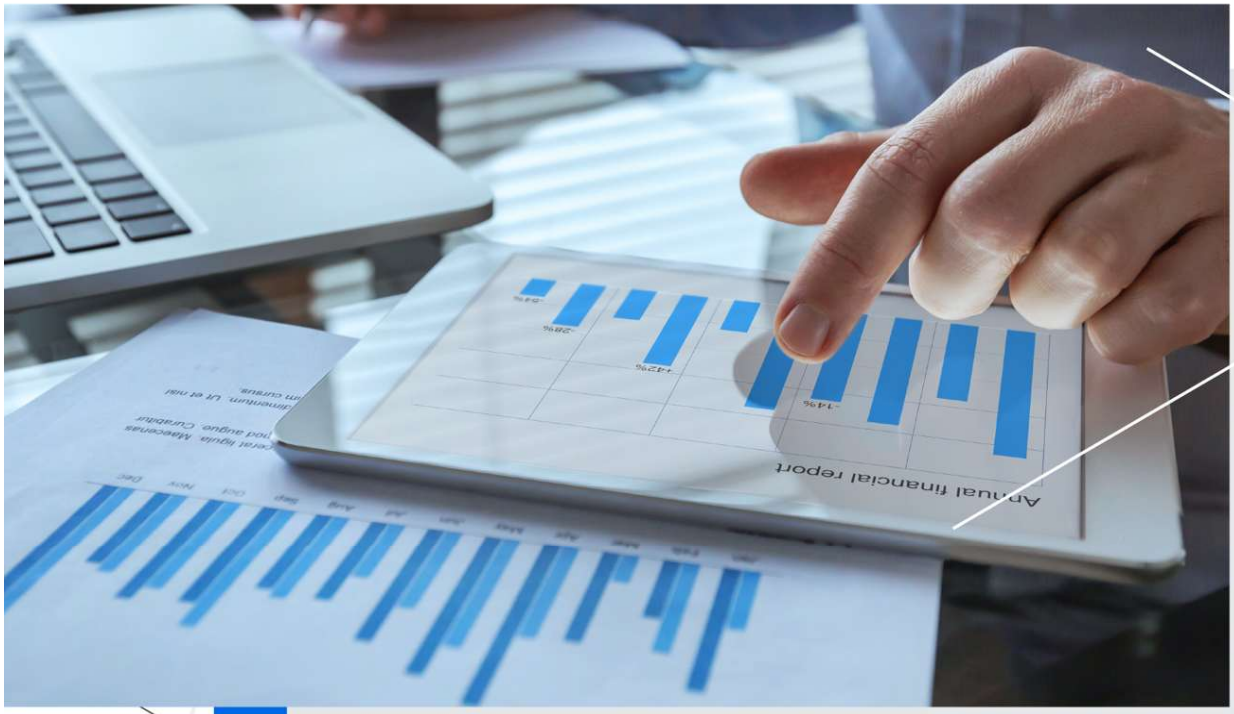
Translation of the official consolidated financial statements and consolidated management report issued in Bulgarian.



Telelink Business Services Group AD

Consolidated Interim Financial Statements
and
Consolidated Interim Management Report

For the period 01 January - 30 June 2026

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Supervisory Board ("SB")

Lyubomir Minchev – Chairman of the SB
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 Plevneliev – member of the SB

Management Board ("MB")

Ivan Zhitiyanov – Chair of the MB and Executive Director
Teodor Dobrev – member of the MB
Orlin Rusev – member of the MB
Jordanka Klenovska - member of the MB
Desislava Torozova – member of the MB

Audit Committee

Jordanka Klenovska – mandate until 10.09.2029
Anelia Angelova – Tumbeva – mandate until 10.09.2029
Todor Stefanov – mandate until 10.09.2029

Head office and registered office

Vitosha region, v.z. Malinova Dolina,
2 Donka Ushlinova St.,
Garitage Park, building 1, floor 4,
Sofia 1766

Servicing banks

UniCredit Bulbank AD
United Bulgarian Bank AD

Legal consultants

Consult 2002 EOOD
42, Alabin St., fl. 2
Sofia

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
for the period 01 January – 30 June

	Note	*01.01.2026 - 30.06.2026 EUR'000*	*01.01.2025 - 30.06.2025 EUR'000*
Revenue	9	47,203	47,097
Cost of sales	12	(34,537)	(35,512)
Gross profit		12,666	11,585
Other operating income	13	347	285
General and administrative expenses	10, 12	(3,884)	(4,032)
Sales and marketing expenses	11, 12	(5,601)	(5,471)
Other operating expenses	13	(130)	(74)
Operating profit		3,398	2,293
Finance income	14	3	-
Finance costs	14	(393)	(921)
Profit before tax		3,008	1,372
Income tax expense	16	(384)	(285)
Profit		**2,624**	**1,087**
Discontinued operations			
Loss after tax from discontinued operations		-	-
Profit for the year		**2,624**	**1,087**
Profit for the year attributable to:			
Owners of the Parent Company		2,624	1,087
Non-controlling interests		-	-
		2,624	**1,087**

Ivan Krasimirov Zhitiyanov
Executive Director

IVAN KRASIMIROV ZHITIYANOV
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Jordanka Lyubchova Klenovska
Chief Financial Officer, Preparer

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The accompanying notes from 1 to 38 are an integral part of these consolidated financial statements.

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (CONTINUED) for the period 01 January – 30 June

		01.01.2026 - 30.06.2026 EUR'000	*01.01.2025 - 30.06.2025 EUR'000*
Other comprehensive income			
Exchange differences on translation of foreign operations		12	40
Total comprehensive income for the year, net of tax		**2,636**	**1,127**
Total comprehensive income attributable to:			
Owners of the Parent Company		2,636	1,127
Non-controlling interests		-	-
		2,636	**1,127**
Net earnings per share in EUR	33		
From continuing operations			
Ordinary shares		**0.210**	**0.087**
Diluted shares		**-**	**-**
From continuing and discontinued operations			
Ordinary shares		**0.210**	**0.087**
Diluted shares		**-**	**-**

Ivan Krasimirov Zhitiyanov
Executive Director

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CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (CONTINUED) as of 30 June 2026

ASSETS	Note	*30.06.2026 EUR'000*	*31.12.2025 EUR'000*
Non-current assets			
Property, plant and equipment	18	8,012	7,988
Investment property	19	294	294
Intangible assets	20	343	340
Goodwill	8	8,141	8,141
Prepayments	17	3,207	3,568
Other non-current assets		31	31
Deferred tax assets	16	2,145	2,019
		22,173	22,381
Current assets			
Inventories	21	5,196	5,468
Trade and other receivables	22	31,291	41,076
Contract assets	9, 22	1,658	9,498
Loans granted	23	307	155
Prepayments	17	7,037	5,813
Cash and cash equivalents	24	14,473	25,676
Advance corporate income tax		149	161
		60,111	87,847
TOTAL ASSETS		**82,284**	**110,228**

Ivan Krasimirov Zhitiyanov
Executive Director

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CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (CONTINUED) as of 30 June 2026

EQUITY AND LIABILITIES	Notes	*30.06.2026 EUR'000*	*31.12.2025 EUR'000*
Share capital	32	6,375	6,391
Legal reserves	32	701	701
Other reserves	32	(6,819)	(6,819)
Other components of equity	32	(1,168)	(1,168)
Retained earnings		28,107	19,783
Profit for the year		2,624	8,308
Foreign currency translation reserve	32	(233)	(245)
Total equity		29,587	26,951
Non-current liabilities			
Interest-bearing loans and borrowings	26	2,868	2,619
Lease liabilities	27	1,135	1,594
Employee retirement benefit obligations	30	31	31
Government grants	25	291	291
Contract liabilities	9, 29	1,779	2,252
		6,104	6,787
Current liabilities			
Interest-bearing loans and borrowings	26	9,923	7,374
Lease liabilities	27	1,463	1,431
Trade and other payables	28	27,285	50,262
Government grants	25	180	484
Contract liabilities	9, 29	7,262	15,273
Income tax payable		480	1,666
		46,593	76,490
Total liabilities		52,697	83,277
TOTAL EQUITY AND LIABILITIES		**82,284**	**110,228**

Ivan Krasimirov Zhitiyanov
Executive Director

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The accompanying notes from 1 to 38 are an integral part of these consolidated financial statements.

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
for the period 01 January – 30 June

	Share Capital *EUR'000*	Legal reserves *EUR'000*	Other reserves *EUR'000*	Other components of equity *EUR'000*	Retained earnings *EUR'000*	Foreign currency translation reserve *EUR'000*	Total equity *EUR'000*
Balance at 01 January 2025	**6,391**	**,702**	**(6,836)**	**12**	**19,701**	**(286)**	**19,684**
Profit for the year	-	-	-	-	1,087	-	**1,087**
Other comprehensive income (note 32)	-	-	-	-	-	40	**40**
Total comprehensive income	**-**	**-**	**-**	**-**	**1,087**	**40**	**1,127**
Transfers (note 32)	-	4	(15)	-	7	-	**(4)**
Buy-back of own shares (note 32)	-	-	-	(1,180)	-	-	**(1,180)**
Balance at 30 June 2025	**6,391**	**706**	**(6,851)**	**(1,168)**	**20,795**	**(246)**	**19,627**
Balance at 01 January 2026	**6,391**	**701**	**(6,819)**	**(1,168)**	**28,091**	**(245)**	**26,951**
Profit for the year	-	-	-	-	2,624	-	**2,624**
Other comprehensive income (note 32)	-	-	-	-	-	12	**12**
Total comprehensive income	**-**	**-**	**-**	**-**	**2,624**	**12**	**2,636**
Increase in capital reserves (note 32)	(16)	-	-	-	16	-	-
Balance at 30 June 2025	**6,375**	**701**	**(6,819)**	**(1,168)**	**30,731**	**(233)**	**29,587**

Ivan Krasimirov Zhitiyanov
Executive Director

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The accompanying notes from 1 to 38 are an integral part of these consolidated financial statements.

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
for the period 01 January – 30 June

	Notes	*01.01.2026 - 30.06.2026 EUR'000*	*01.01.2025 - 30.06.2025 EUR'000*
Operating activities			
Profit before income tax		3,008	1,372
Adjustment to reconcile profit before tax to net cash flows			
Non-cash adjustments:			
Net finance costs		390	921
Movements in retirement benefits obligations and government grants	25, 30	(305)	(235)
Depreciation & amortisation	18, 20	1,832	1,765
Working capital adjustments			
Increase/ (decrease) in inventories		272	(3,829)
Increase in trade and other receivables, contract assets, prepayments		18,091	8,742
Increase in trade and other payables, contract liabilities		(31,461)	(10,385)
Bank charges paid	14	(118)	(116)
Income taxes paid		(1,690)	(315)
Net cash flows from operating activities		**(9,981)**	**(2,081)**

Ivan Krasimirov Zhitiyanov
Executive Director

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The accompanying notes from 1 to 38 are an integral part of these consolidated financial statements.

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (CONTINUED)
for the period 01 January – 30 June

	Notes	*01.01.2026 - 30.06.2026 EUR'000*	*01.01.2025 - 30.06.2025 EUR'000*
Investing activities			
Purchase of property, plant and equipment	18	(1,404)	(1,162)
Purchase of intangible assets	20	(127)	-
Proceeds from sale of property, plant and equipment	18	-	3
Receipt of government grants	25	-	41
Loans granted		(150)	-
Acquisition of a subsidiary	8	(1,327)	-
Net cash flows used in investing activities		**(3,008)**	**(1,119)**
Financing activities			
Proceeds form borrowings	26	8,193	6,573
Repayment of borrowings	26	(5,388)	(3,412)
Payments on leases	27	(737)	(631)
Repurchase of shares	32	-	(1,180)
Interest paid	27	(182)	(194)
Interest paid on leases	27	(58)	(66)
Net cash flows used in financing activities		**1,829**	**1,090**
Net change in cash and cash equivalents		(11,161)	(2,110)
Net foreign exchange difference	14	(42)	(545)
Cash and cash equivalents at 1 January		25,676	12,772
Cash and cash equivalents at 30 June	24	**14,473**	**10,117**

Ivan Krasimirov Zhitiyanov
Executive Director

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The accompanying notes from 1 to 38 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS 30 JUNE 2026

1. Accounting policy - Corporate information

Incorporation

Telelink Business Services Group AD was incorporated on 12 July 2019 as a sole-shareholder joint stock company, registered with the Trade Register of the Registry Agency under UIC 205744019. On 24 September 2019 a change was entered and it was registered as a joint stock company. The registered office of the Parent Company is Vitosha region, 2 Donka Ushlinova St., Garitage Park, Building 1, floor 4, Sofia 1766, Bulgaria.

Telelink Business Services Group AD is a public company, registered with the Financial Supervision Commission on 28 November 2019.

The shares of the Parent Company are traded on the Bulgarian Stock Exchange.

Shareholders

The Parent Company has a registered capital of EUR 6,375 thousand, divided into 12,500,000 shares with a nominal value of EUR 0.51 each.

In the period 2020-2021, a total of three tranches of public offering of existing shares of the Parent Company were carried out, pursuant to which three shareholders existing as such prior to the offering sold on the Bulgarian Stock Exchange ("BSE") a total of 2,625,000 shares (including 875,000 realized in 2021), representing 21% of its registered capital (including 7% realized in 2021). The offerings did not include a capital increase and did not generate proceeds for the Parent Company.

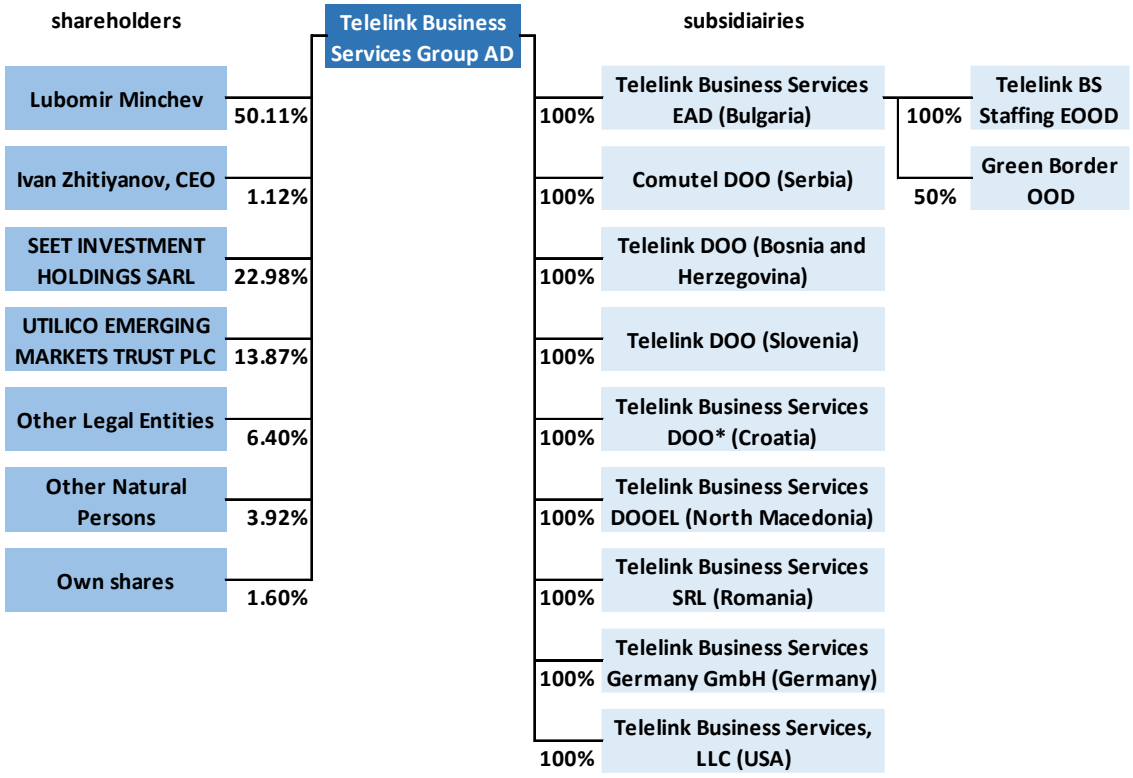
As of 30.06.2026, the persons holding over 5% of the Company's capital were Lyubomir Minchev with a stake of 6,263,624 shares or 50.11%, SEET INVESTMENT HOLDINGS SARL (Luxembourg) with a stake of 2,872,380 shares or 22.98% and Utilico Emerging Markets Trust PLC (UK) with a stake of 1,733,837 shares or 13.87%.

Pursuant to share buybacks and transfers in connection with incentive programs for the employees and the MB and other purposes, 200,000 shares were repurchased in March 2025 in accordance with the resolution adopted at the Extraordinary GMS of the Company on 13.02.2025. As of 30.06.2026, the Company holds 200,006 treasury shares, representing 1.60% of its registered capital. (Note 32).

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS 30 JUNE 2026

1. Accounting policy - Corporate information (continued)

The shareholder structure and the structure of the Group as of 30.06.2026 are presented below:



Activities

The Group is specialized in the provision of services related to system integration and maintenance of information and communication systems of customers in the three main market segments: mobile telecommunications service providers, fixed telecommunications service providers and large and medium-sized public and private organizations in the areas of territorial presence and on a global basis.

The consolidated financial statements present financial information about Telelink Business Services Group AD and its subsidiaries – Telelink Business Services EAD (Bulgaria), Comutel DOO (Serbia), Telelink DOO (Bosnia and Herzegovina), Telelink DOO (Slovenia), Telelink Business Services DOOEL (North Macedonia), Telelink Business Services DOO (Croatia), merged into SEDAM IT DOO (Croatia) in 2025, Telelink Business Services LLC (USA), Telelink Business Services SRL (Romania), Telelink Business Services Germany GmbH (Germany) and SEDAM IT DOO (Croatia), renamed to Telelink Business Services DOO (Croatia) in 2025.

As of 30 June 2026, the Group has a two-tier management structure – a Management Board and a Supervisory Board. Operational management is carried out by its Management Board. Those charged with general governance are represented by the Supervisory Board of the Parent Company. The Group has an Audit Committee elected by the General Meeting of Shareholders ("GMS") Audit Committee.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

2. Accounting policy - Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties, presented at fair value.

Pursuant to the Law on the Introduction of the Euro in the Republic of Bulgaria (LIERB), effective from 01.01.2026, the euro became the official monetary unit and legal tender in the Republic of Bulgaria. The fixed exchange rate is BGN 1.95583 per EUR 1. The interim financial statements are presented in euro (EUR), which is the functional currency of the Group. All values are rounded to the nearest thousand euro (EUR thousand), except when otherwise indicated.

Statement of compliance / General framework for financial reporting

These consolidated financial statements have been prepared in accordance with IFRS accounting standards as adopted by the European Union ("IFRS accounting standards as adopted by the EU"). The reporting framework "IFRS accounting standards as adopted by the EU" is essentially the designated national accounting basis International Accounting Standards (IAS) adopted by the EU, regulated by the Accountancy Act and defined in item 8 of its Additional Provisions.

3. Accounting policy - Basis of consolidation

The consolidated financial statements comprise the financial statements of Telelink Business Services Group AD and its subsidiaries for the period ended 30 June 2026.

Subsidiaries are those over which the Group exercises control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement and there is a link between control and returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is established until the date on which it ceases.

Non-controlling interests (NCI) are measured at the proportionate share of the identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for in equity.

Upon the loss of control over a subsidiary, the Group derecognizes the assets and liabilities of the subsidiary, and the related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss for the period. Any retained interest in a former subsidiary is measured at fair value at the date of loss of control.

Intra-group balances and transactions and any unrealized income and expenses arising from intra-group transactions are eliminated. Unrealized gains from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the entity. Unrealized losses are eliminated in the same way as unrealized gains, but only if there is no evidence of impairment.

The Group has identified one reporting segment and does not disclose segment information in accordance with IFRS 8 Operating Segments.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS 30 JUNE 2026

4. Accounting policy - Summary of significant accounting policies

Foreign currency translation

The consolidated financial statements have been prepared in euro, which is the functional and presentation currency of the Group. Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate effective at the reporting date.

All exchange differences are recognized in the statement of comprehensive income. Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated into the functional currency at the exchange rate at the date of the initial transaction (acquisition).

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except those related to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), over the net amount of the identifiable assets acquired as of the acquisition date and the liabilities assumed as of the same date.

If, after reassessment, the net amount of the assets acquired and liabilities assumed as of the acquisition date exceeds the sum of the consideration transferred, the amount of non-controlling interests and the fair value of the previously held interest (if any), the excess is recognized immediately in profit or loss as a gain on a bargain purchase.

When the consideration transferred by the Group in a business combination includes contingent consideration, this contingent consideration is measured at fair value at the acquisition date and included as part of the consideration transferred in the business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill.

Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

4. Accounting policy - Summary of significant accounting policies (continued)

Goodwill (continued)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognized in profit or loss.

Goodwill is not amortized but is tested for impairment at least once annually. If the recoverable amount of goodwill is lower than its carrying amount, the impairment loss is first allocated to reduce the carrying amount of goodwill. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Accounting for restructuring of entities under common control

Business combinations between entities under common control are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date on which common control was established, and for this purpose the comparative information is restated. The assets and liabilities acquired are recognized at the carrying amounts previously reported in the consolidated financial statements of the shareholder controlling the Group ("the predecessor values method"). The results of the acquired companies are included in the consolidated financial statements retrospectively, i.e. the comparative information for prior years reflects the combined results of the new structure of the Group, even though the restructuring took place in the current year. Intercompany balances and unrealized gains and losses from transactions within the Group are eliminated.

Joint operations

Participation in joint arrangements is determined within contractual relationships that give the parties joint control of the arrangement. A joint arrangement is either a joint operation or a joint venture. The Group determines its participation in arrangements as joint operations by assessing its rights and obligations, taking into account the structure and legal form of the arrangement and the terms agreed in the contractual arrangement. In relation to its interests in a joint operation, the Group recognizes assets, liabilities, revenue from the sale of output of the joint operation, expenses, including those incurred jointly and reported in the assets, liabilities, income and expenses related to its participation in the joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

4. Accounting policy - Summary of significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost also includes the cost of replacing parts of the plant and equipment when those costs are incurred, provided the recognition criteria are met. When costs are incurred for a major inspection of a machine and/or equipment, they are included in the carrying amount of the respective asset as replacement costs, provided the asset recognition criteria are met. All other repair and maintenance costs are recognized in the statement of comprehensive income in the period in which they are incurred.

Depreciation is calculated on a straight-line basis over the useful life of the assets, as follows:

Type of asset	Useful life in years
Computers	2 years
Machines and equipment	3.33 years
Motor vehicles	4 years
Hardware for the provision of managed services	in accordance with the term of the contract for the provision of such services - usually 4/7 years
Furniture and fixtures	6.67 years
Other	in accordance with the term of the lease contract

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on derecognition of the asset (representing the difference between the net disposal proceeds, if any, and the carrying amount of the asset) are included in the statement of comprehensive income when the asset is derecognized.

At the end of each financial year, a review of the residual values, useful lives and depreciation methods applied to the assets is performed and, if expectations differ from previous estimates, the latter are changed prospectively.

Investment property

Investment properties are properties held to earn rental income or for capital appreciation, or both. Investment properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are recognized in profit or loss for the reporting period in which they arise.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

4. Accounting policy - Summary of significant accounting policies (continued)

Investment property (continued)

Investment properties are derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from the retirement or disposal of an investment property are included in the statement of comprehensive income in the period of retirement or disposal.

Transfers to or from investment property are made only when there is a change in use. For a transfer from investment property carried at fair value to owner-occupied property or inventories, the deemed cost of the property for subsequent accounting under IAS 16 or IAS 2 is its fair value at the date of change in use. If an owner-occupied property becomes an investment property that will be carried at fair value, the Group applies IAS 16 up to the date of change in use.

Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Government grants

Government grants are recognized initially as deferred income at fair value when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant. They are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses are incurred.

Intangible assets

Intangible assets acquired separately are measured initially at cost. Cost includes the purchase price, customs duties and non-refundable purchase taxes, as well as all direct costs necessary to bring the asset to its intended use.

Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. Subsequent expenditure on an intangible asset after its purchase or completion is recognized as an expense when incurred, unless it is probable that this expenditure will enable the asset to generate future economic benefits and the expenditure can be measured reliably and attributed to the asset. If these two conditions are met, the subsequent expenditure is added to the cost of the intangible asset.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

4. Accounting policy - Summary of significant accounting policies (continued)

Intangible assets (continued)

Internally generated intangible assets, excluding development costs, are not capitalized and the expenditure is reflected in the statement of comprehensive income in the period in which it is incurred.

Development activity involves the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of their commercial production or use. To assess whether an internally generated intangible asset meets the recognition criteria, the Group divides the creation of the asset into a research phase and a development phase. If the Group cannot distinguish the research phase from the development phase of an internal project to create an asset, it treats the expenditure on that project as if it were incurred in the research phase only. An intangible asset arising from development is recognized only if the Group has control over and expects future economic benefits from the asset.

The useful life of intangible assets is assessed as finite.

Depreciation is calculated on a straight-line basis over the useful life of the assets, as follows:

Type of asset	Useful life in years
Software	2 years
Software for the provision of managed services	in accordance with the term of the contract for the provision of such services - usually 4/7 years
Other	within the term of the contract

Intangible assets with finite useful lives are amortized over their useful economic lives and tested for impairment whenever there is an indication that their value may be impaired. At a minimum, at the end of each financial year, a review of the amortization period and the amortization methods applied to intangible assets with finite useful lives is performed. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the intangible asset are accounted for by changing the amortization period or method and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite useful lives is classified according to its function in the statement of comprehensive income, consistent with the purpose of the intangible asset.

