019 was signed between UniCredit Bulbank AD and Telelink Business Services EAD as Borrower, Pledgor and Guarantor within the meaning of the Financial Collateral Arrangements Act, under which Telelink Business Services Group AD is Guarantor and Pledgor, extending the drawdown period until 31st May 2024. Pursuant to the Annex, a change in the amount of the sub-limits within the General Credit Limit of EUR 15 000 000 is established as follows:

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

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

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

Information on transactions with related parties during the reporting period 1st January 2023 – 30th June 2023.

Table 1

Operating Activities (BGN thousand)	Sales to related parties	Purchases from related parties
Other related parties (under common control)	430	51
Operating Activities (BGN thousand)	Receivables from related parties	Payables to related parties
Other related parties (under common control)	3,946	6
Operating Activities (BGN thousand)	Sales	Purchases
Participation in joint operations (consortia)	1,757	0
Operating Activities (BGN thousand)	Receivables	Payables
Participation in joint operations (consortia)	643	0

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

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

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

On 28 August 2023 the General Meeting of the Shareholders of Telelink Business Services Group AD approved the annual financial statements of TBSG AD for 2023 to be audited by Ernst and Young Audit OOD, having its seat and registered address in the 47A Tsarigradsko Shose Blvd., Polygraphia Office Centre, 4th floor, 1124 Sofia, entered in the register of audit companies with number 108. There is no change of the auditors of the company compared to the preceding 2022.

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

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

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

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

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

29 July 2023

Ivan Zhitiyanov,
TELELINK BUSINESS SERVICES GROUP AD