Gains or losses arising from derecognition of an intangible asset, representing the difference between the net disposal proceeds and the carrying amount of the asset, are included in the statement of comprehensive income when the asset is derecognized.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

4. Accounting policy - Summary of significant accounting policies (continued)

Inventories

Inventories comprise materials, merchandise and work in progress. Inventories are stated at the lower of cost and net realizable value. The cost of inventories reflects their purchase price, plus any other costs necessary to bring them to their present location and condition, and is determined using the weighted average cost method. Net realizable value for merchandise and finished goods is determined as the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Work in progress includes direct costs of materials and labour, but excludes borrowing costs.

Impairment of non-financial assets

At each reporting date, the Group assesses whether there are indications that an asset may be impaired. If any such indications exist, or when annual impairment testing for an asset is required, the Group estimates the recoverable amount of that asset. The recoverable amount of an asset is the higher of the fair value less costs to sell of the asset or the cash-generating unit and its value in use. The recoverable amount is determined for an individual asset, unless the use of the asset does not generate cash inflows that are largely independent of the cash inflows generated by other assets or groups of assets. When the carrying amount of an asset is higher than its recoverable amount, the asset is considered impaired and its carrying amount is written down to its recoverable amount. In determining the value in use of an asset, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset. Fair value less costs to sell is determined using an appropriate valuation model.

Impairment losses from continuing operations are recognized in the statement of comprehensive income, classified in expense categories consistent with the function of the impaired asset.

For all non-financial assets, at each reporting date an assessment is made as to whether there are indications that an impairment loss recognized in prior periods may no longer exist or may have decreased. If such indications exist, the Group determines the recoverable amount of the asset or the cash-generating unit. An impairment loss is reversed only when there has been a change in the estimates used to determine the recoverable amount of the asset since the recognition of the last impairment loss. In that case, the carrying amount of the asset is increased to its recoverable amount.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

4. Accounting policy - Summary of significant accounting policies (continued)

Impairment of non-financial assets (continued)

This increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior periods. The reversal of an impairment loss is recognized in the statement of comprehensive income for the year.

Cash and cash equivalents

Cash and short-term deposits comprise cash in bank accounts and on hand and short-term deposits with an original maturity of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, at fair value through other comprehensive income (OCI), and at fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or at fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS 30 JUNE 2026

4. Accounting policy - Summary of significant accounting policies (continued)

Financial assets (continued)

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include trade receivables, loans granted to third parties and cash and cash equivalents.

Derecognition

A financial asset is derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The rights to receive cash flows from the asset have been transferred or the Group has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of ownership of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of ownership of the asset, but has not retained control of it.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the financial asset, nor transferred control of it, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS 30 JUNE 2026

4. Accounting policy - Summary of significant accounting policies (continued)

Financial assets (continued)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

With respect to trade receivables and contract assets, the Group applies the simplified approach for calculating ECLs. As a result, it does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group always measures the impairment of trade receivables at an amount equal to lifetime expected credit losses. Expected credit losses on trade receivables are assessed using a provision matrix based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment as at the reporting date. The Group has recognised a loss allowance of 0% against all receivables overdue by more than 180 days, as historical experience indicates that such receivables are typically recoverable.

At each reporting date, the Group determines whether a debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making this assessment, the Group reviews the internal credit rating of the debt instrument. In addition, it assesses whether there has been a significant increase in credit risk when contractual payments are more than 60 days past due. The Group considers a financial instrument to be in default when contractual payments are more than 90 days past due. However, in certain cases, it may also consider a financial asset to be in default when internal or external information indicates that it is unlikely the Group will receive the full amount outstanding under the contract, before taking into account any credit enhancements held by it. Financial assets are written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

4. Accounting policy - Summary of significant accounting policies (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or at amortised cost as loans and borrowings or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts. As of the end of the reporting period there are no balances formed from derivative financial instruments.

Subsequent measurement

Loans and borrowings

After initial recognition, the Group measures interest-bearing loans and borrowings at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liability is derecognised as well as through the EIR amortisation process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.

This category generally applies to interest-bearing loans and borrowings. Additional information is provided in Note 26 "„Interest-bearing loans and borrowings".

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and the Group intends to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Provisions

General

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

4. Accounting policy - Summary of significant accounting policies (continued)

Provisions (continued)

When the Group expects that some or all of the expenditure required to settle a provision will be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset, but only when it is virtually certain that the expenditure will be reimbursed. The expense relating to a provision is presented in the statement of comprehensive income net of the amount of the reimbursement.

When the effect of the time value of money is material, provisions are discounted using a current pre-tax discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is presented as a finance cost.

Employee benefits

Short-term employee benefits include salaries, interim and annual bonuses, social security contributions and annual paid leave of employees, which are expected to be settled wholly within 12 months after the end of the reporting period. When the Group receives the service, they are recognized as personnel expenses in profit or loss or capitalized in the cost of an asset. Short-term employee benefits are measured at the undiscounted amount of the expenditure expected to be settled.

State social security plan

All employees of the Bulgarian companies are members of the Bulgarian state social security plan. In the ordinary course of business, the Group makes payments to the State Social Security Fund and the National Health Insurance Fund based on the employee's remuneration, at the rates set in the Social Security Code of Bulgaria. The Group's share of the social security contributions is treated as payments made under a defined contribution plan and is recognized as an expense when incurred. Under the state social security plan, all related risks are borne by the employees. No other obligation exists for the Group.

Retirement employee benefits

The Group has a defined benefit pension plan arising from its obligation under Bulgarian labour legislation to pay its employees upon retirement two or six gross monthly salaries depending on the length of service. If an employee has worked for the Group for 10 years, they receive six gross monthly salaries upon retirement, and if they have worked for less than 10 years – two. The retirement employee benefit plan is not funded. Retirement benefit obligations are determined using the projected unit credit actuarial method. Remeasurements of the defined benefit pension plan, comprising actuarial gains and losses, are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognized in profit or loss at the earlier of:

- the date of the plan amendment or curtailment; and
- the date on which restructuring costs accompanying the plan amendments are recognized.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

4. Accounting policy - Summary of significant accounting policies (continued)

Retirement employee benefits (continued)

Interest expense is recognized by applying a discount factor to the retirement benefit obligation. The Group recognizes the following changes in the defined benefit obligations in profit or loss for the period:

- service costs, comprising current service costs, past service costs, as well as gains and losses on curtailments and non-routine settlements under the plan, are included in "Personnel expenses";
- interest expense is presented as "Finance costs".

Revenues from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 5.

Sale of goods/equipment

Revenue from the sale of goods and equipment is recognized at a point in time when control of the asset is transferred to the customer, which is generally on delivery of the equipment. The normal credit term is 30 to 90 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. warranties). In determining the transaction price for the sale of goods/equipment, the Group considers the effects of variable consideration, the existence of significant financing components and consideration payable to the customer (if any).

Significant financing component

In some cases, the Group receives short-term advances from its customers. Applying the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised goods or services to the customer and when the customer pays for those goods or services will be one year or less.

In some cases, the Group receives long-term advances from its customers. The Group has determined that the payment terms are structured primarily for reasons other than the provision of finance to the Group and has concluded that there is no significant financing component.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

4. Accounting policy - Summary of significant accounting policies (continued)

Revenues from contracts with customers (continued)

Warranty obligations

In a number of cases, the Group provides an extended warranty that is beyond the warranty for rectifying defects that existed at the time of sale. These service-type warranties are sold either separately or bundled together with the sale of goods/equipment.

The statutory (assurance-type) warranty is not accounted for by the Group, as it is assumed by the manufacturer of the equipment. Contracts for bundled sales of equipment and a service-type warranty comprise two performance obligations because the promises to transfer the equipment and to provide the service-type warranty are capable of being distinct. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognized as a contract liability. Revenue is recognized over the period in which the service-type warranty is provided based on the time elapsed**.**

Installation services

The Group provides installation services that are either sold separately or bundled together with the sale of equipment to a customer. These services can be obtained from other providers and do not significantly customize or modify the equipment to the customer's specifications. Contracts for bundled sales of equipment and installation services comprise two performance obligations because the promises to transfer the equipment and to provide the installation services are capable of being separated and are separately identifiable. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices of the equipment and the installation services.

The Group accounts for the services as a single performance obligation and recognizes revenue from them over time, because the customer simultaneously receives and consumes the benefits provided by the Group. The Group applies the practical expedient under IFRS 15, paragraph B16, to recognize revenue at the amount it is entitled to invoice. Typically, these services are performed shortly after the delivery of the equipment. Revenue from the sale of the equipment is recognized at a point in time upon delivery of the equipment.

Provision of services related to licenses and software developed by third parties

The Group provides services related to the transfer of software licenses under contracts with customers, which is effected through the download and activation of a license key. An integral part of the contract are also services for advising the customer on the selection of an optimal package of software products and assistance with the implementation of the licenses.

In the case of contracts with a customer that include a combination of consulting services and the transfer of licenses developed by third parties, revenue is recognized at the point of delivery of the software product.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

4. Accounting policy - Summary of significant accounting policies (continued)

Revenues from contracts with customers (continued)

Provision of managed services

These services include long-term contracts with customers (usually between five and seven years) for the maintenance and management of the customer's IT infrastructure, which include continuous proactive monitoring, remote management and on-site support. In the majority of the contracts, the Group provides network and/or voice equipment for use as part of the contractual obligation. Revenue under managed services contracts is recognized over time over the term of the contract on a monthly basis.

Contract balances

Contract assets
A contract asset is the right to receive consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays the respective consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade receivables
A receivable represents the Group's right to receive an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs its obligations under the contract.

Interest

Interest income is recognized as the interest accrues (using the effective interest rate method, i.e. the rate that exactly discounts the estimated future cash flows over the expected life of the financial instrument) to the gross carrying amount of the financial asset.

Dividends

A liability for cash or non-cash distributions to the equity holders of the Parent Company is recognized when the distribution is authorized (i.e. approved by the shareholders) and is no longer at the discretion of the Parent Company. The corresponding amount is debited directly to equity.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

4. Accounting policy - Summary of significant accounting policies (continued)

Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. That is, whether the contract conveys the right to control the use of an identified asset for a period of time.

The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases (i.e. leases with a lease term of up to 12 months) and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms of the lease, less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

• Machines and equipment	3.33 years
• Vehicles and other equipment	4 years
• Buildings	5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are also subject to impairment. The accounting policy on impairment is disclosed in the section Impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS 30 JUNE 2026

4. Accounting policy - Summary of significant accounting policies (continued)

Leases (continued)

Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses an incremental borrowing rate based on interest rate statistics, because the interest rate implicit in the lease cannot always be readily determined. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

The Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Taxes

Current tax

Current tax assets and liabilities for the current and prior periods are recognized at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute current taxes are those that are enacted or substantively enacted at the reporting date.

Deferred tax

Deferred taxes are recognized using the balance sheet method for all temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

4. Accounting policy - Summary of significant accounting policies (continued)

Taxes (continued)

Deferred tax liabilities are recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction that:
- is not a business combination;
- at the time of the transaction, affects neither the accounting profit nor taxable profit (tax loss); and
- at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination;
- at the time of the transaction, affects neither the accounting profit nor taxable profit (tax loss); and
- at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred taxes relating to items recognized directly in equity are also recognized in equity and not in the statement of comprehensive income for the year.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax assets against current tax liabilities, and the deferred taxes relate to income taxes levied by the same tax authority on the same taxable entity. Deferred tax assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies. Additional information on deferred taxes is disclosed in Note 16.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

4. Accounting policy - Summary of significant accounting policies (continued)

Taxes (continued)

Value added tax

Revenues, expenses and assets are recognized net of VAT, except where:

- the tax incurred on the purchase of assets or services is not recoverable from the tax authorities, in which case the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- receivables and payables are recognized inclusive of value added tax.

The net amount of the VAT payable to or recoverable from the tax authority is included as a liability or receivable, respectively, in the statement of financial position.

Share capital and reserves

Telelink Business Services Group AD is a joint stock company and is obliged to register with the Trade Register a specified amount of share capital, which shall serve as security for the receivables of its creditors. The shareholders are liable for the obligations of the Parent Company up to the amount of their shareholding in the capital and may claim a refund of this participation only in liquidation or insolvency proceedings. Share capital is presented at the nominal value of the shares issued and paid.

In accordance with the requirements of local laws, some of the companies in the Group are obliged to also set aside a “Reserve Fund” (statutory reserves).

Treasury shares repurchased are presented in the statement of financial position at cost (acquisition price), with their gross purchase price deducted from the Group’s equity. The net effect of treasury shares repurchased and granted under share-based payment programs within the Group is presented directly in the Group’s equity in the section “other components of equity”.

Share-based payments

Share-based payments to employees and members of the Management Board in connection with services provided are settled through equity instruments. The equity instruments granted are measured at their fair value at the grant date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. The expense for share-based payments, together with the corresponding increase in equity, is recognized over the period in which the services are received and, where applicable, the vesting conditions are met. The share-based payment arrangements within the Group explicitly provide for reimbursement of the amounts by the subsidiaries to Telelink Business Services Group AD for the shares granted to employees of the subsidiaries. More details are given in Note 39.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

5. Accounting policy - Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent liabilities at the reporting date, as well as the reported income and expenses for the period. Uncertainties related to the assumptions and estimates made could lead to actual results that require material adjustments to the carrying amounts of the respective assets or liabilities in future reporting periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements.

Joint arrangements

The Group assesses its participation in each consortium where joint control exists as joint arrangements. Management analyses the rights and obligations by considering the structure and legal form of each arrangement, the contractual terms agreed between the parties to the arrangement, and all other relevant facts and circumstances, in order to determine the type of joint arrangement in which it participates – a joint operation or a joint venture. The analysis performed by management determines that the participation in all consortia meets the criteria for recognition as joint operations.

Revenues from contracts with customers

The accounting for revenue from contracts with customers involves significant judgements made by the Group's management to determine the separate performance obligations under contracts with customers, which materially affect the amount of revenue recognized for the reporting period. Key judgements include an analysis of the economic substance and commercial context of contracts with customers to identify separate performance obligations, as well as an assessment of their progress towards the end of the reporting period, involving judgements and assumptions about the volume of services, activities and inventories required to satisfy the performance obligations, the expected total contract costs, the remaining costs to complete the contract, the total contract revenue, as well as the contract risks, including technical, regulatory and legal risks.

The Group has applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers.

- Identifying performance obligations in a bundled sale of equipment and installation services.

The Group provides installation services that are usually sold together with the sale of equipment to a customer. The installation services represent a promise to transfer services in the future and are part of the negotiated exchange between the Group and the customer. The Group has determined that both the equipment and the installation services are capable of being distinct. The Group has also determined that the promises to transfer the equipment and to provide the installation services are distinct within the context of most contracts. The Group does not provide significant integration services, because the presence of the equipment and the installation services together in the contract does not result in any additional or combined functionality.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

5. Accounting policy - Significant accounting judgements, estimates and assumptions (continued)

Judgements (continued)

Revenues from contracts with customers (continued)

In addition, the equipment and the installation services are not highly interdependent or highly interrelated, because the Group would be able to transfer the equipment even if the customer declined the installation services, and the customer is able to obtain installation services for the products offered from other distributors. Consequently, the Group allocates a portion of the transaction price to the equipment and the installation services based on their relative stand-alone selling prices.

- Principal versus agent considerations

The Group enters into contracts with its customers for the sale of goods/equipment and licenses/software produced by various suppliers. The Group has determined that it controls the goods before they are transferred to customers, and it is able to direct the use of the equipment or obtain benefits from it. The following factors indicate that the Group controls the goods before they are transferred to customers. Therefore, the Group has determined that it is acting as a principal in these contracts.

- The Group is primarily responsible for fulfilling the promise to provide the specified equipment.
- The Group bears the inventory risk before the specified equipment is transferred to the customer, as it purchases and holds the equipment in stock.
- The Group determines the price of the specified equipment.

In addition, the Group has concluded that it transfers control over the installation services upon completed tests of functioning equipment and acceptance by the customer.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the date of the statement of financial position, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year, are presented below.

Useful lives of property, plant and equipment and intangible assets

The accounting for machinery and equipment and intangible assets involves the use of estimates of their expected useful lives and residual values. Information on the useful lives of property, plant and equipment and intangible assets is presented in Note 4 “Accounting policy - Summary of significant accounting policies”.

Provision for expected credit losses on trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision matrix is initially based on the default rates observed by the Group historically. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year, which can lead to an increased number of defaults in a given sector, the historical default rates are adjusted. At every reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

5. Accounting policy - Significant accounting judgements, estimates and assumptions (continued)

Estimates and assumptions (continued)

Provision for expected credit losses on trade receivables and contract assets (continued)

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is insensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

Impairment of inventories

Inventories are generally written down to net realizable value. Estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made of the amount at which the inventories are expected to be realized. Estimates of net realizable value also take into consideration the purpose for which the inventory is held.

Income tax

Current tax liabilities for the current and prior periods are recognized at the amount expected to be paid to the tax authorities, applying the tax rates effective at the date of the statement of financial position. Income tax liabilities are recognized in the respective tax return and potential additional tax assessments may be imposed by the tax authorities upon settlement for open tax years. Accordingly, the final settlement of income taxes may differ from the income taxes reported in the financial statements.

Fair value measurement

The Group carries non-financial assets, such as investment properties, at fair value at each reporting date. The fair values of investment properties are disclosed in Note 36 "Fair value measurement".

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

5. Accounting policy - Significant accounting judgements, estimates and assumptions (continued)

Estimates and assumptions (continued)

Fair value measurement (continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group reviews their categorization at the appropriate level of the fair value hierarchy (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of the reporting period.

The Group's management determines the policies and procedures that apply to both recurring fair value measurements and non-recurring fair value measurements, such as those of assets held for distribution in discontinued operations.

At each reporting date, management analyses the movements in the values of assets and liabilities which are subject to remeasurement in accordance with the Group's accounting policies. For this analysis, management verifies the key inputs applied in the latest valuation by comparing them with relevant historical information such as concluded contracts and other relevant documents. Also, management, in conjunction with the valuation specialists, compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the changes are reasonable.

For fair value disclosure purposes, the Group determines classes of assets and liabilities on the basis of their nature, characteristics and risks and the respective level of the fair value hierarchy, as explained above.

Assurance-type warranties

The Group does not account for liabilities for statutory (assurance-type) warranties on goods sold, as they are assumed by the respective manufacturer of the equipment.

Outside temporary differences in the consolidated financial statements

The Group does not recognize a deductible temporary difference associated with investments in subsidiaries and interests in joint arrangements, as the Group considers it improbable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available against which the temporary difference can be utilized.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

5. Accounting policy - Significant accounting judgements, estimates and assumptions (continued)

Estimates and assumptions (continued)

Significant financing component

In some cases, the Group receives long-term advances from its customers. The Group charges a single upfront amount for the services, because other payment terms would affect the nature of the risks assumed by the Group in providing the service and could make it uneconomical to provide the service. As a result of its analysis, the Group has concluded that there is no significant financing component.

6. Accounting policy - Changes in IFRS accounting standards

Amendments to existing IFRS accounting standards effective for the current reporting period

The following amendments to existing IFRS accounting standards issued by the International Accounting Standards Board (IASB) and adopted by the EU became effective for the current reporting period:

- **Amendments to IFRS 9 and IFRS 7** – Classification and Measurement of Financial Instruments (effective for annual periods beginning on or after 1 January 2026);
- **Amendments to IFRS 9 and IFRS 7** – Contracts Referencing Nature-dependent Electricity (effective for annual periods beginning on or after 1 January 2026);
- **Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 -** Annual Improvements to IFRS Accounting Standards - Volume 11 - effective for annual periods beginning on or after 1 January 2026;

The adoption of the new amendments to the existing IFRS accounting standards has not led to significant changes in the disclosures or the amounts reported in the financial statements.

7. Accounting policy - Standards issued but not yet effective and not early adopted

New standards and amendments to existing IFRS accounting standards issued by the IASB that are not yet adopted by the EU

At present, IFRS accounting standards as adopted by the EU do not significantly differ from IFRS accounting standards adopted by the IASB, except for the following accounting standards and amendments to existing accounting standards, which have not been endorsed for application in the EU as of the date of approval of these financial statements (the effective dates stated below are for IFRS accounting standards issued by the IASB):

- **IFRS 18 – Presentation and Disclosure in Financial Statements** (effective for annual periods beginning on or after 1 January 2027);
- **IFRS 19 - Subsidiaries without Public Accountability: Disclosures** (effective for annual periods beginning on or after 1 January 2027);

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

7. Accounting policy - Standards issued but not yet effective and not early adopted (continued)

- **Amendments to IAS 21 — Translation to a Hyperinflationary Presentation Currency** (effective for annual periods beginning on or after 1 January 2027);

- **IFRS 20 "Regulatory Assets and Regulatory Liabilities"** (effective for annual periods beginning on or after 1 January 2029);

The Group expects that the adoption of these new IFRS accounting standards and amendments to existing IFRS accounting standards will have no material effect on the Group's financial statements in the period of their initial application, except for IFRS 18, which is expected to have a material effect on the presentation and disclosure of information in the financial statements. The Group is in the process of analysing the specific effect of IFRS 18 on its financial statements.

Hedge accounting for portfolios of financial assets and liabilities, whose principles have not been adopted by the EU, remains unregulated. In the judgement of the Group, the application of hedge accounting for portfolios of financial assets and liabilities under **IAS 39 Financial Instruments:** Recognition and Measurement would not have a material effect on the financial statements, if applied as at the reporting date.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

8. Goodwill

On 13.02.2024, Telelink Business Services Group AD entered into an Agreement for the acquisition of 100% of the shares of the limited liability company SEDAM IT, d.o.o. ("7IT", Sedam IT DOO, "7IT"), registered under the laws of the Republic of Croatia, with registered office and address of management in Zagreb, Croatia, 2 Koledovčina St., and identification number (OIB) 95661305069 – a provider of IT, communication and software solutions and services with a long-standing presence on the Croatian IT market. The counterparty (seller) under the share purchase agreement is a third unrelated/non-interested party. As of the date of conclusion of the Agreement, the acquisition was subject to the fulfilment of agreed conditions precedent to be satisfied within a period determined by the parties, and was still pending.

On 29.03.2024, Telelink Business Services Group AD acquired 100% of the shares in the capital of 7IT in execution of the Group's strategy for growth and development in the Western Balkans market through acquisitions of companies in the System Integration business segment. The Parent Company made a preliminary initial payment into a special (escrow) account in the amount of EUR 5,098,186, calculated on the basis of interim financial statements of 7IT as of 29.02.2024, and provided guarantees to secure subsequent payments of the price. The payment made was financed with a combination of own funds and long-term debt under the Bank Investment Loan Agreement with UniCredit Bulbank AD dated 19.03.2024 in the amount of EUR 3,568,730.

As a result of the preparation of financial statements of 7IT as of the date of acquisition of 100% of the shares in its capital by Telelink Business Services Group AD (29.03.2024), on 29.04.2024 the following were established:

- a final amount of the initial payment due to the seller under the transaction of EUR 5,494,743, in accordance with which Telelink Business Services Group AD was to transfer, in addition to the payment of EUR 5,098,186 calculated on the basis of interim financial statements of 7IT as of 29.02.2024, an equalization amount of EUR 396,557;
- a total value of the company's equity as of the acquisition date of EUR 8,848,194, whereby, in addition to the above-mentioned initial payment, it is taken into account that pursuant to the Share Purchase Agreement:
  - EUR 698,994 of this amount was assumed in the form of long-term liabilities of Telelink Business Services Group AD to 7IT, which is in substance a liability of the seller to 7IT that will be paid by Telelink Business Services Group AD instead of the seller;
  - EUR 2,654,458 of this amount is subject to contingent deferred payments, the final amount of which will be established in 2025 and 2026 depending on the financial results of 7IT for 2024 and 2025, and represents the maximum total amount of these payments.

As a result of the acquisition, 7IT has been included in the consolidated statement of financial position of Telelink Business Services Group AD as of 29.03.2024, and in the consolidated statement of comprehensive income and the consolidated statement of cash flows of the Parent Company as of 01.04.2024. The Group applies IFRS 3 Business Combinations, according to which the acquirer in a business combination recognizes goodwill as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and, in a business combination, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree, over the net amount of the identifiable assets acquired and the liabilities assumed.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

8. Goodwill (continued)

The values of the identifiable assets and liabilities of Sedam IT DOO as of the acquisition date are as follows:

	Balance as of the date of acquisition - *EUR'000*
ASSETS	
Property, plant and equipment	218
Intangible assets	87
Other non-current assets	281
Inventories	19
Prepayments	264
Cash and cash equivalents	104
Trade and other receivables	3,196
Contract assets	132
Government grants	141
Advance corporate income tax	211
	4,653
LIABILITIES	
Trade and other payables	(1,909)
Interest-bearing loans and borrowings	(2,030)
Contract liabilities	(7)
	(3,946)
Total net assets	**707**
Non-controlling interests (0%)	-
Goodwill on acquisition	8,141
Agreed payment	8,848

Agreed payment	*EUR'000*
Shares acquired	5,494
Receivables for deduction	698
Contingent consideration	2,655
Total remuneration	**8,847**

Cash flow on acquisition	*EUR'000*
Net cash of the acquired company	104
Amount paid	(5,494)
Net cash flow on acquisition	**(5,390)**

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

8. Goodwill (continued)

The item "Receivables for deduction" represents the amount assumed in the form of long-term liabilities of Telelink Business Services Group AD to 7IT, which is in substance a liability of the seller to 7IT that will be paid by Telelink Business Services Group AD instead of the seller.

The fair value of the receivables and contract assets has been assessed and corresponds to their carrying amount.

The total amount of goodwill that is not expected to be deductible for tax purposes is EUR 8,141 thousand

The most important sources of present value that justify the excess of the consideration paid over the net assets of Sedam IT as of the acquisition date include:

- the profit and cash flow generation potential of the company's current operations
- expected synergies:
- increase in the capacity for the provision of services;
- expansion of the product portfolio;
- sales of products and services to the customer bases both within the company and within the rest of the Group.

The increase in the capacity for the provision of services is expected to be achieved through the increased technical staff of the combined group, which will allow both the Group and Sedam IT to execute larger and more complex projects and services. An important aspect of this synergy is the significant software development team at Sedam IT, which considerably expands the Group's existing resources in this area.

The expansion of the product portfolio includes the addition of competencies both from and to Sedam IT and from and to the Group, allowing a wider range of technologies, projects and services to be served. Important additions from Sedam IT to the Group include new monitoring and management solutions, as well as software development experience in the area of ERP and business solutions. From the existing Group to Sedam IT, a broader set of solutions and services is added in the areas of public and private clouds, cybersecurity and productivity.

The cross-selling potential is based on the possibility of realizing the mentioned synergies by offering an expanded portfolio of products and services, as well as by expanding the scope of the services provided to existing customers of both the Group and Sedam IT.

The Group performed an impairment test of goodwill as of the end of the reporting period. The recoverable amount was determined based on a value-in-use calculation using statement of comprehensive income projections from the annual budget for the following year and other forecast financial indicators approved by management, covering a period of five years. The key assumptions used include:

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

8. Goodwill (continued)

- significant revenue growth over the entire forecast horizon at a compound annual growth rate (CAGR) of 15%, reflecting the recovery and expansion of sales in the Software Development line from their relatively low levels in 2024, the positive outlook for continued expansion of public investments in IT given the country's strong performance in the absorption of EU funds, and the gradual unfolding of synergies through cross-selling of products and services between TBS EAD and Sedam IT DOO, effective from 2026;
- maintenance of an average gross profitability level of 28%, close to the margin reported for 2024, balancing the characteristically high profitability of Software Development with the assumption of slightly lower margins on the planned expansion of sales through commercial synergies;
- sustained growth in marketing, sales and general administration expenses at a compound annual growth rate (CAGR) of 6% in connection with the marketing and organizational support for the planned increase in sales and scale of operations;
- an average ratio of net working capital to revenue of 10%, close to the average for 2022-2024;
- stabilization of capital expenditure at a level of 1% of annual revenue, similar to the analogous indicator for 2024;
- a weighted average cost of capital (WACC) of 13.6%, based on assumptions of a cost of equity of 14.6%, an after-tax cost of debt of 4.2% and an applicable debt-to-equity ratio corresponding to the industry average for 2024.

The projections reflect management's past experience, expectations for future market development and the expected realization of operating synergies.

As of the date of the impairment test, the recoverable amount exceeds the carrying amount of the cash-generating goodwill and no impairment loss has been recognized. A sensitivity analysis was performed, confirming that there is no reasonably possible change in a key assumption that would cause the carrying amount to exceed the recoverable amount.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

9. Revenues from contracts with customers

Revenues from contracts with customers are presented below:

	01.01.2026 - 30.06.2026	*01.01.2025 - 30.06.2025*
Revenues from contracts with customers	***EUR'000***	***EUR'000***
Geographical markets		
Bulgaria	26,843	29,225
Other European countries	19,317	16,400
Countries outside Europe	1,043	1,471
	47,203	**47,097**
Timing of revenue recognition		
Transferred at a point in time	29,837	34,096
Transferred over time	17,366	13,001
	47,203	**47,097**
Type of product		
Goods	14,642	22,557
Services	32,561	24,540
	47,203	**47,097**

The geographical information on revenues from the sale of goods and the provision of services is based on the location of the customer.

The category “Goods” includes the sale of equipment, while the category “Services” includes licenses, installation services, consulting services, maintenance, software development services and managed services.
The Group has not disclosed revenue by category of products or services, as the information is not available in a format meeting the requirements of IFRS 8. Management has concluded that the benefits of such disclosure would not exceed the related costs. The revenues presented in the financial statements are based on the Group’s internal financial reporting.

Contract balances

	30.06.2026	*31.12.2025*
	EUR'000	***EUR'000***
Trade receivables (Note 22)	29,207	39,904
Contract assets (Note 22)	1,658	9,498
Contract liabilities (Note 29)	9,041	17,525

Trade receivables are non-interest bearing and are generally settled within 30 to 120 days.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

9. Revenues from contracts with customers (continued)

Contract assets include recognized revenue for performed obligations that have not been invoiced to the customer, as well as payments retained by the customer for warranties. Contract assets are reclassified to trade receivables when payment becomes due.

Contract liabilities include advance payments received from customers. They are recognized as revenue when the performance obligation is satisfied.

Performance obligations

Delivery of equipment/goods
The performance obligation is satisfied upon delivery of the equipment/goods, and payment is generally due within 30 to 90 days after delivery.

Extended maintenance
Contracts under which an extended warranty is provided for new or customer-owned equipment. The maintenance is accounted for as a separate performance obligation and a portion of the transaction price is allocated to it. The performance obligation for extended maintenance is recognized over the maintenance period (one, three, five years), based on the time elapsed.

Installation services
The performance obligation is satisfied over time and payment is generally due upon completion of the installation and its acceptance by the customer.

Managed services
Long-term contracts for a period of three to seven years for the management of the customer's IT infrastructure, under which the performance obligation is satisfied over time.

Services related to the provision of licenses and software developed by third parties
In the case of contracts with a customer that include a combination of consulting services and the transfer of licenses developed by third parties, revenue is recognized at the point of delivery of the software product.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as of 30 June and 31 December is as follows:

	30.06.2026 EUR'000	***31.12.2025 EUR'000***
Within one year	7,262	15,273
From one to three years	1,723	2,226
From three to five years	57	26
	9,041	**17,525**

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

10. General and administrative expenses

	01.01.2026 - 30.06.2026 EUR'000	*01.01.2025 - 30.06.2025 EUR'000*
Employee benefit expenses	(2,798)	(2,648)
Depreciation & amortisation	(237)	(220)
Consulting services	(184)	(405)
Office rent and utilities	(76)	(65)
Representative expenses	(116)	(219)
Other	(473)	(475)
	(3,884)	**(4,032)**

11. Sales and marketing expenses

	01.01.2026 - 30.06.2026 EUR'000	*01.01.2025 - 30.06.2025 EUR'000*
Employee benefit expenses	(3,511)	(3,505)
Depreciation & amortisation	(359)	(319)
Consulting and agency services	(514)	(728)
Marketing and advertisement	(428)	(149)
Other	(789)	(770)
	(5,601)	**(5,471)**

12. Expenses by nature

Expenses by nature included in cost of sales, administrative expenses and sales and marketing expenses are as follows:

	01.01.2026 - 30.06.2026 EUR'000	*01.01.2025 - 30.06.2025 EUR'000*
Change in work in progress	295	344
Capitalized development costs and contracts with customers	116	-
Raw materials and consumables expenses	(233)	(153)
External services expenses	(19,070)	(15,240)
Employee benefit expenses (Note 15)	(9,333)	(9,597)
Depreciation and amortization expenses (Notes 18, 20)	(1,832)	(1,765)
Cost of goods sold	(11,524)	(12,417)
Other expenses	(2,441)	(6,187)
	(44,022)	**(45,015)**

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS 30 JUNE 2026

13. Other operating income / (expenses)

Other operating income	*01.01.2026 - 30.06.2026 EUR'000*	*01.01.2025 - 30.06.2025 EUR'000*
Government grants (note 25)	305	234
Rental income	9	-
Other	33	51
	347	**285**

Other operating expenses	*01.01.2026 - 30.06.2026 EUR'000*	*01.01.2025 - 30.06.2025 EUR'000*
Penalties	-	(29)
Donations	-	(20)
Other	(130)	(25)
	(130)	**(74)**

14. Finance income and finance costs

Finance costs	*01.01.2026 - 30.06.2026 EUR'000*	*01.01.2025 - 30.06.2025 EUR'000*
Interest on financing	(233)	(260)
Net foreign exchange loss	(42)	(545)
Bank charges paid	(118)	(116)
	(393)	**(921)**

Finance income	*01.01.2026 - 30.06.2026 EUR'000*	*01.01.2025 - 30.06.2025 EUR'000*
Interest income - loans granted	3	-
	3	**-**

15. Employee benefit expenses

	01.01.2026 - 30.06.2026 EUR'000	*01.01.2025 - 30.06.2025 EUR'000*
Salaries	(8,199)	(8,528)
Statutory social security and other contributions	(1,134)	(1,069)
	(9,333)	**(9,597)**

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS 30 JUNE 2026

15. Employee benefit expenses (continued)

The average number of employees and a breakdown by function are presented below:

	01.01.2026 - 30.06.2026 Number	*01.01.2025 - 30.06.2025 Numbe*
Management staff	12	14
Operational staff	301	299
Sales staff	70	76
Administrative staff	82	78
	465	**467**

16. Income tax

The major components of income tax expense are:

	01.01.2026 - 30.06.2026 EUR'000	*01.01.2025 - 30.06.2025 EUR'000*
Current income tax		
Current income tax expense	(510)	(285)
Deferred tax		
Related to the origination and reversal of temporary differences	126	-
Income tax expense recognized in the statement of comprehensive income	**(384)**	**(285)**

The reconciliation between the income tax expense applicable to the accounting profit before income tax at the statutory tax rate and the income tax expense at the Group's effective income tax rate as of 30.06.2026 and 30.06.2025 is as follows:

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

16. Income tax (continued)

	01.01.2026 - 30.06.2026 EUR'000	*01.01.2025 - 30.06.2025 EUR'000*
Accounting profit before income tax	3,008	1,372
Income tax rate	10%	10%
Tax at tax rate of 10% (2025: 10%)	(301)	(137)
Tax effects of taxation of profits of companies at a different rate	(107)	(32)
Tax effect of expenses not recognized for tax purposes	(94)	(105)
Tax effect of transfer of deferred tax to current	125	-
Tax effect of losses and other deferred differences on which no deferred tax has been accrued	(7)	(11)
	(384)	**(285)**
Effective income tax rate	13%	21%
Income tax reported in the financial statements	(384)	(285)
Income tax from discontinued operations	-	-
	(384)	**(285)**

The Group's deferred taxes as of 2026 and 2025 relate to the following items:

	Statement of financial position		**Statement of profit or loss and other comprehensive income**	
Deferred tax assets/(liabilities)	*30.06.2026 EUR'000*	*31.12.2025 EUR'000*	*30.06.2026 EUR'000*	*01.01.2025 - 30.06.2025 EUR'000*
Accrued expenses	1,593	1,593	-	-
Employee benefit expenses	189	189	-	-
Property, plant and equipment/ Intangible assets	(24)	(24)	-	-
Impairment and write-off of receivables and loans granted	11	11	-	-
Tax loss asset	376	250	126	-
Deferred tax assets	**2,145**	**2,019**		
Change in deferred taxes			**126**	**-**

The reconciliation of the movement in deferred tax assets for 2026 and 2025 is as follows:

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16. Income tax (continued)

	30.06.2026 EUR'000	*31.12.2025 EUR'000*
Balance as of 1 January	2,019	885
Deferred tax recognized in the statement of comprehensive income	126	1,085
Adjustments of deferred taxes through the statement of changes in equity	-	49
Change in deferred tax from discontinued operations	-	-
Balance as of the end of the period	**2,145**	**2,019**

The Group's tax liabilities are based on the tax returns filed with the tax authorities and are determined in their final amount after their inspection by the central tax authorities or after the expiry of a five-year period from the year of their filing.

Amendments to the Corporate Income Tax Act ("CITA") related to a global minimum corporate tax of 15%

At the end of 2023, amendments to the CITA were adopted, introducing, effective from 1.01.2024, taxation with a global minimum corporate tax of 15% for multinational and large national groups of enterprises, under the conditions specified in the CITA. These amendments are in the context of the so-called OECD Pillar Two Model Rules in accordance with the agreement at global and European level, which started with the OECD BEPS (Base Erosion and Profit Shifting) initiative to address the tax challenges arising from the digitalization of the economy. The amendments to the CITA related to taxation with a global minimum tax of 15% effective from 01.01.2024 are not applicable to the Group, as the annual revenue in the consolidated financial statements of the ultimate parent entity of the group (including the revenue of excluded entities) in at least two of the four tax periods preceding the current tax period does not exceed EUR 750 million.

17. Prepayments

	30.06.2026 EUR'000	*31.12.2025 EUR'000*
Balance as of 1 January	**9,380**	**11,649**
Accrued during the year	5,474	7,483
Recognized in profit or loss	(4,611)	(9,752)
Balance as of the end of the period	**10,244**	**9,381**
Current	7,037	5,813
Non-current	3,207	3,568
	10,244	**9,381**

Prepayments mainly include prepaid extended maintenance in addition to the standard warranty provided by the equipment suppliers.

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18. Property, plant and equipment

Book value	Right-of-use assets	Machinery & equipment	Computers	Motor Vehicles	Furniture and Fittings	Managed Services assets	Other	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
Balance as of 1 January 2026	7,420	1,838	2,085	13	1,149	6,044	1,749	20,296
Additions	311	2	93	-	35	1,255	23	1,719
Disposals	(213)	(324)	(101)	-	(9)	(180)	-	(827)
Exchange adjustment	-	(4)	4	-	-	27	-	27
Balance as of 30 June 2026	7,518	1,512	2,081	13	1,175	7,146	1,772	21,215
Accumulated depreciation:								
Balance as of 1 January 2026	(4,555)	(1,635)	(1,842)	(13)	(644)	(2,870)	(,750)	(12,308)
Depreciation for the year	(724)	(54)	(135)	-	(57)	(519)	(218)	(1,708)
Disposals	213	324	100	-	9	180	-	826
Exchange adjustment	-	-	(12)	-	12	(13)	-	(13)
Balance as of 31 December 2026	(5,066)	(1,365)	(1,889)	(13)	(680)	(3,222)	(968)	(13,203)
Net book value as of 1 January 2026	**2,865**	**203**	**243**	**1**	**504**	**3,174**	**999**	**7,988**
Net book value as of 30 June 2026	**2,451**	**146**	**192**	**1**	**495**	**3,924**	**804**	**8,012**

Book value	Right-of-use assets	Machinery & equipment	Computers	Motor Vehicles	Furniture and Fittings	Managed Services assets	Other	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
Balance as of 1 January 2025	7,167	1,755	2,090	13	1,083	4,739	1,749	18,597
Additions	699	114	165	-	70	1,383	-	2,431
Disposals	(447)	(32)	(176)	-	(5)	-	-	(660)
Transfers	-	-	(2)	-	-	-	-	(2)
Transferred from inventory	-	-	7	-	-	-	-	7
Transferred to inventory	-	-	-	-	-	(4)	-	(4)
Exchange adjustment	-	1	-	-	-	(74)	-	(73)
Balance as of 31 December 2025	7,420	1,838	2,085	13	1,149	6,044	1,749	20,297
Accumulated depreciation:								
Balance as of 1 January 2025	(3,553)	(1,568)	(1,710)	(13)	(530)	(1,896)	(316)	(9,587)
Depreciation for the year	(1,426)	(100)	(306)	-	(120)	(993)	(433)	(3,377)
Disposals	424	32	174	-	6	-	-	636
Exchange adjustment	-	-	-	-	-	20	-	20
Balance as of 31 December 2025	(4,555)	(1,635)	(1,842)	(13)	(644)	(2,870)	(750)	(12,308)
Net book value as of 1 January 2025	**3,614**	**187**	**380**	**1**	**553**	**2,842**	**1,432**	**9,010**
Net book value as of 31 December 2025	**2,865**	**202**	**243**	**1**	**505**	**3,174**	**999**	**7,988**

The group "Other" includes leasehold improvements (office).
The Group performed an impairment review of property, plant and equipment as of the end of 2025. No indicators were identified that the carrying amount exceeds their recoverable amount and, as a result, no impairment loss has been recognized in the financial statements.

Managed services assets represent machines, equipment and computers used under contracts with customers for managed services.

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18. Property, plant and equipment (continued)
Geographical information

as of 30 June 2026	Bulgaria	Other countries in Europe	Countries outside Europe	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Property, plant and equipment	3,580	4,160	272	8,012
Investment property	-	294	-	294
Intangible assets	311	32	-	343
Prepayments	1,730	1,205	272	3,207
Goodwill	-	8,141	-	8,141
	5,621	**13,832**	**544**	**19,997**

as of 31 December 2025	Bulgaria	Other countries in Europe	Countries outside Europe	Total
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Property, plant and equipment	4,346	3,343	299	7,988
Investment property	-	294	-	294
Intangible assets	78	262	-	340
Prepayments	1,872	1,365	331	3,568
Goodwill	-	8,141	-	8,141
	6,296	**13,405**	**630**	**20,331**

19. Investment property

	30.06.2026 EUR'000	*31.12.2025 EUR'000*
Balance as of 1 January	294	269
Change in fair value of investment properties	-	25
Balance as of the end of the period	**294**	**294**

	01.01.2026 - 30.06.2026 EUR'000	*01.01.2025 - 30.06.2025 EUR'000*
Rental income from investment property	9	8
Net gain arising from the investment property measured at fair value	**9**	**8**

Description of the methods applied and the significant assumptions used in determining the fair value of the investment property

Valuation method	Discounted cash flows (DCF method)
Significant assumptions	
- Expected rental price per sq.m. per month	EUR 8,50 – 7,10
- Rental price growth per year	1%
- Discount rate	9%

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20. Intangible assets

	Software	Development Costs	Other	Total
Book value:	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
Balance as of 1 January 2026	3,703	34	527	4,264
Additions	2	116	9	127
Balance as of 30 June 2026	3,705	150	536	4,391
Accumulated amortization:				
Balance as of 1 January 2026	(3,491)	-	(433)	(3,924)
Amortisation for the year	(100)	-	(24)	(124)
Balance as of 30 June 2026	(3,591)	-	(457)	(4,048)
Net book value as of 1 January 2026	**212**	**34**	**94**	**340**
Net book value as of 30 June 2026	**114**	**150**	**79**	**343**

	Software	Development Costs	Other	Total
Book value:	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
Balance as of 1 January 2025	4,750	-	525	5,275
Additions	58	34	2	94
Disposals	(1,105)	-	-	(1,105)
Balance as of 31 December 2025	3,703	34	527	4,264
Accumulated amortization:				
Balance as of 1 January 2025	(4,333)	-	(389)	(4,722)
Amortisation for the year	(263)	-	(44)	(307)
Disposals	1,105	-	-	1,105
Balance as of 31 December 2025	(3,491)	-	(433)	(3,924)
Net book value as of 1 January 2025	**417**	**-**	**136**	**553**
Net book value as of 31 December 2025	**212**	**34**	**94**	**340**

The Group invests resources in the development of new products – software solutions in areas such as next-generation communications, information and cyber security, integrated security, and the Internet of Things. The Group's other intangible assets represent a branding concept. The Group has registered a Trademark, which will be amortized over a period of 10 years. In 2024, a concept, design and architecture of the workspaces in a new office was recorded in the group "Other".

The Group performed an impairment review of intangible assets as of the end of 2025. No indicators were identified that the carrying amount exceeds their recoverable amount and, as a result, no impairment loss has been recognized in the financial statements.

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21. Inventories

	30.06.2026 EUR'000	*31.12.2025 EUR'000*
Materials	328	119
Goods	1,691	2,842
Goods in transit	99	1
Work in progress	3,078	2,506
	5,196	**5,468**

Impaired inventories

	30.06.2026 EUR'000	*31.12.2025 EUR'000*
Balance as of 1 January	32	32
Reversed impairments	(1)	-
Balance as of the end of the period	**31**	**32**

22. Trade and other receivables and contract assets

Trade and other receivables

	30.06.2026 EUR'000	*31.12.2025 EUR'000*
Trade receivables from related parties, gross (note 31)	3,221	3,229
Trade receivables from third parties, gross	26,061	36,751
Loss allowance	(75)	(76)
Trade receivables	**29,207**	**39,904**
Dividend and other receivables from related parties	-	-
Other receivables	2,084	1,173
Trade and other receivables	**31,291**	**41,076**

Trade receivables are non-interest bearing and generally have a term of 30-90 days.

The Group has established a pledge over present and future trade receivables under individualized contracts of Telelink Business Services EAD in order to secure the amounts drawn under the overdraft. Additional pledges over present and future receivables under the projects financed by the revolving loan are also envisaged. As of 30.06.2026, the amounts drawn by Telelink Business Services EAD under the agreement amount to EUR 4,904 thousand (as of 31.12.2025 – EUR 5,080 thousand)

Other receivables mainly include advances paid to suppliers and receivables under legal disputes.

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22. Trade and other receivables and contract assets (continued)

Contract assets

As of 30 June 2026, the Group has contract assets amounting to EUR 1,658 thousand (as of 31 December 2025: EUR 9,498 thousand). The Group does not expect credit losses on the contract assets.

	30.06.2026	*31.12.2025*
	EUR'000	*EUR'000*
Balance on 1 January	9,498	6,269
Accrued during the year	1,658	9,498
Released to profit and loss	(9,498)	(6,269)
Balance as at the end of the period	**1,658**	**9,498**
Current	1,658	9,498
	1,658	**9,498**

The amounts included in Contract assets relate to services and equipment accepted by the customer that have not been invoiced as of the end of the reporting period.

The movement in the provisions for expected credit losses on trade receivables is described below:

	Collectively assessed	**Individually assessed**
	EUR'000	**EUR'000**
Balance as at 1 January 2025	**-**	**29**
Net impairment losses	-	73
Amounts written off	-	(26)
Balance as at 31 December 2025	**-**	**76**
Net impairment losses	-	-
Amounts written off	-	(1)
Balance as at 30 June 2026	**-**	**75**

The Group performs a detailed impairment analysis of trade receivables and contract assets based on issued documents and contractual relationships for each individual transaction on an individual basis.

As of 30 June 2026 and 31 December 2025, the ageing analysis of trade receivables and contract assets is presented in the table below:

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22. Trade and other receivables and contract assets (continued)

		Days past due					
30 June 2026	**Current**	**< 30 days**	**31-60 days**	**61 - 90 days**	**91 - 180 days**	**> 181 days**	**Total**
	EUR'000	**EUR'000**	**EUR'000**	**EUR'000**	**EUR'000**	**EUR'000**	**EUR'000**
Expected credit loss rate	0%	0%	0%	0%	0%	0%	
Trade receivables from related parties, gross	2,287	64	-	-	-	870	**3,221**
Trade receivables from third parties, gross	11,792	6,557	4,684	401	32	2,596	**26,061**
Contract assets, gross	1,658	-	-	-	-	-	**1,658**
Expected credit loss	-	-	-	-	-	(75)	**(75)**
Total trade receivables and contract assets	**15,737**	**6,621**	**4,684**	**401**	**32**	**3,391**	**30,865**

		Days past due					
31 December 2025	**Current**	**< 30 days**	**31-60 days**	**61 - 90 days**	**91 - 180 days**	**> 181 days**	**Total**
	EUR'000	**EUR'000**	**EUR'000**	**EUR'000**	**EUR'000**	**EUR'000**	**EUR'000**
Expected credit loss rate	0%	0%	0%	0%	0%	0%	
Trade receivables from related parties, gross	2,662	58	71	53	104	281	**3,229**
Trade receivables from third parties, gross	30,645	3,730	1,774	232	104	267	**36,751**
Contract assets, gross	9,498	-	-	-	-	-	**9,498**
Expected credit loss	-	-	-	-	-	(76)	**(76)**
Total trade receivables and contract assets	**42,805**	**3,788**	**1,844**	**285**	**208**	**472**	**49,403**

The trade and other receivables presented in the table above have been assessed on an individual basis and, accordingly, no information on an expected credit loss rate is provided. The expected credit loss as of the end of the reporting period has been determined to be immaterial.

23. Loans granted

Current	**Maturity**	***30.06.2026 EUR'000***	***31.12.2025 EUR'000***
Third parties	2026	307	155
		307	**155**

Following the sale of Telelink Albania in July 2024, the liabilities under the loan agreement between Telelink Business Services EAD and Telelink Albania are presented as loans to third parties and were established at the amount of the principal outstanding as of that date of EUR 292 thousand and outstanding interest liabilities of EUR 15 thousand, and the right of multiple drawdowns and repayments of the limit was replaced by a fixed repayment schedule. In 2026, a short-term loan of EUR 150 thousand was granted to an unrelated legal entity.

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24. Cash and cash equivalents

	30.06.2026 EUR'000	*31.12.2025 EUR'000*
Cash and cash equivalents in hand	1	1
Cash and cash equivalents in current accounts	14,470	25,666
Short-term deposits	2	9
	14,473	**25,676**

Cash in bank accounts earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one week and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. As of 30 June 2026 and 31 December 2025, the fair value of cash and short-term deposits equals their carrying amount.

The Group's cash and cash equivalents are held with banking institutions with credit ratings of "A-", "A+", "BBB" and "Baa1".

25. Government grants

In 2025, Telelink Business Services EAD received funding of EUR 41 thousand under the VELES EXCELLENCE HUB programme – Strengthening regional excellence in smart healthcare in Southeast Europe and enhancing innovation potential, EUR 25 thousand under the DYNAMO programme – A dynamic resilience assessment method including a combined business continuity management and cyber threat intelligence solution for critical sectors, and EUR 349 thousand under the CITADEL project – Cyber infrastructure for training and drilling through advanced defensive exercises. Telelink Business Services EAD participates in the above programmes jointly in consortia with European and Bulgarian companies, and the funds are intended for personnel costs of staff engaged in the implementation of the programmes over a period of two to four years.
The amount of grants recognized in the financial statements is consistent with the useful life of the acquired property, plant and equipment and intangible assets and the external services used:

	30.06.2026 EUR'000	*31.12.2025 EUR'000*
Balance as of 1 January	776	650
Received during the year	-	415
Recognized in profit or loss (Note 13)	(305)	(289)
Balance at the end of the period	**471**	**776**
Current	180	484
Non-current	291	291
	471	**776**

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26. Interest-bearing loans and borrowings

Current	Interest %	*30.06.2026 EUR'000*	*31.12.2025 EUR'000*
RBB (Serbia), revolving loan	3M EURIBOR+2.6%	-	50
UBB (Bulgaria), revolving loan	STIR+2.2%	1,174	1,350
UBB (Bulgaria), overdraft	STIR+2.2%	1,658	1,324
RBB (Croatia), factoring	6M EURIBOR +1.80%	719	-
UniCredit (Bulgaria), investment loan	3M EURIBOR+2.2%	1,140	909
Erste Bank (Croatia), revolving loan	5.25%	1,500	-
UniCredit (Bulgaria), revolving loan	ODI + 2.35%	3,732	3,741
		9,923	**7,374**

During the reporting period, an overdraft agreement between Telelink Business Services Group AD and United Bulgarian Bank AD was in effect. On 28.02.2024, Annex No. 2 to the agreement was signed, extending the final deadlines for utilization and repayment of the credit limit to 28.01.2028 for utilization under issued guarantees and to 28.02.2028 for utilization in the form of an overdraft and repayment of amounts drawn under the loan as a whole. The credit limit under the agreement remains at EUR 2,000,000, available for utilization in the form of any one or a combination of an overdraft loan and a conditional bank loan securing the issuance of guarantees.
The limit continues to be available for utilization in BGN, EUR or US dollars, at respectively applicable interest rates of the reference interest rate of the lending bank (RIR) + 1.5%, 1M EURIBOR + 1.5% and 1M LIBOR + 1.5%, but not less than 1.5%, regardless of the currency of utilization.
Annex No. 3 to the Agreement, changing the annual interest rate applicable to drawdowns in BGN to STIR + 1.95%, but not less than 1.95%, and extending the term of the agreement to 28.02.2029, was signed on 11.02.2025 and is in accordance with the approval of the SB of 10.12.2024.

The collateral provided under the agreement includes a pledge over receivables on accounts with the bank, a pledge over present and future receivables under commercial contracts of Telelink Business Services Group AD with its subsidiaries, and a suretyship from Telelink Business Services EAD.

As of 30.06.2026, the liabilities under the agreement amount to EUR 1,658 thousand

As of 30.06.2026, the Agreement for the assumption of credit commitments under an overdraft credit line No. 0018/730/10102019 dated 10.10.2019 between UniCredit Bulbank AD and Telelink Business Services EAD is in effect.

During and as of the end of the reporting period, the total credit limit under the secured agreement continues to amount to EUR 27,000,000, available for utilization in the form of an overdraft loan of up to EUR 4,000,000, a revolving loan of up to EUR 8,000,000 and bank guarantees in EUR or US dollars, at respective interest rates for effectively drawn funds of ODI + 2.35% for drawdowns in EUR and 1M SOFR + 1.5% for drawdowns in US dollars.

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26. Interest-bearing loans and borrowings (continued)

The collateral provided and to be established under the agreement continues to include a pledge over receivables on accounts with the bank, a pledge over present and future receivables under individualized contracts of Telelink Business Services EAD with a view to securing the amounts drawn under the overdraft, and additional pledges over present and future receivables of Telelink Business Services EAD under the projects financed by the revolving loan, a pledge over 100% of the shares in the capital of TELELINK BUSINESS SERVICES EAD and the receivables related to them, and a suretyship from Telelink Business Services Group AD, including a commitment to maintain its participation in the capital of Telelink Business Services EAD.

As of 30.06.2026, the liabilities for outstanding principal and interest under the agreement amount to EUR 3,732 thousand.

During the reporting period, the Revolving Bank Loan Agreement No. 23F-10092889-95625 dated 18.12.2023 between Telelink Business Services EAD and United Bulgarian Bank AD, with a limit of EUR 4,000,000 available for utilization in BGN and EUR, continues to be in effect. On 28.11.2025, Annex No. 1 to the agreement was signed, extending the utilization and repayment deadlines to 29.11.2028 and 30.11.2028 and changing the annual interest rate for amounts drawn in BGN from the Bank's Short-term Interest Rate (STIR) + 1.7% to STIR + 2.2%, but not less than 2.2%.
The limit under the agreement also continues to be available for drawdowns in EUR at a respectively applicable interest rate of 1M EURIBOR + 1.5%, but not less than 1.5%.
The collateral provided and to be established under the agreement continues to include a pledge and a financial collateral agreement under the Financial Collateral Arrangements Act over the receivables on all accounts of Telelink Business Services EAD with the bank and a first-ranking special pledge over all present and future receivables of Telelink Business Services EAD approved for financing by the bank within the agreement.

As of 30.06.2026, the liabilities for outstanding principal and interest under the agreement amount to EUR 1,174 thousand.

On 03.12.2025, Credit Line Agreement No. 265-2898514-30 was concluded between Komutel and Raiffeisen banka a.d. Beograd for the purpose of financing working capital and the export and import of goods, with a limit of USD 1,500,000, a term 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 drawdowns in US dollars, euro and Serbian dinars.

The collateral provided and to be established under the agreement includes a Suretyship Agreement from Telelink Business Services EAD, 6 blank promissory notes with a "no protest" clause issued by Komutel, and a pledge and insurance of trade receivables upon utilization exceeding USD 500,000.

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26. Interest-bearing loans and borrowings (continued)

During the reporting period, Framework Limit Agreement No. FW10.1259 between TELELINK BUSINESS SERVICES Macedonia and ProCredit Bank AD Skopje dated 20.07.2021 continues to be in effect, with a total limit of EUR 500,000 available for utilization in the form of an overdraft, a revolving loan, bank guarantees and/or other credit instruments, an annual interest rate of 5% and a maximum term until 15.07.2031. The obligations of Telelink Business Services Macedonia under the agreement continue to be secured by a bank guarantee provided by Telelink Business Services EAD.

As of 30.06.2026, Telelink Business Services Macedonia has not drawn any funds and has no interest expenses or liabilities for outstanding principal and interest under the agreement.

Until 01.07.2025, Loan Agreement No. 5302097953 dated 01.07.2022 between Telelink Business Services Croatia and Erste & Steiermärkische Bank dd, Rijeka continued to be in effect, with a limit of EUR 1,300,000 and an interest rate of 5.25%, secured up to the full amount of the limit by a promissory note issued by Telelink Business Services Croatia.
On 17.07.2025, a similar new Loan Agreement No. 5305835165 was signed between Telelink Business Services Croatia and Erste & Steiermärkische Bank dd, Rijeka with a revolving working capital limit of EUR 1,500,000, an interest rate of 5.25% and a repayment deadline of 01.07.2026.
The liabilities under the agreement are secured by a promissory note issued by Telelink Business Services Croatia, and an “InvestEU” guarantee issued by the European Investment Fund (“EIF”).
As of 30.06.2026, Telelink Business Services Croatia has liabilities for outstanding principal and interest under the agreement amounting to EUR 1,500 thousand.

Until 31.07.2025, Revolving Loan Agreement No. 6500378003 between Telelink Business Services Croatia and Raiffeisenbank Austria dd, Zagreb dated 23.08.2024 continued to be in effect, with a total credit limit for cash and bank guarantees of EUR 800,000 and a sub-limit for cash utilization of EUR 400,000, available for utilization as a revolving loan up to this amount and/or an overdraft of up to EUR 170,000, an annual interest rate of 1M EURIBOR + 1.85% on revolving loan liabilities and 1M EURIBOR + 2.00% on overdraft liabilities, a repayment term of up to 3 months for the revolving loan and up to 12 months for the overdraft, and an overall term for cash utilization and repayment, secured by a promissory note issued by Telelink Business Services Croatia.
On 14.10.2025, a similar new Framework Credit Line Agreement for short-term loans, overdrafts, bank guarantees, letters of intent and letters of credit No. 25021550047 was signed between Telelink Business Services Croatia and Raiffeisenbank Austria dd, Zagreb, with a total credit limit of EUR 800,000, an annual interest rate of 1M EURIBOR + 1.85% on revolving loan liabilities and 1M EURIBOR + 2.00% on overdraft liabilities, and overall maximum utilization and repayment deadlines of 31.07.2026 and 31.07.2029.
The liabilities under the agreement continue to be secured by a promissory note issued by Telelink Business Services Croatia.
As of 30.06.2026, Telelink Business Services Croatia has no outstanding liabilities for principal and interest.

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26. Interest-bearing loans and borrowings (continued)

Until 31.07.2025, Reverse Factoring Agreement for payables to suppliers No. 6500378003 between Telelink Business Services Croatia and Raiffeisenbank Austria dd, Zagreb dated 23.08.2024 continued to be in effect, with a revolving credit limit of EUR 1,100,000, an annual interest rate of 6M EURIBOR + 1.80%, a financing term of up to 180 days from the date of payment to the supplier and a final deadline for repayment of all liabilities under the agreement of 27.01.2026, secured by a promissory note issued by Telelink Business Services Croatia.
On 02.10.2025, a similar new Reverse Factoring Agreement No. 6500378004 was concluded between Telelink Business Services Croatia and Raiffeisenbank Austria dd, Zagreb for the purpose of financing payments for goods and services to local and foreign suppliers before or at the maturity of the invoice, with the possibility of deferring the company's liabilities to the Bank up to a total amount of EUR 1,100,000, utilization and repayment deadlines of 31.10.2026 and 29.04.2027, a maximum agreed maturity of the financed invoices of up to 180 days and an annual interest rate of 6M EURIBOR + 1.80 percentage points.
The liabilities under the agreement continue to be secured by a promissory note issued by Telelink Business Services Croatia.
As of 30.06.2026, the liabilities for outstanding principal and interest under the agreement amount to EUR 719 thousand.

Non-current	**Interest %**	***30.06.2026 EUR'000***	***31.12.2025 EUR'000***
UniCredit (Bulgaria), investment loan	3M EURIBOR+2.2%	2,868	2,619
		2,868	**2,619**

In connection with the acquisition of 7IT, on 19.03.2024 Bank Investment Loan Agreement No. 00044/730/19.03.2024 was signed between TELELINK BUSINESS SERVICES GROUP AD as borrower, TELELINK BUSINESS SERVICES EAD as joint debtor and UniCredit Bulbank AD for the purpose of financing the acquisition of 100% of the shares in the capital of 7IT, with a total limit of EUR 7,000,000, but not more than 70% of the acquisition costs, available for utilization in three tranches in accordance with the manner of formation and payment of the price established in the Share Acquisition Agreement, and repayment of each tranche in equal monthly or quarterly instalments at an interest rate for regular debt of 3M EURIBOR + 2.2% and a final deadline for full repayment of 31.07.2030. The collateral established in the agreement includes:

- A pledge over 50% of all dividend receivables of the Parent Company from its subsidiaries, provided that the Parent Company will be able to freely dispose of these receivables and the cash received from their realization, unless and until there is a material default or an acceleration declared by the Bank under the agreement;
- A pledge over all present and future trade receivables of the Parent Company from Sedam IT d.o.o.;
- A pledge over 100% of the shares in the capital of Sedam IT d.o.o. and the respective dividend receivables;
- A pledge under the Financial Collateral Arrangements Act (FCAA) over all receivables on accounts of the Parent Company opened with the lending bank; and Telelink Business Services EAD.

On 10.04.2024, Annex No. 1 to the agreement was signed, establishing a repayment schedule for the amount of EUR 3,568,730, drawn on 28.03.2024 for the purpose of financing the preliminary initial payment for the acquisition of 100% of the shares in the capital of 7IT, in 65 equal monthly instalments, from 01.05.2024 until 01.09.2029.

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26. Interest-bearing loans and borrowings (continued)

In connection with the additional amount of EUR 277,590, drawn for the purpose of financing the equalization amount paid upon determination of the final initial payment for the acquisition, on 30.04.2024 Telelink Business Services Group AD signed Annex No. 2 to the agreement, whereby the amount and size of the monthly principal repayment instalments in the repayment schedule were updated in accordance with the amount of the loan reached as of 30.04.2024 (EUR 3,846,320).

As of 30.06.2026, the outstanding liabilities of the Parent Company under the agreement amount to a total of EUR 4,008 thousand, of which EUR 1,140 thousand represents short-term and EUR 2,868 thousand – long-term financial debt.

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	30.06.2026	***31.12.2025***
	EUR'000	***EUR'000***
Interest-bearing loans and borrowings at 01 January	**9,993**	**9,440**
Proceeds from borrowings	8,193	17,980
Repayments of borrowings	(5,388)	(17,437)
Interest expense	175	478
Interest paid	(182)	(468)
Interest-bearing loans and borrowings at the end of the period	**12,791**	**9,993**

27. Leases

The Group has lease contracts for an office, vehicles and managed services assets used in its operations. Leases of managed services assets have terms of between 3 and 4 years, vehicles – 4 years, and leased offices between 2 and 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is not allowed to assign and sublease the leased assets.

The Group has no lease contracts that include extension and termination options and variable lease payments.

The Group also has leases of premises or equipment with lease terms of 12 months or less, as well as leases of office equipment of low value. For these leases, the Group applies the "short-term lease" and "lease of low-value assets" recognition exemptions.

The carrying amounts of the recognized right-of-use assets and the movements during the period are presented below:

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27. Leases (continued)

	Buildings	Motor Vehicles	Managed Services assets	Total
	EUR '000	*EUR '000*	*EUR '000*	*EUR '000*
Balance at 1 January 2026	1,930	920	15	2,865
incl. under Lease contracts with transfer of ownership by the end of the lease term	-	-	*15*	*15*
Additions	33	278	-	311
Depreciation	(478)	(232)	(15)	(725)
incl. under Lease contracts with transfer of ownership by the end of the lease term	-	-	*(15)*	*(15)*
Balance at 30 June 2026	**1,486**	**966**	**0**	**2,452**

	Buildings	Motor Vehicles	Managed Services assets	Total
	EUR '000	*EUR '000*	*EUR '000*	*EUR '000*
Balance at 1 January 2025	2,489	1,065	61	3,615
incl. under Lease contracts with transfer of ownership by the end of the lease term	-	-	*61*	*61*
Additions	400	300	-	700
incl. under Lease contracts with transfer of ownership by the end of the lease term	-	*38*	-	*38*
Disposals	-	(23)	-	(23)
Depreciation	(959)	(421)	(46)	(1,426)
incl. under Lease contracts with transfer of ownership by the end of the lease term	-	*(2)*	*(46)*	*(47)*
Exchange differences	-	(1)	-	(1)
Balance at 31 December 2025	**1,930**	**920**	**15**	**2,865**

Expenses related to short-term leases (included in cost of sales) for 2026 amount to EUR 7 thousand (for 2025: EUR 8 thousand)

The carrying amounts of lease liabilities and the movements during the period are presented below:

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30 JUNE 2026

27. Leases (continued)

	30.06.2026 EUR '000	*31.12.2025 EUR '000*
Balance at 1 January	**3,025**	**3,756**
Additions	309	645
Accretion of interest	58	129
Payments	(795)	(1,505)
Balance at the end of the period	**2,598**	**3,025**
Current	1,463	1,431
Non-current	1,135	1,594

The amounts related to leases recognized in the statement of comprehensive income are presented below:

	01.01.2026 - 30.06.2026 EUR'000	*01.01.2025 - 30.06.2025 EUR'000*
Depreciation expenses of right-of-use assets	(724)	(712)
incl. under lease contracts with transfer of ownership at the end of the contract	*(15)*	*(26)*
Interest expenses on lease liabilities	(58)	(67)
Expenses related to short-term leases	(7)	(8)
Total lease expenses recognized in the statement of profit or loss	**(789)**	**(786)**

28. Trade and other payables

	30.06.2026 EUR'000	*31.12.2025 EUR'000*
Trade payables to related parties (note 31)	-	41
Trade payables to third parties	16,139	25,630
Accrued expenses	8,508	16,019
Trade payables	**24,647**	**41,690**
Tax liabilities	909	3,864
Personnel payables and other	1,729	3,380
SPA agreement payment (note 8)	-	1,328
Trade and other payables	**27,285**	**50,262**

Trade payables and accruals mainly comprise outstanding amounts for trade purchases and ongoing costs. The average credit period for trade purchases is between 30 and 90 days (excluding supplier finance arrangements) and 45 days (including supplier finance arrangements). For most suppliers, no interest is charged on trade payables for the first 30 to 90 days from the date of the invoice, depending on the agreed maturity.

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28. Trade and other payables (continued)

Thereafter, interest is charged on the outstanding balances at various interest rates. The Group applies financial risk management policies to ensure that all payables are paid within the pre-agreed terms.

Management considers that the carrying amount of trade payables approximates their fair value.

Tax liabilities are non-interest bearing and are settled within the statutory deadlines.

Other payables are non-interest bearing and are settled on average within 30 days. They are mainly formed of short-term payables to personnel for remuneration and accrued amounts for unused leave. Other payables in the amount of EUR 1,327 thousand as of 31.12.2025 represent a liability to a third party in connection with the purchase of 100% of the shares of TBS Croatia DOO (renamed from SEDAM IT DOO), which were paid in June 2026.

Supplier finance arrangements

Sedam IT DOO has signed a Reverse Factoring Agreement for payables to suppliers with a revolving credit limit of EUR 1,100,000, an annual interest rate of 6M EURIBOR + 1.80% and a financing term of up to 180 days from the date of payment to the supplier. The subject of the agreement are existing monetary receivables, not yet due, in full or in part, arising from the delivery of goods and/or the provision of services by local or foreign suppliers to Sedam IT DOO, whereby the basis and the amount of the individual receivables included in the subject of the factoring are evidenced by invoices. As the arrangements allow the Group to obtain financing from the banks by deferring payment to them beyond the period within which it would have paid its suppliers, the Group considers that the liabilities to the banks should be presented as part of interest-bearing loans and borrowings (Note 26). As of 30.06.2026, the carrying amount of the financial liabilities that are subject to supplier finance arrangements under the said agreement is EUR 719 thousand (31.12.2025 – EUR nil).

29. Contract liabilities

	30.06.2026 EUR'000	*31.12.2025 EUR'000*
Advances received	605	9,202
Deferred income	8,436	8,323
Total contract liabilities	**9,041**	**17,525**
Current	7,262	15,273
Non-current	1,779	2,252
	9,041	**17,525**

Advances received and Deferred income, representing amounts invoiced to customers before the fulfilment of the contractual obligation, are classified under Contract liabilities. Advances received are amounts received from customers and are of a short-term nature as prepayment for goods or services. As Deferred income, the Group reports current and non-current advances received for extended maintenance under contracts with customers.

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30. Retirement benefit liability

	30.06.2026 EUR'000	*31.12.2025 EUR'000*
Balance on 1 January	31	33
Used for the year	-	(2)
Balance as of the end of the period	**31**	**31**

The principal assumptions used for accounting purposes are as follows:

Major assumptions	*30.06.2026*	*31.12.2025*
Discount Rate	0.40%	0.40%
Future Salary Increases	5.00%	5.00%
Personnel Retention Rate	80.14%	80.14%

There have been no changes in the key assumptions that could have a material effect on the retirement benefit obligation as of the end of the year.
The average duration of the employee benefit obligation is 27.79 years.

31. Related party disclosures

Other related parties

Name	**Nature of the relationship**
Telelink Infra Services Group AD (Bulgaria)	Under common control
Telelink Infra Services EAD (Bulgaria)	Under common control
Telelink (UK) Limited (United Kingdom)	Under common control
Telelink GmbH (Germany)	Under common control
Telelink MK DOOEL (Republic of North Macedonia)	Under common control
Telelink Infra Services SHPK (Albania)	Under common control
Telelink City Group EAD (Bulgaria)	Under common control
Telelink City EOOD (Bulgaria)	Under common control
Telelink Services Romania SRL (Romania)	Under common control
Modeshift Inc. (USA)	Under common control
Modeshift Europe AD (Bulgaria)	Under common control
Field on Track LTD (United Kingdom)	Under common control
Field on Track AD (Bulgaria)	Under common control
Penergy Invest EOOD (Bulgaria)	Under common control
Iskar Lake House OOD (Bulgaria)	Under common control
Alonhon Investments Holding Limited (UAE)	Under common control
V-Investment Bulgaria EOOD (Bulgaria)	Under common control
Telelink Investment EOOD (Bulgaria)	Under common control
Green Border OOD (Bulgaria)	Under common control
Smaterial Invest OOD (Bulgaria)	Under common control
EMSEKA AD (Bulgaria)	Under common control
Telelink BS Staffing EOOD (Bulgaria)	Under common control
SIL Energy Invest AD (Bulgaria)	Under common control
SOFTGROUP AD (Bulgaria)	Under common control
TIGER TECHNOLOGY AD (Bulgaria)	Under common control
Association “FRIENDS OF BULGARIAN GOLF” (Bulgaria)	Under common control

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31. Related party disclosures (continued)

The tables below present the total amount of transactions entered into with related parties during the respective financial year, as well as the outstanding balances as of the end of each financial year.

Trading activity	**Sales to related parties**		**Purchases from related partie**	
	01.01.2026 - 30.06.2026	***01.01.2025 - 30.06.2025***	***01.01.2026 - 30.06.2026***	***01.01.2025 - 30.06.2025***
Name	***EUR'000***	***EUR'000***	***EUR'000***	***EUR'000***
Other related parties (under common control)	388	1,373	1	2
	388	**1,373**	**1**	**2**

Trading activity	**Receivables from related parties**		**Payables to related parties**	
	30.06.2026	***31.12.2025***	***30.06.2026***	***31.12.2025***
Name	***EUR'000***	***EUR'000***	***EUR'000***	***EUR'000***
Other related parties (under common control)	3,221	3,229	-	41
	3,221	**3,229**	**-**	**41**

Amounts due from related parties are included in trade and other receivables (Note 22). Amounts due to related parties are included in trade and other payables (Note 28).

Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made at negotiated prices. Receivables from and payables to related parties cannot be netted. Outstanding balances at the year-end are unsecured, interest free (except for loans) and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Group has not recorded any impairment of receivables relating to amounts owed by related parties as of 30 June 2026 (31 December 2025: nil). An impairment assessment is undertaken each financial year based on an analysis of the financial position of the related party and the market in which it operates.

32. Share capital and reserves

Registered capital	***2026 shares***	***2025 shares***
Ordinary shares of 0.51 EUR each	12,500,000	12,500,000
	12,500,000	12,500,000

	shares	***shares***
Ordinary shares issued, fully paid	12,500,000	12,500,000

All ordinary shares are fully paid.

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32. Share capital and reserves (continued)

Pursuant to the LIERB, on 01.01.2026 the Trade Register and the register of non-profit legal entities entered ex officio a redenomination of the registered capital of Telelink Business Services Group AD from BGN 12,500,000 to EUR 6,375,000, corresponding to 12,500,000 shares with a nominal value of EUR 0.51 each. In implementation of the applicable provisions of the LIERB, the difference from the redenomination between this amount and the exact equivalent of BGN 12,500,000 (EUR 6,391,148.51), amounting to EUR 16,148.51, was allocated to the retained earnings of the Company. A corresponding resolution to update the Articles of Association of the Company was adopted by the GMS held on 11.02.2026.

Statutory reserves

Statutory reserves are formed from retained earnings in accordance with the legal requirements and may be used to offset current or prior losses. Pursuant to Article 246 of the Commerce Act in Bulgaria, statutory reserves are set aside until they reach one tenth or a larger portion of the capital. Sources for the formation of statutory reserves are at least one tenth of the net profit, share premiums and the funds provided for in the articles of association or by resolution of the general meeting of shareholders.

The statutory reserves have been formed from the retained earnings of Telelink Business Services Group AD (EUR 639 thousand), Telelink Business Services EAD (EUR 51 thousand), Telelink Business Services Macedonia (EUR 1 thousand) and Telelink Business Services Croatia, acquired in March 2024 (EUR 10 thousand).

As of 30 June 2026, the Group's statutory reserves amount to EUR 701 thousand (2025: EUR 701 thousand).

Other reserves

Part of the other reserves was formed following the application of the predecessor method upon the acquisition of the companies under common control and represents the difference between the investment in the acquired companies and the share capitals of these companies. As of 31 December 2022, this part of other reserves formed from the restructuring amounted to EUR (7,221) thousand; as of 31 December 2023, it amounted to EUR (7,013) thousand – the decrease of EUR 208 thousand resulted from an impairment in the value of the investment in Telelink Montenegro. The remaining part of other reserves was formed from the liabilities under the share incentive programs in the amount of EUR 111 thousand as of the end of 2024.

As of 30 June 2026, an amount of EUR 83 thousand (2025 – EUR 83 thousand) in other reserves reflects reserves related to valuations of investment properties in Komutel DOO.

	30.06.2026 EUR'000	***30.06.2025 EUR'000***
The difference between the investment in acquirees and the share capital	(7,013)	(7,013)
Valuation of investment property in the subsidiary Comutel DOO	83	51
Reserves formed under Share-based payments incentive plans	111	111
	(6,819)	**(6,851)**

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32. Share capital and reserves (continued)

Other components of equity

	Number of shares	*Other components of equity*
		EUR '000
At the beginning of the reporting period	**(200,006)**	**(1,168)**
Shares bought back on market	-	-
Share -based payments	-	-
Buy-back transaction costs	-	-
At the end of the reporting period	**(200,006)**	**(1,168)**

The Group held 6 treasury shares as of 31 December 2024. In 2025, the Group acquired 200,000 new shares and, as of 30 June 2026, holds 200,006 treasury shares.

Foreign currency translation reserves

These reserves arise from the translation of the results and financial position of subsidiaries into the presentation currency of the Group.

As of 30 June 2026, the foreign currency translation reserves amount to EUR (233) thousand (2025: EUR (245) thousand).

33. Earnings per share

The table below presents the calculation of basic and diluted earnings per share:

Earnings	*01.01.2026 - 30.06.2026 EUR'000*	*01.01.2025 - 30.06.2025 EUR'000*
Earnings for the purposes of basic earnings per share being net profit attributable to owners of the Parent company	2,624	1,087
Effect of dilutive potential ordinary shares:		
Interest on convertible loan notes (net of tax)	-	-
Earnings for the purposes of diluted earnings per share	**2,624**	**1,087**

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33. Earnings per share (continued)

Number of shares	*01.01.2026 - 30.06.2026 EUR'000*	*01.01.2025 - 30.06.2025 EUR'000*
Weighted average number of ordinary shares for the purposes of basic earnings per share	12,299,994	12,299,994
Effect of dilutive potential ordinary shares		
Share options	-	-
Convertible loan notes	-	-
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**12,299,994**	**12,299,994**
Earnings per ordinary and diluted shares from continuing operations		
Ordinary shares	0.21	0.09
Diluted shares	-	-

34. Dividends distributed

In 2025 and 2026, the General Meeting of Shareholders of Telelink Business Services Group AD resolved that the profit realized in 2024 and 2025 be allocated to retained earnings.

35. Fair value measurement

The table shows the levels of the fair value hierarchy of the Group's assets and liabilities measured at fair value. Information on the fair values of financial assets and liabilities has not been included, as their carrying amount is a reasonable approximation of fair value.

			Fair value measurement			
	2026	**Date of valuation**	**Total** *EUR'000*	**Quoted prices in active markets (Level 1)** *EUR'000*	**Significant observable inputs (Level 2)** *EUR'000*	**Significant unobservable inputs (Level 3)** *EUR'000*
Assets measured at fair value:						
Investment properties:						
Office properties		30.06.2026	295	-	-	295
Total assets measured at fair value			**295**	**-**	**-**	**295**

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35. Fair value measurement (continued)

			Fair value measurement			
	2025	Date of valuation	Total *EUR'000*	Quoted prices in active markets (Level 1) *EUR'000*	Significant observable inputs (Level 2) *EUR'000*	Significant unobservable inputs (Level 3) *EUR'000*
Assets measured at fair value:						
Investment properties:						
Office properties		31.12.2025	295	-	-	295
Total assets measured at fair value			**295**	**-**	**-**	**295**

36. Commitments and contingencies

Litigations and claims: There are no significant litigation or claims against the Group.

Guarantees: As of 30 June 2026, the Group's servicing banks have issued bank guarantees under contracts with customers and participation in tenders for a total amount of EUR 20,662 thousand (as of 31 December 2025: EUR 28,803 thousand).

Capital commitments: As of 30 June 2026 and 31 December 2025, the Group does not consider that there are material risks arising from the dynamic fiscal and regulatory environment in the countries where it has registered companies that would require adjustments to the financial statements for the period ended 30 June 2026.

Commitments to the benefit of related parties

As of 30.06.2026, Telelink Business Services Group AD (the Company) maintains its commitments as guarantor and, respectively, pledgor under the following agreements with UniCredit Bulbank AD, concluded to secure the obligations of TBS EAD (UIC 130545438) under the Agreement for the assumption of credit commitments under an overdraft credit line with UniCredit Bulbank AD dated 10.10.2019 and the annexes thereto:

- Suretyship Agreement dated 10.10.2019, including a commitment to maintain the Company's participation in the capital of TBS EAD;
- Agreement for a pledge of securities (shares) dated 06.07.2023, representing 100% of the shares in the capital of TBS EAD, and the receivables related to them.

During and as of the end of the reporting period, the total credit limit under the secured agreement continues to amount to EUR 27,000,000, available for utilization in the form of an overdraft loan of up to EUR 4,000,000, a revolving loan of up to EUR 8,000,000 and bank guarantees in EUR or US dollars, at respective interest rates for effectively drawn funds of ODI + 2.35% for drawdowns in EUR and 1M SOFR + 1.5% for drawdowns in US dollars.
As of 30.06.2026, the following commitments assumed by the Company in connection with corporate guarantees and other commitments issued and assumed in prior periods are also in effect:

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36. Commitments and contingencies (continued)

- a corporate guarantee in favour of Citi Bank and Cisco Systems International B.V. (the Netherlands), securing the ability of Comutel (UIC 07554133) and Telelink Slovenia (UIC 6596240000) to make purchases under contracts with Cisco Systems International B.V. of high-value equipment with deferred payment in the amount of up to USD 5,100 thousand, issued on 01.07.2020;
- a corporate guarantee in the amount of EUR 56,554.95 securing the obligations of Sedam IT (UIC 080271844) under operating lease agreements with Unicredit Leasing Croatia d.o.o, issued on 15.02.2022;
- a promissory note for the amount of EUR 1,327,229 in favour of Čedo Đukić in his capacity as seller of the shares of Sedam IT, securing the obligation of TBSG AD for a second contingent deferred payment based on the financial results of Sedam IT for 2025, in accordance with the terms of the Share Purchase Agreement dated 13.02.2024;
  The secured obligations were fulfilled on 24.06.2026, as a result of which the guarantee was released and returned on 02.07.2026.
- a corporate guarantee in the amount of EUR 1,200,000 securing the obligations of Sedam IT (UIC 080271844) under Loan Agreement No. 1103177789 dated 29.07.2025 with Zagrebacka banka d.d, issued on 14.08.2025;
- a corporate guarantee in the amount of EUR 900,000 securing the obligations of Sedam IT (UIC 080271844) under Bank Guarantees Agreement No. 0200166194 with Zagrebacka banka d.d. dated 29.07.2025 with a term of 12 months, issued on 14.08.2025;
- a corporate guarantee in the amount of EUR 2,000,000 securing the obligations of Sedam IT under Short-term Guarantee Limit Agreement No. KL4517053 between Sedam IT and Erste & Steiermarkische Bank dd, Rijeka dated 17.07.2025, issued on 20.10.2025.

As of 30.06.2026, TBS EAD has provided the following bank guarantees securing obligations of third parties in connection with the execution of projects and financings of subsidiaries of the Group:

Guarantee securing obligations of:	UIC	Type/Obligation	Amount (EUR)	End date
CONSORTIUM SECURE BORDERS TELESEC DZZD	177158206	good performance	77,347	27.02.2026
CONSORTIUM TELESEC DZZD	180851327	good performance	399,551	01.04.2028
Consortium Technolink DZZD	177359593	good performance	64,239	29.01.2027
Consortium Sistel DZZD	177424500	good performance	374,301	17.12.2026
TBS Macedonia	7385986	counter-guarantee - limit	300,000	31.05.2027
TBS Macedonia	7385986	counter-guarantee	310,000	31.01.2026
CONSORTIUM TELESEC DZZD	180851327	good performance	132,318	30.10.2028
CNSys AD	121708078	good performance	40,796	30.03.2030
Consortium Sistel DZZD	177424500	warranty obligations	314,616	30.07.2029
Consortium Sistel DZZD	177424500	good performance	1,258,464	30.07.2026
Consortium Sistel DZZD	177424500	advance	8,757,421	30.06.2026
CONSORTIUM TELESEC DZZD	180851327	good performance	745,215	31.08.2026
CONSORTIUM TELESEC DZZD	180851327	advance	954,947	02.03.2026
Consortium Sistel DZZD	177424500	advance	1,012,074	09.12.2026

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36. Commitments and contingencies (continued)

In addition to the above commitments, as of 30.06.2026 TBS EAD:

- continues to be a guarantor securing the obligations of TBSG AD under the Overdraft Agreement between TBSG AD and United Bulgarian Bank AD dated 15.02.2022 with a credit limit of EUR 2,000,000, available for utilization in the form of an overdraft loan and/or a conditional bank loan securing the issuance of guarantees, a deadline for utilization in the form of an overdraft and repayment of amounts drawn under the loan as a whole of 28.02.2029 and applicable interest rates of the short-term interest rate of the lending bank (STIR) + 2.2%, but not less than 2.2%, 1M EURIBOR + 1.5%, but not less than 1.5%, and 1M SOFR + 1.5%, but not less than 1.5%, depending on the currency of utilization;
- continues to be a joint debtor under the Bank Investment Loan Agreement between TBSG AD and UniCredit Bulbank AD dated 19.03.2024 for the purpose of financing the acquisition of 100% of the shares in the capital of Sedam IT, with a total limit of EUR 7,000,000, but not more than 70% of the acquisition costs, available for utilization in three tranches and repayment in equal monthly or quarterly instalments, an interest rate for regular debt of 3M EURIBOR + 2.2% and a final deadline for full repayment of 31.07.2030;
- continues to be a guarantor under Credit Line Agreement No. 265-2898514-30 between Komutel and Raiffeisen banka a.d. Beograd with a limit of USD 1,500,000, a term 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 drawdowns in US dollars, euro and Serbian dinars, by virtue of a Suretyship Agreement dated 03.12.2025;
- continues to be a guarantor under the Framework Agreement for the issuance of bank guarantees between Komutel and Raiffeisen banka a.d. with a limit of EUR 100,000 and a term until 30.09.2028, by virtue of a Suretyship Agreement dated 03.12.2025;
- continues to be a party to a corporate guarantee for the amount of EUR 1,327,229 in favour of Čedo Đukić in his capacity as seller of the shares of Sedam IT, securing the obligations of TBSG AD for a second contingent deferred payment based on the financial results of Sedam IT for 2025, in accordance with the terms of the Share Purchase Agreement dated 13.02.2024.

The secured obligations were fulfilled on 24.06.2026, as a result of which the guarantee was released and returned on 02.07.2026.

As of 30.06.2026, TBS Croatia:

- continues to be the issuer of a promissory note for the amount of EUR 1,327,229 in favour of Čedo Đukić in his capacity as seller of the shares of Sedam IT, securing the obligations of TBSG AD for a second contingent deferred payment based on the financial results of Sedam IT for 2025, in accordance with the terms of the Share Purchase Agreement dated 13.02.2024;

The secured obligations were fulfilled on 24.06.2026, as a result of which the promissory note was released and returned on 02.07.2026.

- continues to be a joint debtor under Bank Investment Loan Agreement No. 00044/730 between the Company and UniCredit Bulbank AD dated 19.03.2024, referred to in item V.8.4.1.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

37. Financial risk management objectives and policies and capital management

The Group's principal financial liabilities comprise interest-bearing loans and borrowings, and trade payables. The main purpose of these financial instruments is to provide financing for the Group's operations. The Group has financial assets such as trade receivables, loans granted, cash and short-term deposits, which arise directly from its operations.

In 2026, as well as in 2025, the Group does not hold or trade derivative financial instruments.
The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, currency risk and credit risk. The policy applied by the Group's management to manage these risks is summarized below.

Interest rate risk

The Group is exposed to the risk of changes in market interest rates mainly under revolving credit lines for current financing of working capital and, to a lesser extent, under finance lease contracts with a variable (floating) interest rate.

In connection with the Overdraft and Revolving Loan Agreements with UBB AD, the Bank Investment Loan Agreement and the overdraft agreement with UniCredit Bulbank AD, the Factoring Agreement with RBB Croatia, the Overdraft Agreement with Zagrebačka Banka Croatia, the revolving loan agreement with RBB Serbia and the revolving loan agreement with Erste Bank Croatia, the Group assumes the risk of changes in floating interest rate indices, namely the reference interest rate of the financing bank, formed on the basis of the variable yield on deposits of individuals in Bulgaria, and the three-month and six-month EURIBOR. In 2024-2025, the interest rate indices relevant to the Group showed mixed developments, with the three-month and six-month EURIBOR applicable to funds drawn in euro under the overdraft agreement with UBB AD, the Bank Investment Loan Agreement with UniCredit Bulbank AD, the Factoring Agreement with RBA Croatia and the Overdraft Agreement with Zagrebačka Banka Croatia reflecting the significant dynamics to a substantial extent, while the reference interest rate of the financing bank applicable to funds drawn in BGN under the overdraft agreement with UBB AD and the overdraft loan with UniCredit Bulbank AD remained relatively insignificant in the range of 0.0-0.2%. (Note 26).

The Group's interest-bearing financial instruments as of the reporting date by interest rate profile are:

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

37. Financial risk management objectives and policies (continued)

Interest rate risk (continued)

	30.06.2026 EUR'000	*31.12.2025 EUR'000*
Fixed rate instruments		
Financial assets	14,779	25,830
Loans granted (principal), (Note 23)	307	155
Cash and cash equivalents, (Note 24)	14,472	25,675
Financial liabilities	(1,500)	-
Interest-bearing loans and borrowings (principal), (Note 26)	(1,500)	-
	13,279	**25,830**

	30.06.2026 EUR'000	*31.12.2025 EUR'000*
Variable rate instruments		
Financial liabilities	(11,294)	(10,000)
Interest-bearing loans and borrowings (principal), (Note 26)	(11,291)	(9,993)
Leases	(3)	(7)
	(11,294)	**(10,000)**

The sensitivity analysis has been determined based on the exposure to the interest rate for both the investment bank loan and the bank overdraft as of the end of the reporting date. For floating interest rates, the analysis is prepared assuming that the amount of the liability outstanding at the end of the reporting period was outstanding for the whole period. An increase or decrease of 100 basis points is used when reporting interest rate risk internally to the Supervisory Board and represents management's assessment of a reasonably possible change in interest rates. The effect is presented in the table below:

Effect in BGN thousand	**Gains or losses**	
	1.00% increase	**-1.00%** decrease
30 June 2026		
Variable rate instruments	(73)	15
Cash flow sensitivity (net)	**(73)**	**15**
31 December 2025		
Variable rate instruments	(100)	42
Cash flow sensitivity (net)	**(100)**	**42**

As a result of the negotiation of minimum interest rates equal to the interest margins or to the total interest rate as of the date of signing of the agreement for some instruments, the effects of an increase and a decrease by the same interest rate differential are asymmetric.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

37. Financial risk management objectives and policies (continued)

Currency risk

The Group operates in various markets and in currencies other than its functional currency, as well as in third-country currencies, mainly involving purchases and financing in US dollars, and is accordingly exposed to transactional and translational currency risks. The Group's exposure to the risk of changes in the exchange rates of local currencies is significantly limited by the fixed Euro/Lev and Euro/Bosnian Mark exchange rates maintained by the currency board arrangements in effect in Bulgaria and Bosnia and Herzegovina, and by the adoption of the Euro as the national currency in Montenegro, as a result of which the total sales and profits generated in jurisdictions using or pegged to the Euro account for a predominant share of the consolidated results. The Group is exposed to translational risk in Serbia, Macedonia and Romania, related to the floating exchange rate of the local currencies.

A significant part of the revenues and costs of sales, including local goods and services, labour and other fixed costs, are denominated in the local currencies of the operating subsidiaries.

Third-party currency risk in respect of other trade is limited by the existing contractual terms for indexation of the exchange rate of receivables in Serbia, Macedonia and Romania.

Foreign currency trading risks are mitigated by the Group companies by matching, to the extent possible, the timing and currencies of its trade receivables and payables, as well as through forward purchases of US dollars for the payment of selected uncovered liabilities.

The tables below show the sensitivity to possible changes in the exchange rates of the following currencies:

	USD	***MKD***	***RSD***	***RON***
	EUR'000	***EUR'000***	***EUR'000***	***EUR'000***
Trade and other payables	(4,411)	(843)	(251)	(10)
Contract liabilities	(4)	-	(2,701)	-
Trade and other receivables	4,244	328	722	-
Contract assets	32	-	-	-
Balance as of 30 June 2025	**(139)**	**(516)**	**(2,230)**	**(10)**

	Effect on profit	
	EUR'000	EUR'000
Change in USD exchange rate	(7)	7
Change in RSD exchange rate	(111)	111
Change in MKD exchange rate	(26)	26
Change in RON exchange rate	(1)	1
	(171)	**171**

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

37. Financial risk management objectives and policies (continued)

Credit risk

The Group seeks to trade exclusively with established and creditworthy counterparties such as leading telecommunications operators, public organizations and multinational enterprises and long-term partners with a proven payment history. The balances and the maturity structure of receivables are monitored on an ongoing basis. As a result, the Group's exposure to credit risk is highly limited.

The credit risk arising from the Group's other financial assets, such as cash and other financial assets, represents the Group's credit exposure arising from the possibility that its counterparties may fail to fulfil their obligations.

The Group's maximum credit exposure in respect of recognized financial assets corresponds to their amount in the statement of financial position as of 30 June 2026 and arises mainly from trade and other receivables, contract assets and cash (Notes 22, 24). The Group performed an impairment review of trade and other receivables and contract assets as of 30 June 2026 and assessed that no impairment provisions need to be accrued.

Liquidity risk

The Group manages liquidity risk and cash flow risk by systematically monitoring the quality and maturities of its receivables and payables and by timely planning of incoming and outgoing cash flows. In the event of expected shortfalls of available funds within a given horizon and with a view to meeting unforeseen deviations, the Group secures their financing by negotiating appropriately structured loans or revolving credit limits from leading Subsidiaries.

Liquidity risk is maintained at a low level by holding sufficient cash and sufficient credit facilities with the servicing banks (see Note 24 "Cash and cash equivalents"). In addition, the ageing analysis of trade receivables (Note 22) is an indicator of the expected cash inflows that would cover the Group's liabilities.

The table below summarizes the maturity profile of the Group's financial liabilities as of the end of the reporting period based on contractual undiscounted payments.

30 June 2026	**On demand**	**< 3 months**	**3-12 months**	**1 - 5 years**	**> 5 years**	**Total**
	EUR'000	***EUR'000***	***EUR'000***	***EUR'000***	***EUR'000***	***EUR'000***
Interest-bearing loans and borrowings	12	4,611	5,300	2,868	-	12,791
Lease	1	335	1,127	1,135	-	2,598
Trade payables	713	23,404	135	395	-	24,647
31 December 2025	**As of demand**	**< 3 months**	**3-12 months**	**1 - 5 years**	**> 5 years**	**Total**
	EUR'000	***EUR'000***	***EUR'000***	***EUR'000***	***EUR'000***	***EUR'000***
Interest-bearing loans and borrowings	63	2,934	4,508	2,787	-	10,292
Lease	-	332	1,099	1,594	-	3,025
Trade payables	826	39,904	961	-	-	41,690

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

37. Financial risk management objectives and policies (continued)

Capital management

The primary objective of the Group's capital management is to maintain a stable credit rating and appropriate capital ratios, ensuring both the financial stability of its operations and maximum shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, it may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the periods ended 30 June 2026 and 31 December 2025.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within its net debt the interest-bearing loans and borrowings, finance lease liabilities, trade and other payables and contract liabilities, less cash and cash equivalents, excluding discontinued operations.

	30.06.2026 EUR'000	***31.12.2025 EUR'000***
Interest bearing loans and borrowings	12,791	9,993
Lease liabilities	2,598	3,025
Trade and other payables	27,285	50,262
Contract liabilities	9,041	17,525
Less cash and short term deposits	(14,473)	(25,676)
Net debt	37,242	55,129
Equity	29,820	27,196
Less other reserves	6,819	6,851
Adjusted Equity	36,639	34,047
Capital and net debt	**73,881**	**89,176**
Gearing ratio	50%	62%

38. Events after the date of the consolidated financial statements

On 08.07.2026, Telelink Business Services Group AD (the Company) concluded an Investment Loan Agreement for the purpose of financing the acquisition of Ideal Group Holdings Limited, a company incorporated in England and Wales, with registration number 09920356 and registered office at 8 Arundel Place, Brighton, England, BN2 1GD ("Ideal Holdings"), in the amount of up to EUR 12,000,000, but not more than 70% of the total purchase price for 100% of the capital of Ideal Holdings. The applicable regular interest rate under the loan is 3M EURIBOR + 2.40%, but not less than 2.40% per annum, the interest rate for overdue principal – the interest rate for regular debt + 5.00% per annum, and the additional rate charged on the available Loan in case of default on interest or principal and/or interest – 1.00% per annum for the period of the delay. The loan is to be repaid in equal monthly instalments over a maximum term of 72 months from the date of drawdown, but no later than 78 months from the date of the loan agreement.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

38. Events after the date of the consolidated financial statements (continued)

The collateral provided for in the agreement includes joint debtor commitments from TBS EAD, Ideal Holdings and its subsidiary Ideal Networks Limited, a company incorporated in England and Wales, with registration number 05815973 and registered office at 8 Arundel Place, Brighton, England, BN2 1GD ("Ideal Networks"), a pledge over 50% of the Company's dividend receivables from subsidiaries, a pledge over receivables on bank accounts under the Financial Collateral Arrangements Act, an assignment (pledge) over the Company's rights and receivables under the Acquisition Documents, the registration of the Bank as beneficiary of insurance indemnities under a warranty and indemnity insurance policy (W&I) and a pledge over 100% of the shares of Ideal Holdings and Ideal Networks. The conclusion of the loan agreement was approved by the MB and the SB on 07.07.2026. The limit under the agreement was drawn in its full amount of EUR 12,000,000 on 14.07.2026.

On 15.07.2026, the Company signed share purchase agreements and completed the acquisition of the entire issued share capital of Ideal Holdings – a holding company owning 100% of the shares in the capital of Ideal Networks, which provides advanced information technology solutions for enterprises and for large buildings and workspaces, including networks and connectivity, cybersecurity and artificial intelligence, operating mainly in the United Kingdom (together, the "Ideal Group"). In 2025, the Ideal Group realized consolidated revenue of GBP 11.81 m (EUR 13.78 m) and a normalized EBITDA of GBP 0.95 m (EUR 1.11 m), ending the year with cash of GBP 2.89 m (EUR 3.31 m) and no financial debt. The shares were acquired from the founders of the Ideal Group – Claire Hopkins and Moto Shakuri – together with a group of eight holders of share options from the management of the Target group, whose options were exercised immediately prior to the completion of the transaction, through two interdependent agreements signed and executed simultaneously — a share purchase agreement with the founders and the related share purchase agreement, with a price for 100% of the capitala of Ideal Holdings of GBP 14,571,524.71. The sellers provided warranties, a tax covenant ("tax covenant") and indemnity obligations ("indemnities") in favour of the Company (subject to agreed limitations). The agreements are governed by the law of England and Wales. In connection with the transaction, the Company took out warranty and indemnity insurance ("W&I") in favour of the buyer ("buy-side"). The acquisition was e financed through a term bank loan in the amount of EUR 12,000,000 and the Company's own funds.

On 22.07.2026, the SB opproved the signing of the following financing agreements for subsidiaries or annexes thereto:

- Annex No. 1 to Revolving Loan Agreement No. 5305835165 dated 17.07.2025 with a limit of EUR 1,500,000 between TBS Croatia and Erste & Steiermarkische Bank dd, Rijeka for extension of the repayment deadline to 01.07.2027, replacement of the previously applied floating interest rate of 3M EURIBOR + 1.45% with a fixed interest rate of 3.80% per annum and renewal of the collateral in the form of a new notarized promissory note from TBS Croatia;

In accordance with the adopted resolution, the Annex was signed with retroactive effect from 01.07.2026.

- Annex No. 1 to Credit Line Agreement No. 25021550047 dated 14.10.2025 with a limit of EUR 800,000 between TBS Croatia and Raiffeisenbank Austria dd, Zagreb, for extension of the utilization deadline to 31.07.2027 and of the final repayment deadline – to 31.07.2030, a change in the interest rates from 1M EURIBOR + 1.85% for a revolving loan and 1M EURIBOR + 2.00% for an overdraft to 1M EURIBOR + 1.50% for a revolving loan and 1M EURIBOR + 1.70% for an overdraft per annum and renewal of the collateral in the form of a new notarized promissory note from TBS Croatia;

The Annex was signed on 20.07.2026.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

38. Events after the date of the consolidated financial statements (continued)

- Annex No. 1 to Framework Revolving Line Agreement for the issuance of guarantees and binding letters of intent No. 0200166194 dated 29.07.2025 with a limit of EUR 900,000 between TBS Croatia and Zagrebačka banka d.d for extension of the final utilization deadline to 29.07.2027 and renewal of the collateral in the form of a new notarized promissory note from TBS Croatia;

The Annex was signed on 23.07.2026.

- Annex No. 1 to Reverse Factoring Agreement for suppliers at the order of the buyer No. 6500378004 dated 02.10.2025 with a limit of EUR 1,100,000.00 between TBS Croatia and Raiffeisenbank Austria for a change in the interest rate from 6M EURIBOR + 1.80% to 6M EURIBOR + 1.50% per annum, while maintaining the collateral in the form of a notarized promissory note from TBS Croatia;

The Annex was signed on 31.08.2026.

- Bank Loan Agreement (general working capital limit) No. 26F-11829505-171210 between TBS EAD and United Bulgarian Bank AD with a limit for financing contracts acceptable to and approved by the Bank of up to EUR 5,000,000, an annual interest rate of 1M EURIBOR + 1.50%, but not less than 1.50%, and a utilization and repayment deadline of 30.08.2027 with the possibility of subsequent extensions to 30.08.2028 and 30.08.2029, secured by an Agreement for a special pledge over receivables under contracts with counterparties and/or issued invoices for a total amount of not less than EUR 5,000,000 and a Financial Collateral Agreement in the form of a pledge over receivables on accounts with the bank. The Bank Loan Agreement was signed on 24.08.2026, and the Special Pledge over Receivables Agreement and the Financial Collateral Agreement – on 26.08.2026.

On 22.07.2026, the SB adopted a resolution to convene an extraordinary GMS on 17.09.2026 with an agenda in substance:

- election of Deloitte Audit OOD as registered auditor to perform the independent financial audit for 2026, 2027 and 2028;
- election of Deloitte Audit OOD as registered auditor to provide sustainability assurance for 2026.

The invitation to the meeting and the materials attached to it are available at: https://www.x3news.com/?page=News&uniqid=6a7f06191bb44.

In connection with the previous disclosure of information regarding the undertaking of actions for the potential conclusion and execution of transactions for the acquisition of majority interests in other companies, published on 22.05.2026, on 23.07.2026 the Company disclosed that it had submitted an updated offer for the acquisition of 100% of the shares in the capital of three companies under common control, registered in Romania, whose principal activity is the provision of services for consulting, implementation and support of enterprise resource planning ("ERP") and customer relationship management ("CRM") systems, IT automation and artificial intelligence (AI) for local and international corporate clients. The transaction structure provided for in the offer includes an initial acquisition of 70% of the capital of each of the three companies, whereby the interests of three of the sellers will be acquired in full and the interests of the remaining two sellers – in part, as well as two staged acquisitions of the remaining 15% of the capital held by each of the latter, in 2028 and 2029. The offer has been approved by the Supervisory Board of the Company and accepted by the sellers of the target companies. Nevertheless, as of the date of this Report, its binding nature remains subject to reaching agreement on the full terms of the share purchase agreement ("SPA") and a shareholders' agreement ("SHA"), and the completion of the transaction as a whole – to the fulfilment of a number of conditions precedent, including but not limited to

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

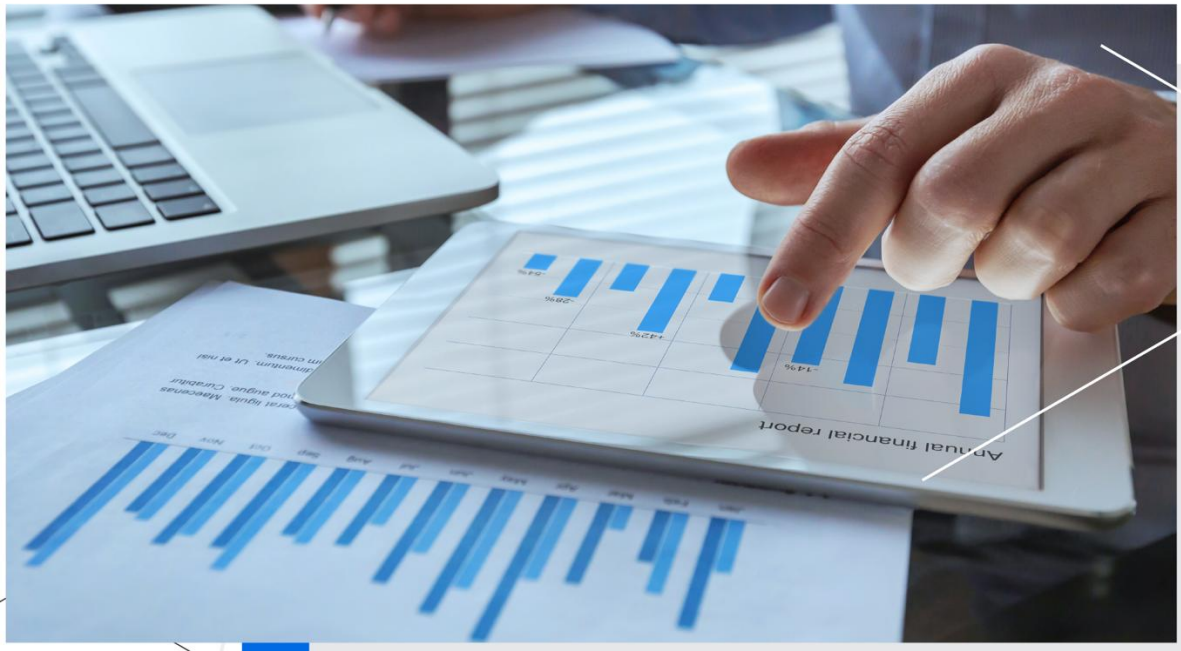
38. Events after the date of the consolidated financial statements (continued)

the negotiation of a bank investment loan and obtaining approval from the Romanian Commission for the Examination of Foreign Direct Investments (CEISD).
In connection with the previous disclosure of information regarding the undertaking of actions for the potential conclusion and execution of transactions for the acquisition of majority interests in other companies, published on 22.05.2026, on 23.07.2026 the Company disclosed the discontinuation of the actions for the potential acquisition of 51% of the shares in the capital of a company registered in Sweden, as a result of the deterioration in the financial results and prospects of the target company established in the course of the negotiations and the material differences between the parties regarding key terms of the share acquisition agreement and the shareholders' agreement.

In accordance with a proposal of the Board of Directors of TBS EAD, on 28.08.2026 the MB of the Company adopted a resolution for the distribution of a dividend in the full amount of the residual undistributed profit of TBS EAD for 2024 of EUR 4,096,109.

Except as described above, the Group's Management declares that from the end of the reporting period until the date of approval of these financial statements, no significant and/or material events have occurred that affect the results or the operations of the Group, the non-disclosure of which would affect the true and fair presentation of the financial statements.

telelink business services



30.06.2026

Consolidated Interim Management Report

TELELINK BUSINESS SERVICES GROUP AD

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DEAR SHAREHOLDERS,

We, the members of the Managing Board of TELELINK BUSINESS ERVICES GROUP AD (the Company), guided by our commitment to manage the Company in the best interest of its shareholders and in accordance with the provisions of art. 100o, par. (5) of the POSA and art. 13 of Ordinance 2 from November 09 2021 regarding the initial and subsequent disclosure of information upon the public offering of securities and the admission to trading on a regulated market, prepared the present Consolidated Management Report (the Report). The Report presents commentary and analysis of key financial and non-financial indicators and an objective overview, providing a true and fair representation of the development and operating results of the Company and its subsidiaries (the Group), as well as of its condition, together with a description of the main risks thereto.

THIS MANAGEMENT REPORT IS PREPARED IN ACCORDANCE WITH PROVISIONS OF ART. 100O, PAR. (5) OF THE PUBLIC OFFERING OF SECURITIES ACT (POSA) AND ART. 13 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 July 12 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 and 2026:

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

I.2 Governance

The Company has a two-tier board system.

As of 30.06.2026, 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 30.06.2026, the Company's Supervisory Board (the SB) featured five members, including:

- Lyubomir Minchev – Chairman of the SB;
- 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 Pkvneliev – member of the SB.

I.3 Share capital and ownership structure

The Company has a registered capital in the amount of EUR 6,375 thousand divided in 12,500,000 common shares with a nominal value of EUR 0.51 each.

As of 30.06.2026, 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 implemented in previous periods, as of 30.06.2026, the Company continued to hold 200,006 own shares representing 1.60% of its registered capital.

I.4 Investment portfolio

Subsidiary	Country of incorporation and management	Capital share held by TBS Group
(direct)		
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	North Macedonia	100%
Telelink Business Services SRL	Romania	100%
Telelink Business Services Germany GmbH	Germany	100%
Telelink Business Services, LLC	USA	100%
(indirect)		*(through TBS EAD)*
Telelink BS Staffing EOOD	Bulgaria	100%
Green Border OOD	Bulgaria	50%

** Ranamed from Sedam IT DOO on 09.06.2025 after the merger of Telelink Business Services DOO (Croatia) (UIN 081341811) on 30.04.2025.*

As of 30.06.2026, 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) ("TBS Croatia") (renamed from Sedam IT DOO ("Sedam IT") in 2025), acquired by the Company by means of a share purchase in March 2024.

As of 30.06.2026, 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 30.06.2026, 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 due to the expiry of the term for which it was established.

I.5 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.

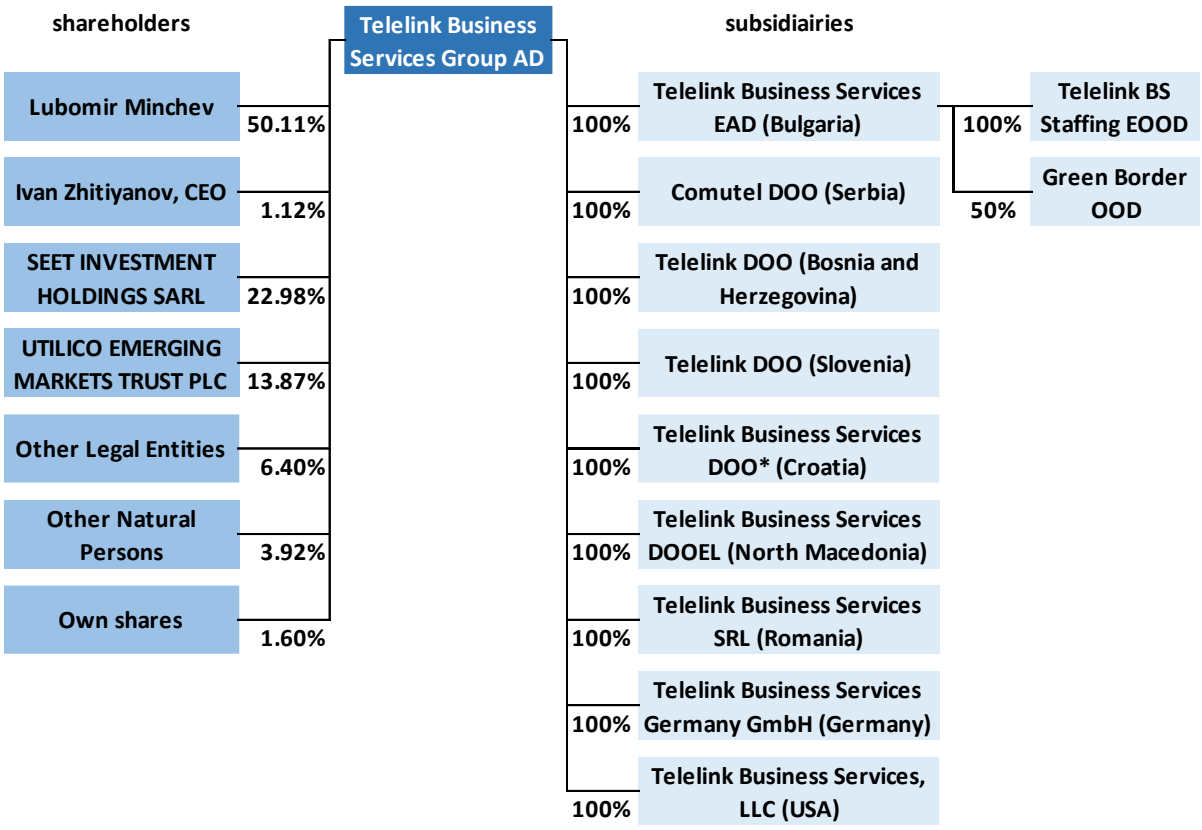
The above information is also available on the Company's investor web page https://www.tbs.tech/investors/.

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 894500RSIIEY6BQP9U56.

The Company's issued shares have been registered with an ISIN code: BG1100017190 and, as of the date of this Report, 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, telephone number +359 2 9882413, e-mail address ir-tbs@tbs.tech.

I.6 Summarized shareholding structure of the Company and the Group



II REVIEW OF THE GROUP'S ACTIVITIES AND FINANCIAL POSITION

II.1 Key financial indicators

Financials (BGN thousand)		period	period	change
		30.6.2026	*30.6.2025*	
Net sales revenue		**47,203**	**47,097**	**0%**
Cost of Sales		(34,537)	(35,512)	(3%)
Gross Profit		**12,666**	**11,585**	**9%**
Sales and Marketing Expenses		(5,601)	(5,471)	2%
General and Administrative Expenses		(3,884)	(4,032)	(4%)
Other Operating Income/(Expenses) (net)		217	211	3%
Operating Profit		**3,398**	**2,293**	**48%**
Financial Income/(Expenses) (net)		(390)	(921)	(58%)
Income Tax Expense		(384)	(285)	35%
Net Profit		**2,624**	**1,087**	**141%**
Depreciation & Amortization Expenses		(1,832)	(1,765)	4%
Interest Income/(Expenses) (net)		(230)	(260)	(12%)
Earnings before Interest, Tax, Depreciation & Amortization (EBITDA)		**5,070**	**3,397**	**49%**
		30.6.2026	*31.12.2025*	-
Total Assets		**82,284**	**110,228**	**(25%)**
Non-current Assets		22,173	22,381	(1%)
Current Assets and Assets Held for Sale		60,111	87,847	(32%)
Equity		**29,587**	**26,951**	**10%**
incl. Retained Earnings and Profit for the Year		30,731	28,091	9%
Total Liabilities		**52,697**	**83,277**	**(37%)**
Non-current Liabilities		6,104	6,787	(10%)
Current Liabilities		46,593	76,490	(39%)
Cash and Cash Equivalents (CCE)		**14,473**	**25,676**	**(44%)**
Total Financial Debt	*(1)*	**12,838**	**10,046**	**28%**
Net Financial Debt / (Net Cash Position)	*(2)*	**(1,635)**	**(15,630)**	**13,995**
		30.6.2026	*30.6.2025*	**0%**
Net Cash Flow from Operating Activities and ForEx Differences		**(10,023)**	**(2,626)**	**(7,397)**
Net Cash Flow used in Investment Activities and Acquired CCE		**(3,008)**	**(1,119)**	**(1,889)**
incl. Acquisition of Subsidiaries		(1,327)	-	(1,327)
Net Cash Flow from Financing Activities		**1,829**	**1,090**	**739**
incl. Purchase of Own Shares		-	(1,180)	1,180
		30.6.2026	*31.12.2025*	**0%**
Number of Employees as of Period End		**464**	**461**	**1%**

(1) Borrowings and finance leases (excl. rentals and operating leases). (2) Total Financial Debt minus Cash abd Cash Equivalents.

Ratios	period	period	change
	30.6.2026	*30.6.2025*	
Gross Margin	26.8%	24.6%	2.2%
Operating Margin	7.2%	4.9%	2.3%
Net Margin	5.6%	2.3%	3.3%
EBITDA margin	10.7%	7.2%	3.5%
	30.6.2026	*31.12.2025*	
Current Ratio	1.3	1.1	0.1
Equity / Total Assets	36%	24%	12%
Financial Debt / Total Assets	16%	9%	6%

II.2 Revenues

Balanced between moderate upsides and downsides across market drivers and business lines, consolidated net sales revenue as of 30.06.2026 registered minimal growth of 0.2% or EUR 106 thousand over the first half of 2025, reaching EUR 47,203 thousand.

II.2.1 Revenues by subsidiary

Continuing to play a leading part in the formation of Group revenues with a share of 71% similar to the corresponding ratio of 69% for the first half of 2025, sales realized by TBS EAD exhibited moderate growth of 4% or EUR 1,201 thousand[1], as the company compensated successfully a temporary slowdown in revenues from the Bulgarian public sector in the context of the country's recent elections and transition to a new government with substantially larger growth in sales to local and international corporate clients and a slight increase in cross-border deliveries for NATO.

Save for an immaterial decrease of 1% or EUR 60 thousand[1], TBS Croatia maintained a similar level of interim sales for the period and a stable share of 13% of consolidated revenues.

Comparing to the accelerated cross-border deliveries to a big client from the Greek telecom sector in the first half of 2025, revenues at the business pool of Comutel, Telelink Bosnia and Telelink Slovenia decreased by 17% or EUR 1,331 thousand[1], maintaining a similar size in their remaining part on the balance of growing sales to Slovenia and Croatia and a continuing downtrend after the change of ownership in other key accounts in Serbia and Bosnia and Herzegovina. In the context of stable consolidated revenues, the pool contributed a lower share of 13% (comparing to 16% for the same period of 2025).

Across other subsidiaries, the Group registered substantial relative but limited absolute increases in sales in TBS Macedonia (growing by 49% or EUR 291 thousand[1] to 2% of consolidated revenues) and TBS USA (growing by 80% or EUR 121 thousand[1] to 1% of consolidated revenues), outweighing the negative impact of the abandonment of locally based business development in TBS Germany (which recorded zero sales as compared to EUR 116 thousand[1] for the first half of 2025).

II.2.2 Revenues by main categories of products and services

In conjunction with lower revenues from projects in the Bulgarian public sector and decreasing deliveries to clients from the telecom sector of Greece, Serbia and Bosnia and Herzegovina, revenues from IT Infrastructure decreased by 6% or EUR 2,179 thousand to EUR 33,116 thousand, but nevertheless maintained their leading part in the formation of consolidated sales with a lower but nonetheless dominant share of 70% (comparing to 75% in the first half of 2025).

[1] (Growth in) revenues from clients other than Group companies.

Technology Group	Correspondence with Technology Group 2024	Net Sales Revenue (BGN thousand)				
		30.6.2026	30.6.2025	change	share 30.6.26	share 30.6.25
IT Infrastructure	IT Infrastructure except Public Cloud	33,116	35,295	-6%	70%	75%
End User Hardware and Software, Public Cloud and Other	End User Hardware and Software, IT Infrastructure - part Public Cloud, Other	10,132	7,611	33%	21%	16%
Cybersecurity	no change	2,708	2,711	0%	6%	6%
Software Development, Data and AI	Digital Transformation	1,201	1,244	-3%	3%	3%
IoT	no change	46	236	-81%	0%	1%
Total		**47,203**	**47,097**	**0%**	**100%**	**100%**

Compensating entirely the above drop and the moderately sizeable decreases in the IoT and Software Development, Data and AI lines, the sales of End User Hardware and Software, Public Cloud and Other registered an even stronger increase by 33% or EUR 2,521 thousand to EUR 10,132 thousand or 21% of consolidated revenues (comparing to just 16% for the same period of 2025) driven by the significant share of software based solutions in the growing deliveries to corporate clients of TBS EAD and of other technologies making part of a big project in the Bulgarian public sector.

Balancing the decrease in sales to the Bulgarian public sector and outside Bulgaria with a growing number of small and medium corporate clients of TBS EAD, revenues from Cybersecurity maintained a size of EUR 2,708 thousand and a share of 6% of consolidated sales nearly identical to the first half of 2025.

II.2.3 Revenues by geographic markets

Country/Region*	Net Sales Revenue (BGN thousand)				
	30.6.2026	30.6.2025	change	share 30.6.2026	share 30.6.2025
Bulgaria	26,815	29,241	-8%	57%	62%
Croatia	6,140	5,755	7%	13%	12%
Germany	4,165	1,418	194%	9%	3%
Slovenia	1,816	1,450	25%	4%	3%
Serbia	1,304	1,650	-21%	3%	4%
North Macedonia	889	585	52%	2%	1%
Bosnia and Herzegovina	675	1,259	-46%	1%	3%
United States of America	526	526	0%	1%	1%
Romania	2	2	-1%	0%	0%
Other	4,872	5,213	-7%	10%	11%
Bulgaria	26,815	29,241	-8%	57%	62%
Western Balkans	10,979	11,027	0%	23%	23%
Other Balkan Markets	1,431	2,611	-45%	3%	6%
Central and Eastern Europe	6,965	3,475	100%	15%	7%
Other Markets	1,014	744	36%	2%	2%
Total	**47,203**	**47,097**	**0%**	**100%**	**100%**

** By registration of the client.*

Accounting for the slowdown in revenues from the Bulgarian public sector noted in section II.2.1, which was compensated only in part by growing sales to local corporate clients of TBS EAD, the Group's sales in Bulgaria decreased by 8% or EUR 2,426 thousand, amounting to EUR

26,815 thousand and forming a still dominant, but decreasing share of 57% of consolidated revenues (as compared to 62% in the first half of 2025).

On the other hand, the significant growth in TBS EAD's deliveries to international clients, including a large delivery to a multinational corporate client referred which contributed to a more than threefold increase in revenues from, Germany, as well as growing cross-border revenues from NATO and other clients, led to an overall increase in the Group's revenues from Central and Western Europe by 100% or EUR 3,490 thousand to EUR 6,965 thousand or 15% of consolidated sales (comparing to just 7% in the first half of 2025).

Compensating the slowdown of revenues from Serbia, Bosnia and Herzegovina, Montenegro and Kosovo, growing sales to Croatia (benefiting both from the local sales of TSB Croatia and cross border-sales out of TBS Slovenia), Slovenia, North Macedonia and Albania helped to maintain overall revenues from the Western Balkans on a level of EUR 10,979 thousand or 23% of consolidated sales, substantially identical to the first half of 2025.

Reflecting the slowdown in sales to Greece from their accelerated development in 2025 referred to in section II.2.1, overall revenues from Other Balkan Markets decreased by 45% or EUR 1,179 thousand to EUR 1,431 thousand or just 3% of consolidated sales (comparing to 6% in the first half of 2025).

In spite of the slight decrease in revenues from the USA due to the lower sales invoiced directly from TSB EAD, the channeling of a part of deliveries for an international client of the company to a division registered elsewhere outside Europe helped to increase sales to clients on Other Markets by 36% or EUR 270 thousand to EUR 1,014 thousand and maintain a respective share of 2% of consolidating revenues.

II.3 Expenses and profitability

II.3.1 Gross profit

In spite of minimal revenue growth, consolidated gross profit registered a material increase of 9% or EUR 1,081 thousand over the first half of 2025, reaching EUR 12,666 thousand as a result of the substantially higher average profitability of sales, amounting to a 2.2% higher gross margin of 26.8%.

The observed increase reflected mostly the higher efficiency of growing sales to corporate clients in Bulgaria and the bigger share of typically more profitable sales to international customers out of TBS EAD, as well as the overall increase of the company's revenues and its share in the structure of consolidated sales as a whole at the expense of the typically less profitable sales from the business pool of Comutel, Telelink Bosnia and Telelink Slovenia.

II.3.2 Sales and marketing expenses

Showing a slight increase by 2% or EUR 130 thousand, which exceeded marginally the amount of growth in revenues, consolidated sales and marketing expenses reached 5,601 thousand and a slightly higher ratio of 11.9% of revenues for the period as compared to the same for the first half of 2025 (11.6%).

For the most part, the observed increase reflected the growing number of employees trained in the TBS Academy of TBS EAD and the addition of new employees to the sales team and the allocation of a growing number of man-hours from the operating teams towards presales

activities in TBS Croatia, with the above factors being compensated in part by the discontinuation of the substantial costs recorded in TBS Germany in the same period of 2025.

II.3.3 General and administrative expenses

Compensating entirely the increase in sales and marketing expenses, consolidated general and administrative expenses decreased by 4% or EUR 148 thousand, amounting to EUR 3,884 thousand and a decreasing ratio of 8.2% of revenues as compared to 8.6% for the first half of 2025.

The above decrease originated mostly from TBS Croatia, which reported significantly lower expenses on internal systems and activities and work under capacity as compared to the period of internal reorganization spanning over the first half of 2025.

II.3.4 Operating profit and earnings before interest, taxes, depreciation, and amortization (EBITDA)

Summing up the positive effects of growing gross profit, the net decrease in sales and marketing and general and administrative expenses and slightly higher net other operating income, consolidated operating profit for the ended six-month period registered a significant increase of 48% or EUR 1,105 thousand, reaching EUR 3,398 thousand at an improving operating profit margin of 7.2% (as compared to 4.9% for the same period of 2025).

Accounting for the significant reduction of net non-interest finance costs by EUR 501 thousand against the extraordinarily high loss from foreign currency operations recorded in the first half of 2025, EBITDA registered an even bigger increase by 49% or EUR 1,673 thousand, reaching EUR 5,070 thousand at a growing margin of 10.7% (as compared to 7.2% for the first half of 2025).

II.3.5 Financial income and expenses

Against the significant negative effects of the forward-based hedging of equipment purchases in US dollars recorded in the context of a declining exchange rate against the euro in the first half of 2025, the Group generated 92% or EUR 503 thousand lower net loss from foreign currency operations of only EUR (42) thousand, which was the main factor behind the substantial decrease in net non-interest finance costs (including also insignificantly higher ordinary expenses for commissions and fees on bank services of EUR 118 thousand) by 76% or EUR 501 thousand to just EUR (160) thousand noted in section II.3.4.

Adding the moderate reduction of net interest expenses by 12% or EUR 30 thousand to EUR (230) thousand, recorded mostly owing to the significantly lower average balance of utilized credit lines in TBS Croatia, the above factors led to a more than twofold decrease in overall net finance costs by 58% or EUR 531 thousand to EUR (390) thousand or 0.8% of consolidated revenues (comparing to exceptionally high corresponding ratio of 2.0% for the first half of 2025).

II.3.6 Profit before tax and net profit

Summing the positive effects of growing operating profit and decreasing net finance costs, consolidated profit before tax exhibited a more than twofold increase of 119% or EUR 1,636 thousand to EUR 3,008 or 6.4% of consolidated revenues.

Adding the significant reduction of the Group's effective tax rate for the period from 20.8% to 12.8% pursuant to the recognition of tax income on the interim loss at TBS Croatia, the above increase led to an even larger increase of recorded consolidated net profit by 141% or EUR 1,537 thousand to EUR 2,624 thousand and an improvement of the Group's interim net margin to 5.6% (from just 2.3% for the first half of 2025).

II.4 Assets, liabilities and equity

II.4.1 Assets

The consolidated total assets of EUR 82,284 thousand recorded as of 30.06.2026 registered a substantial decrease by 25% or EUR 27,944 thousand stemming almost entirely from the typical interim reduction of current assets against the end of the previous financial year.

Reaching a 32% or EUR 27,736 thousand lower value of EUR 60,111 thousand, consolidated current assets decreased mostly due to the reduction of trade receivables and contract assets in the aftermath of the intense invoicing and accruals made in the context of the seasonal acceleration of revenues towards the end of 2025 and the decrease in cash and cash equivalents pursuant to the sizeable interim growth in net working capital, driven by the even more substantial decrease in the total of trade payables, contract liabilities and other current liabilities, as pointed out in section II.4.2.

Showing a minimal reduction by 1% or EUR 208 thousand mainly as a result of decreasing long-term prepayments, consolidated non-current assets retained a value of EUR 22,173 thousand similar to the end of 2025 and continued to consist mostly of the Group's tangible fixed assets and the positive goodwill recognized on the acquisition of Sedam IT (now TBS Croatia).

II.4.2 Liabilities

In parallel with assets, the consolidated total liabilities of EUR 52,687 thousand recorded as of 30.06.2026 registered an even more significant decrease by 37% or EUR 30,595 attributable mainly to the typical contraction of the Group's current liabilities over the year to date.

Reaching a 39% or EUR 29,897 thousand lower value of EUR 46,593 thousand, consolidated current liabilities decreased not only as a result of seasonal factors such as the reduction of trade payables, accrued project costs and tax liabilities for VAT against the high levels recorded in conjunction with accelerated revenues towards previous year end, and of obligations towards the personnel, pursuant to the payout of annual bonuses accrued as of 31.12.2025, but also due to the closing of over 90% of the high advances received towards previous year end on projects progressing over the ended six months period and the payout of the obligation for a second and final conditional deferred payment on the acquisition of Sedam IT (now TBS Croatia).

Reflecting the predominant impact of the current amortization of obligations from rental and operating lease contracts recognized under IFRS 16 and the reduction of long-term deferred income, consolidated non-current liabilities exhibited a much smaller decrease by 10% or EUR 683 thousand, ending the period at EUR 6,104 thousand.

II.4.2.1 Financial debt

Notwithstanding their overall reduction, both current and non-current liabilities as of period end included growing amounts of financial debt, both pursuant to the utilization of additional funds in the amount of EUR 929 thousand under an Investment bank loan agreement with Unicredit Bulbank AD for the purpose of funding the above-mentioned final payment for the acquisition of Sedam IT (now TBS Croatia) and as a result of the increase in currently utilized short-term funds under credit lines in TBS Croatia (against the zero balance attained as of the end of 2025) and TBSG AD.

Summing outstanding obligations from the investment loan for the acquisition of Sedam IT (EUR 4,009 thousand, including long-term obligations of EUR 2,868 thousand and a current component of EUR 1,140 thousand), finance lease contracts on the acquisition of vehicles (EUR 47 thousand) and utilized short-term facilities for revolving credit and overdraft (EUR 8,783 thousand), consolidated financial debt as of 30.06.2026 amounted to EUR 12,838 thousand, showing a moderate increase by 28% or EUR 2,792 thousand and a growing ratio of 16% of total assets (as compared to 9% at the end of 2025).

Accounting for the parallel decrease in cash and cash equivalents by 44% or EUR 11,203 thousand to EUR 14,473 thousand, consolidated net financial debt (the difference between financial debt and cash and cash equivalents) increased by EUR 13,995 thousand, in spite of which the Group still ended the period in a net cash position (surplus of cash over financial debt) of EUR 1,635 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 by the Parent Company and the Group's management as financial debt.

II.4.3 Liquidity

As of period end, the Group registered a growing surplus of current assets over current liabilities in the amount of EUR 13,518 thousand (comparing to EUR 11,357 thousand at the end of 2025).

Accounting for the faster decrease in current liabilities as compared to current assets and the similar reduction rates of current liabilities, the sum of trade and other receivables and contract assets and cash and cash equivalents, the Group registered a substantial improvement in its current ratio from 1.1. to 1.3, while maintaining ratios of quick and cash liquidity of 1.0 and 0.3 equal to those recorded as of 31.12.2025.

II.4.4 Equity

In the absence of dividend distributions towards the Company's shareholders, the Group registered an overall increase in equity by 10% or EUR 2,636 thousand to EUR 29,587 thousand reflecting mainly its net profit for the period and the effect of the currency conversion of the registered share capital of the Company in accordance with the Law on the introduction of the Euro in the Republic of Bulgaria, adding the two of which total accumulated earnings from the current and previous periods reached EUR 30,731 thousand.

As a result of the above conversion, the Company's registered share capital changed from BGN 12,500 thousand (equivalent to EUR 6,391 thousand) to EUR 6,375 thousand, equivalent to 12,500,000 shares with a par value of EUR 0.51 each.

Besides the above components, consolidated equity continued to include legal reserves, including the Company's reserve fund and corresponding subsidiary funds subject to consolidation, in the total amount of EUR 701 thousand and negative other reserves and components totaling EUR (8,220) thousand, which continued to refelct mostly the negative effect of EUR (7,013) thousand arising from the reporting of a business combination under common control upon the Company's Reorganization from 14.08.2019 and its adjustment for the impairment of its investment in TBS Montenegro in 2023, specialized currency translation reserves and effects from share-based incentive programs and plans and share buybacks of from previous periods.

Reflecting growth in equity and the substantial decrease in total assets, the Group registered a significant increase in its balance sheet capitalization (the ratio of equity to total assets) to 36% (from 24% at the end of 2025).

II.5 Cash flows

II.5.1 Cash flow from operating activities

Reflecting the significantly larger reduction of trade and other payables and contract liabilities as compared to the decrease in inventories, trade and other receivables and contract assets referred to in sections II.4.1 and II.4.2 above, the Group registered an increase in net working capital exceeding substantially the profit before tax, depreciation and other reconciliations to net cash flow realized during the period. As a result, the sum of the net cash flow from operating activities and foreign exchange differences[2] amounted to a typically negative (for the first half of the year) value of EUR (10,023) thousand, which represented a significant negative change from the corresponding result of only EUR (2,626) thousand for the first six months of 2025, when the Group recorded lower profit, but also a much more moderate increase in net working capital.

II.5.2 Cash flow from investing activities

Including both the usual purchases of equipment provided to clients under managed service agreements and other fixed assets related to technical assurance of the Group's activities and the second and final conditional deferred payment on the acquisition of Sedam IT (now TBS Croatia), net cash flow from investing activities also exhibited a typically, but also increasingly negative value of EUR (3,008) thousand as compared to the corresponding result of just EUR (1,119) thousand for the first six months of 2025, when the Group made smaller investments in tangible and intangible fixed assets and did not record any investments in subsidiaries, as the analogous first deferred payment on the acquisition of Sedam IT was made in the following month of July.

II.5.3 Cash flow from financing activities

Pursuant to the partial funding of net working capital growth and the expenditures on the acquisition of Sedam IT with additionally utilized credit line and investment loan limits exceeding the cash outflows on the service of financial debt and lease obligations, net cash

[2] Presented together with the operating cash flow as they also stem mostly from the purchase and resale of goods and services delivered to the Group's clients.

flow from financing activities amounted to an increasingly positive value of EUR 1,829 thousand as compared to the corresponding result of EUR 1,090 thousand for the first half of 2025, when TBSG AD also incurred significant ouflows on the buyback of own shares.

II.5.4 Net cash flow

Summing the above components, the Group registered a typically negative interim net cash flow of EUR (11,203) thousand substantially higher than the corresponding result of EUR (2,655) thousand for the first half of 2025.

III MAIN RISKS FACED BY 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).

III.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.

III.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, military interventions and conflicts in the Middle East and 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 potentially 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.

III.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 and military policies implemented by the USA from the beginning of 2025 and the escalating conflicts in the Middles East 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.

III.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.

III.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 material 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.

III.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.

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

III.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.

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

III.2.1 Risks relative to the business strategy and growth

III.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.

III.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.

III.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.

III.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.

III.2.1.5 Risks stemming from acquisitions

While aimed at boosting the Group's value and cash flows by 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 I 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.

III.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.

III.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.

III.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.

III.2.3 Risks relative to the market environment and competition

III.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.

III.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.

III.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.

III.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.

III.2.4 Risks relative to public procurement

III.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.

III.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.

III.2.5 Concentration risks

III.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.

III.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.

III.2.6 Risks relative to changes in technology and technological choices

III.2.6.1 Time and cost of adpating 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.

III.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.

III.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.

III.2.6.4 Delayed or unsuccessful positioning of propriatary 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.

III.2.7 Risks relative to long-term contracts

III.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.

III.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.

III.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.

III.2.8 Financial risks

III.2.8.1 Currency risk

The Group operates on different markets and in currencies different from its functional currency, as well as in third-country currencies, 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 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.

III.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 Report, this risk continues to manifest a mixed development, with market interest rates reflecting substantially the significant dynamic described in section III.1.4, while the floating interest rates of lending banks remain in the range of 0.02-0.20%.

Considering the slowdown in inflation and economic growth and the reversal in interest rate growth starting from 2024 in the EU, as of the date of this Report, 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 Report, 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.

III.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.

III.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.

III.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.

III.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.

III.2.9 Operational risks

III.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.

III.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.

III.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.

III.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.

III.2.10 Other risks

III.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.

III.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.

III.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.

III.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.

III.3 Military conflicts in Ukraine and Iran

Consequent to the ongoing war in Ukraine, the military campaign of Israel and the USA against Iran and Iran's retaliatory actions against neighbouring Middle East countries, both increased geopolitical tension and various economic repercussions have ensued, including restrictions or halt on the activities of companies based in the affected countries and increases in the prices of energy and other raw materials, 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 these conflicts. Therefore, the Group is not deemed to be directly exposed to risks arising from the above events.

As of now, both conflicts remain of unclear outcome and equivocal potential consequences to economies as a whole and specific economic activities in 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 conflicts with a view to the timely identification of potential and actual negative effects and the undertaking of all possible measures towards limiting their effect.

IV DISCLOSURE OF INTERNAL INFORMATION, AS REQUIRED BY ART. 12, PAR. (1), ITEM 2, PURSUANT TO ART. 13, PAR. (1) OF ORDINANCE 2 OF THE FSC

The Company publishes insider information as per art. 7 от Regulation (EC) № 596/2014 regarding the circumstances having occurred in the first six months of 2026 on its web site: https://www.tbs.tech/investors/.

All of the information has also been disclosed to the public via the selected media service available on the web address: http://www.x3news.com/.

V ADDITIONAL INFORMATION AS PER ART. 12, PAR. (1), ITEM 4, PURSUANT TO ART. 13, PAR. (1) OF ORDINANCE 2 OF THE FSC

V.1 Changes in the accounting policy during the reporting period, reasons therefor and effects thereof on the Issuer's equity and financial results

No changes were made to the accounting policies of the Issuer and the overall Group during the ended six-month period.

V.2 Changes in the Issuer's group of companies under the terms of the Accountancy act

No changes occurred in the Issuer's group of companies during the ended six-month period.

On 21.05.2026, the SB approved and authorized the Executive Director of the Company to act as necessary towards the potential signing and closing of transactions for the acquisition and financing the acquisition of majority shares in the registered capital of five companies, including:

1. *the signing of purchase agreements for a total of 100% of the shares in the capital of a company registered in the UK and a bank investment loan agreement to finance up to 70% of the payments towards the sellers under these agreements;*
2. *the signing of a share purchase agreement and subsequent capital increase up to the acquisition of a total of 51% of the shares in the capital of a company registered in Sweden;*
3. *the submission of a binding offer and, in case of acceptance of the offer by the sellers, the subsequent signing of a purchase agreement for 100% of the shares in the capital of three companies under common control registered in Romania.*

The entire information disclosed with regard to the obtained resolutions and the respective potential transactions is available at: https://www.x3news.com/show/download.php?id=688652.

As of 30.06.2026, the respective counterparties had not signed any of the contracts and agreements as per items 1-3 above, the binding offer as per item 3 had not been accepted and none of the counterparties had made binding commitments for the signing and implementation of these agreements and no respective changes had occurred in the Issuer's group of companies.

The actions, transactions and/or commitments undertaken, implemented and/or suspended after this date are referred to in section VIII of this Report.

V.3 Results from organizational changes within the Issuer, such as reorganization, disposal of subsidiaries, contributions in kind, leased-out assets, long-term investments and discontinued operations

During the ended six-month period, the Issuer did not participate in any reorganization, enter into any transactions for the disposal of existing subsidiaries, make any contributions in kind, lease out any of its assets or discontinued, in part or in full, any of its activities.

During the ended six-month period, the Issuer had no material new investments in tangible or intangible non-current assets. To the extent applicable, any material investments of Group subsidiaries in non-current tangible and intangible assets are referred to in section II of this Report.

In accordance with the disclosures in section V.2, notwithstanding the SB approval for the potential signing and closing of transactions for the acquisition of majority stakes in the registered capital of five companies obtained in 21.05.2026, as of 30.06.2026, the Company had not undertaken any binding commitments or entered into actual transactions for the purchase of equity shares in these or other new subsidiaries, and the transactions and commitments implemented and undertaken after this date are referred to in section VIII of this Report.

During the period, Comutel continued to lease its investment property, consisting of an office building, to a third party outside the Group. Revenue realized from the latter contract for the period amounted to EUR 9 thousand.

V.4 Opinion on the feasibility of published forecasts for the current financial year, taking into account results from the first six months and factors and circumstances relevant to the achievement of projected results

On 04.12.2025, the Issuer published a presentation titled “Quarterly Financial Review Q3’2025 | Full Year Outlook 2025-2026”, featuring expectations for consolidated financial indicators of the Group for the full financial year 2026 without potential new company acquisitions, shown in column “Forecast 2026” of the table below (“Forecast 2026”).

The ratios of achieved consolidated results as of 30.06.2026 towards Forecast 2026 are shown in section “Results as of 30.06.2026” of the same table.

Financials	Forecast 2026* EUR'M	Results as of 30.06.2026 EUR'M	% of Forecast 2026
Net sales revenue	**152.7**	**47.2**	**31%**
Gross Profit	**31.0**	**12.7**	**41%**
Sales and Marketing Expenses	-11.9	-5.6	47%
General and Administrative Expenses	-8.7	-3.9	45%
Earnings bf. Interest, Tax and Depreciation (EBITDA)	**13.8**	**5.1**	**37%**
Operating Profit	**10.6**	**3.4**	**32%**
Net Profit	**8.5**	**2.6**	**31%**
Revenue by Invoicing Country/Region:			
Bulgaria	117.7	33.7	29%
Serbia, Bosnia and Herzgovina and Slovenia	10.1	6.3	63%
Croatia	20.9	6.0	29%
Macedonia	3.7	0.9	24%
Romania, Germany and USA	0.4	0.3	68%

** Without new company acquisitions*

As evidenced by the above calculations, consolidated total revenue and gross profit amounted to 31% and 41% of Forecast 2026 at a gross margin exceeding by 6.5% the one projected for the full year, while, due to the higher such ratios on the level of sales and marketing and general and administrative expenses, consolidated EBITDA, operating and net profit for the first half of the year amounted to lower (as compared to gross profit) ratios of 37%, 32% и 31% of the corresponding projections for the full 2026.

Across invoicing regions, as of 30.06.2026, the Group realized nearly two thirds of the combined sales projected for the full year from its subsidiaries in Serbia, Montenegro, Bosnia and Herzegovina and Slovenia and Romania, Germany and the USA, 29% of those projected by subsidiaries in Bulgaria and Croatia and close to a quarter of those forecasted by TBS Macedonia.

Considering the typical concentration of the Group's revenues and earnings in the second half of the year, including the similar or lower ratios of most corresponding indicators as of 30.06.2025 towards the results for the full 2025 (33% and 37% of consolidated revenue and gross profit, 25% of EBITDA, 20% of operating and 13% of net profit, 29% of sales in Bulgaria, 54% in Serbia, Bosnia and Herzegovina and Slovenia and 34% in Croatia) and the higher gross profitability recorded as of 30.06.2026, the Company's management continues to regard the forecasted consolidated financial results for the year as achievable as a whole, but will nevertheless continue to monitor and analyze regularly the relevant factors and circumstances, maintaining its readiness to disclose a potential new update, if and when such may be deemed justified by the established degree of probability and significance of possible deviations.

V.5 Persons owning directly and/or indirectly at least 5% of the votes in the General Meeting as of the end of the first half of the year and changes in the votes held thereby during the reporting period

As of 30.06.2026, the persons know by the Company to own directly or indirectly at least 5% of the rights to vote in the GMS, net of the temporarily suspended voting rights of the 200,006 own shares held by the Company, were:

- Mr. Lubomir Minchev, holding directly 6,263,624 shares representing 50.11% of the shares in the Company's registered capital and 50.92% of the rights to vote in the GMS;
- SEET INVESTMENT HOLDINGS SARL (Luxembourg), holding directly 2,872,380 shares representing 22.98% of the shares in the Company's registered capital and 23.35% of the rights to vote in the GMS;
- Utilico Emerging Markets Trust PLC (UK), holding directly 1,733,837 shares representing 13.87% of the shares in the Company's registered capital and 14.10% of the rights to vote in the GMS.

In the absence of movements during the reporting period, all of the above shares remained unchanged from 31.12.2025.

V.6 Shares owned by the Issuer's managing and controlling bodies towards the end of the first half of the year and changes thereto over the reporting period

As of 30.06.2026, members of the MB as of the same date continued to hold a total of 154,214 shares representing 1.23% of the shares in the Company's registered capital, whereas no such member acquired, sold or otherwise transferred any Company shares owned thereby during the reporting period.

Number of shares held	Owned as of				Movements during the period				
by members of the MB	30.06.26	%*	31.12.25	%*	Received	Transf.	Member	Change	%*
Ivan Zhtiyanov	140,019	1.12%	140,019	1.12%	0	0	-	0	0.00%
Teodor Dobrev	7,700	0.06%	7,700	0.06%	0	0	-	0	0.00%
Orlin Rusev	3,048	0.02%	3,048	0.02%	0	0	-	0	0.00%
Desislava Torozova	880	0.01%	880	0.01%	0	0	-	0	0.00%
Iordanka Klenovska	2,567	0.02%	2,567	0.02%	0	0	-	0	0.00%
Total	**154,214**	**1.23%**	**154,214**	**1.23%**	**0**	**0**	**0**	**0**	**0.00%**

** % of the registered share capital*

As of 30.06.2026, members of the SB as of the same date continued to hold a total of 154,214 shares representing 50.11% of the shares in the Company's registered capital, whereas no such member acquired, sold or otherwise transferred any Company shares owned thereby during the reporting period.

Number of shares held	Owned as of				Movements during the period				
by members of the SB	30.06.26	%*	31.12.25	%*	Received	Transf.	Member	Change	%*
Lubomir Minchev	6,263,624	50.11%	6,263,624	50.11%	0	0	-	0	0.00%
Florian Huth	0	0.00%	0	0.00%	0	0	-	0	0.00%
William Russell	0	0.00%	0	0.00%	0	0	-	0	0.00%
Hans van Houvelingen	0	0.00%	0	0.00%	0	0	-	0	0.00%
Rosen Plevneliev	0	0.00%	0	0.00%	0	0	-	0	0.00%
Total	**6,263,624**	**50.11%**	**6,263,624**	**50.11%**	**0**	**0**	**0**	**0**	**0.00%**

** % of the registered share capital*

V.7 Information on pending court cases, administrative and arbitration proceedings concerning receivables or payables equal or greater than 10% of the Issuer's equity

As of 30.06.2026 and the date of this Report, there are no pending court, administrative or arbitrary proceedings to which the Company or a subsidiary thereof is party concerning receivables or payables equal or greater than 10% of the Company's equity.

V.8 Loans granted by the Issuer or a subsidiary thereof, provided guarantees or undertaking of obligations towards a person or a subsidiary thereof, including related parties

V.8.1 Loans granted by the Company

V.8.1.1 Agreement with TBS EAD

During the reporting period, TBSG AD (lender) maintained its Cash loan agreement with TBS EAD (UIN 130545438) (borrower) from 05.07.2023 with a limit of BGN 3,000,000 available for revolving utilization and repayment, utilization and repayment deadline until 31.12.2026 and an interest rate of 4% p.a. The obligations of TBS EAD from the agreement are not secured. During and as of the end of the reporting period, TBSG AD did not realize any interest income and had no outstanding receivables from the agreement.

V.8.1.2 Agreement with Comutel

During the reporting period, TBSG AD (lender) maintained its Cash loan agreement with Comutel (UIN 07554133) (borrower) from 25.01.2024 with a limit of EUR 500,000 available for revolving utilization and repayment, utilization and repayment deadline until 31.12.2026 and an interest rate of 5% p.a. The obligations of Comutel from the agreement are not secured. During and as of the end of the reporting period, TBSG AD did not realize any interest income and had no outstanding receivables from the agreement.

V.8.1.3 Agreement with TBS Croatia

During the reporting period, TBSG AD (lender) maintained its Cash loan agreement from 21.09.2021 with Telelink Business Services DOO (Croatia) (UIN 081341811) (borrower), succeeded by TBS Croatia (UIN 080271844), with a limit of EUR 2,000,000 available for revolving utilization and repayment, a tenor until 31.12.2026 and an interest rate of 5% p.a. The obligations of TBS Croatia from the agreement are not secured. Interest income from the agreement for the reporting period amounted to EUR 30 thousand. As of 30.06.2026, outstanding receivables from the agreement amounted to EUR 1,258 thousand.

V.8.1.4 Agreement with TBS Germany

During the reporting period, TBSG AD (lender) maintained its Cash loan agreement from 24.08.2023 with TBS Germany (UIN 299685098) (borrower) with a limit of EUR 290 thousand utilized at once for the purpose of purchasing equipment to be provided to clients under contracts for managed services, a tenor of 5 years from the date of drawdown and an interest rate of 5% p.a., subject to change in case of significant variance in EURIBOR. The obligations of TBS Germany from the agreement are not secured. Interest income from the agreement for the reporting period amounted to EUR 7 thousand. As of 30.06.2026, outstanding receivables from the agreement amounted to EUR 311 thousand.

All agreements presented in this section V.8.1 are of an internal nature to the Group and did not participate in the formation its consolidated income, expenses, assets and liabilities.

V.8.2 Provided security and undertaking of liabilities by the Company

As of 30.06.2026, the Company maintained its commitments of a guarantor, respectively pledgor under the following contracts with Unicredit Bulbank AD signed to secure the obligations of TBS EAD (UIN 130545438) under an Agreement for the undertaking of credit commitments under an overdraft credit line with Unicredit Bulbank AD from 10.10.2019 and the annexes thereto:

- a Suretyship agreement from 10.10.2019, including a commitment to maintain the Company's participation in the capital of TBS EAD;
- a Share pledge agreement from 06.07.2023 over the Issuer's 100% stake in the capital of TBS EAD and related receivables.

During and as of the of the reporting period, the overall credit limit of the overdraft agreement was maintained in the amount of EUR 27,000,000 available for utilization in the form of overdraft credit up to EUR 4,000,000, revolving credit up to EUR 8,000,000 and bank guarantees in EUR or USD at respective interest rates on effectively utilized funds of ADI + 2.35% for amounts utilized in EUR and 1m. SOFR + 1.5% for amounts utilized in USD.

As of 30.06.2026, the Company also maintained the following commitments undertaken thereby by way of corporate guarantees and other commitments issued and undertaken in previous periods:

- a corporate guarantee in favor of Citi Bank and Cisco Systems International B.V. (the Netherlands) securing the capacity of Comutel (UIN 07554133) and Telelink Slovenia (UIN 6596240000) to make high-volume equipment purchases under contracts with Cisco Systems International B.V. on deferred payment terms, up to the amount of USD 5,100 thousand, issued on 01.07.2020;
- a corporate guarantee for the amount of EUR 56,554.95 securing the obligations of Sedam IT (UIN 080271844) from operating lease agreements with UniCredit Leasing Croatia d.o.o., issued on 15.02.2022;
- a promissory note for the amount of EUR 1,327,229 towards Cedo Dukic in his capacity of seller of the shares in Sedam IT, securing the obligations of TBSG AD for the second conditional deferred payment based on Sedam IT's financial results for 2025 in accordance with a Share Purchase Agreement from 13.02.2024;
  The secured obligations were honoured on 24.06.2026, pursuant to which the guarantee was released and returned on 02.07.2026.

- a corporate guarantee for the amount of EUR 1,200,000, securing the obligations of Sedam IT (UIN 080271844) under the Credit agreement № 1103177789 from 29.07.2025 with Zagrebacka banka d.d., issued on 14.08.2025;
- a corporate guarantee for the amount of EUR 900,000, securing the obligations of Sedam IT (UIN 080271844) under a Bank guarantees agreement № 0200166194 with Zagrebačka banka d.d., Zagreb from 29.07.2025 with a validity of 12 months, issued on 14.08.2025;
- a corporate guarantee for the amount of EUR 2,000,000, securing the obligations of Sedam IT (UIN 080271844) under an Agreement for a short-term bank guarantee limit № KL4517053 with Erste & Steiermarkische Bank dd, Rijeka from 17.07.2025, issued on 20.10.2025.

V.8.3 Loans granted by subsidiaries

V.8.3.1 Agreement between TBS EAD and Telelink Albania

During the reporting period, TBS EAD (lender) maintained its Cash loan agreement with Telelink Albania (UIN L91803017J) (borrower) from 15.02.2021, restructured by annex from 25.06.2024, whereby the utilization and the accrual of interest on the loan were ceased, the obligations of Telelink Albania from the agreement were established in the amount of the principal obligations of EUR 292 thousand and interest payables of EUR 15 thousand outstanding as of the date, and a fixed repayment schedule was adopted, according to which the outstanding interest of EUR 15 thousand and EUR 137 thousand of the outstanding principal should be repaid no later than 31.07.2025 and the remainder of the outstanding principal (EUR 154 thousand) – in a proportion of 20% until 31.03.2025, 30% until 31.03.2026 and 50% until 31.12.2026. The obligations of Telelink Albania under the agreement are not secured. As of 30.06.2026, outstanding receivables from the agreement amounted to EUR 155 thousand.

V.8.3.2 Agreement between TBS EAD and TBS Macedonia

During the reporting period, TBS EAD (lender) maintained its Cash loan agreement with TBS Macedonia (UIN 7385986) (borrower) from 15.02.2021 with a limit of EUR 2,000,000 available for revolving utilization and repayment, a utilization and repayment deadline until 31.12.2026 and an interest rate of 5% p.a. The obligations of TBS Macedonia from the agreement are not secured. Interest income from the agreement for the reporting period amounted to EUR 6 thousand. As of 30.06.2026, outstanding receivables from the agreement were equivalent to EUR 295 thousand.

V.8.3.3 Agreement between TBS EAD and TBS USA

During the reporting period, TBS EAD (lender) maintained its Cash loan agreement with TBS USA (UIN 87-3162431) (borrower) from 28.04.2022 with a limit of USD 2,000,000 available for revolving utilization and repayment, a utilization and repayment deadline until 31.12.2026 and an interest rate of 5% p.a. The obligations of TBS USA from the agreement are not secured. Interest income from the agreement for the reporting period amounted to EUR 23 thousand. As of 30.06.2026, outstanding receivables from the agreement amounted to EUR 980 thousand.

V.8.3.4 Agreement between TBS EAD and Incredo Invest 4

On 22.04.2026, TBS EAD (lender) signed a Cash loan agreement with Incredo Invest 4 EOOD (UIN 206411590) (borrower) with a limit of USD 150,000 utilized at once within 3 business days from signing the agreement, a repayment deadline of 3 months from the date of

drawdown and an interest rate of 5% p.a. The obligations of Incredo Invest 4 EOOD from the agreement are not secured. Interest income from the agreement for the reporting period amounted to EUR 2 thousand. As of 30.06.2026, outstanding receivables from the agreement amounted to EUR 152 thousand.

The agreements presented in V.8.3.2 and V.8.3.3 above are of an internal nature to the Group and did not participate in the formation its consolidated income, expenses, assets and liabilities.

V.8.4 Provided security and undertaking of liabilities by subsidiaries

V.8.4.1 Guarantees and undertakings by TBS EAD

As of 30.06.2026, TBS EAD had extended the following bank guarantees securing obligations of third-parties with regard to the implementation of projects and the financing of subsidiaries making part of the Group:

Guarantee securing obligations of:	UIN	Obligation/Type	Amount (EUR)	End Date
Consortium Secure Borders Telesec DZZD	177158206	performance bond	77,347	27.02.2026
CONSORTIUM TELESEC DZZD	180851327	performance bond	399,551	01.04.2028
Consortium Technolink DZZD	177359593	performance bond	64,239	29.01.2027
Consortium Systel DZZD	177424500	performance bond	374,301	17.12.2026
TBS Macedonia	7385986	counter-guarantee - limit	300,000	31.05.2027
TBS Macedonia	7385986	counter-guarantee	310,000	31.01.2026
CONSORTIUM TELESEC DZZD	180851327	performance bond	132,318	30.10.2028
CNSYS AD	121708078	performance bond	40,796	30.03.2030
Consortium Systel DZZD	177424500	warranty support	314,616	30.07.2029
Consortium Systel DZZD	177424500	performance bond	1,258,464	30.07.2026
Consortium Systel DZZD	177424500	advance	8,757,421	30.06.2026
CONSORTIUM TELESEC DZZD	180851327	performance bond	745,215	31.08.2026
CONSORTIUM TELESEC DZZD	180851327	advance	954,947	02.03.2026
Consortium Systel DZZD	177424500	advance	1,012,074	09.12.2026

Besides the above commitments, as of 30.06.2026, TBS EAD:

- maintained its commitment as guarantor securing the obligations of TBSG AD from the Overdraft agreement between TBSG AD and United Bulgarian Bank AD from 15.02.2022 with a credit limit of EUR 2,000,000 available for utilization as overdraft credit and/or contingent bank credit securing the issuance of guarantees, availability period for the utilization of overdraft and repayment deadline for utilized credit as a whole until 28.02.2029 and applicable interest rates including the short-term interest rate of the lending bank (SIR) + 2.2% but no less than 2.2%, 1m. EURIBOR + 1.5% but no less than 1.5% and 1m. SOFR + 1.5% but no less than 1.5%, depending on the currency of utilization;
- maintained its commitment as co-debtor under the Investment bank loan agreement between TBSG AD and UniCredit Bulbank AD from 19.03.2024 with the purpose of funding the acquisition of 100% of the shares in the capital of Sedam IT, a total credit limit of EUR 7,000,000 but not more than 70% of consideration paid, available for utilization in 3 tranches and subject to repayment in equal monthly or quarterly instalments, regular interest rate of 3m. EURIBOR + 2.2% and an ultimate repayment deadline of 31.07.2030;
- maintained its commitment as guarantor under the Credit line agreement №265-2898514-30 between Comutel and Raiffeisen banka a.d. Beograd with a limit 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, as per Suretyship agreement from 03.12.2025;

- maintained its commitment as guarantor under a Frame agreement for issuing bank guarantees between Comutel and Raiffeisen banka a.d. Beograd with a limit of EUR 100,000 with an availability period until 30.09.2028, as per Suretyship agreement from 03.12.2025;
- maintained a corporate guarantee for the amount of EUR 1,327,229 towards Cedo Dukic in his capacity of seller of the shares in Sedam IT, securing the obligations of TBSG AD for the second conditional deferred payment based on Sedam IT's financial results for 2025, in accordance with a Share Purchase Agreement from 13.02.2024.
  The secured obligations were honoured on 24.06.2026, pursuant to which the guarantee was released and returned on 02.07.2026.

V.8.4.2 Guarantees and undertakings by TBS Croatia

As of 30.06.2026, TBS Croatia:

- maintained a promissory note for the amount of EUR 1,327,229 towards Cedo Dukic in his capacity of seller of the shares in Sedam IT, securing the obligations of TBSG AD for the second conditional deferred payment based on Sedam IT's financial results for 2025, in accordance with a Share Purchase Agreement from 13.02.2024;
  The secured obligations were honoured on 24.06.2026, pursuant to which the promissory note was released and returned on 02.07.2026.
- maintained its capacity of co-debtor to the Investment bank loan agreement № 00044/730 between the Company and UniCredit Bulbank AD from 19.03.2024 r. referred to in section XII.8.4.1.

VI INFORMATION ON LARGE TRANSACTIONS WITH RELATED PARTIES AS PER ART. 12, PAR. (3), PURSUANT TO ART. 13, PAR. (1) OF ORDINANCE 2 OF THE FSC

VI.1 Transactions with related parties singed during the reporting period with a substantial impact on the Company's and the Group's financial condition or operating results for that period

In the absence of objections by any counterparty, the agreements for the provision of administrative, financial, business development, sales and marketing services singed on 02.01.2025 r. between the Company and TBS EAD, Comutel, Telelink Bosnia, Telelink Slovenia, TBS Croatia, TBS Macedonia, TBS Romania, TBS Germany and TBS USA with an initial validity until 31.12.2025 were extended automatically for a new 12-month period until 31.12.2026.

Except for the above, the Company and other Group companies have not made new dealings with related parties with material impact on their financial position or the results from their activities.

All of the above dealings are of an internal nature to the Group and have no impact on the Company's consolidated results.

VI.2 Changes in signed transactions with related parties reported in the annual financial statements with a substantial impact on the Company's and the Group's financial position or operating results during the reporting period

As of 30.06.2026, there were no annexes or other agreements amending contracts between the Company or Group subsidiaries and related parties and disclosed in the annual report as of 30.12.2025.

VII IMPORTANT EVENTS AFTER THE DATE OF THE INTERIM FINANCIAL STATEMENTS

On 08.07.2026, the Company signed an Investment Loan Agreement with the purpose of financing the acquisition of Ideal Group Holdings Limited, a company incorporated in England and Wales, with registration number 09920356 and registered office at 8 Arundel Place, Brighton, England, BN2 1GD ("Ideal Holdings"), in the amount of up to EUR 12,000,000, but not more than 70% of the total purchase price for 100% of the capital of Ideal Holdings. The applicable regular interest rate on the loan is 3M EURIBOR + 2.40%, but not less than 2.40% p.a., the interest rate for overdue principal – the interest rate on regular debt + 5.00% p.a., and the additional interest charged on the outstanding Loan in case of overdue interest or principal and/or interest – 1.00% per annum for the period of delay. The loan shall be repaid in equal monthly installments for a maximum period of 72 months from the date of disbursement, but no later than 78 months from the date of the loan agreement. Collateral stipulated by the agreement includes co-debtor undertakings by TBS EAD, Ideal Holdings and its subsidiary Ideal Networks Limited, a company incorporated in England and Wales, with registration number 05815973 and registered office at 8 Arundel Place, Brighton, England, BN2 1GD ("Ideal Networks"), a pledge of 50% of the Company's dividends receivables from subsidiaries, a pledge of receivables from bank accounts under the Law on Financial Collateral Agreements, an assignment (pledge) of the Company's rights and receivables under the Acquisition Documents, the registration of the Bank as a recipient of insurance benefits under a "warranties and indemnities" (W&I) policy and a pledge on 100% of the company shares of Ideal Holdings and Ideal Networks. The signing of the loan agreement was approved by the MB and the SB on 07.07.2026. The limit under the agreement was utilized in its full amount of EUR 12,000,000 on 14.07.2026.

On 15.07.2026, the Company signed share purchase agreements and completed the acquisition of the entire issued share capital of Ideal Holdings - a holding company owning 100% of the shares in the capital of Ideal Networks, which provides advanced information technology solutions for enterprises and for large buildings and workspaces, including networks and connectivity, cybersecurity and artificial intelligence, operating primarily in the United Kingdom (together, "Ideal Group"). In 2025, Ideal Group generated consolidated revenues of GBP 11.81m (EUR 13.78m) and normalized EBITDA of GBP 0.95m (EUR 1.11m), ending the year with GBP 2.89m (EUR 3.31m) of cash and no financial debt. The shares were acquired from the founders of Ideal Group - Claire Hopkins and Moto Shakuri, together with a group of eight share option holders from the management team of the Target Group, whose options were exercised immediately prior to the closing of the transaction, through two

interdependent agreements signed and executed simultaneously - a share purchase agreement with the founders and a related share purchase agreement with the option holders. The total price for 100% of the capital of Ideal Holdings is GBP 14,571,524.71. The Sellers have provided to the Company warranties, tax covenants and indemnities (subject to agreed limitations). The Agreements are governed by the laws of England and Wales. In conjunction with the transaction, the Company has concluded a warranties and indemnities ("W&I") insurance to the benefit of the buyer ("buy-side"). The Acquisition was financed with a term bank loan of EUR 12,000,000 and the Company's own funds.

On 22.07.2026, the Supervisory Board approved the signing of the following contracts for the financing of its subsidiaries or annexes thereto:

- Annex № 1 to Revolving Credit Agreement No. 5305835165 dated 17.07.2025 with a limit of EUR 1,500,000 between TBS Croatia and Erste & Steiermarkische Bank dd, Rijeka for extending the repayment period until 01.07.2027, replacing the previously applied variable interest rate of 3m EURIBOR + 1.45% with a fixed interest rate of 3.80% per annum and the renewal of collateral in the form of a new notarized promissory note from TBS Croatia;
  In accordance with the approval, the Annex was signed with retroactive effect from 01.07.2026.
- Annex № 1 to Credit Line Agreement No. 25021550047 dated 14.10.2025 with a limit of EUR 800,000 between TBS Croatia and Raiffeisenbank Austria dd, Zagreb, for extending the availability period until 31.07.2027 and the final repayment term – until 31.07.2030, changing interest rates from 1m. EURIBOR + 1.85% for revolving loan and 1m. EURIBOR + 2.00% for overdraft to 1m EURIBOR + 1.50% for revolving loan and 1m EURIBOR + 1.70% for overdraft p.a. and the renewal of collateral in the form of a new notarized promissory note from TBS Croatia;
  The Annex was signed on 23.07.2026.
- Annex № 1 to the Framework Revolving Line Agreement for the Issuance of Guarantees and Binding Letters of Intent No. 0200166194 dated 29.07.2025 with a limit of EUR 900,000 between TBS Croatia and Zagrebačka banka, for extending the availability period until 29.07.2027 and the renewal of collateral in the form of a new notarized promissory note from TBS Croatia;
  The Annex was signed on 23.07.2026.
- Annex № 1 to the Reverse Supplier Factoring Agreement at the Buyer's Order No. 6500378004 dated 02.10.2025 with a limit of EUR 1,100,000.00 between TBS Croatia and Raiffeisenbank Austria, for changing the interest rate from 6m EURIBOR + 1.80% to 6m EURIBOR + 1.50% p.a., while maintaining collateral in the form of a notarized promissory note from TBS Croatia;
  The Annex was signed on 31.08.2026.
- Bank loan agreement (total working capital limit) № 26F-11829505-171210 between TBS EAD and United Bulgarian Bank AD with a limit for financing contracts acceptable and approved by the Bank of up to EUR 5,000,000, annual interest rate 1m EURIBOR + 1.50%, but not less than 1.50%, and a utilization and repayment term until 30.08.2027 with the possibility of subsequent extensions until 30.08.2028 and 30.08.2029, secured by an Agreement for a special pledge of receivables under contracts with counterparties and/or issued invoices of a total value of not less than EUR 5,000,000 and an Agreement for financial collateral through a pledge over receivables from accounts with the bank.
  The Bank loan agreement was signed on 24.08.2026, and the Agreement for the special pledge of receivables and the Financial security agreement – on 26.08.2026.

On 22.07.2026, the Supervisory Board adopted a resolution to convene an extraordinary General Meeting of Shareholders on 17.09.2026 with the following agenda:

- election of Deloitte Audit OOD as a registered auditor to perform an independent financial audit for 2026, 2027 and 2028;
- election of Deloitte Audit OOD as a registered auditor to provide assurance on sustainability for 2026.

The invitation to the meeting and the materials thereto are available on: https://www.x3news.com/?page=News&uniqid=6a7f06191bb44&language=en.

With regard to the previous disclosure of information regarding action towards the potential signing and closing of transactions for the acquisition of majority stakes in other companies published on 22.05.2026, on 23.07.2026 the Company announced the submission of an updated offer for the acquisition of 100% of the shares in the capital of three companies under common control registered in Romania, providing as core business activity consulting, implementation and maintenance services for resource management and planning systems ("ERP") and customer relations ("CRM"), IT automation and artificial intelligence (AI) for local and international corporate clients. The transaction structure envisaged in the offer includes an initial acquisition of 70% of the capital of each of the three companies, including the full acquisition of the shares of three of the sellers and the partial acquisition of the shares of the other two sellers, as well as the buyout of the remaining capital held by the latter in two staged acquisitions of 15% each, in 2028 and 2029. The offer was approved by the Supervisory Board of the Company and accepted by the sellers of the target companies. However, as of the date of this Report, its binding effect remains subject to the negotiation of mutually acceptable full terms of the share purchase agreement ("SPA") and the shareholders' agreement ("SHA"), and the closing of the transaction as a whole – to the fulfillment of a multiple conditions precedent, including but not limited to the negotiation of a bank investment loan and obtaining approval from the Romanian Commission for Foreign Direct Investments Screening (CEISD).

With regard to the previous disclosure of information regarding action towards the potential signing and closing of transactions for the acquisition of majority stakes in other companies published on 22.05.2026, on 23.07.2026 the Company announced the suspension of actions towards the potential acquisition of 51% of the shares in the capital of a company registered in Sweden due to the deterioration of the financial results and prospects of the target company identified during the negotiations and to the significant differences between the parties on key terms of the agreement for the acquisition of company shares and the shareholders' agreement.

Pursuant to a proposal by the Board of Directors of TBS EAD, on 28.08.2026, the MB of the Company adopted a resolution to distribute as dividend all remaining retained earnings of TBS EAD from the year 2024 in the amount of EUR 4,096,109.

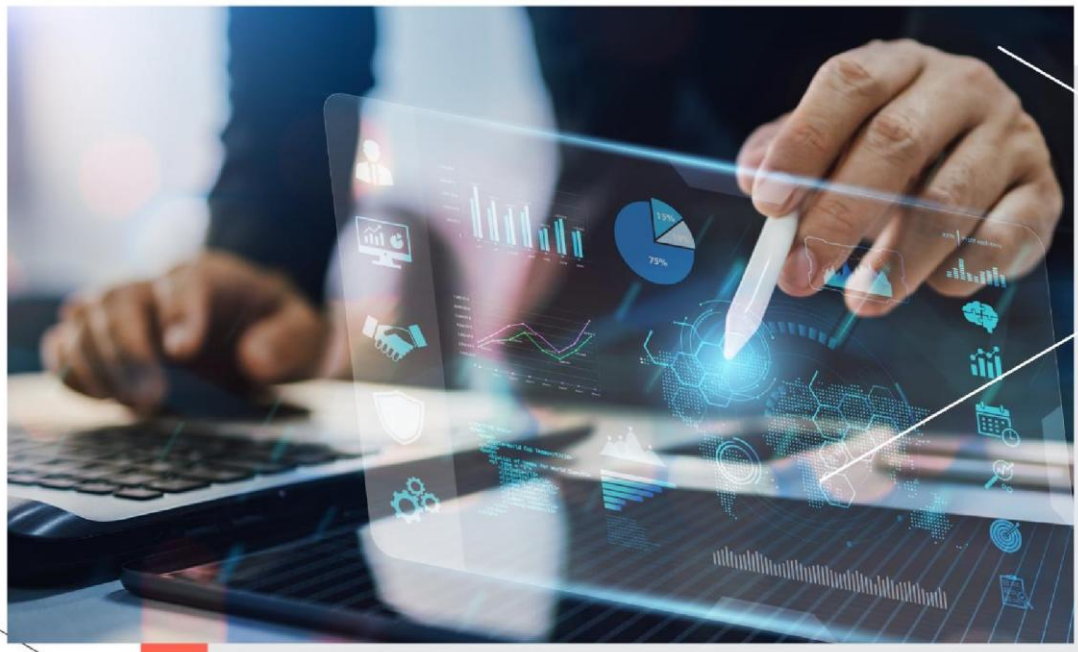
31.08.2026

Sofia

IVAN KRASIMIROV ZHITIYANOV

Digitally signed by IVAN KRASIMIROV ZHITIYANOV
Date: 2026.09.01 16:39:48 +03'00'

Ivan Zhitiyanov, TELELINK BUSINESS SERVICES GROUP AD



Statement

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

CONSOLIDATED STATEMENTS FOR THE FIRST 6 MONTHS OF 2026

Telelink Business Services Group AD

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The Managing Board of TELELINK BUSINESS SERVICES GROUP AD, city of Sofia, hereby notifies all the existing and potential investors and that this statement has been prepared with regard to the requirements Art. 14 of Ordinance № 2 of the Financial Supervision Commission (FSC) and represents Annex №4 to the above-mentioned Ordinance. It contains information about the Company's business for the reporting period from 1st January 2026 to 30th June 2026.

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

- Ivan Zhitiyanov – Chairperson and Executive Member of the Managing Board
- Teodor Dobrev – member of the Management Board
- Jordanka Klenovska – member of the Managing Board
- Orlin Rusev - member of the Managing Board
- Desislava Torozova - member of the Managing Board

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

There have been no changes of the persons, exercising control over TELELINK BUSINESS SERVICES GROUP AD for the period from 1st January 2026 to 30th June 2026.

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

During the reporting period from 1st January 2026 to 30th June 2026, transactions/contracts and/or amendments to existing contracts to which the Company is a party or for which it has provided collateral, and which qualify as material transactions within the meaning of §1, item 8 of the Supplementary Provisions of the Public Offering of Securities Act, disclosed by the Company during the previous reporting period, remain in effect.

On 17.06.2026, a new Framework Agreement was concluded between Telelink Business Services EAD, UIC 130545438 (a subsidiary of TELELINK BUSINESS SERVICES GROUP AD), acting as contractor, and Deutsche Lufthansa AG, registered with the District Court of Cologne under reg. No. HRB 2168, with its registered seat and address of management at Venloer Straße 151-153, 50672 Cologne, Germany, acting as client. Under the Agreement, Telelink Business Services EAD will provide to Deutsche Lufthansa AG and other companies within the Lufthansa group (the recipients of the services) services related to IT infrastructure, including the supply of hardware equipment (access points and switches), configuration and implementation services, as well as continuous operational support services for LAN and WiFi equipment. The new Framework Agreement constitutes a renewal of the framework agreement currently in force between the parties, signed on 01.07.2021, having the same scope and subject matter, and ensures the continuity of the

services provided. The scope of the services, as well as the terms and parameters under which Telelink Business Services EAD will provide them, are set out in detail in the Scope of Work — SOW LAN and WiFi, which forms an integral part of the Framework Agreement. The term of the new Framework Agreement is 5 years, effective as of the date of its entry into force (01.07.2026).

Additional information on significant events related to transactions/contracts and/or annexes to existing contracts to which the Company is a party or has provided collateral, occurring after June 30, 2026, is disclosed in item 7. IMPORTANT EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD" to the explanatory notes for the first 6 Months of 2026.

1.3.1. Information on transactions with related parties during the reporting period 1st January 2026 – 30th June 2026.

Operating Activities (BGN thousand)	Sales to related parties	Purchases from related parties
Other related parties (under common control)	388	1
Total	**388**	**1**
Operating Activities (BGN thousand)	**Receivables from related parties**	**Payables to related parties**
Other related parties (under common control)	3,221	0
Total	**3,221**	**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

There were no changes in the Company's auditors during the reporting period. At the upcoming annual general meeting of shareholders convened for September 17, 2026, pursuant to a resolution of the Company's Supervisory Board, adopted on July 22,2026, it is proposed that Deloitte Audit Ltd., entered in the register under Article 20 of the Independent Financial Audit and Expression of Sustainability Assurance Act with registration № 033, be elected as the Company's auditor to audit and certify the Company's annual individual and consolidated financial statements for 2026, 2027 and 2028.

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

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

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

During the reporting period, there were no transactions involving the purchase, sale, or pledging of equity interests in commercial companies owned by the issuer or its subsidiaries.

31st August 2026

IVAN KRASIMIROV ZHITIYANOV

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Date: 2026.09.01 16:39:34 +03'00'

Ivan Zhitiyanov,

TELELINK BUSINESS SERVICES GROUP AD

DECLARATION

In accordance with Article 100o, paragraph 4, item 3 of Public Offering of Securities Act

The undersigned,

Ivan Krasimirov Zhitiyanov, in my capacity as Executive Director of TELELINK BUSINESS SERVICES GROUP AD,

Jordanka Lyubchova Klenovska, in my capacity as Financial Director and preparer of the interim consolidated financial statements of TELELINK BUSINESS SERVICES GROUP AD for the reporting period ended as of 30th June 2026,

hereby DECLARE that to the best of our knowledge,

1. The Interim consolidate financial statements as of 30th of June 2026, prepared in accordance with the applicable accounting standards, present correctly and fairly the information regarding the assets and liabilities, the financial position and profit of TELELINK BUSINESS SERVICES GROUP AD.

and

2. The Interim consolidated management report as of 30th of June 2026 includes a fair review of the development and performance of TELELINK BUSINESS SERVICES GROUP AD, as well as the state of the Group together with a description of major risks and uncertainties faced thereby.

31 August 2026

Sofia

IVAN KRASIMIROV ZHITIYANOV

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Ivan Krasimirov Zhitiyanov

Executive Director

YORDANKA LYUBCHOVA KLENOVSKA

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Date: 2026.09.01 16:30:08 +03'00'

Jordanka Lyubchova Klenovska

Financial Director